

Matter 4 Employment needs and requirement

Issue 4 – Are the identified employment needs supported by robust and credible evidence, justified and consistent with national policy? Is the Plan’s proposal to accommodate 79 ha of employment land soundly based?

The economic need for the District has been established through the Gloucestershire Economic Needs Assessment (2020) (ENA) (EB29), which examined a range of scenarios for future economic growth. The ENA recommends that the amount of additional employment land needed should be between 62 and 72 ha for the plan period, to accord with the highest two scenarios: a scenario based upon the expected labour supply and a slightly higher labour demand growth scenario based upon supporting growth in the key local industrial strategy sectors.

Within the Plan (page 37) the Council suggests that, once commitments from outstanding planning permissions (as at April 2020) and potential losses are factored in, the minimum residual employment land requirement for the plan period is a range between 50.9 and 60.3 ha.

2. Is the use of the higher needs scenario justified? Have clear reasons been given as to why lower economic needs figures would not be appropriate?

4.1 The Stroud District Employment Land Review 2021 (ELR – EB30) sets out the strategic context for employment land and justifies the higher needs scenario. This report concludes that:

- a. Stroud District’s average annual take up rate is the second highest in the county after Tewkesbury, more than double that of Gloucester’s and nearly four times that of Cheltenham’s.
- b. Stroud District has also seen the highest rates of E(g) (i/ii) office development in Gloucestershire, 4,873 sqm/year, again noticeably above rates in Cheltenham and particularly Gloucester.

- c. The three economic forecasts suggest Stroud District will gain 270-6,290 jobs overall, but the bulk of this forecast growth will be in sectors which require E(g)(i) office premises, 1,820-2,250 extra jobs. Construction will gain 610-1,490 jobs locally. Transportation and storage will gain some 30-200 jobs in Stroud District, fairly modest growth when considered against the sizable B2/B8 schemes which are being delivered/or proposed around Junction 12, M5 in Stroud.
 - d. Although the modelling does show some losses in manufacturing, this does not reflect past development trends which saw 3,779 sqm/year of E(g) (iii)/B2 development in Stroud District since 2011 or the ENA market assessment which indicates good demand for industrial units of 100-1,000 sqm, particularly on the motorway junctions. Some growth in manufacturing is therefore predicted.
- 4.2 In addition to the conclusions set out in the ELR, it is apparent that the Stroud employment market benefits significantly from a significant amount of successful entrepreneurial activity (Renishaw PLC, McMurtry Automotive, Ecotricity, Woodchester Valley Vineyard to name but a few) which has provided the foundations for a strong economic base and growth within the District. In addition to this, the District benefits significantly from a strong infrastructure made up of the M5 and A38 as well as the rail network that runs through the District. Consequently, the western part of the District has proven to be very attractive to a range of businesses. With the Country's drive to get to carbon neutrality by 2050, there has been considerable growth in the green technology sector. The growth in this sector has been particularly apparent in Stroud where companies like Ecotricity and McMurtry Automotive have pushed the boundaries in this technology which is rapidly transforming the way we do things within the UK.
- 4.3 This trend is set to continue and the development of anchor businesses such as Ecotricity at Strategic Allocation PS20 and McMurtry Automotive at Strategic Allocation PS47 will stimulate further growth and expansion in this sector. The Council also has ambitions to develop an alternative energy sector in the Berkeley Cluster centred around the Gloucester Science and Technology Park and the rest of the decommissioned Berkeley Nuclear Facility and the response to this from the industry has been favourable. In January 2023 Rolls-Royce has said it has held "positive talks" on potentially establishing mini-nuclear power stations in Berkeley, Gloucestershire. Rolls Royce have visited two sites at Oldbury and Berkeley, which have been identified by the firm as possible locations to base some of its planned national fleet of small modular nuclear reactors (SMR).

4.4 The use of the higher needs scenario is therefore justified to support the growing needs of the local economy. Adopting a lower growth scenario would ultimately frustrate the local economy.

The minimum employment land requirement range of 50.9 to 60.3 ha does not appear to be set out in policy. Instead Core Policy CP2 states that ‘Stroud District will accommodate....at least 79 hectares of additional employment land to meet the needs of the District for the period 2020-2040....’, which is above the minimum requirement. This higher figure appears to be based on the proposed new employment land supply comprising eight strategic development site allocations. Whilst our questions on these site allocations and overall employment land supply are set out under later matters, is the provision of a higher level of new employment land than is necessary to meet the minimum requirement justified by robust evidence? Can the Council clarify the percentage of additional employment land being proposed above the identified requirement and explain the reasons for this?

4.5 The higher requirement for employment land has been justified in the evidence base. Particular reference is made to the ELR, Section 7 and paragraph 7.14.

4.6 The Council’s evidence base within the Employment Needs Assessment (ENA – EB29) identifies the potential employment requirement for the Plan period ranged from an additional 44.5 hectares to 71.8 hectares.

4.7 The Assessment recommended that the Council should consider meeting two of the highest scenarios: a scenario based upon the expected labour supply and a slightly higher labour demand growth scenario based on supporting further growth in the key Local Industrial Strategy sectors. This means supporting a net increase in employment land (offices, industrial and storage and distribution) of between 62 and 72 hectares for the Plan period. When commitments from outstanding planning permissions, gains and potential losses, are taken into account, the minimum residual employment requirement is 50.9 - 60.3ha.

4.8 Core Policy CP2 allocates a number of sites to meet the employment needs of the area. These are considered fully within Matter 8. However, it is noted that the SDLPR looks to deliver additional land than is necessary and allocates 79ha of additional employment land.

4.9 The higher growth scenario is supported as it provides a buffer to allow for losses of employment land, to other uses, to 2040. The Council’s Employment Land Availability 2020

(ELA – EB28), identifies losses at 28.44 ha and potential losses to be an additional 18 ha and therefore this allows flexibility should this pattern continue.

- 4.10 The District continues to accommodate a significant amount of older employment land, particularly in the Stroud valleys which given its historical context is dated, providing inefficient and inappropriate accommodation, is usually in heavily constrained areas and does not benefit from good infrastructure. The additional flexibility in providing more employment land also provides greater variety and choice in the marketplace and in the right places. This will compensate for the loss of lower quality employment space to other uses and help facilitate the predicted growth in the economy as set out in the ELR – EB30, as well as the growth in the green technology and alternative energy sectors which are prevalent and strong in the District.
- 4.11 Stroud District Council has taken a positive approach to the allocation of employment sites, looking to provide a range of site sizes and types across the District, in order to allow for failure in some of the existing stock, provide flexibility, as well as choice for existing and future occupiers.
- 4.12 One of the key benefits of the strategic employment allocations in the Plan is that the majority of them are within accessible locations that are attractive to the market place, which will enable the growth of a strong employment base for the future. As such, the plan has been positively prepared.