



JCS ECONOMIC UPDATE NOTE (FEB 2016)

JCS Economic Strategy Update Note (February 2016)

Contents

1 Introduction and context

2 JCS Economic Strategy

3 Updated JCS Economic Strategy and adjusted growth scenario

4 Next steps

5 Statements of Common/Uncommon Ground

Appendices

A1 Relevant links to JCS Evidence Base and Examination Documents Library

A2 Employment land trajectory

A3 Potential modifications

1 Introduction and context

1.1 The purpose of this document is to set out the economic strategy as established by the Gloucester Cheltenham and Tewkesbury Joint Core Strategy (JCS), and to update this in the context of the issues debated through the JCS examination and analysis of additional evidence as requested by the Inspector.

1.2 Both the JCS and the economic strategy need to be sufficiently adaptable to be able to respond to the wide range of influences, which are working collectively to drive the economy of Gloucestershire, in which the JCS area plays a significant role with influences beyond the county boundary.

1.3 This document provides a concise explanation of the spatial elements of the economic strategy, including the direction of travel for future economic growth towards, and beyond, the end of the plan period in 2031. As such, it complements the broader economic strategy set out in the SEP, in which the JCS area plays a key role. Whilst the role of the JCS in this regard is to consider the strategic spatial elements, such as employment land requirements and strategic allocations, this note also refers to other economic development activity undertaken by the three JCS Councils.

1.4 There is an extensive evidence base underpinning the employment elements of the JCS (listed at Appendix 1). The most recent part of this evidence base to be considered at the JCS examination is the Nathaniel Lichfield and Partners' (NLP) draft report, 'Updated Employment Land Assessment'. This was received by the JCS authorities in mid October and presented to the Employment Round Table on 22 October. NLP's final report (EXAM 138) considers the updated econometric forecasts requested by the Inspector and sets out the outcomes and implications of the extensive business engagement carried out in September and October by NLP.

2 JCS Economic Strategy

2.1 A core planning principle of the NPPF and one of the starting points for the spatial strategy of the JCS is the delivery of sustainable economic development. In moving forward this planning principle and supporting the implementation of the Strategic Economic Plan for Gloucestershire (SEP), the JCS has established a vision to provide the context for economic growth;

“The Joint Core Strategy Area will be recognised nationally as enjoying a vibrant competitive economy with increased job opportunities and a strong reputation for being an attractive place to live and invest”.

2.2 This vision is underpinned by three specific strategic objectives grouped under an ambition to support a thriving economy; these objectives also reflect the requirements of the NPPF and are closely aligned with the SEP:-

Strategic objective 1: Building a strong and competitive urban economy

Develop the potential of the JCS area for further economic and commercial investment by:

- Providing the right conditions and sufficient land in appropriate locations to support existing businesses and attract new ones, particularly from the major high-tech and knowledge-based industries, tourism, retail and the leisure sector, to rebalance the economy away from its public sector dominance, improve the area’s economic resilience, support a highly-skilled workforce and continue to provide a focus for economic growth within the county
- Providing the right environment, in partnership with others such as the Local Enterprise Partnership (LEP) for business start-ups, entrepreneurship and the improvement and expansion of education and training facilities to develop the skills employers need
- Developing the area’s role as a tourist destination, building on the unique characteristics and festival culture that already exists in the JCS area.

Strategic objective 2 –Ensuring the vitality of town centres

Create the conditions for maintaining and strengthening a balanced hierarchy and network of city, town and district centres by:

- Providing for sufficient retail, leisure, employment, social and cultural, tourist and other appropriate uses within the designated centres, to improve their vitality and viability, supporting accessibility and environmental improvements and town centre regeneration measures
- Prioritising the delivery of key regeneration sites
- Supporting a diverse retail offer across the three main designated centres of Gloucester, Cheltenham and Tewkesbury to complement each other and thereby increase competitiveness with centres outside the JCS area.

Strategic objective 3- Supporting a prosperous rural economy

Facilitate rural employment generation and diversification by:

- Supporting the needs of agricultural businesses, encouraging farm diversification, the development of small rural business units, the conversion of existing buildings for rural business use, appropriate expansion of existing businesses and home working
- Supporting and safeguarding, in partnership with others, the provision and retention of village shops that serve the everyday needs of a local community

2.3 The vision and its objectives within the context of the specific spatial strategy of the JCS provide for an urban focused economic strategy, aligning with the notion of a principal urban area within the County; this is based around the promotion and regeneration of the key urban centres of Gloucester and Cheltenham, the market town of Tewkesbury and the wider rural areas of Tewkesbury Borough, supported by strategic allocations in sustainable locations. This strategy fits within the M5 growth corridor established by the SEP and balancing economic potential with housing provision for the JCS area as a whole (para. 3.1.12 of the Submitted JCS).

2.4 As far as the submitted JCS is concerned, policies SP1, SP2 and SD2 provide the policy context for the delivery of the spatial elements of the economic strategy for the JCS area, with the aim of locating jobs near to the economically active population. The submitted JCS has allocated two strategic sites around Junction 9, which would deliver about 34 hectares of land for employment (strategic allocations A8 and A9). At Junction 10, approx. 23 hectares of employment land are included in the North West Cheltenham strategic allocation (strategic allocation A5). In addition, two further sites (West Cheltenham and land to the east of junction 10) are removed from the Green Belt in this area and safeguarded to meet longer-term development needs. In addition to these growth areas within the M5 corridor the JCS provides for employment land within strategic allocations A1 and A3. Collectively this enables land release at the top end of the range established by the JCS evidence base and as advised by consultants NLP, if the JCS is to adopt a policy-off approach. This provision is in addition to the existing capacity of available employment land and any remaining land from previous development plan allocations within each authority area, extant planning permissions, as well as any employment land allocations that may be made through the City and Borough Local Plans.

2.5 Alongside provision proposed by strategic employment land release, all three of the JCS Councils are actively pursuing and promoting economic growth through a range of strategies and initiatives, which are informing the economic strategies being taken forward through district local plans:-

- Gloucester City Council Regeneration and Economic Development Strategy 2015-2020 (Consultation Draft April 2015)(EXAM 133)
- Growing Gloucester's Visitor Economy (Dec 2014) (EXAM 134)

- Cheltenham Economic Strategy: Developing Cheltenham as a Business Location (January 2015, EXAM 19-22)
- Tewkesbury Borough and Gloucester City Councils are commissioning new economic development strategies to complement the 2015 Cheltenham Economic Strategy. These are due for completion by Summer 2016. The commissions will include comprehensive employment land reviews, extensive engagement with business to understand individual business sector growth needs, and will also look at spatial pinch points, for example the pressure on employment land around Junction 9 of the M5. Together with the 2015 Cheltenham strategy, these will provide a comprehensive JCS-wide strategy and action plan for the next 5 years; they will also underpin the emerging Gloucester City Plan, Cheltenham and Tewkesbury Borough Plans and emerging neighbourhood plans.
- Tewkesbury Borough Council Economic Development and Tourism Strategy and Action Delivery Plan 2012 -2015 (EXAM 132)
- We are Gloucestershire Devolution bid – One boundary One vision (September 2015)(EXAM 131)
- Cheltenham Tourism Strategy – currently in final stages of preparation, this will set an action plan and marketing strategy to grow the town’s resilience and economy, clarify routes of delivery and measure success and impact on public value, with defined resource requirements and timelines

2.6 At the Inspector’s request, the overall level of potential new employment land to be supplied through various sources has been reassessed by the JCS authorities, following the January 2016 hearings. Those sources are:-

- land identified as part of the JCS Strategic Allocations
- previous undeveloped Local Plan allocations
- extant planning permissions
- other land identified through the SALA process as being suitable and available

2.7 The JCS authorities consider that these sources could provide the following amount of land:- (please note that the amounts of land indicated in the table are intended to be indicative and have been rounded)

Table 1 Potential employment land supply

• Existing JCS Strategic allocations, incl. MOD Ashchurch	c 84 ha
• Proposed additional employment at Brockworth SA 4	c 3 ha
• Proposed additional Strategic allocation at West Cheltenham	c 40 ha
• Existing undeveloped capacity (based on previous allocations and extant planning permissions)	
○ Tewkesbury Borough	c. 40 ha
○ Cheltenham Borough	c. 3 ha
○ Gloucester City	c. 20 ha

- Other available and suitable sites (in addition to JCS allocations)
 - Tewkesbury Borough c.40 ha
 - Cheltenham Borough c. 1 ha
 - Gloucester City c. 7ha

2.8 This would provide choice and flexibility to support delivery of employment growth, through a range of high quality and well-located large strategic sites, as well as potential additional smaller sites in the urban and rural areas, including those that could be allocated by the lower level Local Plans. The total potential land supply in the table above is a minimum of 238 hectares of employment land and would not represent in any sense a limit to economic growth.

2.9 The levels set out above reflect land that is expected to be brought forward, predominantly for B class employment; however there are wider job generating opportunities, supported by JCS policy SD2 which will also provide sources of employment e.g. retail, tourism, education and health (EXAM 68 and the update NLP report Assessment Of Non-B Class Employment Growth, submitted to the examination in February 2016, refer to other classes of employment).

2.10 Details of the existing undeveloped capacity and other land that is suitable and available for employment were discussed at the second Employment Land Round Table held on 9 February 2016. There was agreement at the Round Table that this evidence indicates the overall development potential from both strategic and smaller sites of approximately 224 hectares; a separate note has been submitted summarising this, including details of the sites discussed. The above table has been rounded and adjusted slightly to reflect the views of the JCS authorities that several other small sites might also prove to be suitable for Local Plan allocation, in addition to those agreed by all parties at the Round Table. All of the smaller sites will be investigated further through the preparation of the lower level Local Plans.

2.11 An employment land trajectory has been prepared for the JCS which considers all sources of B use class land supply including SALA sites; existing employment allocations; extant permissions and strategic allocation employment allocations. The summary of the results of this data is shown in Table 2 below with the detailed data of each employment source across the JCS area provided at Appendix 2. The following assumptions have been made;

- Delivery has been calculated over the remaining three five year periods of the plan.
- The phasing of SALA site delivery is as agreed at the roundtable on 9th February 2016.
- Extant consents are considered to deliver within the first five years. Large sites subject to outline consents that will take longer to deliver are phased over the three five year delivery periods.
- The phasing of the delivery of employment land at the strategic allocations is based on information provided by site promoters in the strategic allocation updates February 2016.

Table 2 JCS Employment Land Supply Trajectory

Source of Supply	0-5 years	6-10 years	11-15 years
Total JCS SALA sites	42.22	12.54	14.00
Total JCS Existing Allocations	12.00	16.20	11.50
Total JCS Commitments	17.04	8.86	6.37
Total JCS Strategic Allocations	12.80	36.10	35.30
Total JCS employment land supply	84.06	73.70	67.17

2.12 The trajectory demonstrates that the JCS employment land supply can be delivered consistently over the plan period from each of the main sources of supply through allocations of both strategic sites in the the JCS and smaller sites through the local plans.

Key growth sectors and other important local economic drivers

2.13 The main thrust of the economic strategy for the JCS area is to support the M5 growth corridor proposed by the SEP and to support the key growth sectors and smaller local businesses that form the backbone of the local economy. The JCS area and the wider regional economy benefit from key infrastructure and employers, which collectively establish a centre for business and employment.

M5 growth corridor

2.14 The SEP has highlighted the economic growth potential of the M5 corridor, and all of the JCS strategic employment allocations fall within that corridor. The SEP places particular focus around the motorway junctions.

Junction 10

2.15 There is agreement across relevant partners that the upgrading of Junction 10 to an all movements junction will support the economy of the JCS area and that of wider Gloucestershire. It would support accelerated growth of the economy as set out in the Gloucestershire devolution bid, enabling land to be delivered for mixed use including high value employment. A Junction 10 task group has been set up to establish the timetable for evidencing the business case for the upgrading of this junction of the M5. Given funding timelines, the earliest funding could be available is 2021 with support through the Highways England

Road Investment Strategy. All partners on the taskgroup, including the LEP are agreed that junction improvements will unlock the constraint to land currently designated in the JCS as a safeguarded area for development. At this stage, there is no certainty that this funding will be released and it is not therefore possible to anticipate any delivery within the JCS plan period; should funding become available, then the JCS authorities would consider a strategic allocation through a JCS Review.

Other motorway junctions

2.16 There is currently a high level of demand for employment land around Junction 9 and a joint task group has been set up to consider both the development potential and the infrastructure issues that would need to be addressed; this group involves the JCS authorities, Gloucestershire County Council, the LEP, Highways England and the Homes and Communities Agency. There may be further economic development potential at some of the other junctions.

Key growth sectors

2.17 The key economic growth sectors identified in both the SEP, and more recently the work undertaken on behalf of the JCS authorities and presented as EXAM 138, have identified the areas' key growth sectors as :-

- Aviation
- Engineering
- Energy
- Leisure
- Financial
- Information technology
- Marketing and public relations

2.18 The SEP includes a range of programmes and interventions to support these key sectors; they also played a key role in the preparation of NLP's EXAM 138 report (detailed in paras. 2.25 to 2.49 of that report), in terms of highlighting their aspirations for growth.

2.19 In addition, a number of other enterprises and institutions play a key role in the local economy and are supported by the policies of the JCS, in particular policies SP1, SP2 and SD2. The Inspector has requested specific information on the roles and future growth of a number of these and further commentary is provided below.

Cheltenham racecourse

2.20 Cheltenham Racecourse is a key part of the cultural and economic

infrastructure of Gloucestershire, being the most significant visitor attraction in the JCS area and the wider sub-region. It is of international significance, being the principal venue in the UK for National Hunt Racing. On average bringing £50m p.a. to the Cheltenham economy, the racecourse is a catalyst for tourism. Ranking 2nd in the list of racecourses drawing the largest meeting attendances and with high television viewing figures (0.9million watched the Cheltenham festival in 2015), it is clear that the Racecourse and its influence underpins the cultural offer, contributing significantly to the economy of Cheltenham.

2.21 The Racecourse's primary function as a racing venue brings significant economic benefits to the region in terms of financial income and job creation:

- The racecourse attracts approximately 0.5 million visitors each year.
- 450,000 visitors attend the 16 racing fixtures, including the 250,000 over the four days of the most recent Festival in March 2015. It is estimated to contribute £50m p.a. to the local tourism economy, including visitor accommodation (around 10,000 bed spaces for overnight accommodation are required during the Festival).
- The Racecourse currently employs 85 full time staff on site, with the additional employment of around 5,000 staff during the Festival
- Contractors and sub-contractors in terms of construction (and associated construction materials) and service providers are based locally in the Gloucestershire and the racecourse also generates a significant number of indirect jobs

2.22 The Racecourse has been subject to a recent £45 million investment which has resulted in a significant upgrade of its facilities, which enables the Racecourse to provide a world class sporting venue and visitor facility further upgraded facilities and its capacity.

2.23 In addition, Cheltenham Racecourse contributes significantly to the region's economy as it also hosts and manages the largest conference facility (with a seating capacity of 2,250) between Birmingham and Bournemouth.

2.24 The Racecourse also accommodates facilities for Cotswold Riding for the Disabled Association (RDA). It is one of the Jockey Club's aspirations to continue to support and enhance these facilities

2.25 Cheltenham Racecourse is important to the regional economy and local economy, it is therefore important to continue to improve business operations through future development and enhancement, reinforcing its importance as a tourism and visitor attraction in the region with the potential to generate further employment opportunities.

Gloucestershire airport

2.26 Gloucestershire Airport is the busiest general aviation airport in the UK, serving a sub-regional catchment of 1.9 million people and over 84,000 businesses. The JCS recognises the strategic importance of the airport and

supports the Strategic Economic Plan for Gloucestershire, which states that the Local Enterprise Partnership aims to optimise the contribution and benefit that Gloucestershire Airport and the land around it can make to local communities and the economy. The airport is however located in a sensitive part of the Green Belt and any future development would need to support the airport and aviation-related growth.

Gloucestershire University

2.27 In common with other university towns, Cheltenham and Gloucester benefit significantly from the presence of their university. In 2015 the University commissioned research to analyse its economic impact on the region, which indicated that the University brings £151.2m of value to Gloucestershire every year. In addition, the University contributes to the social well-being of the region through community work and volunteering, and to its cultural enhancement through activities including support for festivals and links to the arts sector.

2.28 In order to thrive, the University needs support to provide sufficient purpose built accommodation for students, to ensure that it remains competitive in a highly volatile market place. Since 2012, both Cheltenham Borough Council and Gloucester City Council have worked closely with the University to explore the provision of additional student accommodation. Consent was granted in 2015 for the development of a student village at the Pittville campus in Cheltenham. Gloucester City and the County Council are currently working on master planning for the campus, including the provision of the University Business School and additional student housing at the Oxstalls Campus at Longlevens and, through further private developments in Gloucester as part of the proposed regeneration of Blackfriars and Quayside. In terms of future growth, there is active engagement between the University and Cheltenham and Gloucester Councils about estate strategy, with a focus on expansion within their existing sites.

2.29 Meanwhile, the University has been adjusting its curriculum to more closely reflect the skills need demanded by the County and working in close liaison with the LEP. The Growth Hub supports new and growing business and is an example of this closer working and is funded through the local growth fund. Future opportunities relate to the growing sectors in cyber security and nuclear industries for which the County has existing advantages.

Tourism

2.30 There are no specific allocations in the JCS for tourism-related activity but, for all of the Gloucestershire authorities, tourism is an important economic activity and is broadly supported through a range of programmes and initiatives.

2.31 **Tewkesbury** Borough includes the Severn Vale and the internationally-renowned Cotswolds. Tourism businesses within the Borough are generally micro businesses or small enterprises and the Borough Council supports these

through international, national and regional marketing and through business support programmes. Tourism supports jobs in the rural economy as well as supporting the vitality and viability of the market towns of Winchcombe and Tewkesbury. The Borough Council is part of a wider Cotswolds Tourism group involving local authorities and the LEP. Tourism is also recognised as being part of the rural economy in emerging neighbourhood plans. The Tewkesbury Borough Plan (2011-2031) Draft Policies and Site Options Public Consultation document contains general tourism policies, but there are no specific site allocations. Tourism will also be considered as part of the Tewkesbury Borough Economic Strategy referred to in para. 2.5 above.

2.32 **Gloucester**'s support for tourism is set out in the Growing Gloucester's Visitor Economy 2014 document, a strategic plan for driving growth in the value of Gloucester's visitor economy. The key conclusions set out in this document are:

- Gloucester has consistently outperformed both national and regional growth rates in visitor spend. Economic benefits from exploiting the visitor economy will become an ever more important component of the whole economy locally within the next 10 year period
- There is a need to continue the progress towards closer coordination between organisations which contribute to visitor economy growth
- Current successful efforts to promote the city must be amplified to capitalize on current growth and increase it bringing substantial growth in jobs and the local economy
- Barriers to growth in the visitor economy such as shortage of good quality hotel rooms and lack of a larger venue space need to be addressed

2.33 There are no specific land allocations proposed in the JCS, as this is for the City Plan to take forward. However Gloucester City is working hard and committing a significant level of officer resources to delivering a number of major regeneration projects in the city that have the potential to contribute towards providing better facilities and attractions for visitors, including the recognized need for more good quality hotel rooms and venue space in the City.

2.34 **Cheltenham** Borough is currently undertaking a review of its tourism strategy. This builds upon the economic work undertaken for Cheltenham in 2014 by Athey Consulting; although not specifically making reference to tourism, this did set out a key recommendation for the development of a "strategy to communicate existing positive news and progress to the business community, including a high impact campaign and advocacy programme for Cheltenham". As an action against this a consultant was appointed in July 2015 to help develop a new strategic approach to tourism for Cheltenham. A key outcome of this work will be to advise on how best to position our strategic approach to tourism within the wider economic development strategy. A report will be considered by the Cabinet of Cheltenham Borough Council in March 2016 and is likely to focus on building upon the strengths of collective marketing approach with the Cotswolds (including Tewkesbury) and Gloucester.

Regeneration

2.35 The reuse and regeneration of sites within the urban areas is as important as new greenfield site development. This is important in the main urban areas of Gloucester, Cheltenham and Tewkesbury.

2.36 Regeneration is an important element of the economic activity and job creation taking place in **Gloucester**. The full strategy for Gloucester is set out clearly in the Regeneration and Economic Development Strategy 2015 – 2020 document, adopted by the City Council in January 2016, and forms part of the evidence base in the ongoing development of the Gloucester City Plan. Some key highlights that the document sets out is in the last decade, the £700 million of investment has been secured, the creation of 1,000 new jobs, the development of 700 new homes, the completion of the inner ring road and South West bypass and the completion of six major regeneration projects at St Oswalds Park, Gloucester docks, the railway triangle, Blackfriars Priory, Greyfriars and Gloucester Quays.

2.37 The issue of city centre regeneration in particular will be at the heart of the City Plan, being the key development issue for the City over the next decade and more. Being an authority with relatively tightly drawn boundaries around the urban area, the provision of economic needs through the redevelopment of brownfield land and the various major mixed use regeneration initiatives to be delivered in the next decade, including Kings Quarter, Blackfriars and Bakers Quay, is as important as new greenfield site development on the periphery of the city.

2.38 The importance of regeneration for Gloucester in the past decade is also shown by the large amount of employment land in the urban area that has been redeveloped for other uses in the recent past, including most significantly for residential development and also some retail development. Whilst the economic and regeneration activity taking place in the city is important for Gloucester's economy and job growth (Objective 1 to 5), Objective 6 of the strategy also recognizes the importance of working in partnership with GFirst and adjoining local authorities to influence and achieve opportunities for growth beyond it's boundaries. The JCS is a core component of this broader Objective 6 of the strategy.

2.39 The regeneration of **Tewkesbury** town centre is a key area of work for the Borough Council. A Tewkesbury Town Centre Masterplan: Strategic Framework Document was approved in July 2012, which set out a range of key projects aimed at regenerating the town centre; these include specific projects, such as riverside enhancement, the regeneration of a key town centre site (Spring Gardens and Oldbury Road), a new leisure centre, and a programme of marketing and inward investment. The Borough Council facilitates a Tewkesbury Town Centre Regeneration Partnership which is overseeing the delivery of the town centre regeneration.

2.40 The **Cheltenham** Development Task Force was established in 2010 by Cheltenham Borough Council with its key partners, including Gloucestershire County Council and the Homes and Community Agency; the Task Force is an arm's length advisory body with the purpose of delivering a host of regeneration outputs loosely associated with the former Civic Pride programme. The Task Force has had considerable success and has been noted in the LGA good practice guide as a fleet-footed low cost solution, which has galvanised commercial and public interests in the pursuit of economic performance. Much of this has been secured by taking a facilitation role between investors and the statutory agencies, including local government partners and the LEP, and community interests. Whilst the Task Force has a wide brief, key examples of projects pursued and delivered include:-

- additional housing, including affordable
- the redevelopment of a number of town centre brownfield sites
- major uplift and investment to public realm in the town centre
- new fit-for purpose office accommodation to enable other sites to be redeveloped in due course
- engagement and negotiation with key retailers to maintain town centre vitality;
- the Brewery phase II and the recent confirmation of a John Lewis store
- with Gloucestershire County Council as partner securing £4.9m in LSTF funding from the DfT, leading to the Cheltenham Transport Plan which begins to be implemented on a phased basis early 2016
- the securing with railway partners in excess of £4m for Cheltenham Spa station upgrade

2.41 The Task Force was originally focused on a limited area within the town centre but has recently expanded its remit to cover the wider Borough of Cheltenham. This re-affirms commitments to projects that were already outside of the original central zone e.g. Cheltenham Spa railway station but critically creates opportunities for the Task Force to bring its experience and expertise to a wider geographical area, reflecting the recommendations in the Athey report concerning the future economic development of Cheltenham. This will enable new projects, such as cyber or tech hub growth ambitions to be actively pursued, which align with both the LEP strategic economic plan, the JCS and emerging components of the Cheltenham plan.

3 Updated JCS Economic Strategy and adjusted growth scenario

3.1 The spatial strategy set out by the JCS provides the land use and spatial planning context of the economic strategy for the area; this is supported by the ambitions and priorities of the SEP and now confirmed by all partners signed up to the devolution bid to government (EXAM 131) which sets out the ***ambition of accelerating economic growth through planning, transport and infrastructure delivery***. The strategy has been updated to reflect additional work requested by the Inspector and to respond to some of the issues debated through the course of the JCS examination.

3.2 As the examination of the JCS has progressed, the variances between the JCS and SEP have been clarified; the additional evidence and work requested by the Inspector as part of EXAM 78 provides an opportunity to update the economic strategy and to narrow the variances and further align the proposed outcomes to clearly set the direction of travel. All parties are agreed that this should be to establish the JCS area as a place to come and do business; to enable the delivery of high value jobs; to support the projected GVA Gloucestershire target of the SEP of 4.7% by 2022; and to provide for flexibility within the parameters of sustainable development. The SEP was developed around three key components (set out below), and the JCS economic strategy provides the planning framework within which these components can be exercised:-

Skills: providing a highly employable and economically productive workforce that meets the needs of local business, particularly in high value growth sectors, clearly aligned to the roles of the further and higher education institutions

Promotion: attracting and retaining successful businesses in high value sectors and the next generation of talented workers

Connection: exploiting the opportunity presented by the motorway corridor to enable faster economic growth and providing the transport infrastructure and comprehensive high speed broadband coverage to accelerate growth

3.3 In supporting the aspirational growth of the SEP and responding to the request for greater choice and flexibility of employment sites, the JCS Councils also need to consider the balance between jobs and housing; a separate note clarifying the JCS authorities' views on this issue has been submitted to the Inspector.

3.4 In addition, through the JCS examination additional evidence (in response to EXAM 78) has been collated to inform an update of the economic strategy, this includes

- re-runs of economic forecasts and consideration of outputs against local intelligence on forecast growth of specific sectors,
- engagement with the LEP, local businesses and developers on the JCS policy off position

- analysis of past trends
- sensitivity testing to provide a range of increases in job numbers
- consideration of evidence on qualitative needs of specific sectors
- further analysis of supply and demand including loss of employment land to other uses

3.5 The details of this additional work is set out in detail in the NLP report 'Employment Land Assessment Update October 2015' (EXAM 138). The report details:-

- Consultation with business sector groups and stakeholder engagement
- Potential for cyber security
- Key growth sectors
- Past trends (employment and development)
- Employment forecasts
 - updated 2015 forecasts
 - alternative scenarios
 - adjusted growth scenario

3.6 The report's key findings are that the JCS:-

- should establish a minimum requirement for B class employment land of 192 hectares
- allocate a large proportion of this through strategic allocations in the JCS, but the JCS should also establish targets for additional smaller scale provision in the City and Borough Plans being prepared by the 3 JCS authorities
- should support positive business growth **aspirations** for a minimum additional 39,500 jobs
- should consider including mechanisms to protect employment allocations (both existing and newly designated) from change of use applications

3.7 A review of existing evidence, alongside that updated/presented through the course of the JCS examination, has illustrated the value of new employment sites to support development within the urban centres, which reinforces the economic strategy established by the JCS. These sites tend to be of a smaller scale than the JCS strategic allocations but build upon existing strengths and help unlock potential to draw investment into the JCS area and wider Gloucestershire.

3.8 It is essential that the JCS has sufficient flexibility to act as a catalyst for long-term growth, taking account of the aspirations of the LEP and local businesses, the understanding of extended delivery times for strategic employment sites and to provide commitment to the delivery of improvements at junctions 9 and 10 of the M5. In updating the JCS economic strategy, and to reflect the advice from NLP, it would be necessary for the JCS authorities to:-

- increase the total employment land requirement to a minimum of 192 hectares (to reflect both anticipated business needs and past trends)

- build in additional capacity for employment growth
- carry out detailed analysis of the existing constraints of M5 junctions
- support cyber security as a growth sector
- consider an additional policy on the loss of employment land

3.9 This is a step-change for the JCS as submitted and reflects the wish of the JCS authorities to work alongside the LEP, to pursue closer alignment with the SEP and to allow the JCS to act as an enabler to economic development. This brings with it uncertainties in terms of timing of the delivery of sites and the number of jobs likely to be created, an uncertainty that needs to be managed.

4 Next steps

4.1 NLP's EXAM 138 report was received by the JCS authorities in October 2015, prior to its consideration at the January 2015 Employment Land examination hearings. The response below reflects officer views, but the report and its implications have not yet been considered by members of the 3 JCS Councils.

4.2 Key in these considerations is the evaluation of potential additional employment land allocations, in order to meet the higher level of employment land requirement identified by the latest work by NLP on behalf of the JCS authorities, and in consultation with the LEP and the local business sector groups.

4.3 The minimum requirement to reflect the adjusted growth scenario set out in the NLP report is for 192 hectares of employment land, to be met by a range of strategic and smaller sites, including urban and brownfield sites, strategic sites within the M5 corridor and smaller rural sites.

4.4 A number of potential modifications would be required to both identify a higher requirement of employment land and to clarify how this will be met, including potential additional strategic employment land allocations and establishing a requirement for smaller sites to be allocated in the Cheltenham and Tewkesbury Borough Plans and the Gloucester City Plan. These are attached as appendix 3

4.5 In addition, in the following paragraphs the JCS authorities have drafted a series of statements that could be added to the justification text of the JCS to provide a clearer direction of travel for future growth. In some cases these relate to potential future strategic allocations (paras. 4.11 to 4.14), where sites are subject to infrastructure or environmental constraints that may restrict their deliverability within the plan period to 2031. It may also be appropriate to propose additional supporting text relating to the key economic drivers referred to in paras. 2.19 to 2.40 above, where the JCS does not propose any specific allocations, but where it is recognised that there may be pressure for future growth.

4.6 One clear message to emerge from the business engagement carried out by NLP is that strategic employment sites generally have a long lead-in time before development is delivered on the ground; this suggests that it would be sensible to consider additional employment land allocations at this stage of the JCS, in recognition of the long lead-in times for delivery, and to support delivery and provide greater certainty for investment. Notwithstanding the long lead-in times, a failure to have a pipeline of suitable available land encourages employers to seek options out-of-County, which would be entirely counterproductive to the LEP and JCS Council aims of delivering long term sustainable economic growth.

4.7 The potential implications of an increase in employment land and jobs in terms of housing requirement need to be considered very carefully; in particular whether it would be necessary for an uplift to OAHN to accommodate an increase in the local workforce. This issue is addressed in EXAM 164 and subsequent submissions to the Inspector in February 2016

4.8 The JCS supports the growth of the local economy and needs to consider very carefully how to accommodate the reasonable aspirations expressed by business as set out in the NLP report; there are however still considerable uncertainties in terms of how many additional jobs will be created locally, when in the plan period additional jobs are likely to be created, and what the labour-force requirements would be.

4.9 The need for additional housing will depend heavily on the assumptions made about economic activity rates; the initial advice from Neil McDonald Strategic Solutions (NMSS) was set out in the separate note prepared by NMSS, which was attached as Appendix 5 of EXAM 139. That note was based on the updated econometric forecasts obtained in July 2015 from Cambridge Econometrics, Oxford Economics and Experian. EXAM 164 considers the implications of accepting the higher job aspirations of the LEP adjusted growth scenario, and this is further addressed in the February note to the Inspector on this issue.

Potential additional strategic allocations

West Cheltenham

4.10 The submitted JCS safeguards around 200ha of land at West Cheltenham (policy SD5 - Green Belt) for longer-term development needs. A key reason why this area has not previously been considered suitable for delivery within the plan period was the presence of Hayden Sewage Treatment facility and the nature of processes taking place that impact on odour nuisance. Since the publication of the JCS, the JCS authorities have been working with the infrastructure provider and options for earlier release of part of this site could now be achieved. In light

of this, land release in this location could make a significant contribution to address the variances between the SEP and the existing JCS economic strategy, and appetite for the promotion of a cyber-security cluster (tested through the Cheltenham Plan – Issues and Options consultation), there may now be an opportunity for the site to be considered as a potential additional strategic allocation, as follows:-

- Phase 1 - 70 ha allocated for mixed-use development, to reflect the support from GCHQ for earlier release of the safeguarded land (as expressed in Exam 100), together with land release that would deliver a wider cyber security park (note this is wholly dependent on outputs of odour mapping for residential element and removal of the sludge storage element from the existing facility). The focus of phase 1 would be on the release of land for employment, specifically for cyber security and those businesses that fall within the supply chain of GCHQ; this is likely to be a minimum of 40 hectares. Any residential development would be to meet any housing demands arising from the employment provision
- Phase 2 - 130ha retained within a safeguarded land designation, with the case for land release for mixed use development to be considered at the first review of the JCS, and dependent on the relocation of the sewage treatment facility, although it must be recognised that there would be no commercial case to relocate the existing sewerage treatment facility unless a significant amount of land was to be released in phase 2.

North Brockworth Strategic Allocation (SA 4)

4.11 The JCS allocates all of this land for housing; however, an area of 3.3 has. was proposed for employment by the developer and a modification to the JCS to include this would reflect more closely the proposals in the planning application, currently awaiting SoS determination following a called-in inquiry; this decision is expected by 22 February 2016.

M5 Junction 10

4.12 There is agreement across relevant partners that the upgrading of Junction 10 to an all movements junction will support the economy of the JCS area and that of wider Gloucestershire. It would support accelerated growth of the economy as set out in the Gloucestershire devolution bid, enabling land to be delivered for mixed use including high value employment. A Junction 10 task group has been set up to establish the timetable for evidencing the business case for the upgrading of this junction of the M5. Given funding timelines, the earliest funding could be available is 2021 with support through the Highways England Road Investment Strategy. All partners on the taskgroup, including the LEP are agreed that junction improvements will unlock the constraint to land currently designated in the JCS as a safeguarded area for development. At this stage, there is no certainty that this funding will be released and it is not therefore possible to anticipate any delivery within the JCS plan period; should funding become

available, then the JCS authorities would consider a strategic allocation through a JCS Review.

Other motorway junctions

4.13 The SEP has highlighted the economic growth potential of the M5 corridor, with particular focus around the motorway junctions. There is currently a high level of demand for employment land around Junction 9 and a joint task group has been set up to consider both the development potential and the infrastructure issues that would need to be addressed; this group involves the JCS authorities, Gloucestershire County Council, the LEP, Highways England and the Homes and Communities Agency. There may be further economic development potential at some of the other junctions.

5 Statements of Common/Uncommon Ground

5.1 A Round Table on Employment Land was held on 22 October 2015 to consider the additional work prepared in response to EXAM 78, including the NLP's Employment Land Assessment Update. Notes of that meeting have been prepared and submitted as EXAM137.

5.2 A second round table was held on 9 February 2016; this was primarily concerned with an assessment of all sources of potential employment land supply and agreed that this was in excess of the 192 ha. requirement identified in the NLP Report (EXAM 138). A separate note of this meeting has been submitted to the Inspector.

Appendices

A1 Relevant links to JCS Evidence Base and Examination Documents Library

JCS Evidence Base

- EEMP 100 Employment Land Review March 2011
- EEMP 101 Employment Land Review: Review of Business Parks Nov 2011
- EEMP 102 Hotel Capacity Study May 2009
- EEMP 106 Assessment of Updated Economic Forecasts April 2014
- EEMP 108 Tewkesbury BC SELAA Report 2012

JCS Topic Papers

- ETOP 112 Local Economy Oct 2013
- ETOP 113 Local Economy Update July 2014

Examination Documents

- EXAM 2B CBC Monitoring Report Dec 2014
- EXAM 2C GCC Employment Land Monitoring May 2014
- EXAM 2D TBC Monitoring Report 2013/14
- EXAM 7 GCC SALA Report Jan 2015
- EXAM 9 GCT Workspace Assessment Update October 2013
- EXAM 10 Employment needs in Gloucestershire, LEP March 2014
- EXAM 12 GCC Employment Land Monitoring Report 2012
- EXAM 13 GCC Employment Land Monitoring Report 2014
- EXAM 19 Cheltenham Economic Strategy Final Report 2015
- EXAM 20 Cheltenham Economic Strategy App A Economic assessment
- EXAM 21 Cheltenham Economic Strategy App B Site analysis and ELR
- EXAM 22 Cheltenham Economic Strategy App C Consultation Report
- EXAM 29 TBC Assessment of Land Availability Report 2013/14
- EXAM 37A Strategic Economic Plan for Gloucestershire March 2014
- EXAM 37B Strategic Economic Plan Appendices
- EXAM 38 Duty to Co-operate update with LEP
- EXAM 68 Letter from Alder King/Bruton Knowles to LEP re Growth Plan
- EXAM 69 NLP- JCS Non B class job growth plus 2007 Companies House list
- EXAM 70 LEP consultation response to draft JCS Dec 2013
- EXAM 74 NLP- Economic forecasts report Sept 2011
- EXAM 75 JCS letter to Inspector re ELR
- EXAM 100 GCHQ representations
- EXAM 100A GCHQ further representations
- EXAM 131 We are Gloucestershire Devolution bid
- EXAM 132 Economic development and tourism strategy
- EXAM 133 Gloucester City regeneration and economic development strategy
- EXAM 134 Growing Gloucester visitor economy
- EXAM 137 JCS Economy Roundtable note
- EXAM 138 Employment Land Assessment Update
- EXAM 139 JCS Economic Update Paper
- EXAM 153 Letter from GFirstLEP re employment
- EXAM 155 JCS Opening Statement re employment land provision and OAN
- EXAM 155A JCS Opening Statement from Tewkesbury BC Chief Executive
- EXAM 156 Hunter Page Planning note on current employment land position

- EXAM 157A Employment speaking note K Pollock
- EXAM 157B Employment speaking note M Nelson
- EXAM 157C Employment speaking note Hashtag
- EXAM 164 JCS LEP adjusted OAN

Appendix 2 – Sources of Employment Land Supply

A – SALA Sites

LPA	Site Ref	Site Name	Parish	Potential Employment Area	Within Current Green Belt	Current Planning Status	Current and Past Uses of Site	0 to 5 Years	6-10 Years	11-15 Years
TBC	SUB18	Land at Newton Farm, Ashchurch	Ashchurch Rural	2.22	No	No current planning application	Farmhouse and curtilage buildings, commercial units currently in active employment on the adjacent former farmyard site (in active employment use).	2.2		
TBC	SUB20	Land south of A46, north of Tirl Brook, Parcel 2	Ashchurch Rural	27.51	No	No current planning application	Agricultural land.			10
TBC	SUB49	Land adjacent to Malvern View Business Park	Bishop's Cleeve	14	No	15/00166/OUT - Outline planning application for up to 265 dwellings and A1 convenience retail store of up to 2000 sq m, with associated open space and landscaping with all matters reserved, except for access. Access defined as off Stoke Road to 15m in to the site. Awaiting decision.	Maintained field adjacent to existing employment site.	5	5	4
TBC	SUB272	Homelands Farm, Bishop's Cleeve	Bishop's Cleeve	1.53	No	No current planning application	Agriculture		1.53	
TBC	SUB273	Land South of Homelands Farm, Bishop's Cleeve	Bishop's Cleeve	2.17	No	No current planning application	Vacant		2.17	
TBC	SUB231	Land adjacent to Ashville Business Park	Churchdown	1.6	Yes	Site lies adj. to the consented extension to Ashville Business Park for Spectrum Medical and Stratstone Land Rover ref: 15/00755/FUL	Vacant land	1.6		
TBC	SUB103	Land adjoining Highnam Business Centre	Highnam	1	No	No current planning application	Agricultural land adjoining Highnam Farmhouse	1		
TBC	SUB112	Land at Rectory Farm, Maisemore.	Maisemore	1.75	No	No current planning application	Dwelling house with associated garden, paddock and stable blocks.	1.75		
TBC	SUB257	Land at Norton Fruit Farm	Norton	0.87	No	No current planning application	Garden Centre (brownfield) and agricultural land	0.87		

TBC	SUB229	Land at Gloucestershire Airport (to the west of South East Camp - West)	Staverton	3.42	Yes	No current planning application	Airport service area	3.42		
TBC	SUB233	Land at Gloucestershire Airport (East of South East Camp)	Staverton	4.38	Yes	No current planning application	Open land within Gloucestershire airport	4.38		
TBC	SUB234	Land at Gloucestershire Airport (West of South East Camp - East)	Staverton	2.18	Yes	No current planning application	Open land within Gloucestershire airport	2.18		
TBC	SUB271	Land at Willowdene, Staverton	Staverton	2.1	Yes	No current planning application	Residential dwelling on site frontage, remaining land used for agricultural/ equestrian use.	2.1		
TBC	SUB248	Evesham Road & Stow Road, Toddington	Toddington	3.81	No	No current planning application	Agriculture	3.81		
TBC	SUB173	Land adjacent to vicarage, Twigworth.	Twigworth	0.34	Yes	No current planning application	Agricultural land	0.34		
TBC	SUB264	Land directly behind Twigworth Court	Twigworth	0.66	No	No current planning application	Vacant backland and hard yard surface. Predominantly greenfield/ agricultural land but with some hard-standing extending into the site from the adjacent business centre.	0.66		
TBC	SUB219	Land adjacent to BT Repeater Station, Shuthonger	Twyning	1.5	No	No current planning application	Vacant, Agricultural land	1.5		
CBC	S084	Land at St George's Place / St James' Square	Landsdown	0.66	No	No current planning application	Currently used as a temporary car park, with vacant and derelict buildings. A key brownfield site in the core commercial area (town centre).		0.66	
GCC	EA04/SUB37	Land adj. South West bypass	Westgate	0.7	No	No current planning application	Vacant site adj. to existing empty uses	0.7		
GCC	EA03	Land to east of	Quedgeley Fieldcourt	6.37	No	No current planning application	Pasture	3.18	3.18	
SALA Totals								42.22	12.54	14

B – Existing Allocations

LPA	Policy Ref	Site Name	Available Area	0 to 5 Years	6-10 Years	11-15 Years
TBC	BI3	Malvern View	2.5	2.5		
TBC	BI4	Cleeve Business Park	5.7		5.7	
TBC	BR2	Gloucester Business Park	20	5	7.5	7.5
TBC	EMP1	Bishop's Cleeve/Southam	7.2		3	4
TBC	EMP1	Staverton/Churchdown	4.5	4.5		
Totals			39.9	12	16.2	11.5

C – Extant Consents

LPA	Application Number	Site Name	Site Size ha	0 to 5 Years	6-10 Years	11-15 Years
TBC	11/00068/FUL	Council Depot, Gravel Pit Lane, Prestbury	0.38	0.38		
TBC	11/00872/FUL	Unit C, Staverton Connection	0.16	0.16		
TBC	12/00280/FUL	Pennant Court, Staverton Tech Park	0.38	0.38		
TBC	12/00129/FUL	Cotteswold Dairy, Northway	1.69	1.69		
TBC	11/00707/FUL	CSD Business Park, Northway	0.21	0.21		
TBC	13/00061/FUL	G&R Pollard Engineering, Ashchurch	0.2	0.2		
TBC	15/00755/FUL	Ashville Business Park	2.4	2.4		
TBC	14/01128/FUL	Home Farm, Brockhampton	0.14	0.14		
TBC	14/01246/FUL	Messier Services, Meteor Business Park	0.05	0.05		
TBC	14/01008/FUL	DAD Ashchurch	0.5	0.5		
TBC	14/00436/OUT	GE Aviation, Bishop's Cleeve	0.12	0.12		
TBC	14/00109/FUL	Staverton Court, Staverton	0.34	0.34		
CBC	12/01522/COU	Berkeley Court, High Street	0.096	0.096		
CBC	09/01863/FUL	GCHQ Benhall, Hubble Road	3.21	1.6	1.6	
CBC	10/01378/TIME	Cheltenham Film Studios, Arle Court, Hatherley Lane	0.335	0.335		
CBC	14/00840/COU	Reset Health And Fitness Unit 1 St Georges Place Car Park St Georges Place	0.13	0.13		
GCC	11/00902/OUT	Triangle Park	1.94	1.94		
GCC	00/00749/OUT	Kingsway Framework 5	13.42	4.47	4.47	4.47
GCC	02/00271/OUT	Gloucester Quays	0.89		0.89	
GCC	14/01035/OUT	Land north of Walls	5.7	1.9	1.9	1.9
Total JCS cmt'd supply			32.291	17.041	8.86	6.37

D – Strategic Allocation Employment Land Delivery

Strategic Allocation	Total employment allocation	Delivery 2015 - 2020 (ha)	Delivery 2021 - 2025 (ha)	Delivery 2026 - 2031 (ha)
A1	9.1		4.6	4.5
A2	0			
A3	17.4		8.7	8.7
A4	0			
A5	23.4	7.8	7.8	7.8
A6	0			
A8	20		10	10
A9	14.3	5	5	4.3
Totals	84.2	12.8	36.1	35.3

Appendix 3 Potential Modifications for Employment

Introduction

The additional work on employment land has highlighted an increased need for employment land, as well as a number of other areas where employment policy could be more positive in supporting economic growth.

At this stage however, no Council decisions have been taken on these issues. The possible modifications indicated below are therefore the views of officers at the current time, and may need to be reviewed following Stage 3 of the Examination and also considered by each of the three JCS Councils and through public consultation.

Policy SP1

- Amend to “a minimum of 192 hectares of employment land to reflect business aspirations, and to provide flexibility and choice for business growth”
- Amend text in 3.1.11 and 3.1.12 to reflect revised position

Policy SP2

- Amend para. 2 to “a minimum of 192 hectares of employment land, to support about 39,500 jobs”
- Amend para. 3 to add new bullet points
 - “Through a new strategic allocation for cyber industries at West Cheltenham (on land previously included as safeguarded land). This would be the major part of a 70 hectare allocation of which a minimum of 40 hectares would be for cyber industries
 - Through an adjustment to the North Brockworth strategic allocation to include a small area of employment land (3.3 has.)
 - through existing employment land previously allocated in existing local plans
 - through new smaller non-strategic allocations in the emerging Cheltenham and Tewkesbury Borough Plans and the Gloucester City Plan”
- Amend text to reflect revised position:-

“This would provide choice and flexibility to support delivery of employment growth, through a range of high quality and well-located large strategic sites, as well as potential additional smaller sites in the urban and rural areas, including those that could be allocated by the lower level Local Plans. The total potential land supply in the

table above is a minimum of 235 hectares of employment land and would not represent in any sense a limit to economic growth.

The levels set out above reflect land that is expected to be brought forward, predominantly for B class employment; however there are wider job generating opportunities, supported by JCS policy SD2 which will also provide sources of employment e.g. retail, tourism, education and health (EXAM 68 and the update NLP report Assessment Of Non-B Class Employment Growth, submitted to the examination in February 2016, refer to other classes of employment)."

- Amend table SP2a by deleting employment land column
- Insert additional table on employment land

Existing JCS Strategic allocations, incl. MOD Ashchurch and proposed inclusion of 3.3 has for employment at North Brockworth	87 ha
Proposed Strategic allocation at West Cheltenham	40 ha
Existing undeveloped capacity (based on previous allocations and extant planning permissions)	Tewkesbury 40 ha Cheltenham 3 ha Gloucester 20 ha 63 ha
Other available and suitable sites	Tewkesbury 40 ha Cheltenham 1 ha Gloucester 7ha 48 has
	238 ha

- Amend Table SP2b to add "A10 West Cheltenham"

Policy SD2 Employment

Add the following to paragraph 1 of the policy (plus appropriate supporting text):-

- *“It is expected that employment land at Strategic Allocations should be predominantly for B class uses”*
- *“Non B class employment uses proposed should support the residential and B Class development provided at that strategic allocation”*
- *“Any retail development proposed at Strategic Allocations should be aimed at supporting the everyday convenience needs generated by the proposed development”*
- *“Where it allows the growth and expansion of existing businesses, especially those in the key growth sectors, subject to all other policies of the plan”*
- *“Where it would encourage and support the development of small and medium sized enterprises, subject to all other policies in the plan”*

Amend para.1 point iv 1st bullet point to read:-

- *“Located within or adjacent to a settlement or employment area and of an appropriate scale and character”*

Amend para 2 to read:

“ Notwithstanding the above, major retail or office development will be directed to the main urban settlements of Gloucester, Cheltenham and the market town of Tewkesbury (see policy SD3). Any proposals for major retail development will be considered against the sequential test and the impact test and would not normally be acceptable in the Strategic Allocations.

Additional supporting text to reflect the economic strategy

This would include text highlighting the importance of:-

- M5 growth corridor
- Key growth sectors
- Cheltenham Racecourse
- Gloucestershire Airport
- Gloucestershire University
- Tourism
- Regeneration

