

**DRAFT FINAL UES FOR GLOS FIRST**

**THE GLOUCESTERSHIRE**

**URBAN ECONOMIC STRATEGY**

**2008-2015**

## DRAFT FINAL UES FOR GLOS FIRST

### THE GLOUCESTERSHIRE URBAN ECONOMIC STRATEGY 2008-2015

#### EXECUTIVE SUMMARY

##### URBAN GLOUCESTERSHIRE

1. Gloucestershire is a rural county with an urban heart. If the heart is not healthy then the whole County suffers. This is why this Urban Economic Strategy is so important not only to those who live or work in urban Gloucestershire but to the whole County.
2. Urban Gloucestershire lies astride the M5 and is made up of Gloucester City, Cheltenham Borough and parts of the Borough of Tewkesbury and Stroud District. With a total population of 310,800 and forecast by 2026 to be at least 370,800 this is a significant urban conurbation particularly in regional terms, as evidenced by the identification of Gloucester and Cheltenham as two of the regionally Strategically Significant Cities and Towns (SSCTs)<sup>1</sup>.
3. Geographically, urban Gloucestershire is well placed in the SW Region 'North East Triangle', which covers Bristol, Swindon, Gloucester and Cheltenham. In reality, urban Gloucestershire is at the centre of an area that includes Bristol, Birmingham, Cardiff, city regions of international and national significance, Oxford, Swindon and to some extent London (which is only one and half hours away). It has the potential to exploit this pivotal location by providing services and support to these major economies.
4. Gloucester and Cheltenham are only 9 miles apart, with an area of Green Belt in Tewkesbury Borough in between. The built up area of Stroud District is joined to Gloucester adjacent to the M5. Collectively urban Gloucestershire contains a wide variety of businesses, particularly in the key economic sectors of advanced engineering/manufacturing, finance & business services and creative industries that mean it has the potential to compete economically in a global environment.
5. On the other hand there are there are significant areas of deprivation including seven Super Output Areas (SOAs)<sup>2</sup>, in the national top 10% of 'Most Deprived SOAs'. There is a shortage of workspace to enable the economy to grow and much of what does exist is out of date. There are current economic initiatives in urban Gloucestershire, most notably the major regeneration of Gloucester under the Gloucester Heritage Urban Regeneration Company (GHURC), the Cotswold Canals Project through Stroud, the Civic Pride scheme in Cheltenham and the Gloucester City Employment Plan.

##### CONTEXT

###### 6. National Context.

- The Government has published a series of White Papers and policy papers that have a major impact on the development of an Urban Economic Strategy: "Strong and Prosperous Communities"<sup>3</sup> whose vision is "of re-vitalised local authorities, working with their partners, to

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<sup>1</sup> The Draft Revised RSS incorporating the S of S's Proposed Changes describes SSCTs as "focal points for economic activity, places where cultural facilities and a wide range of services fundamental to residents' quality of life are found, where clusters of economic activity will arise in future and where the requirements of individuals to travel can be catered for by better and more reliable public transport provision. They are also key places in the region with potential to achieve further significant development sustainably. (Para 3.3.1)

<sup>2</sup> SOAs are smaller than wards, containing 1,000-3,000 people. The Index of Multiple Deprivation measures income, employment, health deprivation & disability, education, skills and training deprivation, barriers to housing & services, crime and living environment and is used to compare SOAs nationally and locally.

<sup>3</sup> DCLG 'Strong and Prosperous Communities; the Local Government White Paper' 26 October 2006

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reshape public services around the citizens and communities that use them; "Planning for a Sustainable Future"<sup>4</sup> sets out the Government's detailed proposals for reform of the planning system. "Communities in Control: real people, real power"<sup>5</sup>, a White Paper on empowerment which aims to pass power into the hands of local communities, giving real control over local decisions to a wider pool of active citizens. In 2008 the Government also published for consultation: 'Transforming places, changing lives: a framework for regeneration'<sup>6</sup>. This is designed to co-ordinate and prioritise regeneration investment.

- In 2004 the Government introduced a new planning system to manage how development takes place in towns and the countryside<sup>7</sup>. This is based on a 'two-tiered' system, comprised of: Regional Spatial Strategies (RSS) - prepared by the regional planning bodies, and Local Development Frameworks (LDF) that outline the spatial planning strategy for the local area. A key element of the LDF is the role of community involvement in the plan-making process.

### 7. Regional Context.

- The world economy in 2008 faces two significant problems – the ramifications of the liquidity crunch, with the resulting credit squeeze on economic growth and the rise in inflation expectations. How great the impact of these will be or how long they will last is a matter for conjecture but they will affect the SW economy to a greater or lesser extent for at least the period to 2011 and possibly much longer.
- The emerging **Regional Spatial Strategy (RSS)** for the SW proposes concentrating the majority of future development over the next 20 years in Strategically Significant Cities and Towns (SSCTs). Both Gloucester and Cheltenham are identified as two of twenty-one SSCTs in the south-west region. The emerging RSS sets out a requirement for about 35,000 new homes in the Gloucester and Cheltenham SSCTs together with around 22,000 jobs and 118 hectares of employment land in the Gloucester and Cheltenham travel to work area by 2026. The emerging RSS permits changes to the Green Belt and proposes development to the north of Gloucester and North West and South of Cheltenham.
- **The Regional Economic Strategy.** The three Strategic Objectives in the Regional Economic Strategy are: Successful and competitive businesses; strong and inclusive communities; an effective and confident region.
- **The South West RDA's Corporate Plan 2008-2011** states: "Our economy in the the South West is not as productive as it could be and, with turbulence in the financial markets, the long period of steady economic growth is probably coming to an end. Climate change, population growth and globalisation – trading and competing across the world – are major issues for the future of our economy. Given these challenges, our core strategy is focused on:
  - Creating the conditions for productivity led growth measured by GVA per hour relative to the UK average.
  - Developing a low carbon economy – with the ultimate aim a zero carbon investment portfolio by 2013.
  - Creating successful places – particularly the places we identify in this plan as priorities which include Gloucester/Cheltenham.

### 8. Gloucestershire Context

- **Local Area Agreement 2008-2011.** Gloucestershire's Local Area Agreement 2008-2011 was agreed in June 08. The economic theme has four goals: To increase the number and quality of jobs; to increase the number and range of skilled employees by improving the skills of local people; to ensure that Cheltenham and Gloucester are at the heart of a strong Gloucestershire Economy by delivering the Urban Economic Strategy; to develop a stronger, more diverse and sustainable rural economy by delivering the Rural Economic Strategy. Under the Natural and Built Environment block of the LAA the outcomes that are to be achieved are: More resilient homes; more resilient communities, and; more resilient environment.

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<sup>4</sup> DCLG 'Planning for a Sustainable Future' 21 May 2007

<sup>5</sup> Ministry of Justice and DCLG 'Communities in Control: real people, real power' 6 July 2008

<sup>6</sup> 'Transforming Places, Changing Lives, a framework for regeneration'. DCLG 25 July 2008

<sup>7</sup> The Planning and Compulsory Purchase Act 2004

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- **The Gloucestershire Economic Strategy 2008-2015.** Increasing the resilience of urban Gloucestershire and providing the connectivity that enables it to be place where people and communities interact and connect whether locally, regionally or to the rest of the world are critical to the economy of urban Gloucestershire. They are addressed in the Gloucestershire Economic Strategy 2008-2015, which is currently being finalised, but it is essential to the urban economy that these are addressed effectively. Its Strategic Objectives follow 5 themes: People; jobs; connectivity; development and resilience; and, location.

### **THE PURPOSE OF THE STRATEGY**

9. The purpose of the Gloucestershire Urban Economic Strategy is to articulate strategic objectives, cross cutting themes and strategic aims that are endorsed and adopted by all parties, particularly the County Council and the four Local Authorities confident that these will lead to a stronger more competitive economy for the whole of Gloucestershire, relevant to well beyond 2015. It needs to relate to the RSS, the RES and the RDA Corporate Plan and to complement and contribute to the delivery of the Gloucestershire Economic Strategy, which in turn needs to deliver the resilience and connectivity that are vital to the urban economy. The Urban Economic Strategy must also guide the development of the targets in the LAA. Charles Landry in his Foreword identifies the five core qualities of urban leadership as Foresight, Strategic Focus, Creativity & Innovation, Organisational Agility and Determined Delivery Focus. Policy-makers and policies need long-term perspectives to achieve the desired changes and strong and effective leadership will be required to implement these. At the same time the purpose of the Strategy is not to interfere with what are rightly the concerns of locally elected councils; however without their whole hearted support it will not be delivered.

### **VISION**

10. **Urban Gloucestershire is a cohesive, leading major City/Region where the unique identity of its component parts is strengthened by working together.**

### **AIM**

11. **The aim of this Strategy is to identify what urban Gloucestershire needs to achieve by 2015 to realise the economic potential that will derive from partnership and collaboration and by maximising the complementary nature of its various components whilst retaining their individual uniqueness.**

### **STRATEGIC OBJECTIVES**

12. The Key Strategic Aims necessary to deliver **Strategic Objective 1, "successful and competitive businesses in urban Gloucestershire"**, are to:

- Increase the size of the 'knowledge economy'<sup>8</sup> in urban Gloucestershire by:
  - Marketing urban Gloucestershire's strength in the finance and business services sector encouraging the sector to expand here.
  - Providing for the needs of an advanced manufacturing/engineering sector in urban Gloucestershire and support the provision of sites suitable for 21<sup>st</sup> Century manufacturing companies and knowledge economy businesses.
  - Increasing the number of Government/national public sector organisations locating in urban Gloucestershire.

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<sup>8</sup> Although a 'knowledge economy' is frequently referred to there is no agreed definition. It is generally seen as being made up of 'knowledge driven production' and 'knowledge driven services'. For the purposes of this Strategy it includes Finance & Business Services, Advanced Manufacturing, Government Organisations, Public Administration & Health, Creative Industries and Environmental Technology.

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- Supporting the development and growth of the Creative Industries sector in urban Gloucestershire to achieve a national and international reputation.
- Making the environmental technology sector a significant contributor to the urban Gloucestershire economy.
- Increase the profile of urban Gloucestershire as a retail destination, with good hotels and restaurants.
- Maintain the construction sector for the future.
- Strengthen urban Gloucestershire's offer to tourists, visitors and businesses in support of a countywide tourism strategy.
- Support micro businesses to start up, survive and grow
- Support the growth of the capacity and capability of the Third Sector

13. The Key Strategic Aims necessary to deliver **Strategic Objective 2, "strong social cohesion in urban Gloucestershire in which the maximum number possible contribute to and benefit from the economy"**, are to:

- Increase the take up of appropriate apprenticeships, particularly amongst the BME Group
- Reduce the differential between the lowest household income and the average in urban Gloucestershire
- Support effective employment and skills initiatives that deliver employability skills particularly in the 10 most deprived SOAs.
- Increase the number of economically active disabled people in urban Gloucestershire.
- Ensure that those who are most deprived in urban Gloucestershire have the opportunity to participate in the jobs that will deliver the regeneration projects.
- Support the successful delivery of the Gloucester City Employment Plan and its expansion to the rest of urban Gloucestershire as quickly as possible.

14. The Key Strategic Aims necessary to deliver **Strategic Objective 3, "to maximise the potential of the people of urban Gloucestershire by developing skills and talent that ensure profitable employment in the 21<sup>st</sup> Century and enable them to take advantage of and contribute to the experience of living in the County"**, are to:

- Increase the percentage of young people achieving A\*- C Grades in Maths and English.
- Reduce the number of 16-18 year olds who are NEET in urban Gloucestershire.
- Ensure urban Gloucestershire has higher education provision that more fully meets the economic needs of urban Gloucestershire
- Increase the number of Gloucestershire based students that progress into higher education in County and attract such individuals to the key sectors in the Gloucestershire economy.
- Adopt the principles of Train to Gain to meet their employers's business needs, in skills and training.
- Develop a employer culture that recognises the value of constant skills improvement.
- Realise effectively the knowledge skills and experience of overseas migrants.

15. The key strategic Aims needed to deliver **Cross Cutting Theme 1, "strong, collaborative and consistent leadership that embraces the whole of urban Gloucestershire"**, are to:

- Maintain a resourced Gloucestershire Urban Economy Advisory Panel that has the confidence of Local Authority Members and is an effective partnership that embraces the public, private and voluntary sectors throughout urban Gloucestershire.
- Provide a single point of co-ordination on economic matters for external agencies and businesses.
- Promote the economic advantages of urban Gloucestershire nationally and internationally.
- Develop an Annual Delivery Plan endorsed by local authorities and partners.
- Support the measures in the Economic Strategy of Gloucestershire to make urban Gloucestershire more resilient.
- Support the GHURC and Cheltenham Civic Pride in their major regeneration programmes

16. The Key Strategic Aims needed to deliver **Cross Cutting Theme 2, "a quality of life in urban Gloucestershire that attracts and retains a highly skilled entrepreneurial workforce"**, are to:

- Promote the quality of life in urban Gloucestershire.

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- Promote urban Gloucestershire as a 'green' environment that is developing a low carbon economy.
- Retain and develop excellent schools in urban Gloucestershire.
- Improve the progression routes from education into jobs.
- Grow the reputation of Higher and Further Education provision to meet the needs of industry and local communities.
- Develop and maintain leisure and cultural facilities that attract residents to urban Gloucestershire.
- Support the provision of new housing developments to exemplary standards to achieve high quality living environments and genuinely sustainable communities.
- Regenerate the most disadvantaged areas of urban Gloucestershire.
- Develop a highly competitive retail/shopping experience.

17. The Key Strategic Aims needed to deliver **Cross Cutting Theme 3, "develop Urban Gloucestershire as a competitive location which attracts new investors and provides existing businesses with support to remain and prosper"**, are to:

- Establish a joint prospectus detailing client support services to attract new investment into Urban Gloucestershire.
- Develop a streamlined framework for developers to Section 106 negotiations in Urban Gloucestershire to support employment growth.
- Develop a flexible business rates framework to support 'enterprise zones' and business improvement districts to encourage investment in designated regeneration areas.
- Create a business transport forum to inform planning decisions within urban Gloucestershire.

18. The Key Strategic Aims needed to deliver **Cross Cutting Theme 4, "to make Urban Gloucestershire distinctive in action, appearance and reputation"**, are to:

- Improve the appearance of the entry points to urban Gloucestershire welcoming and memorable .
- Support the provision of an exceptional built environment.
- Establish and maintain an exceptional urban Gloucestershire website that promotes all aspects of urban Gloucestershire.
- Exploit the quality of the historic resources and cultural and heritage assets.

### **CONCLUSIONS**

19. The geography of urban Gloucestershire, its location nationally, the proximity of the diverse urban centres to one another and its position on the edge of the Cotswolds represents huge economic potential. The greatest challenges are to provide the consistent and decisive leadership that will deliver this potential and to increase the social cohesion so that the maximum number possible contribute to and benefit from the economy, a characteristic that is generally rare in most urban environments.

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**THE PROVISIONAL GLOUCESTERSHIRE  
URBAN ECONOMIC STRATEGY 2007-2015**

**FOREWORD**

by

Charles Landry

The world is changing dramatically; cities and regions of all sizes everywhere face periods of deep transition brought about largely by the vigour of renewed globalization. This process requires every place to rethink their role, purposes, position, assets and strategies. Gloucestershire, and within that its urban areas, are no exception. This Urban Economic Strategy is part of this process and needs to recognise:

- *Changing global terms of trade with a persistent and favourable shift towards the Far East with its lower cost base and increased, and far more competitive, technological competence*
- *A striking level of economic restructuring is hitting all cities, none more so than older manufacturing centres and mid-sized cities. Some have a downtrodden feel, others have adapted with verve.*
- *The economy has moved from relying on 'brawnpower' to 'brainpower'. People make money less from physical goods and more from ideas, patents and intellectual property*
- *An increasingly frenzied drive and desire to attract the talent to cope with and lead urban economic and cultural change*
- *A significant shift is that increasingly more educated and skilled people decide on a city first before thinking about a job.*
- *The vast increase in mobility, especially by the young and gifted who have varied choices, threatens to hollow out any place that does not have attractiveness, wealth creation potential, entrepreneurialism, style, edginess and pull.*
- *The indicators of economic success of cities in the context of the above is changing from indicators such as GDP to the capacity of cities to retain and attract talent, their ability to foster creativity and to innovate, their connectivity to markets, as well as internally, and their distinctiveness*
- *A battle is raging as to what determines urban success and the relative balance of importance between 'hard' and 'soft' location factors. Location, sites, regulatory and incentives structures, finance capital, tax levels and labour climate remain important. However increasingly issues such as atmospherics, the cultural environment, design and eco-awareness or buzz have become crucial. Some continue to think of these things as intangible or too difficult to measure. This is a mistake.*

**What is so special about Gloucestershire?**

No place can avoid these pressures. They shape cities globally, nationally and regionally. These overarching dynamics have made cities and especially city/regions over the last 30 years increasingly the hubs of wealth creation. However - and this is crucial - within these overarching trends there are distinctive factors unique to particular regions and this is the case for Gloucestershire. The flows to both the large cities outside the region as well as flows within the county need to be analysed far more closely. Clearly Cheltenham and Gloucester are the major urban hubs in the county, critically supported

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by Stroud and Tewkesbury. There is a general flow to these places especially as the major civic and public facilities; hospitals, entertainment and the like are located there.

These flows create intense interaction between rural, semi-rural and urban Gloucestershire. Urban and rural Gloucestershire are inextricably interwoven each feeding and supporting each other in innumerable ways. Yet a more detailed study of economic flows, wealth creation and global connectivity within the county shows that significant small companies in high tech areas, niche specialisms or business and consultancy services operate from seemingly isolated areas. They choose not to live in and do business from London, Berlin, Paris, New York, let alone Bristol or Birmingham. They just use their facilities such as train stations and airports when necessary.

These businesses are based in Gloucestershire because the county is accessible and connected enough to counteract the problems of distance. They choose the county because they can operate anywhere and for the lifestyle it enables, its beauty and varied landscapes, interspersed with its human scale settlements, large and small. It feels distinctive when contrasted to the extensive built up areas around Bristol or Birmingham. It can feel intimate and very local as well as cosmopolitan and connected – an unusual combination. The lived experience is how the urban and rural seamlessly meld into each other; yet the more urban hubs each have such a strong personality because they are well bounded and cradled within a natural setting.

Seen from London, a regional centre or further away, Gloucestershire seems insignificant because its towns and cities are relatively small. There is an acute danger that national decision makers see size as everything rather than strategic location, perceived centrality and opportunity. This mindset might decide that the settlements are not large enough and that in the long run they will effectively become commuting zones with no specific role and identity. Essentially according to this logic they will feed Bristol, Birmingham and even Cardiff, rather than being a special place in their own right. This is shortsighted. With increased connectivity our sense of geography is reconfiguring. Inevitably as in every economy many transactions and trading flows are locally and regionally driven, but crucially Gloucestershire has and is attracting individuals, smaller and larger companies that generate wealth by connecting globally.

Looking ahead – 10 or 20 years - it is already clear that vast, sprawling conurbations are building up diseconomies of scale. Focus groups suggest there is a deep yearning for space and the kind of environment Gloucestershire offers especially amongst the more educated, who will be driving the economy. These trends are likely to grow. Indeed the County could become a model of how knowledge intensive, high tech areas will grow in the future. The county combines the urban and rural in fine balance and the challenge for the county is to ensure that it remains intact.

### **What leadership is required to maximize potential?**

Gloucestershire is affected by global changes. Some the County can do something about and prepare for; others are beyond its control. Ultimately the most important asset of the County and the ability of the urban hubs to be successful are the personal qualities of its leadership groupings. They can be even more important than tangible assets like businesses, research centres or a good environment. For a place struggling for recognition against larger conurbations it is more essential to work together than elsewhere. Going it alone as small entities is likely to lead the urban hubs to lose out strategically.

The five core qualities of urban leadership are:

- *Foresight*
- *Strategic focus*
- *Creativity and innovation*
- *Organizational agility*
- *Determined delivery focus*



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Foresight implies **future proofing** - to plan with 30 years ahead in mind and ensure things are being planned for future needs and aspirations rather than those that appear to be urgent now. Different sectors will approach this according to their appropriate roles so as to create the conditions for wealth creation – as individual companies and as a county - and enhanced quality of life simultaneously. This connection is key, as the perception of liveability drives talent retention and attraction. In this the public sector has a significant role as it helps provide key facilities that drive the liveability agenda. Usually cities build for the past and not for the future, responding to demands that seem urgent now. For example:

- Too many schools are still being built that look and feel like factories for drilling in knowledge. This does not help develop the knowledge economy. Conceived as centres of curiosity, imagination and communities of enquiry they would look and feel different. Rather than teaching specific things there would be a focus on acquiring higher order skills such as learning how to learn, to create, to discover, innovate, problem solve and self-assess. Unless educational institutions are rethought talent will not be sufficiently unleashed, explored and harnessed.
- In hospitals there needs to be a shift to preventative care. A hospital defined as a 'centre for well-being' would look and feel very different from a factory to deal with the sick.

An essential element of strategic focus is to build **resilience**, which is the ability to generate the capacity to maintain an acceptable level of functioning and structure when exposed to uncertainties. Urban resilience will become a significant issue in the years ahead and the recent floods in Gloucestershire reinforce its importance. Leaders need to assess every dimension of their city as to whether it can cope with crisis, overload or turbulence.

Creativity and innovative capacity is now recognized as a new asset. Urban creativity is more than the innovative possibilities of individuals and organizations – it affects the way cities are organized, managed and strategically focused. It means changing the organizational culture of a city and creating the conditions within which people can think plan and act with imagination and therefore innovate. It requires creative individuals, organizations and communities as well as creative education and training that together can establish a creative milieu.

Organisational agility is partly provided by more innovative, open and collaborative attitudes and by focusing on being strategically principled and non-negotiable on core issues facing the County and its urban centres, such as a determination to be green and tactically flexible in implementation. To maximise urban assets in a competitive environment the management model might need to be rethought to one that is a value driven, adaptive, responsive, flexible and collaborative organisation and could be seen as a 'creative bureaucracy'. It is not a plan, but a way of operating that helps deliver better plans. It then influences making better places. The notion of being creative can appear too risky and obviously comprehensive safeguards should govern the values, ethics and conduct of people who work in the public domain. However effective, intelligent rules and incentives focus on what a city wants to achieve and empowers them to get there. Cities have too often allowed rule, regulation and law to predominate rather than principles, frameworks, guidelines and suggestions that can be interpreted according to need, circumstance and purpose.

Gloucestershire and its urban hubs need to be fleet-footed and strategic. The county should assess whether attitudes prevail and are etched into how codes are written that seem to say 'everything is forbidden unless it is allowed' rather than 'everything is allowed unless it is forbidden'.

Delivery focus involves two central features:

- A leadership culture that understands the power of 'trading power for creative influence', which is a willingness to share power for the purposes of achieving a larger goal. This is significant in the Gloucestershire context as each partner cannot usually achieve their objectives on their own.

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- Second cities should highlight the difference between multidisciplinary and interdisciplinary working. The bigger picture aim can get lost such as 'creating a great neighbourhood or city' when it is narrowed down to the details of an aspect like health, safety, privacy, road guidelines, traffic flow<sup>9</sup>.

The core question is: 'What is the distinctive contribution the urban makes to Gloucestershire's economic health and well being?' Separately the same is being asked of the rural. Breaking the urban and rural apart does not completely reflect reality as interacting networks and exchanges criss-cross the County and these extend too over Britain and the world. This new global, national and regional context can provide opportunities for urban Gloucestershire. The County, and within that the urban settlements, stand on a cusp of a rare opportunity, but generating the necessary momentum cannot be grasped by 'a business as usual' approach. There will need to be some originality and creativity. It will take time to unfold in its fullness and the partners in Gloucestershire can bring the threads together. It provides a gathering point to foster collaborative thinking on the bigger issues most will agree on. But to turn 'in principle agreement' into 'tangible actions' means any plans or proposals must excite and resonate to overcome resistance.

*Charles Landry lives in Bisley and is founding director of Comedia, the cultural planning consultancy. He has been working with cities all over the world since 1978. His latest publication is "The Art of City-Making", published by Earthscan ISBN-10 1-84407-245-2, which brings together most of his thinking on cities.*

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<sup>9</sup> In interdisciplinary working skills intermesh, joint solutions emerge and perspectives change by working together whereas in a multidisciplinary approach where information and knowledge are shared from the position of the expert, thinking is less likely to be transformed. In the interdisciplinary world the bigger overarching aim and intent, say making a great place, is central and continually in focus.

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**URBAN GLOUCESTERSHIRE**

1. Gloucestershire is a rural county with an urban heart. If the heart is not healthy then the whole County suffers. This is why this Urban Economic Strategy is so important not only to those who live or work in urban Gloucestershire but to the whole County.
2. Urban Gloucestershire lies astride the M5 and is made up of Gloucester City, Cheltenham Borough and parts of the Borough of Tewkesbury and Stroud District. With a total population of 310,800 and forecast by 2026 to be at least 370,800 this is a significant urban conurbation particularly in regional terms, as evidenced by the identification of Gloucester and Cheltenham in the draft Regional Revised Spatial Strategy (RSS) as two of the regionally Strategically Significant Cities and Towns (SSCTs)<sup>10</sup>. Within the Gloucestershire economy this urban area plays a vital role.

**Defining Urban Gloucestershire**

Urban Gloucestershire cannot be delineated precisely on a map without limiting some initiatives unnecessarily. In general it is those geographical areas of the Central Vale that have a concentration of people and businesses that by working together, can complement one another and increase the economy of Gloucestershire. It therefore includes the whole of Gloucester City and Cheltenham Borough. It also will generally include, within Tewkesbury Borough, Tewkesbury Town and Ashchurch as well as the parishes of Bishop's Cleeve Brockworth, Hucclecote, Churchdown, Innsworth, Longford and embraces Gloucestershire Airport and GE Aviation. Similarly it will also generally include in Stroud District the settlements of Hardwicke and those others that comprise the defined Stroud Urban Area: Stonehouse, Stroud, Thrupp, North and South Woodchester and Nailsworth. Economic and administrative boundaries are not identical.

3. Geographically, urban Gloucestershire is well placed. The Regional Economic Strategy<sup>11</sup> (RES) describes the 'North East Triangle', which covers Bristol, Swindon, Gloucester and Cheltenham as a 'functional economic zone'. In reality, urban Gloucestershire is at the centre of an area that includes Bristol, Birmingham, Cardiff, city regions of international and national significance, Oxford, Swindon and to some extent London (which is only one and half hours away). It has the potential to exploit this pivotal location by providing services and support to these major economies. It has excellent road and rail communications in all directions except the south east<sup>12</sup>, with both the M5 and the Bristol to Birmingham main rail line running through the centre. Gloucestershire Airport is used for executive travel.
4. Gloucester and Cheltenham are only 9 miles apart, with an area of Green Belt in Tewkesbury Borough in between. These two centres have different histories, Gloucester was a Roman town, controlling the lowest crossing point on the River Severn, whilst Cheltenham owes most of its growth to the discovery of spa waters in Regency times. Stroud was the centre of a thriving woollen industry and retains much of the tradition and industrial architecture of the 19<sup>th</sup> Century, whilst Tewkesbury Abbey is one of the finest Norman buildings in England and the second largest parish

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<sup>10</sup> The Draft Revised RSS incorporating the S of S's Proposed Changes describes SSCTs as "focal points for economic activity, places where cultural facilities and a wide range of services fundamental to residents' quality of life are found, where clusters of economic activity will arise in future and where the requirements of individuals to travel can be catered for by better and more reliable public transport provision. They are also key places in the region with potential to achieve further significant development sustainably. (Para 3.3.1)

<sup>11</sup> Regional Economic Strategy for South West England 2006-2015

<sup>12</sup> The road and rail communications to Swindon and London are adversely affected by the bottlenecks on the A419 at Nettleton Bottom, and the 15-mile single-track railway line between Kemble and Swindon.

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church in the country. There is a university, with campuses in both Gloucester and Cheltenham, two Further Education Colleges and a number of highly successful schools. Collectively urban Gloucestershire contains a wide variety of businesses, particularly in the key economic sectors of advanced engineering/manufacturing, finance & business services and creative industries that mean it has the potential to compete economically in a global environment.

5. On the other hand there are problems, some of which, unless addressed will become more severe and constrain the economy. First there is a real concern that the rate of change in global and national economies is now so great that the County's continuing prosperity should not be taken for granted and this needs to be addressed in the Strategy. In addition there were in 2007 significant areas of deprivation including seven Super Output Areas (SOAs)<sup>13</sup>, in the national top 10% of 'Most Deprived SOAs'. There is a shortage of workspace to enable the economy to grow and much of what does exist is out of date. There are current economic initiatives in urban Gloucestershire, most notably the major regeneration of Gloucester under the Gloucester Heritage Urban Regeneration Company (GHURC), the Civic Pride scheme in Cheltenham, the Cotswold Canals Project through Stroud and the Gloucester City Employment Plan.

## CONTEXT

### 6 National Context.

The Government has published a series of White Papers and policies that have a major impact on the development of an Urban Economic Strategy.

**'Strong and Prosperous Communities'**. In October 2006 the Government published the White Paper, "Strong and Prosperous Communities"<sup>14</sup>. It claimed to be "on the side of individuals and families who want to make a difference, both to their own lives and to the communities in which they live. Our vision is of re-vitalised local authorities, working with their partners, to reshape public services around the citizens and communities that use them. This means changing the way we work to give citizens and communities a bigger say; to enable local partners to respond more flexibly to local needs; to reduce the amount of top-down control from central government - and to enable citizens and communities to play their part". It contained policies covering:

- Responsive services and empowered communities
- Strong cities, strategic regions
- Local government as a strategic leader and place-shaper
- A new performance framework
- Community Cohesion

**'Planning for a Sustainable Future'**. In May 2007 the White Paper "Planning for a Sustainable Future"<sup>15</sup> was published which set out the Government's detailed proposals for reform of the planning system, building on Kate Barker's recommendations for improving the speed, responsiveness and efficiency in land use planning, and taking forward Kate Barker's and Rod Eddington's proposals for reform of major infrastructure planning. It proposed reforms on how the Government would take decisions on nationally significant infrastructure projects - including energy, waste, waste-water and transport - responding to the challenges of economic globalization and climate change. It also proposed further reforms to the Town and Country Planning system, building on the recent improvements to make it more efficient and more responsive.

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<sup>13</sup> SOAs are smaller than wards, containing 1,000-3,000 people. The Index of Multiple Deprivation 2007 measures income, employment, health deprivation & disability, education, skills and training deprivation, barriers to housing & services, crime and living environment and is used to compare SOAs nationally and locally.

<sup>14</sup> DCLG 'Strong and Prosperous Communities; the Local Government White Paper' 26 October 2006

<sup>15</sup> DCLG 'Planning for a Sustainable Future' 21 May 2007

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**'Communities in Control: real people, real power'.** In July 2008 the Government published "Communities in Control: real people, real power"<sup>16</sup>, a White Paper on empowerment which aims to pass power into the hands of local communities, giving real control over local decisions to a wider pool of active citizens. Launching the White Paper Hazel Blears said: "The White Paper has two broad aims. The first is to rehabilitate local political activity as a worthwhile activity, conducted by decent people in pursuit of noble aims. We cannot function as a democracy without strong local democratic institutions and vibrant political parties in every area. Local authorities have a vital role. There are now many excellent examples of councils being at the heart of local democracy, and that should be the case everywhere". The White Paper looks at who has power, on whose behalf is it exercised, how is it held to account, and how it can be accessed by everyone in local communities.

**'Transforming places, changing lives: a framework for regeneration.'** The Government has published for consultation 'Transforming places, changing lives: a framework for regeneration'<sup>17</sup>. The document sets out proposals to: Co-ordinate and prioritise regeneration investment - including criteria investment priorities and for developing regional regeneration priorities maps; align investment behind local and regional regeneration priorities; and, focus regeneration investment on tackling the underlying economic challenges holding back deprived areas, focusing on jobs and enterprise. It also includes proposals around how best to measure regeneration outcomes and how this framework should aid the devolution of more decisions to the regional and local level.

**Local Development Frameworks.** In 2004 the Government agreed a new planning system to manage how development takes place in towns and the countryside<sup>18</sup>. It introduced a new 'two-tiered' system, comprised of: Regional Spatial Strategies (RSS) - prepared by the regional planning bodies, which set out a broad spatial planning strategy for how a region should look in 15 to 20 years time and possibly longer; Local Development Frameworks (LDF) - a folder of local development documents prepared by district councils, unitary authorities or national park authorities that outline the spatial planning strategy for the local area. The Local Development Framework, together with the Regional Spatial Strategy, will determine how the planning system will help to shape the community. A key element of the LDF is the role of community involvement in the plan-making process.

## 7. Regional Context.

The **world economy in 2008** faces two significant problems – the ramifications of the liquidity crunch, with the resulting credit squeeze on economic growth and the subsequent rise in unemployment and business failure. How great the impact of these will be or how long they will last is a matter for conjecture but they will affect the SW economy to a greater or lesser extent for at least the period to 2011 and possibly much longer. The SW economy traditionally lags behind the rest of the UK economy but the early signs are that the financial, construction and property services particularly in the north and east of the region are suffering and this is most significant for Gloucestershire. Further west the tourism and leisure sectors are being affected and this will also apply to these sectors in the County. The SWRDA Economic Review for August 2008 states: "We expect more sectors and places in South West England to be affected by the economic downturn in the second half of 2008 and right through the coming winter. Whether or not the SW economy experiences a recession, parts of it will and other parts will feel like it. Cutbacks in investment and jobs are expected to increase and the prospects for profits, incomes and discretionary spend are relatively subdued"<sup>19</sup>.

The emerging **Regional Spatial Strategy (RSS)** for the SW proposes concentrating the majority of future development over the next 20 years in Strategically Significant Cities and Towns (SSCTs). Both Gloucester and Cheltenham are identified as two of twenty-one SSCTs in the south-west region. As the

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<sup>16</sup> Ministry of Justice and DCLG 'Communities in Control: real people, real power' 6 July 2008

<sup>17</sup> 'Transforming Places, Changing Lives, a framework for regeneration'. DCLG 25 July 2008

<sup>18</sup> The Planning and Compulsory Purchase Act 2004

<sup>19</sup> Economic Review, Issue 13, Third Quarter: August 2008 South West RDA

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emerging RSS states: "The 21 SSCTs have not been identified because of size, but because they are focal points for economic activity, cultural facilities and a wide range of services fundamental to residents' quality of life and where the requirements of individuals to travel can be catered for by better and more reliable public transport provision. They are also key places in the region with potential to achieve further significant development in a sustainable way. The Strategy is for an increased proportion of new development, particularly housing, to be delivered at these SSCTs. Through this approach, opportunities will be presented for a better balance between job growth and where people choose to live. Development Policy A of the emerging RSS states: "Provision will be made to maintain and enhance the SSCTs' regionally and sub-regionally significant roles and functions for housing, employment, cultural, education, retail, health and other services and facilities and as strategic hubs for public transport by:

- improving the quality of the urban environment, including new development and the public realm
- promoting social cohesion and healthy and secure living conditions through access to good social and community facilities
- supporting growth in the economy and skills through the availability of a range of premises and land that meet the needs of business
- securing improvements to public transport, traffic management and use of road space to tackle congestion and poor air quality
- making efficient and effective use of land, including through regeneration, and planning for and delivering development and infrastructure in a comprehensive and co-ordinated way.

The emerging RSS sets out a requirement for about 35,000 new homes in the Gloucester and Cheltenham SCCTs together with around 22,000 jobs and 118 hectares of employment land in the Gloucester and Cheltenham travel to work area by 2026. Cheltenham Borough, Gloucester City and Tewkesbury Borough Councils are taking forward a Joint Core Strategy as part of their Local Development Frameworks, which will facilitate an holistic approach to spatial planning in the area. This will be complemented by relevant provisions within Stroud District Councils Local Development Framework covering the remaining of the urban area and the County Council leading on the Strategic Infrastructure Delivery Plan for the whole county.

**The Regional Economic Strategy.** The Regional Economic Strategy 2006-2015<sup>20</sup> states: "The region will be bold and visionary in the transformation of its cities and larger towns, ensuring that they provide viable and attractive places to live, work, shop and play. This change will be on a scale that maximises their potential and competitiveness, responding to and creating new markets that will help to achieve critical mass and address key challenges such as congestion. Knowledge, technology and leadership are at the heart of successful cities. This means increasing investment in infrastructure, culture and regeneration". The three Strategic Objectives in the Regional Economic Strategy are: Successful and competitive businesses; strong and inclusive communities, and; an effective and confident region.

**The South West RDA's Corporate Plan 2008-2011.** The RDA Corporate Plan 2008-2011 is designed to be a three year corporate plan set within a twenty year outlook. It states: "Our economy in the the South West is not as productive as it could be and, with turbulence in the financial markets, the long period of steady economic growth is probably coming to an end. Climate change, population growth and globalisation – trading and competing across the world – are major issues for the future of our economy. Given these challenges, our core strategy is focused on:

- Creating the conditions for productivity led growth measured by GVA per hour relative to the UK average.
- Developing a low carbon economy – with the ultimate aim a zero carbon investment portfolio by 2013.
- Creating successful places – particularly the places we identify in this plan as priorities which include Gloucester/Cheltenham.

## 8. Gloucestershire Context

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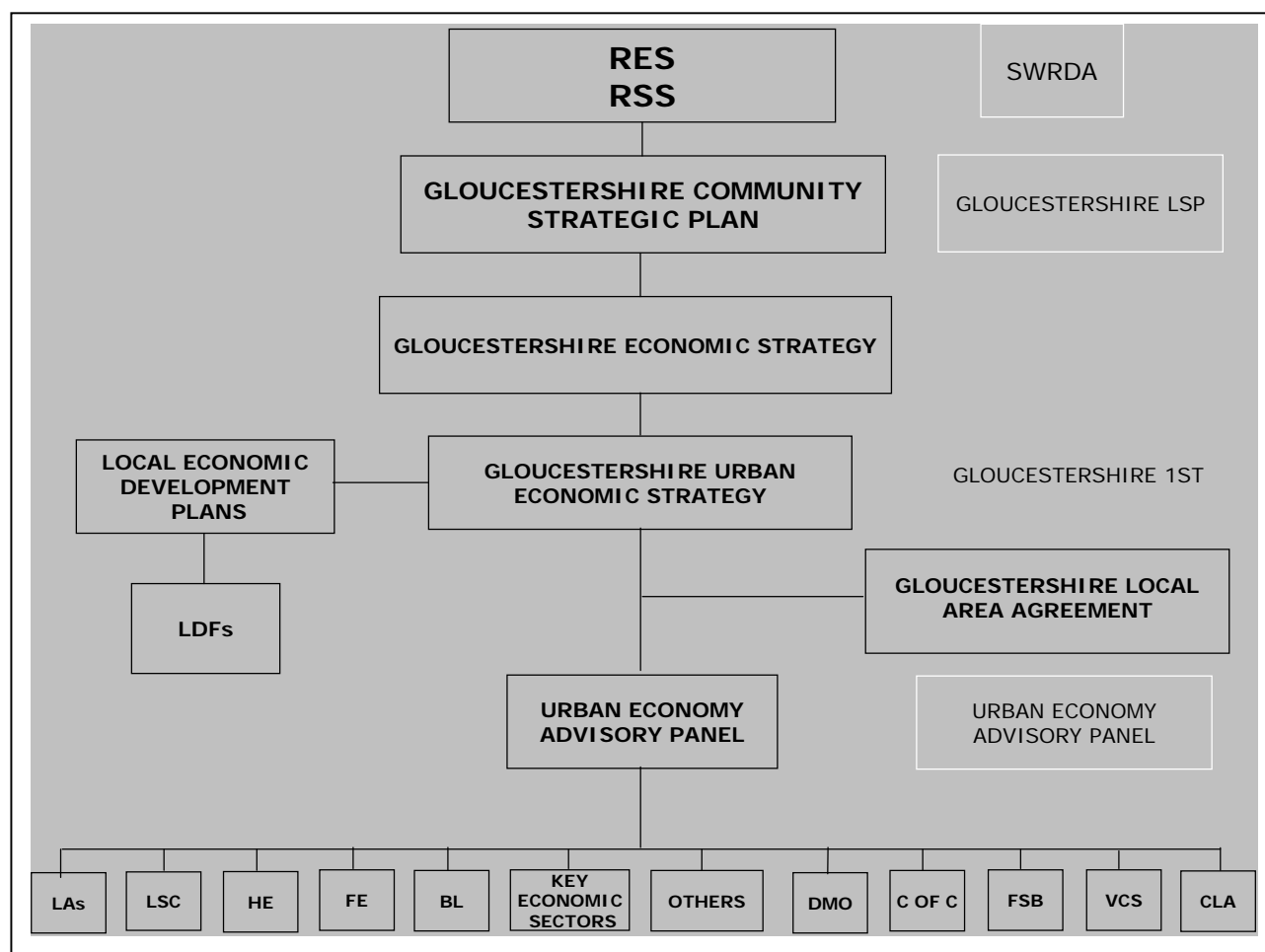
<sup>20</sup> Regional Economic Strategy for South West England 2006-2015 (SWRDA 2006)

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**Local Area Agreement 2008-2011.** The RDA has made clear that its investment plans will be principally based on the delivery of the Economic Theme in Local Area Agreements. Gloucestershire's revised Local Area Agreement 2008-2011 was agreed in June 08. The economic theme has four goals, to:

- Increase the number and quality of jobs.
- Increase the number and range of skilled employees by improving the skills of local people.
- Ensure that Cheltenham and Gloucester are at the heart of a strong Gloucestershire Economy by delivering the Urban Economic Strategy.
- Develop a stronger, more diverse and sustainable rural economy by delivering the Rural Economic Strategy.

Under the Natural and Built Environment block of the LAA the outcomes that are to be achieved are: More resilient homes; more resilient communities, and; more resilient environment.



**The Gloucestershire Economic Strategy 2008-2015.** The Gloucestershire Economic Strategy 2008-2015 is currently being finalised. Its draft Strategic Objectives follow 5 themes:

- **People:** To increase the local appropriately skilled and adaptable workforce to meet the needs of employers and enterprise; to increase the number of employees reaching a minimum of a NVQ2 qualification; to encourage and support people in the 'potential workforce' to gain or improve their skills and contribute to the local economy; and, to support addressing the issues of poor health where they limit participation in work, learning, and access to services.
- **Jobs:** To identify opportunities to promote and support new and emerging wealth-creating businesses and industries; to maintain and strengthen existing key employment sectors; to

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encourage and promote cross-border trading; and, to strengthen sustainable tourism in Gloucestershire.

- **Connectivity**: To improve international and national connectivity; to identify and agree solutions to the road and rail capacity issues in the County; to promote and encourage the switch to more sustainable ways of travel; to ensure Gloucestershire has a quality public transport system that meets the needs of its citizens, visitors and businesses, in a safe and sustainable way; and, to ensure that County businesses are able to maximise the benefits of broadband and ICT.
- **Development and Resilience**: To increase the levels of business innovation and creativity, and foster a stronger entrepreneurial culture; accelerate the development of new commercial opportunities; to increase business formation, growth and survival rates, particularly in the key wealth creating and high growth sectors; to Increase business and community confidence by reducing crime, the fear of crime, and anti-social behaviour; to support and encourage measures to increase business resilience.
- **Location**: To create and maintain vibrant and sustainable local centres; to pro-actively market and promote the County as an excellent location for inward investment and existing business expansion; to create a quality of life and a business environment that attracts and retains talented business entrepreneurs, innovative and creative thinkers, and academics; and to further Gloucestershire's interests and priorities through proactive engagement in European and regional initiatives and decision making.

## **THE PURPOSE OF THE STRATEGY**

9. The purpose of the Gloucestershire Urban Economic Strategy is to articulate strategic objectives, cross cutting themes and strategic aims that are endorsed and adopted by all parties, particularly the County Council and the four Local Authorities confident that these will lead to a stronger more competitive economy for the whole of Gloucestershire, relevant to well beyond 2015. It needs to relate to the RSS, the RES and the RDA Corporate Plan and to complement and contribute to the delivery of the Gloucestershire Economic Strategy, which in turn needs to deliver the resilience and connectivity that are vital to the urban economy. The Urban Economic Strategy must also guide the development of the targets in the LAA. Charles Landry in his Foreword identifies the five core qualities of urban leadership as Foresight, Strategic Focus, Creativity & Innovation, Organisational Agility and Determined Delivery Focus. Policy-makers and policies need long-term perspectives to achieve the desired changes and strong and effective leadership will be required to implement these. At the same time the purpose of the Strategy is not to interfere with what are rightly the concerns of locally elected councils.

Urban competitiveness is defined in the State of the English Cities Report as: "The ability of cities to continually upgrade their business environment, skill base, and physical, social and cultural infrastructures so as to attract and retain high growth, innovative and profitable firms, and an educated, creative and entrepreneurial workforce, thereby enabling them to achieve a high rate of productivity, high employment rate, high wages, high GDP per capita, and low levels of income inequality and social exclusion".

## **VISION**

10. **Urban Gloucestershire is a cohesive, leading major City/Region where the unique identity of its component parts is strengthened by working together.**

## **AIM**



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11. The aim of this Strategy is to identify what urban Gloucestershire needs to achieve by 2015 to realise the economic potential that will derive from partnership and collaboration and by maximising the complementary nature of its various components whilst retaining their individual uniqueness.

### STRATEGIC OBJECTIVES

12. A strong and successful urban economy relies on three complementary ingredients, which together will increase productivity. To reflect these the Gloucestershire Urban Economic Strategy has three Strategic Objectives:

- **Strategic Objective 1: To create and sustain successful and competitive businesses that can take advantage of urban Gloucestershire's strength to compete globally, nationally and regionally.**
- **Strategic Objective 2: To deliver the economic elements that support strong social cohesion in urban Gloucestershire in which the maximum number possible contribute to and benefit from the economy.**
- **Strategic Objective 3: To maximise the potential of the people of urban Gloucestershire by developing skills and talent that ensure profitable employment in the 21<sup>st</sup> Century and enable them to take advantage of and contribute to the economic development of the county.**

13. In addition there are three cross cutting themes that underpin the strategic objectives and actions:

- **Cross Cutting Theme 1: To provide strong, collaborative and consistent leadership that embraces the whole of urban Gloucestershire and provides the long-term foresight needed.**
- **Cross Cutting Theme 2: To provide a quality of life in urban Gloucestershire that attracts and retains a highly skilled and entrepreneurial workforce.**
- **Cross Cutting Theme 3: To develop urban Gloucestershire as a competitive location which attracts new investors and provides existing businesses with support to remain and prosper.**
- **Cross Cutting Theme 4: To make Urban Gloucestershire distinctive in action, appearance and reputation.**

### STRATEGIC OBJECTIVE 1

**To create and sustain successful and competitive businesses that can take advantage of urban Gloucestershire's strength to compete globally, nationally and regionally.**

#### **General**

14. Urban Gloucestershire is at the centre of an area that includes Bristol, Birmingham, Cardiff, and Swindon and is within reach of London. It has benefited from this pivotal location by providing services and support to these major economies. However with modern communications location is not as important as it was, successful and competitive businesses can more easily flourish wherever they are, provided they have good connectivity (a Gloucestershire Economic Strategy strategic objective). The key factors needed in a successful and competitive business may vary depending on the activity concerned but are: Skills of employees and employers; investment in capital equipment, property, infrastructure and research; innovation and application of new technology in products and

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process development; enterprise and growth of new business; sustainability in processes and products.

15. There is an overall need to provide a wide range of employment opportunities and to encourage a diverse economy in urban Gloucestershire based on a framework of key sectors. The Local Economy Forecasting Model (LEFM) produces forecasts for employment change, both employees and self-employed, by sector and occupation up to 2015<sup>21</sup>.

Sector	Urban Gloucestershire Change (see note)	Rural Gloucestershire Change
Manufacturing	-2,755	-5,175
Construction	461	644
Distribution, Retailing, Hotel & Catering	2,840	2,878
Banking, Finance, IT, Professional Services, etc	3,074	2,964
Public Administration & Defence	-1,616	-733
Education	582	649
Health & Social Work	1,763	1,271
TOTALS	4,349	4,347

Note: The urban figures exclude Stroud and Tewkesbury, as they are not available just for the urban parts of these Districts.

16. It is important to note that these forecasts are based on present assumptions and the recent global turbulence means that they are less reliable. However the Model estimates that the greatest increase will be in 'corporate managers' and 'caring/personal services occupations' as well as sales and customer services, culture/media/sports, teaching and research, and skilled construction trades. The heaviest losses will be in the skilled metal and electrical trades, with further substantial losses in administrative, secretarial and clerical occupations, process plant and machine operatives and 'unskilled' occupations.
17. The State of the English Cities shows that a strong knowledge driven economy leads to a better performing urban economy. Although a 'knowledge economy' is frequently referred to there is no agreed definition. It is generally seen as being made up of 'knowledge driven production' and 'knowledge driven services'. For the purposes of this Strategy it includes Finance & Business Services, Advanced Manufacturing, Government Organisations, Public Administration & Health, Creative Industries and Environmental Technology.
18. **Finance & Business Services.** The Finance & Business Services Sector is the second most dominant private sector in Gloucestershire's urban economy, with 2,600 such businesses in Cheltenham and Gloucester alone; in Cheltenham they represent 38% of all businesses. The sector employs 18.5% of the total number of employees in the urban area<sup>22</sup>. However the current situation in the financial sector means that there are likely to be job losses and mergers between financial institutions, which will lead to further restructuring that will have significant implications for urban Gloucestershire. Overall there is a strong finance and business skills base, which makes urban Gloucestershire an attractive location for such businesses. This is also a sector that should be able to benefit from urban Gloucestershire's strategic location, particularly by the provision of back office services. A key strategic aim should therefore be to **"market urban Gloucestershire's strength in the finance and business services sector encouraging these sectors to locate and expand here."**

<sup>21</sup> The Urban Economy of Gloucestershire (GLMIU August 2006) Table 3.9

<sup>22</sup> The Urban Economy of Gloucestershire Section 3 by the GLMIU August 2006

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19. **Advanced Manufacturing.** Although there was an 18% decline in manufacturing firms in urban Gloucestershire during 2000-2004 there are still 600 manufacturing businesses accounting for some 13,500 employees in the area, excluding Stroud and Tewkesbury. Many are highly technical and able to compete globally; overall employment in advanced engineering, principally 'automotive' and 'medical devices & precision engineering instruments' rose by 11.8% in the period 2002-2006<sup>23</sup>. Crucially there are still a small number of manufacturing businesses, some from overseas, establishing themselves in urban Gloucestershire. The factors that need to be addressed are:

- **24-hour operation.** High productivity in the manufacturing sector demands 24-hour operation and there can be problems when located close to housing on mixed-use sites; there is a need for some separation.
- **Workspace.** A lack of sites and workspace is preventing the growth of existing businesses and hinders new manufacturing business wishing to locate in urban Gloucestershire.
- **Innovative management.** Manufacturing needs innovative management that recognises what is demanded to compete in the current climate. Such individuals must be attracted to and retained in urban Gloucestershire.
- **Research & development.** Innovative management must be backed by a strong research and development base, which in turn needs close links to academic institutions. The University of Gloucestershire should identify ways in which it can facilitate entry for students into engineering careers.
- **Skills.** Although the size of the manufacturing workforce is declining there is still a need to recruit young people with the necessary skills and to retrain the existing workforce in the introduction of new techniques.
- **Confidence.** Critically the manufacturing sector needs the confidence to invest in capital equipment, property, infrastructure, innovative research and the application of new technology.

A key strategic aim should therefore be to **"provide for the needs of advanced manufacturing/engineering in urban Gloucestershire, providing sites suitable for 21<sup>st</sup> Century manufacturing companies and knowledge economy businesses"**.

20. **Government Organisations, Public Administration, Health and Education.** There are 800 public sector organisations in urban Gloucestershire, less Stroud and Tewkesbury, amounting to nearly 41,000 employees, comprising 32% of the total number of employees in the urban area. Such employment makes an important contribution to the economy. There are a number of Government organisations based in urban Gloucestershire, particularly GCHQ, which has been steadily expanding, attracting highly qualified individuals who contribute to the overall knowledge economy and, this expansion is likely to continue. Urban Gloucestershire needs to exploit its strategic location to attract more Government organisations, a key strategic aim should therefore be to **"increase the number of Government/national public sector organisations locating in urban Gloucestershire"**.

21. **Creative Industries.** The creative industries sector is one that offers the potential for significant economic growth nationally and locally. In Gloucestershire there are at least 1,900 companies and small businesses in the sector, the majority in urban Gloucestershire. These employ close to 9,000 people (4.8% of the total employment of all Gloucestershire enterprises) and produce an annual turnover of some £808M (4.2% of the turnover of all Gloucestershire enterprises). The sector is made up of 13 different sub sectors and a recent report by Comedia<sup>24</sup> found particular strengths in advertising, design, marketing and publishing and a cluster of audio visual and media businesses linked to the Cheltenham Film Studios, whilst Stroud has a particularly strong visual arts and crafts sub sector. There is already a strong and successful tradition of cultural international festivals in the area, particularly in Cheltenham, and the University of Gloucestershire is proposing to relocate and build on its Creative Faculty, currently in Cheltenham, to Blackfriars in Gloucester. A key strategic Aim should therefore be to **"support the development and growth of the Creative**

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<sup>23</sup> The Economy of Gloucestershire 2008

<sup>24</sup> Creative Industries in Gloucestershire 2005, a study for Gloucestershire County and District Councils by Fred Brookes and Deborah Harrison of Comedia (May 2006)

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**Industries sector in urban Gloucestershire so that it achieves a national and international reputation".**

**22. Environmental Technology.** Given its history of technical innovation and development it is disappointing to discover the weakness of the Environmental Technology Sector in Gloucestershire<sup>25</sup>. The number employed in the sector rose by just 100 to 2,800 between 2002 and 2006, a rise of just 2.7% compared to the SW where the increase was 28.8%.<sup>26</sup> The potential this sector offers is substantial and growing fast, particularly in the light of the Stern Report and the recent statements by all political parties nationally. A key strategic aim should therefore be **"to make the environmental technology sector a significant contributor to the urban Gloucestershire economy"**.

### Provision of Education and Skills

23. The provision of education and skills is addressed under Strategic Objective 3.

### Distribution, Hotels and Restaurants

**24.** Distribution, which includes wholesale & retail and hotels & restaurants, is the largest private sector with 32,600 employees (excluding Stroud and Tewkesbury), 22.7% of those of working age in urban Gloucestershire, where there are 2,700 businesses in the sector. Urban Gloucestershire is well placed, particularly due to the M5 and the north/south railway line to be a good site for distribution companies, as is borne out by the concentration of such businesses around Ashchurch. There is the potential to expand the use of rail freight. The hotel and restaurant element of the sector already attracts national and international customers, principally due to the National Hunt Festival at Cheltenham Racecourse, the various arts festivals and Gloucester Cathedral, but it is patchy, some areas of Cheltenham are recognised nationally and should be built upon, whilst others are underperforming and lack good facilities so there is scope to make the sector much more successful particularly as a result of the various current regeneration projects in the area. Development should be linked to the aspirations of the Gloucestershire Food Vision that is leading across the UK. A key strategic aim should therefore be to **"increase the profile of urban Gloucestershire as a retail destination, with good hotels and restaurants"**.

### Leisure and Tourism

25. Many of the businesses and much of the employment related to leisure and tourism has been included above under 'distribution hotels and restaurants'. Furthermore tourism needs to be addressed at a County level and only those issues that are strictly urban are discussed here. Parts of urban Gloucestershire already have a reputation as tourist and visitor destinations but this needs to be built on. The various sporting and cultural festivals, particularly in Cheltenham, enhance this reputation. The regeneration of Gloucester, combined with the cathedral, Victorian Docks and river provide the potential to grow this reputation and the economy associated with it. Stroud has within it, with its legacy from the Arts & Crafts Movement, assets that have not been fully exploited by the County, the public sector or the inhabitants and there is the possible opportunity for this part of urban Gloucestershire to become a recognised national and international destination for any cultural tourist. A key strategic aim should therefore be to **"strengthen urban Gloucestershire's offer to tourists, visitors and businesses in support of a County wide tourism strategy."**

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<sup>25</sup> The Gloucestershire First ISP Report on the Environmental Technology Sector concludes "that there is really not an "Environmental technology sector" as such, rather a series of groups of companies and organisations that are focused on resolving environmental issues in the other sectors of the economy" in Gloucestershire. Only 2 manufacturers of energy saving products were visited; both are broad based manufacturers that also make energy saving products and neither had made any major technology breakthroughs in the energy saving area. (Glos First ISP Report on the Environmental Technology Sector July 2006)

<sup>26</sup> The Economy of Gloucestershire 2008 Table 3.4

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26. There are also some significant leisure facilities in urban Gloucestershire, when taken as a whole, including successful rugby and football teams, two national class swimming pools, one of the finest jump racecourses in the world, a range of theatres, led by the Everyman, tennis courts, parks, museums and, in due course, a canal linked to the national network.

### Construction

27. The building work associated with the development of urban Gloucestershire, the building of 43,300 new dwellings, together with the associated workspace, the regeneration of Gloucester and Cheltenham, and the Cotswold Canals Project in Stroud require a significant growth in construction employment in the County if the demand is not to be met by workers from outside Gloucestershire or overseas. This is going to be far more difficult because of the current state of the housing market and the laying off of workers by developers, although some of this may be ameliorated by migrant workers returning home. The challenge is to maintain the supply of young people with construction skills coming into the sector but whilst FE Colleges may maintain their capacity, persuading young people that there is a future in construction will require a significant PR campaign. More critically, these young people need to be taken on by businesses as 'apprentices' and firms will be reluctant to do this. A key strategic aim should therefore be to **"maintain the construction sector for the future."**

### Care

28. The profile of Gloucestershire by age group, taking account of the increase in housing, is:

Age-Group	2001	2006	2016	2026
0-15	111,300	108,050	101,400	107,400
16-64	355,500	367,050	378,800	389,600
65+	98,200	102,850	125,050	145,400

The number of those over 65s is due to increase by over 22,000 by 2016, which will create a greater demand for social housing for the elderly, and on health services and care, which will need to be largely met by Urban Gloucestershire, particularly with the number of new builds in the RSS. The Care Sector will provide opportunities for employment, which has an impact on the economy, although many of the jobs are relatively poorly paid, and those working in the sector need the necessary skills and the effective provision of these needs to be monitored.

### Micro-Businesses

29. Although the number employed in micro-business in urban Gloucestershire has reduced over the last 4-5 years there are still nearly 21,000 working in businesses employing 10 or less in Gloucester and Cheltenham alone, and some of these provide goods and services nationally and internationally and so make a significant contribution to the urban economy. Micro-businesses often face particular challenges because of their size; individuals have a wider range of responsibilities and the business support, previously provided by Business Links, now concentrates on businesses employing more than 10 people, although business start up advice and training continue to be provided. Urban Gloucestershire needs a vibrant micro-business sector and this means the provision of affordable workspace and incubation units that enable small businesses to start and to grow, facilities for networking, such as business clubs, where micro-businesses can share experiences and a general awareness of the importance of micro-businesses to the urban economy. The current financial situation is likely to lead to less speculative building by the private sector, particularly of workspace, and the public sector may need to stimulate the provision of workspace or attract overseas investment. A key strategic aim should therefore be to **"support micro businesses to start up, survive and grow"**.

30. Alongside the public and private sectors the Third Sector also makes a distinctive contribution to the economy, communities, individuals and society as a whole that is not always recognised. The

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third sector is a diverse, active and passionate sector. Organisations in the sector share common characteristics:

- non-governmental
  - value-driven
  - principally reinvest any financial surpluses to further social, environmental or cultural objectives.
- The term encompasses voluntary and community organisations, charities, social enterprises, cooperatives and mutuals both large and small that operate in a wide range of sectors (for example; retail, care, transport, creative industries, etc.).

Successful third sector organisations can play an important role in the economy by:

- helping to drive up productivity and competitiveness;
- contributing to socially inclusive wealth creation;
- enabling individuals and communities to work towards regenerating their local neighbourhoods;
- showing new ways to deliver public services; and
- helping to develop an inclusive society and active citizenship.

There are at least 2,830 Third Sector Organisations in Gloucestershire.

31. The Third Sector has a major contribution to make to economic inclusion and this is growing to economic inclusion and this is growing as it is increasingly used for public service delivery, particularly through the development of skills and self-confidence in individuals. Its productivity is extremely difficult to measure. As more is expected of third sector organisations in terms of public services delivery and their changing financial environment it is essential that their skills, capacity and processes be improved to meet the demand and challenges being faced. A key strategic aim should therefore be to **“to support the growth of the capacity and capability of the Third Sector.**

### Key Strategic Aims

32. The Key Strategic Aims necessary to **deliver successful and competitive businesses in urban Gloucestershire** are to:

- **Increase the size of the ‘knowledge economy’<sup>27</sup> in urban Gloucestershire by:**
  - **Marketing urban Gloucestershire’s strength in the finance and business services sector and these sectors to take advantage of these strengths to locate and expand here.**
  - **Providing for the needs of advanced manufacturing/engineering in urban Gloucestershire and providing sites suitable for 21<sup>st</sup> Century manufacturing companies and knowledge economy businesses.**
  - **Increasing the number of Government/national public sector organisations locating in urban Gloucestershire.**
  - **Supporting the development and growth of the Creative Industries sector in urban Gloucestershire so that it achieves a national and international reputation.**
  - **Making the environmental technology sector a significant contributor to the urban Gloucestershire economy.**
- **Increase the profile of urban Gloucestershire as a retail destination, with good hotels and restaurants.**
- **Maintain the construction sector for the future.**

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<sup>27</sup> Although a ‘knowledge economy’ is frequently referred to there is no agreed definition. It is generally seen as being made up of ‘knowledge driven production’ and ‘knowledge driven services’. For the purposes of this Strategy it includes Finance & Business Services, Advanced Manufacturing, Government Organisations, Public Administration & Health, Creative Industries and Environmental Technology.

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- **Strengthen urban Gloucestershire's offer to tourists, visitors and businesses in support of a countywide tourism strategy.**
- **Support micro businesses to start up, survive and grow**
- **Support the growth of the capacity and capability of the Third Sector.**

### STRATEGIC OBJECTIVE 2:

**To deliver the economic elements that support strong social cohesion in urban Gloucestershire in which the maximum number possible contribute to and benefit from the economy thus increasing productivity.**

#### **Social Cohesion**

33. Without 'social cohesion' the urban economy suffers. Material conditions are fundamental to social cohesion, particularly employment, income, health, education and housing and many of these are economic as well as social. The deprivation and contrast between communities means that achieving social cohesion in most urban communities is a major challenge.

#### **Deprivation**

34. The Indices of Deprivation 2007 (ID2007) are a key measure used by Central Government to target policies and funding to improve the quality of life in disadvantaged communities. The headline measure is the Index of Multiple Deprivation which covers income; employment; health deprivation and disability; education, skills and training deprivation; barriers to housing and services; crime; and living environment. ID2007 does not use wards as its geographical unit but Lower Super Output Areas, which cover 1,000-3,000 people and provide a better indication of variations in deprivation at local level. There are 367 SOAs in Gloucestershire compared to only 142 wards.

35. Between 2004 and 2007 the number of SOAs in urban Gloucestershire suffering Multiple Deprivation so bad that they are in the worst 10% nationally **increased** from 6 to 7, 5 in Gloucester and 2 in Cheltenham (in 2004 there were none in Cheltenham). Of the indicators only income (5 SOAs in Gloucester City and 4 in Cheltenham in the worst 10% nationally), employment (5 SOAs in Gloucester City and 4 in Cheltenham), and education, skills & training (6 SOAs in Gloucester City and 4 in Cheltenham) are 'economic' but it is clear that if these are significantly improved many of the other non-economic indicators will also improve. Tackling deprivation and thereby improving social cohesion must be an urgent priority in this Urban Economic Strategy, particularly given that the number of people living in relatively deprived SOAs increased by 11,400 between 2004 and 2007.<sup>28</sup> The Gloucester City Employment Plan (see below) should address the problem in Gloucester but these figures emphasise the need to widen the initiative to include Cheltenham at the earliest opportunity and, in the meantime, support other programmes, which go towards addressing the problem in Cheltenham and the remainder of urban Gloucestershire.

36. At the time of the 2001 Census, 95% of the population of Gloucestershire described themselves as "White British". Of the remainder about 16,000 were from a BME group, and around 13,300 were from a White Minority. About one-quarter of Gloucestershire's ethnic minority population lived in Cheltenham, including the largest concentration of White Minorities and Chinese people in the County. Around 10% of the population of Gloucester was from an ethnic minority, particularly Black Caribbean and Indian groups. As far as deprivation is concerned the Black Caribbean population seem to be subject to the worst deprivation with the White & Black Caribbean and Bangladeshi populations not far behind. Since 2001 there has been a steady increase in the number of migrant workers in urban Gloucestershire, 1000 registrations in 2004, 1367 in 2005 and 745 in 2006 up to July (these figures are for Gloucester and Cheltenham only) although these represent only one-third

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<sup>28</sup> GLMIU The Economy of Gloucestershire 2008 Chapter 8 page 3 (September 2008) and IMD 2007)

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of those coming to Gloucestershire. The majority (64.4%) came from Eastern Europe. A strategic aim should be to **“increase the take up of appropriate apprenticeships, particularly amongst the BME Group.”**

37. There are no statistics on the numbers in urban Gloucestershire with low household incomes but 9% of those of working age in Gloucester and Cheltenham alone are claiming housing benefit and nearly 10.5% income support<sup>29</sup>. In addition there are some urban wards where the unemployment rate for males is nearly four times the average for Gloucestershire. In some parts of urban Gloucestershire 10% of the population earned less than £5.65 per hour in 2004. Low household incomes, particularly those that cannot achieve an adequate level of disposable income, lead to a variety of problems, including crime, and inevitably depress the economy. Better education and skills are addressed below but there are some more fundamental things that can be done to address the problem such as:

- Ensuring people take up the benefits to which they are entitled.
- Ensuring employees benefit from the National Minimum Wage.
- Helping people with limiting long-term illness and disabilities into work (4.5% of those of working age in Gloucester and Cheltenham claim incapacity benefit).
- Supporting access to childcare.

A key strategic aim should therefore be to **“reduce the differential between the lowest household income and the average in urban Gloucestershire.”**

### Improving Participation in the Economy, particularly through skills

38. In urban Gloucestershire having a highly skilled workforce isn't an optional extra, it's an economic necessity. However, developing the right culture for skills and employment isn't just about being able to compete economically; it is also the most effective way of tackling family poverty and encouraging those who are most deprived to strive for a better way of life for themselves and their families. A key strategic aim should therefore be to **“support targeted employment and skills initiatives to deliver employability skills particularly for those in the 10 most deprived SOAs”**.

### Increasing the Number of Economically Active Disabled People

39. The Annual Population Survey shows that 19.3% of the working age population in Gloucestershire class themselves as disabled under the Disability Discrimination Act (1995), as having a work limiting disability, or both<sup>30</sup>. The same survey shows that whilst that there is an employment rate in the County of non disabled people of working age of 86% it is only 45% for the disabled. Assuming that these percentages apply equally to Urban Gloucestershire this represents a significant loss of economic capacity. The County is fortunate to host the National Star Centre at Ullenwood with additional accommodation at Denmark Road, Gloucester and Overton Park, Cheltenham whose role is to provide FE to disabled young people but also to help them lead as normal a life as possible. Gloucestershire First is already running the “Back to Work” project, which aims to enable people in receipt of incapacity benefit to re-enter the workplace. Client priority is patients currently engaged with frontline healthcare professionals in Gloucestershire, particularly those diagnosed with or receiving treatment/support for mental ill health. A key strategic aim should be to **“increase the number of economically active disabled people in urban Gloucestershire”**.

### Current Economic Regeneration Initiatives

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<sup>29</sup> GLMIU The State of the Urban Economy of Gloucestershire August 2006

<sup>30</sup> The Economy of Gloucestershire 2006/07 Section 8.4 (GLMIU)



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40. The importance of a number of current economic regeneration initiatives in helping to deliver some of the aims of this Urban Economic Strategy must be recognised and the opportunity they offer exploited. They include the Gloucester Heritage Urban Regeneration Company, which is regenerating 7 different areas of Gloucester; the Civic Pride initiative in Cheltenham, which celebrates the Borough's heritage to secure Cheltenham's longer term economic success within the context of the 20 year vision as set out in the sustainable communities strategy; and the Cotswold Canals Project that will regenerate the Severn Thames Canal thorough the heart of Stroud and its urban area. These are all enormously important to the Gloucestershire urban economy as they will increase trade, jobs of all types and make urban Gloucestershire a more attractive place in which to live and work. A key strategic aim should be to **"ensure that those who are most deprived in urban Gloucestershire have the opportunity to participate in the jobs that will deliver the regeneration projects."**

### Gloucester City Employment Plan

41. The Gloucester City Employment Plan is a new initiative designed to tackle this problem. Its core approach is to:

- Improve the engagement of workless and low skilled individuals, ensuring a co-ordinated approach at the local level.
- Improve the employability and skills of those not in work and in low skilled occupations through a more intensive, flexible and bespoke approach.
- Engage with employers to encourage and support them to recruit from priority groups, retain people in employment and commit to reskill, upskill and succession plan their workforce

42. The Gloucester City Employment Plan aims to:

- Reduce the number in receipt of workless benefits.
- Reduce the number of children in workless households.
- Reduce the proportion of working age individuals without any qualifications.
- Increase the proportion of working age individuals qualified both to Level 2 and to Level 3.
- Reduce the number of 'hard to fill' vacancies to the South West average.

43. Such initiatives have, of course, been tried before without dramatic success. What is different about the Gloucester City Employment Plan is the determination to involve in a much more effective way employers not simply by seeking their help and co-operation but by offering them support in return. It also involves all parties in a co-ordinated approach; indeed if all parties do not get involved then it will fail and yet its success is of critical importance to urban Gloucestershire. As will be recognised the Plan. Furthermore the approach needs to be spread throughout urban Gloucestershire as quickly as possible; there is little point in solving problems in Gloucester City alone. A key strategic aim should therefore be to **"support the successful delivery of the Gloucester City Employment Plan and its expansion to the rest of urban Gloucestershire as quickly as possible."**

44. The Key Strategic Aims necessary to deliver strong social cohesion in urban Gloucestershire in which the maximum number possible contribute to and benefit from the economy, are listed below; discussion on each follows. They are to:

- **Increase the take up of appropriate apprenticeships, particularly amongst the BME Group.**
- **Reduce the differential between the lowest household income and the average in urban Gloucestershire**
- **Support effective employment and skills initiatives up to at least Level 2 that deliver employability skills particularly for those in the 10 most deprived SOAs.**

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- Increase the number of economically active disabled people in urban Gloucestershire.
- Ensure that those who are most deprived in urban Gloucestershire have the opportunity to participate in the jobs that will deliver the regeneration projects.
- Support the successful delivery of the Gloucester City Employment Plan and its expansion to the rest of urban Gloucestershire as quickly as possible.

## STRATEGIC OBJECTIVE 3

**To maximise the potential of the people of urban Gloucestershire by developing skills and talent that ensure profitable employment in the 21<sup>st</sup> Century and enable them to take advantage of and contribute to the economic development of the county**

### General

45. The Leitch Review of Skills "Prosperity for all in the global economy – world class skills" reports on how far behind the UK is and will remain in respect to world class skills unless changes are made. In paragraph 2.43 the Review states:

*"For the UK to succeed in the global economy it must commit to world class skills. Achieving this will require new, shared action between Government, employers and individuals all taking increased responsibility...The Government must ensure a skills system that delivers economically valuable skills. Employers must exercise influence over a newly simplified system and increase their investment in skills, particularly for low skilled employees, who often do not benefit from training at present. Individuals must raise their sights, motivation and aspiration and invest in their own skills. Where skills were once a key lever for prosperity and fairness they are now increasingly the key lever. The UK can only achieve world class prosperity and fairness if it achieves world class skills."*

46. Although much of what Leitch recommends requires Government action more depends on a change in culture, which needs to be developed locally. Urban Gloucestershire must be a place, which recognises that every single individual has talent and develops this talent; where people have aspirations and build knowledge through education and experience; that attracts smart people and creates opportunities for skilled people to develop and apply what they know; and which recognises the value of its young people and retains them to grow the economy of the future.

47. As the Leitch Review shows there is a lack of aspiration in too many young people and in some cases this leads to them becoming categorised as 'not in education employment or training (NEET)'. At the same time there appears to be a willingness within educational establishments to concentrate on those with potential instead of acknowledging that every individual has some talent, discovering what this is and nurturing and developing it. In 2007 54.4% of pupils at the end of Key Stage 4 in Gloucestershire had achieved 5+ A\*- C GCSE Grades including Maths and English, compared to 45.9% for England<sup>31</sup>. Nevertheless nearly 50% of the emerging workforce is without good literacy and numeracy skills and is inadequately equipped for the knowledge economy. There are still a few poor performing schools in the county. However, Gloucestershire has performed well in reducing the level of young people who are NEET, and in July 2007 had the lowest percentage of NEET young people in England. A key strategic aim should be to:

- **"Increase the percentage of young people achieving A\*- C Grades in Maths and English"**
- **"Reduce the number of 16-19 year olds who are NEET in urban Gloucestershire".**

### Provision of Education and Skills

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<sup>31</sup> Published data from the Children and Young Peoples Directorate at Gloucestershire County Council

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48. A successful economy demands a workforce with relevant skills for the immediate task and the future. It must also be adaptable to the needs of a healthy economy that competes globally and demands skills that are relevant to today and tomorrow. It also requires an adaptable workforce that has the key skills (management, communication, team working, etc) that are generic to their employment, and managers with leadership and management skills. The general level of education in urban Gloucestershire is high, although the number of Super Output Areas with 'education, training and skills' in the 10% worst performing ones nationally shows that this is not universal. In addition to schools with sixth forms, post 16 education in the UES area is provided by Gloucestershire College and Stroud College. Both have recently completed major build programmes which have brought economic benefit to Cheltenham, Gloucester and Stroud and there are also effective private training providers. HE is provided by the University of Gloucestershire (with over 8,500 students and four campuses across urban Gloucestershire), the University of the West of England in South Gloucestershire, the Open University. In addition, the FE Colleges offer a small number of vocational HE programmes. In summary urban Gloucestershire appears to have many of the resources to provide the education and skills needed to be a highly successful urban economy, however a recent study<sup>32</sup> showed that this is not being used effectively and that the economy of urban Gloucestershire is being seriously damaged as a result. The main highlights of the report include:

- Low aspirations, qualifications levels and participation in HE by residents in Gloucester and Forest of Dean
- Gloucestershire as a net exporter of traditional HE students to HEIs nationally with less than 20% of sixth formers staying in the County to complete HE and the majority never returning after completion.
- The County perceived as not an ideal destination for HE by traditional students.
- Mismatch between the nature and style of current provision and the county's employment profile and skills needs resulting in a lack of connection between higher education and employers.

Urgent action is needed to address these issues and to demonstrate the connection between higher education and economic development. Gloucestershire First will play a vital role in demonstrating this. A range of agencies is involved in addressing the first three challenges. There is a clear need for a specialist new HE provision which aligns demand with the employment sectors and is linked to the immediate and future skills needs of the county. The University of Gloucestershire in partnership with Gloucestershire College, RAC, UWE and Business Link has submitted a bid to the Higher Education Funding Council for funding to address the last challenge. Expansion of current provision is critical to the Gloucestershire Urban Economy.

49. Train to Gain is the service offered by the Learning and Skills Council to businesses to help them to be successful. It offers free impartial and independent advice to businesses, matches any training need identified with training providers, and sees that training delivered meets business needs. It aims to be much more responsive to business needs and particularly to deliver the training in a way that suits the business. Only training to enable employees to gain their first Level 2 qualification is free but there is also wage compensation for those with fewer than 50 employees and some funded programmes, such as Apprenticeships. Using the principles of Train to Gain urban Gloucestershire could develop a holistic approach to employers, particularly those in the key sectors, starting with those in the 'knowledge economy'. To do this successfully would require the involvement in the process of the University of Gloucestershire, the Centres of Vocational Excellence (COVEs) that already exist and the expansion of the Parklife Project, that together would form part of a 'single investor offer to all employers' to meet their needs.

50. Key strategic aims should be:

- **"To ensure urban Gloucestershire has higher education provision that more fully meets the economic needs of urban Gloucestershire;**

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<sup>32</sup> Mahoney, M. 2008, Gloucestershire Higher Education Study for HEFCE and SWRDA

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- to increase the number of Gloucestershire based students that progress into higher education in County, and attract such individuals to the key sectors in the Gloucestershire economy, and;
- to adopt the principles of Train to Gain as widely as possible to meet employers business needs in skills and training.”.

### Improving the Skills of the Workforce

52. Despite years of effort and many initiatives there are still too many employers that are not committed to improving the skills of their workforce or if they are they concentrate on the development of managers rather than the lower paid employees. A key strategic aim should therefore be to **“develop an employer culture that recognises the value of constant skills improvement.”**
53. The average age of the population of Gloucestershire is increasing along with the health of older people but this is principally in the rural parts of the County. At the same time the number of migrant workers, particularly from Eastern Europe has increased dramatically. Broadly speaking they fall into three groups, those who have good skills and speak good English; those who have a strong work ethic but not the skills; and those who have skills but inadequate English and may be illegal. In some cases they are filling critical gaps in industry, for example without some of the highly qualified engineers that have arrived in recent years many of urban Gloucestershire's advanced engineering businesses would no longer be competitive but others represent a resource with more potential. A key strategic aim should therefore be to **“effectively realise the knowledge skills and experience of overseas migrants.”**
54. **The Key Strategic Aims necessary to maximise the potential of the people of urban Gloucestershire by developing skills and talent that ensure profitable employment in the 21<sup>st</sup> Century and enable them to take advantage of and contribute to the experience of living in the County are to:**
- Increase the percentage of young people achieving A\*- C Grades in Maths and English.
  - Reduce the number of 16-18 year olds who are NEET in urban Gloucestershire.
  - Ensure urban Gloucestershire has higher education provision that more fully meets the economic needs of urban Gloucestershire.
  - Increase the number of Gloucestershire based students that progress into higher education in County, and attract such individuals to the key sectors in the Gloucestershire economy.
  - Adopt the principles of Train to Gain as widely as possible to meet employers business needs in skills and training..
  - Develop an employer culture that recognises the value of constant skills improvement.
  - Effectively realise the knowledge skills and experience of overseas migrants.

### CROSS CUTTING THEME 1:

**Provide strong, collaborative and consistent leadership that embraces the whole of urban Gloucestershire and provides the long-term foresight needed.**

55. The importance of strong leadership is made repeatedly in the report on 'The State of the English Cities'. The challenge of transcending administrative boundaries should not be underestimated, but the rewards of doing so can be great, especially if the aim of using the complementary strengths of

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each area to benefit the whole is achieved. This will require the local authorities and agencies to work to an overall plan for the economic development of urban Gloucestershire.

As the State of the English Cities Report states:

*"One message for English cities is that their counterparts in Europe are convinced that to be competitive in the global marketplace in future they have to organise and act at a wider metropolitan or sub regional level".*

Furthermore if the benefits of a single urban strategy for Gloucestershire are to be delivered there has to be consistency in its delivery. To achieve consistency the strategy needs to be robust and have general support to transcend the changes of local councils's and government policy.

56. Recent events have shown the need for resilience in urban Gloucestershire first to deal with flooding in 2007 and the economic impact that followed and then, in 2008, with the world-wide credit crisis and the impact on the wider economy. Although increasing the resilience of urban Gloucestershire is addressed in the overall Gloucestershire Economic Strategy providing the strong, collaborative leadership that deliver the long term foresight needed is a critical component of improving the resilience of urban Gloucestershire.
57. Initially Gloucestershire First is providing the leadership, through the creation of an Urban Economy Advisory Panel, with representation from the County Council, all four District Councils, the private and voluntary sector and other relevant parties, such as the GHURC. This Panel needs to be recognised as a bold collaborative approach to grow, nurture and develop urban Gloucestershire in the public interest and act accordingly.
58. The Gloucestershire Urban Economy Advisory Panel will not be effective unless it is built on strong collaborative partnerships to:
- Be accountable to Gloucestershire First on all matters pertaining to Urban Economic Strategy,
  - Provide an effective point of contact on the urban economy with regional agencies, particularly SWRDA and GOSW.
  - Hold accountable the individual agencies responsible for delivering the Urban Economic Strategy,
  - Develop an Annual Delivery Plan to deliver this Urban Economic Strategy for the Gloucestershire First Partnership to approve,
  - Improve mechanisms and introduce common processes, where appropriate, across urban Gloucestershire.
  - Oversee the delivery of the Annual Delivery Plan.
  - Have the overall development of the economy of urban Gloucestershire as a first priority and adopt an innovative approach to achieving this particularly in conjunction with the Local Area Agreement (LAA).
  - Capture good practice elsewhere.
59. **Key Strategic Aims. The key strategic Aims needed to provide strong, collaborative and consistent leadership that embraces the whole of urban Gloucestershire should be to:**
- **Maintain a resourced Gloucestershire Urban Economy Advisory Panel that has the confidence of Local Authority Members and effective partnership that embraces the public, private and voluntary sectors throughout urban Gloucestershire.**
  - **Provide a single point of co-ordination on economic matters for external agencies and businesses.**

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- **Promote collectively the economic advantages of urban Gloucestershire nationally and internationally.**
- **Develop an Annual Delivery Plan that is endorsed by local authorities and partners.**
- **Support the measures in the Economic Strategy of Gloucestershire to make urban Gloucestershire more resilient.**
- **Support the GHURC and Cheltenham Civic Pride in their major regeneration programmes.**

### **CROSS CUTTING THEME 2:**

#### **Provide a quality of life in urban Gloucestershire that attracts and retains a highly skilled and entrepreneurial workforce**

60. As the population of the United Kingdom becomes more mobile the idea that people will live all their lives in the same area is no longer a reality. The most mobile are likely to be those seeking higher qualifications and career advancement after leaving school and who have 'gone away' to university and even had jobs overseas. They choose where they want to live and that choice will be influenced by factors that can be grouped collectively under the heading 'quality of life'. Quality of life is one of the key drivers, along with sustainability, of the Government's Sustainable Communities programme. Urban Gloucestershire needs to offer a better quality of life than other urban or rural environments if it is to attract the brightest and most innovative people who are vital to creating and maintaining a prosperous urban economy in which everyone can benefit. Some of the factors that make up quality of life are listed below in alphabetical order; the weighting an individual will give to each will vary according to their circumstances:
- A 'green' environment that includes a lack of congestion, good public space and a built environment that is uplifting.
  - Access to excellent schools, colleges and universities.
  - Access to good health care and public services.
  - Easy to use and to travel in - lack of congestion.
  - Good access to the rest of the UK and overseas.
  - Good leisure and cultural facilities, sports, restaurants, theatres, concerts, museums, etc.
  - Good quality new housing in well planned and attractive communities.
  - Quality of shopping facilities.
  - Safe, with low levels of crime.
60. Whilst urban Gloucestershire already offers a better quality of life than many urban communities in England it does not have this reputation. This suggests better marketing would be beneficial.
61. Urban Gloucestershire needs to strengthen its reputation as a 'green' environment and it must do if it is to attract young people and deliver a high quality of life. It should emphasise waste recycling; street cleanliness; lack of congestion; good parks and open spaces and the preservation and enhancement of established and historic townscape; lower than average noise pollution; low air pollution; low light pollution, balanced by the need for a safe environment; and a low carbon economy in line with the ultimate RDA aim of a zero carbon investment portfolio by 2013. In all these areas the aim should be to achieve above average standards.

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62. Urban Gloucestershire already has a significant number of excellent schools in both the private and the public sector and these already attract families to jobs in the County. There is a need to build on this strength and provide good progression routes from education into jobs.
63. Universities and colleges provide a focus for clusters of creative and innovative businesses and attract innovative individuals. Urban Gloucestershire has a university, which research has shown is not fully meeting the needs of either the young people of the County or its businesses. Furthermore it only attracts a limited amount of publicly funded research. Along with the other FE Colleges in the County both Gloucestershire and Stroud Colleges have recently made substantial improvement to their facilities, which will make them among the best-equipped colleges in the country.
64. Urban Gloucestershire contains two major NHS hospitals and a number of private hospitals but these need to develop a reputation as being among the best in the country.
65. People's fear of crime is generally unrealistically high. An urban environment that is perceived widely as being safe will immediately attract new residents. However, the Index of Multiple Deprivation shows that the number of SOAs in the worst 10% nationally for crime and disorder in Urban Gloucestershire increased between 2004 and 2006 from 11 to 19; 12 in Gloucester and 7 in Cheltenham.<sup>33</sup> It is important that this is addressed by the relevant authorities.
66. Implementation of the new housing potentially required under the Regional Spatial Strategy provides the opportunity to create new developments that are exemplary, not simply in terms of sustainability and energy efficiency, but by creating attractive, cohesive communities co-located with employment opportunities, services and with good connectivity. This will be achieved by agreeing a master plan and design criteria and demanding that developers meet these.
67. A good quality of life should not be confined to parts of society but should embrace everyone and there are, as has already been discussed, some very disadvantaged people in urban Gloucestershire, not only confined to the SOAs suffering the greatest deprivation. In addition to the above every effort needs to be made to regenerate the most disadvantaged areas of urban Gloucestershire:
- Public sector homes need to be brought up to and maintained to at least the 'Decent Homes Standard'<sup>34</sup>.
  - The facilities, staff and results in the schools should be better than the average standard in the County.
  - Effective, accessible medical care and dentistry needs to be available through the NHS.
  - Good, affordable public transport access to jobs and skills training should be provided in these areas, where the need for public transport is likely to be greatest.
  - Local access to local training and advice/information
- 68. Key Strategic Aims. The Key Strategic Aims needed to provide a quality of life in urban Gloucestershire that attracts and retains a highly skilled entrepreneurial workforce are to:**
- **Promote the quality of life in urban Gloucestershire.**
  - **Promote urban Gloucestershire as a 'green' environment that is developing a low carbon economy.**
  - **Retain and develop excellent schools in urban Gloucestershire.**

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<sup>33</sup> IMD 2007

<sup>34</sup> 'The Decent Homes Standard' was introduced by the Government to improve public housing throughout the UK. There has been Government funding available to do this.

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- **Improve the progression routes from education into jobs.**
- **Grow the reputation of Higher and Further Education provision to meet the needs of industry and local communities.**
- **Grow the reputation of the University of Gloucestershire and Gloucestershire and Stroud Colleges.**
- **Develop and maintain leisure and cultural facilities that attract residents to urban Gloucestershire.**
- **Support the provision of new housing developments to exemplary standards to achieve high quality living environments and genuinely sustainable communities.**
- **Regenerate the most disadvantaged areas of urban Gloucestershire.**
- **Develop a highly competitive retail/shopping experience.**

### **Cross Cutting Theme 3:**

**Develop urban Gloucestershire as a competitive location which attracts new investors and provides existing businesses with support to remain and prosper.**

69. In addition to attracting a highly skilled and entrepreneurial workforce there is also the need to attract new investors, whilst retaining existing businesses. Strategic Objective 1 analyses the needs of the key sectors of urban Gloucestershire's economy but there are some more general cross-cutting initiatives required to support them. These should be designed to make investment in urban Gloucestershire more attractive, easy and profitable and therefore distinctive than in other places. They need to embrace not simply attracting investors initially, but offering value and support over the longer term and they should also support the retention of existing businesses.

**70. The Key Strategic Aims needed to develop urban Gloucestershire as a competitive location which attracts new investors and provides existing businesses with support to remain and prosper are to:**

- **Establish a joint prospectus detailing client support services to attract new investment into Urban Gloucestershire.**
- **Develop a streamlined framework for developers to Section 106 negotiations in Urban Gloucestershire to support employment growth.**
- **Develop a flexible business rates framework to support 'enterprise zones' and business improvement districts to encourage investment in designated regeneration areas.**
- **Create a business transport forum to inform planning decisions within urban Gloucestershire.**

### **Cross Cutting Theme 4:**

**Make Urban Gloucestershire distinctive in action, appearance and reputation.**

71. Urban Gloucestershire needs to be distinctive to the first time visitor; similarly, it needs to stand out across the world to bring benefit to the economy. The challenge is how does the visitor, whether real or virtual, immediately recognise urban Gloucestershire for what it is; its commitment to the environment; its innovative capacity; its partnership between city, towns and rural; its



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connectivity; its conviviality; its children friendly nature; as a great place to live and work? One never gets a second chance to make a first impression. Whilst distinctiveness needs to be addressed at a countywide level there are important aspects that are particularly relevant to Urban Gloucestershire. Distinctiveness is about reputation not branding and everyone and everything has a part to play in making urban Gloucestershire 'stand out from the crowd'.

72. To the visitor the main entry points to urban Gloucestershire, principally from the M5, need to be welcoming, memorable and of high quality so that expectations are raised that these qualities will be reflected throughout the visit. The current entry points are poor and in many cases are depressing. Once within urban Gloucestershire the quality of the built environment needs to be exceptional – at present there is not enough that is consistently excellent in many cases.
73. The electronic visitor searching either 'Gloucester' or 'Cheltenham' on the web will be directed to sites designed for tourists, which are perfectly adequate but are not special and are limited to visitor information. They do not make urban Gloucestershire stand out as a place to set up a business, to work, to study or to live. Businesses thinking of locating to Gloucestershire need to discover an exceptional level of service from first enquiry, to excellent sites and premises with the opportunity to exploit success, an appropriately trained workforce, with a good work ethic, to continuing support.
74. Urban Gloucestershire already has a worldwide reputation in some areas such as Gloucester Cathedral, the Cheltenham Festivals, etc but there is a need to exploit the exceptional quality of the historic resources of urban Gloucestershire and its cultural and heritage assets. More can be done and new opportunities identified and delivered.
75. **Key Strategic Aims. The Key Strategic Aims needed to make Urban Gloucestershire distinctive in action, appearance and reputation are to:**
- **Improve entry points to urban Gloucestershire so that they are welcoming and memorable**
  - **Support the provision of an exceptional built environment.**
  - **Establish an urban Gloucestershire website that promotes all aspects of urban Gloucestershire.**
  - **Exploit the quality of the historic resources and cultural and heritage assets.**

## CONCLUSIONS

- 76 The geography of urban Gloucestershire, its location nationally, the proximity of the diverse urban centres to one another and its position on the edge of the Cotswolds represents huge economic potential. The greatest challenges are to provide the consistent and decisive leadership that will deliver this potential and to increase the social cohesion so that the maximum number possible contribute to and benefit from the economy, a characteristic that is generally rare in most urban environments.

## GLOSSARY

BL – Business Link  
BME – Black and Minority Ethnic  
C of C – Chamber of Commerce & Industry  
COVE – Centre of Vocational Excellence  
DCLG – Department of Communities and Local Government  
DMO – Destination Management Organisation  
FE – Further Education  
FSB – Federation of Small Businesses  
GDP – Gross Domestic Product

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GHURC – Gloucester Heritage Urban Regeneration Company  
GOSW – Government Office for the South West  
GVA – Gross Value Added  
HE – Higher Education  
ID2004 – Indices of Deprivation 2004  
LAA – Local Area Agreement  
LAs – Local Authorities  
LDFs – Local Development Frameworks  
LEFM – Local Economic Forecasting Model  
LSC – Learning & Skills Council  
LSP – Local Strategic Partnership  
LTP – Local Transport Plan  
NEET – Not in Employment, Education or Training  
RES – Regional Economic Strategy 2007-2015  
RSS – Regional Spatial Strategy  
SCCTs – Strategically Significant Cities and Towns  
SOAs- Super Output Areas  
SWRDA – South West Regional Development Agency  
VCS – Voluntary & Community Sector