

# **STRATEGY OPTIONS FOR THE GLOUCESTER ECONOMY**

## **APPENDIX B: EMPLOYMENT SITE AND PREMISES REVIEW**

**Final Report**

**December 2016**

# 1. INTRODUCTION

# INTRODUCTION

- 1.1 This report provides an assessment of the current employment premises and land position for Gloucester City and an assessment of its potential land and premises supply to inform the preparation of the Gloucester City Plan. It is informed by existing published evidence and intelligence, previous stakeholder consultations and more recent discussions with commercial agents, businesses and business organisations. The recommendations and issues identified seek to inform the new City Plan and provide a series of potential issues and action points for the City Council for spatial planning, land allocations and property development.
- 1.2 The key inputs to this report include the outputs from the local economic profile and assessment, business consultations, the evidence submitted to the emerging Joint Core Strategy for Gloucester, Cheltenham and Tewkesbury, and GFirst's Strategic Economic Strategy which is seen as a tool which will reinforce and develop the location's spatial and sectoral strengths and underpin the delivery of the preferred City Plan strategy. This document is presented as an Appendix to the Strategy Options for the Gloucester Economy.
- 1.3 The analysis has considered:
- > Gloucester Local Economic Assessment – Appendix A
  - > Site analysis from Business Park Review, 2011
  - > Strategic Employment Land Availability Assessment, Gloucester City Council, 2016
  - > Three economic growth forecasts for Gloucester City Council by Cambridge Econometrics, Oxford Economics and Experian, April and June 2015
  - > Employment Land Monitoring Reports, Gloucester City Council, 2014 and 2016
  - > Stakeholder consultations and engagement, analysis including market signals September 2016, building upon business stakeholder engagement completed by Nathaniel Litchfield and Partners, 2015 and 2016
  - > Strategic Economic Plan for Gloucestershire, GFirst, 2014
  - > Analysis of existing and allocated employment sites and the extent to which they meet market demand and locational preferences of priority sectors
  - > Analysis of the broad economic and business requirement to be addressed including loss of employment space, commercial and property interests, growth sectors' needs (location, scale, functions, tenure, style, locational principles) and
  - > Consideration of the amount, location and type of employment land and premises required to support economic growth to 2031
- 1.4 In conclusion, the assessment details typologies of sites and the extent to which they meet the identified employment requirement.

## 2. POLICY

# POLICY BACKGROUND

- 2.1 The City Council is preparing a new development plan which will guide the growth and regeneration of Gloucester to 2031. The City Plan will cover the period 2016 to 2031 and it will be the key planning policy document alongside the Joint Core Strategy which guides decisions on the use and development of land in the City. In preparing this City Plan, the Council is seeking to ensure that the emerging strategy complements and supports the implementation of other relevant strategies, which operate across Gloucester including its own City Vision, Regeneration and Economic Development Strategy and the Countywide Strategic Economic Plan produced by the Local Enterprise Partnership, GFirst, in March 2014.
- 2.2 The policies and their objectives detailed in this chapter are specific to Gloucester and guide the economic policies and interventions for the City, namely the emerging Joint Core Strategy for Cheltenham, Gloucester and Tewkesbury, Joint Core Strategy Spatial Economic Strategy, Gloucester City Plan Consultation 2013, Gloucester City Council Plan 2014 to 2017, Gloucester City Vision 2012-2022, Regeneration and Economic Development Strategy 2016-2021, Growing Gloucester Visitor Economy Report, GFirst's Strategic Economic Plan and Gloucestershire Growth Deals 1, 2 and 3.

## EMERGING JOINT CORE STRATEGY FOR CHELTENHAM, GLOUCESTER AND TEWKESBURY

- 2.3 The Joint Core Strategy for Cheltenham, Gloucester and Tewkesbury (JCS) was submitted by the three local authorities to Government for inspection on 20<sup>th</sup> November 2014. The Inspector's Interim Findings, dated 31<sup>st</sup> May 2016, set out the Inspector's recommended response to outstanding matters including economic growth and strategic allocations. Taking into account updated economic evidence and the Council's revised economic strategy for the JCS area, the Inspector proposes that the **JCS area should accommodate a minimum of 192 hectares of employment land and support a jobs target of 39,500 for the period 2011 to 2031**. The Inspector comments that 238 hectares of employment land is available across the JCS area with 56 hectares around Gloucester (22 per cent).
- 2.4 The evidence submitted to the JCS public examination (EXAM 183) identifies a capacity of 20 hectares of existing undeveloped capacity in Gloucester City which has the benefit of planning permission together with 7 hectares of other available land and suitable sites. Any shortfall arising in Gloucester's strategic employment land provision is to be met through co-operation and agreement with the neighbouring planning authorities of Tewkesbury and Cheltenham Borough.

### Distribution of New Development

- 2.5 To support their economic roles as the principal providers of jobs, services and housing and in the interests of promoting sustainable transport, employment is to be delivered by development within existing urban areas through district plans, existing commitments, urban extensions to Cheltenham and Gloucester, and the provision of Strategic Allocations at Ashchurch. A strategic site at M5 Junction 10 is removed from the Green Belt and safeguarded for future employment development. Proposals which bring forward the regeneration strategies for Gloucester will be supported. The modifications to the Pre – Submission JCS to policy SD2 states:

## Policy SD2: Employment – except retail development

1. Employment-related development will be supported,
  - i. At Strategic Allocations, in line with Policy SA1, where it is expected that employment land should normally be used for B class uses, except where it can be demonstrated that non-B class uses would support the residential and B class development at that strategic allocation. In order to support key growth sectors or other key local economic drivers, on some Strategic Allocations, priority will be given to specific sectors as set out in policy SA1 or
  - ii. At locations allocated for employment use within the Development Plan
  - iii. For the re-development of land already in employment use, or when the proposal involves a change of use from non B class employment uses to B class uses where the proposal is of appropriate scale and character
  - iv. For the development of new employment land within Gloucester City, the Principal Urban Area of Cheltenham and Tewkesbury town,
  - v. where it allows the growth or expansion of existing business especially in the key growth sectors,
  - vi. where it would encourage and support the development of small and medium sized enterprises,
  - vii. in rural service centres and service villages where proposals for small-scale employment development will be supported if they are of an appropriate size and scale; or
  - viii. in the wider countryside when it is:
    - located within or adjacent to a settlement or existing employment area and of an appropriate scale and character
    - employment-generating farm diversification projects, which are of an appropriate scale and use, particularly where they involve the re-use of appropriate redundant, non-residential buildings.

2.6 The policy confirms an economic led, urban focused development approach with the primary aim of attracting investment to the key urban areas of Gloucester, Cheltenham and Tewkesbury and Strategic Allocations in the first instance. Gloucester City centre will be supported and strengthened (Policy SD3 as detailed in the modifications to pre submission plan are detailed below) with provision of 41,542 sq. m of comparison good (net sales sq. m) and 3,664 convenience goods (net sales, sq. m).

2.7 Because of the constrained supply of employment land in the urban areas, JCS states that local authorities will wish to evaluate the implications of changes of use. As such, policies on the safeguarding of employment sites will be set out in district plans. Providing start up space is also noted as vital for supporting entrepreneurial and innovation.

2.8 Employment uses, such as retail, leisure facilities, education, health services and residential care (uses outside the 'B classes') are predicted to provide a significant proportion of the projected job growth across the area, potentially two-thirds. Whilst these sectors do not usually generate a specific employment land requirement,

the mix of future job opportunities generated will be as important as specifically allocating parcels of land for employment provision. The modifications to the Pre – Submission JCS to policy SD3 states:

### **Policy SD3: Retail and city / town centres**

#### **1. Settlement Hierarchy**

The area's city and town centres as defined below will be supported and strengthened to ensure that they continue to be the focus of communities. Initiatives which safeguard and enhance their role and function will be supported. The hierarchy of centres in the JCS area is:

##### **Key Urban Areas**

Gloucester City Centre and Cheltenham Town Centre

##### **Market town**

Tewkesbury Town Centre

##### **Rural service centres serving their rural hinterland**

Winchcombe Town Centre and Bishop's Cleeve Village Centre.

#### **2. Cheltenham and Tewkesbury Borough Retail Policies**

Retail policies within the Boroughs of Cheltenham and Tewkesbury are set out in the saved policies of the existing Local Plans. These policies will be reviewed and taken forward through the immediate review of the JCS retail policy.

Within the Boroughs of Cheltenham and Tewkesbury, new retail development will be encouraged in accordance with the policies in the saved local plans.

#### **3. Gloucester City Shopping Frontages**

The city centre boundary and primary shopping area boundaries, and primary frontages and secondary frontages for Gloucester city centre are set out at Appendix X of this Plan. Within the Primary Shopping Area of Gloucester City Centre, the following approach applies:

##### **i. Primary frontages**

Within the primary shopping frontage identified, new retail development will be encouraged. The change of use of A1 (retail) premises at ground floor level will not be permitted, unless it can be demonstrated that the proposed use will maintain or enhance the vitality of the area and where it would not have a significant adverse impact on the amenity of adjacent residents or businesses.

##### **ii. Secondary frontages**

Within the secondary shopping frontage identified, the change of use of retail uses to use classes A2 (financial institutions), A3 (restaurants and cafes), A4 (pubs), A5 (hot food takeaway), D1 (non-residential institutions) and D2 (assembly and leisure) will be permitted provided that it would not have a significant adverse impact on the amenity of adjacent residents or businesses, or result in a continuous frontage of two or more non-A1 retail units.

#### **4. Retail Floor Space Requirements**

Over the plan period to 2031, provision will be made for at least the following new retail floorspace for the following settlements:

## Comparison goods

Location	Comparison goods (net sales, sq. m)		
	2021	2026	2031
Cheltenham	7,466	25,605	45,494
Gloucester	6,819	23,381	41,542
Tewkesbury	516	1,773	3,150
Winchcombe	19	65	115
Bishops Cleeve	75	258	458

## Convenience goods

Location	Convenience goods (net sales, sq. m)		
	2021	2026	2031
Cheltenham	577	1,252	1,805
Gloucester	2,120	2,967	3,664
Tewkesbury	770	910	1,025
Winchcombe	188	196	203
Bishops Cleeve	1,924	2,031	1,117

The provision of the above retail floorspace will be accommodated in accordance with the sequential test and impact test and having regard to the key principles set out below in this policy.

### 5. Key Principles for development in Centres

The following key principles will be drawn upon in the determination of relevant planning applications:

- i. New residential, retail, leisure, culture, tourism, office development and community facilities that contribute to the vitality and viability of designated centres will be promoted and supported.
- ii. Town centre development will be of a scale that is appropriate to its role and function as set out above and will not compromise the health of other centres or sustainable development principles.
- iii. Proposals that bring forward the regeneration strategies for Gloucester City Centre, Cheltenham Town Centre and Tewkesbury Town Centre will be supported.
- iv. Proposals for retail and other main town centre uses that are not located in a designated centre, or are not in accordance with a policy in either the JCS or District plans, will be robustly assessed against the requirements of the sequential test and impact test, as set out in national Planning Practice Guidance, or locally defined impact assessment thresholds as appropriate. For the avoidance of doubt, for retail purposes



- this is the primary shopping area and for other main town centre uses, this is the city / town centre boundary.
- v. The provision of new local centres of an appropriate scale to provide for the everyday needs of new communities within the identified Strategic Allocations (see Part 6 of this document) will be permitted.

## 6. Retail Review

Following adoption of the JCS, this policy will be subject to an immediate review. The single issue review will take approximately two years to complete.

# JOINT CORE STRATEGY SPATIAL ECONOMIC STRATEGY - NOVEMBER 2015

2.9 As part of the examination process the JCS authorities set out the spatial elements of the economic strategy (Exam 180) for the JCS area. The strategy includes an 'Updated Employment Land Assessment' by Nathaniel Lichfield and Partners (NLP) presented to the JCS authorities in October 2015 and which considers updated econometric forecasts and the outcomes of business engagement.

2.10 The strategy provides for an urban focussed economic strategy supporting the principal urban areas of Gloucester, Cheltenham and Tewkesbury together with strategic allocations. The main thrust of the strategy is support for development along the M5 corridor, to support key growth sectors and also smaller local businesses. The statement sets out a vision:

"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"

2.11 The Spatial Economic Strategy also identifies three strategic economic objectives which are now included in the modifications to the JCS:

Strategic Objective 1 – Building a strong and competitive urban economy which seeks to 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
- > Increasing access to high speed broadband for both urban and rural areas, to drive investment and employment opportunities and to enhance quality of life and access to services

Strategic objective 2 – Ensuring the vitality of town centres seeks to 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 by facilitating 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

2.12 The key growth sectors identified in JCS economic strategy are:

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

2.13 The strategy identifies key enterprises and institutions including Cheltenham Racecourse, Gloucestershire Airport, Gloucestershire University (research in 2015 valued its contribution to the economy at £151.2m) and Tourism.

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

## **GLOUCESTER CITY PLAN CONSULTATION 2013**

2.15 The Gloucester City Plan Part 1 included a consultation on Vision and Objectives (May 2013). The City Plan Part 2 consultation in summer 2013 sought views on potential future development sites in the City as well as a draft vision and strategy for the City Centre.

2.16 The Part 1 consultation identified Gloucester's issues and challenges to be addressed through the Local Plan process which included:

- > Raise profile image and attractiveness of Gloucester including the need to improve gateways into and around the City
- > Increase and make best use of the City's tourism and cultural offer
- > Protect and enhance the core shopping area and raise its retail ranking
- > Mix of high quality housing to attract and retain more highly skilled workers and support current residents
- > Implementation of development sites
- > Deliver enough employment land to meet needs
- > Regenerate the more deprived areas of the City
- > Affordable housing
- > Protecting the natural and built heritage

2.17 The consultation documents identify the need to diversify the City's economic base whilst supporting the manufacturing sector in particular hi-tech manufacturing. More broadly, the consultation document highlights:

- > Educational achievement is low and businesses report skills gaps need to improve business start-up and survival rates
- > Lack of Grade A office and high technology space and the City would benefit from a Technology Park in a high profile and accessible location
- > Retain employment within the Canal corridor
- > Support development on the City's boundary to the north as it is considered to be more accessible to the city centre
- > Safeguarding and protecting existing urban employment land

## GLOUCESTER CITY COUNCIL – COUNCIL PLAN 2014 TO 2017

2.18 The Council Plan 2014 -2017 identifies the Council's corporate priorities. The economic priorities within the plan seek to grow Gloucester's economy by continuing efforts to regenerate the heart of the city and ensure that local people benefit from investment. The Council will develop the cultural offer and maximise the use of assets, building on Gloucester's strengths to grow the tourism economy and improve the environment. The key actions points and projects include:

- > Working with the LEP to develop a growth hub
- > Promote commercial sites
- > Work with the private sector to develop growth sectors (e.g. nuclear)
- > Develop employment opportunities, supporting self-employment and business startups through advice and grant schemes
- > City Centre Investment Fund projects / Southgate Street Townscape Heritage Initiative Scheme / Blackfriars and Kings Quarter development schemes/ Indoor market review and new City Centre Action Plan for daytime and nighttime economies
- > Asset maximisation

## GLOUCESTER CITY VISION 2012-2022

2.19 The City Vision sets out what the Council wishes to achieve for the City to 2022. The Vision states that 'Gloucester will be a flourishing, modern and ambitious City, which all residents can enjoy. We will work to encourage sustainable growth for the City's expanding population by driving forward its regeneration programme. This will strengthen the City, particularly its centre and make the most of our infrastructure'. The City Vision highlights the key strategic priorities for City Centre to meet the needs of all, a vibrant evening

economy, a city which improves through regeneration and development, a safe and happy community and a healthy City with opportunities available to all.

2.20 The City Vision is seen as an overarching framework for all partners' strategic plans including the Gloucester Cheltenham and Tewkesbury Joint Core Strategy and the Gloucester City Plan.

## REGENERATION & ECONOMIC DEVELOPMENT STRATEGY 2016-2021

2.21 Regeneration and Economic Development Strategy 2016 – 2021 was adopted by the City Council in January 2016. The strategy highlights that in the last decade, £700 million of investment has been secured, seen 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. The Strategy highlights key assets and achievements:

- > Advanced engineering companies, strong finance and insurance cluster, growing information security, web hosting, CAD design, defence communications, ICT, infrastructure development and IT content management businesses.
- > Creative community with Blackfriars and Westgate Street as hub for creative businesses
- > Strong independent and retail sector
- > 5.9 million visitors spending £207 million per year
- > Securing £700 million of private sector investment
- > Duport Business Confidence Report highlights 448 companies set up January and June 2013 and 2011 and 2012 were record years for company registrations
- > UK Competitiveness Index ranks it at 19<sup>th</sup> in 2013
- > Experian 2012 ranked 11<sup>th</sup> out of 324 local authorities for growing business base
- > Santander Town and City Index 18<sup>th</sup> out of 74 UK cities for business
- > Centre for Cities report notes 6<sup>th</sup> out of 64 cities for patents approved, highest employment rates, highest housing growth stock and top ten cities where small businesses are investing in high growth strategies

2.22 The strategy states that regeneration will be at the heart of the City Plan particularly the regeneration of brownfield land and mixed used regeneration including at Kings Quarter, Blackfriars and Bakers Quay given the tight urban boundary. It notes that a large amount of employment land has been lost to residential and retail development. Greenfield development is seen as complementary development and will require partnership working with adjoining local authorities and GFirst to influence and achieve opportunities. The Strategy includes a comprehensive action plan:

- > Delivering major development sites at Kings Quarter, Blackfriars, Gloucester Quays and Gloucester Docks, Canal Corridor and Rail /Triangle corridor
- > A vibrant city centre for housing, leisure and retail
- > Develop a hit list of small sites to assist them in regenerating their sites
- > Assets based community development programme and estates regeneration programme, supporting people and communities, skills, health and deprivation.
- > A grants programme that supports entrepreneurs (Star People Funding and Business Support Grants)
- > Target key growth sector, inward investment campaign, business engagement programme, broadband, deliver business grants to assist startups; extend business startups provision SMEs through Gloucestershire

Enterprise Limited, The Princes' Trust, exploring mechanisms such as Enterprise Zones and Business Improvement District

- > Working with GFirst support delivery of strategic housing and employment sites
- > Utilising city owned Regional Development Agency assets together with other landmark buildings,
- > Acquisition of other buildings
- > Assumes self-financing programmes or resourced through alternative funding
- > Regeneration and Economic Development Team

## GROWING GLOUCESTER VISITOR ECONOMY REPORT

- 2.23 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.
- 2.24 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. The report seeks progress towards closer coordination between organisations which contribute to visitor economy growth. In addition, current successful efforts to promote the city must be amplified to capitalise on current growth and increase it bringing substantial growth in jobs and the local economy.
- 2.25 Barriers to growth in the visitor economy are identified which includes a shortage of good quality hotel rooms and lack of a larger venue space.

## GFIRST STRATEGIC ECONOMIC PLAN

- 2.26 The Strategic Economic Plan (SEP) was submitted to Government by GFirst in March 2014, supported by the local authorities of Gloucestershire. The Strategic Economic Plan sets out ambitious plans to accelerate economic growth by focusing on key drivers of productivity and supporting growth in high value sectors. The SEP includes wide ranging ambitions and includes commitments to deliver 33,900 jobs between 2015 and 2021 across the County and a GVA average annual increase of 4.8 per cent.
- 2.27 The SEP identifies several sector specialisms with high growth potential, where there are strengths on which to build or opportunities to exploit. These high value sectors include nuclear and renewable energy; aerospace; precision engineering; medical instruments; export intensive sectors; professional, scientific and technical; financial and business services; media and tourism. The SEP has identified its key growth sectors with key priority interventions along the M5 corridor Growth Zone, a Growth Hub, including enablers of growth which includes improvements to the A417 link and support for green technology.
- 2.28 Key elements of SEP proposition to meet the ambitious job and GVA aspirations are:
- > Seeking £52m 2015-16 in investment
  - > Create 33,909 new jobs and protecting 2,125 jobs
  - > GROWTH HUB: business support for growth firms including accelerator services
  - > GREEN (Gloucestershire centre of excellence in Renewable Energy, Engineering and Nuclear skills). A skills centre/ STEM centre on site of Berkeley Nuclear Power Station aiming to provide skills for nuclear power at Oldbury and Hinckley Point

- > GROWTH ZONE – employment land at M5 junctions 9 & 10; J9 is MOD site at Ashchurch; J10 is an all modes upgrade designed to make employment/ development sites more viable and
- > ENABLERS – transport and infrastructure projects (includes M5 J9 and J10 upgrades A417 missing link; A40 improvements between Gloucester and Cheltenham (including bus lanes); Public transport including rail improvements; improvements to Gloucester Airport; improvements to broadband and mobile phone connectivity

## GLOUCESTERSHIRE GROWTH DEAL 1 AND 2

2.29 The Growth Deal 1 and 2 are part of a £12 billion Government Programme to revitalise local economies. The Growth Deal for Gloucestershire 2014 focusses upon 3 priority areas in the SEP:

1. Skilled workforce
2. Attracting retaining and developing successful businesses and
3. Exploiting opportunities for new sites

2.30 The Growth Deals will see £62.5million of investment. £11.7 m has been confirmed in 2015/16 and £16.6m between 2016/17 to 2021. The Growth Deal will help to create up to 5,000 jobs and generate up to £40 million in public and private investment. Key elements are GREEN, the Growth Hub and the Growth Zone detailed below.

2.31 The Gloucestershire centre of excellence in Renewable Energy, Engineering & Nuclear skills (GREEN) is a partnership between GFirst LEP and South Gloucestershire and Stroud College. GREEN will be a world-class centre of excellence for STEM training, providing workforce development training and apprenticeship opportunities based at the decommissioned Berkeley power station site. The objective is to develop a local workforce with engineering, nuclear and low carbon industries.

2.32 The Growth Hub is a unique partnership between the University of Gloucestershire and GFirst LEP to enable businesses to achieve their true growth potential. The Growth Deal will ensure physical spokes for business access to support services are in place across the county, Science, Technology, Engineering, and Mathematics (STEM) centres deliver quality provision across Gloucestershire at a Growth Hub central facility.

2.33 The Growth Zone will further develop the availability of employment land along the M5 corridor in order to attract and retain high value-added businesses by providing valuable space and the necessary transport infrastructure for business expansion. Initial focus will be on development at junction 9 and junction 10 of the M5 and in particular the opportunity provided by the Ashchurch site near Tewkesbury working with Homes and Communities Agency and Highways Agency.

2.34 In addition Government have confirmed new investment in major infrastructure schemes across Gloucestershire:

- > £4.36 million will improve the A419 corridor between Stonehouse and the M5
- > £1.15 million will improve access to the Berkeley site for the GREEN project
- > £4.7 million will ensure that the re-development of the Kings Quarter bus station in Gloucester and
- > £1 million will develop a robust transport strategy for Lydney

- 2.35 And Government have provisionally allocated funding to an additional five schemes:
- > £1.99 million provisional allocation to repair the Berkeley bridges, reducing travel times on the A38
  - > £3.8 million provisional allocation to fund the Cinderford Northern Quarter Link Road
  - > £2 million provisional allocation to upgrade the Gloucester South West bypass
  - > £1 million provisional allocation to upgrade St Barnabas Roundabout in Gloucester and
  - > £1.6 million provisional allocation to upgrade the B4063 Staverton Bridge junction
- 2.36 The Gloucestershire Growth Deal also ensures that the Highways Agency is committed to working with Gloucestershire County Council to develop a compelling business case to secure funding to address the A417 Missing Link.
- 2.37 Additional Growth Deal 2 announcements include:
- > Support for fledgling agri-tech businesses –high tech incubation facilities at the Royal Agricultural University to support start up and promote innovation
  - > Investment in the regeneration of the Blackfriars and Quayside areas in Gloucester City Centre for domestic and commercial use
  - > Support for retail entrepreneurship by providing high street incubation space in Gloucestershire
  - > Promoting the growth of Gloucestershire Airport by improving key infrastructure at the site
  - > Further additions to the planned Gloucestershire Renewable Energy, Engineering and Nuclear skills centre at Berkeley
  - > New Cyber Security Training and Conference Centre to build Gloucestershire’s skills base in this fast-growing sector and
  - > An Advanced Renewable Energy Resource Centre delivering STEM skills development, experimental research and specialist business and domestic market support in renewables

## **GFIRST GROWTH DEAL 3 – SUBMISSION SUMMER 2016**

- 2.38 The bid submission to Government in August 2016 identifies 11 project and priorities in four clusters: Business and Innovation, Regeneration, Housing and Skills, and aims to continue progress already made. The projects include a range of local and Government priorities including: national cyber security; unlocking land for housing and employment use; extending skills and Apprenticeships provision to support key industries; innovation; regeneration and transport improvements. The decision on Growth Deal 3 is expected to be announced as part of the Autumn 2016 Spending Review in November 2016.
- 2.39 The submission includes:
- > Adjacent the City boundary a proposal for Longford Housing which includes a series of housing sites with provision for 9.1 hectares of employment land at Innsworth and 17.4 hectares of employment land at South Churchdown. The JCS has confirmed that this area is essential for housing and employment and the investment will unlock the site for development. The key elements including a new junction onto the A40 northern bypass, a link road to the site from the junction and capacity improvements at Longford roundabout.

- > The Gloucester station project seeks to tackle severance between residential and employment areas in Gloucester. The project includes site acquisition, high quality footbridge to connect Great Western Road and city centre residential development, station building enveloping and new public square.
- > The bid also includes development opportunities at Gloucester Airport – expansion to the east of Meteor Business Park, realignment of the taxiway infrastructure to facilitate hangar / industrial development, south east camp to promote additional car park and hotel and south east camp (south) for aviation related offices / light industrial units.

## COMMENTARY

- 2.40 The Interim Inspector's report to the JCS examination promotes a clear economic spatial strategy which focuses economic growth at strategic sites on the M5 corridor together with strategic allocations whilst supporting growth and regeneration within Gloucester City. The Inspector, supporting the JCS Economic Strategy November 2014, has identified a minimum employment allocation of 192 hectares supporting a total of 39,500 jobs across the three authorities.
- 2.41 The JCS plans for 39,500 jobs between 2011 and 2031 reflects and is consistent with the long-term trend rate of 1.0% growth in jobs per annum 2000-2014. i.e. the historical trend growth rate is 1.0% per annum, and the projected JCS rate is 1.0% per annum.
- 2.42 Recent trend rate of growth 2010-2015 is higher at 1.5% and there are obvious uncertainties around Brexit which may pull down employment growth in the short to medium-term. However, the long-term impacts of Brexit are uncertain and unknown at this stage. Given the advanced progression of the jobs target through the JCS public examination and the longer-term growth trends, it is assumed to be sound for the purposes of this assessment. However, it must be noted that there may be additional risks around delivery and implementation which as a result require additional interventions.
- 2.43 Unadjusted for inflation GVA growth in Gloucestershire's long term trend rate of nominal GVA growth 1997-2014 is 4.3% (England = 4.4%). The short-term trend rate of nominal GVA growth 2010-2014 is 2.9% (England = 3.9%). This figure adjusted with national GVA deflators – taking into account inflation equates to a long-term trend rate of real GVA growth 1997-2014 of 2.4% (England = 2.4%) and a short-term trend rate of real GVA growth 2010-2014 of 1.1% (England = 2.0%). The deliverability of the GFirst GVA targets will depend upon the type of sectors that are to grow but it must be recognised that the GFirst GVA target is highly aspirational and challenging given past trends highlighted here and in the economic assessment.
- 2.44 The JCS strategy builds upon economic forecasts 2015, consideration of local intelligence for specific sectors, engagement with the LEP, local businesses and developers, analysis of past trends and alternative sensitivity testing. The JCS submissions identify a capacity of 20 hectares of existing undeveloped capacity with the benefit of planning permission in Gloucester City together with 7 hectares of other available and suitable sites. Given the tight administrative boundary, and acknowledgement that the functional Gloucester economy extends beyond the City boundary, the Inspector comments that 56 hectares is available around Gloucester representing 22 percent of the total employment land provision. In addition, the JCS has highlighted key employment sites including Innsworth and South Churchdown together with expansion at Gloucester Airport which will provide an important contribution to the needs of the wider Gloucester economy.



- 2.45 The Regeneration and Economic Strategy 2016 to 2021 highlights a number of reports and strategies with a very positive narrative detailing the strengths and ranking of Gloucester as a business location. In addition, a wide range of growth sectors have been identified for the JCS economic strategy area, by business stakeholders and the Strategic Economic Plan. These include an extensive list for the entire JCS area:
- > Advance Manufacturing, Precision Engineering, Medical Instruments;
  - > Aviation and aerospace
  - > Nuclear and Renewable Energy
  - > Creative Industries, Leisure and Tourism
  - > Retail
  - > Professional, Scientific and Technical, Financial and Business Services
  - > Information technology
  - > Marketing and public relations
  - > Export intensive sectors
  - > Transport
- 2.46 In moving forward, Gloucester City will need to have a clearer understanding of which sectors it has a clear competitive advantage, which sectors it is seeking to attract and the land use requirements / implications of growth in that sector. It is also clear that the surrounding authorities also have ambitious growth plans, exceeding the business as usual forecasts. A clear and distinct USP is required if Gloucester is to capture and implement its share of this growth.
- 2.47 The priority for the City Plan strategy is being refined to consider the Council's more recent Council Plan. However, it is clear that the Council seeks to continue driving forward plans to regenerate the City Centre which in turn act as the catalyst to wider regeneration of the City in particular its more deprived wards. To achieve this, the emerging City Plan to date has adopted a town centre first approach to development, to regenerate its centre enhancing the City Centre experience. The city's retail offer, economic base, cultural facilities, quality of connections, visitor management and public realm will all need to be improved.
- 2.48 Growth Deal Funding is enabling the development of key interventions in Gloucester including re-development of the Kings Quarter bus station and upgrades to the south-western bypass. Growth Deal 2 funding will be used to support investment in the regeneration of the Blackfriars and Quayside areas in Gloucester City Centre for domestic and commercial use. The City Plan objectives currently highlight a range of potential uses for the City Centre and a number of functions that it would perform.
- 2.49 From initial assessment of the policies, strategies and interventions, it is clear that the City Plan will need to have a clearer and stronger place making role. It should set out a clear, functional role for the City Centre, reconciling a number of competing objectives in the City Centre into one cohesive whole, together with its relationships with the wider Gloucester City area. In addition, the JCS Inspector has now requested that an immediate review of the retail policy is undertaken after the JCS is adopted (Spring 2017) to include updated evidence, city / town centre boundaries (including primary and secondary shopping frontages) and market share. Therefore, the strategic objective for town centres will be taken forward through the immediate review of policy SD3 in the Joint Core Strategy.
- 2.50 The Consultation City Plan recognises the need to diversify its economic base supporting important manufacturing sector in particular hi tech manufacturing. The consultation highlights the lack of Grade A office and high technology space and suggests it would benefit from a Technology Park in a high profile and

accessible location. The Plan also supports an employment focus along the Canal corridor with development on the City's boundary to the north as it is considered more accessible to the city centre. The Consultation City Plan seeks to safeguard existing employment sites. This assessment of these priorities in the light of the JCS examination and current economic performance alongside a market perspective is critical to inform the economic strategy and its spatial response.

# 3. EMPLOYMENT SITE EVIDENCE

# EMPLOYMENT SITE EVIDENCE

## EXISTING AND PIPELINE EMPLOYMENT FLOORSPACE AND LAND

- 3.1 This chapter details the current evidence and intelligence on the existing business floorspace and employment land profile of Gloucester City, key issues and constraints and in some instances recommendations and interventions to support the further development of an employment land and sites portfolio that meets the needs of business.
- 3.2 There are five key reports available to Gloucester City Council which review existing employment sites within Gloucester: JCS Employment Land Review 2011; JCS Review of Existing Business Parks 2011; Strategic Assessment of Land Availability 2016 and Gloucester City's own Bi annual monitoring reports 2014 and 2016. The assessment has also considered submissions to the JCS public examination.

## JCS EMPLOYMENT LAND REVIEW 2011

- 3.3 The JCS Employment Land Review 2011 report reviews the position for all three local authorities within the Joint Core Strategy area. It confirms that Cheltenham and Gloucester should continue to be viewed as the main employment locations and key centres of activity stressing the importance of town centres.
- 3.4 The study comments on the need to assess their capacity for growth. In Gloucester, this is a particular challenge as City Centre sites have historically failed to come forward due to the availability of cheaper and more viable greenfield sites out of town. The report also notes the historic and ongoing loss of employment land across the study area. The implications of this historic loss of space must be reviewed as part of the City Plan process.
- 3.5 The review sets out a scale of growth reflecting economic forecasts available at that time. The principles of this advice are now reflected in the Joint Core Strategy although the quantum of planned growth is now superseded by the outcomes of the JCS Public examination and further work by Nathaniel Litchfield and Partners.

## JCS REVIEW OF EXISTING BUSINESS PARKS 2011

- 3.6 The report reviewed 50 business park sites in Cheltenham, Gloucester and Tewkesbury. It concluded that existing employment provision is considered fit for purpose.
- 3.7 The report concludes that Gloucestershire has a good portfolio of sites, ranging in size, quality and use. The provision of high quality strategic and smaller sites provides both the capacity and necessary attributes to attract new employers in key sectors which support the policy aspirations of the Gloucestershire Integrated Economic Strategy (GIES). Low vacancy rates on the majority of sites suggest a positive economic position.
- 3.8 However, the report does recommend that some sites should be upgraded so that they are appropriate for continued business uses. Existing businesses make an important contribution towards the local economy - upgrading sites will continue to provide good choice across the county. The report recommends that all sites should be safeguarded for future employment use.
- 3.9 Importantly it notes that traditional employment sites may not be able to accommodate the future growth sectors which are an important element to support the growth of the Gloucestershire economy.
-

3.10 Table 3.1 below includes details of these sites with a reference number in brackets (e.g. G21). A map of the sites and details of each site is available in the Review of Business Parks Review Appendices. Table 3.2 includes the commentary on sites that are adjacent or close to the Gloucester City boundary and are seen as part of the wider Gloucester employment site offer.

## STRATEGIC ASSESSMENT OF LAND AVAILABILITY 2016

3.11 The Strategic Assessment of Land Availability 2016 reports Gloucester City's consideration of existing and potential employment land supply. The report also identifies the loss of employment sites, sites that have the benefit of planning permission for change of use or are considered to have the opportunity for redevelopment to an alternative use. Table 3.1 includes information from the Strategic Assessment of Land Availability 2016 (SALA 2016) for those sites that are in operational employment use.

## THE GLOUCESTER CITY EMPLOYMENT LAND REPORTS 2014 AND 2016

3.12 The Gloucester City Employment Land Reports 2014 and 2016 identify the available and remaining sites identified in the draft 2002 City Plan allocations at 2014 and 2016 together with their current status.

3.13 The tables below detail the analysis presented in these reports on existing employment sites. Those without a reference number are sites identified in SALA 2016. Taken together the reports make specific recommendations for Gloucester City sites as follows:

**Chase Lane Depot, City Business Centre, Glevum Works, Goodridge Trading Estate and Morelands Trading Estate** are key examples of locally important sites that will provide a key role in the future. These sites can undergo modest improvements to tackle local issues, however no significant alteration should happen as the continuation of their existing uses is critical to retaining a resilient and skilled economy.

**The Canal Corridor and Southbrook Road Trading Estate** are key examples of sites that have the potential to be upgraded while retaining employment uses. The integrity of these sites must be protected, whilst the sites must remain flexible to adapt to market change. Where an opportunity for enhancement arises to add value to these sites, this should be taken. These sites can help support the growth of the economy, whilst providing foundations from which emerging sectors can develop.

**Space Business Park and Space Business Centre** are key examples of sites that promote small businesses, reflecting economic strategy aims. These exemplar sites strive to promote a sustainable, low carbon economy and encourage the smaller start-up businesses which may be the emerging wealth-creating businesses of the future. These sites encourage local start-ups and expansion by small indigenous firms, providing a range of suitable, small, flexibly managed units. Over time, this could create some demand for slightly larger office units and might also contribute to the further development of the small office market, thereby helping to improve the business image of the county. The new sites are, however, at an early stage, currently with a high level of vacancies. These sites must be observed and monitored against the economic strategy objectives over the forthcoming years to assess their success.

Sites such as **Waterwells Business Park** are key examples of sites that currently employ a large amount of people and support a diverse range of employment sectors, from manufacturing, to finance and large distribution businesses. These are large employment sites which have the potential to expand and accommodate the growing sectors.

TABLE 3.1 EXISTING BUSINESS PARK AND SITES IN GLOUCESTER CITY

Site Address	Comments / Information from JCS and City Council Reports
Land between Canal and Bristol Road. (Podsmead Ward).	<p>Occupied and functioning industrial and commercial land along canal side with accesses from Bristol Road. Numerous land owners and tenants in place. May require relocation of existing uses. Would need comprehensive development approach. Few voids 2012 SELLA panel and SALA 2016 (HA21) advised to retain as employment land for plan period.</p> <p>Site to be kept in SHLAA but capacity not in trajectory.</p> <p>Site not included as a potential development opportunity in 2013 City Plan sites consultation.</p>
Land at Griggs Timber, Bristol Road.	<p>SALA 2016 SUB38 0.5 site</p> <p>Existing timber merchant site. Access issues, due to potential ransom strip between site and Bristol Road. Loss of employment would need to be justified against policy.</p>
Allstone site, Myers Road. (Elmbridge Ward).	<p>SALA 2016 SUB 43 6.5 hectare site</p> <p>Occupied and functioning aggregate and waste recycling facility. Surrounded by industry / employment, residential, railway line and public open space. Relocation of existing uses to an appropriate alternative site required to make the site available for development.</p>
277-279 Bristol Road. (Podsmead Ward).	<p>SALA 2016 SUB 46</p> <p>Occupied and functioning employment land, surrounded by industrial, employment and commercial uses. Existing Employment Site 2012 SELLA panel recommended site is retained for employment purposes.</p>
Warehouse, Great Western Road (former Pickfords). (Kingsholm & Wotton Ward).	<p>SALA 2016 SUB48</p> <p>Currently used for warehousing - retain for employment purposes</p>

Site Address	Comments / Information from JCS and City Council Reports
Southgate Moorings and Car Park. (Westgate Ward North).	<p>SALA 2016 FS02 0.5 hectare site Utilised car park within the Docks. Interest to develop for office use. Not promoted in SHLAA. Subject to a draft allocation for employment uses. Loss of draft allocation for employment uses would need to be justified against policy.</p> <p>Site is well located for employment and would help redress employment / residential mix in the Docks. Potential City Plan allocation - site to be considered through Parking Strategy. City Council aspiration to deliver offices on the site.</p>
Rear of Smith & Choyce, Upton Street. (Barton & Tredworth Ward)	<p>SALA 2016 FS09 0.54 hectare site Occupied and functioning employment premises. Not promoted in SHLAA. Loss of existing employment use would need to be justified against policy.</p>
Redcliffe College, Horton Road. (Kingsholm & Wotton Ward).	<p>SALA 2016 FS15</p> <p>Located on periphery of City Centre - in close proximity to Gold Bus Routes No. 10 and No.94 to City and Cheltenham; close proximity to GRH Site being sold by Redcliffe College who are relocating elsewhere within the City - site marketed by Knight Frank - previous permission for extensions at the site. Possible capacity for additional development subject to heritage; archaeological constraints and TPO's.</p> <p>Office /University/Nursing/Care Home/Boutique Hotel potential</p> <p>Assessment panel suggested site would be suitable for offices but the use may not be viable.</p>
Peel Centre. (Moreland Ward).	<p>SALA 2016 ED013 Retail uses proposed</p>
Keyway's Site Barnwood Point. (Barnwood Ward).	<p>SALA 2016 ED033</p> <p>2.9 hectare site bounded by Barnwood Road to the south and the A38 Corinium Avenue to the east. Employment uses to the north east. February 2016 - Site the subject of a planning application for car sales and servicing dealership.</p>

Site Address	Comments / Information from JCS and City Council Reports
67-69 London Road (former Fortis site). (Kingsholm & Wotton Ward).	SALA 2016 ED044  0.35 hectare site has been vacant for more than 3 years. Site being marketed for offices.
Gloucester Retail Park. (Coney Hill Ward).	0.35 hectare  Site currently in use for large format retail sheds. Recent upgrades to environment of site and extant consent for a small coffee house within the car park fronting Eastern Avenue.
Barnwood Employment Area G1	High profile site in a strategic location close to M5 attracting high level of business uses. Particularly attractive to large organisations and to distribution companies. Vacancy rate at 5% with small infill plots only available with some land vacant to the north east noted.
Space Business Centre G25	An important site with 51 small units (400-500 sq. ft.) encouraging more start-up businesses and growth of indigenous businesses in managed space in landscaped surroundings. Employment activity should be monitored on this site to assess its success in helping drive new businesses forward. At 2011 the site had recently been completed and therefore vacancy rates were noted as high. At July 2016, 9 of the 51 units are available – a vacancy rate of 17%.
Waterwells Business Park G27	This Business Park has high market attractiveness due to its strategic location close to M5 and high quality appearance attracting high level of business uses employing a high number of people. Particularly attractive to large organisations and to distribution companies although the site supports a diverse range of businesses from manufacturing, finance and large distribution businesses. It has a better quality appearance and higher profile than the more traditional sites in Gloucester although it is noted there are limited facilities for the local workforce. It is identified as a large employment sites which has the potential to expand and accommodate growing sectors.
Chase Lane Depot, Eastern Avenue G5	A locally important site that will provide a key role in the future. It scores highly in terms of market attractiveness but has a lower score for access. The continuation of existing uses is seen as critical to retain a resilient and skilled economy. Individual plots can be redeveloped on site.
Green Farm Business Park, Merlin Drive G23	Good, high profile employment site with some strong characteristics including good quality buildings, although issues relating to amenity of adjacent occupiers and public transport access noted.



Site Address	Comments / Information from JCS and City Council Reports
Southbrook Road Trading Estate G2	Good employment site providing accommodation for local businesses and has the potential to be upgraded but retaining employment uses and protecting the integrity of these sites must be protected.
Lower Tuffley Lane G20	Site identified for possible upgrade to meet growing sectors including higher value manufacturing and engineering, finance and business services and creative industries. Low score noted for facilities for local workforce.
Eastern Avenue Trading Estate G4	Strong trade park site with low vacancy rates clearly meeting local demand. Although the site scores well it is lowered due to local and strategic access and facilities for local workforce.
Eastbrook Trading Estate G3	Good quality site with a high overall score with potential for future modernisation and improvement. Site score impacted as it is not within a reasonable distance of public transport but with reasonable cycle and pedestrian access.
Morelands Trading Estate G17	A locally important site for mix B class uses. The continued use of existing business is critical in retaining a resilient and skilled economy where improvements to tackle local issues, including neighbouring amenity can be completed. However, the site scores poorly in terms of strategic and local access.
Olympus Park Business Centre G24	Good, high profile site with a high overall score with good quality buildings in a well landscaped environment. Site score lowered by limited local access, access by public transport and amenity impact on adjacent occupiers.
The Canal Corridor G18	A traditional employment sites housing activities such as manufacturing and engineering. At the time of the report there was a 5% vacancy rate. Considered as a site which is essential to the local economy where local demand is evident. Some concern that modernising these buildings may undermine the attractiveness to businesses due to increase in market value and rental costs although does have the potential to be upgraded. Development constraints are noted.
The Pullman Centre G9	Good office site with a high overall score and high market attractiveness. Site score impacted by poor strategic and local access and access by bicycle or foot. Possible modernisation of internal space may reduce vacancy rates.
Kingsway Business Park G26	Outline planning permission for 20 hectares of employment land. At 2011 was a low profile site with redevelopment proposals in close proximity to Waterwells employment site. Good overall score impacted by poorer scores for development constraints, amenity of adjacent neighbours and facilities for local workforce.

Site Address	Comments / Information from JCS and City Council Reports
Land at Ashville Road and Empire Way G19	A high quality employment site with potential to support a diverse range of employment sectors from manufacturing, finance and large distribution businesses. Score impacted by poorer local and strategic access and lower scores for market attractiveness. Vacancy level at time of report totalled 15% with some units requiring modernisation and repair.
Spinnaker Road Trading Estate G15	A traditional' employment sites housing activities such as manufacturing and engineering. A site which is seen as essential to the local economy and local demand is evident.
Llanthony Business Park G11	Traditional employment site located close to Gloucester centre. Site has good market attractiveness and facilities for local workforce including access to public transport although constraints noted.
Llanthony Industrial Estate G13	Site with high profile and good market attractiveness and facilities for local workforce including access to public transport although constraints noted.
City Business Centre G14	A locally important site that will provide a key role in the future. The site has lower scores for market attractiveness. The study notes that it will be important to secure business continuity to retain a resilient and skilled economy.
Goodridge Trading Estate G22	The report notes that this is an example of a locally important site that will provide a key role in the future. Improvements would be needed as some units are old and need repair. There are lower scores for market attractiveness and local access and access to facilities for local workforce.
Land at Shephard Road, incorporating Central Trading G21	The site has stronger market attractiveness scores but scores less in terms of site characteristic and local constraints and local access. The site is not within a reasonable distance of public transport but with reasonable cycle and pedestrian access. The site is defined as a high-profile site with 10% vacancy rate with no plots or room for expansion within the site without redevelopment.
125 Business Park G12	Local and strategic access to the site scores poorly whilst having stronger access to public transport. Site characteristics and constraints are more positive. No vacancies at the time of the report. Local access issues would be difficult to overcome without redevelopment.
Monk Meadow Trading Estate G16	Site accommodating trade counters, auto services and recruitment centre businesses. The site has stronger public transport access and amenity scores but scores less in terms of site characteristic and local constraints and local access.
Glevum Works G8	A traditional and locally important employment site that will provide a key role in the future. It should be retained to secure a resilient and skilled economy. However, site scores poorly in terms of access, adjacent to residential area and moderate market attractiveness.

Site Address	Comments / Information from JCS and City Council Reports
Sevenside Trading Estate G10	A traditional employment site that is operating at capacity. The site has stronger public transport access and amenity scores but scores less in terms of site characteristic, local constraints and local access. The site is recommended for retention.
Francis Woodcock Trading Estate G6	A traditional employment site accommodating activities such as manufacturing and engineering. However, it is identified as a site with poor local access with low vacancy levels which suggests it is meeting local demand. Some concern that modernising these buildings may undermine the businesses due to increase in market value and rental costs. Poor score relative to amenity of neighbouring occupiers.
St James Trading Estate G7	A traditional employment site housing activities such as beauty, sales, fitness club, joinery and laundry services. It is identified as a site with poor local access although vacancy levels are low which suggests meeting a local demand. It is recommended that the site is safeguarded. Some concern that modernising these buildings may undermine the businesses due to increase in market value and rental costs. Poor score relative to amenity of neighbouring occupiers.

*Source: Gloucester City SALA 2016 and JCS Review of Business Parks 2011*

**TABLE 3.2 BUSINESS PARKS AND SITES ADJACENT TO GLOUCESTER CITY BOUNDARY**

Site Address	Comments / Information JCS Business Parks 2011
Gloucester Business Park - Brockworth T12	Gloucester Business Park is a very good employment site which is in high demand. This is one of the highest profiled sites within the County, currently employing a large range of business uses. This site is able to support a local workforce and also attract commuters from outside of the County due to its good strategic access. Whilst most employees currently travel to the site by private car, there is potential to support better public transport facilities and promote cycle access. This site has the potential to reflect the ambitions of the Economic Strategy, including through the expansion of the site.
Innsworth Technology Park T7	Innsworth Technology Park is a good employment site with the potential to modernise units on site to encourage more business activity, Partial redevelopment could help develop the existing key sectors in Gloucestershire and promote the site. This site should be safeguarded for future employment uses to help deliver strategic economic aims.
Ashville and Meteor Business Parks T8	Evidence of high local demand. Good quality site with the potential for future modernisation and improvements. This site should continue to support similar uses in the future.
Bamfurlong Industrial Park and Anson Business Park T9	Good quality site with the potential for future modernisation and improvements.
Staverton Technology Mid point Staverton Connect T10	Modernisation and partial redevelopment can help re-establish this site due to its favourable employment based characteristics. This site can help potentially attract growth sector business or continue to support some key employment uses. This site should be safeguarded and promoted for future employment use.
Gloucestershire Airport T11	Key employment site (12.5 hectares) which should be safeguarded for future employment uses, primarily aviation-related businesses. Low vacancy rate with a mix of generally small or medium size units

*Source: JCS Review of Business Parks 2011*

## CURRENT EVIDENCE ON FUTURE EMPLOYMENT LAND SUPPLY

3.14 The key reports available to the City Council which review the future available employment sites within Gloucester are: Strategic Assessment of Land Availability 2016, Bi annual employment land monitoring reports 2014 and 2016 and position statements and evidence submitted to the Joint Core Strategy public examination.

### JCS SUBMISSION

3.15 Table 3.3 below reflects the evidence submitted to the JCS public examination (EXAM 183) in February 2016 and identifies a capacity of 20 hectares of existing undeveloped land which has the benefit of planning permission within Gloucester City together with 7 hectares of other available and suitable employment sites.

### GLOUCESTER CITY EMPLOYMENT LAND MONITORING REPORTS 2016

3.16 The Gloucester City Employment Land Monitoring Reports 2014 and 2016 identifies that between 2012 and 2016, 22.79 hectares of allocated land has the benefit of planning permission or taken up.

3.17 Between 2014 and 2016 a further 15,181 sq. m was delivered (completed or has planning permission) for employment development.

### RETAIL POSITION STATEMENT – MARCH 2016 (JCS EXAM 199)

3.18 Retail Position Statement March 2016 (JCS Exam 199) sets out the JCS authorities approach to Retail. Its states: 'At the time of writing, there are several extant planning permissions that absorb some of the floorspace need. For Gloucester City, commitments amount to 12,256 sq. m and when subtracted from the overall floorspace figure leave a residual of 29,286 sq. m.'

3.19 The main focus for retail development in Gloucester is the Primary Shopping Area. Gloucester City Council has an adopted 'Regeneration and Economic Development Strategy' that identifies key sites for regeneration. This includes several sites that have the potential to deliver a significant quantum of retail development. Most of these sites were identified in the in the 'Retail and Town Centres' topic paper (EXAM136B) and it is intended that some of these will be brought forward in the next five to ten years. In addition, an opportunity exists for additional floorspace within the Eastgate Shopping Centre. These sites will be taken forward through the City Plan.

- > King's Quarter Up to circa 15,000 sq. m net
- > Greater Blackfriars Up to circa 4,000 sq. m net
- > Land adjacent to Eastgate Up to circa 4,000 sq. m net
- > Eastgate Shopping Centre Up to circa 1,000 sq. m net
- > Total Primary Shopping Area capacity up to 24,000 sq. m net

3.20 These sites can therefore accommodate up to 24,000 sq. m of additional comparison goods floorspace. This would leave a residual requirement of 5,286 sq. m net when commitments and potential future allocations are taken into account.' It is important to note that since this commentary, Gloucester City Council has resolved to grant planning consent for 6,134 sq. m net comparison retail floorspace and 743 sq. m net of convenience floorspace at the Peel Centre.

## STRATEGIC ASSESSMENT OF LAND AVAILABILITY 2016

- 3.21 The 2016 SALA identifies 27 sites that are potentially suitable, available, achievable and deliverable for housing and / or employment.
- 3.22 The studies together with the JCS submissions have identified sites that are deliverable for employment purposes including previously developed land, greenfield sites, central area sites and urban fringe locations. Key employment opportunities identified in SALA and JCS submissions include:
- Greater Blackfriars with opportunities for city centre offices
  - Land East of Waterwells
  - RAF Quedgely as part of a wider mixed use scheme
  - Land adjacent to Walls Factory, A417 with outline planning permission for mixed B Class uses
  - Great Western Sidings following the relocation of the freight sidings to the southern triangle
  - Railway Triangle North as a site with reserved matters for employment uses
  - West Quays with additional employment space coming forward as part of any redevelopment
  - Gloucester Quays with predominant residential use
- 3.23 Table 3.3 and 3.4 below identify the available employment sites within and adjacent to Gloucester City.

TABLE 3.3 GLOUCESTER CITY – JCS SPECIFIED AND AGREED SITES FEBRUARY 2016

Site Address	Use Class	Available site	Planning Status	Information
Triangle Park (Northern Triangle)	Former rail sidings	1.94	Reserved matters consent on most of site	Reserved matters consent - remaining sites SALA 2016 HA20
Kingsway Framework 5	B1, B8	13.42	Consent for B1 and B8 on part of site	B1/B8 consent (expired consent for 10,000 sq. m B1a) part of wider housing development
Gloucester Quays		0.89	Outline planning consent to west of canal Vacant derelict land	
Land north of Walls	B1, B2, B8	5.7	SALA 2016 EA10 Vacant greenfield site - outline consent for B1, B2, B8	Site has the benefit of planning permission for 5.85 hectares of employment land yielding 850 jobs. Site now benefits from outline consent for employment uses including car showroom This is site is north of the high profile Barnwood Business Park.
Land adj South West bypass		0.7	Access issues to be resolved	A 0.7 hectare sites in Westgate Ward. Site is adjacent to existing employment uses. It is yet to secure planning permission although it is anticipated to be delivered in the 0-5 year period.
Land to east of Waterwells	B1	6.37	Expired outline consent for B1 to south of site - includes larger site with residential	A 6.37 hectare greenfield site projected to come forward within 10 years. Adjacent high profile business park. The JCS submission notes that this is the only strategic employment allocation remaining whilst the site has transport constraints.

Source: Employment Land SOGG (EXAM 183) February 2016

TABLE 3.4 - B CLASS EMPLOYMENT 'OPPORTUNITIES' IDENTIFIED IN GLOUCESTER CITY SECOND DEPOSIT LOCAL PLAN 2002, GLOUCESTER CITY COUNCIL SALA 2016 AND MONITORING REPORTS 2014 AND 2016

Site Address	Use Class	Available site	Planning / Status	Information
Kings Quarter including Bus Station	Mixed town centre uses	1.81	2002 Local Plan allocation E1 MU.3 SALA 2016 HA02  Part of Wider Regeneration Area. Stanhope noted as development partner to City Council	Kings Quarter regeneration. Consultation August 2016 detailing 4 concept plans including café/restaurant, student accommodation, offices, retail, hotel, residential, market, car park.
Greater Blackfriars	Mixed town centre uses	11.76	SALA 2016 HA17  Master Plan /Local Development Order in preparation	An 11.76 hectare site in the City Centre Regeneration Area. Gloucestershire County Council has commissioned Peter Brett Associates to deliver a masterplan/LDO at the site in September 2016 enabling more housing to be delivered within this part of the city. The master plan will also include possible redevelopment for commercial uses as part of a mixed-use scheme. Delivery of County Quayside & Prison sites could help to deliver enhanced flood defences for the City and Housing Zone - enabling more housing to be delivered within this part of the City by reducing flood risk.
Long stay car park, Railway Station	Sui generis	0.48	2002 Local Plan allocation policy SALA 2016 EA01  Operational car park – no longer available for allocation	Site to be reconfigured in plans to upgrade the visitor experience and short stay parking at Gloucester Station.



Site Address	Use Class	Available site	Planning / Status	Information
Waterwells Business Park	B1	2.75	<p>2002 Local Plan allocation policy EC.1 Employment Land Monitoring Report 2016 Total site of 12.75 ha, 9.36 ha now developed with a further 2.75 benefitting from planning permission. New manufacturing and distribution facility (1.74 ha) not yet implemented. Application approved 2016 for B8 units on 0.5 ha site</p>	<p>B1 office and light industrial with B8 storage and distribution. It confirms the 2011 Business Park outcomes reporting that the site is popular with speculative development and businesses relocating from within the City and elsewhere.</p>
RMC Site Waterwells	B1 and B8	2	<p>2002 Local Plan Allocation Employment Land Monitoring Report 2016</p> <p>The site has the benefit of outline planning permission and only a small site is available</p> <p>Includes Gloucestershire Police custody suites</p> <p>Aquarius Centre (B1c and B8 uses) to be completed on 0.24 ha</p>	<p>North West of the original business park, the whole site has the benefit of planning permission. Gloucestershire Constabulary suite has been constructed on site. The Aquarius Centre is still to be constructed.</p>
Land east of Waterwells	B1	6.37	<p>2002 Local Plan Allocation E2.5 JCS Strategic Site Allocation SALA 2016 EA03</p> <p>SALA notes site is 15.1 ha which includes residential with 6.37 hectares with the benefit of planning permission for employment uses</p> <p>Planning consent for new workshop and car parking on 3.57 hectares</p> <p>Site known to have transport constraints</p>	<p>Large site with development brief but without planning permission. New highway infrastructure is required to deliver the site for employment purposes.</p>

Site Address	Use Class	Available site	Planning / Status	Information
RAF Quedgeley	B1 / B8 /A1 /C3	17.04	<p>2002 Local Plan allocation policy E1 MV.5 JCS Strategic Allocation – Kingsway Framework 5</p> <p>Local centre plus Asda store permitted on 2.96 site</p> <p>Consent for 2 industrial buildings B1 and B8 with site area of 1.63 ha not yet implemented</p> <p>The 17.04 is a calculation of the 2002 local plan allocation less the local centre and Asda store site area</p>	<p>A mixed-use redevelopment will yield 20 hectares for employment with a local centre comprising 0.82 hectares. The main employment area is Framework 5 which is being delivered together with an Asda and a speculative application for 10,000 sq. m of B1 offices remains extant.</p> <p>A new primary school and nursery have been provided.</p>
Land north of Naas Lane, IM Group.	B8	0	<p>2002 Local Plan allocation policy Employment Land Monitoring Report 2016</p> <p>The site is fully utilised for B8 storage</p>	Used for large scale vehicle storage.
British Gas Site	B8	0	<p>2002 Local Plan allocation policy Employment Land Monitoring Report 2016</p> <p>The site is fully utilised for B8 Open storage</p>	Permitted for B8 open storage
Railway Corridor Northern Triangle	B1, B2, B8	7.01	<p>2002 Local Plan allocation policy Employment Land Monitoring Report 2016</p> <p>Consent for mixed use development on 7.01 ha</p> <p>22 new trade units totalling 4,052 sq. m on 0.98 site granted consent June 2016</p>	<p>Delivery of Morrisons and petrol filling station delivered on 3.89 hectare of the with reserved matters consent for 1.95 hectares and outline planning consent for the remaining 5.06 hectares for B1, B2, B8 and car showroom. Mercedes Benz showroom has been built. An example of a brownfield site coming forward and the ability of the City to attract inward investment.</p>

Site Address	Use Class	Available site	Planning / Status	Information
Great Western Road Railway Siding	B1	4.3	2002 Local Plan Allocation Employment Land Monitoring Report 2016  Development Brief for B1 and residential	An area which is currently underused sidings with employment / commercial uses and car parking. Development of northern triangle has opened up access to allow existing freight sidings on Great Western Road to be moved to southern triangle. The site is included within City Plan Sites consultation 2013 for mixed use development to include employment and residential. The City Council has noted aspirations to deliver a Biomedical HIC related employment on part of the site.  Site understood to be being marketed by Network Rail - however Network Rail land also understood to be coming under DCLG portfolio and therefore accessible by HCA.  HCA actively looking to accelerate delivery at this site as lies within Gloucester City Housing Zone.
Horton Road Railway Siding	B1	3.46	2002 Local Plan Allocation E3.4 SALA 2016 SUB 45  Temporary consent for open air storage and crushing and screening of recycled aggregate	Site being used for crushing and screening of inert waste. Possible contamination issues require further investigation & concerns over viability owing to amount of crushing and screening that has taken place on the site.
Adjacent Dry Dock. (Westgate Ward North).		1.34	SALA 2016 HA18 Part of site now in use by Gloucester Brewery for employment purposes.	Site in ownership of Canals and Rivers Trust and adjacent to land used in association with Dry Dock by Neilson's for ship and boat repairs and refurbishment. Possible ground floor uses with apartments/flats above.

Site Address	Use Class	Available site	Planning / Status	Information
Weston Waterfront – St Oswalds Park	B1	0.2	2002 Local Plan allocation EC1 MU.2 SALA 2016 SUB28 Quays Employment Land	Undergone major regeneration with new retail warehouses, restaurants, residential and an extra care village. Since 2012 a new 10 screen cinema and nine restaurants have been delivered within the Quays complex comprising 0.52 ha. Small B1 allocation remains. 2002 allocation includes The Peel Centre including Cineworld, Gloucester Docks, Gloucester Quays and St Oswald's Park
	C1 and A1	2.37	Quays hotel, residential and retail	
West Quay. (Westgate Ward North).		7.19	SALA 2016 SUB34  Area of land submitted includes warehouses, the dock basin, dockside, car park and nature reserve.	Lock Warehouse has come forward in 2012.  Warehouses currently used for employment with additional capacity for more employment to come forward in any redevelopment.
Land between Canal and Bristol Road	B1 B2 B8	20.15	SALA 2016 SUB 38	Occupied and functioning industrial and commercial land along canal side with accesses from Bristol Road. Numerous land owners and tenants in place. May require relocation of existing uses. Would need comprehensive development approach.
Telecom House Great Western Road	B1	0	2002 Local Plan allocation EC.4 SALA 2016 HA12  Was reserved for Court Building but now proposed for car park	Central site is vacant and was allocated for employment in 2002 plan. Possible relocation of the Magistrates Court but no commitment from MOJ. Site to be acquired by City Council to lease to Network Rail in order to provide enhanced commuter parking and passenger facilities at Gloucester train station.  Part of site may remain to enable delivery of key worker/student flats or starter homes.

Site Address	Use Class	Available site	Planning / Status	Information
Royal Mail Distribution Centre, Eastern Avenue			SALA 2016 SUB56	A site partly occupied by Royal Mail sorting office and distribution centre. The site is surrounded by employment uses and the railway line. The loss of existing employment use would need to be justified against policy. No connectivity to existing residential communities is noted.
South junction Eastern Ave and Barnwood Road	B1	0.7	Employment allocation in 2nd Deposit Local Plan E.2.7. SALA 2016 EA06 Vacant land adjacent to Walls roundabout, extent of employment allocation includes part of the Territorial Army site Residential character on Barnwood Road, commercial on Eastern Avenue. Access constraints	No current proposal and the access to the site is severely constrained. The site has been recently sold. Achievability confirmed by owner.
Fire Station, Eastern Avenue. (Coney Hill Ward).	B1	0.55	SALA 2016 SUB 17 Pre- app for retail	Operational Fire Station has relocated to Shepherd Road.  Pre-app in Summer 2012 for possible use by police.  2012 SEELA panel considered site should be allocated for employment purposes.  Site now in ownership of Gloucestershire Constabulary
GWRSA Social Club. (Kingsholm & Wotton Ward).	Mixed use	0.4	SALA 2016 SUB02 Building on the site occupied by a church and land managed as car parking areas. Surrounded by employment uses, residential, hospital and railway line at an elevated level. Change in levels is a constraint	Site currently occupied by the Foodbank and Gloucester City Mission.  Within Housing Zone - owner could be approached to bring forward regeneration.

Site Address	Use Class	Available site	Planning / Status	Information
Land adjacent to Eastgate Shopping Centre & City Council Indoor Market. (Westgate Ward North).	Retail	0.32	SALA 2016 FS16	Potential for reconfiguration and extension of existing Eastgate Shopping Centre for retail purposes when market is relocated
Former Lansons 12-16 Quay Street. (Westgate Ward North).		0.17	SALA 2016 FS20  Mixed use area including commercial, museum, car parks, County Council buildings, residential and retail  Lies immediately to north of Greater Blackfriars regeneration area	Possible use for offices/gym/leisure uses.
Cathedral Coaches, 18 Quay Street.		0.09	SALA 2016 FS21  Mixed use area including commercial, museum, car parks, County Council buildings, residential and retail  Lies immediately to north of Greater Blackfriars regeneration area	Current employment sites – SALA notes residential development would require relocation of coach company and flood attenuation works
Former Kwiksave Site		0.2	SALA 2016 ED011  Rooftop Housing pursuing a scheme at the site with support from HCA and City Council  Planning application submitted for 96 dwellings in Feb 2016	
Land at Bristol Road	B1	0.75	2002 Local Plan allocation SALA HA05  Outline consent for wholesale mixed use redevelopment. Most of the site has consent for housing	Site comprised three former employment sites, Contract Chemicals, St Gobain and Wellman Grahame. The site has the benefit of planning permission for mixed use redevelopment.

Site Address	Use Class	Available site	Planning / Status	Information
Industrial Units, Alvin Street. (Kingsholm & Wotton Ward).		5.3	SALA 2016 ED012  Site subject of a withdrawn planning application by Rooftop Housing.  Potential City Plan residential allocation	Site close to City Centre services and facilities in a predominantly residential area.
Rear of former cattle market. (Westgate Ward North).	B1/B8 or assisted living/ resi	2.5	SALA 2016 SUB28  Vacant land surrounded by retail development. Residential development under construction adjacent to site. Could form continuation of these developments	Site has potential for assisted living or B1/B8 uses.
Secunda Way Industrial Estate. Westgate Ward (South).			SALA 2016 EA04  Vacant land within curtilage of small development of employment units. Surrounded by residential, public open space and employment uses. Allocated in Local Plan for employment use – would need to demonstrate not required for this use	Secunda Way Industrial Estate. Westgate Ward (South).
Rear of 2-28 Hempsted Lane (Spinnaker Park)	B2 and B8	6	2002 Local Plan allocation EC.2 SALA 2016 NLUD01  Two sites taken up 2012 to 2014 Some oil storage waste on site but still largely vacant Current proposal for B2 extension to existing factory on 1.3 ha site	Since the completion of the South West bypass this site has become more attractive to the market with 2 plots taken up between 2012 and 2014. One is occupied by a recycling company and the other is Hobbs Brothers Oil Distribution.
South West Bypass site	B1	0.5	2002 Local Plan allocation E2.4 No movement	Small site with no movement to date.

TABLE 3.5 – JCS EXAM SPECIFIED SITES ADJACENT GLOUCESTER CITY ADMINISTRATIVE BOUNDARY

Site Address	Use Class	Available site	Planning Status	Information
Land Adj Gloucester City Gloucester Business Park		27	Tewkesbury Borough Local Plan (Employment Land allocations availability September 2015) –	EXAM 139 EXAM 180 states that existing allocation are 20 hectares
Staverton /Churchdown		3.4	Strategic Allocation in JCS	(EXAM139) (EXAM 180 states 4.5 ha)
Innsworth		9.1	Strategic Allocation A1 in JCS	(EXAM 183)
South Churchdown		17.4	Strategic Allocation A2 in JCS	(EXAM 183)
Land at Gloucestershire Airport (east of Meteor Business Park) (Tewks)		1.75	Identified in JCS	(EXAM 183)
Land at Gloucestershire Airport (to the south east camp - west) (Tewks)		3.42	Identified in JCS	(EXAM 183)
Land at Gloucestershire Airport (east of south east camp) (Tewks)		4.38	Identified in JCS	(EXAM 183)
Land at Gloucestershire Airport (west of south east camp) (Tewks)		2.18	Identified in JCS	(EXAM 183)

Source: Employment Land SOGG (EXAM 183) February 2016



## SUMMARY

3.24 The evidence and analysis presents a view on the existing portfolio of sites and premises within Gloucester together with identified key opportunities and issues that need to be addressed. The most recent site assessment provides an insight into the profile of sites and premises across the City. The issues identified by the reports and analysis can be summarised as:

- > **Attractive locations for business** are highlighted as Waterwells and Barnwood Employment Areas where there are higher quality buildings in attractive landscaped surroundings with good strategic access to the M5. The market will no doubt see the additional provision at Kingsway and north of Walls Factory as a strong Business Park offer providing opportunities for early availability to meet market demand and secure much needed office accommodation in the JCS area. The public sector has also invested in flagship buildings for police and emergency services. Kingsway Framework 5 seeks to meet early market demand.
- > The market analysis would suggest that ensuring further development of Waterwells is supported including the site to the east of Waterwells subject to the satisfactory resolution of highway infrastructure constraints through pre – app and application discussions.
- > Relatively **new accommodation** at the Space Business Centre, constructed in 2011, represents an attractive proposition, providing start up space in a managed environment; however it would appear that this offer is limited in the City. It has also been under pressure for change of use to other employment uses including hairdressers and retail potentially due to its proximity to Quedgeley District Centre. Quays (Regus) offer easy in easy out managed space. At July 2016, vacancy rate at Space Business Centre was 17%, marginally higher than anticipated. However, new site owners have commented that they have secured additional occupiers for these small units.
- > **The existing portfolio of higher quality employment sites** is generally polarised to the north and south gateways of the City along the key road corridors with good access to the M5.
- > **JCS policies and strategic allocations**, including 20 hectares in Gloucester together with an additional 7 hectares is seeking improve the portfolio of available premises in the City. Importantly, these Gloucester sites have the potential to be delivered ahead of the strategic allocations and reserved sites at Junction 9 and Junction 10 M5. These sites are primarily identified for B1 and B8 uses.
- > **The commentary and analysis on the role and function of the City Centre area focuses upon retail and leisure uses.** The docks / warehouses together with City Centre Regeneration Areas, in policy terms, need to identify a stronger destination focus whilst recognising that there has been a distinct shift of retail and leisure uses to the south of the city centre. In the longer term, the opportunities exist to create distinct quarter identities with strong, vibrant links between the city centre, the transport gateways and the Docks. A masterplan will be critical in developing this vision to assess if a commercially viable scheme can be achieved and to identify the necessary interventions. It will be important to secure a bold and coherent City Strategy.
- > **Land allocated in the 2002 Draft City Plan** identifies a series of operational rail sites as opportunities for business development. Triangle Park has successfully been implemented

to the south of the rail track for a mix of retail, commercial and leisure space using flexible and positive planning interventions. The remaining rail sites are less accessible and commercial viability may be less attractive.

- > **The more centrally located business park and trading estate areas have lower scores noting poor quality and non - conforming uses.** The 2011 Business Park assessments note opportunities to improve the quality of the sites whilst cautiously noting viability issues for existing businesses. Existing trading parks and industrial sites are popular, have low vacancy rates and reflect the diversity of the Gloucester economy. The reports identify opportunities to upgrade sites to improve market attractiveness and offer. Upgraded sites will be likely to improve the GVA performance and attractiveness to higher value manufacturing and engineering, finance and business services.
- > **There are relatively low vacancy rates within industrial sites even though some developments of average or poor quality.** This reflects strong market demand for relatively cheap light industrial, workshop and industrial units.
- > **The reports also note ageing and poor quality stock, sites that have local access or amenity issues** with neighbouring uses and in some instances surrounded by residential development.

# 4. PRODUCTIVITY

# PRODUCTIVITY AND EMPLOYMENT DATA

- 4.1 Appendix A: Gloucester Economic Assessment provides a full and detailed data and analysis of the current economic position of the city. This chapter reinforces key analysis from that report on the current economic position which is helpful in understanding the current sites and premises demand. This includes contribution to the City's GVA and employment from key sectors and identifies those sectors that have a higher presence in the City than the national average reflecting a potential competitive advantage in that sector and opportunity to capture a greater share of its growth.
- 4.2 The highest levels of employment in Gloucester are found in Health, Retail, Manufacturing and Business Administration & Support Services.
- 4.3 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). 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 Health, 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)
- 4.4 Gloucester supported 68,000 workforce jobs<sup>1</sup> in 2014 but there has been little growth since 2010.
- 4.5 The following subsectors have experienced low growth or job losses in Gloucester compared 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.

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

- > 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.

4.6 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.

4.7 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.

## EMPLOYMENT QUOTIENTS

4.8 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.

4.9 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 1700). 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
- 4.10 Employment in Other manufacturing is three times as concentrated in Gloucester. Employing 500, the main 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
- 4.11 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
- 4.12 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
- 4.13 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

**TABLE 4.1: 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

Industry category	Employment Quotient (EQ)	Total employment in 2015	Employment change 2010-2015
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
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

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.

- 4.14 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).
- 4.15 The Economic assessment highlights key industries where Gloucester has a notable specialism and where employment levels have been stable or increased. This may help the appraisal of current site or in planning new employment land designations. Industries with high rates of jobs growth and high rates of specialisation include:
- > Hospital and human health activities
  - > Residential care activities
  - > Energy generation
  - > Specialised construction
  - > Architectural and engineering activities
- 4.16 Industries with no particular role in terms of local specialisms but have experienced high growth are:
- > Food and beverage service activities
  - > Activities of head offices; management consultancy activities
  - > Computer programme, consultancy and related activities
- 4.17 Manufacturing as a whole is slightly less represented in terms of its share of total employment compared to nationally, but as a source of 4,400 jobs, many of which will be skilled and in highly tradeable market activities, it remains an important contributor to the economy.
- 4.18 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, whilst private sector office based jobs have increased.



# 5. PROPERTY MARKET VIEWS

# PROPERTY MARKETS VIEWS AND ANALYSIS

- 5.1 National Planning Practice Guidance states that the typology of employment land by market segment and by sub areas should be developed and analysed. The analysis should consider past trends and future scenarios and identify where sites have been developed for specialist economic uses. Analysing supply and demand will allow plan makers to identify where there is a mismatch between qualitative and quantitative demand – which segments are oversupplied / undersupplied.
- 5.2 The locational preference expressed by the property market needs to be considered in reaching conclusions on the appropriate location for new business growth particularly as existing locations are likely to represent the market preference, supply chains, availability of skills and labour, accessibility to key infrastructure and appropriate collaboration and clusters. Location of employment areas is largely driven by the market unless major incentives are put in place by the public sector. Employers looking to locate or relocate generally follow existing market trends, which will have been historically formed around access to the labour force.

## KEY ISSUES FROM JCS STAKEHOLDER ENGAGEMENT 2015-LEP SECTOR GROUP MEETINGS, BUSINESSES, AGENTS AND DEVELOPERS

- 5.3 NLP consulted key business interests in assessing the employment land requirement in 2015. NLP consulted both individual business and sector groups including consideration of 2015 economic forecasts. Key outputs are detailed in NLP Employment Land Assessment Update 2015. The key points are detailed below:
  - > Nearly all respondents indicated that their current premises met their business needs, one indicated it did not meet their needs and one stated that they would expand into new premises very soon
  - > Half of the respondents anticipated expansion over the next 5,10 and 20 years, of which half expected to expand in the near future. The majority would be prepared to move elsewhere if they could not find suitable expansion land locally
  - > Employment land is considered insufficient to meet current needs both in quality and quantity highlighting a lack of Grade A business space. Business would not look for land because they knew there was limited availability
  - > No land was available near M5 where businesses wanted to locate whilst other required town centre locations. Scarcity of land was said to be reflected in high land prices and exacerbated by loss of land to other uses
  - > Planning system and Green Belt policies were highlighted as barriers although some commentators sought to protect the distinction between the settlements
  - > Opportunities were identified at M5 junctions; west of Cheltenham, brownfield land subject to infrastructure improvements and better transport infrastructure and greater number of smaller sites for development together with improvements to the A417
  - > Businesses which have left the area in the last 15 years have been listed

- > The majority of respondents believed that more land should be allocated particularly those that can be delivered in a shorter time frame. (6 to 12 months). Both town centre and greenfield sites are required
- > Restricted access to Junction 10 was highlighted as an issue

## CONSTRUCTION AND INFRASTRUCTURE GROUP

- 5.4 Submission from this group included (which was subsequently agreed by the Chairs of the 10 sector groups and GFirst CEO)
- > Severe shortage of employment land
  - > Land loss to alternative uses (compensation needed)
  - > Business expect a range and choice of sites – the JCS provision at that time is insufficient
  - > Concern that some sites are not attractive to the market
  - > Existing business parks should be permitted to expand and land released at junction 10 M5
  - > Growth driven by manufacturing (advance manufacturing), nuclear energy, GCHQ
- 5.5 A subsequent letter identified sites including Gloucestershire Airport where the LEP proposes the release of 10 hectares of non- operational land for B Class development and associated uses to the east of the airport and 20 hectares at Staverton (north of Airport) to allow existing businesses to expand at this popular business location.

## BANKING AND FINANCE

- 5.6 In addition to the issues raised above it recognises that quality of life and environment plays a major role in attracting inward investment and growth is expected in this sector in Tewkesbury and Gloucester. Although retail banking is shrinking other functions are expanding significantly. The level of growth in the forecasts is considered reasonable.
- 5.7 The professional services sector within the JCS area is likely to expand considerably in the future.

## ADVANCE ENGINEERING

- 5.8 The baseline forecasts were considered to be too low as the JCS area is considered to be a major growth area for high technology businesses and is expected to be above the national average. This in part is driven by new investment and return of businesses that have previously moved its workforce abroad. Key sub sectors are automotive and aerospace. 20,000 new high technology jobs have been created in the last 20 years and the SEED initiative is expected to create 400 jobs in the next 18 months. Extrapolating this figure would provide for 5,000 new jobs and considered to reflect future growth in this sector. The JCS area is considered to have an excellent and highly skilled workforce.

## RETAIL

- 5.9 The employment forecasts should not be lower than national level – they should be at least at national level. Experian are seen to be a better indicator of forecasts given their role in the retail sector. Gloucester has seen some vacancies but less now the economy is improving. Retail led regeneration at the Kings Quarter, Blackfriars (as part of a mixed use residential) and land at the Docks and Quays. This is likely to result in a significant increase in retail employment.

## ENERGY

- 5.10 The sector group sets out that renewable energy projects in Gloucestershire grew by 1,000 in 2014 with the market expected to grow considerably resulting in demand for services, planning, installation, facilities management and development.

## ICT

- 5.11 It is expected that there would be a substantial further increase in employment in the ICT sector if the proposed Cyber Park (West Cheltenham) is developed and includes provision for the GCHQ supply chain and GCHQ itself.
- 5.12 These stakeholders' views informed NLP's view of past trends and its analysis of econometric forecasts. The consultation has informed the alternative scenario now embedded within the emerging JCS strategy.

## STAKEHOLDER AND BUSINESS VIEWS SEPTEMBER 2016

- 5.13 Interviews and meetings were held with business leaders in Gloucester, property agents and consultants, business organisations and representatives and council officers between September and October 2016. The purpose of the consultation was to:
- > To assess strengths, weaknesses, opportunities, threats for the Gloucester economy;
  - > Understand the role of Gloucester as a business location – what are its key strengths, and what are the weaknesses
  - > Develop a sense of the critical economic priorities in Gloucester – particularly relating to key sectors, growth and decline
  - > Gain insight into real estate and property trends and demand - the key development sites, assets and opportunities
  - > Improved understanding of private sector views about opportunities, barriers, critical issues; and
  - > Understand the relationships and interdependencies with surrounding/adjacent districts and Joint Core Strategy Local Authorities (Cheltenham, Tewkesbury)
- 5.14 The key views of all stakeholders are included in the Economic Strategy. The key findings of the stakeholder engagement concerning property and sites are detailed below:
- > Gloucester is an excellent strategic location between Bristol, Swindon, Birmingham and South Wales
  - > Gloucester Quays and Docks have a unique offer locally and has a strong 'quality of life' brand but competition from out of town business park development is strong; this brand has not extended beyond the Quays and Docks
  - > The Barnwood and Gloucester Business Parks are considered to provide better office, business and warehousing facilities and have prospered due to the lack of alternative space in Cheltenham
  - > Gloucester has strong presence of energy, aerospace, medical and engineering businesses which should be supported to grow. There are aviation and engineering strengths on the northern approach to Gloucester
  - > Gloucester has a strong inter-relationship with Cheltenham providing key commercial space for suppliers to GCHQ

- > Continued office and industrial property interest in business parks on the edge and outside the City boundary due to the excellent access to M5
- > Remaining railway sidings in the Local Plan to the north of the rail line are not perceived as good employment locations given issues of brownfield land, congestion and accessibility issues
- > Tewksbury generally seen as location for warehouse and distribution; Gloucester seen as the industrial location; high tech between Gloucestershire and Cheltenham; Cheltenham traditionally seen as the key office location
- > Headline values for premium office and business space is £18 sq. ft. falling to £13 sq. ft. in town centre or older business park sites
- > The City Centre is not perceived as a prime location for commercial investment. Key heritage assets are noted as well as the close proximity of the City Centre to the Docks which is seen to provide a unique opportunity to capture and extend the benefits into the city centre. However, the city centre suffers from poor permeability, inaccessibility, deteriorating quality of the environment and public realm which detracts from the ambitions to be a strong retail and leisure destination
- > Gloucester lacks a quality business quarter or central focus / city centre business district which means that there is a lack of vibrancy in the city centre
- > Opportunity to revitalise space and capture greater share of the office market in the City Centre although viability issues need to be resolved
- > Expectation that retail will consolidate rather than grow in the city centre; the city centre does not offer a quality environment to attract investment
- > The key priority is for policy and allocations to support the implementation of the JCS strategic site allocations and allow existing business to grow and expand and relocate to premises in the right locations providing the right type of accommodation of the right quality
- > Out of town tends to be favoured for moves and new investments of a larger scale
- > Sites allocated must be good quality, good connectivity, good parking in both Business parks and town centre locations - Gloucester Business Park has been a key type of site for relocation
- > The facilities provided on new sites and premises need to be modern, excellent facilities, wide corridor, lifts, good parking, air con, ducts for IT, refurbished to BREAAAM standards – firms looking for better environmental standards and reduced operating costs
- > Larger firms are looking for open plan space on large footprints to reduce the number of occupier floors
- > Continued support for retention of trading estates and industrial sites supporting the diversity of the Gloucester economy; sites become progressively more difficult to access as the Bristol reaches northern part of the Canal Corridor

## VALUATION OFFICE DATA

5.15 The Economic Assessment details the latest Valuation Office data. The tables below detail the total percentage increase in rateable floorspace for retail, offices, industrial and other for Gloucestershire and each of the borough and districts. The key finding is that rateable floor space in Gloucester in retail and office uses has increased above the national average over the decade to 2012. However, the percentage loss in rateable floorspace for Industrial has been very high and four times faster than nationally.

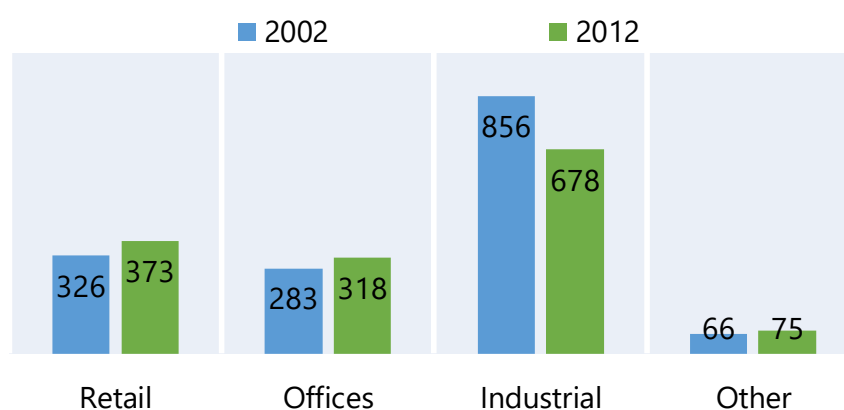
TABLE 5.1 PERCENTAGE CHANGE IN RATEABLE FLOORSPACE 2002 TO 2012

	Retail	Offices	Industrial	Other
ENGLAND AND WALES	5.20%	10.90%	-4.90%	16.10%
ENGLAND	4.80%	10.60%	-5.00%	16.20%
Gloucestershire	7.90%	31.70%	-1.10%	9.20%
Cheltenham	12.40%	46.50%	-2.60%	1.90%
Cotswold	5.90%	24.10%	7.10%	-2.50%
Forest of Dean	-8.70%	17.20%	-1.10%	16.30%
Gloucester	14.40%	12.40%	-20.80%	13.60%
Stroud	-3.80%	34.40%	3.50%	13.30%
Tewkesbury	6.20%	77.40%	12.60%	21.60%

Source: CLG and Valuation Office Agency

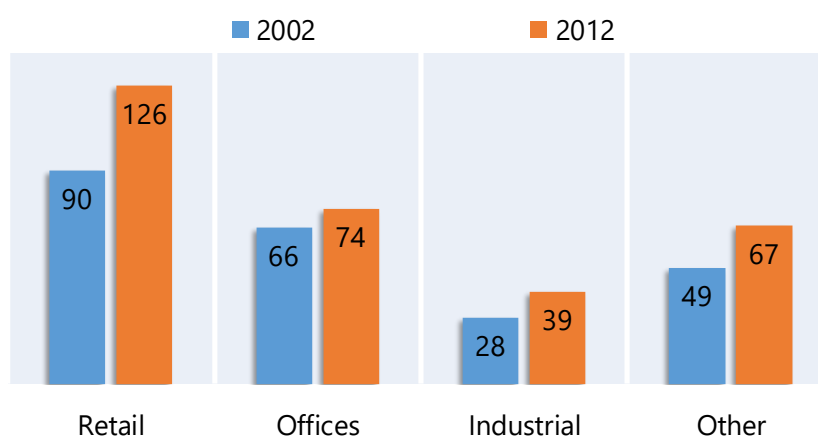
5.16 Rateable values per sq. metre in 2012 were £126 for retail (below the England average of £150); £74 for office (below the England average of £155); and £39 for industrial (above the England average of £37). Rateable values per sq. metre for offices were notably higher in areas such as Bath and North East Somerset (£131), Bristol (£135) and Oxford (£128). Rental values for office range depending upon the quality and location of the property. Gloucester is perceived as a more cost competitive location for business accommodation. However, during stakeholder consultation for Cheltenham Borough Council in 2014 it was clear that some agents commented that some grade A accommodation in Gloucester had higher rental values than Cheltenham.

FIGURE 5.2: RATEABLE FLOOR SPACE IN GLOUCESTER, THOUSANDS OF SQUARE METRES



Source: Valuation Office Agency

FIGURE 5.3: RATEABLE VALUES IN GLOUCESTER £ PER SQUARE METRE



Source: Valuation Office Agency

FIGURE 5.4: NUMBER AND SIZE OF RETAIL, OFFICE, INDUSTRIAL BY GLOUCESTERSHIRE LOCAL AUTHORITIES AT 2012

	Retail			Offices			Industrial			Other		
	Sqm 2012	no of he.	avg size	sqm 2012	no of he.	avg size	sqm 2012	no of he.	avg size	sqm 2012	no of he.	avg size
<b>Gloucestershire</b>	1,245	5,460	228	1,009	4,550	222	3,970	6,490	612	378	1,760	1,618
<b>Cheltenham</b>	389	1,310	297	359	1,300	276	416	740	562	54	210	10,410
<b>Cotswold</b>	161	990	163	103	700	147	484	1,150	421	79	400	5,327
<b>Forest of Dean</b>	84	630	133	34	320	106	697	1,150	606	57	340	10,633
<b>Gloucester</b>	373	1,170	319	318	1,020	312	678	890	762	75	210	10,157
<b>Stroud</b>	151	870	174	86	640	134	897	1,490	602	68	340	8,853
<b>Tewkesbury</b>	86	490	176	110	570	193	797	1,060	752	45	250	16,709

Source: CLG and Valuation Office Agency

- 5.17 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.
- 5.18 From this data Gloucester has the second highest quantity of office stock in the County, second to Cheltenham. Gloucester has increased its office floorspace by 12% over the 10 years between 2002 and 2012. In comparison, using the same data analysis from VOA, Cheltenham has seen 114,000 sq. m or 46% increase in its rateable office stock since 2002. Nationally rateable office stock has increased by 10.9%.
- 5.19 Notably, industrial floorspace in Gloucester has declined, with rateable floorspace decreasing by 178,000 sq. m - from 856,000 sq. m in 2002 to 678,000 sq. m in 2012. This represents a decrease of 20.8%. Gloucestershire County has experienced a contraction in total rateable industrial floorspace from a total of 4.02 million sq. m of floorspace in 2002 to 3.97 million sq. m in 2012, a decrease of just over 1% compared to a national average loss of 5%.

- 5.20 The number of office hereditaments in Gloucester increased from 750 in 2002 to 1,020 hereditaments in 2012 representing a 36% increase. This represents one-third of all office hereditaments in the county.
- 5.21 In 2012, the average size of office in Gloucester is 312 sq. m. This is above the national average of 262 sq. m. All other districts in the county have lower average office space per hereditament suggesting Gloucester offers accommodation for larger businesses and organisations.
- 5.22 The average size of an industrial space in Gloucester is 762 sq. m and significantly above the national and county average of 717 sq. m and 612 sq. m respectively. The average in Stroud, Forest of Dean and Tewksbury is just in excess of 600 sq. m. Cotswold District has the smaller industrial hereditaments at an average of 421 sq. m.



# 6. EMPLOYMENT LAND MONITORING

# EMPLOYMENT LAND MONITORING

- 6.1 The Council's Bi - annual Monitoring Reports provide information on how much employment land and floor space is in the development pipeline and issues arising from the most recent employment land activity. The Council has published two Employment Land Monitoring Reports in 2014 and 2016.
- 6.2 The monitoring reports identify how much land is available in the planning pipeline and therefore provides the basis to consider how much land is required over the plan period to ensure that there is a portfolio of sites to accommodate the developing economy, key operations and businesses, economic shocks and resilience and flexibility in the market.

## HISTORIC EMPLOYMENT LAND COMPLETIONS AND LOSSES

- 6.3 The commentary in the monitoring reports is benchmarked against the 2002 Gloucester City Second Deposit Draft Local Plan which identified 102.84 hectares of employment land in the City with 37.31 hectares completed since 2002. The Gloucester City Employment Land Reports 2014 and 2016 comment:
  - > The 2014 monitoring report identifies that 43.71 hectares had been delivered since 2002
  - > On 2002 allocated sites, 18.24 hectares have been completed or granted planning consent in the 4-year period 2012 to 2016 (14.13 ha between 2012 and 2014 and 4.11 ha between 2014 and 2016)
  - > In the Joint Core Strategy (JCS) monitoring period of 2011 – 2014, a gross total of 16.32 ha of both allocated and non-allocated employment land has been delivered with a corresponding loss of 10.37 ha. This results in 5.95 hectares net gain of new employment land in the City
  - > It confirms the JCS position that 29.02 hectares of employment land is available in the Strategic Assessment of Land Availability and sites with extant planning permissions
  - > Unallocated, derelict and vacant sites continue to come forward including the Railway Triangle site
  - > The public sector has delivered over 22,000 sq. m of new floorspace in a centrally located health care facility, investments in primary and secondary schools and performing arts centre at University of Gloucester between 2011 and 2014
  - > The City continues to experience a loss of old employment sites which are no longer suitable for employment purposes. The reuse is primarily to residential
- 6.4 In addition, the bi annual monitoring reports identify:
  - > planning consent for 18,104 sq. m of employment floorspace of which 2,327 sq. m has been completed
  - > Four windfall sites totalling 0.47 hectares (pub, vacant sites and derelict store) have been reused for retail, nursery and vets between 2012 to 2014.
  - > there were no planning applications for significant extensions over 100 sq. m

- > Disused historic manufacturing, railway and export trade sites have been successively reused for residential development in part supported by the JCS Strategic Assessment of Land Availability Panel.
  - > highlight the loss of B2 employment land at Gardener Denver and Wellman Graham / Contract chemicals totalling 10.37 hectares
- 6.5 Between 2012 and 2014, 0.47 hectares of non-allocated employment land came forward for retail, leisure and non - residential institutions. A further 36,752 sq. m came forward for employment development in 2014 to 2016. This includes 27,917 sq. m for mixed employment development and car showroom North of Walls. The remaining sites came forward on additional sites for offices, retail, cafes, restaurants and parking.
- 6.6 In analysing B Class developments only, the data from the Monitoring Reports and information submitted with the planning applications for change of use suggests the net change on un-allocated or windfall sites for the period 2012 to 2016 equates to:
- |              |   |              |
|--------------|---|--------------|
| B1 use class | + | 922 sq. m    |
| B2 use class | - | 30,164 sq. m |
| B8 use class | + | 1,705 sq. m  |
- 6.7 The B2 floorspace loss is significant and relates to two sites. The Gardener Denver site represents a loss of 10,979 sq. m of industrial floorspace. The factory and 200 jobs relocated to other national sites in 2010. The Wellman Grahame and Contact Chemicals sites in Bristol Road was granted planning permission for change of use to residential in 2007. The sites accommodated 19,185 sq. m of B1, B2 and B8 uses. A small part of the site remains for B1 / car showroom.
- 6.8 This illustrates that a succession of relatively large central sites, no longer suited to the needs of modern business, have come to the market or been promoted as suitable and sustainable residential development sites. The monitoring reports also highlight the loss of office floorspace (6,789 sq. m) in the period 2014 to 2016 (both committed and completed) on unallocated sites. At an assumed density rates for office (12 sq. per job comparable to the Homes and Communities Agency Densities Guidelines) this equates to the loss of floorspace for over 550 jobs.
- 6.9 JCS evidence to the public examination provides further insight into delivery in Gloucester City. JCS Exam 138 Gloucester Employment Monitoring Data details the delivery of B Class land between 2004 and 2014.
- > The total B1 Class land delivered over the ten-year period totals 14.90 hectares. Notably 93% of this total was delivered in the period 2004 to 2007 with no additional B1 Class land being delivered in 2012 to 2014
  - > A total B2 Class land delivered over the ten-year period amounts to 0.93 hectares
  - > A total B8 Class land delivered over the ten-year period amounts to 43.15 hectares with 40 per cent of substantive completions between 2010 and 2014 (including the Walls Fridge storage unit and Bristol Road open storage)
  - > 26 hectares or 60 per cent of all new employment land came forward on non -allocated land. 13 hectares or 50 per cent of this total came forward in 2004/05
- 6.10 The JCS monitoring data also reports a total loss of B Class land amounting to 85.26 hectares between 2004 and 2014.

- > A substantive part of this (69.82 hectares) was lost to planned residential development at RAF Quedgeley
- > The total of 8.27 hectares (9.6 per cent) of B Class land was lost to A1 retail
- > The total 5.79 hectares was reused for sui generis uses
- > All other losses were of less than 1 hectare over the ten-year period.

## SUMMARY

- 6.11 The key sites to north of Waterwells have been delivered for B1, B2 and B8 uses coming forward as natural extensions to the business parks with consent for the Aquarius Centre. Further expansion to the east of Waterwells has identified transport constraints albeit the Council has received an application for a workshop.
- 6.12 Gloucester Quays has deliver mixed town centre uses including a new cinema and restaurants, new brewery and small commercial units and recent planning permission has been granted at the Peel Centre for further retail uses on an edge of centre site.
- 6.13 The public sector has also invested heavily since 2012. The Railway Triangle site has gained momentum, delivering retail, car showroom, and petrol filling station on a site that has lain vacant and derelict for over 30 years.
- 6.14 Given the varying ways in which monitoring has been reported by different authorities since 2002, it has proven difficult to provide a consistent data set. However, it is clear that monitoring reports detail a net loss of 42.11 hectares of B Class land over the period 2004 to 2014. Care should be taken as this includes significant land at RAF Quedgeley to residential development (69.82 hectares). However, any increase in B Class land is due to significant B8 use class developments (Walls Fridge Storage and Bristol Road open storage sites) since 2010 and substantive B1 Class developments in 2004 to 2007. In addition, smaller windfall sites for retail and non-institutional uses are coming forward.
- 6.15 Importantly, delivery and implementation of B1 class land since 2011 is low and the monitoring reports suggest that there has been no recent expansion of existing firms providing for more than 100 sq. m. However, the rateable floorspace in offices has increased by 12 percent between 2002 and 2012. Other authorities within the JCS area including Cheltenham have more significantly increased their available stock of rateable office floorspace. Higher value office and high quality office accommodation, including developments at existing business park sites, are key to the economic success of the city.
- 6.16 Loss of employment land is identified on older industrial sites and particularly for B2 uses where there is a reported net loss to residential uses. However, more recent evidence suggests that the loss also extends to office floorspace.

# 7. ECONOMIC FORECASTS

# Economic Forecasts

- 7.1 National Planning Practice Guidance states that plan makers should consider forecasts of quantitative and qualitative need (i.e. the number of units and amount of floor space for other uses needed) but also its particular characteristics (e.g. footprint of economic uses and proximity to infrastructure). The key output is an estimate of the scale of future needs, broken down by economic sectors.
- 7.2 It goes on to state that local authorities should develop an idea of future needs based on a range of data which is current and robust. Authorities will need to take account of business cycles and make use of forecasts and surveys to assess employment land requirements.
- 7.3 Plan makers should consider:
- > Sectoral and employment forecasts and projections (labour demand)
  - > Demographically derived assessments of future employment needs (labour supply techniques)
  - > Analyses based on the past take-up of employment land and property and/or future property market requirements
  - > Consultation with relevant organisations, studies of business trends, and monitoring of business and
  - > Emerging sectors that are well suited to the area being covered by the analysis should be encouraged where possible. Market segments should be identified within the employment property market so that need can be identified for the type of employment land advocated

## EMPLOYMENT GROWTH FORECASTS AND POLICY TO SUPPORT JOINT CORE STRATEGY

- 7.4 Following Joint Core Strategy Stage 1 examination hearings the Inspector requested:
- > up to date economic forecasts
  - > an assessment of a policy on approach
  - > sensitivity testing to consider a range of increases in job numbers
  - > assessment of past trends
  - > preparation of a clear economic strategy and
  - > demonstration of how the demand is to be met both qualitatively and quantitatively
- 7.5 The JCS commissioned updated econometric forecasts from Experian (Exp), Cambridge Econometrics (CE) and Oxford Economics (OE) in 2015. These forecasts report a range of job forecasts for the period to 2031 and were used to inform the Employment Land Assessment by NLP (Exam 138). For Gloucester, the net increase in jobs between 2011 and 2031 are reported in the 2015 forecasts as (from Exam 138):

Oxford	3,158
Cambridge	5,250
Experian	15,980

7.6 JCS has planned and endorsed an economic strategy which adjusts the baseline economic forecast to a policy on scenario entitled LEP Adjusted Scenario. As a result the baseline economic forecast is amended to include an adjustment which makes provision for:

- > 5,000 additional jobs: Advanced Manufacturing to reflect sector group views of extension to SEED initiative
- > +20% Creative sector: This level is above the local average -15.5% and reflects SEP ambitions. Average national level of employment growth
- > +15.05% Energy: Average of the national level of employment growth in energy identified by CE (13.5%) and Experian (16.6%). OE predict a 17.5% decline
- > +27.4% ICT: Average of the national level of employment growth identified by OE, CE and Experian.
- > +9.6% Retail: National level by Experian – considered the most reliable in terms of retail
- > +31.4% Tourism: National average of employment growth in tourism
- > +16.7% Transport: National average of employment growth in tourism

7.7 Taking Gloucester as a distinct geography, the adjusted LEP scenario equates to a net increase in jobs for each economic model as follows:

Oxford	11,920
Cambridge	12,909
Experian	20,205

7.8 NLP averages these figures and equates to a net average increase in jobs for Gloucester of 15,011 for the period 2011 and 2031.

7.9 The average job growth for the total JCS area is 46,613 jobs but when adjusted for job losses amounts to 39,000 jobs. The total job growth is promoted as a response to local policies, objectives, views of LEP or those involved in the local economy. The total B Class land requirement of the JCS area is calculated as **192 hectares** which reflects trend based analysis, economic analysis and the LEP objectives.

## JOB GROWTH BY B CLASS USE

7.10 The Assessment of Updated Economic Forecasts 2015 (NLP Exam 138) identifies within its appendices the net change in jobs that have a requirement for B class employment development within Gloucester City together with the modelled outputs for 3 alternative scenarios. The total employment increase was divided by NLP between B1, B2, B8 and other use classes as follows:

TABLE 8.1 – B CLASS BASELINE JOB GROWTH AND JCS EMPLOYMENT SCENARIO'S GLOUCESTER CITY

		Baseline	No netting off of jobs	No netting off of land	LEP Adjusted
<b>Experian</b>	B1	3857	3857	4421	4598
	B2	714	714	1264	2435
	B8	504	504	504	631
	Total	5075	5075	6189	7664
<b>Cambridge</b>	B1	-409	-409	1169	1149
	B2	718	718	1589	2640
	B8	-217	-217	0	258
	Total	92	92	2758	4047
<b>Oxford</b>	B1	317	317	1910	2445
	B2	-484	-484	175	1889
	B8	57	57	57	477
	Total	-110	-110	2142	4811
<b>Average</b>	B1	1255	1255	2500	2731
	B2	316	316	1009	2321
	B8	115	115	187	455
	Total	1686	1686	3696	5507

Source: Exam 138 Employment Land Update NLP October 2015

## EMPLOYMENT LAND REQUIREMENTS

7.11 The NLP Assessment of Updated Economic Forecasts (EXAM 138) details the land requirement tables for the three JCS local authorities for each of the scenarios by B Class use. The land requirement table is reproduced for the period 2011 to 2031 for Gloucester City only. The tables below set out the land requirement for Gloucester City for each of the forecasts using the baseline assumptions used in the NLP Assessment of Updated Economic Forecasts 2014. The table details the calculated requirement by the B Class type assumed in the model and includes an additional 25 percent reflecting the five-year flexibility added to the total land requirement.



TABLE 8.2 – B CLASS LAND REQUIREMENT FOR BASELINE FORECASTS JCS EMPLOYMENT SCENARIO'S – GLOUCESTER CITY

		Baseline	No netting off of jobs	No netting off of land	LEP Adjusted
<b>Experian</b>	B1	12.1	12.1	13.8	14.4
	B2	8.3	8.3	14.6	28.2
	B8	10.2	10.2	10.2	12.8
	Total	30.6	30.6	38.6	55.4
<b>Cambridge</b>	B1	-1.3	0	3.7	4.5
	B2	8.3	8.3	18.4	30.5
	B8	-4.4	0	0	5.1
	Total	2.6	8.3	22.1	40.1
<b>Oxford</b>	B1	1	1	6	7.6
	B2	-5.6	0	2	21.8
	B8	1.1	1.1	1.1	9.7
	Total	-3.5	2.1	9.1	39.1
<b>Average</b>	B1	4	4	8	9
	B2	4	6	12	27
	B8	2	4	4	9
	Total	10	14	23	45

Source: Exam 138 Employment Land Update NLP October 2015

- 7.12 The table reports the outcomes of the employment land scenario testing to inform the JCS public examination. Each baseline forecast has a distinct view of the economic future of Gloucester based upon the forecasters own view of the growth of the economy and taken into account exhibited trends in published data.
- 7.13 Experian baseline land requirements for the period 2011 to 2031 is 30.6 hectares (annual average of 1.53 hectares) whilst the total for Oxford and Cambridge represents a requirement of less than one tenth this total.
- > The average baseline position for the three forecasts reports a land requirement of 9.9 hectares of B Class land for the period 2011 to 2031 (an annual average of 0.495 hectares per annum)
  - > Scenario 1 which assumes that there is no netting off of land reports an average B Class land requirement of 13.7 hectares (an annual average of 0.685 hectares per annum)
  - > Scenario 2 which assumes that there is no netting off of jobs reports an average B Class land requirement of 23.3 hectares (an annual average of 1.165 hectares per annum). The greatest increases in this scenario are seen in the increase requirement for B2. Industrial land in each of the baseline forecasts for Cambridge and Experian have consistent views on the B2 land requirement whilst Oxford sees a loss of over 400 jobs with a consequent net loss requirement of over 5 hectares

- > Scenario 3 which represents a LEP Adjusted Growth Scenario is adjusted to take on board the views of stakeholders and to align with the Strategic Economic Strategy. The scenario reports an average B Class land requirement for the period 2011 to 2031 of 44.9 hectares (an annual requirement of 2.245 hectares)
- > Significantly this scenario reports a significantly and proportionally higher net requirement for B2 Industrial sector demand. The impact of the LEP Adjusted scenario upon B1 and B8 Class development is higher but the proportional increase is significantly lower than for B2 development

7.14 The NLP analysis adds a further 10-hectare requirement to compensate for employment land lost together with a further 20 hectares to provide for the needs of the Cyber Security sector building upon the stakeholders' views and consultations and policy ambitions. Note: Gloucester's contribution to this additional 30 hectares is in addition to the results detailed in this analysis.

## B1 USE CLASS

7.15 B1 sectors utilising this use class are ICT, finance and insurance, professional, technical and scientific services, business support services, real estate, head office and management consultancy, other professional services, IT Services, media, legal and accounting. There is also a small B1 requirement for Public Administration and Defence. The table below identifies those B1 sectors where Gloucester has a higher location quotient compared to England, an industrial sector specialism.

Industry category	Employment Quotient (EQ)	Total employment in 2014	Employment change 2009-2014
4613 : Agents involved in the sale of timber and building materials	8.0	100	0
4619 : Agents involved in the sale of a variety of goods	5.0	100	0
6512 : Non-life insurance	3.6	500	-300
5819 : Other publishing activities	3.5	100	0
8122 : Other building and industrial cleaning activities	2.4	100	100
9412 : Activities of professional membership organisations	2.2	200	0
6622 : Activities of insurance agents and brokers	1.9	500	0
6190 : Other telecommunications activities	1.8	700	100
7732 : Renting and leasing of construction and civil engineering machinery and equipment	1.8	100	0
7739 : Renting and leasing of other machinery, equipment and tangible goods n.e.c.	1.5	100	100
6419 : Other monetary intermediation	1.4	1,200	-600
6209 : Other information technology and computer service activities	1.3	400	200

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.

7.16 The JCS LEP scenario for B1 class development requires an increase of **9 hectares** based upon on average of the three modelled scenarios including a 25% increase to provide flexibility for the period 2011 to 2031. The total average floorspace requirement equates to **35,379 sq. m.**

7.17 Assuming an annual average is used the requirement for the period 2016 to 2031 equates to an increase of **6.75 hectares** and a total average floorspace requirement of **26,534 sq. m.**

## B2 USE CLASS

7.18 B2 sectors include manufacture and production, construction, transport storage. The table below identifies where Gloucester has a higher location quotient compared to England, an industrial sector specialism in B2 development.

Industry category	Employment Quotient (EQ)	Total employment in 2014	Employment change 2009-2014
1052 : Manufacture of ice cream	56.4	400	0
2433 : Cold forming or folding	27.7	100	100
3511 : Production of electricity	25.8	1,400	500
3313 : Repair of electronic and optical equipment	22.7	200	200
1399 : Manufacture of other textiles n.e.c.	15.9	100	0
2594 : Manufacture of fasteners and screw machine products	11.5	200	0
2442 : Aluminium production	9.9	100	0
3250 : Manufacture of medical and dental instruments and supplies	8.1	600	100
2814 : Manufacture of other taps and valves	6.9	100	100
2812 : Manufacture of fluid power equipment	3.9	100	0
2221 : Manufacture of plastic plates, sheets, tubes and profiles	3.5	200	0
3513 : Distribution of electricity	3.4	200	0
2561 : Treatment and coating of metals	3.1	100	0
2573 : Manufacture of tools	3.1	100	-100
2512 : Manufacture of doors and windows of metal	2.6	100	-100
8122 : Other building and industrial cleaning activities	2.4	100	100
4322 : Plumbing, heat and air-conditioning installation	2.3	600	400
2120 : Manufacture of pharmaceutical preparations	2.1	100	0
4321 : Electrical installation	1.4	600	100
2822 : Manufacture of lifting and handling equipment	1.4	100	0
3320 : Installation of industrial machinery and equipment	1.3	100	0

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.

7.19 The JCS LEP scenario for B2 class development requires an increase of **27 hectares** based upon on average of the three modelled scenarios including a 25% increase to provide flexibility for the period 2011 to 2031. The total average floorspace requirement equates to **85,889 sq. m.**

7.20 Assuming an annual average is used the requirement for the period 2016 to 2031 equates to an increase of **20.25 hectares** and a total average floorspace requirement of **64,417sq. m**

## B8 USE CLASS

7.21 B8 sectors are transport, wholesale and land storage. The table below identifies where Gloucester has a higher location quotient compared to England, an industrial sector specialism in B8 sectors.

Industry category	Employment Quotient (EQ)	Total employment in 2014	Employment change 2009-2014
3513 : Distribution of electricity	3.4	200	0
4634 : Wholesale of beverages	2.6	200	0
4671 : Wholesale of solid, liquid and gaseous fuels and related products	2.5	100	0
4211 : Construction of roads and motorways	2.0	200	-200
5222 : Service activities incidental to water transportation	2.0	100	-100
4674 : Wholesale of hardware, plumbing and heating equipment and supplies	1.8	200	0
4910 : Passenger rail transport, interurban	1.5	100	0
4931 : Urban and suburban passenger land transport	1.3	400	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.

7.22 The JCS LEP scenario for B8 class development requires an increase of **9 hectares** based upon on average of the three modelled scenarios including a 25% increase to provide flexibility for the period 2011 to 2031. The total average floorspace requirement equates to **29,491 sq. m.**

7.23 Assuming an annual average is used the requirement for the period 2016 to 2031 equates to an increase of **6.75 hectares** and a total average floorspace requirement of **22,118sq. m**

## ALIGNMENT WITH JCS

7.24 As reported in the policy section, the JCS Inspector comments that 238 hectares of employment land is available across the JCS area with 56 hectares around Gloucester (22 per cent). The JCS economic strategy identifies a capacity of 20 hectares of existing undeveloped capacity in Gloucester City itself together with 7 hectares of other available and suitable sites. It is assumed from information in SALA and monitoring reports that six sites totalling 29 hectares are available for the following uses:

8.6 hectares                      B1 / B2 /B8 uses

13.42 hectares                    B1 / B8 uses

6.37 hectares                      B1 uses

7.25 This would suggest that for the JCS LEP adjusted scenario these existing strategic and smaller sites can provide the land requirements to meet the demand for both B1 and B8 uses (18 hectares). The residual amount totals 10.3 hectares and falls significantly short of the identified requirement for B2 uses (27 hectares) envisaged by the LEP adjusted scenario. This would suggest the need for a strong safeguarding policy to support existing B2 sites within the city to meet the policy objectives of the JCS strategy. Additionally, Gloucester would need to consider what contribution it should make to the 10 hectares required across the JCS area to compensate for B Class land lost and the 20 hectares identified to support the cyber security sector.

7.26 It is presumed that implicitly within the JCS inspector interim conclusions that she accepts and endorses a proposal that employment land will be developed both within and around Gloucester, utilising alternative locations outside the City boundary to support the wider JCS ambitions. In doing so, Gloucester City would work in collaboration with its neighbouring authorities, and assumes that Gloucester's share of the LEP adjusted scenario will be met. Explicitly NLP tables above report a Gloucester requirement for a minimum of 45 hectares of B class land excluding any proportion to be provided for loss of land (10 ha) and Cyber security (20 ha) in part by allocations in other authorities.

7.27 The uses identified for the existing available strategic sites focus on economic growth supported by B1 and B8 development (at least 18 hectares) leaving 9 hectares for any combination of its B2 requirement / Gloucester's share of land lost and share of cyber security provision not met elsewhere.

# 8. CONCLUSIONS

# CONCLUSIONS - EMPLOYMENT LAND AND PREMISES ANALYSIS

- 8.1 The report highlights existing issues which are relevant in considering the suitability of the existing employment land and premises supply and the issues necessary to consider in reaching conclusions and recommendations on future employment land allocations. It is important to note the comment in the economic assessment which states that the economic environment is likely to change attitudes to risk in the property sector, and also lead to structural change in business services. This may mean that key property investments may be stalled and may be restructured. This could mean that Gloucester could benefit from offering better value and higher quality premises with appropriate workforce skills.

## GLOUCESTER AS A STRATEGIC BUSINESS LOCATION

- 8.2 The Joint Core Strategy and Strategic Economic Plan seek to improve the attractiveness of Gloucester as a business location, to improve productivity through developing key sectors, improving skills, unlocking infrastructure and transport constraints and providing business support. The Joint Core Strategy identifies the provision of 27 hectares of strategic employment land in Gloucester together with strategic allocations in Tewkesbury. In addition, the provision is to be met through consideration of other employment sites within the City, provision of employment sites at urban extensions to Gloucester, allocations at Gloucester Airport and M5 junctions. The market commentators note strong confidence in Gloucester as a business location. Gloucester has an excellent strategic location with access to Bristol, Swindon, Birmingham and South Wales by both road and rail. The strongest growth market to date is in those sectors that require easy and convenient access onto the M5.

## BUSINESS PARK OFFER

- 8.3 Stakeholders confirm that locations in and adjacent Gloucester City are perceived to have a strong Business Parks offer, with the quality, type and size of accommodation provided at competitive prices to meet business needs. These sites reflect the profile of the newly investing or expanding business. In part, commentators suggest that success is in part due to the lack of supply in Cheltenham. Importantly, the existing Business Park sites are perceived to be reaching capacity within the Gloucester City administrative boundary.
- 8.4 Competition from Cheltenham and Tewkesbury, as a business park offer, will become stronger as new strategic employment sites come on stream at junction 9 and junction 10 of M5 and sites around Gloucester City itself. Gloucester as a functional economic area, both within and outside the administrative boundary, must therefore maintain its position as a 'location of choice' for businesses wanting a business park location and excellent access onto the M5, recognising the potential to attract new inward investment. The issue may be one of phasing as Gloucester is able to offer immediate opportunities for Business Park developments. Securing this early intervention will be critical to gain momentum ahead of other Business Park opportunities.
- 8.5 Rental levels on business parks are approaching levels required to support speculative property development although the current economic confidence and uncertainty surrounding the Referendum decision may cause some delays in positive progression. The land availability analysis suggests that the pipeline and planned supply of employment land advocated through

the JCS process is sufficient to meet B1 use classes. However, it is recommended that the Local Plan and in its relationship through Duty to Co-operate with neighbouring authorities pursues a strong business park strategy promoting sites with excellent access onto the M5.

## OFFICE ACCOMMODATION

- 8.6 Valuation Office (VOA) data suggests that Gloucester has seen a 35,000 sq. m or 12% increase in its rateable office stock between 2002 and 2012 whilst Tewksbury has seen an increase of 48,000 sq. m or 77% in its rateable office stock. In comparison, using the same data analysis from VOA, nationally rateable office stock has increased by 10.9%. Cheltenham has the highest quantity of office stock in the County with an increase of 114,000 sq. m or 46% between 2002 and 2012. Gloucester's stock still represents a significant contribution with almost one third of the County's office accommodation. However, the rateable value of office stock in Gloucester and indeed elsewhere in Gloucestershire is significantly below the national average and other regional competitors.
- 8.7 Gloucester has not seen the loss of B1 office development to residential that has been pursued in other parts of Gloucestershire such as Cheltenham and Cotswold. However, there is a risk that there will be a distinct shift and acceleration in loss of B Class land since the introduction of new Permitted Development Rights and proposed consultation changes to paragraph 22 of NPPF which supports a more positive approach to the use of commercial land for alternative uses. In addition, maintaining or converting historic buildings to modern business standards is perceived to be unviable and a positive policy approach is required to either support the retention of office accommodation or alternative uses.

## INDUSTRIAL LAND

- 8.8 The Industrial land offer in Gloucester particularly along the Canal Corridor is strong reflecting the historic diversity of the city. The sites are well used and vacancy rates are low reflecting strong market interest in this accommodation. However, the valuation data, monitoring reports and evidence to the JCS Public Examination highlights the loss of B2 Employment land. The rateable industrial stock in Gloucester has reduced by over 20% between 2002 and 2012. The relocation of jobs, closure of sites and the associated loss of industrial floorspace at Gardener Denver, Wellman Graham, and Contract Chemicals suggest this trend is continuing beyond 2012.
- 8.9 The JCS analysis for B Class land suggests that 60 percent of B Class land is required for B2 land Industrial and Manufacturing jobs. Given the continued loss of B2 land, and the uncertainties and ambiguity in the wider strength of the manufacturing sector nationally, it will be important to offer a wider range of B Class land uses. Consultations have identified bespoke sectors including medical, aerospace, engineering and nuclear as potential growth sectors. However, given the functional economic area of Gloucester extends into Stroud and Tewkesbury districts, the proportion of B2 Class use within each strategic allocation needs to be considered in detail and with close collaboration with neighbouring local authorities. For example, an increase in B2 uses in those locations where residential allocations are also proposed will require wider buffer zones resulting in less net developable space.
- 8.10 These recommendations for Industrial land reinforce the previous recommendations promoted in the Business Park Review 2011. The Canal Corridor and Southbrook Road Trading Estate are key examples of sites that have the potential to be upgraded while retaining employment uses. However, the initial consultations suggest that sites become less attractive to the industrial



market closer to the edge of the city centre due to congestion and accessibility issues for larger vehicles. The integrity of these sites must be protected, whilst the sites must remain flexible to adapt to market change. Where an opportunity for enhancement arises to add value to these sites, this should be taken. These sites sustain a diverse Gloucester economy and broadly support growth, whilst providing foundations from which emerging sectors can develop.

- 8.11 Stakeholder consultations suggest that the development of Triangle Park represents a positive and viable development on brownfield land where high cost infrastructure was needed. It is noted that a positive and flexible approach by the planning authority was required to deliver the site. However, the remaining Railway Triangle sites are less attractive to the commercial market due to the access constraints and position north of the rail line. This increases the risks associated with the market appraisal and a residential led scheme is likely to be considered more attractive by the commercial market.

## CITY CENTRE REGENERATION

- 8.12 City Centre regeneration, its spatial interventions and priorities are set out in the Council's policy documents. The policy documents clearly identify that a successful Gloucester requires a City Centre first approach. The City Plan objectives currently highlight a complex range of potential uses for the City Centre, describing them as a mix of town centre propositions including a number of functions that the centre could perform.
- 8.13 Stakeholders comment that Gloucester City Centre is becoming less competitive as Cheltenham secures investment from key magnets such as John Lewis. Recent planning consents suggest that the retail focus is moving south, away from the historic core towards the Quays and Docks. Importantly, the initial consultations and data reveal an absence of a clear Gloucester Brand and profile for the City Centre and a piecemeal approach to projects which are perceived to be slow in delivery. A distinct city centre Business Quarter is identified as a structural deficit.
- 8.14 The City Plan should support a clear, bold and distinctive place making role. The Local Plan provides the opportunity to develop a detailed and functional role for the City Centre, reconciling a number of competing objectives in the City Centre into one cohesive whole. It is important that the centre considers its relationships with the wider Gloucester City urban area.
- 8.15 The Docks area is identified as a unique and distinct offer and brand which has and continues to attract stronger commercial interest. The relationship between the Docks and the High Street, Cathedral and the public transport hub has been identified by stakeholders as a potential opportunity to create a commercial or cultural centre. Gloucester requires a high quality and dynamic town centre solution capitalising on existing public sector assets, and opportunities to pump prime sites to overcome current viability constraints. The economic strategy can set out the support needed to deliver such a solution including a visible task force or delivery vehicle which can accelerate the delivery of key sites such as Blackfriars and Greyfriars.
- 8.16 We have devised a site typology building upon a similar typology used in the Cheltenham Employment Assessment to bring a degree of consistency across the JCS area in considering these issues. A SWOT analysis is completed for each typology of site. The first tables set out the description and characteristics of each site typology whilst the second table considers the earlier analysis in this report and the stakeholder consultations in reaching view on the strengths, weaknesses, opportunities and threats for each site typology.
- 8.17 The RAG status reflects a consideration of the interventions needed to address the critical challenges and threats, the issues that are likely to have the greatest impact and those that should be addressed more immediately.

PREMISES TYPE	CHARACTERISTICS <sup>2</sup>			
	LOCATION		DESCRIPTION OF PREMISES	TYPE OF OCCUPIERS
	Type	Description		
High Quality Office (Grade A)	<u>Town Centre</u> <u>Edge of Centre</u> ; and <u>Well Connected</u>	Usually located within the Core Commercial Area and edge of Town Centre, with good road frontage and/or access to the <u>main road network</u>	Institutional and high quality. The design and build quality is often at a higher standard with large floor plans, excellent IT services, on site car parking, high environmental standards and strong public realm and identity.  Can include managed workspace adaptable to both office and light industrial uses.	National and International corporations and institutions. Business Headquarters.  Potential for start-up opportunities in supported environment.
High Street (A2 and B1 UCO)	Town Centre only	Located within the Core Commercial Area often within the High Street or streets immediately adjacent.	A mixture of high quality and low quality buildings, this often determines the type of occupier.	Predominant sector is the professional and business services sector, serving the local market area.
Historic Quayside /Docks Locations	Quayside and Docks only	Located edge of the Core Commercial Area. Sites generally have good levels of accessibility to services and facilities.	When in employment use, buildings have often been converted from historic (warehouse) for retail, leisure and residential space. Buildings offer little flexibility for expansion or extensions although open spaces provide opportunities for more flexible space.	Predominant sector is the business and professional services sector including public administration, tourism, leisure and retail, serving the local and national market area seeking a distinctive, attractive and quality environment.  Accessibility and parking are key issues

PREMISES TYPE	CHARACTERISTICS <sup>2</sup>			
	LOCATION		DESCRIPTION OF PREMISES	TYPE OF OCCUPIERS
	Type	Description		
<b>Business Park</b>	Edge of Centre; Well Connected;	Out of Core City Centre Area and/or edges of Principal Urban Area, with good to excellent access on to the main road network.	<p>Often a mixture of average to good quality buildings, ranging in sizes.</p> <p>Some premises have benefitted from recent refurbishment and/or redevelopment of ageing premises offering modern office space and double height space vehicular access.</p> <p>Retail premises are often located adjacent.</p>	<p>Predominant sector is microbusinesses and SMEs (up to 250 employees) servicing the local market although evidence of relocations from other sub regional as offering competitive, flexible locations for growth. Also attracts larger businesses where there is excellent access to motorway network.</p> <p>Businesses generally include technology and professional services; and specialist trade, manufactures, suppliers and services, requiring a mixture of office space and warehouse space.</p> <p>Businesses offering retail services such as trade counters and car showrooms can also be found in this location due to visible location along the main road network.</p>
<b>Industrial Estate</b>	Edge of Centre; Well Connected;  and Poorly Connected	Generally located off the main road network but still accessible but not restricted to. (A range of connections)	<p>Often premises offer a more basic employment space with good flexibility to make alterations and modernisation. The quality of premises can range from good to poor but often are average to poor.</p> <p>Often ageing premises have been subdivided in to smaller units to cater for business and occupiers.</p>	<p>Wide range of firms, activity focusses on storage and distribution and light industrial activity.</p> <p>Predominant sectors are small trade businesses focussing on auto repair, builders, recycling depots and other 'dirty' trades catering for the local and Gloucestershire market. These types of premises are popular with new microbusinesses and SMEs as they can provide low cost employment space,</p>

PREMISES TYPE	CHARACTERISTICS <sup>2</sup>			
	LOCATION		DESCRIPTION OF PREMISES	TYPE OF OCCUPIERS
	Type	Description		
			<p>Poorer quality, and by virtue low cost, premises provide necessary employment space for businesses, especially new businesses.</p> <p>Trade counters offering retail like services can be found on larger industrial estates with better levels of accessibility.</p> <p>Whilst less prevalent, larger and purpose built premises have recently been built.</p>	<p>albeit at the loss of quality.</p> <p>Large businesses (250+ employees) typically use many premises on site and serve a national and international market. Businesses typically manufacture high tech specialist products and/or provide technical services.</p> <p>Vacancies and underutilisation can be prominent in older premises.</p>

PREMISES TYPE	STATUS				
	RAG Status	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREAT
High Quality Office	Amber	<p>Office offer is located in established business parks at Waterwells and Barnwood</p> <p>Recognised business location which is attractive to market</p> <p>Competitive rental values</p> <p>Third office stock/ hereditaments in Gloucestershire is located in Gloucester City</p>	<p>Current evidence suggests limited supply in town centre location</p> <p>Office stock in central areas may be under threat for change of use to residential or retail</p> <p>Lack of any current City / Central Business District</p> <p>Generally small office space less than 500 sq. m</p>	<p>Sustained demand for office accommodation shown in forecasts and JCS work</p> <p>Clear allocations for expansion of established business parks</p> <p>Potential for increased start up space</p> <p>Continued co-operation across Stroud and Tewkesbury required</p> <p>Potential to consider a Central Business District providing high quality office accommodation associated with Docks / Quays and adjacent retail providing additional footfall for town centre uses</p> <p>Ongoing master plans for key regeneration sites</p>	<p>Permitted development rights allow the offices to be converted to residential</p> <p>Phasing and competitiveness of Cheltenham and Tewkesbury strategic allocations</p> <p>National policy guidance seeking residential uses on available brownfield sites on and close to rail corridor and triangle sites</p>

PREMISES TYPE	STATUS				
	RAG Status	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREAT
High Street	RED	<p>Large scale and strategically significant regeneration sites</p> <p>Ongoing development of master planning and Local Development Orders</p> <p>Increasing retail rateable values and floorspace</p> <p>Public sector funding and investment offered through Growth Deal and GILF existing and proposed</p>	<p>Poor quality environment and public realm</p> <p>Lack of connectivity between city centre and Quayside /Docks and on to Station / Public Transport interchange</p> <p>Regeneration demands and intervention is high due to lack of commercial investment interest</p> <p>Retail offer falling behind competitors</p>	<p>Town Centre regeneration project with implementation funding</p> <p>Car parking review and asset management</p> <p>Regeneration priorities and investment identified through City Plan</p> <p>Consolidation of retail offer</p> <p>Capitalise upon the distinct characteristics of a historic town with strong heritage assets and vibrant cultural and leisure destination seen at Quayside /Docks</p>	<p>Retail and leisure proposition outside central area reducing the High Street's competitiveness</p> <p>Changing retail profile and consolidation of retail assets</p> <p>Weaker economic investment by retail sector</p>
Historic Quayside Locations	Green	<p>Unique environment and offer – leisure and retail destination profile for professional, scientific and technical sector</p> <p>Associated quality of life, services and facilities</p>	<p>Costs and other tourism and service sector demands</p>	<p>Support relationships between functional areas across city centre</p>	<p>Expanding or growing companies or organisations find alternative accommodation due to lack of alternative floorspace in central area</p>

PREMISES TYPE	STATUS				
	RAG Status	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREAT
<b>Business Park</b>	Amber	<p>Established business parks</p> <p>Recognised business location</p> <p>Attractive to market</p> <p>Competitive rental values</p>	<p>The Business Parks are perceived to be reaching capacity</p>	<p>Clear allocations for expansion of established business parks</p> <p>Early phasing in advance of other strategic employment allocations in JCS area</p>	<p>Phasing and competitiveness of Cheltenham and Tewksbury strategic allocations</p>
<b>Industrial Estate</b>	Amber	<p>Vacancy rates suggest there is relative market equilibrium for industrial and warehousing development although monitoring may suggest change since 2011 reports</p> <p>Stock offer range of quality to meet business needs</p>	<p>Distinct loss of Industrial floorspace between 2002 and 2012</p> <p>Reported concern of access and neighbouring uses which may mean users are constrained</p> <p>Appetite for redevelopment for modern employment needs can be dependent on economic market factors and vulnerability to more viable uses.</p> <p>Internal circulation within sites and narrow access to some Industrial Estate require access through residential areas</p>	<p>2011 Business Park recommendation - Upgrading sites can potentially help to revitalise or expand businesses whilst areas with higher levels of vacancies could also accommodate modest improvements to attract new businesses.</p> <p>Environmental enhancements</p> <p>Public sector land ownerships</p>	<p>Clear that the market is meeting a demand and the loss of this type of employment premises would impact businesses requiring low cost employment space.</p>



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