

Appendix 1A

Strategic
Economic Plan for
Gloucestershire

GLOUCESTERSHIRE
growth hub

**SEP Business Case
Growth Hub**



gfirst LEP
growing gloucestershire

Business Case - Growth Hub

Overview

A virtual and physical hub of resources, connections and support which drives business and economic growth in the county. In association with the University of Gloucestershire Business School, networked through resource centres across the county, and with close links to Higher and Further Education, it will provide focussed business support for growth businesses. In addition, by matching skills provision to the specific needs of business, it will be the engine for economic growth in Gloucestershire.

Problem or opportunity

Opportunities

Gloucestershire's total Gross Value Added (GVA) growth to 2025 across all sectors is forecast to be 30%. However there are particular growth opportunities in some key sectors. Knowledge and Export Intensive businesses are forecast to grow in GVA by 55.4% and contribute around 47.8% of the total GVA in 2025. These businesses need specific and targeted support for them to achieve this growth potential. If they don't grow by the forecasted amount the whole county GVA growth will be affected.

Support for Knowledge Intensive businesses is a key part of Strategic Objective 1 of the Joint Core Strategy, the Cotswolds and Forest of Dean plans, and the Stroud Local Plan, as well as being central to this Strategic Economic Plan (SEP) for Gloucestershire. The Work Foundation ranks this area as 8th out of 56 UK knowledge economies. The nature of the Gloucestershire economy, and the ambitions of this SEP, make it a priority to enable knowledge intensive Small and Medium Enterprises (SMEs) to achieve their growth potential.

We have the highest % employment in Export Intensive Industries (20.5%), on a par with London. However there is low export performance as a % of GVA compared to other UK regions. Delivery of export support, tailored specifically to our local needs, is a priority.

The core purpose of the Growth Hub is to target these key businesses with the support that will deliver growth long term.

Problems

There are some well-established market failures and general obstacles which prevent many other companies from achieving their growth potential. For example, the Small Business Survey 2012 identified 3 reasons for the lack of take-up of business support:

1. not being clear how to access those services
2. not having developed relationships with the providers of business support services
3. not being aware of the benefits those services may bring.

These market failures of information and relationships are compounded by four barriers to business growth identified from the survey:

- Strategy – 65% didn't have a formal business plan
- People Management – 68% didn't train their managers in managing people
- Finance – 76% didn't access finance
- New Market Entry – 57% did not introduce new or improved products

In April 2013, a report commissioned by the Strategic Alliance for Higher Education (HE) in Gloucestershire on skills gaps in the county showed that employers consistently reported skills shortages and high vacancy levels in high skill jobs. Skills gaps were an even greater problem in terms of the ability of existing employees to meet the skills needs of companies. *57% of employers in the GFirst LEP area with skills gaps felt that they were having an impact on the performance of the organisation, 12% felt they had a major impact. In the future, forecasts indicate there will be a shift towards higher-level occupations, generating a rising demand for higher levels of skills and qualifications. Working Futures projects that, from 2010 to 2020, there will be an additional 13,000 jobs that require a first degree, and an additional 14,000 jobs that require an 'Other higher degree' and a further 2,000 jobs requiring a doctorate. Marchmont¹.

The Growth Hub will provide the point of contact and direction to businesses to simplify and effectively access the relevant business and skills support that deals with their long term needs.

¹ . Evidence report: http://gfirstlep.fastdevedit.com/cms/doc_get.aspx?DocID=162
Executive Summary: http://gfirstlep.fastdevedit.com/cms/doc_get.aspx?DocID=163
Sector Report: http://gfirstlep.fastdevedit.com/cms/doc_get.aspx?DocID=164
Skills Statement: http://gfirstlep.fastdevedit.com/cms/doc_get.aspx?DocID=165

Rationale for intervention

To support their growth, the businesses in the target sectors need specific support to help them tackle their challenges; others need more effective direction to national business support programmes that can provide these services. The Growth Hub will:

- Provide a central location and organisation in the county to provide access to business support useful to these businesses
- Raise business awareness of 'where to go' for help and advice
- Through the formation of a single Hub, but networked and available to businesses across the county, remove the current fragmentation of services, the lack of co-ordination between them and the consequent low level of business awareness and engagement
- Provide the services that will support businesses in their strategic development, the introduction of new products and services where there are gaps, and secure the right level of skills through recruitment and work-based training.
- Give access to the resources provided by the University and other Higher and Further Education providers with regard to innovation and research.

Business case detail

Plans for the first phase of the Growth Hub have already been launched by GFirst LEP and the University of Gloucestershire working in partnership, with investment from the Higher Education Funding Council for England. The Hub will be the focal point for a range of business and employment services funded through the EU Structural and Investment Fund (EUSIF). Phase 2 aims to create a joint venture partnership, attracting private investment to support major expansion of the capability of the Business School to support the Growth Hub. The Hub will be the home for two distinct but linked support themes; the Accelerated Business Growth Service and the Enterprise Accelerator. The first gathers together the services funded through the EUSIF for business support. The latter, also funded through the EUSIF, is focussed on skills.

The Growth Hub and the associated network of Resource Centres and Science, Technology, Engineering and Maths (STEM) specific locations around the

county provide the physical infrastructure that will enable the other services to be successful in delivering growth. This is a high level overview of all of the concepts and components of the Growth Hub, for more details see the Appendices 1B-1F inclusive.

The Accelerated Business Growth Service consists of

Business Generator: focusing on the growth sectors where specific support will enhance and increase their chances of success. It will comprise an integrated start-up, business clustering and support service made up of existing and new provision. It will help new and young businesses improve their performance, create new jobs, offer new options for local graduates (aligned with the Enterprise Programme), and work on collaborative research and development projects across the county. This is a component of the Growth Hub.

Business Navigator: to identify growth businesses for specific targeted support, and to point other businesses to existing support services provided nationally and locally. This will add and develop new support where a gap or market failure is identified and ensure that those businesses in the knowledge and export intensive sectors fully realise their potential. This is a component of the Growth Hub.

Business Expansion Service: for strategically important businesses bringing inward investment to the county to ensure they can access all the resources they need to grow and expand their business. It will support those businesses to remain in the county and continue to invest in growth and jobs. It will also be used to support key 'home grown' businesses. This is a component of the Growth Hub.

The **Enterprise Accelerator** service consists of

Entrepreneur Programme: a cross-county programme to support the development of entrepreneurs of any age by providing the skills needed to develop and grow a successful business. It will identify people at an early age - still within school, college and universities - so that they can be guided to develop their ideas and employability skills, and be encouraged to start their own business initiatives at the earliest opportunity. This is a component of the Growth Hub.

Business Case - Growth Hub

Employment Pathfinder: a service providing the tools, knowledge and strategic planning activities to enable schools and colleges to provide students with the level of information advice and guidance they need to make important decisions about their future careers. In addition employers will be able to contact the Growth Hub to discuss recruitment issues and get help to find the staff they need including direct support for work placements, apprenticeships and graduate placements or recruitment. There will also be signposting to other services such as Jobcentre Plus, sector academies or commercial recruitment agents. This is a component of the Growth Hub.

The Gloucestershire STEM strategy: will align STEM education capability with STEM sector industrial growth and demand. It will provide the facilities and resources to present STEM in an interesting, engaging and challenging manner. It will create clear progression routes into industry by enabling employers to forge partnerships with schools, colleges and universities and in doing so making STEM learning relevant to their workplaces. This is a component of the Growth Hub.

Apprenticeship clearing house: based on the Universities and Colleges Admissions Service (UCAS) model, it will increase the uptake of apprenticeships among employers and young people, raise the profile of SME vacancies, 'recycle' unsuccessful candidates, improve candidate 'readiness', support progression to Higher Apprenticeship programmes and support employer-led apprenticeship deliver. This is a component of the Growth Hub.

By providing a physical network of "spoke" locations across the county, the Resource Centres; co-ordinated through a single, centrally-located Growth Hub, growth businesses will be able to access the specific support they require to grow. Previous solutions only provided general support to all businesses. The Growth hub will direct businesses to the existing support (GreatBusiness.gov etc.) and focus intervention support only on the key growth businesses in the Knowledge, Innovation and Export Intensive sectors. By linking with HE and FE it will also enable business to access and utilise the talent they need to grow and be successful over the long term. The Growth Hub will be distinctive for the integration of the GFirst LEP and the University, which will directly address some of the key obstacles to growth through (i) drawing on the LEP's extensive business networks to raise awareness of the Growth Hub offer and (ii) ensuring that business services can draw directly on knowledge exchange from the University and other HE & FE providers.

Delivery

The first phase of the Growth Hub was launched in December 2013. It will draw on £2.7m investment from the Higher Education Funding Council for England (HEFCE), awarded from the Catalyst Fund in recognition of the national significance of this innovative partnership. The University is contributing substantial resources, in the form of its Business Development Unit, access to the teaching and research expertise of the Business School, and its campus facilities. The LEP is investing £1 million of its own funding. These combined funds will support the initial Growth Hub capability, in terms of facilities, CRM systems, staffing and delivery of business services. The partners have worked together to seek investment of EU funding through the SIF, in order to support the wider range and volume business service activities that meet ESF and ERDF objectives for economic development. These proposals are set out in detail in the GFirst LEP EUSIF strategy and are described in the Accelerated Business Growth and Enterprise Accelerator Services.

The partners are working towards a second phase Growth Hub which would substantially expand the capability of the University Business School to support knowledge exchange and business services. This will be achieved through a Joint Venture Partnership with a business partner.

The University is in advanced negotiations with a joint venture partner and if these negotiations are successful, it will enable substantial additional investment in the facilities and staffing of the University Business School thereby building much greater capability to leverage teaching and learning in support of knowledge exchange and business support. The University is taking the lead in negotiating the formation of the Joint Venture and initial estimates suggest that the proposed investment will support the development of new facilities of circa £20m and investment in people and product of circa £10m over the period 2014-2022.

The University and their potential Joint Venture Partner are seeking to create a Business School that will have regional economic impact and provide a significant step forward in terms of both the quantity and profile of teaching staff and new state of the art facilities. The scale of proposed investment in the Growth Hub would offer exceptional leverage and value for money for the Government investment, because it would be complementing and building on substantial private investment.

Business Case - Growth Hub

The objectives of the Business School Joint Venture will be to:

- establish a successful, distinctive business school which is competitive in the higher education market for business programmes, both nationally and internationally; which achieves reputation for the distinctive high quality of both its teaching and its research;
- work in partnership with the LEP to position the Business School Joint Venture at the heart of the delivery of business support services for Gloucestershire and beyond through the Growth Hub; thereby reinforcing the University's central role in economic development;
- achieve close integration of the teaching and research activities of the Business School Joint Venture and the business service and economic development activities of the LEP, so that they are mutually reinforcing and complementary;
- establish a strong international focus, with a high level of international student recruitment and a distinctive offer of opportunities for international study;
- create a high quality physical environment for the co-location of the Business School Joint Venture, the Growth Hub, and the accommodation of business support and economic development units;
- create a culture and way of working within the Business School Joint Venture that is business-like, innovative and enterprising, drawing on the skills and expertise of our partners;
- use the Business School Joint Venture and Growth Hub as a portal through which all Schools in the University can enrich their business networks, supporting student enterprise, work experience

Project Plan

Phase 1 of the Growth Hub commenced in January 2014. It is focussed on achieving the setup of the core Growth Hub capability through co-location of the key partners (GFirst LEP and the University's Business Development Unit) to form the initial platform for integrated delivery of services for business. The Hub will be accommodated on the University's Oxstalls campus in Gloucester. It will also offer facilities for external Business Support services (including for example UKTI, MAS, TSB, and Business Membership Organisations), relevant academic staff and meeting space. A full time project manager is in place implementing a comprehensive plan which has been developed in partnership with GFirst LEP and the University.

Reporting and Monitoring

GFirst LEP and University of Gloucestershire (UoG) Growth Hub management teams will monitor and review the Hub performance monthly. Use of the existing CRM system used by GFirst LEP with all the current county data, tied in with the current initiative to bring together national provider databases, will be used to monitor interactions and engagements with businesses. The key measure of success, linked to the overall goal of the SEP to increase GVA and jobs, will be to monitor GVA growth with each of the target businesses and also the levels of engagement of businesses with other programmes over a set time period. There is already in place a quarterly business support meeting which brings together all of the national business support organisations such as MAS, UKTI, GA, TSB and Investment Services and at which services levels, targets and performance is measured. The Growth Hub management teams can discuss and monitor overall as well as individual performance of the service providers and it is here that new programmes and improvements can be developed.

Business Case - Growth Hub

Risks

A significant risk to the proposal is the failure or limitation of the EUSIF funding application which will slow the ability of the Growth Hub proposal to develop effectively. EUSIF funding will be used to provide the revenue funding required to deliver the services in the Enterprise Accelerator and Accelerated Business Growth service, in order to make them a reality on the ground. Without one or the other, achieving the LEP growth forecasts will be compromised. There is a small risk of lack of business engagement. However this is being mitigated by a significant part of the Project Plan covering promotion and ongoing engagement with the existing highly successful GL Ambassadors and Sector groups which are active in the county as part of the LEP. The provision of a Growth Hub with the interconnected and supporting proposals under both the Enterprise Accelerator and Accelerated Business Growth Services will be a significant pull for businesses across the county. This will address the concerns highlighted in the Small Business Survey results 2012 around access to business support and relationships with the providers. It will also create a trusted link to those services which is also a key barrier to businesses

Outputs

The outputs expected from the implementation of the Growth Hub are as follows. (For calculation of jobs and qualifications impacts see each proposal element separately).

Area:

- Grow the county GVA by 55.4% in the target sectors by 2025. Through the impact on supply chains and associated businesses create an associated uplift in GVA across the county.

Business:

- 7,500 Hub visitors and initial diagnoses undertaken via web or direct, 3,750 support interventions for Gloucestershire businesses, and 750 accelerated interventions for high-growth businesses by end of 2017.
- Increase in the number of business starts (excluding Sole Traders of which there

are around 5000 per year) by 200 a year from 2338 to 2500 and increase the survival rate past 3 years of businesses from 63.6% to 70%.

- 10 new targeted growth business support services developed and implemented by end of Academic Year (AY) 2014/15 jointly between the University, other FE and HE providers and GFirst LEP.
- 750 new research and business consultancy interventions aligned with GFirst LEP sector priorities, particularly in retail and manufacturing by end of AY 2016/17.

People:

- 15% increased participation by students/graduates in employability initiatives year on year (currently 3,186) with a framework for work experience, placements, internships and volunteering, drawing from the shared business networks and contacts of GFirst LEP
- 20 new teaching programmes / Work-based Learning activities aligned with GFirst LEP sector priorities by end of AY 2015/16.
- 10% year on year increase from 2014/15 on the 416 University graduates placed in jobs in Gloucestershire in 2012/2013, to meet the needs of Gloucestershire employers.

The goals of the project are to:

- Establish the Growth Hub as both a physical and virtual 'go to' centre for all businesses to access business services and support across Gloucestershire; acting as a single portal to help businesses identify and access quickly the necessary support they require.
- Achieve strategic coordination and management of business services by bringing the local and national; public and private sector offers together through the growth hub
- Map the local offers (i.e. schemes and programmes), simplifying the business support landscape by seeking to eliminate duplication and close down initiatives that no longer offer value for money.
- Use national assets effectively e.g. Helpline and web-based content to avoid duplication and achieve value for money.
- To raise the rate of growth in Gloucestershire by supporting businesses with high growth potential to be more successful in achieving that potential.

Business Case - Growth Hub

- Provide efficient access to specific key initiatives and services developed as part of the Strategic Economic Plan and which are tailored to the county business needs under the Accelerated Business Growth and the Enterprise Accelerator services.
- Create a high quality physical environment which will facilitate the co-location of the Growth Hub, Business School and GFirst LEP, with accommodation available for complementary business support and economic development activities.
- Create a network across the county of smaller local Resource Centres to provide business with local access to the Growth Hub facilities and services, shared with existing locations and joining up skills provision with businesses wherever possible.
- Achieve close integration of the teaching and research activities of the Business School with the business support and economic development activities of GFirst LEP, so that they are mutually reinforcing and complementary. Through shared CRM and knowledge and contacts resulting from co-location of University and LEP staff within the Growth Hub, also provide services for business which are better integrated and easier to access.
- Create a stronger flow of high-skill talent and enterprise into the Gloucestershire economy by giving business better access to Further and Higher Education students (recruited nationally and internationally). In addition, this will give students a better understanding of business, better support to gain graduate jobs in Gloucestershire, and help to set up their own businesses. Also to ensure that the development of education teaching and research programmes across the county are directly informed by business need.
- Create a culture and way of working within the Growth Hub and Business School that is business-like, innovative and enterprising. Use them as a route to enrich Further and Higher Education business networks, support student enterprise, work experience and employability across further and higher education programmes; and expand the range of available business support activities.
- Through strong linkage with businesses in the county, establish a successful, distinctive Business School which is competitive in the higher education market for business programmes, both nationally and internationally and which achieves a reputation for the distinctive high quality of both its teaching and its research.

Calculations

- 15% increased participation by students/graduates in employability initiatives year on year (currently 3,186) with a framework for work experience, placements, internships and volunteering, drawing from the shared business networks and contacts of GFirst LEP

15% of 3186 base year participation, compounded each year = 32074 total participation.

Additional participation over and above normal over the time period would total 4808.

Assume 30% result in job creation:

1442 jobs, or an average 240 per year.

Over 6 years = **1442 extra jobs**

- 10% year on year increase from 2014/15 on the 416 University graduates placed in jobs in Gloucestershire in 2012/2013, to meet the needs of Gloucestershire employers.

Total extra placements 321. Average of 53 per year.

Over 6 years = **321 extra jobs**

Totals from all the proposals that are part of the Growth Hub and including the above -

Jobs: **19043**

Qualifications: **21485**

Other Sources of Funding

Totals for Growth Hub (details are in the individual project business cases – see other Growth Hub appendices).

- Private Sector Investment: £24.6M + £3.947M in kind
- EUSIF funding : £12.55M
- Other Public Sector: £7.365M

EUSIF funding is to be used to finance the specific services identified under Accelerated Business Growth and Enterprise Accelerator and which will be revenue. Capital and revenue funding will come from the private sector investment currently being negotiated.

Fit with national strategies, existing provision and other LEPs

The professional, scientific and technical sector has seen some of the highest rates of growth in output and employment but remains under-represented in the county. This illustrates the need for the services described in the Growth Hub. These knowledge and high and medium technology sectors are resilient and provide high levels of employment, and the businesses that are part of those sectors are in the 8 Great Technologies. For example:-

Precision Engineering and medical instruments: such as **Moog**, a worldwide designer, manufacturer, and integrator of precision control components and systems, based in Tewkesbury.

Innovation and R&D is strong in the county but could be much stronger. There are currently 67 active TSB projects in the county totalling grants to the tune of £19.6M; compared to Worcestershire (35) and Swindon and Wiltshire (41). However West Of England has 213, totalling £73M in grants. There is a need to stimulate and deliver more innovation across the county to fully achieve our growth potential. The links with the University and others for research and development as well access to staff and students with programmes and development tailored for innovation is a direct response to this.

We have key sectors aligned with the focus in the Industrial Strategy too, examples below.

Nuclear energy: such as **Horizon Nuclear Power**, a UK energy company based in Gloucester, developing a new generation of nuclear power stations to help meet the UK's need for stable and sustainable low carbon energy.

Aerospace: such as **GE Aviation**, based in Cheltenham, a world-leading provider of commercial and military jet engines and components as well as avionics, electric power, and mechanical systems for aircraft. It was ranked in Fortune's listing of the world's most admired companies in 2013.

Information Economy: GCHQ is key employer based in the county and is leading research and innovation with other partners into cyber security in order to make the UK one of the most secure places in the world to do business in cyberspace.

The presence of these companies, which are aligned with national strategies prove the potential the county has and are a great stimulus and support for the aims of the Growth Hub in engaging businesses and helping them via networks and benchmarking to deliver growth.

The Growth Hub directly aligns with and supports national strategy. The Heseltine Report "No Stone Unturned" and the Government's response to it, the report by Sir Andrew Witty on growth and the role of University, the report by Lord Young of Graffham on support for small business, all call for more active engagement by Universities - specifically their business schools in supporting high skill growth and knowledge exchange through the provision of relevant, credible support to knowledge intensive companies. The Growth Hub project is an exemplar of that approach, recognised as such by HEFCE. Similarly, the 2013 report of the Association of Business Schools called for University Business Schools to increase their engagement with business, to the benefit both of business and also of teaching and research through more intensive experience of real business.

To ensure the access to national business support programmes is effective and clearly signposted, and to minimise the overlap and duplication of existing schemes, the Gloucestershire Growth Hub will also work with BIS and be part of the national Business Growth Hub network, utilising the national helpline, accessing training and business support contents, tools and guides.

The resource centres that will form the spokes of the hub are modelled on the successful Business and IP Centres across the country in libraries such as the British Library in London and those in Leeds and Newcastle.

Appendix 1B

Strategic
Economic Plan for
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GLOUCESTERSHIRE
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**SEP Business Case
Business Generator**



gfirst LEP
growing gloucestershire

Business Case - Business Generator

Overview

Capitalising on existing business start-up and support services and infrastructure, the Business Generator will focus on the identified growth sectors in the county where specific support will be provided to enhance and increase their chances of success. It will comprise an integrated start up, business clustering and support service including the range of existing services and new provision to assist new and young businesses to improve their performance, create new jobs, offer new options for local graduates (aligned with the Entrepreneur Programme), and facilitate collaborative research and development projects across the county.

Opportunities

Gloucestershire is the 2nd highest area in England for rate of survival of businesses start-ups behind Cumbria. The numbers of jobs created by these are in the top 3rd of LEP areas. The survival rates are:-

- 1 year (94.1% survive)
 - 2 years (78.7% survive)
 - 3 years (63.6% survive)
- Thus, if you start up in business in our area you are likely to succeed better than in other areas.

On average, 5000 businesses per year start up in the county; excluding sole traders the average rate (2004-2011) is 2551. The birth and death rates in recent years for these are as follows.

	2009	2010	2011	Average
Births	2,245	2,300	2,470	2,338
Deaths	2,555	2,490	2,375	2,473

In 2011, the number of births exceeded deaths for the first time since 2008. Prior to this, the births versus deaths figures were as follows.

	2004	2005	2006	2007	2008
Births	2,850	2,660	2,570	2,775	2,540
Deaths	2,480	2,315	2,155	2,170	2,150

Office of National Statistics (ONS) data confirms that the rate of failure of new businesses here is particularly low compared to both regional and national averages. Two and three-year survival rates for new businesses are high and by expanding and enhancing the support and service provision to local start-ups via the Business Generator, these figures would improve even further. The aim would be to ensure that births exceeded deaths in year 1 first of all, and longer term to ensure that survival rates in years 2 and 3 are improved. This is a fundamental driver of growth for the county – to stimulate and support more start-ups and to provide the support to help them survive longer, with a specific focus on the key growth sectors. Improving the pipeline of new successful businesses is a crucial part of the plan.

Rationale for Intervention

If businesses start up here then they have a better chance of survival. Building on this success new targeted Start up support is needed to get even more potential businesses into the pipeline that might succeed, particularly those in our growth sectors. Enhancing and building on existing support to improve success rates even more and a focus on these particular growth sectors for more opportunities would be key to long term growth.

- The University of Gloucestershire's Enterprise Hubs were launched in Gloucester and Cheltenham in June 2013 by the University of Gloucestershire (UoG), GFirstLEP, Gloucester City Council and Cheltenham Borough Council. The rapid uptake of its space with brand new businesses clustered together has shown the model to be very successful. This demonstrates that there is a need for more service provision within other urban areas and town locations across the county. In addition to providing space, the pilot project, by clustering new businesses together, has fostered and developed an environment of innovation, knowledge and business networking. The pilot is also developing more ways of working with nascent and recently started businesses. Extending this model across the county in particular for growth sectors will also provide access to the technical assistance needed by businesses to start and grow, wherever they are.

The existing locations currently offer a total of 48 desks.

- Gloucester, is set within an area which is noted for its wealth of larger innovative engineering companies, largely based in aerospace and advanced engineering – the knowledge based target manufacturing sector. Despite the relative success of these larger companies and strength within the county in terms of innovation, historically the area has fostered a relatively low business innovation and start-up rate. The city has the lowest business density rate per 1000 inhabitants compared to the South West average. The city has the youngest and largest population in the County and is experiencing very strong population growth. Over the coming years, the city needs to increase employment opportunities for its expanding population. In order to do this we must provide the infrastructure to encourage business start-up and innovation building on the foundation and presence of these innovative knowledge based companies.

Business Case Detail

Business Generator will be a guidance service for business start-ups and entrepreneurs provided through web and physical contact via the Resource Centres and the Central Growth Hub. In addition Start Up Guides will be provided to give face to face advice and guidance. A backbone of services already exists within the county through local providers, which offer routes from idea generation to the creation of an outline business plan. The Business Generator will be targeted at the growth sectors for the county but will facilitate direction to a wide range of onward services which exist from partner organisations. These include business advice, mentoring and consultancy, training, plus access to wider schemes such as High Growth Start Up, Growth Accelerator, ESF and RGF activities, Start-up Loans, Apprenticeships, placement schemes and more. Aligned with the Enterprise Programme which facilitates graduate options and entrepreneurship in education, it will act as the primary facilitator to create new businesses.

Delivery

As the Growth Hub is put in place the first key proposals to be implemented under the Accelerated Business Growth service would be the Business Navigator and the Business Generator. Physical presence will be based in a number of locations across the county, to incorporate the University of Gloucestershire's existing five Enterprise Hubs located in Gloucester and Cheltenham and outreach locations further afield. Whilst having four physical premises to provide support and accommodate start-up businesses, the concept is one of creating a hub of innovation and enterprise activities offered virtually and in other appropriate ways in other locations in the county. Utilising the Growth Hub Resource Centre(s) around the county would ensure access for the service and advice more widely. It would be for people who are either starting up their own business, are working from their homes having recently established their business and need connectivity to other businesses and business support. It will also help start-ups who need specialist support to move to the next stage of business growth and development, including preparation for and provision of seed and growth capital investment. In addition, the clustering of businesses together would facilitate cooperation, learning and innovation across the target sectors and disciplines.

Delivery

Existing services, such as 'Gloucestershire Start Up' delivered by Gloucestershire Enterprise Ltd (GEL), provide the following. This proposal plans to build on this model and extending it through the Growth Hub.

1. A service which has multiple referral points. Relationships are two-way, with information, advice and guidance flowing outward and enquiries/referrals flowing in.
2. Staff are trained to receive, assimilate and act upon multiple enquiries about a range of issues around start-up, including advice on regulation, law and best practice.
3. A backbone of services is the offer of a clear route from idea generation to the creation of an outline business plan; these can be accessed at any point depending on need. Services are designed around professional standards for advice and development and aim to educate, build confidence and help to commence trading. The services are sponsored by the Enterprise Agency and local authorities. On-line resources exist to support those who may find access difficult.
4. A wide range of onward services exist with partner organisations. These include business advice, mentoring and consultancy, plus access to wider schemes such as High Growth Start Up, Growth Accelerator, ESF and RGF activities, Start-up Loans, Apprenticeships and placement schemes and more.

In addition, to support new businesses with investment opportunities, the Business Generator will aim to have a newly formed Gloucestershire based angel investor network. This would link IP & business owners and start-up entrepreneurs seeking finance with business angels, venture capitalist and other sources of seed and growth capital. It is intended that new innovative funding models, such as corporate venturing and crowd funding will also be deployed. Sources of public grant funding would also be identified and road-mapped.

Engagement with the voluntary sector would take the form of brokerage services to support businesses with skills gaps. This will be through the provision of skilled volunteers, with skills businesses may not have such as website design, marketing, finance, administration etc. This approach would provide meaningful

work experience and the opportunity of a work reference for local people and to help develop employability. For the businesses it will provide a seamless service to deliver much needed skills to fill short term gaps and ad hoc support to help to grow and develop in their business start-up.

Project Plan

Phase 1 of the Growth Hub commenced in January 2014, and is focussed on achieving the setup of the core Growth Hub capability through co-location of the key partners (GFirst LEP and the University's Business Development Unit) to form the initial platform for integrated delivery of services for business. Building on the current success of the Enterprise Hubs the Business Generator proposal will be one of the core capabilities to be established, alongside the Business Navigator. Engagement with partner organisations such as GEL will ensure that services start as the Growth hub opens in Autumn 2014.

A project manager and the resources to manage the implementation of Phase 1 are already in place and a detailed project plan has been developed through the partnership between the University of Gloucestershire and GFirst LEP.

Reporting and Monitoring

The LEP and UoG Growth Hub management teams will monitor and review the Hub performance monthly. This will include the performance of the programmes within it such as Business Generator. Use of the existing CRM system used by GFirst LEP with all the current county data, tied in with the current national 'digital spine' initiative to bring together national provider databases, will be used to monitor interactions and the success of the fledgling businesses and those at 1,2 and 3 years. Specific measures of business start-up and longer term success (death vs birth rates) will be monitored. There will be measurement of specific outputs as recommended in the NESTA Report (Sept 2011), including sales growth, employment growth and survival rates. The management team will also measure other outputs, including the impact of start-up and clustering businesses together on HE institution's teaching and research, the number of customers supported through training, and the number of consulting relationships established through partnerships. The key measure of success, linked to the overall goal of the SEP to increase GVA and jobs, will be to monitor GVA and jobs growth with each of the target businesses and also the levels of engagement of businesses with other programmes over a set time period. This also enables us to manage and monitor the impact across the county.

Business Case - Business Generator

Risks

A significant risk to this proposal in the SEP is the failure or limitation of the EUSIF funding application which will slow the ability of this proposal to develop effectively. EUSIF will be used to provide the revenue funding required to deliver the services in the Enterprise Accelerator and Accelerated Business Growth service; the Single Local Growth Fund/SEP for the capital requirements to make them a reality on the ground. Without one or the other, achieving the LEP growth forecasts will be compromised. The current success of the Enterprise Hubs is also a mitigating factor as is the existing provision of Start Up support; we will be building on the success of these to roll out and expand the programme. The provision of a Growth Hub with the interconnected and supporting proposals under both the Enterprise Accelerator and Accelerated Business Growth Services will be a significant pull for businesses across the county, including all those in post start up phases and those aiming to come in to existence.

Outputs

Increase in the number of business starts (excluding Sole Traders) by 200 per annum and increase the survival rate past 3 years of businesses from 63.6% to 70%.

Data & Forecasts

	2009	2010	2011	Average
County Starts	2,245	2,300	2,470	2,338
Deaths	2,555	2,490	2,375	2,473

Target: Increase starts by C200/yr

	1yr	2yr	3yr	
Survival Rates	94.10%	78.70%	63.60%	@70%

2009	2245 =	2,113	1767	1428	1572	+144
2010	2300 =	2,164	1,810	1463	1610	+147
2011	2470 =	2,324	1,944	1571	1729	+158

*business starts including Sole Traders are around 5000 per year

Calculations

- Increase in the number of business starts (excl. Sole Traders*) by 200/yr. from 2338 to 2500 and increase the survival rate past 3 years of businesses from 63.6% to 70%.

200 jobs/yr from each of the business starts

Over 6 yrs = 1200 jobs

An increase in survival rate to 70% would result in 160 businesses continuing.

Assume at yr 3 businesses are employing 4 people = 640 jobs saved

Over 6 yrs = 3840 jobs

Other Sources of Funding

- Private Sector Investment: See Growth Hub Business Case
- EUSIF funding: See Growth Hub Business Case
- Other Public Sector: See Growth Hub Business Case

The existing Enterprise Hubs are funded by UOG, GFirst, Gloucester City Council and Cheltenham Borough Council. The Gloucestershire Start Up service is sponsored by Gloucestershire Enterprise, (the Enterprise Agency in Gloucestershire) and the local authorities.

‘Fit’ with national strategies, existing provision and other LEPs

Start-up businesses are an important part of the economy of Gloucestershire. They not only provide a route to employment, but are also a great source of aspiration, innovation and diversity. Start-ups are an engine of innovation and they employ a diverse range of people who are better treated as employees than most SMEs¹. Start-ups also help grow and develop local supply chains, plugging gaps in local provision and bringing freshness and variety.

The Deputy Prime Minister in the Local Growth white paper², wrote:

‘Hardworking and talented individuals must not be denied the chance to succeed’²; which was further supported by the Prime Minister in the Government’s framework for sustainable growth, who said ***“we must ensure everyone in the UK has access to opportunities that enable them to fulfil their potential.”***

1. ONS Labour Force Survey 2007

2. The Local Growth White Paper, 28 October 2010

Appendix 1C

Strategic
Economic Plan for
Gloucestershire

GLOUCESTERSHIRE
growth hub

**SEP Business Case
Business Navigator**



gfirst LEP
growing gloucestershire

Overview

A service which will identify high growth businesses for specific targeted support to ensure they maximise their potential. In addition it will increase the use of national and local business support services by all growth businesses by creating a highly efficient and effective guidance service. Where a gap in provision or market failure is identified new services will be developed.

Problem or Opportunity

There are specific opportunities for, and challenges facing, businesses and sectors in the county*.

Highlights

- Gloucestershire has the 2nd highest area rate of survival for businesses starting up behind Cumbria. The numbers of jobs created by these are high (in the top 3rd of LEP areas). The survival rates are:
 - 1yr (94.1% survive)
 - 2yrs (78.7% survive)
 - 3yrs (63.6% survive)
- We have the highest % employment in Export Intensive Industries (20.5%), on par with London
- We are 2nd only to Dorset in growth in employment in these sectors (7.3% vs. 15.8%)
- We have the highest % employment of all regions in high & medium technology manufacturing, at 6.7%. The nearest is Leeds with 5.5%.
- We have grown the most of any region in employment in these sectors (5.9% to 6.7%).
- If the knowledge economy is added to high and medium technology sectors we are 11th with 21.8% employed in these.

* Data is from the 2011 LEP Network (latest ONS figures) – ranking is out of 39 LEPs.

Opportunities

- The nationally provided businesses services are generally fit for purpose but are not joined up. They are not known widely enough by businesses in general and the targeted ones in particular. The lower take up of business support, usage rates and outputs relative to other regions indicate a market failure. For example despite the high percentage of employment in export intensive industries there is low export as a percentage of GVA compared to other UK regions.
- The current 'feet on the ground' across all of the existing national programmes is not sufficient to fully support our target sectors without compromising service to the others.
- Efficient access to business services and support through effective diagnosis and support, and then guidance to the appropriate advice is crucial to businesses wanting and needing to grow.
- If there is no improvement in the business support provision it would hold back an economy that is primed to grow, has a productivity gap (see our EUSIF Strategy), and which has all the right factors in place to accelerate that growth.

Rationale for Intervention

Gloucestershire has growth opportunities in the Knowledge and Export Intensive Sectors which require specific and targeted support to help accelerate them.

We have a comparatively low number of businesses BUT they are of high quality, the majority being:-

- high and medium technology sectors
- knowledge economy sectors
- export intensive sectors
- 'home grown' (not foreign owned)

This also puts our region in the top third of LEPs for manufacturing/public sector/ knowledge economy employment

In addition

- If you start up in business in our area you are likely to succeed better than in other areas.
- Evidence suggests that high and medium technology knowledge intensive businesses, coupled with the knowledge intensive service sector, with targeted support can grow more, and can expand into export markets.
- Targeted international expansion and the successful utilisation and leverage of Intellectual Property (IP) would be beneficial for such high and medium technology businesses. In other cases, particularly in the knowledge intensive service sector, understanding of how to export and sell this knowledge and these services internationally is a prerequisite for expansion.

The Business Navigator involves a focus on these key knowledge and export intensive sectors in the county. These have the greatest potential to grow and which, from the LEFM forecast, are the ones that will contribute the greatest proportion of GVA longer term. Gloucestershire needs to retain and expand its productive high value manufacturing sector, whilst also supporting accelerated growth in knowledge-intensive services which are growing but still under-represented relative to the rest of the UK.

The Business Navigator takes the form of business support that is tailored to these businesses and their needs. It will effectively direct them to the best form of subsequent support for their particular challenge. Evidence of 'what works' in business support suggests targeted and more intensive business support generates greater returns and economic impact. For example innovative businesses engaging with the Technology Strategy Board have a greater chance of success than those that do not. (E.g. Versarien). High growth potential firms will have the opportunity to engage with 'Business Guides', experts in their fields and also in the resources available in the county and nationally. They will be able to offer initial support as a precursor to the uptake of other support. The drive would be to increase the uptake of existing support and make it more effective by providing tailored navigation to it in a structured way.

Although the current performance of businesses in the county is relatively good it is slowing. There is hidden and unfulfilled potential to grow more significantly. The lack of targeted and more intensive support will hinder and hold back growth in the local economy. There is a clear need for investment to provide this.

Business Case Detail

- Provide a targeted support service that identifies and then helps specific growth businesses to address their challenges and also facilitates other businesses to access support programmes as needed.
- Provision of start-up support to place more potential businesses in the pipeline that could succeed - if they start up in this county then they have a better chance of survival. There would be a focus on our particular growth sectors for their enhanced growth opportunities.
- Any business that has good potential to export, even early in their growth stage will be supported. Identification of, and support and communication with, potential early growth stage exporters of this type will be provided, particularly as they also have comparatively high job creation rates. An emphasis on new exporters, with an additional drill down to those at 3 yrs. old, and help to manage rapid growth at that stage via Business Guides and national programmes such as Growth Accelerator and UKTI would be a key part of the service.

Delivery

Details are covered in the Growth Hub summary. The Navigator service will be the first support put in place and will include the provision of meeting space and access for businesses to the current external business support services (for example UKTI, MAS, TSB, and Business Membership Organisations), as well as the recruitment of the Business Guides.

Project Plan

A project manager and the resources to manage the implementation of Phase 1 are already in place and a detailed project plan has been developed as a partnership between University of Gloucestershire and GFirst LEP. Details are covered in the Growth Hub summary.

Reporting and Monitoring

The LEP and UoG Growth Hub management teams will monitor and review the Hub performance monthly, including the outputs of this service. Use of the existing CRM system used by GFirst LEP with all the current county data, tied in with the current initiative to bring together national provider databases, will be used to monitor interactions and engagements with businesses.

The key measure of success, linked to the overall goal of the SEP to increase GVA and jobs, will be to monitor GVA growth with each of the target businesses and also the levels of engagement of businesses with other programmes over a set time period. There is already in place a quarterly business support meeting which brings together all of the national business support organisations such as MAS, UKTI, GA, TSB and Investment Services and at which services levels, targets and performance is measured. The Growth Hub management teams can discuss and monitor overall as well as individual performance of the service providers and it is here that new programmes and improvements can be developed.

Risks

See Growth Hub summary.

Outputs

Business:

- 7,500 Hub visitors and initial diagnoses undertaken via web or direct, 3,750 support interventions for Gloucestershire businesses, and 750 accelerated interventions for growth businesses by end of 2017.
- Increase in the number of business starts (excluding Sole Traders) by 200 per annum and increase the survival rate past 3 years of businesses from 63.6% to 70%.
- 10 new targeted growth business support services developed and implemented by end of Account Year (AY) 2014/15 jointly between the University, other FE and HE providers and GFirst LEP.
- 750 new research and business consultancy interventions aligned with sector priorities by end of AY 2016/17.

*business starts including Sole Traders are around 5000 per year

We would expect there to be significant uplift in the quantity and quality of engagement with current providers; GA, UKTI, TSB, MAS, for example, providing an increased value for money for Government with no extra investment in these services.

Calculations

- 7,500 Hub visitors and initial diagnoses undertaken via web or direct, 3,750 support interventions for Gloucestershire businesses, and 750 accelerated interventions for high-growth businesses by end of 2017.

This is 1250 per annum support interventions

Assume 2% create 1 job = 25 jobs/yr

Over 6 yrs = **150 jobs**

This is 250 per annum accelerated interventions

Assume 20% create 1 job = 50 jobs per annum

Over 6 yrs = **300 jobs**

- **750 new research and business consultancy interventions aligned with GFirst LEP sector priorities, particularly in retail and manufacturing by end of AY 2016/17.**

This is 250 per annum consultancy interventions.

Assume 50% result in job creation due to focussed level of support = 125 jobs per annum.

Over 6 years = **750 jobs**

Other Sources of Funding

- Private Sector Investment: See Growth Hub Business Case
- EUSIF funding: See Growth Hub Business Case
- Other Public Sector: See Growth Hub Business Case

EUSIF investment under SME competitiveness thematic objective and private sector investment in the Growth Hub will provide revenue funding.

‘Fit’ with national strategies, existing provision and other LEPs

The professional, scientific and technical sector has seen some of the highest rates of growth in output and employment but remains under-represented in the county. This illustrates the need for the service described. These knowledge and high and medium technology sectors that are resilient and provide high levels of employment, are directly in line with the sectors that support the 8 Great Technologies. Innovation and R&D is strong in the county but could be much stronger. There are currently 67 active TSB projects in the county totalling grants to the tune of £19.6M; compared to Worcestershire (35) and Swindon and Wiltshire (41). However West Of England has 213, totalling £73M in grants. We have key sectors aligned with the focus in the Industrial Strategy too, examples below.

To ensure access to national programmes is supported and clearly signposted, and to minimise the overlap and duplication of existing schemes, the Gloucestershire Growth Hub will work with BIS and the national Business Growth Hub network. We will utilise the national helpline, accessing training and business support contents, tools and guides. The Navigator service is a key part of the business engagement and support that is central to the Growth Hub concept.

Appendix 1D

Strategic
Economic Plan for
Gloucestershire

GLOUCESTERSHIRE
growth hub

**SEP Business Case
Business Expansion Service**



gfirst LEP
growing gloucestershire

Business Case - Business Expansion Service

Overview

Deliver a focussed service to strategically important, foreign owned businesses that are established in the county. Provide support and information to ensure that they access any or all the resources that they may need to grow, expand, or invest in their business. Organised via the Growth Hub to provide targeted and tailored support to these particular businesses aiming to ensure they remain in the county and continue to invest in growth and jobs. In addition it will be utilised for 'home grown' key businesses identified as strategically important to the county's growth.

Problem or Opportunity

As well as many other large businesses, the county is host to a surprising number of economically key, strategically important, foreign owned businesses. These include GE, Horizon, Unilever Messier Dowty, Delphi, Federal Mogul, SKF, Endsleigh Insurance, as well as many others.

Of the A,B and C categories used by UKTI Investment Services to categorise their strategic importance, Gloucestershire has the following:

A - of the 38 considered of nationally significant strategic importance

(Minister Account Managed) = **6**

B - of the 300 of very important to the national economy

([Global Account Team managed) = **10**

C - of the 1500 of high importance nationally

(Investment Services team managed) = **55**

(and **D** category is all other foreign owned in the county = **18**)

This is 71 of the 1838 category A, B and C businesses nationally considered to be strategically important, around 4%. For a predominantly rural area, with no large city in place this is a significant number, particularly at the high Ministerial Account Managed level of category A. It is a key priority for Gloucestershire to full support these companies to ensure that they stay within the county for the long term and achieve their fullest potential by continuing to invest in growth.

- Of the 4 Foreign Direct Investment (FDI) projects brought into the county in 2012-13, 305 jobs were created or retained, this puts Gloucestershire 18th out of the 38 LEP's in terms of jobs per project. Taking new jobs per project only (excluding jobs retained) the county is 12th.
- Gloucestershire created 36 new jobs per project and retained 40, a total of 76 per project, an indication of the quality of the FDI projects in the county, this puts Gloucestershire slightly above the median in performance. There is an opportunity to improve the quality of FDI in the county.
- Data from the UKTI Investment Services team indicates that when reviewing Foreign Direct Investment (FDI) into the country in 2012-13, of the 614 projects only 151 were new investments, the other 463 were existing investor or reinvestments. National data indicates around 75% of such FDI is with existing businesses, already established and in place. There is a need to specifically focus on providing the necessary support for these businesses in the county and facilitate their growth, investment and successful expansion if we are to maximise the opportunities for growth.
- The support would also be provided for key home grown strategically important businesses that can be supported in their growth plans and who we do not want to lose from the county.

Business Case - Business Expansion Service

Rationale for Intervention

Foreign Direct Investment business support for the existing businesses in the county has been reduced and there is now little or no coordinated interaction and engagement with them. Inward investment projects are responded to reactively and there is a danger there will be leakage of good and strategically important businesses away from the county and possibly country. Specific and targeted engagement and support for these businesses will increase the likelihood of further investment and growth, supporting the 75% FDI figure above.

- Despite the apparently low actual number of successful FDI projects in the county the jobs created or saved indicated above was relatively high compared to other LEP's. However the number of businesses in the county that are strategically important would indicate that there is a need to provide more support in this area to increase the number of projects and to improve the quality of the retention or investment in terms of the jobs created or saved. The rationale is that due to the lack of coordination and resource there are strategically important businesses in the county who are unaware of the support available and may be considering movement or contracting instead of remaining or expanding- this would have significant effects on direct employment and accompanying supply chain ripples.
- There are currently 4815 live projects in the UKTI Investment Services pipeline database. The data indicates that these are split in various ways and geographically. Removing London this leaves 969 projects of which 646 are from existing businesses in the country potentially reinvesting, and with a greater chance of success as a result. There are 14 live projects in the county currently which require help to maximise their chances of success, but this does not account for those businesses that are 'off the radar' and have not been engaged with. There is a significant challenge to provide the resource required to fully engage with these.

Business Case Detail

Provision of three Business Expansion guides coordinated by a UKTI Investment Services (UKTI IS) administrator provided by UKTI IS. They will visit, engage and support the key businesses in the county. They will also help businesses with their growth plans and provide ongoing resources to them long term. Tied in with local business support provision through the Growth Hub these businesses would receive specific help from the guides to engage with Local Authorities and organisations relevant to their growth plans as appropriate.

Delivery

Starting 2014 there will be a Business Expansion Action Team consisting of the Economic Development Officers (EDO) from the councils around the county and then joined by the three Business Expansion Guides. These will work with a proposed UKTI Investment Services employed administrator placement in the Growth Hub to support the activity and to coordinate with national UKTI Investment Services activities. This person would be able to access the national database and pipeline tool for monitoring and recording projects and progress, as well as help coordinate the activities of the Action Team in the county utilising the Growth Hub CRM. With direct access to the national programmes and initiatives the team and coordinator would be able to develop engagements and relationships with the key businesses in a more coordinated way. They would target specific companies and sectors, as well as bringing the national UKTI investment services into the county more effectively and making them more accessible to key strategically important businesses. This placement has been proposed as an option for UKTI IS to consider and is currently being reviewed. This would be a key part of the success of the Business Expansion Service.

Business Case - Business Expansion Service

- Via the network of Resource Centre locations around the county, guided by the central Growth Hub, there would be bases for local companies (the D category) to access specific support in their expansion plans and potential investments
- These outreach locations would act as key points for contact with the Business Expansion Guides and EDO's, and as bases for them to meet and coordinate activities and/or plans in these specific areas or sectors, meeting and working with target businesses as needed
- Past evidence of service provision indicates that three Business Expansion Guides could reasonably engage with around 80-90 key businesses a year, and provide light touch contact and support to many more. This would cover the A; B and C categories targeted for the county and allow for more engagement with the D's.
- Specific sector strategies would align with the Knowledge Intensive focus in Hi to Medium Manufacturing and Service and align to the UKTI IS team initiatives as appropriate

Project Plan

Phase 1 of the Growth Hub commenced in January 2014, and is focussed on achieving the setup of the core Growth Hub capability through co-location of the key partners (GFirst LEP and the University's Business Development Unit) to form the initial platform for integrated delivery of services for business. The installation and set-up of the Business Expansion service including the recruitment of the guides and the increased involvement of Investment Services to coordinate is part of the implementation plan.

A project manager and the resources to manage the implementation of Phase 1 are already in place and a detailed project plan has been developed through the partnership between the University of Gloucestershire and GFirst LEP.

Reporting and Monitoring

In tandem with the national reporting process on FDI via Investment Services, the LEP and UoG Growth Hub management teams will monitor and review the Hub performance monthly, including the performance of the service within it such as Business Expansion. Use of the existing CRM system used by GFirst LEP and the Investment Services pipeline database, which two of the staff locally are trained in using, along with all the current county data, will be used to monitor interactions and the success of the engagements with key companies. Specific measures of FDI projects, outputs generated in terms of investment sums, jobs preserved and/or created will provide the key performance indicators. The key measure of success, linked to the overall goal of the SEP to increase GVA and jobs, will be to monitor GVA growth with each of the target businesses over time and their contribution to the county's growth.

Risks

The success of the guides in providing this service is predicated on the commitment of Investment Services to provide the more in depth support of an administrator on the ground to coordinate activity in a more systematic way. This has been communicated in the ongoing survey of LEP needs being carried out by the IS team*. There is a real need for there to be central coordination of such a strategically important initiative, without the access and close linkage into the current IS activities the current situation is going to be sustained – fragmented and incoherent support that does not deliver growth in the county at the scale which is required. The resources in house with the LEP are not sufficient to provide the level of support that the guides and businesses will require long term to ensure more successful and better (jobs wise) FDI projects, particularly as these are often large in scale and also extended in time. The companies targeted by this proposal require sustained and sometimes intensive support delivered over a period of time, in order for their investments to come to fruition. This is the same for other strategically important businesses in the county.

*Mike Bartley; Gareth John of UKTI GSI

Business Case - Business Expansion Service

Outputs

- Increase the jobs per project to above 90 (from 76) as a measure of the improvement in quality of the FDI projects
- Increase the number of category B companies in the county by 50 (nationally important)
- Increase the number of active support projects from an average of 24 per year to 50
- Continue to provide the specific close support required to ensure that the A, B and C category businesses in the county expand and or reinvest; measuring jobs created, investment sums and jobs retained.
- For the other D category, and those strategically important to the county, provide the support that would facilitate their growth and also retention in county via the Resource Centres and Growth Hub activity

Calculations

- Increase the jobs per project to above 90 (from 76) as a measure of the improvement in quality of the FDI projects
 - Based on an increase in the number of active support projects with companies of 26 per year (from 24 to 50) and each of these engagements from now on increasing the jobs created to 90 per project (from 76); and 4 successful FDI investment projects per year until now, which would be doubled due to an increased pipeline of projects = 8 projects per year, delivering 90 jobs from now on.

Therefore $8 \times 90 = 720$

Over 6 years = **4320 jobs**

Other Sources of Funding

- Private Sector Investment: See Growth Hub Business Case
- EUSIF funding: See Growth Hub Business Case
- Other Public Sector: See Growth Hub Business Case

Investment Services support would be essential to ensure success of this proposal. Central revenue funding to IS but devolved in the form of the provision of local support to the LEP is required. Local Authority provision of the Economic Development Officers to provide more specific local support is in place.

Ask of Government

The key ask is above: Central revenue funding to IS but devolved in the form of the provision of local administrative support to the LEP.

Business Case - Business Expansion Service

‘Fit’ with national strategies, existing provision and other LEPs

The UKTI IS Trade White Paper detailed in its Strategy, Britain Open for Business, setting out plans to provide practical support to exporters and inward investors over a five year period. This included within its four pathways to growth, two of which relate to inward investment:

- Creating a pipeline of high-quality inward investment projects and targeting overseas institutions such as sovereign wealth funds to win investment for the UK’s large-scale infrastructure and regeneration projects.
- Focus on building strategic relationships by introducing key account management of the most significant inward investors and the UK’s top exporters to offer a seamless, “one-stop” service. Following subsequent Budget and Spending Round announcements, and in line with Government priorities for Trade & Investment, UKTI is also:
 - Enhancing inward investment support in growth markets, such as the UAE, Qatar, Kuwait and Russia;
 - Positioning the UK as the leading location of choice for European HQs, elite global entrepreneurs and exceptional talent including a new dedicated visa route for entrepreneurs brought into the UK under the programme; and
 - Building on the success of Tech City and developing further inward investment campaigns linked to the key sectors in the Industrial Strategy. In 2013 these will help drive investment in key areas such as aerospace; non-health life sciences; the information economy; nuclear, renewables, oil and gas; and, the information economy.

The proposal is directly in line with these specific initiatives, in particular focusing on strategic relationships, as we are planning to do with those based in the county. These would be either with the existing foreign investors who want to expand or, as part of the extension of this proposal to other strategically important non Foreign Direct Owned (FDO) companies, those key exporters in the county. There is also the fact that the support service is targeted at key investment areas, all of which are Knowledge Intensive – our target growth sectors in the county. It links nationally to the UKTI IS and BIS initiatives as indicated above.

Appendix 1E

Strategic
Economic Plan for
Gloucestershire

GLOUCESTERSHIRE
growth hub

SEP Business Case Entrepreneur Programme



gfirst LEP
growing gloucestershire

Business Case - Entrepreneur Programme

Overview

The Entrepreneur Programme is a component of the Growth Hub.

Research is generally supportive of specialist mentoring, training and dedicated resources for entrepreneurial individuals, accelerating business start-ups and growth.

This innovative programme will deliver a cohesive cross county provision to support the development of entrepreneurs of any age by providing the fundamental skills needed to develop and grow a successful business.

The programme includes the identification of individuals at an early age - still within school, college and universities -so that they can be guided to develop their ideas, encouraged and supported to start their own business initiatives at the earliest opportunity.

The additional advantage of the programme includes the development of employability skills, often cited by employers as lacking in the young people when they enter the world of work.

Problem or Opportunity

While OFSTED report generally positive findings about the teaching of enterprise and business skills with some room for improvement, the CBI takes a more critical view finding serious shortcomings in young people work readiness.

Please see:

<http://www.ofsted.gov.uk/resources/economics-business-and-enterprise-education>

The CBI Skills survey 2012 also reported that for 14-19 age bracket employers want to see development of employability skills made the top priority.

Please see:

http://www.cbi.org.uk/media/1514978/cbi_education_and_skills_survey_2012.pdf

This survey confirmed that 61% of employers said they were not satisfied with self-management skills of young people; 69% not happy with levels of business and customer awareness.

These gaps can be addressed through this entrepreneur programme which will firmly establish an enterprise culture in the county's schools, colleges and universities. The programme will encourage more young people to consider self-employment and business start-ups as viable career paths and support them in developing their business ideas at the earliest opportunity.

Gloucestershire has an employment base of 272,000 people. Some 14% of this number is self-employed which is higher than the national average. It is also recognised as having the 2nd highest survival rate of start-up businesses after 3 years in the country. We are going to build on this 'self-employment ethic' in the county, by engaging more young people in enterprise and entrepreneurship.

There is evidence that enterprise education increases the probability of starting a new business (Charney and Libecap). In addition BIS reported that there is evidence that participation in enterprise and entrepreneurship education initiatives leads to the acquisition of knowledge, skills, and competencies related to starting a business, managing a business or developing a small business. (*Department for Business Innovation & Skills, ENTERPRISE EDUCATION IMPACT IN HIGHER EDUCATION AND FURTHER EDUCATION: Final report JUNE 2013*).

Kingston University Business School were asked by Young Enterprise to study the impact of their work on the UK Economy to mark their 50th anniversary. These are a sample of their findings.

- Their alumni are twice as likely to be running their own businesses. Amongst 18 – 21 year old alumni, 16% have set up or are in the process of setting up their own business compared with 3% of the control group.
- Amongst alumni aged 30 – 40, 32% have set up or are in the process of setting up their own business compared with 18% of the control group.
- Alumni firms have a larger turnover, 12% of alumni firms turn over £500,000 compared to 3% of control firms.
- Alumni firms are more innovative – 21.2% of alumni firms are digital and 'cloud'-based firms compared to 3% of the control group.

Business Case - Entrepreneur Programme

Rationale for Intervention

The Entrepreneur Programme will support the County's education sector to foster an enterprising culture within Primary, Secondary, Further and Higher Education. It will offer a range of interventions to raise awareness of self-employment as a career. As well as teaching practical skills, the programme will provide additional support such as start-up facilities, support with access to finance and business mentoring.

It will also work with those we are unemployed who can demonstrate well developed business plans and ideas that would benefit from an intensive 'fast-track' and mentor supported start-up programme. These will be offered as intensive two week programmes.

Start Up accelerator space will be offered for a limited period, no more than 12 months and additional 'accommodation' will be sourced with relevant sector businesses with students giving 50% of their time to support the host company and 50% of their time to develop their own businesses.

The programme will identify and recruit a number of high profile county entrepreneurs to raise awareness and participation in the programme.

On line resources will be developed to support both the taught provision and on-going business development activity. Participants will assist with the development of these resources as the programme develops.

Business Case Details

This is a seven year programme, the main delivery activities of which will be contracted out to the most appropriate providers.

All activities will be co-ordinated by a Full Time Equivalent (FTE) project administrator who will be located in the Growth Hub. This programme closely links with the Employment Pathfinder, Business Generator and Business Navigator programmes and the individuals within those teams and teaching staff within the educational institutions will play an important role in the success of the programme.

- The programme will deliver workshops to programmes to 7,100 school students;
- 1, 420 FE students will be offered extra-curricular training and the support of business mentors;
- 110 start-up places will be available as accommodation, located within educational establishments so that further learning and development is supported;
- 800 individuals will take place in 'fast track' programmes;
- 630 GL Ambassador interventions will support participants;
- 420 sector specific work experience placements and co locations;
- A network of entrepreneurs will be created.

Business Case - Entrepreneur Programme

Delivery

The programme will be delivered over 7 years. Partners will include schools, colleges and universities, all of whom have been engaged in the development of the programme.

Activity will need to take place to encourage participation within the programme from FE students. This will predominantly be the responsibility of the colleges and the delivery partners.

Currently there are 470 GL Ambassadors representing a range of business sectors. Many are already engaged with activities to support young people. We will engage with this group and our sector groups to establish a sustainable network of support for participants in this programme. We are confident that current levels of business engagement will reflect the ideas/objectives of the majority of participants but we continue to actively increase our business engagement. We also recognise that there will be a requirement to support those looking at new and emerging sectors, such as renewables and digital applications where we have lower numbers of businesses. We will need to plan for interest in these areas.

In addition to the business mentoring role we will be looking to co locate 420 participants within relevant businesses. These participants will be offered 'free' accommodation to develop their own businesses for 50% of the week on the basis that they work for the business during the other 50% of the week. This activity will require matching of participant and business and careful monitoring to ensure its success. The rationale behind the co-location is the following statement:-

'It is clear, moreover, that the benefits of prior work experience for self-employment success may arise because of the sector that the individual has worked in, and/or because of the occupation in which she or he works. In particular, there is evidence that having specific experience of an industry, which can be applied in a new venture, may enhance entrepreneurial success.'

UKCES Skills for self-employment Evidence Report 31 August 2011

Project Plan

A project delivery team will be established to support the programme and will be made up of representatives from GFirst LEP – Business Engagement and Education Business Partnership staff – schools, FE colleges, Universities, businesses and partners such as Jobcentre Plus. A project manager will be recruited to oversee the delivery of the plan with the support of an administrator, both will be located Growth Hub. The management of the project from the Growth Hub will support the business engagement elements of the programme to support mentoring and co-location activities. The allocation of start-up accelerator space will also be managed from the Growth Hub and will look to utilise the existing enterprise centres that the University of Gloucestershire are supporting in Cheltenham and Gloucester. The aim is to align further start-up space with the Growth Hub resource centres located across the county.

Reporting and Monitoring

The delivery activity of the Entrepreneur Programme will be supported by EUSIF funding and the outputs will need to be reported in line with the ESF funding requirements.

The project delivery team will work with schools, training providers, employers and partners to deliver the programme. They will act as a key advisor and monitor quality and progress of the programme, helping to develop solutions to any arising issues alongside stakeholders and partners. They will work closely with the GFirst LEP Skills Group to ensure that this programme is delivered in line with and in support of all Enterprise Accelerator provision.

Business Case - Entrepreneur Programme

Risks

A significant risk to the proposal is the failure or limitation of the SIF funding application which has been used to provide the revenue funding required to deliver the programme.

There is a small risk of lack of business engagement however current engagement programmes with schools and colleges have been well supported.

Part of the programme is reliant on the FE colleges engaging their students in the extra-curricular activities. These risks have been discussed during the development of the programme and it is believed that the benefits of participation in terms of skills attainment and business engagement should be of sufficient value to encourage student participation.

GFirst have experience of working with schools and have identified that the one day workshops within the programme will be of interest to schools and therefore the risk of lack of engagement with schools for these activities is minimal.

The highest risk will be providing sufficient co location space. We believe that the concept will be attractive to participants and businesses but the matching of participants and businesses, in terms of skills, location and expectations of placements will need to be carefully managed. We will need the full commitment of all partners and stakeholders in the programme.

Outputs

The aims of the programme are to support and develop the enterprise and employability skills of young people across the county. In our survey completed in November 2013, 78% of respondents identified the need to better prepare school leavers for work. With this programme and other Enterprise Accelerator programmes we aim to reduce this to a maximum of 35%.

Benchmarking activity against Young Enterprise programmes we would expect to see at least 25% of all our participants setting up their own businesses, resulting in 555 new businesses.

Business survival rates will aim to be aligned to those of the Business Generator programme at 70%.

Calculations

- **Benchmarking activity against Young Enterprise programmes we would expect to see at least 25% of all our participants setting up their own businesses, resulting in 555 new businesses.**
 - 555 new jobs over 6 years
- **420 sector specific work experience placements and co locations we would expect to see 20% resulting in a job offer**
 - 84 new jobs over 6 years

Other Sources of Funding

Private Sector Investment

Provide work experience and co-location for 420 individuals will generate in kind income from:

Businesses: £1,386,000

Students: £1,260,000

GL Ambassador business mentors: £716,800

480 businesses support school activity individuals: £112,500

Total - £3,475,300

- **EUSIF funding – ESF / ERDF** to be utilised for delivery of skills activities and start up support within the programme from 2015 to 2020.

Total - £1,689,840

- **SEP funding**

Total - £95,900

- **Other Public Sector**

FE college development of programme and marketing activity to students –
(£20,000 programme development +£280,000 marketing and student engagement)

Total - £300,000

Business Case - Entrepreneur Programme

Value for Money

Based on the calculations above there is a 2:1 ratio of in kind private sector investment as match to the ask of EU SIF funding.

Cost per business start up is £2,709 equal to the cost per job in the calculation section above, this does not take into account any additional jobs from the growth/expansion of the businesses created.

'Fit' with national strategies, existing provision and other LEPS

Young Enterprise programmes are running in Gloucestershire and we will work with Young Enterprise to support further delivery of their programmes alongside this proposal. However we see substantial opportunity to enhance the impact of enterprise education through the provision set out in this programme.

The programme will be supported by businesses engaging with the Growth Hub. The programme itself supports the Growth Hub by working alongside programmes such as the Employment Pathfinder, the Business Generator and the Business Expansion programme. Those setting up businesses are a result of the programme will be able to access continued support via the Growth Hub. It also supports the University Business School through opportunities of start-up course and co-location placements for students.

Within their Joint Core Strategy document the three local authorities - Cheltenham, Tewkesbury and Gloucester - have committed to:

"Providing favourable conditions, in partnership with others such as the Local Enterprise Partnership (LEP), for business start-ups, entrepreneurship and the improvement and expansions of education and training facilities to develop the skills employers need."

Other national programmes that we will work with include:

The "Entrepreneur First" scheme seeks out graduates just out of University and interested in starting their own businesses. The two-year programme not only provide training and mentoring to the candidate, but also provides them with access to funding through a network of investors, free legal advice, free software, and a platform to network with other entrepreneurs.

The "Get Mentoring Scheme" offered by Small Firms Enterprise Development Initiative (SFEDI) makes it possible for entrepreneurs to get mentoring and become voluntary business mentors. Mentors offer coaching to aspiring or new entrepreneurs to equip them with skills to benchmark, undertake market research, train the workforce and many other essential activities.

Appendix 1F

Strategic
Economic Plan for
Gloucestershire

GLOUCESTERSHIRE
growth hub

SEP Business Case Employment Pathfinder



gfirst LEP
growing gloucestershire

Business Case - Employment Pathfinder

Overview

The Employment Pathfinder is a component of the Growth Hub.

The Employment Pathfinder will provide the tools, knowledge and strategic planning activities to enable schools and colleges to provide students with the level of information advice and guidance they need to make important decisions that shape their future careers. It will facilitate a coherent and consistent local careers offer aligned closely to the future skills needs of employers.

It will support the retention of skills in the county by facilitating work placements, work experience, graduate placements and graduate recruitment. Talent attraction would also be supported through the provision of an 'entry' point for graduates and international students interested in developing their skills and working in the county.

Problem or Opportunity

Employers

In a recent survey of Gloucestershire's employers and schools, when asked 'which of the following key areas of skills provision for 14- 19 year olds do you feel needs to be improved?', the intervention most frequently identified as a priority was 'Preparing school leavers better for work'. November 2013 Marchmont

To date, there has been no mechanism to allow large employers to support systematic employee volunteering with schools. As Deloitte reported - too many employers simply 'don't know where to start' and with good reason. A national employer is required to manage relationships with a myriad of individual schools and/or local and national specialist organisations each with differing, if at times overlapping, interests. Inefficiencies in such a system are great, creating administrative obstacles which prevent more systematic engagement.

For smaller employers, access to information about volunteering opportunities with schools are typically limited with approaches from schools or their intermediaries focused on provision of two week work experience placements which often represent a significant demand on the SME employer.

Students

Surveys by Chrysalis for City and Guilds in 2011 and for Careers England in 2012 showed that 28% of vocational students received no advice at all and that two thirds are dependent on teachers and school careers advisers, in whom they have little confidence on this subject. Because of the complexity of vocational education in England, students need expert and impartial advice, but very little is available to them.

Research commissioned by the Department for Education has shown that "aspiration and future plans has a clear effect on levels of educational engagement. Clarity of future plans, the perceived relevance of Key Stage 4 attainment and extent to which young people felt their plans were achievable all impacted on levels of engagement". National Centre for Social Research (2009), *Pupils with declining attainment at key stages 3 and 4: Schoon, I (2005), Teenage Aspirations for education and work and long-term outcomes.*

Of those who are not economically active across Gloucestershire, the largest proportion is students (26.8 percent). This is a higher proportion than the South West average (23.4 percent) and suggests that the pipeline of future talent available to local employers is in good shape, provided Gloucestershire can retain this talent locally with suitable employment opportunities.

Gloucestershire LMI profile – People 1st October 2013

Teachers

The issues for students are not surprising when 80% of teachers claim they do not have enough knowledge to give advice and about half admit they have given poor advice. Moreover, 57% said that they feel pressured into advising students to stay at school post-16 in order to gain funding, even though more appropriate options may be available elsewhere, such as in a further education college or an apprenticeship scheme. Real Apprenticeships October 2013, Boston Consulting Group

The economic benefit of quality careers advice -

Two important recent longitudinal studies (one US, one UK) have demonstrated powerfully the ways in which young people can, and do, secure significant benefits from the information and encouragement that effective careers advice can provide: informal advice in teenage years leads to significantly higher employment levels ten years later, while career aspirations which are misaligned with understanding of qualification requirements increase the risk of NEET status twofold.

- www.inspiringthefuture.org

Business Case - Employment Pathfinder

Rationale for Intervention

Although there are 'pockets' of good practise we estimate that only a third of the 39 secondary schools in the county are able to provide the service that they would like to offer. The Employment Pathfinder will work with all junior and secondary schools, colleges and with the universities to facilitate a consistent service across the county by offering a broad range of resources and up to date labour market intelligence. This intervention will help to meet the demands of the future workforce and minimise the NEET risk.

The Employment Pathfinder also responds to the recommendations from the Department for Education and Department for Business Innovation report - Skills Careers Guidance Action Plan Sept 2013 - and will facilitate a coherent local careers offer aligned closely to the needs of employers and the GVA growth and employment growth sectors in the county.

The Employment Pathfinder will offer a consistent and quality service across the county by facilitating and simplifying the engagement of employers, students, teachers and parents. It will also provide resources and services for careers provision and employability skills support.

There are a number of local and national programmes and providers delivering solutions to meet the needs of young people, graduates, the unemployed and the workforce. GFirst LEP has experience of delivering a number of these in collaboration with JCP, local authorities, local communities, VCS, education and training providers and providers of unemployment support programmes. Some examples of recent and current activities include:

Gloucestershire Education Business Partnership/STEMWorks Challenge 2013 Primary School programme –was given the target of working with over 2013 students through the delivery of a programme which involved engineers from local businesses supporting assemblies and workshops in schools.

Through this programme 40 days of practical workshops were delivered in 35 schools across the six local authority districts to 1245 student participants; businesses gave presentations to over 4900 students in school assemblies about the opportunities for careers in engineering businesses and the use of information technology in these sectors; and 92 students and 33 accompanying adults were

involved in visits to 6 different companies across the county.

South Glos and Stroud School Careers service - a uniquely collaborative model of impartial Careers Advice and Guidance which has been pioneered by South Gloucestershire and Stroud (SGS) College to serve 5 Stroud District Secondary Schools in 2012-2013. Now being adopted by 6 further schools for 2013 -2014. It has recently been re-accredited (June 2013) by Matrix who were highly impressed and have requested that it becomes a case study for them in innovative practice.

In the past 12 months 500 young people have been engaged through the Opportunity YES programme – delivered by the LEP on behalf of Gloucestershire County Council. 47% have secured a permanent job and 30 work experience placements have been arranged in a range of employment environments including office work, carpentry and engineering.

Business Case Details

The proposal offers a comprehensive careers advice, employability skills and recruitment service predominantly to support young people. The Employment Pathfinder activity and resources will be located within the Growth Hub and overseen by the LEP Skills Group. The team will be responsible for the management of relationships with education providers, employers, stakeholders and partners.

The proposal will provide the following:

Employment Pathfinder Toolkit

GFirst LEP Skills Group will commission the development of a toolkit that will set out the key resources, activities and partnerships that enable the delivery of an outstanding provision of careers advice and guidance in schools and colleges. It will provide a number of indicators that enable education providers to understand and evaluate the impact of their current provision and develop strategic action plans for improvements. It will take into account the perceptions of students, teachers, parents, carers and employers. The toolkit will be available free of charge and via online registration. The LEP's objective is that the toolkit will be recognised as best practice by government and as a result help to drive and direct business engagement with schools.

Business Case - Employment Pathfinder

Employment Pathfinder provision and online resources

Online and physical support will be linked to specific toolkit indicators to enable schools to provide a wide range of activities. It will also offer assessment tools, action plans, facilitate employer engagement activity, teacher placements and work experience opportunities.

The benefits of this provision include –

- A saving of time and resources for schools;
- The provision of quality ‘relationships’ between schools and businesses;
- A co-ordinated approach to employers removing the necessity for them to respond to numerous approaches from different schools and colleges;
- A planned ‘calendar’ of events and activities throughout the county and nationally;
- A ‘level playing field’ of employer engagement with schools.

Employers

- The linkage of schools, colleges, universities and employers through a central system, saving time and resources;
- Provide guidance and resources for employees working with students;
- Enable a co-ordinated approach to employers removing the necessity for them to respond to numerous approaches from different schools and colleges;
- Access to a ‘talent pool’ to meet workforce development needs.

Schools/Colleges

- Provide schools and colleges with access to the tools, resources, employer and stakeholder contacts;
- Provide a range of activities ensuring a comprehensive and coordinated careers service across the county;
- Provide a resource centre that includes detailed and employer ‘accredited’ sector based careers information and real time labour market intelligence across a wide range of occupations.

Students/Parents

- Provide access to assessment tools and individual actions plans to support students aspiration and choices;
- Offer a quality and wide ranging choice of work placements and recruitment opportunities;
- Create a portal for work experience/placement and graduate recruitment;
- Increase the attraction and retention of talent in the county.

Delivery

The Employment Pathfinder activity and resources will be located within the Growth Hub and overseen by the GFirst LEP Skills Group. A team of dedicated staff –1 FTE advisor, 2 x FTE careers advisors, 1 FTE administrator - will support the delivery of activities and development/ ‘quality assurance’ of online and physical resources. The team will be responsible for the management of relationships with schools, employers, stakeholders and partners which is essential to this delivery.

This activity will be supported by the wider business engagement teams within the Growth Hub for employer engagement activity, including the LEP sector groups and GL Ambassadors.

Factors to consider –

The ‘buy in’ of school, colleges and universities – the LEP is recognised as having strong links with businesses and has been approached by schools, colleges and universities over the last three years to support them with employer engagement, resources, activities and labour market intelligence.

Establishing a good database of employers from across the county and representative of all sectors and size of business – we know from our discussions with businesses that they want to engage with schools and support the development of young people. They have also stated that they would be supportive of a central system to enable this activity. The Growth Hub will have a central CRM and offer the opportunity for employers to ‘opt in’ to the Employment Pathfinder activity.

Business Case - Employment Pathfinder

The collaboration of careers advisors both within and independently of schools – the Employment Pathfinder does not aim to displace current providers or activities within schools, but to enhance and add value to these. We have spoken with existing providers and they agree that the resources and services within the proposal will be beneficial to them and support their activities.

The alignment of existing provision – eg Degree Plus, Opportunity YES and Jobcentre Plus. Ultimately the aim of the proposal is to support young peoples' career ambitions, help them to secure suitable employment and provide for the skills demands of business. The GFirst LEP Skills Group will work with existing and emerging services to ensure that the Employment Pathfinder is working collaboratively with and is supportive of all other employment services.

Project Plan

Assuming the EU SIF commissioning process goes ahead as planned, the Employment Pathfinder will be fully operational by July 2015.

2015

- Development of the toolkit with key partners
- Development/sourcing of online resources
- Development of training programmes for employers
- Development/sourcing of resources with employers
- Countywide employer engagement strategy
- Marketing to schools/college
- Recruitment of staff
- Relationships with key partners
- Countywide programme of activity planned

2016

- Launch of toolkit
- Launch of website
- Commissioning of outreach activities
- Delivery of events and workshop activities
- Training workshops for employers
- Employer Engagement activity
- On going marketing with schools and colleges

Reporting and Monitoring

As the Employment Pathfinder will be supported by EUSIF funding the delivery outputs will need to be reported in line with the ESF funding requirements.

The GFirst LEP Skills Group will work with schools, training providers, employers and partners to deliver the Employment Pathfinder activity. They will act as a key advisor and monitor quality and progress of the programme, helping to develop solutions to any arising issues alongside stakeholders and partners.

Risks

A significant risk to the proposal is the failure or limitation of the EUSIF funding application. The Employment Pathfinder is part of the Growth Hub Enterprise Accelerator and the EUSIF used to provide the revenue funding required for the delivery of these services.

The limited funding and resources within schools to support careers advice programmes may also present barriers to engagement with the proposal. However the proposal aims to help schools provide a high quality service and deliver more cost effective careers advice making better use of their available financial resources. It will also save time and staff resources through the provision of materials and support for employer engagement activities at a central location.

Although the LEP has been involved with and continues to deliver a number of very successful 'employability' activities in the county it is not currently seen as the main provider for this type of service. So the 'buy in' of key partners and stakeholders, such as the local authorities to help engagement with the Employment Pathfinder will also be key to its success.

Business Case - Employment Pathfinder

Outputs

The following outputs will be delivered by 2020:

- Engagement with
 - o 75% of secondary schools/academies per year
 - o 25% of primary and junior schools per year
 - o 4 Further Education colleges
 - o 2 Universities
- Help 5,000 young people per year to develop employability skills
- Deliver 300 work placements per year
- 200 NEETs /potential NEETS gain employment per year
- Deliver 50 graduate jobs per year
- Work with 500 business people per year

Calculations

- **Deliver 300 work placements per year**

o Assume 20% will result in job placement offer = 60

Over 6 years = **360 jobs**

- **200 NEETs /potential NEETS gain employment per year**

o Over 6 years $200 \times 6 =$ **1200 jobs**

- **Deliver 50 graduate jobs per year**

o Over 6 years, 50 jobs per year = **300 jobs**

Other Sources of Funding

- **Private Sector Investment**

This will be provided in volunteer hours from business engagement activity. A minimum of 7,000 hours.

- **EUSIF funding**

EUSIF funding of £769,500 has been requested to deliver the proposal over a six year period. The funding will be used to recruit staff and support the engagement activities with education providers and employers. It will also support the development of the Toolkit and collation and development of online tools and resources.

- **Other Public Sector**

Education provider interventions to support delivery of activity within their own organisations.

Value for Money

The cost of being NEET between the ages of 16 to 18 is estimated to be around £56,000 in public finance costs and £104,000 in resource costs (lost labour market potential), over the working lifetime of each person who has been NEET at this age.

A recent government programme offered contracts worth up to £2,200 for every young person helped. In this context that would represent a contract value of £3,080,000.

The Employment Pathfinder programme at a planned cost of £769,500 will support 1400 NEET or potential NEET individuals into employment at cost per individual of £550 representing a significant saving on the cost to the economy and also on the value of existing interventions.

Business Case - Employment Pathfinder

‘Fit’ with national strategies, existing provision and other LEPs

The Employment Pathfinder responds to the recommendations within the Department for Education and Department for Business Innovation report - Skills Careers Guidance Action Plan Sept 2013 - and will facilitate a coherent local careers offer aligned closely to the needs of employers.

Whilst supporting the employment growth sectors it also supports the government and LEP ambitions for GVA growth in the knowledge intensive manufacturing and knowledge intensive service sectors.

It will also support the forecast employment growth in sectors such as retail, tourism and care through the provision of local labour market information.

University degree plus programmes supports student employability activity - this programme would enhance this activity;

- It will work with Jobcentreplus (JCP) and local commercial agents to maximise the employment opportunities for Gloucestershire residents;
- UCAS – will be promoted to students exploring Higher Education opportunities;
- National Apprenticeship Service - website and materials will be utilised to support the uptake of apprentices;
- Princes Trust – individuals will be made aware of the range of programmes on offer
- Local Authorities – will be able to utilise the service to support their communications with the local community;
- Volunteering Organisations – individuals will be made aware of the range of opportunities available within volunteering.

Ofsted stated on 11 March 2014 that during inspection they will be looking at/ for:

- Evidence of the quality of CEIAG within schools will be reported upon/taken into consideration in the Teaching & Learning section of the report;
- What are the students opinions on and experience of CEIAG within the school;
- Destinations data – is there is a narrowness of pathways (eg most students staying on for A levels) taken by students. This may illustrate a failure to deliver impartial guidance and trigger further investigation.

The Employment Pathfinder will support schools to meet these areas that will be measured during inspection by Ofsted.

Appendix 1G

Strategic
Economic Plan for
Gloucestershire

GLOUCESTERSHIRE
growth hub

SEP Business Case STEM Strategy



gfirst LEP
growing gloucestershire

Overview

The STEM Strategy is a component of the Growth Hub.

The Gloucestershire STEM strategy will align Science Technology Engineering and Maths (STEM) education capability with STEM sector industrial growth and demand. It will provide the facilities and resources to present STEM in an interesting, engaging and challenging manner with flexible delivery and multiple countywide access points. It will create clear progression routes into industry by enabling employers to forge partnerships with schools, colleges and universities and in doing so making STEM learning relevant to their workplaces.

Problem or Opportunity

53% of Gloucestershire's employment is in Knowledge Intensive Sectors. This is above the regional and national average. Knowledge and Export Intensive businesses are forecast to grow in Gross Value Added (GVA) by 55.4% and contribute around 47.8% of the total GVA in 2025. These businesses need specific and targeted support for them to achieve this growth potential. If they don't grow by the forecast amount, the whole county GVA growth will be affected. It is vital that our education system is delivering the skills required by these sectors to support this growth.

A report commissioned by Gloucestershire LEP in 2012¹ reported that - 'The key issues affecting young peoples' decision to study STEM subjects were:

- The lack of inspirational teachers and a science curriculum irrelevant to modern living;
- Negative stereotypes often reinforced by the media, family and peers, regarding those who succeed in STEM subjects and STEM careers; and
- Negative perceptions of STEM careers and occupation whereby STEM subjects are not seen as a passport to lucrative and interesting jobs and careers.'

¹. Manufacturing and STEM Skills in Gloucestershire April 2012

The proposal will help to overcome these issues by -

- Supporting teachers to deliver up to date and inspiring STEM activity within their schools;
- Facilitating the engagement of businesses and school students at an earlier age. Providing 'real time' information about careers and employment opportunities, breaking down the negative perceptions of STEM sectors

The proposal will also help to support the recruitment of young people directly from learning, currently at 30% in the county, just below the national average, by providing the skills that employers are asking for.

Working Futures data for Gloucestershire suggests that there will be a clear shift towards higher level occupations. From 2010 to 2020 there will be an additional 13,000 jobs that require a first degree, and an additional 14,000 jobs that require an 'other higher degree' and a further 2,000 jobs requiring a doctorate. The number of jobs requiring no qualification is projected to fall by 10,000.

The STEM proposal supports forecast employment shifts and GVA growth by supporting schools and education providers in delivering the skills needed for the future. Without the proposal there is a danger that businesses will not be able to source the skills they require locally and will be forced to import skills or move away from the county in search of a stronger skills base.

Rationale for Intervention

There is positive news for the county in terms of student achievements with in maths and science.

- 83% of 11 year olds in Gloucestershire achieve the minimum standard, compared with 80% nationally;
- 85% of 14 year olds achieve the minimum standard, compared with 81% nationally;
- In relation to Science:
- 87% of 11 year olds achieve the minimum standard, compared with 85% nationally
- 86% of 14 year olds achieve the minimum standard, compared with 83% nationally;

In addition the number of STEM A level entries increased by 21% from 2008-09 to 2010-11, compared with a 13% rise nationally.

However employers, particularly from our manufacturing and professional and business service sectors, are struggling to employ school leavers with the qualifications they require in STEM subjects. This suggests that students are not undertaking the right STEM qualifications and/or they are not being educated about the local labour market opportunities available to them.

There will be fewer employment opportunities for those that achieve qualifications below level 4 so there is a requirement to enable those at lower levels to move upwards and accelerate those with level 3 qualifications to level 4. The STEM strategy supports this demand for higher level skills amongst school and college leavers and will work alongside and support progression to other activities such as higher apprenticeships, vocational qualifications at Level 7 and short/Continuing Professional Development (CPD) courses to support workforce development.

The proposal will deal with these challenges through the provision of state of the art resources, specialist centres, employer supported activities, teacher CPD and a comprehensive outreach programme. The proposal will provide access to the best STEM learning facilities and resources for primary, secondary and FE students in the UK. This will include:

- **Five specialist STEM centres across the county**
- **A STEM outreach programme to include workshops, STEM Clubs and on line resources**
- **A programme of teacher placements in local businesses and teacher CPD sessions**

Business Case Detail

Build, refurbish and equip five specialist centres at Further Education (FE) college sites:

Cirencester College – Refurbishment of existing facilities to install latest state of the art equipment, integration of Maths and Environmental Science departments. Creation of a new engineering lab to accommodate Electronic Engineering and Computing capabilities for Robotics. Creation of a dedicated Health Science lab to facilitate provision to Higher National Diploma (HND) level in Medical Sciences. Dedicated training lab for STEM CPD with physical and e-conference facilities.

Gloucestershire College (GC) – The college is the largest FE provider in the county. They are just launching their seven year vision for STEM activity. By the end of this academic year the college aims to achieve STEM Assured status. In line with this STEM Strategy the college are planning to open two specialist STEM centres, one within the Forest of Dean campus and the other by refurbishing at one of their existing campuses. These centres will support STEM delivery to 4,000 16-18 year old GC students and the outreach programme in the North and East of the county.

Hartpury College – A land-based engineering workshop of 800m2 providing modern dedicated facilities to meet the growing need for technical engineering skills. This 'shovel-ready' proposal will enable them to continue to grow and service the technical agri-engineering sector in support of the Agri Tech Industrial strategy. The creation of this industry standard workshop with modern technologies will support 610 students per year will provide further full time courses, new apprenticeships and traineeships in farm mechanisation and the Service Engineering sector and develop a specialist Not in Education, Employment or Training (NEET) programme.

South Gloucestershire and Stroud College – a fifth specialist centre will be developed with South Gloucestershire and Stroud College at the Nuclear Decommissioned Berkeley site as part of the GREEN skills proposal. This site will focus on skills development for Renewable Energy, Engineering and Nuclear.

Practical workshops run in schools, linked with support from local businesses:

One day workshops delivered in schools with support of businesses, STEM Ambassadors and teachers. These will focus on Gloucestershire employer specific applications; and activities that bring the Eight Great Technologies in the classroom.

Develop a programme of teacher placements in local businesses and teacher CPD sessions

Support STEM Clubs

- Funding for the purchase of materials / equipment, plus potentially some staff training.
- Materials and equipment for national schemes First LEGO League, F1 in Schools etc

Development of online resources

Online resources will support programme delivery and will provide:

- Details of local companies and provide links to their websites;
- Job roles and careers across the STEM sectors;
- Advice on skills and qualifications required in the sectors;
- Materials to support STEM delivery and activities in schools.

Delivery

The GFirst LEP Skills Group will be responsible for overseeing the delivery of the STEM strategy. The project manager will work with the key partners of the project - GFirst EBP, Gloscol, SGS, Cirencester and Hartpury Colleges, University of Gloucestershire, Local Authority partners, Employer representatives.

A contracted provider will deliver outreach activities with primary and secondary schools.

Each partner college will be contracted to develop their specialist STEM centres and engagement plans with local schools. Each college will nominate a lead member of staff who will work with the project manager. In addition to this the LEP meets regularly with the Vice Principals of all the FE colleges which will offer further opportunities to discuss their capital spend developments detailed within this proposal.

The project manager will work with the colleges and 'outreach' provider to ensure that outcomes and targets are being met. They will also work with the Growth Hub business engagement teams to support delivery of this programme through employer participation.

The GFirst LEP skills group will also work with partners to support the development of STEM programmes within HE and for workforce development to ensure that there is alignment with the STEM Strategy.

Project Plan

2014

- Gloucestershire Skills Group formed;
- A project manager will be recruited;
- Bids for the commissioning of delivery activities will be drawn up.

2015

- Delivery partners are established;
- From March 2015 programmes of schools workshops begins;
- Develop plans for specialist STEM centres with Gloucestershire College;
- Develop a scheme of teacher placements in local businesses and teacher.

CPD sessions

- Start to develop on line resources;
- From September 2015 teacher placements in local businesses and teacher CPD sessions;
- Open Gloucestershire College Launchpad site;
- After school STEM Clubs start in secondary and primary schools;
- Equip and open Cirencester college facility;
- Expansion to Hartpury college facility.

2016

- Open Gloucestershire College Forest of Dean site;
- Open GREEN skills site.

Reporting and Monitoring

EU SIF funded activity will be monitored against EU regulator guidelines.

The outreach providers and FE college vice principals group will be asked to provide quarterly reports outlining the delivery of STEM activity to the GFirst LEP Skills Group. The LEP Skills Group will in turn report quarterly against targets for all SIF/SEP supported skills activity to the GFirst LEP Board.

Risks

A significant risk to the proposal is the failure or limitation of the EUSIF funding application which will provide revenue funding for schools activity and support the progression of students to higher levels of STEM studies.

There is a small risk of lack of business engagement. However previous and current programmes have shown that there is a huge amount of support from the engineering employers for this type of activity. The challenge will be to achieve to improve on this level of engagement and broaden participation across the other relevant sectors.

The current level of Higher Education (HE) provision is also a risk to the attraction and retention of STEM graduates and is already being addressed in partnership with the business community – e.g. Engineering Top Up degree - this will be available from September 2014.

Gloucestershire College and Hartpury College are still in the planning process for their new build sites. The risk is less for the Gloucestershire College site as they already deliver courses in the Forest of Dean at the Five Acres site and could look to refurbish here instead. Both are also looking for FE capital funding to support their new buildings.

Programme timings are realistic and allow for slippage.

Outputs

The outreach activity in this proposal will support a minimum of 3,000 secondary school pupils per annum.

The following additional activity with the FE colleges will also be delivered:

Cirencester College

An additional 100 students per year will be completing Level 3 Engineering qualifications at Cirencester College.

Increase in Level 2 provision and students taking Level 3 Applied Science, resulting in a further 50 students per year achieving a Level 3 qualification in vocational areas.

Level 4 provision and apprenticeships in the areas of areas of Engineering and Medical Science resulting in a total of approximately 30 students taking a Level 4 qualification per year.

An increase in outreach liaison by a factor of 3, equals 3000 pre -16 school students and a factor of 10 for teachers and HE industry representatives up to 500 per annum

Gloucestershire College

Centres will support STEM delivery to a minimum of 4,000 16-18 years students. – A minimum of 2,800 Level 2 qualifications.

Hartpury

610 students per year will be benefit from the new facilities. Resulting in a minimum of – 126 Level 3 qualifications, 90 Engineering Apprentices (Level 3), 48 Level 4 qualifications, 48 Foundation Degree students, 60 NEEET learners opportunities over the 6 year period, plus enhanced learning experiences for 3,240 students.

Calculations

An additional 276 students per year will be completing Level 3 qualifications.

276 per annum extra qualifications

Over 6 years = **1656 qualifications**

An additional 15 advanced apprenticeships per year

15 per annum extra qualifications

Over 6 years = **90 qualifications**

Level 4 provision and apprenticeships in the areas of areas of Engineering and Medical Science resulting in a total of approximately 38 students taking a Level 4 qualification per year.

38 per annum achieving level 4

Over 6 years = **228 qualifications**

Minimal additional outcomes are expected to be -

Level 2 – 2,800

Level 3- 1,746

Level 4 – 228

Level 4 + - 48

Over 6 years = **4,822 qualifications**

Other Sources of Funding

- Private Sector Investment
- EUSIF funding
- Other Public Sector

Private sector Investment

Gloucestershire Skills Group in kind time – **432 volunteer hours pa**

Employer voluntary participation in kind time **-1500 volunteer hours pa**

EU SIF funding

£1million to support the delivery of workshops, STEM Clubs, and teacher CPD.

Other public sector funding

Operational costs at colleges expense plus revenue budgets for delivery of courses and activities.

In addition:

Cirencester – has committed and additional £945,000 to support STEM delivery with and will make an annual commitment of £282,000pa, they have also committed £30,000 for STEM Assured and STEM in Development programme. Gloucestershire College – has committed £30,000 for STEM Assured and STEM in Development plus an investment of £1.5 million in STEM campus development. Hartpury –has committed £0.5 million to their Farm Mechanisation Building, and have secured commitment from Klass of £100,000 for equipment at the site

SGS College – SEE GREEN SKILLS

What is the 'ask' to Government?

EUSIF funding of £1million

Capital ask to government is £2,000,000 for the refurbishment and equipment at FE college sites.

£1.5 million in 2015

£0.5 million in 2016

'Fit' with national strategies, existing provision and other LEPs

The STEM strategy is in perfect alignment and supports the growth opportunities within the Industrial strategies and 8 Great Technologies. Areas of specialism already exist in the county such as aerospace and Agri-tech. The UK Qualifications and Curriculum Authority notes 'the government has identified STEM as a national priority, developing STEM literacy is a way of approaching the curriculum through all subjects but particularly through science, design and technology, engineering and mathematics, with ICT integrated throughout.'

The Autumn statement 2013 announced that the government will remove the cap on student numbers at publicly funded higher institutions in England 2015-2016. To ensure that institutions provide places in the subjects most needed in the economy the government will provide extra funding for STEM students of £50 million per academic year from 2015-2016. The University of Gloucestershire is developing plans for the expansion and diversification of its STEM provision and will offer significant opportunities for the study of HE STEM skills including –BSc Product Design, the top-up Degree BEng Integrated Engineering from 2014. It is also investigating future plans for Mechatronics/Robotics, Degrees/MSc in Computing and Mathematics, Big Data, Data Analytics; and in support of the new Business School looking at the introduction of 'joint degrees' such as Economics and Mathematics.

The model of STEM provision and enrichment at Cirencester College has received national attention through the Science Learning Centre network as an exemplar for STEM development and the recent GFirst LEP primary schools programme engaged 1245 students in practical workshops. This proves there is appetite and expertise in the county to develop this proposal in line with the national strategy. The proposal complements all activities within the Enterprise Accelerator and the GREEN proposals. It supports the skills requirements of the knowledge intensive growth sectors and will support GVA growth.

It supports collaborative working of the education sector and in particular the FE colleges. It will also support the uptake of apprenticeships and higher apprentices all of which are in line with Skills Funding Agency's (SFA) objectives.

Appendix 1H

Strategic
Economic Plan for
Gloucestershire

GLOUCESTERSHIRE
growth hub

SEP Business Case Apprenticeship Clearing House



gfirst LEP
growing gloucestershire

Business Case - Apprenticeship Clearing House

Overview

The Apprenticeship Clearing House is a component of the Growth Hub.

Based on the very successful UCAS model the Apprenticeship Clearing House (ACH) will increase the uptake of apprenticeships amongst employers and raise the profile of SME vacancies. It will increase demand for apprenticeship places from young people and 'recycle' unsuccessful candidates helping them to secure employment in their chosen sector. The ACH will work with training providers and partners to support candidates who need to improve their qualifications, employability skills and/or experience before reapplication. The ACH will support vocational progression routes to Higher Education and increase numbers of Higher Apprentices in the county. It will also improve the engagement of smaller employers by developing solutions such as 'shared apprenticeships'.

Problem or Opportunity

The national reform of the apprenticeship system and the move towards employer led funding for apprenticeships offers the perfect landscape for an Apprenticeship Clearing House. The reforms will change the relationship between employers, the government and those who educate and train apprentices. The role of the Apprenticeship Clearing House will be to support the government's implementation plan by working with employers, learners and providers and seeing them through this period of change and beyond. National Apprenticeship Service (NAS) support in Gloucestershire is limited, with only one part time contact whose role is to work with employers with 250 plus employees. We understand from our engagement with the NAS that further cuts are being made to the service which supports the requirement for this clearing house activity to support and increase employer and learner engagement.

The Apprenticeship Clearing House supports the Government's drive to increase economic growth through the recruitment of apprenticeships. It will support SMEs who claim that they would like to recruit apprenticeships but find the current system complicated. It will also encourage businesses to consider taking on apprentices into other areas of their business e.g. Engineering firms traditionally take on engineering apprentices and may not currently consider this approach within their finance or IT departments.

Only 105 companies in the county took on 5 or more apprentices in 2009/10; of the 2715 who might take such a number this is only 3%. 90% of businesses in Gloucestershire have 9 or less employees meaning that increasing numbers of apprenticeships in the county will involve supporting large numbers of employers (up to 4,000) in taking on 1 or 2 apprentices.

'there needs to be better opportunities for local employers to work in partnership with clusters of schools, federations of Academies, or LEPs. This would bring about the economies of scale for both the schools and the employers to make participation worthwhile.'

The Future of Apprenticeships in England: Next Steps from the Richard Review

Rationale for Intervention

The concept for the Apprenticeship Vacancies System was based on developing an equivalent system to the UCAS system for university applications. That example points to a simple provider-learner relationship, but Apprenticeships are not simply about learning, they link into employment. The consequence is that employers have been put outside of the system's core design, so that they are not engaged in its operation. This contrasts markedly with other online recruitment tools commonly used by employers, where they take an active role in advertising vacancies and sorting applications. In considering options for the future development of the system, this employment dimension, and the central role of employer participation, needs to be considered.

<http://www.apprenticeships.org.uk/about-us/~media/Documents/NAS-Apprenticeship-Vacancies-Evaluation-Report-090410.ashx>

Business Case - Apprenticeship Clearing House

In the delivery of activity to support employer engagement GFirst LEP found that employers have previously welcomed the opportunity to make enquiries with an impartial organisation prior to committing to work with a particular provider.

Employer engagement activity for the clearing house will be strengthened by the location of the Clearing House service within the Growth Hub. It will be fully integrated within the Enterprise Accelerator programme and be part of a 'suite' of recruitment solutions that can be offered to employers who are considering workforce development.

With higher numbers of businesses with 9 or less employees (90%) the Apprenticeship Clearing House will be key to increasing the uptake of apprentices. In other LEP areas it has been recognised that proactive interventions can support employer recruitment.

After receiving £4.6m funding from the Government's City Deal initiative in January 2013, the Leeds City Region Apprenticeship Programme has set up 8 local Apprenticeship Hubs and 2 Apprenticeship Training Agencies. This will generate 2500 additional apprenticeships, primarily with SMEs.- <http://www.lepnetwork.org.uk/apprenticeship-hubs-hit-the-ground-running>

In our discussions with schools, teachers have highlighted the ease of signposting students to the UCAS system and suggested that a similar model for apprenticeships would be useful. Students have also expressed the belief that the lack of a 'UCAS' type system for apprenticeships means that they are less likely to be encouraged to consider apprenticeships by their teachers.

The Association of Colleges survey (2011) showed that only 7% of year 10 pupils named apprenticeships as a post GCSE option. DfE destinations data showed that only 4% of KS4 learners went onto an apprenticeship from school in 2008/9, and only 2% of the KS5 cohort.

The Apprenticeship Clearing House will provide a 'no wrong door' approach with the objective that every candidate that engages with the ACH will achieve one of the following progression outcomes -

- Employment as an apprentice
- Employment with further learning planned
- Signposting of candidates to improve grades before application or reapplication to apprenticeship vacancies
- The facilitation of activities to improve employability skills

GFirst has been working with engineering employers in the county and supporting the recycling of unsuccessful candidates to facilitate their employment with other businesses in the sector. Employers are keen to see further support for this type of activity across all sectors which would be facilitated by the Apprenticeship Clearing House.

Business Case Detail

The Clearing House will be physically located in the Growth Hub with cross county reach and routes to rural communities via the education and training provider infrastructure. This central location will, support learner management and provide one access point for employers facilitating consistent delivery. The service offered will be impartial and will integrate existing resources – eg National Apprenticeship Service, National Careers Service and JobCentre Plus.

The service will consist of a web based solution, but personal contact is vital so business development and advice and guidance personnel will be employed to support these activities.

Business Case - Apprenticeship Clearing House

Virtual

- A registration process for employers and individuals, with measures taken to ensure security and confidentiality of information;
- A vacancy posting system for employers, that is standardised and supports applicant sifting;
- An automated sifting and matching procedure to provide a shortlist of candidates;
- A registration and verification procedure for training organisations;
- A referral system that provides support to anyone 'failing' within the system;
- A wide-ranging series of links to organisations providing information that supports the wider proposal;
- A monitoring and tracking system to provide updates to key partners and stakeholders;
- Personality test to help assess aptitudes and interests;
- Virtual advice centre on how to make applications.

Physical

The ACH Help Desk located at the Growth Hub will provide online, telephone and face to face support for employers, offering information and guidance with regards to the recruitment and training of apprentices. The Help Desk will also assist employers with the completion and posting of job advertisements onto the ACH system.

For individuals the Help Desk will provide advice and guidance about apprenticeship opportunities and offer support with applications. It will also provide feedback for unsuccessful applicants or those who require further support before applying for apprenticeship vacancies.

Training providers will be required to sign up to a Code of Practice when working with the Clearing House to support collaborative and partnership working and show their commitment to working with the Clearing House.

Schools will be asked to sign up to a Code of Practice to support the usage of this central system and training sessions offered to members of staff so that they can provide quality advice and guidance to learners wishing to access the system.

Delivery

The Apprenticeship Clearing House will be fully operational by July 2015. From 2015 through to 2022 there will be on-going development of the programme with businesses, providers, individuals and schools.

The success of the Clearing House will be reliant on collaborative working by all partners to raise awareness of the service with the intermediaries that they are working with. It will depend on early engagement with employers, teachers, parents and carers and it will need to be introduced to individuals at an early stage in their education. It will need the collaboration and cooperation of all apprenticeship training providers from within and outside of the county. It will need to add value to the current system by reacting quickly to enquiries from both businesses and learners to maintain interest and momentum.

Awareness of the National Apprenticeship Service and reported use of its services by employers remained relatively low. Whilst awareness rose from 19% to 24% between 2010 and 2012, its use was only reported by 4% of establishments. And only 15% of employers reported that they had heard of the Apprenticeship vacancies online tool with 2% use reported.

Project Plan

June 2014 – December 2014 the GFirst LEP Skills Group will work with key partner organisations to develop the Codes of Practice and engage training providers and schools in the project.

January 2015 – March 2015 ACH staff are recruited

January/February 2015 website is designed, developed and linked to the Growth Hub CRM system to maintain the 'account management' of engaged businesses and learners

January 2015 – April 2015 – marketing activity starts

April 2015 -Apprenticeship Clearing House launches, employer and learner registrations start.

April 2015–September 2015 – recruitment of secondary schools continues, target to have 50% sign up by December 2015.

Business Case - Apprenticeship Clearing House

Reporting and Monitoring

As the ACH will be supported by EUSIF funding the delivery outputs will need to be reported in line with the ESF funding requirements.

The GFirst LEP Skills Group will work with schools, training providers, employers and partners to deliver the Apprenticeship Clearing House activity. They will act as a key advisor and monitor quality and progress of the programme, helping to develop solutions to any arising issues alongside stakeholders and partners.

Risks

A significant risk to the proposal is the failure or limitation of the EUSIF funding application. The ACH is part of the Growth Hub Enterprise Accelerator and the EUSIF has been used to provide the revenue funding required for the delivery of these services.

The national reform of the apprenticeship system and the move towards employer led funding could slow the amount of business engagement particularly from small employers however the ACH will be established by the onset of these and perfectly positioned to help employers and providers work through the changes.

Outputs

The following outputs will be delivered by 2020:

- 2,000 new apprentices employed within engineering
- An increased uptake of apprenticeships amongst small employers who have not previously taken on apprentices – 2,000 new employers (minimum of 2,000 apprentices employed)
- Increase the uptake of employers taking on 5 or more apprentices from 3% to 12% - equivalent to 1221 apprenticeship places
- An increase in apprenticeship participation number from 8,549 to 16,000 per annum

- An increased demand for apprenticeship places from young people - an increase of 6,000 each year
- An increase of Higher Apprenticeship learners – to 1,000 starts over the period
- Increased engagement from schools – 100% engagement of secondary schools

Avoiding double counting a figure of a minimum of 4,221 apprenticeship jobs is quoted as the outcome of the programme.

Calculations

As all apprenticeship placements are jobs in place then a figure of a minimum of 4,221 apprenticeship jobs is quoted as the outcome of the programme but we believe that this would be considerably higher.

Other Sources of Funding

Private Sector Investment

Employers currently subsidise training for 19 + apprenticeships;
Employers promotion of the ACH and contribution at events – in kind.

EUSIF funding

EU SIF funding of £1,708,000 has been requested over the period of 2015 -2020 to support the delivery of the Apprenticeship Clearing House.

Other Public Sector

Mainstream SFA funding will be utilised to deliver traineeships and apprenticeship training, with employer subsidy as required. Mainstream funding will also be utilised to deliver 'pre-employment' training and training for Maths and English skills if required to support learners prior to employment.
Training providers and schools promotion of the programme and attendance at events – in kind

Business Case - Apprenticeship Clearing House

‘Ask’ of Government

The ACH will work with the National Apprenticeship Service and with their online provision. The LEP asks that the NAS provide a relationship manager that can work with the LEP so that they are fully informed of any changes to the service that will need to be addressed and supported by the ACH. Eg the recent announcements that funding will go to employers, the ACH will be in a position to help support and inform employers about these types of changes.

The LEP is also keen to support events that will promote the NAS in the county and asks that future funding for NAS promotional activities is spent in ways that will support the delivery of this proposal in the county.

Value for Money

To avoid double counting a figure of a minimum of 4,221 apprenticeship jobs is quoted as the outcome of the proposal but we consider this would be considerably higher. Based on SIF funding of £1,708,000 this equates to £404 per apprenticeship job.

‘A recent study estimates that those undertaking Higher Apprenticeships could earn around £150,000 more over their lifetime – comparable to the return for the average graduate’. AAT and CEBR (2012) ‘University education is the best route into employment?’

‘Fit’ with national strategies existing provision and other LEPs

The proposal for the clearing house will help to facilitate and support the Future of Apprenticeships in England: Implementation Plan October 2013 in the following ways-

- All apprentices will be required to achieve a certain level of English and Maths;
- Employers including small employers will lead the design of the apprenticeship standards and assessment processes;

- Employers will hold the funding and have access to quality data that will enable to choose the best training providers;
- Employers have a role to play as advocates of apprenticeships;
- Sustained contact between schools and employers;
- Employers and professional bodies will lead Trailblazer projects across the Industrial Strategy sectors.

In the Professional and Business Services Industrial Strategy the sector states that they want **to treble the number of PBS Higher Apprenticeships in the next five years** across the PBS sector, in small and medium sized businesses as well as large international firms. Numbers of HA in 2011/2012 were 3390. (BIS PBS strategy 2013)

The 2012 Department of Health strategy, Caring for our future: reforming care and support, set out an ambition for doubling the number of Apprentices in the Care sector to 100,000 over the next five years;

Apprenticemakers.org.uk brings together existing and potential apprentice employers interested in Apprenticeships. Businesses can connect on the site to share experiences, ask questions and be inspired about their future as an employer of apprentices. The ultimate objective is to encourage the increased uptake of Apprenticeships amongst small businesses which will support business growth and the development of a skilled workforce.

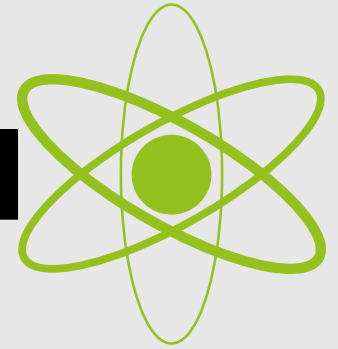
The proposal will support all apprenticeship training providers in the county by increasing the demand for and supply of apprentices. It will help to inform providers of employers’ future training requirements and support the delivery of employer led programmes by facilitating employer – provider engagement activities.

It will also support apprenticeship progression and enable providers to develop Higher Apprenticeship frameworks by facilitating ‘cohorts’ of students seeking vocational routes to HE.

Appendix 2

Strategic
Economic Plan for
Gloucestershire

GREEN



SEP Business Case
Gloucestershire Renewable Energy,
Engineering & Nuclear (GREEN)



gfirst **LEP**
growing gloucestershire

Overview

“Nuclear power is, and will continue to be, a key part of our low-carbon energy mix alongside renewable generation and Carbon Capture and Storage. All of these technologies are important in tackling climate change and diversifying our supply, contributing to the UK’s energy security and growth”.

*RT. Hon. Vince Cable MP B.I.S.; RT. Hon. Ed Davey MP D.E.C.C.
(HM Government 3:2013).*

As a geographical location, Gloucestershire is of national significance with many regional, national and international businesses providing intellectual, strategic and operational services to the engineering, low carbon and nuclear industries from within the County. The GREEN Skills Project offers a significant opportunity to regenerate a largely redundant public sector asset in an innovative and inspiring way.

As the site of a former nuclear research facility, Berkeley Centre is entirely capable of accommodating an inspiring and unique campus which will be used for the development of Science, Technology, Engineering & Maths (STEM) skills needed to deliver future economic growth and to maximise the return to the UK economy from major infrastructure projects.

The Green Skills project will be a key enabler for economic growth in Gloucestershire, neighbouring counties and the region as a whole and has the opportunity to lever significant resources from partners working across both the public and private sectors. It is well placed to operate as either a ‘hub’ or ‘spoke’ as part of the government’s commitment to provide a ‘New Nuclear College’ (BIS, 2014)

More specifically the GREEN Skills Project will aim to achieve the following economic objectives:-

- Return a greater value of investment from ‘new nuclear’ to the UK supply chain (Oxford Economics, 2013)
- Provide a greater number of STEM jobs demanded in Gloucestershire¹ (NEF, 2014)
- Encourage greater social mobility; potentially backfilling the skills drain from major infrastructure projects
- Encourage innovation, entrepreneurship and new business start-ups. Gloucestershire has above average success for new businesses¹ (NEF, 2014)
- Address the skills needs and economic opportunities offered by low carbon industries
- Provide potential to react to demands, whilst growing and adapting to provide new technology skills as required

The GREEN Skills Project forms an effective way for the UK government to achieve its stated ambitions and concerns:-

- “For the UK nuclear industry and its approach to skills and workforce development to be recognised as an example of international best practice” (HM Government, 2013)
- Meeting the current and future need for engineering and technician skills (HM Government 2013) “About one fifth of all vacancies in the wider construction sector are persistent and hard to fill because employers cannot recruit staff with the right skills, qualifications and experience” (HM Government 2013)

¹. http://gfirstlep.fastdevedit.com/cms/doc_get.aspx?DocID=158

Appendix A http://gfirstlep.fastdevedit.com/cms/doc_get.aspx?DocID=160

Appendix B http://gfirstlep.fastdevedit.com/cms/doc_get.aspx?DocID=161

Problem or Opportunity

As an area of national importance for STEM employment and output, Gloucestershire is well placed to grow its economy over the next 20 years. This growth cannot be fully realised without Government support and intervention. The 'skills drain' from major infrastructure projects and the provision of new skills has the potential to provide the county with either a significant problem or a significant opportunity. Major infrastructure projects across within the wider region will demand access to a skilled workforce. If developers and operators are not able to access these skills locally they will bring them in from other parts of the UK or from overseas.

Nuclear

In the South West, aside from on-going electricity generation and decommissioning, two new nuclear power stations are planned. At Hinkley Point in Somerset, a 1 hour drive from Berkeley, Gloucester based EDF is close to commencing work on a £15 Billion investment to build the first new nuclear power station in the UK for over 25 years. Hinkley Point 'C' alone will make significant demands on the country's skilled workforce.

Horizon Nuclear Power has plans to build a second nuclear power station at Oldbury, 5 miles from the proposed location of the GREEN Skills Project. This project, along with others at Wylfa, Sizewell and Sellafield are likely to commence within the next ten years. Each of these will demand access to many thousands of appropriately skilled and trained staff.

These major infrastructure projects will draw upon local, regional, national and, most likely an international workforce and will require Gloucestershire to respond to unprecedented demand for labour. To meet this demand, Gloucestershire needs to grow its skilled workforce to build and retain the skills and knowledge in the county servicing the nuclear sector. Such skills will also be in demand from other low carbon, energy and engineering industries. Investing in the skills infrastructure in the county will help to ensure that the County is ready to respond and reap the rewards of the huge investment that is going to take place.

It is worth noting that the energy and water sectors are forecast to provide 4.4% of the UK's total gross value added (GVA) in 2025 (excluding infrastructure projects & decommissioning). Gloucestershire has identified Knowledge Intensive Services as a target growth sector, forecast to contribute 33.8% of the growth in GVA and 37.6% of

the GVA in 2025. The South West has a high proportion of Nuclear skills employment with 3600 employed directly in nuclear generation and decommissioning. 65% of the current nuclear workforce will retire by 2025 (NEF, 2014).

Engineering, Manufacturing, Science & Technology

Businesses in engineering, manufacturing and technology across the region already compete for highly qualified and skilled people. Businesses operating in these sectors are at constant risk of losing staff in a skills drain to major infrastructure projects. This problem can only be addressed if a greater number of skilled staff can be made available. In Gloucestershire, engineering vacancies are frequently difficult to fill and smaller companies are reluctant to take on apprentices for fear of losing them to larger organisations when trained.

The Green Skills Project's close links with Higher Education (HE) institutions (South Gloucestershire and Stroud (SGS) College is an associate Faculty of the University of Gloucestershire) and partnerships with Colleges and Private Training Providers, provide for the delivery of skills from Business and Technology Education Council (BTEC) Level 2 to Level 7.

Low Carbon & Construction & Engineering-Construction

Infrastructure projects such as Nuclear New Build will provide unprecedented demand for skills. EDF has already committed to creating 500 apprentices during the ground-works and construction phases of the project; a number greater than the current number of apprentices currently being trained nationally in associated trades. With this as a backdrop construction will grow 31.9% and contribute 7.9% of the GVA in 2025 (NEF 2014). The GREEN skills project will play a significant role in the achievement of this GVA growth.

The GREEN Skills Project will help to meet the demand for skilled staff in this sector in particular but it will also deliver against a specific target area for the other growth sectors in the county and nationally.

The GREEN skills project will support low carbon initiatives closely working with industry partners to install a wind turbine 'rig' to enable specialist training to take place. This will include rope access and provision to ensure effective syncing to the national grid.

The project will allow partners such as Severn Wye Energy Agency to further grow their delivery of training provision and support for businesses to help them increase energy efficiency and install renewable energy technologies.

Social Mobility, Employability & Jobs

The opportunities for growth in the STEM, low carbon, energy and nuclear areas present a tangible opportunity to address social mobility and unemployment whilst creating employment. The skills drain associated with infrastructure projects offers the opportunity to 'backfill', retrain and provide skills at all levels and sectors in Gloucestershire and the South West. The GREEN Skills Project will address these skill needs, providing opportunities for local people and targeting areas of deprivation.

Rationale for Intervention

The GREEN Skills Project will increase the numbers of skilled workers in the region and provides the opportunity to return greater value to the UK supply chain, provide employment, increase GVA, support a low carbon economy and increase social mobility. With a modest investment the project is well placed to address many of the economic and social challenges in Gloucestershire and the South West.

Oxford Economics (86:2013) has noted that government intervention can support a greater return to the UK economy from new nuclear build with targeted intervention. Currently 53% of the value is likely to be secured however this could, with intervention, increase to 63%.

The GREEN Skills Project will help to ensure that there is a continuous supply of adequately trained, skilled and qualified workers within the region able to support the delivery of large infrastructure projects whilst maintaining the skills requirement of existing companies in the low-carbon, construction and engineering industries in Gloucestershire and the South West.

This additional capacity cannot be met by existing providers in the region. Bridgwater College and the National Skills Academy (NSA) are working with SGS to ensure the skills needs for these projects will be available.

The GREEN Skills Project will efficiently provide the facilities and expertise on one site and bring together, for the first time, Colleges, the University of Gloucestershire and Private Training Providers to share expertise and resources.

If we do not meet this skills challenge we risk a significant proportion of the benefit from large infrastructure projects such as nuclear new build going out of the county and the UK and we miss an opportunity to grow the skills base required by local, regional and national industry.

Business Case Detail

An exciting opportunity exists to redevelop the former BNFL Laboratories Site at Berkeley to provide a STEM training centre of local, regional and national importance. The GREEN Skills Project has the scope to become either a 'hub' or 'spoke' of the national 'new nuclear college' whilst providing the skills required by green and low carbon and wider construction and engineering sectors.

SGS has agreed the basis for the acquisition of the site at Berkeley with the site's current owner, the Nuclear Decommissioning Agency (NDA).

SGS is proposing to lead the GREEN Skills Project, delivered in partnership with the Gloucestershire Local Enterprise Partnership (LEP), Gfirst, and education providers in the county and nationally. SGS has established strong and effective links with employers in the nuclear sector and is one of only two National Skills Academy for Nuclear (NSAN) quality approved providers in the South West. In addition, SGS has delivered skills training to the low carbon and green sectors for many years. This work is key to the LEP plans and those of neighbouring LEPs.

The GREEN Skills Project will redevelop the largely disused and redundant public sector brownfield site to provide a campus to respond to the massive growth in demand for STEM skills from the renewable energy, engineering and nuclear sectors. The initial plans for redevelopment will provide the UK's first zero carbon campus, regenerating the site and providing new employment opportunities in the local area.

The project site is ideally located, just off the A38, 10 minutes from the M5 (& M4 interchange), an hour's drive from Hinkley Point C, 5 miles from Oldbury B and close to Gloucestershire's energy, nuclear and supply chain employers (EDF, Horizon, Ariva, Ecotricity, Magnox, Atkins, Jacobs, Cavendish, Doosan Babcock etc.).

Situated in a location equidistant from SGS's existing campuses, a shuttle bus service will operate between the sites.

The GREEN Skills Project's over-arching primary aims will be to:-

1. Drive economic growth through the provision of skills
2. Address critical skills shortages required for infrastructure projects
3. Provide skills training to industry standards (e.g. Nuclear Delta)
4. Maximise return, through skills provision, to the UK's economy
5. Address social mobility issues and unemployment taking advantage of infrastructure investment

In addition, the project will address the following key areas for the local and regional economy:-

1. Raise publicity and aspirations, attracting young people to STEM careers
2. Provide skilled people to fill the skills drain created by infrastructure projects
3. Provide a focal point for innovation, business start-ups and low carbon energy generation
4. Provision of specialist 'full cost recovery' and commercial training opportunities

The capital funding request (minimum £5 million) will support the establishment of Phase 1 of the GREEN Skills Project. The project is phased and scalable. Each phase is planned to be self-sustaining and positions the project to be able to take advantage of private sector investment (e.g. community investment from the potential nuclear build at Oldbury) to return additional value, jobs and social mobility to Gloucestershire and the UK as a whole. This has been demonstrated to date by EDF's investment in Bridgwater college totalling £19.5 million (as at Feb. 2013).

A strong working partnership has been established with Bridgwater College, the Hinkley Point Training Agency (HPTA) and the National Skills Academy for Nuclear (NSAN). The Green Skills Project is well placed to act either as a 'hub' or 'spoke' of the proposed "New Nuclear College". SGS College has also developed strong links with the local and regional supply chain to fully understand their pressures and requirements.

Partners and stakeholders have been consulted and contributed to the project plan this includes; Stroud District Council; NSAN; South Gloucestershire Council; Heart of the South West LEP; Bridgwater College; The NDA; Berkeley Site Stakeholder Group and numerous others.

Ecotricity

Ecotricity have publically supported the GREEN skills project. Ecotricity are a ground breaking green energy electrical generator and retailer offering 100% zero carbon electricity to the uk retail market at competitive prices. Ecotricity have expressed their plans to support training for the low carbon sector more specifically providing the skills for working at heights during the installation and repair of wind turbines.

NIBE Energy Systems Ltd

NIBE are a growing supplier and installer of ground source heat pump and low carbon heat and electricity generation. NIBE support the GREEN skills project and hope to use the site to train the growing number of installers of their equipment in the south west.

Partners have already expressed an interest in involvement in the GREEN Skills Project and have strongly indicated that once established they could / would provide private sector investment to contribute towards further development of the project. Initial intent has been made concerning a variety of opportunities such as:-

- Ground source / water heat pump training – Private sector enterprise looking for a training location with the ability to provide significant capital investment utilising the Berkeley sites potential
- Wind Energy, non-destructive testing and rope access testing – Private sector investment to establish a realistic working environment and to provide a showcase for low carbon technologies
- Private sector commercial training – commercial training providers moving their delivery to the GREEN skills project site taking advantage of facilities and learning environment

The GREEN skills project will contribute to and be supported by the other flagship projects within the Strategic Economic Plan, in particular the Growth Hub and Growth Zone. It will provide a further source of valuable employment land and offers the potential for business incubation. Uniquely this could include workshop and laboratory space.

Delivery

A detailed delivery plan is already in place. SGS has commissioned Provelio Ltd, their project management consultant, who also act throughout the UK Nuclear Industry, to undertake a full feasibility and initial project planning study. SGS and Provelio have delivered similar projects together on time and to budget in the past such as the WISE campus in South Gloucestershire.

This detailed study provides the basis for the full project plan with key project milestones and timeframes identified. The study covers in detail:-

- Outline Master-planning
- Agreement in principal (heads of agreement) with the site's owner, the NDA
- Project milestones and timeframes
- Stakeholder engagement planning
- Detailed building and risk mitigation planning
- Risk (threat and opportunity) logs
- Additional funding sources e.g. NDA and Magnox Ltd, socio-economic funding
- Planning considerations

The GREEN Skills Project has strong partner support which includes:-

- The site's owner, the NDA, and the neighbouring nuclear site operator, Magnox Ltd
- Gloucestershire & South West FE providers including those working in the nuclear sector (e.g. Bridgwater College)
- Local residents, businesses and councillors
- Local authority etc.

SGS will be the project lead throughout and will collaborate with other FE institutions, Universities and employers to avail of lessons learnt from similar projects and share best practice. SGS will have overall responsibility for the management of risks and ensuring that the project is delivered to time, budget and delivers the outcomes described.

Project Plan

A full and thorough (working document) MS Project plan is in place for the capital phase of the project. This plan allows for flexibility and ongoing review to ensure key targets are realistic and achievable.

The outline programme for implementation is as follows:-

- July 2014 – secure funding
- July 2014 – appointment of project management / developers
- July 2014 – Formally start legal work etc.
- August 2014 – commission full architectural work and surveys
- September 2014 – submit planning
(fast track approach already agreed with Stroud District Council)
- October 2014 – complete legal work
- October 2014 – planning outcomes
(providing time for revisions as necessary)
- October 2014 – further stakeholder consultation
- November 2014 – secure planning and associated works
- November 2014 – appoint contractor
- December 2014 – standstill period
- January 2015 – Receive first funds
- January 2015 – Commencement of refurbishing work
- September 2015 – SGS Students transfer Construction & Engineering

To facilitate such a tight timeframe, background work has already been undertaken. This includes detailed project planning work with key partners such as the LEP, Local Council, FE & HE partners and the NDA.

Reporting and Monitoring

The GREEN Skills Project will be managed and operated by SGS with a detailed reporting line to Gfirst.

Once approved for funding, an advisory board / committee will be established with representatives from key stakeholders. This board together with the LEP and SGS governance arrangements will provide effective guidance, monitoring and assurance and will ensure that senior managers are held to account.

A detailed project plan, using accepted methodology, will be used to report on the capital build phase. Programme, cost and risk management information will be reported to the advisory board and the LEP on a monthly basis.

Specific reporting arrangements will be established to report on progress against individual revenue schemes (e.g. European Union Structural Investment Funding (EUSIF))

Risks

A full and detailed risk log is in place for the project. This working document details the risks associated with the capital project and establishment of the GREEN Skills Project. A summary of the risks include:-

- Risks to funding
- Risks that significant infrastructure developments (i.e. new nuclear) don't take place
- Delays to building including wildlife and environmental concerns
- Business rates considerations
- Risks in relations to build and infrastructure

Mitigation is being effectively managed and logged against each risk on the central risk register.

Outputs

The investment in the skills infrastructure is reported (Oxford Economics (86:2013) as being capable of raising the return on the value of a nuclear power station for the UK economy from 53% to 63% with estimated significant value gain to Gloucestershire (estimated based on job growth contributing to higher than average GVA). This benefit will not be realised without this investment to develop and promote local skills. It will enable Gloucestershire to build a long term sustainable skills system providing growth opportunities for Science, Technology, Low carbon and Engineering businesses in Gloucestershire. In the short term, EDF has committed to creating 500 apprenticeship jobs in groundwork's and initial construction, a number greater than the total apprenticeship output in these trades UK wide per year.

Once operational the centre will deliver people qualified level 2 to 7. We anticipate a minimum in the first year of 70 at level 2, 50 at L3, 25 at L4, 12 at L5, 10 at L7 with a 10% increase each year.

The Berkeley Centre site will not only provide an exceptional training base but in addition will provide the opportunity for the release of valuable employment land with good communications access to the M5 motorway both north and south. The agreement to transfer the site to SGS will take the existing tenants, Magnox Ltd and Cavendish Nuclear, into account and protect their future accommodation requirements.

The funding requested will provide a 'seed' to attract additional funds, this may for example provide an excellent route for community benefit payments likely to be made by Horizon Nuclear Power as part of planning process for Oldbury B to be invested to benefit the local community and businesses. For example, EDF has invested £19.5m at Bridgwater College to date.

Securing local employment from infrastructure projects (e.g. Hinkley C & Oldbury B) will ensure that job 'churn' is reduced. As a result staff turnover will be reduced, transient employment will be reduced and a lasting skills legacy will be provided for the county and region.

The new jobs and 'up-skilling' of the local workforce will result in a greater return to the local economy. Increased GVA will be provided by the well paid (above average) growth in Energy related employment.

The GREEN skills project will aim to enhance and secure the employment in the Energy and Engineering sector through the provision of skills and facilities, attractive to both large multi-national companies and smaller businesses.

The GREEN skills project has the opportunity to make effective use of the Nuclear Regulators commitment which could provide up to £2m for the Berkeley community resulting from the storage of intermediate level waste from Oldbury.

In addition we anticipate that the project will create jobs in estate management and related occupations benefitting the local employment market by protecting 25 jobs and creating an extra 100 jobs on site.

Estimated Outputs:

N.B. Option B has been used for the financial projections in the SEP

Option A: Based on *minimum* outcomes (no new nuclear, just GREEN)

Jobs:

- Min. Jobs related to training (note the training can be very varied from a 3 day CCNSG to 4 year apprenticeship) per year :- $300 \times 6 = 1,800$
- Min. Jobs protected by backfill per year (estimated reasonable target):- $350 \times 6 = 2,100$
- Protecting Jobs on site: 25, and creating jobs on site :100

Business start-ups:

- Min. Business Start-ups / incubation per year:- target 20 start-ups increasing by 10% year on year = 120 over 6 yrs

Qualification Levels (Minimum per year, and increasing 10% every year)

L2-70, L3-50, L4-25, L5-12, L7-10

By 2020/2021 the estimated annula results will be L2-113, L3-80, L4-40, L5-19, L7-16
The cumulative total for all qualifications over the period 2015/2021 will be 1286.

GVA

- GVA (based on £10k increase on earnings above £28k) - $\text{£}3.5\text{m per year} \times 6 = 21\text{m}$
- The total site is 40 acres, approx 10 acres (4.05HA) of which is currently employment land.
- The project long term would see this increased to approx 50% of the site.

GVA estimate for 4.05ha is 6.48m pa, based on Arup ratio 150ha:240m = 1.6m per HA.

GVA x 6 years adjusting for increase = £58.32 million

Option B: Opportunity Potential (as A + Hinkley & Oldbury to follow)

Jobs:

- Jobs related to training (per year) – 2,500 plus 200 apprenticeships
- (Jobs $2,500 \times 6\text{yrs} = 15,000$ Apprenticeships $200 \times 6 = 1,200$)
- Jobs protected:- 350 (as above)
- New jobs (total):- 3,000 (in respect of Hinkley Point, based on EDF 1 ½ hour
- commute from Hinkley & EDF's Gloucestershire & Supply chain base)

Business start-ups:

- Min. Business Start-ups / incubation per year:- target 20 start-ups increasing by 10% year on year (as above)

Option C: Best case, Hinkley starting soon & Oldbury to follow at some point

Jobs:

- Jobs related to training (per year) – 15,000 plus 500 apprenticeships
- Jobs protected:- 350
- New jobs:- 25,000+ (in respect of Hinkley Point, based on EDF 1 ½ hour commute from Hinkley & EDF's Gloucestershire & Supply chain base)

Business start-ups:

- Min. Business Start-ups / incubation per year:- target 20 start-ups increasing by 10% year on year

Private investment on infrastructure spend:

- Significant infrastructure spend circa £14billion by a Gloucestershire based company (Horizon)

Other Sources of Funding

- **Private Sector Investment: Estimated £19.5 million**
- **EUSIF funding: £5.95 million**
- **Other Public Sector: £11.45 million**

SGS is in advanced discussions with the NDA. The terms being negotiated will show a value described below:-

- NDA site - £5million
- SGS site lease - £2.55m
- Income from rental (leases in place) - £1.5m (over 15years)
- Relocation of SGS college provision (backfilled at Stroud) - £3.5m over 2 years

Estimated single private investment (based on similar arrangement at Bridgewater): £19.50 million

EUSIF: £5.95 million revenue funding to support the GREEN initiative

Further finance though at this stage unquantifiable:-

New leases and future private sector investment in the site.

Indicative proposals from businesses and employers to provide additional infrastructure that will support education and training are being worked up. This may, for example, provide significant capital investment from business that will then provide a location for specialist skills training.

A consultation is underway looking into the potential to store some waste from Oldbury at the neighbouring Berkeley nuclear site. This will have a significant saving in decommissioning costs (circa £15million). It is possible that a proportion of these savings could be channelled into the local area, either as a voluntary contribution or through community benefit payments. This could be spent in the Berkeley area on business and community projects. The GREEN Skills Project is well placed to take advantage of any such funding and further return additional benefits to the local community and economy. The project already has high levels of support locally from residents, councillors and local businesses.

From the outset of the project SGS will locate its already well-established engineering and construction activity at the site providing a source of on-going revenue (with immediate potential for growth). This activity is funded from a mix of Skills Funding Agency, Education Funding Agency and contributions from industrial partners.

Ask of Government

The GREEN Skills Project requires a minimum of £5 million in capital funds from the SLGF.

This funding will allow the project to achieve its stated aims. The project is scalable and can therefore have a greater impact and achieve greater economies of scale with larger funds. The long term master plan aims to raise a total of £25 million over a five year period from a range of sources, both public and private. If greater funding becomes available more quickly greater economic benefits could be achieved in a shorter timeframe. The master plan would see the full extent of the former Berkeley power station transformed in to a skills, employment and business park.

Capital funds will be used for the refurbishment of existing buildings providing:-

- Teaching rooms
- Workshops (construction & engineering)
- Flexible teaching workshop space
- Business incubation & office 'pods'
- Exhibition space

The project will work closely with the existing on-site leisure provider to further enhance community access and facilities whilst providing sport and leisure facilities for students.

In addition, to maximise the return to the UK economy and to provide the greatest value and social mobility for learners, the project requests the following Skills Funding Agency 'freedoms and flexibilities' with regards Adult & Apprenticeship funding:-

- Co-funding for L3 qualifications (adults) linked to infrastructure, engineering & low carbon sectors
- Fully funding unemployed people to access L3 qualifications as above
- Full funding for Adults at Level 2 & Level 3 in Small and Medium Enterprises
- Allow provision of funding for units of qualifications

'Fit' with national strategies, existing provision and other LEPs

The project is consistent with the Government's objectives as outlined in their Nuclear Industrial Strategy – 'The UK's Nuclear Future'.

- For industry to be supported by a workforce with the skills, capability and capacity required to successfully deliver current and future UK nuclear programmes with the highest standards of nuclear professionalism, safety and competitiveness;
- To have a supply chain with the skills and expertise to compete on a global basis for contracts;
- For the UK nuclear industry and its approach to skills and workforce development to be recognised as an example of international best practice.

Construction 2025 the Government's Industrial Strategy on Construction

Rigour and Responsiveness in Skills

Skills for Sustainable Growth

Offshore Wind Industrial Strategy

Further education (FE) college capital investment strategy

The GREEN skills project is closely aligned to other LEP projects and priorities, for example:-

- The Growth Hub – supporting new businesses to grow and flourish cross-sector throughout Gloucestershire
- The Growth Hub – providing central services for business to access skills and growth services throughout the county
- Business Incubation – providing the opportunity to support new business start-ups
- Heart of the South West LEP – clear linkages and support for employment and skills in relation to Hinkley C

LEP Relationships

West of England – West of England LEP is supportive of the GREEN project and has been fully informed of its brief and plans. The CEO of South Gloucestershire council (in which Oldbury B will be built) is particularly supportive and has provided a written letter of support.

Heart of the South West LEP (HOTSW-LEP) is aware of the GREEN skills project. In particular the LEP is aware of how it can contribute to the overall success of the new Nuclear build at Hinkley and how it would support HOTSW LEP's associated skills plans.

Value for Money

This project provides exceptional value for money. The relatively modest investment of £5million will lever further investment in kind (circa £10m in the provision of property and land) from the NDA, providing an instant and guaranteed capital return on investment of 2:1

The seed funding will ensure that the investment likely to be made by Horizon in local college facilities benefits not just the college but learners, local businesses and the economies of both Gloucestershire & South Gloucestershire, maximising the return on this subsequent investment.

References

HM Government, Nuclear Industrial Strategy -The UK's Nuclear Future, Page 3:2013

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Oxford Economics, The economic benefit of improving the UK's nuclear supply chain capabilities, Page 86:2013

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Appendix 3A

Strategic
Economic Plan for
Gloucestershire

GLOUCESTERSHIRE

growth zone



SEP Business Case Employment Land at M5 Junction 9



gfirst LEP
growing gloucestershire

Business Case - Employment Land at M5 Junction 9

Overview

To support the 3 major proposed developments on the A46 adjacent to J9 that, in total, will produce an annual GVA of £74m and 3300 jobs with no immediate cost to the public purse. In addition, to work with Worcestershire LEP, DfT, Highways Agency and the Local Authorities on a long term transport solution to the A46 congestion in advance of the MOD site of 80 ha being released for employment and housing.

Problem or Opportunity

Developable land around J9 at Ashchurch is allocated for three major new employment sites. These will provide 38 hectares of new employment land. Some have their challenges for growth.

Sainsbury's

Sainsbury's have obtained planning permission from Tewkesbury Borough Council [TBC] for a new 6300 sqm retail store on a Brownfield site of circa 4ha at Easter Park situated on the A46 adjacent to the J9 junction to the east. This is currently with DCLG for approval in view of the size of the scheme. If successful it will provide circa 300 local jobs and a GVA of circa £6m per annum. There will be a strong emphasis on energy sustainability in both the design and development of the store with a strong emphasis of availability by public transport.

Retail Outlet & Garden Centre

A second site, located on the A46, virtually opposite Sainsbury's is the subject to a planning application for a garden centre and retail outlet development by Robert Hitchins Ltd [RHL]. The development of the 14ha site costing £35m will provide 1000 jobs on completion and 175 jobs during the construction phase in the M5 Growth Zone. The estimated GVA is £28m per annum. Again there is a strong emphasis of availability by public transport. A response from TBC is expected in 2014. If the planning application is successful it will again be subject to approval by DCLG in view of its size.

Ministry of Defence [MOD]

The third and most important site in the immediate vicinity is the Ministry of Defence [MOD] site of circa 80ha. Again this is situated to the east of J9 on the A46. The site is due to be decommissioned but we are unable to ascertain precise dates at present. Whilst it is currently allocated to be used for housing and employment land development it is not guaranteed to come forward within the timescale of the SEP. When it does come forward it is likely to require remediation work before it is suitable for redevelopment. The working assumption is that ¼ of the site, 20ha, will be allocated to employment land. This could create circa 2000 jobs generating £40m GVA as medium density office employment usage.

Rationale for Intervention

The opportunity is to create a total of circa 3300 jobs generating an annual GVA of £74m per annum across the 3 sites.

The first problem is to define and accelerate the release date of the MOD site to release the jobs and GVA opportunity. This is the real ask of this paper.

The second problem is that of transport congestion and connectivity. This is addressed by the Business Case for the M5 Junction 9 Transport Strategy.

Business Case Detail

Define and accelerate the release date of the MOD site to release the jobs and GVA opportunity.

Support Sainsbury's and RHL planning applications in view of the opportunity for jobs and the impact on GVA with little cost to public purse

The transport issues are addressed by the Business Case for the M5 Junction 9 Transport Strategy.

Business Case - Employment Land at M5 Junction 9

Delivery

2014/15/16

Sainsbury's planning approval from DCLG ?

RHL Ltd planning approval from TBC and DCLG?

Feasibility study for dual carriageway improvements in conjunction with Worcs LEP

2014/15/16

Construction of Sainsbury's and RHL development?

Feasibility study for dual carriageway improvements in conjunction with Worcs LEP

2016

Construction of Sainsbury's and Outlet Village/Garden Centre

2016/17

Open Sainsbury's and Outlet Village development?

Release of MOD land for mixed use

Project Plan

A detailed project plan for the MOD site cannot be started until we are able to define and accelerate the release date of the MOD site.

The detailed Project plans for the Sainsbury and RHL schemes are held by and available from the companies. They are responsible for the delivery.

Dates of the transport project plan are provisional and dependent upon approval. The first problem is to define and accelerate the release date of the MOD site to release the jobs and GVA opportunity. This is the real ask of this paper.

Reporting and Monitoring

Formal reporting will be through the governance arrangements established to manage the delivery of the SEP

Details for the transport element are addressed by the Business Case for the M5 Junction 9 Transport Strategy.

Risks

Risk	Scale	Mitigation	Revised Scale
MOD Does not release Aschurch site	High	Political pressure	Medium
Planning refused for RHL Outlet Village	Medium	LEP to lobby through DCLG	Low
Transport connectivity and congestion issues	Medium	See Business Case for the M5 Junction 9 Transport Strategy.	Low

Outputs

	GVA pa	Jobs
MOD	£40m	2000
RHL Village	£28m	1000
Sainsbury's	£6m	300
Total (estimated)	£74m	3300

Other Sources of Funding

None.

Ask of Government

Define and accelerate the release date of the MOD site to release the jobs and GVA opportunity.

The transport ask is addressed by the Business Case for the M5 Junction 9 Transport Strategy.

Value for money

Excellent VfM due to large GVA uplift for little Government spend – see Outputs above.

'Fit' with national strategies, existing provision and other LEPs

N/A

Appendix 3B

Strategic
Economic Plan for
Gloucestershire

GLOUCESTERSHIRE

growth zone



SEP Business Case Employment Land at M5 Junction 10



gfirst LEP
growing gloucestershire

Business Case - Employment Land at M5 Junction 10

Overview

To release an additional 127ha of land adjacent to J10 in NW Cheltenham as employment land with some housing. The JCS currently proposes that this be safeguarded and thus remain untouched until 2031. If released it will provide approximately 6500 new jobs producing an annual Gross Value Added [GVA] of £139m per annum and compelling leverage to make J10 of the M5 a long overdue 4 way junction. This in turn would provide an estimated £2.7m journey time savings. As a mixed use development it could provide circa 1100 additional houses.

Problem or Opportunity

Employment Land in Cheltenham Area

Cheltenham has had no real supply of new employment land in the last 15 years. There is a real fear and emerging evidence that existing business seeking to expand their premises or new businesses seeking to locate in the area will be forced to look elsewhere to the detriment of the economy of the county.

Joint Core Strategy [JCS] Proposal

The JCS currently proposes 23ha of employment land be allocated at North West Cheltenham to meet the need for the next 20 years. This is adjacent to Junction 10 on the M5. A detailed submission from commercial agents and developers contend that the proposed JCS allocation of 23ha is far too conservative and only caters for projections based on 'business as usual' growth using a recessionary baseline. This is currently being revisited. In addition the LEP commissioned a report from Nathaniel Lichfield & Partners [NLP], Planning and Economics experts, to specifically consider the needs of the market. Their interim report indicates that the JCS allocations "needed to increase substantially to meet demands"

Current constraints on Employment Land

The amount of land that can be allocated here is constrained because Junction 10 is only 2 way. Currently traffic can only gain access to travel north towards Birmingham on the motorway. There is no access to travel south towards Bristol, the South West and Wales. This means that traffic travelling southwards on the motorway is forced to re-route through Cheltenham. This severely limits the value of the area to businesses.

An adjacent, additional area of circa 127ha immediately surrounding Junction 10 is currently safeguarded for development until after 2031. If this were available and combined with the proposed allocation of 23ha it would create 150ha of high quality employment land in an urban area of Cheltenham adjacent to the motorway junction. As a mixed use development it could provide circa 1100 additional houses.

Projected Growth Achievable

A site of 150ha in this location could deliver transformational growth for the county and be the anchor point of the M5 Growth Zone. 150ha could introduce approximately 6500 new jobs to the site dependent on the density and use of development. As a mixed use development it could provide circa 1100 additional houses.

6500 new jobs would represent an increase of over 2% in the total number of jobs in the county and could contribute an estimated additional £139m per annum to the regional GVA. These figures would need to be adjusted for various factors including displacement and multiplier effects to reach a more accurate estimate of the likely net change.

Evidence of Need For Employment Land at J10

Information provided by the LEP Construction & Infrastructure Sector Group is that there have been recent enquiries from medical firms and others in similar fields for premises in or around Cheltenham which have had to be turned away due to lack of suitable premises. Similarly, when local firms grow and expand, they often struggle to find suitable premises in and around Cheltenham and, rather than relocating further afield in Gloucestershire, can be lost to areas such as Bristol and Birmingham.

Business Case - Employment Land at M5 Junction 10

Two reports have been commissioned from NLP to quantify the employment land required at J10. One has been commissioned by the JCS to revisit a modelling exercise based on historical data.

The other has been commissioned by the LEP to quantify the scale and nature of likely demand for employment land in the JCS and compare this with the available supply. This involved an assessment of local property market circumstances and a consideration of both recent and likely future trends in conjunction with commercial property agents to determine the likely demand and take up rates.

The final reports are due in April 2014 but draft versions are available for review. The provisional indications however are that the results will basically confirm the previous conflicting figures. That is that the JCS proposal of 23ha based on modelling is adequate for growth and that the LEP proposal that an additional 127ha is required to meet the market demand and deliver transformational growth for the county.

Rationale for Intervention

Basic Rationale

Employment development around Junction 10 could provide a high profile anchor for the M5 Growth Zone concept. It will also provide up to 6500 jobs for new residents in the neighbouring urban extension for 4500 houses proposed by the JCS. In addition it will meet existing latent demand for high quality space near to Cheltenham and build on the existing strengths of the South West advanced manufacturing, aerospace/engineering and nuclear research sector. It will also potentially provide incubator space to support emerging regional strengths in food processing and renewable technologies.

Preliminary conversations with one of the major landowners between North West Cheltenham and junction 10 (Bloor Housing) suggest that they would be interested to develop the land if allocated. They accept that mixed use, including employment land, is likely to be the most plausible and pragmatic use to bring the site forward. They have indicated that they are unlikely to bring forward the site in the absence of a junction upgrade but that they see no other significant barriers to development - subject to the land being allocated through the local plan process.

The justification for a junction upgrade to 4 way rests on this potential to unlock a strategic employment and mixed use site which will attract significant new growth and jobs. Increasing the capacity of the motorway junction will reduce the risk of journey time uncertainty and increase the desirability of development land in NW Cheltenham. In this connection please see the Business Case: M5 J10 All Movements.

Business Case

To unlock safeguarded land proposed by the JCS to provide a total of 150ha of mixed use, including employment land. As a mixed use development it could provide circa 1100 additional houses.

Delivery

Please see the Business Case: M5 J10 All Movements.

Detailed Project Plan

Please see the Business Case: M5 J10 All Movements..

Reporting and Monitoring

A project team to be established with representation from LEP, Glos County Council, Joint Core Strategy (JCS) Cheltenham BC, Tewkesbury DC, Department for Transport (DfT), Highways Agency (HA), Landowners and Developer(s). A project manager to be appointed to manage this process and associated project commissions on behalf of the project team including project milestones.

Business Case - Employment Land at M5 Junction 10

Risks

Risk	Scale	Mitigation	Revised Scale
JCS Does not agree to release any of the additional safeguarded 127ha	High	LEP and JCS to liaise and agree additional figure for employment land	Low
JCS Disbanded. Each LA goes its own way with Local Plans	Medium	LEP to negotiate with Cheltenham & Tewkesbury BC's separately	Medium
Landowners refuse to sell	Medium	Compulsory Purchase Order	Low
CPO Orders	Low	Commission a land cost estimate report and CPO experience with other schemes	Low
HA do not recognise case for J10 All Ways Junction	Med	Continued liaison through GCC Authority liaison group	Med
Unable to find suitable Developer	Medium	Scheme to be developed by Local authorities	Low

Outputs

- Provision of additional 127ha mixed use employment land adjacent to M5 J10. Total 150ha
- Create approximately 6500 new jobs
- Possible addition of 1100 houses to that proposed by JCS
- Provide estimated annual GVA of £139m
- Junction 10 changed from 2 to 4 way junction
- Estimated £2.7m saving in journey times
- Park and ride facility at Uckington.

Other Sources of Funding

The working assumption is that the development of the Employment Land site, including some housing would be met wholly from Private Sector Investment of circa £525m

The transport development of J10 from a 2, to a 4 way junction is covered in Business Case: M5 J10 All Movements

Ask of Government

- Support for Expansion of Employment Land at J10
- Please see the Business Case: M5 J10 All Movements

Value for Money

The release of 150ha of employment land, including some housing, at J10 will provide approximately 6500 new jobs producing an annual GVA of £139m pa derived from total private sector funding of £525m. As a mixed use development it could provide circa 1100 additional houses.

For details of the investment required to create a 4 way J10 please see the Business Case: M5 J10 All Movements.

'Fit' with national strategies, existing provision and other LEPs

Please see the Business Case: M5 J10 All Movements.

This proposal strongly aligns itself with the Government's National Policy Statement and the DfT's business plan for investing in the strategic network to enable growth.

Work still needs to be done to align the proposal on the extent of the employment land with that provided by the JCS. This will be informed by the imminent reports commissioned from NLP.

Appendix 4A

Strategic
Economic Plan for
Gloucestershire



GLOUCESTERSHIRE

enablers for growth

**SEP Business Case
A417 - The 'Missing Link'**



gfirst **LEP**
growing gloucestershire

Business Case - A417 - The 'Missing Link'

Overview

To ensure that the problems associated with the Missing Link are resolved in order to achieve economic, environmental and safety improvements for Gloucestershire and the wider region by ensuring that the A417 Missing Link is included in Phase 2 of the Route Based Strategy (RBS) work for further development between March 2014 and March 2015. Also to include it in the Government's major scheme programme for delivery from April 2015 onwards.

This 5km section is the only section of single carriageway at the Cheltenham end of the 50km A417/A419 route linking the M4 at J15 near Swindon to J11a of the M5 near Cheltenham. With over 34,000 traffic movements daily, it is one of the most heavily congested roads in the South West and recognised nationally as a notorious accident black spot. The failure to dual this "Missing Link" undermines the huge investment in the 45km dualled section and has created dangerous local rat runs. The road is managed, maintained and improved as part of the Strategic Road Network (SRN), by the Highways Agency (HA), on behalf of the Department for Transport (Dft), but the much needed permanent solution to this Missing Link currently does not feature in any Dft or HA plans.

Problem or Opportunity

The Problem:

There are a number of key issues with the Missing Link:

• Safety concerns for road users

There have been 343 casualties on the section of Missing Link between 1998 and Q2 of 2013. This includes 8 fatalities and 39 serious injuries. The number of collisions on the Missing Link represent half of the collisions on the whole length of the A417/A419 trunk road within Gloucestershire, yet represent less than 20% of its length.

• Major congestion and delays

The Air Balloon roundabout is a key junction on the A417/A419 between Swindon and Gloucester and causes much of the congestion on the Missing Link. Queuing

traffic is evident on all three arms of the roundabout during morning and evening peak hours and journey time delays of 20 minutes on the A417 in both directions is not unusual. The two way annual average daily traffic (AADT) on the A417 is currently 34,200 vehicles per day on Crickley Hill, and 28,700 vehicles per day on the link towards Swindon.

• Significant financial costs to businesses

A number of recent surveys have been carried out to understand the impacts of the Missing Link on businesses. These surveys concluded the Missing Link is the most detrimental congestion hotspot within the County. Freight operators and organisations identified the single carriageway section of the A417 as the least reliable section of the Gloucestershire network in terms of journey reliability and congestion, with attendant impact upon operating costs.

• Air quality and noise problems

Cotswold District Council declared an Air Quality Management Area (AQMA) in 2008 in respect of Nitrogen Dioxide at the Air Balloon roundabout junction. The elevated levels of Nitrogen Dioxide pollution are due to traffic emissions at the Air Balloon junction caused by queuing traffic and a high level of slow moving HGVs.

• Severance

The lack of a segregated trunk road network for the Missing Link results in the severance of local communities and national footpath trails. Local traffic seeking to access the Missing Link currently face either severe congestion during peak hours, or fast moving traffic and difficulty of access in the off peak hours.

In addition to the existing problems along the route, there are future development pressures within the County that will exacerbate the situation. The Joint Core Strategy for Tewkesbury, Gloucester and Cheltenham alone proposes over 33,000 dwellings for the period to 2031. This will put significant additional pressure on this already weak link on the route between the M5 and the M4.

Business Case - A417 - The 'Missing Link'

The opportunity:

The A417/A419 from M4 J15 to the M5 J11a is part of the DfT's Strategic Road Network. This route is the economic spine of Gloucestershire and the West as it provides connectivity for businesses to local, national and international markets. It is also the major strategic route from the Midlands to London, Thames Valley, Airports and the south coast ports. In addition it is a major tourist route to the Cotswolds, Cheltenham and Gloucester. Thus the importance it has the Gloucestershire economy cannot be overstated.

The Missing Link centred on the Air Balloon roundabout has become a notorious cause of major delays caused by high traffic levels, HGVs on uphill sections and incidents such as lorry engine and brake fires. All of which contribute to unreliable journey times. It is also the site of many major accidents and has an accident rate of twice that of the dualled section of the A417/A419. As a result it features on the national traffic reports almost daily.

A number of surveys of businesses have been commissioned over the years. These include:

- **Delivering a Sustainable Transport Strategy (DaSTS) Stage 1 Study – South West Regional Assembly – June 2009**
- **Cheltenham and Gloucester Connectivity Study – Phase 1 Report May 2010**
- **Connectivity Research in Gloucestershire-2013**

These surveys have provided evidence that:

- The A417 / A419 corridor is an important transport corridor for 80% of respondents. Only the M5 North and South exceed this in importance. However this corridor has the worst average vehicle delay of all strategic routes in the South West and a higher delay than the national average;
- Freight operators and organisations identified the single carriageway section of the A417 as the least reliable section of the Gloucestershire network in terms of journey reliability and congestion, with attendant impact upon operating costs;
- Freight operators also pointed out that when problems occur on the A417 Missing Link (records indicate major incidents occur around six times each month) then

traffic, including lorries, diverts onto local, often unsuitable, roads to bypass the problem, with attendant environmental and safety problems;

- The A417/A436 Roundabout was also identified by operators as being particularly dangerous, whilst the approach on Crickley Hill was felt to be a particular problem during adverse weather conditions in winter;
- This roundabout was a particular congestion hotspot, and with forecast growth, it will be operating more than 30% over capacity by 2026;
- Over 68% of businesses said that the Missing Link was significant or very significant to the operation of their business. Over 70% of respondents said that the Missing Link had a negative impact on the operation of their businesses;
- The most recent survey and interviews highlighted the A417 as the most critical individual element of the Strategic Road Network in the County. Most businesses identified this as significant to (and also impacting negatively on) their business operations. The A417 exceeds in importance the individual M5 junctions by some margin;
- Of 300 businesses surveyed, 68% said that the Missing Link was significant or very significant to the operation of their business;
- 70% said that the missing Link definitely/probably had a negative impact on the operation of their business;
- A recent web based campaign to get action for the resolution of the problems on the Missing Link has already achieved nearly 4000 pledges of support.

Business quotes from users of the route:

Philip de Ternant, of Creed Foodservice:

"We've probably got 20 trucks going east everyday and it's time-consuming, sitting there for half an hour to 40 minutes just idling." "With idling time, vehicle maintenance and driver overtime, in excess of £15,000 would be a fair figure to put on the cost to our business."

Business Case - A417 - The 'Missing Link'

Andrew Ford, of Herbert Davis Removals and Storage:

'I've never really calculated the cost but it must be significant, both in the extra fuel you burn when you're sitting with your engine idling and with the time wasted.'

Kay Brookes, of the Revival Company,

'When customers call us in, we're talking about a dire emergency in their lives and the last thing they want is any delay. So any hold-ups hurt our bottom line, damage our customer service and affect our good name.'

Rationale for Intervention

The Highways Agency (HA) has spent over 20 years working to identify a solution to resolve the problems. They have looked at tunnels, on-line improvements, off-line improvements and low cost measures. In 2003 all the statutory environmental bodies agreed with the Highways Agency that the £255million 'Brown Route' scheme was the only acceptable solution for the Missing Link. (see Figure 1).

The 'Brown Route' scheme will:

1) Provide a grade-separated dual carriageway from Brockworth to Cowley.

The scheme comprises a short bypass of Nettleton Bottom, on-line widening of Birdlip Bypass, a new grade separated junction at Birdlip, a new grade separated junction replacing Air Balloon roundabout and construction of an additional two lane carriageway down Crickley Hill provided in an adjacent carriageway separated from the existing road. Remodelled accesses to properties at Cold Slad and along Crickley Hill would be provided and a local road created, linking Birdlip, Cold Slad, the Leckhampton road and the A436. Vehicles travelling between the M5 and the M4 would travel without interruption.

2) Reduce the likelihood of collisions.

The Brown Route scheme reduces accidents along the stretch of the Missing Link. Of all of the options investigated by the Highways Agency, this scheme produced the biggest reduction in accidents, bringing the biggest benefit.

3) Reduce the likelihood of congestion.

There would be a long term improvement in traffic flow and reduced congestion along the route. In turn this would reduce the level of rat running through local villages and rural areas.

4) Provide high value for money.

The Brown Route scheme provides widespread benefits to road users. Journey time and accidents are reduced providing a total benefit cost of some four times the cost of constructing the scheme. This provides a Benefit to Cost Ratio (BCR) of over 4:1. This is a high BCR and is considerably higher than that achieved by other solutions considered for the route.

5) Provide network resilience.

The A417/A419 provides a key route between the M4 and M5 linking the Midlands with Swindon and London. It also has an important role in providing an alternative route to M4 / M5 in the event of congestion/incidents on this route.

The Brown Route solution for the Missing Link was concluded as the optimum solution to the problems on this section of road in 2003. This announcement followed many years of analysis of alternative solutions such as a tunnel or alternative ground level solutions. The Brown Route was the only solution that was accepted by the statutory environmental bodies. Since then no progress has been made by the DfT or HA to deliver the Brown Route scheme. Attempts have been made to find low cost, short term solutions for the Missing Link, but these have not been successful to date.

Business Case - A417 - The 'Missing Link'

The Brown Route provides a dual carriageway for the whole section of the Missing Link, from the Cowley roundabout to the Brockworth bypass, effectively removing both congestion and accident hotspots. The dual carriageway would be segregated from the local road network. At the time of publishing the Brown Route scheme in 2003 the DfT quoted: "No unacceptable environmental effects have been identified; it provides good value for money and is deliverable."

Supporting growth in the county

Provide wider economic benefits.

Strategically significant economic benefits include: - reduced business operation costs; journey time reductions and improved reliability for business users – both commuters and for deliveries; increased connectivity to wider markets for both goods and higher skilled labour; greater exposure to potential inwards investment opportunities to support local growth - particularly those areas already earmarked for housing and commercial development towards the eastern fringes of the main urban areas of Gloucester and Cheltenham and more localised Keynesian-style economic impacts resulting from the creation of construction jobs associated with delivering the transport infrastructure that represents the Brown Route solution.

The proposal will facilitate increased reliability and speed of access to and from the Growth Zone and Growth Hub located near to and along the M5. There is a significant potential to create two-way connectivity advantages to other LEP growth areas particularly those to south and east of Gloucestershire such as the greater Swindon / north Wiltshire area and the Thames Valley.

Delivery

It is considered that the proposal is highly deliverable, having been subject to business case development over a number of years by the HA and its consultant WSP.

In March 2003 the HA produced its A417 Cowley to Brockworth Bypass Improvement study report, which considered environmental factors, engineering constraints and economic factors across the study area. This study concluded that a surface solution was preferable to a tunnel solution.

In 2006 a surface route options report was undertaken to determine a surface route solution which would be environmentally acceptable to the statutory environmental bodies, whilst also addressing existing traffic and safety problems. This work was completed and resulted in the brown route being accepted by the statutory environmental bodies.

After this work was completed, the majority of work on the scheme was halted due to the south west region being unable to prioritise such a large scheme within the regional programme. The scheme was handed back to central Government who tasked consultants to assess the feasibility of lower cost solutions. This was completed in 2008, when it was concluded;

"The overall conclusions of the review are that there are no lower cost solutions which would be capable of providing long term safety and congestion benefits between Cowley and Brockworth."

Since 2008 no further work has been undertaken to deliver the preferred solution; the Brown route scheme, however, it is considered that if the DfT/HA commits to progressing the scheme through its Route Based Strategy (RBS) work that the scheme could be constructed within the period of the SEP, subject to statutory processes being undertaken.

Business Case - A417 - The 'Missing Link'

Project Plan

Year	Scale of Risk
2014/15 (pre SEP period)	• GCC commits £500k for the refresh of some business case aspects • Including discussions with Statutory Environmental Bodies
2015/16	• Dft/HA review water, ground & environmental survey requirements (Scoping) • Review route details, departures from standards • Refresh business case, traffic and economics • Commence surveys
2016/17	• Complete surveys • Prepare EIA/EIS • Statement of Consultation • Consultation
2017/18	• Submit PINS Application and draft DC • Acceptance (1 Month) • Pre-examination (3 months) • Examination (6 months)
2018/19	• Recommendation • Planning permission Sec of State decision (3 months) • Tender, tender review and Award
2019/20	• Construction
2020/21	• Construction completion

Reporting and Monitoring

A project team will be established with representation by all relevant public and private partners. A project manager will be appointed and they will manage this process and associated project commissions on behalf of the project team including the identification of project mile stones. Formal reporting will be through the governance arrangements established to manage the delivery of Gloucestershire's Strategic Economic Plan.

Business Case - A417 - The 'Missing Link'

Risks

Risk	Scale of Risk	Mitigation	Revised scale of Risk
HA do not recognise the Missing Link within their Route-Based Strategy	High	Ongoing dialogue with the HA through the local authority liaison group, the LEP's connections group and JCS process will ensure the scheme remains a recognised priority for the LEP area	Medium
HA do not include the Missing Link within their Major Schemes Programme from March 2015	High	Continue lobbying to ensure that the scheme is recognised by the government to be a high priority for taking forward.	Medium
Schemes identified are unaffordable	High	Early dialogue is required with the Statutory bodies to understand their concerns and to demonstrate that these can be mitigated where possible.	Medium
The BCR for the scheme reduces	Medium	An early refresh of the business case work is to be undertaken to identify whether costs, traffic flows, scheme benefits etc have altered.	Low
Change of national Government affects decision to progress the scheme	Medium	Seek commitment from current administration to carry forward commitment to deliver	Medium
CPO issues significantly increase cost of scheme	Medium	Commissioning a land cost estimate report and experience of CPO process when progressing Elmbridge transport Scheme will aid negotiations with land owners	Low

Business Case - A417 - The 'Missing Link'

Outputs

The economic assessment – 60 year appraisal (central growth) is detailed below. This is contained within the A417 Cowley to Brockworth Bypass Improvement scheme-stage 2 scheme Assessment Report March 2006.

Non-Exchequer Impacts	£m
Consumer User Impacts	£121.67m
Business User Benefits	£198.53m
Private Sector Provider Impacts	
Other Business Impacts	
Accident Benefits	£18.78m
Benefits during Construction& Maintenance	£62.14m
Net Present Value of Benefits (PVB)	£401.12m
Local Government Funding	
Central Government Funding	£105.26m
Indirect Tax Revenues	-£9.42m
Net Present Value Costs (PVC)	£95.84m
Overall Impact	
Net present Value (NPV)	£305.28m
Benefit to Cost Ratio(BCR)	4.185

A benefit to cost ratio of 4.185:1 is considered to be a good ratio. Government will normally expect a scheme to have a BCR of a minimum of 2.

Through increased exposure to external investment opportunities resulting from reliability and connectivity improvements to the broader LEP area, there is a strong prospect that the Brown Route solution will realise notable positive catalytic impacts for the core growth locations focused along the M5 Growth Zone and in and around the main urban areas of the LEP – Cheltenham and Gloucester, which will house the proposed Growth Hub. Collectively, these local growth ambitions, as set out in the emerging Joint Core Strategy and Forest of Dean core strategy are forecast to generate full delivery of upwards of £300million in annual GVA contributions and in the region of 50,000 net new direct and indirect jobs over the period up to 2031.

Other Sources of Funding

14/15 - £500k committed from Gloucestershire County Council for to refresh the business case.

15/16 – potential (uncommitted) £4m from Gloucestershire County Council as a contribution to the DfT/HA if the scheme enters the major scheme development programme in April 2015.

Ask of Government

(a) Influence:

To include the A417 Missing Link in Phase 2 of the Route Based Strategy (RBS) work for further development between March 2014 and March 2015;

To include the A417 Missing Link in the Government's major scheme programme for delivery from April 2015 onwards.

(b) Finance:

£255m (or full scheme cost) for the delivery of the Brown route major scheme, commencing in April 2015.

Business Case - A417 - The 'Missing Link'

Value for Money

The current proposal achieved in the 2003 report the Brown Route was deemed to represent the best value for money as it had the highest Benefit/Cost Ratio (BCR) of 4.14 (A BCR of more than 1 indicates that a scheme is economically viable).

The economic appraisal of the scheme was undertaken in accordance with the then current DfT guidance. Transport users Benefit appraisal (TUBA) was used to assess the impacts of the scheme. The economic appraisal is for a 60 year appraisal period with costs discounted in accordance with the HM Treasury's Green book.

'Fit' with national strategies , existing provision and other LEPs

The Government has recently published its Draft National Policy Statement for National Networks - December 2013. This sets out the vision and objectives as:

Government's vision and strategic objectives for the national networks

The Government will deliver national networks that meet the country's long-term needs; supporting a prosperous and competitive economy and improving overall quality of life, as part of a wider transport system. This means:

- Networks with the capacity and connectivity to support national and local economic activity and facilitate growth and create jobs.
- Networks which support and improve journey quality, reliability and safety.
- Networks which support the delivery of environmental goals and the move to a low carbon economy.
- Networks which join up our communities and link effectively to each other.

In particular para 2.22 states:

The Governments' policy is to reduce congestion and unreliability by focusing on improving and enhancing the existing national road network. Enhancements to the existing national road network will include development beyond the existing highway boundary. Development will include:

- Enhancements such as junction improvements, upgraded technology and new slip roads to address congestion and improve performance and resilience;
- Implementing "smart motorways" (also known as "managed motorways") to increase capacity and improve performance;
- Improvements to trunk roads, **in particular dualling of single carriageway strategic trunk roads** to increase capacity and improve performance and resilience.

The Swindon-Wilts draft SEP contains reference to the need to improve this section of the A417, to aid connectivity from the Swindon area to the north.

The Highways Agency began investigating improvements to the Missing Link section of the Strategic Road Network (SRN) in the late 1990s/early 2000s. The HA commissioned their consultants (WSP) to undertake significant investigative work over a period of more than 10 years. The HA has invested significant resources in terms of staff and consultant time over that period to deliver a solution to the Missing Link problem.

Business Case - A417 - The 'Missing Link'

Business Case									
Investments							Outputs		
	2015	2016	2017	2018	2019	2020	GVA	Jobs	Other
SLGF*									
Central Government Roads Programme	Commitment for scheme to enter the major roads programme £255m across SEP period								
Gloucestershire County Council	£4m*								
TOTALS	£259m						£300m**	50,000 net new direct and indirect jobs**	

*This £4m funding for 2015/16 is not currently committed by the County Council. However, £500k has been committed by the County Council for business case refresh during 2014/2015.

**N.B. the GVA and jobs values detailed above are in relation to the relevant growth ambitions as set out in the JCS for the period to 2031

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Appendix 4B

Strategic
Economic Plan for
Gloucestershire



GLOUCESTERSHIRE

enablers for growth

SEP Business Case Unlocking Access to GREEN Skills Centre



Business Case - Unlocking Access to GREEN Skills Centre

Overview

- A419 Stonehouse corridor improvements
- A38 Berkeley Bridges; and
- Improved access to Berkeley (A38 and B4066) scheme

The Gloucestershire Renewable Energy, Engineering and Nuclear Skills Centre (GREEN) initiative constitutes a notable regeneration project over a 45 acres site that previously housed Berkeley Nuclear power station. It includes a new education / technology training campus developed through the refurbishment of up to 15 existing buildings.

In support of the GREEN initiative's training and employment legacy, the locality is also subject to a series of locally significant commercial development proposals, which will greatly benefit from the enabling transport infrastructure scheme – these include employment expansion to the Stroudwater Industrial Estate and Sharpness Docks.

Problem or Opportunity

Current levels of congestion at peak times experienced on the main A419 routes linking Stroud, Stonehouse and the A38 running parallel to the M5 corridor, will make realising the development potential at this location difficult. This could prove particularly significant in terms of the local employment legacy which the education / training campus at Berkeley is seeking to maximise. The A38 is also an important County transport link, which provides access to Berkeley as well as providing a diversionary route when the M5 is closed.

In the 1980s Berkeley Bypass and the route from there to Sharpness were constructed but the section between Berkeley and the A38 was never implemented. All traffic therefore has to use the B4066 to access the A38 if heading north and the class 3 road 3/230. The B4066 is a better route but southbound traffic tends to use the 3/230. Visibility onto the A38 from the 3/230 is particularly restricted and right turning can be quite difficult at busy times.

Traffic growth over recent years has increased pressure on the 2 roads between the A38 and Berkeley power station. Residents on these access roads have requested improvements to reduce the impact on their properties.

In addition, Berkeley Rail New Bridge and Berkeley Rail Old Bridge are located on the A38, to the west of Berkeley, and south of the Prince of Wales pub. At this point the A38 passes over the Bristol to Birmingham railway line. This is the only vehicular crossing point in the local area. Berkeley Rail New Bridge carries the north bound single lane carriageway of the A38. Berkeley Rail Old Bridge carries the south bound single lane carriageway. A 2011 Principal Inspection of the bridges revealed extensive signs of corrosion on the existing Berkeley Rail New Bridge. It concluded that it could not continue to support unrestricted traffic indefinitely and does not have the appropriate factor of safety. This is due to its age, and the difficulties of having a bridge with high maintenance needs over a live railway line. As the condition of the bridge will only deteriorate further over time, then its carrying capacity will also further reduce.

The deteriorating condition of the bridge will ultimately lead to its closure and diversion of the northbound A38 traffic onto the Berkeley Rail Old Bridge. The route provides the only vehicular crossing point of the Bristol – Birmingham railway line in the local area. All traffic crossing over the old bridge would have to operate under single way traffic signal control. This would result in additional delays and increased journey times. It would also severely compromise the functioning of the A38 as a diversion route for the M5.

This section of the A38 is a parallel alternative route to the M5 Motorway and is located between Junctions 13 and 14. It provides access to Berkeley from the A38 north, and junction 13 of the M5.

The A419 between M5 Junction 13 and Stroud suffers from severe congestion, particularly in the morning peak. Three of the four junctions operate with at least one arm over capacity (based on modelled Ratio of Flow to Capacity) in both the AM and PM peaks (2008 base). Maximum observed queues are up to 116 vehicles at Chipmans Platt A419 E arm.

The capacity issues result in significant variation in day to day journey times. Delays and poor reliability impact on general traffic, HGV's and buses. Increasing capacity on this strategic link would provide relief of these conditions and support strategic housing and employment growth sites at Stonehouse and Stroud and Berkeley.

Business Case - Unlocking Access to GREEN Skills Centre

Hauliers and businesses note the delays and poor reliability on the A419 route as a key issue which reduces business confidence, indicating a barrier to inward investment in the area. Poor connectivity also acts as a constraint on labour supply, both for major urban employment areas, such as Gloucester, and for businesses located in Stroud and Stonehouse (both of which are identified as preferred strategic locations for growth – 2,000 to 3,000 new jobs are identified on land to the west of Stonehouse alone, as contained within the submission version of the emerging Stroud Local Plan). The Stroud District Employment Land Study (2013) recommended that conditions at existing employment sites should be improved to increase their market attractiveness.

It is essential that the road network is improved, to enable GREEN to be delivered.

Rationale for Intervention

The A419 Stonehouse corridor improvement scheme comprises a package of junction improvements and carriageway widening along the A419. The improvements will increase capacity, optimise the efficiency of the corridor and reduce delays for general traffic, HGV's and buses, whilst also providing adequate provision for pedestrians and cyclists. The scheme will therefore support planned growth (including on land near to the corridor), improve access to jobs and support the efficient movement of goods.

Location	Description of improvements
Chipmans Platt Roundabout	Widening of the A419 eastbound and westbound entries, and widening of the circulatory carriageway
Oldends Lane Roundabout	Conversion to a signalised junction with segregated left turning lane on the east-bound entry. Bond's Mill and Sperry road to be combined as one entry.
Downton Road signals	Carriageway widening on the westbound exit to create a two lane merge
Between Downton Road and Horse-trough Rbt	Widening of the westbound carriageway to provide two lanes
Horsetrough Roundabout	Conversion to a signalised junction

The A419 Capacity Improvements Study (GCC-Atkins study, 2009) demonstrated that the proposed improvements at Chipmans Platt and Oldends Lane reduced total delay per vehicle in the AM peak by 94% and 68% respectively (compared to a 'Do-Minimum' growth scenario). At Chipmans Platt, it identified that the improvements were expected to reduce delays to lower than base (2008) levels. Substantially enhanced Ratio of Flow to Capacity (RFC) was also forecast. All four arms at Chipmans Platt, and three out of four arms at Oldends Lane, were forecast to operate within design capacity in the 'Do-Something' AM growth scenario (2013), with some being considerably under these thresholds.

Modelling outputs for Downton Road and Horsetrough junctions also indicates improvements to the RFC. The total degree of saturation at Downton Road junction is expected to reduce from 83% to 76% as a result of the improvements.

The scheme will provide additional capacity on the network to support future growth in housing and jobs, particularly in Stroud and Stonehouse. Additional traffic growth would have the effect of reducing some of the initial benefits.

By reducing delays and improving the quality of transport connections, the scheme will produce a positive impact on the overall economic competitiveness of the area.

The improvement also provides a direct link to the delivery of the GREEN education-led initiative promoted by the LEP, which will be seeking to achieve its local employment legacy through development in this locality.

Business Case - Unlocking Access to GREEN Skills Centre

A38 Berkeley Bridges

The scheme includes replacement of Berkeley Rail New Bridge, and strengthening and refurbishment of Berkeley Rail Old Bridge. Berkeley Rail New Bridge will be a low maintenance bridge with a design life of 120 years. It is also proposed to replace the approach barriers on both bridges with a vehicle restraint system which is compliant with TD19, which is the standard for Requirement for Road Restraint Systems, which is part of the Design Manual for Roads and Bridges.

As repairing the existing bridge is not a feasible option, the provision of the new bridge (replacing the current Berkeley Rail New Bridge) will ensure that both northbound and southbound carriageways of the A38 can continue to operate in an efficient manner, carrying both general traffic and HGV's. This avoids the need to restrict use of the A38 and operate the Berkeley Rail Old Bridge under single way traffic control (which would result in significant delays).

A new, compliant vehicle restraint system, delivered as part of the scheme, will give greater protection to both road and rail users from the risk of vehicle incursion.

The refurbishment and strengthening of Berkeley Rail Old Bridge will enable the A38 to remain in use during the works and serve to extend its life.

Supporting economic growth - The deteriorating condition of Berkeley Rail New Bridge is a key risk to the continued safe, efficient and unrestricted functioning of the A38. Closing Berkeley Rail New Bridge would result in increased queuing and delays for traffic. This would lead to increased journey times.

The route provides resilience to the Strategic Network as it is the alternative route to the M5 (Junctions 13-14). This resilience would be greatly reduced if all the M5 traffic had to be diverted through singleway working traffic light control.

Access to Berkeley (A38 and B4066)

There are 4 individual aspects to this improvement scheme.

- A38/B4066 junction improvement: will convert a priority junction into a roundabout, and reduce congestion and queuing traffic as a result. In terms of capacity and congestion modelling, the maximum am queue length predicted at 2011 on the southbound approach to the junction is 25 vehicles. Following the installation of a roundabout the queue length is predicted to fall to 3 vehicles.
- B4066/Alkington lane: This junction suffers from poor visibility, and would be improved by the relocation of the 'stop line'.
- Alkington Lane/A38 junction: This proposal will involve the widening of the carriageway and the installation of a central island, to enable easier passage of large vehicles such as HGVs and coaches heading towards Berkeley.
- New and improved footways

The improvement will provide a direct link to the GREEN education-led initiative promoted by the LEP enabling it to be better connected to potential participating students and local employment opportunities, which will facilitate the initiative's sustained employment legacy.

Delivery

The highway schemes are highly deliverable within the SEP period. Delivery timelines are included below.

Business Case - Unlocking Access to GREEN Skills Centre

Project Plan

A419 Corridor improvements		
Strategic Business Case	Start date April 2015	End date July 2015
Outline Business case	Start date November 2015	End date April 2016
Consult	11/15	4/16
Preliminary Design	6/16	5/17
Statutory Consents (planning permission, land purchase, Traffic Orders)	Start date May 2017	End date April 2018
Design detailed)	Start date May 2017	End date 9/17
Contractor Procurement	Start date April 2018	End date October 2018
Full Business Case	Start date September 2018	End date November 2018
Construction	Start date November 2018	End date November 2019

A38 Berkeley improvements		
Strategic Outline Case	Start date September 2013	End date November 2013
Feasibility study / preferred option	Start date April 2013	End date July 2013
Statutory Consents (Network Rail)	Start date May 2013	End date March 2014
Outline Business Case	Start date September 2013	End date February 2014
Design (outline)	Start date August 2013	End date March 2015
Contractor Procurement	Start date June 2014	End date March 2015
Full Business Case	Start date February 2015	End date March 2015
Design (detailed)	Start date April 2015	End date August 2015
Construction	Start date November 2015	End date March 2016

Access to Berkeley (A36 and B4066)		
Update Study	4/15	10/15
Strategic Business Case	Start date Oct 2015	End date Jan 2016
Outline Business case	Start date Jan 2016	End date June 2016
Consult	6/16	10/16
Preliminary Design	6/16	1/17
Statutory Consents (limited land acquisition for minor parts of project only)	Start date Jan 2017	End date Dec 2018
Design detailed)	Start date Jan 2017	End date Jun 17
Contractor Procurement	Start date Jul 2017	End date Jan 2018
Full Business Case	1/18	2/18
Construction (Roundabout)	2/18	10/18
Construction (other works by term contractor)	1/19	4/19

Business Case - Unlocking Access to GREEN Skills Centre

Reporting and Monitoring

A project team will be established with representation by all relevant public and private partners. A project manager will be appointed and they will manage this process and associated project commissions on behalf of the project team including the identification of project mile stones. Formal reporting will be through the governance arrangements established to manage the delivery of Gloucestershire's Strategic Economic Plan.

Risks

A419 Corridor Improvements

Risk	Scale of Risk	Mitigation	Revised scale of Risk
Restrictive working during construction of works and services diversions	High	Understand the constraints through consultation and planning and detail within the contract specification	Medium/Low
Changes to design after construction has commenced which could result in an extended programme and increased costs	High	Include float within construction programme, early engagement with third parties and pro-actively operate the NEC early warning process.	Medium/Low
Land boundary disputes and refusal to sell land resulting in delays to the programme	High	Proactive engagement with landowners and obtain early agreement.	Low
Delay in diversion of known services which results in delays to the programme and increased costs	High	Undertake ground radar surveys during the design stage. Continue dialogue with utility companies and obtain programmes and their commitment. Undertake advanced works if feasible.	Medium/Low
Increase in extent and cost of services diversions envisaged at bid stage.	High	Ensure formal agreement formal agreement of works in place during the early part of delivery programme.	Medium/Low

Business Case - Unlocking Access to GREEN Skills Centre

A38 Berkeley Bridges

Risk	Scale of Risk	Mitigation	Revised scale of Risk
Network Rail approval/agreement process	High	Use Atkins Rail design team who are experienced in delivery of schemes involving Network Rail. Use Network Rail standard bridge design, if appropriate.	Medium/Low
Complexity of the design and construction resulting from the high skew (60°) of the deck	High	Make the deck squarer by building behind the existing abutments.	Medium
Working in the railway environment	High	Following the OJEU process to ensure that only contractors with appropriate experience are allowed to tender	Medium/Low
Presence of Statutory Undertakers plant and equipment	High	Carry out advanced diversion works of plant, or incorporate plant into new design.	Medium/Low
Change in key delivery partner (in June 2013 Atkins Operations Division being transferred to Skanska, also April 2014 start of new Highway Maintenance contract)	High	Professional services agreement between Skanska and Atkins means that GCC can continue to use Atkins Rail. Outline design to be completed by end of March 2014.	Medium/Low

Access to Berkeley (A38 and B4066)

Risk	Scale of Risk	Mitigation	Revised scale of Risk
Differing local views on what the scheme should consist of	High	Thorough involvement of the community at an early stage	Medium
Restrictive working during construction of works and services diversions	medium	Understand the constraints through consultation and planning and detail within the contract specification	Low
Changes to design after construction has commenced which could result in an extended programme and increased costs	medium	Include float within construction programme, early engagement with third parties and pro-actively operate the NEC early warning process.	Low
Delay in diversion of known services which results in delays to the programme and increased costs	High	Undertake ground radar surveys during the design stage. Continue dialogue with utility companies and obtain programmes and their commitment. Undertake advanced works if feasible.	Medium/Low
Increase in extent and cost of services diversions envisaged at bid stage.	High	Ensure formal agreement formal agreement of works in place during the early part of delivery programme.	Medium/Low

Business Case - Unlocking Access to GREEN Skills Centre

Outputs

Achieving the GREEN initiative and linked local employment developments, could facilitate upwards of 80,000sqm of additional commercial space and around 5,000 new direct and indirect jobs. In terms of GVA contributions, this level of planned growth is forecast to create close to £30million a year.

Therefore the three schemes within the GREEN proposal will ensure that the economic potential of this area of the County is safeguarded into the future.

Other Sources of Funding

None.

Ask of Government

Finance:

SLGF capital bid:

15/16 £2.15m

16/17 £0.31m

17/18 £0.72m

18/19 £2.20m

19/20 £2.12m

TOTAL: £7.51m

Value for Money

Losing transport connectivity and capacity on the Berkeley/ Stonehouse corridor will represent very poor value for money, and allowing this area to become 'closed off' from the economic activities of the M5 Growth Zone will not be easily reversed.

The improved travel certainty provided by the transport schemes identified within the Green initiative will enable an increased scale of employment growth at Berkeley and Stonehouse by removing the existing pinch-points within the highway network.

The expected outputs from this investment is the creation of an additional 5,000 direct and in-direct jobs at Berkeley and between 2,000 and 3,000 new jobs along the A4019 corridor at Stonehouse.

The anticipated outcomes of these initiatives in relation to reducing delays and improving the quality of transport connections in the area will produce a positive impact on the overall economic competitiveness of the area. This will have a significant long-term impact in attracting or retaining employers within this area to achieve an employment legacy.

Benchmarking the success of attracting and retaining employers within this location could be benchmarked against a comparable initiative at the Rotherwas Enterprise Park near Hereford. Both sites are comparable in relation to releasing the employment potential for rural communities through improved connection and journey time reliability to the strategic highway network.

'Fit' with national strategies, existing provision and other LEPs

Government priorities are focussed on creating conditions for economic growth – investing in sustainable transport, reducing congestion on roads and creating equal access/opportunity for all.

DEFRA (2012) state that 'Rural transport and connectivity is crucial to sustaining rural communities. It connects people to vital services and employment opportunities, reduces isolation and social exclusion, and links rural economies with markets and customers' and [they] have made economic growth [their] top priority, and want rural areas to contribute to and benefit from this growth'.

To allow the Berkeley and Stonehouse corridor to lose capacity further will not support these economic objectives and reduce this area of the County's contribution to economic growth.

Business Case - Unlocking Access to GREEN Skills Centre

The LTP3 evidence base review (2013) notes that there is a need to 'Provide a safe, efficient and progressive local transport network' across the County whereby 'local people don't 'miss out' and are equipped to compete in a dynamic and evolving labour market'. In addition there is a requirement to 'Continue to provide cost effective and agreeable levels of services for local communities' and 'Ensure local people are well supported to engage in locally-generated growth' network.

Proposal									
Investments							Outputs		
	2015	2016	2017	2018	2019	2020	GVA	Jobs	Other
SLGF* A419 Corridor improvements	£0.11m	£0.26m	£0.68m	£2.00m	£1.33m				
SLGF A38 Berkeley Bridges	£1.99m**								
SLGF Access to Berkeley (A38 and B4066)	£0.05m	£0.05m	£0.05m	£0.20m	£0.80m				
TOTALS	£2.15m	£0.31m	£0.73m	£2.20m	£2.13m		£30m*	5,000 net new direct and indirect jobs*	

*SLGF = Single Local Growth Fund through SEP

**£180k has been spent/committed by GCC on the A38 Berkeley bridges scheme prior to 2015/2016

Appendix 4C

Strategic
Economic Plan for
Gloucestershire



GLOUCESTERSHIRE

enablers for growth

SEP Business Case M5 Junction 9 Transport Strategy



gfirst LEP
growing gloucestershire

Business Case - M5 Junction 9 Transport Strategy

Overview

The proposal is to work with the Highways Agency (HA) and the local authorities to agree a transport strategy for M5 Junction 9 in the context of the local growth aspirations. This would include the development of a business case to attract future funding for improvements at M5 Junction 9.

To provide a transport solution at Junction 9, and for the A46 east of junction 9, and the A438 west of junction 9, which will facilitate both housing and employment aspirations at this locality including the re-development of the MOD site in Ashchurch and land to the south of Ashchurch Industrial Estate. Both sites are identified within the draft Joint Core Strategy (JCS) for the County and the request is that these sites are brought forward early in the JCS plan period, and that a transport strategy is developed early in the SEP period to enable the development and build out in these locations.

The transport solution could possibly include an upgrade of Junction 9 to provide for increased travel demand, along with capacity improvements on the A46 east of Junction 9, and the A438 west of Junction 9. This would reduce the delay and congestion currently experienced on the A46 and A438.

Problem or Opportunity

The close proximity of the M5 to the proposed development sites in Ashchurch are both its strength and weakness. The M5 corridor provides the strong stimulus for development, being located close to a motorway junction and the benefits of improved connectivity to local and national supply chains. The weakness for Ashchurch development is the impact of increased travel demand on an already congested motorway junction.

The M5 provides the division between Ashchurch and Tewkesbury. A significant proportion of trips between these centres involve traversing Junction 9. This has resulted in the prevalence of vehicle delay during peak travel times. To improve journey time certainty the Highways Agency (HA) were awarded £1.7m during 2014/15 through the National Pinch-Point scheme to improve travel conditions on the A46 (east of junction 9) See below for further details. This will however only provide a short term relief to congestion on the road network. Any additional large scale release of development land (such as the MOD Ashchurch site) is likely to require significant additional capacity and sustainable transport interventions.

Growth proposals in the emerging Joint Core Strategy (Gloucester, Cheltenham and Tewkesbury) identify around 34ha of employment land, including 20ha of brownfield re-development at the MOD site, and 14ha at Ashchurch, south of the A46. Collectively, these two emerging employment plan allocations are predicted to generate in the region of 3,000 net new jobs, which equates to an annual GVA contribution of circa £68 million. This is split approximately £40m from the MOD site, and £28m from the Ashchurch site. N.B. it is important to note that these calculations of growth are based on the land use assumptions as detailed within the draft JCS. I.e. 20ha of employment land at the MOD site and 14ha of employment land at the Ashchurch site. The 14ha Ashchurch site is currently the subject of a planning application for a garden centre and retail outlet development village by Robert Hitchins Ltd [RHL]

Without developing a deliverable transport solution in partnership with the Highways Agency for Junction 9 significant development of the scale being promoted will be unachievable. The likely forecasted increase in travel demand could be unmanageable in terms of increase vehicle delay and unacceptable in terms of highways safety without improvements at the junction. The types of schemes to be considered for the Strategy could include: an upgrade of junction 9 (signals, widening or perhaps grade separation), dualling of the A46 to Evesham, a new walking and cycling bridge across the M5 and a range of soft transport measures to encourage behavioural change, including public transport improvements. This would be in addition to the HA's pinchpoint scheme already proposed. This strategy development work will take place as soon as revenue funding can be identified.

In addition to the large scale development at the two JCS sites above there are other current proposals:

- 1) Sainsbury's application north of the A46. This application has been approved and includes the provision of lane widening both sides of M5 junction 9, traffic signals and a crossing facility. In addition a travel plan will be implemented.
- 2) Highways Agency's pinchpoint funded scheme. This scheme comprises widening to the A46 westbound approach from Alexander Way, as well as works to improve pedestrian and cycle facilities across M5 junction 9, which will be combined with signal control of the A438 approach from Tewkesbury.

Business Case - M5 Junction 9 Transport Strategy

Rationale for Intervention

1. How does the proposal deal with the problem or opportunity?

Providing a deliverable transport strategy for junction 9, in partnership with the Highways Agency, will ensure a deliverable transport solution is provided. The partnership will include both public and private sector bodies responsible for bringing forward the development sites.

It is essential for the solution not to be focussed purely on accommodating the car, but encouraging adequate travel choice for individuals to feel empowered to make a decision about how they travel within the local vicinity. This would include maximising the role of existing passenger transport networks (bus and rail) and improved active travel links over the motorway and away from the existing junction. The latter would build on Tewkesbury's status and experience of being one of the UK's healthy towns.

2. How does the proposal support Growth in the county?

This proposal is centred on public private partnerships between the various local authorities, the Highways Agency, the LEP and developers, to provide a long-term transport strategy which will provide a deliverable solution to the constraints currently experienced by the existing junction.

The outcome will enable the development sites adjacent to junction 9 to be brought forward in a more immediate time period. It will also provide a more desirable development site that provides new employment and residential opportunities.

3. Does the proposal support / align to the Flagship Proposals (Growth Zone, Growth Hub, GREEN) in the SEP, if so, how?

This proposal aligns itself with the Growth Zone proposals by supporting the delivery of infrastructure improvements along the M5 corridor to support economic growth. The overriding aim is to attract businesses by enabling the delivery of prime employment land in excellent locations with great connectivity to the M5.

Delivery

No detailed schemes have been identified at this stage for the 20ha MOD site. The 14ha Aschurch site is currently the subject of a planning application for a garden centre and retail outlet development village by Robert Hitchins Ltd.

The proposal at this stage is to actively work with the Highways Agency and other public and private sector partners to develop an agreed transport solution for junction 9 and the A46 and A438 in the event that both sites come forward for development through the JCS. This will be in the format of a transport strategy which will be developed during the early part of the SEP plan period.

Sustainable transport solutions are an essential part of the overall transport package for the development sites at the MOD and Ashchurch sites, as vehicle trip rates must be managed in a way to reduce the significant increase in vehicle movements likely to be experienced at junction 9.

The risk for the project is the failure to engage with the Highways Agency and other partners such as developers, to agree a preferred strategy.

Project Plan

Year	Activity
2015/16	• Project inception and completion of transport strategy.
2016/17	• Formal adoption of transport strategy will enable commencement of Business Case work.
2017/18	• Finalise development of Business Case-submit to Dft.
2018/19	• Government approves business case and programmes junction improvement within national road improvement programme • Planning applications are developed
2019/20	• Planning application submitted
2020/21	• Construction starts

Business Case - M5 Junction 9 Transport Strategy

Reporting and Monitoring

A project team will be established with representation by all relevant public and private partners. A project manager will be appointed and they will manage this process and associated project commissions on behalf of the project team including the identification of project mile stones.

Formal reporting will be through the governance arrangements established to manage the delivery of Gloucestershire's Strategic Economic Plan.

Risks

Risk	Scale of Risk	Mitigation	Revised scale of Risk
Lack of transport strategy for junction 9 weakens SEP bid	Very High	To make a commitment to develop a detailed scheme proposal for the junction during this SEP period.	High
Failure to achieve agreement between key stakeholders, including the LEP, HA, developers and the Local Authorities regarding the need for a full transport package to mitigate increased demand at the junction	High	To ensure that all modes of transport are considered in developing an affordable, deliverable strategy to a key constraint on the network.	Medium
Failure to attract future HA buy-in	Medium	The HA are aware of the issue at Junction 9 and are keen on working with partners to resolve this issue. To gain a formal commitment from 2015/16 is essential to ensure this strategy moves forward.	Low
Revenue funding is not available for the initial years of strategy development	High	Seek formal commitment from GCC/LEP/Developers/District Council for non SLGF revenue funding to be made available during 14/15, to enable a start to be made early in 15/16.	Medium
The Business case work, culminating at the end of 17/18 does not demonstrate that there is a case to be made for Government funding. All funding would therefore need to be provided from other sources	High	Alternative funding sources are investigated early on in the strategy development process.	Medium
Development site (MOD) is dropped from Local Plan	High	The local plan is not yet formally adopted – this should be resolved before SEP is finalised in July	Medium
Environmental constraints of site limit potential solutions	Medium	Alternative solutions away from the environmental constraints may need to be considered.	Low
Schemes identified in strategy are unaffordable through SEP process	Medium	Reduce scale of development to fit affordability of mitigation measures	Low

Business Case - M5 Junction 9 Transport Strategy

Outputs

Emerging development allocations within the Cheltenham, Gloucester and Tewkesbury Joint Core Strategy (JCS) identify land around J9 for two major employment sites, which would together provide 34 hectares of strategic employment land. The 34ha is comprised of 20ha of re-developed brownfield land at MoD Ashchurch and 14ha south of A46 at existing Ashchurch Industrial Estate. The 14ha Ashchurch site is currently the subject of a planning application for a garden centre and retail outlet development village by Robert Hitchins Ltd.

Collectively, the emerging plan allocations are predicted to generate in the region of 3,000 net new jobs, which equates to an annual GVA contribution of nearly £68 million. In addition, the scheme for the MOD site is seeking to promote the development of over 2,100 new homes.

In addition to the strategic site allocations, an application is currently being considered by Tewkesbury Borough Council for a Sainsbury supermarket, café and petrol station, which lies within the same broad locality. If successful, this development will create a further 300 new local jobs and an additional annual GVA contribution of £6million.

Other Sources of Funding

Other sources of funding will emerge from both the Highways Agency pinchpoint scheme, at approximately £2million, and the capacity improvements required as a condition of the Sainsbury's planning application.

Revenue resources are required to develop the transport strategy for the unlocking of the Ashchurch site and the MOD land. This revenue source is currently unidentified, but will be actively pursued by the LEP and County Council.

Once the masterplanning/strategy development work is undertaken for the MOD and Ashchurch sites the exact details of the revenue and capital scheme requirements will be known.

Ask of Government

(a) Influence:

- **Release of MOD site** – this is critical to development proposal, the GVA release, and future transport strategy for junction 9.
- **Commitment from the HA** to work in partnership with local authorities and LEP to agree and then implement a transport strategy for junction 9. This certainty will provide business confidence and enable development to come forward.

(b) Finance:

Capital and Revenue funding:

- **Unidentified Revenue for strategy development** - Revenue funding for scheme feasibility and, business case development. Revenue source is currently unidentified but will be identified outside of the SLGF, and will be pursued by the LEP and County Council.
- **HA / DfT capital funding for planning permission and scheme implementation** – schemes costs are not known at present (until the transport strategy development is complete early in the SEP period) but if significant junction improvements and/or carriageway widening/dualling is required this may cost between £20m-£100m depending on the specific proposal identified.

Value for Money

In the absence of a detailed strategy it is difficult to quantify the vfm argument at this stage.

The vfm savings provided by improving the capacity of the motorway junction, in terms of reducing the strategic and non-strategic network vehicle delays will be calculated during the business case work that will be undertaken during 2016/2017 and 2017/2018.

Wider vfm benefits will also emerge as the strategy is developed and the development sites are developed and jobs created.

Business Case - M5 Junction 9 Transport Strategy

‘Fit’ with national strategies, existing provision and other LEPs

The Government has recently published its Draft National Policy Statement for National Networks - December 2013. This sets out the vision and objectives as:

Government’s vision and strategic objectives for the national networks

The Government will deliver national networks that meet the country’s long-term needs; supporting a prosperous and competitive economy and improving overall quality of life, as part of a wider transport system. This means:

- Networks with the capacity and connectivity to support national and local economic activity and facilitate growth and create jobs.
- Networks which support and improve journey quality, reliability and safety.
- Networks which support the delivery of environmental goals and the move to a low carbon economy.
- Networks which join up our communities and link effectively to each other.

DfT Business Plan to 2015 wants to:

- Support sustainable local travel by investing in local transport, decentralising funding and powers, tackling local congestion and making public transport, walking and cycling more attractive
- Invest in our roads to promote growth, while reducing congestion and tackling Carbon and
- Invest in the strategic road network to promote growth and address the congestion that affects people and businesses, and continue to improve road safety. Support the market for electric and other low emission vehicles and ensure the infrastructure is in place to support the adoption of low emission transport.

The proposed transport strategy for junction 9 fully supports the M5 Growth Zone within the SEP and the proposed development sites in Ashchurch identified within the Joint Core Strategy.

The holistic approach of the transport strategy ensures it builds on the HA’s pinch point scheme for the A46, while being consistent with the DfT’s Door to Door Strategy by delivering travel choice options. In the long-term this will alter existing life-styles and the perceived reliance on the car. It will improve the health and wellbeing of the local population and improve the desirability of an area for people to relocate to and live in.

Business Case - M5 Junction 9 Transport Strategy

Proposal: : *Transport Strategy for M5 Junction 9, Ashchurch and Tewkesbury, specifically linked to releasing land at the MOD and Ashchurch sites, as detailed within the draft JCS.*

Investments							Outputs		
	2015	2016	2017	2018	2019	2020	GVA	Jobs	Other
Unidentified Revenue for strategy development and business case submission.	£0.5	£0.5	£0.5						
HA/ DfT –Capital for planning permission and scheme delivery.				£0.5	£0.5	£20-£100m			
TOTALS	£0.5m	£0.5m	£0.5m	£0.5m	£0.5m	£20-£100m	£70million	3,500	

Please note that until the strategy/master-planning phase is undertaken, and the exact solution is understood, it will not be possible to accurately identify the funding that would be required from the Government for the transport scheme.

Appendix 4D

Strategic
Economic Plan for
Gloucestershire



GLOUCESTERSHIRE

enablers for growth

SEP Business Case M5 Junction 10 All Movements



Business Case - M5 Junction 10 All Movements

Overview

To work with the Highways Agency (HA) and Department for Transport (DfT) to upgrade junction 10 to provide a four-way vehicle intersection enabling all vehicle movement on and off the M5.

The existing junction arrangement at Junction 10 does not provide access to and from the south (Bristol and A417 to Swindon and M4 corridor). This reduced access arrangement significantly impacts the desirability of development land located in close proximity to this junction.

One of the primary aims of the LEP is to bring forward a significant employment and mixed use site within the vicinity of this junction. Once provided this will significantly increase the opportunity to develop land within the surrounding area.

Problem or Opportunity

The area immediately surrounding Junction 10 is not reaching its commercial potential for attracting investment due to the reduced access provided by the M5. At present, vehicles can only travel northbound towards Birmingham.

Vehicles requiring southbound access are required to drive into Cheltenham and access the M5 at junction 11. This unnecessary increase in vehicle demand impacts highway safety in residential areas and contributes to decreasing air quality within a designated Air Quality Management Area (Cheltenham Boroughs is a designated Air Quality Management Area).

The Joint Core Strategy (JCS) has identified 23ha of employment land in addition to 4,829 dwellings for a site in close proximity to junction 10 in north west Cheltenham. This allocation is constrained by the capacity of the existing junction. Improving this capacity has the potential for increasing the employment land potential by a further 127ha resulting in a total mixed use and employment allocation of 150ha.

Connectivity research in Gloucestershire, commissioned by the LEP in 2013, showed that Junction 10 is seen as important to businesses. 51% of businesses noted that Junction 10 was significant/very significant to the operation of their business.

50% of respondents stated 'yes-definitely/probably' in terms of whether Junction 10 had a negative impact.

Rationale for Intervention

1. How does the proposal deal with the problem or opportunity?

The justification for the junction upgrade rests in its potential to unlock a total 150ha strategic mixed use and employment site which will attract significant new growth and jobs. Improving the capacity of the motorway junction will reduce the risk of journey time uncertainty and increase the desirability of development land in north west Cheltenham.

The proposed 'all movements' junction includes a significant increase in junction capacity for all access and egress points. It also includes junction improvements on the local network (A4019) to meet the expected increase in travel demand from the proposed development site and via the A38 at Coombe Hill. The proposal also includes bus priority improvements along the relevant corridors.

2. How does the proposal support Growth in the county?

Discussions with developers, commercial agents and major employers suggest that there is interest to develop the 150ha mixed use and employment site and the Local Authorities accept that mixed use and employment land is the most plausible and pragmatic use to bring the site forward. They have strongly indicated that they are unlikely to bring forward the site in the absence of a junction upgrade. They also confirmed that they see no other significant barriers to development (subject to the land being allocated through the local plan process).

3. Does the proposal support / align to the Flagship Proposals (Growth Zone, Growth Hub, GREEN) in the SEP, if so, how?

A site of this size could deliver transformational growth for the county and be the anchor point of the SEP's Growth Zone, creating up to 6500 net new jobs.

Business Case - M5 Junction 10 All Movements

Delivery

Preliminary design options and a preferred scheme design have been identified following high-level discussions with the Highways Agency (HA), but an evidence gap currently exists for this scheme. To date no formal modelling of the proposed scheme has been completed to inform a business case and no Benefits Cost Ratio (BCR) figure exists in relation to the increased mixed use and allocation (the 150ha).

The LEP will seek to work with the HA and local authorities to help build the economic case for this scheme and attract investment for the scheme. The estimated cost of enhancing Junction 10 to allow four-way access is some £22m with an additional £8m allocated for junction improvements, and public transport improvements accessing the site. This is more than could be supported by a single development, for instance through Section 106 contributions or Community Infrastructure Levy.

A funding package is required including capital contributions from the single local growth fund via the SEP, local developer funding and funding attracted through the HA's Route Based Strategy process. A revenue contribution is also required to finance scheme development costs including detailed design and the completion of a business case to attract future investment, although this has at present not been committed by any party.

Project Plan

Year	Activity
2015/16	• Business case development • Strategic transport modelling – scheme feasibility work
2016/17	• Business case development • Detailed design work – scheme feasibility work • Seek Dft/HA approval-‘Programme Entry’.
2017/18	• If ‘Programme Entry’ is achieved, begin Planning Process, including full environmental statement and Transport Assessment.
2018/19	• Planning application • Compulsory Purchase Order/Side Road Order process • Public inquiry
2019/20	• If planning application is agreed • Start constructing scheme
2020/21	• Complete construction starts

Reporting and Monitoring

A project team will be established (possibly by the LEP) with representation by all relevant public and private partners. A project manager will be appointed and they will manage this process and associated project commissions on behalf of the project team including the identification of project mile stones. Formal reporting will be through the governance arrangements established to manage the delivery of Gloucestershire's Strategic Economic Plan.

Business Case - M5 Junction 10 All Movements

Risks

Risk	Scale of Risk	Mitigation	Revised scale of Risk
HA do not recognise junction 10 within their Route Based Strategy	High	Ongoing dialogue with the HA through the Gloucestershire County Council liaison group, the LEP's connections group and JCS process will ensure the scheme remains a recognised priority for the LEP area	Medium
Significant re-routing of existing local traffic accessing junction impacting local network	High	Initial transport modelling for the north west Cheltenham development indicates a significant increase in rerouting particularly in relation to vehicles accessing the junction from the west of the junction. The 150ha development has not been modelled, but is likely to dramatically increase the rerouting traffic and impacts on the local road network. Various travel demand measures will need to be deployed to reduce this impact.	Medium
Increase in local traffic accessing strategic network	High	Initial transport modelling (only assessing the JCS development in the north west Cheltenham area) indicates a significant increase in motorway junction hopping - Various travel demand measures will need to be deployed to reduce this impact, including support for sustainable transport options. The proposed 150ha development has not been modelled, but is likely to dramatically increase the rerouting traffic and impacts on the strategic road network.	Medium
JCS not formally adopted or adoption process delayed	High	The JCS Core Strategy is programmed for submission to Secretary of State in autumn 2014 with examination and adoption in 2015.	Low
The JCS does not bring forward the total of 150ha of safeguarded land for employment and mixed use	High	The LEP and LA have commissioned studies to establish the level of demand for employment land near the M5, which may result in the Local Authorities reviewing the timing of the release of the safeguarded land.	High
Failure to attract viable developers	Medium	LEP funded research has identified the shortfall in employment land allocations in close proximity to M5.	Low
Extended appeal process for scheme development	Medium	Ensuring a sound evidence base is developed which is fully Webtag compliant will reduce the risk of an inspector refusing planning permission	Low
CPO issues significantly increase cost of scheme	Medium	Commissioning a land cost estimate report and experience of CPO process when progressing Elmbridge Transport Scheme will aid negotiations with land owners	Low

Business Case - M5 Junction 10 All Movements

Outputs

A strategically significant urban extension at North West Cheltenham including a notable employment allocation is being promoted through the emerging Joint Core Strategy (JCS). The upgrade of the junction would facilitate a more rapid delivery of development in this location and may also act as a catalyst for realising an expanded employment allocation of up to 150ha, which is presently being considered for safeguarding. The expanded employment allocation would be brought forward as part of an early review to the emerging JCS.

The existing North West Cheltenham urban extension aims to provide 23ha of new employment land and 4,829 new homes by 2031. Based upon anticipated employment uses, upwards of 2,500 net new jobs are envisaged with an annual GVA contribution equal to £51million. However, expanding the mixed use and employment allocation by 150ha is predicted to yield a further 6,500 net new jobs and a significant uplift in the annual GVA contribution from this locality by an additional £139million. (N.B. the figure of 6,500 new jobs and £139million is based on an assumption of 150ha of employment land only. It is not based on an assumption of mixed use development. This could add circa 1100 houses with a possible realignment of the number of jobs and GVA)

Furthermore, beyond the catalytic impact on the creation of new jobs and GVA, the junction upgrade is estimated to support £2.7million in annual journey time savings for existing business users.

A total of £192.7million is predicted in GVA.

Other Sources of Funding

No additional sources of funding have been **committed**, but **could** include: Capital and Revenue funding:

- Currently unidentified funding source - £1m revenue for business case development.
- Highways Agency-£27m capital-2019-2012 for scheme construction.
- Developer-£5m for capital for scheme construction.
- Developer £5m for Uckington park and ride

TOTAL scheme cost: £38m

Ask of Government

(a) Influence :

- Support for employment and mixed use expansion at junction 10 – this is critical to the development proposal
- Commitment from the HA to consider the ‘all movements’ upgrade of junction 10 through their Route Based Strategy process

(b) Finance:

- Highways Agency-£27m capital-2019-2021 to develop the planning application and for scheme construction.

Value for Money

A fully upgraded junction10 providing ‘all movements’ will provide the additional capacity required to facilitate significant strategic development at north west Cheltenham, which is forecast to yield in the region of 6500 net new jobs and the more rapid delivery of 4,829 new dwellings. The full realisation of development in this locality is predicted to generate an annual GVA contribution of close to £192.7million.

Business Case - M5 Junction 10 All Movements

Fit with national strategies, existing provision and other LEP's

The Government has recently published its Draft National Policy Statement for National Networks - December 2013. This sets out the vision and objectives as:

Government's vision and strategic objectives for the national networks

The Government will deliver national networks that meet the country's long-term needs; supporting a prosperous and competitive economy and improving overall quality of life, as part of a wider transport system. This means:

- Networks with the capacity and connectivity to support national and local economic activity and facilitate growth and create jobs.
- Networks which support and improve journey quality, reliability and safety.
- Networks which support the delivery of environmental goals and the move to a low carbon economy.
- Networks which join up our communities and link effectively to each other.

Providing a full movement Junction 10 will increase capacity on the network, in line with the Government's Policy Statement for National Networks, opening up opportunities for development adjacent to M5 Junction 10.

The Department for Transport (DfT) Business Plan to 2015 wants to:

- **Invest in our roads to promote growth, while reducing congestion and tackling Carbon** and
- **Invest in the strategic road network** to promote growth and address the congestion that affects people and businesses, and continue to improve road safety. Support the market for electric and other low emission vehicles and ensure the infrastructure is in place to support the adoption of low emission transport

The 150ha employment site proposed would provide an anchor point of the SEP's Growth Zone providing the potential for up to 6500 net new jobs. (N.B. the figure of 6,500 new jobs and £139million is based on an assumption of 150ha of employment land only for the JCS site. It is not based on an assumption of mixed use development. This could add circa 1100 houses with a possible realignment of the number of jobs and GVA).

It also strongly aligns itself with the Government's draft National Policy Statement (NPS) and the DfT's business plan for investing in the strategic road network to enable growth.

Business Case - M5 Junction 10 All Movements

Proposal: M5 Junction 10 All Movements									
Investments							Outputs		
	2015	2016	2017	2018	2019	2020	GVA	Jobs	Other
SLGF-Capital	£0m	£0m	£0m	£0m	£0m	£0m			
HA - Capital			£1m	£1m	£13m	£12m			
Dev Cont. Capital						£5m			
Developer park and ride site						£5m			
Unidentified source of Revenue	£0.5m	£0.5m							
TOTALS	£0.5m	£0.5m	£1m	£1m	£13m	£22m	£192.7m	6,500	

*SLGF = Single Local Growth Fund through SEP

n.b. assumes J10 scheme cost is £30m, allowing £22m for the junction itself, and £8m for improvements to other junctions and public transport on the local and national network.

Appendix 4E

Strategic
Economic Plan for
Gloucestershire



GLOUCESTERSHIRE

enablers for growth

**SEP Business Case
A40 Regeneration Areas**



gfirst **LEP**
growing gloucestershire

Business Case - A40 Regeneration Areas

Overview

A40 Regeneration Areas – Improving Connectivity and Resilience

The proposal will be delivered through two packages of interrelated measures which help reduce traffic congestion and the associated economic disadvantages on the A40 corridor between Cheltenham and the Forest of Dean. In summary, the packages focus investment where it will maximise economic productivity and efficiency, particularly in terms of providing improved traffic flow, faster journey times and overall transport network resilience on the A40 (west) corridor, and the areas of regeneration that connect to it. This will serve employers and the wider economy through enabling improved connectivity with the rural west of the County and connections through to Herefordshire, Monmouthshire and the Forest of Dean. National and international employers select areas based on the resilience of the local transport network and the ability to secure a high quality workforce.

In partnership with organisations such as the Highways Agency (HA), the Department for Transport (DfT), Network Rail, Stagecoach, the Homes and Communities Agency (HCA) and the District Councils we will deliver the following proposals to **focus investment on strategic transport connectivity improvements to the A40 (west) trunk road and key linkages to it:**

Proposals which are supported through the Local Growth Fund but have been pre committed either as a “tail end major” or as a pre-approved GLTB scheme:

- Elmbridge Transport major scheme
- A40 Bus Lane Benhall
- A40 Corridor bus priority
- A40 Over Roundabout

In addition, there are a number of schemes which may receive a funding contribution through the GLTB (to be decided in April 2014), including the Cheltenham Spa Railway Station Improvements scheme.

Detailed funding applications setting out the benefits for the above schemes have been provided for the GLTB schemes in accordance with the DfT approved Assurance Framework and for Elmbridge as part of the Major Schemes programme entry in 2011.

This document will therefore focus on the following proposals which are seeking funding through the SLGF but have not been pre committed:

- Cinderford Northern Quarter Link Road
- Lydney Transport Strategy
- B4063 Staverton Bridge Junction
- A38 St Barnabas Roundabout Scheme
- Gloucester south west by-pass
- Kings Quarter Bus Station

Package 1 REGENERATION Schemes 4, 5, 13 (see map)

To support regeneration in Kings Quarter Bus Station, Cinderford and Lydney. These are areas of suppressed economic potential that look to the A40 connection to the M5 growth corridor.

Package 2 CONGESTION PINCHPOINT Schemes 7, 8, 9, (see map)

To facilitate the functioning of the wider transport network in relation to the promotion of the A40 and the regeneration areas. These schemes fundamentally **address bottlenecks within the transport network, particularly where these are predicted to worsen and put a brake on economic recovery.**

The DfT understands that ‘Although increased demand for the road network can often be driven by economic growth, the presence of congestion can also hold back further growth as more time is spent travelling at the expense of other productive activities. In addition, the inability to accurately predict journey times due to congestion can result in wasted time as individuals either arrive late for appointments or arrive early by allowing too much time for their journey’ (DfT 2013 ‘An Introduction to the DfT’s Transport Congestion Statistics’ par. 2.3).

Therefore, addressing traffic congestion is fundamental to supporting regeneration through improved access to skills, jobs, goods and services.

Business Case - A40 Regeneration Areas

Schemes to Promote Regeneration and Manage Congestion on the Network

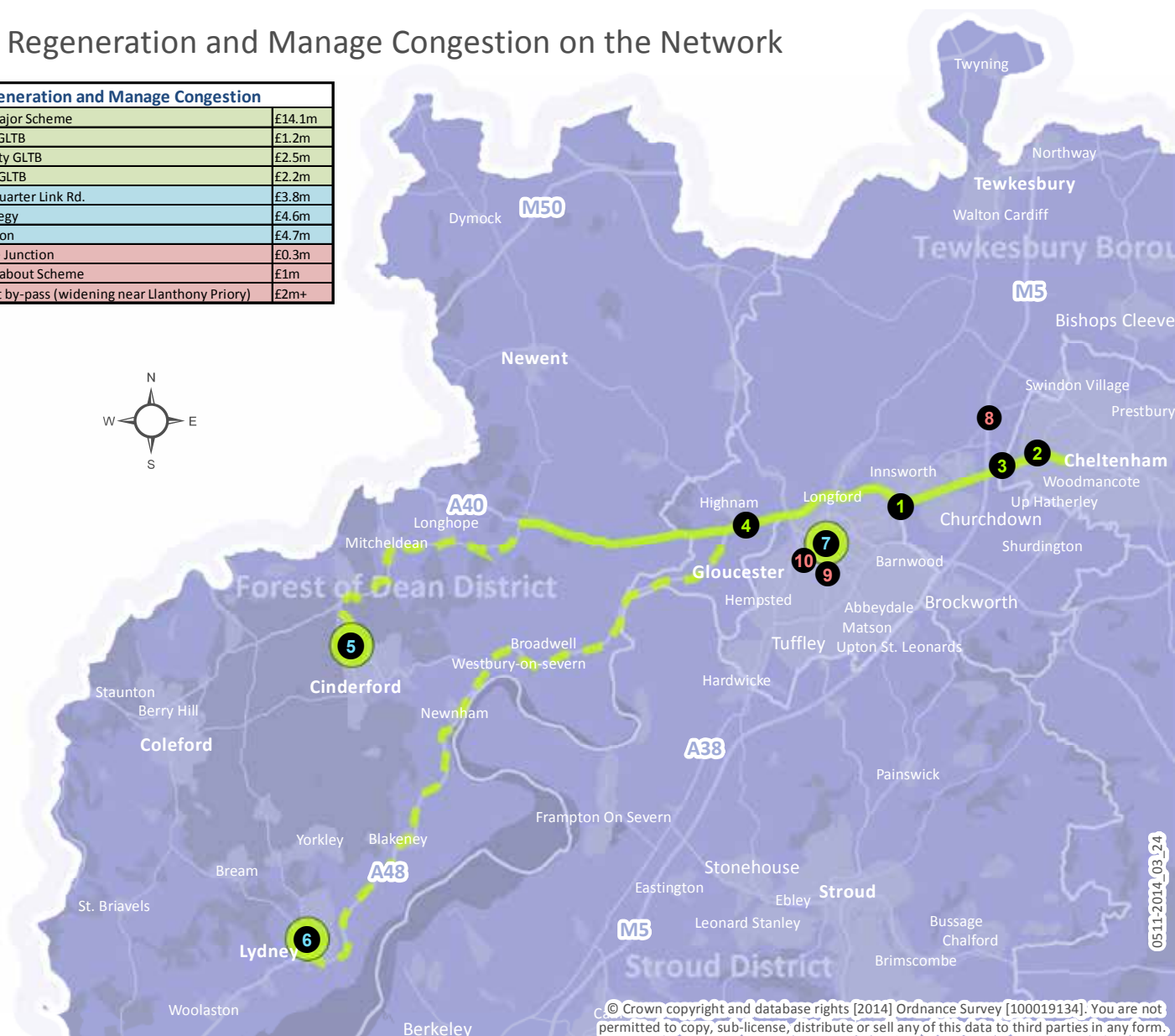
Transport Schemes To Promote Regeneration and Manage Congestion		
A40 Corridor	1 Elmbridge Transport Major Scheme	£14.1m
	2 A40 Bus Lane, Benhall GLTB	£1.2m
	3 A40 Corridor Bus Priority GLTB	£2.5m
	4 A40 Over Roundabout GLTB	£2.2m
Package 1 Regeneration	5 Cinderford Northern Quarter Link Rd.	£3.8m
	6 Lydney Transport Strategy	£4.6m
	7 Kings Quarter Bus Station	£4.7m
Package 2 - Congestion	8 B4063 Staverton Bridge Junction	£0.3m
	9 A38 St Barnabas Roundabout Scheme	£1m
	10 Gloucester South-West by-pass (widening near Llanthony Priory)	£2m+

Legend

- Regen Area
- Prospective Regen Link
- Link



0 1 2 4 Miles



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Business Case - A40 Regeneration Areas

Problem or opportunity

The Problem

Between 2015 and 2025 the National Road Traffic Forecasts predict a 19% increase in road travel in Gloucestershire. This is a result of greater disposable income as the County moves out of recession and reduced cost of travel resulting from increased fuel efficiency.

The 2025 GFirst LEP Growth Statement predicts 34,000 extra jobs within the county, predominantly within urban areas and new strategic development sites. Based on current census information, key external connections of importance to the county will include links to Herefordshire and Monmouthshire from the Forest of Dean.

A rise in journey time cost will typically result in a lower demand for road transport and reduced economic competitiveness. Improving journey time reliability is an important requirement for both businesses and their employees; it also impacts the reputation of an area and its ability to attract inward investment.

Congestion on the A40 corridor is restricting economic growth in Gloucestershire. The business survey for the Cheltenham and Gloucester DaSTS Study (2009) found that reliance on the A40 between the Forest of Dean and Gloucester is a constraint to economic development in the area and constitutes “one of the most urgent challenges in the West of England”.

Congestion issues at the key A40 junctions between Cheltenham and Gloucester are identified as being of overriding importance in the Central Severn Vale Transport Strategy (2011-26).

The Opportunity

The business survey for the Cheltenham and Gloucester DaSTS Study (2009) states that “The A40 from the Forest of Dean causes several miles of bottlenecks each working day”. It notes that the route lacks transport resilience and is prone to the effects of flooding and other incidents on the network. This indicates evidence of potential market failure because of congestion due to the over-dependence of private car trips on the A40 corridor feeding the M5 growth zone. We understand that there is a need to identify congestion bottlenecks on this corridor and in relation to the M5 Growth Zone.

As populations increase and the economy grows, the need to encourage regeneration whilst alleviating traffic congestion is imperative and failure to address this will put a brake on economic growth and on the desirability of Gloucestershire as a place to live, work and invest in. There is an opportunity to regenerate parts of the County where there is latent demand for high quality jobs, skills and training through ensuring transport investments enable a dynamic and well connected local economy.

The schemes within the Proposal (Packages 1 and 2) will alleviate or offset traffic congestion and support economic regeneration. This will be achieved through improving traffic flows and addressing congestion bottlenecks. This will enable employers to access skilled workforces living in attractive parts of the County, like the Forest of Dean.

Business Case - A40 Regeneration Areas

Rationale for intervention

1. How does the proposal deal with the problem or opportunity?

Packages 1 and 2 ensure that transport is the enabler of economic activity and growth through supporting regeneration in Lydney, Cinderford and Gloucester and reducing the impact of congestion bottlenecks on the network. Employers based in, and reliant on, activity in the M5 growth zone will have their opportunities for market expansion and access to skills pools inhibited if transport doesn't enable the free movement of people, goods and services in relation to its adjacent areas.

2. How does the proposal support Growth in the county?

The Proposal ensures that the economies within the growth zone are not compromised by poor or unreliable access to goods, customers and services in the neighbouring district of the Forest of Dean. Employers need unimpeded access to goods and labour to support their business competitiveness which can be unacceptably limited through congestion.

3. Does the proposal support / align to the Flagship Proposals (Growth Zone, Growth Hub, GREEN) in the SEP, if so, how?

The Growth Zone will be strengthened by free-flowing transport connections on the strategic and primary road network that serves it. It needs the necessary transport infrastructure essential to attract and retain high value-added businesses. Significant skills, goods and services are available within and via the Forest of Dean across the River Severn. Transport network resilience and reliability (alleviating congestion bottlenecks) are essential to the economic vibrancy of the Growth zone.

Delivery

Committed schemes:

These schemes are a combination of committed schemes, as:

- 1) £14.1m for a 'tail funded' major scheme Elmbridge Transport Major scheme bid, which gained programme entry status in December 2011.
- 2) £9.8m for the Gloucestershire Local Transport Board (GLTB) approved schemes, as part of the devolved major schemes process as determined by the Government's Local Transport Body process.

Elmbridge Transport major scheme	Delivery underway via Major scheme approval
A40 Bus Lane Benhall	Delivery underway via GLTB
A40 Corridor bus priority	Delivery underway via GLTB
A40 Over Roundabout	Delivery underway via GLTB
Final GLTB approved scheme(s)	Delivery to commence post 9/4/14

Business Case - A40 Regeneration Areas

In addition to the above committed schemes 2 packages of schemes are proposed as follows:

Package 1 REGENERATION Includes ambitious and diverse programmes, such as the Cinderford Northern Quarter Link Road and the Kings Quarter Bus Station Regeneration. These schemes are being considered by the GLTB. Delivery is through Partnership working. Risk registers are attached to this process and there is high confidence attached to the rigour and extent of the process.

Scheme:	Deliverability:
Cinderford Northern Quarter Link Road	GLTB candidate scheme
Lydney Transport Strategy	GLTB candidate scheme
Kings Quarter Bus Station	GLTB Candidate Scheme

Package 2 CONGESTION PINPOINT Schemes which will offer particular benefit to the success of the Proposal through targeting measures and improvements where congestion is worsening on the network feeding off the A40 and the regeneration areas, and around the Growth Zone. Their deliverability is currently under investigation. The need to make them deliverable is proven.

Scheme:	Deliverability:
A38 St Barnabas Roundabout Scheme	Identified local pinch-point priority. Feasibility study in progress.
B4063 Staverton Bridge Junction	Identified local pinch-point priority
Gloucester south west by-pass	Identified local pinch-point priority, Feasibility study in progress

Project Plan

		Project Plan exists	Start Date	Delivery Date
Committed schemes (funding as 'tail end' major scheme funding, and GLTB major scheme funding).	Elmbridge Transport major scheme	Yes	2011	2017
	A40 Bus Lane Benhall	Yes GLTB	2015	2017
	A40 Corridor bus priority	Yes GLTB	2015	2016
	A40 Over Roundabout	Yes GLTB	2015	2016
	Final GLTB approved scheme(s)	No		
Package 1 REGENERATION	Cinderford Northern Quarter Link Rd.	Yes	2015	2015
	Lydney Transport Strategy	Yes	2015	2019
	Kings Quarter Bus Station	Yes	2015	2016
Package 2 CONGESTION PINCHPOINT Schemes	A38 St Barnabas Roundabout Scheme	No. Under feasibility		
	B4063 Staverton Bridge Junction	Yes	2016	2016
	Gloucester South-West by-pass	No. Under feasibility.	2018	2018

Business Case - A40 Regeneration Areas

Reporting and Monitoring

All scheme proposals are subject to processes of political scrutiny and approval, as well as public and stakeholder consultation, in line with statutory procedure.

This includes all relevant public and private sector partners. Each scheme has a project manager who manages all processes connected to development, delivery and associated commissions.

Formal reporting will be through the governance arrangements established to manage the delivery of Gloucestershire's Strategic Economic Plan (SEP).

Each element of the scheme, including identifying the need, costs, feasibility, design and mitigation is either determined through the County Council or in Partnership with the key Partners (e.g. HCA, district councils).

Risks

Brief summary of strategic level risks to the successful delivery of the proposal, and how these risks will be mitigated against (e.g. failure of private sector funding to materialise, lack of political and / or business engagement etc.)

Over-arching risk of non-delivery

If congestion is unmitigated, the attractiveness of Gloucestershire as a place in which to live, work, visit and invest will deteriorate and we will fail to meet LTP Objectives to:

- Provide a safe, efficient and progressive local transport network;
- Ensure local people don't 'miss out' and are equipped to compete in a dynamic and evolving labour market;
- Ensure the quality and resilience of the local environment is not degraded as result of promoting growth;
- Continue to provide cost effective and agreeable levels of services for local communities;
- Ensure local people are well supported to engage in locally-generated growth; and
- Ensure GCC (transport infrastructure) assets are utilised effectively.

Risk	Scale of Risk	Mitigation	Revised scale of Risk
Failure to retain HA buy-in	Low	The Highways Agency have a close understanding of the importance of the trunk road network in connecting the Growth Zone to the east of the River Severn	Low
Withdrawal of interest and backing by one or more sponsors	Medium	Presently we have strong support. However, this is in relation to key timescales and confidence in partners. The effects of changes in governance structures need to be clarified through close communication.	High
Schemes identified are unaffordable within the SEP process	High	Ensure that a strong economic case is made within the bid.	Medium

Each element of each proposal will have a risk register attached to delivery. These risks fall within the parameters of 'acceptable levels of uncertainty'. For schemes to have been brought to the package at all, risks will have been identified and deemed manageable.

Business Case - A40 Regeneration Areas

Outputs

In prioritising the free movement of all traffic in association with the A40 corridor, and shorter peak and/ or congested periods, the successful delivery of the two transport infrastructure packages, west of Cheltenham and into the Forest of Dean is imperative.

Collectively the proposal will have a significant transformational influence over the local employment market across the central, east-west belt of Gloucestershire. This broad locality, encompasses the main urban areas of Gloucester and Cheltenham, and the Forest market towns of Cinderford and Lydney, and links these key areas of labour force and investment with the M5 growth corridor. Upwards of 25–30 green-field, regeneration and urban renewal development projects are earmarked for this area, which together are forecast to achieve over 300,000sqm of new retail, office and industrial floor space, in addition to revitalising the existing retail core of Gloucester and providing for new educational opportunities in the Forest of Dean. The vision for Cinderford is that by 2026 it will be acknowledged as a centre of excellence in sustainable economic development, green tourism and the application of cutting edge green technology. The regeneration of the Northern Quarter will open up mixed land use for housing, retail and a hotel (50,000 sq.m of commercial/ industrial and educational floor space, 400 new homes, 1000 jobs, new 60-70 bed hotel, an eco-visitor centre: £100m of private investment).

In Lydney there are plans for development of a new neighbourhood including 1,700 homes, a neighbourhood centre and 20ha of employment land, all of which is covered by planning approvals and policy within adopted plans. Rail and harbour improvements will create leisure and tourism opportunities as well as new employment.

Realising the transport improvements necessary to alleviate traffic congestion is expected to have a strong catalytic impact on achieving the localities growth proposals by greatly improving connectivity and resilience of the local road network. This will lay the foundations for strong and sustained inward investment, which could yield in the region of 20,000 net new jobs and a sizable annual GVA contribution of close to £225million. (N.B. this figure is in relation to the GVA and jobs related to the relevant growth ambitions set out in the emerging JCS and Forest of Dean local plans).

Improvements to transport infrastructure will power the economy through:

Recognising the role of the Bus Improved bus reliability without removal of road capacity to optimise the use of the transport network gives excellent VfM. The Bus Lane on the A40 Benhall has a Benefit Cost Ratio of 4.8. A similar ratio is assumed for the other Bus Lane schemes. Government will normally expect a scheme to have a BCR of a minimum of 2.

Benefits include providing sustainable transport links to large proposed housing and employment developments in the Churchdown area, and also to the regenerated urban centres of Cheltenham and Gloucester; Enabling more efficient operation of commercially operated services (increased frequency and / or offered over a longer period of the day) so providing a better service at lower cost to passengers.

Supporting Regeneration of Cinderford and Lydney to release local economic potential; Supporting regeneration at Cinderford Northern Quarter (up to 26 hectares of employment land) and Lydney (up to 30 hectares of employment land) by contributing to higher quality transport connections with the economic centre of the county (Gloucester / Cheltenham), and the wider regional / national road network (via the M5).

Alleviating Congestion. Identifying and addressing congestion hotspots on and in association with the A40 corridor. Improving access between the west of Gloucester and the identified strategic employment growth site at Innsworth, to the north of Gloucester. Up to 15 hectares of employment land has been identified at this site to support new jobs.

Connecting existing residential areas with key employment sites (e.g. GCHQ), the urban commercial / retail centres of Cheltenham and Gloucester and education establishments such as Gloucestershire University.

Business Case - A40 Regeneration Areas

Other Sources of Funding

Note a comprehensive breakdown cannot be supplied in relation to a Proposal of this magnitude. However, the section entitled 'Investments' on p.11-13 indicates the external funding ratios.

Expected external funding will be through bodies such as

Developers

Gloucestershire County Council

Strategic Economic Plan

Highways Agency

Homes and Communities Agency (HCA)

Department for Transport (via bids)

E.g. Stagecoach (will contribute £0.07m to the A 40 bus Lane, Benhall)

E.g. HCA has committed £4.3m (cash and in kind) to the Cinderford NR Spine Rd

E.g. FoDDC have committed £0.5m (cash and in kind,) to the Cinderford NQ Spine Rd

Ask of Government

(a) Influence:

DfT, Highways Agency – to note the importance of the trunk road network, and the roads that serve it, to this corridor; elected Members of Parliament and the County Council to lobby for rail and trunk road improvements; recognition by Central Government of the 'special status' of the Forest of Dean in terms of its geography, built and natural heritage and economic profile and potential.

(b) Finance:

Refer to table at 'Detailed Project Plan' for breakdown of how much/when/what for.

Value for Money

Value for money underpins the Proposal as poor journey time reliability and long journey times reduce competitiveness of businesses operating in the county.

Package	Value for Money (VfM)
Committed schemes	Excellent value for money.
Package 1 REGENERATION	Good Value for money. Both transport schemes are being considered by the GLTB. A key element of the business case will require proven VfM. Funding package currently being considered by GILF. Significant partner funding to be levered in.
Package 2 CONGESTION PINCHPOINTS	Schemes which comprehensively address congestion are invariably very good value for money. They benefit the whole transport network with specifically targeted investment which addresses the weakest points and bottlenecks in the transport network. There will be a pressing need to address congestion hotspots to prevent economic stagnation.

The DfT's guidance makes it clear that the Value for Money (VfM) assessment of public sector investment proposals is a critical consideration in the decision-making process. We have demonstrated that the emphasis on regeneration and the optimal use of the A40 corridor provides an excellent VfM.

- Package 1 REGENERATION Schemes will be served through local and strategic links which are free-flowing and so meet the needs of business through reducing the costs of moving goods to the Forest of Dean and the Central Severn Vale, by tackling the peak hour congestion problem for traffic towards Gloucester. This increases the size of labour markets from deprived areas of the Forest of Dean to job opportunities in Cheltenham, Gloucester and Tewkesbury.
- Package 2 CONGESTION PINCHPOINT Schemes will add to the cost effectiveness of all of the other transport schemes and measures. The weakest link in the network is where the biggest time delays and deterrents to economic vitality can be manifested. Investment at these points reaps significant benefits throughout the local and wider economy.

In terms of VfM the regeneration and congestion packages of schemes will make a significant contribution to growing the Gloucestershire economy.

Business Case - A40 Regeneration Areas

‘Fit’ with national strategies, existing provision and other LEPs

Government priorities are focussed on creating conditions for economic growth – reducing congestion on roads and creating equal access/opportunity for all

DfT Business Plan to 2015 wants to:-

- Invest in our roads to promote growth, while reducing congestion and tackling Carbon;
- Invest in the strategic road network to promote growth and address the congestion that affects people and businesses, and continue to improve road safety. Support the market for electric and other low emission vehicles and ensure the infrastructure is in place to support the adoption of low emission transport.

Within our Strategic Economic Plan, The A40 Regeneration Areas are intrinsically linked to the effects of future housing development (both secured and proposed through Local Plans and the Joint Core Strategy). Future growth will have direct impacts on the effectiveness of the existing transport network as means of linking people and places.

The Regeneration Areas link to the SEP Growth Plan (2015-21) for Gloucestershire; the developing Gloucestershire Infrastructure Assessment; emerging District Authority Core Strategies; and Council Corporate Strategies/Plans.

The HCA manage and sponsor the Cinderford Spine Road and North Quarter development. The Highways Agency invest in facilitating bus movement on the A40 which they are seeking to augment with more bus lanes and bus priority measures. This reflects the importance of achieving mode transfer on this corridor to achieve efficient use of the existing strategic Network Asset. Network Rail has produced a Lydney Masterplan to improve the capacity, service frequency and capacity of the Lydney rail station which is an important mode when congestion causes excessive journey times on the A40/48

The schemes also contribute very positively to the ‘Objectives for Connectivity’ of the Gloucestershire Local Enterprise Partnership, which include:

- a planning system that delivers efficiently and consistently for business

	Proposal: Regeneration and Congestion:				Committed schemes		
	Investments						
	Scheme	2015	2016	2017	2018	2019	2020
£14.1m Tail end Dft major scheme funding and £9.8m GLTB major scheme funding. (This is money committed through the Major scheme process for Elmbridge and by the GLTB)	A40 Bus Lane Ben-hall		1.20m				
	A40 Corridor BP	0.49m	2.49m				
	A40 Over Roundabout	1.00m	1.23m				
	Final GLTB scheme(s) confirmed on 9/4/14	0	0	0	1.65m	1.65m	
	Elmbridge Transport Major scheme bid*	2.00m	7.00m	5.10m			
Public Funds?* LSTF, Network Rail	n/a	0	0	0	0	0	0
Private Investments* TOCs, Stagecoach	A40 Bus Lane Ben-hall	0.07m					
TOTALS		3.56m	11.92m	5.10m	1.65m	1.65m	0

* plus £2,400,000 contribution from GCC for scheme preparation costs for Elmbridge

Business Case - A40 Regeneration Areas

	Proposal: Regeneration and Congestion:				Committed schemes		
	Investments						
	Scheme	2015	2016	2017	2018	2019	2020
SLGF*	Cinderford Northern Quarter Link Road	3.80m					
	Lydney Transport Strategy	0.10m	0.10m	0.80m	0		
	Kings Quarter Bus Sta- tion	2.00m	2.70m				
Public Funds?* GLTB	n/a						
Public Funds?* LSTF, Network Rail	Cinderford Northern Quarter Link Road	4.80m					
Private Investments* TOCs, Stagecoach	n/a						
TOTALS		10.70m	2.80m	0.80m	0	0	0

	Proposal: Regeneration and Congestion:				Committed schemes		
	Investments						
	Scheme	2015	2016	2017	2018	2019	2020
SLGF*	B4063 Staverton Bridge Junction			0.1m	0.1m	0.4m	1.00m
	A38 St Barnabas Roundabout Scheme					0.1m	0.9m
	Gloucester south west by-pass				2.00m		
Public Funds?* GLTB	n/a						
Public Funds?* LSTF, Network Rail	n/a						
Private Investments* TOCs, Stagecoach	n/a						
TOTALS		0m	0m	0.10m	2.10m	0.5m	1.9m

Business Case - A40 Regeneration Areas

Proposal: A40 Regeneration							Totals		
Investments								Outputs	
	2015	2016	2017	2018	2019	2020	GVA	Jobs	Other
SLGF*	5.9m	2.8m	0.9m	2.1m	0.5m	1.9m			
Tail end major schemes and GLTB major schemes	3.49m	11.92m	5.10m	1.65m	1.65m	0m			
Other funding sources	4.87m	0	0	0	0	0			
TOTALS	14.26m	14.72m	6.00m	3.75m	2.15m	1.90m	Upwards of £225 million	20,000	

*SLGF = Single Local Growth Fund through SEP

*Public or private funds

Appendix 5

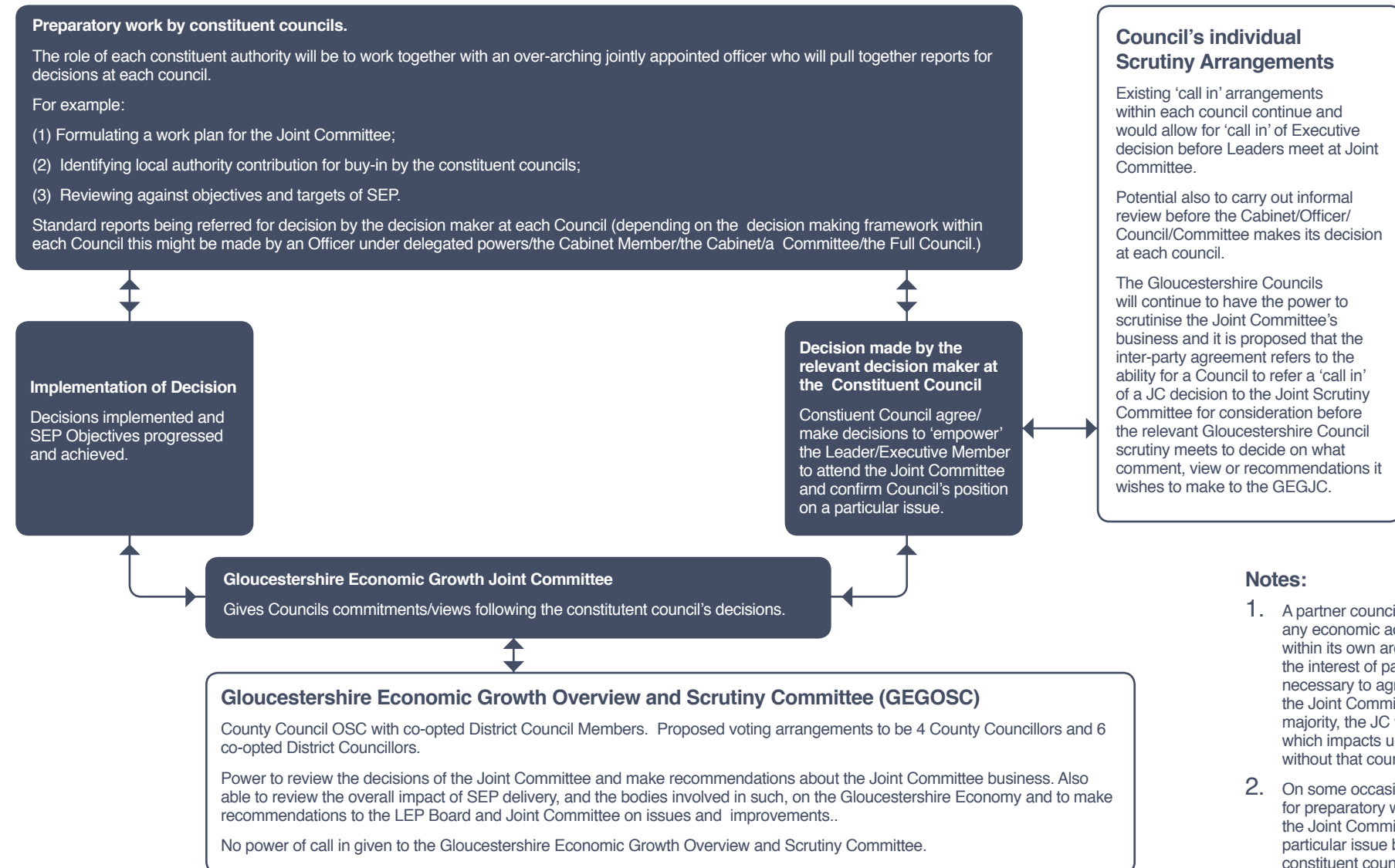
Strategic
Economic Plan for
Gloucestershire

Governance

Gloucestershire Economic Growth Overview and Scrutiny Committee



Decision Making Model



Notes:

1. A partner council will be free to undertake any economic activity it deems necessary within its own area. In order to protect the interest of partner councils it will be necessary to agree a protocol that although the Joint Committee's decisions are by majority, the JC will not make a decision which impacts upon any one council area, without that council's agreement.
2. On some occasions it may be appropriate for preparatory work to be considered by the Joint Committee to seek their views on a particular issue before being referred to the constituent councils for decision.

Appendix 6

Strategic
Economic Plan for
Gloucestershire

Business Engagement

List of Businesses



List of Businesses

Businesses & Other Organisations

Listed here are just some of the businesses and other organisations with whom we have regularly engaged during the development of this plan.

Project Steering Group Members			
Joint Core Strategy representative	Gloucestershire County Council representative	Local Nature Partnership representative	University of Gloucestershire representative

Project Steering Group Members			
Joint Core Strategy representative	Gloucestershire County Council representative	Local Nature Partnership representative	University of Gloucestershire representative
Versarien	University of Gloucestershire	Hunter Page	OPEN House Charity
Clarkson Evans	GEL	NatWest	Severn Wye Energy Agency
Gloucester Academy	Harrison Clark Rickerbys	Atkins Global	Jobcentre Plus
Randall & Payne	Investec	ARUP	South Gloucestershire & Stroud College
GE Aviation			

Sector Group Members			
Moog Controls Ltd	Barclays	Brunsdon	Roberts Limbrick
AGD Systems	Santander	Willans LLP	Kier Group
Delphi Diesel Systems	Lloyds	The Fry Group	Newland Homes
Fluid Transfer International Ltd	Clydesdale	Cleeve School	Alder King
Trackwise Designs Ltd	Handelsbanken	University of Gloucestershire	Barnwood Construction
GE Aviation Systems	Fredericks	Alder King LLP	EG Carter

Helipebs Controls Ltd	Natwest	Heather Resource Management Ltd	Quattro Design Architects
SPP Pumps	RBS	Achieving the Difference LLP	Bruton Knowles
Allcap Ltd	Harper Sheldon	HR Champions	Robert Hitchins
Omega Engineering	RBS	BookCheck Ltd	Markey Builders
Renishaw		Gloucester Academy	Hunter Page
Spirax Sarco	Hazlewoods	Randall & Payne	Nicholas J Upton and Partners
Omega Resource Group PLC	Gloucestershire Education Business Partnership	Cirencester College	Two Rivers Housing
SOHO Coffee Company	Crowe Clark Whitehill LLP	Gloucestershire Chamber of Commerce	BPE Solicitors
Cheltenham Festivals	Severn Controls	Cloud 2020	Colesbourne Gardens
Cotswold Style Ltd	Green Fuels Ltd	Ecclesiastical Insurance Group	RAU South West Rural Update
Cheltenham Design Festival	SWEA	Tripod IT	Gloucestershire Rural Community Council
JTT Events	Ecotricity	Jatech	Country Land and Business Association
Creative Network	Commercial Group	Lister Communications	National Farmers
University of Gloucestershire	Hermes Energy Services	Trillium Developments	Business West
Union			
Art Couture Painswick	Wysenergi	Tomorrow's Business International Ltd	Forest of Dean Local Action Group
Snow Business International	Action Image Productions	Paravail	Strutt & Parker

List of Businesses

Steve Kelly Design	Hasty Pen Ltd	Charlton Networks	Hartpury College
CEO & Creative Director	Creative Network	CCRI	National Farmers Union
Moose Marketing & PR	Prestbury Marketing	Rodmorton Farms NFU/CLA	RAU South West Rural Update
p4films	University of Gloucestershire	Neon Play	Royal Agricultural College
Supergroup	The Cotswold Chef	Gloucestershire Airport Ltd	Gloucester Quays
Beechwood Shopping Centre	Lansdowne Villa	Creed Foodservice	Eastgate Shopping Centre
Taurus Crafts	Painswick Rococo Garden	Stagecoach West	University of Gloucestershire
Gloucestershire College	Cotswolds Finest Hotels	Royal Logistics Corps	Cheltenham Task Force
Abbey Carpets & Flooring	Gloucester Quays	Panex	Lock Stock and Barrel
Regent Arcade	Cotswold District Council/Cotswolds Tourism		
	J. Sainsburys	Cheltenham Town Centre Manager	
Cavendish House	Debenhams	Laithwaites Wines	Canal & River Trust

Focus Groups

Twynetics/Old Manor Holiday Cottages	Business Strategy Consultant	Cirencester Community Development Trust
iswise	Omnisca Consultants Ltd	Cotswolds District Council
Tewkesbury Town Team	University of Gloucestershire	Robin Thompson MCIPR
Emsea	Ashgreen Business Services	Chute Design
Castlehead Investments	Gloucestershire Enterprise	Indesosa LTD
Rowan Dartington	Roses Theatre	webNvideo

Helen's Allsorts	Global Arts Inc LTD	Colesbourne Gardens LLP
Community Works	UCSM Limited	Four Pillars Hotel
Tewkesbury Rugby Football Club Ltd	Aspray Gloucestershire	Eric Cole & Partners
Cheltenham Chamber of Commerce	Gloucestershire Chamber of Commerce	Media Eden
Original Books Ltd	Fairford & Lechlade Bus Club	South West Apprenticeship Company
HMMH	HR Business	KVF Etc
Witton Recruitment	MBE Systems Ltd	Federation of Small Businesses
New Brewery Arts	Design Print Imagination	Ladysmith Farming
Graham Adams Associates	Skills2Go	

Voluntary Sector

Gloucestershire Credit Union	Forest Talk – blind and visually impaired newspaper	Cotswold District Council Community Team
People & Places Cheltenham	Lives Through Friends	Gloucestershire County Council Children & Young People's Commissioning Unit
Gloucestershire Association for Voluntary and Community Action	Ruardean Church	Inspiring Families
Stoke Association	Young Gloucestershire	Greensteps
Gloucestershire Old Peoples Forum	Ruardean Carnival	Cheltenham Borough Homes
Stroud VCA	Civil Service Retirement Fellowship	Vision 21
Gloucestershire Rural Community Council	Strim and Trim Community Gardening Service	TCV
Treasure Seekers Performing Arts	Kingfisher Church	Gloucestershire Reintegration Team

List of Businesses

Open House	Teens In Crisis	Cheltenham Borough Council
Together in Matson	Furniture Recycling Project	Springbank Friends
Cotswold Volunteers	Prior Park Neighbourhood Project	Star College
Forest Voluntary Action Forum	Tewkesbury Borough Council Community Development Team	Aston Project
Age Concern Forest of Dean	Youth & Community Services CIC	Gloucestershire Association of Parish & Town Councils
Age UK Gloucestershire	PATA	Disabled Responsible Older People, Gloucestershire
Lydney Community Centre	The Churn Project	Barton & Tredworth Community Project
Cheltenham YMCA	Meningitis Now (formally Meningitis Trust)	Forest Youth Workers Network
Boys Brigade	Gloucestershire Council for Voluntary Youth Services	Family Lives
Scout Association	Girl Guiding Gloucestershire	Gloucestershire Young Carers

List of Businesses

