

Cotswold District Local Plan 2018 – 2031 Update

Town and Country Planning (Local Planning) Regulations 2012

Regulation 18 “Issues and Options” consultation/participation

Evidence Paper: Economy and Employment

1. Introduction

- 1.1 This paper provides background evidence and considerations about how the District Council will encourage green, sustainable economic growth in the District through its planning policies. The Council’s ambition is for the District to be seen as a good place to do business and to grow high-value, highly-skilled and low environmental impact businesses. At the same time, it wishes to reduce its reliance on the visitor economy by broadening its economic base and spreading its impact more evenly across the District, converting day visits to overnight stays where possible and encouraging sustainable forms of transport to, from and within the area. Separate topic papers have been written on tourism and the visitor economy, and sustainable transport. Shopping habits have been changing for some time, initially with supermarkets and out of town retail but more recently with the rise of internet shopping, a trend which has been accelerated by the Coronavirus pandemic. This means our town centres need to evolve and be flexible enough to respond positively to changing circumstances. The pace and scale of change needed in town centres is such that this also is the subject of a separate topic paper. Inevitably there will be some overlap given the roles town centres play as centres of economic activity.

2. Objectives

- 2.1 It is proposed to amend the adopted Local Plan objectives to better address the issues raised in this paper. Proposed amendments are in **bold font**. The adopted Local Plan objective is [Objective 3](#).

Through implementation of the OAN, Economic Strategy and allocation of land:

- a. Support the local economy and enable the creation of more high quality jobs in the District, **which help young people to have rewarding careers locally**.*
- b. Encourage the vitality and viability of town and village centres as places for shopping, **work**, leisure, cultural and community activities, including maintaining Cirencester’s key employment and service role.*
- c. Support sustainable tourism in ways that enable the District to act as a tourist destination which **spreads the benefits of tourism throughout the District rather than being concentrated in ‘honeypot’ areas**.*

3. NPPF, PPG and other material considerations

- 3.1 The NPPF sets an objective of “Building a strong, competitive economy”.
- 3.2 Paragraph 20 requires strategic policies to set out an overall strategy for the pattern, scale and design quality of places, and make sufficient provision for employment, retail, leisure and other commercial development.
- 3.3 Paragraph 80 states that “planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt” and that “significant weight should be placed on the need to support economic growth”. Paragraph 81 refers to setting out a clear economic vision and strategy which encourages sustainable economic growth, identifying sites for local and inward investment, addresses potential barriers to delivery and is flexible enough to take into account changes in the economy. Para 82 refers to the “specific locational requirements of different sectors”, including clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations.
- 3.4 Paragraphs 83 & 84 address issues in the rural economy such as agricultural diversification and rural tourism and the retention of services in rural communities.
- 3.5 The **Town and Country Planning (Use Classes) Order 1987 (as amended)** was updated in September 2020⁽¹⁾. Several use classes were revoked, including retail (A1) and Business (B1). B1 uses formerly included office and light industrial uses. Retail, office, light industrial and a variety of other uses were brought together into a new single use class - ‘Class E’. Planning permission is no longer required for changes of use within Class E.
- 3.6 A new permitted development right was introduced in August 2021 for changes of use from Class E to residential⁽²⁾. The permitted development right is subject to limitations and conditions. Some protections are given to Conservation Areas and Areas of Outstanding Natural Beauty. Amongst other things, they are also subject to the impact on intended occupiers of the introduction of residential use in an area considered to be important for general or heavy industry, waste management, storage and distribution, or a mix of such uses.
- 3.7 The **Government’s Industrial Strategy** sets out a vision to drive productivity improvements across the UK, identifies a number of Grand Challenges facing all nations, and sets out a delivery programme to make the UK a leader in four of these: artificial intelligence and big data; clean growth; future mobility; and catering for an ageing society.
- 3.8 **Cotswold District Council’s Corporate Plan (2020)** contains an objective to build a vibrant economy and references careers for young people, start ups and making digital infrastructure and skills widely available.
- 3.9 **GFirst LEP’s Draft Local Industrial Strategy** identifies cyber, agritech and the green economy as key growth sectors for the County. It also promotes the county as a pilot area

¹ Further detail on the changes to the planning use classes is provided on the Planning Portal website: https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

² Further detail on permitted development rights is provided on the Planning Portal website: https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use/2

for “innovative technology-driven solutions” for rural areas and states its ambition for Gloucestershire to be the “most flexible place to work in the UK”.

- 3.10 **The Council's Green Economic Growth Strategy** underlines the importance of the cyber, agritech and environmental technology sectors as well as other sectors such as advanced manufacturing, medical equipment, food and drink and financial services and the opportunity to grow the housing stock retrofit sector. It also highlights the need for “move on space” for growing businesses. The adoption of the Green Economic Growth Strategy signals the Council taking a more proactive approach to the economic growth of the area and promoting the Cotswold District as a good place to do business.

4. Background evidence and Sustainability Appraisal

- 4.1 The Cotswold economy is, by and large, a strong one although with its own unique set of challenges. The District has a skilled and educated population and some excellent, innovative businesses - something which perhaps isn't recognised as often as it should be.

- 4.2 Some key statistics:

- ★ Net importer of labour into the District - 2,000 people (pre-pandemic).
- ★ Job Density is the highest in the South West.
- ★ Productivity is 17% higher than the national average and the highest in the South West.
- ★ 90% of businesses are microbusinesses employing 9 people or fewer - over 5,500 in total.
- ★ Specialisms in mining & quarrying, agriculture and accommodation and food service.
- ★ Double the national average of people working at home - 13.3% - 7th highest in England (pre-pandemic)
- ★ Claimant count 3.3% - lowest in the county (May 2021)
- ★ Job Postings 3,979 (May 2021) - up from 2,379 in May last year
- ★ 3,500 workers furloughed (May 2021) - the highest proportion of those is in the hospitality sector (1,150)
- ★ 3,100 claims in 4th wave of Self Employment Income Support - 48% of those believed to be eligible. This is the highest in the county.

- 4.3 Some of the key issues facing the economy, which are relevant to the Local Plan Update include:

- The Covid pandemic has accelerated changes to the shape of the economy, especially town centres.
- Flexible working and home working mean that more people can escape the city to live in the Cotswolds and commute less often to work. This has led to house prices in the

area rising still further, adding to the affordability crisis. Home working also means that demand for office space is reduced. On the positive side it has also created a demand for flexible/serviced offices, not just in larger towns like Cirencester but even in some of our villages.

- Home working has underlined the need for good broadband. Good progress has been made in delivering broadband since the Local Plan was adopted with over 97% of homes now able to receive superfast broadband (30mpbs and above) and over 40% able to access ultrafast broadband (100mbps and above). Companies like Gigaclear and Openreach are in the process of delivering gigabit-capable broadband to parts of the District but the costs of providing this infrastructure are huge and the timescale for delivery is over a number of years. Even some of the areas which have received an upgrade find that speeds are no longer adequate when using multiple devices and using services like high definition video calls.
- Brexit has added a further layer of uncertainty about the future shape of the economy.
- Climate change represents both a challenge, in how we mitigate its effects and reduce the carbon footprint of businesses, but also an opportunity in terms of how we can make the Cotswold District a centre for green technology businesses.
- The pace of technological change - for example, Artificial Intelligence (AI) - is great and we need to ensure that the District is in a position to take advantage of it by ensuring we have the appropriate skills and infrastructure in place, as well as the right premises to attract technology companies. The Applied Digital Skills Centre at Cirencester College, which is currently under construction, is an example of the type of initiative we need to keep pace with technological change.
- Gloucestershire Economic Needs Assessment identifies substantial need for new employment development in the Cotswold District. However, there appear to be some challenges delivering this need - because rents don't support speculative development and demand has been weaker in smaller and more remote areas.
- There is strong demand for industrial/warehousing especially in and around Cirencester. This may well increase when the A417 Missing Link project is completed, reducing journey times between Gloucester and Cirencester and, probably more crucially, between the M5 and M4. The employment land elements of the Steadings development should help to meet this demand.
- The A417 Missing Link project may result in development pressure along its route, an issue which the full review of the Local Plan will need to positively engage with in due course. It may also result in Cirencester becoming a more attractive location for warehousing and logistics businesses.
- National policy on retaining employment sites and the market attractiveness of delivering housing in Cotswold mean there is pressure on some employment sites to become housing.

- The housing element of mixed use developments is often built first but the employment is rarely delivered. Viability / lack of demand is often the reason cited for not delivering employment developments. The Local Plan could be updated to condition that employment development must be delivered simultaneously with housing on mixed use schemes.
- There is a high and increasing rate of in-commuting and out-commuting. House prices in the Cotswold District are such that many people can't afford to live close to where they work so have to travel - something which is not desirable from a climate change perspective or in attracting new businesses to the District.
- Key sectors include agritech/food and drink production/innovation, cyber/digital and environmental technologies. The landscape of the Cotswolds makes it an attractive place for environmentally conscious businesses and the Council is keen to ensure the recovery from the Coronavirus pandemic is a green one. Much of the land mass of the area is used for agriculture. This is an industry going through a great deal of change as a result of many issues, including Brexit, the new Agriculture Act, which brings in environmental payments in place of the EU subsidy regime, and technological change. The District, through institutions such as the Royal Agricultural University, could be at the forefront of these changes.
- There is also a clustering of medical technology businesses (Corin / Summit / Insight / InTouch with Health) which could be built upon. These are areas the District can grow to reduce the reliance on the visitor economy and provide higher value jobs, particularly for young people.
- The Cotswolds brand, with its images of rolling hills and chocolate box villages, is a great asset from a tourism perspective but doesn't represent the full picture of the District and its business community. The perception that the area is not diverse and does not contain a wide range of leisure facilities (e.g. cinemas and nightclubs) can make it difficult for businesses to attract staff, particularly young people in, for example, the digital and finance sectors. The loss of young people from the area was a key weakness identified by the Gloucestershire Vision 2050 initiative, which noted in 2018 that Gloucestershire suffered a net loss of 400 young people from the County each year. The Rock The Cotswolds campaign also sought to portray the Cotswolds as a more creative, vibrant and innovative place, with recruitment issues being one of the drivers for the campaign.
- The Local Plan contains a BI land and floorspace requirement and various references to BI uses within the policies. It also contains an AI floorspace requirement. Given the AI and BI use classes have been revoked and that changes of use can now take place between uses in the new Class E without needing planning permission, an update to the Local Plan is needed to respond to these issues.

5. Current Local Plan policy

- 5.1 Policy DSI sets an employment land requirement of at least 24 hectares for B class employment use over the Plan period 2011-2031 (16.6ha of BI class land (including

64,626sq.m of office floorspace), a 2.1ha reduction of B2 class land, and 9.9ha of B8 class land).

- 5.2 Policy EC1 relates to Employment Development, supporting the creation of high quality jobs and building on the strength of existing institutions and supporting the vitality and viability of key centres.
- 5.3 Policy EC2 seeks to safeguard established and allocated employment sites. However, there is currently ambiguity over whether these sites are considered to be important for general or heavy industry, waste management, storage and distribution, or a mix of such uses. Policy EC2 also lacks clarity on the correct use of conditions to prevent inappropriate uses in a given location.
- 5.4 Policy EC3 relates to proposals for all types of employment-generating uses, setting out what is appropriate within and outside Development Boundaries.
- 5.5 Policy EC4 relates to Special Policy Areas for three of our key employers/institutions - the Royal Agricultural University in Cirencester, the Campden BRI in Chipping Campden and the Fire Service College at Moreton-in-Marsh, requiring Master Plans for each of these sites and setting out what should be contained therein. These sites are dealt with in more detail below.
- 5.6 Policy EC5 relates to rural diversification of farms, agricultural estates and other land-based rural businesses.
- 5.7 Policy EC6 relates to the conversion of rural buildings.
- 5.8 These policies remain broadly sound although some additions and amendments need to be considered to deal with the issues, questions and opportunities highlighted in this paper.

6. Opportunities

- 6.1 The Fire Service College could diversify beyond Fire Training to more general resilience (for example, to include cyber). There is an aspiration for a Growth Hub, which supports small businesses to grow, for the north of the district and discussions have been taking place with owners about accommodating this. It could also be a location for a serviced office facility to serve the north of the district as this is recognised as a desirable catchment for this type of business.
- 6.2 RAU University Gate site - there is a large-scale unimplemented planning permission for agri-tech units on this site.
- 6.3 There is a 9ha of employment land with planning permission at Chesterton, south of Cirencester, as well as extant planning permissions or land allocated for development for extensions to Bourton-on-the-Water Industrial Estate and Battlebrook Industrial Estate in Chipping Campden.

- 6.4 Cotswold Airport is currently experiencing strong demand, with several high tech companies including Zero Avia who are developing a hydrogen fuelled aircraft. There are opportunities for future development and Local Plan Policy SP2 provides for this.
- 6.5 At RAF Fairford, intensification is expected in the coming years and major building works have been committed to.

7. Potential Local Policy responses

How can we maximise the benefits of these key opportunities for the local economy?

- The Local Plan could be updated to condition that employment must be delivered alongside housing.
- Policy EC2 could identify areas considered to be important for general or heavy industry, waste management, storage and distribution, or a mix of such uses.
- Policy EC2 could specify where the use of planning conditions and / or S106 agreements should be used to restrict the types of use on new employment developments and Established Employment Sites.
- We could ask for an Employment and Skills Plan for developments over a certain size.
- Need to protect existing employment sites, including small ones - although the new Class E is a challenge to that.
- Policy INF9 could require that new housing and employment developments are set up to enable superfast broadband to be plugged in.
- The Local Plan could support the delivery of new office hubs - stand-alone or within existing community centres such as village halls - to enable people to work close to their home and to reduce longer distance commuting.