

The Rural Economic Strategy for Gloucestershire

2007-2015 (Revised 2006)



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GLOUCESTERSHIRE RURAL ECONOMIC STRATEGY PROGRESS

- **300 projects¹ either funded or with funds committed**
- **£33m (excluding the Cotswold Canal Project and affordable housing projects in rural districts) funding¹**
 - **36% to Raising Business Productivity**
 - **34% to Strengthening Rural Communities**
 - **23% to Realising the Economic Potential of the Environment**
 - **7% to Increasing Economic Inclusion**

Of this total, within the Rural Renaissance and Modernising Rural Delivery initiatives²:

- **76 projects**
- **£5.3M (£3.3M Rural Renaissance from SW Regional Development Agency, £1,287K other public sources, £825K private investment)**
 - **15 access to services projects**
 - **3 agricultural**
 - **6 arts**
 - **15 business related**
 - **11 community/voluntary sector**
 - **8 local food**
 - **9 workspace**
 - **6 tourism/heritage**
 - **3 environmental**
- **46 jobs created**
- **1600 businesses supported**
- **8 new businesses & 9 social enterprises created**
- **893 people gaining new skills**
- **37 childcare places**
- **182 sqm workspace created**

¹ January 2004 – November 2006

² July 2004 – September 2006

EXECUTIVE SUMMARY

Introduction

The Gloucestershire Rural Economic Strategy 2003 – 2010 was agreed by Gloucestershire First in January 2004 and subsequently endorsed by the County Council and rural District Councils. The importance of the rural economy to the County's prosperity had been shown in a study by the Gloucestershire Labour Market Information Unit (GLMIU) "The State of the Rural Economy of Gloucestershire"³ for the Countryside Agency in 2002. This forecasted some economic trends that were a cause for concern, which the Rural Economic Strategy 2003-2010 (RES 2003-2010) sought to address

The RES 2003-2010 has allowed Gloucestershire to access some £3M Rural Renaissance investment and a further £1M Modernising Rural Delivery investment from the SW RDA. Additionally it has guided the awarding of grants under the Defra Rural Social & Community Programme. More importantly it has enabled links to be made between these, mainstream funding and other funding sources such as the European Social Fund (ESF), the England Rural Development Plan (ERDP), the Market & Coastal Towns Initiative, Vital Villages and the Heritage Lottery Fund. The disparate nature of all the funding sources, many derive from different Ministries, means that there is a risk of 'stand alone' projects not being linked to one another when the combined value to the economy, the community and the environment would be greater than the sum of their parts. This has been partly overcome by the RES and partly by work done by the Gloucestershire Rural Community Council, which has shown that since January 2004 some £82M has either been spent or committed to projects that deliver parts of the RES 2003-2010. These include the Cotswold Canal Project and affordable housing provision in all four rural districts but even when these are all excluded the balance is £32M.

The Gloucestershire Strategic Partnership is developing a County Strategy that will encompass economic, social and environmental issues; District Strategic Partnerships are also drawing up Strategic Plans for their Districts. Gloucestershire First is responsible for developing Urban, Rural and Social Chapters in the County Economic Strategy. The RES will form the basis of the Rural Chapter.

This is not, nor should it be, a 'stand alone' strategy. It is important to recognise that it exists within the context of Regional Spatial Strategy (RSS) the consultation draft of which has recently been published, the revised South West Regional Economic Strategy and the Rural Development Plan 2007-2013, which is currently being produced. There are other changes since the RES was written in 2002, such as:

- The greater emphasis on reducing carbon emissions to counter global warming
- The arrival of a significant number of migrant workers
- The changes to the Common Agriculture Policy, which require farmers to be market rather than subsidy orientated in their business plan
- The dramatic increase in the availability of Broadband as rural telephone exchanges have been 'enabled', and
- The major investment in the regeneration of Gloucester City, which should not only be of significant benefit to the city itself but also to the rural economy

It is therefore timely to review RES 2003-2010 and make any necessary changes.

Images on front cover

Harvest Time in the Cotswolds
Re-opening of Paganhill Post office
Tewkesbury Food Festival
The Moreton Show
Rural Workshops – The Steadings Business Centre, Maisemore

³ The Rural Economy of Gloucestershire for the Countryside Agency by GLMIU May 2002

Dumbleton Village Shop – saved from closure

Progress since 2000

It is notoriously difficult to assess how much progress is being made in implementing strategies. However:

- The Gap Analysis by the Gloucestershire Rural Community Council (GRCC) identifies all projects in the County that have either been funded or had funds committed to them since January 2004 and contribute in some way to the delivery of the RES. As at November 2006 279 projects had been identified to which £82M of funding had been allocated. It is important to note that that this analysis only shows the number of projects and the amounts invested, it does not measure how effective projects have been, and indeed some have hardly started
- The GLMIU have published⁴ an update on the report they had produced for the Countryside Agency in 2002. It would be wrong to suggest that the changes are due to the implementation of the RES but there may be some link with some of them. This shows:
 - The population of the rural districts is rising at a faster rate than that of the urban districts
 - The percentage of 15-29 year olds in rural Gloucestershire is decreasing over the 5 years
 - There have been a growing number of migrant workers registering in Gloucestershire, many of them in the rural districts. The majority are from Eastern Europe and Russia and former Soviet states
 - The Economic Activity Rate (EAR), the percentage of people of working age who are economically active, has increased overall in rural Gloucestershire, whereas it declined in the urban districts. The greatest increase has been in the Forest of Dean.
 - There was an increase in the number of businesses in rural Gloucestershire
 - Nearly 75% of all jobs in rural Gloucestershire are in the service sectors
 - There has been a steady increase in the median hourly earnings for full time workers
 - Changes in average (mean) household income and lower quartile household income indicate that the growth rate of income among the poorest 25% households has been faster than average district level
 - Unemployment in rural Gloucestershire had declined from 2.3% (1/02) to 1.5% in (9/06)
 - The number of people aged 24 and under, claiming economic benefits for over 6 months has increased
- The South West RDA requires, under the Rural Renaissance Scheme, certain outputs to be measured. Up to the end of September 2006 46 jobs had been created, 35 people assisted to get a job, 8 new business had been created and 1,600 businesses had been supported. The amount of public and private investment levered in was £592,074 and £277,074 respectively. 893 people had been assisted to gain new skills and 182 sq m of workspace had been created. It is important to note that many of these outputs are not 'counted' until they have been in place for a significant period of time

⁴ Rural Economy of Gloucestershire, Update 2006 by the GLMIU (November 2006)

Roles

This Rural Economic Strategy has four roles:

1. To identify priorities for the allocation of resources and mainstream funding in rural Gloucestershire.
2. To provide the rationale and evidence for successful bids for the various external and internal funding opportunities that can be used to support and match the use of the County's resources so that the maximum economic benefit to rural Gloucestershire is achieved.
3. To encourage all county-wide agencies, rural councils, organisations and communities to formulate policies, put forward specific projects for funding, or mount local initiatives, confident that they will receive help and support from others.
4. To form the Rural Economic Chapter of the County Economic Strategy.

Aim

To provide clear strategic objectives and priorities for the development of the Gloucestershire rural economy during the period 2007-2015.

Vision

Rural Gloucestershire will have an economy where the aspirations and skills of the people combine with the quality of the physical and cultural environment to provide a high quality of life and sustainable prosperity for everyone.

Mission

To increase sustainable prosperity and productivity for rural Gloucestershire and its people.

Strategic Objectives

- Objective 1: To sustain and support the growth of successful and competitive businesses in Rural Gloucestershire
- Objective 2: To increase economic inclusion in Rural Gloucestershire, particularly in the most deprived areas
- Objective 3: To strengthen rural communities in Gloucestershire
- Objective 4: To realise fully the economic potential of Gloucestershire's rural environment whilst protecting the exceptional quality of the countryside for future generations

Key Strategic Actions

The key strategic actions identified as relevant to rural Gloucestershire in the Strategy are:

- The retention and expansion of a profitable manufacturing sector including using advanced engineering techniques and innovation
- Growing the:
 - Finance and business services sector
 - Creative industries sector
 - Environmental technology sector
 - Leisure and tourism sector
 - Number of competitive and profitable micro-businesses
 - Social economy

- Maintaining the exceptional built environment in rural Gloucestershire and taking advantage of the opportunity for construction work due to the regeneration of Gloucester
- Maintaining a well skilled workforce
- Maintaining a profitable agriculture sector in rural Gloucestershire at a time of major change in the industry
- Helping individuals overcome their disadvantage
- Helping to improve local opportunities generally to increase economic inclusion
- Increasing the use made of the skills and experience of the older members of the rural population to benefit the economy and community
- Building the capacity of rural communities
- Providing the vision, leadership and finance necessary to reinvigorate sustainable market towns
- Helping villages, particularly isolated ones, to become more sustainable rural communities
- Improving physical communications and access
- Taking full advantage of the increasing opportunities for electronic communication
- Protecting rural Gloucestershire's environment
- Using Local Development Frameworks (LDFs) to meet the needs of the economy
- Improving environmental skills
- Exploiting the economic value of existing historic resources and the restoration of the cultural and heritage assets

Delivery

The delivery of this Strategy requires:

- It to be endorsed widely, particularly by the Gloucestershire County Council and the rural District Councils and then used to inform their annual delivery plans
- The notion that the only way of delivering the Key Strategic Actions is by specific public funding to be dismissed. In some cases it will be a matter of priorities, in others delivery will be enabled through the Planning System. Public funding should be used only when appropriate and when it is clear that this is essential to progress
- It to be through existing organisations and agencies. Only when there is a clear gap should an additional organisation be established

To co-ordinate its delivery Gloucestershire First has established a Countywide Partnership to develop, review and oversee the delivery of the Rural Economic Strategy on its behalf. This consists of:

- The Rural Economy Advisory Panel (REAP) to advise Gloucestershire First on all matters rural; be the custodians of the Rural Economic Strategy; develop an Annual Delivery Plan and to sponsor rural initiatives where appropriate
- The Rural Economy Management Group, responsible for managing the execution of the Annual Delivery Plan
- A Gloucestershire Rural Network to bring together, at least annually, representatives of those with an interest in or key role to play in the rural economy of Gloucestershire, including businesses, parish councils and community groups

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**THE RURAL ECONOMIC STRATEGY FOR GLOUCESTERSHIRE
2007-2015
(REVISED 2006)**

Introduction

1. Gloucestershire is the 13th most rural county in England. The importance of the rural economy to the County's prosperity was shown in a study by the Gloucestershire Labour Market Information Unit (GLMIU) "The State of the Rural Economy of Gloucestershire"⁵ for the Countryside Agency in 2002. This forecasted some economic trends that are a cause for concern, which the Rural Economic Strategy 2003-2010 (RES 2003-2010) sought to address.
2. RES 2003-2010 has allowed Gloucestershire to access some £3M Rural Renaissance investment and a further £1M Modernising Rural Delivery investment from the SW RDA. Additionally it has guided the awarding of grants under the Defra Rural Social & Community Programme. More importantly it has enabled links to be made between these, mainstream funding and other funding sources such as the European Social Fund (ESF), the England Rural Development Plan (ERDP), the Market & Coastal Towns Initiative, Vital Villages and the Heritage Lottery Fund. The disparate nature of all the funding sources, many derive from different Ministries, means that there is a risk of 'stand alone' projects not being linked to one another when the combined value to the economy, the community and the environment would be greater than the sum of their parts. This has been partly overcome by the RES and partly by work done by the Gloucestershire Rural Community Council, which has shown that since January 2004 some £82M has either been spent or committed to projects that deliver parts of the RES. These include the Cotswold Canal Project and affordable housing provision in all four rural districts but even when these are all excluded the balance is £32M.
3. The Gloucestershire Strategic Partnership is developing a County Strategy that will encompass economic, social and environmental issues; District Strategic Partnerships are also drawing up Strategic Plans for their Districts. Gloucestershire First is responsible for developing Urban, Rural and Social Chapters in the County Economic Strategy. The RES will form the basis of the Rural Chapter.
4. This is not, nor should it be, a 'stand alone' strategy. It is important to recognise that this strategy exists within the context of Regional Spatial Strategy (RSS) the consultation draft of which has recently been published, the revised South West Regional Economic Strategy and the Rural Development Plan 2007-2013, which is currently being produced. There are other changes since the RES was written in 2002, such as:
 - The greater emphasis on reducing carbon emissions to counter global warming
 - The arrival of a significant number of migrant workers
 - The changes to the Common Agriculture Policy, which require farmers to be market rather than subsidy orientated in their business plan
 - The dramatic increase in the availability of Broadband as rural telephone exchanges have been 'enabled', and
 - The major investment in the regeneration of Gloucester City, which should not only be of significant benefit to the city itself but also to the rural economy

It is therefore timely to review RES 2003-2010 and make any necessary changes.

⁵ The Rural Economy of Gloucestershire for the Countryside Agency by GLMIU May 2002

Defining Rural Gloucestershire

5. The Countryside Agency developed a simple definition of what is meant by 'rural' in Britain⁶. Applying this to Gloucestershire means that, with the exception of the City of Gloucester and Cheltenham Borough, all of Gloucestershire is rural⁷. 120 (82%) of the Wards in the County are 'rural'; 16,500 (66%)⁸ of the County's businesses and 137,000 (52%)⁹ of employee jobs are in the four rural Districts. 352,400 (61%)¹⁰ of the population, of whom 168,400 (working age)¹¹ are economically active, live in these rural districts. However, under this definition of 'rural' many wards are included that few people would describe as rural and whose economies, needs and priorities are quite different from the deeply rural areas of the County. Thus in order to identify economies and needs more effectively the Strategy Panel has recognised that Wards fall into four groups (Listed at Annex A) and, in formulating the Strategy, has considered the needs of each:
- Wards within the influence of Gloucester and Cheltenham where the economies are in practice totally interdependent and integrated between the urban and rural areas
 - Significant conurbations of wards, such as the Stroud Valleys or Tewkesbury & Ashchurch, where again there is significant economic interdependence
 - Other market town wards and their immediate hinterlands that fit the Rural White Paper model of market towns supporting their surrounding area
 - Smaller, deeply rural wards consisting of small villages, hamlets or isolated groups of houses
6. The economic geography of rural Gloucestershire is further complicated as it is divided into three distinct areas: the Cotswolds, limestone uplands with one of the lowest population densities in England; the Severn Vale, an alluvial plain, well populated and including many towns; and the Forest of Dean, an ancient oak forest and previous mining area, with many small communities, where the greatest poverty and disadvantage in the County exist (the Forest of Dean was classified a 'Rural Priority Area' from 1984 to 2002). Clearly, just as in the four groupings of Wards the economies, needs and priorities of each of these three areas differ and are to some extent influenced by neighbours across the administrative boundary of SWRDA and Gloucestershire; it would be similarly unacceptable in a County economic strategy to concentrate on one to the exclusion of the others.

The Roles of the Strategy

7. This Rural Economic Strategy has four roles:
- To identify priorities for the allocation of resources and mainstream funding in rural Gloucestershire
 - To provide the rationale and evidence for successful bids for the various external and internal funding opportunities that can be used to support and match the use of the County's resources so that the maximum economic benefit to rural Gloucestershire is achieved

⁶ See the Technical Appendix to The Rural Economy of Gloucestershire by the GLMIU May 2002 for an explanation of the definition and the variables used.

⁷ The Rural Economy of Gloucestershire for the Countryside Agency by GLMIU May 2002

⁸ Annual Business Inquiry 2004 (ONS) (NOMIS)

⁹ Annual Business Inquiry 2004 (ONS) (NOMIS)

¹⁰ Midyear Population estimates 2005 (ONS) (NOMIS)

¹¹ Annual Population Survey Jan 2005-Dec 2005 (ONS) (NOMIS)

- To encourage all county-wide agencies, rural councils, organisations and communities to formulate policies, put forward specific projects for funding, or mount local initiatives, confident that they will receive help and support from others
 - To form the Rural Economic Chapter of the County Economic Strategy, part of the Community Plan for Gloucestershire
8. It follows from the definition of 'rural' and the roles of the strategy that the whole of this Rural Economic Strategy for Gloucestershire will not be applicable to the whole of rural Gloucestershire. It must, however, be flexible enough to meet the range of circumstances found both in different geographical areas of the County and in different economic sectors.

Progress Since 2000

9. It is notoriously difficult to assess how much progress is being made in implementing strategies. In the case of the RES two separate pieces of work have been commissioned and in addition the outputs of the Rural Renaissance projects have been measured:

- **The Gap Analysis.** This analysis by the Gloucestershire Rural Community Council (GRCC) identifies all projects in the County that have either been funded or had funds committed to them since January 2004 and contribute in some way to the delivery of the RES. This is regularly updated and the latest summary is available on the GRCC website. As at November 2006:
 - 279 projects had been identified to which £82M of funding had been allocated
 - £50M was for 5 projects, the Cotswold Canals and 4 Affordable Housing Builds leaving £32M for the remainder
 - Of this:
 - Objective 1 (Raising Business Productivity) had been allocated 37%
 - Objective 3 (Strengthening Rural Communities) 33%
 - Objective 4 (Realising the Economic Potential of the Environment) 23%, and
 - Objective 2 (Increasing Economic Inclusion) 7%
 - 34% of the £32M is from private/charitable sources, 24% from 'other public funds', 17% from SWRDA (10% of this through Rural Renaissance), 15% from Gloucestershire Councils (County and District) and 11% from the EU
 - 75 projects have received Rural Renaissance investment:
 - Objective 1 - 41 projects, 55% of the funds
 - Objective 2 - 4 projects, 4% of the funds
 - Objective 3 - 23 projects, 29% of the funds, and
 - Objective 4 - 11 projects, 12% of the funds

From the above it can be concluded, not surprisingly, that 'Increasing Economic Inclusion' is proving the most difficult to achieve although there are some Strategic Aims under other Objectives that have also proved difficult to support. It is important to note that that this analysis only shows the number of projects and the amounts invested, it does not measure how effective projects have been, and indeed some have hardly started.

- **Rural Economy of Gloucestershire, Update 2006.** In November 2006 the GLMIU published¹² an update on the report they had produced for the Countryside Agency in 2002. It would be wrong to suggest that the changes are due to the implementation of the RES but there may be some link with some of them. It should be noted the periods over which change is measured is not consistent and in some cases is prior to 2004. The most noteworthy changes are:
 - From 2000-2005, the population of the rural districts rose at a faster rate than that of the urban districts, 2.20% against 1.46%
 - The percentage of 15-29 year olds has decreased over the 5 years from 15.44% to 15.08%
 - There have been a growing number of migrant workers registering in Gloucestershire, many of them in the rural districts:
 - In 2004 there were 2,019 workers permits and registrations in rural Gloucestershire, in 2005 – 2,463 and from January to July 2006 – 1,748.
 - Of these most (51%) were in the Forest of Dean District and least (12%) in Tewkesbury Borough
 - 3897 (67%) were from Eastern Europe and a further 1499 (24%) from Russia and former Soviet states
 - The Economic Activity Rate (EAR), the percentage of people of working age who are economically active, has increased overall in rural Gloucestershire from 85.29% in May 2000 to 85.64% in May 2005, whereas it declined in the urban districts. However:
 - The greatest increase, from 78.72% to 82.61% was in the Forest of Dean
 - In Stroud the increase was from 83.08% to 85.64%, but
 - In Cotswold it dropped from 91.3% to 87.23% and
 - In Tewkesbury from 89.13% to 86.67%
 - The change in the number of businesses in rural Gloucestershire by number of employees between 2000 and 2004 was:

Sizeband	2000	2004	% change
1- 4 employees	11,180	11,957	6.9%
5 – 10 employees	2,094	2,341	11.8%
11 – 24 employees	1,097	1,207	10%
25- 49 employees	500	600	20%
50 – 99 employees	206	269	30.6%
100-199 employees	304	357	17.4%
200+ employees	59	82	22%
Total	14,940	16,203	8.5%

Note: During the same period the number of business in the urban districts rose by only 0.3%.

- In Gloucestershire, as a whole, the number employed in manufacturing declined to 14.6% by 2004 but in rural districts it was 17.8% of all jobs and in Tewkesbury Borough it was 24%
- 74.3% of all jobs in rural Gloucestershire are in the service sectors and employment in 'distribution, hotels and restaurants' at 25% in the rural districts but nearly 34% in Cotswold District is significant

¹² Rural Economy of Gloucestershire, Update 2006 by the GLMIU (November 2006)

- There was a decline in the percentage of full time jobs versus part time in the Forest of Dean from 67.23% to 62.72%, whilst in Tewkesbury Borough it has increased from 73.44% to 76.88%
- There was a steady increase in the median hourly earnings for full time workers from 1999 to 2004:
 - 4.8% per annum in Stroud to £9.80
 - 3.8% in Cotswold to £9.65
 - 3.4% in Forest of Dean to £9.17, and
 - 2.7% in Tewkesbury to £10.31
- Changes in average (mean) household income and lower quarter household income between 2003 and 2006 indicate that the growth rate of income among the poorest 25% households was faster than average district level

Household Income Trends in Gloucestershire and Districts									
	Mean (£)			Median (£)			Lower Quartile (£)		
	2003	2006	% annual change 2003-06	2003	2006	% annual change 2003-06	2003	2006	% annual change 2003-06
Cotswold	24,762	33,933	12.3	22,792	26,811	5.9	8,135	14,965	28.0
Forest	22,751	28,473	8.4	19,330	22,022	4.6	7,471	12,123	20.8
Stroud	24,551	31,597	9.6	22,646	24,777	3.1	8,255	13,874	22.7
Tewkesbury	24,763	32,162	10.0	23,666	25,433	2.5	8,651	14,412	22.2

- Unemployment in rural Gloucestershire had declined from 2.3% in January 2002 to 1.5% in September 2006. In the worst rural wards in 2002 it had become:

Ward	Unemployment Jan 2002	Unemployment Sep 2006
Dursley (Stroud)	5.2%	2.2%
Prior's Park (Tewkesbury)	5.1%	3.3%
Cinderford (FoD)	4.5%	2.9%
Ruardean (FoD)	4.2%	1.5% (ward changed)
Hewelsfield & St Briavels (FoD)	4.2%	0.8% (ward changed)
Bream (FoD)	4.1%	1.7%

- People aged 24 and under, claiming economic benefits for over 6 months, increased from September 2000 to September 2006 from 80 (1.6% of all claimants) in rural Gloucestershire to 145 (3.2% of all claimants). In the Forest of Dean the increase was from 30 to 40 (7.5% to 9% of all claimants) and in Stroud from 25 to 45 (2.6% to 5.4% of all claimants).
- The older population (over 65) is increasing in rural Gloucestershire by about 1,400 per annum (2.25%), whilst in urban Gloucestershire it is increasing by just over 300 per annum (0.9%). By 2016 the older population in rural Gloucestershire is forecast to be 83,700, an increase of one third since 2001.
- **Rural Renaissance Project Outputs.** The South West RDA requires under the Rural Renaissance Scheme certain outputs to be measured. Up to the end of September 2006 the following outputs had been achieved by Rural Renaissance projects alone:

Output	Achieved 9/06	Expected by 3/08
Number of jobs created or safeguarded	46	120
No assisted to get a job	35	40
No of new businesses created	8	88
Businesses supported	1,600	2,000
No of businesses engaged in new collaborations with HE or FE institutions	11	12
Public investment levered in	£592,074	
Private investment levered in	£277,218	
No assisted in their skills development	893	3,800
No of adults gaining Basic Skills	1	70
No of adults in the workforce supported to achieve a Level 2 qualification	15	50
No of housing units	Nil	Nil
Workspace created	182 sq. m.	
Childcare places supported	37	100
Social enterprises supported	9	60

Aim

10. The aim of this strategy is to provide clear strategic objectives and priorities for the development of the Gloucestershire rural economy during the period 2007 - 2015.

Vision

11. Rural Gloucestershire will have an economy where the aspirations and skills of the people combine with the quality of the physical and cultural environment to provide a high quality of life and sustainable prosperity for everyone.

Mission

12. To increase sustainable prosperity and productivity for rural Gloucestershire and its people.

Strategic Objectives

13. Strategic Mission will be achieved in rural Gloucestershire through four Strategic Objectives:

- Objective 1** **To sustain and support the growth of successful and competitive businesses in Rural Gloucestershire.**
- Objective 2** **To increase economic inclusion in Rural Gloucestershire, particularly in the most deprived areas.**
- Objective 3** **To strengthen rural communities in Gloucestershire**
- Objective 4** **To realise fully the economic potential of Gloucestershire's rural environment whilst protecting the exceptional quality of the countryside for future generations.**

Objective 1 Sustaining and Supporting the Growth of Successful and Competitive Businesses in Rural Gloucestershire

General

14. The key to any economic strategy is to sustain and support the growth of successful and competitive businesses. However this objective needs to take account of local circumstances, in this case rural Gloucestershire, its strengths and its weaknesses, otherwise resources will be wasted. There is a need to focus on what are already key sectors but particularly to encourage adding value through innovation, creativity and higher quality as well as the more traditional measure of increased profitability through efficiency per unit of input. The key factors influencing productivity will vary depending on the activity concerned but are:
- Skills of employees and employers
 - Investment in capital equipment, property, infrastructure and research
 - Innovation and application of new technology in products and process development
 - Enterprise and growth of new business
 - Sustainability in processes and products
15. The key economic sectors in rural Gloucestershire are those related to the 'Knowledge Economy'¹³ (Manufacturing, Finance and Business Services, Creative Industries and Environmental Technology), Distribution, including Retailing, Hotels and Restaurants, Leisure & Tourism, and Agriculture. Although this strategy concentrates on these sectors there is an overall need to provide a wide range of rural employment opportunities and to encourage a diverse rural economy in all wards.

Manufacturing

16. Traditional manufacturing will continue to decline as a result of the global economy and lower costs elsewhere. Where jobs remain, and 17.8% of jobs in rural Gloucestershire are in manufacturing so it is a vitally important part of the rural economy, it is largely due to advanced engineering skills and innovation, which are such an important element of a Knowledge Economy. The challenge therefore is to retain the strength in advanced engineering, high technology and innovation for which Gloucestershire is renowned. In 2002 a study for Gloucestershire First¹⁴, which included food processing businesses using advanced engineering techniques, found that:
- "There was an increasing imbalance between the skills of the workforce and the emerging needs of the Advanced Engineering Sector
 - Poor image of the sector was causing low entry levels into engineering and technology training so supply was not keeping up with demand
 - Planning authorities were perceived to be impeding progress of companies in the sector in some areas
 - Environmental legislation was forcing energy-hungry processes into countries where the governments "don't care"
 - Layers of red tape and compliance requirements were increasing costs"

¹³ Although a 'knowledge economy' is frequently referred to there is no agreed definition. It is generally seen as being made up of 'knowledge driven production' and 'knowledge driven services'. For the purposes of this Strategy it includes Finance & Business Services, Advanced Manufacturing, Government Organisations, Public Administration & Health, Creative Industries and Environmental Technology.

¹⁴ Investor Support Programme Report on the Advanced Engineering Sector July 2002

17. There is potential for greater consumption of local food and some initiatives are already demonstrating this. Encouraging local procurement by public services will improve the position. Furthermore there are some parts of some sub sectors that are strongly set in rural parts of the County and which are forecast to grow in employment numbers. These are: medical, precision instruments, paper & paper products, electronics and furniture. In addition there are a number of small, specialist manufacturing businesses. The County's distinctive landscapes and environments offer diverse opportunities for the development of manufacturing enterprises that not only emphasise sustainability in both products and processes.
18. If rural Gloucestershire is to sustain a significant manufacturing sector it needs to:
- Concentrate on initiatives that add more value in county to our raw products to provide additional employment and greater prosperity
 - Increase the 'in-county' consumption of Gloucestershire goods and services whether through retailers, other outlets or by the public sector by following the examples of many European towns by putting 'Gloucestershire First' in their purchasing policies
 - Promote the manufacturing sector element of a Knowledge Economy, particularly advanced engineering, through schools, colleges and the university to young people with the potential to maintain Gloucestershire's reputation for highly skilled advanced engineering and persuade employers to offer apprenticeships. The recent failure to establish an Engineering Centre for Vocational Excellence (COVE) is of major concern in this respect
 - Encourage manufacturing businesses to use new technology and become committed to sustainability in process and products, whilst simultaneously providing the existing and future workforce with the skills needed by the businesses to do this, recognising that skills are not the same as qualifications
 - Support and actively encourage a culture of innovation, particularly in those areas of manufacturing forecast to grow, primarily the medical, precision instruments, paper & paper products, electronics, particularly ICT and furniture sectors
 - Recognise the potential growth in manufacturing products that contribute to a reduction in global warming and waste that is not recyclable

The retention and expansion of a profitable manufacturing sector in rural Gloucestershire including using advanced engineering techniques and innovation should be a key strategic action and priority should be given to projects that meet one or more of the above needs.

Finance and Business Services

19. Gloucestershire has a strong Finance & Business Services Sector and in 2004 it provided 16.5% of all jobs in rural Gloucestershire. This includes ICT. There is scope to grow the sector, not least because middle and senior management are attracted to the quality of life that Gloucestershire offers. However to grow the sector:
- The road and rail links to London need to improve as this is seen as a constraint on business development
 - Although FE Colleges and the University already recognise the importance of the sector, for example Cirencester College established a 'finance academy' some years ago, there is a need to keep the content constantly updated and to maintain close links with the sector's businesses to ensure their needs are met
 - There is a need for appropriate workspace in rural Gloucestershire, with excellent communications

Growing the finance and business services sector in rural Gloucestershire should be a key strategic action and priority should be given to projects that meet one or more of the above needs.

Creative Industries

20. The creative industries sector is one that offers potential for significant economic growth. In Gloucestershire the sector employs nearly 9,000 people (4.8% of total employment of all Gloucestershire enterprises) and produces an annual turnover of some £808M (4.2% of the turnover of all Gloucestershire enterprises). The sector is made up of 13 different sub sectors. A recent report by Comedia¹⁵ found that “the arts and antiques market is particularly well represented in Cotswold District, as is design. Forest of Dean and Stroud are both strongly represented in the visual art and craft sector. Stroud also has a strong representation in architecture, audio-visual, performing arts and publishing. That said, there is a wide spread of activity across the county and the suggestion of strength in depth in a number of sectors, including architecture, visual arts and crafts, design and audio-visual sectors”.
21. Overall it appears that there are few barriers to starting new creative businesses, although those doing so should attend the business start up course offered by Business Links. To grow the sector and exploit its potential there is a need to:
- Support clusters of businesses in one of the sub sectors, particularly where some strength already exists
 - Support businesses that wish to increase the numbers they employ
 - Provide networks for sharing best practice across the sub sectors.

Growing the creative industries sector in rural Gloucestershire should be a key strategic action and priority should be given to projects that meet one or more of the above needs.

Environmental Technology

22. The draft Gloucestershire Energy Strategy¹⁶ seeks to:
- “Put Gloucestershire on the path to increase dramatically its current electricity generating capacity to reach a target of 40 MW by 2010 – retaining a greater part of the estimated £700M annual energy bill, of which over 98% currently leaves the local economy
 - Guide and encourage Gloucestershire in using best practice to cut carbon emissions from energy use in all sectors, and make a real contribution to the global effort to reduce the risks from climate change
 - Enable every resident to have access to the basic energy services they need to have a good quality of life at an affordable price, reducing the high number of households that cannot afford to keep warm at a reasonable cost”
23. The Gloucestershire First Investor Support Programme Report¹⁷ into the sector found that:
- “The conclusion is that there is really not an “Environmental technology sector” as such, rather a series of groups of companies and organisations that are focused on resolving environmental issues in the other sectors of the economy. The problems being solved are often related to complex process or plant issues, which require highly sophisticated solutions from very highly qualified specialists. Once the problem has been solved the process or plant can continue to operate under monitoring conditions without further intervention

¹⁵ Creative Industries in Gloucestershire 2005, a study for Gloucestershire County and District Councils by Fred Brookes and Deborah Harrison of Comedia (May 2006)

¹⁶ Gloucestershire Energy Strategy 2007- 2017 by Gloucestershire First (Draft September 2006)

¹⁷ Investor Support Programme Report on the Environment Technology Sector July 2006.

- There is little or no obvious investment in research in the County, the UK or Europe into new intellectual property in environmental technologies that is suitable for “incubation”. There were no activities identified in fuel cell research, other than in hydrogen generation
 - The authorities and companies involved in alternative energy production, and waste management and recycling need to play a bigger role in the future of the County. Their contributions will be driven by cooperative activities and their ability to make significant investments in designing and proving processes
 - The waste recycling industry itself is in the early stages of evolution, and investment is needed to prove the processes, and to enable suitable products to be developed, and markets opened up”
24. It is clear that the aspirations of the Gloucestershire Energy Strategy will not be met unless the Environmental Technology Sector develops rapidly. There is real potential for it in rural Gloucestershire although it will be increasingly competitive. Gloucestershire has a reputation for engineering innovation and the natural environment of rural Gloucestershire creates a situation in which the sector could thrive if nurtured. There is a need to:
- Support manufacturing businesses that wish to diversify into environmental technology
 - Proactively find existing environmental technology research or manufacturing businesses and help them to overcome any barriers to their growth
 - Nurture any start up businesses manufacturing or installing carbon free or carbon neutral equipment in Gloucestershire
 - Develop expertise in both renewable energy and reducing non-recyclable waste
 - Promote the use micro-renewable solutions in rural areas
 - Provide advice to the public sector, to business and to private individuals on suitable solutions to meet a particular requirement and how this can be met locally

Growing the environmental technology sector in rural Gloucestershire should be a key strategic action and priority should be given to projects that meet one or more of the above needs.

Distribution, including Retailing, Hotels and Restaurants

25. The Distribution Sector accounts for over 25% of all jobs in rural Gloucestershire and it is therefore important economically. Many of the jobs are part time, which enables many people to work who otherwise might not be able to, but it is also the lowest paid of the sectors in the service economy. Migrant workers, who appear content with the wages, fill an increasing number of jobs in hotels and restaurants and without them many businesses would suffer severe staff shortages but in some cases their language skills are poor. Retailing in rural areas is critical to creating ‘sustainable rural communities’ but is ‘under siege’, principally from super markets; this is dealt with under Objective 3. The sector thrives in general if the economy is strong and it is therefore difficult to identify specific actions that would lead to more successful and competitive businesses in the sector apart from increasing visitor numbers to rural Gloucestershire.

Leisure & Tourism

26. The leisure & tourism sector makes a major contribution to the Gloucestershire economy as a whole, but particularly in rural areas (it is estimated that in 2003 the sector generated £914M, an increase of over £400M since 2001). It is a fragmented sector, covering many types of business, and provided in 2004, 14,500 jobs in rural Gloucestershire (10.4% of all jobs). Research indicates that every direct job in the

sector will support the equivalent of one half of a job elsewhere in the economy so over 21,000 were directly or indirectly employed in Leisure and Tourism in rural Gloucestershire, an increase of over 5,000 since 2001.

27. Leisure & tourism is becoming increasingly competitive both internationally and nationally. Much of the County is a quality destination for tourists because of the exceptional quality of the landscape and built environment, particularly in the Cotswolds. Protecting and maintaining this asset is of major importance to the sector and a key requirement of an economic strategy. Rural businesses that rely on the quality of the environment should be willing to invest actively in it as they would in any asset.
28. A recent study for Gloucestershire First ¹⁸ concluded that: 'the Leisure and Tourism Sector was critically important to the Gloucestershire economy and there was potential for further growth if more visitors can be attracted to the County; the Gloucestershire First Partnership can play a vital role in helping the businesses in the sector to grow and develop and must do so to bring economic benefit and employment to the County'.
29. The implementation of the SW Tourism Strategy 'Towards 2015' is not proving easy, not least because it requires a greater degree of partnership working, particularly between Local Authorities, than has existed previously but the recent production new Visitor Guides for 2007, the Cotswold one covering all the rural districts except the Forest of Dean, which is covered in the second is a significant step forward. Gloucestershire is primarily a 'short break' destination and the strategy should be to grow this business, both in terms of numbers and spend and in this context 'events' are of key importance. Initiatives that increase the awareness and use of local products, particularly food and drink, for visitors should continue to be encouraged; within the Forest of Dean a 3*/4* hotel would fill a gap, attract a wealthier visitor and benefit much of the sector locally and Gloucestershire First should try, in partnership with the Forest of Dean District Council, to interest the major hotel chains in such an initiative. There have also been significant developments in the ability of visitors to access information and businesses need to recognise and use this.
30. The same report identified that in order to grow the Leisure & Tourism Sector there was a need to:
 - Give strong support to the implementation of 'Towards 2015' in the County
 - Support local tourism initiatives and activity that will deliver the Gloucestershire Destination Management Organisation's (DMO's) Plans
 - Encourage Leisure and Tourism businesses to sign up for broadband and to make best use of it
 - Support initiatives under the HEAT¹⁹ programme to improve skills in the sector
 - Continue to support the Gloucestershire Food Vision's initiatives relating to food for visitors
 - Invite major hotel chains to consider developing a 3*/4* hotel in the Forest of Dean
 - Encourage closer cross sector working between tourism and other established sectors
 - Investigate and where possible help to access new funding for tourism activity, particularly through Local Area Agreements

In addition, because of the growth of migrant workers in the sector, there is need not only to improve their language skills but also to induct them in the area so that they can answer visitor queries.

¹⁸ Investor Support Programme Report on the Leisure & Tourism Sector January 2006.

¹⁹ HEAT (Hospitality, Education and Tourism) is funded by SWRDA and is the Gloucestershire 'arm' of the Tourism Skills Network South West, which is now the People1st representative for the region

Growing the leisure and tourism sector in rural Gloucestershire should be a key strategic action and priority should be given to projects that meet one or more of the above needs.

Agriculture (Farming & Forestry)

31. About three-quarters of Gloucestershire's land mass is used for agriculture (farming & forestry) and it therefore makes a vital contribution to the outstanding quality of the Gloucestershire landscape. In 2004²⁰ there were 4,089 holdings in Gloucestershire covering 200,000 hectares, almost half of which are small-holdings, farming less than 5 hectares²¹ and the number employed was 8,063 a drop of 380 (4.5%) in Gloucestershire between 2000 and 2004. Cropping is the main activity, accounting for more than 40% of the total area farmed, with significant areas of forestry and activity in dairying, cattle & sheep and mixed farming²². Throughout Europe farming has to change as the changes to the Common Agriculture Policy (CAP) are implemented. In a recent interview²³ Mariann Fischer Boel, the EU farm commissioner said that the agricultural sector will have to change radically to cope with the substantial cuts to the annual subsidies after 2013, including axing all the market distorting measures; many farmers would need a second income. The process of moving from a subsidy based to a market based economy has already begun in the UK and many farmers have already diversified in some way, whilst others have become part time farmers. Diversification²⁴ provides an opportunity for the rural economy and there are already examples of more employment in farm buildings than at the height of agricultural employment where it has been possible to develop redundant farm buildings into small business units. This also can lead to more sustainable rural communities.
32. Gloucestershire includes the largest wooded area in the South West; about 12% of the land area is woodland or forest. The potential this has for timber resources, recreation, tourism, landscape, biodiversity, bio mass fuel and carbon sequestration needs to be better used²⁵. Two-thirds of the County's woodlands are not owned by the Forestry Commission, so private landowners need to be involved as partners in such development but experience has shown that they reluctant to do so.
33. There are two important regional plans relating to agriculture:
- The England Rural Development Plan 2001-2006 (ERDP) was funded through modulation of the CAP Budget and has provided some farmers with the opportunity to diversify but it has now ended. A successor Rural Development Plan 2007-2013 is being developed but has been delayed because of difficulties in agreeing the EU budget and is unlikely to be in place before the end of 2007. A SW delivery Plan has been submitted to Defra but has yet to be agreed
 - The Government Strategy for Sustainable Farming and Food "Facing the Future" was published in December 2002. A SW Delivery Plan was subsequently developed which is now being revised under a sub committee of the SW Council of Rural Enterprises (SW CORE)

There must be a close relationship between RDP 2007-2013, the revised Delivery Plan for the Sustainable Farming & Food Strategy and this Rural Economic Strategy.

²⁰ Agricultural Census, 2004 (Defra)

²¹ These figures are likely to have increased due to the introduction of the Single Farm Payment Scheme.

²² 'Review of Livestock Markets in the SW of England' August 03 proposes "judicious intervention is needed to secure market provision in Gloucestershire – mainly by ensuring planning permission is granted for a suitable site"

²³ Financial Times of 30 December 2006

²⁴ Diversification is defined as "the entrepreneurial use of farm resources for a non-agricultural purpose for commercial gain" ('Farm Diversification' Defra 31 Jan 07)

²⁵ The SW regional Woodland & Forestry Framework 2005 (GOSW/SWRDA) suggests ways in which this potential can be developed.

34. Employment in food and drink businesses is not identified separately as production is part of agriculture, processing part of manufacturing and delivery is included under 'Distribution'. Nevertheless this supply chain is economically important to the County because it relates to the potential growth of businesses in all three sectors and has implications for the general health of the workforce and the wider population. In 2003 Gloucestershire First, with the support of the Government Office of the South West, developed 'The Gloucestershire Food Vision' and a number of different projects have been implemented, some with Rural Renaissance investment, to deliver it.
35. To sustain a competitive, forward-looking and profitable agriculture sector in Gloucestershire there is a need to:
- Recognise that agriculture businesses in the County face inevitable changes over the next decade and local communities and authorities need to 'enable' diversification to take place
 - Assist agriculture market itself so that customers are more aware of agricultural issues and more local produce is used locally
 - Ensure that those working in the land-based sector in Gloucestershire have the skills needed to compete in world markets
 - Increase the recognition of the role that the farmer and land manager does and can play in maintaining a diverse countryside, in sustaining the wider rural economy and in combating global warming
 - Increase the agriculture resources used for renewable energy production

Maintaining a profitable agriculture sector in rural Gloucestershire at a time of major change in the industry should be a key strategic action and priority should be given to projects that meet one or more of the above needs.

Construction

36. The construction sector is an important but not a particularly significant in the Gloucestershire rural economy. There are thought to be about 11,000 employees and self-employed in the construction sector in Gloucestershire (4.5% of total employment) but, because of the nature of the sector and the large number of self-employed people working as sub-contractors, this is an estimate and the split between rural and urban is not known. Assuming that the structure of the sector in Gloucestershire is similar to that of the South West then 43% of the businesses employ just one person; 48% employ 2-9 people; 8% employ 10-49 people and only 1% employ more than 50. However there are two reasons to address its needs in this strategy:
- Gloucestershire, particularly rural Gloucestershire, contains a major number of heritage buildings and gardens. They are part of the vitally important built environment that contributes significantly to the attractiveness of rural Gloucestershire but nationally and locally there is a major shortage of those with the skills to maintain and repair them²⁶. In response a Cotswold Heritage Academy has been formed (see paragraph 74 below)
 - The major regeneration in Gloucester, together with the major house-building programme in urban Gloucestershire will place major demands on the construction sector. It is important that the Construction Sector in rural Gloucestershire is involved in this work in preference to it going out of County. This can be effected by insisting in contracts that main contractors are required to employ a proportion of sub contractors from within the County

²⁶ A report "Traditional Building Craft Skills – Assessing the Need, Meeting the Challenge" (English Heritage/Construction Skills June 2005) showed there was a need to train 6,500 nationally in 2005/06 alone.

37. To maintain the exceptional built environment in rural Gloucestershire and to take advantage of the programme of regeneration in Gloucester there is a need to:
- Ensure that the Cotswold Heritage Academy functions effectively
 - Provide an opportunity for construction businesses in rural Gloucestershire to take on some of the work in Gloucester City, in preference to the work going out of County

Maintaining the exceptional built environment in rural Gloucestershire and taking advantage of the opportunity for construction work due to the regeneration of Gloucester should be a key strategic action and priority should be given to projects that meet one or more of the above needs.

Micro-Businesses

38. Between 2000 and 2004 there was an increase of 6.9% in the number of micro businesses (those with 1- 4 employees) from 11,180 to 11,957 in rural Gloucestershire²⁷. These micro-businesses are therefore an important element of the rural economy; they contribute to sustainable rural communities and, with the wider availability of Broadband are likely to increase. Many micro businesses are in sectors, such as agriculture or tourism, whose needs have already been discussed, but the importance of the micro-businesses and self-employment to the rural economy are of particular significance; indeed micro-businesses offer a real opportunity for positively redefining the rural economy. There has been, largely due to the possibility of working from home that Broadband offers and a marked increase in the number of women intent on setting up their own businesses in rural Gloucestershire. However micro-businesses need the right circumstances to start, survive and grow. Principally these are affordable workspace, a supportive community, the right skills, effective marketing and, as they grow, a suitable supply of labour.
39. To grow the number, competitiveness and profitability of micro businesses in rural Gloucestershire there is a need to:
- Provide flexible occupancy workspace, often on a very small scale and often by encouraging and enabling the conversion of redundant or under-utilised agricultural buildings, where demand or forecast demand exceeds supply
 - Provide Business Start Up training, including aftercare and support
 - Develop micro-business skills, particularly management and sustainability, in individuals, especially women, by training providers
 - Remove bureaucracy and red tape

Growing the number of competitive and profitable micro-businesses across rural Gloucestershire should be a key strategic action and priority should be given to projects that meet one or more of the above needs.

Rural Gloucestershire's Social Economy

40. The social economy (where organisations are driven by social rather than purely economic objectives) makes a distinctive contribution to GDP, communities, individuals and society as a whole that is not always recognised. Its productivity is extremely difficult to measure. It is a hugely diverse sector comprising a combination of organisations such as the voluntary sector, trades unions, religious organisations and most importantly in the context of this strategy, social enterprises. These are often quite simply vital to the rural economy because they fill a gap where there has been a market failure, e.g. by preventing the closure of a village shop, providing childcare, overcoming public transport shortcomings and they deserve strong

²⁷ Rural Economy of Gloucestershire Update 2006 GLIMIUI November 2006

encouragement from local authorities as partners. The social economy also has a major contribution to make to 'economic inclusion' (see below).

41. Social enterprises are organisations that trade in markets to deliver social aims. Some of these derive from the production of Parish Plans and the current work by the Gloucestershire Rural Community Council (GRCC) to support the development of Parish Plans and then to aggregate these into a common database will assist this process. They include Local Exchange Trading Schemes where, within the community, an individual can exchange skills or services without using money: Fair Shares, a Charitable Trust, which uses time as a currency to rebuild communities; Credit Unions; childcare establishments many of which are community-owned and run; community transport schemes; and community-owned village shops and halls. These have to be self-sufficient financially and yet the services and facilities they provide to their communities are invaluable. There is a need for them to have entrepreneurial skills to ensure their future viability.
42. The Voluntary Sector employs a large number of people and contributes significantly to the economy, particularly in overcoming economic exclusion and in strengthening communities. It also plays an important part in leisure & tourism, in the maintenance of the environment and transport provision.
43. To grow the social economy in rural Gloucestershire, particularly where this contributes to GDP and prosperity there is a need to:
 - Spread good practice and encourage the growth of appropriate social enterprises across rural Gloucestershire
 - Encourage communities to consider the social enterprise option for the delivery of goods and services and test the validity of ideas for social enterprises
 - Develop the business and entrepreneurial skills of those running or starting social or community enterprises

Growing the social economy in rural Gloucestershire should be a key strategic action and priority should be given to projects that meet one or more of the above needs.

Education and Skills

44. A healthy economy demands skills that are relevant to today and tomorrow. It also requires an adaptable workforce that has key skills (management, communication, team working, etc), skills that are generic to their employment and managers with leadership and management skills. The general level of education in the County is high and the performance of most of the schools in rural Gloucestershire is particularly strong. Adult Learning Targets 1 (50% of adults with a level 3 qualification) and 2 (28% of adults with a level 4 qualification) have been reached and exceeded in rural Gloucestershire²⁸. There are over 20 Adult Learning Consortia (ALCs) providers delivering adult and community learning in rural areas. Despite these overall statistics:
 - There is a higher proportion of the County population with no qualifications compared to the average for the South West. (Some may have skills that are relevant to their work)
 - Whilst the rural schools in Gloucestershire are broadly successful, businesses perceive²⁹ there is too often a poor relationship between education and the local economy so that children are not as well prepared for the local world of work as they need to be or could be

²⁸ The Rural Economy of Gloucestershire for the Countryside Agency by GLMIU May 2002. The figures are based on the Census of Population 2001, Crown Copyright (ONS) and there are no more recent figures.

²⁹ Investor Support Programme Report on the Advanced Engineering Sector July 2002

- Current policies promote education in preference to skills, yet it is the latter, particularly advanced skills, which much of the economy needs
 - As the pace of change increases there are increasing numbers of people in employment who would be more productive if their skills were updated or, in some cases, they learnt new ones
47. There are two Higher Education establishments in Gloucestershire, the University of Gloucestershire with a strong rural department, and the Royal Agricultural College in Cirencester with a strong vocational emphasis on industry-orientated training courses. In addition Hartpury College is both a land-based FE College and offers HE Courses in conjunction with the University of the West of England. There are a further three Further Education Colleges located in and serving the needs of the rural economy (Cirencester, Royal Forest of Dean and Stroud) Gloscat, a major FE College, although based in Cheltenham and Gloucester, undertakes a great deal of outreach work, especially in the North East of the County. The funding of the FE Sector is through the Learning and Skills Councils, which have recently been reorganised into a regional structure that may make meeting the needs of Gloucestershire more difficult.
48. The newly formed Commission for Rural Communities (CRC), whose role is to “provide well-informed, independent advice to government and ensure that policies reflect the real needs of people living and working in rural England, with a particular focus on tackling disadvantage” is based in Gloucestershire. Currently it is in Cheltenham but is to move to Hartpury and will provide a valuable source of relevant information and research.
49. To maintain a well skilled workforce in rural Gloucestershire there is a need to:
- Use the Gloucestershire First/SWRDA Investor Support Programme to identify skill needs in the key sectors and through the Learning and Skills Council persuade training providers to deliver these
 - Maintain close links with those recently formed Sector Skills Councils that are relevant to the rural economy of Gloucestershire and use their plans to enhance skills provision
 - Press for a qualification to be introduced in education covering ‘rural skills’, which could provide an opportunity for boys as an alternative to Hairdressing and Beauty Therapy
 - Provide local training facilities (rural training centres for rural needs) that will provide accessible, affordable training in appropriate skills, be viable with small numbers of trainees and act as a link between employers and schools
 - Promote ‘modern apprenticeship’ opportunities to both learners and employers
 - Seek a reduction in the bureaucracy that acts as a significant constraint to providing work experience
 - Increase the emphasis on transferable skills, innovation, entrepreneurship and adaptability and lifelong learning with particular emphasis on the mature element of the population, particularly men who are more reluctant to take up opportunities
 - Promote a closer relationship between businesses and local schools so that children are better prepared for the ‘world of work’ and have a better understanding of the environment, land management and food production issues
 - Make use of the proximity of the Commission for Rural Communities

Maintaining a well skilled workforce in rural Gloucestershire should be a key strategic action and priority should be given to projects that meet one or more of the above needs.

Objective 2 Increasing Economic Inclusion in Rural Gloucestershire

General

50. Economic inclusion concentrates on helping those who are most disadvantaged to contribute more to the economy of the County and so increase their quality of life. There are some signs that progress has been made over recent years but as the statistics below show much more needs to be achieved. A recent report by the Commission for Rural Communities on 'rural disadvantage'³⁰ states: "There are 3 critical factors for rural people, in both experiencing and escaping disadvantage, that policies should address, financial poverty, access poverty and network poverty." The Commission says that action is required on 4 levels:

- People: actions to help individuals overcome their disadvantage
- Places: actions to help improve local opportunities more generally
- Perceptions: actions to change attitudes and culture that lead to rural disadvantage being hidden or ignored
- Processes: actions to ensure policy is designed and implemented in a way that meets rural needs

The first two levels are relevant to an economic strategy and these are addressed in this strategy although some of the actions proposed are more relevant than others.

Deprivation

51. The Indices of Deprivation 2004 (ID2004), produced by the Department for Communities and Local Government, are based on 37 indicators, which highlight characteristics of deprivation such as unemployment, low income, crime, poor access to education and health services. The headline measure is the 'Index of Multiple Deprivation' based on seven components: income; employment; health deprivation and disability; education, skills and training deprivation; barriers to housing and services; crime; and living environment. ID2004 no longer uses wards as its geographical units but smaller areas of 1,000-3,000 people known as Super Output Areas (SOAs). In Gloucestershire there are 367 SOAs compared to 142 wards. The table below shows the worst economic outputs in the SOAs in rural Gloucestershire (where there is more than one SOA in a ward it is identified by a number in addition to the name of the ward):

Measure	National Top 10%	National Top 25%	County Top 10%
Index of multiple deprivation	None	Cinderford West 1, Tewkesbury Prior's Park 3,	Cinderford West 2, Cinderford East 1, Lydney East 1, Lydney East 3, Tewkesbury Prior's Park 3
Income	None	Cirencester Watermoor 3, Cinderford East 2, Cinderford West 1, Lydney East 1, Dursley 4, Brockworth 4, Churchdown St Johns 1, Tewkesbury Prior's Park 3	Cirencester Watermoor 3 Cinderford West 1 \ Dursley 4, Brockworth 4, Churchdown St Johns 1, Tewkesbury Prior's Park 3.
Employment	None	Cinderford West 1, Lydney East 1, Newnham & Westbury 1, Brockworth 4, Tewkesbury Prior's Park 3	Cinderford West 1, Lydney East 1, Newnham & Westbury 1, Brockworth 4, Tewkesbury Prior's Park 3

³⁰ "Rural Disadvantage – Priorities for Action" Commission for Rural Communities (June 2006)

Education, Skills & Training	Cinderford West 1	Cirencester Chesterton 2, Cinderford East 2, Cinderford West 3, Coleford Central 2, Coleford East 1, Coleford East 3, Littledean & Ruspridge 2, Lydbrook & Ruardean 1, Lydney East 1, Lydney East 3, Cainscross 4, Cam West 3, Dursley 4, Stonehouse 4, Brockworth 4, Churchdown St Johns 1, Northway, Tewkesbury Prior's Park 2,	Cinderford East 2, Cinderford West 1, Lydbrook & Ruardean 1, Lydney East 3, Lydney East 3, Cainscross 4, Cam West 3, Stonehouse 4, Brockworth 4, Tewkesbury Prior's Park 2.
Barriers to Housing & Services	14 in Cotswold District, 12 in Forest of Dean, One in Stroud and 5 in Tewkesbury. Total 32.	21 in Cotswold District, 27 in Forest of Dean, 11 in Stroud and 14 in Tewkesbury. Total 73.	17 in Cotswold District, 14 in Forest of Dean, 2 in Stroud, 5 in Tewkesbury. Total 38.
Income Deprivation affecting Children		Dursley 4, Brockworth 4, Churchdown St John's 1, Tewkesbury Prior's Park 2. Tewkesbury Prior's Park 3.	Cirencester Watermoor 3 Dursley 4, Brockworth 4, Churchdown St John's 1, Tewkesbury Prior's Park 2, Tewkesbury Prior's Park 3.
Income Deprivation affecting Older People	Cirencester Watermoor 3	Cirencester Watermoor 3, Cinderford West 1, Mitcheldean & Drybrook 1, Dursley 3, Northway 1, Tewkesbury Prior's Park 3.	Cirencester Beeches 1, Cirencester Watermoor 3, Cinderford West 1, Mitcheldean & Drybrook 1, Cam East 3, Dursley 3, Northway 1, Tewkesbury Prior's Park 3.

People

52. The Commission for Rural Communities identifies³¹ the following actions related to help individuals overcome their disadvantage:

- Ensuring people take up benefits they are entitled to. There is a widespread belief, supported by some limited available evidence, that take up rates of benefits for older and unemployed people are low in rural areas. Part of the problem may be the result of accessibility and transport problems but if the take up rate in rural Gloucestershire were increased it would have an impact on household incomes and the economy
- Ensuring employees benefit from the National Minimum Wage
- Ensuring support for unemployed people is tailored to the needs of those who work only intermittently or seasonally. This appears to be caused by Government processes and may not be as much of a problem in rural Gloucestershire as it is other rural areas where work is more seasonal
- Helping people with limiting long-term illnesses and disabilities into work. In 2003 there was a low economic activity and employment rate among disabled people in Gloucestershire, 38% compared with 83% for the non-disabled population³². 20% of the working age population defined themselves as having a work limiting disability. Initiatives, such as the current project to teach disabled people to use public transport should help but more needs to be done. Helping economically inactive people back into work should be a key objective of Local Area Agreements (LAAs)

³¹ 'Rural Disadvantage Priorities for Action', published by the Commission for Rural Communities (June 2006)

³² Chapter 9 of The Economy of Gloucestershire 2005 published by the GLMIU

- Ensuring people's skills and training needs are met. The statistics on the SOAs above indicate that this is an area affecting the economy that needs to be addressed as a matter of some urgency. The causes are partly because employees are unwilling to release staff for training because of the long travel time involved to training providers but when training is delivered locally the funding criteria set often mean that the minimum class size is not met. This has been a particular problem for Gloscat in the North Cotswolds. There is also the issue of skills, which individuals need, versus qualifications, which are often irrelevant
- Supporting access to childcare. This is seen as one of the key barriers to taking up employment and training, particularly for parents with low skills who may need to gain new skills or who may only be able to access low paid jobs. Childcare needs to be provided sufficiently locally and flexibly to meet the needs of rural areas
- Improving financial inclusion. Around 5% of households nationally in rural areas do not have a bank or building society account and likely to lack affordable credit. Once again access is a problem and is likely to get worse as rural post offices are closed. One solution is the development of credit unions although these are not as easy to establish as is sometimes suggested
- Reducing the costs of travel. Those who are unemployed can often not afford the cost of travelling to a new job; there is evidence of this applying in Dursley and it is likely to be replicated elsewhere in rural Gloucestershire. Public transport, where it exists, is often expensive, and in many cases it does not exist at all. The Gloucestershire Rural Transport Partnership is being discontinued and the problem is likely to get worse
- Providing alternative transport for people who do not have their own. There have been some schemes such as Wheels to Work, but the funding for these is ending. The solutions may lie in some form of social enterprise, with local authority support
- Ensuring that some people are not left behind as ICT develops
- Promoting informal social support
- Increasing the 'disadvantage voice' locally

Helping individuals in rural Gloucestershire overcome their disadvantage should be a key strategic action and priority should be given to projects that meet one or more of the above needs.

Places

53. The Commission for Rural Communities identifies the following actions related to helping to improve local opportunities more generally:
 - Improving the quality of employment available. There is a need to encourage business development in rural areas not only to help increase economic inclusion but also to make rural communities more sustainable. Where there is already a supply of flexible good quality workspace in rural areas there is evidence of better quality employment opportunities
 - Increasing the supply of affordable housing. Affordable housing is a major problem for rural Gloucestershire but without it no rural community can claim to be sustainable. The lack of it causes economic and social problems and is getting worse; the Commission for Rural Communities reports that in some areas the lack now extends to those on average incomes not just those on lower incomes. The Commission has recommended a four strand approach: more effective rural proofing of housing policies at all levels; a real increase in, and targeting of, resources to meet rural needs for affordable housing; flexible planning policies to allow villages to grow and adapt; and empowering local communities to be involved in shaping their own solutions. Whilst not all these

recommendations are within local control those that are should be adopted and it is important that both the final Regional Spatial Strategy and Local Development Frameworks enable this to happen and the role of Housing Trusts is expanded. The Government Planning Policy 3 (PPS 3) enables local planning authorities to allocate sites solely for affordable housing in development plans for rural areas

- Retaining local meeting and service places
- Increasing transport provision and accessibility. This has already been referred to above under 'people'. Sadly, as car ownership increases, the viability of rural transport decreases and those without a car are more isolated from jobs, services and social and leisure activities. There is a real need for innovative solutions nationally as well as locally. This is addressed in more detail in paragraphs 54-57

Helping to improve local opportunities generally in rural Gloucestershire to increase economic inclusion should be a key strategic action and priority should be given to projects that meet one or more of the above needs.

- 54.** Nationally the population is ageing and this trend is accentuated in many rural communities³³, particularly as people often are attracted to it for retirement. In rural Gloucestershire the population aged over 65 is increasing by about 1,400 per annum (2.25%), which means that by 2016 it will have increased by one third since 2001 to 83,700. On the one hand this increase can bring more disposable income that is a great benefit to parts of the local economy, on the other it increases the need for services such as healthcare, social services and transport provision. However, often there is a potential, either through accumulated traditional skills or high level interpersonal skills, which is currently not exploited to benefit the economy and communities. Given that many older people are willing to work, barriers to their doing so need to be identified so that this potential is better used to the benefit of the economy, the community and the individual's quality of life.

Increasing the use made of the skills and experience of the older members of the rural population to benefit the economy and community should be a key strategic action and priority should be given to projects that the above need.

Objective 3 Strengthening Rural Communities in Gloucestershire

General

55. 61.3 % of the population of Gloucestershire (352,400 people) were living in the rural districts in mid 2005, a 2.2% increase on 2000³⁴. They all live in communities, whether these are the market towns, large or small villages or small hamlets and much can be done to improve the economy of the County at community level. Within rural communities there are many energetic people willing to develop initiatives to solve problems and turn these into action, recognising that new initiatives and new approaches may be required. This energy needs to be used to improve the rural economy.

Sustainable Rural Communities

56. There is a current debate regionally, if not nationally, about 'sustainable rural communities' and what is meant by the term. For the purpose of this strategy it is assumed that an economically sustainable rural community:

³³ The 2001 Census shows that for the first time ever people aged 60 and over (21%) form a larger percentage of the population than children under 16 (20%).

³⁴ Rural Economy of Gloucestershire Update 2006 GLMIU (November 2006)

- Has sufficient jobs of different types in or nearby (within five miles) to meet the needs of those living in the community to find employment. In May 2005 173,000 people of working age were in employment in rural Gloucestershire. That is 49% of the rural population, which implies that there need to be jobs for over 40% of the population of any rural community for it to be sustainable in employment. Annex A shows that there is a wide variation between Wards
- Has, within a reasonable distance, viable services, retail and social (medical, school, etc) to meet the day-to-day needs of the community. The problem here is what is a reasonable distance at a time when there is drive to reduce carbon emissions. It will depend on accessibility, where there is regular public transport distances can be greater but it is suggested that in rural Gloucestershire it should be 5 miles. It is also necessary to separate 'essential services' from 'desirable services', although the latter will make a significant contribution to the quality of life. It is clear from the deprivation statistics (paragraph 47 above) that many Gloucestershire rural communities do not have reasonable access to essential services and do not have access to public transport either
- Has a range of housing, including affordable housing, to provide a balanced community and to make the school, the shop, the post office, etc viable

Capacity Building

57. Much is expected of communities and, whilst the market towns may have the capacity to meet these expectations many rural communities do not have the skills, resources or finance to do so. There is a difference between *willingness* and *ability* to work in partnership. To achieve the full potential of this strategy, communities within rural Gloucestershire need to be assisted to develop their local capacity so that they can help themselves effectively. Experience has shown that ideas, volunteers and enthusiasm exist in many communities but the skills needed to deliver projects economically and successfully, and deal with the bureaucracy associated with Government funding, are often missing. Capacity building is the term used to develop these skills. Without this investment communities will fail to deliver in a cost-effective and community-owned context.
58. To build the capacity of rural communities there is a need to:
- Increase the role of existing bodies, particularly Town and Parish Councils. This implies a greater degree of partnership between district authorities and these councils than may currently exist in some cases but it also implies that town and parish councils accept a greater degree of responsibility
 - Increase the skills and the capacity to deliver of Town and Parish Councils and other voluntary bodies. This requires public investment but it also requires excellent skills development otherwise volunteers will not be willing to give up their time to attend. It may be better to develop a group as a whole, rather than individuals
 - Involve as wide a cross section of the community, including young people, as possible

Provide the support and investment to deliver plans when appropriate, as there is nothing more disheartening for a voluntary group to be expected to develop a plan and then find there are no resources to deliver any of it.

Market Towns

59. Market towns are a vital part of the structure of the rural economy. There are 27 parishes in the County eligible for market towns status according to the Gloucestershire Market Towns Forum. The most significant in terms of population are Cirencester, Stroud, Churchdown, Tewkesbury and Bishop's Cleeve although Churchdown and Bishop's Cleeve are Group A Wards closely associated with

Gloucester and Cheltenham respectively. In 2000, 49% (69,100 jobs) of employment in rural areas was in market towns (29.1% of total employment in the County).

60. Dursley, Wotton-under-Edge, Lydney, Stonehouse, Newent, Minchinhampton, Cam, Churchdown, Tewkesbury, Tetbury, Fairford and Cinderford are market towns with an above-average concentration of manufacturing businesses and many have already suffered the decline in manufacturing employment discussed above³⁵. In Dursley the SWRDA took action by buying the Lister Petter site and are now managing a regeneration programme in the town to provide diverse employment opportunities as well as housing and social facilities. There is widespread recognition of the role that market towns have in providing employment opportunities, services and facilities both to their own communities and their rural hinterlands. 7 market towns Lydney, Cinderford, Coleford, Newent, Tewkesbury, Dursley & Cam, and Stroud were funded under the SWRDA's Market & Coastal Towns Initiative to prepare Community Strategic Plans although progressing these to delivery is proving dishearteningly difficult. Nevertheless the model used by the MCTI Towns to prepare 'community strategic plans' has been used by other market towns.
61. Retailing is crucial to the economy of market towns and as part of the need to achieve sustainable rural communities. There have been suggestions in some parts of the country that by restricting parking in market towns people will use public transport and reduce global warming. This does not happen, car owners will invariably use them to go shopping, and if access to market towns is difficult they will travel further to an out of town supermarket, where parking is easy. To compete market towns need ensure a plentiful supply of parking, which is not always easy. Innovative solutions are needed, particularly at weekends, perhaps using schools and industrial sites, together with school buses to provide 'park & ride' schemes.
62. To provide the vision, leadership and investment necessary to reinvigorate sustainable market towns there is a need to:
 - Support market towns, through capacity building, to produce action plans for economic, social and cultural development in line with the needs of a sustainable rural community and to implement these
 - Ensure the policies in Local Development Frameworks (LDFs) support sustainable communities by enabling the provision of integrated development to meet shortages of workspace, housing or services
 - Facilitate learning and co-operation between market towns through the Market Towns Forum
 - Encourage innovative service delivery through the development of multi-use facilities and support for social enterprises
 - Encourage Town and Parish Councils to use their powers, such as setting a precept, to contribute to their plans for economic development
 - Provide an up-to-date communications infrastructure to help small firms, branches of larger organisations and professional service providers establish themselves economically and effectively in market towns
 - Involve relevant Parish Councils and other appropriate partners to ensure the needs of the hinterland, particularly access, are understood and met
 - Recognise the importance retailing to the economy and of easy car access and parking
 - Encourage economic activity through local initiatives, such as Farmers' Markets
 - Establish partnership working between towns and other agencies to seek and develop new and novel ways of adapting old buildings to modern business and community use

³⁵ The Rural Economy of Gloucestershire for the Countryside Agency by GLMIU May 2002

Providing the vision, leadership and finance necessary to reinvigorate sustainable market towns in rural Gloucestershire should be a key strategic action and priority should be given to projects that meet one or more of the above needs.

Villages

63. There are many villages in Gloucestershire, particularly in the Cotswolds, which are not within easy reach of either an urban centre or a market town and therefore must be centres of some economic activity themselves. Cotswold District has one of the lowest population densities in the country³⁶ with 0.6 persons per hectare; The Forest of Dean has 1.4 persons per hectare³⁷. The introduction of Special Output Areas to measure deprivation (see paragraph 47 above) provides a clearer indication of the deprivation suffered by some villages. On the other hand the wider availability of Broadband has meant that many isolated villages can potentially house more businesses, although as one system of communication has improved the postal service for many rural communities has deteriorated considerably with later and later delivery and earlier and earlier collections from mail boxes.
64. Villages, particularly isolated ones, need to become more sustainable rural communities. To do this there is a need to:
- Ensure the policies in Local Development Frameworks (LDFs) support sustainable communities by enabling the provision of integrated development to meet shortages of workspace, housing or services
 - Encourage Parish Councils to use their powers, such as setting a precept, to help achieve their plans for economic development
 - Encourage the retention or even the development of village shops where appropriate through the development of multi-use facilities and support for social enterprise
 - Recognise that small premises in villages could be used, in many cases returned, to economic use given the sympathetic application of planning regulations
 - Find innovative solutions to the increasing problem of a lack of rural public transport
 - Persuade local people to use local services of all types as much as possible to ensure their future

Helping villages, particularly isolated ones, to become more sustainable rural communities in Gloucestershire should be a key strategic action and priority should be given to projects that meet one or more of the above needs.

Physical Communications and Accessibility

65. Communications and accessibility are extremely important to any rural economy. The impact of transport as a lever to economic and educational well-being is crucial and rural community transport can make a significant difference. Furthermore in order to implement much of this strategy there needs to be a road network that can carry goods and services to rural Gloucestershire and a public transport system that effectively addresses the needs of social inclusion and the economy. The GRCC Gap Analysis shows that more has been spent on or committed to 'improving physical communications and accessibility' than to any other of the 26 strategic actions in the Rural Economic Strategy 2002-2010. In fact money has been and is being spent on improving access, often through capital investment in buildings, to services, whilst there has been a decline in rural transport provision.

³⁶ The Rural Economy of Gloucestershire for the Countryside Agency by GLMIU May 2002

³⁷ Rural Issues – An Audit of County Council Services by Gloucestershire County Council April 1999

66. The difficulties of rural passenger transport are a real barrier to accessing services. The decline of the commercial bus sector has increased pressure on rural public transport and there is no alternative passenger transport provision in many areas of the County unless and until taxis are defined as public transport. The Gloucestershire Local Transport Plan 2006-2011, produced by the County Council recognises the problem. Only 43% of rural households in Gloucestershire are within a 13-minute walk of an hourly or better bus service, which is the standard measure. It is difficult to see how this position can be improved on without a totally unrealistic amount of public funding. What the standard does not measure is how many of the 57% of households that are not within a 13 minute walk of a bus service would use it if they were. There is a need for some really innovative solutions that concentrate on those in real need.
67. The County has a well-developed road network with 130 miles of motorway and trunk road maintained by the Department of Transport and 3.184 miles of County Council maintained highway. There are some bottlenecks that impact on the economy as a whole, particularly access to the Forest of Dean. However:
- The difficulty of road access stops economic development in some rural locations, even where there are current industrial estates. Section 5 'Regional Approach to Transport' of the draft Regional Spatial Strategy fails to mention rural needs once. Furthermore the Gloucestershire Local Transport Plan makes no reference to the rural economy. There needs to be a wider recognition that Sustainable Rural Communities have to include businesses and these need an adequate road infrastructure
 - There are 4 main railway lines but only 9 stations, 7 in rural areas. Capacity problems on the lines are a barrier to increased frequency of services or the provision of additional stations, both of which could benefit economic development. Infrastructure improvements are required to enhance the services
 - The nearest major airports are Birmingham and Bristol but neither has good public transport links to the County
68. To improve physical communications and access for rural Gloucestershire there is a need to:
- Ensure that all Local Development Frameworks address the access needs of sustainable rural communities both in terms of roads and access to services
 - Make better use of public transport resources by effective needs-led provision including the use of alternatives to the bus and informing rural communities more effectively of public transport that is available
 - Adopt a more innovative approach to provision of transport in deeper rural areas using services more tailored to individual needs and integrated with main bus routes
 - Improve the railway infrastructure and develop transport interchanges that encourage integrated public transport, particularly from rural stations including linking in the cycle networks

Improving physical communications and access for rural Gloucestershire should be a key strategic action and priority should be given to projects that meet one or more of the above needs.

Electronic Communications and Access

69. Electronic communications from rural Gloucestershire have improved significantly with the enabling of all telephone exchanges for Broadband access but there are still areas where mobile phones will not work and the installation of wired technologies is limited. Broadband access is still limited by distance from an exchange and the quality of service – claims the BT line system delivers 2 megabytes are generally false and are having a detrimental impact on rural businesses. There are also terrain

problems in the hills and there are environmental/political issues associated with the installation of radio masts. However lifestyles have changed, more people in rural areas want the benefit of working at home either as a tele-working employee, self-employed (micro-business) or for education/ learning. Apart from the economic benefits this also reduces environmental pollution, adheres to Government green transport policy through less demand on roads and rail infrastructure and increases work opportunities where there are fewer practical transport options. In summary the economic possibilities that derive from good electronic communications have improved over the last 5 years but the system needs to be improved. To take full advantage of these there is a need to:

- Make people more aware of the possibilities and how to gain maximum advantage from them by advice and skills training
- Demand more of BTs infrastructure, more bandwidth, greater speed and better access for those living further away from exchanges

Taking full advantage of the increasing opportunities for electronic communication in rural Gloucestershire should be a key strategic action and priority should be given to projects that meet one or more of the above needs.

Objective 4 Realising fully the economic potential of Gloucestershire's rural environment whilst protecting the exceptional quality of the countryside for future generations

General

70. The rural environment incorporates both the landscape and the built environment and this combination is rightly recognised as being of exceptional quality in Gloucestershire and therefore, if used in the right way, as an economic asset³⁸. It was estimated in 1999³⁹ that environment-related activity in the SW region contributed at least 100,000 jobs and £1.6 billion to GDP accounting for about 4% of employment and 3% of regional GDP. No comparable figures are available for Gloucestershire⁴⁰. However the environment needs to be managed, sustained and protected so that it continues to deliver these benefits to future generations, whilst at the same time enabling the rural economy to flourish and to change. Appropriate development needs to be supported and indeed encouraged, inappropriate development prevented, but these are not mutually exclusive and this inevitably creates potential friction.
71. Gloucestershire's countryside is diverse. Not only is more than half the County designated as an Area of Outstanding Natural Beauty⁴¹ (AONB) but also the wider countryside and the natural environment are key elements in influencing and underpinning the economy. It needs to be emphasised however that AONBs are about protection and not preservation; they would not be AONBs unless there had been development over the years and this needs to continue to match changing economic and social circumstances. Gloucestershire's rural landscapes range from limestone upland, through a river plain to the largest woodland area in the South

³⁸ The draft RSS states: " The high environmental qualities of the region should be seen not solely as a constraint upon development (although sound stewardship of this heritage is vital) but as a major contributor to quality of life and a direct or indirect source of employment for many people" (Draft RSS Section I)

³⁹ The Environmental Prospectus for SW England – March 1999

⁴⁰ The environmental economy was defined as including environmental industries, environmental management in business, renewable energy, waste management, agri-environment, organic farming, regional produce, multi-purpose forestry, tourism, film & media, inward investment and quality of life, which suggests an element of 'creative accounting'

⁴¹ Apart from the Cotswold AONB, which is the largest AONB in the country stretching from Chipping Campden to Bath, parts of Gloucestershire are also in the Wye Valley and the Malvern Hills AONBs

West. This diverse landscape character is a product of both natural and human influence, and in many places locally distinctive towns and villages are an inseparable and vital part of the whole.

72. The County's unique countryside plays a major role in successfully attracting new business and investment because it is a pleasant place to both live and work. In terms of exploitation it is a key component in Gloucestershire's appeal to tourists and to micro-businesses. It can play a greater role in the marketing of local agricultural products. Protection of what makes it attractive and distinctive is therefore an act of economic prudence. However the management of much of the asset lies with farmers and landowners who need to be viable to do so. The strategy seeks to get the balance right between exploitation and protection of the asset.

Protection of the Environment

73. It is a basic premise of sustainability that long-term damage to the ecological systems will undermine long-term economic growth. Protection of the natural environment in the widest sense is therefore a fundamental building block for sustainable economic growth. Apart from making a contribution to reducing green-house gas emissions, the most important ecosystem in Gloucestershire is the water. There are important aquifers and a system of rivers and streams providing water not only for local use but also to other regions. There are flood plains that absorb the energy of major rivers. In addition the woodlands sequester carbon. Maintenance of these systems provides safe, clean drinking water and contributes to air quality and a healthier working population, both rural and urban. The 2004 Environment Agency survey of water quality found that 96.6% of Gloucestershire rivers had fair or good chemical river water quality and 96.8% had fair or good biological quality⁴². Both are below the regional average so more need to be done. The EU Water Framework Directive demands more stringent standards.
74. There is growing anecdotal evidence that people who work and live in the countryside care about it from a general and community viewpoint; those who commute from it or use it as a holiday/weekend retreat take a narrower view being concerned mostly with what is directly around them. The economic needs of the agriculture (farming and forestry) sector have been addressed (paragraphs 29-33 above) but there is a need to recognise the sectors impact on the environment. The changes to the Common Agriculture Policy and the introduction of the Single Farm Payment Scheme are having an impact on how farmers manage the environment. Between 1995 and 2004 the total number of cattle declined in the South West by 15% and sheep by 19% and it is already noticeable that much of the grassland in the County is no longer being grazed and will gradually become scrubland. The importance of retaining a viable agriculture sector to the management of the environment must be recognised.
75. To protect the environment there is a need to:
- Maintain a viable agricultural sector, using land and new technology to develop innovative energy generation schemes, whilst continuing to provide food, increasingly for local supply
 - Maintain vibrant economically active communities that understand the need for sustainable rural communities and work together to reduce carbon emissions
 - Understand the economics of biomass and bio-fuels and how they can be developed in a way that works with the landscape

Protecting rural Gloucestershire's environment should be a key strategic action and priority should be given to projects that meet one or more of the above needs.

⁴² Environment Agency 2004

The Planning System

76. The Planning System plays a key role in both protecting the environment and enabling appropriate development and its proper functioning is essential to achieving many of the objectives of this Rural Economic Strategy. There is a perception among many business people, landowners and farmers that planning policies and processes inhibit or even hinder economic development. In particular there is a view that the present thinking on sustainable communities and sustainability is not properly translated so that it supports rural communities and rural development. Those involved in planning, whether as Local Government Officers or as Council Members, and who have to balance the need for development against the need to protect the environment resent this, but it is too widespread to be ignored, rather it needs to be addressed. There have been over the last two years, as a result of Rural Renaissance investment meeting between planners and rural businesses, particularly farmers to produce a better understanding of the issues and more effective communication. These have been both popular and well attended, demonstrating the need for such meetings. The planning scene is changing. The Regional Spatial Strategy (RSS) is still in draft and is the subject of an Examination in Public later this year but it is important to recognise that it is not, as previous policies have been based on 'Predict and Provide' but it sets a 'direction of travel' and is meant to be based on 'Plan, Monitor, Manage'. What this means will need to be tested but it should mean that the development needs of rural communities to become sustainable rural communities can be met. The key to the process will be the Local Development Frameworks and it is vitally important that these are produced in close consultation with communities and businesses.
77. A planning system that enables appropriate economic development in rural Gloucestershire needs to:
- Recognise that the Regional Spatial Strategy, whilst it will be a statutory document, should be seen as broad strategic guidance rather than mandatory policy, particularly in meeting the needs of rural communities
 - Draw up Local Development Frameworks (LDFs) with the clear objective of delivering 'sustainable rural communities' (see paragraph 52) in consultation with local communities and businesses and mindful of Parish Plans, where these exist
 - Support initiatives that make the planning system more 'user friendly'
 - Encourage better communication and understanding between the various parties

Using Local Development Frameworks (LDFs) to meet the needs of the economy in rural Gloucestershire should be a key strategic action.

Environmental Skills

78. Given the high quality and diversity of the landscape environment there is a need for skills in its conservation. These range from traditional craft skills such as stone walling, stonemasonry or thatching to advanced science-based environmental conservation skills. Gloucestershire, through the Cotswold Heritage Academy⁴³, which has been actively supported by HRH The Prince of Wales, has the opportunity to become a centre for excellence of these skills demonstrating how landscape protection, nature conservation and the maintenance of the built environment are compatible with increasing the prosperity of the people living in the countryside.

⁴³ The Cotswold Heritage Academy is a partnership between Cirencester College, RAC Cirencester, Stroud College, Hidcote National Trust Garden, Westonbirt Arboretum, Woodchester Mansion Trust, Gloucester Cathedral, British Waterways, ConstructionSkills, University of Gloucestershire, English Heritage, Gloscat, the Learning & Skills Council and Gloucestershire First.

79. In recent years farming and forestry practices have been increasingly influenced by calls for approaches that emphasise sustainable processes that benefit the fine-grained local landscapes and environments. This Strategy should give priority to exploring ways in which these environmental benefits can be integrated more effectively into extensive land management practices and the business activities that are heavily reliant on them. A sustainable environment should support sustainable jobs. The number of jobs in land management, particularly in woodland management (the numbers employed in forestry, together with their associated skills, are eroding faster than in the farming sector), which can deliver a significant environmental benefit, is therefore a key indicator, just as bird numbers are a key ecological indicator.
80. There is a growing need for better skills and understanding to reduce global warming. This ranges from individuals needing to understand how they can use less energy and how they can use more carbon neutral energy sources to skills such as the installation of carbon neutral or carbon free systems to the production of renewable energy.
81. There is a need to improve environmental skills by:
- Building on what is being achieved by the Cotswold Heritage Academy to create recognised excellence in the full range of traditional skills and conservation expertise
 - Increase the understanding of land managers and farmers as to how environmental measures can be integrated into extensive land management practices
 - Putting a greater emphasis in all training and development of the measures that individuals can take to reduce global warming
 - Increasing the provision of skills development in the installation of energy efficient systems and the production of renewable energy

Improving environmental skills in rural Gloucestershire should be a key strategic action and priority should be given to projects that meet one or more of the above needs.

Exploiting Existing Resources

82. Both the Forest of Dean and the Cotswolds are already significant sources of stone either as aggregate, gravel or for building. There are however indications that the major quarrying activities are hitting up against landscaping constraints and further expansion will be limited. An alternative is to stimulate "delving" – essentially the re-opening of small farm-based quarries that are generally more easily accommodated within the landscape.
83. There are other rural resources that are under-developed. The most obvious are the River Severn itself and the heritage of religious, civic and domestic buildings, monuments and industrial archaeology. Many of these could be developed as tourist attractions, small business centres or affordable housing. The Church of England is recognising that its churches should be put back into wider use, as they were in medieval times, to the economic and other benefits of the community.
84. Perhaps the most important unexploited asset of the County's industrial heritage is the Severn - Thames Canal, derelict along most of its route but of historic importance. Investment in the stretch from the Saul junction to the Brimscombe Basin has been agreed and will make an important contribution to the rural economy in its own right; construction is estimated to generate circa 580 person years of work. The restored canal will open up areas currently neglected to regeneration as mixed housing, social and employment use. It is estimated that there will be a further £90 million of expenditure on regeneration and this would create around 2000 jobs in the Stroud area. Based on experience with the restoration of the Kennet and Avon Canal, additional tourism should generate £2.7million and 85 jobs. Phase 2 would be to restore the canal from the Thames near Lechlade to the Cotswolds Water Park. The

final phase would be the middle section including restoration of the Sapperton Tunnel and it is in this last phase, which is some years away, that the major environmental issues and detailed routing problems lie. These need to be studied thoroughly and resolved satisfactorily but if overcome would generate a further £4.1M a year in tourism revenue.

85. To exploit the economic value of existing historic resources and the restoration of the cultural and heritage assets of rural Gloucestershire there is a need to:
- Utilize the opportunities the renovation of the Severn-Thames canal will provide for the economies of the communities on the route
 - Make better economic use of the River Severn
 - Emphasise the economic benefits of preserving and promoting the built and historic environment including archaeology and historic landscapes
 - Make greater use of churches for other activities

Exploiting the economic value of existing historic resources and the restoration of the cultural and heritage assets of rural Gloucestershire should be a key strategic action and priority should be given to projects that meet one or more of the above needs.

Key Strategic Actions

86. The key strategic actions identified as relevant to rural Gloucestershire in the Strategy are:
- **The retention and expansion of a profitable manufacturing sector including using advanced engineering techniques and innovation**
 - **Growing the:**
 - **Finance and business services sector**
 - **Creative industries sector**
 - **Environmental technology sector**
 - **Leisure and tourism sector**
 - **Number of competitive and profitable micro-businesses**
 - **Social economy**
 - **Maintaining the exceptional built environment in rural Gloucestershire and taking advantage of the opportunity for construction work due to the regeneration of Gloucester**
 - **Maintaining a well skilled workforce**
 - **Maintaining a profitable agriculture sector in rural Gloucestershire at a time of major change in the industry**
 - **Helping individuals overcome their disadvantage**
 - **Helping to improve local opportunities generally to increase economic inclusion**
 - **Increasing the use made of the skills and experience of the older members of the rural population to benefit the economy and community**
 - **Building the capacity of rural communities**
 - **Providing the vision, leadership and finance necessary to reinvigorate sustainable market towns**
 - **Helping villages, particularly isolated ones, to become more sustainable rural communities**

- **Improving physical communications and access**
- **Taking full advantage of the increasing opportunities for electronic communication**
- **Protecting rural Gloucestershire's environment**
- **Using Local Development Frameworks (LDFs) to meet the needs of the economy**
- **Improving environmental skills**
- **Exploiting the economic value of existing historic resources and the restoration of the cultural and heritage assets**

Delivery

87. The delivery of this Strategy requires:

- It to be endorsed widely, particularly by the Gloucestershire County Council and the rural District Councils and then used to inform their annual delivery plans
- The notion that the only way of delivering the Key Strategic Actions is by specific public funding to be dismissed. In some cases it will be a matter of priorities, in others delivery will be enabled through the Planning System. Public funding should be used only when appropriate and when it is clear that this is essential to progress
- First and foremost it to be through existing organisations and agencies. Only when there is a clear gap should an additional organisation be established

88. To co-ordinate its delivery Gloucestershire First has established a Countywide Partnership to develop, review and oversee the delivery of the Rural Economic Strategy on its behalf. This consists of:

- **The Rural Economy Advisory Panel (REAP)** whose roles are:
 - To advise Gloucestershire First on all matters rural
 - To be the custodians of the Rural Economic Strategy
 - To develop an Annual Delivery Plan to deliver this Strategy for the Gloucestershire First Partnership to approve
 - To sponsor rural initiatives where appropriate, and
 - To oversee the work of the Rural Economy Management Group
- **The Rural Economy Management Group** who are responsible for managing the execution of the Annual Delivery Plan
- **A Gloucestershire Rural Network** to bring together, at least annually, representatives of those with an interest in or key role to play in the rural economy of Gloucestershire, including businesses, parish councils and community groups. Their role is not only to advise on priorities and new initiatives but also to promote within their own spheres of influence the delivery of the objectives of this strategy

GROUPING OF RURAL WARDS AND JOB OPPORTUNITIES

- The definition of 'rural' is so wide that the rural Wards of Gloucestershire have been grouped into:
 - Group A - Wards within the influence of Gloucester and Cheltenham where the economies are in practice totally interdependent and integrated between the urban and rural areas
 - Group B - Significant conurbations of wards, such as the Stroud Valleys or Tewkesbury, where again there is significant economic interdependence
 - Group C - Other market town wards and their immediate hinterlands that fit the Rural White Paper model of market towns supporting their surrounding area
 - Group D - Smaller, deeply rural wards consisting of small villages, hamlets or isolated groups of houses
- Against each Ward is shown the (Population of the Ward/Number of Businesses in the Ward/Total Employed in the Businesses in the Ward and the Percentage of Jobs in the Ward as a Percentage of the Population of the Ward) as provided by the Gloucestershire Labour Market Information Unit and, whilst they are as up-to-date as possible, are unlikely to be accurate where major changes have recently taken place or take place in the future. The figures do not include the self-employed except as part of the population.

GROUP A	GROUP B	GROUP C	GROUP D
<u>Within Stroud District</u> Hardwicke (4,851-190-836-18.3%) Upton St Leonard's (2,219-71-437-19.7%) <u>Within Tewkesbury Borough</u> Brockworth (6,464-157-2,836-44.6%) Cleeve Grange (1,975-48-1,256-63.6%) Cleeve St Michael's (3,862-130-930-25.4%) Cleeve West (4,420-107-712-16.1%) Churchdown Brookfield (4185-100-403-9.6%) Churchdown St John's (6,827-189-4,809-62.1%) Highnam with Haw Bridge (4,501-216-1059-44.5%) Hucclecote (1,517-64-642-42.3%) Innsworth with Down Hatherley (2,591-137-1,559-60.2%) Shurdington (1937-92-861-44.5%) Averages (3,779-124-1,333-36.3%)	<u>Within Cotswold District</u> Cirencester Beeches (4,068-66-92-2.3%) Cirencester Chesterton (3924-75-349-8.9%) Cirencester Park (3,429-591-6,521-191.3%) Cirencester Stratton-Whiteway (3,600-135-568-15.7%) Cirencester Watermoor (3,987-311-4,378-109.8%) <u>Within Forest of Dean District</u> Tidenham (5,542-170-748-13.5%) <u>Within Stroud District</u> Amberley & Woodchester (2,127-193, 1,192-56%) Cainscross (6,779-159-1,300-19.2%) Cam East (4069115-735-18.2%) Cam West (4,101-124-960-23.4%) Central (1,832-471-6,948-324.7%) Chalford 6445-287-1,015-15.7%) Dursley (6,040-242-2,123-35.1%) Farmhill & Paganhill	<u>Within Cotswold District</u> Beacon-Stow (3,583-303-1,827-34.2%) Bourton on the Water (3,614-221-1,476-41.8%) Campden-Vale (2,710-388-2,932-100.2%) Fairford (4,034-197-1,318-32.7%) Kempsford-Lechlade (4,244-184-1,057-24.9%) Moreton in Marsh (3,329-240-1,666-50.0%) Northleach (1,830-76-304-16.6%) Tetbury (6,348-303-1,827-34.2%) <u>Within Forest of Dean District</u> Berry Hill (1,618-46-617-38.1%) Bream (3,109-92-232-10.4%) Cinderford East (3,456-103-933-27.0%) Cinderford West (4,800-264-2,335-48.7%) Coleford Central (2,982-177-1,370-45.9%) Coleford East (6,238-157-969-19.5%) Christchurch & English Bicknor (1,564-67-308-19.8%) Littledean & Ruspidge (3,600-100-391-10.9%)	<u>Within Cotswold District</u> Ampney-Coln (1,926-136-480-24.9%) Avening (1,917-108-507-26.4%) Blockley (2,037-164-747-36.7%) Chedworth (1,757-120-324-18.4%) Churn Valley (2,030-142-1,079-53.2%) Ermin (1.862-122-585-31.4%) Fosseridge (1,039-98-284-15.4%) Grumbold's Ash (2,043-141-1,092-53.5%) Hampton (1,768-89-370-20.9%) Rissingtons (2,044-123-467-22.8%) Riversmeet (1,895-181-481-25.4%) Sandywell (1,880-152-718-38.2%) Thames Head (1,983-88-349-17.6%) Three Rivers (1,914-142-705-36.8%) Water Park (5,639-270-2,920-52.7%) <u>Within Forest of Dean District</u> Alvington, Aylburton & West Lydney (3,132-225-2,427-77.5%) Awre (1,772-87-268-15.1%) Blaisdon & Longhope

	<p>(2,210-44-371-16.8%) Nailsworth (6360-382-2,231-35.1%) Rodborough (4,421-217-1,504-34.0%) Stonehouse (7845-566-7,272-92.7%) Slade (2,295-43-179-7.4%) The Stanleys (4,118-116-560-13.4%) Thrupp (2,354-198-1,124-47.7%) Trinity (2,015-76-895-44.4%) Uplands (2,186-56-482-21.1%) Valley (2,171-96-307-14.1%)</p> <p><u>Within Tewkesbury Borough</u> Ashchurch with Wellon Cardiff (3,263-96-1,019-31.2%) Northway (5,062-146-3,113-61.6%) Tewkesbury Town with Milton (4,023-382-2,756-68.6%) Tewkesbury Newtown (1,968-199-3,837-195.2%) Tewkesbury Prior's Park (3,921-60-650-16.5%)</p> <p>Averages (3.933-200-1,865-47.4%)</p>	<p>Lydbrook & Ruardean (5,033-172-814-16.2%) Lydney East (5,063-155-1,241-24.5%) Lydney North (1,835-43-102-5.4%) Mitcheldean & Drybrook (4,273-202-1,680-39.3%) Newent Central (3,621-138-927-25.6%) Newnham & Westbury (3,156-144-841-26.6%)</p> <p><u>Within Stroud District</u> Berkeley (4,054-173-1,109-27.4%) Coaley & Uley (2,297-111-334-14.5%) Minchinhampton (4,265-215-1,338-31.4%) Painswick (4,220-232-866-20.6%) Wotton-under-Edge (6,389-281-1,470-23.0%)</p> <p><u>Within Tewkesbury Borough</u> Winchcombe (6,130-280-1,600-24.5%)</p> <p>Averages (3,763-181-1,128-30%)</p>	<p>(1,798-70-450-25%) Bromesberrow & Dymock(1,860-91-285-15.3%) Churcham & Huntley (1,691-1-4-507-30%) Hartpury (1587-54-526-33.1%) Hewelsfield & Woolaston (1778-95-277-15.6%) Oxenhall & Newent North East (1,557-89-345-22.2%) Newland & St Briavel's (3,424-265-622-18.2%) Pillowell (3,444-134-937-27.2%) Redmarley (1,749-92-303-17.3%) Tibberton (1,749-64-209-12%)</p> <p><u>Within Stroud District</u> Bisley (2,052-127-701-34.2%) Eastington & Standish (1852-102-1,197-64.6%) Kingswood (2,081-98-1,683-80.9%) Over Stroud (1,797-59-224-12.5%) Severn (4,672-224-1,670-35.7%) Vale (1,853-123-1,181-63.7%)</p> <p><u>Within Tewkesbury Borough</u> Badgeworth (2,350-181-1,877-79.9%) Cleeve Hill (3,550-155-1,875-52.8%) Coombe Hill (4,514-230-1,099-24.3%) Isbourne (2,032-150-1,009-49.7%) Oxenton Hill (1,559-83-286-18.3%) Twynning (1,741-93-507-29.1%)</p> <p>Averages (2,267-129-82--36.2%)</p>
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