

DOCUMENT 6

GLOUCESTERSHIRE'S STRATEGIC ECONOMIC PLAN V.2.0 2018

Strategic Economic Plan for Gloucestershire 2.0

**UPDATE
2018**

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Introduction from our Chair, Dr Diane Savory OBE DL

“The last 12 months have seen unprecedented positive change and growth within the great county of Gloucestershire.

GFirst LEP and its affiliated project partners have continued to ensure that projects are delivered on time, within budget and most importantly continue to help drive sustainable economic growth within Gloucestershire.

The creation of the LEP Strategic Economic Plan in 2014 cemented our intentions and a variety of worthy and exciting projects received Local Growth Funding. Many of these projects have now come to fruition in 2018 including; the Growth Hub Network roll out across the county, the new GlosCol Campus in Cinderford, the Gloucester Transport Hub and the Elmbridge Court Roundabout to name but a few.

Looking to the future and the next 12 months, there will be more exciting developments taking shape, the biggest one being the UK Cyber Business Park in Cheltenham, capitalising on our unique position with GCHQ.

In 2019, I am keen for the LEP to build an aspirational Local Industrial Strategy with input from Gloucestershire's business leaders; this will lead to our next round of bids and funding, following Brexit, with the creation of the UK Shared Prosperity Fund. Productivity will be a real focus and we will continue to build on the improving trend in the county.

Finally, I would also like to take this opportunity to thank all our Board, the GFirst LEP staff, Gloucestershire County Council (our Accountable Body), our six local authorities, our six local MPs and all our Business Group members for their invaluable support.”



Dr Diane Savory OBE DL



Back in 2014...

Our Strategic Economic Plan (SEP)¹ for Gloucestershire was published and set some ambitious targets against the backdrop of a county in recovery following the global economic crisis, with productivity having stagnated during the previous 10 years relative to the rest of the UK.

The SEP highlighted that, although still a prosperous economic area with huge latent potential, we needed help in unlocking that potential if we were to achieve the type of economic growth that the whole of the UK should aspire to: -

- high skill
- knowledge intensive
- sustainable
- a high proportion of manufacturing and export industries
- an exceptional quality of working life

Our EU Structural and Investment Fund (ESIF)² strategy, developed at the same time, aligns with the overarching SEP for the county. Our ESIF funding, the majority of which is revenue based, complements and supports the capital funding projects of our SEP.



Since then...

We've secured £101.696 million of funding from Government, which we've allocated to the important projects we'd identified in our SEP to help grow Gloucestershire; and we've already achieved great things, including:

October 2014 to 2018: The Growth Hub
opens and expands across the county; the 'go to' place for business support in Gloucestershire

August 2016: Gloucestershire Airport - South Camp
infrastructure complete; enabling exciting developments on site

June 2017 and July 2018: Farm491
opens across two sites; a state-of-the-art space for agri-tech innovators

September 2017: GREEN
opens at Berkeley; the Gloucestershire Renewable Energy, Engineering and Nuclear Skills Centre

November 2017: Berkeley Cyber Security Centre
opens; delivering skills development, research and testing

September 2018: Gloucestershire College Cinderford Campus
opens to students; transforming the education offer in the Forest of Dean

October 2018: Gloucester Central Transport Hub
opens; the iconic new transport hub for Gloucester.

We're also implementing a Growth Zone, ensuring the availability of **quality employment land** in proximity to the M5 motorway and enabling **excellent connectivity** throughout Gloucestershire and the rest of the UK.

Much of the work to deliver the other projects identified as vital to us achieving our ambitious growth targets has begun; many are now well on the way to completion and launch.

¹<https://www.gfirstlep.com/downloads/library/4-sep.pdf>

²https://www.gfirstlep.com/downloads/library/17-17-esiffebruary2016_v1.pdf

So, what's next?

Staying focused and 'on plan'...

The priorities we set out for Gloucestershire in 2014 remain valid today and will continue to be valid for the foreseeable future, so our focus will be to continue to deliver our current **Strategic Priorities** of: -



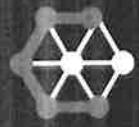
Promotion

Now broadened to '**Business Environment**' - attracting and retaining successful businesses in high value sectors and the next generation of talented workers.



Skills

Providing and nurturing the next generation of talented, highly employable, and productive individuals³ to meet the needs of local business, especially those in sectors with high growth potential.



Connection

Now broadened to '**Connectivity**': Delivering digital and integrated transport connectivity to stimulate business growth, ensuring infrastructure, regeneration and housing meet the future needs of the businesses and people of Gloucestershire.

Improving Productivity...

Improving productivity in the county remains a key challenge and the latest available data suggests we're making good progress.

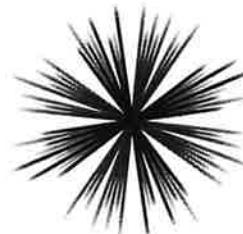
Gloucestershire has seen an **above average growth in productivity since 2015-16**⁴. This means that **GFirst is one of only 5 local enterprise partnerships** (Oxford, Solent, West of England, London, and GFirst) to have exceeded the average in terms of GVA per hour and recent productivity growth (2015-16) and is one of 7 to do the same for GVA per filled job.

³ Estimates for European countries show that a 1 per cent increase in training days leads to a 3 per cent increase in productivity, and that the share of overall productivity growth attributable to training is around 16 per cent (CEDEFOP, 2007).⁵

⁴ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/datasets/subregionalproductivitylabourproductivitygvaphorhourworkedandgvaperfilledjobindicesbylocalenterprisepartnership>

Delivering our Local Industrial Strategy...

Our **Strategic Priorities** strongly align to the **five foundations of productivity**⁵ identified in the **UK Industrial Strategy**, providing a sound foundation for us to develop our response to Government



INDUSTRIAL STRATEGY

Addressing the key demographic challenge ...

Gloucestershire has a higher proportion of people aged 65+ compared to England and Wales and the population is ageing at a more rapid rate. This highlights our challenge of addressing the prediction⁶ that for every new job created in the county, nine people will leave the workforce, mainly through retirement.

Completing the projects we've already started...

Work has already begun on many of our projects and over the next few years delivery will continue, including **transport improvements** and:-

Blackfriars and Quayside Regeneration

UK Digital Retail Innovation Centre

Merrywalks Centre, Stroud

And progressing our future plans...

Other projects which will begin in the next few years, include:-

UK Cyber Business Park: Cheltenham

Gloucestershire Airport: Anson Park

Hartpury University - Tech to Plate

A40 Innsworth Gateway

Gloucester Railway Station improvements

Cheltenham Spa Railway Station

This update of the SEP reaffirms the **Strategic Priorities** we first announced in 2014 and sets out:-

- the encouraging progress to date
- our ongoing plans to generate economic growth for Gloucestershire, and
- the positive impact these plans will have on businesses and people to **take Gloucestershire from Good to Great...**

⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/483126/LMI_Summary - Gloucestershire_Final.pdf

1.1 Gloucestershire: 2018 - A prosperous and resilient economy

Gloucestershire has a prosperous and resilient economy set within a highly attractive natural environment, which offers a high standard of living for local residents. On many of the headline indicators of economic performance, Gloucestershire performs at, or above, the national average.

Gloucestershire by numbers

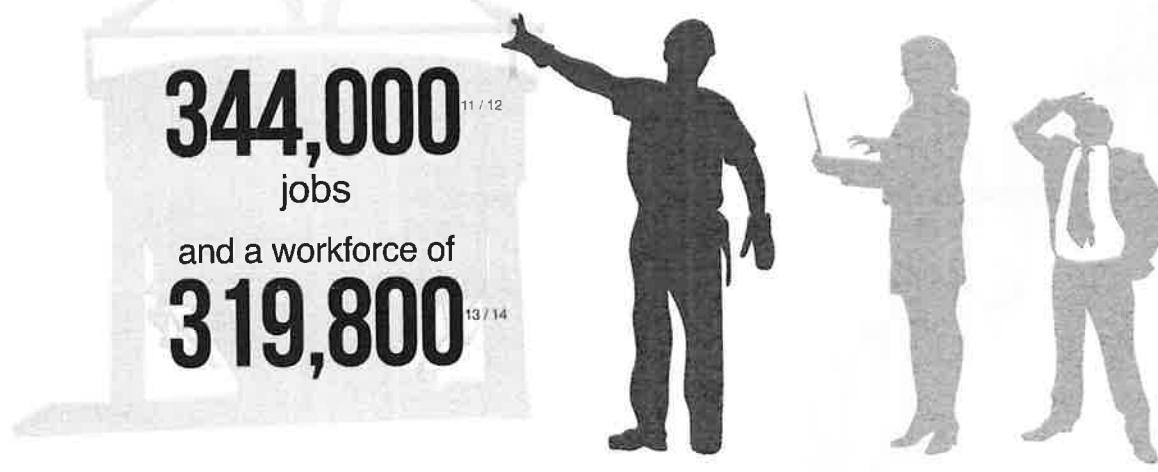
Between 2012 and 2016 the **economy of Gloucestershire**⁷ grew from £14.2 billion to £16.3 billion.

Between 2012 and 2017 **our number of businesses** grew by 3,890⁸ and our **workforce grew** by 19,300⁹ and there are approximately:



In 2017 the total population of Gloucestershire was estimated to be 628,139, an increase of 42,700 (7.3%) since 2007¹⁵.

A high percentage of the population lives in rural areas (28.6%)¹⁶ 13th out of 38 when compared to all LEPs.



⁷ GVA balanced by LEP

⁸ UK Business Counts, ONS via <http://www.nomisweb.co.uk/>

⁹ Annual Population Survey, April-March 2012, and April March 2016-2017 via <http://www.nomisweb.co.uk/>

¹⁰ UK Business Counts, ONS via <http://www.nomisweb.co.uk/>

¹¹ The total number of jobs is a workplace-based measure and comprises employee jobs, self-employed, government-supported trainees, and HM Forces. It will include people that live outside of the county.

¹² Job Density, ONS

¹³ The workforce figure is a residence-based measure and refers to the number of residents aged 16+ in employment, residents may not be employed by businesses in Gloucestershire but instead work outside of the county.

¹⁴ Annual Population Survey, ONS

¹⁵ Mid 2017 Population Estimates - Revised, ONS and Mid 2007 Population Estimates, ONS <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates>

¹⁶ Mid 2016 Population Estimates <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates>

Our GVA performance¹⁷ - an improving picture...

Between 2002 and 2008 Gross Value Added (GVA) growth in the county was in **the lowest third in England**

- For the period 2010-2016 annual GVA growth for Gloucestershire was 3.4% - **broadly in line with the UK average**
- In recent years we have experienced **above average productivity growth**

And by comparison with others...

The 2016 UK Competitiveness Index¹⁸ ranks GFirst as the 14th (out of 38) most competitive LEP in the country. Similarly, in 2012, LEP Network data placed GFirst as the 9th most resilient LEP area.

Total output of the county's economy represents 13% of the value of output in the South West and 1% of the UK economy¹⁹. According to latest figures, GVA per head in Gloucestershire is £26,093, on a par with the UK (£26,621) and above the South West average (£23,091).

Manufacturing in Gloucestershire is a significantly higher percentage than nationally²⁰, accounting for 15.2% of GVA compared to 10.2% nationally, and 12.2% of employment compared to 8% nationally.

Where is our growth coming from²¹?

In terms of both GVA and employment, some of the largest sectors in the county, are **Distribution; Transport; Accommodation and Food; and Manufacturing**, along with the Public sector (including education and health).

In recent years the greatest growth in GVA has been in **Business Service Activities**²² with average annual growth rates of 6.0% and 5.0% respectively²³, this sector has also seen high rates of growth in employment with an average annual growth rate of 4.4%.

Other sectors experiencing high rates of employment growth²⁴ include **Property (6.1%)** and **Agriculture, Gas, Electricity and Water (4.1%)²⁵**

¹⁷ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/datasets/subregionalproductivitylabourproductivitygva per hour worked and gva per filled job indices by local enterprise partnership>

¹⁸ <http://www.cforic.org/pages/uk-competitiveness.php>

¹⁹ Gross Value Added ONS Balanced Approach which combines income and production.
<https://www.ons.gov.uk/economy/grossvalueaddedgva/bulletins/regionalgrossvalueaddedbalanceduk/1998to2016>

²⁰ Regional gross value added (balanced) by local enterprise partnership in England.
<https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/regionalgrossvalueaddedbalancedbylocalenterprisepartnershipinengland>

²¹ Regional gross value added (balanced) by local enterprise partnership in England
<https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/regionalgrossvalueaddedbalancedbylocalenterprisepartnershipinengland>

²² Regional gross value added (balanced) by local enterprise partnership in England
<https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/regionalgrossvalueaddedbalancedbylocalenterprisepartnershipinengland>

²³ This relates to the period 2006 -2016

²⁴ Business Register Employment Survey, ONS via www.nomisweb.co.uk

²⁵ This relates to the period 2009-2015

A growing population

In 2017 Gloucestershire's total population had grown by 42,700 (7.3%) since 2007 to an estimated 628,139. This rate of growth was below the England and Wales average of 8.0% for the same period because of a smaller increase in numbers of children, young people, and adults of working-age.



And a key demographic challenge...

Gloucestershire has a higher proportion of people aged 65+ compared to England and Wales (21.0% compared to 18.2%), and the population is ageing - ten years ago the proportion of over 65 year olds in the county was 17.6%.

The ageing population means replacement demand will be a critical challenge in the future. There are no official figures, but there are a wide range of estimates available that give indications as to the extent of the issue. A paper produced by The UK Commission for Employment and Skills (UKCES)²⁶ suggests that **for every new job created in the county, nine people will leave the workforce**. This document provides a summary of key findings for Gloucestershire, based on results from three major UKCES research projects: Working Futures, the Employer Skills Survey (ESS) and the Employer Perspectives Survey (EPS).

There is a perception that, post-university education, the county suffers a net loss of its young talent, which is a concern that we would seek to address.

However, between 2006 and 2016, the largest net inflow of people to Gloucestershire was in the economically active age group 30 to 44 years and of children less than 15 years of age²⁷.

This may be an indicator that people in the 30 - 44 age group are attracted to the county for the quality of life, schools, natural environment etc. that Gloucestershire has to offer, bringing with them the experience and knowledge they have gained elsewhere.

Our workforce...

We have a skilled workforce, with **56% employed in skilled and professional jobs** (2018). 58.1% have attained qualifications at NVQ level 3 or 4²⁸(2017). 42.9%²⁹ are in top output growth sectors (2016). 18.1% are in the knowledge economy³⁰. **Our percentage of employees in high and medium technology manufacturing has increased by 1.7% to 24.7%, which places GFirst in the top third of LEP's.**

49.3% are employed in the private and 'other service' sectors, 12.2% in manufacturing and 23.6% in the public sector³¹. With a **very low unemployment rate (2.9% in April 2017 to March 2018)**³², the challenge is to fill vacancies.

²⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/483126/LMI_Summary_-_Gloucestershire_Final_.pdf

²⁷ Mid 2017 Population Estimates - , ONS <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/>

²⁸ <http://www.nomisweb.co.uk/>

²⁹ Business Register Employment Survey, ONS via www.nomisweb.co.uk and Input-Output Supply and Use Tables 2017, ONS <https://www.ons.gov.uk/economy/nationalaccounts/supplyanduse/datasets/inputoutputsupplyanduse>

³⁰ Business Register and Employment Survey, ONS via <http://www.nomisweb.co.uk/>

³¹ Business Register and Employment Survey, ONS via <http://www.nomisweb.co.uk/>

³² Annual Population Survey, ONS via <http://www.nomisweb.co.uk/>

Meeting the Productivity Challenge

The UK continues to experience competitive challenges from overseas, with productivity having stagnated since 2010. Weak productivity growth is a problem across all advanced countries, but in the UK the weakness is worse, with UK workers across every sector producing less than competitors in France, Germany, and the USA.³³ In 2014, when our Strategic Economic Plan for Gloucestershire was first published, we outlined the productivity challenge we faced³⁴:

- Between 2004 and 2014 Gloucestershire's productivity growth stagnated when compared to the rest of the UK: a productivity gap developed between Gloucestershire and the UK average
- In 2004 Gloucestershire's GVA per hour worked stood at £24.50
- This increased to £29.70 in 2014, nationally GVA per hour grew from £24.50 in 2004 to £31.40 in 2014

This position has now changed significantly³⁵: -

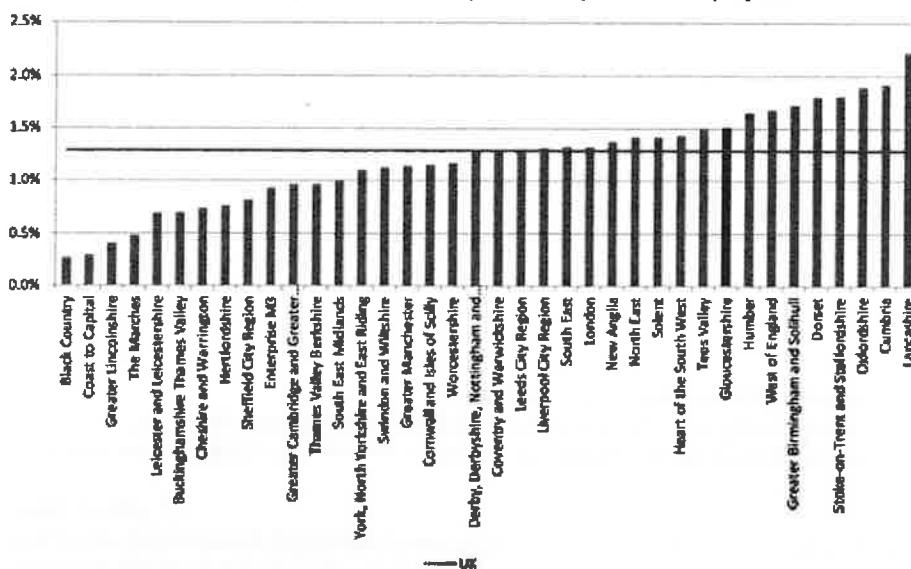
- Latest growth figures (for 2016) show Gloucestershire's **GVA per hour worked** was £30.80 this was **above the South West average** (£29.30) but slightly below the UK average (£32.60)
- **GVA per filled job** stood at £50,070 in 2016, which was also **above the South West average** (£45,563) but below the national average of £52,626;
- Gloucestershire's **GVA per hour worked and per filled job grew at a faster rate than nationally between 2015 and 2016**;
- The gap between Gloucestershire's and the UK's **GVA per hour worked and per filled job has reduced since 2014**.

³³ International comparisons of UK productivity (ICP), final estimates: 2016

When compared to other Local Enterprise Partnerships, GFirst compares well with a rank of 14 out of 38 in terms of both productivity per filled job and per hour worked. Gloucestershire has also seen an **above average growth in productivity since 2015-16**. This means that **GFirst is one of only 5 local enterprise partnerships** (Oxford, Solent, West of England, London, and GFirst) **to have exceeded the average** in terms of GVA per hour and recent productivity growth (2015-16) and is one of 7 to do the same for GVA per filled job.

Whilst it is too early to suggest that the county's productivity challenge has been overcome, or to claim that the economic recession is over for Gloucestershire, these are none the less encouraging signs.

Average annual growth in GVA per hour (2015-2016) by LEP



³⁴ Sub-regional Productivity, ONS
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/datasets/subregionalproductivitylabourproductivitygva per hour worked and gva per filled job indices by localenterprisepartnership>

³⁵ Regional gross value added (balanced) by local enterprise partnership in England
<https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/regionalgrossvalueaddedbalancedbylocalenterprisepartnershipengland>

Strong, resilient, and innovative SME and self-employment communities

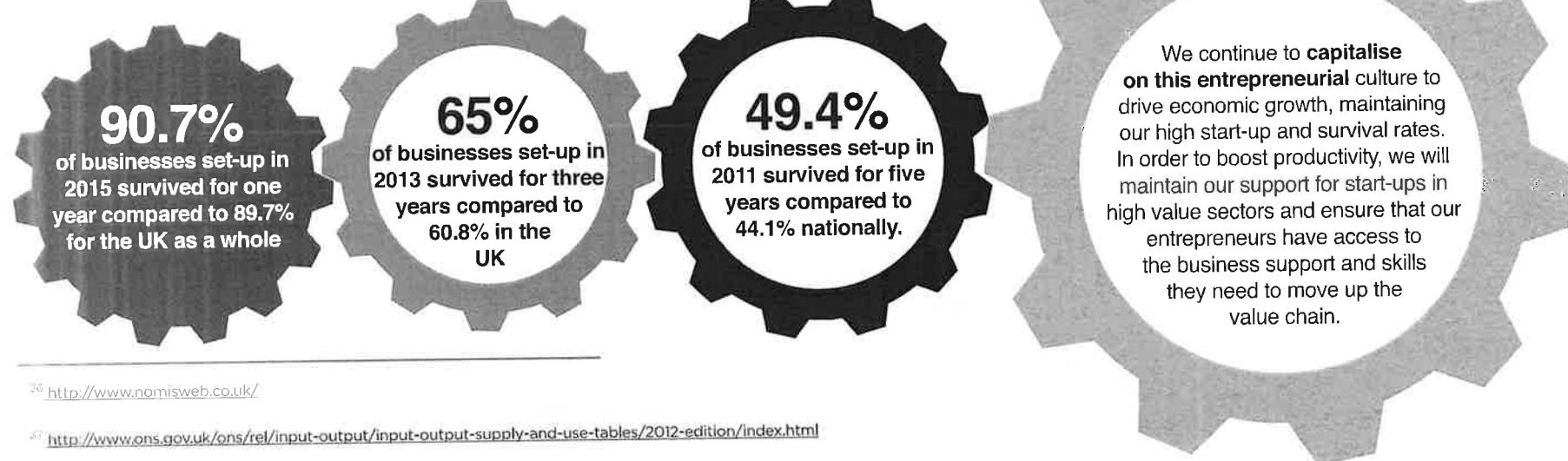
Gloucestershire has a **large SME community**; 71.4% of Gloucestershire's businesses employ less than 5 people, the same as the national average, compared to approximately 100 businesses employing 250 or more people³⁶.

An SME sector with unexploited potential to export

We continue to have a high percentage (16.6%)³⁷ of our jobs in export intensive sectors. This is the 8th highest of the 38 LEPs and is an important opportunity for the county. We recognise our continuing challenge to find ways of fully exploiting the export potential that exists here.

High Start-up Survival Rates

Whilst the self-employment rate in 2017³⁸ was 15.1%, broadly in line with the national average (14.2%), we have high rates of business survival³⁹.



³⁶ <http://www.nomisweb.co.uk/>

³⁷ <http://www.ons.gov.uk/ons/rel/input-output/input-output-supply-and-use-tables/2012-edition/index.html>

³⁸ <http://www.nomisweb.co.uk/>

³⁹ <https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/businessdemographyreferencetable>

Gloucestershire - An 'Innovation Active' county

Gloucestershire has



of businesses which are 'innovation active'⁴⁰, (the national average is 55.1%). Compared to other LEPs, GFirst has the second highest rate of innovation activity after Cheshire and Warrington. There are many innovative firms in Gloucestershire and some **key innovation assets** both within the county (e.g. Campden BRI, University of Gloucestershire and the Royal Agricultural University), and outside (e.g. Bristol Science Park).

As a predominantly rural county with existing expertise in agri-technology, we, with the HE and FE land-based institutions in Gloucestershire, fully support the Government's vision that 'the UK becomes a world leader in agricultural technology, innovation and sustainability'.

Our original Strategic Economic Plan (SEP) still stands

Beyond this refresh of the local economic data and comparisons with UK performance, we believe **our current SEP**, published in March 2014, **remains valid** and continues to be supported by our European Structural and Investment Fund (ESIF) projects. All of the projects we proposed in 2014 are now delivering as planned and beginning to have a positive impact on the county's economy.

⁴⁰ <https://www.gov.uk/government/publications/uk-innovation-survey-2015-analysed-by-local-enterprise-partnerships>

Strengths

- Emerging Cyber specialism: sector and skills
- GCHQ & proposed National Cyber Innovation Centre in Cheltenham
- Above average number of businesses are 'innovation active'
- Excellent countywide access to business support via The Growth Hub network
- High concentration of high tech manufacturing firms
- High employment rate
- High economic activity rate
- Diverse, resilient economy
- Expertise in the nuclear and renewable energy industry
- Entrepreneurial culture
- Good levels of self-employment and start-ups
- Good business survival rates
- Highly skilled workforce
- Vibrant SME community
- High quality natural environment
- High standard of living
- Low % of NEETS
- High levels of self-containment
- Ranking for full fibre access for Cotswolds, Tewkesbury and Forest of Dean districts are in the top 30 in the UK
- Main UK dark fibre network runs through Gloucestershire
- Gloucestershire Airport and major international airports in close proximity
- Access to national motorway network
- GCSE success rate above national average
- High General and Applied A/AS or equivalent level success rate

Weaknesses

- Failure to attract and/or retain enough talented young people
- Under exploited export potential
- Capacity Constraints in the highways network: -
 - M5 J10 (a restricted junction)
 - A411 – The 'Missing Link'
 - M5 J9/A46 (junction at capacity in peak hours)
 - A40 to west of River Severn
 - A40 between Gloucester and Cheltenham
 - Cheltenham and Gloucester centres
- Pockets of county with persistent deprivation and high unemployment
- Residual gaps in high speed broadband coverage in rural areas
- Residual gaps in reliable mobile phone network coverage
- Barriers to services in rural areas
- Pockets of the county with limited public transport services
- Limited rail connectivity, particularly direct train services to London
- Relatively high house prices a barrier to first time buyers entering the property market
- Relatively high domestic rents

Opportunities

- Cyber security sector of international significance
- Cross LEP working within key sectors, particularly Cyber
- Productivity growth improvements
- Employment and Skills Board strengthening partnerships between education and business
- Growth in knowledge-intensive services
- Agri-tech
- Creative industries including digital media
- Low carbon economy
- Nuclear energy
- Tourism
- Export potential
- Projected growth in number of households
- Entrepreneurial culture
- Innovation assets – Higher Education providers and key businesses
- Business exploitation of digital opportunities through the pervasive fibre network enabling 5G
- Planned investment in infrastructure
- Improved direct train service to London and Bristol
- Land availability near M5 Growth Zone
- Housing allocations across all districts to support economic growth
- High levels of commuting within the county plus pervasive fibre network, enabling flexible working in all areas of the county
- Ageing population, where still economically active, sharing experience and expertise
- Close collaboration between SMEs and the community and voluntary sectors

Threats

- Uncertainty surrounding the impact of BREXIT to the economy locally as well as nationally
- Lack of suitable premises for high value businesses
- Businesses unable to fill skilled vacancies
- Skills gaps and shortages in some sectors
- Insufficient number of attractive development sites
- Ageing population, particularly in rural areas
- Young people leaving the area
- High proportion of employment in the public sector
- Under-developed links between business and universities
- Impact of climate change, esp. flooding

1.3 Developing clear Strategic Priorities

The Journey So far...

In April 2013 we published our Growth Statement, which was the foundation for the development of a Growth Plan for Gloucestershire, in line with the Government's National Growth Strategy. Our Growth Statement was developed around three key **Strategic Priorities**:



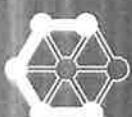
Business Environment (was *Promotion*)

Attracting and retaining successful businesses in high value sectors and the next generation of talented workers.



Skills

Providing and nurturing the next generation of talented, highly employable, and productive individuals⁴¹ to meet the needs of local business, especially those in sectors with high growth potential.



Connection

Delivering digital and integrated transport connectivity to stimulate business growth, ensuring infrastructure, regeneration, and housing meet the future needs of the businesses and people of Gloucestershire.

Growth Deal with Government

Our Strategic Economic Plan (SEP) for the county was published in March 2014 and included a number of flagship projects with the potential to deliver against these priorities. Government supported our strategy by fully funding all of these projects through the Local Growth Fund (LGF). The resulting 'Growth Deal' consolidated the commitments by us and Government to deliver the projects, and the wider 'asks' and aspirations in the SEP.

This first round of LGF funding was followed by two more. Our project selection for these was firmly founded on the original SEP, and as a result, we continue to deliver a programme of investments that supports our three key **Strategic Priorities**.

Complementary European Funded Projects

In 2014 we also produced our EU Structural and Investment Fund (ESIF) Strategy which broadened our core strategic themes to respond to the predominantly revenue based European funding opportunities. These make an important contribution to the successful delivery of our growth plans

Alignment with UK Industrial Strategy

Earlier this year the Government published The UK's Industrial Strategy⁴² which highlights its five foundations for productivity growth as:

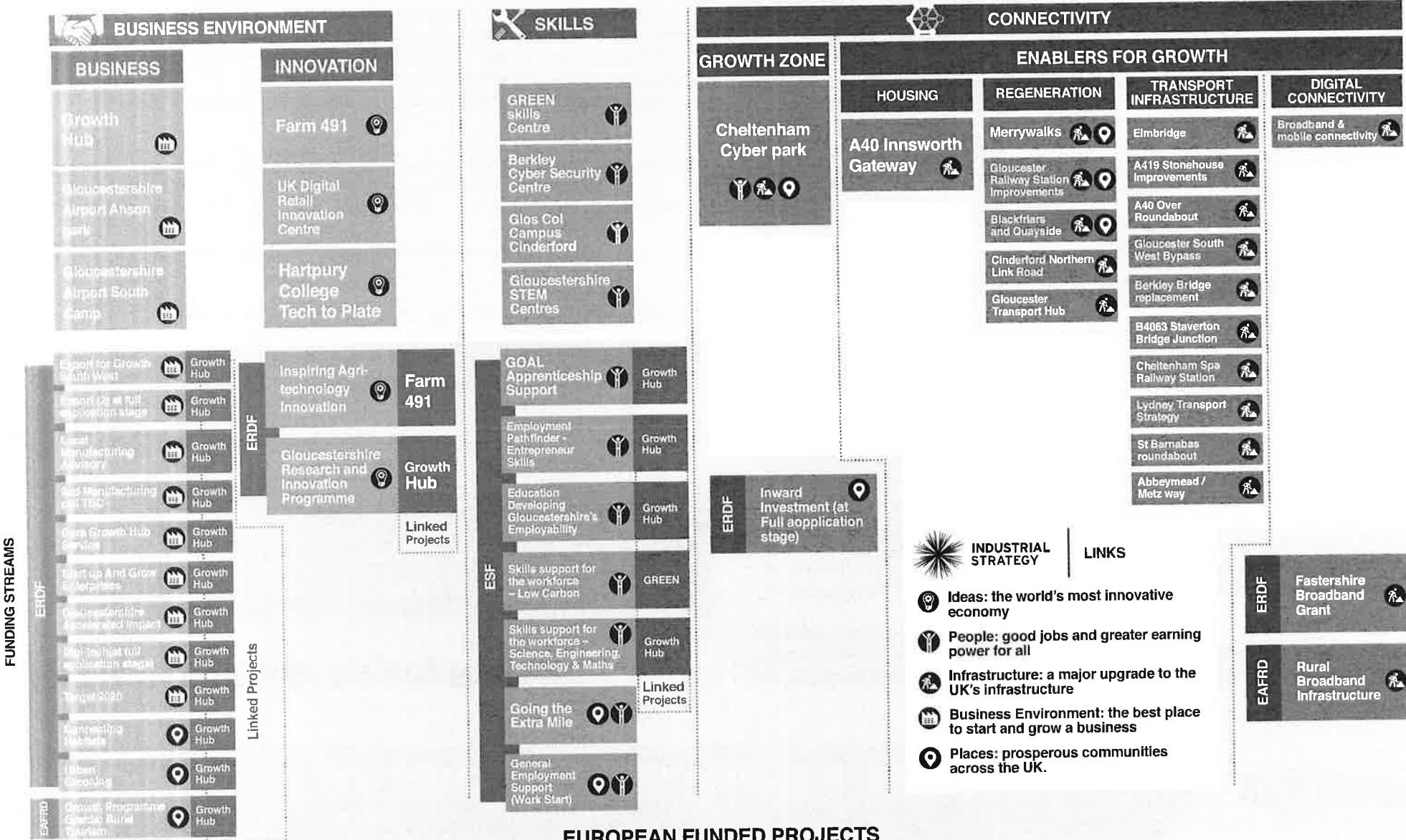
- **Ideas:** encouraging the UK to be the world's most innovative economy
- **People:** ensuring good jobs and greater earning power for all
- **Infrastructure:** driving a major upgrade to the UK's infrastructure
- **Business environment:** guaranteeing the best place to start and grow a business
- **Places:** creating prosperous communities across the UK.

⁴¹ Estimates for European countries show that a 1 per cent increase in training days leads to a 3 per cent increase in productivity, and that the share of overall productivity growth attributable to training is around 16 per cent (CEDEFOP, 2007).⁴

⁴² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

Projects: Strategic positioning and links to the UK Industrial Strategy

GROWTH FUND PROJECTS



1.4 Delivery of our Strategic Economic Plan (SEP)

1.4.1 Key Strategic Priority Projects



Business Environment:

Attracting, supporting, and retaining successful innovative businesses in high value sectors and the next generation of talented workers.

The Growth Hub⁴⁴

Launched in 2014 as one of the flagship projects identified in the original SEP, the Growth Hub is now well established and winning national recognition for its high levels of engagement with Gloucestershire's business community. It remains our main strategic focus to support Businesses to grow and thrive, accelerating economic growth and job creation.

- A total of £9.4m is delivering the network of Growth Hubs throughout the county:
- £5m at The University of Gloucestershire, Oxtalls Campus, delivers the inspirational Gloucester Growth Hub, within the new School of Business and Technology. This co-location delivers economically significant benefits to both businesses and higher education;
- A further £4.4m is delivering the Network of Growth Hubs throughout the county in partnerships with organisations from the private and public sector, providing support for high growth innovative businesses and entrepreneurs. We are delivering on our promise to provide access to Gloucestershire's Growth Hub network across the whole county. As well as the stunning new Gloucester Growth Hub, Cirencester has an exciting new Growth Hub at the Royal Agricultural University and Tewkesbury has their own Hub within the newly refurbished Council Offices.

⁴⁴ <https://www.gfirstlep.com/projects/the-growth-hub/>

Future Growth Hubs in Cheltenham, Stroud and Mitcheldean are on their way. In addition, we have access points in 31 libraries, supported by library staff, reaching into all corners of the county.

The Growth Hub provides a range of innovative and tailored business support services, free of charge, to all businesses in Gloucestershire. Light-touch services and signposting are delivered via the comprehensive digital platform, whilst businesses with high growth potential and innovative entrepreneurs are directly supported by the Growth Hub's team of Business Navigators and Guides. The Growth Hub works closely with us to engage national and locally funded support providers from both the private and public sector, supporting collaborative and cohesive delivery for businesses across a range of programmes and services.

Growth Hub's own business support services are currently fully funded, alongside the commitment by all Network partners to provide free services. The continuous development of the 'digital' Growth Hub is seen as a vital tool in the provision of a sustainable service for the county in the longer term.



1.4 Delivery of our Strategic Economic Plan (SEP)



TIER 1 CENTRES

- 01 GLOUCESTER
- 02 CIRENCESTER

TIER 2 CENTRES

- 03 TEWKESBURY

TIER 3 CENTRES

- 04 BISHOPS CLEEVE
- 05 BOURTON
- 06 CHARLTON KINGS
- 07 CHELTENHAM
- 08 CAMPDEN
- 09 CHURCHOHN
- 10 CINDERFORD
- 11 CIRENCESTER
- 12 COLEFORD
- 13 DURSLEY
- 14 FAIRFORD
- 15 GLOUCESTER
- 16 HESTERS WAY
- 17 HUCCLECOTE
- 18 LONGLEVENS
- 19 LYDNEY
- 20 MATSON
- 21 MORETON-IN-MARSH
- 22 NAILSWORTH
- 23 NEWENT
- 24 PRESTBURY
- 25 QUEDGELEY
- 26 STONEHOUSE
- 27 STOW-ON-THE-WOLD
- 28 STRoud
- 29 TETRURY
- 30 TEWKESBURY
- 31 TUFFLEY
- 32 UP HATHERLEY
- 33 WINCHCOMBE
- 34 WOTTON-UNDER-EDGE

GROWING BUSINESS THROUGH A GROWING NETWORK

THE GROWTH HUB



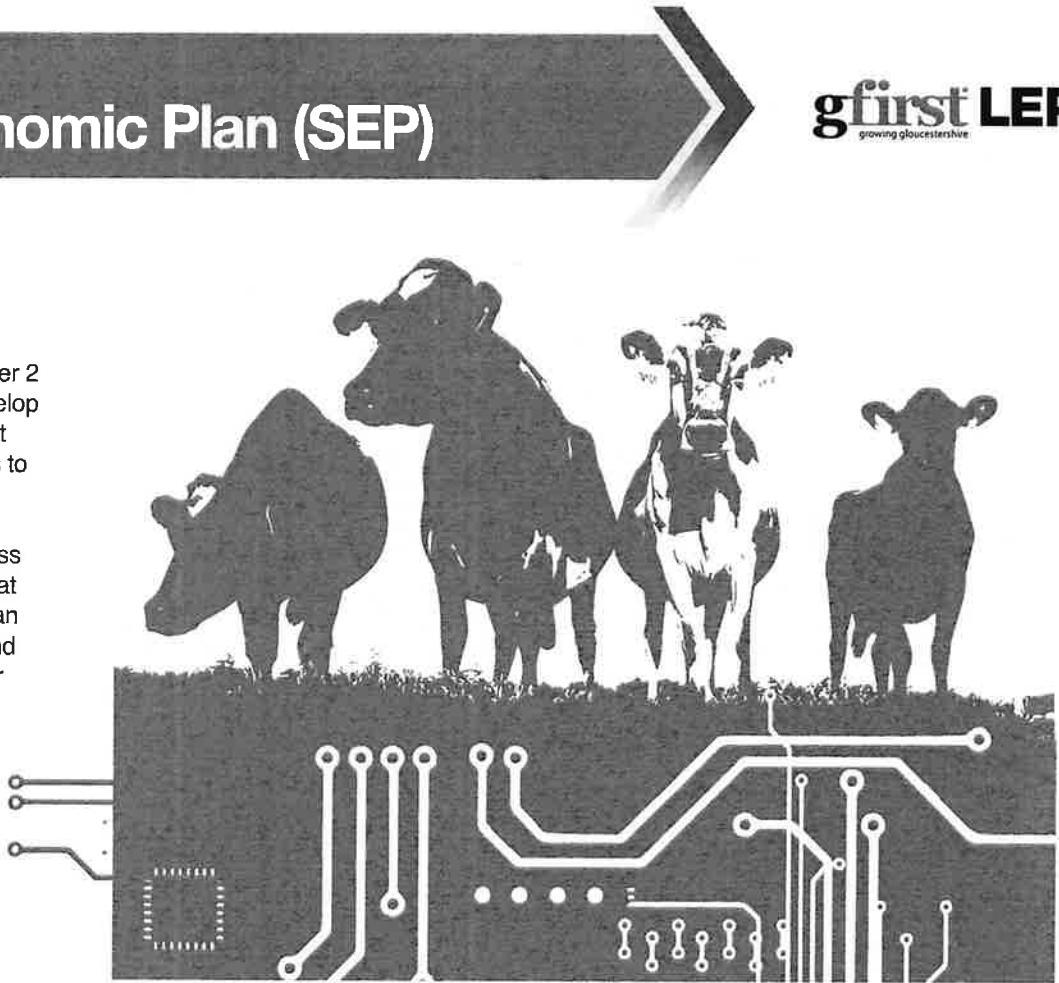
**HELPING GLOUCESTERSHIRE
BUSINESSES GROW**

1.4 Delivery of our Strategic Economic Plan (SEP)

Farm 491 ⁴⁵

An award of £2.92m through Local Growth Fund (LGF) has enabled the Royal Agricultural University (RAU) to establish the Farm 491 Agri-Tech centre, based over 2 sites. This delivers space for innovators to establish and grow enterprises that develop and apply technology to agriculture. These entrepreneurs have access to a support network of farmers, businesses, investors, and academics, as well as open access to data, research, equipment, and resources.

The Harnhill incubation centre provides co-working and workshop space with access to 491 hectares of Cotswold farmland for research and testing. The main centre is at the RAU Cirencester campus, and is co-located with the Cotswold Growth Hub in an eco-friendly and iconic building. These investments will help to drive productivity and innovation in the sector and to position the RAU as a nationally important centre for Agri-Tech.



Hartpury University – Tech to Plate

This project, awarded £1m in 2018, will complement the Farm 491 Agri-Tech Innovation Centre by delivering a technology application and training centre for Gloucestershire and the wider region. The centre will support the wider adoption of digital technology to deliver productivity improvements in agri-businesses and the traceability of farm produce, particularly livestock. The centre is an important element of Hartpury University's strategic plans to work closely with businesses, with benefits to be achieved by the University and Businesses alike.

⁴⁵ <https://www.gfirstlep.com/projects/farm-491/>

1.4 Delivery of our Strategic Economic Plan (SEP)

Gloucestershire Airport ⁴⁶

The county's airport was identified in the original SEP as an important economic asset for Gloucestershire and having significant growth potential. This has proved to be very much the case, with 2 projects securing funding through LGF. The first scheme, 'South Camp' was a £550k investment to create an access road to part of the airfield that could support a major new hangar development, (c 12,000m²). The first phase, completed in summer 2017, has already seen the building and occupation of a 4000m² hangar with associated office space and c£3.8m in private sector investment. In 2018 a further £1.9m was allocated to open up an additional development site on the north side of the airfield (Anson Park) which is planned to come forward in 2020.

The rapid development of general aviation, drone, and autonomous air vehicle technology together with the 'Grand challenge' set by the Government in the 2017 Industrial Strategy⁴⁷, "the UK becoming a world leader in shaping the future of mobility" means that in future years the close proximity of the airport to Gloucester and Cheltenham and the planned UK Cyber Business Park in Cheltenham ensure that it will be a strategically important asset for the county over the long term.

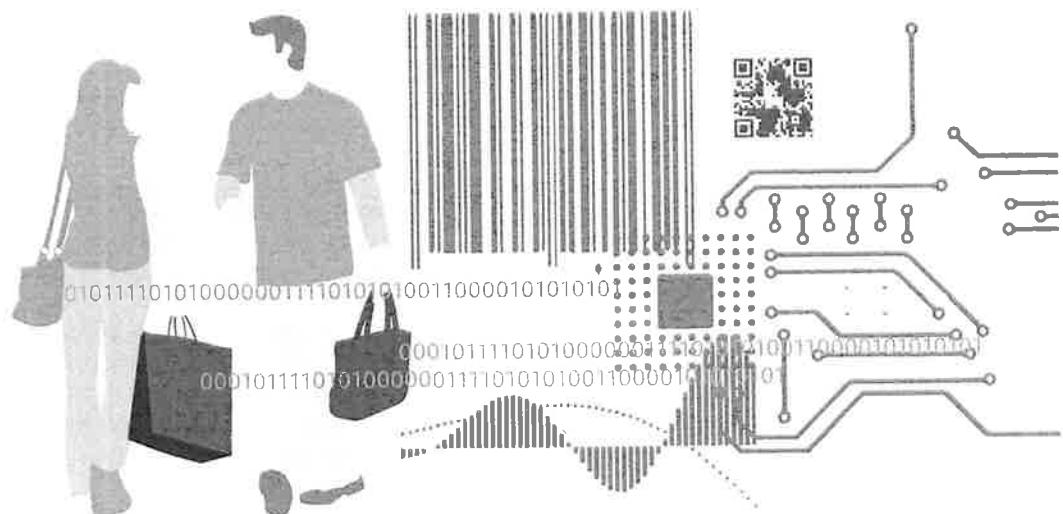


UK Digital Retail Innovation Centre ⁴⁸

£400k has been invested to create a facility to support innovation and entrepreneurship in the retail sector as a response to the dramatic rate of change in the retail environment. Marketing Gloucester, promoters for the project, are creating the UK Digital Retail Innovation Centre (UKDRIC) in the Eastgate Centre in central Gloucester.

The centre will provide a low-risk environment for innovative retailers, technology providers and policy makers to test, assess and develop retail and high street concepts blended with the latest digital technology.

The centre, which opens in Autumn 2018 will provide Gloucestershire with an exciting opportunity to be a pathfinder for the retail/high street sector.



⁴⁶ <https://www.gfirstlep.com/projects/gloucestershire-airport/>

⁴⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

⁴⁸ <https://www.gfirstlep.com/projects/uk-digital-retail-innovation-centre/>

1.4 Delivery of our Strategic Economic Plan (SEP)



Skills: Providing and nurturing the next generation of talented, highly employable, and productive individuals⁴⁹ to meet the needs of local business, especially those in sectors with high growth potential.

Since the publication of our SEP we have established the Gloucestershire Employment & Skills Board (GESB) - a specialist group of local employers and education and training providers that makes recommendations to us, to the Gloucestershire ESIF Committee, and to our local authority partners, on revenue and capital skills funding priorities and skills projects within the county.

The GESB helps to optimise the impact of employment and skills investment for local communities, employers, and individuals and to keep the 'direction of travel' of local education and training providers aligned with local business recruitment, employment and skills needs.

Gloucestershire STEM⁵⁰ Centres⁵¹

In recognition of the critical need to develop the long-term supply of relevant skills for the county, we invested £2.1m in STEM centres across the county at Gloucestershire College, Cirencester College and Hartpury University, supporting new or improved engineering, physical sciences, and digital technology centres. This complements the investment in the GREEN skills centre.

⁴⁹ Estimates for European countries show that a 1 per cent increase in training days leads to a 3 per cent increase in productivity, and that the share of overall productivity growth attributable to training is around 16 per cent (CEDEFOP, 2007).

⁵⁰ Science, Technology, Engineering and Mathematics

⁵¹ <https://www.gfirstlep.com/projects/stem-centres/>

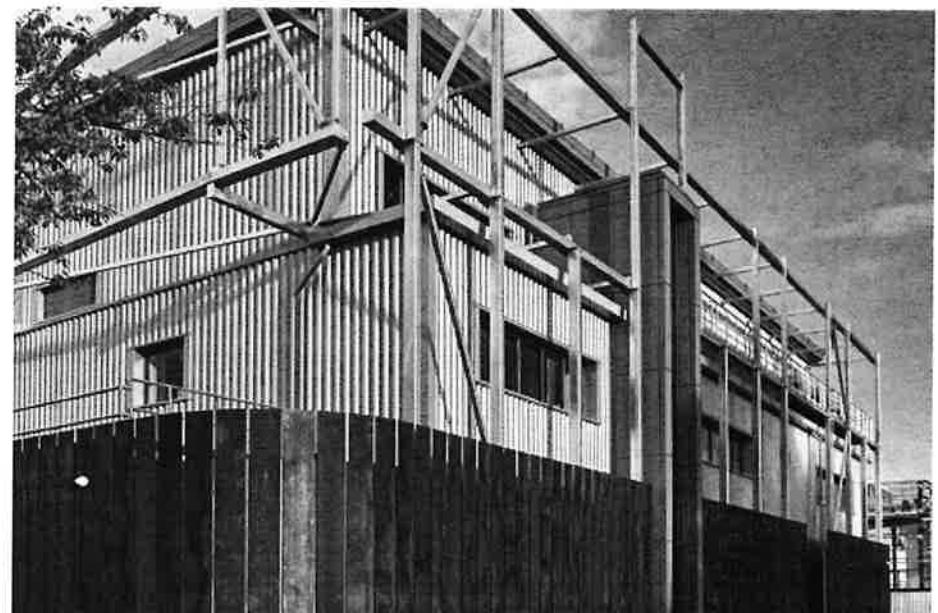
⁵² <https://www.gfirstlep.com/projects/green-skills-centre/>

GREEN⁵²

The Gloucestershire Renewable Energy, Engineering and Nuclear (GREEN) skills centre was one of the flagship projects identified in the original Strategic Economic Plan (SEP) in 2014. We invested £5m into the scheme with South Gloucestershire and Stroud College. The new facility opened fully for students in September 2017 with an initial cohort of c100 students.

This investment has since leveraged in a further £25m of mixed public and private sector investment, including the establishment of a state of the art University Technical College (UTC) specialising in Digital and Advanced Engineering education adjacent to the GREEN centre, which also opened in September 2017.

Collectively these two initiatives have delivered a step-change in capacity and capability for technical education and skills in Gloucestershire.

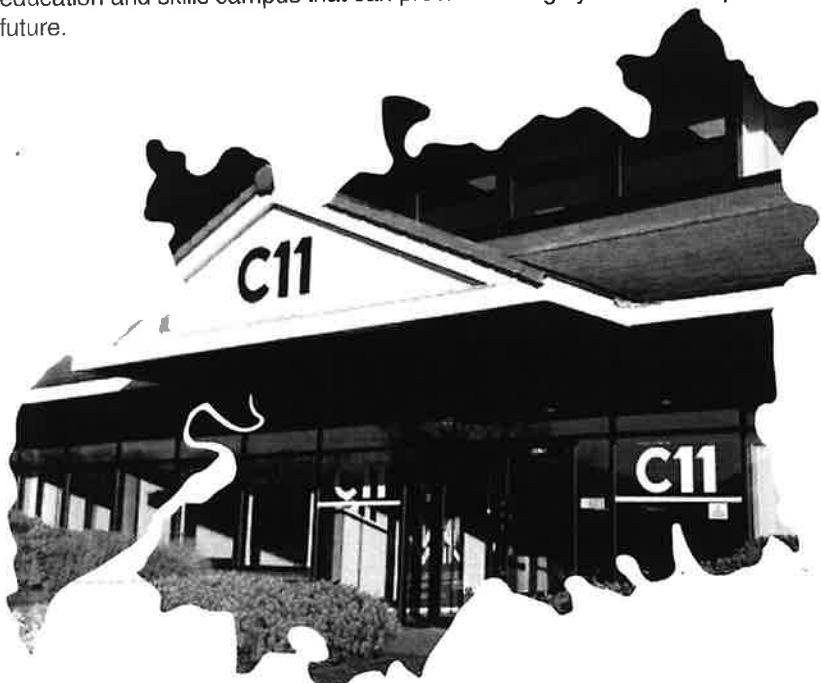


1.4 Delivery of our Strategic Economic Plan (SEP)

Berkeley Cyber Centre 'C11'⁵³

At the Berkley Green site a further £3m has been invested to create the Berkeley Cyber Centre. Operated by the University of Gloucestershire, this provides business incubation, networking and conferencing space as well as research facilities, in a digitally secure environment, in a stunning Severn-side location. The centre will also be used to deliver a wide range of vocational courses to support the upskilling of the UK workforce in Cyber security awareness and technical skills.

The Berkeley site, now officially known as **Gloucestershire Science and Technology Park**⁵⁴ is also home to a growing community of energy, engineering, and digital related businesses such as Green Fuels, Witt Energy, Allard Sports Cars, Cavendish Nuclear and We-link, with plans in the pipeline to establish a major energy storage installation facility on site and 'smart-grid' energy management systems. All of these businesses have chosen Berkeley as a location thanks to its scale and facilities, its ease of access and proximity to the M5 and perhaps most importantly the proximity to a developing education and skills campus that can provide the highly skilled and qualified talent for the future.



Gloucestershire College, Forest of Dean Campus, Cinderford⁵⁵

We awarded Gloucestershire College £2.6m of Growth Funds in order to complete the funding package to build a c£15m new campus at Cinderford in the Forest of Dean. This investment will transform the provision of post-16 Further Education for the Forest of Dean and will be the catalyst for further investment in both housing and employment space in the Cinderford Northern Quarter regeneration area.

Cumulatively the impact of these investments has been to deliver a step-change in the capacity and capability of Gloucestershire to deliver high quality skills, education and training to support the advanced engineering, energy and digital sectors that are so important to our economy.



⁵³ <https://www.gfirstlep.com/case-studies/>

⁵⁴ <http://www.scitechglos.co.uk/>

⁵⁵ <https://www.gfirstlep.com/case-studies/gloucestershire-college-cinderford/>

1.4 Delivery of our Strategic Economic Plan



Connectivity: Delivering digital and integrated transport connectivity to stimulate business growth, ensuring infrastructure, regeneration and housing meet the future needs of the businesses and people of Gloucestershire.

Since the publication of the SEP we have worked in a range of ways to effect change and to have an impact on the key foundations for our Connectivity strategy, by focusing on 'The Growth Zone', and the 'Enablers for Growth': **Housing, Regeneration, Transport Infrastructure, and Digital Connectivity**.

Our Employment Land Requirements

We recognise the critical role that employment land provision plays in delivering economic growth.

The employment land requirements for Gloucester, Cheltenham and Tewkesbury were set out in the Joint Core Strategy (JCS)⁵⁶ which was approved in December 2017, with a provision for the period to 2031 of 192 hectares (ha). Local plans for Cotswold, Forest of Dean, and Stroud have approved employment land of 24ha, 245ha, and 58ha respectively.

We support these ambitions and will seek to facilitate delivery where we have a role to play.

Growth Zone

The Growth Zone seeks to identify and secure the availability of quality employment land in proximity to the M5 motorway corridor that is attractive to businesses and has excellent connectivity throughout Gloucestershire and to the rest of the UK. The importance of the M5 in this context remains as significant now as it was in the original SEP.

⁵⁶ <https://jointcorestrategy.org/>

⁵⁷ <http://www.elmsparknwc.co.uk/>

⁵⁸ <https://www.bhc.co.uk/news/uk-england-gloucestershire-37862411>

Using the M5 junctions as a broad marker, there has been a considerable amount of activity in this area as follows:

Junction 9

Tewkesbury Borough Council have approved for consultation a concept masterplan for the J9 area, setting out a potential development strategy to deliver homes, jobs and infrastructure in this key location. It considers a number of key phases up to 2031 and beyond, delivering in the region of 8000 homes and over 120ha of employment land. It also proposes community infrastructure, major landscape benefits, transportation and access improvements to create a masterplan that could deliver significant place making objectives.

Junction 10

Following our representations, the employment land provision in the Joint Core Strategy (JCS) was trebled from 64ha to 192ha, and 120ha of land adjacent to J10 has been safeguarded for future development. Planning for 4,115 new homes, creating circa 5,000 new jobs, is under consideration⁵⁷ as is our bid to the Homes & Infrastructure Fund to create an all-ways junction at J10.

Junction 13

Negotiations are underway for a new 'all seater' football stadium⁵⁸ together with a separate eco business park, both immediately adjacent to the M5. These will provide in excess of 5,100 jobs excluding construction. Feasibility studies are underway to consider a 3rd crossing of the River Severn between Lydney and Sharpness.

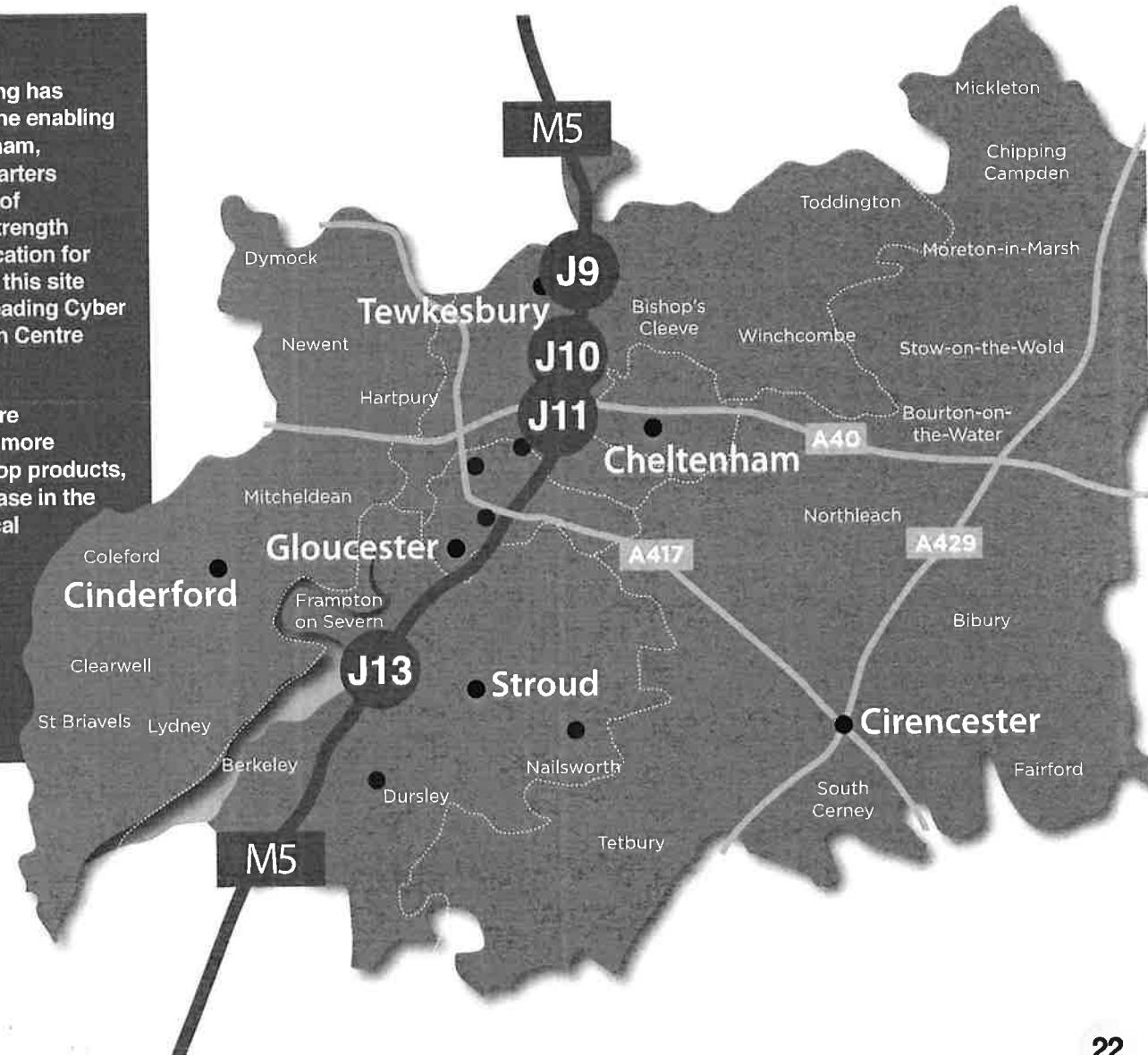
A new crossing would provide a vital connection between districts and access to the Forest, thereby addressing employment and economic regeneration, education and skills development, housing need, and retention of young people.

1.4 Delivery of our Strategic Economic Plan

Junction 11

UK Cyber Business Park: Cheltenham⁵⁹ - £22m of funding has been secured through the Local Growth Fund (LGF) to deliver the enabling infrastructure necessary for a dedicated Cyber Park in Cheltenham, building on links with the Government Communication Headquarters (GCHQ). The 45ha of employment land are situated to the West of Cheltenham, close to GCHQ. The Cyber Park will draw on the strength and worldwide importance of Cheltenham's pivotal strategic location for cyber security. The scale, location and potential connectivity of this site presents a once in a generation opportunity to create a world leading Cyber Park, centred around the Cheltenham National Cyber Innovation Centre announced by the Government in 2015.

This Centre, one of only two in the UK, will provide a place where innovators and cyber start-ups, from small scale companies to more established SMEs, can base themselves as they strive to develop products, concepts and ideas. The innovation centres will foster an increase in the number of UK companies able to grow their business to a critical mass and compete internationally. The Cyber Park will provide opportunities for the GCHQ supply chain and an entire ecosystem of local, national, and international cyber related businesses. The site has the scale to deliver c2m square feet of commercial space, 7,500 jobs and 1,100 homes in the first phase with further potential in phase 2. Business occupation is expected to start in 2021.



⁵⁹ <https://www.gfirstlep.com/case-studies/cheltenham-cyber-park/>

1.4 Delivery of our Strategic Economic Plan

1.4.2 Enablers for Growth

The following projects support and complement the Strategic Economic Plan (SEP) indirectly contributing towards economic growth within Gloucestershire.

Housing

We recognise the critical role that housing provision plays in delivering economic growth.

The housing requirement for Gloucester, Cheltenham and Tewkesbury were set out in the Joint Core Strategy (JCS)⁶⁰, which was approved in December 2017. This identifies the need for 35,175 houses across the 3 Districts by 2031. Local plans identify further housing requirements for the other districts: Cotswold (8,400), Forest of Dean (6,600) and Stroud (11,400). The agreed provision for the county is therefore 61,575 houses by 2031.

We support these ambitions and will seek to facilitate delivery where we have a role to play.

A40 Innsworth Gateway (previously known as A40 Longford Housing) - £4.53m has been secured through the Local Growth Fund (LGF) to deliver the enabling infrastructure needed to unlock land for housing and commercial development at Innsworth, north of Gloucester. This development is expected to deliver 630 jobs, 1,300 homes, 8.3 ha of employment land and to leverage in £3.3m of private funds.

⁶⁰ <https://jointcorestrategy.org/>

⁶¹ <https://www.gfirstlep.com/projects/cinderford-northern-quarter/>

⁶² <https://www.gfirstlep.com/projects/blackfriars-and-quayside-regeneration/>

Regeneration

A40 Regeneration Areas

£3.8m of LGF has been invested in the Cinderford Northern Quarter Spine Road phase 1⁶¹, delivered in partnership with Gloucestershire County Council (GCC). This has quickly led to the construction on site (Sept 2018 opening) of the new Gloucestershire College Cinderford campus. This development will create a step change in FE provision for the Forest of Dean area, which contains some of the most deprived wards in the county, both in terms of availability of courses and physical access to those courses for the local community.

Blackfriars and Quayside Regeneration⁶²

This scheme is an excellent example of the successful impact of targeted investment to unlock barriers to development. Mentioned in the SEP as a strategic location in central Gloucester, development had not been possible for decades due to the costs of archaeology and remediation on site. For an initial investment of £3m to date (from a total of £4.13m of LGF funds) to cover these costs, we have leveraged in £35m (£21m from the private sector for new student units and £14m from the County Council). This delivers a new development of 295 student accommodation units, a new children's services hub for GCC and a major refurbishment of Shire Hall facilitating the relocation of around 400 staff into the building. This will complete phase one of the Blackfriars Quarter development.

In addition, following the disposal of Gloucester prison to a private developer, planning approval was given in May 2018 for a sympathetic conversion of the prison that will deliver 204 new apartments and improved public realm. Further major development of the Quayside site and Blackfriars phase 2 will leverage in several tens of millions more.

1.4 Delivery of our Strategic Economic Plan

Regeneration

Gloucester Transport Hub⁶³

Formerly known as the Kings Quarter Bus Station, this project, funded by £6.4m of LGF, with an additional £4.1m of local authority funds, opened to bus operations in October 2018. This will be a catalyst for investment and regeneration in the wider Kings Quarter and has already resulted in the acquisition of the King's Walk shopping centre by REEF Estates and a commitment to invest up to £10m to redevelop the centre. Gloucester City Council is currently developing a masterplan and expects to submit a planning application in late 2018 for the re-development of the wider Kings Quarter, with the potential to secure tens of millions of private sector investment, around 200 homes and several hundred jobs.



Merrywalks

A major private sector led regeneration of the Merrywalks Centre in Stroud will result in transformational change for the town. £3m of LGF has been invested to bridge the viability gap for the project delivery company, who will be committing up to £23m of private funds to achieve a full regeneration of the retail centre and the car park. The project will help to revitalise Stroud, one of the major market towns that we committed to supporting in our SEP.

Lydney Transport Strategy

This infrastructure scheme, designed to improve the linkages between Lydney town centre and Lydney harbour, and provisionally allocated £1m of LGF, is currently in the planning stage and expected to go to our Board for funding approval in Dec 2018.

Gloucester Railway Station Improvements

£3.75m of LGF has been provisionally allocated to deliver substantial connectivity improvements between housing development sites and the hospital on one side of the rail track and the main economic areas of the city. This will be achieved by a major re-modelling of the pedestrian underpass linking the station forecourt to Great Western Road/Gloucester Royal Hospital, improvements to the station frontage and car park access.

The funds are scheduled for allocation in 2020/21, bringing in a further c£7.5m of public/private sector leverage and accelerating the delivery of c550 homes and 5.3ha of Brownfield land.

⁶³ <https://www.gfirstlep.com/projects/gloucester-central-transport-hub/>

1.4 Delivery of our Strategic Economic Plan

Transport Infrastructure

Transport Projects

Gloucestershire has a highly accessible transport network providing good connectivity to highway and rail networks, which enables its businesses, commuters, and leisure users to move efficiently on local and national transport networks. However there remain some significant transport infrastructure challenges, and areas where improvements would have a positive impact on connectivity.

The major arterial route in the county, providing transport links to the midlands, north, and south west, is the M5 motorway.

The focus through the Local Growth Fund has been primarily on funding improvements to the highways network to support and complement economic growth. £31.6m has been allocated to 14 transport projects. Of these 3 have been completed, 5 are 'work in progress' and 3 are in the planning stage. Specific challenges arise around M5 junctions 9 and 10, the A417 "Missing Link" and the A40. These are covered in more detail below.

Unlocking access to the GREEN Skills Centre

Three projects were identified as supporting access to the GREEN centre :-

- **A419 Stonehouse corridor Improvements⁶⁴**
- **A38 Berkeley Bridges⁶⁵**
- **A38/B4066 Access to Berkeley scheme**

The A419 Stonehouse corridor scheme (£4.36m of LGF) was approved by the LEP Board in Oct 2017 and is currently in the detail planning stage. It is anticipated that work will start on site in early 2019.

The Berkeley Bridges scheme (£1.99m of LGF) was completed in May 2017 involving a complete bridge section replacement of the northbound section (including a shared cycle/pedestrian section) and the repair and re-surfacing of the southbound carriageway.

The A38/B4066 scheme was withdrawn by the promoter, Gloucestershire County Council due to initial assessments confirming that the scheme provided a poor benefits to costs ratio.

A40 Corridor - Improving Connectivity and Resilience

The A40 between Gloucester and Cheltenham is a key connector for the county's 2 primary economic centres and suffers from significant congestion. The A40 west of J11 of the M5 to the county boundary is also part of Highways England's Strategic Road Network (SRN) and the primary route from the Forest of Dean into the economic centre of the county, with very high traffic flows in the morning and afternoon peak times.

The Elmbridge Roundabout scheme⁶⁶

This major scheme (£9.07m of LGF) aimed to increase capacity for east-west movements on the A40 and to reduce congestion for local traffic. It included an innovative "Hamburger" style through route for westbound traffic travelling from Cheltenham to the west and 'smart signalling' which can adapt to demand. The scheme was completed on time and to budget in June 2017 and has proved highly successful in terms of improving traffic flows from all directions.

The A40 corridor bus priority scheme listed in the SEP was withdrawn following due diligence appraisal.

Cheltenham Spa Railway Station⁶⁷

The investment of £1.497m of LGF supports a package of improvements to Cheltenham Station, to upgrade the facilities so that they are of a standard that is commensurate with its status as a National Interchange station. It will deliver improvements to the station forecourt, additional parking, and cycle/pedestrian access to A40. The project is expected to leverage an extra £2.07m and to deliver significant improvements to the passenger experience at the station.

⁶⁴ <https://www.gfirstlep.com/case-studies/a419-corridor-improvements-stonehouse/>

⁶⁵ <https://www.gfirstlep.com/projects/a38-berkeley-bridge/>

⁶⁶ <https://www.gfirstlep.com/projects/a40-elmbridge-court-roundabout/>

⁶⁷ <https://www.gfirstlep.com/case-studies/cheltenham-spa-railway-station-improvements/>

1.4 Delivery of our Strategic Economic Plan

The A40 Over Roundabout improvement scheme⁶⁸

This £2.23m LGF funded project was approved in December 2016. Following an extended planning and design period work on site started in May 2018; the addition of some Highways England Capital Programme activity worth c£400K will enhance the scheme.

To support this growth and regeneration activity, 3 further 'pinch point' schemes were identified as priorities in the Gloucester/A40 corridor area: -

- B4063 Staverton Bridge Junction
- Gloucester south-west by-pass
- St Barnabas Roundabout.

The B4063 Staverton Bridge Junction (£1.6m of LGF) and St Barnabas Roundabout (£1m of LGF) schemes are in development and expected to come forward for funding approval in late 2019 or early 2020.

The £2m LGF investment towards the Gloucester south-west by-pass was approved for funding by the LEP Board in February 2018. The full cabinet of the County Council subsequently approved match funding in April 2018. Work is on-going to complete the planning application and land acquisition required for the scheme.

Missing Link - A417

The 'Missing Link' is a 5km stretch of road, near Nettleton Bottom, at the Gloucester/Cheltenham end of the A417. It is the only single carriageway along the strategic 50km route between the M4 and M5.

The route is a key link between the West Midlands and London and is used by more than 34,000 vehicles a day – well exceeding the capacity of a two-lane road. It also has one of the worst average vehicle delays of all routes in the region and is a major accident blackspot. Resolving this is a major infrastructure issue for the county. Consultation on the best solution has virtually concluded.

Highways England has said that the project has become a 'Tier 1' scheme, which means that the Department for Transport and the Treasury in Whitehall are now directly involved with the governance and oversight of the scheme.

Funding for delivery of circa £500m is therefore anticipated under the Road Investment Strategy 2 (RIS2) covering the period 2020- 2025.

M5 Junction 9 Transport Strategy

Junction 9 of the M5 at Tewkesbury is of strategic importance and is located at the western end of the 70 mile-long A46 corridor to the M69. This connects the four counties of Gloucestershire, Worcestershire, Warwickshire and Leicestershire. There is a significant opportunity for growth, both residential and employment in the area.

However, there is a real danger that without improving the A46 and Junction 9 that economic development will be stifled. Any additional large-scale release of development land is likely to require significant additional capacity and sustainable transport interventions. Without a deliverable transport solution for Junction 9, significant development of the scale being promoted will be unachievable.

An A46 partnership has been formed with a group of six highway authorities, along with planning authorities and LEPs covering the 70-mile A46 corridor. Its members are all working together with one aim: to make the required improvements to the A46 corridor. Highways England is fully supportive of this aim and agrees that leaving Junction 9 and the A46 as they are, is not an option. We regard an upgrade as one of the top three road investment priorities for the county – a view shared by Gloucestershire County Council and the local District Councils.

⁶⁸ <https://www.gfirstlep.com/projects/a40-highnam-roundabout/>

1.4 Delivery of our Strategic Economic Plan

Transport Infrastructure

M5 Junction 10

This is the only 2-way junction on the whole of the M5 and a major constraint to us achieving one of our primary aims. The upgrade of junction 10 to provide a four-way vehicle intersection enabling all vehicle movement on and off the M5, (the subject of a current bid to the Housing Infrastructure Fund), would bring forward a significant employment and mixed-use site within the vicinity of this junction, and would significantly increase the opportunity to develop land in the surrounding area.

The recent agreement to create a 45ha dedicated Cyber Business Park in West Cheltenham adjacent to GCHQ is the latest scheme that makes the need for an 'all ways' junction critical. It adds to the need created by the agreement for 120ha of land adjacent to Junction 10 to be safeguarded for future development. Furthermore, planning for 4,115 new homes creating circa 5,000 new jobs is under consideration at <http://www.elmsparknwc.co.uk/>.

Public Transport – Bus

This is an important mode of transport within the county with in excess of 21 million trips made annually. Reliable bus connectivity improves access to jobs, reduces congestion and enables the unlocking of further development in the local economy.

Local Growth Fund (LGF) investment of £6.4m has contributed to a major flagship redevelopment of Kings Quarter Bus Station in Gloucester as part of their Transport Hub initiative.

The operational priorities for improving the quality of bus services include the Introduction of multi-operator SMART ticketing, making bus/rail journey connections easier, ensuring that contributions are sought from private developers when new houses are built, resulting in investment into the bus network and ensuring people living in new developments can make best use of existing bus services.

Public Transport – Rail

Rail travel in Gloucestershire has increased by 84% over the last 10 years. Approximately two thirds of this is from Cheltenham Spa or Gloucester. Although the county occupies a pivotal point in the UK rail network, current levels of rail usage from the 9 stations in the county is relatively low (at 1%) compared with other parts of England (around 5%).

The three key themes to address are improvements to infrastructure, services, and access to stations. The outcomes of these will be to support sustainable economic growth, enable community connectivity, conserve the environment and improve community health and wellbeing. Local Growth Fund (LGF) investment has been provisionally allocated to undertake improvements in access and parking at Cheltenham Station (£1.497m) and infrastructure at Gloucester station (£3.75m) as part of their Transport Hub initiative. These should be completed by 2021.

Gloucestershire Airport

The county's airport was identified in the SEP as having significant growth potential and providing a highly valuable asset for the county. Supported by Local Growth Fund (LGF) investments, this potential is being realised. The role the airport plays in supporting existing Gloucestershire businesses, and attracting new investment in the county is significant, and is expected to grow.

Local Transport Plan for Gloucestershire (LTP3) ⁶⁹ 2015-2031

The County Council has updated their comprehensive transport plan. We acknowledge this report and will seek to work in a complementary way as we introduce business-led strategies for infrastructure that support economic growth.

⁶⁹ <https://www.glos.gov.uk/transport/glos-local-transport-plan-2015-2031/>

1.4 Delivery of our Strategic Economic Plan

Digital Connectivity

Broadband

Digital connectivity is of strategic importance to Gloucestershire and both Broadband infrastructure and services must meet the needs of our growing economy.

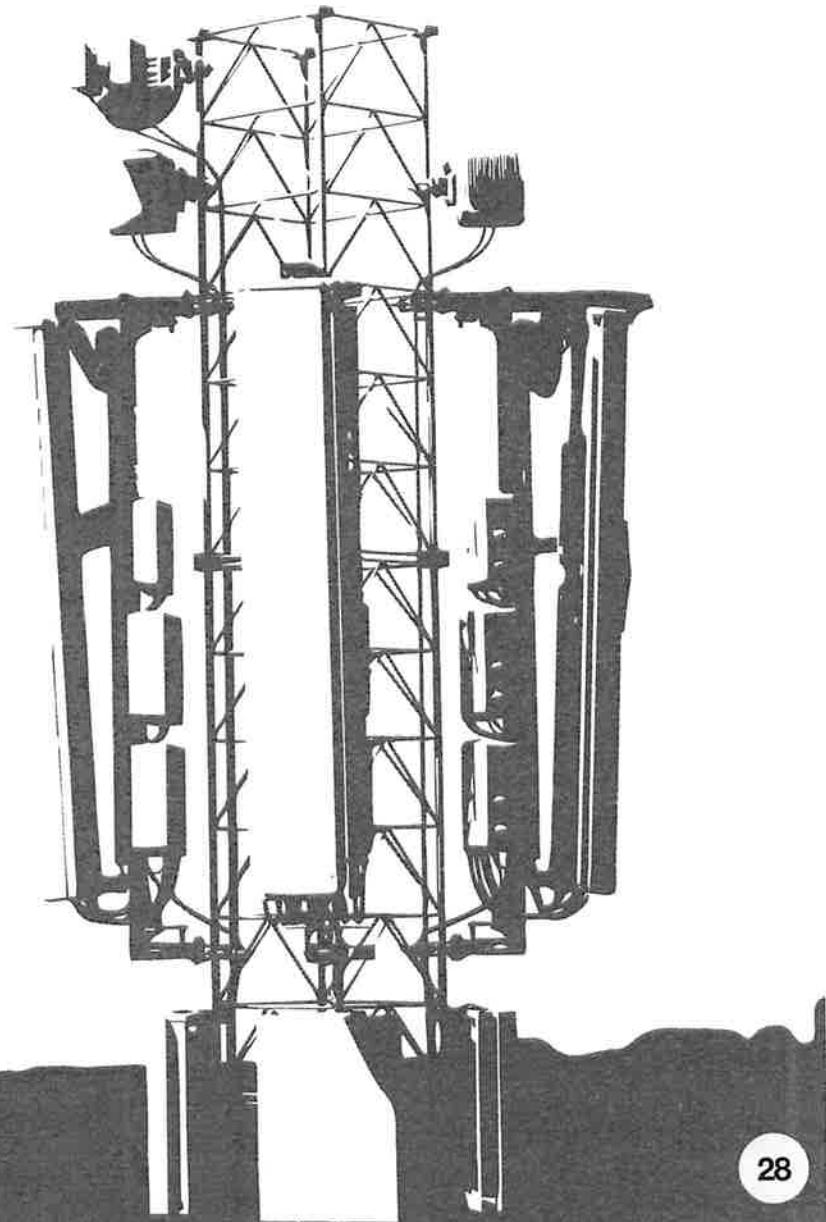
Our aim in 2014 was to bring >30Mbps broadband speed to 90% of homes and businesses in the county. This has been exceeded by the collective efforts of commercial providers and Fastershire, achieving 92.3% coverage⁷⁰. This work continues, and we will see this improve over time.

The latest Government policy is to reach 50% of the UK with "Full Fibre" by 2025. However, as with previous generations of commercial investment, this will be focused on the urban areas, starting with the core cities. Fastershire's investment in BT (Full Fibre) and Gigaclear in our rural areas means that Gloucestershire is uniquely placed to take advantage of full fibre, with current access significantly higher than the national average and our rural areas already in the top 30 nationally - the Cotswolds is 7th in the national rankings. However, gaps will remain not only across our rural areas but specifically within our major towns. We will seek every opportunity to address this challenge.

Mobile Phone Networks

Mobile connectivity continues to be vital for our businesses, and as we seek to achieve the best possible service throughout the county, Gloucestershire County Council is investing in a 5G readiness study to identify the county's current position and what can be done to ensure Gloucestershire is included in its rollout.

Whilst the rollout of 5G will be market led and is likely to develop from the core cities outwards, Gloucestershire will be in a unique position to attract the commercial mobile network operators, as our fibre network will be almost all pervasive, thus removing at least one of the barriers to entry.



⁷⁰ <https://labs.thinkbroadband.com/local/gloucestershire/F10000013>

1.5 Plans for Growth: enablers

Local Authority Contribution - Public Sector Partnership to Deliver Ambitious Growth for Gloucestershire

We work closely with all Gloucestershire local authorities to promote and deliver our plans for significant housing and economy growth to 2031. These plans include provision of over 60,000 new homes, some 300 hectares of employment land and include the new UK Cyber Business Park in Cheltenham.

In partnership with the local authorities of Gloucestershire, we have appointed a new shared Strategic Planning Coordinator to work with all relevant agencies to provide a framework to support the development of Local Plans for ambitious growth in the County to 2050.

Delivery of planned growth, especially infrastructure provision, requires effective multi-agency partnerships with the committed engagement of all the relevant local and national agencies. National Government funding is vital to support this work and the support received to date from Government and agencies is very much welcomed.

Planning (Collaboration) - Improvements to the Planning Process

The LEP Construction and Infrastructure Business Group produced a report on Breaking Down Barriers to Development, which outlined some of the key barriers encountered within the sector with examples (mainly planning related) and possible solutions - a highly valuable engagement between public and commercial sectors.

This report has become the catalyst for an Action Group comprising representatives from the private sector, the County Council and the 6 Districts in the County, who now work collaboratively to develop mutual understanding and co-operation to achieve efficiency improvements in the development process. The recent appointment of the Gloucestershire Strategic Planning Coordinator will enhance this activity.

Regeneration

There remain opportunities across the county to support economic growth through regeneration. The success of investments to date provide evidence of the value of careful and targeted investment in areas where there is a barrier to commercial development. We will continue to work with our local authority partners to identify opportunities and seek funding where the benefit is clear.

Inward Investment

We seek to attract further investment from foreign owned companies, to capitalise on our assets. All of our six District Councils and Gloucestershire County Council have supported our bid (with cash and in kind support) to secure EU funded support to set up a dedicated Inward Investment team for the county.



Financial Support

Gloucestershire's Business rates pool is being utilised to support the economy, including supporting the LEP's activities. Other sources of capital that contribute to the County's economic growth include:

- Gloucestershire Infrastructure Investment Fund – a highly successful revolving loan fund
- Community Infrastructure Levy / s106 agreements
- Private investment leveraged in following Local Growth Fund investment

Engagement

We have maintained our wide ranging engagement with partner organisations in the private, public, education, voluntary and community organisations. In particular:

- With business through our sector groups⁷²
- Local Authorities: Gloucestershire County Council, Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council, Gloucester City Council, Stroud District Council and Tewkesbury Borough Council
- Local MPs through round table meetings with businesses: Sir Geoffrey Clifton Brown (Cotswold), David Drew (Stroud), Richard Graham (Gloucester), Alex Chalk (Cheltenham), Mark Harper (Forest of Dean) and Laurence Robertson (Tewkesbury).

Delivery Arrangements

Working with Gloucestershire County Council, our accountable body, we have ensured that Local Growth Fund (LGF) project selection, funding and delivery has been managed in strict compliance with our local assurance framework⁷¹. The Programme Management Group, (The LEP programme management team and GCC Accountable Body) has operational responsibility for this, which will continue through to the end of this programme, and into any future funding delivery.

Risk

We recognise the need for effective risk management systems and procedures to ensure the early identification, assessment and mitigation of risks that may emerge during the implementation of our plans. We maintain a dynamic programme level risk register to manage the implementation of the capital investment programme, and an organisational one for the wider scope of the whole organisation including Board responsibilities. Low level risks are managed by staff and the Programme Management Group; more significant issues are raised with the Board for action.

⁷¹ <https://www.gfirstlep.com/downloads/2018/assurance-framework---1.5.18v5.2.pdf>

⁷² <https://www.gfirstlep.com/about-us/business-groups/>

1.6 What we are delivering as a result of our investments

Our Offer to Government:

When we published our Strategic Economic Plan (SEP) in 2014 we set ourselves the following ambitious targets for Gloucestershire over the Growth Deal period out to 2021: –

-  33909 jobs
-  3200 new homes
-  6108 additional qualifications
-  5421 apprenticeships

These objectives were based on the cumulative effect of all of the planned interventions and the ‘added value’ impact of creating an enterprising and aspirational eco-system for business in the county and by addressing some of the key skills shortages both existing and forecast.

The original ‘Growth Deal’ agreed with Government for the first two rounds of Local Growth Fund (LGF) funding was as follows:-

-  6,000 jobs
-  400 homes
-  £220m of public and private sector leverage
-  1,014 Apprenticeships

With the additional funding received through the final round of LGF funding, we now expect to achieve the following directly in relation to the complete programme of interventions now agreed:-

-  16,484 jobs
-  2,865 homes
-  £350m of public and private sector leverage
-  1,577 Apprenticeships
-  22,000 m² of upgraded/new learning & skills space

Results^{73 74} to the end of the financial year 2017 - 2018, show that we are on track and have already achieved:-

-  49 housing starts
-  1,293 jobs
-  £114m of leverage
-  930 Apprenticeships
-  12,000 m² of upgraded/new learning & skills space

In 2018 the completion of many of our major investments will ‘turbo-charge’ our growth plans over the coming years to ensure we achieve our objectives.

In addition to the promises we have already made to Government, we continue to develop our understanding of what further outputs and outcomes will result in significant economic growth, which will inform our prioritisation for future investment opportunities.

The Gloucestershire Employment & Skills Board has identified four broad priorities as follows: -

- Apprenticeships
- Ageing workforce and dealing with replacement demand
- Stronger links between schools, colleges, and businesses, including more effective work experience
- Improved, impartial careers support for schools and colleges based on accurate and up-to-date Labour Market Information

Specific targets and KPIs are under development.

⁷³ https://www.gfirstlep.com/downloads/library/36-summary_outputs_table_april_2018.pdf

⁷⁴ https://www.gfirstlep.com/downloads/library/37-dashboard_update_q4_17-18_final.pdf

1.7 Local Partnership Working

A vital contributing factor in the continuing successful delivery of this Strategic Economic Plan (SEP) has been the close collaboration and partnership working of all key stakeholders in the county. Creation of the original SEP back in 2014 demanded the development of strong working relationships.

Between :

GFirst LEP

the private sector

the seven local authorities

the HE and FE sectors

the Local Nature Partnership

the voluntary and community sectors

These partnerships are as important today as they were in 2014 and continue to grow in both breadth and depth as we work ever closer for the benefit of Gloucestershire and the United Kingdom.



We are a full member of **Leadership Gloucestershire**

consisting of the seven local authorities, police, health and the Local Enterprise Partnership. Through this membership, we have played an active role in the

Gloucestershire 2050 Vision exercise. This is a county-wide conversation to explore ideas for an ambitious future for Gloucestershire, an excellent example of partnership working across multiple stakeholders in the county. We led the initial expert group who provided the thought leadership for **Vision 2050**, are a member of the steering group for the project, and continue to support the implementation of new governance arrangements for implementation of the vision.

We work collaboratively at both strategic and operational levels to ensure alignment between: -

- **the Joint Core Strategy of Tewkesbury, Cheltenham, and Gloucester**
- **the local strategies of Stroud, Cotswold, and the Forest of Dean**
- **Gloucestershire County Council's strategic plan, and**
- **our Strategic Economic Plan and ESIF Strategy.**

1.8 Our Asks to Government: Update

Growth Hub

Gloucestershire has invested heavily in its connectivity, from both a physical infrastructure and a virtual or digital perspective, to deliver a comprehensive Growth Hub service throughout the county. Recognised as one of the most exciting and innovative Growth Hubs in the country, we are committed to this as the long-term delivery vehicle for business support to the SME community. The current service is heavily reliant on European funding, matched by local delivery partners.

Our Ask

Government to recognise and support with funds, the revenue costs of delivering a comprehensive and dynamic business support service via Growth Hubs

- Various sector-based and other business groups are now in place to share best practice and promote the benefits of developing skills in the workplace in order to support employee progression; including the development of vocational training programmes and higher level apprenticeships.
- Education providers are being supported by our education team and the Careers & Enterprise Company to engage and directly involve employers in their programmes. These deliver inspiration, information, advice for careers, curriculum that meets local business needs, and strategic support for their careers strategies.
- Our Education Team has increased and continues to expand the range and depth of support for education providers via its volunteer enterprise advisers and mentors. Further collaborative working is underway with a range of local employers, partner organisations and education providers including Gloucestershire County Council Education Team, Adviza, Prospects, GCHQ, UCAS, St James Place, etc.

The GESB will take the leadership role to ensure that Employers, Schools, Colleges and Universities in the county continue to stimulate the future demand for and supply of skills and that key employers support and influence strategy and delivery. The GESB reports into our Board.

Our Ask

That the Education and Skills Funding Agency (ESFA) and the department for Business, Energy and Industrial Strategy (BEIS) work with us to design a programme that provides sufficient incentives for FE providers to deliver the LEPs skills priorities, including:

- Government recognition and support for this work over an initial two-year period, with independent research commissioned to establish its efficacy
- A clear role for the LEP in co-developing the overall FE provision plans to ensure they are aligned to economic need and the priorities of the SEP
- Access to information held by ESFA and Government departments that will enable the LEP to create intelligent demand amongst learners and employers
- The devolving of funding to the LEP to support skills delivery identified in the county skills strategy/Local Industrial Strategy.

1.8 Our Asks to Government: Update

Export

Gloucestershire maintains a high proportion of employees in export intensive sectors, yet we are still not exporting as much as we could be. Although there have been some improvements in the service to local companies, we want nationally provided services to have a significantly deeper and wider impact on our businesses, to support them as they navigate the challenging international trading landscape.

Our Ask

That export services delivered at county level by the Department for International Trade (DIT):

- increase their penetration, and provide targeted and dedicated DIT export resources to ensure that they reach more companies in Gloucestershire
- are specific to the needs of Gloucestershire and delivered in close collaboration with, and embedded in, the Growth Hub network.

Apprenticeship clearing house

The significant changes to the Apprenticeship system in recent years have affected the proposals we put forward in the SEP for an 'Apprenticeship Clearing House' in Gloucestershire. These changes, designed to improve the funding of apprenticeships and to encourage employers to contribute more towards them, have resulted in confusion and misunderstanding by employers, particularly amongst SMEs. In trying to stay true to the original concept of the 'Apprenticeship Clearing House' whilst ensuring a close fit with the changes to the National Apprenticeship Service such as digital accounts, we worked with the ESFA to commission an Apprenticeship Support Programme funded by European Social Funding (ESF).

A consortium of training providers, led by South Gloucestershire and Stroud College, were successful in securing this contract for £1.9m of ESF funding plus the equivalent in match funding.

South Gloucestershire and Stroud (SGS) College and its partner organisations launched the GOAL Project (Growing Opportunities for Apprenticeships Locally).

The aim of the project is to inform and empower Gloucestershire based employers, so that they can make decisions about the skills training of their workforce, utilising the apprenticeship programme, to better understand apprenticeships, to promote their apprenticeship opportunities and to work with local training providers more effectively.

Our Ask

- That the National Apprenticeship Service (NAS) continues to liaise with us and the Growth Hubs, so that they are fully informed of any changes to the service that will need to be addressed and supported locally
- That future funding for NAS promotional activities is spent in ways that will support the delivery of events designed to promote the NAS and Apprenticeships generally in the county
- That Government and the ESFA continues to work closely with us on the plans for and roll-out of T-levels and to consider the learning generated through the ESF-funded EDGE project to help inform T-level work experience arrangements
- That Government and the ESFA consider extending the scope of the Apprenticeship Levy to make it more flexible and to incorporate training and development opportunities beyond apprenticeships.

1.8 Our Asks to Government: Update

UK Cyber Business Park: Cheltenham

The Cyber Park, supported by £22m of Local Growth Fund investment will deliver a resource of national, and even international, importance. This positions Gloucestershire as central to the UK's development of Cyber security capability and capacity in UK Business.

Our Ask

- That Government confirms the site as the location for the National Cyber Innovation Centre.
- That Government supports all aspects of delivery of the site to ensure its potential is realised, which could include financial investment.

Our Ask

- That Government recognises the Berkeley Science and Technology Park (BSTP) as a significant national resource, and an exemplar of how to bring Science, Engineering, Technology and Maths (STEM) skills provision close to and aligned with employers.
- That the BSTP has the opportunity to be involved in the delivery of the Government's Nuclear Sector Deal, announced at the end of July 2018. The Sector Deal seeks to build on the existing regional strength of the sector through exploring: -
 - how the advanced manufacturing programme could unlock investment and increase opportunities for local suppliers
 - how skills strategies can embrace greater diversity and better opportunities for people across the country and
 - how the development of nuclear supply chain clusters (to be delivered by Local Enterprise Partnerships in England and through collaboration with the Welsh Government), could unlock further growth, investment and jobs by providing greater opportunities for local businesses.
- That Government supports the promotion of the site to the wider Nuclear and Low Carbon energy sector and recognises the need and provides the funds to support the FE sector, so that it can deliver the technical skills required.
- That, because of the scale of skills investment on the site and the inter-relationships between the University Technical College (UTC) and other FE provision on site, Government agrees to early consultation with us if funding changes to UTCs and STEM-related FE provision change.
- That Government recognises the long-term aspiration for a third River Severn crossing that would enable improved access to and from the Forest of Dean, GREEN initiative.

1.8 Our Asks to Government: Update

Growth Zone

Our Growth Zone, and particularly the potential for development at Junction 10, still offers enormous potential for growth in key sectors of the Gloucestershire economy and we recognise that both feasibility and planning of large-scale development such as the changing of this junction to 'all-movements' are costly and time consuming.

Our Ask

- That Government, and in particular the Department for Transport (DfT), reduce the time period and cost required for feasibility and planning of major transport schemes.

M5 Junction 10 - All Movements

- That the Ministry of Housing, Communities and Local Government approve the bid made to the Housing Infrastructure Fund to create an all-movements upgrade of Junction 10 and to create a SMART Motorway from Junction 9 to 11A

M5 Junction 9 Transport Strategy

- That Homes England works with the Ministry of Defence (MOD) and local stakeholders to 'unlock' the MOD site at Ashchurch, and that they actively contribute to the process of planning for employment and housing development on the site, recognising it as a significant growth priority, and aligning resources accordingly.
- That the Highways Agency commits to work in partnership with local authorities and us to agree and implement a transport strategy for Junction 9; this will provide business confidence and enable development to come forward.

A417 Missing Link

That Government guarantees funding in Road Investment Strategy 2 (RIS 2) effective from 2020, to deliver the agreed scheme negotiated by Highways England and the Highways Authority as part of RIS 1. The preferred option currently is Option 30 at a cost of £485m.

Our Ask

A46

That DfT instruct Highways England to deliver a plan by April 2020 which outlines improvements to the key strategic route A46 to create an expressway between M5 Junction 9 and M40 Junction 15. This will remove growth constraints, address pinch-points and support economic growth objectives across three neighbouring LEP areas of Worcestershire, Gloucestershire, and Warwickshire.

Business Rates Retention

All local authorities are members of the Gloucestershire Business Rates Pool, which is a successful Business Rates pilot for 2018/19. A novel key feature of the pilot application is the establishment of the countywide Gloucestershire Strategic Economic Development Fund to use money from the Business Rates retention scheme to support economic growth projects in the County. The fund is already supporting our work and that of the Gloucestershire Inward Investment project. In future it is likely to be an important funding source for infrastructure schemes.

On-going use of retained Business Rates provides a useful county fund to support economic growth in Gloucestershire. The County is considering making a bid to become a Business Rates pilot again for 2019/20. The changes in the pilot scheme, especially the removal of the 'no-detriment' clause, will need careful consideration by the Business Rates partnership authorities.

Our Ask

- The Government recognises the use of Business Rates Retention in Gloucestershire to support economic growth when considering Business Rate pilot applications for 2019/20
- That, in the consideration of future Business Rate Retention Schemes structures, Government establishes them to be as reliable income sources as possible to aid local authority financial planning.

1.8 Our Asks to Government: Update

New Homes Bonus

All Gloucestershire local authorities recognise the importance of the New Homes Bonus (NHB) and support the Government's aim to use it to encourage housing growth. NHB will become an increasingly important source of funding in the delivery of growth plans, with the potential to support borrowing for capital schemes such as land assembly and infrastructure provision in addition to supporting the development of services for new communities.

Our Ask

- That Government provides greater certainty about the future longevity of NHB and Business Rate Retention regimes to enable us to plan more effectively, reduce risks associated with borrowing to support capital schemes, and utilise these funding streams with more confidence;
- That Government Departments and Agencies provide us, and our local authority partners with on-going support and funding to facilitate the delivery of housing with associated infrastructure, and economic growth in the County.



Tourism

The Tourism and Visitor Economy sector is an important one for the county. Latest figures⁷⁵ show that total visitor spend for the county is over £1.1 billion, employing over 26,000 people, which represents 8% of all employment. The LEP recognises the importance of the sector as well as the importance to Gloucestershire's sense of 'place' and has set up a dedicated Business Group for the sector to ensure best practice and collaboration are promoted and encouraged.

Our Ask

- For Visit England and Visit Britain to continue to work with and actively support the destination management organisations for The Cotswolds and the Wye Valley & Forest of Dean
- For Department for International Trade (DIT) to proactively support tourism sector businesses in Gloucestershire to increase their access to and gains from overseas markets.

⁷⁵ Great Britain Tourism Survey (GBTs) 2016

1.9 European Structural and Investment Fund (ESIF)

ESIF funding currently plays a critical role in supporting our drive for economic growth.

It provides a vital source of funding to underpin capital investments. We keenly anticipate future funding opportunities from Government that will play a similar role.

The Gloucestershire ESIF allocation brings over £37 million into the county, from 2015 to 2020, which is then enhanced by substantial match funding.

The ESIF programme combines three funding streams:-

- European Regional Development Fund (ERDF);
- European Social Fund (ESF) and
- European Agricultural Fund for Rural Development (EAFRD).

The key thematic objectives for ESIF are:

- Innovation
- Broadband
- SME competitiveness
- Low carbon
- Environmental protection and resource efficiency
- Employment
- Social inclusion
- Skills

Gloucestershire's ESIF strategy is aligned to the overarching Strategic Economic Plan for the county, and the funding, the majority of which is revenue, is invested to work with other public and private sources to support economic growth across the county.



European Union
European Structural
and Investment Funds



1.9 European Structural and Investment Fund (ESIF)



Business Environment

Attracting and retaining successful businesses in high value sectors and the next generation of talented workers.

Inspiring Agri-technology Innovation ^{77 78} (IAI)

Total: £1.1m (£550k ERDF) Start Jan 2017/ Complete Dec 2019

Led by the Royal Agricultural University, this project is delivering a bespoke research and innovation programme of outreach and support activities for local existing and start-up agri-tech businesses and those seeking to diversify into agri-tech.

Gloucestershire Research and Innovation Programme (GRIP) ⁷⁹

Total: £1.7m (£850k ERDF) Feb 2017/ Jan 2020

This University of Gloucestershire led project focuses on building a thriving innovation culture among Gloucestershire's small medium sized enterprises (SMEs).

Export for Growth South West ⁸⁰

Total: £500k (£250k ERDF) August 2015/ March 2018 (Gloucestershire only)

Export for Growth, led by Business West, is a business support project that focuses on enhancing the international trade performance of SMEs in Gloucestershire, Heart of the South West, West of England, and Swindon & Wiltshire LEP areas.

Local Manufacturing Advisory Programme ⁸¹

Total: £700k (£350k ERDF) April 2016/ Sept 2019

This project, led by South West Manufacturing Advice Service addresses low productivity in key priority sectors of Advanced Manufacturing, Low Carbon, and Food and Drink Manufacturing by targeting established manufacturing SMEs in these sectors and helps them recognise their potential to improve and grow.

⁷⁷ This project aligns with local SMART Specialisation, the UK Innovation & Research Strategy, and the 'UK Strategy for Agri-technology'.

⁷⁸ <https://www.gfirstlep.com/case-studies/inspiring-agri-technology-innovation-iai/>

⁷⁹ <https://www.gfirstlep.com/projects/gloucestershire-research-and-innovation-project/>

Core Growth Hub

Total: £3.3m (£1.6m ERDF) Jan 2017/ Dec 2019

ERDF funding provides revenue support for the **Growth Hub**, a **Strategic Economic Plan Flagship** project and funds the staffing infrastructure including business navigators and guides; it also enables development of the Growth Hubs' virtual offer, alongside a programme of events and seminars aimed at maximising business growth in the county.

This project addresses market failure and challenges in business support across Gloucestershire. Businesses with growth potential are supported to analyse the challenges they face and to access support available to them to achieve their ambition

Start up And Grow Enterprises (SaGE)⁸²

Total: £956k (£478k ERDF) Jan 2017/ Dec 2019

Led by the University of Gloucestershire, the SaGE project is designed to help new businesses to start up and grow by providing access to a range of support to help them market test new ideas, validate new product and service offers, and identify how to unlock the growth potential of their business.

Gloucestershire Accelerated Impact Network Support (GAINS)⁸³

Total: £985k (£492k ERDF) April 2017/ March 2019

As part of the University of Gloucestershire's business support offer, the GAINS project offers a Gloucestershire specific programme of high growth coaching support for High Growth SMEs.

Target 2020 ⁸⁴

Total: £4.3m (£2.2m ERDF) January 2017/ December 2019

Led by Severn Wye Energy Agency, this project provides a comprehensive energy efficiency diagnostic and advisory service with grants to 300 SMEs in Gloucestershire and closely aligns with **GREEN**, a **Strategic Economic Plan** flagship project.

⁸⁰ <https://www.gfirstlep.com/projects/export-for-growth-south-west/>

⁸¹ <https://www.gfirstlep.com/projects/local-manufacturing-advisory-programme/>

⁸² <http://www.startandgrowenterprise.uk/>

⁸³ <https://www.gfirstlep.com/projects/gloucestershires-accelerated-impact-network-support/>

⁸⁴ https://www.target2020.co.uk/Projects/Gloucestershire_Target_2020_Project.html

1.9 European Structural and Investment Fund (ESIF)

EAFRD Growth Programme

Total: £7m (£2.8m EAFRD)

EAFRD Growth Programme provides grants, matched with private funds, for capital investments that help grow and develop tourism in rural areas, with the aim of encouraging visitors to spend more time and money in rural parts of the county.

Under the SEP strategic priority of **Business Environment**, further investments currently in development will focus on maintaining the delivery of strategically important business support activities including: -

- a programme of activity to encourage business growth and productivity gains by adopting digital technology,
- extension of the export and manufacturing specialist support,
- a further three years of Growth Hub activity,
- a programme of inward investment to increase the economic significance of foreign owned business.



Skills

Providing and nurturing the next generation of talented, highly employable, and productive individuals⁸⁴ to meet the needs of local business, especially those in sectors with high growth potential.

Several of our ESF investments directly underpin the skills ambitions of the SEP, including projects that:

- support the expansion of Apprenticeships and promote their benefits to SME businesses
- identify how more work placements can be made available, particularly in SMEs
- develop a curriculum offer for schools and colleges that prepares students more effectively for work

- provide training for entrepreneurs

- deliver training to support SMEs in expanding STEM skills and low carbon working.

All these skills projects have been implemented using a combination of ESF and match funding and are scheduled to complete in 2019.

GOAL Apprenticeship Support⁸⁵

Total: £5.12m (£2.56m ESF + £2.56m match funding) Complete March 2019

Led by South Gloucestershire and Stroud College, GOAL helps SMEs in Gloucestershire identify how apprenticeships can support their current business plans and enables their future growth and sustainability.

Employment Pathfinder⁸⁶ - Entrepreneur Skills

Total: £2m (£1m ESF + £1m match funding) Complete March 2019

This project builds on the entrepreneurial culture of Gloucestershire⁸⁷ and drives economic growth, ensuring that entrepreneurs, particularly in high value sectors, have access to the support and skills provision they need to develop and grow a successful business.

Education Developing Gloucestershire's Employability (EDGE)⁸⁸

Total: £2.2m (£1.1m ESF + £1.1m match funding) Complete March 2019

The EDGE project, led by South Gloucestershire and Stroud College, is a pioneering scheme that improves the employability skills of young people by working with learners, employers and education providers whilst focusing on the long-term business and economic needs of Gloucestershire.

⁸⁵ <https://www.gfirstlep.com/case-studies/goal/>

⁸⁶ <https://www.gfirstlep.com/case-studies/employment-pathfinder-entrepreneur-skills/>

⁸⁷ 14% of the employment base of Gloucestershire is self-employed, and the county has the second highest survival rate of start-up businesses after three years

⁸⁸ <http://www.gottheedge.co.uk/>



Skills

Providing and nurturing the next generation of talented, highly employable, and productive individuals⁴¹ to meet the needs of local business, especially those in sectors with high growth potential.

Skills support for the workforce – Low Carbon

Total: £7.74m (£3.87m ESF + £3.87m match funding) Complete March 2019

This SERCO led project, which focuses on the Low Carbon, Engineering and Construction sectors and their related supply chains, provides individuals with opportunities to develop the skills and enable them to progress in employment, by offering support to employers to recruit and develop individuals to fill intermediate, technical, and higher level skills gaps and shortages.

Skills support for the workforce – Science, Technology, Engineering, Maths (STEM)

Total: £2.6m (£1.3m ESF + £1.3m match funding) Complete March 2019

This SERCO led project supports the development of a skilled and adaptable workforce in SMEs in priority sectors in Gloucestershire by delivering short training courses and qualifications to improve STEM-related skills in the workforce.

Developing Skills to address 'Pockets of persistent high unemployment & deprivation'

The European Structural and Investment Fund provides the opportunity to address social and environmental challenges in the county including in pockets of persistent high unemployment and deprivation. The following outlines how ESIF investments support such challenges outlined in the SEP.

Going the Extra Mile⁸⁹ (GEM)

Total: £3.2m (£1.6m ESF + £1.6m Big Lottery match funding) Complete March 2019

The GEM Project engages with Gloucestershire's hardest-to-reach, most vulnerable unemployed people, and moves them towards education, training, volunteering, or work. This unique and unprecedented partnership of community based organisations, managed by Gloucestershire Gateway Trust on behalf of Gloucestershire County Council, helps overcome barriers and improve lives.

General Employment Support (Work Start)

Total: £2.4m (£1.2m ESF + £1.2m Match Funding) Complete March 2019

Learndirect⁹⁰ deliver a free voluntary provision which supports individuals for up to a year in their journey towards education, training, or employment.

Under the SEP strategic priority of **Skills**, there are a number of applications for funding currently in development. Future activity will focus on the strategic area of low carbon innovation, which will provide strong links to **GREEN, a strategic economic plan flagship project**.

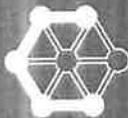
Future funding priorities for Gloucestershire must recognise and focus upon the challenge of addressing the prediction that for every new job created in the county, nine people will leave the workforce, mainly through retirement, with a resultant dramatic loss of both skills and experience, including corporate knowledge⁹¹.

⁸⁹ <http://www.glosgem.org/>

⁹⁰ Correct at time of update but contract likely to be transferred to another provider

⁹¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/483126/LMI_Summary_Gloucestershire_Final.pdf

1.9 European Structural and Investment Fund (ESIF)



Connection

Delivering digital and integrated transport connectivity to stimulate business growth, ensuring infrastructure, regeneration, and housing meet the future needs of the businesses and people of Gloucestershire.

Two European Structural and Investment Fund investments support the strategic vision of comprehensive high speed broadband coverage for the county, a critical component for economic growth.

Marches and Gloucestershire Broadband Grant

Total: £420k (£210k ERDF) Start July 2016/ December 2019

The Gloucestershire County Council led project, which is being run as a joint LEP activity with The Marches LEP via the Fastershire initiative, provides superfast broadband capability to SMEs that currently fall outside of its reach. ERDF offers support to individual and groups of businesses to procure dedicated connectivity and in doing so expand the reach of the network infrastructure.

EAFRD Rural Broadband Infrastructure Call

Total: £1.3m (£1.3m EAIRD) supports activity in Gloucestershire Start September 2018/ complete June 2020

The Marches & Gloucestershire Viable Clusters Broadband Project (MGVCBP), led by Fastershire, targets EAIRD funding at clusters of properties across Herefordshire, Gloucestershire, Shropshire, and Telford & Wrekin to improve their broadband capability and achieve economic growth as a result. These clusters fall within the final 5% of areas that will remain without access to Next Generation Access (NGA) broadband. In Gloucestershire, 175 Businesses will obtain the capability to adopt an NGA broadband service, and as an incidental benefit of the project, an additional 1,800 residential properties will be provided with the capability to adopt an NGA broadband service by the end of June 2020.

Making the most of our high quality natural environment - 'Gloucestershire is a great place to live and work'

Connecting Habitats ⁹²

Total: £1m (£517k ERDF) Start April 2017/ Complete December 2019

This Cheltenham Borough Council led project creates and connects habitats in central Cheltenham, thereby increasing biodiversity and enhancing flood resilience in the much wider context of a very urban environment.

Urban Greening ⁹³

Total: £1.4m (£665k ERDF) Start July 2017/ June 2020

Delivered by a consortium led by Gloucester City Council and supported by the Gloucestershire Local Nature Partnership, this project creates and improves green spaces across 13 sites which connect habitat and wildlife, increases and enhances biodiversity, and manages water in a sustainable way, thus realising the ambitions of the **Joint Core Strategy**⁹⁴.

There are a number of applications for funding in current development. Future activity will focus on the strategic area of a high quality natural environment.

⁹² <https://www.gfirstlep.com/case-studies/connecting-habitats/>

⁹³ <https://www.gfirstlep.com/case-studies/urban-greening/>

⁹⁴ <https://jointcorestrategy.org/home>

Building on our successes to date, this document sets out how we will realise Gloucestershire's potential by playing to our **strengths**; addressing our **weaknesses**; grasping the **opportunities** before us; and mitigating the **threats** we face.

PLAYING TO OUR STRENGTHS

Our Cyber specialism

The UK Cyber Business Park: Cheltenham is already attracting attention locally, nationally, and internationally, and is the focus of an emerging specialism. The LEP cyber sector group, representing key businesses, education and significant stakeholders is supporting the development of the Cyber Park, and all aspects of cyber security as a growing specialism in the county. Gloucestershire County Council's emerging 'Digital Strategy 2018-2023' will further inform future strategy and we will establish and support a Gloucestershire Digital Skills Partnership to improve planning, co-ordination, uptake, and delivery of digital skills in the county.

GCHQ and the proposed National Cyber Innovation Centre in Cheltenham

GCHQ anchors cyber security in Gloucestershire. Work underway to deliver the National Cyber Innovation Centre close-by will create a critical national asset in Cheltenham, attracting skilled workers and important businesses to the county. Future developments and collaborations across businesses, neighbouring LEP's and Government will realise the potential this presents.

A high proportion of 'innovation active' businesses

In Gloucestershire 70.3% of businesses are 'innovation active'⁸⁵. This compares to the national average of 55.1%, and GFirst LEP has the second highest rate of innovation activity after Cheshire and Warrington LEP.

Our Growth Hub service identifies and fosters innovation through 'scale-up' activities, and sign posting to Innovate UK and the 'GRIP' EU funded project. Investments at the Royal Agriculture and Hartpury Universities show a commitment to supporting innovation in agri-tech, which we expect to have a tangible impact.

Excellent countywide access to Business support through our network of Growth Hubs

The highly regarded Growth Hub offer remains central to our strategy to ensure our businesses meet their potential. We continue to drive engagement with high growth SMEs businesses in knowledge intensive sectors via targeted marketing, Scale Up programmes and Business Guide activity. Strategies for sustainable delivery are being explored, working with Government and local partners, including the development of a comprehensive digital service, and seeking future funding sources.

Exploit the main UK dark fibre network that runs through Gloucestershire

This existing network forms a figure-of-eight running underground throughout the UK. Many network providers in Gloucestershire link this network into buildings for regeneration of the optical light that sends data through these fibres. Gloucester is in a prime position to capitalise on the connectivity that this provides. It provides a key asset to attract the high growth high value businesses that rely on premium, low latency, high capacity connectivity both nationally and worldwide.

ADDRESSING OUR WEAKNESSES**Our failure to attract and/or retain enough talented young people**

Working across the education spectrum, with input from our local authorities, the County Council, and businesses, we recognise the challenge to the economic vibrancy of our county that this represents. In consultation with representative groups from people under 25 we are looking to understand this better, and then seek ways to address the issue. Early indications are that the solution will be multi-faceted, to include issues such as housing, connectivity, and culture as well as job opportunities.

Our under-exploited export potential

European funding is being harnessed to support exporting, but this will have limited reach and we continue to seek ways to address this weakness.

Capacity Constraints in the highways network

Working closely with Highways England, Homes England, the Department for Transport, Gloucestershire County Council's Highways Development Team, the JCS local authorities (Cheltenham, Gloucester and Tewkesbury Borough) and as part of the A46 Partnership, we continue to promote the business cases and to secure the funding to mitigate the constraints associated with M5 J10, A417 – The 'Missing Link'; A46 Tewkesbury to M5 J9; A40 west of River Severn; A40 between Gloucester and Cheltenham; Cheltenham and Gloucester centres.

GRASPING THE OPPORTUNITIES BEFORE US**A Cyber security sector of international significance**

We are working closely with key stakeholders and the Government department for Digital, Culture, Media, and Sport (DCMS) to ensure that the opportunity of the UK Cyber Business Park: Cheltenham is realised.

Cross LEP working within key sectors, particularly Cyber

Together with Worcestershire, The Marches (Shropshire, Herefordshire, and Telford and Wrekin), and Swindon and Wiltshire Local Enterprise Partnerships (LEPs), the Cyber Resilience Alliance was formed in 2017 to focus on our strength in cyber security. A dedicated cyber specific Science & Innovation Audit has been produced by this collaboration and is due for publication prior to December 2018.

Productivity growth improvements

There is uncertainty at a national level about the UK's productivity challenge, and this translates to local uncertainty about both the challenge and improvements seen. However, assumptions are that investment, skills and access to the labour market are key. We will continue to look for the best way to support all our businesses to meet the challenges, so that the productivity improvements are maintained.

Strengthening partnerships between education and business

Our Employment and Skills Board is developing practical and deliverable strategies to bring schools, colleges, and Universities closer to our business community, so that our young people gain the skills and experience needed to enter the workforce.

MITIGATING THE THREATS WE FACE

The uncertain economic impact of BREXIT at both local and national level

As the situation develops, we will support our Businesses and economy to meet the challenges where we can, maintaining our strong links with Government.

Lack of suitable premises for high value businesses

All the Districts are actively seeking to identify and deliver suitable employment land in their local plans. Our EU funded inward investment team will take the lead on delivering a compelling offer to high value businesses seeking locations in the County, supported by strategic influencing to achieve increases in the availability of land with good connectivity, particularly on the M5 corridor.

Skills gaps and shortages with Businesses in some sectors unable to fill skilled vacancies

Investments in STEM skills, and the commitment of our education establishments is working: numbers and levels of qualification are increasing, but there is more work to be done to develop, retain and attract in skilled workers. The Employment and Skills Board is taking the lead, having identified their top priorities for driving change: apprenticeships, the ageing workforce, links between business and schools and colleges and improved careers support. Work to advance T levels and Apprenticeships will continue to address the challenges.

We firmly believe that the positive impact of these plans will take Gloucestershire from Good to Great...

LEP and local authorities

Government has recognised that we have good and effective Governance in Gloucestershire. We have embraced all the recommendations in the Mary Ney review⁹⁶, as well as the July 2018 LEP review: 'Strengthened Local Enterprise Partnerships.'⁹⁷

We work effectively with all seven local authorities in Gloucestershire at **strategic** and **operational** levels.

As our Accountable Body and with the Leader of Gloucestershire County Council (GCC) sitting on the GFirst LEP Board, we have worked closely with GCC to bring forward, select and manage the implementation of our priority projects.

The LEP Board also includes the Leader of Cheltenham Borough Council and the Leader of one of the other District Councils as an observer.

The current Gloucestershire Economic Growth Joint Committee (GEGJC) includes the leaders of all the Gloucestershire local authorities as well as representatives of the LEP senior executive team. This Committee, supported by a Senior Officers Group, is responsible for the Gloucestershire Infrastructure Investment Plan (GIIP) which is currently under development to underpin the emerging pipeline of investments that will deliver our next phase of economic growth.

How we are strengthening governance

As part of our devolution bid, Leadership Gloucestershire gave a commitment to establish a **Combined Authority**, which would include the leaders of the seven local authorities as constituent members. It would co-opt the Chair of the GFirst LEP, the Police and Crime Commissioner for Gloucestershire and the Chair of the Gloucestershire Clinical Commissioning Group. This is unique. This powerful group would bring strong leadership to help solve complex problems. Although this has not come to fruition, we continue to support this approach, which would streamline the existing arrangements and give a statutory footing to strategic partnership working.

LEP, skills providers and business

Since the publication of our SEP we have set up the Gloucestershire Employment & Skills Board (GESB) that provides ourselves, the Gloucestershire ESIF Committee, and our local authority partners with a specialist group of local employers and education and training providers that makes recommendations on revenue and capital skills funding priorities and skills projects within Gloucestershire.

The GESB, which is currently chaired by the CEO of UCAS, helps to optimise the impact of employment and skills investment for local communities, employers and individuals and to keep the 'direction of travel' of local education and training providers aligned with local business recruitment, employment and skills needs and working collaboratively whilst still respecting the providers' own organisational business needs and drivers.

⁹⁶ <https://www.gov.uk/government/publications/review-of-local-enterprise-partnership-governance-and-transparency>

⁹⁷ <https://www.gov.uk/government/publications/strengthened-local-enterprise-partnerships>

3.0 Governance and leadership

LEP, the private sector and generating leverage

How we engage with local businesses to consult and strengthen our partnerships

In addition to strong business representation on the LEP Board, we have 11 business sector groups with approx. 100 local businesses represented on these. They have an engaged and proactive role in informing what we do.

Private sector and SME representation on our Board

The LEP Board has twelve members, with eight coming from the private sector and five of these eight from SMEs.

Our approach to securing strong co-investment from private and public sector

We make it absolutely clear to project promoters that to stand any chance of LEP support for their projects they must leverage in significant private and/or public sector match and commit to the wider benefits for the economy that their investments can deliver.

Programme Assurance and Assurance Framework

Our Assurance Framework developed collaboratively between the LEP and the Accountable Body and approved by the LEP Board and the Gloucestershire Economic Growth Joint Committee (GEGJC), has provided a robust framework to support the process of taking projects through from indicative funding to delivery.

The current version of our Assurance Framework can be viewed at <https://www.gfirstlep.com/downloads/2018/assurance-framework---1.5.18v5.2.pdf>

All projects are taken through a robust and challenging due diligence process in advance of Board approval for funding. This is very effective at reviewing and improving the project propositions and provides assurance to the Board that the funds will be wisely spent.

Gloucestershire County Council (GCC) as our Accountable Body, has undertaken an audit of our Growth Deal and play a 'scrutiny' role which is also provided by Gloucestershire Economic Growth Joint Committee (GEGJC) and Gloucestershire Economic Growth Joint Scrutiny Committee meetings, which take place quarterly.

How we ensure good value for money for our projects

This is done at several stages:

- **Assessment of project Expressions of Interest**
- **Assessment of project business cases**
- **Through external, independent due diligence and recommendations from this**
- **Through funding agreement e.g. clawback clauses**

How we maximize public understanding and visibility of our projects

This is done through a range of different processes including: the publication of our SEP and progress reports on our website and promotion via media channels; 'before, during and after' photos used to show project progress; updates to business groups and local authority stakeholders (e.g. GEGJC and Joint Scrutiny Committee meetings). We work closely with marketing managers in project promoter organisations in order to maximize the promotional opportunities brought by the projects.

Compliance with State Aid rules

Any projects with State Aid risks are identified at Expression of Interest stage and the LEP goes back to these project promoters to challenge them on this. It is clearly established that this issue remains the responsibility of the promoter. State Aid is also checked and advised on as part of the due diligence process

Equalities Impact Assessment

Our Growth Deal programme is designed to benefit all of Gloucestershire, without any intended or unintended barriers to access. In particular this would include people who can be described as having one or more of the nine key characteristics: (age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation).

4.0 Acknowledgements

Throughout the delivery phase of our Strategic Economic Plan, our Growth Fund Investments and our European Structural Fund Investments, we have benefitted from the professionalism, hard work and commitment of hundreds of people and organisations across Gloucestershire.

This includes all the organisations that are delivering our projects so successfully, our colleagues at Gloucestershire County Council and all six of our District Councils including those who act as our Accountable Body and those who participate in committees and groups to monitor and steer delivery.

We also acknowledge the support we have had from our close working relationships with Government partners, particularly BEIS and MHCLG

We continue to rely on our Businesses, through the Business Groups, to steer our strategy and inform our activities.

We are extremely grateful to each and every one of them and take this opportunity to record our thanks.

Strategic Economic Plan for Gloucestershire 2.0

gfirst LEP
growing gloucestershire

UPDATE 2018