

# Swindon and Wiltshire Local Economic Assessment

March 2022



# 2

## Introduction and Context



# Local Economics Assessment (LEA) Structure

Swindon and Wiltshire Local Enterprise Partnership commissioned Hatch Urban Solutions to undertake an independent economic assessment of the LEP area.

**Part 1** introduces Swindon and Wiltshire and aligns the study within its local, regional and national policy context.

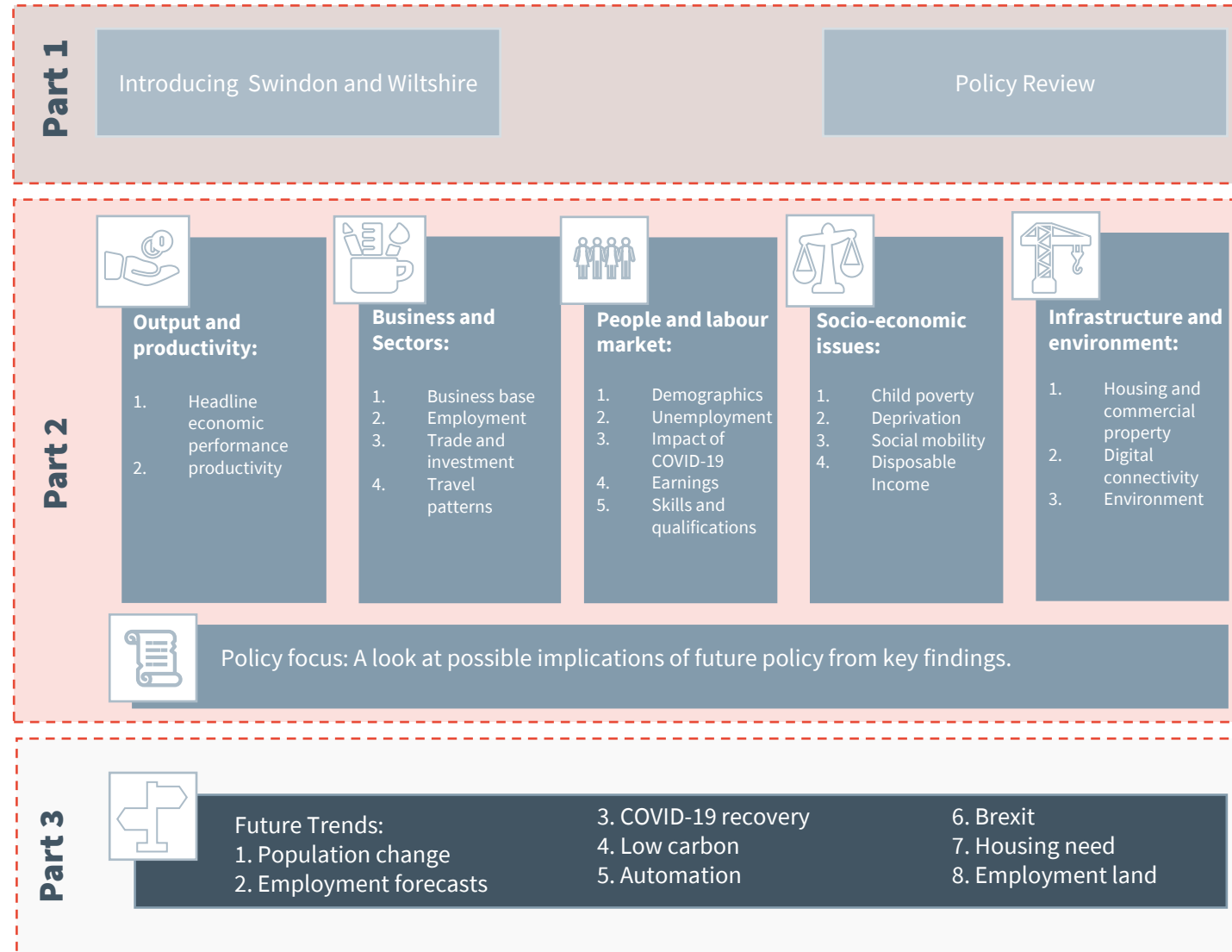
**Part 2** provides a comprehensive and robust evidence base on Swindon and Wiltshire's recent performance, comparing against local, regional and national comparators, and offering policy implications. It focuses on:

- + **Output and productivity:** assessing overall economic performance, GVA output and productivity trends
- + **Business and sectors:** characterising the business base, key sectors, employment and commuting patterns, as well as the impact of COVID and Brexit
- + **People and the labour market:** including employment trends and demand for skills
- + **Socio-economic issues:** including deprivation and social mobility
- + **Infrastructure and the environment:** focusing on digital infrastructure, the housing and commercial property market, and the decarbonisation agenda.

Using insights from Part 2, **Part 3** focuses on future trends influencing economic growth and prosperity in Swindon and Wiltshire.

The study utilised secondary research drawing on locally held and publicly available data and evidence. In addition, a workshop was held on 28<sup>th</sup> February 2022 to gain qualitative insight to inform the evidence base. The workshop was attended by key stakeholders from Swindon Borough Council, Wiltshire Council and the LEP. Inputs from the workshop have been considered throughout the report and have been used to inform policy implications.

# Local Economics Assessment (LEA) Structure





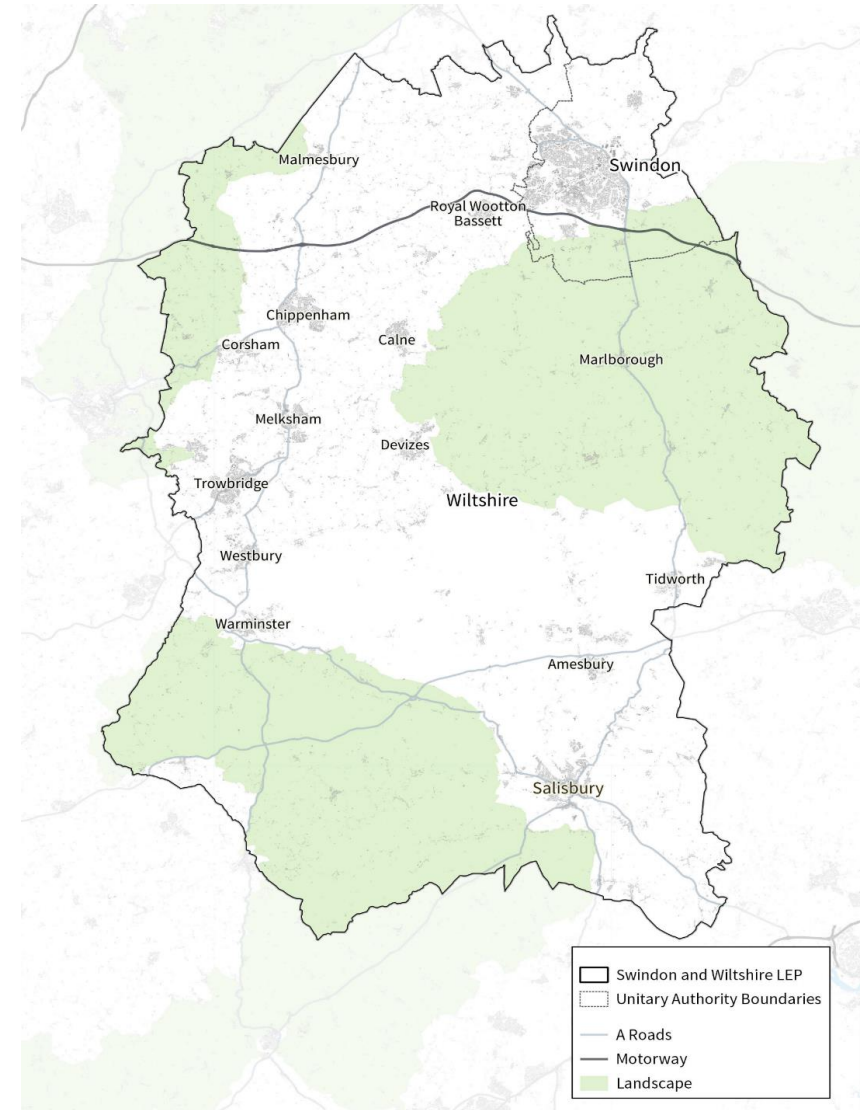
# Contextualising Swindon and Wiltshire

## About Swindon and Wiltshire...

Swindon and Wiltshire are located in the South West region of the UK. The Swindon and Wiltshire LEP area is made up of two unitary authorities: Swindon Borough Council and Wiltshire Council.

The LEP area is predominantly rural and includes high quality landscapes and three designated areas of outstanding natural beauty covering the north west, central and south west portion of the LEP area (Cotswold, Cranborne Chase and North Wessex Downs).

Geographically, Swindon and Wiltshire is in an advantageous position lying on the boundary of the South West and South East regions. The area is a crucial link in the prosperity of the southern England economy. Strategic connections such as the electrified Great Western Railway line allows services from London through Swindon and Chippenham and onto Bath to be undertaken in less than an hour. The M4 runs through the region connecting west London to south west Wales, and is in close proximity to Swindon. Furthermore, the LEP area is well positioned to access ports within close proximity, namely Portsmouth, Bournemouth and Southampton, as well as Bristol and Southampton Airports.



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# Contextualising Swindon and Wiltshire

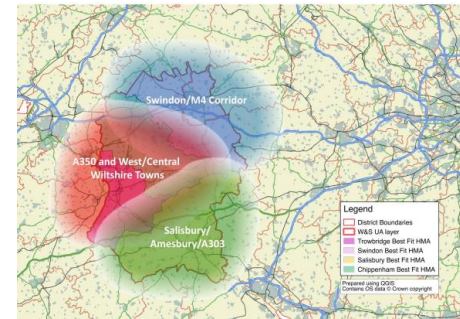
## The Swindon and Wiltshire 'Zones' fuel economic growth...

Within the Swindon and Wiltshire area there are three Growth Zones which represent large agglomerations of economic activity. These growth zones broadly align with the FEMAs (functional economic market areas) which are used to inform local plans.

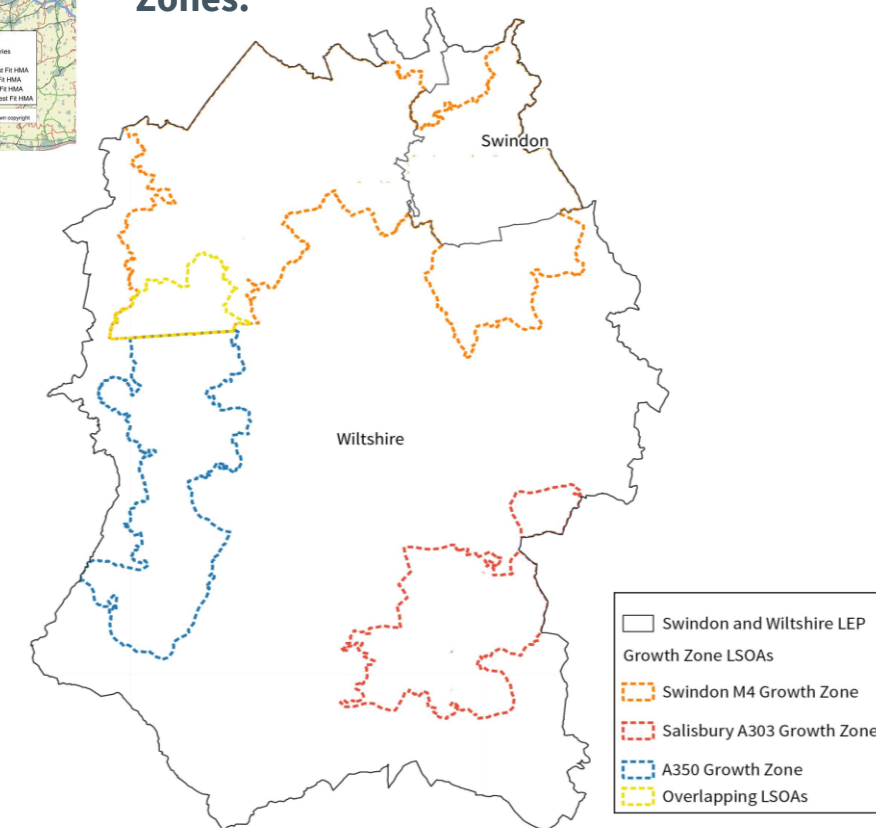
- + **Swindon-M4 Growth Zone:** built around the M4 corridor and well-placed to extend through to Reading and Swindon, as well as the potential to draw in investment from the west out of Bristol and Bath. **Both Chippenham and Corsham are within the Swindon-M4 and A350 Growth Zone.**
- + **A350 Growth Zone:** extends along the A350 from Chippenham and Corsham to the north and encompasses economic activity extending along the A350 through Melksham, Trowbridge, Bradford on Avon, Westbury and Warminster which are relatively geographically clustered.
- + **Salisbury-A303 Growth Zone:** This Growth Zone is served by prominent A roads, including the A36 and A338, to the A350 and M4 Growth Zones, to the South Coast ports and also Southampton Airport.

Additionally, there is a **non-growth zone** which relates to the area outside the growth zones. It is worth noting that whilst this area is largely rural the definition of rural here differs from the DEFRA definition, some of which are within the growth zones.

## FEMAs in Swindon and Wiltshire:



## Swindon and Wiltshire Growth Zones:



# Contextualising Swindon and Wiltshire

## Contextualizing the performance of Swindon and Wiltshire

Understanding the picture in Swindon and Wiltshire requires benchmarking in order to contextualise the numbers.

This study considers Swindon and Wiltshire principally against the South West and England. Where possible, analysis below the LEP area level has been undertaken, by examining the two local authorities (Swindon and Wiltshire) and/or the three Growth Zones in the area (Swindon M4 Growth Zone, A350 Growth Zone and Salisbury-A303 Growth Zone) and one non-growth zone area.

In addition, the area's performance is compared to a number of neighbouring LEP areas which Swindon and Wiltshire is similar to or which aspires to achieve similar performance. These LEP areas are:

- ✓ Enterprise M3
- ✓ West of England
- ✓ Dorset
- ✓ Gloucestershire
- ✓ Oxfordshire, and
- ✓ Thames Valley Berkshire.



Swindon and Wiltshire's Local Economic Assessment (LEA) sits alongside several important policy documents.

The LEA is aligned with current local, regional and national policy positions. Existing policy strategies allows for an understanding of where Swindon and Wiltshire currently sits relative to the local, regional and national policy agenda. It informs interventions to be developed that align with current goals.

The most crucial policies, relevant to Swindon and Wiltshire's economy, are highlighted on pages 7 to 14. This includes national, regional and local policies. This is **not a full comprehensive list** of every policy that will likely have an impact on the LEP area's economy. However, the policies listed provide a broad overview of the most pressing strategic priorities and plans.

The 2022 government Levelling Up White paper published in February 2022 provides the immediate national level policy context within which the Swindon and Wiltshire economy currently needs to operate within. The White Paper pays significant attention to the development of UK regions outside of the London and the South East, addressing significant spatial inequality within the UK.





## Swindon and Wiltshire Local Industrial Strategy, 2020

The vision for Swindon and Wiltshire to 2036 is ‘to ensure all of our communities benefit from inclusive and sustainable growth, making the Swindon and Wiltshire area world-renowned for its convergence of innovation, entrepreneurialism and great quality of life.

- Ideas: to broaden and deepen innovation and R&D activity and attracting new innovation-active firms.
- People: paving the way to better balance skills demand, labour market inclusion and apprenticeships.
- Infrastructure: strengthening connectivity and supporting the transition to a low carbon economy.
- Business environment: improving the competitiveness of SMEs, developing cyber resilience and supporting the business community including managing the impact of the COVID-19 pandemic.
- Places: vibrancy and the development of settlements including the regeneration of town and city centres.

## Swindon and Wiltshire Skills Plan 2020

This sits underneath Swindon and Wiltshire’s Local Industrial Strategy People Foundation. Priorities of the plan are:

- **Maintaining the balance between skill supply and demand.** The proportion of highly skilled jobs, which are typically coupled with higher productivity, is below the national average in Swindon and Wiltshire. Overcome this by increasing apprenticeship starts and achievements and improving higher education progression rates.
- **Inclusive growth, focusing on disadvantaged children and gender pay equality.** Social Mobility in the LEP area ranks lower than the national average. The gender gap in hourly pay in Swindon and Wiltshire is relatively high when contrasted with the comparator LEP areas and is higher than in England as a whole. Aim to overcome this by improving aspirations and education participation especially for those from disadvantaged backgrounds.

These priorities are underpinned by **five strategic objectives**:

- Making use of market intelligence
- Achieving a step change in take-up and achievement of apprenticeships
- Meeting the demand for high-skill jobs
- Raising aspirations and improving employability of under-represented groups
- Promoting programmes to improve physical and mental health of employees.

## Swindon and Wiltshire Local Skills Report 2022

The Local Skills Report updates the 2020 skills strategy, reaffirming the strategic priorities of maintaining the skills supply and demand balance and inclusive growth. The underlying objectives were consolidated to:

- Improve use of skills and labour market intelligence
- Achieve a step change in take-up and achievement of apprenticeships
- Raise aspirations and improve employability of under-represented groups.

## Swindon Economic Strategy to 2026

The strategy aims for Swindon to be ‘the UK’s most innovative, productive, fastest-growing city’. To achieve this the strategy outlines the need to:

- Strengthen and diversify types of businesses and create jobs that deliver opportunities for innovation and exporting.
- Attract investment, accelerate housing delivery and create high value employment.
- Improve educational outcomes and upskill residents to enable businesses to grow and compete.
- Make improvements to the leisure, cultural and evening economy, while complimenting Swindon’s heritage.

## Swindon Borough Council Carbon Reduction Strategy 2020

Swindon Borough Council outlines in this strategy how it will lead the way in the district’s ambition to become carbon neutral. The council sets a target for itself, as an organisation, to achieve an 80% reduction in carbon dioxide by 2030.



## Wiltshire Climate Strategy 2022

Wiltshire's climate strategy sets out how Wiltshire will reduce its emissions over the next five years (up to 2027). The strategy outlines seven areas of focus. These are:

1. Transport – an emphasis will be placed on reducing journeys and moving towards zero emission transport.
2. Home and the built environment – New buildings will need to be net zero carbon emitters as soon as possible while existing building will be retrofitted.
3. Natural environment, food and farming – Land will be used responsibly and efficiently, with a focus on local food production, habitat preservation, energy generation, absorption of greenhouse gases and provision of homes.
4. Energy – Effort to reduce energy consumption will be further enabled through the opportunities allowed by “smart” and digital technologies.
5. Green economy – Green jobs of the future will be in significant demand if Wiltshire is to achieve its carbon neutral goals.
6. Resource and waste – By using the hierarchy of “reduce, reuse, recycle, recover energy”, Wiltshire will see wastage fall.
7. Carbon neutral council – The council as an organisation must take a lead role and will itself as an organisation become carbon neutral.



## Wiltshire Core Strategy, 2015

The vision of the strategy is to create 'stronger, more resilient communities'. Principles underlying this are to:

- Minimise the need to travel and maximise the potential to use sustainable transport
- Deliver jobs, taking a flexible and responsive approach to employment land delivery
- Ensure jobs and infrastructure are delivered to ensure out-commuting is not increased and ensure development does not have a detrimental impact on infrastructure
- Lower the carbon footprint through the location of development, renewable energy and sustainable construction
- Protect and plan for the enhancement of the natural, historic and built environments
- Provide high quality, well designed development, with local community involvement
- Provide the framework to deliver appropriate community-led planning policy documents

## South West England and South East Wales Science and Innovation Audit 2017

The locally produced audit reviewed the regional science and innovation asset base and identified strengths in the Swindon and Wiltshire LEP area including:

- Businesses such as UK Manufacturing, Johnson Matthey Fuel Cells, and QinetiQ
- Swindon Hydrogen Hub within the M4 Hydrogen corridor
- Porton Science Campus
- Clusters of employment in Aerospace and Advanced Engineering, Microelectronics, and Resilience, Environment and Sustainability.

The report notes the need to better integrate existing scientific and industrial activity to create new capacity in Advanced Engineering and Digital Innovation. It stresses the need to upskill the current and future workforce to fill the high-end, advanced engineering and high tech digital jobs in the area.

## UK Innovation Strategy 2021

Outlines the UK's long-term plan for boosting innovation, giving businesses confidence to grow and leveraging private sector investment. Within the strategy, the following aims are of relevance to Swindon and Wiltshire:

- Increase annual public investment on R&D and develop capacity to support local growth across the UK
- Introduce new high potential individual and scale-up visa routes to attract and retain high-skilled, globally mobile people
- Ensure the research, development and innovation institutions meet the needs of businesses and drive economic growth through university-business innovation
- Improve manufacturing and logistic capabilities within key R&D sectors
- Realise the potential of energy and environment technologies to help achieve net zero ambitions such as cleaner ways to produce, store and distribute energy through wind, solar and hydrogen

## UK Hydrogen Strategy 2021

This sets out how the UK Government intends to develop progress in using hydrogen to meet net zero commitments, this includes:

- Take a whole-system approach to developing a hydrogen economy with the necessary infrastructure, regulations, market structures and funds in place
- Develop and scale up the use of hydrogen as a source of energy to power road, sea, rail and aviation based transport
- Nurture UK capabilities and technological expertise to grow new industries that can position themselves at the forefront of the global hydrogen market through supporting opportunities for private sector investment
- Deliver long-term value for money for taxpayers and consumers by driving down costs and minimising disruption and costs for consumers and households

## Build Back Better 2021

The plan sets out three core pillars of growth which UK strategy should respond to: infrastructure, skills and innovation. It also supports levelling up, the Net Zero transition and a vision for a global Britain. This indicates further opportunities for Swindon and Wiltshire LEP area to receive government investment.

## Plan for Jobs 2020

As part of the UK COVID-19 response, the plan seeks to:

- Provide direct help to find work and gain skills needed to get a job
- Protect jobs in COVID-19 impacted sectors by supporting sector demand
- Create jobs which move the property market, bring forward infrastructure investment and improve energy efficiency

## Ten Point Plan 2020

The plan lays the foundations for a Green Industrial Revolution. National, this is to be done by:

- Providing a Lifetime Skills Guarantee which equips people to take advantage of jobs supported by the transition to Net Zero.
- Investing £5bn in green recovery initiatives
- Supporting the clean power industry
- Establishing new National Parks and Areas of Outstanding Natural Beauty

Within Swindon and Wiltshire, local opportunities to drive the Green Industrial Revolution include:

- Driving the growth of the low carbon hydrogen sector
- Shift towards zero emissions vehicles
- Green public transport initiatives
- Jet Zero
- Protection of the nature environment
- Green finance and innovation



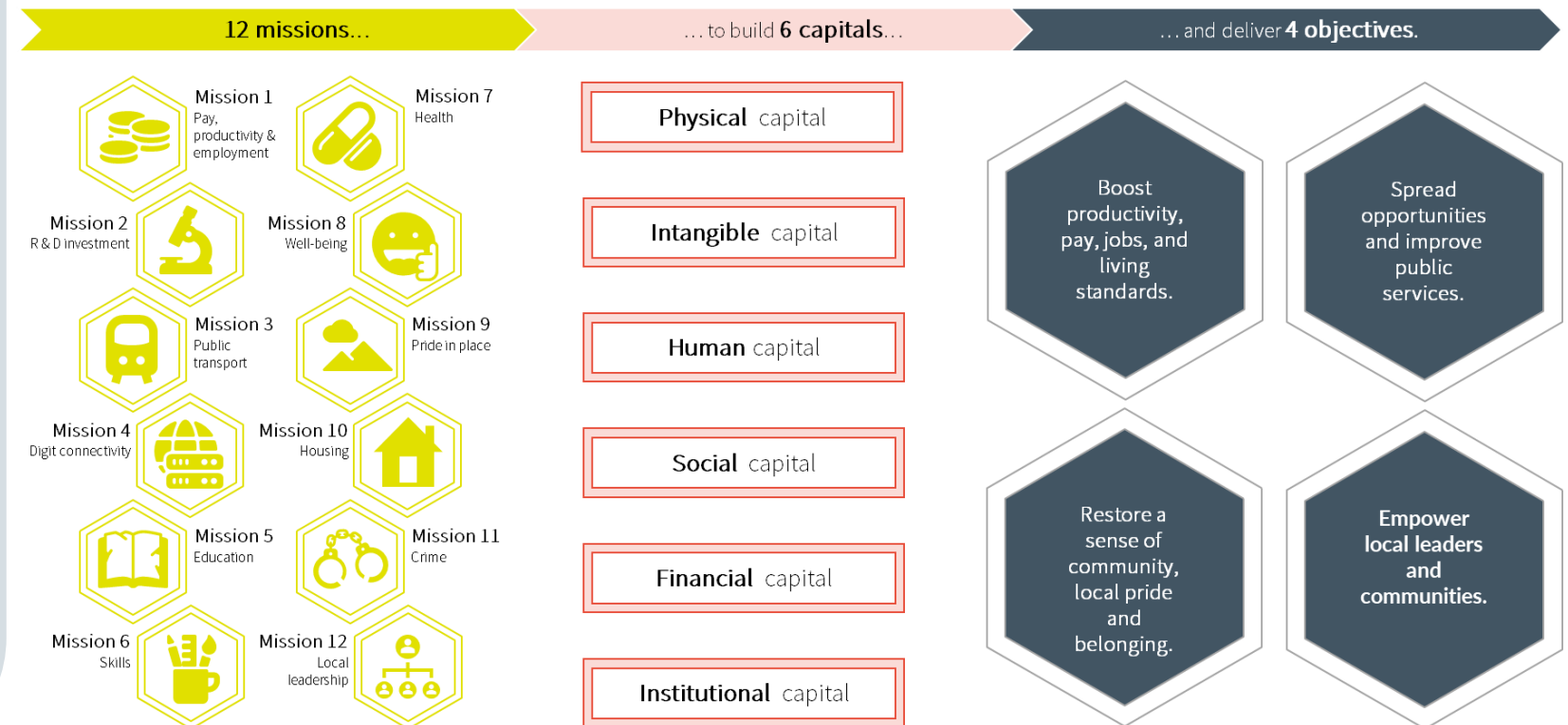


## Levelling Up in the UK 2022

The Levelling Up White Paper is the government's flagship document setting out how opportunities will be spread more equitably across the country. It is premised on 12 missions that are aimed at building 6 different capitals that will help deliver 4 objectives.

Swindon and Wiltshire LEP feature in the Levelling Up White Paper for the following:

- Swindon is set to receive Towns Fund and Future High Streets Fund investment
- Swindon is an Education Investment Area and future home of an Institute of Technology.
- Wiltshire acts as an example in terms of innovation levels, as one of 7 UK geographies which spends more than the OECD average of GVA on R&D and is set to receive Project Gigabit
- As part of the plan to decentralise the Civil Service, Ministry of Defence roles are planned to move into Wiltshire



Levelling Up in  
the UK 2022

Implication for Swindon and  
Wiltshire

## Swindon identified as an Educational Improvement Area (EIA)

Local Skills  
Improvement Plans  
will be given statutory  
footing

Institutes of  
Technology can apply  
for a Royal Charter  
which will put them  
on a footing with  
universities.

Existing national programmes to support lifelong  
learning through the Lifetime Skills Guarantee and  
Lifetime Loan Guarantee, in-work progression

The British Business Bank has £200m to  
administer as the South- West Investment  
Fund.

The Innovation Strategy looks to help  
grow SMEs through the adoption of  
technology, especially to level up.

ZEBRA fund for zero emission buses

Review of Local Plans

Regional Defence Clusters and the DASA Regional Partnership Fund are referenced as  
successful across the South West.

Regeneration investment is centred on existing programmes: Towns Fund, Future High  
Street Fund and Heritage Action Zones, Transforming Places and Cultural Recovery.

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The Net Zero includes a focus on hydrogen, green public transport, decarbonising  
buildings and the automotive sector as well as road freight decarbonisation trials.

Project Gigabit and 5G support is included, Swindon and Wiltshire are due to benefit from  
these initiatives



# Policy Context

## Sector Studies

There are number of key sectors that are important to achieve the Swindon and Wiltshire LEP 2036 vision 'to ensure all of our communities benefit from inclusive and sustainable growth, making the Swindon and Wiltshire area world renowned for its convergence of innovation, entrepreneurialism and great quality of life'. These include energy production , digital technologies, rail infrastructure and rural productivity.

- Energy is a large part of the SWLEP Strategic Economic Plan. The focus of SWLEP Energy plan is on clean energy, autonomous vehicles, AI and big data.
- SWLEP will focus on growing the low carbon economy by building strong working relationships with local industry and understanding skills provision to maximise potential growth

Local Energy Strategy and Green Hydrogen Plan 2002-25



'Digital capabilities' as "those factors that (ideally) work together to promote technology-driven productivity growth".

Built around three key themes;

- 1) Digital Creation: enabling growth of those businesses at the leading edge of digital innovation
- 2) Digital Adoption: ensuring that across the economy, businesses remain ahead of the curve for digital technology and stay competitive.

Digital Capabilities Draft Strategy Sept 18



Vision for Rail in Swindon and Wiltshire

- A rail network that supports the economy and improves the quality of life for residents and businesses.
- A rail network with enhanced connectivity to other key regional centres.
- Improved access to the rail network for residents and businesses through new stations and better integration.
- Maintaining and improving existing links to key regional and national centres.

Rail Strategy July 19



Green Paper highlights significant regional disparities with the productivity gap. Highlights ten key themes to increase rural productivity;

- 1) Key Rural Sectors
- 2) Small and scale up businesses
- 3) Workforce and Skills
- 4) Brexit
- 5) Transport and Accessibility
- 6) Broadband and Mobile Connectivity
- 7) Housing, Planning, Communities and Workspace

Rural Productivity Strategy



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