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STRATEGY OPTIONS FOR THE GLOUCESTER ECONOMY

APPENDIX A: GLOUCESTER ECONOMIC ASSESSMENT

Final Report

December 2016

CONTENTS

SUMMARY

ECONOMIC PERFORMANCE

LONG-TERM TREND RATE OF GROWTH

Historic economic growth rate in line with the national average. Gloucestershire's trend rate of economic growth between 1997 and 2014 was 4.3 per cent annually, just below the England rate of 4.4 per cent. This is the nominal rate of growth that does not take into account deflation.

The real annual rate of growth, taking into account inflation (using the national GDP deflators) was 2.4 per cent per annum. This is the same rate as for England.

RECENT GROWTH

Recent nominal growth rates have dipped below national rates. Between 2010 and 2014, the GVA growth rate was 2.9 per cent for Gloucestershire, compared to 3.9 per cent for England.

FORECAST GROWTH RATES

Forecast growth rates from 2014 are now less valid post EU referendum, and did not provide coherent views on the future growth of specific industries. In 2014, all three forecasts performed to support the JCS indicated potentially lower future growth rates for Gloucester compared to those for the County and England.

Post EU-referendum, the prospects for the UK economy have been adjusted as follows:

- Lower rates of economic growth for the next two to three years. The Bank of England projects that the EU referendum and its impact on business and consumer confidence will result in losing 2.5 per cent of growth over the next three years
- Job losses of 250,000 in the UK between now and 2018 (Bank of England Quarterly Inflation Report, August 2016)
- Sectors most impacted include Construction, Business and professional services, Commercial property and housing

EMPLOYMENT GROWTH

Gloucester supported 68,000 workforce jobs[1] in 2014. There has been little change in total workforce jobs between 2000 and 2014, with growth of 4.6 per cent (+3,000) during this period.

Gloucester supported 62,900 employee jobs[2] in 2015. Employee jobs grew at a rate of 4.3 per cent over the past year from 2014 to 2015. Employee jobs data reveals no change between 2010 and 2015, compared to a total rate of growth of 7.7 per cent in England (or 1.5 per cent per annum).

ENTERPRISE, INNOVATION AND INDUSTRIES

BUSINESSES

The business population has grown, but at half the rate of the national average. In 2015, there were 3,425 enterprises in Gloucester and 4,520 local units (which includes separate branches of businesses and organisations with their own premises). Between 2010 and 2015, the number of businesses and branches in Gloucester increased by 290. This represents a growth of 6.9 per cent compared to 14.0 per cent nationally.

ENTREPRENEURSHIP

Gloucester has a lower rate of entrepreneurship than average, with 46 enterprises per 1,000 working age residents (England = 65), although this reflects a greater presence of large employers

Gloucester's business start-up rates have improved over recent years. In 2014, 13 new businesses per 100 active enterprises started in Gloucester. Whilst this is slightly below the rate for England, it is higher than many comparator areas, with the exception of Birmingham (16 start-ups per 100 active enterprises),

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[1] Workforce Jobs are the sum of jobs including those supported by employers, self-employment, government-supported trainees, and Her Majesty's Forces.

[2] Employee jobs are total jobs excluding the self-employed.

Cardiff (16) and Oxford (13). Before 2012, Gloucester's start-up rate tended to be below the national average rate. Over the past two years it has been at or above the national average.

Large businesses contribute more significantly to Gloucester's economy. Larger businesses are responsible for a greater share of employment and turnover in Gloucester compared to the national average.

INNOVATION

Gloucester ranks highly for Innovation and the county ranks highly on businesses competing on design, quality and innovation. The Centre for Cities's latest rankings of cities by the number of patents granted per 100,000 population in 2014 places Gloucester as the 13th highest (out of 63) urban area in the UK (Figure 4.11). Gloucester ranks higher than Birmingham (50th with 1.5 patents per 100,000 residents) and Cardiff (19th with 4.8 patents per 100,000 residents).

In Gloucestershire, 47 per cent of private sector businesses were defined as having high or very high Product Market Strategies – slightly above the national average of 46 per cent.

Gloucestershire also scored near or better than the national average in individual aspects of pricing, innovation and quality.

INDUSTRIES

ECONOMIC OUTPUT BY INDUSTRY

Production, including manufacturing continues to contribute a major share of economic output in Gloucestershire. Production (which includes mining, extractive industries, manufacturing and utilities) contributed 20.3 per cent of total economic output in Gloucestershire in 2014 compared to 12.9 per cent nationally (England). Manufacturing contributed 16.3 per cent towards Gloucestershire's total GVA compared to 10.3 per cent in England.

Manufacturing is also an important contributor to total GVA in other surrounding areas, such as Swindon (15.6 per cent) and Worcestershire (17.7 per cent).

The fastest growing industrial sector in Gloucestershire has been Real estate activities, with +72.8 per cent growth between 2004 and 2014 (and increase of £8.0 billion), although this grew at a lower rate than nationally (+93.1 per cent). Business services activities and Finance and insurance activities also grew strongly in terms of total economic output.

EMPLOYMENT BY INDUSTRY

Appraising the top 10 industrial sectors with the highest rates of employment growth, between 2010 and 2015, employment in Gloucester grew strongly in Human health activities (+2,200 employees), Residential care activities (+800), and Electricity, gas and air conditioning services (+300). These are all sectors with specific specialisms in Gloucester (i.e. high employment quotients).

Other growing sectors with specific specialisms in Gloucester were Specialised construction activities (+700, EQ of 1.2), and Architectural and engineering activities (+300, EQ of 1.2).

Growing sectors where the share of local employment was not greater than nationally were:

- Food and beverage service activities (+700 employee jobs)
- Activities of head offices; management consultancy activities (+600)
- Computer programme, consultancy and related activities (+200)

The largest fall in employment (-3,200) was recorded in Public administration and defence; compulsory social security, which also has a higher than average representation (an EQ of 1.4).

The Education sector, which has a lower than average representation (with an EQ of 0.8) in the Gloucester economy, declined by 900 employee jobs. The next largest fall was in Insurance, reinsurance and pension funding (-600) with a significant level of specialisation in Gloucester (EQ of 2.6).

Social work lost 500 employee jobs between 2010 and 2015. With an EQ of 1.4, this sector is more represented in the local economy than the national average.

BUSINESSES BY INDUSTRY

In Gloucester between 2010 and 2015, there has been marked change in the numbers of enterprises and branches the sectors of:

- Finance and insurance (-170)
- Information and communication (+130)
- Professional, scientific and technical (+125)
- Construction (+50)
- Business administration & support services (+45)
- Accommodation and food services (+45)
- Overall, within Gloucester most of the increase of 290 enterprises and branches between 2010 and 2015 was due to an increase of 310 of enterprises and units with between 0-9 employees. Over this period, there were 20 fewer enterprises and branches employing between 49 and 250.

FORECASTING CHANGE BY INDUSTRY

The most recent economic forecasts for Gloucester, and the other JCS authorities were made in 2014. There have been significant changes since then, particularly in terms of the impacts of the EU referendum.

In addition, the three different forecasts for the JCS area are not consistent in terms of their outlook for each sector. This makes it difficult to make conclusions about change.

PEOPLE

COMMUTING

In 2011, 55,500 people worked in Gloucester, including 29,400 residents and 26,100 in-commuters. Of those commuting into the district, 76 per cent (20,200) commuted in from other Gloucestershire districts. Other districts outside of Gloucestershire with sizeable numbers of in-commuters to Gloucester included Herefordshire (800), South Gloucestershire (700), Bristol (500) and Wychavon (400).

Of those 23,500 people living in Gloucester but working elsewhere, 80 per cent (18,900) commuted to other Gloucestershire districts. Other districts with a sizeable number of Gloucester residents worked included South Gloucestershire (800) and Bristol (600).

ECONOMIC PARTICIPATION

Gloucester has high levels of economic participation - in March 2016, 83.9 per cent of working age people living in Gloucester were economically active, i.e. either in work (employed) or actively looking for work (unemployed). This was similar to the Gloucestershire rate (83.5 per cent) and higher than the England average (78.0 per cent). Participation in work amongst Gloucester's residents has recovered from the 2009 recession.

UNEMPLOYMENT

Unemployment remains higher than the county and national averages. It is estimated that there were 5,100 working-age residents classified as officially unemployed in 2016, representing an official unemployment rate of 7.7 per cent. This is higher than the county rate of 4.4 per cent, and the national rate of 5.2 per cent.

POPULATION GROWTH

Population growth has been much higher than average in Gloucester. In 2015, according to official estimates (Office for National Statistics) 127,200 people lived in Gloucester – representing 20.6 per cent of Gloucestershire's population. Between 2005 and 2015, Gloucester's population grew by 11.7 per cent. This was the highest amongst all Gloucestershire districts, and was much higher than the Gloucestershire County average growth rate (7.0 per cent), and England (8.3 per cent).

WORKFORCE GROWTH

Gloucester has also experienced significant workforce growth. Growth in the number of working age people in Gloucester (10.4 per cent) was much higher than the Gloucestershire (3.7 per cent) and

England (5.8 per cent) averages between 2005 and 2015

POPULATION GROWTH

Population growth in Gloucester is expected to continue at a strong rate over the next decade, driven by growth in the number of people of retirement age. Growth in the working age population is projected to slow.

QUALIFICATIONS

Gloucester's residents have qualifications that are similar to the national average. In 2011, 36.8 per cent of people working in Gloucester held a qualification at Level 4 or above (equivalent to degree level or above). This was slightly below the Gloucestershire average of 41.2 per cent but on a par with the England average of 36.8 per cent.

Gloucester's economy is partly reliant on in-commuters to fulfil its demand for workers with degree-level qualifications. In 2011, there were more people working in Gloucester with Level 4 and above qualifications, than employed residents living in Gloucester at this qualification level. Apart from Level 4 and above qualifications, there were broadly similar numbers of working residents and those working in Gloucester. For most city and town centres with substantive employment, these levels of in-commuting are not unusual.

Qualifications rates have improved dramatically over the past ten years. Between 2005 and 2015, the percentage of working-age residents in Gloucester that were qualified to Level 4 and above as their highest level of qualification held increased by 14.5 percentage points (from 22.3 per cent to 36.8 per cent).

EARNINGS

Average earnings of people working in Gloucester are similar to the national average. In 2015, full-time workers in Gloucester earned an average of £27,600 per year. This was near the national average of £27,900, as indicated. Average earnings in Gloucester are higher than the of Gloucestershire average and all other nearby districts apart from Stroud.

Average earnings have grown more rapidly than the national and county average over the past five years. Between 2010 and 2015, average earnings in Gloucester grew by 11.0 per cent. This rate of growth was higher than the national average (6.1 per cent) and Gloucestershire (10.2 per cent).

PLACE

HOUSING

House prices in Gloucester are lower than average and have grown at a lower rate than the national average over the past 10 years. In June 2016, the average house price in Gloucester was £181,600. This was 20.8 per cent lower than the England average (£229,400). Between June 2006 and June 2016, the average house price in Gloucester grew by 23.5 per cent – the second lowest rate of growth across the Gloucestershire districts (after Forest of Dean at 12.8 per cent), and below the England average (31.7 per cent).

Gloucester's housing market has only recently recovered from the 2008/09 credit crunch and recession. House prices only recovered to surpass the pre-recession peak in December 2015, and average annual sales are still below pre-recession averages.

FLOOR SPACE

Floor space in retail and office uses has increased over the decade to 2012. There were 373,000 sq. metres of retail floor space eligible for business rates in 2012; 318,000 sq. metres of office floor space; and 678,000 sq. metres of industrial floor space. All uses, apart from industrial, had increased their rateable floor space between 2002 and 2012.

Rateable values per sq. metre in 2012 were £126 for retail (below the England average of £150); £74 for office (below the England average of £155); and £39 for industrial (above the England average of £37). Rateable values per sq. metre for offices were notably higher in areas such as Bath and North East Somerset (£131), Bristol (£135) and Oxford (£128).

Industrial floor space has declined four times faster than nationally. Industrial floor space declined by 20.8 per cent over the 10 years from 2002 to 2012 –

four times the national rate of loss of 5.0 per cent. This was also by far the highest rate of loss amongst Gloucestershire districts. By contrast, both retail and office floor space in Gloucester grew at a higher rate than the national average. Office space grew substantially in Tewkesbury (+77.4 per cent) and Cheltenham (+46.5 per cent).

INDUSTRIES, SPECIALISMS AND GROWTH: THE IMPLICATIONS FOR PLANNING POLICIES

OVERALL DEMAND CONDITIONS

The overall trend rate of economic growth in post-recession conditions from 2010 to 2014 was 2.9 per cent. Given the likely impact of the EU referendum result, subdued growth is very likely. This is likely to extend to jobs growth, which has been at best, static since 2009 in any case.

The main sectors that are likely to be negatively affected by the EU referendum over the next few years include:

- Property and housing related
- Business services

The economic environment is likely to change attitudes to risk in the property sector, and lead to structural change in business services. This may mean that key property investments may be stalled or may be restructured. This could mean that Gloucester could benefit by offering better value and higher quality premises with appropriate workforce skills. It does not necessarily mean further job losses.

NOTABLE SPECIALIST INDUSTRIES

It would be sensible to highlight key industries where Gloucester has a notable specialism and where employment levels have been stable or have increased. This may help in the appraisal of current sites or in planning new employment land designations.

Industries with high rates of jobs growth and high rates of specialisation (i.e. account for a much higher share of employment than the national average) include:

- Hospital and human health activities
- Residential care activities
- Energy generation
- Specialised construction
- Architectural and engineering activities

Industries with no particular specialisation, but have experienced high growth include:

- Food and beverage service activities
- Activities of head offices; management consultancy activities
- Computer programming, consultancy and related activities

Manufacturing is slightly less represented in terms of its share of total employment compared to nationally, but as a source of 4,500 jobs, many of which will be skilled and in highly tradeable market activities, it remains an important contributor to the local economy.

Gloucester has a diverse range of industry specialisms – with different locational and property needs.

IMPLICATIONS OF EMPLOYMENT CHANGE FOR USE CLASSES

Only two use classes experienced an increase in employee jobs between 2010 and 2015: Health related activities (+2,200) and Office-based (private) (+1,500).

All other industries by use classes have experienced a decline in employee jobs since 2010. Manufacturing employment decreased by 6.9 per cent (-300) compared to an increase of 2.5 per cent in Gloucestershire County and a 0.4 per cent increase in England.

Public administration declined by 46.3 per cent (-3,200) over this period in Gloucester, greater than a 28.8 per cent and 18.9 per cent decrease in Gloucestershire County and England respectively.

Warehousing and distribution based activities barely increased at all (+100 jobs, or 2.9 per cent) during this period, compared to increases in

Gloucestershire County (+2.5 per cent) and England (+10.5 per cent).

Gloucester has defied a number of national trends in terms of the industries driving of employment growth. It will be important to understand why Gloucester hasn't captured more growth in these industries and whether this relates to sites, premises or infrastructure.

MANUFACTURING SPECIALISMS

When the range of detailed specialist activities in the Manufacturing/production sector are examined (Figure 1), it is clear that there are a range of different types – food, electricity generation, electronics, medical and pharmaceutical, metals, and equipment.

It will be important to understand which manufacturing activities require to stay in Gloucester, and which are ready to move out. The reasons behind this also form part of the strategic response. If workforce retention is important, or strategic location then finding room for consolidating multiple sites or expansion within the city boundaries will be important.

FIGURE 1: DETAILED MANUFACTURING INDUSTRY CLASSIFICATIONS WHERE GLOUCESTER HAS A SIGNIFICANT SPECIALISM, 2015

Industry category	Employment Quotient (EQ)	Total employment in 2015	Employment change 2009-2010
1052 : Manufacture of ice cream	47.1	400	-100
2433 : Cold forming or folding	27.5	100	100
1399 : Manufacture of other textiles n.e.c.	20.9	100	100
2442 : Aluminium production	11.2	100	-100
2814 : Manufacture of other taps and valves	6.7	100	100
2812 : Manufacture of fluid power equipment	5.5	100	100
3250 : Manufacture of medical and dental instruments and supplies	5.4	400	-100
2573 : Manufacture of tools	3.4	100	-100
2790 : Manufacture of other electrical equipment	3.3	100	100
2561 : Treatment and coating of metals	3.3	200	0
2512 : Manufacture of doors and windows of metal	3.0	100	0
2221 : Manufacture of plastic plates, sheets, tubes and profiles	2.9	200	100
2822 : Manufacture of lifting and handling equipment	2.8	100	100
2120 : Manufacture of pharmaceutical preparations	2.7	200	0
1413 : Manufacture of other outerwear	1.7	100	0
2511 : Manufacture of metal structures and parts of structures	1.3	100	0
2932 : Manufacture of other parts and accessories for motor vehicles	1.3	200	100
3030 : Manufacture of air and spacecraft and related machinery	1.0	200	100

Source: Business Register and Employment Survey, Office for National Statistics. Note: EQs represent an index of how important each industry is in terms of their share of local employment compared to nationally.

1. ECONOMIC PERFORMANCE

ECONOMIC GROWTH

LONG-TERM ECONOMIC GROWTH HAS BEEN SLOWER-THAN-AVERAGE IN GLOUCESTERSHIRE

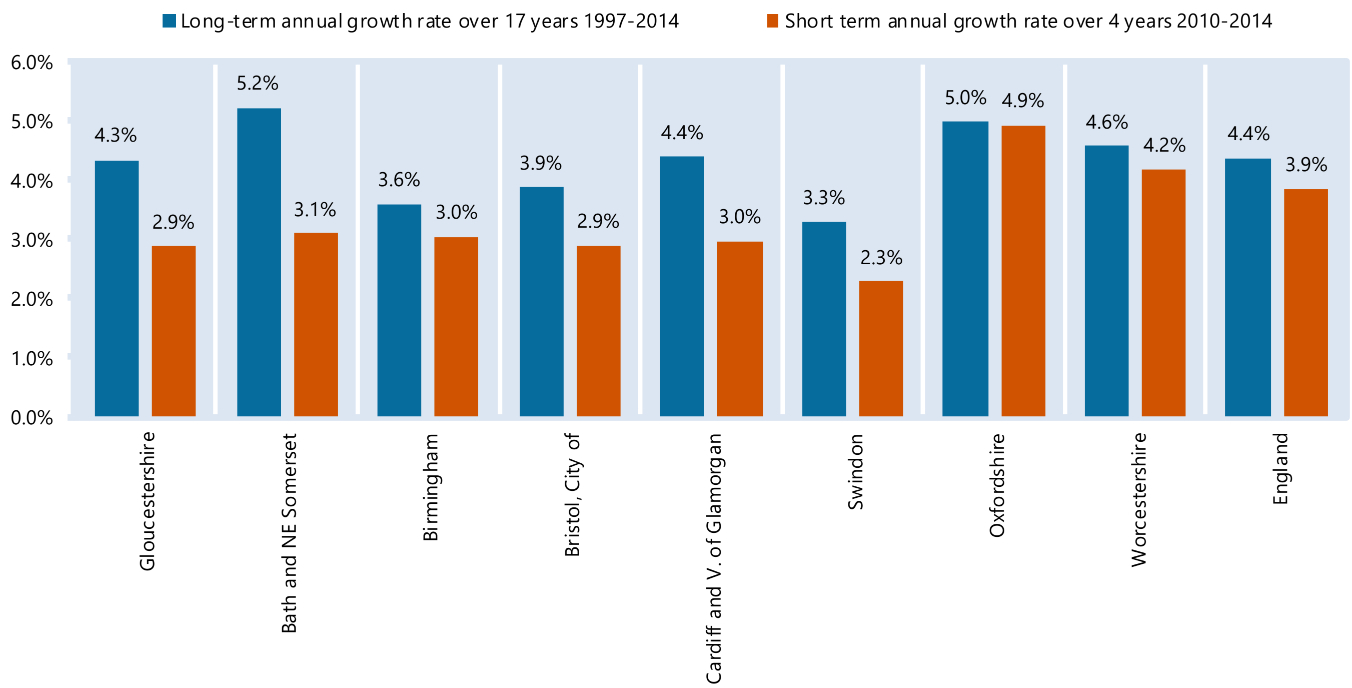
Economic growth in Gloucestershire has been slightly slower-than-average over the past 17 years. As detailed in **Figure 1.1**, between 1997 and 2014, Gloucestershire's GVA (economic output) grew by an annual average (compound rate) of 4.3 per cent (a nominal growth figure that does not take into account inflation) to £14.9 billion – slightly lower than England average growth (4.4 per cent) and higher than growth in some neighbouring areas such as Birmingham (3.6 per cent), Bristol (3.9 per cent) and Swindon (3.3 per cent). Long-term growth was below that experienced in Bath and NE Somerset (5.2 per cent), Oxfordshire (5.0 per cent) and Worcestershire (4.6 per cent). Note that there are no official (Office for National Statistics) estimates of economic output / GVA for Gloucester City.

In the short term, since 2010, the average annual rate of economic growth in Gloucestershire, at 2.9 per cent, has been significantly below the national average of 3.9 per cent.

Gloucestershire's estimate of real annual economic growth (which does take into account national rates of inflation) is estimated at 2.4 per cent per annum between 1997 and 2014. This is the same as the rate of real annual economic growth in England (2.4 per cent), and below the rates for Bath and North East Somerset (3.2 per cent), Oxfordshire (3.0 per cent) and Worcestershire (2.6 per cent); but above the rate for Swindon (1.3 per cent).

The recession caused a more severe contraction in Gloucestershire than nationally. The recession caused a 4.4 per cent drop in Gloucestershire's real economic output (taking into account inflation) compared to a fall of 2.6 per cent across England. This was a not as significant as the fall experienced by Cardiff and the Vale of Glamorgan (-7.6 per cent) and Worcestershire (-6.6 per cent). However, some neighbouring areas were far more resilient during and after recession, with the local areas of Bath & North East Somerset, North Somerset & South Gloucestershire and Oxfordshire experiencing continued growth in economic output during the downturn.

FIGURE 1.1: ANNUAL RATES OF NOMINAL GROWTH IN ECONOMIC OUTPUT (NOTE: UNADJUSTED FOR INFLATION) OVER THE LONG- AND SHORT- TERM



Source: Office for National Statistics.

Compared to 2007 totals, Nominal (current prices) GVA in 2009 had decreased by £18 million. Whilst industrial sectors such as Financial and insurance activities and Public administration, education and health increased their output by £121 million and £255 million respectively. Several sectors were responsible for significant contributions to the contraction in overall output. Manufacturing contracted by 18.0 per cent, or£399 million. The Production sector contracted by 16.3 per cent, or by -£454 million, as detailed in Figure 1.2

FIGURE 1.2: NOMINAL AND REAL CHANGE IN GVA IN GLOUCESTERSHIRE BETWEEN 2007 AND 2009

NOMINAL CHANGE IN GVA		
Industrial sector	Change in £ millions, current prices	Percentage change
Agriculture, forestry and fishing	+21	21.6%
Production	-454	-16.3%
Of which, manufacturing	-399	-18.0%
Construction	-152	-18.2%
Distribution; transport; accommodation and food	+52	2.7%
Information and communication	+111	19.7%
Financial and insurance activities	+121	12.9%
Real estate activities	-92	-7.2%
Business service activities	+82	7.4%
Public administration; education; health	+255	11.4%
Other services and household activities	+35	7.5%
All industries	-18	-0.1%

Source: Office for National Statistics.

ECONOMIC GROWTH IN GLOUCESTER HAS BEEN SLIGHTLY LOWER THAN THE NATIONAL AND COUNTY AVERAGE

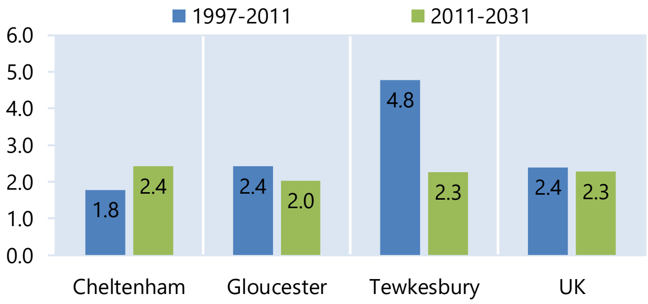
It is estimated that Gloucester's economy generated between £2.9 billion and £3.3 billion in economic output in 2011. In 2015, forecasters predicted that this could grow to between £4.2 billion to £5.3 billion by 2031. This compares to forecast growth to between £4.3 and £5.3 billion for Cheltenham and £2.9 to £3.3 billion in Tewkesbury over the same period.

The consensus amongst economic forecasters is that historic rates of economic growth in Gloucester have similar to national growth rates. Data provided by Oxford Economics, Cambridge Econometrics and Experian provide estimates of GVA growth and forecasts to 2031 for Cheltenham, Gloucester and Tewkesbury, to support the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy. The data suggest that, between 1997 and 2011, GVA growth in Gloucester was at the county and national averages. In this period, an average of the data provided by the three companies estimated that GVA grew at an annual average rate of 2.4 per cent (constant prices) between 1997 and 2011. This was higher than the estimates for Cheltenham (1.8 per cent) and lower than Tewkesbury (4.8 per cent).

PRIOR TO THE EU REFERENDUM VOTE, THE RATE OF ECONOMIC GROWTH IN GLOUCESTER WAS FORECAST TO INCREASE AT A RAGE SLIGHTLY BELOW THE NATIONAL RATE OVER THE NEXT 20 YEARS

Slightly higher rates of future economic growth were forecast in 2014. As depicted in Figure 1.3, between 2011 and 2031, an average of the three forecasts suggests that GVA in Gloucester is expected to grow by an average of 2.0 per cent per annum (constant prices). This is slightly below than growth over the 14 years from 1997 to 2011, as above (2.4 per cent per annum). Over the next 20 years, Gloucester's economy is expected to grow more slowly than in Cheltenham (2.4 per cent per annum) and Tewkesbury (2.3 per cent per annum).

FIGURE 1.3: ESTIMATED AND FORECAST (IN 2015) ANNUAL RATES OF ECONOMIC GROWTH



Source: Average of compound growth rates from three economic forecasts commissioned for the Joint Core Strategy from Cambridge Econometrics, Experian and Oxford Economics.

FIGURE 1.4: ESTIMATED HISTORIC ANNUAL RATES OF ECONOMIC GROWTH 1997-2011

Source: Joint Core Strategy

FIGURE 1.5: ESTIMATED FUTURE ANNUAL RATES OF ECONOMIC GRWOTH 2011-2031

Source: Joint Core Strategy

THE EU REFERENDUM VOTE HAS CREATED UNCERTAINTY IN THE ECONOMY AND GROWTH FORECASTS HAVE BEEN DOWNGRADED

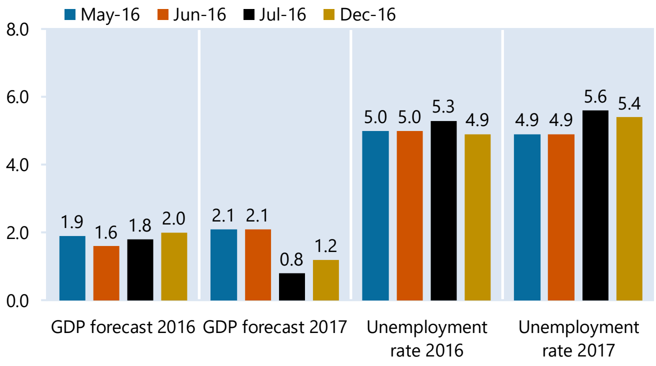
Whilst most analysts have uprated their economic growth forecast for the UK for 2016 and 2017, they have further downgraded their forecast for 2018.

- The latest (December 2016) HM Treasury average of independent forecasts (Figure 1.6) shows GDP growth at 2.0 per cent in 2016 and 1.2 per cent in 2017. The average forecast for 2016 has been updated since July, but the average 2017 forecast remains below the pre-EU referendum vote forecast.
- HM Treasury average of independent forecasts shows upgrading of forecast unemployment rate from 5.0 per cent to 5.3 per cent in 2016 and from 4.9 per cent to 5.6 per cent in 2017.
- The Bank of England's recent quarterly inflation report (November 2016) revised its forecast rate up for GDP growth for the UK economy in 2016 to 2.2 per cent (up from its forecast of 2.0 per cent made in the August quarterly inflation report), and upgraded its 2017 forecasts growth rate to 1.4 per cent (up from 0.8 per cent in August)
- The Bank of England downgraded its 2018 forecasts further from 2.3 per cent pre-EU referendum, to 1.8 per cent in August – with the latest forecast for November at 1.5 per cent.
- The Bank of England's cumulative downgrading of growth is by 2.5 per cent over three years - £45 billion smaller in 2018 than forecast three months ago, in May 2016.
- The Bank of England further forecast slower earnings growth and 250,000 job losses, even with stimulus measures.

BANK OF ENGLAND QUARTERLY INFLATION REPORT

As part of its activities to monitor trends and performance in the UK economy, the Bank of England Agents perform surveys of companies, and market surveys are reviewed. It combines this information with macroeconomic and market date to fulfil its quarterly inflation report, which represents a comprehensive assessment of recent economic performance and likely future prospects.

FIGURE 1.6 RANGE OF FORECASTS PRE- AND POST-EU REFERENDUM (HM TREASURY AVERAGE OF INDEPENDENT FORECASTS)



Source: Average of independent forecasts, HM Treasury.

Broad outlook

The conclusion from the Governor of the Bank of England in response to the November 2016 Survey was that the biggest determinants of the UK's medium-term prosperity will be the country's new relationship with the EU and the reforms that it catalyses.

Since August, demand growth has been materially better than expected, and the Monetary Policy Committee (MPC) now projects the level of GDP to be 0.7 percentage points higher by the end of this year.

The MPC had expected consumption to continue to grow solidly throughout the remainder of 2016. But consumption has been even stronger, with households appearing to entirely look through Brexit-related uncertainties. For households, the signs of an economic slowdown are notable by their absence. Perceptions of job security remain strong. Wages are growing at around the same modest pace as at the start of the year. Credit is available and competitive. Confidence is solid.

This positive consumer sentiment has supported the housing market, which has also been more resilient than we expected, as housing activity behaves more like consumption than investment.

Both consumption and housing have benefitted from a smaller drag from uncertainty and very supportive financial conditions.

Variable mortgage rates have fallen by the full one-quarter per cent and new fixed-term mortgage rates are down by more. Rates on floating loans to businesses are down by around 15 basis points and sterling corporate bond issuance has picked up strongly. For those looking to borrow, credit is widely available. For those with debts, the cost is cheaper.

Business investment appears to have been somewhat less soft than we had expected, in part because of these easier financial conditions, and in part because domestic demand and uncertainty appear to have exerted a bit less of a drag than expected.

In contrast to developments in the real economy, financial markets have taken a less sanguine view of Brexit prospects. Sterling is now around one-fifth lower than its peak a year ago. The latest sharp move appears to reflect market expectations of an even less open set of trading arrangements than anticipated in the immediate aftermath of the referendum. Partly reflecting sterling's depreciation, measures of inflation expectations have picked up.

In the MPC's November projections, this resolution is expected to occur as imported inflation begins to weigh on people's real incomes, slowing consumption growth. This moderation in household spending reinforces the cumulative effects of a pick-up in uncertainty on investment, which is expected to lower the economy's capital stock and dampen productivity growth. As a consequence, although stronger in the near term, growth is expected to be weaker in the medium term compared to the Committee's August projections.

In November, interest rates were held at 0.25 per cent and no changes to the scheme announced in August to pump additional £60bn in electronic cash into the economy to buy government bonds and £10bn to buy corporate bonds.

Inflation is forecast to rise from 1.3 per cent in 2016 to 2.7 per cent in 2017 and in 2018, higher than the August 2016 forecasts. Looking further forward, inflation is expected to ease back to 2.5 per cent in 2019 and expected to return close to Bank's 2.0 per cent target in 2020

The balance of stronger near-term consumer demand, a modest supply outlook, and a lower sterling exchange rate, implies a more challenging trade-off between returning inflation sustainably to the target on the one hand and supporting real activity on the other.

Property sector

The latest (Q3 2016) Royal Institution of Chartered Surveyors (RICS) commercial property market survey reported sentiment recovering slightly after the sharp deterioration seen at the end of Q2 in the wake of the EU vote. At the headline level, both rental and capital value projections returned to positive territory but remain significantly more subdued relative to the start of the year.

Expectations improved to some extent across most parts of the UK, although feedback remains cautious in London.

In terms of the occupier market, national tenant demand returned to growth at the all-property level having stagnated in the Q2. However, the sector breakdown reveals the industrial sector was the only area of the market in which occupier demand increased, with the retail and office sectors displaying little change. Alongside this, availability continued to decline most markedly in the industrial sector, with a net balance of 27 per cent more respondents reporting a decline in supply (as opposed to a rise).

Meanwhile, headline availability declined marginally in the office sector and remained broadly unchanged across retail space. When viewed at a regional level, occupier demand increased and availability fell across most parts of the UK.

London, however, is one exception. In the capital, demand fell for the second consecutive quarter, with the office sector reportedly posting the steepest decline.

In an extra question included in the Q3 survey, members were asked if they had seen any evidence of firms looking to relocate away from the UK in response to the EU referendum outcome. Nationally, a majority of 86 per cent had not seen any such enquiries, although 14 per cent reported they had seen firms looking to relocate. When the results were disaggregated, Northern Ireland (36 per cent), the West Midlands (27 per cent) and Central London (26 per cent) returned the highest proportion of respondents which had seen evidence of firms looking to move away from the UK.

Contributors were also asked if they expect to see an increase in business moving away from Britain over the next two years. On a UK-wide basis, two thirds of respondents answered 'No'. However, a significant 33 per cent did feel some firms would look to relocate part of their business in response to the Brexit vote.

Again, Northern Ireland (71 per cent) displayed the highest share of respondents who felt firms were likely to move compared to all other parts of the UK. In Central London, 47 per cent expect some businesses to relocate over the coming two years. Despite the uncertain outlook for occupier demand given the current climate, surveyors do expect rents to increase, albeit modestly, in the near term. Indeed, the headline rent expectations series recovered to +13 per cent following a reading of -7 per cent in Q2.

During the previous quarter, the proportion of respondents nationally sensing the market had entered the early stages of a downturn increased sharply from 8 per cent to 36 per cent. This proportion fell back to 21 per cent this time out, with the initial shock of Brexit vote fading and some normality returning to the market.

JOBS GROWTH

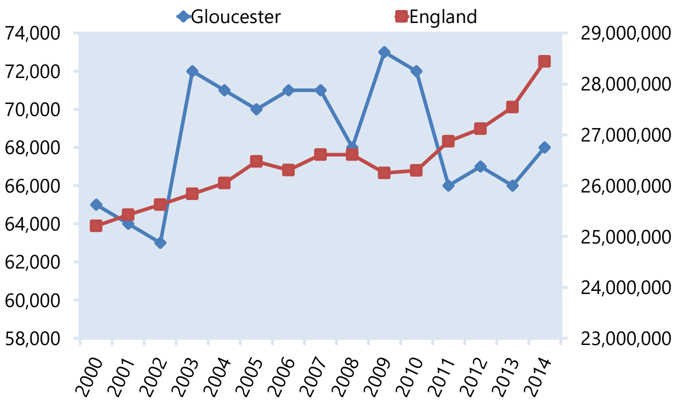
JOB GROWTH IN GLOUCESTER HAS BEEN WELL BELOW THE GLOUCESTERSHIRE COUNTY AVERAGE AND MANY COMPARATOR AREAS

Jobs have grown strongly across Gloucestershire County over the past 14 years. Since 2000, 40,000 net new jobs have been created in the county, equivalent to growth of 18.7 per cent. This is much higher than growth across England (12.8 per cent). Gloucestershire districts contributing the largest numbers of additional jobs include Stroud (+11,000), Cotswold (+10,000) and Tewkesbury (+8,000).

The rate of jobs growth in Gloucester is well below the county and national averages. Gloucester supported 68,000 jobs in 2014. Between 2000 and 2014, 3,000 net new jobs were created. This was equivalent to 4.6 per cent growth in jobs, as represented in **Figure 1.8** This was lower than the national average growth rate, and the Gloucestershire County growth rate, and most neighbouring districts and comparator areas.

The latest evidence on employee jobs corroborates the low levels of workforce jobs growth in recent years. Gloucester supported 62,900 employee jobs in 2015. Data on employee jobs (i.e. excluding the self-employed, government-supported trainees and Her Majesty's Forces) suggests that jobs grew at a rate of 4.3 per cent over the past year from 2014 to 2015 (**Figure 1.9**). Employee jobs data reveals no change between 2010 and 2015 compared to a total rate of growth of 7.7 per cent in England (or 1.5 per cent per annum).

FIGURE 1.7: TOTAL JOBS IN GLOUCESTER AND ENGLAND 2000 TO 2014



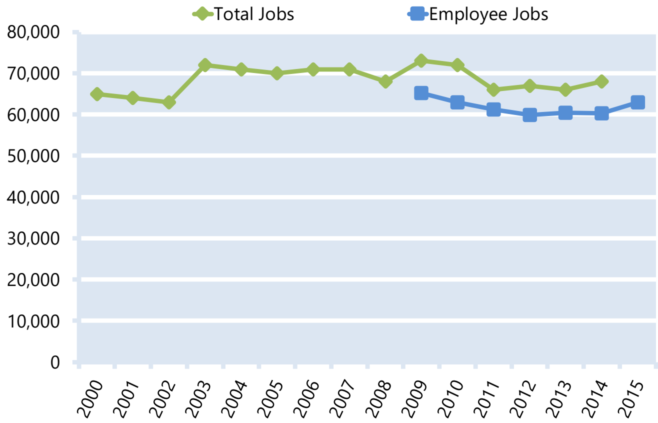
Source: Jobs Density, Office for National Statistics.

FIGURE 1.8: GROWTH IN JOBS BETWEEN 2000 AND 2014

Area	Total jobs growth 2000-14	Percentage jobs growth 2000-14
Gloucester	3,000	4.6
Cheltenham	6,000	13.6
Cotswold	10,000	40.5
Forest of Dean	2,000	3.3
Stroud	11,000	22.4
Tewkesbury	8,000	32.4
Gloucestershire	40,000	18.7
Bath & NE Somerset	13,000	17.2
Birmingham	-2,000	5.5
Bristol	2,000	9.3
Cardiff	24,000	15.3
Oxford	16,000	28.4
Swindon	-5,000	3.3
Worcester	9,000	18.8
JCS Area	16,000	14.3
England	1,907,000	12.8

Source: Jobs Density, Office for National Statistics.

FIGURE 1.9: TOTAL JOBS AND EMPLOYEE JOBS IN GLOUCESTER



Source: Jobs Density and Business Register Employment Survey, Office for National Statistics.

BASED ON FORECASTS MADE IN 2014, JOB GROWTH WAS EXPECTED TO ACCELERATE IN GLOUCESTER OVER THE NEXT 20 YEARS

Cambridge Econometrics, Oxford Economics and Experian have produced jobs forecasts for Gloucester between 2011 and 2031 – as detailed in **Figure 1.10** All expect job growth to accelerate in this period compared to between 2000 and 2012, but to varying degrees.

Oxford Economics is the most pessimistic, predicting 5.0 per cent growth in jobs between 2011 and 2031. This is equivalent to 169 net additional jobs per year, compared to the actual growth of 167 net additional jobs achieved between 2000 and 2012. Experian is the most optimistic, forecasting 13.9 per cent growth, or 501 net additional jobs per year.

FIGURE 1.10: ACTUAL AND FORECAST JOBS GROWTH

Per annum jobs growth (total)			
	Cheltenham	Gloucester	Tewkesbury
Actual 2000-2012	500	167	667
CE Forecast	767	438	374
OE Forecast	528	169	343
Experian Forecast	612	501	371
Total rate of forecast jobs growth 2011-2031 (per cent)			
	Cheltenham	Gloucester	Tewkesbury
CE Forecast	22.2	12.1	15.9
OE Forecast	15.8	5.0	15.0
Experian Forecast	18.2	13.9	15.9

Source: Jobs Density, Office for National Statistics; economic forecasts commissioned in 2014 for the Joint Core Strategy.

ALL FORECASTERS EXPECT JOB GROWTH IN GLOUCESTER TO BE BELOW GROWTH RATES IN NEIGHBOURING CHELTENHAM AND TEWKESBURY

The forecast picture is mixed for Gloucester, with one forecaster predicting a continuation of trend growth and the remaining two forecasting an acceleration of growth. As above, Oxford Economics is the most pessimistic, predicting 5.0 per cent growth in jobs between 2011 and 2031 – or 169 net additional jobs per year, compared to 167 between 2000 and 2012. Experian is the most optimistic, forecasting 13.9 per cent growth in jobs, or 501 net additional jobs per year.

Job growth is expected to slow considerably in Tewkesbury. Growth between 2011 and 2031 is predicted to range from between 15.0-15.9 per cent, equivalent to between 343-374 net additional jobs per year – far lower than between 2000 and 2012 (667 jobs per year).

ECONOMIC FORECASTS ARE POLICY NEUTRAL – THEY DO NOT CONSIDER ANY PLANS OR FUTURE PUBLIC INVESTMENTS

It is worth remembering that economic forecasts are based on existing industrial structures and forecast changes to demand for products and services. They do not take into account any constraints or prospective changes to public policy such as land use allocations or investment plans.

ECONOMIC FORECASTS ARE ALSO VERY LIMITED IN THEIR ABILITY TO PREDICT ECONOMIC SHOCKS

Economic forecasts are also very limited in their ability to predict economic shocks (such as potential BREXIT) and forecasts become very quickly out of date if such shocks occur.

GLOUCESTER ACCOUNTS FOR ONE-FIFTH OF ALL JOBS IN THE GLOUCESTERSHIRE

Jobs density – the number of jobs per working age resident– provides an indication of the relative self-containment of an area's labour market and the number of job opportunities available for an area's residents. Areas with a high jobs density have a high level of local demand for employees or have a high level of in-commuting to the area.

Jobs density is similar to the national average in Gloucester. In 2014, there were 0.84 jobs for each working age resident. This was slightly lower than Gloucestershire (0.89) and similar to the England average (0.83). Cheltenham (1.00) had the highest jobs density in Gloucestershire while only one peer area had a higher jobs density (Oxford at 1.16).

Jobs in Gloucester also make up one-fifth of all jobs in Gloucestershire. In 2015, 22.4 per cent of all Gloucestershire jobs were located in Gloucester. Cheltenham and Tewkesbury accounted for 23.3 per cent and 15.5 per cent of county jobs respectively.

ECONOMIC OUTPUT BY INDUSTRY IN GLOUCESTERSHIRE (OFFICIAL ESTIMATES)

THE PUBLIC SECTOR AND PRODUCTION INDUSTRIES (MANUFACTURING) ARE IMPORTANT CONTRIBUTORS TO OVERALL ECONOMIC OUTPUT IN GLOUCESTERSHIRE

This section examines the value of output from each industry in terms of the contribution each makes to economic output (measured by GVA).

The most significant sectors in Gloucestershire in terms of levels of economic output are Public Administration, Education & Health; Production; and Distribution, Transport, Accommodation & Food. This is similar to the national picture although Public Administration, Education & Health and Production are more significant to the Gloucestershire economy than nationally

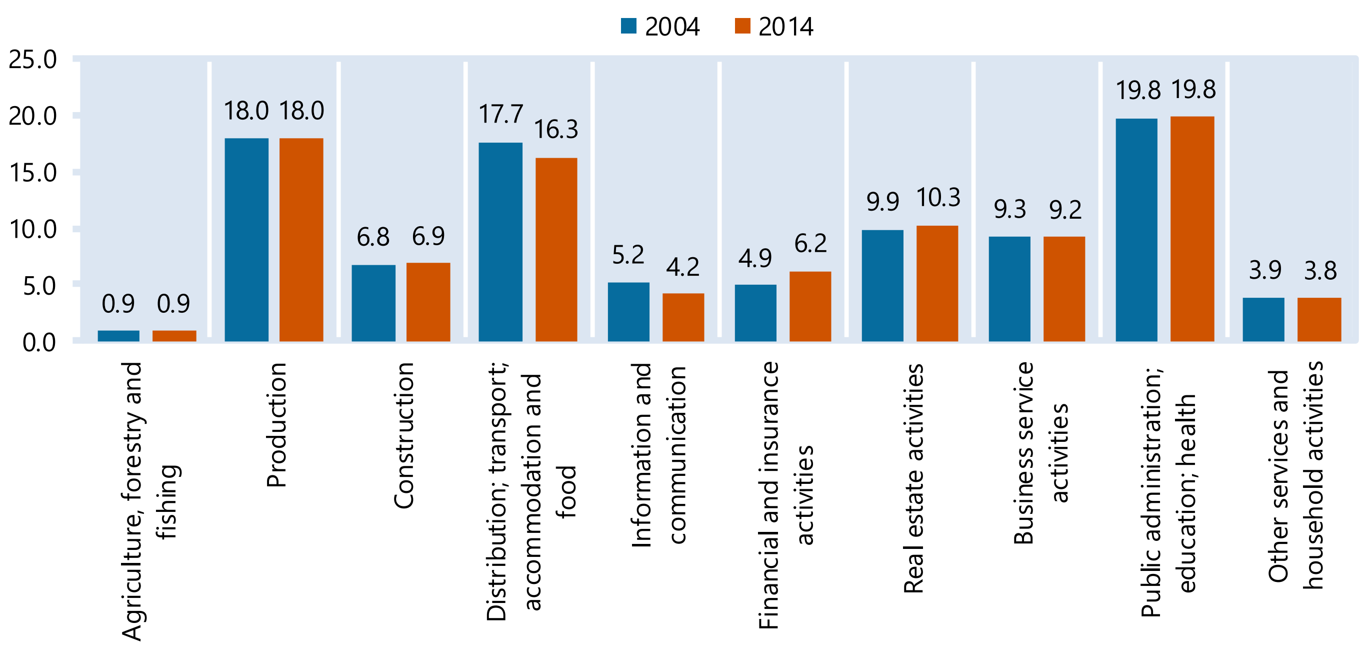
In 2014, Public Administration, Education & Health produced 19.4 per cent of Gloucestershire's total GVA, compared to 17.1 per cent of England's total GVA, while Production accounted for 20.3 per cent of Gloucestershire's GVA, compared to just 12.9 per cent nationally. In contrast, all private sector services produced a lower proportion of total GVA in Gloucestershire than across England.

Production also forms a large percentage of overall GVA in neighbouring areas. In Worcestershire, Bath/North East Somerset/North Somerset/South Gloucestershire, and Swindon, Production sector GVA ranged from 18.1 per cent of overall GVA to 20.0 per cent.

The Public Administration/Education/Health sector also forms a large proportion of overall GVA in Cardiff and Vale of Glamorgan (26.5 per cent), Birmingham (25.3 per cent), Oxfordshire (23.2 per cent), Bristol (22.7 per cent) and Bath/North East Somerset/North) while Distribution/Transport/Accommodation/Food is significant in Swindon (20.6 per cent of GVA) and Worcestershire (18.9 per cent).

Compared to the national average, Financial and Insurance Activities are also important in Bristol, and Swindon (12.9 and 14.5 per cent of total GVA, compared to 9.1 per cent across England). This sector is much less significant in terms of its GVA contribution in all other areas apart from Birmingham, which was similar to the national average.

FIGURE 1.11: SHARE OF ECONOMIC OUTPUT (GVA) BY SECTOR IN 2004 AND 2014



Source: Office for National Statistics.

REAL ESTATE ACTIVITIES EXPERIENCED THE LAREGEST INCREASE IN GVA OVER THE PAST DECADE

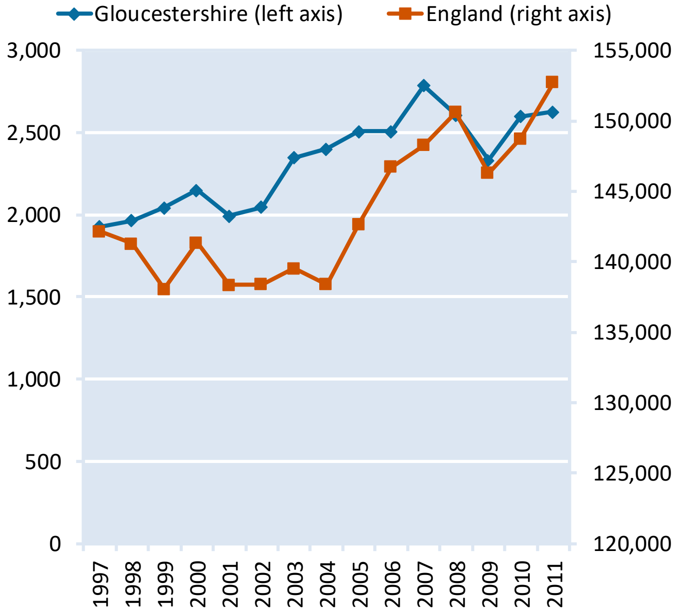
Real estate activities was the fastest growing sector in terms of GVA in Gloucestershire between 2004 and 2014, GVA produced by the Real estate sector grew by 72.8 per cent, or £8.0 billion. This was lower than the rate of growth nationally, at 93.1 per cent.

Business service activities experienced the second highest growth by value in Gloucestershire. Between 2004 and 2014, GVA produced by the Business service activities grew by £5.6 billion, or 54.0 per cent (55.4 per cent across England). This was followed by Finance & insurance activities, which experienced an increase in GVA of 47.3 per cent, or £2.6 billion.

THE CONTRIBUTION FROM THE PRODUCTION SECTOR HAS DECLINED

Whilst Production is Gloucestershire's largest sector – growth has dipped below the national average. Since 2004, Production GVA has grown by 25.8 per cent compared to 28.9 per cent nationally. The Production industry's rate of growth was the second lowest of all industries, after Distribution; transport; accommodation and food, which only grew by 9.1 per cent over the 10-year period. As Figure 1.13 shows, the recession affected the sector badly, with output declining by 17.5 per cent between 2007 and 2009. Growth has since picked up but Production GVA remains below pre-recession levels.

FIGURE 1.13: TOTAL GVA (£MILLIONS) BY YEAR FOR PRODUCTION INDUSTRIES 1997 TO 2014



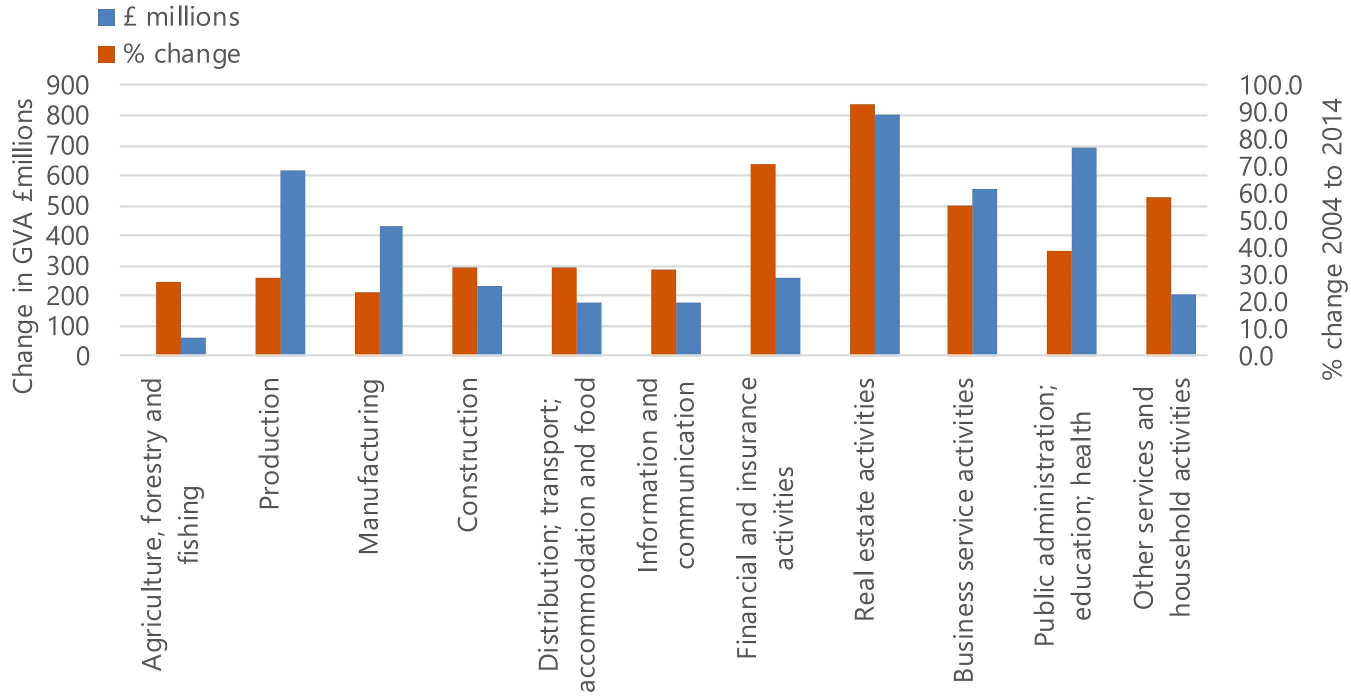
Source: Office for National Statistics.

FIGURE 1.12: GVA GROWTH BY INDUSTRIAL SECTOR BETWEEN 2004 AND 2014, CURRENT BASIC PRICES (UNADJUSTED FOR INFLATION)

Industrial sector	Gloucestershire total	Gloucestershire %	England %
Agriculture, forestry and fishing	59	58.4	27.3
Production	618	25.8	28.9
Manufacturing	433	21.7	23.1
Construction	231	30.6	33.0
Distribution; transport; accommodation and food	178	9.1	32.4
Information and communication	179	30.8	31.8
Financial and insurance activities	258	47.3	71.1
Real estate activities	801	72.8	93.1
Business service activities	556	54.0	55.4
Public administration; education; health	696	31.7	38.7
Other services and household activities	208	48.3	58.5
All industries	3,783	34.1	45.2

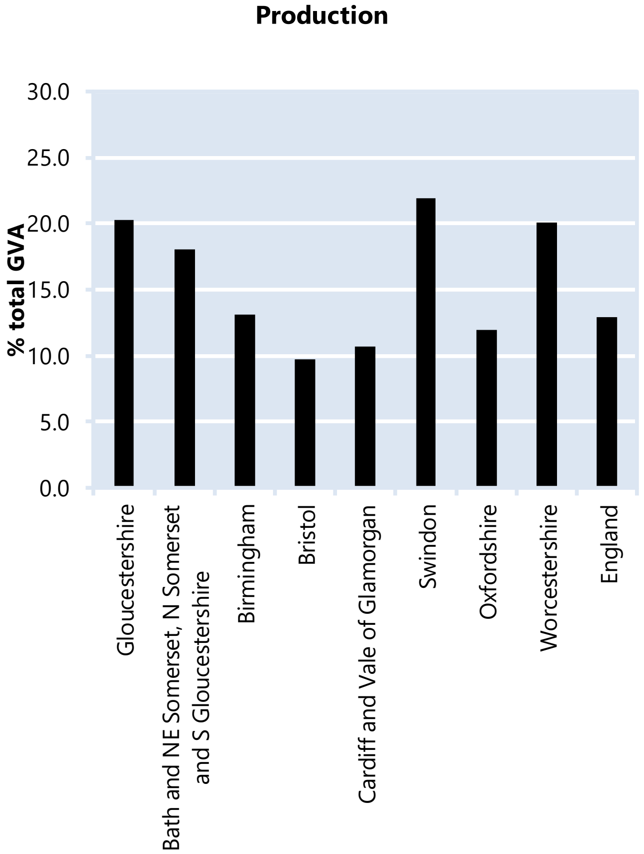
Source: Office for National Statistics.

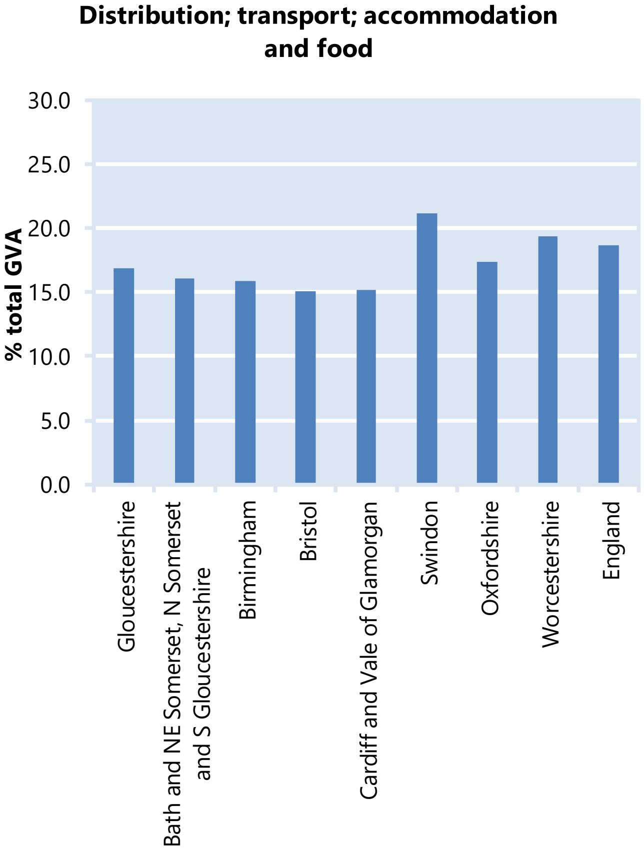
FIGURE 1.14: GROWTH IN ECONOMIC OUTPUT (GVA) BY INDUSTRY IN GLOUCESTERSHIRE £ MILLIONS, BETWEEN 2004 AND 2014

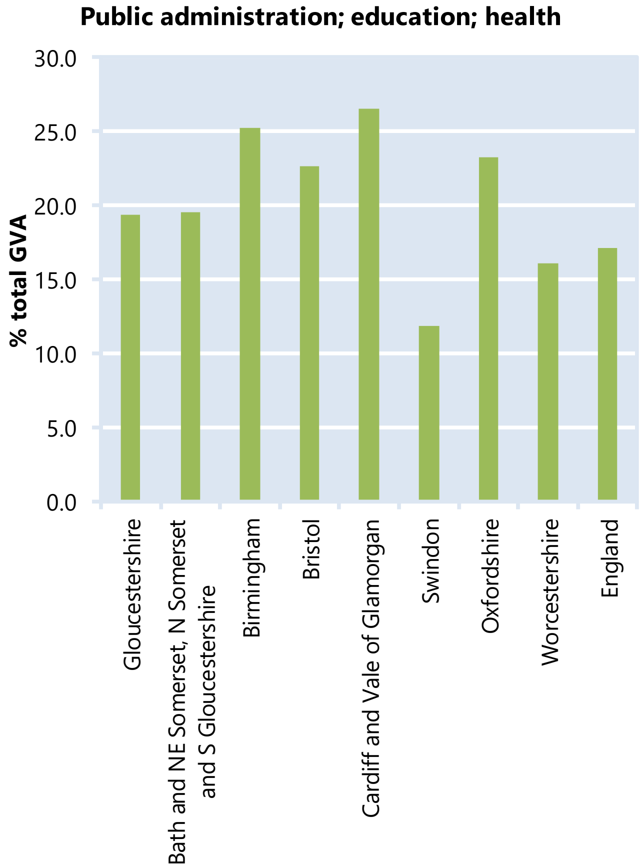


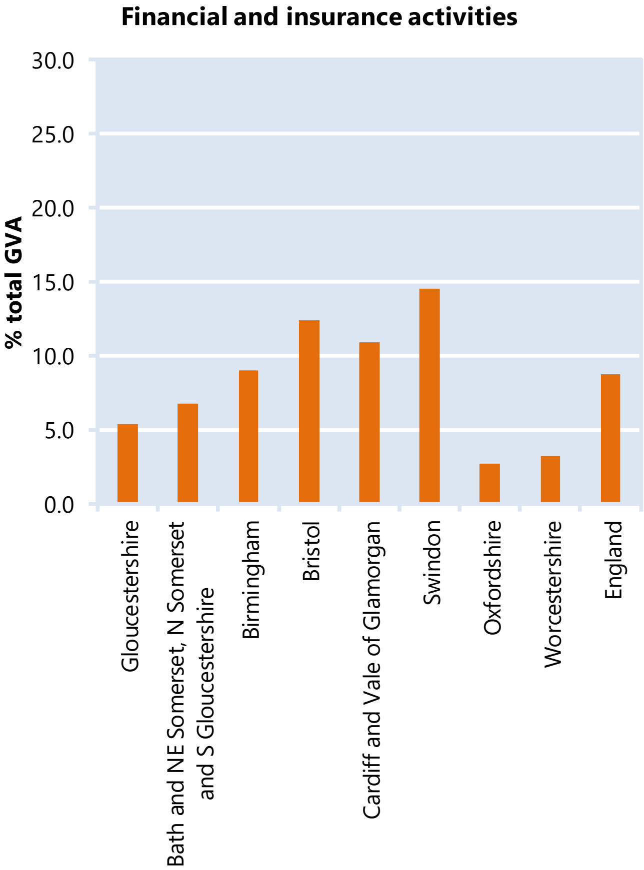
Source: Office for National Statistics.

FIGURE 1.15: SHARE OF ECONOMIC OUTPUT BY INDUSTRY IN GLOUCESTERSHIRE AND COMPARATOR AREAS IN 2014









Source: Office for National Statistics.

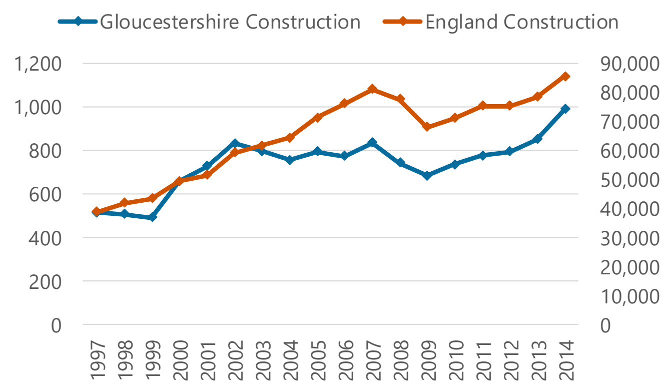
LOWER-THAN-AVERAGE GVA GROWTH IN PROPERTY-RELATED SECTORS HAS CONTRIBUTED TO LOWER-THAN-AVERAGE TOTAL GVA GROWTH IN GLOUCESTERSHIRE

Between 2004 and 2014, growth in property-related sectors – Construction and Real Estate Activities – was lower than the national average: GVA in Gloucestershire's construction sector grew by 30.6 per cent compared to England average growth of 33.0 per cent, while growth in the real estate sector grew by 72.8 per cent compared to England average growth of 93.1 per cent. (Figure 3.7).

REAL ESTATE GVA WAS VERY BADLY AFFECTED BY THE RECESSION

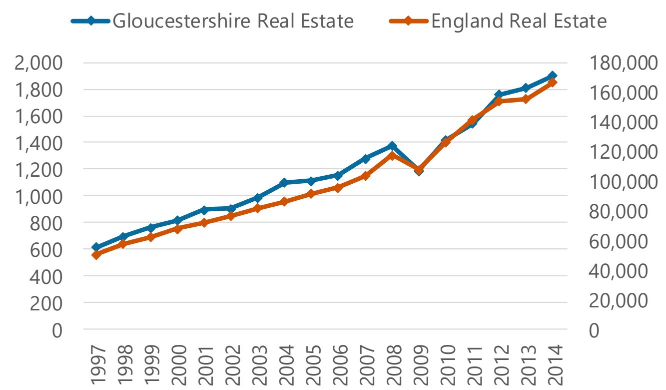
Real estate GVA was badly affected by the recession, with output dropping by a 13.5 per cent in just one year. Before the recession, growth in the sector had been similar to average. Construction sector GVA began to slow much earlier (Figure 1.16) – from 2003 – although it has picked up strongly over the past two years.

FIGURE 1.16: CONSTRUCTION INDUSTRY GVA 1997 TO 2014



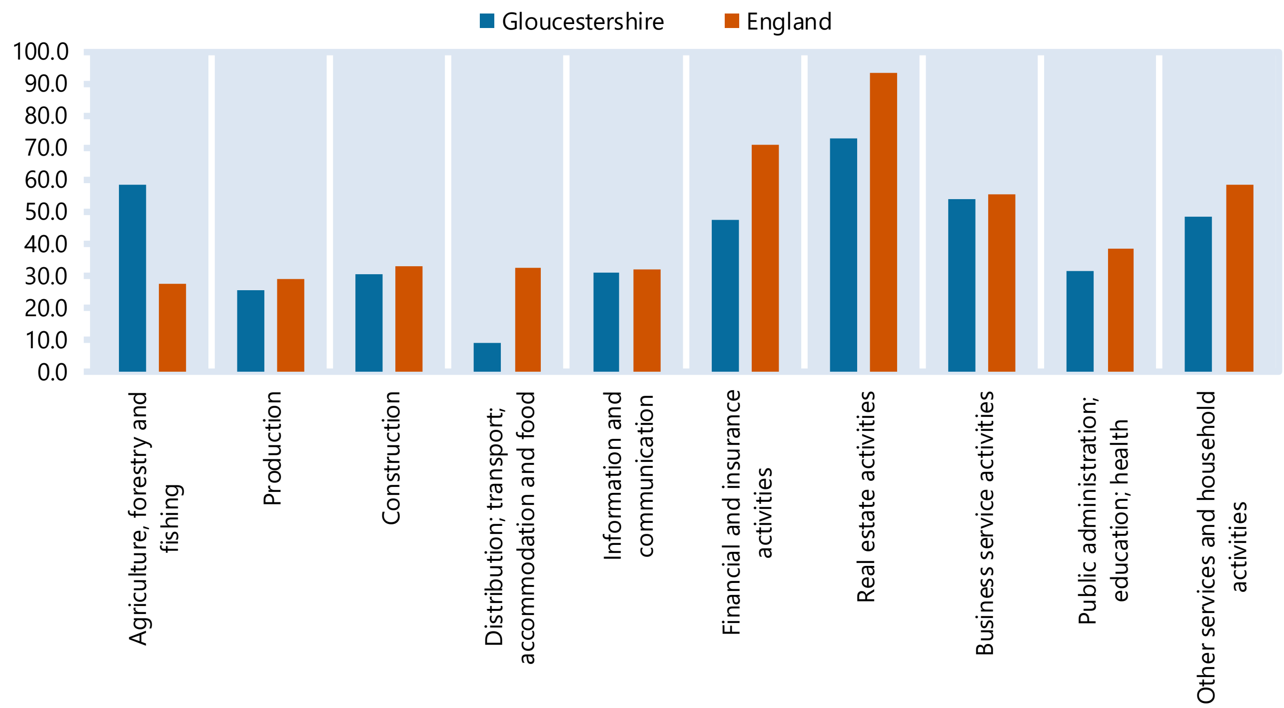
Source: Office for National Statistics

FIGURE 1.17: REAL ESTATE INDUSTRY GVA 1997 TO 2014



Source: Office for National Statistics.

FIGURE 1.18: TOTAL GVA GROWTH BY SECTOR 2004 TO 2014



Source: Office for National Statistics.

2. BUSINESS

ENTERPRISES AND ENTREPRENEURSHIP

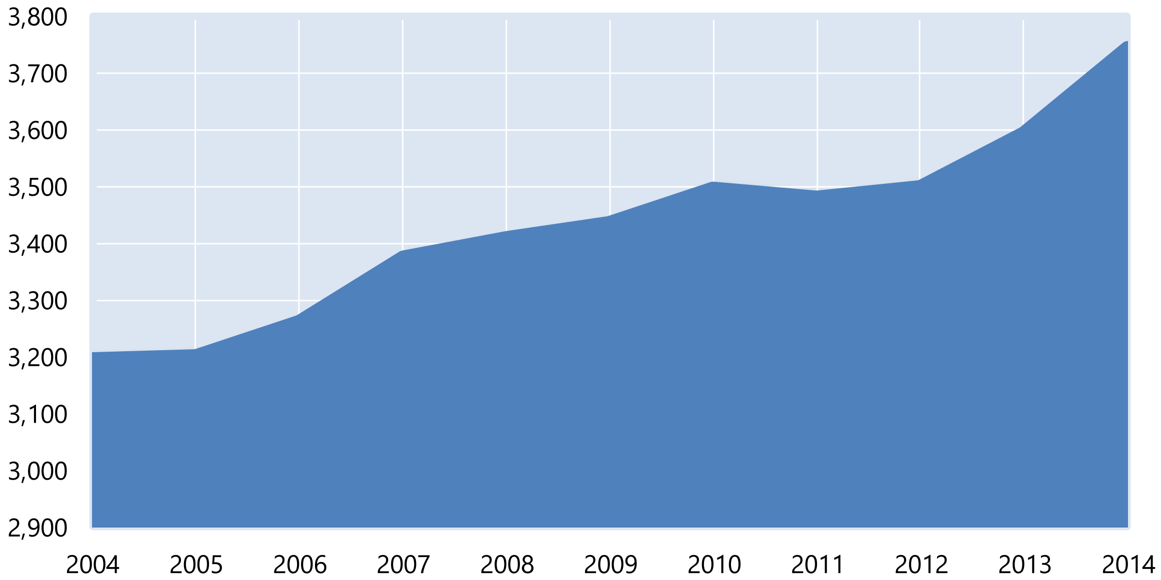
GLOUCESTER HAS A STRONG AND GROWING BUSINESS BASE

In 2014, there were 3,745 enterprises in Gloucester– 13.6 per cent of all enterprises in Gloucestershire.

The enterprise base in Gloucester has grown strongly over the past 10 years, as demonstrated in **Figure 2.1**. Between 2004 and 2014, the number of enterprises grew by 550 – equivalent to 55 per year, or 17.2 per cent growth over the eight-year period. This was stronger than growth across Gloucestershire (13.0 per cent) but slightly below England (18.6 per cent). Just four districts within Gloucestershire and Cheltenham's comparator areas experienced stronger growth over the 10-year period: Swindon (34.3 per cent), Oxford (25.8 per cent), Tewkesbury (20.3 per cent), and Cheltenham (18.2 per cent).

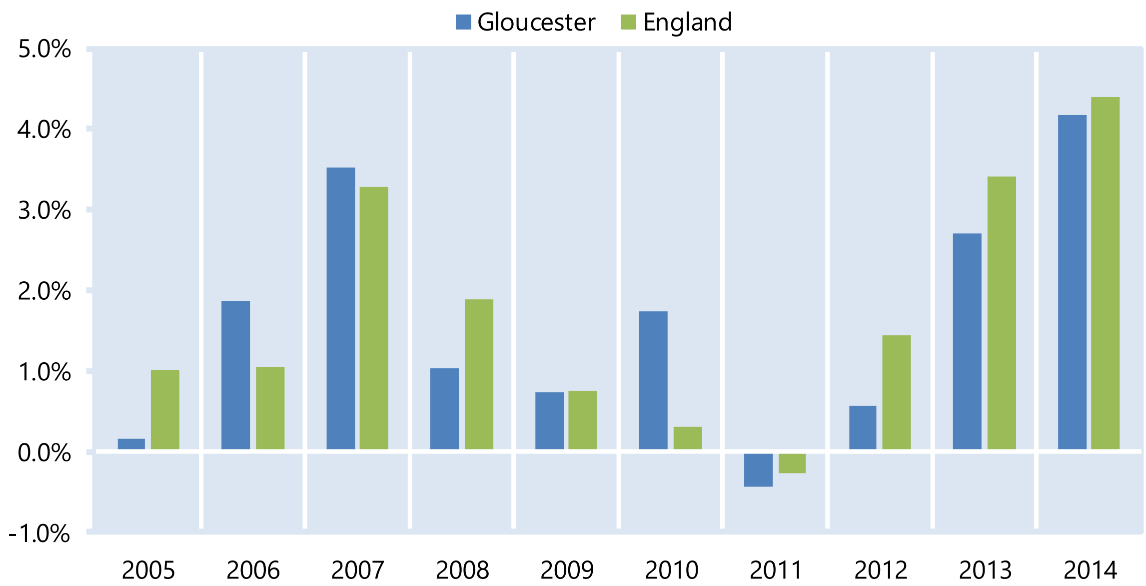
Looking at annual growth rates, growth in Gloucester's business base was strongest in 2014 (4.2 per cent), with the next strongest in 2007 (3.5 per cent). In 2013 growth rates started to recover strongly after the recession (**Figure 2.2**).

FIGURE 2.1: TOTAL ACTIVE ENTERPRISES IN GLOUCESTER 2004 TO 2014



Source: Business Demography 2015, Office for National Statistics.

FIGURE 2.2: ANNUAL PERCENTAGE CHANGE IN TOTAL ACTIVE ENTERPRISES 2004 TO 2014



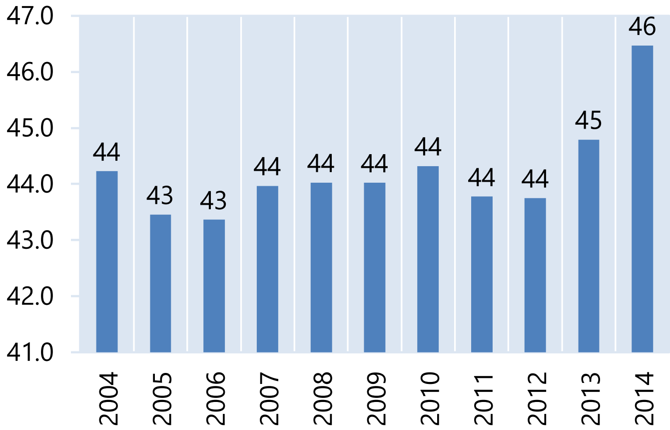
Source: Business Demography 2012, Office for National Statistics.

GLOUCESTER HAS A LOWER RATE OF ENTREPRENEURSHIP THAN AVERAGE, ALTHOUGH THIS REFLECTS A GREATER PRESENCE OF LARGE EMPLOYERS

In 2014, there were 46 enterprises per 1,000 working age people living in Gloucester. This was lower than across Gloucestershire (73) and the England average (65) and most comparator areas outside the county apart from Oxford (45), as presented in **Figure 2.3**.

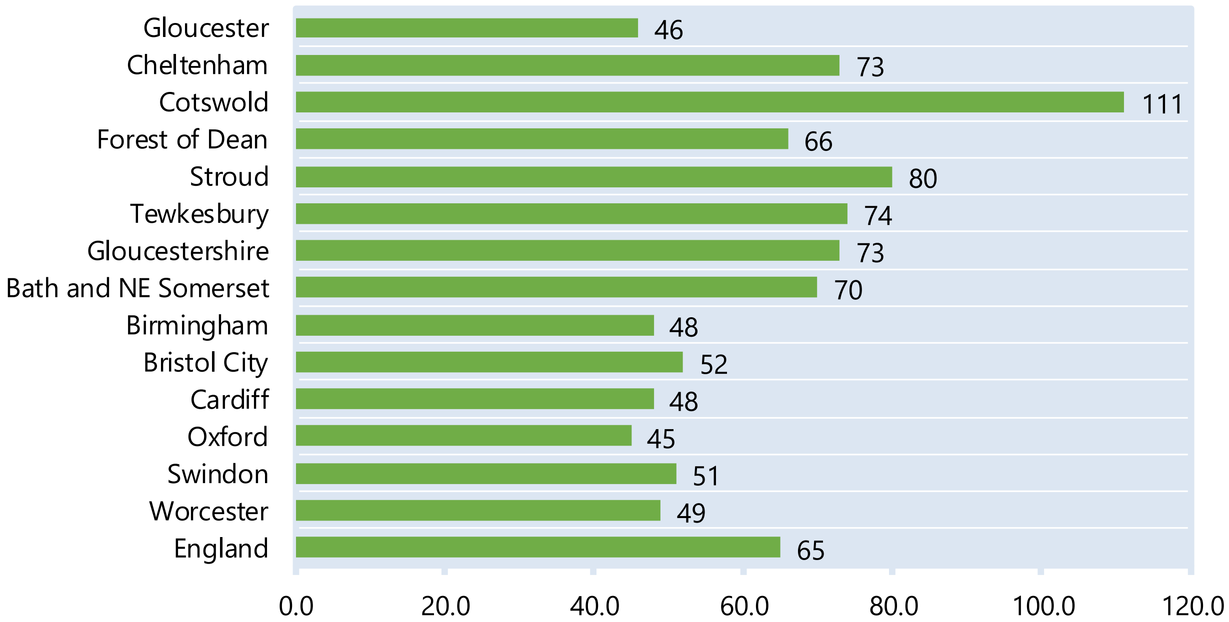
The number of enterprises per 1,000 working age residents has been largely unchanged in Gloucester over the past decade, as illustrated in **Figure 2.4**.

FIGURE 2.4: NUMBER OF ENTERPRISES PER 1,000 WORKING-AGE RESIDENTS IN GLOUCESTER 2004 TO 2014



Source: Business Demography 2015 and Mid-Year Population Estimates, Office for National Statistics.

FIGURE 2.3: ENTERPRISES PER 1,000 WORKING-AGE RESIDENTS IN 2014



Source: Business Demography 2015 and Mid-Year Population Estimates, Office for National Statistics.

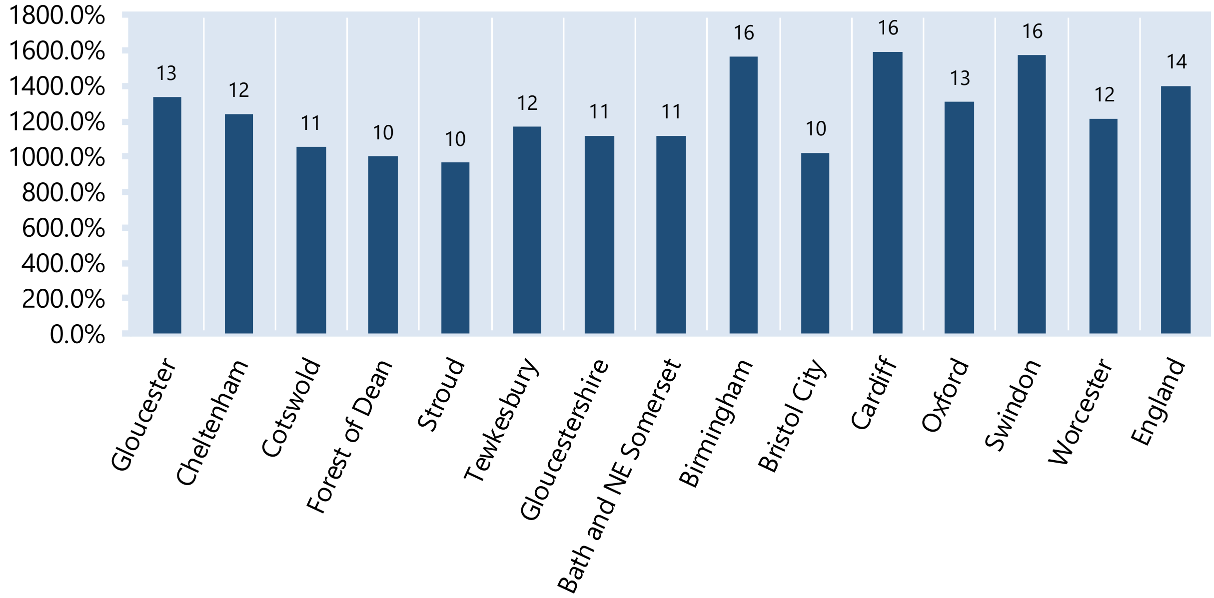
GLOUCESTER'S BUSINESS START-UP RATES HAVE IMPROVED OVER RECENT YEARS

In 2014, 13 new businesses per 100 active enterprises started in Gloucester as detailed in **Figure 2.5**. This was slightly below the rate for England. Gloucester's business start-up rate is higher than many comparator areas, with the exception of Birmingham (16 start-ups per 100 active enterprises), Cardiff (16) and Oxford (13). Before 2012, Gloucester's start-up rate tended to be below the national average rate. Over the past two years it has been at or above the national average.

Start-up rates across Gloucestershire were lower than average in 2014 (11 per 100 active enterprises). This has also been a long-term trend. Gloucester's average business start-up rate has therefore not driven the stronger-than-average business growth in the district.

Rather, strong business growth has been driven by stronger-than-average business survival rates. One-year survival rates of new businesses in Gloucester were higher than the England average between 2010 and 2012 (**Figure 2.6**) while two-year survival rates were higher than average between 2010 and 2012.

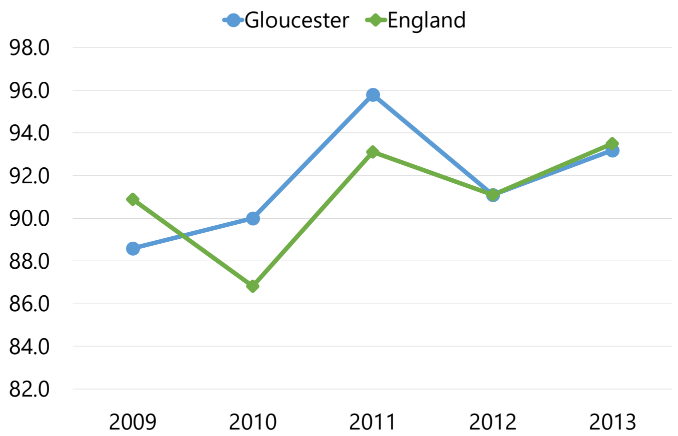
FIGURE 2.5: BUSINESS START UP RATES (NUMBER OF NEW ENTERPRISES PER 100 ACTIVE ENTERPRISES) IN 2012



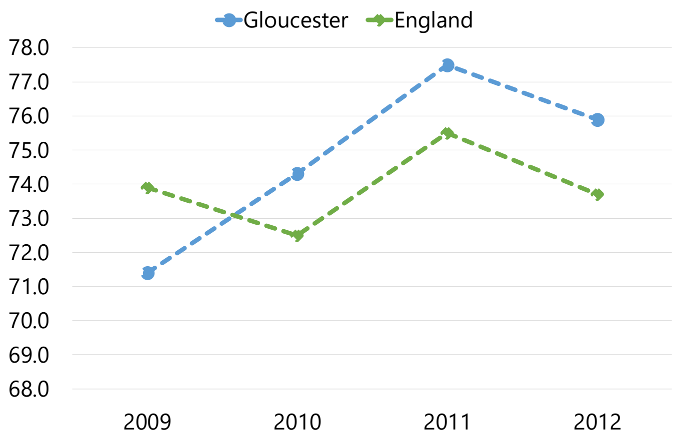
Source: Business Demography 2012, Office for National Statistics.

FIGURE 2.6: ONE- AND TWO- YEAR SURVIVAL RATES OF ENTERPRISES IN GLOUCESTER AND ENGLAND BY YEAR OF BUSINESS BIRTH

ONE-YEAR BUSINESS SURVIVAL RATE



TWO-YEAR BUSINESS SURVIVAL RATE



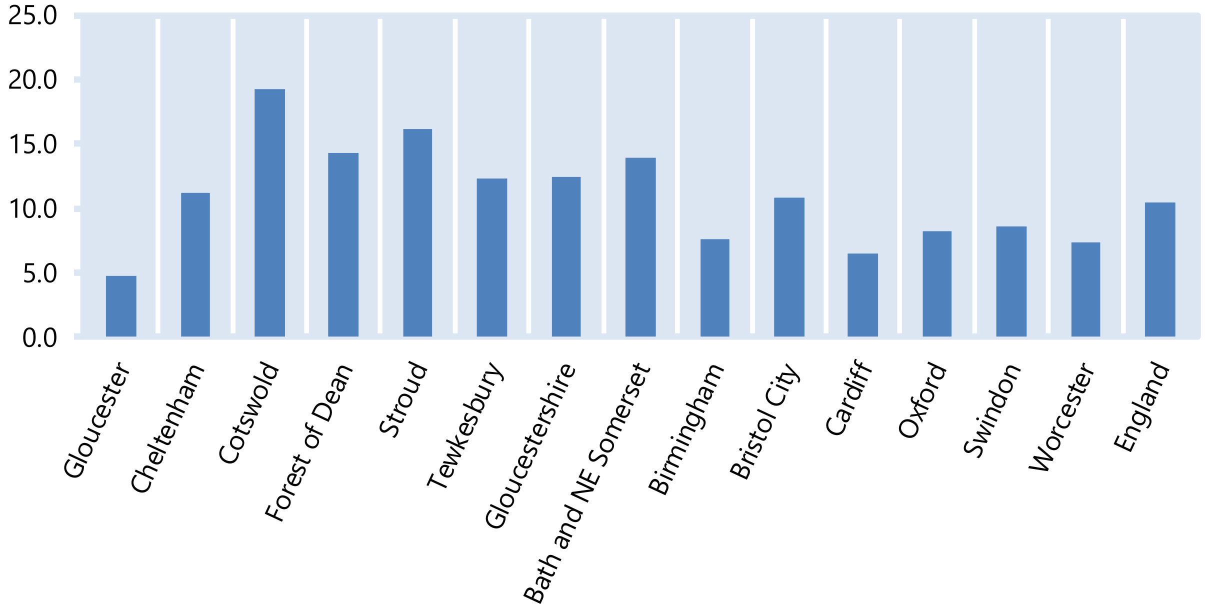
Source: Business Demography 2015, Office for National Statistics.

THE SELF-EMPLOYMENT RATE IN GLOUCESTER IS SIGNIFICANTLY LOWER THAN AVERAGE

In 2016, 4.8 per cent of working age people living in Gloucester were self-employed. This is significantly lower than the England average (10.4 per cent). In contrast, self-employment was higher than average across Gloucestershire (12.4 per cent), with higher-than-average rates in all other Gloucestershire districts (Figure 2.7).

The mismatch between a higher-than-average enterprise rate and lower-than-average self-employment rate in Gloucester could be explained by people living outside Gloucester setting up businesses within the district, as well as an economy more dominated by large employers.

FIGURE 2.7: SHARE OF WORKING AGE RESIDENTS WHO ARE SELF EMPLOYED (INCLUDING COMPANY OWNERS/DIRECTORS) IN 2016



Source Annual Population Survey, Office for National Statistics.

SIZE AND COMPOSITION OF BUSINESS BASE

LARGE BUSINESSES CONTRIBUTE MORE SIGNIFICANTLY TO GLOUCESTER'S ECONOMY

Larger businesses are responsible for a greater share of employment and turnover in Gloucester compared to the national average. Businesses employing Over 250 accounted for 0.6 per cent of all businesses compared to 0.3 per cent for Gloucestershire and 0.4 per cent in England and Wales. Businesses employing between 40 and 249 were also more prevalent than the County and national averages. (Figure 2.8).

This was similarly reflected in turnover sizes – with over twice the share of enterprises with an annual turnover between £1,000,000 and £4,999,999 in 2015 compared to County and national averages (Figure 2.9). For enterprises with annual turnover at £5,000,000 or above, Gloucester also had a larger share of businesses (2.6 per cent) than the County (1.9 per cent) and national (1.5 per cent) averages.

FIGURE 2.8: PERCENTAGE SHARE OF BUSINESS POPULATION BY EMPLOYEE SIZE IN 2015

	Employee sizeband						
Enterprises	**0-4**	**5-9**	**10-19**	**20-49**	**50-99**	**100-249**	**250+**
Gloucester	72.1	13.3	6.6	4.4	1.8	1.3	0.6
Gloucestershire	76.1	12.6	6.2	3.2	1.1	0.6	0.3
England & Wales	76.5	12.3	6.0	3.2	1.0	0.6	0.4
Local units (includes branches)	0-4	5-9	10-19	20-49	50-99	100-249	250+
Gloucester	61.7	16.2	10.0	7.4	2.5	1.7	0.6
Gloucestershire	69.9	14.2	8.2	4.9	1.5	0.9	0.3
England & Wales	69.8	14.0	8.0	5.1	1.7	0.9	0.4

Source: UK Business 2015, Office for National Statistics. Enterprises represents each business registered in the area, and does not count branches separately. Local units count branches or separate offices separately.

FIGURE 2.9: PERCENTAGE SHARE OF BUSINESS POPULATION BY TURNOVER SIZE IN 2015

	Turnover in 2015, £ thousands						
Enterprises	**0 - 49**	**50 - 99**	**100 - 249**	**250 - 499**	**500 - 999**	**1,000 - 4,999**	**5,000 +**
Gloucester	15.6	24.5	29.9	12.3	6.6	8.5	2.6
Gloucestershire	18.2	23.3	32.0	11.9	6.8	3.6	1.9
England and Wales	18.5	22.1	30.1	13.6	7.8	3.8	1.5

Source: UK Business 2013, Office for National Statistics. Turnover data only available for enterprises.

Between 2010 and 2015, the number of businesses and branches in Gloucester increased by 290. Within this total, there has been marked change (Figure 2.10) in the sectors of:

- Finance and insurance (-170)
- Information and communication (+130)
- Professional, scientific and technical (+125)
- Construction (+50)
- Business administration & support services (+45)
- Accommodation and food services (+45)

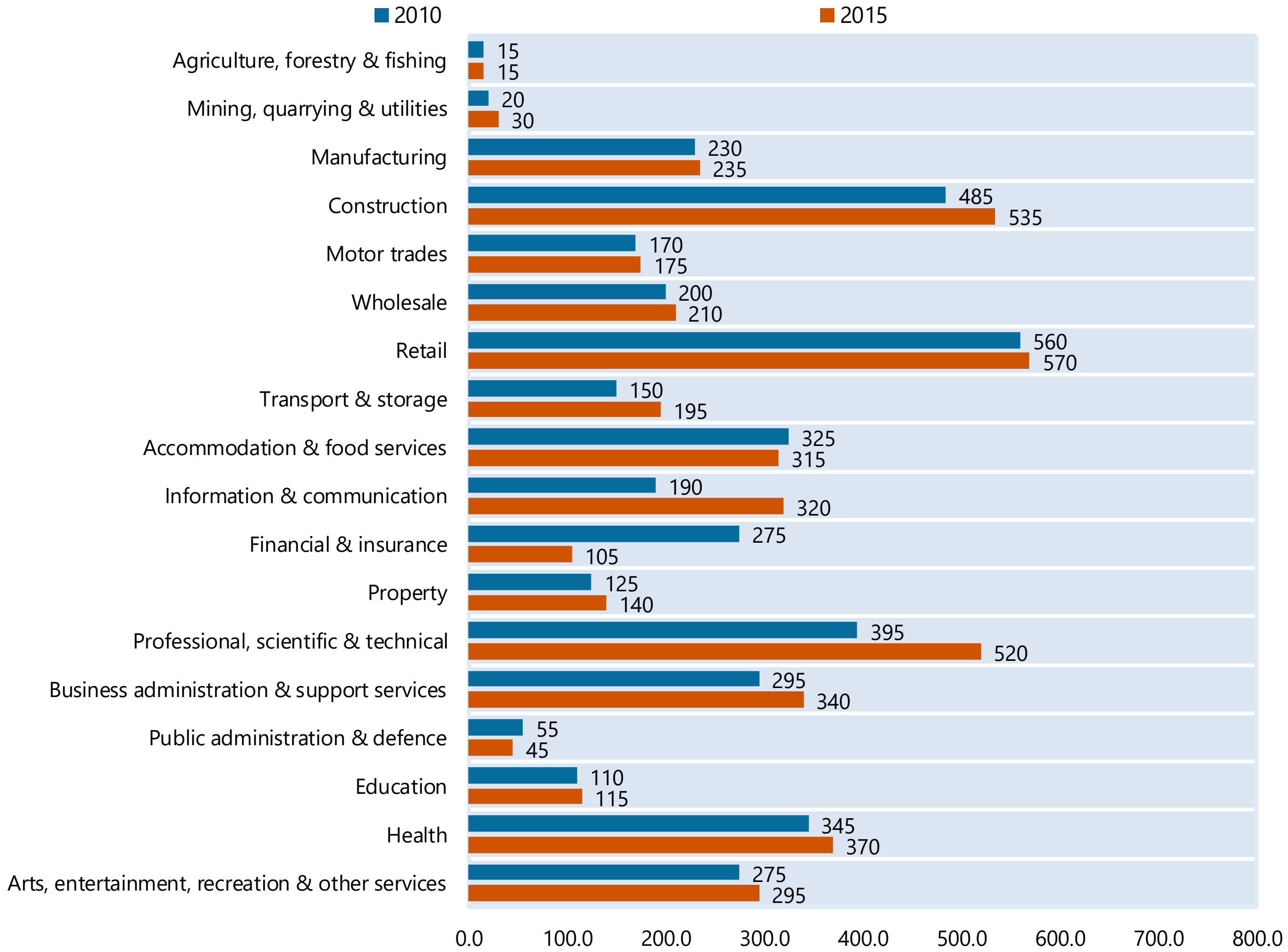
Overall, within Gloucester most of the increase of 290 enterprises and branches between 2010 and 2015 was due to an increase of 310 of enterprises and units with between 0-9 employees. Over this period, there were 20 fewer enterprises and branches employing between 49 and 250.

Data from Figure 2.11 shows the number of businesses and branches (termed 'local units') in Gloucester by industry and employment sizeband. There have been noticeable trends in terms of the employee size of enterprises and branches:

- Within the overall decline of 170 enterprises and branches in Financial & insurance sectors, the reduction was most significant in micro-businesses (0-9 employees) – reduced by 135 between 2010 and 2015. Small (10-49) and medium (50-249) businesses also decreased, whilst the number of large (250+) businesses increased slightly.

- Accommodation & food services experienced a reduction in micro-businesses (0-9) but an increase in the number of Small (10-49) and Medium sized (50-249) businesses.
- Nearly all of the increase in businesses and branches in Construction, Information & communication, Professional, scientific & technical, and Business administration & support services industries is accounted for by micro-businesses (0-9 employees).

FIGURE 2.10: LOCAL UNITS (ENTERPRISES PLUS BRANCHES) BY INDUSTRY IN GLOUCESTER



Source: UK Business Counts, Office for National Statistics

FIGURE 2.11: EMPLOYMENT SIZEBANDS OF LOCAL UNITS (ENTERPRISES PLUS BRANCHES) IN GLOUCESTER

	2015				Change 2010-2015			
Gloucester	Micro (0 to 9)	Small (10 to 49)	Medium-sized (50 to 249)	Large (250+)	Micro (0 to 9)	Small (10 to 49)	Medium-sized (50 to 249)	Large (250+)
Agriculture, forestry & fishing	15	0	0	0	0	0	0	0
Mining, quarrying & utilities	20	5	0	0	10	0	0	0
Manufacturing	150	65	20	0	5	5	-5	0
Construction	490	35	10	0	50	-5	5	0
Motor trades	150	20	5	0	5	0	0	0
Wholesale	155	50	5	0	10	0	0	0
Retail	430	120	20	5	-5	15	5	0
Transport & storage	160	20	10	0	40	5	0	0
Accommodation & food services	215	90	10	0	-30	15	5	0
Information & communication	290	20	5	0	120	10	-5	0
Financial & insurance	70	25	5	5	-135	-30	-5	5
Property	120	10	5	0	10	0	0	0
Professional, scientific & technical	465	40	15	0	125	-5	5	0
Business administration & support services	265	45	25	0	40	-5	5	0
Public administration & defence	20	15	5	5	5	0	-15	0
Education	50	40	20	5	5	5	-5	0
Health	190	145	30	5	20	5	0	0
Arts, entertainment, recreation & other services	255	40	5	0	35	-5	-5	0
Column Total	3,520	785	190	25	310	5	-20	0

Source: UK Business Counts, Office for National Statistics

INNOVATION

BUSINESSES IN GLOUCESTERSHIRE ARE MORE LIKELY TO COMPETE ON DESIGN, QUALITY AND INNOVATION THAN THE NATIONAL AVERAGE

Product Market Strategies are defined within the UK Employer Skills Survey 2015 by aggregating responses to a series of questions exploring pricing strategies, approaches to innovation and the nature of the product market (the extent to which the market attracts a 'premium' and the extent of customisation of products and services in the market). Aggregating these responses classifies almost half of private sector employers in the UK as having a high or very high product market strategy indicating that their competitive success is not dependent on price, they pursue innovation, they compete on quality and/or they offer customised goods or services.

In Gloucestershire, 47 per cent of private sector businesses were defined as having high or very high Product Market Strategies – slightly above the national average of 46 per cent. Gloucestershire also scored near or better than the national average in individual aspects of pricing, innovation and quality.

- 29 per cent said that demand for their goods/services were not at all price dependent or slightly price dependent compared to the England average of 31 per cent
- 37 per cent said that they often/very often lead the way, compared to the England average of 38 per cent
- 62 per cent said they competed in a market for high/premium quality goods and services, compared to the England average of 60 per cent

GLOUCESTER RANKS HIGHLY FOR PATENTS PER CAPITA

The Centre for Cities's latest rankings of cities by the number of patents granted per 100,000 population in 2014 places Gloucester as the 13th highest (out of 63) urban area in the UK (Figure 4.11). Gloucester ranks higher than Birmingham (50th with 1.5 patents per 100,000 residents) and Cardiff (19th with 4.8 patents per 100,000 residents).

GLOUCESTER HAS A HIGHER-THAN-AVERAGE BASE OF SCIENCE AND TECHNOLOGY PCROFESSIONALS

In 2011, there were 2,600 science, research, engineering and technology professionals working in Gloucester and 1,300 science, engineering and technology associate professionals. The number of science, engineering and technology professionals and associate professionals represented 6.1 per cent of the workforce (Figure 2.13). This was higher than the national average.

The number of science, engineering and technology professional and associate professionals in Cheltenham represented 19 per cent of all science, engineering and technology professional and associate professionals in Gloucestershire – lower than Gloucester's share of all workers in Gloucestershire (21 per cent).

FIGURE 2.12: PATENTS PER 100,000 RESIDENTS IN 2014 IN PRIMARY URBAN AREAS (PUAS)

Rank out of 63 PUAs	City	Patents granted 2014 (per 100,000 of population)
13	Gloucester	6.4
50	Birmingham	1.5
10	Bristol	8.0
19	Cardiff	4.8
8	Oxford	8.9
12	Swindon	7.9
1	Cambridge	102.0
2	Aberdeen	19.7
3	Aldershot	18.6
4	Coventry	17.5
5	Slough	15.2
6	Crawley	10.9
7	Peterborough	10.5
9	Milton Keynes	8.5
	UK	3.6

Source: Centre for Cities Database, based on Patents Office FOI release for patent registrations by postcode area.

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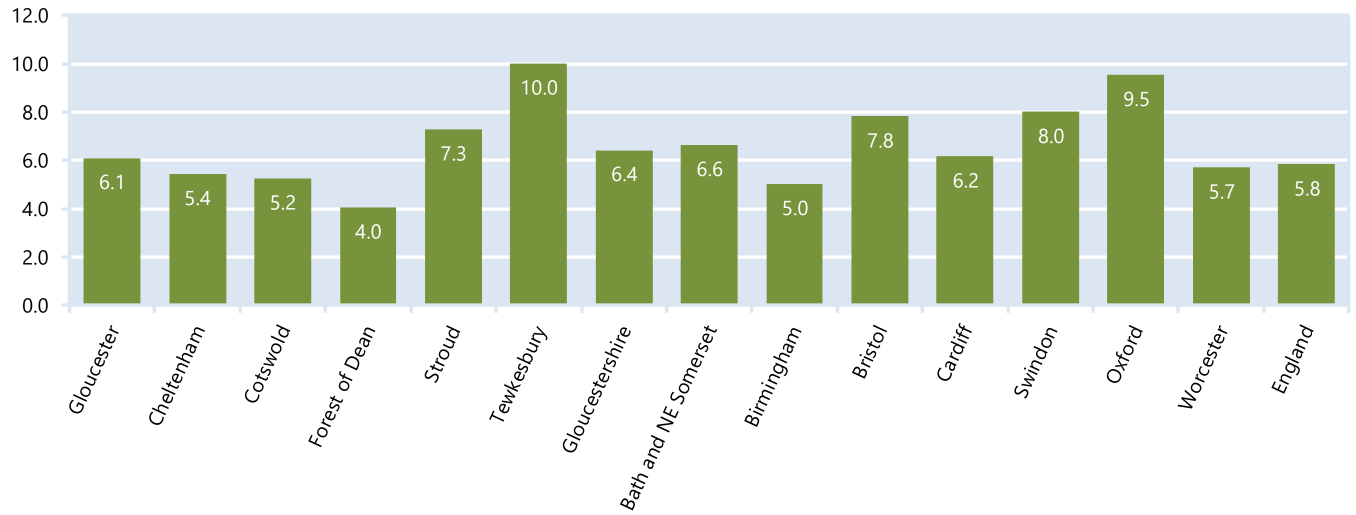
County-wide, the share of science, engineering and technology professional and associate professionals was high (6.1 per cent), with the highest rates in Tewkesbury (10.0 per cent) and Stroud (7.3 per cent).

THE PRESENCE OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS PROFESSIONALS IS LOWER THAN AVERAGE IN GLOUCESTER

There is a lower presence of information technology and telecommunications professionals in the district compared to the national average. Information technology and telecommunications professionals represented 30.8 per cent of all science, engineering and technology professionals and associate professionals – higher than across England (38.1 per cent) and all neighbouring and comparator areas. Information technology and telecommunications professionals also represented 1.9 per cent of the total workforce in Gloucester (**Figure 2.14**), lower than the England and Gloucestershire averages (2.2 and 2.3 per cent).

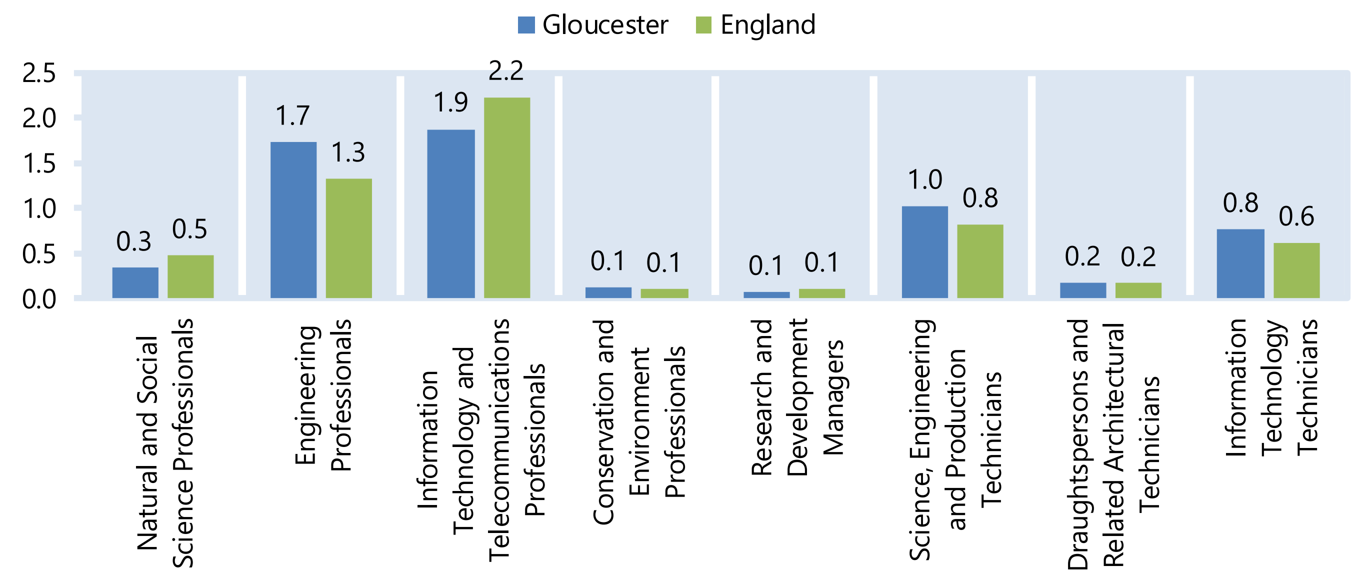
In Tewkesbury, the strong presence of science, engineering and technology professionals and associate professionals is boosted by high percentages of information technology and telecommunications professionals (3.7 per cent of all workers compared to 2.2 per cent across England) engineering professionals (3.2 per cent of all workers compared to 1.3 per cent across England), and science, engineering and production technicians (1.7 per cent compared to 0.8 per cent across England).

FIGURE 2.13: SHARE OF WORKING RESIDENTS IN SCIENCE, ENGINEERING AND TECHNOLOGY OCCUPATIONS IN 2011



Source: 2011 Census, Office for National Statistics.

FIGURE 2.14: SCIENCE AND TECHNOLOGY WORKERS BY TYPE AS A SHARE OF ALL WORKERS



Source: 2011 Census, Office for National Statistics.

JOBS AND EMPLOYMENT BY INDUSTRY

THE HIGHEST LEVELS OF EMPLOYMENT IN GLOUCESTER ARE FOUND IN HEALTH, RETAIL AND BUSINESS ADMINISTRATION & SUPPORT SERVICES

In 2015, the largest employment sectors in Gloucester were Health and social care (14,400 employees, or 23.0 per cent of all employees), Retail (10,200 employees, 16.1 per cent) and Education (4,600 employees, 7.4 per cent), as detailed in Figure 2.15. These were closely followed by Manufacturing (4,400 employees, 6.9 per cent of the total) and Administrative and support services (4,100, 6.6 per cent).

These sectors in Gloucester are significant to the County-wide economy: employment in the Heath, Financial and insurance services, and Electricity, gas, steam and air conditioning supply make up 36.4 per cent, 33.8 per cent and 71.6 per cent of all employment in these sectors in Gloucestershire.

Within Health, the largest employment sub-sector was Hospital Activities (6,900 employees).

Within Retail, the largest employment sub-sectors were Retail Sale in Non-Specialised Stores with Food, Beverages or Tobacco Predominating (2,900 employees).

Within Business administration and support services, the largest employment sub-sectors in Gloucester were Temporary employment agencies, employing 1,600.

In Manufacturing, the largest subsectors were

- Repair of electronic and optical equipment (employing 400)
- Manufacture of medical and dental instruments and supplies (employing 400)
- Manufacture of ice cream (employing 400)

FIGURE 2.15: TOTAL EMPLOYMENT IN EACH INDUSTRY / SECTOR IN GLOUCESTER IN 2015

Source: Business Register Employment Survey, Office for National Statistics.

THE HIGHEST LEVELS OF EMPLOYMENT IN GLOUCESTERSHIRE ARE FOUND IN HEALTH, MANUFACTURING, AND RETAIL

Across Gloucestershire, the largest employment sectors in 2014 were Health (14.1 per cent), Retail (15.7 per cent) and Manufacturing (12.1 per cent of all employees).

Within Health, the largest employment sub-sector was Hospital Activities (14,500). Within Retail, the largest employment sub-sector was Retail Sale in Non-Specialised Stores with Food, Beverages or Tobacco predominating (10,400 employees).

Within Manufacturing, the largest employment sub-sectors were Manufacture of Air and Spacecraft and Related Machinery (4,400), Manufacture of Instruments and Appliances for Measuring, Testing and Navigation (2,800 employees), and Machining (1,600).

At district level, the largest sectors (at least 10 per cent of all employees) were:

- Manufacturing in Tewkesbury (21.3 per cent), Stroud (20.8 per cent), and Forest of Dean (17.9 per cent)
- Wholesale and retail in Cotswold (18.9 per cent), Gloucester (16.1 per cent) and Cheltenham (15.8 per cent)
- Accommodation & Food Services in Cotswold (12.5 per cent)
- Business Administration & Support Services in Cheltenham (12.1 per cent)
- Public Administration & Defence in Cheltenham (9.8 per cent)
- Education in Forest of Dean (11.6 per cent), Cotswold (10.3 per cent) and Cheltenham (9.7 per cent)
- Health in Gloucester (23.0 per cent), Forest of Dean (14.9 per cent), Cheltenham (13.9 per cent) and Stroud (11.5 per cent).

At detailed sector level, the following sectors make up more than 5 per cent of all employment in each district:

- Gloucester: Hospital Activities (10.9 per cent)
- Cheltenham: Defence Activities (8.7 per cent), Hospital Activities (7.5 per cent)
- Forest of Dean: Primary Education (5.4 per cent)
- Stroud: Manufacture of Instruments and Appliances for Measuring, Testing and Navigation (5.0 per cent)
- Tewkesbury: Manufacture of air and spacecraft and related machinery (8.0 per cent)

EMPLOYMENT CHANGE

What is striking about employment change over the past 5 years (2010 to 2015) in Gloucester is that that decline or low growth has occurred in some industries where there have been significant rates of growth (or lower rates of decline) nationally:

- Manufacturing employment increased by 0.3 per cent nationally compared to a 3.6 per cent decline in Gloucester
- Wholesale and retail employment increased by 4.1 per cent nationally compared to a decline of 0.9 per cent (-100) in Gloucester
- Transport and storage employment increased by 9.9 per cent nationally compared to a decline of 12.5 per cent (-300) in Gloucester
- Accommodation and food services employment increased by 16.4 per cent nationally compared to a growth of 25.9 per cent (+700) in Gloucester
- Finance and Insurance services employment decreased by 0.8 per cent nationally compared to decline of 15.9 per cent (-600) in Gloucester
- Business administration & support services experienced 10.9 per cent (+400) growth in Gloucester compared to 19.8 per cent growth in England
- Public administration and defence; compulsory social security declined by 46.3 per cent (-3,200) in Gloucester compared to an 18.9 per cent decline in England
- Employment in Arts, entertainment, recreation and other services grew modestly in England – by 2.2 per cent, but declined by 29.2 per cent (-400) in Gloucester

Conversely growth rates have been better than the national average in the following industries:

- Electricity, gas, steam and air conditioning supply – employment growth in Gloucester of +44.2 per cent (+700) compared to 7.8 per cent nationally
- Construction declined at a lower rate in Gloucester – by 1.7 per cent, compared to a decline of 7.4 per cent nationally
- Employment in Professional, scientific and technical activities have grown by 26.2 per cent in England between 2010 and 2015, with almost double this rate

of increase – of 54.5 per cent in Gloucester (+1,300 employees)

- Health – employment increased by 20.4 per cent (+2,400) in Gloucester, compared to 8.3 per cent growth in England

Broadly similar rates of growth were apparent in both England and Gloucester in the sectors of:

- Information and communication experienced an increase of 14.2 per cent (+200), not far below growth of 17.5 per cent nationally

Figure 2.16 also includes data which has been collated for potential use classes. What is evident is that, there has been marginal change in manufacturing, warehousing, wholesale, distribution and retail jobs. Public sector office based jobs have declined markedly, and private sector office based jobs have increased.

FIGURE 2.16: EMPLOYMENT CHANGE IN GLOUCESTER AND ENGLAND BETWEEN 2010 AND 2015 BY INDUSTRY

Industry	Gloucester				Gloucestershire				England
	2010	2015	change	% change	2010	2015	change	% change	% change
Mining, quarrying & utilities	0	0	0	-	200	400	100	44.1%	2.2%
Manufacturing	4,500	4,400	-200	-3.6%	33,300	34,100	800	2.4%	0.3%
Construction	1,300	1,700	300	25.5%	1,600	2,300	700	44.2%	7.8%
Motor trades	100	100	0	-18.4%	1,300	1,600	300	21.4%	10.3%
Wholesale	2,400	2,600	200	9.4%	11,200	14,700	3,500	31.5%	6.7%
Retail	10,300	10,200	-100	-0.9%	44,400	44,100	-400	-0.8%	4.1%
Transport & storage	2,500	2,200	-300	-12.5%	9,800	9,800	-100	-0.5%	9.9%
Accommodation & food services	2,800	3,500	700	25.9%	21,600	20,400	-1,200	-5.6%	16.4%
Information & communication	1,500	1,700	200	14.2%	9,000	9,200	200	2.0%	17.5%
Financial & insurance	3,900	3,300	-600	-15.9%	10,000	9,800	-200	-2.3%	-0.8%
Property	600	800	200	34.0%	2,900	4,300	1,400	49.6%	19.3%
Professional, scientific & technical	2,400	3,600	1,300	54.4%	15,000	21,900	6,900	45.9%	26.2%
Business administration & support services	3,700	4,100	400	10.9%	15,600	20,800	5,200	33.1%	19.8%
Public administration & defence	6,800	3,700	-3,200	-46.3%	18,900	13,400	-5,400	-28.8%	-18.9%
Education	5,500	4,600	-900	-15.9%	27,000	23,300	-3,600	-13.4%	3.7%
Health	12,000	14,400	2,400	20.4%	34,800	39,700	4,900	14.0%	8.3%
Arts, entertainment, recreation & other services	1,200	900	-400	-29.2%	6,500	5,100	-1,400	-21.2%	2.2%
All industries (total)	62,900	62,900	0	0.0%	268,900	280,800	11,900	4.4%	7.7%
Industries grouped according to use classes									
Manufacturing	4,100	3,800	-300	-6.9%	32,000	32,800	800	2.5%	0.4%
Warehousing and distribution	3,900	4,000	100	2.9%	18,400	18,900	500	2.5%	10.5%
Retail	7,100	6,800	-200	-3.2%	28,200	27,400	-700	-2.6%	3.6%
Office-based (private)	11,200	12,600	1,500	13.3%	49,600	62,700	13,200	26.5%	18.9%
Office based (public administration)	6,800	3,700	-3,200	-46.3%	18,900	13,400	-5,400	-28.8%	-18.9%
Health	7,300	9,600	2,200	30.4%	18,600	21,500	3,000	16.1%	10.5%

Source: Business Register and Employment Survey, Office for National Statistics.

INDUSTRIAL SPECIALISMS

GLOUCESTER HAS A VERY HIGH CONCENTRATION OF EMPLOYMENT IN THE PRODUCTION OF ELECTRICITY

Industry employment quotients (EQs) quantify how concentrated an industry is in an area compared to the national average. EQs are calculated by comparing an industry's share of employment in a local area with its share of national employment. An EQ of 1.0 means that an industry's share of employment is the same in a local area as it is nationally. An EQ above 1.0 means that employment in an industry is more concentrated in a local area than nationally, while a EQ below 1.0 means that employment is less concentrated.

In terms of broad industrial categories, there is a major specialism in Electricity, gas, steam and air conditioning supply, which is 6.9 times more important as an employer than nationally. Following this, Human health and social work activities are 1.8 times more important and Financial and insurance activities is 1.5 times more important. The Gloucester economy is also more reliant on public administration jobs, which are 1.4 times more important than nationally. However, looking beyond the broad industrial categories is more revealing.

Employment in Electricity, gas, steam and air conditioning supply is almost eight times more concentrated in Gloucester as the national average, with an EQ of 6.9 (and employing 1,700). Within this sector, a more detailed analysis reveals the following sub-sectors to be important:

- Production of electricity: employs 1,300 in Gloucester with a EQ of 29.9. Employment has grown by 200 between 2010 and 2015
- Distribution of electricity employs 200 in Gloucester, with a EQ of 2.5

Employment in Other manufacturing is three times as concentrated in Gloucester compared to the national average. With 500 employees in 2015, the main Other manufacturing sub-sectors of importance include:

- Manufacture of medical and dental instruments and supplies, employing 400 with a EQ of 5.4. Employment has declined by 100 since 2010

Insurance, reinsurance and pension funding, except compulsory social security has a EQ of 2.6 and employs 500. Key sub-sectors include:

- Non-life insurance, with a EQ of 3.6 and employing 500 in total. Employment has declined by 400 since 2010

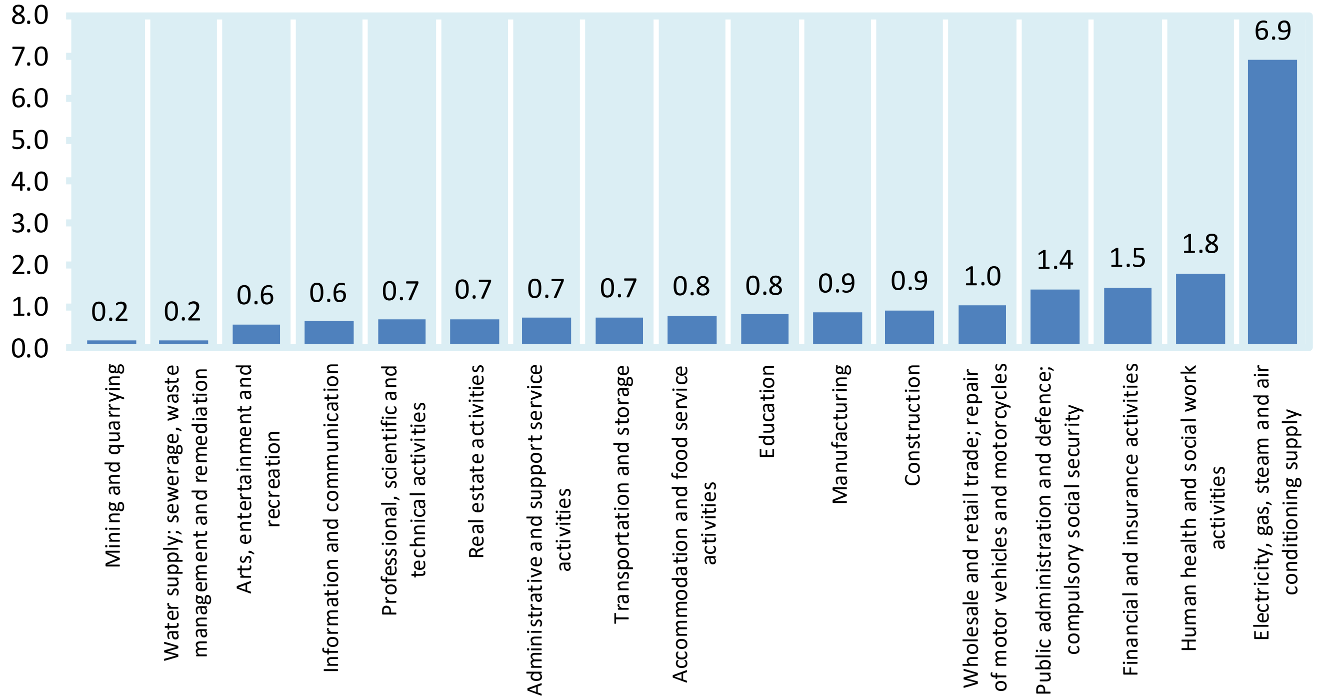
Human health activities have a EQ of 2.1 and employs 9,500. Important sub-sectors include:

- Hospital activities have a EQ of 2.4 and employ 6,900. Employment has grown by 800 (+13.7 per cent) since 2010
- General medical practice activities employ 500. Employment has grown by 100 since 2010
- Other human health activities have a EQ of 2.1 and employ 1,800 employees. Employment has grown by 1,300 since 2010

Lower concentrations of employment compared to nationally are found in Gloucester in the following industries:

- Information & communication EQ of 0.6, employing 1,700
- Arts, entertainment & recreation, EQ of 0.6, employing 900
- Professional, scientific & technical, EQ of 0.7, employing 3,600
- Transport & storage (including postal), EQ of 0.7, employing 2,200
- Administrative and support services, EQ of 0.7, employing 4,100
- Accommodation & food services EQ of 0.8, employing 3,500

FIGURE 2.17: EMPLOYMENT QUOTIENTS (EQ) FOR EMPLOYMENT BY SECTOR IN GLOUCESTER, 2015



Source: Business Register Employment Survey, Office for National Statistics. Where EQ = 1.0, each industry has the same share of employment in Cheltenham as nationally. Where EQ = 2.0, the share of employment is twice the national level.

FIGURE 2.18: DETAILED INDUSTRY CLASSIFICATIONS WHERE GLOUCESTER HAS A SIGNIFICANT SPECIALISM, 2015

Industry category	Employment Quotient (EQ)	Total employment in 2015	Employment change 2010-2015
10520 : Manufacture of ice cream	47.1	400	-100
33130 : Repair of electronic and optical equipment	45.4	400	200
35110 : Production of electricity	29.9	1,300	200
32500 : Manufacture of medical and dental instruments and supplies	5.4	400	-100
35220 : Distribution of gaseous fuels through mains	4.0	100	0
65120 : Non-life insurance	3.6	500	-400
58190 : Other publishing activities	3.6	200	0
25610 : Treatment and coating of metals	3.3	200	0
45190 : Sale of other motor vehicles	3.2	100	0
75000 : Veterinary activities	3.1	400	200
22210 : Manufacture of plastic plates, sheets, tubes and profiles	2.9	200	100
21200 : Manufacture of pharmaceutical preparations	2.7	200	0
94120 : Activities of professional membership organisations	2.6	200	100
64191 : Banks	2.5	2,100	200
35130 : Distribution of electricity	2.5	200	100
43220 : Plumbing, heat and air-conditioning installation	2.5	700	300
86101 : Hospital activities	2.4	6,900	800
94910 : Activities of religious organisations	2.2	300	0
86900 : Other human health activities	2.1	1,800	1,300
84300 : Compulsory social security activities	2.1	200	-100
45111 : Sale of new cars and light motor vehicles	2.1	600	0
49100 : Passenger rail transport, interurban	2.0	200	0
87900 : Other residential care activities	2.0	1,100	600
47540 : Retail sale of electrical household appliances in specialised stores	1.8	200	0
66220 : Activities of insurance agents and brokers	1.8	500	-200
49319 : Urban, suburban or metropolitan area passenger land transport other than railway transportation by underground, metro and similar systems	1.7	400	100
84240 : Public order and safety activities	1.7	900	-300
88990 : Other social work activities without accommodation nec	1.7	1,500	-1,000
61900 : Other telecommunications activities	1.7	600	100
84110 : General public administration activities	1.7	2,200	-1,900
53202 : Unlicensed Carriers	1.7	300	0
47640 : Retail sale of sporting equipment in specialised stores	1.6	200	0
84250 : Fire service activities	1.6	200	-100
71111 : Architectural activities	1.5	200	100
43210 : Electrical installation	1.5	600	100
47599 : Retail sale of furniture, lighting equipment and other household articles (other than musical instruments) nec	1.5	300	0
71129 : Other engineering activities (not including engineering design for industrial process and production or engineering related scientific and technical consulting activities)	1.5	800	200
43320 : Joinery installation	1.4	200	100
47520 : Retail sale of hardware, paints and glass in specialised stores	1.4	300	-100
85320 : Technical and vocational secondary education	1.4	600	-300
52219 : Other service activities incidental to land transportation, nec (not including operation of rail freight terminals, passenger facilities at railway stations or passenger facilities at bus and coach stations)	1.4	200	200
68201 : Renting and operating of Housing Association real estate	1.4	300	100
56102 : Unlicensed restaurants and cafes	1.3	800	300

FIGURE 2.18 (CONTINUED): DETAILED INDUSTRY CLASSIFICATIONS WHERE GLOUCESTER HAS A SIGNIFICANT SPECIALISM, 2014

Industry category	Employment Quotient (EQ)	Total employment in 2015	Employment change 2010-2015
47110 : Retail sale in non-specialised stores with food, beverages or tobacco predominating	1.3	2,900	100
87300 : Residential care activities for the elderly and disabled	1.3	700	0
71122 : Engineering related scientific and technical consulting activities	1.3	200	0
29320 : Manufacture of other parts and accessories for motor vehicles	1.3	200	100
84110 : General public administration activities	1.7	2,200	-1,900
53202 : Unlicensed Carriers	1.7	300	0
47640 : Retail sale of sporting equipment in specialised stores	1.6	200	0
84250 : Fire service activities	1.6	200	-100
71111 : Architectural activities	1.5	200	100
43210 : Electrical installation	1.5	600	100

Source: Business Register and Employment Survey, Office for National Statistics. Note: EQs represent an index of how important each industry is in terms of their share of local employment compared to nationally.

EMPLOYMENT TRENDS BY INDUSTRY IN GLOUCESTER

EMPLOYMENT IN HUMAN HEALTH ACTIVITIES, RESIDENTIAL CARE, AND ELECTRICITY, GAS AND AIR CONDITINING SERVICES HAVE INCREASED SIGNIFICANTLY IN GLOUCESTER AND GROWTH IS LINKED TO GLOUCESTER'S SECTOR SPECIALISMS

Appraising the top 10 industrial sectors with the highest rates of employment growth (Figure 2.19), between 2010 and 2015, employment in Gloucester grew strongly in Human health activities (+2,200 employees), Residential care activities (+800), and Electricity, gas and air conditioning services (+300). These are all sectors with specific specialisms in Gloucester (i.e. high employment quotients).

The increase of employment in Human health activities was almost entirely driven by Hospital activities and other human health activities.

The increase of employment in Electricity, gas and air conditioning services was almost entirely driven by the subsector of Production of electricity.

Other growing sectors with specific specialisms in Gloucester were Specialised construction activities (+700, EQ of 1.2), and Architectural and engineering activities (+300, EQ of 1.2).

Growing sectors where the share of local employment was not greater than nationally were:

- Food and beverage service activities (+700 employee jobs)
- Activities of head offices; management consultancy activities (+600)
- Computer programme, consultancy and related activities (+200)

EMPLOYMENT IN PUBLIC ADMINISTRATION, EDUCATION, INSURANCE, REINSURANCE AND PENSION FUNDING HAVE DECLINED SIGNIFICANTLY IN GLOUCESTER

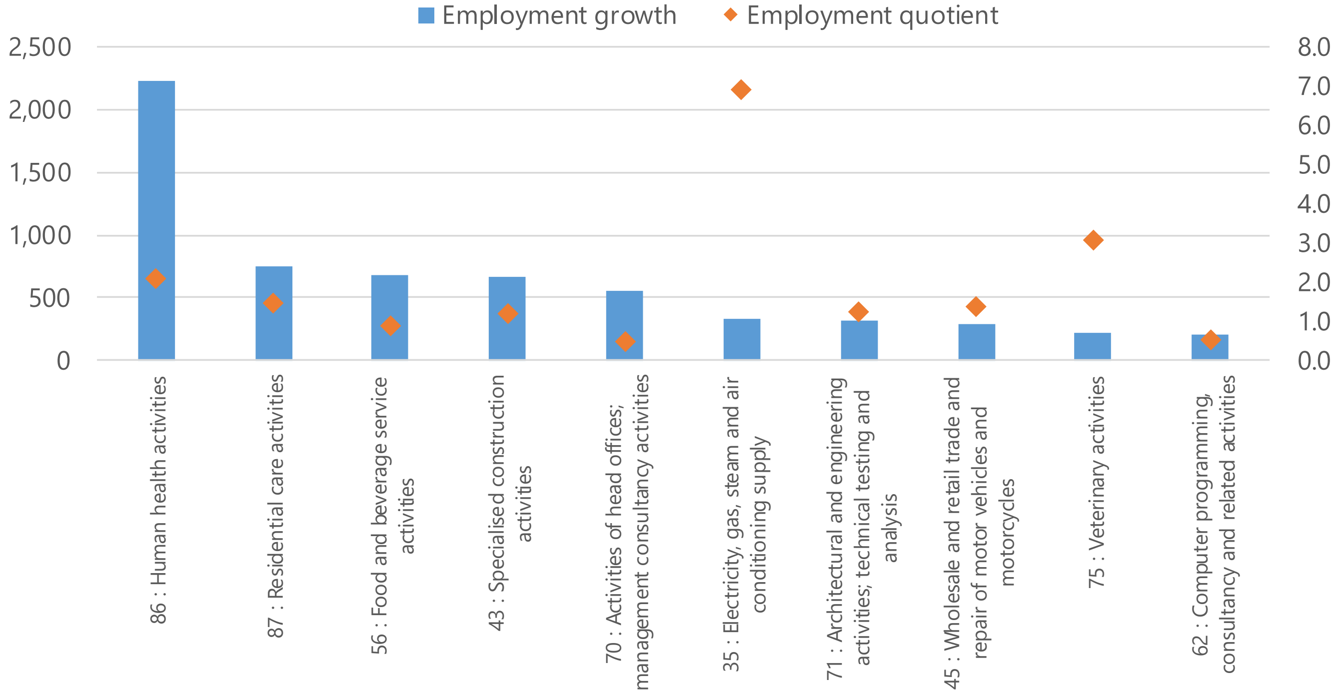
As detailed in Figure 2.20, the ten sectors with the largest falls in employment between 2010 and 2010 were a mix of sectors in terms of the rate of specialisation within Gloucester.

The largest fall in employment (-3,200) was recorded in Public Administration and defence; compulsory social security, which also has a higher than average representation (an EQ of 1.4).

The Education sector, which has a lower than average representation (with an EQ of 0.8) in the Gloucester economy, declined by 900 employee jobs. The next largest fall was in Insurance, reinsurance and pension funding (-600) with a significant level of specialisation in Gloucester (EQ of 2.6).

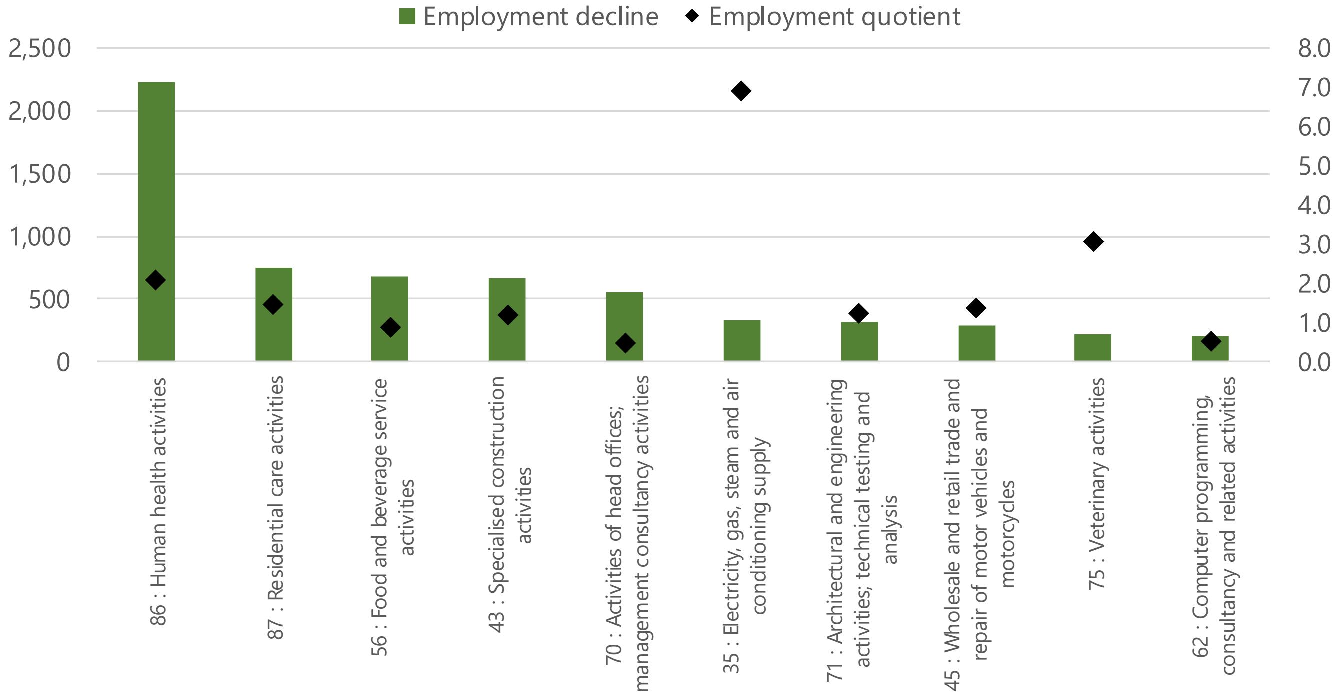
Social work lost 500 employee jobs between 2010 and 2015. With an EQ of 1.4, this sector is more represented in the local economy than the national average.

FIGURE 2.19: EMPLOYMENT CHANGE IN GLOUCESTER 2010 TO 2015 – TOP 10 FASTEST GROWING SECTORS



Source: Business Register and Employment Survey, Office for National Statistics.

FIGURE 2.20: EMPLOYMENT CHANGE IN GLOUCESTER 2010 TO 2015 – 10 SECTORS WITH LARGEST DECLINE



Source: Business Register and Employment Survey, Office for National Statistics.

FORECASTS OF EMPLOYMENT CHANGE BY INDUSTRY

ACROSS CHELTENHAM, GLOUCESTER AND TEWSKESBURY, A LARGE INCREASE IN HEALTH EMPLOYMENT IS FORECAST ALONGSIDE A DECLINE IN PRODUCTION EMPLOYMENT

Between 2011 and 2031, an average of forecasts by Cambridge Econometrics, Experian and Oxford Economics suggests there will be a large increase in Health employment between 2011 and 2031 (+4,800), followed by an increase in Business Administration & Support Services and Professional, Scientific & Technical employment (+800, Figure 6.1). Production employment is expected to decline by 1,300 while Public Administration & Defence employment is forecast to fall by 1,200 over this period.

As mentioned, these forecasts are very dated and do not reflect the post-EU referendum world. In addition, such is the forecasters variation in sector employment forecasts between the three forecasts – little reliability can be placed on them.

THERE IS LITTLE RELIABILITY IN THE SECTOR FORECASTS FROM ALL FORECASTING COMPANIES FOR LOCAL AUTHORITY DISTRICTS AND BOROUGHS

In some instances, however, forecasts produced by these three companies do vary quite significantly. In terms of Health, all three expect an increase in employment in Gloucester, but this ranges from +1,700 to +8,100. Forecasts of employment growth in the Professional, scientific and technical industries range from +500 be Experian to 3,400 by Oxford Economics.

FIGURE 2.21: AVERAGE FORECAST EMPLOYMENT CHANGE BY SECTOR USING THREE FORECASTS (CAMBRIDGE ECONOMETRICS, EXPERIAN, OXFORD ECONOMICS)

Sector/industry	Cheltenham	Gloucester	Tewkesbury
Health	3,700	4,800	1,400
Business administration & support services	2,300	800	1,100
Professional, scientific & technical	1,900	600	1,100
Wholesale & Retail	1,400	600	1,100
Accommodation & food services	1,300	600	800
Information & communication	1,000	600	800
Financial & insurance	800	400	700
Property	700	400	600
Construction	500	400	500
Arts, entertainment, recreation & other services	500	300	300
Education	200	300	200
Transport & storage	0	100	100
Agriculture, forestry & fishing	-100	-100	100
Public administration & defence	-600	-1,200	-300
Production	-1,000	-1,300	-1,100

Source: Cambridge Econometrics, Oxford Economics and Experian forecasts commissioned in 2014 for JCS.

SIZE AND COMPOSITION OF BUSINESS BASE

WITH 3,425 ENTERPRISES, GLOUCESTER HAS EXPERIENCED A GROWTH IN ITS BUSINESS BASE OVER THE PAST 5 YEARS, ALTHOUGH AT A SLOWER RATE COMPARED TO NATIONALLY

In 2015, there were 3,425 enterprises in Gloucester and 4,520 local units (which includes separate branches of businesses and organisations with their own premises).

Between 2010 and 2015, the number of businesses and branches in Gloucester increased by 290. This represents a growth of 6.9 per cent compared to 14.0 per cent nationally. Within this overall total in Gloucester, there has been marked change (Figure 2.22) in the sectors of:

- Finance and insurance (-170)
- Information and communication (+130)
- Professional, scientific and technical (+125)
- Construction (+50)
- Business administration & support services (+45)
- Accommodation and food services (+45)

Overall, within Gloucester most of the increase of 290 enterprises and branches between 2010 and 2015 was due to an increase of 310 of enterprises and units with between 0-9 employees. Over this period, there were 20 fewer enterprises and branches employing between 49 and 250.

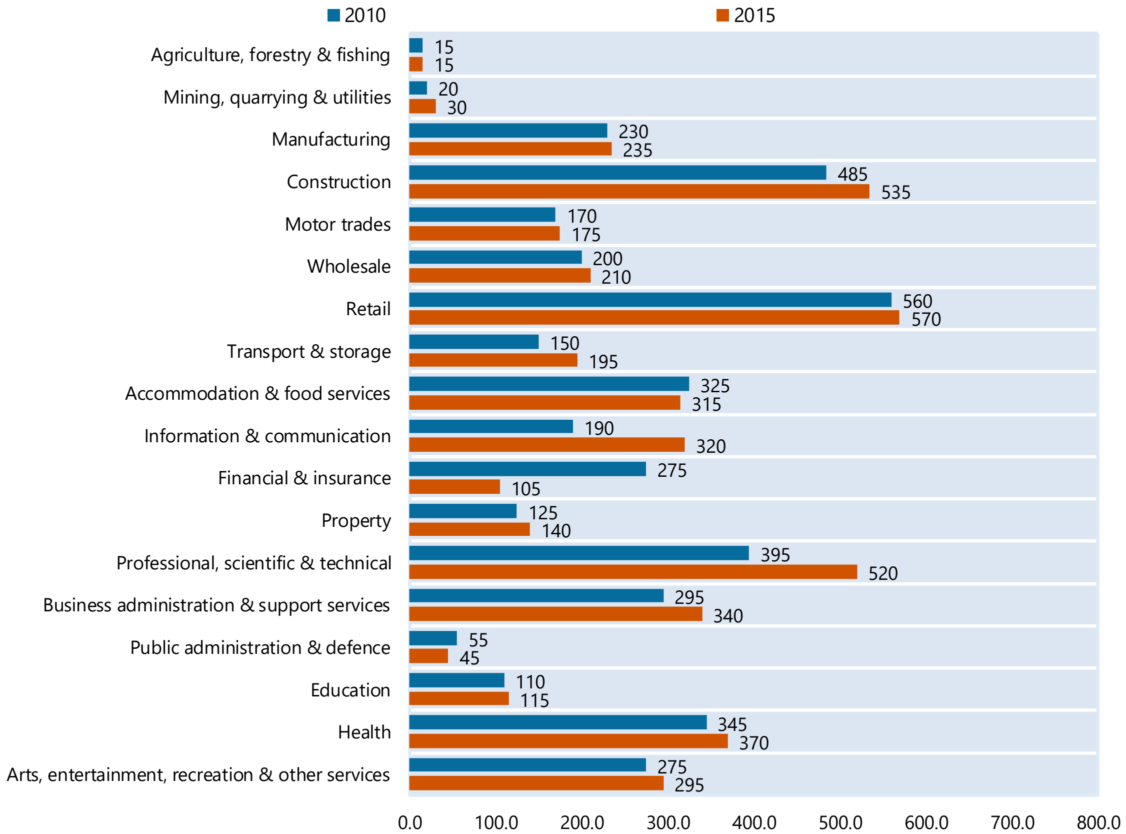
THERE HAS BEEN A DECLINE IN THE NUMBER OF ENTERPRISES IN FINANCE AND INSURANCE AND AN INCRASE IN INFORMATION AND COMMUNICATION, PROFESSIONAL SCIENTIFIC AND TECHNICAL ACTIVITIES

Data from Figure 2.23 shows the number of businesses and branches (termed 'local units') in Gloucester by industry and employment sizeband. There have been noticeable trends in terms of the employee size of enterprises and branches:

- Within the overall decline of 170 enterprises and branches in Financial & insurance sectors, the reduction was most significant in micro-businesses (0-9 employees) – reduced by 135 between 2010 and 2015. Small (10-49) and medium (50-249) businesses also decreased, whilst the number of large (250+) businesses increased slightly.
- Accommodation & food services experienced a reduction in micro-businesses (0-9) but an increase in the number of Small (10-49) and Medium sized (50-249) businesses.

Nearly all of the increase in businesses and branches in Construction, Information & communication, Professional, scientific & technical, and Business administration & support services industries is accounted for by micro-businesses (0-9 employees).

FIGURE 2.22: LOCAL UNITS (ENTERPRISES PLUS BRANCHES) BY INDUSTRY IN GLOUCESTER



Source: UK Business Counts, Office for National Statistics

FIGURE 2.23: EMPLOYMENT SIZEBANDS OF LOCAL UNITS (ENTERPRISES PLUS BRANCHES) IN GLOUCESTER

	2015				**Change 2010-2015**			
Gloucester	**Micro (0 to 9)**	**Small (10 to 49)**	**Medium-sized (50 to 249)**	**Large (250+)**	**Micro (0 to 9)**	**Small (10 to 49)**	**Medium-sized (50 to 249)**	**Large (250+)**
Agriculture, forestry & fishing	15	0	0	0	0	0	0	0
Mining, quarrying & utilities	20	5	0	0	10	0	0	0
Manufacturing	150	65	20	0	5	5	-5	0
Construction	490	35	10	0	50	-5	5	0
Motor trades	150	20	5	0	5	0	0	0
Wholesale	155	50	5	0	10	0	0	0
Retail	430	120	20	5	-5	15	5	0
Transport & storage	160	20	10	0	40	5	0	0
Accommodation & food services	215	90	10	0	-30	15	5	0
Information & communication	290	20	5	0	120	10	-5	0
Financial & insurance	70	25	5	5	-135	-30	-5	5
Property	120	10	5	0	10	0	0	0
Professional, scientific & technical	465	40	15	0	125	-5	5	0
Business administration & support services	265	45	25	0	40	-5	5	0
Public administration & defence	20	15	5	5	5	0	-15	0
Education	50	40	20	5	5	5	-5	0
Health	190	145	30	5	20	5	0	0
Arts, entertainment, recreation & other services	255	40	5	0	35	-5	-5	0
Column Total	**3,520**	**785**	**190**	**25**	310	5	-20	0

Source: UK Business Counts, Office for National Statistics.

3. PEOPLE

COMMUTING

IN 2011, 55,500 PEOPLE WORKED IN GLOUCESTER, INCLUDING 29,400 RESIDENTS AND 26,100 IN-COMMUTERS

In 2011, 52,900 workers lived in Gloucester while 55,500 people worked in Gloucester. Other key commuting data is presented in Figure 3.1 and Figure 3.2 and is summarised as follows:

- 29,400 people lived and worked in Gloucester (i.e. 53 per cent of all workers living in Gloucester stayed in the city to work)
- 26,100 people commuted into Gloucester to work (i.e. 47 per cent of all people working in Gloucester commuted into the district to work)
- 23,500 people lived in Gloucester but worked elsewhere (i.e. 44 per cent of all workers living in Gloucester commuted elsewhere to work)

20,200 IN-COMMUTERS COME FROM OTHER GLOUCESTERSHIRE DISTRICTS

Of those commuting into the district, 76 per cent (20,200) commuted in from other Gloucestershire districts. Other districts outside of Gloucestershire with sizeable numbers of in-commuters to Gloucester included Herefordshire (800), South Gloucestershire (700), Bristol (500) and Wychavon (400).

18,900 GLOUCESTER RESIDENTS OUT-COMMUTE TO OTHER DISTRICTS IN GLOUCESTERSHIRE

Of those 23,500 people living in Gloucester but working elsewhere, 80 per cent (18,900) commuted to other Gloucestershire districts. Other districts with a sizeable number of Gloucester residents worked included South Gloucestershire (800) and Bristol (600).

FIGURE 3.1: WORKERS IN GLOUCESTER BY PLACE OF RESIDENCE

Place of residence	**Number who work in Gloucester**
Gloucester	29,400
Stroud	5,500
Tewkesbury	5,500
Cheltenham	4,500
Forest of Dean	4,000
Herefordshire, County of	800
Cotswold	800
South Gloucestershire	700
Bristol	500
Wychavon	400
Malvern Hills	300
Worcester	300
Swindon	200
Wiltshire	200
North Somerset	200
Birmingham	100
Oxfordshire	100
Total workers in Gloucester	55,500

Source: 2011 Census, Office for National Statistics.

FIGURE 3.2: WHERE GLOUCESTER RESIDENTS WORK

Workplace	**Number of Gloucester residents**
Gloucester	29,400
Tewkesbury	7,100
Cheltenham	**5,100**
Stroud	4,700
Forest of Dean	1,100
Cotswold	900
South Gloucestershire	800
Bristol	600
Swindon	300
London	300
Rest of South East	200
Herefordshire, County of	200
Wychavon	200
Total Gloucester residents in work	52,900

Source: 2011 Census, Office for National Statistics.

HEADLINE LABOUR MARKET TRENDS

HIGH PERCENTAGES OF WORKING AGE PEOPLE LIVING IN GLOUCESTER ARE ECONOMICALLY ACTIVE AND EMPLOYED

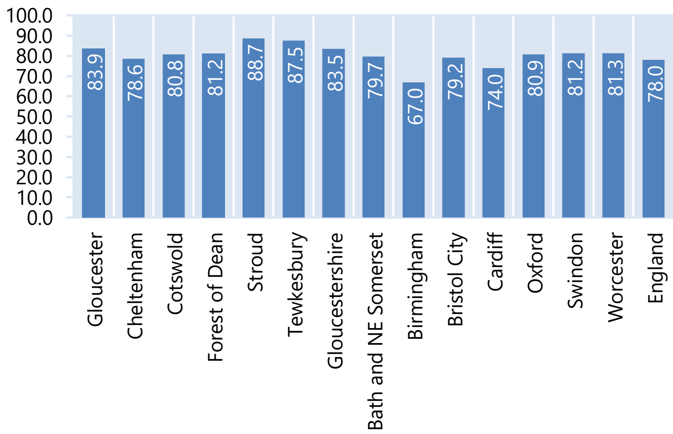
In March 2016, 83.9 per cent of working age people living in Gloucester were economically active, i.e. either in work (employed) or actively looking for work (unemployed), as detailed in **Figure 3.3**. This was similar to the Gloucestershire rate (83.5 per cent) and higher than the England average (78.0 per cent). 77.5 per cent of working age people were also in employment – higher than the England average (73.9 per cent) but lower than across Gloucestershire (79.9 per cent), as detailed in **Figure 3.4**.

PARTICIPATION IN WORK HAS RECOVERED FROM THE 2009 RECESSION

Between June 2008 and June 2013, the percentages of working age people who were economically active and employed fell in Gloucester (**Figures 5.5 and 5.6**). Economic activity fell from 83.0 per cent in October 2007 to September 2008 to 76.1 per cent in July 2008 to June 2009. During this period the employment rate fell from 79.6 per cent to 72.3 per cent. Both recovered to pre-recession levels by October 2014 to September 2015.

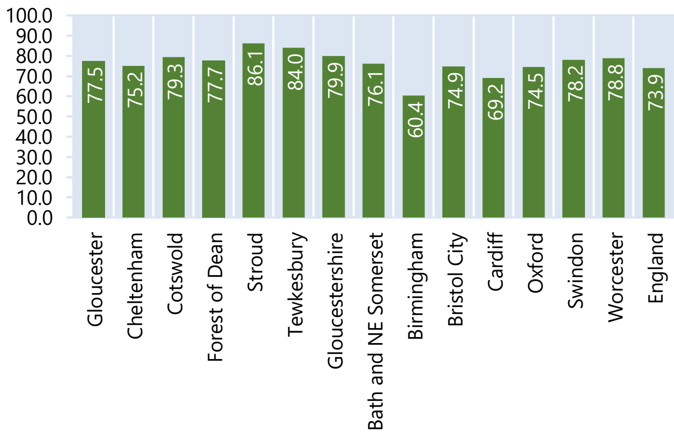
These trends were not mirrored across Gloucestershire, where there was a fall in work participation between June 2008 and 2009 and a rise in each subsequent year. Nationally, economic activity rates fell for three years (2008-2011) while employment rates fell for two years (2008-2010) before beginning to recover.

FIGURE 3.3: ECONOMIC ACTIVITY RATE IN MARCH 2016



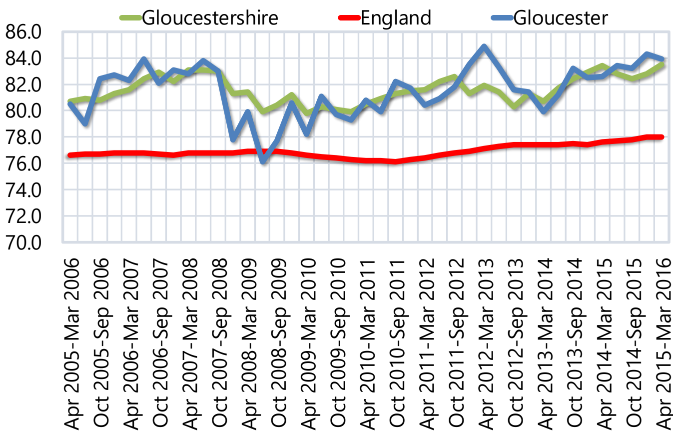
Source: Annual Population Survey, Office for National Statistics.

FIGURE 3.4: EMPLOYMENT RATE IN MARCH 2016



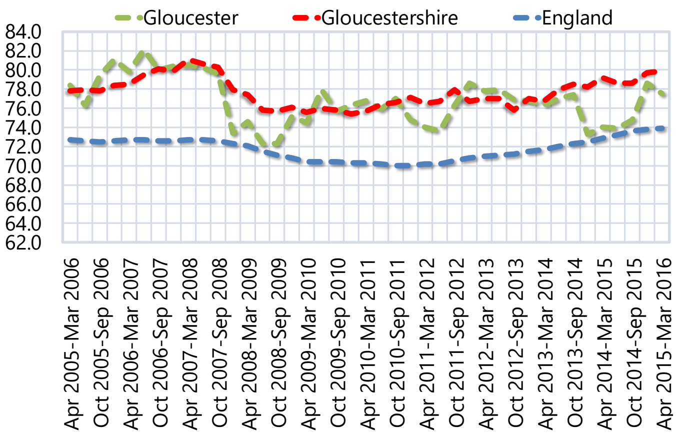
Source: Annual Population Survey, Office for National Statistics.

FIGURE 3.5: ECONOMIC ACTIVITY RATE 2006 TO 2016



Source: Annual Population Survey, Office for National Statistics.

FIGURE 3.6: EMPLOYMENT RATE 2006 TO 2016



Source: Annual Population Survey, Office for National Statistics.

GLOUCESTER'S RATE OF ECONOMIC INACTIVITY IS LOWER THAN THE NATIONAL AVERAGE

There are now (April 2015 – March 2015) 12,800 Gloucester residents of working-age who are inactive – neither in employment nor actively seeking work. This represents 16.1 per cent of the working-age population, lower than the national average of 22.0 per cent. Of these, 5,200 inactive Gloucester residents want a job. They may not be classified as officially unemployed due to reasons of active job seeking and availability to start work in the next two weeks.

HIDDEN UNEMPLOYMENT HAS RISEN OVER THE PAST THREE YEARS

In March 2016, two out of five (40.7 per cent) of economically inactive people in Gloucester wanted a job – much higher than in March 2006 (26.8 per cent), and higher than the current national average (24.5 per cent). The number of inactive working-age residents who want a job has risen by 2,600 over the past three years.

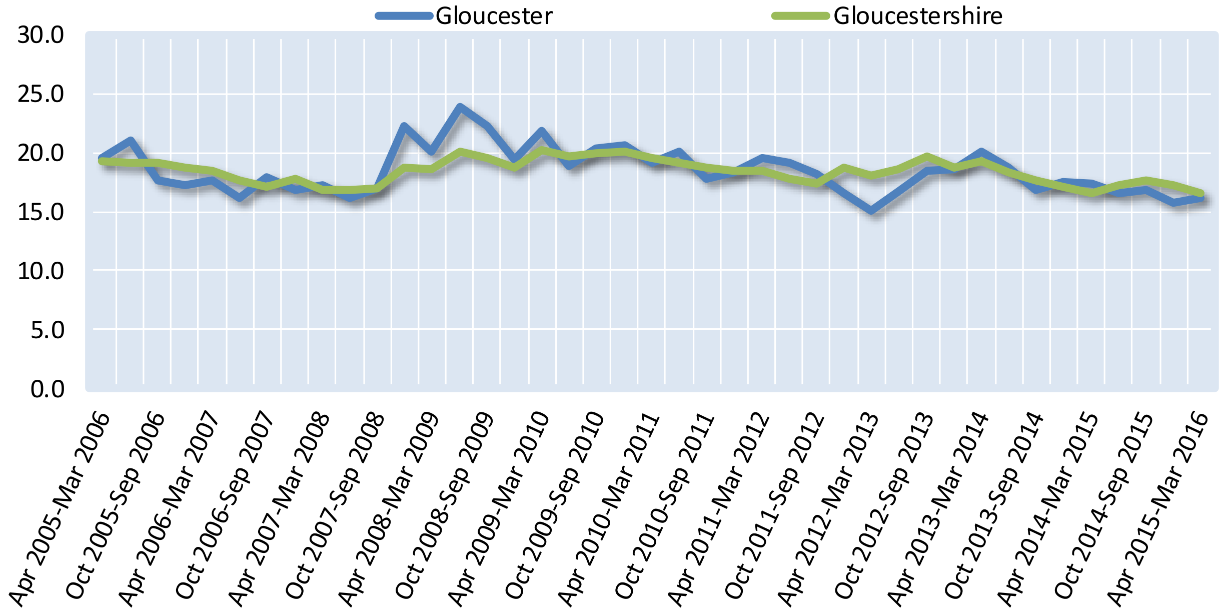
THE OFFICIAL UNEMPLOYMENT RATE WAS 7.7 PER CENT IN 2016

It is estimated that there were 5,100 working-age residents classified as officially unemployed in 2016, representing an official unemployment rate of 7.7 per cent. This is higher than the county rate of 4.4 per cent, and the national rate of 5.2 per cent. The definition of official unemployment represents those who are out of work, want a job, have actively sought work in the previous four weeks and are available to start work within the next fortnight; or out of work and have accepted a job that they are waiting to start in the next fortnight.

BROADER WORKLESSNESS (INCLUDING THOSE OFFICIALLY UNEMPLOYED AND THOSE INACTIVE BUT WHO WANT TO WORK) HAS INCREASED IN RECENT YEARS

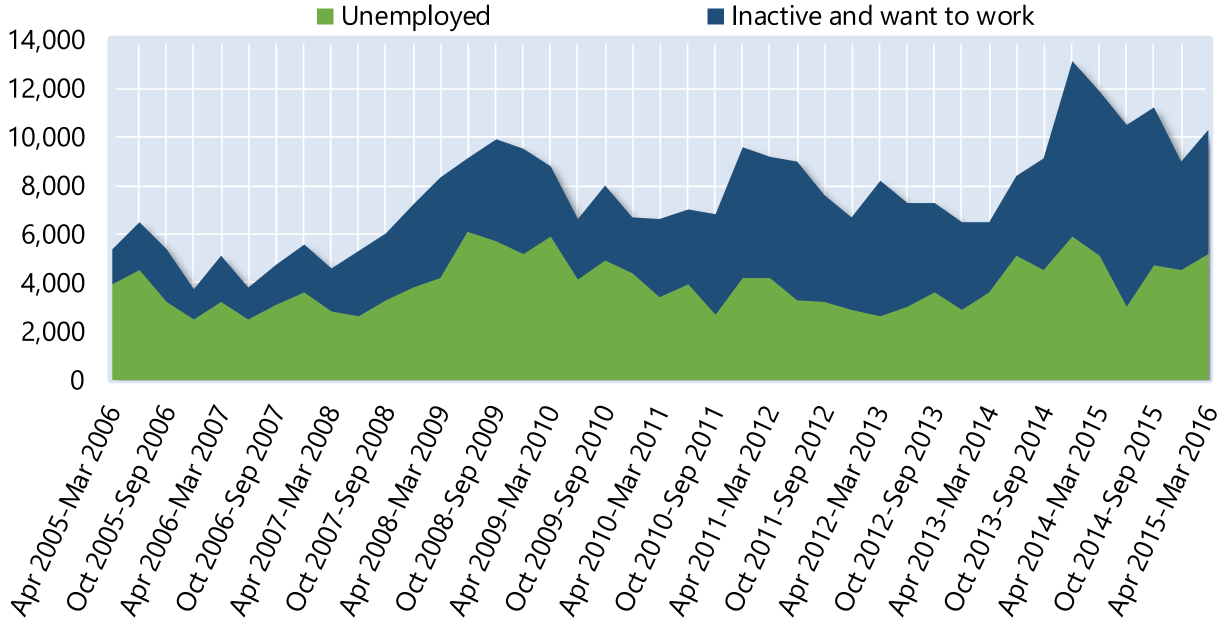
Total 'involuntary worklessness' comprises the those classed as officially unemployed (5,100 residents) and the inactive who want to work (5,200 residents). Thus, the involuntary worklessness rate is 15.4 per cent and represents a broader measure of unemployment. As can be seen in Figure 3.8, involuntary worklessness has risen in recent years.

FIGURE 3.7: PERCENTAGE SHARE OF WORKING-AGE RESIDENTS THAT ARE INACTIVE



Source: Annual Population Survey, Office for National Statistics

FIGURE 3.8: TOTAL WORKING-AGE RESIDENTS IN GLOUCESTER WHO ARE OFFICIALLY CLASSIFIED AS UNEMPLOYED AND WHO ARE INACTIVE AND WANT TO WORK (STACKED TO REPRESENT TOTAL 'INVOLUNTARY WORKLESS')



Source: Annual Population Survey, Office for National Statistics.

POPULATION

POPULATION GROWTH HAS BEEN MUCH HIGHER THAN AVERAGE IN GLOUCESTER

In 2015, according to official estimates (Office for National Statistics) 127,200 people lived in Gloucester – representing 20.6 per cent of Gloucestershire's population. Between 2005 and 2015, Gloucester's population grew by 11.7 per cent, as indicated in **Figure 3.9**. This was the highest amongst all Gloucestershire districts, and was much higher than the Gloucestershire County average growth rate (7.0 per cent), and England (8.3 per cent). Within Gloucestershire, growth ranged from 3.6 per cent in Cotswold to 11.0 per cent in Tewkesbury. Amongst the comparator areas, only Swindon (14.5 per cent) exceeded Gloucester's growth rate.

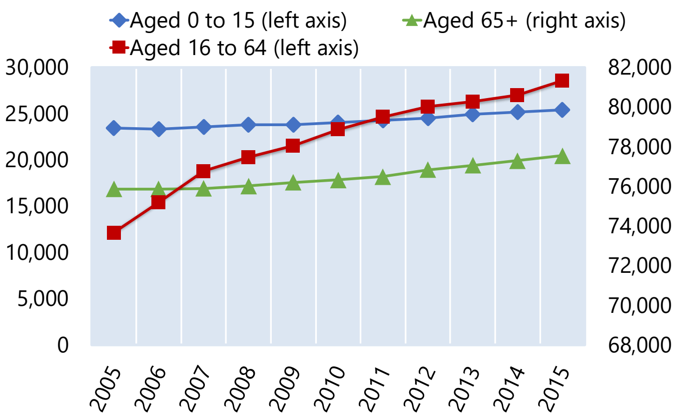
LONG-TERM GROWTH IN THE NUMBERS OF WORKING AGE PEOPLE HAS BEEN HIGHER THAN IN MOST OTHER PEER EMPLOYMENT CENTRES

In 2015, there were 81,300 people of working age living in Gloucester. These represented almost two-thirds (63.9 per cent) of Gloucester's population. This was a slightly higher share than across Gloucestershire (61.6 per cent) and similar to England (63.3 per cent) and the second highest share of the six Gloucestershire districts.

Growth in the number of working age people in Gloucester (10.4 per cent) was much higher than the Gloucestershire (3.7 per cent) and England (5.8 per cent) averages between 2005 and 2015

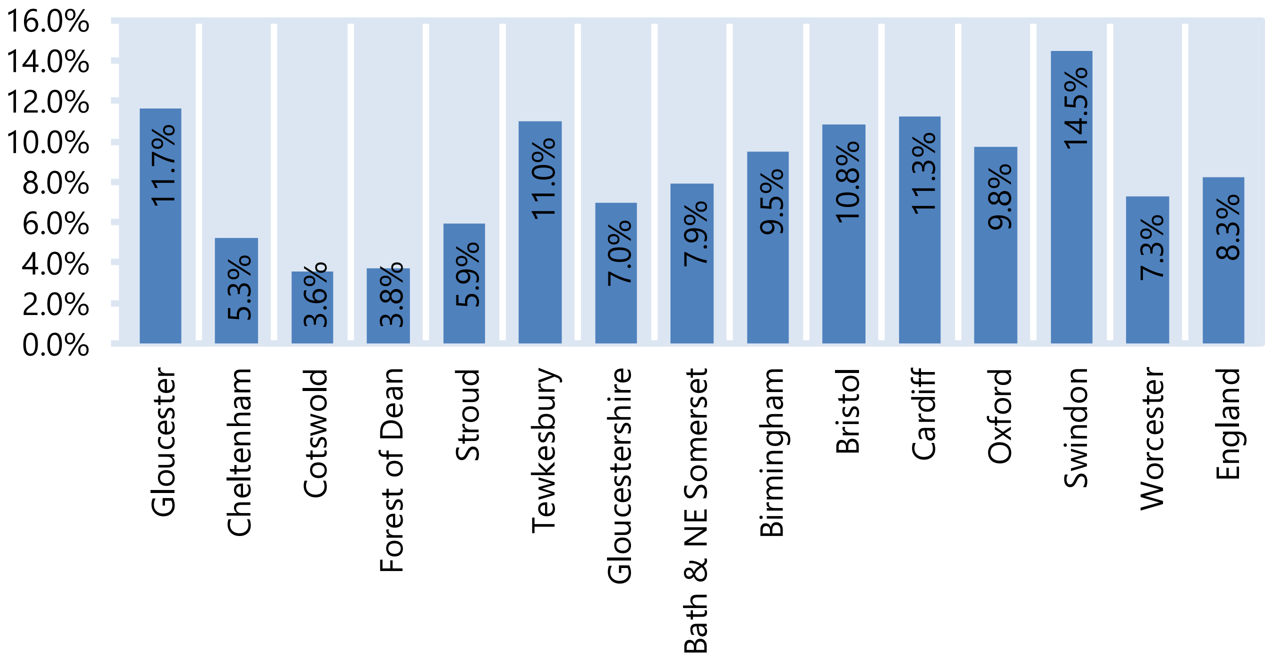
Only two other peer employment centres experienced higher rates of growth in the working-age population: Swindon (11.6 per cent) and Cardiff (11.4 per cent).

FIGURE 3.10: POPULATION BY AGE IN CHELTENHAM



Source: Mid-year Population Estimates, Office for National Statistics.

FIGURE 3.9: CHANGE IN TOTAL POPULATION 2005 TO 2015



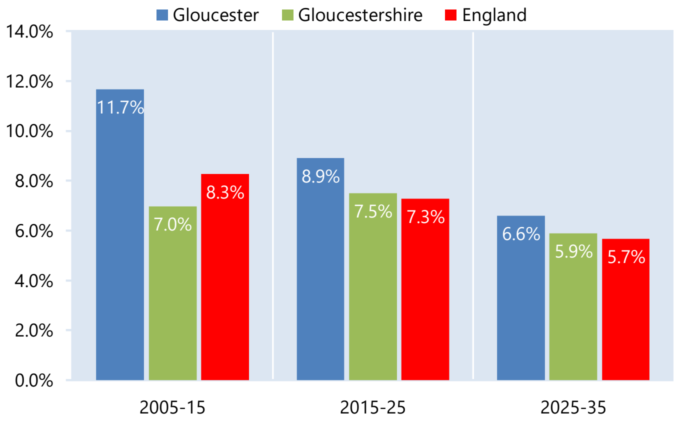
Source: Mid-year Population Estimates, Office for National Statistics.

POPULATION GROWTH SET TO ACCELERATE IN GLOUCESTER OVER THE NEXT DECADE, PARTICULARLY AMONGST THOSE OF RETIREMENT AGE

Population growth in Gloucester is expected to continue at a strong rate over the next decade, driven by growth in the number of people of retirement age. Growth in the working age population is projected to slow (**Figure 3.11**).

Between 2015 and 2025, Gloucester's population is expected to grow by 7.5 per cent, followed by growth of 6.6 per cent between 2025 and 2035. Growth over these two decades is expected to be at a similar rate to the England average.

FIGURE 3.11: ACTUAL AND PROJECTED POPULATION CHANGE BY DECADE (PERCENTAGE CHANGE)

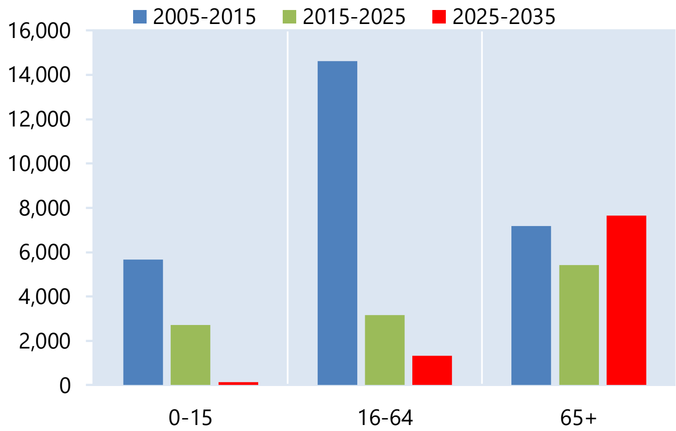


Source: Mid-year Population Estimates and Subnational Population Projections, Office for National Statistics.

Over the next 20 years, growth is expected to be strongest among those aged 65 and over as illustrated in **Figure 3.12**. Growth among young people (aged 0-15 years) is expected to accelerate during 2015-2025 and 2025-2035. The working age population is expected to continue to grow.

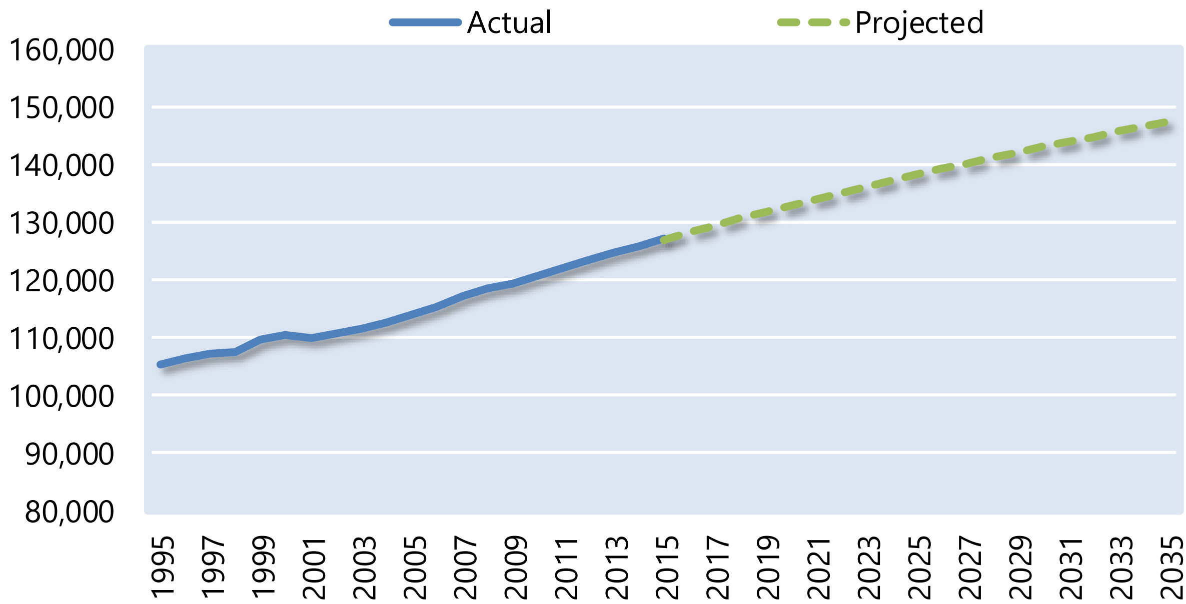
The working-age population will continue to grow, as demonstrated in **Figure 3.13**.

FIGURE 3.12: ACTUAL AND PROJECTED POPULATION CHANGE IN GLOUCESTER BY AGE GROUP (TOTAL NUMBER OF RESIDENTS)



Source: Mid-year Population Estimates and Subnational Population Projections, Office for National Statistics.

FIGURE 3.13: ACTUAL AND PROJECTED CHANGE IN TOTAL POPULATION IN GLOUCESTER



Source: Mid-year Population Estimates and Subnational Population Projections, Office for National Statistics.

BENEFIT CLAIMANTS

GLOUCESTER HAS A LOW PERCENTAGE OF PEOPLE CLAIMING UNEMPLOYMENT BENEFIT, IN LINE WITH THE NATIONAL AVERAGE

The percentage of people claiming Jobseekers Allowance (the claimant count rate) is low in Gloucester. In August 2016, 1.3 per cent of working age people living in Gloucester were claiming Jobseekers Allowance – slightly higher than across Gloucestershire (0.9 per cent) and the same as the England average (1.3 per cent). The August 2016 rate of Jobseekers' Allowance claimants is much lower than in August 2009 during the recession, when 4.2 per cent of working age residents were claimants. Claimant rates came down sharply from 3.7 per cent in 2013 to 2.5 per cent in 2014 and 1.5 per cent in 2015.

Across Gloucestershire, the percentage of unemployment benefit claimants ranged from 0.4 per cent in Cotswold 0.9 per cent in Forest of Dean. The County rate was 0.8 per cent in August 2016.

TRENDS IN NUMBERS OF UNEMPLOYMENT BENEFIT CLAIMANTS SUGGEST THAT THERE ARE FEWER LABOUR MARKET OPPORTUNITIES FOR SALES & CUSTOMER SERVICE WORKERS

In August 2016, the numbers of Jobseekers Allowance claimants living in Gloucester was highest among those previously working in Sales & Customer Service jobs. Since the onset of recession, the shares of all claimants previously working in these occupations has risen considerably – from 12 per cent of all claimants in August 2008 to 46 per cent in August 2016.

In contrast, the share of all claimants previously working in Elementary occupations has fallen (from 38 per cent of all claimants in August 2008 to 19 per cent of all claimants in August 2016).

In February 2016, 11.9 per cent of working-age residents in Gloucester claimed a DWP benefit of any kind. This compares with the Gloucester average of 8.9 per cent and the national average of 11.4 per cent.

FIGURE 3.14: SHARE OF ALL JOBSEEKER'S ALLOWANCE CLAIMANTS BY PREVIOUS OCCUPATION IN GLOUCESTER

Source: Department for Work and Pensions.

QUALIFICATIONS

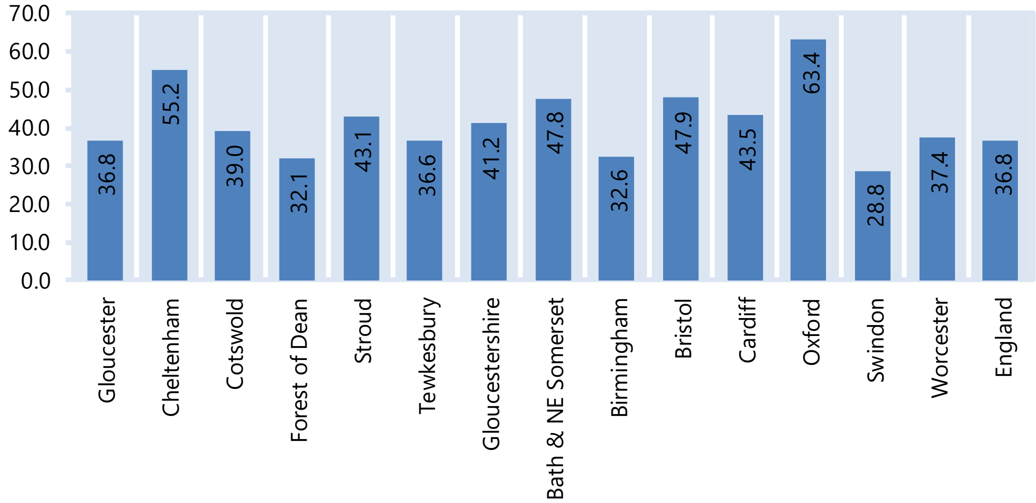
GLOUCESTER'S RESIDENTS HAVE QUALIFICATIONS THAT ARE SIMILAR TO THE NATIONAL AVERAGE

In 2011, 36.8 per cent of people working in Gloucester held a qualification at Level 4 or above (equivalent to degree level or above). This was slightly below the Gloucestershire average of 41.2 per cent but on a par with the England average of 36.8 per cent.

Apart from Forest of Dean (32.1 per cent) and Tewkesbury (36.6 per cent), all other Gloucestershire districts had a higher share of working-age residents with Level 4 qualifications or above compared to Gloucester. Level 4 (and above) qualifications were particularly high in Cheltenham – with 55.2 per cent of working age residents holding these qualifications. Amongst comparator areas, performance is mixed (Figure 3.15). The share of Gloucester's working-age residents with Level 4 qualifications is higher than Birmingham (32.6 per cent), Swindon (28.8 per cent), but lower than all other comparator areas including Oxford (63.4 per cent).

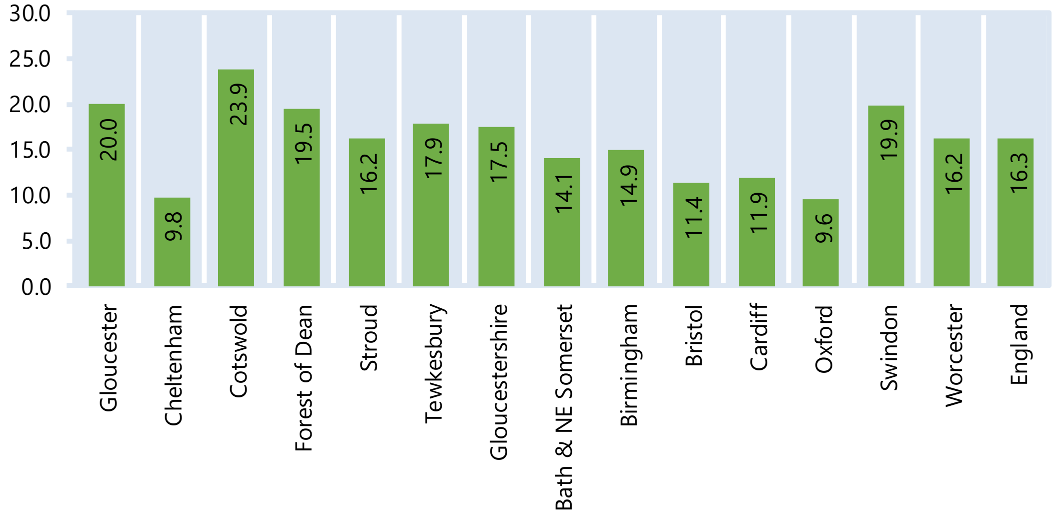
The share of working-age residents with Level 2 qualifications (equivalent to five A*-C GCSEs and above) as their highest qualification is greater in Gloucester than average. In 2015, one-fifth (20.0 per cent) of people working in Gloucester were qualified to Level 2 and above as their highest qualification attained. This was higher than the County (17.5 per cent) and national (16.3 per cent) averages (Figure 3.16).

FIGURE 3.15: SHARE OF WORKING-AGE RESIDENTS (AGED 16-64) WITH LEVEL 4+ (DEGREE EQUIVALENT OR HIGHER) QUALIFICATIONS IN 2015



Source: Annual Population Survey (Jan 2014 – Dec 2015), Office for National Statistics.

FIGURE 3.16: SHARE OF WORKING—AGE RESIDENTS (16-64) WITH LEVEL 2+ (EQUIVALENT TO 5 GCSE'S AT GRADES A TO C OR HIGHER) QUALIFICATIONS IN 2015



Source: Annual Population Survey (Jan 2014 – Dec 2015), Office for National Statistics.

FIGURE 3.17: NUMBER OF GLOUCESTER'S WORKERS AND WORKING RESIDENTS BY VQ LEVEL OF HIGHEST QUALIFICATION HELD

Source: 2011 Census, Office for National Statistics.

GLOUCESTER'S ECONOMY IS PARTLY RELIANT ON IN-COMMUTERS TO FULFIL ITS DEMAND FOR WORKERS WITH DEGREE-LEVEL QUALIFICATIONS

In 2011, there were more people working in Gloucester with Level 4 and above qualifications, than employed residents living in Gloucester at this qualification level. Apart from Level 4 and above qualifications, there were broadly similar numbers of working residents and those working in Gloucester (**Figure 3.17**).

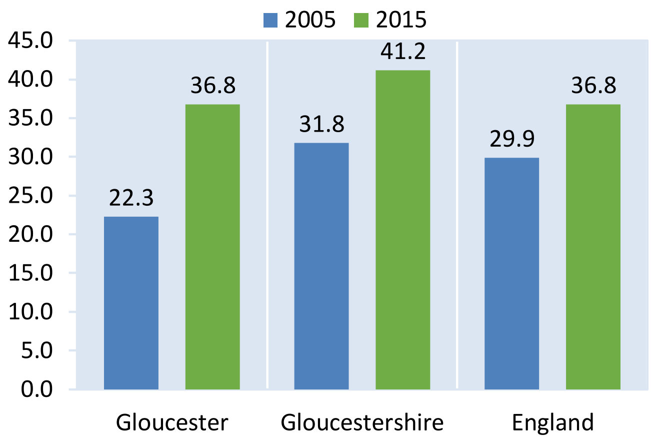
Gloucester residents in work with their highest level of qualification at Level 4 or above numbered 16,800 in 2011. Those working (but not necessarily living) in Gloucester with Level 4 or above qualifications numbered 21,700. This demonstrates that, in theory, Gloucester requires at least 4,900 in-commuters to satisfy its labour demand for those jobs requiring degree-level (or above) qualifications. For most city and town centres with substantive employment, these levels of in-commuting are not unusual.

QUALIFICATIONS RATES HAVE IMPROVED DRAMATICALLY OVER THE PAST TEN YEARS

Between 2005 and 2015, the percentage of working-age residents in Gloucester that were qualified to Level 4 and above as their highest level of qualification held increased by 14.5 percentage points (from 22.3 per cent to 36.8 per cent), as **Figure 3.18** illustrates. This was a larger increase than in all neighbouring districts in Gloucestershire, and comparator areas apart from Oxford (+22.5 percentage points).

The improvement at Level 2 and above was also significant – at 10.5 percentage points – but less than across Gloucestershire and England (12.1 and 11.3 percentage points respectively).

FIGURE 3.18: SHARE OF WORKERS QUALIFIED TO LEVEL 4+ (DEGREE EQUIVALENT OR HIGHER) IN 2005 AND 2015



Source: Annual Population Survey, Office for National Statistics

OCCUPATIONS: THE TYPES OF JOBS UNDERTAKEN

GLOUCESTER'S SKILLS PROFILE OF EMPLOYMENT MATCHES THE NATIONAL AVERAGE

In 2016, Gloucester had a similar occupational profile to the national average. With 9 per cent of workers in jobs in Gloucester working as Managers, Directors and Senior Officials, and 17 per cent working in Professional Occupations, the skills profile of jobs was similar to nationally (10 per cent and 17 per cent respectively).

Gloucester relies on in-commuters to fill some of its most skilled jobs. Comparing residence-based employment (i.e. Gloucester residents in work) to workplace-based employment (those working in Gloucester, but not all necessarily living there) is revealing, as presented in **Figure 3.20**. There are 2,900 more workers in Professional occupations with jobs in Gloucester than there are residents in this category. The trend is similar, although lower in Managers and Senior Officials and Associate Professional and Technical occupations.

There aren't enough skilled and manufacturing based jobs in Gloucester to employ the workers with these skills – they work elsewhere. Conversely, there are more residents working in Skilled Trades, Process, Plant and Machine Operatives and Elementary occupations than there are workers with jobs based in Gloucester.

FIGURE 3.19: SHARE OF EMPLOYMENT BY MAJOR OCCUPATION IN 2016

Major Occupation	Gloucester	Gloucestershire	England
Managers and Senior Officials	9%	11%	10%
Professional	17%	18%	17%
Associate Prof & Tech	15%	11%	14%
Administrative and Secretarial	12%	13%	13%
Skilled Trades	15%	13%	12%
Caring, Leisure and Other Service	11%	9%	8%
Sales and Customer Service	6%	8%	8%
Process, Plant and Machine Operatives	6%	6%	7%
Elementary	10%	11%	11%

Source: Annual Population Survey (Apr 2015 – Mar 2016), Office for National Statistics.

FIGURE 3.20: COMPARING EMPLOYMENT BY MAJOR OCCUPATION FOR GLOUCESTER RESIDENTS IN WORK, AND THOSE WHO WORK IN GLOUCESTER IN 2011

Major Occupation	Residence	Workplace	Difference
Managers and Senior Officials	5,300	5,800	500
Professional	8,400	11,300	2,900
Associate Prof & Tech	7,200	8,000	800
Administrative and Secretarial	8,200	8,500	300
Skilled Trades	7,300	6,300	-1,100
Caring, Leisure and Other Service	6,600	6,200	-400
Sales and Customer Service	5,800	6,100	200
Process, Plant and Machine Operatives	5,200	3,900	-1,300
Elementary	7,400	6,200	-1,200
All categories: Occupation	61,400	62,000	700

Source: 2011 Census, Office for National Statistics.

EARNINGS

AVERAGE EARNINGS OF PEOPLE WORKING IN GLOUCESTER ARE SIMILAR TO THE NATIONAL AVERAGE

In 2015, full-time workers in Gloucester earned an average of £27,600 per year. This was similar to the national average of £27,900, as indicated in Figure 3.21. Average earnings in Gloucester are higher than the of Gloucestershire average and all other nearby districts apart from Stroud.

AVERAGE EARNINGS HAVE GROWN MORE RAPIDLY THAN THE NATIONAL AND COUNTY AVERAGE OVER THE PAST FIVE YEARS

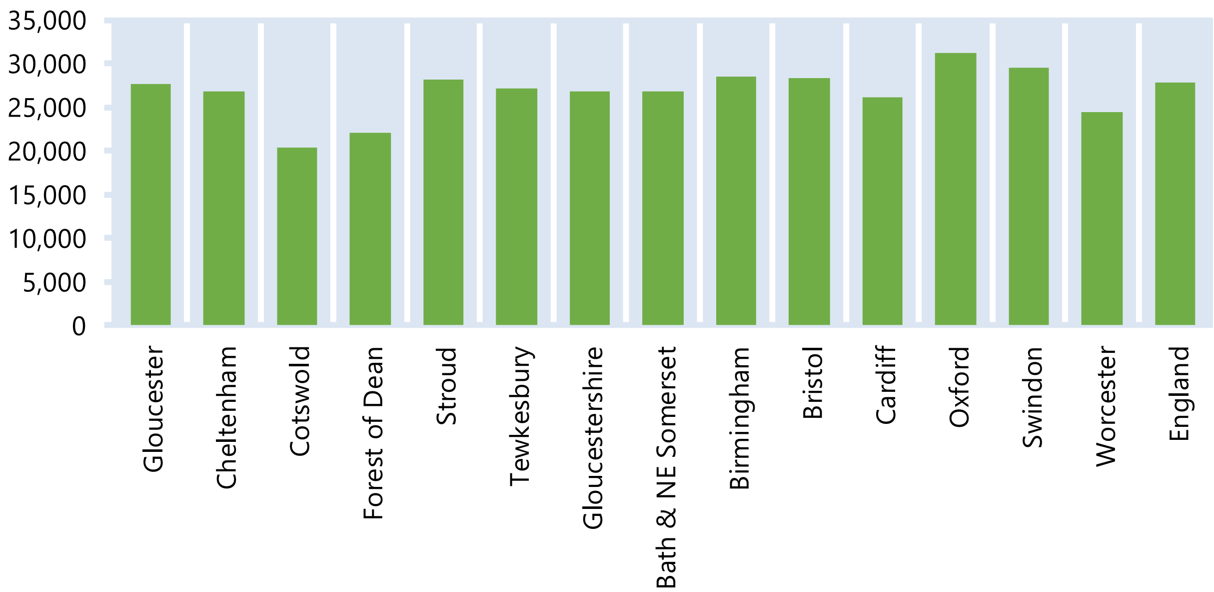
Between 2010 and 2015, average earnings in Gloucester grew by 11.0 per cent, as detailed in Figure 3.22. This rate of growth was higher than the national average (6.1 per cent) and Gloucestershire (10.2 per cent).

Gloucester's earnings growth is higher than in all but two Gloucestershire districts (Stroud: 15.8 per cent; Cotswold: 13.8 per cent). Earnings growth in Gloucester out-performed all of the comparator areas.

WORKPLACE-BASED AVERAGE EARNINGS ARE HIGHER THAN RESIDENCE-BASED EARNINGS

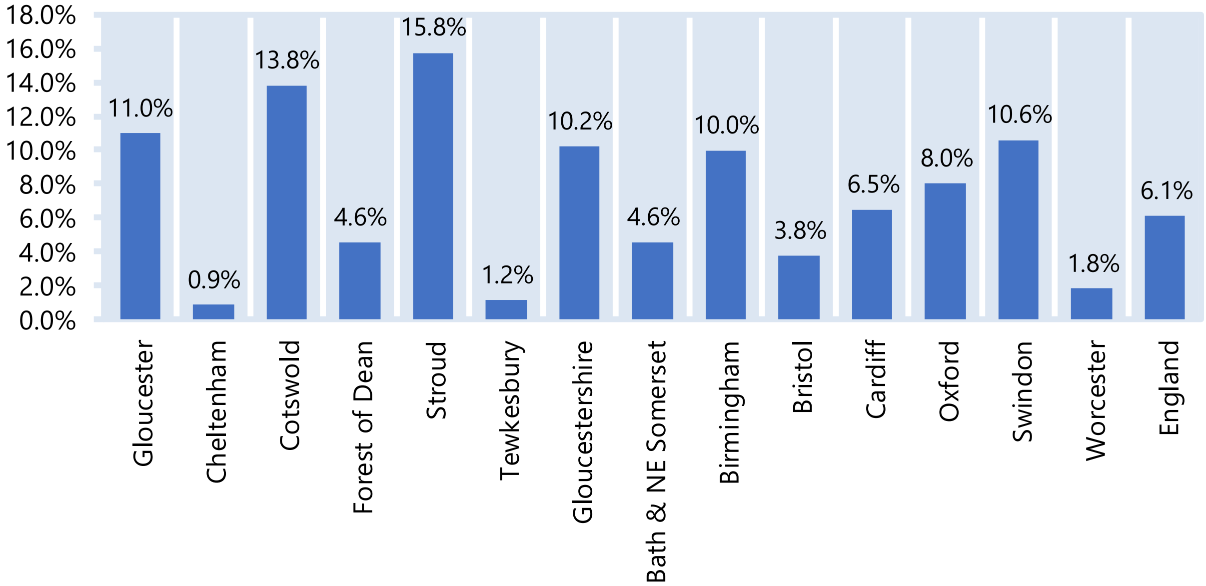
In each year between 2005 and 2015 (Figure 3.23), the average earnings of Gloucester's residents were below the average earnings of Gloucester's workers. This reflects the occupational profile of workers and residents – as more jobs in higher level occupations are present in Gloucester, than there are residents to fill them; and the fact that many residents in skilled trades and lower skilled operatives' jobs have to work outside of the city.

FIGURE 3.21: AVERAGE ANNUAL WORKPLACE EARNINGS (FULL-TIME) IN 2015*



Source: Annual Survey of Hours and Earnings, Office for National Statistics. *Note that 2014 values for Cotswold and Worcester are used as 2015 values are statistically supressed.

FIGURE 3.22: AVERAGE EARNINGS GROWTH BETWEEN 2010 AND 2015*



Source: Annual Survey of Hours and Earnings, Office for National Statistics. *Note that 2014 values for Cotswold and Worcester are used as 2015 values are statistically supressed.

FIGURE 3.23: AVERAGE ANNUAL EARNINGS OF FULL-TIME WORKERS IN GLOUCESTER: RESIDENT VS. WORKPLACE BASED EARNINGS

Source: Annual Survey of Hours and Earnings, Office for National Statistics.

4. PLACE

HOUSING MARKET

HOUSE PRICES IN GLOUCESTER ARE LOWER THAN AVERAGE AND HAVE GROWN AT A LOWER RATE THAN THE NATIONAL AVERAGE OVER THE PAST 10 YEARS

In June 2016, the average house price in Gloucester was £181,600, as detailed in **Figure 4.1.** This was 20.8 per cent lower than the England average (£229,400). As detailed below, the average house price across Gloucestershire in June 2016 was 4.3 per cent higher than the national average (£239,200). Prices ranged from £203,500 (11.3 per cent below average) in Forest of Dean to £246,900 (53.1 per cent above average) in Cheltenham. Gloucester's average house price was the lowest amongst Gloucestershire districts.

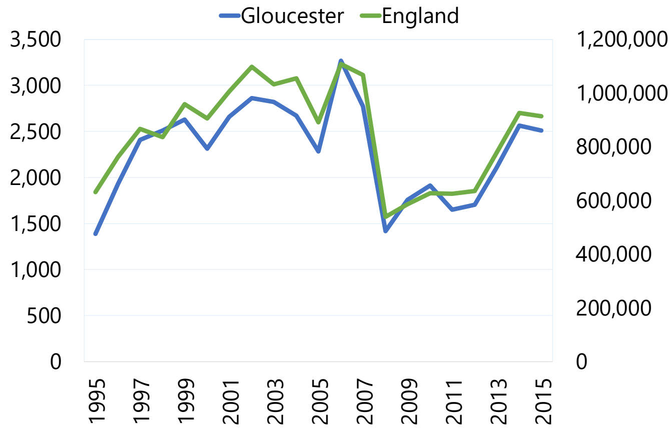
House prices have grown in Gloucester over the past 10 years, but not at a rate as high as nationally. Between June 2006 and June 2016, the average house price in Gloucester grew by 23.5 per cent – the second lowest rate of growth across the Gloucestershire districts (after Forest of Dean at 12.8 per cent), and below the England average (31.7 per cent) – as detailed in **Figure 4.2**.

GLOUCESTER'S HOUSING MARKET HAS ONLY RECENTLY RECOVERED FROM THE 2008/09 CREDIT CRUNCH AND RECESSION

Average house prices in Gloucester, at £181,600 in June 2016, are now above their pre-recession peak of £169,000 in September 2007. After September 2007, average house prices declined significantly – to £129,200 in May 2009. Recovery to the pre-recession peak only occurred in December 2015.

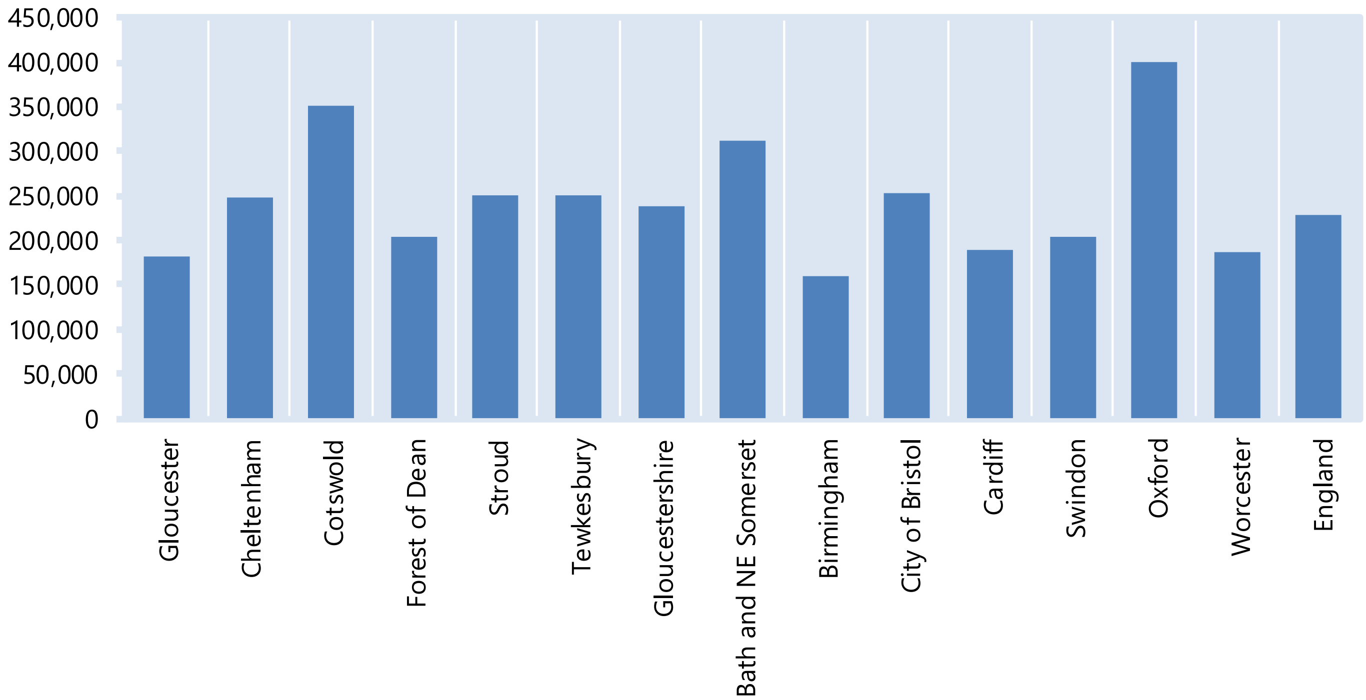
However, the housing market has far from recovered, with the volume of housing sales remaining below their long-term average. Between 2008 and 2015, house sales in Gloucester averaged 2,233 per year – 24 per cent below 1997-2007 annual average housing sales of 2,920 per year. Similar trends have occurred across Gloucestershire and England with average annual sales in the period 2008 to 2016 falling 16 per cent and 26 per cent below the annual average between 1997 and 2007.

FIGURE 4.3: NUMBER OF HOUSE SALES IN EACH YEAR 1995 TO 2015



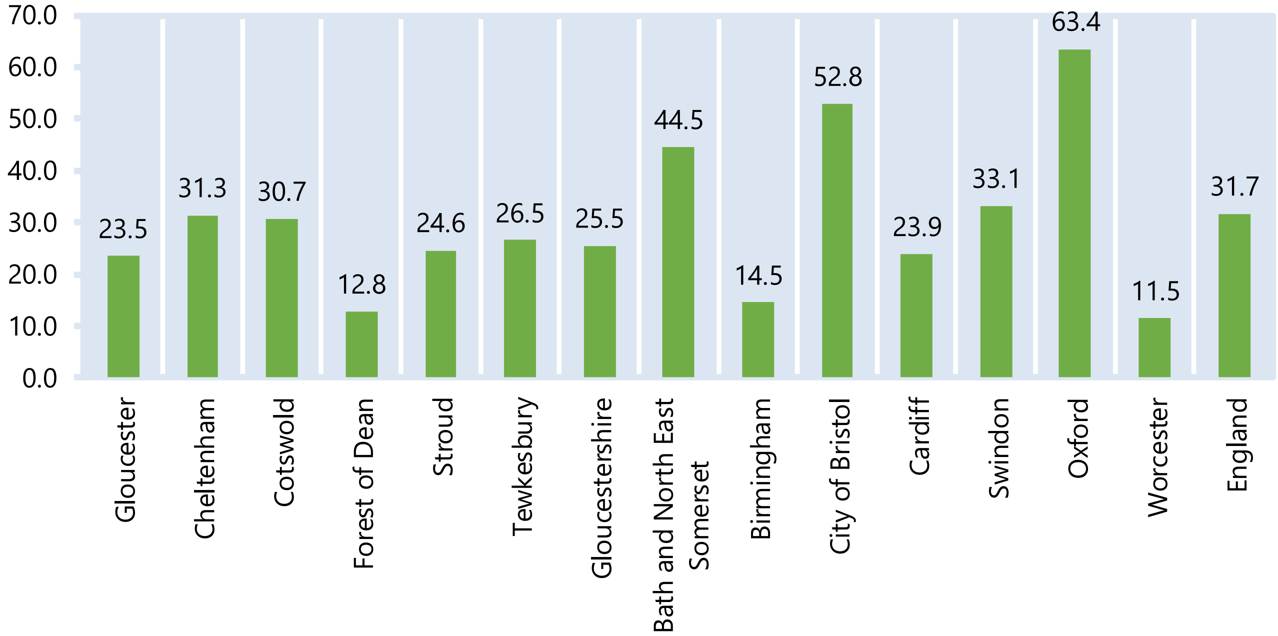
Source: HM Land Registry.

FIGURE 4.1: AVERAGE HOUSE PRICES IN JUNE 2016



Source: HM Land Registry.

FIGURE 4.2: HOUSE PRICE INFLATION JUNE 2006 TO JUNE 2016



Source: HM Land Registry.

HOUSING STOCK

GROWTH IN GLOUCESTER'S DWELLING STOCK HAS BEEN HIGHER THAN THE NATIONAL AVERAGE

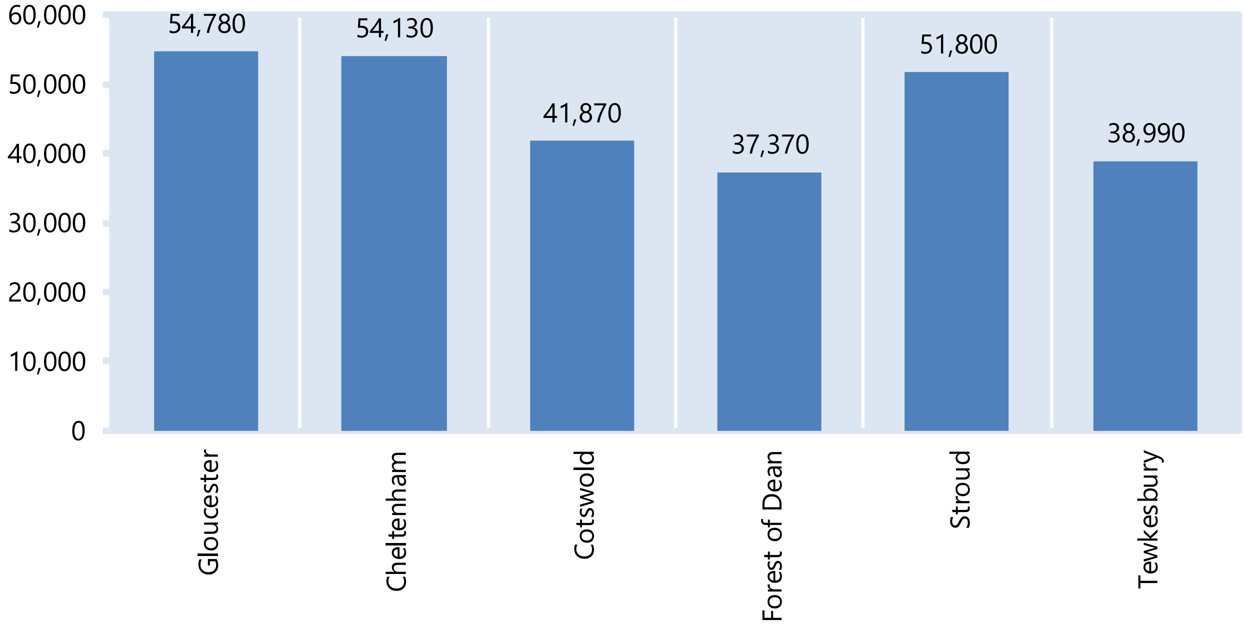
In 2015, there were 54,780 dwellings in Gloucester. This was the highest number of dwellings of all six Gloucestershire districts (**Figure 4.4**) and represented 19.6 per cent of the 278,940 dwellings in Gloucestershire.

Growth in Gloucester's dwelling stock has higher than average. Between 2009 and 2015, the number of dwellings in the district grew by 3,130 (**Figure 4.5**), or 6.1 per cent (**Figure 4.6**) – lower than across Gloucestershire (9 per cent) and England (8 per cent). At district level, growth in the dwelling stock ranged from 6 per cent in Cheltenham to 13 per cent in Gloucester.

HOUSING GROWTH HAS BEEN CONCENTRATED AMONG HOUSING ASSOCIATION DWELLINGS

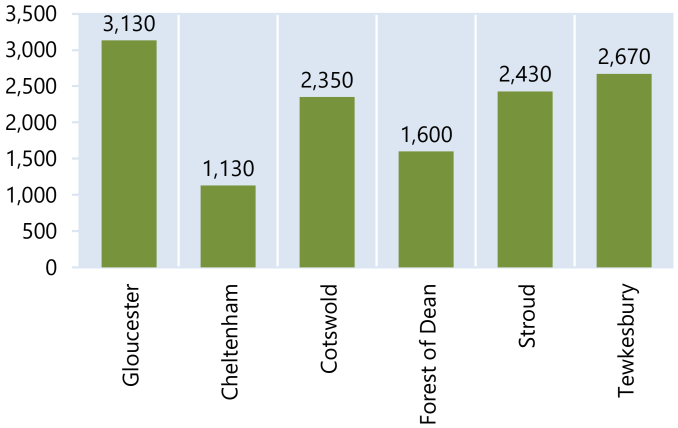
Over the past six years (2009 to 2015), the number of housing association dwellings (also known as Private Register Provided) in Gloucester has increased the most (+4,940), while the number of local authority dwellings has fallen – presumably due to transfers to housing associations or similar bodies (-4,526). Private housing increased by +2,730.

FIGURE 4.4: NUMBER OF DWELLINGS IN EACH DISTRICT IN GLOUCESTERSHIRE IN 2015



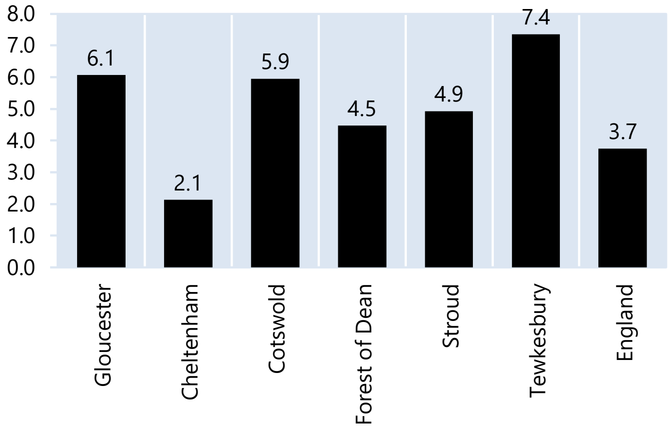
Source: Department for Communities and Local Government.

FIGURE 4.5: CHANGE IN NUMBER OF DWELLINGS BETWEEN 2009 AND 2015



Source: Department for Communities and Local Government.

FIGURE 4.6: PERCENTAGE CHANGE IN NUMBER OF DWELLINGS BETWEEN 2003 AND 2013



Source: Department for Communities and Local Government.

HOUSING TYPE, SIZE AND TENURE

HOUSEHOLD SIZE HAS GOT SLIGHTLY SMALLER OVER THE PAST TEN YEARS

The relative share of households with 1-2 people has increased slightly, with households with 3 or more people decreasing slightly over the past 10 years (Figure 4.7).

FIGURE 4.7: AVERAGE HOUSEHOLD SIZE IN GLOUCESTER AND ENGLAND IN 2001 AND 2011

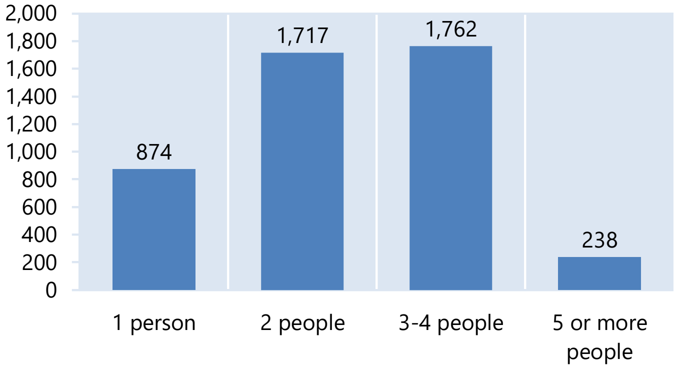
	1 person	2 people	3-4 people	5 or more people
Gloucester				
2001	30.2	33.5	29.3	7.0
2011	29.2	33.9	30.1	6.8
England				
2001	30.1	34.2	28.8	6.9
2011	30.2	34.2	28.6	7.0

Source: 2001 and 2011 Census, Office for National Statistics.

UNLIKE THE COUNTY AND NATIONAL TRENDS, THE LARGEST INCREASE HAS BEEN IN HOUSEHOLDS WITH 3-4 MEMBERS

Average household size is similar to the County and national averages. In 2011, 63 per cent of households in Gloucester were one or two person households, compared to 67 per cent across Gloucestershire and 64 across England (Figure 4.7). Cheltenham and Cotswold had the highest percentage of one person households in Gloucestershire.

FIGURE 4.8: CHANGE IN HOUSEHOLD SIZE IN GLOUCESTER BETWEEN 2001 AND 2011 (TOTAL HOUSEHOLDS)



Source: 2001 and 2011 Census, Office for National Statistics.

Between 2001 and 2011, the number of 3-4 person households in Gloucester increased by 1,762 (Figure 4.8)– making up 38 per cent of all household growth in the district, compared to 18.6 per cent of all household growth across Gloucestershire and 25.5 per cent across England. The number of one-person increased by 19 per cent, or +874 in contrast to a rise of 36.1 per cent in the County and 32 per cent nationally.

THERE HAS BEEN A LARGE INCREASE IN THE NUMBER OF SMALL DWELLINGS IN GLOUCESTER OVER THE PAST TEN YEARS

In 2011, 13.3 per cent of all households lived in a dwelling with 1-3 rooms. This was higher than the Gloucestershire average below the England average (11 and 14 per cent respectively) as detailed in Figure 4.9. In contrast, Gloucester had the joint (with Cheltenham) smallest percentage of households living in large dwellings (6+ rooms) of all Gloucestershire districts.

Between 2001 and 2011, there was a large increase in the number of households living in small dwellings (25 per cent – higher than the Gloucestershire and England averages). There was little change in the number of households living in dwellings with 4-5 rooms and an 14 per cent increase in the number of households living in large dwellings (6 or more rooms).

A HIGHER THAN AVERAGE PERCENTAGE OF HOUSEHOLDS IN GLOUCESTER LIVE IN SEMI-DETACHED HOUSES

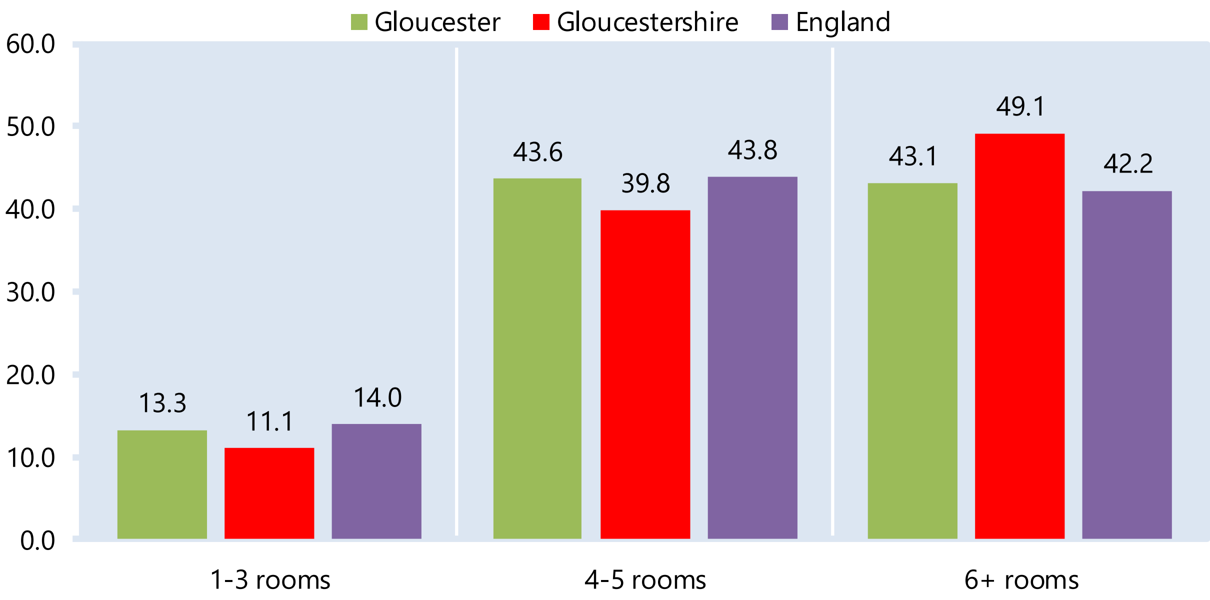
The most common property type in Gloucester is semi-detached houses (39 per cent of all households in 2011) – higher than the County (34 per cent) and national (31 per cent) averages. 18 per cent of Gloucester households lived in flats in 2011. This was lower than the Gloucestershire and England averages (31 and 22 per cent).

The number of flats in Gloucester has increased sharply over the past ten years. Between 2001 and 2011, the number of flats increased by 38 per cent. This is almost double the countywide and national trends, with the number of flats increasing by 24 and 22 per cent across Gloucestershire and England.

A HIGHER THAN AVERAGE PERCENTAGE OF PEOPLE IN GLOUCESTER LIVE IN OWNED HOMES WITH MORTGAGES

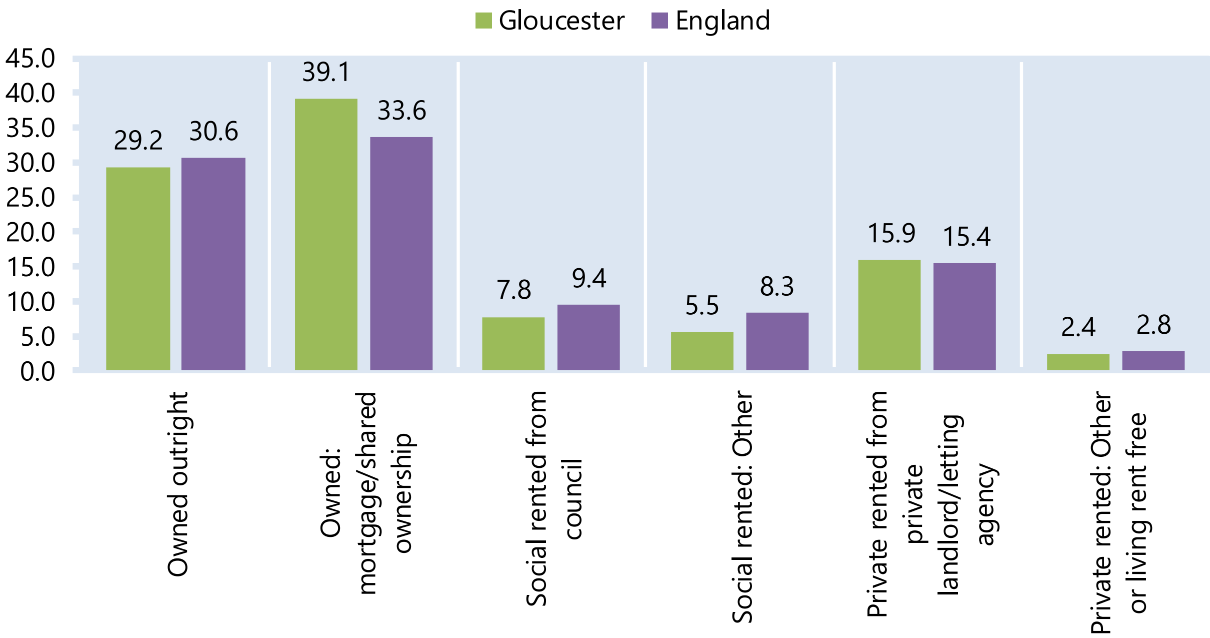
68 per cent of people in Gloucester own their own home: in 2011, the most common tenure of households in Gloucester was owner occupation – slightly lower than the Gloucestershire average (70 per cent) but similar to England (64 per cent).

FIGURE 4.9: DWELLING SIZE IN 2011



Source: 2011 Census, Office for National Statistics.

FIGURE 4.10: HOUSING TENURE IN 2011, PERCENTAGE SHARE OF HOUSEHOLDS



Source: 2011 Census, Office for National Statistics.

HOUSEHOLD PROJECTIONS

THIS SECTION REPORTS FINDINGS FROM OFFICIAL STATISTICS AND A MORE DETAILED ANALYSIS AND VIEWPOINT CAN ALSO BE FOUND IN THE DOCUMENTS SUPPORTING THE JOINT CORE STRATEGY

Whilst this report relies mainly on official statistics, there are some key statistics and analysis that have been compiled to support the Joint Core Strategy. These consider in more depth the methods used to derive population and household projections and how they apply to Gloucester and other districts in Gloucestershire.

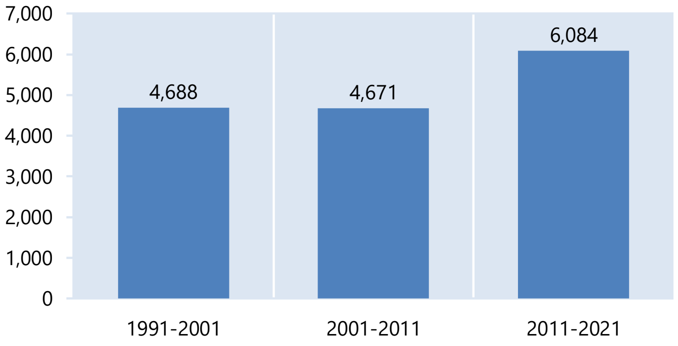
THE NUMBER OF ADDITIONAL HOUSEHOLDS IS PROJECTED TO ACCELERATE AFTER 2011

Between 2011 and 2021, the Department for Communities and Local Government (DCLG) projects that the number of households in Gloucester will grow by 6,084 – or 608 per year (Figure 4.11). This is much higher than the historic trend of household growth over the past ten years – 4,671 new households, or 467 per year.

AVERAGE HOUSEHOLD SIZE IS PROJECTED TO DECREASE SLIGHTLY WITH A SHARP INCREASE IN THE NUMBERS OF HOUSEHOLDS WITH NO DEPENDENT CHILDREN

Average household size is projected to decrease slightly in Gloucester over the next ten years. By 2021, DCLG projects that there will be on average 2.34 people per household, down from 2.38 in 2011. The increase in one person and one couple households is expected to make up 50 per cent of the total increase in households between 2011 and 2021.

FIGURE 4.11: ACTUAL AND PROJECTED NET ADDITIONAL HOUSEHOLDS IN GLOUCESTER



Source: Department for Communities and Local Government.

More than three-quarters (78 per cent) of the increase in new households is expected to be among those with no dependent children (+10,748).

Between 2011 and 2021, the number of new households is expected to increase most among those with household representatives aged between 75-84 years followed by those aged 65-74 years (Figure 4.17). The number of young households is expected to increase – by 562 among household representatives aged 34 and under.

HOUSEHOLD PROJECTIONS USED FOR PLANNING POLICY

The Joint Core Strategy for Gloucester, Cheltenham and Tewksbury Boroughs considered whether an economic uplift to the demographically-derived estimate of Objectively Assessed Need for housing is required to support jobs.

Having estimated the population needed in 2031 to provide the labour force implied by the three job forecasts, the number of homes needed to accommodate that population growth has been calculated using the household formation rates from DCLG's 2012-based household projections.

The average of the three forecasts was taken which produced an economic 'policy on' Objectively Assessed Need (OAN) of 33,500 dwellings. Economic growth has been planned for at the JCS-wide level as a functioning economic area. The LEP strategy for economic growth, as set out in the Strategic Economic Plan, is focused on the M5 growth corridor running through the heart of the JCS area and not any particular authority. Therefore, economic growth needs to be seen in the JCS area-wide context. This is a different approach from housing where each district has its own specifically assessed needs and requirements. Therefore, it is difficult to attribute the housing needs resulting from any additional policy-on economic uplift to specific areas. Nevertheless, the JCS has sought to distribute this uplift in dwellings in accordance with the amount of employment land potential in each authority area and with the spatial strategy set out at Policy SP2. This has resulted in the policy-on OAN for each area, where:

Gloucester: +13,675 OAN

Cheltenham: +10,395 OAN

Tewkesbury: + 9,425 OAN

Total JCS area: +33,500 OAN

The employment forecasts for the JCS area are subject to considerable uncertainty and this is demonstrated in the way that they can change over a relatively short period. However, the JCS authorities believe that by establishing an OAN of 33,500 dwellings, this will ensure that economic growth in the area is not constrained by the supply of housing.

Further to the economic uplift an additional 5 per cent increase has been applied to the economic led OAN. This 5 per cent has been added in order to boost the delivery of affordable housing as well as providing additional flexibility to the supply of land and boosting housing delivery in general. This further uplift has resulted in an overall housing requirement for the JCS area of 35,175 dwellings over the plan period. The resulting requirement for each area is set out as:

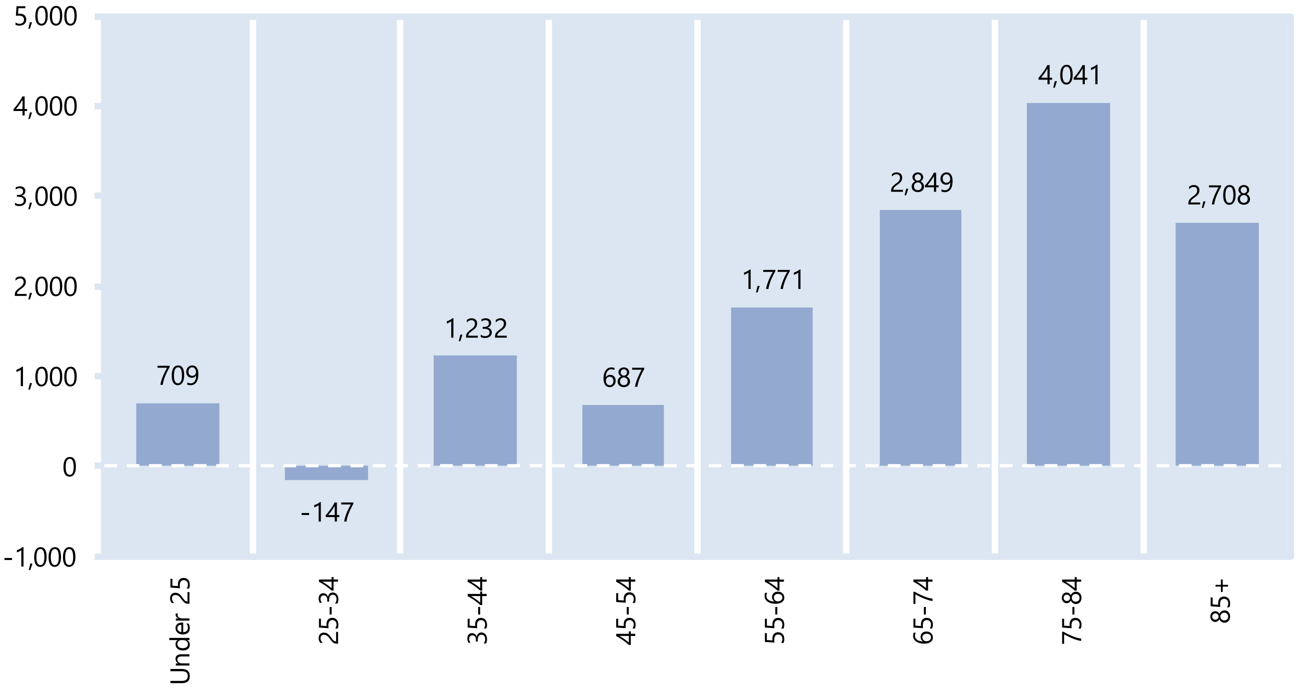
Gloucester: +14,359 OAN

Cheltenham: +10,917 OAN

Tewkesbury: + 9,899 OAN

Total JCS area: +35,175 OAN

FIGURE 4.12: PROJECTED CHANGE IN HOUSEHOLDS BY AGE IN GLOUCESTER 2011 TO 2021



Source: Department for Communities and Local Government.

COMMERCIAL AND INDUSTRIAL PROPERTY

FLOOR SPACE IN RETAIL AND OFFICE USES HAS INCREASED OVER THE DECADE TO 2012

There were 373,000 sq. metres of retail floor space eligible for business rates in 2012; 318,000 sq. metres of office floor space; and 678,000 sq. metres of industrial floor space (**Figure 4.13**). All uses, apart from industrial, had increased their rateable floor space between 2002 and 2012.

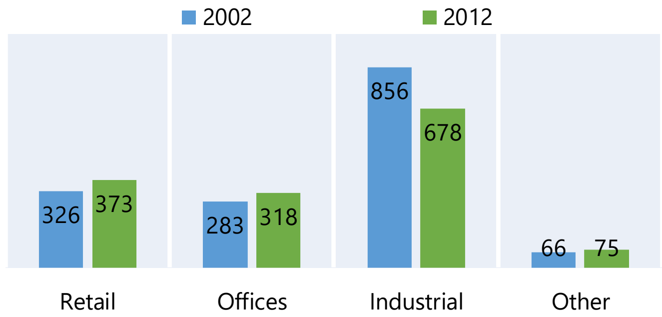
As **Figure 4.14** indicates, rateable values per sq. metre in 2012 were £126 for retail (above the England average of £150); £74 for office (below the England average of £155); and £39 for industrial (above the England average of £37). Rateable values per sq. metre for offices were notably higher in areas such as Bath and North East Somerset (£131), Bristol (£135) and Oxford (£128).

What is noticeable is the lower rateable values of office floorspace in Gloucestershire districts including Gloucester, compared to other centres such as Bath, Birmingham, Bristol, Cardiff and Oxford. Industrial floor space values are lower than all other classes across all areas. This may be an influential factor in land and property owners wishing to convert their sites to housing use.

INDUSTRIAL FLOOR SPACE HAS DECLINED FOUR TIMES FASTER THAN NATIONALLY

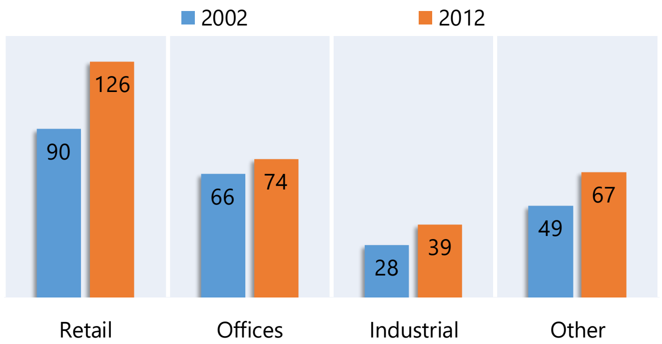
Industrial floor space declined by 20.8 per cent over the 10 years from 2002 to 2012 – four times the national rate of loss of 5.0 per cent. This was also by far the highest rate of loss amongst Gloucestershire districts (**Figure 4.16**). By contrast, both retail and office floor space in Gloucester grew at a higher rate than the national average. Office space grew substantially in Tewkesbury (+77.4 per cent) and Cheltenham (+46.5 per cent).

FIGURE 4.13 RATEABLE FLOOR SPACE IN GLOUCESTER, THOUSANDS OF SQUARE METRES



Source: Valuation Office Agency.

FIGURE 4.14: RATEABLE VALUES IN GLOUCESTER £ PER SQUARE METRE



Source: Valuation Office Agency.

FIGURE 4.15: RATEABLE FLOORSPACE AND VALUES BY USE CLASS IN 2012

	Floorspace, thousands of square metres					Rateable values £ per square metre			
	Total	**Retail**	**Offices**	**Industrial**	**Other**	**Retail**	**Offices**	**Industrial**	**Other**
Gloucester	1,444	373	318	678	75	126	74	39	67
Cheltenham	1,218	389	359	416	54	165	88	39	78
Cotswold	827	161	103	484	79	132	81	38	44
Forest of Dean	872	84	34	697	57	65	45	22	36
Stroud	1,202	151	86	897	68	94	58	34	40
Tewkesbury	1,038	86	110	797	45	124	98	45	40
Gloucestershire	6,602	1,245	1,009	3,970	378	131	80	36	51
Bath and NE Somerset	1,313	371	215	610	117	199	131	30	69
Birmingham	11,594	2,267	1,985	6,538	804	131	132	33	72
Bristol City	4,949	1,101	1,151	2,394	303	146	135	37	72
Cardiff	3,675	1,070	985	1,328	292	176	117	41	72
Oxford	1,175	375	366	323	111	220	128	46	87
Swindon	2,768	502	523	1,611	132	166	90	43	72
Worcester	1,182	295	183	633	71	140	81	35	72
ENGLAND	544,415	111,198	89,250	304,853	39,114	150	155	37	68

Source: Valuation Office Agency.

FIGURE 4.16 PERCENTAGE CHANGE IN RATEABLE PROPERTY SQUARE METRES AND RATEABLE VALUE 2002 TO 2012

	percentage increase sqm over 10 years				percentage increase in rateable value per m2 over 10 years			
	Retail	**Offices**	**Industrial**	**Other**	**Retail**	**Offices**	**Industrial**	**Other**
Gloucester	14.4%	12.4%	-20.8%	13.6%	40.0%	12.1%	39.3%	36.7%
Cheltenham	12.4%	46.5%	-2.6%	1.9%	55.7%	27.5%	21.9%	50.0%
Cotswold	5.9%	24.1%	7.1%	-2.5%	67.1%	47.3%	26.7%	18.9%
Forest of Dean	-8.7%	17.2%	-1.1%	16.3%	47.7%	18.4%	22.2%	28.6%
Stroud	-3.8%	34.4%	3.5%	13.3%	64.9%	18.4%	36.0%	29.0%
Tewkesbury	6.2%	77.4%	12.6%	21.6%	106.7%	55.6%	50.0%	25.0%
Gloucestershire	7.9%	31.7%	-1.1%	9.2%	57.8%	27.0%	33.3%	30.8%
Bath and NE Somerset UA	1.9%	8.6%	-16.4%	0.9%	74.6%	48.9%	30.4%	35.3%
Birmingham	7.7%	4.6%	-11.6%	16.5%	39.4%	46.7%	26.9%	22.0%
Bristol, City of UA	7.5%	4.7%	-8.1%	17.9%	71.8%	55.2%	32.1%	30.9%
Cardiff	17.5%	6.3%	-15.6%	24.3%	67.6%	41.0%	36.7%	10.8%
Oxford	-3.1%	15.8%	-20.4%	14.4%	60.6%	43.8%	35.3%	40.3%
Swindon UA	10.6%	-2.4%	-15.4%	13.8%	40.7%	5.9%	26.5%	35.8%
Worcester	4.6%	10.2%	-17.1%	16.4%	45.8%	22.7%	16.7%	24.1%
ENGLAND	4.8%	10.6%	-5.0%	16.2%	51.5%	34.8%	32.1%	28.3%

Source: Valuation Office Agency.

TRAVEL TO WORK AND WORKING FROM HOME

LARGER-THAN-AVERAGE PERCENTAGES OF PEOPLE WORKING IN GLOUCESTER TRAVEL SHORT DISTANCES TO WORK AND TRAVEL ON FOOT OR BICYCLE, REFLECTING THE URBAN NATURE OF THE DISTRICT

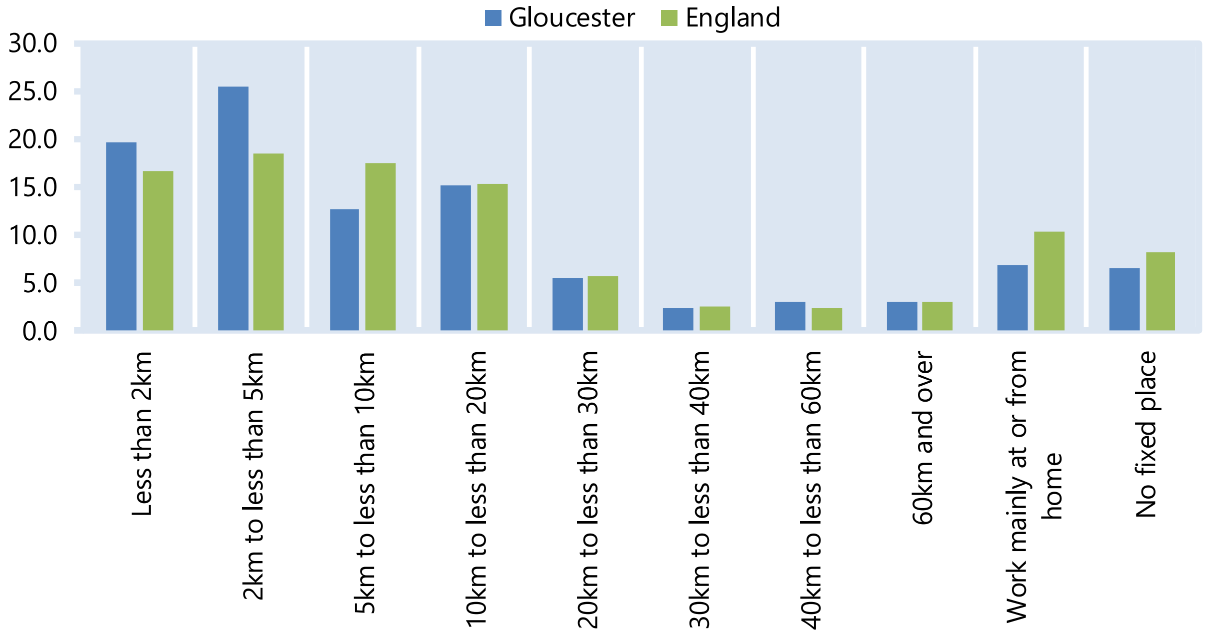
Despite being an area of in-commuting, a large percentage of people working in Gloucester in 2011 travelled less than 5km from their home to their workplace (45 per cent, compared to 35 per cent across England) – as depicted in Figure 4.17. This reflects the fact that Gloucester is an urban area with people living and working in the district living close to their place of work.

In contrast, Gloucester had a lower-than-average percentage of workers travelling intermediate distances to work (28 per cent travelling between 5 and 20km, compared to the national average of 33 per cent). The percentage of people travelling long distances to work – 20km or more – was the same as the national average (14 per cent).

The most popular method of travelling to work by people working in Gloucester is by car/van, with almost two-thirds of people opting for this method of travel (64 per cent, above to the national average of 54 per cent).

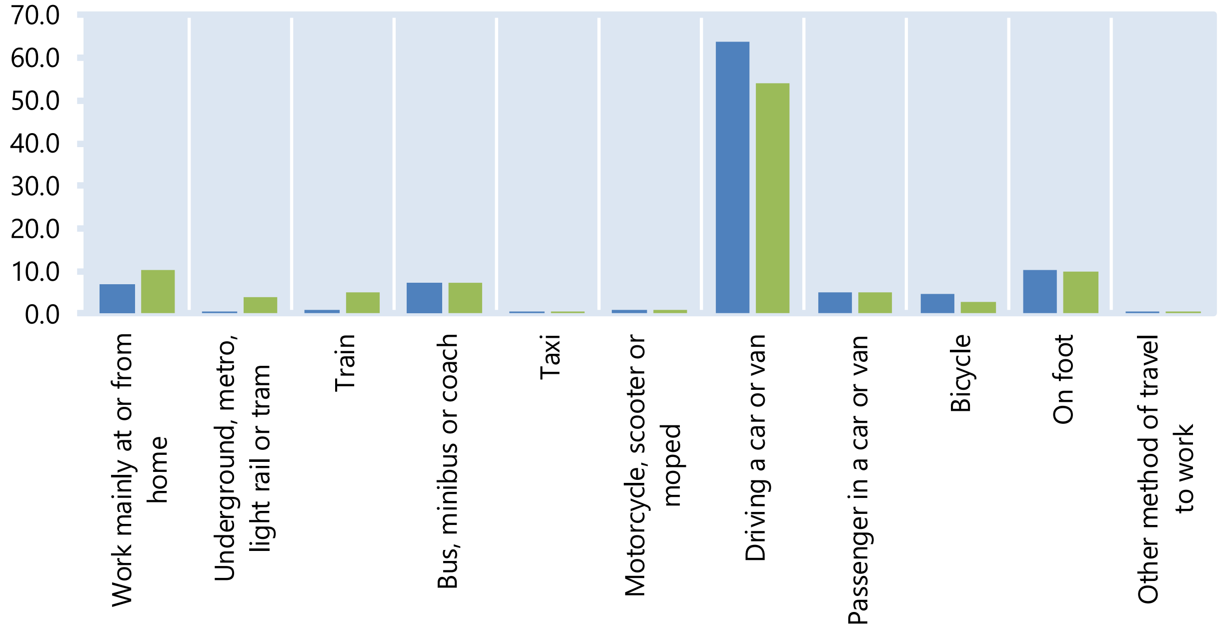
The fact that Gloucester is an urban area also means a slightly higher percentage of people working in the district travel to work on foot or bicycle (15 per cent of workers, compared to 13 per cent across England). In contrast, a much lower percentage of workers travel to work by train, underground, metro, light rail or tram (1 per cent, compared to the national average of 9 per cent).

FIGURE 4.17: DISTANCE TRAVELLED TO WORK IN 2011



Source: 2011 Census, Office for National Statistics.

FIGURE 4.18: METHOD OF TRAVEL-TO-WORK, 2011



Source: 2011 Census, Office for National Statistics.

My Local Economy

(Trading name of Athey Consulting Limited)

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