EVIDENCE PAPER: Supplement to Cotswold Economy Study 2012 and Economy Evidence Paper 2013

NOVEMBER 2014

COTSWOLD
DISTRICT COUNCIL

Cotswold District Local Plan: Evidence Base

Supplement to Cotswold Economy Study 2012
and
Economy Evidence Paper 2013

November 2014

Contents

1. Introduction

1.1 This report provides a supplement to the Economy Evidence Paper for Cotswold District Council published in January 2013. It forms part of the evidence base for policies and proposals in the Cotswold District Local Plan.

1.2 This report provides an assessment of the current employment and economic position of the District and an assessment of its potential economic futures to inform the preparation of the Local Plan and its allocations document.

1.3 This report also updates the conclusions of the Cotswold Economy Study November 2012, which built upon an earlier Employment Land Study in 2007. This report does not replace those reports but provides new information, data and economic forecasts to ensure that the Employment Land Demand Assessments are appropriately updated to inform Employment Land Allocations and Policies in the Local Plan. These updates include:

- Employment Land Monitoring Reports published annually by the District Council with updated information on Employment Completions and Commitments;
- Assessment of the local economy including updated data from the Census and ONS on labour supply, commuting patterns and employment location by sector;
- A review of two new economic growth forecasts for Cotswold by Cambridge Econometrics and Oxford Economics dated August 2014, which have also informed the Objectively Assessed Housing Needs of Stroud, Forest of Dean and Cotswolds (OAN) October 2014;
- Objectives of the Strategic Economic Plan for Gloucestershire produced by GFirst;
- Re-assessment of the amount, location and type of employment land and premises required to support economic growth to 2031 and;
- Recommendations on the allocation of employment land and premises in the Local Plan

1.4 This report outlines each of these elements and then recalculates the employment land requirements re-creating Table 5.9 of the Employment Study 2012 for both Cambridge and Oxford Economic models 2014. National Planning Practice Guidance is clear that economic needs assessment should be completed consistently and in partnership across the Functional Economic Area. Therefore the employment land needs methodology and assessment is also completed using the assumptions which are consistent with the Stroud and Joint Core Strategy economic land demand assumptions for Tewkesbury, Gloucester and Cheltenham. This represents the Functional Economic Area aligned with the GFirst Enterprise Partnership area.

1.5 The District Council with Stroud and Forest of Dean District have published a report (OAN of Stroud, Forest of Dean and Cotswold, October 2014) setting out the objective assessment of the need for housing in the district, having regard to the latest guidance in the NPPF & NPPG. This work includes consideration of economic factors including the latest economic forecasts. This report is in alignment and consistent with this work.

1.6 In conclusion, the report recommends sites for allocation to meet the identified employment requirement and special policy areas and proposals which support the economic growth of the district.

2. Methodology

2.1 Planning policies are part of a suite of mechanisms which are used to support the spatial implementation of a successful and vibrant economic future for the district. Planning policies and allocations also seek to ensure that there is a sustainable balance between housing and employment uses in the District and the provision of supporting infrastructure as necessary to support that growth. Planning policies must provide flexibility to respond to economic shocks as well as different economic futures. It is important that, where appropriate, sites are protected to support the local economy.

2.2 The Economy Study 2012 report provides a review of the scale and distribution and suitability of employment land and premises in the District together with recommendations on which sites are suitable to continue in employment use and those that could be released for alternative uses.

2.3 The methodology of the 2012 report considered the objectives and requirements of the National Planning Policy Framework. This supplement paper has considered the updated requirements identified in the National Planning Practice Guidance (NPPG) and completed additional analysis to ensure that the evidence and the plan is sound.

2.4 In particular, NPPG stresses the importance of understanding market conditions and the viability and deliverability and implementation of the proposed development strategy. Additional advice has been commissioned from Hewdon Consulting on the viability of the site provision within the district and the key conclusions from that report are included for completeness. The full report (Strategic Employment Land Availability Assessment Viability Considerations, Hewdon Consulting, May 2014) is available on the Local Plan Evidence page at www.cotswold.gov.uk.

2.5 Further sites visits, interviews with key institutions and businesses have been undertaken to ensure that the findings of the 2012 have taken full account of stakeholder issues.

2.6 A full public consultation was completed on the ‘Local Plan Consultation Paper: Preferred Development Strategy’ in May 2013. The Council’s analysis of the responses received and the recommendations on how those views are included in the development of the Local Plan are published in ‘Response comments on the Cotswold District Council Local Plan: Preferred Development Strategy May 2013’ and are available on the Council’s website. The results and analysis of those consultations have been considered and included where necessary in updating this supplement paper.

2.7 The employment land need assessment methodology has been repeated to follow the methodology in the Economy Study 2012. The Employment Land Calculations have also been updated to include B Class land only to align with the Business Land Assessment Calculations of the remaining districts in the Gloucestershire functional economic area. The details to the assumptions and the calculations are detailed in Chapter 10.

2.8 As part of the ongoing Objectively Assessed Housing Needs of Stroud Forest of Dean and Cotswold, two economic forecasts models were commissioned in August 2014. These forecasts were commissioned from Cambridge Econometrics and Oxford Economics. 2.9Whilst each forecast model has a different view of whether growth to 2031 will be primarily led by public or private sector jobs growth to 2031 the overall net increase in jobs growth, particularly when examining the period 2014 to 2031 is relatively close. However, the different forecast increase in industries and sectors results in a distinct business land requirement for each forecast model. The analysis of this has led the Council to provide a significant degree of flexibility in the employment land allocations offer to address the potential impact of each forecast.

3. Larger than Local: Other Strategy / Policy Documents

3.1 The District Council is preparing a new Local Plan to replace the Cotswold District Local Plan 2001 -2011. The new local Plan will cover the period 2011 to 2031 and it will be the key planning policy document which guides decisions on the use and development of land in the district. In developing this Local Plan, the Council is seeking to ensure that the emerging strategy complements and supports the implementation of relevant strategies which operate across Cotswold District including its own Corporate Strategy and consideration of priorities in the County Wide Strategic Economic Plan produced by the Local Enterprise Partnership GFirst.

3.2 In addition, Government requires each Local Plan to be:

- Positively prepared – the plan should be based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development
- Justified – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence
- Effective – the plan should be deliverable over its period and based on effective joint working on cross boundary strategic priorities
- Consistent with national policy – the plan should enable the delivery of sustainable development in accordance with the policies in the Framework.

3.3 Following consultation on the Preferred Development Strategy last year, the Local Plan will set out the plan's key objectives and targets together with the key development policies that will guide decisions on development of land up to 2031.

3.4 The Economy Evidence Paper (January 2013) discusses the implications of documents and strategies published by other organisations which are relevant to the economy of Cotswold District and which is an important part of the evidence base. Each is analysed to ensure that a coherent approach is taken towards the economy of the district. Since the publication in January 2013 two other reports have become available which merit consideration: GFirst Strategic Economic Plan and the Cotswolds Destination Management Plan 2014.

GFirst Strategic Economic Plan

3.5 The Economy Evidence Paper (January 2013) considers the Gloucestershire Integrated Economic Strategy 2009 to 2015. This is now superseded by the Strategic Economic Plan submitted to Government by GFirst in March 2013. The Strategic Economic Plan sets out ambitious plans to accelerate economic growth by focusing on key drivers of productivity and supporting growth in high value sectors. It identifies a number of sector specialisms with high growth potential, where there are strengths on which to build or opportunities to exploit. These high value sectors include nuclear energy, hi tech manufacturing and knowledge intensive industries which include finance and insurance, the ICT sector (particularly cyber security and creative industries, including digital media) and businesses in professional, scientific and technical activities. The Strategic Economic Plan has therefore identified its key growth sectors with key priority interventions along the M5 corridor Growth Zone, a Growth Hub, enablers of growth including the A417 link and support for green technology.

3.6 GFirst identifies the need for a Growth Hub – focussing upon Gloucestershire University but also highlights the support and opportunity for rural businesses through collaborative working with business and institutions. The implications of this is that there are distinct opportunities to maximise this collaboration within the plan bringing research and development closer to business which is critical in maximising innovation and higher value economic activity.

3.7 Many of the implications and policies for the Strategic Economic Plan are identified in the Economy Evidence paper January 2013. However, it is worth highlighting that the Local Plan policies and allocations should particularly investigate the potential of promoting sites for knowledge industries with appropriate infrastructure provision including superfast broadband and identifying special policy areas to support the commercialisation of research and development within existing institutions and businesses.

Strategic Economic Plans

3.8 The Strategic Economic Plan for Warwickshire and Coventry Enterprise Partnership provides the context for a complementary approach to Cotswold to support growth in rural areas through innovation and research and development. The Innovation Programme for Rural Growth would be focused on helping existing rural businesses grow, with a focus on innovation and technology. The Strategic Economic Plan for Oxfordshire Enterprise Partnership supports the implementation of rural policy, tourism and the implementation of the AONB Management Plan. These strategies are considered to support and enhance the policies and proposals in the emerging Cotswold District Local Plan.

Tourism Destination Management Plan April 2014

3.9 From April 2014 the lead organisation for Cotswold Tourism has ceased to be GFirst. Day-to-day marketing, promotion and national tourism links will be managed in the short term by a partnership of local authorities and the Cotswolds Conservation Board. However, part of the purpose of developing this Destination Management Plan is to establish a permanent and long term private and/or public partnership that can continue to manage and build on the strengths of the Cotswold brand. There has already been considerable success from both Cotswold Tourism and Oxfordshire Cotswolds in terms of marketing and development and it is key that this work with these established networks is maintained and further developed going forward.

3.10 This Destination Management Plan has the following vision for tourism in the Cotswolds:

'To ensure that the Cotswolds is a vibrant year round destination where visitors enjoy high quality, authentic experiences and tourism makes an increasing contribution to the economic, social and environmental sustainability of the local economy.'

3.11 The 5 priorities for action are:

- Partnership - shaping the approach together.
- Product – enhancing the visitor experience
- Marketing – developing the Cotswolds brand and its core values
- Knowledge – Establishing a thriving tourism industry
- Performance - building excellence through networking and collaboration

3.12 For each of the priorities the Destination Management Plan sets out key objectives which seek to establish an effective partnership for tourism across the Cotswolds that ensures businesses achieve their business objectives including increased footfall, revenue and profile. Importantly the Destination Management Plan seeks to:

- develop a sense of place by encouraging enjoyment and understanding of the natural, historic and cultural heritage of the Cotswolds.
- secure investment and improvements to the wider destination infrastructure, including public transport and public realm.
- ensure all visitors receive high quality service, diversity and experience throughout their destination journey.
- maximise visitor distribution across the whole Cotswolds area outside the traditional honeypot sites and as a top year all round destination in England.
- investigate new opportunities for enhancing and supporting a year-round events and activities programme.
- encourage the development of sustainable tourism initiatives among businesses that deliver economic, environmental and social benefits for the wider industry.

3.13 To implement these policies, the Local Plan will need to positively support the tourism economy across the District. The Plan should seek to provide the policy framework to address identified infrastructure constraints, improvements to public realm and other opportunities identified in the Management Plan. However, in doing so, it will also need to provide appropriate policy protection to ensure that inappropriate development does not occur within the AONB or elsewhere in the District.

Summary

3.13 The Localism Act and the National Planning Policy Framework (NPPF) creates a duty on local planning authorities, to cooperate with Local Enterprise Partnerships to address strategic matters relevant to their areas in the preparation of a development plan document. The Duty requires on-going constructive and active engagement on the preparation of development plan documents and other activities relating to cross boundary strategic issues.

3.14 The Local Plan should be seen, where appropriate, as a spatial expression of other strategy and policy objectives. The Local Plan will include housing and jobs / employment growth targets / employment land allocations and will seek to consider the broad principles of GFirst's Strategic Economic Plan, as it is appropriate to the District in preparing the Draft Local Plan.

4. Socio Economic Profile

4.1 This section reports on the current economic profile of the District, its key business sectors, economic function and its labour supply.

Employment Population

4.2 The total population in Cotswold District at 2013 is estimated at 84,100[1] . In 2011, there were 60,075 residents aged between 16 and 74; of these 72% were economically active, similar to Gloucestershire (72.5%), and higher than the South West (70.2%) and England and Wales (69.7%) and England (71.3%). In total the economically active population increased from 40,431 to 43,206, a rise of 2,775 (6.9%) over the decade.[2]

4.3 At mid-2013 45,300 (80%) of the working age population are economically active[3]. Of the total economically active 28,300 are employees and 14,100 are self-employed workers with 1,500 people unemployed. Activity rates within the District show some volatility over the decade. Although 80% represents a nationally high activity rate, it is below the historical figures achieved in the middle of the last decade of 87% in Cotswold District. As the economy emerges from the recession, it is anticipated that activity rates will return towards or indeed exceed the historical activity rate.

Date	Cotswold	Cotswold	South West	Great Britain
		(%)	(%)	(%)
Jan 04-Dec 04	42,600	82.4	78.4	76.3
Jan 05-Dec 05	43,600	81.4	78.3	76.4
Jan 06-Dec 06	45,500	87.5	78.7	76.7
Jan 07-Dec 07	46,000	85.1	79.1	76.5
Jan 08-Dec 08	44,500	82.2	79.3	76.7
Jan 09-Dec 09	43,700	81.7	79.2	76.7
Jan 10-Dec 10	40,200	73.8	78.5	76.2
Jan 11-Dec 11	42,300	80	78.4	76.3
Jan 12-Dec 12	39,600	76.7	78.4	76.9
Jan 13-Dec 13	44,400	78.9	79.3	77.4
Jul 13-Jun 14	45,300	80	79.4	77.5
Source: ONS annual population survey				

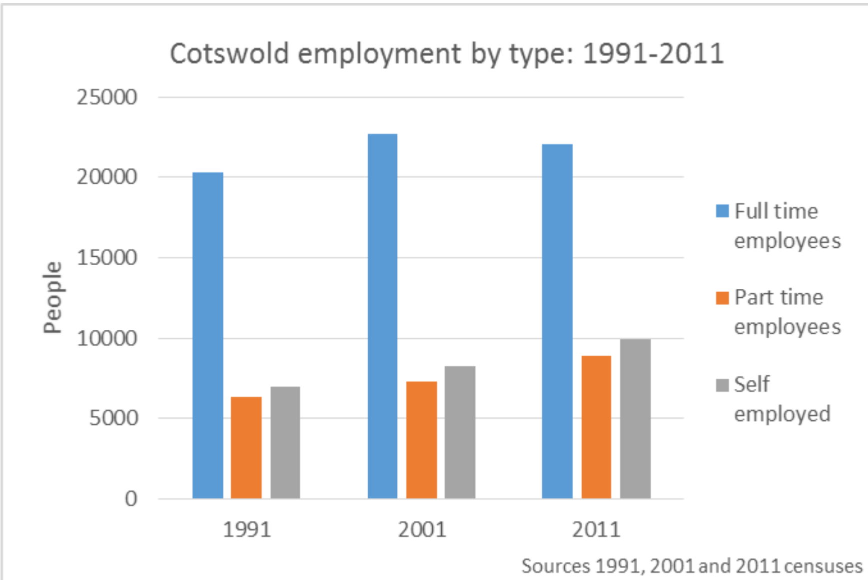
[1] Mid Year Population Estimates
[2] ONS Population Survey
[3] ONS Population Survey 2014

4.4 The number of people claiming Job Seekers Allowance in the District was 0.8% in September 2014 compared to 1.5% in February 2011. This compares to 1.4% in Gloucestershire, 1.0% in South West and 1.6% in Great Britain. Unemployment is below the regional and national average.[4]

Part time / Full Time Employment

4.5 Of those employed in May 2013, 13,700 were part time (36%) and of those self-employed 3,313 were part time. There has been an increase in part time workers which is similar to the regional average but significantly higher than the national average of 32%. This increase is primarily due to the number of males increasing participation in part time employment whilst at the same time a reduction in male full time employment.[5]

4.6 The Census shows that percentage of the workforce that were female increased 2.5 percentage points over the decade from 44.6%, and conversely the percentage of the workforce that were male decreased by 2.5 percentage points. Overall, there was a fall in the proportion of full-time workers, and a rise in the proportion of part-time workers over the decade. The fall in the proportion of full-time workers was entirely attributed to male workers, while for female workers – there were increases in both the part-time and full-time work categories. This reflects a response to the recession seen in other localities where part time work has been accepted with flexible working patterns as a response to economic shocks.



Source: OAN of Stroud Cotswold and Forest of Dean 2014 and Census 2011

4.7 The table below details the total number of employed part time workers and demonstrates the breadth of occupation. In total 5,200 part time workers are managers, professional and

[4] ONS claimant count 2014
[5] ONS business register and employment survey 2013

associate professionals whilst the highest levels of an individual occupation is in caring personal service.

Part Time Employment Occupation	Total
Corporate Managers	1,400
Managers and Proprietors in Agriculture and Services	1,800
Business and Public Service Professionals	1,200
Business and Public Service Associate Professionals	800
Administrative Occupations	1,000
Secretarial and Related Occupations	800
Caring Personal Service Occupations	2,500
Sales Occupations	1,800
Elementary Administration and Service Occupations	1,700
Total	13,000

Source: ONS – Business Register and Employment Survey 2014

Employment Growth 2011 to 2014

4.8 Employment levels have held up well during the recession. Research completed for the District Council by Keith Woodhead comments that 'although unemployment had risen since the beginning of the recession, the number of employee jobs in Cotswold appears to have held up well, stabilising at around 36,000 between 2006 and 2010. However, in net terms, this means that there has been no growth in employment recorded since 37,400 was reached in 2004. This contrasts with the period of relatively rapid growth in employment in the District during the 1990s as the local economy recovered from the recession at the beginning of that decade.' (A review of future housing requirements for Cotswold District, Keith Woodhead, February 2013 updated March 2014)

4.9 The ONS Business Register and Employment Survey published on 25th September 2014 illustrates the low level of employment growth from 2011 to 2013 for Cotswold District. Although care must be taken in using the survey it provides an indication of the scale of change over time. Between 2011 and 2013 the level of employment growth was modest at 500 jobs. However, when comparing the net growth since 2010 the net change is only 200 jobs.

Employees and Employment Cotswold District

Date	Employees	Employment
2009	36,200	38,500
2010	37,100	39,300
2011	36,400	39,000
2012	36,800	39,100
2013	37,700	39,500

Source: ONS Business Register and Employment Survey 2014

4.10 In 2011, 13.5% of those economically active were self-employed in Cotswold compared with 11.1% for SW region and 9.2% for GB (NOMIS, ONS Annual Population Survey2013). The District proportion of self-employed people has increased considerably representing the greatest increase in job growth since 2011; at 2014 it is estimated self-employed workers represent 19.3% of those economically active compared to 11.8% in South West and 9.8% in England and Wales.

4.11 The ONS Population Survey 2013 also confirms the increase attributed to self-employed workers. The results are published quarterly and represent sample surveys. Therefore care should be taken in applying a single period of time or choosing a single start and end date. However, the surveys are important in illustrating stronger trends over time. A more robust starting point is the 2011 Census which shows a total of 9,667 self-employed workers. Using figures from the ONS Population Survey below, between January 2011 and December 2013, jobs in self-employment increased by 2,500 representing 19% of all jobs. The increase continues to December 2014 with an increase since 2011 of 3,600 representing 21.3% of jobs. However, using the Census as a start date and the latest ONS survey figure would suggest an increase in 2,200 at April 2014. The Census to ONS Population at December 2013 would represent an increase in 1,300 self-employed workers.

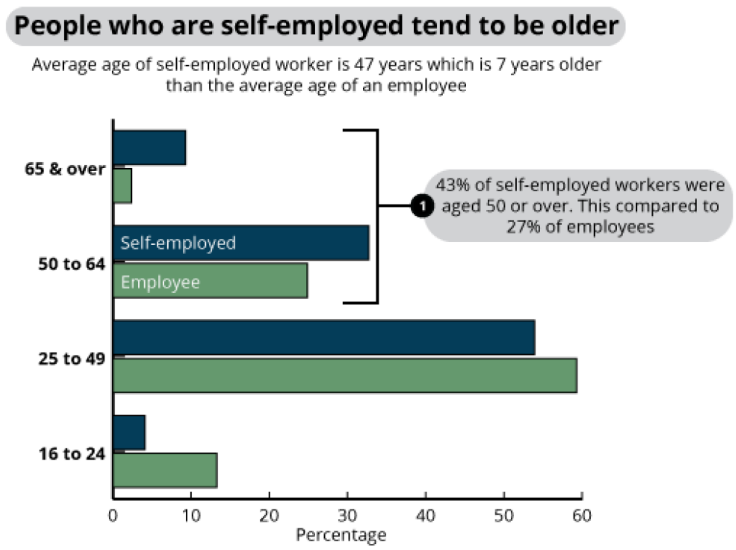
Self-employed workers Cotswold District 2009 to 2014

Date	Self-employed	Cotswold %	South West %	Great Britain %
Jan 09-Dec 09	7,900	13.8	10.6	9
Jan 10-Dec 10	6,300	10.9	10.5	9.1
Jan 11-Dec 11	8,200	13.5	11.1	9.2
Jan 12-Dec 12	9,400	18.3	11	9.6
Jan 13-Dec 13	10,900	19	11.5	9.7
Apr 13-Mar 14	11,800	21.3	11.8	9.8

Source *ONS Population Surveys*

4.12 Self-employed workers tend to exhibit certain characteristics. Nationally, the top 3 self-employed professions are construction, taxi driving and carpentry. However, the ONS in analysing the most recent data show that self-employment has risen across the country and particularly in managerial and professional roles. It is also important to note that those in self-employment tend to be older with over 10% age 65 and over. An infographic from ONS illustrates this point below.

Perecentage of each age group that are self-employed and employees, 2014, UK



Source: Labour Force Survey - Office for National Statistics

Skills

4.13 The District's working age population has a higher level skills profile than the national average. In 2011 17,871 (35.3%) people between 16-64 had level 4 and above qualifications ranking 68 out of all authority areas compared to 29.9% in Gloucestershire, 27.4% in the South West and 27.2% in England and Wales.

4.14 Conversely 18.5% had no qualifications compared to 19.6% in Gloucestershire, 20.7% in the South West and 22.7% in England and Wales; this is a decrease of 4.8 percentage points since 2001. The group who reported no qualifications includes those aged 16 and over who were still studying.

4.15 A smaller percentage of residents were undertaking apprenticeships (3.2%) in the District compared to 4% in Gloucestershire, 4.3% in the South West, and 3.6% in England and Wales. [6]

Occupations and sectors

4.16 The tables and graph below from ONS Industry Work Place Population Survey illustrate employment by industry sector composition. Government services comprising public administration, health and education amount to 9,700 employees representing 22% at 2013.

[6] ONS annual population survey 2013

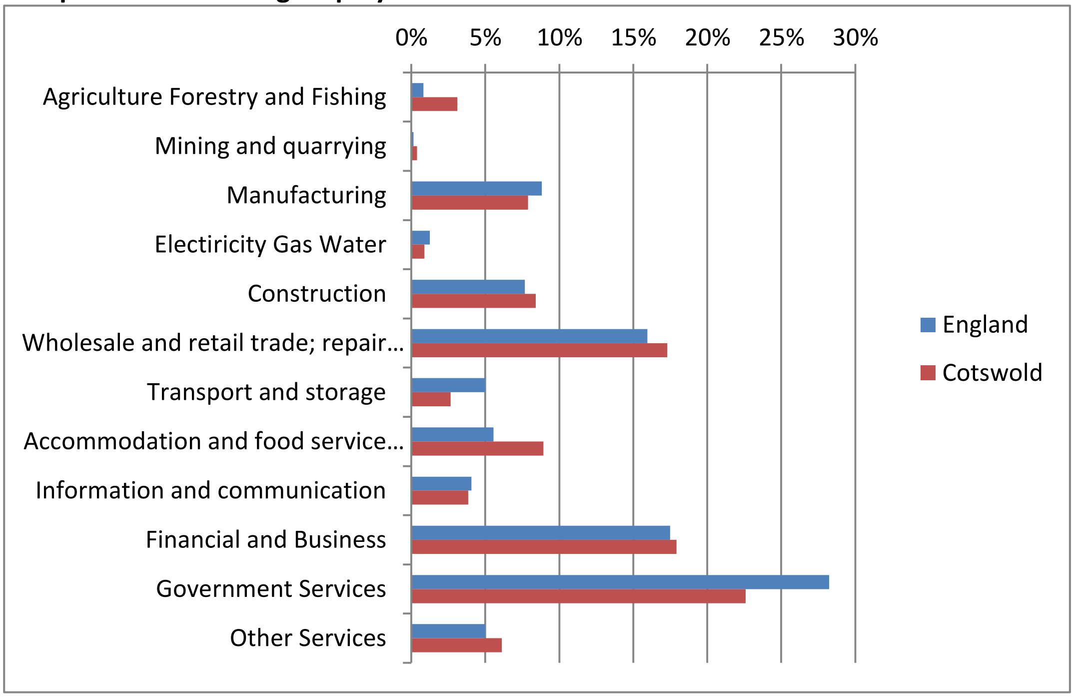
The wholesale and retail trade total 7,500 employees, similar to the contribution of financial and business services which total 7,775 employees (both representing 17%). Accommodation and food service employees and those who are engaged in technical, professional and scientific employees amount to 3,500 workers each. Manufacturing amounts to 3,400 employees (7.9%) with over one quarter (1000 people) employed in hi tech manufacturing.

Sector	Total	%
A Agriculture	1,346	3.10%
B Mining	168	0.40%
C Manufacturing	3,419	7.90%
D Utilities - electric	111	0.30%
E Utilities - water	276	0.60%
F Construction	3,644	8.40%
G Wholesale	7,501	17.30%
H Transport	1,156	2.70%
I Accommodation and Food	3,871	8.90%
J Information	1,670	3.80%
K Financial	1,359	3.10%
L Real estate	858	2.00%
M Professional	3,529	8.10%
N Admin	2,029	4.70%
O Public Admin	1,573	3.60%
P Education	4,641	10.70%
Q Health	3,585	8.30%
R Arts and Recreation	2,424	5.60%
T Other services	211	0.50%
U External bodies	20	0.00%
Total	43,391	

4.17 As well as being the largest industry of employment nationally, the wholesale and retail trade was also the largest employer in the District (17.3%). The next largest groups were 10.7% in education and 8.3% in human health and social work activities. In comparison to other local authority areas in England and Wales, Cotswolds has a relatively higher proportion of residents working in agriculture, forestry and fishing (rank within England and Wales = 34), accommodation and food services (rank within England and Wales = 46), and professional, scientific and technical activities (rank within England and Wales = 57). The three largest industries for males were wholesale and retail, construction, and manufacturing; and for females, wholesale and retail, human health and social work activities and education.

4.18 This illustrates those sectors in which the District has a competitive advantage or a higher level than might normally be anticipated. The data shows that currently construction, wholesale, retail, accommodation / food and financial and business sectors have a stronger representation in Cotswold than the England average.

Composition of Existing Employment Sectors in Cotswold



Source: ONS Industry Work Place Population 2014

Employment and Enterprises in GFirst Priority Sectors

4.19 The Strategic Economic Plan produced by GFirst sets out ambitious plans to accelerate economic growth by focusing on key drivers of productivity and supporting growth in high value sectors. It identifies a number of sector specialisms with high growth potential, where there are strengths on which to build or opportunities to exploit. These high value sectors include nuclear energy, hi tech manufacturing and knowledge intensive industries which include finance and insurance, the ICT sector (particularly cyber security and creative industries, including digital media) and businesses in professional, scientific and technical activities. The Strategic Economic Plan has therefore identified its key growth sectors with key priority interventions along the M5 corridor Growth Zone, a Growth Hub, enablers of growth including the A417 link and support for green technology.

4.20 Analysis shows that Industry by workplace population from Nomis and analysis of the Census shows that GFirst's 'priority sectors' employ 7,500 in Cotswold District in 2011 – 17% of the total employment. Knowledge intensive sector is the largest employer with professional, scientific and technical activities accounting for 3,500 employees; 1,700 in Information and Communications and 1,400 in financial and insurance activities. The knowledge intensive sector within Cotswold has a total of 6,600 employees or 15% of the total. Hi tech manufacture amounts to 1,000 employees or 2.2%.

4.21 The table above shows that in manufacturing the District is marginally under represented against the national average. In terms of knowledge based employees there is a marginal over representation.

4.22 There are 5,465 enterprises within Cotswolds with approximately 20% of those enterprises within the financial and business sector. Notably within that sector there are 240 enterprises defined as computer programming, consultancy and related activities; 445 activities of head offices; management consultancy activities; 160 enterprises in research and development and other professional, scientific and technical activities.[7]

Commuting

4.23 In 2001, Census figures show the District has a high degree of self-containment: 71% on the residence based measure and 70% on the workplace measure. Both of these figures are quite high, especially compared with other fairly rural districts within relatively easy access of large employment centres. It also compares with equivalent figures of 71% and, only, 54% respectively for Cheltenham, 66% and 53% for Gloucester and 67% and 73% for Stroud.

4.24 The 2001 Census travel to work data showed a high degree of self-containment within the district with a third of residents (14,083) exceeded those commuting to the District to give a small negative commuting balance of 2,723.

4.25 The 2011 Census now shows that the position has changed and the District is now a net importer of labour. The District still retains a high percentage of self-containment – 16,361 people living and working in the district. However, a total of 13,820 people commute out of the district to work and 15,709 commute into the district to work. This provides a small net level of 1,889 people who commute to the district work. Table below details the origin and destination for both in and out commuting across key locations at 2011. Out commuting is primarily seen in this information to Swindon and Cheltenham. In commuting is seen

[7] Inter Departmental Business Register (ONS) 2014

primarily from Stroud, Swindon and Wychavon (Evesham). However, commuting can also be seen as far as Cambridgeshire, Suffolk, Devon and Barnsley.

Place of work and Place of residence by District 2011

Address whilst working : 2011 census merged local authority district	place of work							
	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Swindon	Stratford-on-Avon	Wychavon
Cheltenham	29,525	1,755	308	4,468	1,185	486	102	586
Cotswold	1,487	16,361	142	791	951	1,912	628	377
Forest of Dean	1,067	325	15,524	4,025	467	103	17	85
Gloucester	5,051	941	1,052	29,430	4,694	307	25	213
Stroud	1,940	2,323	278	5,479	24,070	501	18	114
Swindon	238	1,768	21	233	145	68,237	26	14
Stratford-on-Avon	106	784	9	42	14	37	23,423	933
Wychavon	1,067	1,456	42	439	101	43	2,307	20,715

Source ONS Census 2011

Home Working

4.26 Census2011 shows that almost 8,000 (13.3%) people worked from home in Cotswold which is the 7th highest nationally. This rate is double the national average and significantly higher than Gloucestershire's average of 8.5%. Home working is higher in the remoter parts of the district. In part this is due to the rural nature of the district but also reflects the highly skilled and entrepreneurial workforce which is engaged in some of the most innovative types of business. A survey by GFirst Broadband suggested that half of those surveyed do not have the Government's recommended Broadband speeds. Superfast broadband is critical to the continued success of micro businesses as are mobile telecommunication connections.

Ageing population

4.27 The percentage of people of state pension age in 2011 is 25.7% (19.4% UK) but will be 30.4% in 2031 (21.1% UK). One feature of an ageing population is an ageing workforce. By 2029, nearly a quarter of the Gloucestershire workforce is projected to be aged 55-64, compared to the current 20%. There will also be fewer younger recruits available in the labour market. The Council Corporate Plan 2012 to 2015 highlights that at 2031 over 30% of the population in Cotswold will be over retirement age and that a quarter of the workforce will be over 54.[8]

Deprivation

4.28 There are some indicators of deprivation in the District. Generally, people who live in the Cotswold District are more likely to enjoy a good quality of life than in most of the other parts of the UK. However, parts of Cirencester are in the most deprived 20% nationally for income, employment, education, skills and training, and income deprivation affecting children and older people. Part of Tetbury is in the top 20% most deprived nationally for education skills and training. Large parts of the District are also in the 10% most 'deprived' nationally in terms of access to housing and services (e.g. GPs' surgeries, post offices etc.) (with other areas in the top 20%) due to the rural nature of the area. Riversmeet Ward is the top 20% most deprived for 'living environment' relating to housing in poor condition or without central heating[9]

Economic Output and Productivity

4.29 Data from Cambridge Econometrics LEFM model dating back to 1981 shows that Cotswold has generally out -performed the UK economy in most years since the early 1990's, although there were signs of an apparent slow down locally after 2005/06. Since the onset of the recession in 2008 the margin by which Cotswold has outperformed the UK as a whole has re-established itself.

4.30 The LEFM forecast data together with the more recent Cambridge Econometrics Data and Oxford Economic forecasts suggests that both nationally and locally economic growth will recover fully after 2016.

4.31 District level analysis for the forecasting models suggests Cotswolds GVA is £168m at 2014. Gloucestershire has an economy worth £12 billion. Gloucestershire's GVA per head in 2001 was £15,800 and in 2011 it was £20,200, below the national average of £21,200. In ranking of all LEP areas it has fallen in terms of GVA per head from a ranking of 11th in 2001 to 15th in 2011.[10]

4.32 Gloucestershire's GVA per head is similar to its neighbour Swindon and Wiltshire LEP GVA at £20,700 but significantly higher than Heart of South West LEP (£17,000) and Worcestershire LEP (£16,200).

4.33 Gloucestershire's productivity in terms of GVA per hour worked, at £26.00 is below the national average of £27.84 GVA per hour.

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[8] ONS 2012-based Sub-national Population Projections
[9] Dept. for Communities and Local Government English Indices of Deprivation 2010
[10] New Anglia LEP economic profile 2014 – calculated from ONS 2012 NUTS 3 GVA release and mid year population estimates

4.34 The District has below average earnings. For people living (though not necessarily working) in the District in 2010, average earnings (full time) were £460 per week compared to £502 per week in the UK. Earnings (full time) at 2013 have increased to £484 compared to £518 per week in the UK. Earnings for those working in the District were lower, with the median full time earnings being £412 per week compared to £517 per week in the UK in 2013. Average full time earnings for those working in the district are £554 for Cotswold and £620 for the UK in 2013.[11]

Enterprise and Innovation

4.35 There were 5,465 active enterprises in Cotswold District in 2013 according to ONS estimates. This is the largest number of enterprises in the County followed by Stroud (5,320), Cheltenham (4,525), Tewksbury (3,510), Gloucester (2,980) and Forest of Dean (3,470). This equates to 15 enterprises per 1,000 population. The national average is 34 enterprises per 1,000 population and therefore Cotswold has significantly less enterprises than might be expected. Gloucestershire in total has 25,270 enterprises representing 23 enterprises per 1,000 population. Active enterprises are defined as those that had either turnover or employment at any time during the reference period and are a refinement of the indicator covering the number of VAT-registered businesses. The lower than anticipated rate may be partly explained by the significant percentage of the working population that is self-employed or operating micro businesses below the VAT registration threshold.

4.36 There are a significant number of micro enterprises within the District. Micro businesses (0-9 employees) total 4,905 enterprises or 89.8% compared to a ratio of 88.6% for the South West and 88.2% nationally. There are 495 between 10 and 49 employees representing 9.1% of the enterprises compared to 9.6% for the South West and 9.7% nationally. There are 55 enterprises between 50 to 249 employees and 10 over 250 employees again being under represented against regional and national statistics.

4.37 The number of business in Cotswold District grew continuously even through the recession. Between 2004 and 2012, 315 businesses were added over this period, an increase of 5.8% to reach a total of 5,390. The high proportion of self-employment with very high levels of home working would seem to represent a high level of micro and entrepreneurial business with huge opportunity for innovation and development. [12]

4.38 However, business birth rates are significantly below the national average. Each year between 2004 and 2012, business birth rates as a share of the total active business stock have been lower than the national average. Annually this amounts to a total business birth rate of 450 in 2009 to 605 in 2004. Between 2004 and 2012 this has ranged between 1.3% and 2.5% below the national average.

[11] ONS annual survey of hours and earnings 2013
[12] Inter Departmental Business Register (ONS)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Gloucestershire	11.7	10.8	10.4	10.9	9.8	8.6	8.8	9.4	9.9
Cheltenham	13.6	11.7	11.5	12.6	11.1	10.1	10.0	11.3	11.6
Cotswold	11.9	10.5	9.5	10.4	8.8	8.6	8.8	8.9	9.1
Forest of Dean	11.7	10.4	9.9	9.8	9.2	7.6	7.6	7.4	8.3
Gloucester	11.0	10.6	12.0	12.1	11.0	10.2	10.0	10.2	11.3
Stroud	10.5	10.9	10.0	10.5	9.9	7.1	7.6	8.9	8.7
Tewkesbury	11.2	10.6	9.6	10.0	9.0	8.6	8.5	9.4	10.2
England	13.2	12.7	11.7	12.4	11.7	10.2	10.1	11.4	

Source – ONS Business Demography Statistics

4.39 It is also important to note that business birth rates have decreased since 2008 in line with a national trend but they are showing improved performance in the latest figures for 2012. There was a clear deterioration in business death rates in 2008 and 2009 with the onset of the recession. This number has now returned to trend at around death of 475 enterprises per year in 2012.

4.40 There has been a clear deterioration in business survival rates during and since the recession. In Cotswold 97.5% of businesses born in 2007 survived their first year. By 2010 this had fallen to 89% although above the national average of 86%. The harsher economic condition through the recession has particularly affected the survival rates of start-up businesses. With the improved business birth rate at 2012, improved business survival rates are also anticipated.

4.41 Gloucestershire ranks 14th out of 39 LEP areas for the number of patents per capita over the five years from 2007 to 2011, according to the location of the inventor of international patent (Patent Cooperation Treaty) submissions. Gloucestershire recorded an annual average of 61 patents registered over five year period 2007 to 2011 by inventor residence. This equates to an annual average of 10.3 inventor patent registrations (over the five years from 2007 to 2011) per 100,000 residents in 2011 against a national average (England) of 9.3. Swindon and Wiltshire LEP area equates to 19.4 patents per 100,000 population; Coventry and Warwickshire at 12.7 per 100,000 population.

Summary

4.42 Overall, the District's economy is healthy, with generally, fairly affluent communities, low unemployment rates and high activity rates. Cotswold is estimated to have a GVA of £1.68 billion. Gloucestershire has an economy worth £12 billion although its relative position to other LEP areas in terms of GVA is falling. It has the highest rates of employed residents in senior professional and technical roles in the County, has the 7th highest level of home working in England and 19% of the resident employed population are self-employed.

4.43 However, there are pockets of deprivation and mean and median wages are below the national average. The cost of living in the area is high and the affordability of housing is a key issue for the District, as a result businesses face skill and labour shortages and the District is a net importer of labour. The 2011 census shows that the District is relatively well selfcontained although there is a net import of labour of under 2,000 people from predominantly adjoining districts.

4.44 Compared with other areas of the country, agriculture is still important for the area. However, the service sector accounts for the largest proportion of local jobs whilst there are distinct locational advantages seen in technical professional and scientific employment, food and accommodation and wholesale and retail employment

4.45 With a highly skilled population and key business assets, Cotswold offers a unique business location with a high quality of life within an internationally recognised outstanding natural environment.

5. Property Markets

5.1 The 2012 Economy Study provided analysis of the property market and a comprehensive analysis of the available employment sites and their suitability for continued business use. The Economy Study reviewed existing employment sites and considered whether they were suitable for retention and whether the sites could be released to alternative uses. The study went on to consider the existing pattern of business activity, employment land supply and loss to other uses, market intelligence and market signals at 2012 including information on rental values and enquiries from potential investors.

5.2 The Economy Study also noted existing vacant sites and outstanding allocations. It concluded that the following existing employment areas are considered to have potential for further employment floor space:

- Remaining plot on Campden Business Park. Chipping Campden;
- Remaining plots on Lakeside Business Park, South Cerney; and
- Remaining plots in Cotswold Business Village, Moreton-in-Marsh;

5.3 The Study also noted that existing Local Plan allocations could contribute to future employment demand within town centre locations to provide B1 office provision. These sites include:

- Sheep Street Island; and
- Memorial Hospital

Vacancy Rates

5.4 CLG figures, based upon National Non Domestic Rate Returns suggest that at March 2011 there were 401 hereditaments vacant, representing 9.4% of the stock (a total of 4,339 hereditaments). At March 2012, this had reduced to 287 hereditaments (6.6%) but had increased marginally to 334 hereditaments (7%) at March 2013. This would suggest that vacancy rates are reducing over time perhaps reflecting a greater confidence in the market, the loss of building to employment use or indeed a greater increase in reuse of redundant buildings.

5.5 To provide quantitative information, a snapshot of commercial properties marketed on 7th April 2014 was completed. This snapshot is based upon a web search of local agents and websites which collate information of marketed commercial property by town. The snapshot of sites and premises that are marketed will not represent all vacant properties but are a reasonable approximation for sites and premises available at a point in time and provides the basis for an analysis of the broad trends across the District.

5.6 The research here confirms the Economy Study 2012 analysis of a low level of vacancy rates. Based upon this search on 7th April the total commercial space including retail, industrial, office and warehousing on the market is approximately 28,000 sq m.

Office

5.7 The table below identifies a total of 5,387 sq m of office floor space on the market in April 2014. This comprises 25 premises which are predominantly located in Cirencester. 1,276 sq m is available in small units under 200 sq m again in Cirencester, with three premises in excess of 500 sq m. Two of the larger units are located in Moreton. No units were available in Stow, Fairford or Blockley.

Office Vacancy at April 2014

		0-100 sq m	100-200 sq m	200-500 sq m	500+ sq m
Cirencester	sq m	294	532	2273	513
	units	6	4	7	1
Tetbury	sq m	91	179		
	units	1	1		
Moreton	sq m	78			1071
	units	1			2
Chipping Campden	sq m		100	252	
	units		1	1	

Industrial

5.8 The table below identified a total of light industrial and industrial space on the market at April 2014 as 3,453 sq m for light industrial and 16,896 sq m for industrial space totalling 35 units. Over half of the units were in Cirencester and total 6,464 sq m. Cirencester provided one unit in excess of 2,700 sq m and two marginally smaller premises in excess of 900 sq m. In Cirencester 15 premises total a floor space of 694sq m averaging 46 sq m each.

5.9 Other locations with light industry and industrial premises on the market at March 2014 include Tetbury, Moreton and Blockley providing a total of 9,500 sq m. Smaller premises are available at Fairford, Chipping Campden and Lechlade. Again no floor space is available in Stow. In Moreton seven premises are available all in excess of 800 sq m.

Industrial Vacancy at April 2014								
		0-100 sq m	100-200 sq m	200-500 sq m	500 to 1000 sq m	1000 to 2000 sq m	2000 sq m to 5000 sq m	5000 sq m +
Cirencester	sq m	273	145	277	480	2478	2811	
	units	4	3	8	1	2	1	
Tetbury	sq m				706	3232		
	units				1	2		
Moreton	sq m			819	2175	1076		
	units			3	3	1		
Stow	sq m							
	units							
Blockley	sq m				1431			
	units				2			
Fairford	sq m	50	102					
	units	1	1					
Chipping Campden	sq m			197				
	units			1				
Lechlade	sq m	36		284				
	units	1		1				

5.10 In assessing the need for further business accommodation some assessment of whether there is higher or lower levels of accommodation vacancies in the existing floor space is needed. As with the housing and employment market an amount of vacancy is needed to allow for churn and choice in the market. Recent employment studies elsewhere including in Gloucestershire have seen a rate of 7.5% of the total office and industrial stock as an indication of a relative 'market equilibrium'. Over or below that level represents a relative under or oversupply in the market.

5.11 Other employment land review has refined this figure to 5% for offices and 10% for industrial and warehousing stock.

5.12 For Cotswold the picture is clear, based upon these measures. Based upon the 2008 CLG estimates of total office, light industry and warehousing floor space within the district (as detailed in paragraph 5.4), the total vacant space amounts to approximately 5.5% of total office floor space and 10% of industrial.

5.13 This would suggest that there is a degree of equilibrium across business floor space but there is little surplus floor space supply in the market as measured across the district.

Business Locations

5.14 NPPG states that the typology of employment land by market segment and by sub areas should be developed and analysed. The analysis should consider past trends and future scenarios and identify where sites have been developed for specialist economic uses. Analysing supply and demand will allow plan makers to identify where there is a mismatch between qualitative and quantitative demand – which segments are oversupplied / undersupplied.

5.15 The Table in Appendix 3provides an analysis of the Business Register and Employment Survey published in September 2014. The highlighted sections illustrate where there is the strongest employment by sector and by ward together with the percentage of total employment within that ward by sector. This complements the earlier work in the Economy Study 2012.

5.16 Cirencester is seen as the key focus of employment with approximately 12,000 employment jobs representing 35% of the employment in the district. Other key locations are Tetbury including Grumbolds Ash ward with approximately 3,700 employment jobs, Water Park with 3,500 jobs, Campden Vale with 2,800 jobs, Moreton with 2,000 jobs and Bourton-on-the-Water with 1,800 jobs.

5.17 There is also a distinct locational preference that can be seen in the statistics. Cirencester is clearly a key location for all business as detailed in the Economy Study 2012. However, there is a distinct locational preference for professional, technical and scientific sector in Grumbolds Ash and Campden Vale wards whereas Bourton on the Water and Water Park have stronger representation of Transport and Distribution. The Water Park shows a distinct location for all private sector led business. Tetbury, Bourton on the Water and Moreton have less manufacturing employed jobs than Fairford and Blockley than detailed in the Economy 2012 study and Kempsford and Lechlade ward do not appear in the survey as a secondary location for public administration.

5.18 The locational preference for existing jobs has been considered in reaching conclusions on the appropriate location for new business growth particularly as the existing locations are likely to represent the market preference, supply chains, availability of skills and labour, accessibility to key infrastructure, appropriate collaboration and clusters. As the Economy Study 2012 at para 6.9.2 states 'Location of employment areas is largely driven by the market unless major incentives are put in place by the public sector. The market generally follows the existing market as there is a more ready access to labour force. Therefore, the distribution strategy generally follows the existing pattern of main employment locations. Added to this we have also considered the Council's proposed spatial strategy, whereby the focus for growth is in four main settlements, although there is some allowance for the other Cotswold towns and villages'.

5.19 In reaching conclusions on potential site allocations the Council will also consider the main employment property market segments for B Class units as:

- Established or Potential Office Locations
- High Quality Business Parks
- Research and Technology Science Parks
- Warehouse / Distribution Parks
- General / Industrial Business Areas
- Heavy / Specialist Industrial Sites
- Incubator / SME Cluster sites
- Sites for Specific Occupiers
- Recycling / Environmental industries sites

5.20 It is recognised that a more bespoke approach is needed to support other aspects of the local economy, in particular the District's larger institutions and employers. These organisations have been identified through the consultation process requesting a bespoke approach in the Local Plan. These organisations have significant and substantial sites in the district's more sustainable settlements and they have submitted, through the consultation process, their future growth plans and aspirations. These organisations are Campden BRI at Chipping Campden, Royal Agricultural University in Cirencester and the Fire Services College at Moreton-in-Marsh.

Valuation Office Data

5.21 The Economy Study 2012 details the latest Valuation Office data. It is copied below for information. The data shows that there are 647 Industrial hereditaments totalling 257,000 sq m of floor space. The data also shows that there are 520 hereditaments for warehousing totalling 254,000 sq m.

5.22 The average size of premises for industrial is 397 sq m and warehousing is 488 sq m. For industrial this is significantly below the average size for the south west (581 sq m) and Gloucestershire (662 sq m). Therefore, there is a strong weighting towards smaller industrial and warehousing premises in the District.

5.23 In 2008 there were 713 hereditaments for office with a total floor space of 112,000 sq m giving an average floor space of 157 sq m. This offer represents approximately 10% of the office stock in Gloucestershire. The average office floor space size is comparable to the offer in Stroud but considerably lower than average property sized in the rest of Gloucestershire or the South West. This could be argued that it reflects the conversion of town centre buildings to office and the relatively limited provision of modern office accommodation in business parks or redevelopments within town centres.

Table 3.12: B Space Floorspace

	Offices		Industrial		Warehousing	
	Hereditament	Floorspace (000 sqm)	Hereditament	Floorspace (000 sqm)	Hereditament	Floorspace (000 sqm)
Cotswold District	713	112	647	257	520	254
South West	28,530	7,348	27,830	16,602	22,621	12,757
England	334,713	97,566	245,263	192,322	194,572	152,485

Source: VOA, 2008

Accommodation

5.24 The Economy Study 2012 and responses to the Preferred Development Strategy Consultation 2013 has identified a number of key market issues:

- Demand / enquiries are focussed upon Cirencester particularly from small, knowledge based business who want to secure a quality environment.
- Office jobs are predominantly focussed in and around Cirencester.

- There are limited vacancies rates and according to agents there is no suitable land allocated for employment development in Cirencester
- Current demand is for existing or converted accommodation with little investment in new build
- Evidence of some significant employers in outdated and unsuitable accommodation and will be looking to redevelop or relocate business to more productive, efficient accommodation
- Industrial premises are more scattered across the District as a whole.
- Warehousing premises are again focused around Cirencester, particularly at Love Lane.
- However, there is a significant presence of warehousing jobs at Bourton-on-the-Water, which benefits from its position on the A429 and has good links to the west with Cheltenham and Gloucester.
- Jobs that typically occupy B space premises is 40% - higher than you might expect in a rural area and higher than the County or regional proportion. This might also reflect the high level of home working (7th highest in the country) and lifestyle businesses.
- In moving forward providing incubator space for small emerging companies in rural locations supported by superfast broadband will be important in exploiting the key assets of a Cotswold business location.

5.25 The District is located between Swindon, Cheltenham and Gloucester which are dynamic locations which may act as a location for new growth if Cotswold does not offer an attractive business offer; however, the relative returns on investment in a commercial market within the Cotswold mean that it will not see significant ad hoc property investment from external partners.

Rental Values

5.26 Rental values for office range depending upon the quality and location of the property. In Cirencester one property, Gloucester House, Dyer Street is being offered at £14.00 sq ft. The majority of office accommodation is being offered at an average of around £10.00 sq ft. Tetbury rental values are significantly less below £9 sq ft for office space. However, Cotswold Business Village in Moreton on the Marsh is being offered at £16 - £18 sq ft. Industrial space is more consistent across the District being offered at £2.00 to £6.00 sq ft. There would not appear to be a significant decline or uplift from the rental value figures detailed by the Economy Study 2012 and discussions with property agents.

5.27 Cotswold District is a cost competitive location for business accommodation, prices are lower than many areas and which compares favourably to other locations in terms of commercial property prices.

5.28 However, with the market interest focussed upon floor space of up to 2,500 sq ft @ £13 sq ft and industry and warehousing of floor space between 2500 and 10000 sq ft @ £6.50 sq ft to support the District’s strong predominance of micro businesses – those under 10 employees.

Emerging Trends and Deliverability

5.29 The Economy Study 2012 commented that consultation with commercial agents has shown that there is very little suitable allocated land that is available for development in Cirencester. As a result, there is a limited supply of vacant units, particularly freehold, for potential investors and businesses looking to expand their operations. Of the 86 enquiries for space in Cotswold District, a total of 48 registered an interest in industrial/warehouse units. Of the remainder, 28 registered an interest in commercial land sites, a further 22 were interested in office space, and 22 businesses searched for retail premises.

5.30 The Council commissioned Hewdon Consultants to comment upon the viability and deliverability of employment sites. The key conclusions are detailed below from their report 'Strategic Employment Land Availability Assessment Viability Considerations, Hewdon Consulting, May 2014':

There are a few locations where office development apparently is (or has been) viable – for instance, Cotswold Business Village at Moreton-in-Marsh and Cirencester Business Park. However, development consists of relatively small units – 250-500 m² is typical – and a specification that is adequate, but short of institutional investors' requirements. Similarly, there has been industrial development in the recent past at Bourton-in the Water Industrial Park and at South Cerney but the build quality and the tenants' financial strength would not be attractive to an institutional investor. Moreover, in the smaller settlements, much of the development land is too remote and has sub-standard access.

Rents for larger industrial units are around £50-60 psm in the best locations and office rents are £120-140 psm at best. This is not high enough to develop to an institutional standard. Moreover, outside a few good locations, rental levels fall off drastically, with rents of £20-30 psm for industrial uses being common in smaller settlements and particularly on the disused airbases where there is lower quality but serviceable accommodation.

A number of greenfield edge of settlement sites have also been put forward for development around the smaller settlements where there is little or no history of employment uses. Most of these sites adjoin existing residential areas and have also been proposed for residential development. As greenfield sites they will incur the full cost of servicing. The potential demand (two hectares per annum spread over several settlements) is such that it would take many years to recoup this investment.

Moreover, being alongside residential areas, development is likely to be restricted to B1 use and to smaller occupiers. Most demand will come from micro-businesses (less than 10 employees) who increasingly work from home or can be accommodated in converted agricultural buildings. The 2013 changes to permitted development of agricultural buildings make this even more likely. These sites are unlikely to be viable for employment uses.

It is unlikely that sites in Tetbury will be viable for employment use by itself. By common consent, values are lower there. Moreover, consent has been granted after appeal to convert *employment land at Quercus Road to residential use because there is no evidence of demand for employment uses.*

Several sites in the middle of Cirencester have been proposed for office development. These are problematic. As explained, there is little demand for new office development in the town and the local market is well catered for by edge of town development like Cirencester Business Park. At the same time, alternative use values for the sites – mainly car parking, with the prospect of residential development – leave little margin for a developer to offer a landowner. Some of these sites also have listed buildings, which would need to be retained. This adds to the complexity of assessing them. We suspect that if they were to come forward, it would be as part of a mixed use scheme, with some residential element.

This apart, overall, we conclude that there is a good prospect of development being achievable on the sites proposed for allocation, taking account of their special value to particular sellers, developers and buyers. We also conclude that the proposed allocations allow sufficient choice to cater for likely demand and that generally speaking, there is unlikely to be an alternative allocation strategy that would be more viable.

Summary

5.31 Cotswold has a low level of vacancy rates within the district estimated at approximately 28,000 sq m. The total vacant space amounts to approximately 5.5% of total office floor space and 10% of industrial and is predominantly located in Cirencester.

5.32 The average office floor space size is comparable to the offer in Stroud but considerably lower than average property sized in the rest of Gloucestershire or the South West. This could be argued that it reflects the conversion of town centre buildings to office and the relatively limited provision of modern office accommodation in business parks or redevelopments within town centres.

5.33 However, with the market interest focussed upon floor space of up to 2,500 sq ft @ £13 sq ft and industry and warehousing of floor space between 2,500 and 10,000 sq ft @ £6.50 sq ft to support the District's strong predominance of micro businesses – those under 10 employees.

5.34 There are a few locations where office development apparently is (or has been) viable – for instance, Cotswold Business Village at Moreton-in-Marsh and Cirencester Business Park. However, development consists of relatively small units – 250-500 m^2 is typical – and a specification that is adequate, but short of institutional investors' requirements. Similarly, there has been industrial development in the recent past at Bourton-on-the-Water Industrial Park and at South Cerney but the build quality and the tenants' financial strength would not be attractive to an institutional investor.

5.35 The Economy Study 2012 and responses to the Preferred Development Strategy Consultation 2013 has identified a number of key market issues:

- Demand / enquiries are focussed upon Cirencester particularly from small, knowledge based business who want to secure a quality environment.
- Office jobs are predominantly focussed in and around Cirencester.
- There are limited vacancies rates and according to agents there is no suitable land allocated for employment development in Cirencester
- Current demand is for existing or converted accommodation with little investment in new build
- Evidence of some significant employers in outdated and unsuitable accommodation and will be looking to redevelop or relocate business to more productive, efficient accommodation
- Industrial premises are more scattered across the District as a whole.
- Warehousing premises are again focused around Cirencester, particularly at Love Lane.
- A significant presence of warehousing jobs at Bourton-on-the-Water, which benefits from its position on the A429 and has good links to the west with Cheltenham and Gloucester.
- Incubator space for small emerging companies in rural locations supported by superfast broadband will be important in exploiting the key assets of a Cotswold Business location.
- Bespoke policies are required to support the Districts larger institutions and employers particularly Campden BRI, Royal Agricultural University and Fire Services College.

6. Employment Land Monitoring

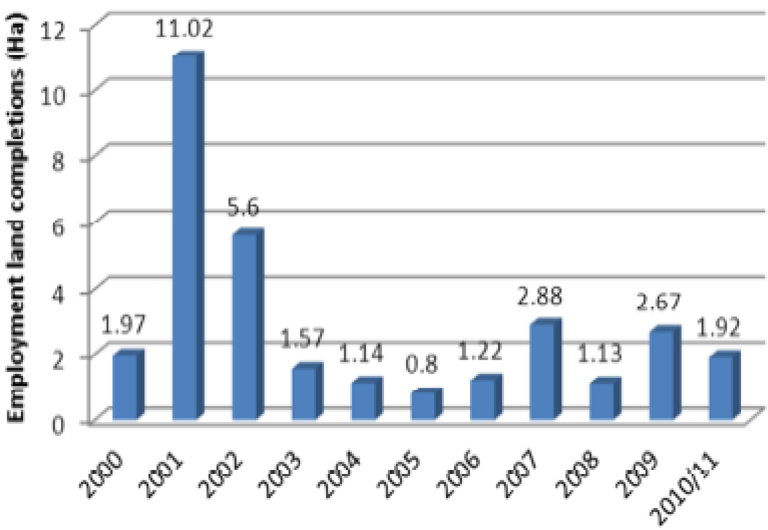
6.1 The Economy Study 2012 identified the availability of employment sites, their suitability for continued employment use and reported on the completed and outstanding commitments for economic development at that time. This chapter seeks to update the information from the Council's Annual Monitoring Reports to provide information on how much employment land and floor space is in the development pipeline and issues arising from the most recent employment land activity.

6.2 This is the first step in understanding how much land is available and therefore provides the basis to consider how much land is required over the plan period to ensure that there is a portfolio of sites to accommodate the developing economy, key operations and businesses, economic shocks and resilience and flexibility in the market.

Historic Employment Land Completions

6.3 The Economy Study 2012 identified the historic take up of employment land. Average take up between 1997 and 2011 was 2.66 hectares per annum. Removing the outliers in 2001 and 2002 equates to an average of 1.55 hectares per annum. Net employment completions for all business and employment generating development in 2011/12 amounted to 4.59 hectares and in 2012/13 amounted to 4.77 hectares. The average take up of land over the last 10 years equates to 1.6 hectares of B Use Class development per year.

6.4 If simply extrapolated over 20 years would require a provision of 32 hectares for B Class business land.



Source: Cotswold District Council Annual Monitoring Report 2011

Employment Land Monitoring Reports to 2014

6.5 Cotswold District Council has published Annual Employment Land Monitoring Reports to March 2014 which provide the most recent information on Employment Land Completions and Commitments between 2011 and 2014. Completions between 2011 and 2014 are detailed below.

Cotswold District Council Employment Land Completions

Use Class	Gain m2 2011-2012	Gain m2 2012-2013	Gain m2 2013-2014	Total Gain 2011 - 2014	Loss m2 2011 - 2012	Loss m2 2012-2013	Loss m2 2013-2014	Total Loss 2011 - 2014	Net change 2011 -2014
A1 - retail	224	1025	1448	2697	347	1351	1280	2978	-281
A2 - financial services	0	370	282	652	0	122	37	159	493
A3 - restaurant and café	271	163	1277	1711	0	0	45	45	1666
A4 - drinking establishment	0	9	28	37	0	90	353	443	-406
A5 - hot food take-away	60	0	111	171	0	0	0	0	171
B1 - business (general)	2870	1495	968	5333	851	832	508	2191	3142
B1a - office (other than A2)	2733	1005	654	4392	494	1171	397	2062	2330
B1b - research and development		1205	0	1205		0	0	0	1205
B1c - business (general)		3113	840	3953		3441	185	3626	327
B2 - general industrial	220	2254	923	3397	354	1592	8964	10910	-7513
B8 - storage & distribution	170	2388	498	3056		993	721	1714	1342
C1 - hotel	280	1541	2676	4497	0	0	1271	1271	3226
C2 - residential institution	11682	0	101	11783	0	0	0	0	11783
D1 - non-residential institution	1652	483	3445	5580	114	75	1768	1957	3623
D2 - assembly & leisure	468	693	503	1664	115	131	233	479	1185
SG - sui generis	0	2065	884	2949	8026	1349	1210	10585	-7636
Total Floorspace Gained (m2)	**20630**	**17809**	**14638**	**53077**	**10301**	**11147**	**16972**	**38420**	**14657**

Source: Cotswold District Council Economic Land Monitor Report 2014
Cotswold District Council Employment, Commercial and Retail Land Availability Report 2013
Cotswold District Council Employment Land Availability Report 2012

6.6 The monitoring report shows that there is a net increase in completions of 14,657 sq m in all business and employment generating development between April 2011 and March 2014. Notably over half of the net growth is in B1 (7,004 sq m) and B8 floor space (1,342 sq m). However, there is a distinct loss of B2 floor space which is primarily due to the demolition of the former Matbro buildings (8,880 sq m) in Tetbury in 2013/2014.

6.7 The Table below shows the total employment and business land commitments at March 31st 2014.

Cotswold District Council Employment Land Commitments at March 2014

	Gain not started	gain u/c	loss not started	loss u/c	net change
A1 - retail	7181	5267	866	1216	10366
A2 - financial services	684	255	150	0	789
A3 - restaurant and café	2051	619	317	0	2353
A4 - drinking establishment	617	0	314	0	303
A5 - hot food take-away	500	111	0	0	611
B1 - business (general)	9982*	790	291*	105	10376
B1a - office (other than A2)	1021*	330	1844	2316	-2809
B1b - research and development	0*	1000	0	0	1000
B1c - business(general)	1101*	620	2215	0	-494
B2 - general industrial	2314*	2046	11747	192	-7579
B8 - storage & distribution	1639*	2367	1237	5100	-2331
C1 - hotel	10523	1200	611	1058	10054
C2 - residential institution	695*	6112	805	1533.82*	4468.18
D1 - non-residential institution	7088	10462	1631	1156.24*	14762.76
D2 - assembly &leisure	5956*	936	2725	0	4167
SG - sui generis	12130	1344	1550	76.24	11847.76
Total	63482	33459	26303	12753.3	57884.7

Source: Cotswold District Council Economic Land Monitor Report 2014
Cotswold District Council Employment, Commercial and Retail Land Availability Report 2013
Cotswold District Council Employment Land Availability Report 2012

6.8 The net business floor space commitments or under construction for all business and employment generating development at March 2014 totals 57,884 sq m floor space. The commitments for additional floor space include the Royal Agricultural University Triangle site for B1a, b, c and D2 development amounting to 25,083sqm, Business Park development at Upper Rissington (4,552 sq m for B1), Lakeside Business Park, South Cerney (1,500 sq m for B1a,b,c), Moreton Business Park (2,998 sq m for B1,B2, B8) and a Start-up Centre at Former Railway Station, Tetbury. In terms of Sui Generis uses the greatest floor space is an Anaerobic Digestion and Energy Plant on a 2.77 hectares site amounting to 9,470 sq m and expansion and redevelopment at the Fire Services College, Moreton.

6.9 Planning Commitments also include the loss of business floor space to alternative uses. In some cases this is to an alternative employment, B Class or Sui Generis use with employment generation. However, distinct losses should be noted at Quercus Road site Tetbury (loss of 11,338 sq m of B2 floor space to residential), Vygon site, Cirencester (loss of 5,600sq m of B1a and B8 land to A1) and Wells Masonry, Tetbury (loss of 1,780 B1c to residential). In addition, the town centre offices and business uses are also lost to residential use. There is a significant loss of B1 within town centres to residential, particularly in Cirencester, Tetbury and Moreton which needs to be addressed by policy.

6.10 Total net floor space completions for all employment generating development amounted to 14,657 sq m with existing net commitments of 57,884 sq m providing a total net provision of 72,541 sq m. This exceeds the 66,289 sq m identified in 2012 by the Economy Study.

6.11 The total outstanding commitments in land take up equate to a gain of 20.47 hectares of B Class land and a loss of 4.57 hectares in B Class land.

6.12 However, it is important to illustrate the net loss of B2 and B8 class floor space for both completions and commitments. The Table below details a net increase of 15,000 sq m in B1 Business Space and a loss of B2 and B8 floor space of 16,000 sq m. Taking completions and commitments together at March 2014 results in a total net loss of 1,000 sq m of B Class land.

Table 3: Cotswold District Council B Class Land March 2014

Sector	Net completions	Net Commitments	Total
B1 - Business	7,004	8,073	15,077
B2 General Industry	- 7,513	- 7,579	- 15,092
B8 - Storage and Distribution	1,342	- 2,331	- 989
Total B Class Development	833	- 1,837	- 1,004

Source: Cotswold District Council Economic Land Monitor Report 2014
Cotswold District Council Employment, Commercial and Retail Land Availability Report 2013
Cotswold District Council Employment Land Availability Report 2012

Summary

6.13 The average take up of employment space to 2011 equate to an average of 1.55 hectare per annum equating to a twenty year requirement of 32 hectares.

6.14 Total net floor space completions between 2011 and 2014 for all employment generating development amounted to 14,657 sq m with existing net commitments of 57,884sqm providing a total net provision of 72,541 sq m. This exceeds the 66,289 sq m identified in 2012 by the Employment Land Availability Study.

6.15 However, it is important to illustrate the net loss of B2 and B8 Class floor space for both Completions and Commitments to 2014. There is a net increase of 15,000 sq m in B1 Business Space in completion and commitments whilst there is a loss of B2 and B8 floor space of 16,000 sq m. Taking completions and commitments together at March 2014 results in a total net loss of 1,000 sq m of B Class land.

7. Economic Forecasts

7.1 NPPG states that plan makers should consider forecasts of quantitative and qualitative need (i.e. the number of units and amount of floor space for other uses needed) but also its particular characteristics (e.g. footprint of economic uses and proximity to infrastructure). The key output is an estimate of the scale of future needs, broken down by economic sectors.

7.2 It goes on to state that local authorities should develop an idea of future needs based on a range of data which is current and robust. Authorities will need to take account of business cycles and make use of forecasts and surveys to assess employment land requirements.

Plan makers should consider:

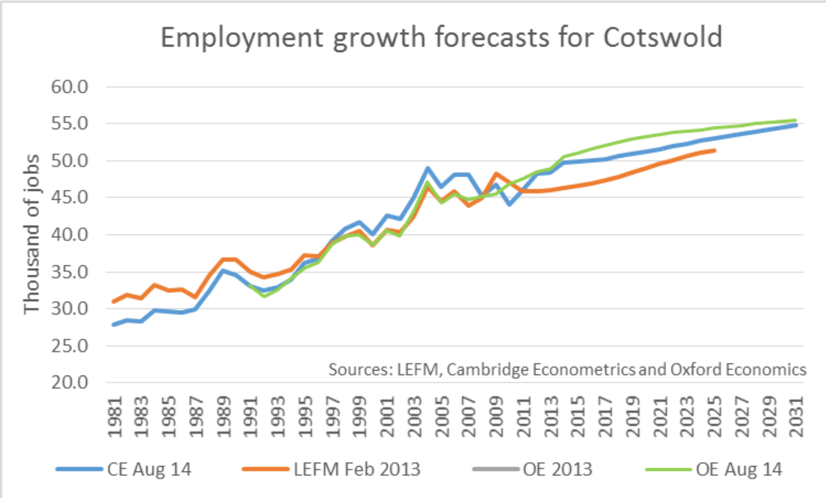
- sectoral and employment forecasts and projections (labour demand);
- demographically derived assessments of future employment needs (labour supply techniques);
- analyses based on the past take-up of employment land and property and/or future property market requirements;
- consultation with relevant organisations, studies of business trends, and monitoring of business
- Emerging sectors that are well suited to the area being covered by the analysis should be encouraged where possible. Market segments should be identified within the employment property market so that need can be identified for the type of employment land advocated.

7.3 The Economy Study 2012 land budgets were informed by Cambridge Econometrics LEFM Model Run version 112. An updated LEFM model version 122 was commissioned by Gloucestershire County Council to inform the preparation of the Draft Strategic Economic Plan.

7.4 Two new forecast models were commissioned to inform the review of the Objectively Assessed Housing Need for Stroud, Forest of Dean and Cotswold. The two models produced by Oxford Economics and Cambridge Econometrics dated August 2014 set out employment growth by sector to 2031.

7.5 The two models and assumptions implicit within the models are discussed below. The models take account of past trends and forecasts and represent a view on how the economy might perform over time. Economic forecasts are useful in providing a range of scenarios that can inform but not determine the appropriate economic target and strategy for the Local Plan. The forecast models represent trend based growth, based upon a series of economic assumptions about the performance of the economy overtime. No account or adjustments are made to reflect policy or market interventions or indeed constraints which may impact upon the economic output of the district.

Employment Growth Forecasts



	Job increase 2011-31
Cambridge Econometrics Aug 14	8680
Oxford Economics Aug 14	7819

Source: OAN Stroud, Forest of Dean and Cotswold using Cambridge Econometrics 2014 and Oxford Economics 2014

7.6 Over the plan period the Cambridge Econometric model forecasts total employment to increase by 8,680 whilst over the same period the Oxford Economics model forecasts an increase of 7,819. Both models suggest that a significant proportion of the growth occurs in the first 3 years of the plan period. For Cambridge Econometrics the total job growth forecast between 2011 and 2014 amounts to an increase in employment of 3,700 and for Oxford Economics the total amounts to an increase of 3,000 in employment.

Forecast of Total jobs by sector for Cambridge and Oxford Models 2014

Industry Sector	Oxford 2011 to 2031	Cambridge 2011 to 2031
Agriculture	-385	18
Mining	-81	-20
Utilities	0	-10
Manufacturing	-546	0
Construction	1920	861
Distribution and retail	878	1296
Hotels & Restaurants	1297	369
Transport & Communications	258	1460
Finance and Business	2489	1064
Public Administration	-239	531
Education and Health	-72	1435
Other Services	2085	1677

7.7 In comparing the outputs of the models for Cotswold it is important to put any growth in the context of all Gloucestershire authorities. The following data is taken from NLP's economic analysis work in 2014 for the Joint Core Strategy (Gloucester, Cheltenham and Tewkesbury JCS Assessment of Updated Economic Forecasts April 2014) and the most recent Cambridge and Oxford Models for Stroud, Cotswold and Forest of Dean. The 2011 to 2031 period is used for comparison.

Job Growth comparison between Gloucestershire authorities

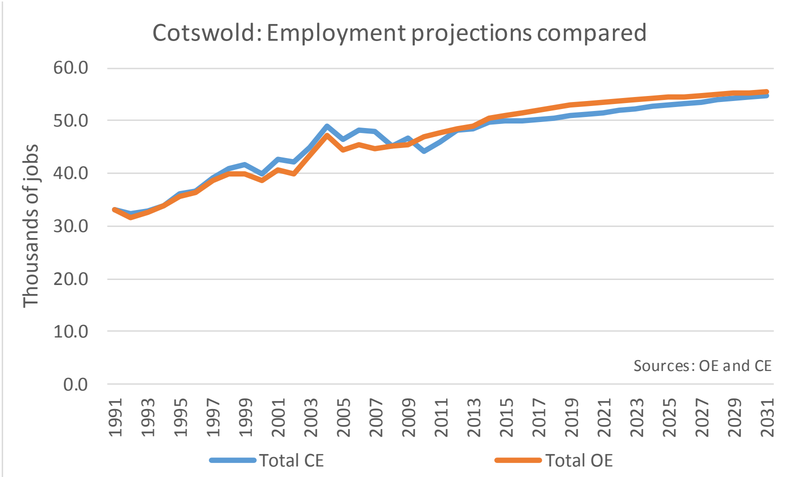
District	OE 11-31	CE 11-31	Average	Current Job Density
Cheltenham	10,558	15,336	12,712	72,000
Gloucester	3,372	8,769	7,387	67,000
Tewkesbury	6,854	7,482	7,249	45,000
Stroud	4,800	8,800	6,800	55,000
Forest of Dean	2,500	2,500	2,500	30,000
Cotswold	7,800	8,700	8,250	47,000

Source: (Gloucester, Cheltenham and Tewkesbury JCS Assessment of Updated Economic Forecasts April 2014), Cambridge Economics and Oxford Economics 2014.

7.8 Cheltenham is forecast to show the strongest employment growth to 2031. However, the CE model outputs suggest a very significant contribution from Cotswold to the Gloucestershire economy with similar level of growth forecast at Gloucester and Stroud. The OE Model suggests the second highest level of job growth in the County after Cheltenham. This is somewhat distinct from the GFirst's Strategic Economic Plans aspirations for economic growth focussed upon the M5 corridor. In evaluating these forecasts account also needs to be taken to reflect the nature of Cotswold and its market towns as secondary locations for business competing against key business locations such as Swindon, Gloucester and Cheltenham.

7.9 As detailed in the OAN work for Stroud, Forest of Dean and Cotswold, there are significant differences between the forecasts. The OAN work explains that the forecasts are built up using a combination of a national view on the prospects for the different sectors of the economy and local data on the demand for services and the performance of different sectors. Therefore there are different views taken by each forecast model and as a consequent the outputs can be very different.

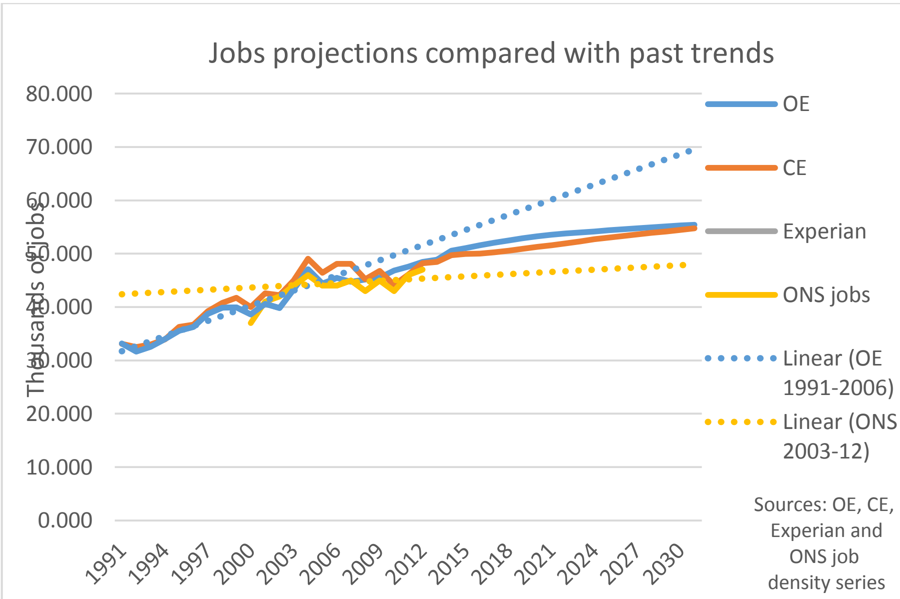
Cotswold - Comparison of Total CE and OE Job Growth to 2031



	Employment in thousands in year shown				Employment change		Annual job change	
	2006	2011	2014	2031	2011-31	2014-31	2011-31	2014-31
Total CE	48.1	46.1	49.7	54.7	8.7	5.0	0.43	0.29
Total OE	45.5	47.6	50.6	55.4	7.8	4.8	0.39	0.28

Source: OAN Stroud, Forest of Dean and Cotswold using Cambridge Econometrics 2014 and Oxford Economics 2014

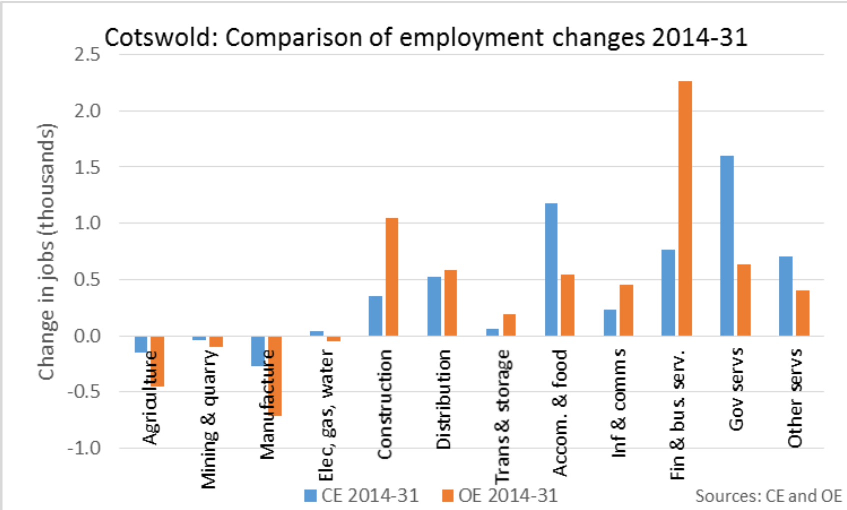
7.10 Tables produced by OAN study highlights two issues; Firstly, in both models a significant part of the total job growth occurs up to 2014, and secondly when looking at the post 2014 period the total job growth is broadly aligned between the two models. However, when compared with past job growth, both OE and CE projections are below longer term trends for job growth but higher than job growth in the last ten years.



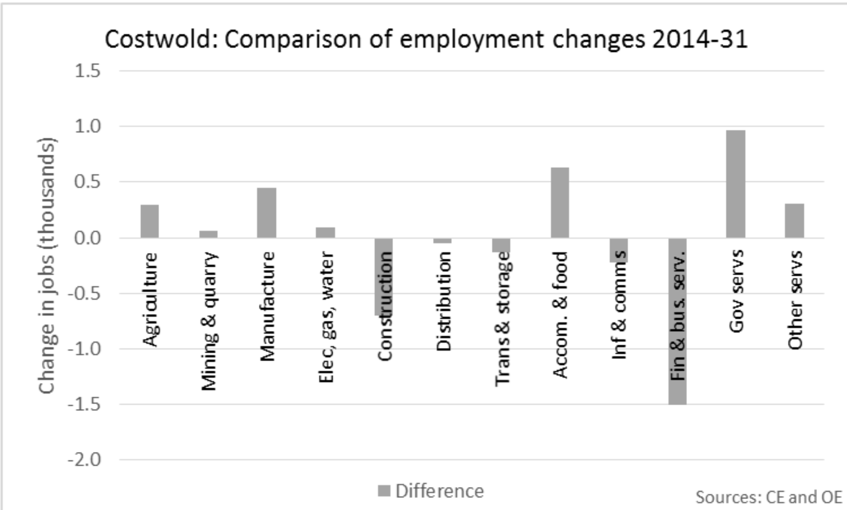
Source: OAN Stroud, Forest of Dean and Cotswold using Cambridge Econometrics 2014 and Oxford Economics 2014

7.11 However, there are also distinct differences in industry sector growth between the two models shown in the table below.

Total Employment Change for OE and CE Models 2014



Difference between Employment Change for OE and CE Models 2014



Difference between Employment Change for OE and CE Models 2014

Job change ('000s)	CE 2014-31	OE 2014-31	Difference
Agriculture	-0.2	-0.4	0.3
Mining & quarry	0.0	-0.1	0.1
Manufacture	-0.3	-0.7	0.4
Elec, gas, water	0.0	-0.1	0.1
Construction	0.4	1.0	-0.7
Distribution	0.5	0.6	-0.1
Trans & storage	0.1	0.2	-0.1
Accom. & food	1.2	0.5	0.6
Inf & comms	0.2	0.5	-0.2
Fin & bus. serv.	0.8	2.3	-1.5
Gov servs	1.6	0.6	1.0
Other servs	0.7	0.4	0.3
Total	5.0	4.8	0.2

Source: OAN Stroud, Forest of Dean and Cotswold using Cambridge Econometrics 2014 and Oxford Economics 2014

Cambridge and Oxford Economic Forecasts Outlook by sector

7.12 Oxford Economics outlook for financial and business services, other services and information and Communications are faster than the Cambridge Econometrics forecasts. Cambridge Economics forecast suggest stronger growth within government services and accommodation & food services and fewer job losses in manufacturing.

7.13 Oxford Economics have commented in response to the model that 'a key feature of the Oxford medium term outlook is a modest rebalancing of the UK economy. This will be characterised by a smaller contribution to growth coming from consumer and government spending than has been the case in recent years. Instead, business investment is expected to play a more significant role in supporting growth as businesses invest heavily to compensate for a number of years of weak spending. Net exports are also forecast to make a positive contribution to growth.'

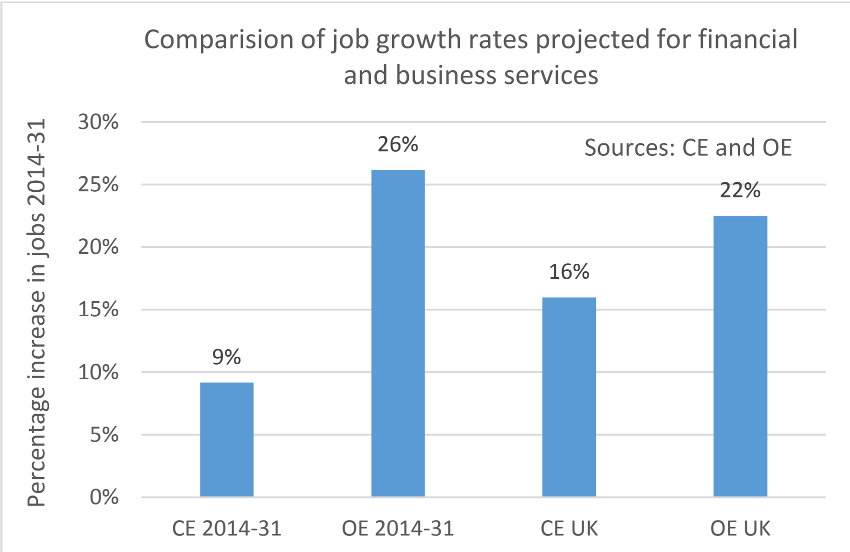
7.14 It goes on to state 'Oxford Economics' believe public sector employment growth will be restricted by government austerity, particularly in the near term. Instead, Oxford Economics' forecast is for job creation in to be led by the private services sector, with almost 70% of new jobs being created in financial and business services sectors.'

7.15 Forecasts from Cambridge Econometrics have a much smaller proportionate contribution from these sectors with stronger growth from government services, food and accommodation and other services.

7.16 Chapter 4 discusses the current industry sector strengths in the district. It shows that currently construction, wholesale, retail, accommodation / food and financial and business sectors have a stronger representation in Cotswold than the England average. Therefore you might expect the location advantages and preferences currently seen would continue into the future. Oxford Economics certainly see stronger growth in those sectors in which there is a stronger representation with the exception of food and accommodation. Conversely, Cambridge Economics see stronger growth in government services.

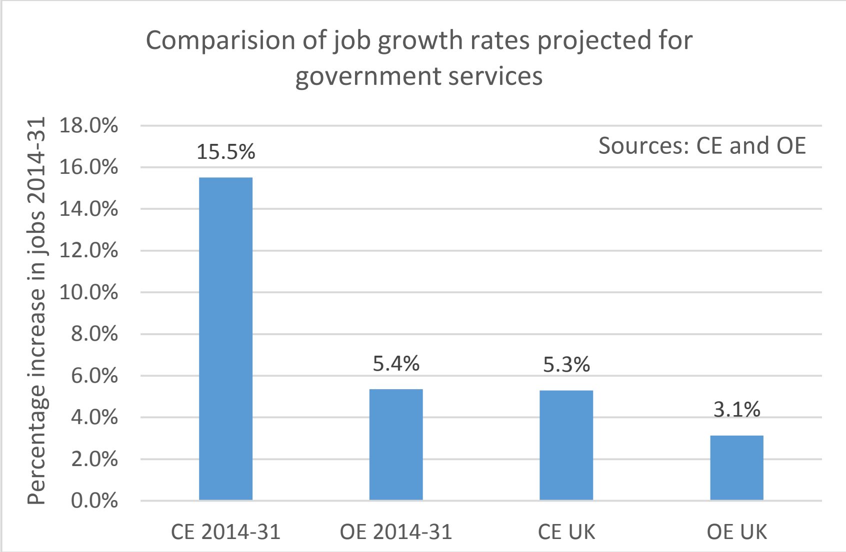
Financial and Business Growth

7.17 Oxford Economics forecast growth in financial and business services is significantly higher than the Cambridge Econometrics projections for the 2014 to 2031 period. Primarily the difference can be explained by the significant growth forecast in the professional, technical and scientific area. Examples of growth in this sector might include Royal Agricultural University who wish to expand and commercialise their research and development on site in Cirencester and Campden BRI in the north of the district. Current Cambridge Econometrics forecast outputs suggests significantly lower growth in financial and business services in contrast to LEFM model 2012 which forecast 36% of growth in these sectors over the plan period.



Government Services

7.18 The graph below shows the Cambridge Economics forecast growth in government services. Clearly, much of growth in government Services will be strongly influenced by Central policy and the requirements of changing population. However, the Cambridge Econometric figures for Cotswold far exceed the levels seen in the Oxford forecasts and indeed the equivalent forecasts models for the UK.



Summary

7.19 Economic forecasts are useful in providing a range of scenarios that can inform but not determine the appropriate economic target and strategy for the Local Plan. The forecast models represent trend based growth, based upon a series of economic assumptions about the performance of the economy overtime. No account or adjustments are made to reflect policy or market interventions or indeed constraints which may impact upon the economic output of the district.

7.20 Over the plan period the Cambridge Econometric model forecast total employment to increase by 8,680 whilst over the same period the Oxford Economics model forecasts an increase of 7,819. Both models suggest that a significant proportion of the growth occurs in the first 3 years of the plan period. For Cambridge Econometrics the total job growth forecast between 2011 and 2014 amounts to an increase in employment of 3,700 and for Oxford Economics the total amounts to an increase of 3,000 in employment. Data in Chapter 4 suggests that employed jobs has remained relatively static over the period 2011 2014 whereas self-employment has risen in line with national activity.

7.21 Each forecasts model either has an emphasis towards either private sector or public sector growth and therefore there is a consequent difference in the employment land demand which is examined in the next chapter.

7.22 National Planning Policy Framework states that to help achieve economic growth, local planning authorities should plan proactively to meet the development needs of business and support an economy fit for the 21st century. Therefore, although there are concerns about the actual level of job growth seen to 2014 and the variance in the type of sector job growth in each of the forecasts, the amount and type of B Class employment allocations in the Local Plan should provide sufficient flexibility to support a range of employment opportunities to meet the B Class sector jobs growth identified in the two economic forecasts.

8. Employment Land Requirements

8.1 The Economy Study 2012 set out a projected employment land requirement of 15.28 hectares for all business uses in the District for the plan period based upon the outputs of the Cambridge Econometric LEFM model Run 122 and a set of methodological assumptions which are set out in that report. The Economy Study 2012 calculation has been revised using the more recent Cambridge Econometric and Oxford Econometric 2014 models forecasts outlined in the previous chapter.

Table 5.8 in the Employment Land Study (Vol.1 of Part 2 of the Economy Study 2012)sets out the assumed plot ratio and worker density for each business land type. In addition, table 5.6 sets out the locational preference for each sector providing a comprehensive forecast land requirement for total job growth. The key assumptions are:

- Plot ratios of 3,000 sq m, 4,000 sq m are identified for different sectors with a significant element of development in town centres with a higher plot ratio of 8,000 sq m per hectare.
- The plot density per hectare is multiplied by the assumed number of floors in the development thereby significantly reducing the land requirement.
- Higher spaceless growth is adopted for manufacturing (70% is spaceless) and lower spaceless growth for Transport and Communications than has been seen in other work (SERPLAN / Stroud) although the impact is marginal as the net growth figures are modest for these areas.

8.2 The total net employment land requirement using the Cambridge Econometrics 2014 forecasts for all business and employment generating job growth is calculated at a land requirement of 13.78 hectares. The equivalent total net requirement modelled for Oxford Economics job growth is 15.13 hectares. The detailed calculations and tables are detailed in Appendix1 and 2

8.3 In this instance the employment land and floor space requirements are updated only to reflect the job growth identified in the two forecasts. The table below sets out those requirements by locational preference identified in the Economy Study 2012.

	Employment Land Study update using Oxford Forecasts 2014		Employment Land Study update using Cambridge Forecasts 2014	
Land Requirement	sqm	ha	sqm	ha
Town Centre	34,090	1.79	20,529	1.19
B1 Business Park	60,453	6.79	30,282	3.44
B2 /B8 Industrial	23,265	5.07	36,909	5.58
Mixed B Uses	13,411	1.48	41,274	3.57
Total	131,219	15.13	128,994	13.78

8.4 The outputs highlight the different land requirements depending upon the type of sector that is anticipated to grow. The Oxford Model suggests a higher level of growth in the private sector and therefore more land is required on business parks and town centres. Conversely the Cambridge model sees higher growth in those locations which require a mixed use environment such as Other Services; Recreation and Arts, Food and Accommodation.

8.5 The National Planning Practice Guidance is clear that economic assessment needs should be completed consistently across the Functional Economic Area. Therefore the Employment Land methodology used in the Economy Study 2012 has been reviewed against the assessment, assumptions and methodologies for the Stroud Employment Land Review and separate analysis by NLP for the Joint Core Strategy assumptions for Tewkesbury, Gloucester and Cheltenham to ensure alignment across the Gloucestershire functional economic area.

8.6 The key assumptions in the Joint Core Strategy analysis and the Stroud analysis are:

- The employment land calculations in the analysis for the Core Strategy and Stroud are for B Class Development only
- The following assumptions are made for those industry sectors that have a requirement for B1, B2 or B8 but a requirement is also 'spaceless growth' - does not require B class land (Table 57 of the Stroud Employment Land Review).

Agriculture	95% spaceless growth
Manufacturing	0% spaceless growth
Construction	74% spaceless growth
Distribution	52% spaceless growth
Transport	52% spaceless growth
Financial and Business	0% spaceless growth
Government Services	78% spaceless growth

- The ratio of worker per sq m and the consequent floor space is calculated using HCA worker floor space densities published in HCA Guidance Note 2010.
- There is a consistent plot ratio of 3,900 sq m per hectare. Note that unlike the JCS proposition no amendments are made for town centre developments given the loss

of B Class land in town centres in Cotswold District and the likely displacement to edge of centre Business Park sites.

- Employment uses such as recreation and arts will be located on non B class land. This includes Food and Accommodation; Arts Recreation and Sports; other services and Retail.

8.7 The totals B Class land requirement using the Cambridge Econometrics model is 28.07 hectares. The increase in land requirement is due to the amendments to the assumption regarding plot density - no adjustment is made to the floor height of buildings, maintaining a consistent plot ratio of 3,900 sq m per hectare.

Cambridge Econometrics 2014						
Employment Sector	**Forecast new jobs 11-31**	**Jobs requiring new B class floorspace**	**sqm per job**	**Total floorspace sqm**	**plot ratio .39**	**Land requirment Ha**
Agriculture etc	18	1	12	11	0.39	0.00
Mining	-20	0				
Utilities	-10	0				
Manufacturing	0	0	36		0.39	0.00
Construction	861	224	12	2,686	0.39	0.69
Distribution incl retail	1296	622	70	43,546	0.39	11.17
Hotels & Restaurants	369	0				
Transport & Communications	1460	701	70	49,056	0.39	12.58
Finance &	1064	1064	12	12,768	0.39	3.27
Business services						
Public Administration	531	117	12	1,401	0.39	0.36
Education and Health	1435	0				
Other Services	1677	0				
Totals	**8681**	**2728**		**109,468**		**28.07**

8.8 The significant land requirement is calculated to support the increase in job growth associated with the Distribution and Retail and Transport and Communications industry sectors which of course can vary widely depending upon the space per sq m per employee.

8.9 The totals B Class land requirement using the Oxford Economic model is a net increase of 14.64 hectares. The increase in land requirement is due to the amendments to the assumption regarding plot density - no adjustment is made to the floor height of building maintaining a consistent plot ratio of 3,900 sq m per hectare.

8.10 This net increase makes the assumptions that land lost to manufacturing, finance and public admin will be replaced by alternative B class uses. This is unlikely in totality given the locational requirements for alternative uses. The type, scale and location of a manufacturing use may not be suitable for an alternative business use requiring a higher spec development. In addition, sites that have been used for B2, such as the Matbro site in Tetbury are now used for residential development. Therefore the gross requirement of 20.31 hectares would provide a reasonable assumption of the land requirements.

	Oxford Economics 2014					
Employment Sector	**Forecast new jobs 11-31**	**Jobs requiring new B class floorspace**	**sqm per job**	**Total floorspace sqm**	**plot ratio .39**	**Land Ha**
A : Agriculture, forestry and fishing	-385	-19	12	- 231	0.39	-0.06
B : Mining and quarrying	-81	0				
C : Manufacturing	-546	-546	36	- 19,656	0.39	-5.04
D : Electricity, gas	99	0				
E : Water supply; sewerage,	-183	0				
F : Construction	1920	499	12	5,991	0.39	1.54
G : Wholesale and retail	878	421	70	29,500	0.39	7.56
H : Transportation and storage	258	124	70	8,672	0.39	2.22
I : Accommodation and food	1297	0				
J : Information and comms	299	299	12	3,590	0.39	0.92
K : Financial and insurance activities	-133	-133	12	- 1,601	0.39	-0.41
L : Real estate activities	485	485	12	5,820	0.39	1.49
M : Professional, scientific	1941	1941	12	23,289	0.39	5.97
N : Administrative	197	197	12	2,362	0.39	0.61
O : Public administration	-239	-52	12	- 630	0.39	-0.16
P : Education	-187	0				
Q : Human health	115	0				
R : Arts, entertainment	1590	0				
S : Other service activities	495	0				
Total Net Growth	**7819**	**3215**		**57,106**		**14.64**
Total B Class Land requirement		**3966**		**79,224**		**20.31**

8.11 It is important to note that the Economy Study 2012 anticipated that 30% of jobs in transport and communications sector and finance and business sectors would be in town centres at a higher plot ratio of 8,000 sq m per hectare than calculated in this model. The Economy Study also anticipated that 10% of Distribution for car show rooms would be located in town centres. Such an approach would need to be supported by planning policy and other interventions to increase the level of B Class land in town centres with a consequent reduction in the overall total requirement of B Class land in the remaining part of the district over the plan period. Given the characteristics of the district and the significant historic environment that development is more likely to occur on business parks.

8.12 It is also important to note the high level of home working within the district which reduces pressure on new business land and the level of self-employment which is significantly above the regional and national average.

GFirst Strategic Economic Plan

8.13 The Strategic Economic Plan seeks to support growth in knowledge intensive sectors to support the growth in jobs and GVA. The District has a stronger representation and growth in some areas such as professional, scientific and technical services and the plan will support this sector. However, the district does not have a strong presence in those other sectors identified by the Strategic Economic Plan nor the competitive advantage to attract new or footloose knowledge intensive based sectors to the district.

8.14 Importantly, the Strategic Economic Plan focusses growth upon strategic allocations along the M5 corridor and its other interventions are not primarily focussed upon Cotswold District. The district does recognise that the Growth Hub, Growth Accelerator and interventions such as the A419 transport link will increase the potential to deliver the growth targets more quickly. Indeed the land allocation tests could provide for around 8,000 jobs which will provide the flexibility to provide and facilitate additional job growth should that arise in the earlier part of the plan period. It will be important for the Council to monitor the impact of any interventions and the progress of employment growth throughout the plan.

8.15 It is the Council's view that policies and proposals which support the scale of future economic growth identified in the Economic Forecasts for Cotswold District, together with the appropriate allocation of employment land detailed in the tables above, would support the implementation of the GFirst objectives.

Summary

8.17 The historic land take up, which is a simple extrapolation of the average completions suggest that the land requirement is 32 hectares.

8.18 The Cotswold Economy Study 2012, identified that 15.28 hectares of employment land (covering all employment generating uses) were required over the plan period. The methodology has been reviewed so that it is consistent with the approach used by Stroud District and the Joint Core Strategy Authorities (Gloucester, Cheltenham and Tewkesbury). The assumptions used in the 2012 Study have therefore been challenged and reviewed. Both Oxford Economics and Cambridge Econometrics models have been applied to enable comparative analysis to occur. The calculations detailed above give a sound indication that between 20 and 28 hectares of B class employment land will be required in Cotswold District over the plan period. The range is due to the Oxford model indicating 20 hectares and the Cambridge model indicating 28 hectares.

8.19 The District has little vacant business space or remaining allocated land in the Local Plan available for B class uses. Therefore the Council needs to positively plan to sustain and grow the local economy in the more sustainable settlements and implement the development strategy of the Local Plan. However, a balance needs to be struck between oversupply and a flexible supply of land. There are many variables which effect the development of employment land in the Cotswolds. The viability reports prepared by Hewdon Consulting indicate that employment development tends to be bespoke to a particular users needs, rather than speculative development. Also, sites come forward with different densities, therefore it is difficult to predict how much floor space and jobs a particular site will deliver. This can be monitored over time, and planned for, but is another reason for ensuring a flexible supply of land.

8.20 Consequently, it is considered appropriate to plan for the higher end of the range of employment land indicated at this stage as it will build in flexibility and resilience into the emerging local plan.   The conclusions of the Economy Study 2012 are reinforced. It is recommended that the Council plan to provide for the gross land requirements without taking into consideration existing commitments. This should address several issues that could constrain economic growth, specifically:

- Provide flexibility and ensure variation in development schemes density does not constrain employment supply;
- Ensure market choice and allow sufficient lag time for sites to get planning permission;
- And Address the potential non-implementation of existing commitments.

8.21 It is therefore recommended that the employment land requirement figure that the Local Plan seeks to provide is 28 hectares of B class employment land (providing a total of 110,000sq m) over the plan period.

9. Other Business Uses

9.1 The Cambridge Econometric and Oxford Economic Forecasts Model identify job growth for those employment generating industry sectors that do not require B class employment land provision. These sectors include:

Accommodation and Food Services

9.2 The Food and Accommodation services sector is clearly a critical part of the Tourism economy of Cotswold. Tourism is a key employment sector for the District. In 2010, there was an estimated total spend of £83 million (South West Tourism Alliance – Value of Tourism 2010). The main categories of visitor spend are accommodation, shopping, food and drink, attractions and entertainment and travel (paragraph 3.2.19, Vol.1 Employment Study, Part 2 of Economy Study 2012). Cultural activity also has high economic value and brings in the tourist trade (Cotswold District Cultural Strategy 2003-7).

9.3 The Strategy and Action Plan for Sustainable Tourism in the Cotswolds AONB (2011-2016) found that tourism is critical for the socio-economic well-being of the Cotswolds. It provides an essential source of income for businesses and communities both within and around the AONB. The Strategy provides a framework for the development and management of tourism in the AONB which the Local Plan will seek to complement and support. The aim is for the area to become an exemplar in sustainable tourism. The vision is for the Cotswolds to be widely recognised and valued as a sustainable visitor destination, where local communities benefit, businesses prosper and the environment is sustained through the co-ordinated delivery of quality and enriching visitor experiences.

9.4 The Strategy identifies several weaknesses which should be addressed. These include few low cost accommodation options. Therefore there is a policy requirement to enhance the accommodation offer and demand will be dependent upon both domestic and overseas tourism and also business activity. There is a trend for high quality business parks, particularly those engaged in innovation, to be supported by hotel chains which provide conference and working environment to complement the business offer.

9.5 At 2011 the Cambridge Econometric model suggests that in Hotels and Restaurants 1,000 jobs are employed in Cotswold increasing to 1,400 by 2031. However, the Oxford Economics model identifies 4,700 at 2011 in the food and accommodation category increasing to 6,000 at 2031. Analysis of commitments and completions suggests that restaurants and accommodation are not coming forward at the rate anticipated in the Economy Study 2012. Therefore specific sites and criteria are needed to support both business and recreation tourist.

9.6 The Council is completing a review of town centre sites and the availability as part of a wider parking strategy. Strong consideration will need to be given to supporting the tourism economy as part of this review.

Education, Human Health and Social Work

9.7 The models identify a total of 10,000 jobs in government services at 2011 representing 21% of all jobs in the District. The Cambridge Econometric Model forecasts a significant increase of 2,000 jobs to almost 12,000 by 2031 illustrating the Cambridge Econometrics focus on public sector led growth. Conversely Oxford Economics provide a detailed breakdown of education jobs at 2011 at 5,300 decreasing to 5,100 by 2031. Its forecasts for human health and social work suggest that job growth is relatively static over the plan period remaining around 3,300 jobs.

9.8 It is anticipated that the location of education and health facilities will be dependent upon the population and housing growth in the district and accommodated by either the expansion of existing facilities or by incorporation into strategic housing sites. No specific allocation is required. The policy for Chesterton should continue to include provision for education to cater for the proposed development.

9.9 It is generally considered inappropriate for education and health provision to be made on employment sites although some advantage may be taken of the loss of existing employment premises within town centres or edge of settlements.

Arts entertainment and recreation

9.10 At 2011 it is anticipated that 1,500 jobs in Arts recreation and Entertainment according to Oxford Economics model. The model forecasts that this level of job growth will double to 3,000 jobs in the plan period. The Cambridge Econometric model provides a figure of 3,300 jobs in 'other services' industry increasing to a total of 4,989 jobs by 2031.

9.11 The key focus for arts and entertainment is Cirencester town centre supported by the other key settlements. The Council is completing a review of town centre sites and the availability as part of a wider parking strategy. Strong consideration will be given to supporting the arts, recreation and entertainment economy as part of this review within town centres.

Summary

9.12 The two forecasts models provide a range of growth scenarios for non B class uses. It is clear that job growth in these areas is an important part of the economic future of Cotswold. Policy intervention will be required to secure the appropriate sites and implementation of the key public sector infrastructure requirements alongside the development of housing. Although it is not considered that distinct policy allocations are required for the non B Class uses, positive policies for town centres and key settlements are also required to support the implementation of the food and accommodation sectors together with the arts, entertainment and recreation.

10. Land Allocations

10.1 National Planning Policy Framework states that to help achieve economic growth, local planning authorities should plan proactively to meet the development needs of business and support an economy fit for the 21st century.

10.2 Both Oxford Economics and Cambridge Econometrics models have been applied to enable comparative analysis to occur of potential economic futures of the district. This work is sufficiently advanced to give a sound indication that between 20 and 28 hectares of B class employment land will be required in Cotswold District over the plan period. Importantly, the amount and type of B Class employment allocations in the Local Plan should provide sufficient flexibility to support a range of employment opportunities to meet a range of B Class industry sector jobs growth given the difference in assumption in the forecast model outputs.

10.2 It is considered appropriate to plan for the higher end of the range of employment land indicated as it will build in flexibility and resilience into the emerging local plan. It is therefore recommended that the employment land requirement figure that the Local Plan seeks to provide is 28 hectares of B class employment land (providing a total of 110,000sq m) over the plan period.

10.3 Due to the District's environmental and heritage constraints, it can be difficult to find suitable sites for new employment land. It is, therefore, important to maximise the potential of existing businesses and maintain and enhance the role of established industrial estates and business parks.

10.4 The Distribution strategy examined and recommended in the Economy Study 2012, focussed growth on the District's key settlement, Cirencester. It recommends that the district builds upon existing strengths in the economy, exploiting its competitive advantage of its key businesses and seeking sustainable economic growth to maintain and support its current place in the market. In light of the evidence presented in this report it is considered that the Distribution Strategy is the most sustainable and appropriate strategy for the Local Plan. It reinforces that the 'Location of employment areas is largely driven by the market unless major incentives are put in place by the public sector. The market generally follows the existing market as there is a more ready access to labour force. Therefore, the distribution strategy generally follows the existing pattern of main employment locations. Added to this we have also considered the Council's proposed spatial strategy, whereby the focus for growth is in four main settlements, although there is some allowance for the other Cotswold towns and villages' (Economy Study 2012 para 6.9.2).

10.5 Land allocations and policies must also support the district's key businesses and institutions. These organisations have significant and substantial sites in the Districts more sustainable settlements and they have submitted, through the consultation process, their future growth plans and aspirations. These organisations are Campden BRI at Chipping Campden, Royal Agricultural University in Cirencester and the Fire Services College at Moreton-in-Marsh.

10.6 In reaching conclusions on potential site allocations, consideration should be given to the main employment property market segments for B Class units only as:

- Established or Potential Office Locations in Cirencester
- Expansion to High Quality Business Parks and General / Industrial Business Areas in key settlements of Cirencester, Tetbury, Moreton in the Marsh and Bourton on the Water and Chipping Campden
- Support for Research and Technology Science Parks which should include Incubator / SME Cluster sites at Royal Agricultural University, Cirencester, Campden BRI at Chipping Campden and Fire Services College at Moreton in the Marsh
- Sites for Specific Occupiers who require expansion on the existing sites
- Support for rural employment opportunities which are of a scale which reflects their location

10.7 To support the scale of growth in employment in Cotswolds and to support the growth of the range of sectors identified in the economic forecasts the following potential sites are identified for consideration through the Local Plan allocations process.

Maximising the use of existing business park sites

- Remaining plot on Campden Business Park. Chipping Campden;
- Remaining plots on Lakeside Business Park, South Cerney; and
- Remaining plots in Cotswold Business Park, Moreton-in-Marsh;

Employment Allocations in Key Settlements

Settlement	Site Reference	Address	Site Area (Ha)	Proposed Use Class
Bourton on the Water	BOW_E1	Extension to Bourton Industrial Estate	3.38	B1,B2 and B8
Chipping Campden	CCN_E1	Extension to Campden Business Park	0.67	B1,B2,B8
	CCN_E3A	Expansion of Campden BRI	1.09	B1a/b
Cirencester	Strategic allocation	Chesterton Strategic Site	9.10	6.0 (B1) 3.1 (B8/B2)
	CIR_E6	Land east of RAU	2.44	B1 a/b
Lechlade	LEC_ E1	Land north of Butlers Court	1.25	B1
Moreton	MOR_E6	Fire Services College	7.13	B1 a/b
	MOR_E11	Land at Evenlode Road	2.03	B8
Tetbury	TET_ E2	Extension toTetbury Industrial Estate	6.74	B1,B2 and B8

10.8 In addition the following sites should be considered as Special Policy Areas supporting key institutions and employers who have substantial sites in the Districts more sustainable settlements and who have approached the Council through the consultation on the Local Plan with future growth aspirations, subject to other safeguarding policies in the Local Plan.

- Campden BRI – Chipping Campden
- Royal Agricultural University – Cirencester
- Fire Services College – Moreton-in-Marsh.

11. Conclusions and Policy Recommendations

11.1 This report provides a supplement to the Economy Evidence Paper for Cotswold District Council published in January 2013. It forms part of the evidence base for policies and proposals in the Cotswold District Local Plan.

11.2 This report also updates the conclusions of the Economy Study November 2012 which built upon an earlier Employment Land Study in 2007. This report does not replace those reports but provides new information, data and economic forecasts to ensure that the Employment Land Demand Assessments are appropriately updated to inform Employment Land Allocations and Policies in the Local Plan. These updates include:

- Employment Land Monitoring Reports published annually by the District Council with updated information on Employment Completions and Commitments;
- Assessment of the local economy including updated data from the Census and ONS on labour supply, commuting patterns and employment location by sector;
- A review of two new economic growth forecasts for Cotswold by Cambridge Econometrics and Oxford Economics dated August 2014 which have also informed the Objectively Assessed Housing Needs Assessments of Stroud, Forest of Dean and Cotswolds (OAN) October 2014;
- Objectives of the Strategic Economic Plan for Gloucestershire produced by GFirst;
- Re-assessment of the amount, location and type of employment land and premises required to support economic growth to 2031 and
- Recommendations on the allocation of employment land and premises in the Local Plan

11.3 The employment land needs methodology and assessment is also critically reviewed using the assumptions which are consistent with the Stroud and Joint Core Strategy economic land demand assumptions for Tewkesbury, Gloucester and Cheltenham. This represents the Functional Economic Area aligned with the GFirst Enterprise Partnership area.

Socio – Economic Profile

11.4 Overall, the District's economy is healthy, with generally, fairly affluent communities, low unemployment rates and high activity rates. Cotswold is estimated to have a GVA of £1.68 billion. Gloucestershire has an economy worth £12 billion although its relative position to other LEP areas in terms of GVA is falling. It has the highest rates of employed residents in senior professional and technical roles in the County, has the 7th highest level of home working in England and 19% of the resident employed population are self-employed.

11.5 However, there are pockets of deprivation and mean and median wages are below the national average. The cost of living in the area is high and the affordability of housing is a key issue for the District, as a result businesses face skill and labour shortages and the District is a net importer of labour. The 2011 census shows that the District is relatively well selfcontained although there is a net import of labour of under 2,000 people from predominantly adjoining districts.

11.6 Compared with other areas of the country, agriculture is still important for the area. However, the service sector accounts for the largest proportion of local jobs whilst there are distinct locational advantages seen in technical professional and scientific employment, food and accommodation and wholesale and retail employment

11.7 With a highly skilled population and key business assets, Cotswold offers a unique business location with a high quality of life within an internationally recognised outstanding natural environment.

Property Market

11.8 The more recent analysis confirms that there are low levels of available premises in Cotswold District with market interest concentrated in and around Cirencester. Rental values are not high enough to support institutional investment and therefore development will be dependent upon the bespoke requirements of businesses seeking to start up or grow within the district.

11.9 The Economy Study 2012 and response to the Preferred Development Strategy consultation 2013 has identified a number of key market issues:

- Demand / enquiries are focussed upon Cirencester particularly from small, knowledge based business who want to secure a quality environment.
- Office jobs are predominantly focussed in and around Cirencester.
- There are limited vacancies rates and according to agents there is no suitable land allocated for employment development in Cirencester
- Current demand is for existing or converted accommodation with little investment in new build
- Evidence of some significant employers in outdated and unsuitable accommodation and will be looking to redevelop or relocate business to more productive, efficient accommodation
- Industrial premises are more scattered across the District as a whole.
- Warehousing premises are again focused around Cirencester, particularly at Love Lane.
- A significant presence of warehousing jobs at Bourton on-the-Water, which benefits from its position on the A429 and has good links to the west with Cheltenham and Gloucester.
- Incubator space for small emerging companies in rural locations supported by superfast broadband will be important in exploiting the key assets of a Cotswold business location.
- Bespoke policies are required to support the Districts larger institutions and employers particularly Campden BRI, Royal Agricultural University and Fire Services College.

Employment Land Requirements

11.10 NPPG states that local authorities should develop an idea of future needs based on a range of data which is current and robust. Authorities will need to take account of business cycles and make use of forecasts and surveys to assess employment land requirements.

11.11 Plan makers should consider:

- sectoral and employment forecasts and projections (labour demand);
- demographically derived assessments of future employment needs (labour supply techniques);
- analyses based on the past take-up of employment land and property and/or future property market requirements;
- consultation with relevant organisations, studies of business trends, and monitoring of business

Historic take up of land

11.12 The average take up of employment land to 2011 equates to an average of 1.55 hectare per annum equating to a twenty year requirement of 32 hectares.

11.13 Total net floor space completions between 2011 and 2014 for all employment generating development amounted to 14,657 sq m with existing net commitments of 57,884sqm providing a total net provision of 72,541 sq m. This exceeds the 66,289 sq m identified in 2012 by the Economy Study.

11.14 However, it is important to illustrate the net loss of B2 and B8 Class floor space for both Completions and Commitments to 2014. There is a net increase of 15,000 sq m in B1 business space in completions and commitments whilst there is a loss of B2 and B8 floor space of 16,000 sq m. Taking completions and commitments together at March 2014 results in a total net loss of 1,000 sq m of B class land.

Economic Forecasts

11.15 Over the plan period the Cambridge Econometric model forecasts total employment to increase by 8,680 whilst over the same period the Oxford Economics model forecasts an increase of 7,819. Both models suggest that a significant proportion of the growth occurs in the first 3 years of the plan period. For Cambridge Econometrics the total job growth forecast between 2011 and 2014 amounts to an increase in employment of 3,700 and for Oxford Economics the total amounts to an increase of 3,000 in employment.

11.16 Each forecasts model either has an emphasis towards either private sector or public sector growth and therefore there is a consequent difference in the employment land demand.

11.17 The Cotswold Economy Study 2012, identified that 15.28 hectares of employment land (covering all employment generating uses) were required over the plan period. The methodology for calculating the employment land requirement has been reviewed so that it is consistent with the approach used by Stroud District and the Joint Core Strategy Authorities (Gloucester, Cheltenham and Tewkesbury). Both Oxford Economics and Cambridge Econometrics models have been applied to the employment land requirement methodology to enable comparative analysis to occur. The calculations give a sound indication that between 20 and 28 hectares of B class employment land will be required in Cotswold District over the plan period. The range is due to the Oxford model indicating 20 hectares and the Cambridge model indicating 28 hectares.

Property Market and Trends

11.18 The District has little vacant business space or remaining allocated land in the Local Plan available for B class uses. Therefore the Council needs to positively plan to sustain and grow the local economy in the more sustainable settlements and implement the development strategy of the Local Plan. However, a balance needs to be struck between oversupply and a flexible supply of land.

11.19 There are many variables which effect the development of employment land in the Cotswolds. The viability reports prepared by Hewdon Consulting (May 2014) indicate that employment development tends to be bespoke to a particular users needs, rather than speculative development. Also, sites come forward with different densities, therefore it is difficult to predict how much floor space and jobs a particular site will deliver. This can be monitored over time, and planned for, but is another reason for ensuring a flexible supply of land.

11.20 The Local Plan should continue with the Economy Study 2012 recommendations, and provide for the gross land requirements without taking into consideration existing commitments. This should address several issues that could constrain economic growth, specifically:

- Provide flexibility and ensure variation in development schemes density does not constrain employment supply;
- Ensure market choice and allow sufficient lag time for sites to get planning permission;
- And address the potential non-implementation of existing commitments.

11.21 Consequently, it is considered appropriate to plan for the higher end of the range of employment land indicated at this stage as it will build in flexibility and resilience into the emerging local plan. It is therefore recommended that the employment land requirement figure that the Local Plan seeks to provide is 28 hectares of B class employment land (providing a total of 110,000sq m) over the plan period.

Strategic Economic Plan

11.22 The Localism Act and the National Planning Policy Framework (NPPF) creates a duty on local planning authorities, to cooperate with Local Enterprise Partnerships to address strategic matters relevant to their areas in the preparation of a development plan document.

11.23 Cotswold recognises that the District is not seen as the key focus for growth in Gloucestershire. The competitive advantage of larger surrounding towns such as Swindon, Cheltenham and Gloucester are recognised in the relevant Strategic Economic Plans, including the Swindon and Wiltshire Economic Plan, and these objectives must be considered in pursuing any significant growth in the Local Plan Development Strategy.

11.24 The Strategic Economic Plan seeks to support growth in knowledge intensive sectors to support the growth in jobs and GVA. However, the District does not have a strong presence in those existing sectors nor the competitive advantage to attract new knowledge intensive based sectors identified in the Strategic Economic Plan.

11.25 A high growth strategy would require significant interventions in a rural location, within an Area of Outstanding Natural Beauty, with relatively poor transport links to the M4 and M5 and in an area where residual value of commercial development does not support broader private sector or institutional investment.

11.26 However, there are challenges which need to be addressed and which are recognised in the Strategic Economic Plan. These include affordable housing, an ageing population, access to services and facilities in rural locations, and poor mobile telecommunications and broadband provision.

11.27 It is recommended that the Local Plan strategy, policies and proposals seek to build upon existing strengths in the economy, exploiting its competitive advantage of its key businesses and seeking sustainable economic growth to maintain and support its current place in the market. It should focus growth on its key settlement, Cirencester, whilst at the same supporting its key employment locations such as Campden BRI, Fire Services College, St James' Place, Mitsubishi and the Royal Agricultural University, safeguarding existing employment sites where they are still attractive to the market and securing high quality employment sites where there is an identified need for further development opportunities.

11.28 Indeed the Local Plan should provide the flexibility to provide and facilitate additional job growth should that arise over the plan period. It will be important for the Council to monitor the impact of any interventions and the progress of employment growth throughout the plan period.

Employment Land Allocations and Policies

11.29 The conclusions are that the employment land requirement figure that the Local Plan should seek to provide is 28 hectares of B class employment land (providing a total of 110,000sq m) over the plan period.

11.30 In light of the evidence presented in this report it is considered that the Distribution Strategy recommended in the Economy Study 2012 remains the most sustainable and appropriate strategy for the Local Plan. It reinforces that: 'Location of employment areas is largely driven by the market unless major incentives are put in place by the public sector. The market generally follows the existing market as there is a more ready access to labour force.

Therefore, the distribution strategy generally follows the existing pattern of main employment locations.'

11.31 The Council's approach in the Local Plan Preferred Development Strategy (May 2013) was to reaffirm Cirencester as the primary employment location in the District, and allow for a suitable level of growth at other key settlements to at least maintain and where appropriate strengthen their employment function.

11.32 A strategic development site was also proposed to the south of Chesterton, Cirencester to provide 2,500 new homes, a strategic employment site of 9.1 hectares which is anticipated to provide B1, B2 and B8 employment floor space, a community hub and Green Infrastructure.

11.33 It is recommended that the Council's approach in the Preferred Development Strategy is carried forward into the Local Plan.

Safeguarding existing established employment sites

11.34 Due to the District's environmental and heritage constraints, it can be difficult to find suitable sites for new employment land. It is, therefore, important to maximise the potential of existing businesses and maintain and enhance the role of established industrial estates and business parks as detailed in the Economy Study 2012 which set out the existing sites to be safeguarded. Development in Cotswold is dependent upon distinct local users either expanding or consolidating onto development sites.

Rural Economy

11.35 In addition, the provision of high quality workspace in rural locations will also continue to make an important contribution to the economy.

11.36 The Local Plan should therefore contain planning policies which seek to safeguard existing, established employment sites, and also provide appropriate support to the rural economy.

Potential Employment Land Allocations

11.37 To support the scale of growth in employment in Cotswolds and to support the growth of the range of sectors identified in the economic forecasts the following potential sites are identified for consideration through the Local Plan allocations process.

Maximising the use of existing business park sites

- Remaining plot on Campden Business Park. Chipping Campden;
- Remaining plots on Lakeside Business Park, South Cerney; and
- Remaining plots in Cotswold Business Park, Moreton-in-Marsh;

Employment Allocations in Key Settlements

Settlement	Site Reference	Address	Site Area (Ha)	Proposed Use Class
Bourton on the Water	BOW_E1	Extension to Bourton Industrial Estate	3.38	B1,B2 and B8
Chipping Campden	CCN_E1	Extension to Campden Business Park	0.67	B1,B2,B8
	CCN_E3A	Expansion of Campden BRI	1.09	B1a/b
Cirencester	Strategic allocation	Chesterton Strategic Site	9.10	6.0 (B1) 3.1 (B8/B2)
	CIR_E6	Land east of RAU	2.44	B1 a/b
Lechlade	LEC_ E1	Land north of Butlers Court	1.25	B1
Moreton	MOR_E6	Fire Services College	7.13	B1 a/b
	MOR_E11	Land at Evenlode Road	2.03	B8
Tetbury	TET_ E2	Extension toTetbury Industrial Estate	6.74	B1,B2 and B8

Key Employment Sites

11.38 In addition the following sites should be considered as Special Policy Areas supporting key institutions and employers who have substantial sites in the Districts more sustainable settlements and who have approached the Council through the consultation on the Local Plan with future growth aspirations, subject to other safeguarding policies in the Local Plan.

- Campden BRI – Chipping Campden
- Royal Agricultural University – Cirencester
- Fire Services College – Moreton-in-Marsh.

Tourism

11.39 The Local Plan will need to positively support the tourism economy across the District. The Plan should seek to provide the policy framework to address identified infrastructure constraints, improvements to public realm and other opportunities identified in the Management Plan. However, in doing so, it will also need to provide appropriate policy protection to ensure that inappropriate development does not occur within the AONB or elsewhere in the District.

11.40 A policy requirement to enhance the accommodation offer and demand will be dependent upon both domestic and overseas tourism and also business activity. There is a trend for high quality business parks, particularly those engaged in innovation, to be supported by hotel chains which provide conference and working environment to complement the business offer.

Town Centres

11.41 Although it is not considered that distinct policy allocations are required for the non B Class uses, positive policies for town centres and key settlements are also required to support the implementation of the food and accommodation sectors together with the arts, entertainment and recreation. This includes policies to address the significant loss of B1 within town centres to residential, particularly in Cirencester, Tetbury and Moreton.

APPENDIX 1 Table 5.9 recreated using Cambridge Econometric August 2014

Employment Sector	Jobs by location	Sq m per worker	Floor space sq m	Building Height	plot ratio	Land hectares	Locational Premises / preference from PB table
Agriculture etc.	0						
Mining	0						
Utilities	9	14	126	2	0.3	0.02	low density office
Manufacturing	0	36	0	2	0.4	0.00	B2 low density industrial
Construction	215	36	7749	1	0.4	1.94	B2 low density industrial - existing employment areas
Distribution including retail	583	50	29160	2	0.4	3.65	B2/B8 low rise distribution A429 / A417 /A419
	65	50	3240	1	0.8	0.41	car showroom units
Hotels & Restaurants	332	14	4649	3	0.8	0.19	high density town centre
Transport & Communications	920	14	12877	3	0.3	1.43	B1 Business Park low density hybrid
	394	14	5519	2	0.8	0.34	B1 Town centre
Finance	670	14	9384	3	0.3	1.04	Low density office - Business Park
	287	14	4022	2	0.8	0.25	B1 Town centre high density office
Business services		14	0	3	0.3	0.00	low density office - Business Park
		14	0	2	0.8	0.00	High density - B1 Town Centre
Public Administration	478	14	6688	3	0.3	0.74	public facilities - 20% B1 Business Park
Education and Health	201	0	0	0	0	0.00	education facility
	86	14	1206	2	0.3	0.20	20% B1 Business Park
Other Services	1057	36	38034	3	0.4	3.17	Mixed B uses - mixed density light industrial
	453	14	6339	2	0.8	0.40	High density office - town centre
Total Net Job Growth	**5750**		**128994**			**13.78**	

APPENDIX 2

Table 5.9 Oxford Economics 2014

Employment Sector	**Jobs by location**	**Sqm per worker**	**Floorspace sqm**	**Building Height**	**plot ratio**	**Land Ha**	**Locational Premises / preferencefrom PB table**
A : Agriculture, forestry and fishing							
B : Mining and quarrying							
C : Manufacturing	-383	36	-13772	2	0.4	-1.72	B2 low density industrial - existing areas/ small to medium units
D : Electricity, gas, steam and air conditioning supply	89	14	1246	2	0.3	0.21	low density office - urban
E : Water supply; sewerage,	-165	14	-2310	2	0.3	-0.38	low density office - urban
F : Construction	480	36	17282	1	0.4	4.32	B2 low density industrial - exisiting employment areas / storage yards /depots
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	395	50	19754	2	0.4	2.47	B2/B8 low rise distribution A429 / A417 /A419
	44	50	2195	1	0.4	0.55	car showroom units
H : Transportation and storage	163	14	2276	3	0.3	0.25	B1 Business Park low density hybrid
	70	14	976	2	0.8	0.06	B1 Town centre - high density
I : Accommodation and food service activities	1167	14	16340	3	0.8	0.68	high density town centre
J : Information and comms	188	14	2639	3	0.3	0.29	Low density office - B1 Business Park
	81	14	1131	2	0.8	0.07	B1 Town centre high density office
K : Financial and insurance activities	-84	14	-1177	3	0.3	-0.13	Low density office - B1 Business Park
	-36	14	-504	2	0.8	-0.03	B1 Town centre high density office
L : Real estate activities	306	14	4277	3	0.3	0.48	Low density office - B1 Business Park
	131	14	1833	2	0.8	0.11	B1 Town centre high density office
M : Professional, scientific	1223	14	17118	3	0.3	1.90	Low density office - B1 Business Park
	524	14	7336	2	0.8	0.46	B1 Town centre high density office
N : Administrative	177	14	2480	2	0.3	0.41	Low density office - B1 Business Park
O : Public administration	-150	14	-2105	3	0.3	-0.23	Low density office - B1 Business Park
	-64	14	-902	2	0.8	-0.06	B1 Town centre high density office
P : Education	-26	0	0	0	0.4	0.00	New Education Facility
	-11	14	-157	2	0.3	-0.03	B1 Business Park
Q : Human health	16	0	0	0			New or extended health facility
	7	14	97	2	0.3	0.02	B1 Business Park
R : Arts, entertainment	1002	36	36069	3	0.3	4.01	B1 Business Park
	429	14	6012	2	0.8	0.38	B1 Town centre high density office
S : Other service activities	**312**	36	11216	3	0.4	0.93	Mixed B Class light industrial unit
	134	14	1869	2	0.8	0.12	B1 Town centre high density office
Total Net Job Growth	6017					**15.13**	net
Total Land requirement- additional requirments						**17.72**	gross

APPENDIX 3

Area	Agr	Mining	Manufa	Construct	Motor trade	Wholesale	Retail	Transport	Food	ICT	Finance	Property	Scientific	Admin	Public	Education	Health
Ampney-Coln																	
Avening																	
Beacon-Stow							10		7								
Blockley			10														
Bourton-on-the-Water						8		10								8	
Campden-Vale			14	10					9			9	12				
Chedworth																	
Churn Valley																18	
Cirencester Beeches																	
Cirencester Chesterton												10					
Cirencester Park							28		15	19	59	27	16	23	18	21	26
Cirencester Stratton-Whiteway																	
Cirencester Watermoor			17	18	37	18		10		22			8		41		9
Ermin																	
Fairford			8			9										8	
Fosseridge																	
Grumbolds Ash	21												12				8
Hampton										12							
Kempsford-Lechlade																	
Moreton-in-Marsh													8			9	7
Northleach																	
Rissingtons																	
Riversmeet	18																
Sandywell						8					10			16			
Tetbury						9	8										
Thames Head																	
Three Rivers		30															
Water Park		20	9	7			16	24	12	12	11	11	7				

Percentage of employment by sector and location for Cotswold District 2013

Source – BRES 2013 ONS