



A LOCAL INDUSTRIAL STRATEGY FOR GLOUCESTERSHIRE: OPPORTUNITIES FOR TRANSITION STROUD TO PROMOTE A MORE SUSTAINABLE FUTURE?

In November the Government published its Industrial Strategy White Paper¹, setting out a commitment to act strategically and to coordinate efforts to address four 'Grand Challenges', one of which is 'Clean Growth' (embracing decarbonisation, circular economy thinking, sustainable agriculture and enhancing natural capital).

In areas without directly elected Mayors, the White Paper gives Local Enterprise Partnerships (LEPs) a lead role in developing *local Industrial Strategies* (IS). In Gloucestershire, this responsibility will fall to GFirst. In addition to the usual expectations about identifying priorities to improve skills, increase innovation, enhance infrastructure and business growth, local ISs are expected to align to the national IS, including its focus on 'Grand Challenges'. This, in principle, offers opportunity for a greater focus on sustainability concerns around climate change, resource depletion, agriculture, land-use, biodiversity and transport than is perhaps evident in GFirst's 2014 Strategic Economic Plan for Gloucestershire².

It might be appropriate for Transition Stroud to take action to encourage this opportunity to be taken, for example, by writing to:

- a) GFirst urging it to thoroughly address the Grand Challenges when preparing the local Industrial Strategy (IS), including accelerating decarbonisation, moving towards a circular economy, transition to sustainable agriculture and enhancing natural capital.
- b) Leading elected members of Stroud District Council, to suggest that the Gloucestershire Economic Growth Joint Committee (and associated Scrutiny Committee) encourage GFirst to thoroughly address the Clean Growth challenge when preparing the local IS³.
- c) Local voluntary and community sector parties (eg GlosCAN, R4C, Vision 21, Stroud Valleys Project and Gloucestershire Local Nature Partnership) to inform them of the opportunities that arise through preparation of a local IS.

It is suggested that the correspondence also offer meetings to discuss the opportunities, including the potential for joint working.

Further information:

Annex A	IS White Paper 'Clean Growth' Grand Challenge and Local ISs
Annex B	GFirst's approach and the 2014 'Strategic Economic Plan for Gloucestershire'
Annex C	Transition Stroud's Outline proposals for a Gloucestershire Industrial Strategy

¹ HM Government, 'Industrial Strategy: Building a Britain Fit for the Future', Cm9528, November 2017.

² Gfirst LEP, 'Strategic Economic Plan for Gloucestershire', March 2014.

³ The Committee was set up to provide an element of democratic accountability for GFirst and is due to discuss preparation of the local IS at its meeting on 14 March. Stroud DC's representative on the Committee is yet to be agreed, following the stepping down of Councillor Lydon as Leader of the Council.

Annex A: Industrial Strategy (IS) White Paper ‘Clean Growth’ Grand Challenge and Approach to Local Industrial Strategies

The Government has chosen to focus on four Grand Challenges so that, in its words, the UK can be in the “vanguard of changes transforming the world”, and make “preparations for the economy we need to become”. These are:

- Artificial intelligence and the data economy
- The future of mobility
- Clean growth
- Our ageing society

Although key aspects of these challenges are inter-linked⁴, this Annex focuses on ‘clean growth’ to illustrate the scope for GFirst to encourage, enable and support the transition to a more environmentally sustainable economy in Gloucestershire.

Clean Growth

The Government’s approach⁵ to this Grand Challenge is broad in scope and includes:

- the development, manufacture and use of low carbon technologies, systems and services across sectors, including industry and businesses, housing, transport and power
- the efficient use of resources and enhanced resource security across all sectors
- putting the UK at the forefront of advanced sustainable agriculture
- the regeneration of natural capital

The Government endorses a ‘whole systems approach’ to decarbonisation across sectors (p145) and highlights that “whole new industries will be created and existing industries transformed as we move towards a low carbon, more resource-efficient economy.” (p42).

The IS White Paper (WP) refers to four early priority issues:

- the development of smart systems for cheap and clean energy across power, heating and transport
- transforming construction techniques so that buildings take less energy to build and run
- making energy intensive industries competitive in the clean economy
- moving to high efficiency agricultural and food production systems.

The WP is also critical of the linear ‘take, make, dispose economy’, and commits to moving towards a more circular economy (p148-150), with an emphasis on restoration and regeneration, and design of products and processes for re-use, refurbishment, re-manufacture and recycling. The motivation is to increase resilience, as well as resource productivity. Further detail is to be provided in a new national Resources and Waste Strategy.

⁴ For example ‘AI and the data economy’ are relevant to ‘smart energy management’, and the ‘future of mobility’ is concerned with moves to electric and autonomous vehicles and the associated infrastructure. See the IS White Paper, CM9528, p41 and 50.

⁵ The approach set out in the IS White Paper is underpinned by the Government’s Clean Growth Strategy, ‘The Clean Growth Strategy: Leading the Way to a Low Carbon Future’, October 2017, <https://www.gov.uk/government/publications/clean-growth-strategy>. Note that there are a range of views on whether the Strategy goes far enough – see for example, the views of [Regen SW](#), the [Green Alliance](#) and [Carbon Brief](#).

The WP also commits to working “to enhance our natural capital – the air, water, soil and ecosystems that support all forms of life – since this is an essential basis for economic growth and productivity over the long term” (p135). It highlights the importance of ensuring “all aspects of natural capital are taken into account in approaches to infrastructure and other major investment decisions”. The Government has recently set out some further details in its 25 Year Environment Plan⁶.

Local Industrial Strategies

The Government explains that local ISs are expected to build on approaches in Growth and Devolution Deals, based on local strengths and opportunities, and identifying priorities to improve skills, increase innovations, enhance infrastructure and business growth.

A distinctive new dimension is the focus on addressing Grand Challenges, including clean growth. It is clear that Government expects these foci to be addressed in local industrial strategies, and infused throughout activities on skills, innovation, infrastructure and growth.

In areas without directly elected Mayors, the White Paper gives LEPs the lead role in developing local ISs. It notes that LEP performance has varied across the country and commits to a review and bringing forward reforms across leadership, governance, accountability and geography where needed (p223). It also commits to making “additional financial resources available to LEPs that demonstrate ambitious levels of reform following the review”.

⁶ HM Government, ‘A Green Future: Our 25 Year Plan to Improve the Environment’, 2018.

Annex B: GFirst's Approach and the 2014 'Strategic Economic Plan for Gloucestershire'

GFirst is the Local Enterprise Partnership for Gloucestershire. It is led by business, in principle in partnership with public, education and voluntary sectors, with the brief to promote economic growth, job creation and business opportunities throughout the county.

GFirst works to a Strategic Economic Plan (SEP), setting out how it intends to grow the local economy up to 2020. The SEP was submitted to the government in March 2014 as the basis for a request for 'Growth Deal' funding. In July 2014, GFirst secured £62.5 million as requested, followed by an additional £15 million in January 2015, and £29.13 million in February 2017.

The SEP contains three 'flagship' projects:

- **The Growth Hub:** this is a partnership between the University of Gloucestershire and GFirst to enable businesses to achieve their growth potential. Opened in October 2014, The Growth Hub offers physical access to the county's business support services and provides a central workspace, meeting place and educational facility for local businesses. Funding is in place for the next phase of The Growth Hub's physical development, as well as its expansion into 31 local libraries.
- *The Gloucestershire Renewable Energy, Engineering & Nuclear (GREEN) Skills Project:* this is a partnership between GFirst and South Gloucestershire and Stroud College to provide a centre of excellence for science, technology, engineering and mathematics (STEM) training, including workforce development training and apprenticeship opportunities. Additional funding for an Advanced Renewable Energy Resource Centre for STEM skills development, experimental research and specialist business and domestic market support in renewables has been secured. GREEN is based at the decommissioned Berkeley power station site.
- *The Growth Zone:* this provides opportunity to further develop the availability of employment land along the M5 corridor, attracting and retaining high-value-added businesses by providing valuable space and the necessary transport infrastructure for business expansion. GFirst's initial focus is on development at junction 9 and junction 10, and, in particular, the opportunity provided by the Ashchurch Ministry of Defence site near Tewkesbury.

The most recent funding (£29.13 million in February 2017) has been split between three key projects: Longford Housing – £4.53 million; Cheltenham Cyber Park – £22 million; and Gloucestershire College, Forest of Dean Campus – £2.6 million. Other projects include: improvements to Gloucestershire Airport infrastructure; Blackfriars and Quayside regeneration (in Gloucester); and agri-tech facilities at Farm 291⁷

GFirst does have an 'Energy Sector Group' with the following stated aim:

Ensure that energy and low carbon matters are given prominence in LEP strategic planning and project development, allowing the LEP to put initiatives in place that help support and grow the energy and low carbon economy, and encourage the adoption of measures to improve energy use by businesses.

Although some important energy projects have been set in train – notably the GREEN flagship project and some 'Lean, Mean and Green' events to showcase carbon footprint reduction innovations for businesses - it does not appear to be the case that low carbon matters are given prominence in LEP strategic planning and

⁷ Developed as a co-working environment for innovators to grow their businesses by applying technology to agriculture, Farm491 is intended to provide high-spec facilities to foster entrepreneurship, ideas and collaboration.

project development. The preparation of a local IS in line with the Government's commitment to addressing the clean growth challenge will provide opportunity for this to be rectified.

Finally, the LEP's governance arrangements include reporting to a Joint Statutory Committee, the Gloucestershire Economic Growth Joint Committee (GEGJC)⁸, made up of the seven Gloucestershire Councils. The committee is intended to provide a mechanism for local democratic accountability and for ensuring the Councils co-ordinate their efforts in support of the SEP and Growth Deal.

⁸ <http://glostext.gloucestershire.gov.uk/ieListMeetings.aspx?Committeeld=725>

Annex C: Transition Stroud's Outline Proposals for a Gloucestershire Industrial Strategy

The Government's focus on Grand Challenges makes it clear that a local IS needs to look beyond a 'business as usual' approach to economic growth, jobs and business opportunities to be transformative in nature. As the IS WP states: "whole new industries will be created and existing industries transformed as we move towards a low carbon, more resource-efficient economy." (p42).

In order to meet the Government's aspirations for how a local ISs should deliver on clean growth, it is suggested that GFirst needs to address a **local clean growth strategy deficit**. Previous attempts to develop a comprehensive across-sector decarbonisation strategy in Gloucestershire are out of date, and appear not to have been reviewed, updated or carried forward⁹. Preparation of a local IS in liaison with appropriate local stakeholders provides an ideal opportunity to address this strategy deficit.

The scope of the clean growth component of a Gloucestershire IS needs to reflect the breadth of the Government's own Clean Growth Strategy, including:

- the development, manufacture and use of low carbon technologies, systems and services across sectors, including industry and businesses, housing, transport and power
- the efficient use of resources and enhanced resource security across all sectors (through transition to a more circular economy)
- putting the UK at the forefront of advanced sustainable agriculture
- the regeneration of natural capital

Transition Stroud's outline proposals for each of these strands are:

- For energy and decarbonisation, there are a range of analyses¹⁰ and examples of strategies¹¹ in other parts of the country that could be reviewed to help identify an appropriate approach in

⁹ A draft 'Gloucestershire Energy Strategy' was considered by a fledgling GFirst in 2006, <https://democracy.cheltenham.gov.uk/Data/Cabinet/20061128/Agenda/2006%2011%2028%20cabinet%20glos%20energy%20strategy%20AppA.pdf>. It is not clear whether this was ever finalised or acted upon. Similarly, the 2007 Gloucestershire Local Area Agreement (LAA) 2008-2011, included a statement that the then Gloucestershire Environment Partnership would champion Gloucestershire's response to the challenges of climate change, using the LAA to help deliver the necessary changes to ensure the county's resilience, <http://democracy.gloucester.gov.uk/documents/s5683/Gloucestershire%20LAA%200811%20-%20FINAL%20DRAFT3.pdf>. This work also appears not to have been carried forward. Gloucestershire County Council adopted a Corporate Climate Change Strategy and Action Plan in 2017 – this pulls together the Council's work on climate change and sets out its priorities for adapting to and mitigating against climate change through its estate, services and leadership role within the county.

¹⁰ See, for example, the recent analysis in IPPR, 'Net Zero North: Delivering the Decarbonisation Mission in the North of England', December 2017, <https://www.ippr.org/research/publications/net-zero-north>. Other analyses that may be of use include: an overview of West of England renewable energy installed capacity compared with potential capacity (Table 7.5) in http://mollymep.org.uk/wp-content/uploads/The-power-to-transform-the-South-West_FINAL1.pdf; a review of the cost and effectiveness of low carbon options, and the scope for their deployment <http://bristol.ac.uk/cabot/media/documents/bristol-low-carbon-cities-report.pdf>; and the range of technical and institutional proposals for enabling the expansion of distributed forms of energy generation in https://www.academia.edu/11371258/Distributing_power_A_transition_to_a_civic_energy_sector.

¹¹ Two examples include: the West of England LEP, whose Low Carbon strategy and programme is set out in <http://www.westofenglandlep.co.uk/about-us/strategicplan>; and the Greater Manchester Combined Authority, which has a 'Climate Change and Low Emissions Implementation Plan', a Low-Carbon Hub and a Project Delivery Unit. See https://www.greatermanchester-ca.gov.uk/info/20005/low_carbon. The West of England Low Carbon Strategy is being updated and developed under the auspices of the West of England Combined Authority through engagement with local stakeholders..

Gloucestershire. This approach should include agreeing ambitious local CO2 reduction targets and an associated cross-sectoral programme to achieve them.

- For transition to a circular economy, the analyses and advice of the Ellen MacArthur Foundation¹² could be drawn upon, as could pioneering work in Peterborough¹³.
- For sustainable agriculture, GFirst may be able to make contributions relating to a range of proposals in the Government's Clean Growth Strategy¹⁴. There is also a significant literature on how to transition to more sustainable approaches that could be reviewed¹⁵.
- For the regeneration of natural capital, opportunities are likely to arise from the Government's 25 Year Environment Plan for GFirst to work with key partners (particularly Gloucestershire Local Nature Partnership) on schemes involving economic incentives or market-based mechanisms¹⁶.

Other activities that could build on current GFirst projects and help deliver on clean growth include: ensuring that the **information, advice and support available through the Growth Hub** addresses how businesses can take action to decarbonise their activities and become more resource-efficient¹⁷; and develop and use

¹² See, in particular the Foundation's 'Toolkit for Policy Makers' which, although primarily aimed at national policymakers, can be used at regional levels to identify appropriate initiatives to aid transition to a circular economy, 'Delivering the Circular Economy: A Toolkit for Policymakers', Ellen MacArthur Foundation, June 2015, <https://www.ellenmacarthurfoundation.org/publications/delivering-the-circular-economy-a-toolkit-for-policymakers>. The toolkit highlights the important role of 'direction setting' and showing commitment to seeking transition to a circular economy. Elsewhere the Foundation has highlighted the importance of encouraging business to focus on three circular economy 'building blocks': circular product design and production; new business models that prioritise payment for access to services over ownership; and 'reverse logistics' that enable materials and products to be collected for re-entry back into the market. It further suggests a focus on 'enablers', including development of a skill base to drive circular innovation, and establishment of 'collaborative platforms' between businesses and policy makers, to enable information sharing and discussion of ways of stimulating circular economy activities and overcoming market barriers 'Towards a Circular Economy: Business Rationale for an Accelerated Transition', Ellen MacArthur Foundation, December 2015, p14-17, https://www.ellenmacarthurfoundation.org/assets/downloads/TCE_Ellen-MacArthur-Foundation-9-Dec-2015.pdf.

¹³ <http://www.futurepeterborough.com/circular-city/>.

¹⁴ These include: working with industry to encourage the use of low-emissions fertiliser; developing affordable low carbon fertiliser products to reduce and replace fertilisers; exploring the potential for bio-stimulants to improve nutrient use efficiency; exploring the viability of fertiliser production by recovering nutrients from wastes and other organic materials; and reducing the costs of resource use in crop and livestock production by improving our understanding of crop soil interactions and exploring the potential of robotics and precision farming technologies. 'The Clean Growth Strategy: Leading the Way to a Low Carbon Future', October 2017, <https://www.gov.uk/government/publications/clean-growth-strategy>.

¹⁵ See for example, Lang T et al, 'A Food Brexit: Time to Get Real', July 2017, <https://www.sussex.ac.uk/webteam/gateway/file.php?name=foodbrexitreport-langmillstonemarsden-july2017pdf.pdf&site=25>, Land Workers' Alliance et al, 'A People's Food Policy', <https://www.peoplesfoodpolicy.org/download>.

¹⁶ See in particular p141-150 of the 25 Year Environment Plan for the Government's proposals for financing and incentivising improvements in natural capital, including ways of catalysing private investment. For an introduction to mechanisms for the sustainable delivery of 'ecosystem services', see 'UK National Ecosystem Assessment Follow-On: Synthesis of the Key Findings', UNEP-WCMC, LWEC, 2014, section 1.4.8 and Fig 20. For an analysis of an innovative approach to creating new markets for ecosystem services from land, see https://www.green-alliance.org.uk/natural_infrastructure_schemes_in_practice.php. And for Gloucestershire's 'Strategic Framework for Green Infrastructure 2015', see <http://www.gloucestershirenature.org.uk/publications/index.php>.

¹⁷ See for example, use of the Go Green tool, developed by Low Carbon SW to enable businesses to develop their own bespoke Go Green action plans, see <http://gogreenbusiness.co.uk/about-us/>.

appropriate ***'clean growth' criteria to inform GFirst decisions about business support, investment and grant funding***¹⁸.

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¹⁸ Criteria should include ways of demonstrating commitment to clean growth, for example, by taking demonstrable steps to being certified by B Corps as meeting rigorous standards of social and environmental performance, see <https://www.bcorporation.net/what-are-b-corps>, or by developing and using schemes like Go Green's 'say it, do it, prove it' process, see <http://gogreenbusiness.co.uk/about-us/>.