

Gloucester Economic Growth Strategy

2018-2020

“Generating economic growth in Gloucester to create benefit for our residents”

*David Evans, City Growth & Delivery Manager,
Cabinet Briefing on 14 March 2018*

Overview

- Purpose of the Strategy
- State of the Economy
- Current challenges
- Future opportunities
- Focus of activity
- Measures of success

Purpose of the Strategy

To describe Gloucester City Council's ambition to grow Gloucester's economy

To position Gloucester as an economic leader in the South West and a first class location for business growth.

To identify strategic economic growth priorities for 2018 to 2020

State of Gloucester's Economy

- ❑ 68,500 jobs (2015), although in the period 2010 to 2015 it actually declined by 2,500 in contrast to neighbouring Districts and the UK. Earnings are similar to the national average.
- ❑ 3,425 businesses.
- ❑ Key sectors: manufacturing, energy, and finance and insurance services, public administration and health. Recent and projected growth in construction, distribution, Information and communications, professional, scientific and technical activities, administration, and health.
- ❑ Ongoing decline in manufacturing and public administration jobs.
- ❑ 68,500 (81.6%) of the working age population are in employment or are self employed; higher than both the UK and regional averages.
- ❑ Between 2012-2017, the business population of Gloucester increased by 19.4%- stronger than the regional average of 16.8%, but behind the national average of 24.8%.
- ❑ Unemployment is higher than the county and national averages (7.7%)
- ❑ Between 2005 and 2015, Gloucester's population grew by 11.7 per cent (to 127,200) - the highest amongst all Gloucestershire districts. Forecast to continue growing at a strong rate.
- ❑ House prices are lower than the UK average (at £196,182) and have grown at a lower rate than the UK average over the past decade.
- ❑ Retail and office floorspace has increased since 2012, whilst industrial floorspace declined significantly

Current Challenges

- High levels of deprivation within local areas within the city,
- An aging workforce
- Changes in shopping trends and the role of the city centre
- The suitability of commercial space (office and retail) in the City centre to attract new occupiers
- The ongoing decline in manufacturing and other traditional forms of employment.
- Perceptions of Gloucester as a place to visit and live.
- The Quays' success means that nationally recognised quality retailers tend to go there rather than the city centre
- Dependent on in-commuting for skilled workforce
- Stressed road system due to commuting patterns and traffic congestion
- Ensuring that local skills keep up with the changing needs of businesses.
- Economic targets are highly ambitious in the face of economic uncertainties, such as BREXIT
- Gloucester functional economic area extends into other local authority areas , requiring close collaboration to secure employment land and other infrastructure.

Future Opportunities

- To improve communications and travel infrastructure
- High proportion of young people resident in Gloucester
- To attract shoppers and visitors from the Quays to the City Centre
- To attract higher value retail, office and other businesses to the City centre.
- To ensuring that the benefits of economic growth and regeneration are felt by the whole community
- To support the Business Improvement District to deliver its BID plan for the city centre
- Potential for new cultural venue (including conference facility), although subject to detailed assessment of demand and provision in the wider area
- Strengthen the evening economy, extending between the Quays and the City centre
- Support the development of emerging and growing business sectors; eg. engineering, advanced manufacturing and aerospace, Cyber security, Digital retail, nuclear.
- Oxstalls University Campus – business school will be based there, with computing and cyber security facilities and initiatives as well as one-third of space devoted to the Growth Hub

Our Strategic Priorities

Business

Promote investment in Gloucester by strengthening support for start ups, existing firms and inward investors

People

Address the skills gap, and ensure that local people have the skills they need to access the jobs available.

Place

To create a location that attracts and sustains business investment

Creating local economic opportunities from regeneration

Maximise Social Value for all Council activity by:

- Insisting that major regeneration schemes in which the Council has a financial interest create employment and skills opportunities for local communities, and business opportunities for local suppliers.*
- Require applicants for planning consent to produce Employment and Skills Plans for major housing development and major commercial development, identifying opportunities for the employment and skill development of local people*
- Put developers and new investors in touch with local agencies that can source labour and provide skills development.*

Business – Promote investment in Gloucester by strengthening support for start ups, existing firms and inward investors

Priority	Proposed Actions
Improve business start-up and growth rates	<ul style="list-style-type: none"> • Signpost small businesses requiring support to the Gloucestershire Growth Hub • Deliver a coordinated account management programme with GFirst LEP, the Growth Hub and Gloucestershire County Council to engage local employers • Obtain a better understand of the needs of businesses, enhancing existing services and commissioning new activities where there are gaps. • Strengthen the Council’s links at a strategic level with large employers in order to understand their growth ambitions and needs.
Consolidate support for the key growth sectors	<ul style="list-style-type: none"> • Work alongside the GFirst LEP to support key sectors. • Identify and progress opportunities to provide workspace for smaller businesses in the digital and creative sectors. • Support the development of the Cyber Security Park and the provision of associated infrastructure. • Support the Gloucestershire Airport to enhance services to support businesses, and to develop an aerospace and manufacturing cluster . • Strengthen links with regional partners to encourage investment in nuclear, aerospace, and advanced engineering sectors.
Encourage and attract new investment into Gloucester	<ul style="list-style-type: none"> • Improve perceptions of Gloucester to visitors, residents and investors, working alongside the relevant local partners • Work alongside the Gfirst LEP to promote Gloucester as an investment location for businesses in those sectors in which the City has existing and emerging strengths, and ensure that the Council offers an effective soft landing package of support and aftercare to investors.

People – Address the skills gap, and ensure that local people have the skills they need to access the jobs available.

Priority	Proposed Actions
Take a strategic approach to encouraging employment and skills development	<ul style="list-style-type: none">• Work through the Gloucestershire Employment & Skills Board to<ul style="list-style-type: none">➤ Enable more young people to enter the labour market with the skills, knowledge and attitudes required to make them employable;➤ Develop a larger and more skilled workforce in line with local employer/ labour market needs;➤ Increase the number of Apprenticeships available;➤ Reduce the number of unemployed and economically inactive people of working age;➤ Ensure that local schools and colleges are providing 'Future proofed' skills provision that can accommodate new opportunities for growth.
Work within our communities to overcome barriers to work	<ul style="list-style-type: none">• Work with local training and learning providers to support people within Gloucester who are dealing with circumstances that cause barriers to work, with the aim of moving these people closer to education, training, volunteering or work, including self-employment.

Place – To create a location that attracts and sustains business investment

Priority	Proposed Action
<p>Articulate the economic priorities for Gloucester and secure the necessary resources to provide the physical infrastructure to enable sustainable growth.</p>	<ul style="list-style-type: none"> • Strengthen links with the Gfirst LEP to prioritise projects and secure funding from the relevant local and national funding agencies. • Ensure that Gloucester’s infrastructure needs and priorities are recognised in the Joint Core Strategy, and in the funding plans of relevant County-wide partners.
<p>Create and promote the city centre ‘rich mix’</p>	<ul style="list-style-type: none"> • Secure a quality mix of occupants to new regeneration schemes, incl King’s Quarter and Gloucester Quays • Secure business opportunities within smaller regeneration projects • Create business opportunities within the city centre culture and leisure programme, working in support of the Gloucester Cultural Board
<p>Improve the place making role of the City Plan to provide a cohesive, market driven regeneration programme</p>	<ul style="list-style-type: none"> • Ensure that the Gloucester City Plan contains policies that encourage business growth, and appropriate site allocations that enable business investment. • Initiate and support schemes and projects that will lead to the creation of a vibrant and successful city centre, as identified in the Regeneration and Economic Development Strategy, 2016-2022.
<p>Implement initiatives to build interest in the city centre and test the market for new businesses and roles</p>	<ul style="list-style-type: none"> • Commission Marketing Gloucester to market the City Centre to visitors and provide services to City Centre businesses • Support the Gloucester Business Improvement District (BID) to provide services for businesses within the City Centre • Support Marketing Gloucester’s plans for a Full Fibre Network and test bed for new types of business with expertise in digital marketing.

Our Approach

We will deliver a high quality, highly respected economic development service that will:

- ❖ Provide up to date **economic, labour market and property market intelligence**
- ❖ Build on existing **partner relationships** with strategic agencies as well as local organisations and neighbouring Councils.
- ❖ Maintain an awareness of **funding opportunities**, both within the public and private sectors
- ❖ **Provide appropriate Communications infrastructure** - digital platforms, relevant websites, as well as more traditional mechanisms.
- ❖ Work with existing business facing organisations to ensure that our businesses receive the support and guidance they require

Measuring our effectiveness

- Number of growing businesses and inward investors supported
- Number of new businesses assisted
- Number of new jobs created in supported businesses
- Number of new jobs and learning opportunities created in regeneration schemes in which GCC has a financial interest

Achieving Sustainable Growth

- By the end of 2020 we will have;
 - Increased the number of businesses in key sectors;
 - Increased the number of jobs in the economy
 - Reduced the gap between workplace incomes and household incomes
 - Increased skills levels (NVQ4+)
 - Reduced levels of low level qualifications
 - Increased productivity levels in the City

Growth & Delivery Team
Gloucester City Council

Herbert Warehouse

The Docks

Gloucester, GL1 2EQ

eds@Gloucester.gov.uk

01452 396974