

SDS Scoping Engagement
Economy Discussion Paper

The economy question this engagement is asking you to help us with:

How can Gloucestershire deliver sustainable and inclusive economic growth that improves prosperity, productivity and opportunity for all communities while protecting the environment and ensuring infrastructure, housing, skills and investment are in the right places?

Gloucestershire
COUNTY COUNCIL

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This is a discussion paper to explore the economic matters of strategic importance that should be considered in drafting a future Spatial Development Strategy (SDS). It does not select growth locations or establish detailed policies.

We welcome your views on the strategic issues, evidence and outcomes for economic matters that should inform the future Spatial Development Strategy (SDS).

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Executive Summary

Gloucestershire has a diverse economy shaped by its urban centres, market towns, rural areas and specialist businesses. Future prosperity will depend on planning employment, housing, transport, digital connectivity, energy, water, skills and environmental capacity together. The Spatial Development Strategy provides an opportunity to link the geography of economic activity with long-term decisions about growth and infrastructure.

The Gloucestershire Local Growth Plan promotes inclusive prosperity, environmental improvement and wellbeing, with priorities covering skills, employment, communities, infrastructure, innovation and investment. National policy also places strong emphasis on productivity and sustainable growth, including support for key sectors, town centres, clean energy, communications, water and transport. Together, these priorities highlight opportunities in areas such as secure technologies, digital, agri-tech, advanced engineering, aerospace and the low carbon transition.

The Spatial Development Strategy will need to enable and support both high-growth sectors and the everyday services and businesses that people rely on, such as health, social care, food, housing, transport and local retail. These businesses provide many local jobs and are important to the wellbeing and resilience of communities, even though they may not be seen as high-growth industries.

This means providing suitable employment land and premises, connecting people to good jobs and skills, strengthening urban and rural economies, coordinating growth with housing and infrastructure, and enabling regeneration and efficient use of land. It should also support resilient, low carbon business growth, manage cross-boundary labour markets and strategic corridors, and establish measurable outcomes that can be monitored and adapted over time.

Economic matters of strategic importance

- EC 1 Enabling inclusive and sustainable economic growth, productivity and investment to ensure the benefits are shared across all communities.
- EC 2 Delivering the strategic infrastructure, energy and digital connectivity to unlock growth.
- EC 3 Aligning homes, jobs and places to create sustainable communities and prosperous and resilient places.
- EC 4 Improve access to employment, education and training opportunities to help develop a skilled, healthy and inclusive workforce and reduce inequalities.
- EC 5 Celebrate and strengthen Gloucestershire's distinct identity, places and communities to support the regeneration and long-term vitality of the county and its visitor economy.
- EC 6 Supporting growth within environmental limits, enabling the transition to a low carbon, circular economy and advancing net zero.

Introduction

Gloucestershire has a diverse and resilient economy, combining the urban centres of Gloucester and Cheltenham, a network of market towns, internationally significant businesses, specialist employment clusters and an extensive rural economy. The county has particular strengths in secure technologies and digital innovation, advanced engineering and aerospace, agri-tech, energy transition and low carbon innovation. Its natural environment, cultural assets, heritage, visitor economy, universities and colleges also make Gloucestershire an attractive place in which to live, work, study and invest.

The economy nevertheless faces significant long-term challenges. Productivity remains below the national average, businesses report recruitment and skills difficulties, housing affordability affects the ability to attract and retain workers, and some communities face persistent barriers to employment and opportunity. Businesses also need access to a wider choice of suitable land and premises, while limitations in transport, public transport, energy, water, wastewater and digital infrastructure can constrain investment. These challenges are experienced differently across the county, including within Gloucester and Cheltenham, the Forest of Dean, market towns and rural communities.

Economic activity does not follow administrative boundaries. Labour markets, commuting patterns, business networks, supply chains and infrastructure extend across Gloucestershire and connect the county with Bristol, the West Midlands, South Wales, Oxfordshire, Swindon and the wider South West. Strategic economic locations and corridors support growth across more than one local authority area. Decisions about the location of homes, employment, education and infrastructure therefore need to be coordinated at a county-wide and cross-boundary level.

Gloucestershire's Local Growth Plan 2025-35 provides a shared vision for an economy that improves prosperity, environmental quality and wellbeing for all. Its five missions focus on talent and future skills; employment opportunities for all; thriving communities and culture; environment, housing and infrastructure; and innovation, investment and enterprise. The plan also recognises that economic development must support people and businesses while operating within environmental limits, responding to climate change and ensuring that the benefits of growth are shared more widely.

The Gloucestershire Spatial Development Strategy provides an opportunity to give this economic ambition a long-term spatial expression. It can help determine where economic growth would be most sustainable, what employment land and premises will be required, how homes and jobs should be aligned, and what infrastructure is needed to unlock investment. It can also support regeneration, strengthen the roles of cities, towns and rural areas, improve access to employment and skills, and provide greater certainty for businesses, investors and infrastructure providers.

This discussion paper begins an early conversation about the economic matters of strategic importance that should inform the SDS. It seeks views on the economic opportunities, challenges, spatial relationships, infrastructure requirements and outcomes that should guide the preparation of the strategy and its supporting evidence. Feedback will help shape the SDS economic vision

and objectives, identify matters requiring county-wide or cross-boundary coordination, inform the assessment of future spatial options and establish the strategic infrastructure and investment priorities needed to support sustainable economic growth over the next 25 years and beyond.

Policy and Legislation

- UK Modern Industrial Strategy The UK's Modern Industrial Strategy 2025 - GOV.UK
- Defense Industrial Strategy Defence Industrial Strategy 2025: Making Defence an Engine for Growth - GOV.UK
- UK National Science and Technology Framework Science and Technology Framework - GOV.UK
- Government Clean Power 2030 Action Plan Clean Power 2030 Action Plan - GOV.UK

Key Gloucestershire Sources

- Gloucestershire Local Growth Plan (2025-35) gloucestershires-local-growth-plan-2025-2035-1.pdf
- Housing and Economic Needs Assessment 2026 Microsoft Word - Final Gloucestershire HENA August 2026
- Local Transport Plan (emerging) ltp-policy-document-final-v132-2.pdf
- Gloucestershire Local Skills Improvement Plan 2026 gloucestershire-lsip-report-2025-2028-amended-final.pdf
- Get Gloucestershire Working (May 2026) Microsoft Word - Get Gloucestershire Working Plan 1
- Green Skills Strategy 2026-30 green-skills-strategy.pdf
- Digital Infrastructure, Inclusion and Innovation Strategy 2025-30 Digital Infrastructure, Inclusion and Innovation Strategy | Gloucestershire County Council

Matters of Strategic Importance – Context

EC 1 - Enabling inclusive and sustainable economic growth, productivity and investment to ensure the benefits are shared across all communities

Gloucestershire has a strong and diverse economy with nationally significant strengths in cyber and digital technologies, advanced engineering, aerospace, agri-tech and emerging low carbon industries. The county benefits from its strategic location between the Midlands, South West and South Wales, strong business base and internationally recognised innovation assets. However, economic performance and opportunity are not experienced equally across the county. Productivity remains uneven, some communities face barriers to employment and skills, and there are significant differences in wages, deprivation and access to opportunity between places. Supporting sustainable economic growth that improves prosperity for all residents is therefore a strategic issue

that extends beyond individual local authority boundaries and requires a coordinated county-wide response.

The ability of Gloucestershire to attract investment and support business growth is increasingly dependent on the availability of employment land, modern premises, digital connectivity, energy infrastructure, transport capacity and a skilled workforce. The county's growth ambitions, as set out through the Local Growth Plan and other economic strategies, cannot be realised without long-term planning for the infrastructure and resources needed to support economic activity. Decisions about where future growth should be located, how strategic employment opportunities can be supported and how investment can be aligned with infrastructure are inherently spatial matters that require consideration at a Gloucestershire-wide scale.

Economic growth must also be sustainable and resilient. Future prosperity will depend on responding to climate change, supporting the transition to a low carbon economy and ensuring that growth does not undermine the environmental assets that contribute to Gloucestershire's attractiveness and quality of life. At the same time, economic growth should help reduce inequalities by improving access to jobs, skills and opportunities for residents across urban, rural and market town communities. The SDS provides an opportunity to establish a long-term spatial framework that enables investment and innovation whilst ensuring that economic, social and environmental benefits are shared more widely across Gloucestershire's communities.

EC 2 - Delivering the strategic infrastructure, energy and digital connectivity to unlock growth

Infrastructure capacity will be one of the most significant factors shaping Gloucestershire's future growth. The county's economy, housing delivery and investment ambitions rely upon transport networks, utilities, energy systems and digital connectivity that can support both existing communities and future development. However, infrastructure provision often operates across local authority boundaries and requires long-term planning, substantial investment and coordination between multiple organisations. Decisions about where growth should be located therefore need to be closely aligned with the capacity and future enhancement of strategic infrastructure networks across Gloucestershire and neighbouring areas.

Gloucestershire occupies a strategically important position between the Midlands, South West and South Wales, with strategic transport corridors supporting the movement of people, goods and services. At the same time, constraints on sections of the strategic and local highway network, variable public transport accessibility, and differences in digital connectivity can influence where businesses choose to invest and where people can access employment, education and services. Planned growth will place additional demands on transport, water, wastewater, energy and community infrastructure, making it essential to consider these issues at a county-wide level. An SDS provides an opportunity to identify the infrastructure priorities that are critical to supporting sustainable growth and to coordinate investment across multiple places and agencies.

The transition to a low carbon economy is creating new infrastructure challenges and opportunities that require a strategic response. Increased demand for electricity generation, storage and distribution capacity, together with the growing importance of digital networks, data infrastructure and emerging technologies, will have significant implications for the location and scale of future development. Gloucestershire's ambitions for growth in sectors such as cyber, advanced

engineering, clean energy and innovation will depend upon resilient and future-proof infrastructure systems. The SDS can play an important role in aligning growth with infrastructure investment, supporting net zero objectives, improving connectivity and ensuring that homes, jobs and communities are served by the infrastructure needed to thrive over the long term.

EC 3 - Aligning homes, jobs and places to create sustainable communities and prosperous and resilient places

Gloucestershire's future success will depend on ensuring that housing growth, employment opportunities, infrastructure and services are planned together rather than in isolation. The county faces ongoing pressures relating to housing affordability, workforce availability and the need to accommodate future economic growth. In some areas, residents travel significant distances to access employment, education and services, whilst employers can face difficulties recruiting and retaining workers due to housing costs and availability. Aligning homes and jobs more effectively can help reduce these pressures, support labour market growth and create places where people can live, work and access day-to-day services more conveniently.

The relationship between housing, employment and infrastructure extends across local authority boundaries. Gloucestershire functions as a connected economic and housing market, with commuting patterns, employment clusters, transport corridors and service networks linking Gloucester, Cheltenham, market towns and rural communities. Decisions about the location of future development can have significant implications for transport demand, infrastructure capacity, public services and environmental impacts across the wider county. A strategic approach is therefore needed to ensure that growth supports sustainable patterns of development and that homes, jobs and infrastructure are delivered in a coordinated way.

Creating prosperous and resilient places involves more than meeting housing and employment needs. It also requires investment in town centres, local services, community facilities, digital connectivity, green infrastructure and sustainable transport networks. Well-planned places can support healthier lifestyles, stronger communities, economic productivity and resilience to future social, economic and environmental change. The SDS provides an opportunity to establish a long-term spatial framework that directs growth to the most sustainable locations, strengthens the role of existing settlements and helps ensure that all parts of Gloucestershire can benefit from and contribute to future prosperity.

EC 4 - Improve access to employment, education and training opportunities to help develop a skilled, healthy and inclusive workforce and reduce inequalities

Gloucestershire's future economic success will depend not only on the availability of jobs, but also on ensuring that residents have the skills, qualifications and opportunities needed to access them. Despite the county's strong economic performance and nationally significant growth sectors, some communities continue to experience barriers to employment, education and training. Economic inactivity, health inequalities, lower skills attainment in some areas and limited access to opportunities can prevent individuals from participating fully in the economy. Ensuring that all residents can benefit from economic growth is therefore an important strategic challenge with implications for productivity, social mobility and long-term prosperity across the county.

Access to employment, education and training opportunities is influenced by the location of development, transport connectivity, digital infrastructure and the distribution of services and facilities. Gloucestershire's labour market operates across local authority boundaries, with residents often travelling to different parts of the county for work, further education and training. The county's major employment centres, colleges, universities and training providers serve a wider catchment than individual districts, meaning that inequalities in access and opportunity are often strategic rather than purely local in nature. Addressing these challenges requires coordinated planning for homes, jobs, transport, digital connectivity and community infrastructure across Gloucestershire as a whole.

Creating a skilled, healthy and inclusive workforce is also essential to supporting future business investment and economic resilience. Employers increasingly require access to a workforce with the skills needed for growth sectors such as cyber, digital technologies, advanced engineering, advanced manufacturing, health and care, agri-tech and low carbon industries. At the same time, improving access to good quality employment and lifelong learning opportunities can help reduce deprivation, improve health outcomes and strengthen community resilience. The SDS provides an opportunity to support more equitable access to opportunities by promoting patterns of growth that connect people with jobs, education and training, helping to reduce inequalities and ensure that prosperity is shared more widely across Gloucestershire.

EC 5 - Celebrate and strengthen Gloucestershire's distinct identity, places and communities to support the regeneration and long-term vitality of the county and its visitor economy

Gloucestershire's identity is shaped by its combination of historic cities, market towns, rural landscapes, distinctive heritage, cultural assets and strong local communities. The county contains nationally important places including Gloucester, Cheltenham, the Cotswolds, Wye Valley and Malvern Hills National Landscapes, the Forest of Dean and the Severn Vale, each contributing to Gloucestershire's character, attractiveness and sense of place. These assets play an important role in supporting quality of life, economic competitiveness and the visitor economy, whilst also helping to attract investment, businesses and skilled workers. Protecting and enhancing the qualities that make Gloucestershire distinctive is therefore a strategic matter that should help inform future patterns of growth and investment.

Many of Gloucestershire's towns and communities face changing economic, social and demographic pressures. Town centres are adapting to changes in retailing and employment, rural communities can experience challenges relating to accessibility and service provision, and there is a continuing need to ensure that growth contributes positively to local identity and community cohesion. Investment in regeneration, public realm, cultural facilities, community infrastructure and sustainable transport can help strengthen the role of existing settlements, support local businesses and improve the resilience of places. These issues often have implications beyond individual district boundaries and require a coordinated strategic approach to maximise benefits across the county.

The visitor economy is a significant contributor to Gloucestershire's economy, supporting employment, local businesses and investment in both urban and rural areas. The county's natural environment, heritage, culture, festivals, food and drink sector and recreational opportunities attract

visitors from across the UK and beyond. Future growth and development should seek to support these assets whilst ensuring that places remain attractive, accessible and sustainable for residents and visitors alike. The SDS provides an opportunity to establish a long-term spatial framework that supports regeneration, strengthens communities, enhances Gloucestershire's unique identity and helps ensure that the economic and social benefits of the visitor economy are realised across the county.

EC 6 - Supporting growth within environmental limits, enabling the transition to a low carbon, circular economy and advancing net zero

Gloucestershire faces the dual challenge of accommodating future growth while responding to climate change, resource constraints and the need to protect and enhance the natural environment. The county is already experiencing the impacts of climate change through increased flood risk, heatwaves, pressure on water resources and effects on habitats, species and ecosystems. At the same time, future population and economic growth will increase demands on land, energy, water, transport and waste infrastructure. Ensuring that development takes place within environmental limits is therefore a strategic issue that affects the long-term sustainability and resilience of communities, businesses and infrastructure across Gloucestershire.

The transition to a low carbon and circular economy will be fundamental to Gloucestershire's future prosperity and competitiveness. National and local commitments to achieve net zero will require significant changes in how energy is generated and used, how buildings are designed and operated, how people travel, and how resources and materials are managed. Gloucestershire is well placed to support growth in sectors associated with clean energy, environmental technologies, sustainable construction, circular economy businesses and green skills. However, this transition will require coordinated planning for renewable energy generation, electricity network capacity, sustainable transport, green infrastructure, waste management and resource efficiency. Many of these issues extend across administrative boundaries and require a strategic approach that cannot be addressed through individual Local Plans alone.

Protecting environmental capacity is also essential to maintaining the qualities that make Gloucestershire an attractive place to live, work, visit and invest. The county's nationally important landscapes, rivers, biodiversity, agricultural land, heritage assets and natural resources provide environmental, social and economic benefits that support both communities and businesses. Future growth will need to contribute towards nature recovery, climate resilience and environmental enhancement whilst reducing carbon emissions and minimising resource consumption. The SDS provides an opportunity to establish a long-term spatial framework that aligns growth with environmental objectives, supports the transition to a net zero and circular economy, and ensures that future development strengthens rather than undermines Gloucestershire's environmental assets and resilience.

Matters of Strategic Importance for the economy – Key Strategic Priorities

MSI EC1 - Enabling inclusive and sustainable economic growth, productivity and investment to ensure the benefits are shared across all communities

Key Strategic Priorities

1. Support sustainable economic growth and productivity by enabling investment, innovation and the development of strategic employment locations, infrastructure and growth sectors that strengthen Gloucestershire's long-term economic resilience.
2. Ensure the benefits of economic growth are shared more widely by improving access to employment, skills, services and opportunities for all communities, reducing economic inequalities across the county.

MSI EC2 - Delivering the strategic infrastructure, energy and digital connectivity to unlock growth

Key Strategic Priorities

1. Plan and coordinate the delivery of strategic transport, energy, water, wastewater and digital infrastructure required to support sustainable growth and investment across Gloucestershire.
2. Improve connectivity between people, places and opportunities through integrated transport and digital networks that reduce barriers to movement, support economic growth and enhance quality of life.

MSI EC3 - Aligning homes, jobs and places to create sustainable communities and prosperous and resilient places

Key Strategic Priorities

1. Align the delivery of housing, employment, infrastructure and services to create sustainable patterns of growth that reduce the need to travel and support thriving communities.
2. Strengthen the role and function of Gloucestershire's cities, towns and rural communities by directing growth to locations that support regeneration, prosperity and long-term resilience.

MSI EC4 - Improve access to employment, education and training opportunities to help develop a skilled, healthy and inclusive workforce and reduce inequalities

Key Strategic Priorities

1. Improve access to employment, education, skills development and lifelong learning opportunities to support a productive workforce and meet the needs of Gloucestershire's economy.
2. Reduce barriers to opportunity and participation by improving connectivity, accessibility and inclusion, helping to address inequalities and support healthier, more resilient communities.

MSI EC5 - Celebrate and strengthen Gloucestershire's distinct identity, places and communities to support the regeneration and long-term vitality of the county and its visitor economy

Key Strategic Priorities

1. Protect, enhance and celebrate Gloucestershire's distinctive landscapes, heritage, culture and local character as key assets that contribute to prosperity, wellbeing and place identity.
2. Support the regeneration and long-term vitality of cities, towns, rural communities and visitor destinations through investment in sustainable growth, community infrastructure and high-quality places.

MSI EC6 -Supporting growth within environmental limits, enabling the transition to a low carbon, circular economy and advancing net zero

Key Strategic Priorities

1. Support patterns of growth that reduce carbon emissions, increase resilience to climate change and enable the transition to a net zero and low carbon economy.
2. Protect and enhance environmental capacity by promoting resource efficiency, renewable energy, circular economy principles and the sustainable management of land, water and natural resources.

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