

# Swindon and Wiltshire Local Economic Assessment

*A Report by Hatch*  
March 2023



**Swindon & Wiltshire**  
LOCAL ENTERPRISE PARTNERSHIP

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# Executive Summary



**Swindon & Wiltshire**  
LOCAL ENTERPRISE PARTNERSHIP

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# Executive Summary

## Purpose and scope of this report

This Local Economic Assessment (LEA) outlines the current (based on latest available data) economic position of Swindon and Wiltshire and will be used to inform future needs and policy decisions that will impact residents and businesses in the LEP area. It is important to note that due to lags in the releases of most datasets coupled with the significant global and national economic changes in the past two years, we have had to take a retrospective view of many components of the economy of Swindon and Wiltshire, many data insights for example express the impacts of COVID-19 but do not factor in any short-term rebound back to normalcy.

To ensure a comprehensive overview of the most significant economic, social, and environmental indicators, this report has updated evidence across the following thematic areas that were included in the 2021-2022 LEA:

- + Output and productivity: considering the absolute and relative position of the LEP area in terms of its net contribution to the UK economy (in GVA terms) while also examining the output contribution (goods and services made) per worker to allow for an estimation of productivity in Swindon and Wiltshire.
- + Business and sectors: examining Swindon and Wiltshire's business competitiveness and the importance of six key priority sectors.
- + People and labour market: exploring demographic composition and labour market and skills supply to support inclusive economic growth.
- + Socio- economic issues: in order for the people of Swindon and Wiltshire to reach their economic potential it is important to consider what barriers may be inhibiting life chances. This section of the report examines inequalities in the labour market, deprivation indicators, social mobility and poverty.
- + Infrastructure and environment: considering the provision of enabling infrastructure to support the demands of a modern economy through an examination of digital connectivity and the provision of housing and commercial property. The report also considers sustainable growth through consideration of emissions, waste, and energy production.
- + Ongoing and future socio-economic challenges: current concerns around constrained labour supply, prompted by various factors including BREXIT and labour market changes prompted by COVID-19 will likely present challenges for the LEP area as will ongoing inflationary pressure and the impacts of international supply chain disruptions caused by the ongoing war in Ukraine.

The LEA benchmarks Swindon and Wiltshire against the South West and England in addition to a number of neighbouring LEP areas. Localised analysis of the two local authorities within the LEP area is provided alongside three Growth Zones and one non-growth Zone which covers the rural area.





# Executive Summary

## Changing Context 2022 - 2023



**Government:** Since the publication of the 2021-2022 LEA the UK has experienced political disruption with two changes in administration. As central government changes specific policy priorities change. Alongside direct policy change government change has the tendency to create wider economic uncertainty due to a lack of singular direction. Inward investment may fall as the UK –relative to its peers – looks like a less stable investment opportunity.

**Levelling Up:** Since the LEA was last published in 2022 the Levelling Up agenda has been implemented with two rounds of funding support for local areas. Swindon and Wiltshire did not receive Levelling Up funding in rounds one or two, but may be positioned to leverage funds in round three. Through the implementation of Levelling Up there has also been an awareness of its limits, particularly around local government capacity and capital spending profiles at times of high inflation.



**UK withdrawal from the EU takes further effect:** The UK officially left the EU in January 2020, however many of the most significant impacts of BREXIT occurred in the last year. ERDF (European Regional Development Funding) has ceased to be given to UK providers. The UK Government opted to replace this funding with UK Shared Prosperity funding (UKSPF), however this funding is distributed to local authority partners who were given more freedom to choose where to allocate fundings. This has led to the ending of some long-term ERDF programmes across the UK and the establishment of new locally provisioned activity around people, place and business support.

**War in Ukraine:** In February 2022 the Russian Federation chose to invade neighbouring Ukraine. This has led to significant economic and political disruption internationally. Supply chains from energy to agriculture have been disrupted.



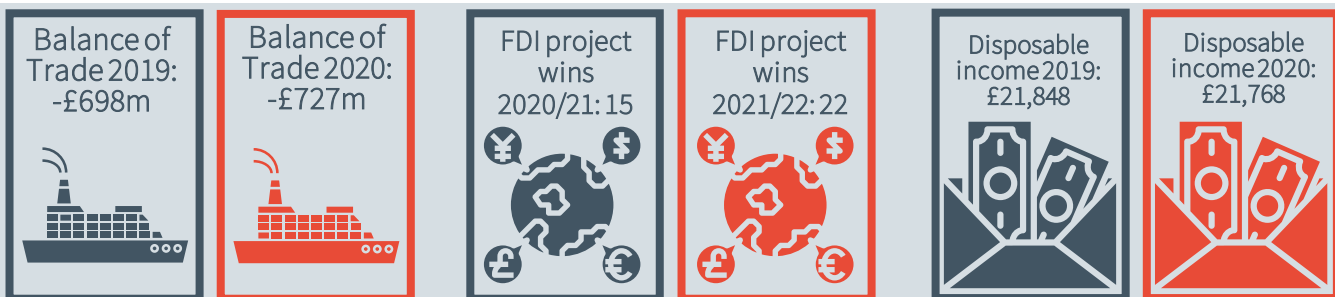
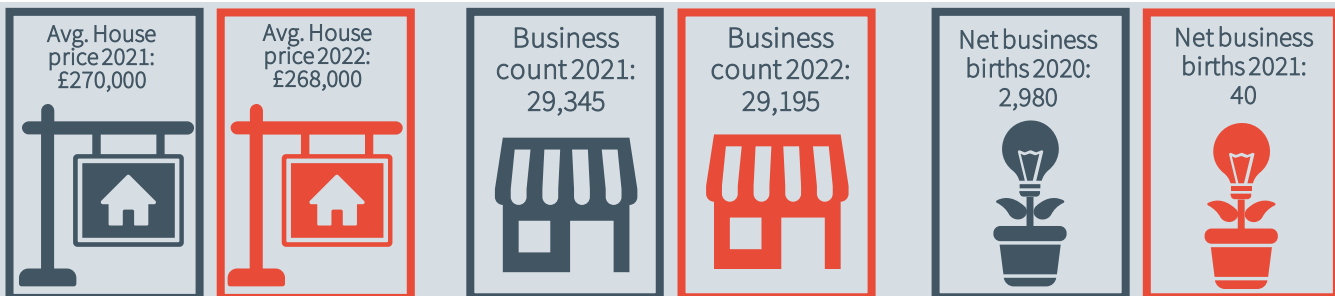
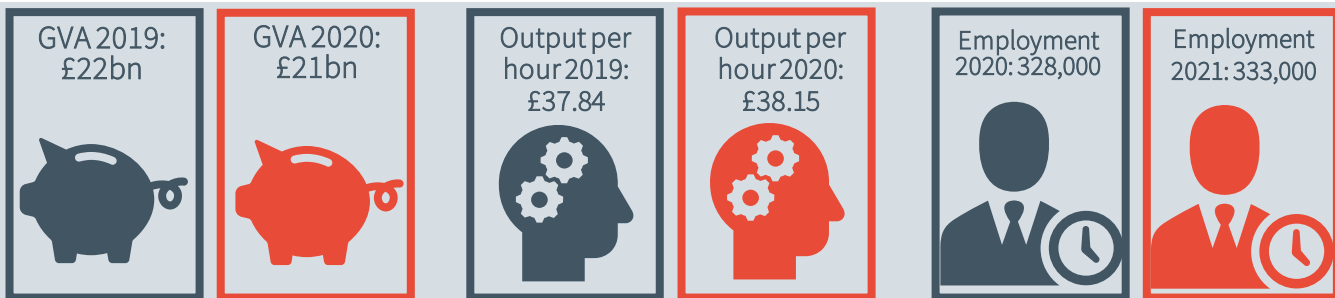
**Inflation:** In part prompted by restrictions on energy supply due to the war in Ukraine alongside with the global economy restarting properly after restrictions from COVID-19 were lifted, inflation has risen in the UK. In winter 2021/22, UK CPI inflation was 4.9% but has since risen to nearly 10%. As a means to reducing inflation the Bank of England has risen interest rates to 4% rising from 0.25% in early 2022. This has triggered a series of wage and terms & conditions disputes including industrial action in the civil service and the transport, postal, education and health sectors, triggering a 'Cost of Living Crisis'.



# Executive Summary

## Purpose and scope of this report

A year on since the Swindon and Wiltshire 2022 local economic assessment, there have been significant changes to many aspects of the LEP area economy. Below we can see several areas where the position in the 2023 LEA seems to have shifted backwards in progress compared to 2022. This is broadly down to data lags. In 2022 we could not fully determine the scale of the economic and social impact of COVID-19 due to lack of published data and as such were often reliant on seeing the LEP area economy as it was prior to the pandemic. However, in 2023 data now incorporates some of the most significant impacts of COVID-19, however the lag in the data often does not cover any period of recovery.



Source: BRES, ONS; ONS Regional Accounts, ONS; UKBC, ONS; APS, ONS, DIT Trade in Goods; DIT Trade in Services, House price sub-regional, ONS; Business Demography, ONS; FDI, DIT; Regional gross disposable household income, ONS



# Executive Summary

## Output and Productivity

This section of the report considers economic output, productivity and the scale and contribution of Swindon and Wiltshire's economy to UK plc. Key conclusions include:

- + The Swindon and Wiltshire economy contributes £20.6bn annually to the UK economy, equating to 14.6% of the South West of England economy and 1.2% of England's total output. Swindon and Wiltshire's GVA has been impacted by the COVID-19 pandemic, Swindon and Wiltshire saw an economic contraction of £967m between 2019 and 2020, equating to a loss of 4.5% of output.
- + The largest contributors to GVA output are manufacturing, real estate, and retail and wholesale which collectively account for just over a third of total economic output in Swindon and Wiltshire. Several sectors, including accommodation and food services, arts, entertainment and recreation, and construction were hit hard by the pandemic.
- + Economic output produced by high value sectors such as information and communication, and financial and insurance, is under-represented in Swindon and Wiltshire. Other high value sectors such as professional and technical are growing, contributing an above average proportion of GVA and a high compound growth rate relative to England. Nurturing growth in high value sectors will support productivity and prosperity.
- + Swindon and Wiltshire's Growth Zones are the key drivers of the economy. The Swindon M4 Growth Zone is a significant powerhouse, accounting for 59% of total output in the LEP area. Spatial concentrations of high economic output include Swindon and Trowbridge. Targeting interventions to support productivity growth in the Growth Zones will further enhance these engines of growth.
- + Swindon and Wiltshire LEP area has a minor productivity gap with the national average (-£2.8k output per job filled) but this masks substantial differences locally. Wiltshire has a significant productivity gap at -£14.0k whilst Swindon has above average productivity at +£20.9k. Supporting productivity growth will drive growth in wages and living standards.
- + Whilst Swindon and Wiltshire has a relatively high GVA per hour filled, it has experienced low relative growth since 2014 compared to benchmark areas.
- + Sectors such as financial services, manufacturing, and construction are highly productive in Swindon and Wiltshire, as measured by GVA per job. These sectors align with two of the identified priority sectors for the LEP (manufacturing and financial services) and a policy focus on these sectors will support continued productivity gains. This includes a focus on firm productivity challenges such as skills and innovation.



# Executive Summary

## Business and Sectors

This section of the report considers Swindon and Wiltshire's business environment including sectors, enterprise, trade and investment. Key conclusions include:

- + There are currently 29,200 businesses in Swindon and Wiltshire. The sector composition of the Swindon and Wiltshire business base is comparable to England, with the exception of the agricultural sector which is overrepresented at 7% compared to 4% nationally. There is a large concentration of businesses in broad sectors of professional, scientific and technical (16% of total business base), construction (14%), and ICT (8%).
- + In line with the national average, Swindon and Wiltshire has a business base consisting primarily of SMEs (employing under 250 people), accounting for 99.6% of the business base.
- + In 2021, there were +40 net business births in Swindon and Wiltshire. The position differs by local authority, with Swindon experiencing a positive net birth rate of +125 whilst Wiltshire has experienced a negative rate of -85. The high death rate in Wiltshire is particularly notable.
- + Swindon and Wiltshire has experienced significant success in securing Foreign Direct Investment over the past three year, from 8 FDI project wins in 2018/19 creating 70 jobs to 15 FDI project wins in 2021/22 creating 203 jobs. A continued focus on providing an attractive environment for investors will support further growth in this area.
- + Swindon and Wiltshire is a net importer of goods and services. In 2020, the LEP area imported £4.5m in goods and services, compared to exporting £3.8m. It should be noted that the data covers the period prior to the closure of Honda manufacturing which may have caused high export volumes that are no longer in place. An economy that is heavily globalized will risk more exposure to economic shocks such as the ongoing war in Ukraine.
- + Large employment sectors in the LEP area include public admin, education and health (34% of total employment), distribution, hotels and restaurants (17%), financial services (16%) and manufacturing (11%). Within Swindon, the financial and insurance sector is an important employer, in part supported by the presence of Nationwide, whilst the primary and utility sector is an important employer in Wiltshire. The presence of priority sectors is notable within Growth Zones, particularly the Swindon-M4, whilst Salisbury-A303 is notable for life sciences.





# Executive Summary

## Business and Sectors (cont.)

Analysis of the priority sectors reveals that these sectors are of absolute and relative importance to the economy in both employment and business terms in Swindon and Wiltshire.

### Employment Priority Sectors

	Employment 2021	5-year change (2016-2021)	LQ <sup>1</sup> 2021	Share of employment
Professional Business Services	40,000	-9%	0.8	12%
Creative Industries	16,000	0%	0.7	5%
Low Carbon	20,000	33%	1.9	6%
Life Sciences	14,000	100%	5.6	4%
Advanced Manufacturing and Engineering	36,000	16%	1.5	11%
ICT/Cyber Security	6,000	-25%	0.7	2%

### Business Base Priority Sectors

	Businesses 2022	5-year change (2018-2022)	LQ <sup>1</sup> 2022	Share of businesses
Professional Business Services	6,355	-21%	1.0	22%
Creative Industries	2,825	-33%	0.9	10%
Low Carbon	1,020	-19%	1.1	3%
Life Sciences	90	-33%	1.0	0.3%
Advanced Manufacturing and Engineering	1,975	-24%	1.1	7%
ICT/Cyber Security	1,485	-46%	1.2	5%

<sup>1</sup> LQ refers to Location Quotient, a measure of how specialized/concentrated activity is in an area. It is based on the relative share of employment in an industry within an area compared to the share nationally. An LQ greater than 1 indicates relative specialization/concentration.



# Executive Summary

## People and Labour Market

This section of the report considers Swindon and Wiltshire's business environment including sectors, enterprise, trade, and investment. Key conclusions include:

- + Approximately 743,750 people live in Swindon and Wiltshire, of which 31% live in Swindon and 69% in Wiltshire. The population has grown by 9% (63,600) since 2011, slightly above the national average (7%).
- + Net births and international migration have declined in importance over time as contributors to population growth in Swindon and Wiltshire. Historically, Swindon and Wiltshire experienced relatively high levels of international migration, although this has fallen significantly since 2016. There are currently 98,000 non-UK born residents in the LEP area, accounting for 13% of the total population. Of this figure, 62% are from outside the EU, with the remainder from the EU. Swindon has a higher share of non-EU born residents at 14% compared to 5% in Wiltshire.
- + The age profile of the LEP area is on par with the national average, although Wiltshire has a lower working age population with 60% aged 16-64 years compared to 64% in Swindon and 63% nationally. The population is ageing, with the proportion of residents aged 65+ accounting for 20% in 2021 compared to 17% in 2011. Since 2011, the number of residents aged 65+ have increased by 30% (34,300) which is notably higher than the growth experienced across the South West (23%) and nationally (20%).
- + Swindon and Wiltshire has a high economic activity rate at 82% compared to 79% nationally. Both Swindon and Wiltshire contribute similarly, with activity rates of 81% and 82% respectively. Just 3.1% of the economically inactive population are currently unemployed, which is lower than the national rate (3.8%).
- + As of September 2022, there were 14,188 people unemployed in Swindon and Wiltshire. Since 2017, the total number of people unemployed has reduced by 24% (compared to a 12% increase in England).
- + Swindon and Wiltshire have a high proportion of residents working in high level occupations (46%) which is in line with the South West (45%) and the England average (46%). Growth in high level occupations has been slow in comparison to benchmark areas, which is a concern in terms of future labour market competitiveness as the demand for high level skills increases.



# Executive Summary

## Socio-economic Issues

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This section of the report considers socio-economic issues prevalent in Swindon and Wiltshire, considering deprivation, social mobility, and poverty. Key conclusions include:

- + Swindon and Wiltshire has a relatively strong labour market but variations exist, for example below average female employment in Swindon at 69% compared to 77% in Wiltshire. Disabled people are also less likely to be employed in Swindon (54%) than Wiltshire (67%). The employment rate for ethnic minorities in Wiltshire is high, at 90% compared to 69% in England.
- + There are 32,300 children living in poverty in Swindon and Wiltshire, around 23% of children. This is particularly high in Swindon at 26% compared to 20% in Wiltshire.
- + Deprivation is concentrated in Swindon town centre, Trowbridge, Chippenham, Salisbury and Melksham. There are relatively high levels of housing and services deprivation (22% of LSOAs are in the 20% most deprived nationally on this indicator); and education and skills (15% of LSOAs are in the 20% most deprived nationally).



# Executive Summary

## Infrastructure and Environment

This section of the report considers infrastructure and the environment in Swindon and Wiltshire, considering residential and commercial property, digital connectivity, and carbon emissions. Key conclusions include:

- + There is currently 4,792,000 sqm of industrial floorspace in Swindon and Wiltshire and this has grown by 9% since 2011/12 (compared to 3% nationally). In tandem, significant employment growth has been experienced in sectors occupying industrial space such as transport and storage (57% growth since 2016) and, mining and utilities (21% growth since 2016).
- + There is a high demand for industrial space and around 10% is vacant. Industrial rental values have increased but the area is relatively affordable at £7.80 per sq ft compared to £8.10 nationally.
- + There is currently 1,160,000 sqm of retail floorspace in Swindon and Wiltshire, an increase of 2% since 2011/12. Around 2% of retail floorspace is vacant and has decreased from 4% in 2013. More recently, in line with national trends, retail vacancies have started to rise since 2020. Average retail rental values stand at £21 psf (compared to £24 psf in the UK).
- + There is currently 876,000 sqm of office floorspace in Swindon and Wiltshire and the stock of office space has contracted over time with a loss of 55,000 sqm (6%). This trend has been reflected nationally. Around 9% of office floorspace in the LEP area is currently vacant, and the vacancy rate has fallen over time however it is now beginning to rise again which is likely due to the increased proportion of home working. Rental values are rising, with the average price of office space standing at £14 psf compared to £28 psf nationally. Rising vacancy rates and rising rental rates may be a result of short term contracting with businesses on longer term leases leaving commercial space vacant but still inflating local property rental rates.
- + House prices in the LEP area have generally kept pace with the national average: the current median house price in Swindon is £240,000, compared to £260,000 nationally and £294,000 in Wiltshire. However, after rapid increases in 2020, post-pandemic there is some indication that house prices are beginning to fall.
- + Housing affordability is on par with the national average at 8.9 however Wiltshire is relatively less affordable with a ratio of 9.9 compared to 7.8 in Swindon.
- + In 2020, the LEP area generated a total of 891,000 MWh of green energy, the majority of which (82%) was from photovoltaics/solar power. While, when examining energy production capacity installed, Swindon and Wiltshire has 774 MW of green energy capacity, the majority of which comes from solar power (90%).
- + Over the last decade carbon emissions in Swindon and Wiltshire has fallen by 38% since 2009 in line with national trends and currently stand at 4.9 CO<sub>2</sub> per capita. The majority of Swindon and Wiltshire's CO<sub>2</sub> emissions are from transport (47%), domestic (28%) and industry (17%). Continued efforts to decarbonise will support further reductions.



# Executive Summary

## Future Trends

This section of the report considers future trends including population, employment, and GVA projections. Key conclusions include:

- + By 2043 it is estimated that there will be over 800,000 people living in Swindon and Wiltshire, a forecast increase of 67,000 people (+9%). This level of growth is on par with the England average. Locally, Swindon is anticipated to absorb much of this growth, with an anticipated increase of 11% compared to 8% in Wiltshire.
- + The majority of the forecast growth is anticipated in the 65+ age group which is estimated to grow by 49% between 2020 and 2043. In contrast, the working age population is expected to remain static which contrasts with the national growth anticipated of 3% in this cohort. Accordingly, the share of working age residents is expected to decrease from 60% of the total population in 2020 to 56% in 2043, whilst those aged 65+ will increase their share from 20% to 27%. This trend will contribute to a tightening labour supply. The demand for aged care services is expected to grow.
- + By 2027 it is estimated that there will be 383,000 people employed in Swindon and Wiltshire. Sectors anticipated to expand as a result of future jobs growth in Swindon and Wiltshire include health and social work; professional services; support services; and accommodation and food. Sectors anticipated to contract include agriculture; food, drink and tobacco; manufacturing; and public administration and defence. However, replacement demand in these sectors will continue to drive demand for skills to replace people leaving the workforce. It is estimated that there is a need for 13,000 additional roles to address replacement and expansion demand in Swindon and Wiltshire between 2017 and 2027.
- + The Low Carbon economy is expected to grow in importance in Swindon and Wiltshire. The sector currently employs 20,000 people and is expected to grow in line with global trends that predict that 14 million new jobs will be created worldwide by 2030. It is expected that one in five of all jobs will be impacted by climate change and decarbonisation.
- + Nearly 280,000 jobs in the LEP area are exposed to automation risks. Of this, 190,000 jobs are considered at 'high risk' – with 45%+ chance of automation according to ONS estimates. The probability of automation affects all sectors, but the sectors most exposed in Swindon and Wiltshire include retail and wholesale (57% probability of automation) and accommodation and food services (62%). There should be a concerted effort to re-skills those in these sectors and move them up the value chain in terms of skills and earnings. Doing so would fulfil vacancies in high skilled roles, secure work for those in roles vulnerable to automation and present opportunities for higher paid employment.





# Executive Summary

## Current and Emerging Concerns

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This section of the report considers ongoing socio-economic issues, and how these are currently impacting and are predicted to impact the Swindon and Wiltshire economy in the short, medium and long term future. These issues are interconnected and are at present the most significant points of concern for the economic wellbeing of the LEP area.

This report will outline the following issues, and suggests ways in which they may impact the Swindon and Wiltshire LEP economy:

- + Constrained labour supply caused by long term demographic change in the UK (and local area) which has been further enhanced by recent economic disturbances including COVID-19.
- + Inflationary pressure, this will have significant impact on consumer spending amongst the population within Swindon and Wiltshire but will also have an impact on the viability of many local businesses.
- + Global supply chain disruptions, while this will likely contribute to challenges around labour supply and supply chain/inflationary pressures, global instability, such as the war in Ukraine will create challenges for the Swindon and Wiltshire economy.



# Executive Summary

## Introducing Swindon

Swindon is the largest settlement in the LEP area and is politically represented by Swindon Borough Council. Economically, Swindon is a key driver of economic output, employment, and business activity in the LEP area. Crucially, Swindon needs to manage this growth and ensure the opportunities shaping its future are sustainable and inclusive of all residents.

As a highly urbanised area, some of the socio-economic difficulties facing Swindon, as highlighted throughout this report, are around deprivation, social mobility, and access to services and quality housing. There is also a strong list of business needs with a particular focus on ensuring business in Swindon can access the talent they need at present and in the future.



# Executive Summary

## Swindon Data Insights

### Productivity and Output

Output (2020)	£9.3bn
Share of LEP area	45%
2015-2020 growth	2%
GVA per filled job (2020)	£79,802
2010-2020 growth	21%

### Business and Sectors

Business deaths (2021)	1,110
Net business births (2021)	125
3 year survival rate	40.1%
Total exports ( 2020)	£2bn
Of which to EU	31%
Total imports (2020)	£2bnn
Of which from EU	47%

### People and Labour Market

Population (2021)	233,408
2011-2021 growth	12%
% of population born in EU (2020)	6%
Economic activity rate (Oct-Sept 2022)	81.2%
Unemployment rate (Oct-Sept 2022)	5.2%
% of employed in full-time employment (2020/21)	79%
Number of payrolled employees (2021)	113,733
Change since March 2020	-1.4%
Median monthly pay of payrolled employees (2021)	£2,070
Change since March 2020	9.4%
% employed in high-skilled occupations (2021)	41%
Change in proportion since 2011	18%
Residents educated to Level 4+	28%
Apprenticeship starts (2021/22)	1,410
Of which higher apprenticeship	32%



## Swindon Data Insights

Socio-Economic Issues		Infrastructure and Environment	
Female employment rate (Jul 21-Jun 2022)	69.3%	Average housing affordability ratio (2021)	7.8
EA core or work-limiting disabled employment rate	54.4%	Indoor 4G connectivity (2021)	89%
Child poverty rates (2019/20)	26%	Recycling rate (2020/21)	39%
Gross disposable income per head (2020)	£21,960	CO2 per capita (ktCO2, 2019)	4.6
Social mobility rank (out of 324 local authorities, 2016)	141	Change since 2009	-33%

Future Trends	
Projected change in total population (2020-2043)	11%
Projected change in 65+ population (2020-2043)	58%
Probability of jobs automation	48%

# Executive Summary

## Introducing Wiltshire

Wiltshire represents the majority of the LEP land area and is a large source of some of the area's most talented workforce. The main asset of Wiltshire is its position as an attractive place to live with suitable access to key employment opportunities nearby, for example in Swindon.

Some of the most significant challenges facing Wiltshire are reminiscent of other rural areas across the country, these include an ageing population alongside challenges around accessing services and meeting housing demand.

Within Wiltshire there is still a reasonable degree of economic activity, with employment in specialised sectors such as low carbon, ICT/Cyber security and life sciences.





# Executive Summary

## Wiltshire Data Insights

### Productivity and Output

Output (2020)	£11.4bn
Share of LEP area	55%
2015-2020 growth	10%
GVA per filled job (2020)	£44,978
2010-2020 growth	14%

### Business and Sectors

Business deaths (2021)	2,065
Net business births (2021)	-85
3 year survival rate	58%
Total exports ( 2020)	£1.8bn
Of which to EU	47%
Total imports (2020)	£2.5bn
Of which from EU	56%

### People and Labour Market

Population (2021)	510,347
2011-2021 growth	8%
% of population born in EU (2021)	4.5%
Economic activity rate (Oct-Sept 2022)	81/9%
Unemployment rate (Oct-Sept 2022)	2.1%
% of employed in full-time employment (2021/22)	74%
Number of payrolled employees (2021)	227,280
Change since March 2020	0.7%
Median monthly pay of payrolled employees (2021)	£2,070
Change since March 2020	10.3%
% employed in high-skilled occupations (2021)	48%
Change in proportion since 2011	15%
Residents educated to Level 4+	34%
Apprenticeship starts (2021/22)	4,510
Of which higher apprenticeship	22%



## Wiltshire Data Insights

Socio-Economic Issues		Infrastructure and Environment	
Female employment rate (oct-sept 2021)	76.6%	Average housing affordability ratio (2021)	9.9
EA core or work-limiting disabled employment rate	66.8%	Indoor 4G connectivity (2021)	74%
Child poverty rates (2019/20)	20%	Recycling rate (2020/21)	43%
Gross disposable income per head (2020)	£20,549	CO2 per capita (ktCO2, 2019)	5.2
Social mobility rank (out of 324 local authorities, 2016)	267	Change since 2009	-29%

Future Trends	
Projected change in total population (2020-2043)	8%
Projected change in 65+ population (2020-2043)	46%
Probability of jobs automation	42%

# Executive Summary: Growth Zones

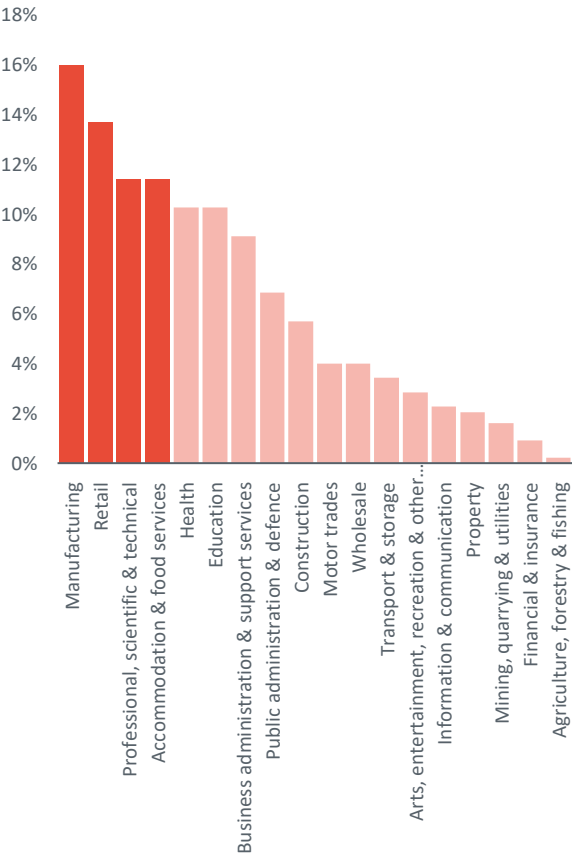
## Growth Zones: A350

The Growth Zones in Swindon and Wiltshire represent the key economic growth locations in the LEP area, these zones are not the only areas of economic growth potential in the LEP area.

The A350 Growth Zone generates over £2.9bn in GVA and accounts for 16% of employment in the LEP area. Its employment is in line with its share of the LEP area’s population.

Over half of employment is held within four sectors, with nearly one in three jobs in manufacturing (16%) or retail (15%).

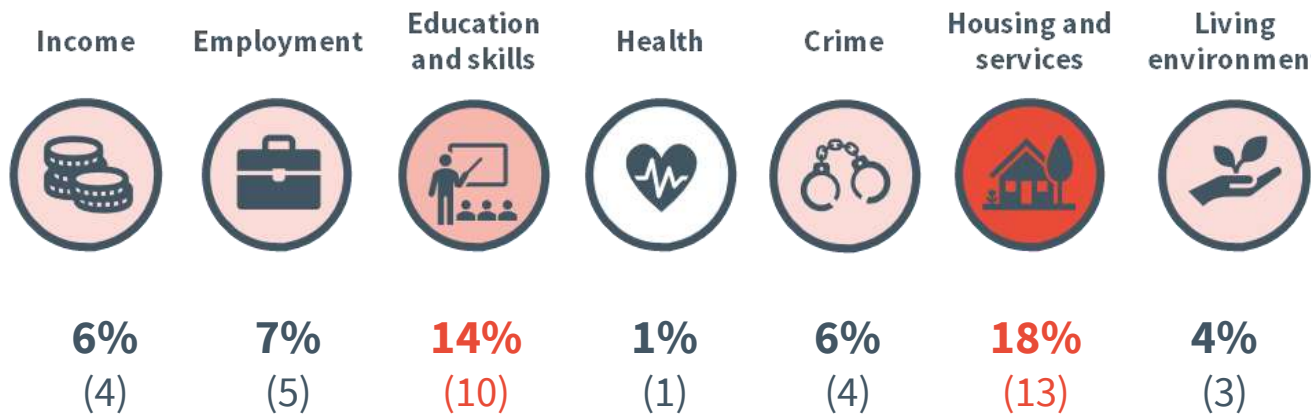
Sector Employment, 2021



Priority Sector Employment Overview

	Employment 2021	% Change (2017-2021)	LQ <sup>1</sup> 2021	Share of zone's employment
Professional Business Services	6,000	13%	-33%	-33%
Creative Industries	1,750	17%	-22%	-22%
Low Carbon	1,500	0%	0%	0%
Life Sciences	100	67%	0%	0%
Advanced Manufacturing and Engineering	5,000	0%	0%	0%
ICT/Cyber Security	600	-22%	-52%	-52%

Socio-economically, the A350 Growth Zone is fairly affluent, with only 6% of LSOAs in the area ranked within the 20% most deprived in England (based on the IMD). One challenge for this area is housing, where 18% of LSOAs in this Growth Zone are within the top 20% most deprived in England within the domain of housing and services.



% (number) of LSOAs in area that are in bottom 20% of category nationally

Source: BRES, ONS ; IMD, GVA Small Area Data, ONS  
Note: Due to overlapping growth zone boundaries the data for the growth zones can not be aggregated without double counting.  
<sup>1</sup>LQ refers to Location Quotient, a measure of how specialized/concentrated activity is in an area. It is based on the relative share of employment in an industry within an area compared to the share nationally. An LQ greater than 1 indicates relative specialization/concentration.

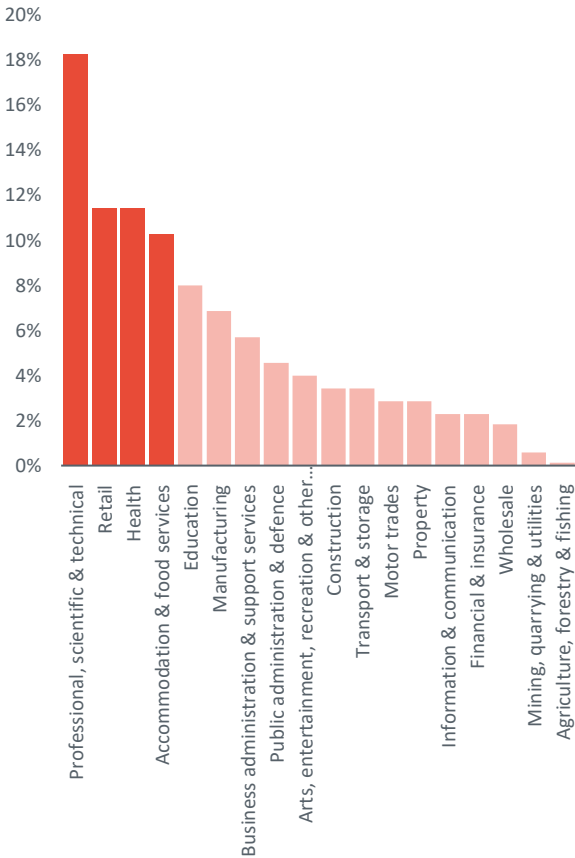
# Executive Summary : Growth Zones

## Growth Zones: Salisbury A303

The Growth Zones in Swindon and Wiltshire represent the key economic growth locations in the LEP area, these zones are not the only areas of economic growth potential in the LEP area.

The Salisbury A303 Growth Zone is the smallest of the Growth Zones in terms of population, with just over 100,000 residents. Economically, the growth zone contributes £2.4bn in GVA. 13% of Swindon and Wiltshire employment is located in the Salisbury A303 Growth Zone, a slightly lower proportion than its share in population (14%). The accommodation and food sectors are the fourth largest sectors in terms of employment (4,000 jobs) emphasizing the scale of the visitor economy and importance of Salisbury as a key attraction for tourists and visitors.

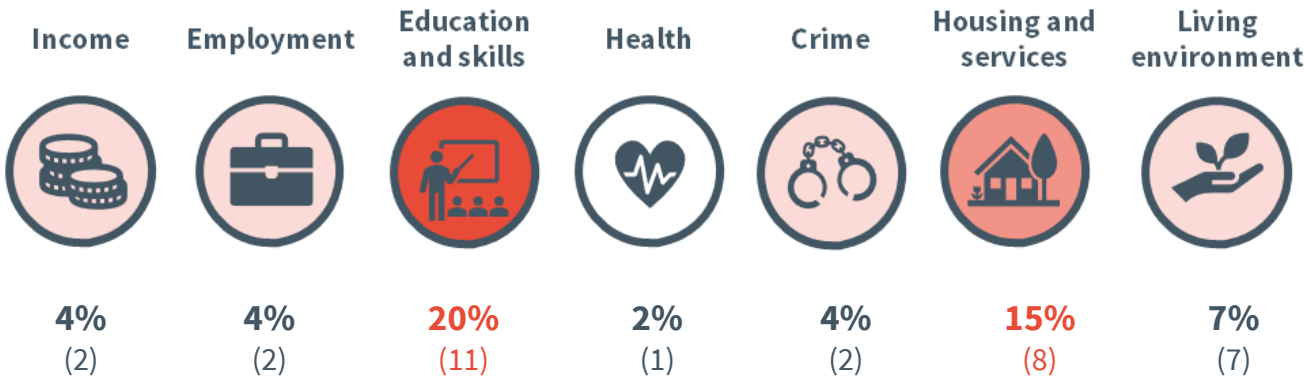
Sector Employment, 2021



Priority Sector Employment Overview

	Employment 2021	% Change (2017-2021)	LQ <sup>1</sup> 2021	Share of zone's employment
Professional Business Services	5,000	-17%	0.8	11%
Creative Industries	1,750	-13%	0.6	4%
Low Carbon	5,000	11%	3.7	11%
Life Sciences	5,000	25%	15.2	11%
Advanced Manufacturing and Engineering	7,000	17%	2.3	16%
ICT/Cyber Security	600	-14%	0.5	1%

Similarly to other areas of Swindon and Wiltshire, the Growth Zone is not particularly deprived, with only 6% of the Growth Zone within the 20% most deprived areas in England. However, there are some specific challenges around education and skills, with 20% of LSOAs in this Growth Zone within the top 20% most educationally deprived areas in England.



% (number) of LSOAs in area that are in bottom 20% of category nationally

Source: BRES, ONS ; IMD, GVA Small Area Data, ONS  
Note: Due to overlapping growth zone boundaries the data for the growth zones can not be aggregated without double counting.  
<sup>1</sup>LQ refers to Location Quotient, a measure of how specialized/concentrated activity is in an area. It is based on the relative share of employment in an industry within an area compared to the share nationally. An LQ greater than 1 indicates relative specialization/concentration.

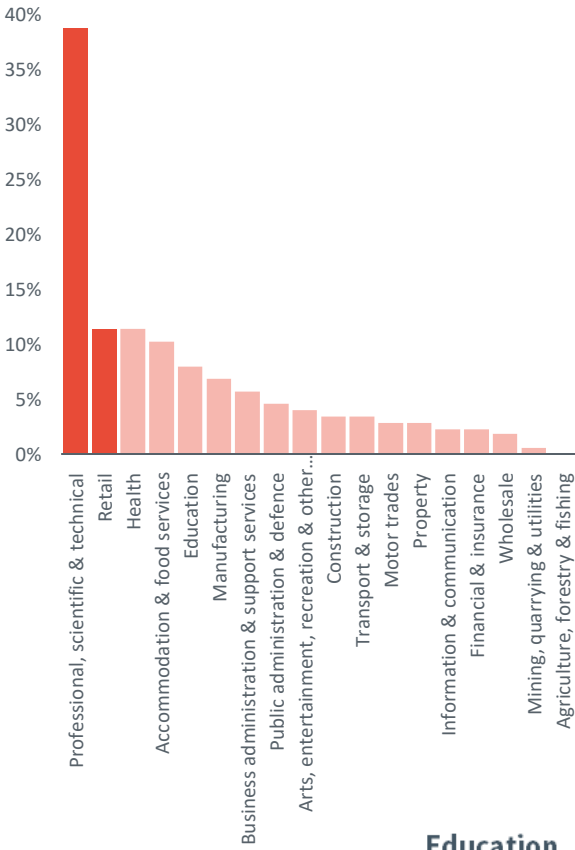
# Executive Summary : Growth Zones

## Growth Zones: Swindon M4

The Growth Zones in Swindon and Wiltshire represent the key economic growth locations in the LEP area, these zones are not the only areas of economic growth potential in the LEP area.

The Swindon M4 Growth Zone is the largest of the growth zones in the LEP area in population terms, with over 320,000 residents. The Swindon M4 growth zone is a driver of the Swindon and Wiltshire economy, contributing £12.1bn in 2019 and accounting for over half of the LEP area’s output, as well as 42% of its businesses base. Employment in the Swindon M4 Growth Zone is focused in the professional, scientific and technical sector with 39% of employment in this sector. Other sectors of importance are in the foundational economy such as retail and health both with 11% of employment.

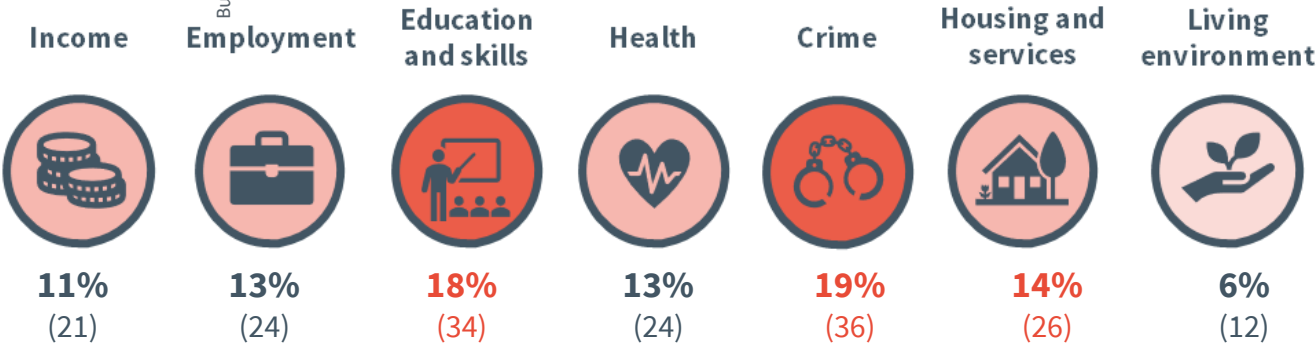
Sector Employment, 2021



Priority Sector Employment Overview

	Employment 2021	% Change (2017-2021)	LQ <sup>1</sup> 2021	Share of zone's employment
Professional Business Services	24,000	-11%	1.0	14%
Creative Industries	9,000	-18%	0.8	5%
Low Carbon	12,000	71%	2.3	7%
Life Sciences	8,000	167%	6.4	5%
Advanced Manufacturing and Engineering	20,000	18%	1.7	12%
ICT/Cyber Security	4,000	-33%	0.9	2%

The urban nature of this growth zone factors into more challenging aspects of its make-up. The Swindon M4 growth zone is the most deprived growth zone in the LEP area, with 11% LSOAs within categorised in the top 20% most deprived areas in England. The main deprivation challenges are education and crime.



% (number) of LSOAs in area that are in bottom 20% of category nationally

Source: BRES, ONS ; IMD, GVA Small Area Data, ONS  
Note: Due to overlapping growth zone boundaries the data for the growth zones can not be aggregated without double counting.  
<sup>1</sup>LQ refers to Location Quotient, a measure of how specialized/concentrated activity is in an area. It is based on the relative share of employment in an industry within an area compared to the share nationally. An LQ greater than 1 indicates relative specialization/concentration.



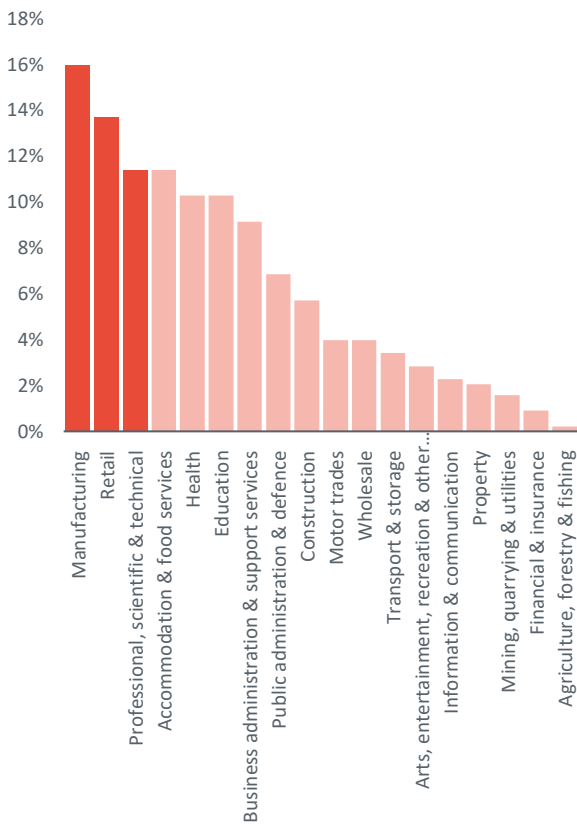
# Executive Summary : *Growth Zones*

## Growth Zones: Rest of Swindon and Wiltshire

The Growth Zones in Swindon and Wiltshire represent the key economic growth locations in the LEP area, these zones are not the only areas of economic growth potential in the LEP area.

These residents live in what is predominantly the rural areas of Wiltshire. Despite its rurality, the area accounts for over a third of all employment in Swindon and Wiltshire. The non-growth zone area is estimated to be valued at over £2.8bn, the equivalent of 14% of the LEP area's total economy. The area is dominated by three sectors – manufacturing, retail, and the professional, scientific and technical sector. These three sectors account for over half of all employment in the area and are an expression of the diversity of the local economy.

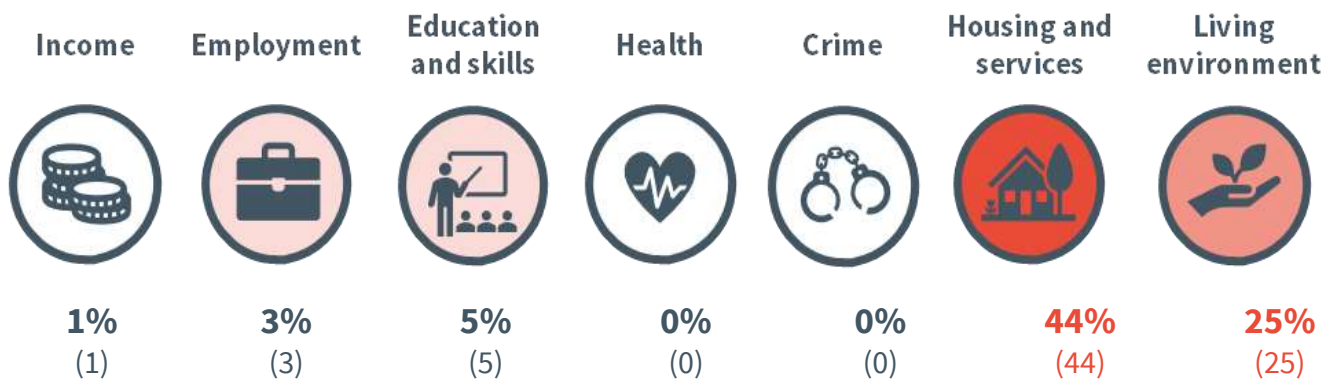
### Sector Employment, 2021



### Priority Sector Employment Overview

	Employment 2021	% Change (2017-2021)	LQ <sup>1</sup> 2021	Share of zone's employment
Professional Business Services	11,000	-29%	0.7	10%
Creative Industries	6,000	0%	0.8	5%
Low Carbon	10,000	0%	2.8	9%
Life Sciences	8,000	367%	9.4	7%
Advanced Manufacturing and Engineering	15,000	13%	1.9	13%
ICT/Cyber Security	3,000	20%	1.0	3%

The non-growth zone (defined on page 15) area of Swindon and Wiltshire has experienced stable population growth over the past five years with a growth rate of 3%. This is likely an expression of the area as an attractive location to live, with a very low level of deprivation. None of the rural area of the Swindon and Wiltshire LEP falls within the top 20% most deprived areas of England. However, when looking at specific sub-domains of deprivation, housing is a real challenge.



% (number) of LSOAs in area that are in bottom 20% of category nationally

Source: BRES, ONS ; IMD, GVA Small Area Data, ONS

Note: Due to overlapping growth zone boundaries the data for the growth zones can not be aggregated without double counting.

<sup>1</sup> LQ refers to Location Quotient, a measure of how specialized/concentrated activity is in an area. It is based on the relative share of employment in an industry within an area compared to the share nationally. An LQ greater than 1 indicates relative specialization/concentration.





# Introduction and Context



Swindon & Wiltshire  
LOCAL ENTERPRISE PARTNERSHIP

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# Local Economic Assessment (LEA) Structure

Swindon and Wiltshire Local Enterprise Partnership commissioned Hatch Urban Solutions to undertake an update to the LEA published in 2022. This report will update the main indicators in that report and consider current pressing economic challenges and opportunities.

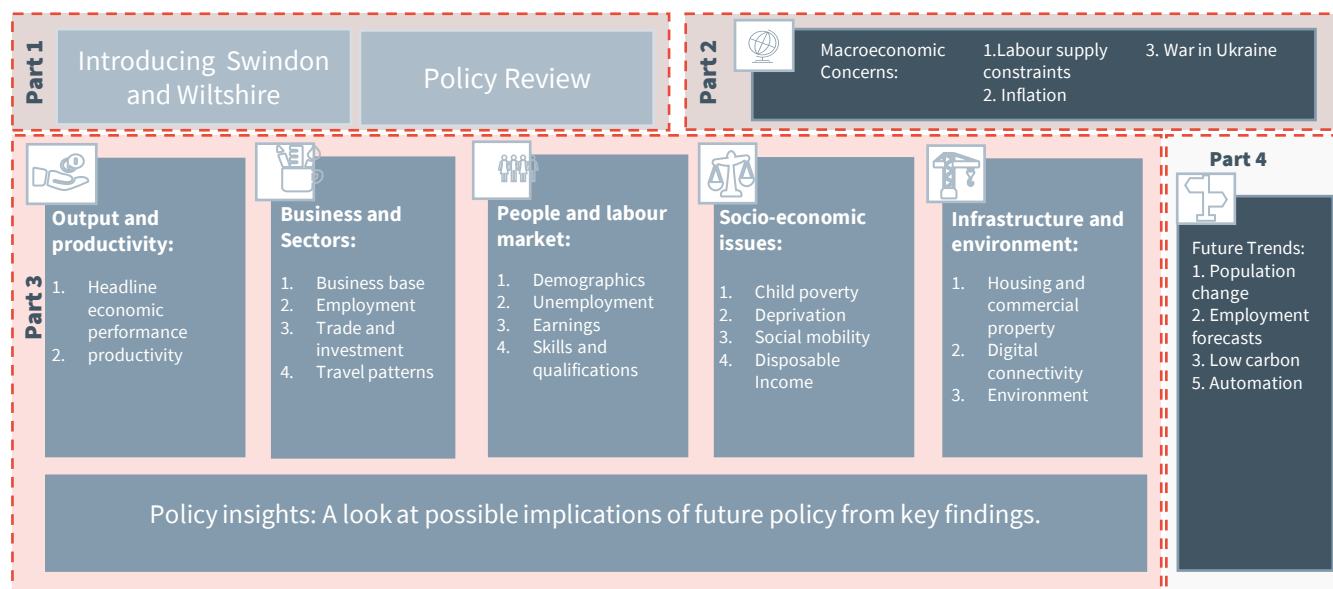
Part 1 introduces Swindon and Wiltshire and aligns the study within its local, regional, and national policy context.

Part 2 considers three of the most significant macroeconomic challenges that will impact the wellbeing and success of businesses and residents in Swindon and Wiltshire.

Part 3 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
- + 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.

Part 4 focuses on future trends influencing economic growth and prosperity in Swindon and Wiltshire.



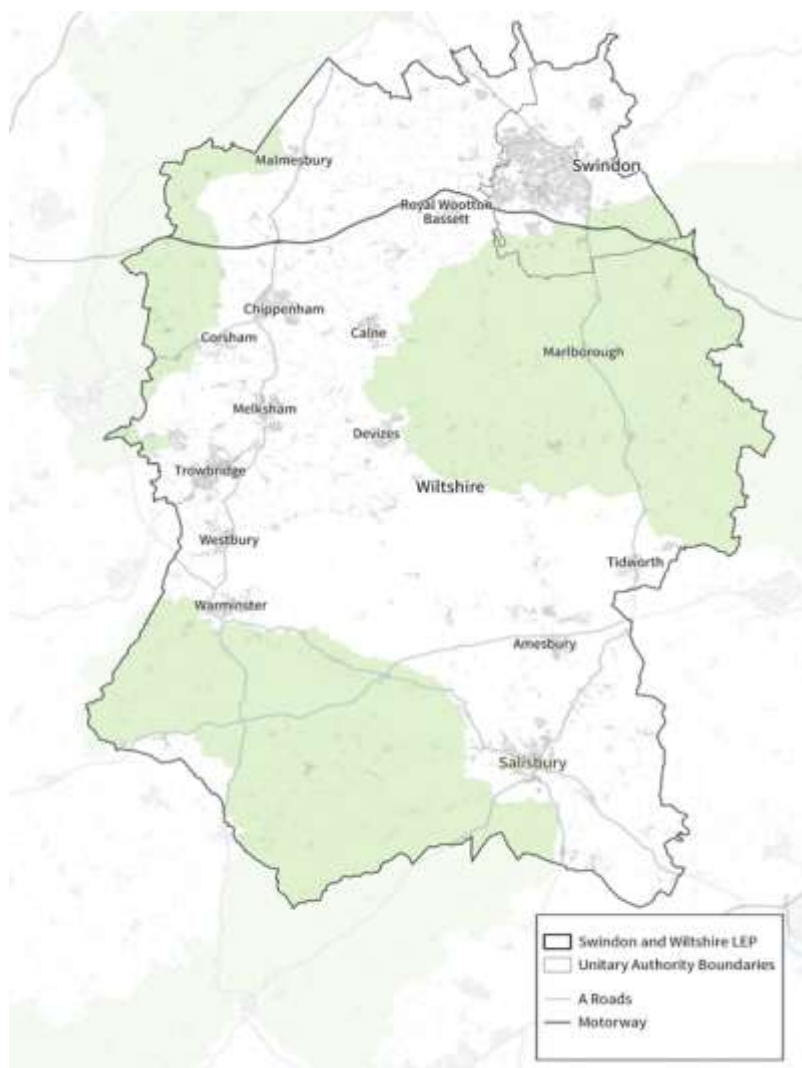
# Contextualising Swindon and Wiltshire

## Geographical Location and Comparator Areas

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 and Chippenham. 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.



Source: OS Data





# Contextualising Swindon and Wiltshire

## Geographical Location and Comparator Areas

Within the Swindon and Wiltshire area there are three Growth Zones which represent large agglomerations of economic activity. These Growth Zones broadly cut across the FEMAs (functional economic market areas) which are used in housing strategies and local plans.

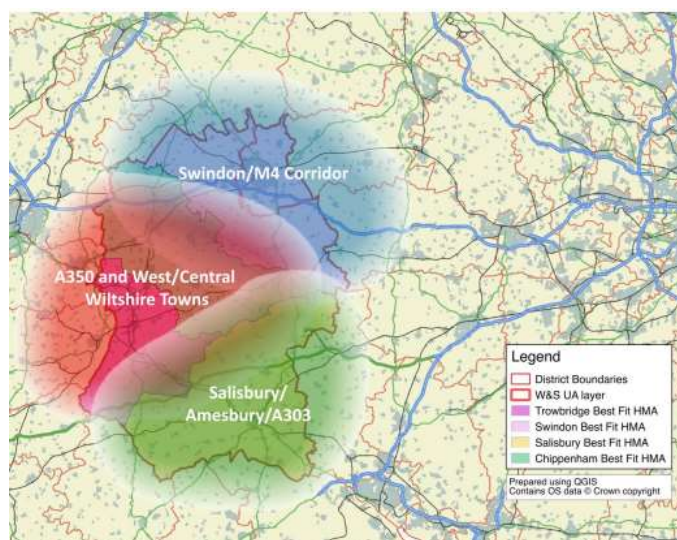
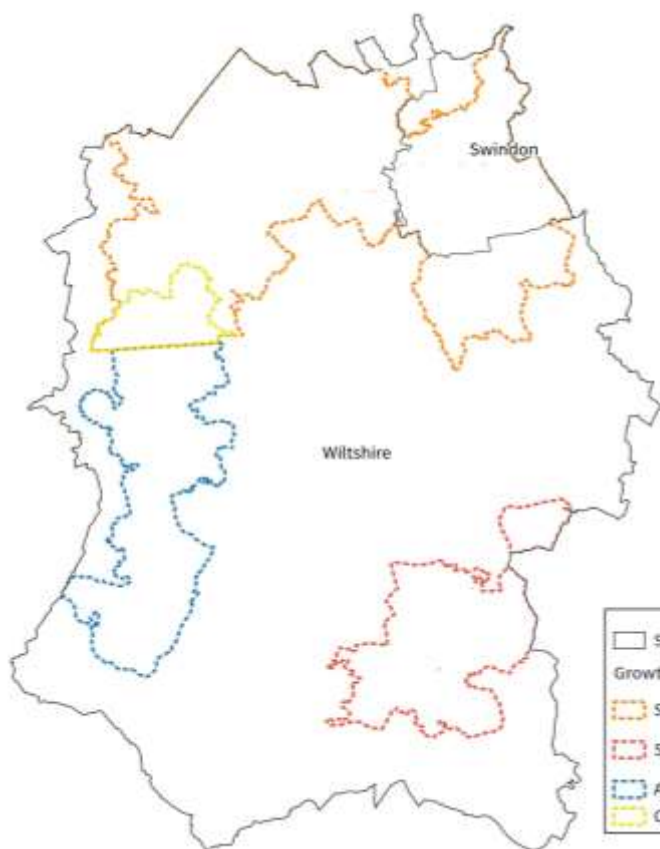
**Swindon-M4 Growth Zone:** built around the M4 corridor and well-placed to extend through to Reading and Swindon, as well as the potential to draw in investment from the west out of Bristol and Bath. Both Chippenham and Corsham are within the Swindon-M4 and A350 Growth Zone.

**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.

### Swindon and Wiltshire Growth Zones:



*FEMAs in Swindon and Wiltshire:*



# Contextualising Swindon and Wiltshire

## Geographical Location and Comparator Areas

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 several neighbouring LEP areas which Swindon and Wiltshire is like, or which aspires to achieve similar performance. These LEP areas are:

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



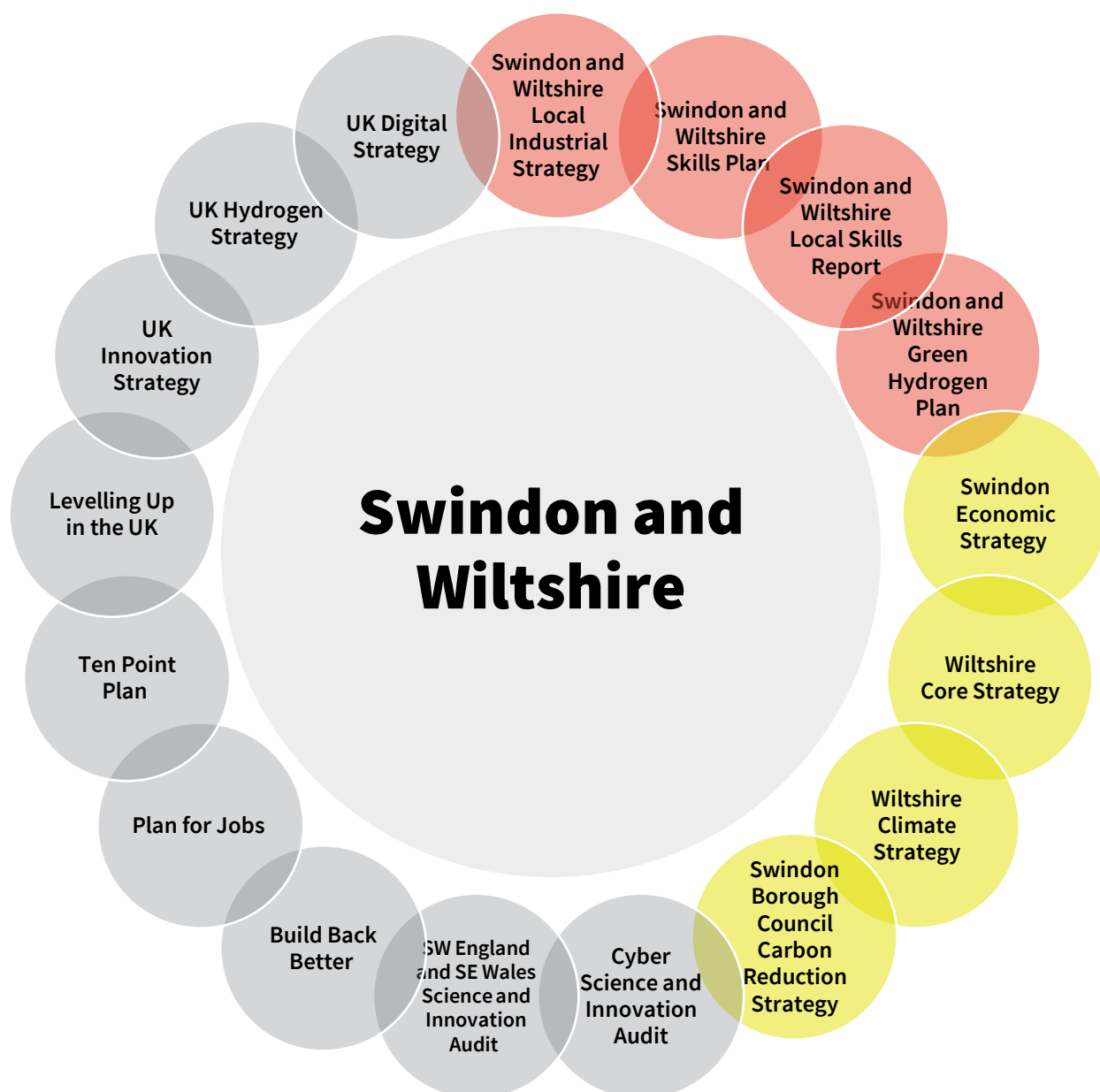
# Contextualising Swindon and Wiltshire

## Policy Context

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.



# Contextualising Swindon and Wiltshire

## Policy Review

### Swindon and Wiltshire Local Industrial Strategy, 2020

The vision for Swindon and Wiltshire by 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.



# Contextualising Swindon and Wiltshire

## Policy Review (cont.)

### Wiltshire Climate Strategy, 2022-2027

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:

- Transport – an emphasis will be placed on reducing journeys and moving towards zero emission transport.
- 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.
- 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.
- Energy – Effort to reduce energy consumption will be further enabled though the opportunities allowed by “smart” and digital technologies.
- Green economy – Green jobs of the future will be in significant demand if Wiltshire is to achieve its carbon neutral goals.
- Resource and waste – By using the hierarchy of “reduce, reuse, recycle, recover energy”, Wiltshire will see wastage fall.
- 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, 2015-2026

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 development of 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



# Contextualising Swindon and Wiltshire

## Policy Review (cont.)

### UK Shared Prosperity Fund, 2022-2025

Following the UK's exit from the EU, projects funded by the EU's European Regional Development Fund (ERDF) needed to be funded through alternative means. The UK Government announced the UK Shared Prosperity Fund (UKSPF) as the main alternative funder to programmes that would have traditionally been ERDF funded. The aim of the UKSPF ARE:

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging
- Spread opportunities and improve public services, especially in those places where they are weakest
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost
- Empower local leaders and communities, especially in those places lacking local agency

The funding covers a three year period and is allocated to lower tier authorities, unitary authorities, mayoral authorities and combined authorities. Funding includes core UKSPF funding alongside funding via the Multiply scheme which focuses on upskilling adult learners in numeracy. Swindon and Wiltshire will collectively receive over £11m in funding which is broken down as follows:

	UKSPF core	Multiply	Total
Swindon	£ 2,070,057	£ 1,209,629	£ 3,279,686
Wiltshire	£ 5,731,483	£ 2,108,992	£ 7,840,475
Total	£ 7,801,540	£ 3,318,621	£ 11,120,161

### UK Digital Strategy, 2022

The strategy outlines the government's vision for harnessing digital transformation and focuses on 6 key areas:

- Digital foundations
- Ideas and intellectual property
- Digital skills and talent
- Financing digital growth
- Spreading access to digital technologies across the UK
- Enhance the UK place in the world through the promotion of digital trade

### 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 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



# Contextualising Swindon and Wiltshire

## Policy Review (cont.)

Ten Point Plan, 2020

The plan lays the foundations for a Green Industrial Revolution. Nationally, 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

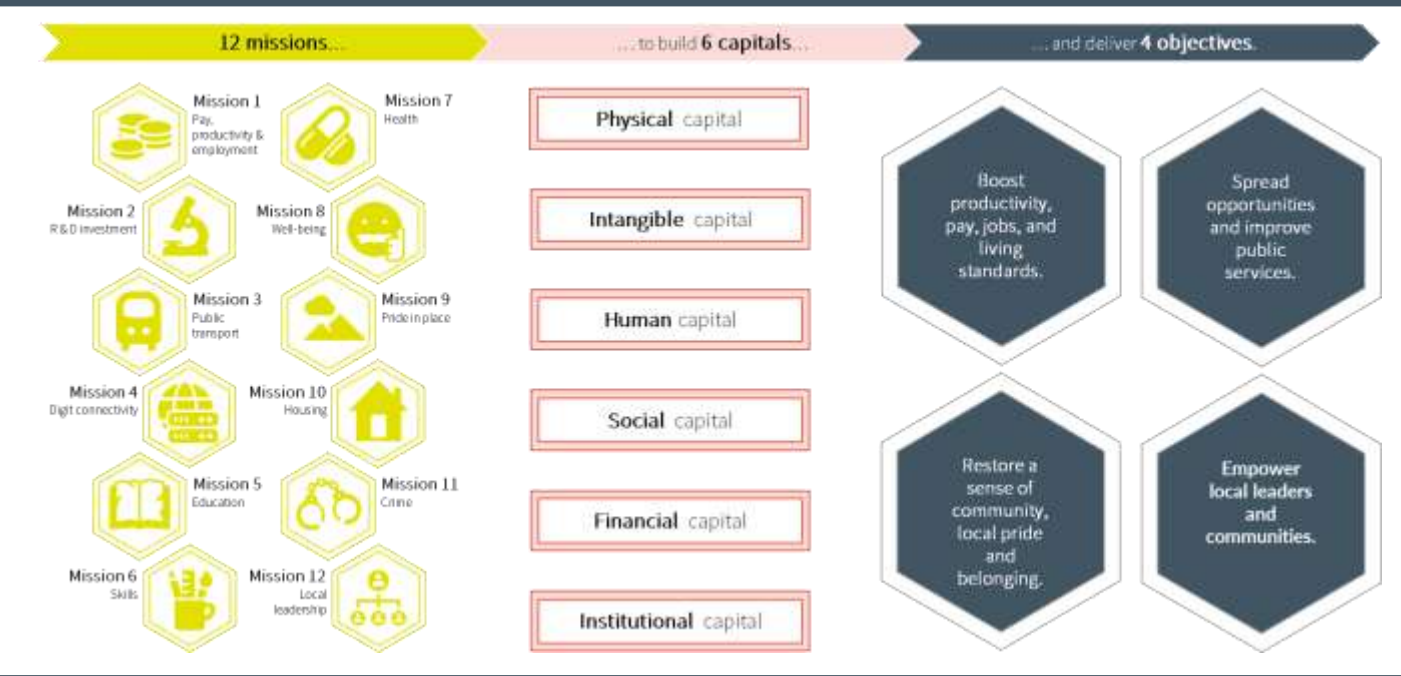
Within Swindon and Wiltshire, local opportunities to drive the Green Industrial Revolution include:

- 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, 2022-23

The Government's Levelling Up agenda seeks to close the gap between areas of prosperous and less prosperous parts of the country. The Levelling Up missions are outlined below and are intended to be actioned through the funding of local community projects. Since its inception there have been two rounds of Levelling Up Funding Swindon and Wiltshire have not received any Levelling Up Funds, though the area has received £240,000 in community ownership funding.

## Levelling Up in the UK





# Contextualising Swindon and Wiltshire

## Policy Review (cont.)

### 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 Local Industrial Strategy. 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 2022-25



'Digital capabilities' as "those factors that (ideally) work together to promote technology-driven productivity growth". Built around the 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 2018



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 2019



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

- 1) Increase rural access to reliable broadband
- 2) Improve mobile communication access in rural areas
- 3) Modernise transport connections
- 4) Increase Access to high quality education and training
- 5) Expand rural apprenticeships in rural areas
- 6) Enterprise zones in rural areas
- 7) Improve planning and approval for rural businesses
- 8) Increase housing
- 9) Increase availability and affordability of childcare
- 10) Devolve more power to local areas

Rural Productivity Strategy





# Macroeconomic Challenges



Swindon & Wiltshire  
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# Macroeconomic Challenges

## Inflationary Pressure and Cost of Living

**The challenge:** Rising costs of everyday goods make it harder for residents and businesses to buy goods and services, in turn leading to reduced demand for other businesses.

**Causes:** Rising inflation is currently being felt across the world. Restriction on energy supply – due to the war in Ukraine – is the main cause of current inflationary pressure. However, based on the Bank of England's most recent Monetary Policy Report, food prices are increasingly contributing to inflation. This is again due to disruptions in global agricultural markets resulting from the war in Ukraine.

There are significant limitations to what the LEP or local authorities of Swindon and Wiltshire can do to counter inflation that is caused by international action. However, there are opportunities to reduce some of the impacts of rising living costs.

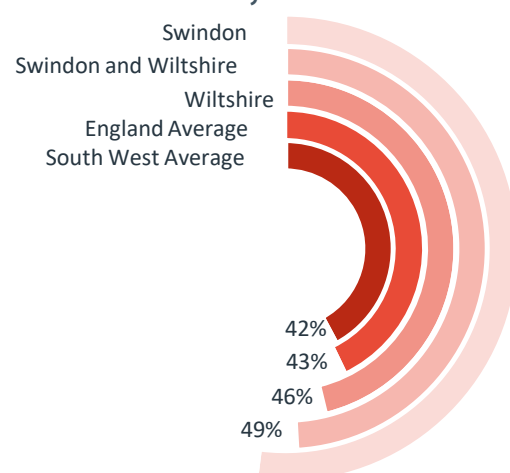
### Retrofitting homes

On average, Swindon and Wiltshire have a higher proportion of homes with an EPC rating of C or above than the regional and national rates. However, with over half of all dwellings in the LEP area – most acutely in Wiltshire – being rated as energy inefficient there is room to improve. Retrofitting domestic property will reduce household heating expenditure while also contributing towards the net-zero agenda.

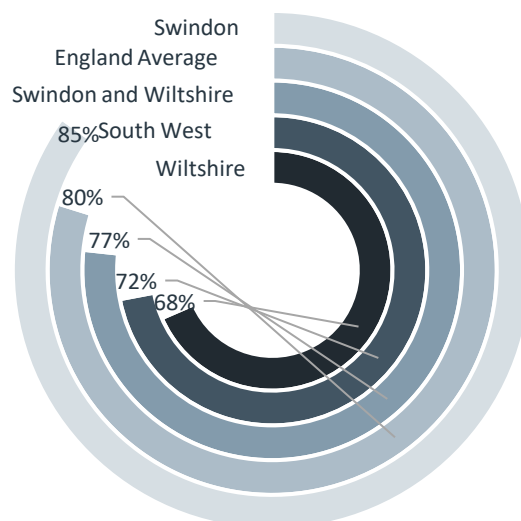
Based on findings from the Local Government Associate, green skills gaps prevent a significant amount of retrofitting activity. Re-skilling the local labour force through a green skills taskforce programme would ensure residents can enter skilled work while contributing to the net-zero agenda and reducing heating costs for residents, however this must be done.

With energy being the paramount cause of current inflation, there must be immediate action towards reducing the dependency on fossil fuels, primarily imported natural gas. While this may seem like a longer term action, there is scope to shift Swindon and Wiltshire to renewable energy in the short to medium term. Homes in Swindon are highly dependent on natural gas for heating (85% of homes use natural gas as their main fuel type compared to 80% nationally). There is a large amount of renewable energy generated in the LEP area, and capacity to generate even more.

### Dwellings with EPC Rating\* C and Above, 2022



### Dwellings with Natural Gas as the Main Fuel Type for central heating, 2022



Source: Energy efficiency of Housing, England and Wales, local authority districts, ONS, 2022

\*EPC rates the energy efficiency of a dwelling, with the most efficient homes ranking A,B or C



# Macroeconomic Challenges

## Labour Market Constraints

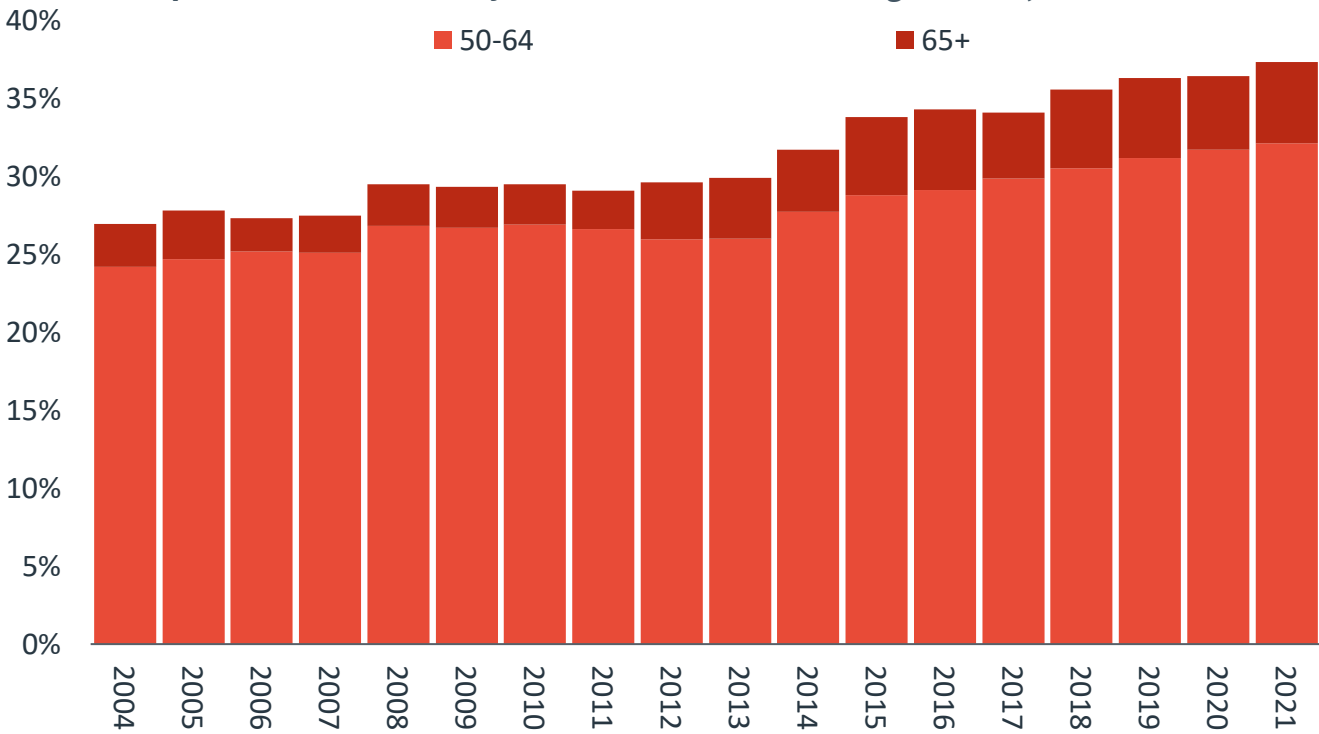
**The Challenge:** Vacancy rates have increased in Swindon and Wiltshire by over 75% between December 2019 and December 2022.

**Cause:** The scale of the labour market challenge is significant. COVID-19 disrupted the local labour market and has led to some longer-term challenges around the world, not just in Swindon and Wiltshire. There has been a marked increase in individuals classed as “long-term sick” since the COVID-19 pandemic with long-term sick rates reaching 2.5m nationally in late 2022. Further examination of the population classed as “economically inactive”, we can see that a tightening labour supply trend has been emerging amongst the older working age cohort. While we would anticipate a rising rate of economic inactivity for the 65+ population who are leaving the labour market while also becoming a larger demographic, the main concern lies around those aged 50-64. In 2004, this group accounted for less than one quarter of all economically inactive people in Swindon and Wiltshire, as of 2021, this group account for one in three economically inactive people in the LEP area.

### Return to work schemes/stay in work schemes for older works

Working with local businesses in helping them to retain their older workforce will help to lessen the declining supply of labour in Swindon and Wiltshire. The UK government offers a wide range of advice on retaining older workers including an offer of flexible working and ensuring accessibility in the workplace for those who may have increased mobility issues due to age. Overall, there needs to be a strong case for staying in the workforce – Swindon and Wiltshire businesses can be guided to become great places to work for the older demographic and thereby reduce labour market constraints holding back business growth and prosperity in the area.

**Proportion of Economically Inactive Residents in 50+ age cohort , 2004-2021**



Source: APS, ONS, 2004-2021

# Macroeconomic Challenges

## International Supply Chain Disruption

**The challenge:** Businesses and households are facing challenges in accessing goods that they need. Supply chain disruption disturb day-to-day economic activity through the creation of increased uncertainty that inhibits investment and decision making.

**Causes:** The war in Ukraine has led to many important components of supply chains being unavailable or at substantially higher costs. This followed a period of the global economy returning to normality in consumption after the COVID-19 pandemic. While the conflict continues in Ukraine there is unlikely to be any significant reduction in supply chain disruption, and the resulting inflationary pressure this causes. Therefore, any policy decisions taken in the short to medium term must consider this reality and work to mitigate the impacts of disruption or consider ways in which supply chains can be adapted so that they are less exposed to internal market shocks.

To mitigate some of the effects of supply chain disruption local action should be taken.

### Localising supply chains

Business may find that re-shoring their supply chains to within the UK, or even within Swindon and Wiltshire may help to reduce disruption caused by global economic shocks. While it is unlikely that all businesses will be able to domesticate their supply chains in full, due to costs of things like UK manufacturing and access to specific raw materials, there would be value in the LEP working with businesses to identify where local supply chain development can be established. This would have a further advantage of creating commercial opportunities for local businesses to engage with each other and be a way for businesses in the LEP to demonstrate a competitive advantage in reliability against global competitors.

For some businesses shifting from international components to domestic supply chain components will not be feasible. These businesses should be engaged with where possible and assisted to ride out this period of disruption for as long as possible.

### Supporting Households

Another element of supply chain disruption is its impact on consumers and households. Inflationary pressures outlined previously tend to result in supply restrictions of important goods or components in the creation of goods. Rising costs of food, for example, are currently due – in part - to supply chain disruptions in fertiliser. Support needs to be in place for the most disadvantaged households in Swindon and Wiltshire to ensure they are able to meet their needs.







# Productivity and Output



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# Productivity and Output

## Summary

Swindon and Wiltshire generated over £20.6bn worth of goods and services in 2020. While this data is an expression of output during the COVID-19 pandemic, and therefore can account for the full impact of the economic disruption, it does allow for a high level understanding of how the Swindon and Wiltshire economy fared during this challenging period. Overall, the LEP area economy shrank by 4.5% in 2020 (relative to 2019), with sectors such as accommodation and food services (40% contraction) and arts and entertainment (35% contraction) bearing the most significant impacts.

Manufacturing, real estate and wholesale and retail collectively contribute a third of total GVA, a sectorally mixed economy will ensure reasonable degrees of economic resilience to sector specific shocks, though it is necessary to consider the vulnerability of the retail sector in light of shifts to e-commerce.

The Swindon and Wiltshire LEP area has a small productivity gap with England, though within the LEP area there is strong productivity, above England levels, in Swindon.

Tackling low productivity in Wiltshire's key settlements would help bolster the gains made in Swindon. Examining specific geographical productivity "cold spots" present an opportunity to level up all areas across Swindon and Wiltshire and provide a source of economic growth that creates high skilled and high paid employment. Wiltshire has a significant productivity gap at -£14.0k whilst Swindon has above national average productivity at +£20.9k.

Productivity in financial services is nearly 5 times larger than in accommodation and food services. Some sectors are more productive by their nature, though ensuring cross-sector diffusion of innovation will allow for productivity uplift and create a wide range of skilled jobs across multiple sectors.



# Productivity and Output

## Output

The LEP area’s output contributed 15% to the South West region and 1% to England’s total output. The proportion of GVA generated by each local authority in the LEP area is:

- + Swindon : £9.3bn (45% of the total)
- + Wiltshire : £11.4bn (55% of the total)

Across comparator LEP areas, Swindon and Wiltshire has the third lowest total GVA output, with the Enterprise M3 and Thames Valley Berkshire LEP areas producing over twice as much in comparison.

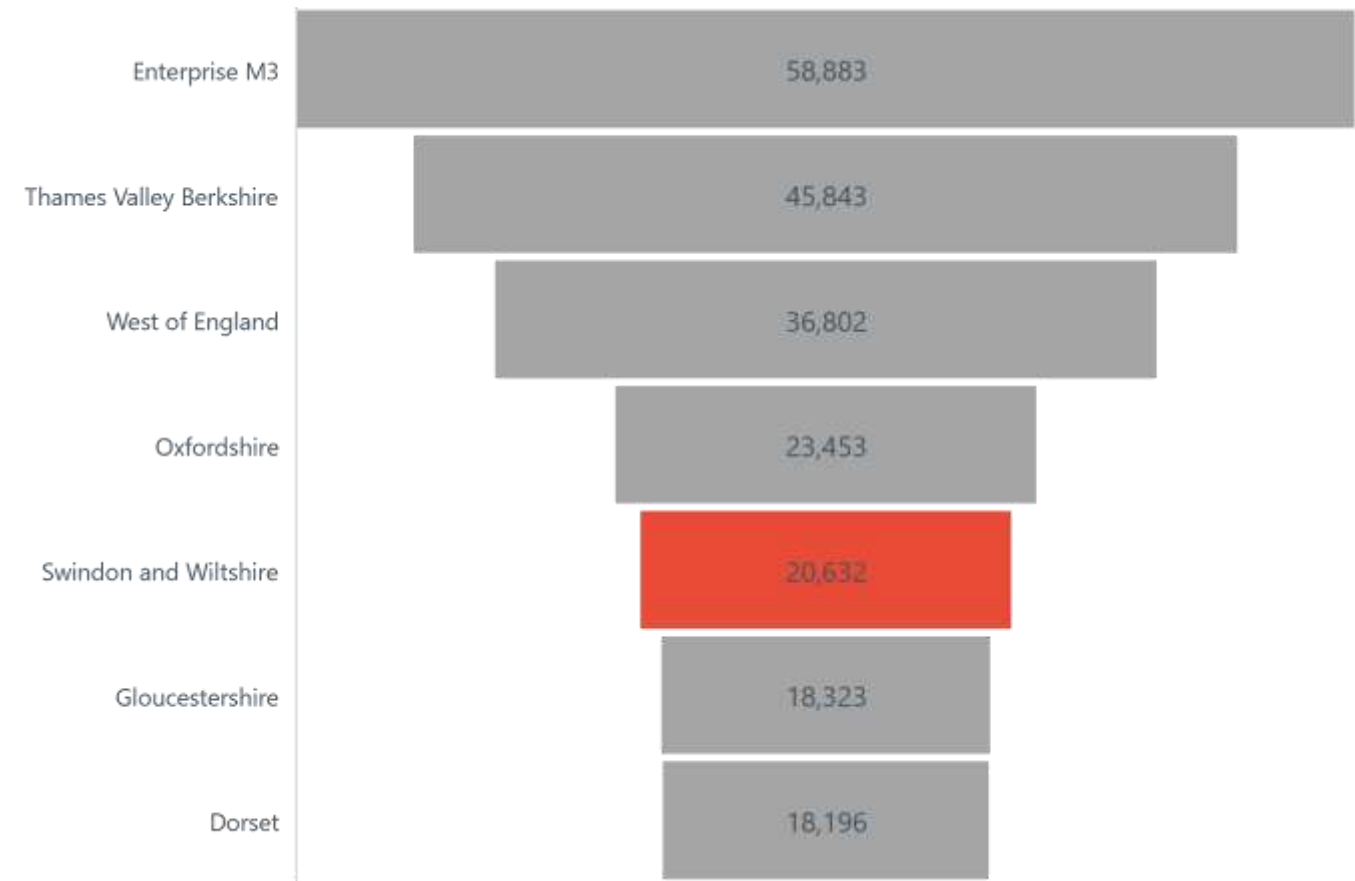
The top 3 sectors by GVA output are:

- + Manufacturing (£2.8bn)
- + Real estate (£2.7bn)
- + Retail and wholesale (£2.1bn)

Collectively, these sectors account for a third of total economic output in Swindon and Wiltshire.

The chart below positions Swindon and Wiltshire’s economic output within the context of comparator areas, it is worth noting that, while the comparator areas have similarities the absolute size of the economies, their populations and other characteristics will differ significantly.

Total GVA output, £ millions, 2020



Source: ONS Regional Accounts

# Productivity and Output

## Growth Zone Output

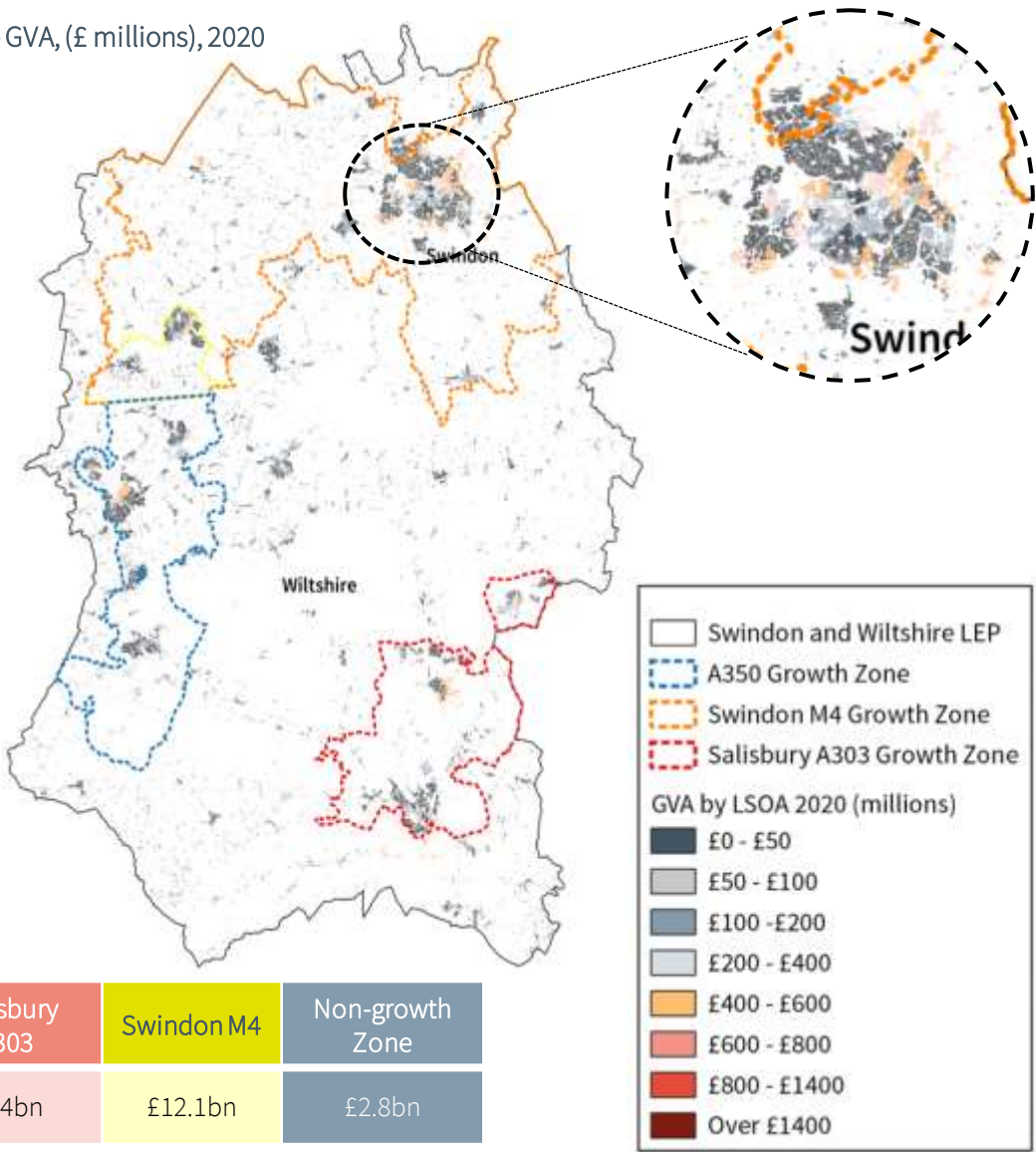
Swindon and Wiltshire Growth Zones are the key drivers of economic growth in the LEP area.

Unsurprisingly given their relative sizes, Swindon generates £9.3bn (45% of the LEP area total output) whilst Wiltshire contributes a higher proportion at £11.4bn (55%).

Experimental data by the ONS enables examination of economic output at a lower geographical level. This shows that there are distinct areas of economic activity. These are primarily located within the Swindon and Wiltshire growth zones around Swindon, Amesbury and Trowbridge. By contrast, the remaining rural area of Swindon and Wiltshire contributes the lowest amount in GVA. This reaffirms that whilst the remaining rural area play an important role in the LEP area, the growth zones are the main drivers of economic growth.

But there are differences in the contribution to total output across the growth zones, with the Swindon M4 Growth Zone generating the largest share with £12bn of output (59%).

Swindon and Wiltshire GVA, (£ millions), 2020



Source: ONS Regional Accounts; ONS Small Area GVA Estimates  
Note: Due to overlapping growth zone boundaries the data for the growth zones can not be aggregated without double counting.

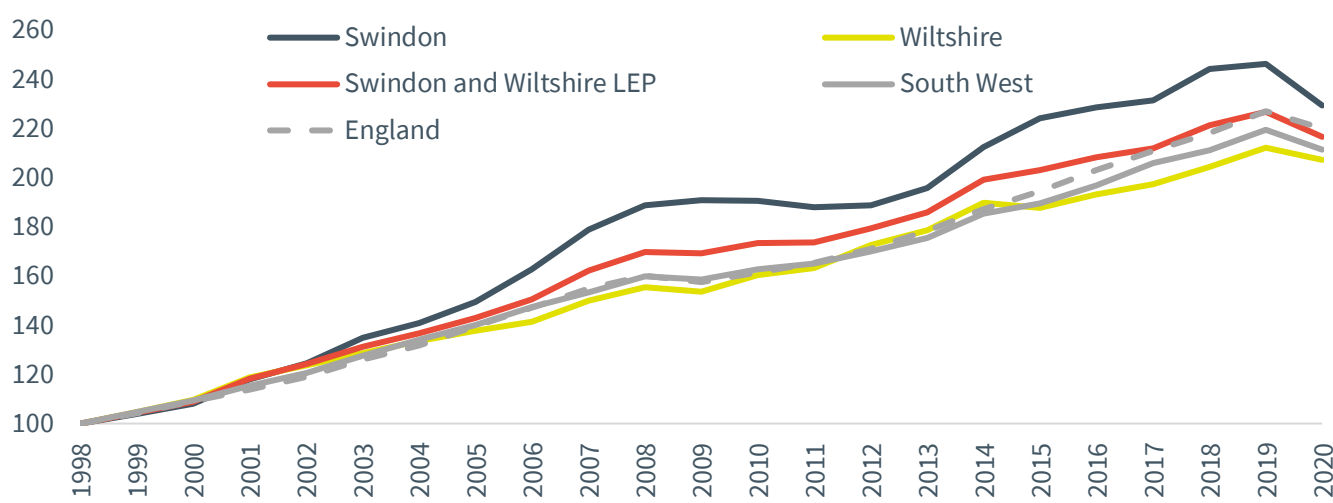
# Productivity and Output

## Output Growth

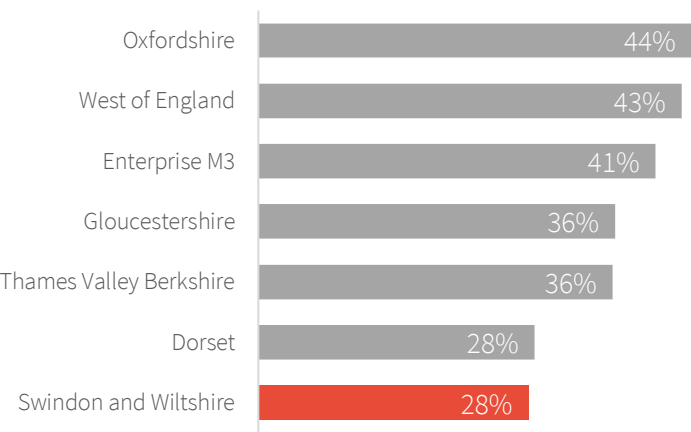
Swindon and Wiltshire generated over £21bn worth of goods and services to UK PLC in 2020. COVID-19, and the resulting economic restrictions, had a significant impact on the UK economy and all its components. The pandemic has impacted Swindon and Wiltshire’s economy significantly; contracting by 4.5% between 2019-2020, a loss of nearly £1bn. This is a dramatic shrinkage relative to Swindon and Wiltshire’s comparator economies and to the national benchmark contraction of 3.1%. This is likely due to the sectoral make-up of the Swindon and Wiltshire economy, for example the importance of the visitor economy in the LEP area.

While we would anticipate there having been some degree of recovery in 2021, 2022 and 2023 as the economy reopened, there is a fundamental risk of long-term economic scarring with many businesses permanently closing in 2020 and many people entering periods of long-term unemployment or underemployment. Moreover, examining long-term growth trends, Swindon and Wiltshire’s economy has been growing at a slower rate in the last decade than the national economy, potentially highlighting some imbedded weakness predating the impact of COVID-19.

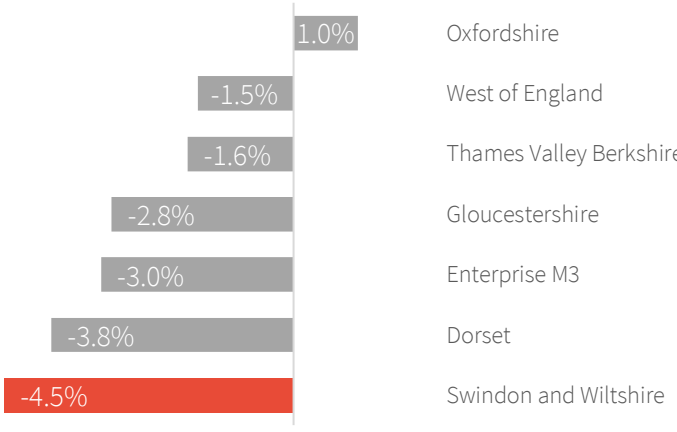
Indexed GVA growth (1998-2020), 1998=100



GVA overall annual growth in Swindon and Wiltshire and comparator LEPs, 2008-2020



GVA overall annual growth in Swindon and Wiltshire and comparator LEPs, 2019-2020



Source: ONS Regional Accounts

# Productivity and Output

## Sector Output

Manufacturing (13%), Real Estate (13%) and Retail (10%) contribute a third of total GVA output in Swindon and Wiltshire. Apart from Manufacturing, which only makes up 9% of national GVA, Swindon and Wiltshire's sectoral composition is broadly in-line with England.

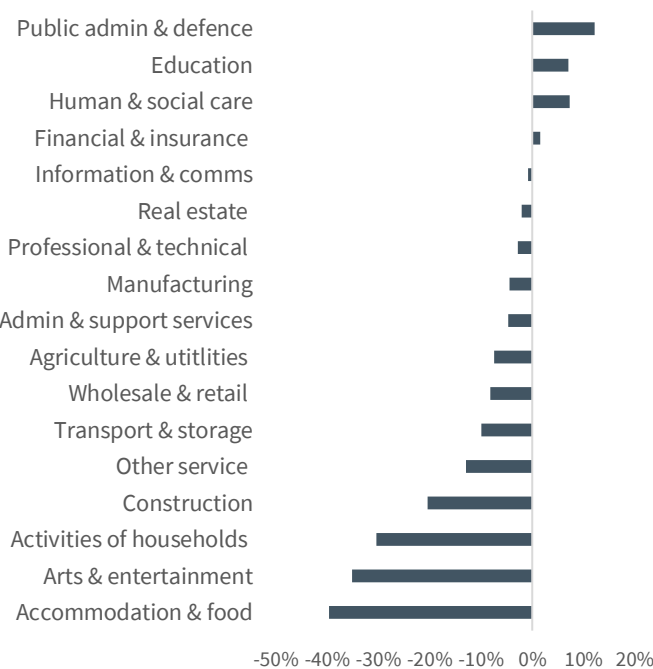
Whilst Agriculture and Utilities was once the dominant sector in Swindon and Wiltshire's output, this has been superseded by Manufacturing and has fallen to the 6th most contributory sector. The growth in manufacturing contribution, however, does not take into account the closure of Swindon's Honda site in 2021. This may have reduced the output of manufacturing in Swindon and Wiltshire as a result of job losses incurred, but the full impact on the local economy remains uncertain until the site is re-occupied.

High value sectors such as information and communication (3%) contribute a smaller proportion of GVA output compared to England (7% respectively). Professional and Technical sectors and financial and insurance, however, both contribute 9% to the LEP area's GVA compared to England (8%).

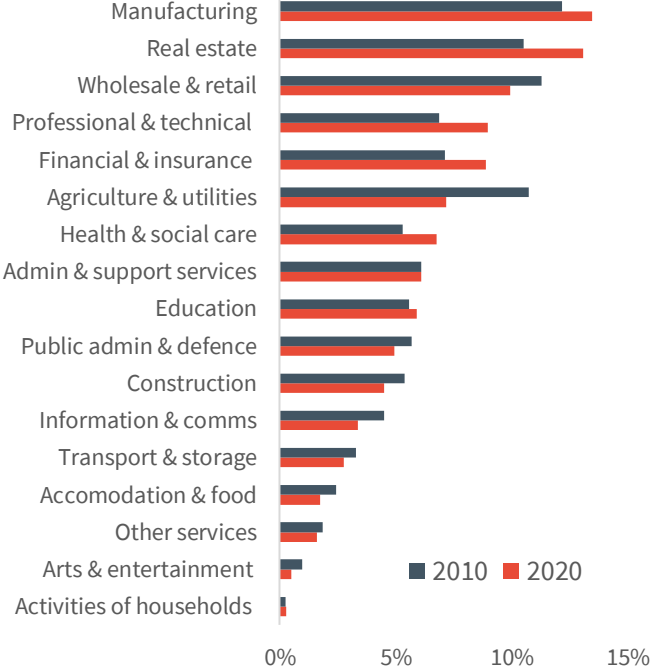
Growing the output of high value sectors would support growth in the Swindon and Wiltshire's economy. These sectors have experienced small compound growth over the last decade. Information and Communications has decreased by 1% whilst Financial and Insurance sectors has increased by 5% compared to 3% growth in England. However, the highest compound growth has been seen in the Professional and Technical sectors (5%) which is 1 percentage point above England (4%).

From 2019-2020, the Wholesale and Retail sector contracted by 8% along with other face to face sectors such as accommodation and food service which contracted by 40% and Arts, Entertainment and Recreation which contracted by 35%.

Swindon and Wiltshire GVA output by sector % change from 2019 to 2020



Swindon and Wiltshire GVA output by sector (%) 2010 and 2020



Source: ONS Regional Accounts

# Productivity and Output

## Productivity

Whilst output is a useful measure of economic activity, productivity is arguably a more critical metric of economic performance. Productivity measures how much is produced per unit of input. Labour productivity (which is the focus here) measures the value of output against a unit of labour input (ideally per hour worked but often, due to data availability, per filled job). Growth in productivity means more, or better quality, goods and services can be produced and so it is critical to improvements in living standards. Higher productivity also drives growth in wages.

Overall, Swindon and Wiltshire has a minor productivity gap (£56,210) below the national average (£59,000). This gap is driven by low productivity in Wiltshire (£45,000) which hides the notably high and above average productivity found in Swindon (£79,800).

It is important to recognize that although productivity growth can drive living standards it doesn't necessarily go hand in hand with improvements in well-being; London, for example, has the highest productivity of all UK regions but scores the lowest on levels of life satisfaction and worthwhileness measures.

Swindon and Wiltshire has the third highest output per hour (which is above the regional (£34) and on par with the national average (£38) levels). This is primarily due to a distinctly higher output per hour in Swindon (£51) compared to Wiltshire (£32).

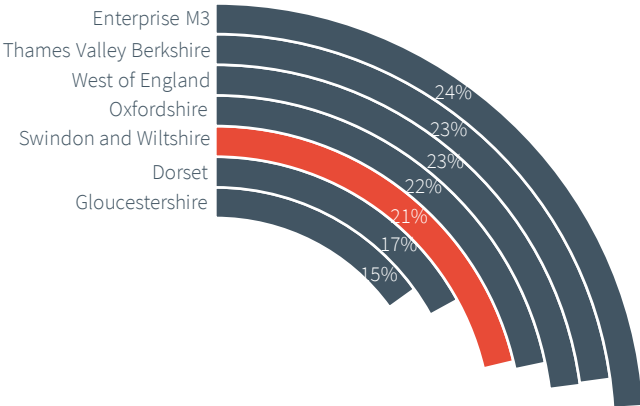
Up until 2014, Swindon and Wiltshire had one of the highest growths in GVA per hour worked. However, this growth has started to plateau since 2014 and is now exceeded by higher growth in West of England and Enterprise M3.

Whilst Swindon and Wiltshire has a relatively high output per hour filled, it has experienced the lowest relative growth since 2010 compared to the other LEP areas. This low growth holds back Swindon and Wiltshire's economy and risks its productivity being overtaken by other LEP areas over time.

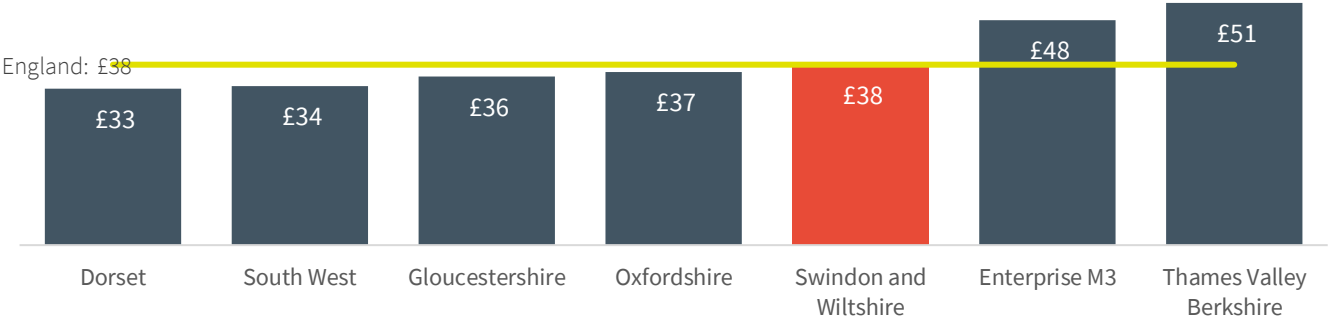
Output per job filled (£), 2020



Growth in output per hour worked, 2004-2020



GVA per hour worked, £s, 2020



Source: ONS Regional Accounts



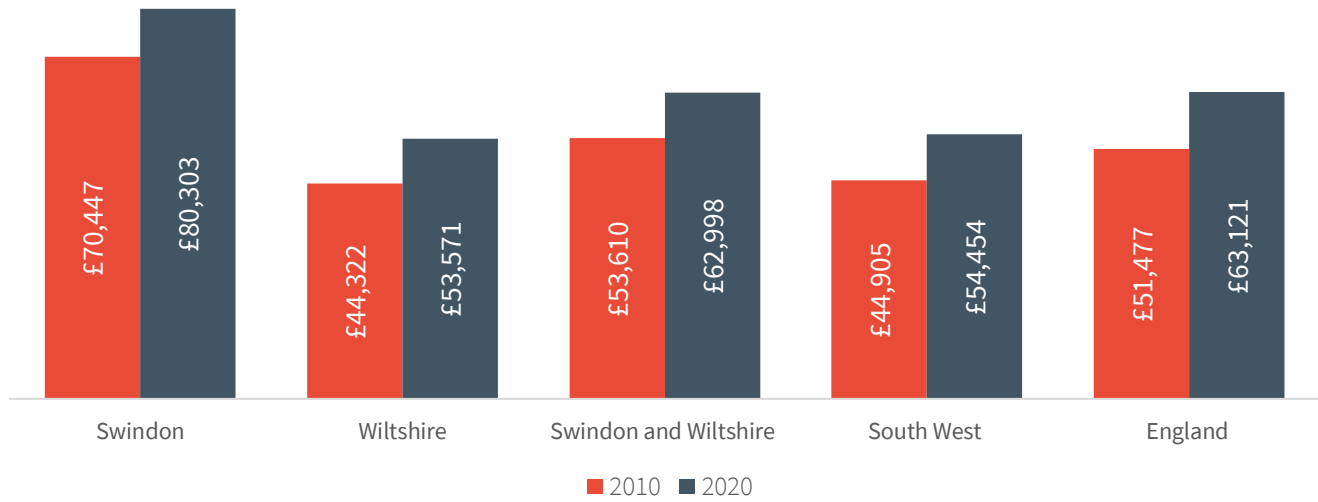
# Productivity and Output

## Productivity

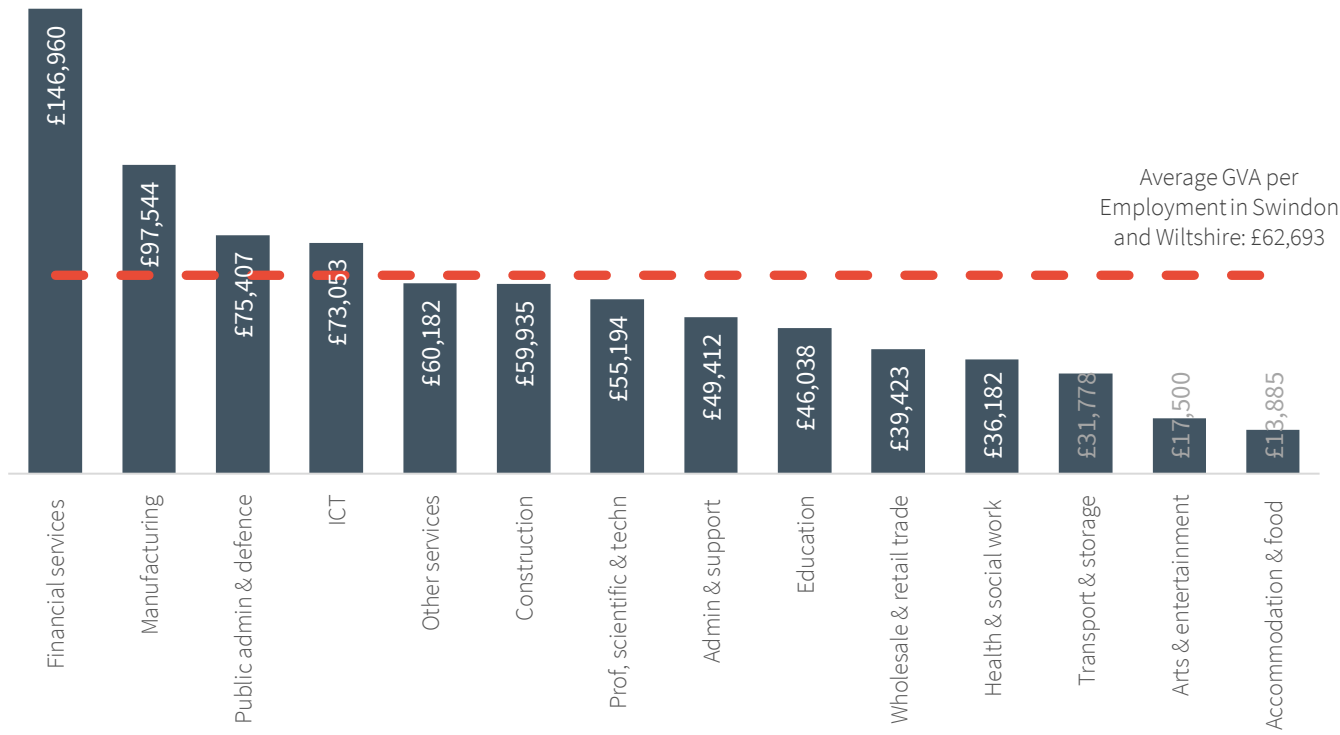
Highly productive sectors in Swindon and Wiltshire include financial services, manufacturing and public admin and defence sectors. In contrast, sectors such as accommodation and food and arts and entertainment lag well below the average rate of output per worker for the LEP area.

Over the past decade output per job has increased by 16% in Swindon and Wiltshire, although this is lower than the 23% rise seen nationally and 20% rise seen regionally.

Output per Employment 2010-2020



GVA Output (£) per Employment in Swindon and Wiltshire (by sector), 2020



Source: Hatch calculations using GVA regional accounts; BRES, ONS

# Productivity and Output

## Policy Insights

Swindon and Wiltshire's economy in 2020 was £1bn smaller than in 2019. The impact of COVID-19 was significant. While a recovery has likely taken place to some degree – COVID-19 will have had some longer-term impacts on the Swindon and Wiltshire economy. With some sectors fairing worse than others the most significant losses to the economy due to COVID-19 were experienced in the Accommodation and Food, and Arts, Entertainment and Recreation sector, this is unsurprising given the face-to-face nature of these sectors. Many businesses in these sectors have been permanently closed or reduced in size. Other businesses who survived the disruptions of the pandemic are now facing a period of further economic uncertainty caused by rising rates of inflation and a forecasted recession, this will lead to more business closure and increased rates of unemployment. While local policy initiatives may be limited in impact in the face of global disruption, there is significant opportunity for local policy to build up degrees of resilience. Local interventions may include:

- + Non-financial business support, including training on resilience and recovery, marketing support and management practices..
- + Financial business support, including sector specific grants for innovative practices, start-up support.
- + Skills support – both adult skills programmes to ensure skill alignment with new needs of local businesses as the Swindon and Wiltshire economy evolves.

Growth in productivity therefore allows for improvements in wages and living standards. It is for this reason why it is central to UK government policies such as the Levelling Up Agenda. On a per hour work metric, the Swindon and Wiltshire LEP area is reasonably productive, with per hour output valued at £38, the same as national rates. On an output per worker measure, the picture is more complex. While there are degrees of strong productivity in Swindon, with output per worker surpassing national levels, there is a productivity gap in Wiltshire- it should be noted that there is likely a sectoral dimension to this issues, with higher rates of more productive industries such as financial services in Swindon than in Wiltshire. Regardless of the current position of productivity, there must be concerted efforts to close this gap otherwise prosperity in the LEP area will be jeopardised particularly in times of economic uncertainty. Due to its relationship with wages, improving productivity will be a fundamental tool in Swindon and Wiltshire's arsenal in countering the cost of living crisis.





# Business and Sectors



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## Summary

There are currently over 29,000 enterprises operating in Swindon and Wiltshire, though the business count has contracted by some around 2% in the last four years. Growth has been relatively slow (1% since 2015) potentially indicating some commercial challenges.

Niche strengths exist in the Construction and Property market in the LEP area partly explained by a booming property market across the LEP area's housing market.

There were fewer net business births in 2020 than 2019, likely an expression of the COVID-19 pandemic stalling business start ups. However relative to some comparator areas, there is a relative degree of start-up resilience in Swindon and Wiltshire where, despite the pandemic, there was a net gain of new business created in 2020.

The 3-year survival rate of 2018 businesses in Swindon and Wiltshire was 58%. This is above the national level, either indicating established businesses can be sustained in the LEP area or indicating high barriers of entry for new start-ups reducing competition for established businesses.

Whilst Swindon and Wiltshire have seen increases in Foreign Direct Investment (FDI) project wins in the last few years, the value of these jobs created in association with these projects have not risen at the same rate, potentially suggesting more numerous but lower valued investments.

Swindon and Wiltshire is a net importer of goods and services, increasing exports will be a good opportunity for growth while being conscious of the international nature of the LEP's supply chains as expressed by high import volumes. However, a highly globalised market is also exposed to risk and disruptions that may lead to challenges.

Employment is concentrated in several sectors such as public admin, education and health (34% of total employment), distribution, hotels and restaurants (17%), financial services (16%) and manufacturing (11%). This is a mix of highly productive and less productive sectors, ensuring productivity improvements are diffused across all of the LEP area's main employment sectors will assist in the ambitions of creating a high skilled and high paid employment base.

The potential labour force that is reachable from Swindon and Wiltshire's major towns varies across the LEP area. Whilst Chippenham, Amesbury and Salisbury having a catchment of between 46,000 to 60,000, for Swindon, Trowbridge and Warminster the catchment increases to between 158,000 and 180,000. It is not possible at this stage to provide up-to-date data from the 2021 Census on the number of people commuting out of or into Swindon and Wiltshire or identify what areas they are coming from or going to. Once this data is made available, this data will be added to the report as a supplement to our analysis.



This chapter of the report considers the sectoral and business environment of Swindon and Wiltshire. This includes analysis of broad and priority sectors, enterprise, trade and investment.

Swindon and Wiltshire LEP have identified six key sectors, termed priority sectors, where existing strengths lie and/or future growth can be anticipated. These sectors include: professional business services, creative industries, life sciences, low carbon, advanced manufacturing and engineering and ICT/cyber security. Alongside analysis of these sectors, a consideration of broad sectors has also been undertaken to determine if other strengths or growing areas of the Swindon and Wiltshire economy exist.



To undertake effective analysis on the six priority sectors outlined in this report, it has been necessary to define these sectors using standard industrial classifications (SIC). This creates a standard definition of a sector and therefore allows for comparisons to be made between areas. It should be noted that there are limitations to using SIC code based definitions for sectors, the most pressing of which is the failure for some of the more contemporary economic sectors – such as low carbon activities or new scientific processes – to be defined in an accurate manner by standard classifications. Nevertheless, at a broad level, they provide the most robust evidence base upon which to understand the specific priority sectors of an economy.

It is also necessary to note that when looking at relatively small sectors of an economy, and examining the sectoral change in terms of business count, there may exist significant percentage increases, though this may not necessarily mean substantially more businesses due to an originally small starting base in that sector.

Source: ONS UK Business Count, 2017-2021

# Business and Sectors

## Business Base

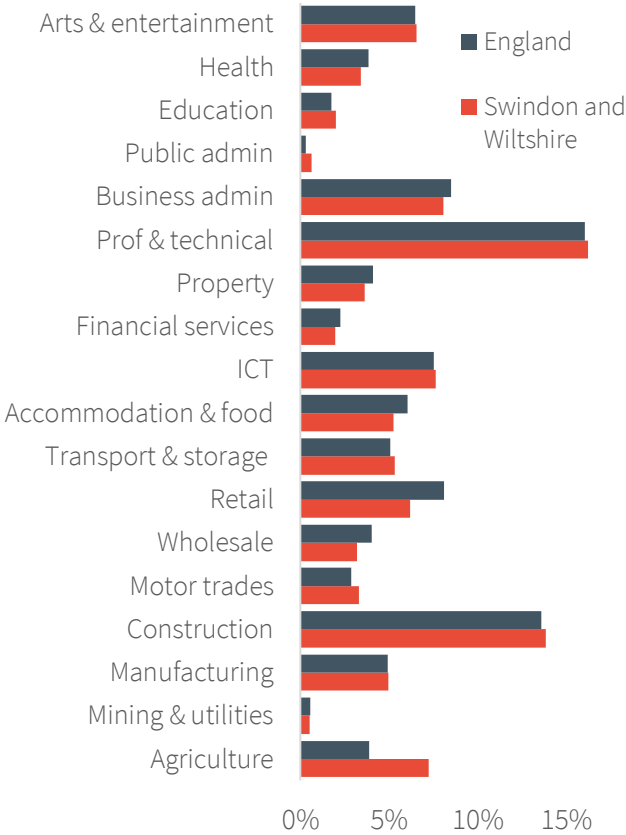
There are currently 29,000 enterprises operating in Swindon and Wiltshire. In the last four years, there has been a minor contraction in the count of businesses in the LEP area by 2% (a net loss of 720 businesses). This period covers the COVID-19 pandemic, a challenging time for many businesses, examining change over a shorter period (2020-2022) we do see the majority of losses in Swindon and Wiltshire's business count to have occurred in this period, with the net loss of 520 businesses across the LEP area occurring in this 2020-2022 period.

The sectoral business composition in Swindon and Wiltshire is like that of England, except for the Agriculture sector where the proportion of businesses in Swindon and Wiltshire is almost double the national position (7% compared to 4%). There is a large concentration of businesses in sectors such as Professional, Scientific and Technical sector (16%), Construction (14%) and ICT (8%).

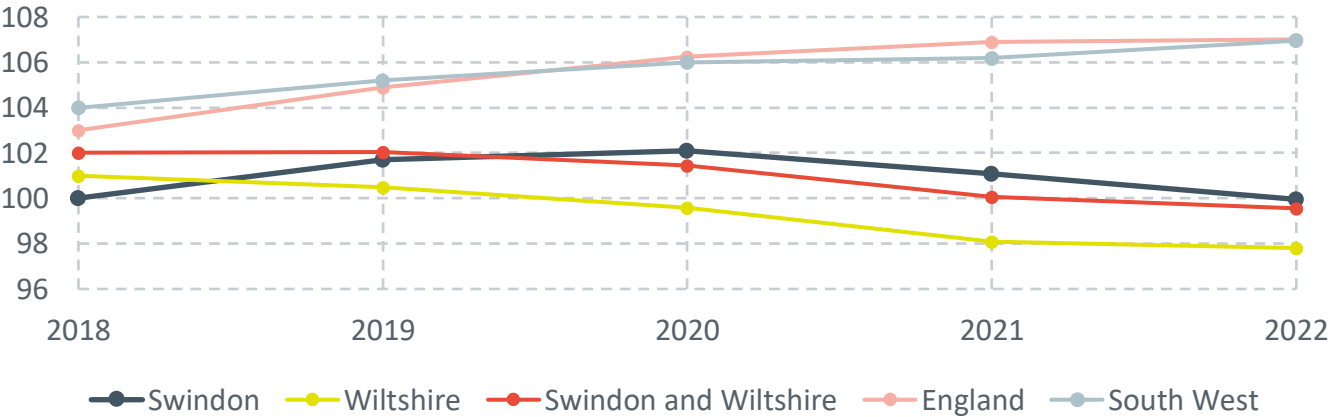
Most businesses (99.6%) in Swindon and Wiltshire are considered SMEs (employing under 250 people) which is in line with the national rate. In Swindon the rate is slightly lower at 99.3% due to the presence of some larger organisations such as Nationwide, while in Wiltshire the rate is 99.7%.



Business Base by Broad Sectors, 2022



Business Base Index Change (2018=100)



Source: ONS UK Business Count, 2018-2022



# Business and Sectors

## Business Specialisation

A wide range of sectors allow Swindon and Wiltshire's business base some degree of resilience to sector specific shocks. The education and ICT business bases contracted significantly in the past four years, both sectors being around 20% smaller in 2022 than in 2018. It may be that these contractions were a result of disruptions caused by the COVID-19 pandemic, the ICT sector also contracted nationally during this period by 10%.

While no individual sector is of significant importance to the LEP area, in terms of absolute business count, there are sectors of business specialisms. These sectors include agriculture (LQ of 1.9), motor trades (LQ of 1.1), education (LQ of 1.1) and public admin. (LQ of 2.1). Of these sectors, public admin and motor trades are the only specialised sectors to experience business count growth since 2018 (+3%).

The defence sector is of particular importance to the LEP area, identified as a prominent sector in the Local Industrial Strategy (2020) while significant world-leading innovative assets, such as defence R&D and security technologies exist at Porton Science Park. Though it is important to consider the degree of resilience in this sector within the context of uncertain government spending and the possibility of future public sector spending reductions in response to the current economic downturn.

### LQ against business count growth from 2018-2022 for broad sectors in Swindon and Wiltshire

Swindon and Wiltshire LEP Area	Total	% Share of Total	% Change (2018-2022)	LQ
Agriculture	2,115	7%	-7%	1.9
Mining & utilities	150	1%	-3%	0.9
Manufacturing	1,450	5%	-1%	1.0
Construction	4,045	14%	11%	1.0
Motor trades	960	3%	3%	1.1
Wholesale	930	3%	-4%	0.8
Retail	1,805	6%	4%	0.8
Transport & storage	1,555	5%	47%	1.0
Accommodation & food	1,535	5%	6%	0.9
ICT	2,235	8%	-19%	1.0
Financial services	570	2%	-3%	0.9
Property	1,060	4%	8%	0.9
Prof & technical	4,740	16%	-16%	1.0
Business admin	2,355	8%	0%	0.9
Public admin	180	1%	6%	2.1
Education	590	2%	-20%	1.1
Health	995	3%	-12%	0.9
Arts & entertainment	1,915	7%	1%	1.0
<b>Total</b>	<b>29,195</b>	<b>100%</b>	<b>-2%</b>	<b>1.0</b>

Source: ONS Business Count, 2022

<sup>1</sup> LQ refers to Location Quotient, a measure of how specialized/concentrated activity is in an area. It is based on the relative share of employment in an industry within an area compared to the share nationally. An LQ greater than 1 indicates relative specialization/concentration.



# Business and Sectors

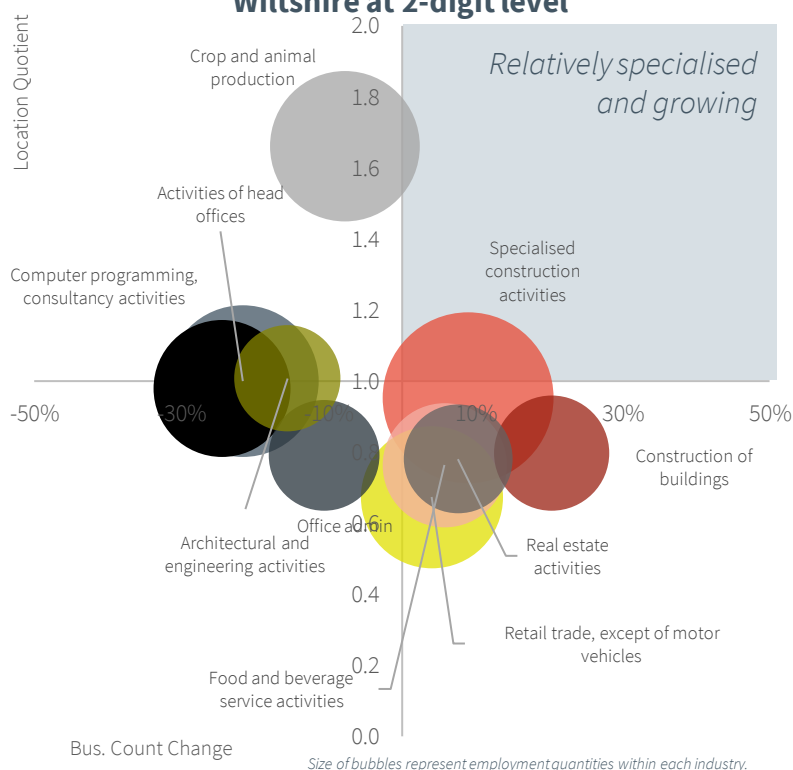
## Business Specialisation

To understand a more detailed view of the business ecosystem in Swindon and Wiltshire an analysis of sectoral composition at two digit SIC code level has been undertaken. In total the ONS provides data on 99 different sectors at the *Two Digit* sector level. This page considers the largest of these sectors in the Swindon and Wiltshire LEP area economy based on 2022 business count. The construction of buildings sector has experienced high growth rates, perhaps reflective of the rising demand for housing in the LEP area. Other sectors have contracted since 2018, for example the computer programming and consultancy sector, this is 24% smaller in 2022 than in 2018 and reaffirms the contraction across the IT sector as shown on the previous page of this report.

Significant losses in the number of businesses across the largest sectors in an economy may suggest a degree of economic reprofiling, however considering the overall shrinkage of the business base in Swindon and Wiltshire since 2017 this does not appear to be the case.

Careful consideration of the reason for the losses in these sectors is advised as they represent some of the most significant sectors (in business count terms) in Swindon and Wiltshire. Losses of 47% (office admin), 25% (Computer programming, consultancy activities sector) and 24% (activities of head offices) represent a significant loss of the LEP area's commercial base.

**LQ<sup>1</sup> (Y-axis), bus. count growth 2018-2022 (X-axis) for the 10 largest business sectors in Swindon and Wiltshire at 2-digit level**



**LQ against business count growth from 2017-2022 for the 10 largest business sectors in Swindon and Wiltshire at 2-digit level**

Swindon and Wiltshire LEP	Total	%	% change (2017-2022)	LQ
Specialised construction activities	2,605	9%	9%	1.0
Activities of head offices	2,045	7%	-22%	1.0
Crop and animal production	2,010	7%	-8%	1.7
Retail trade, except of motor vehicles	1,805	6%	4%	0.7
Computer programming, consultancy activities	1,665	6%	-24%	1.0
Food and beverage service activities	1,375	5%	6%	0.8
Construction of buildings	1,185	4%	20%	0.8
Office admin	1,095	4%	-11%	0.8
Real estate activities	1,060	4%	8%	0.8
Architectural and engineering activities	1,000	3%	-16%	1.0

Source: ONS Business Count, 2022

<sup>1</sup> LQ refers to Location Quotient, a measure of how specialized/concentrated activity is in an area. It is based on the relative share of employment in an industry within an area compared to the share nationally. An LQ greater than 1 indicates relative specialization/concentration.



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# Business and Sectors

## Business Specialisation

Swindon and Wiltshire separately contain individual business specialisms which are also at risk of business base contraction. Of the top 10 business sectors in Swindon, four sectors have shrunk between 2018 and 2022, with computer programming consultancy and activities of head offices experiencing the largest contractions with around a third less businesses in these sectors in Swindon in 2022 than in 2018. A similar picture can be seen in Wiltshire, of most significance is the fall in crop and animal production business, while the contraction of 8% since 2018 is smaller than contractions in other sectors it is interesting to see the agricultural sector, on which rural Wiltshire is so heavily focused, experience a contraction..

On the other hand, both Swindon and Wiltshire have experienced notable growth in the construction sector. In Swindon, both specialised construction and construction of buildings grew by 9% and 33% since 2018 respectively, while the construction of buildings also grew by 16% in Wiltshire. Postal and courier activities have grown rapidly in Swindon (335%) since 2017, this equates to 335 additional businesses and may suggest a quickly emerging specialism for the borough - possibly due to the rise in e-commerce businesses such as Amazon and the location of large distribution business such as the Post Office that create additional businesses through supply chains. The postal and courier sector is highly specialized in Swindon (3.8 LQ) while Wiltshire's specialisms, despite a contraction, lie in agricultural sectors.

### LQ against business count growth from 2018-2022 for the 10 largest business sectors in Swindon and Wiltshire at 2-digit level

Swindon	Total	%	% change (2018-2022)	LQ
Specialised construction activities	725	10%	9%	1.2
Computer programming, consultancy	560	8%	-32%	1.5
Retail trade, except of motor vehicles	440	6%	5%	0.7
Postal and courier activities	435	6%	335%	3.8
Activities of head offices	415	6%	-30%	0.9
Land transport and transport via pipelines	415	6%	11%	2.0
Food and beverage service activities	365	5%	1%	0.9
Construction of buildings	325	4%	33%	1.0
Office administrative activities	310	4%	-5%	1.0
Architectural and engineering activities	245	3%	-26%	1.1

Wiltshire	Total	%	% change (2018-2022)	LQ
Crop and animal production	1,905	9%	-8%	2.4
Specialised construction activities	1,880	9%	9%	1.0
Activities of head offices	1,625	7%	-20%	1.2
Retail trade, except of motor vehicles	1,365	6%	4%	0.8
Computer programming, consultancy	1,105	5%	-20%	1.0
Food and beverage service activities	1,005	5%	7%	0.8
Construction of buildings	860	4%	16%	0.9
Real estate activities	835	4%	8%	0.9
Office administrative activities	785	4%	-13%	0.9
Architectural and engineering activities	755	3%	-12%	1.2

Source: ONS Business Count, 2018-2022



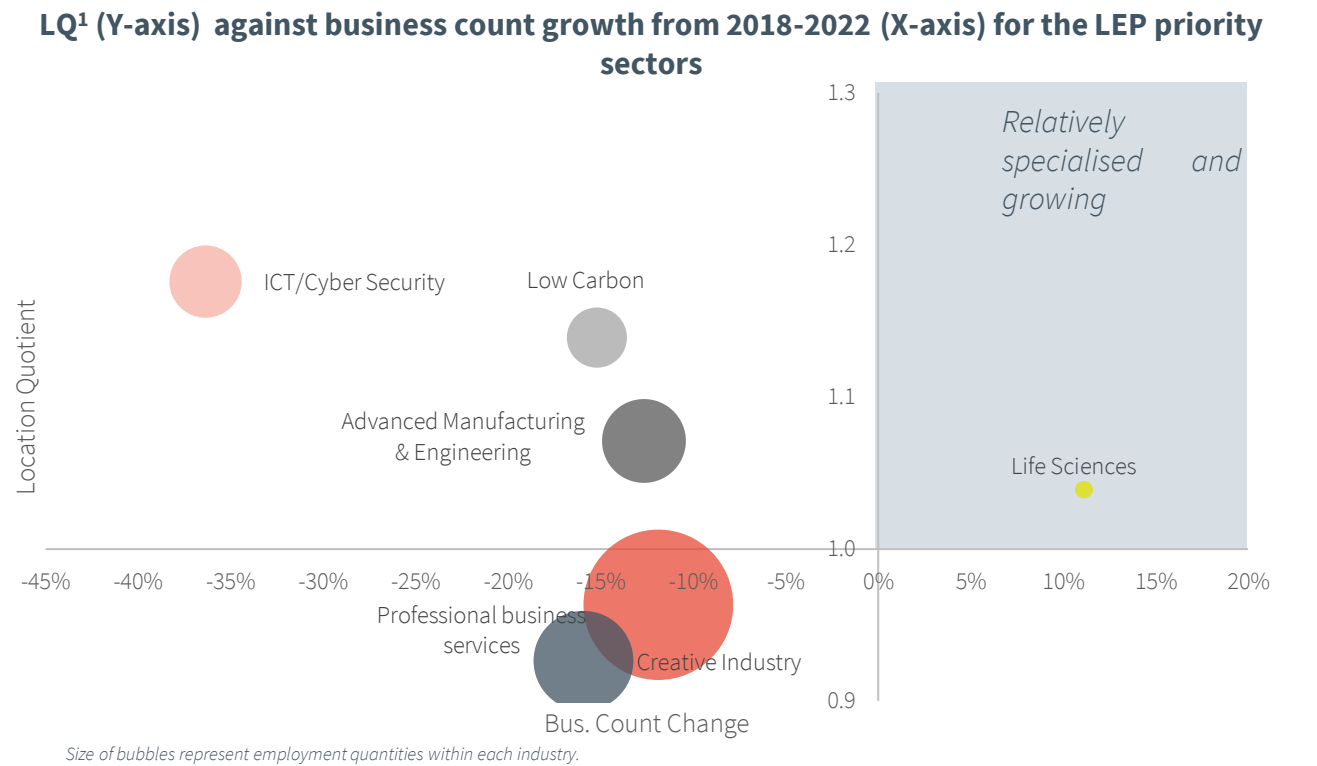
# Business and Sectors

## Business Specialisation

The priority sectors of Professional Business Services, Creative Industries, Low Carbon, Advanced Manufacturing and Engineering, and ICT Cyber Security have all shrunk, in number of businesses, between 2018-2020, with losses ranging from 36% of businesses in the ICT/cyber security sector to 12% in professional business services.

The priority sector of Life Sciences, conversely, has grown, albeit from the lowest base of the priority sectors. With 90 life sciences businesses in the Swindon Wiltshire LEP area in 2022 compared to 80 businesses in 2018. Though this may be reflective of the nature of this sector as a fairly new and emerging sector nationally and locally, and also a difficult sector to measure using traditional SIC code definitions.

Of the six priority specialisms, all but professional business services and the creative industry demonstrate a higher density than England (as measured by Location Quotient). Indicating some genuine business specialization in the majority of priority sectors.



**LQ against business count growth from 2018-2022 for the LEP priority sectors**

Swindon and Wiltshire LEP	Total	% Share of Total Businesses	% change (2017-2022)	LQ
Professional business services	6,355	22%	-12%	1.0
Creative Industry	2,825	10%	-16%	0.9
Low Carbon	1,020	3%	-15%	1.1
Life Sciences	90	0.3%	11%	1.0
Advanced Manufacturing and Engineering	1,975	7%	-13%	1.1
ICT/Cyber Security	1,485	5%	-36%	1.2

Source: ONS Business Count, 2022

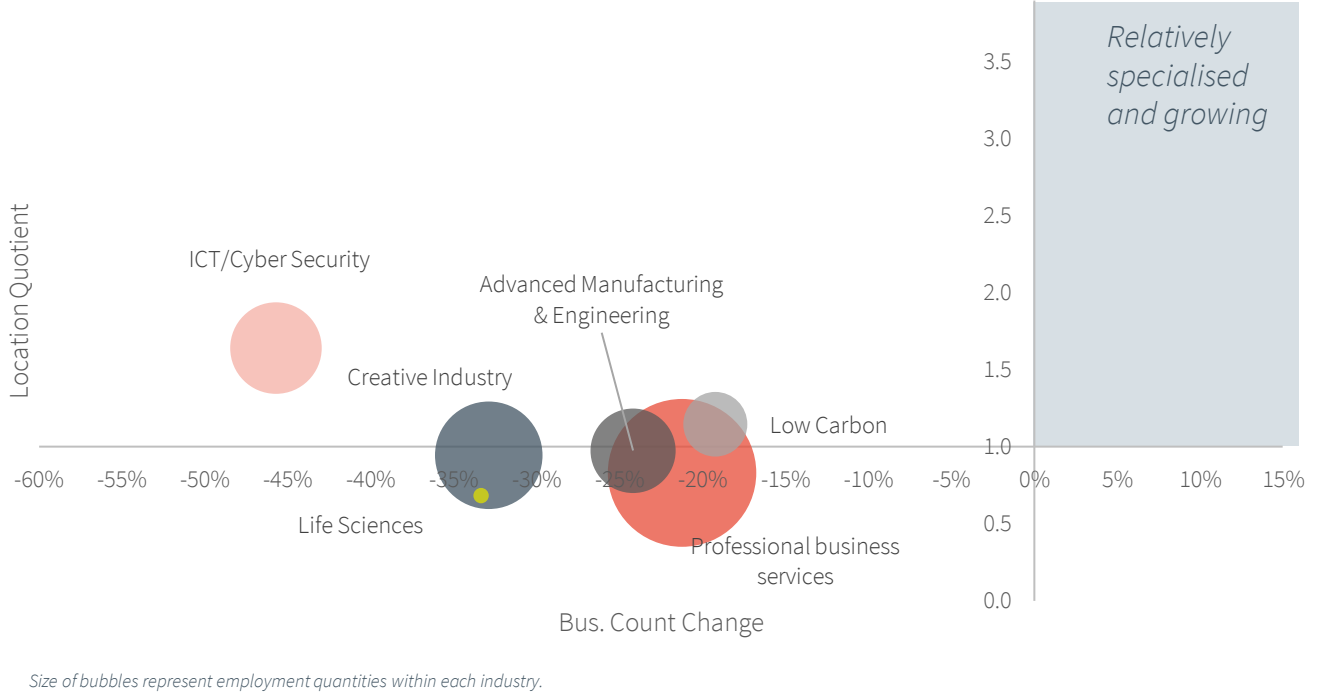
<sup>1</sup> LQ refers to Location Quotient, a measure of how specialized/concentrated activity is in an area. It is based on the relative share of employment in an industry within an area compared to the share nationally. An LQ greater than 1 indicates relative specialization/concentration.

# Business and Sectors

## Business Specialisation

The number of businesses in priority sectors in Swindon are shrinking. All of the priority sectors in Swindon have recorded a contraction in the number of businesses from 2018-2022. The largest contraction is recorded in the ICT/cyber security priority sector at 46%. This sector is the most specialised in Swindon, and therefore it reducing in size should be a point of concern. Alongside ICT/cyber security, the low carbon sector is the only other priority sector in Swindon where there is a degree of business specialism. The low carbon sector contracted by 50 businesses between 2018 and 2022, given the growing importance of this sector it will be necessary to work with businesses in the borough to understand this change and work to increase the low carbon business base in Swindon.

**LQ<sup>1</sup> (Y-axis) against business count growth from 2018-2022 (X-axis) for the LEP priority sectors in Swindon**



**LQ against business count growth from 2018-22 for the LEP priority sectors in Swindon**

Swindon	Total	% of total business count	% change (2017-2022)	LQ
Professional business services	1,390	19%	-21%	0.8
Creative Industry	730	10%	-33%	0.9
Low Carbon	260	4%	-19%	1.1
Life Sciences	15	0.2%	-33%	0.7
Advanced Manufacturing and Engineering	455	6%	-24%	1.0
ICT/Cyber Security	525	7%	-46%	1.6

Source: ONS Business Count, 2022

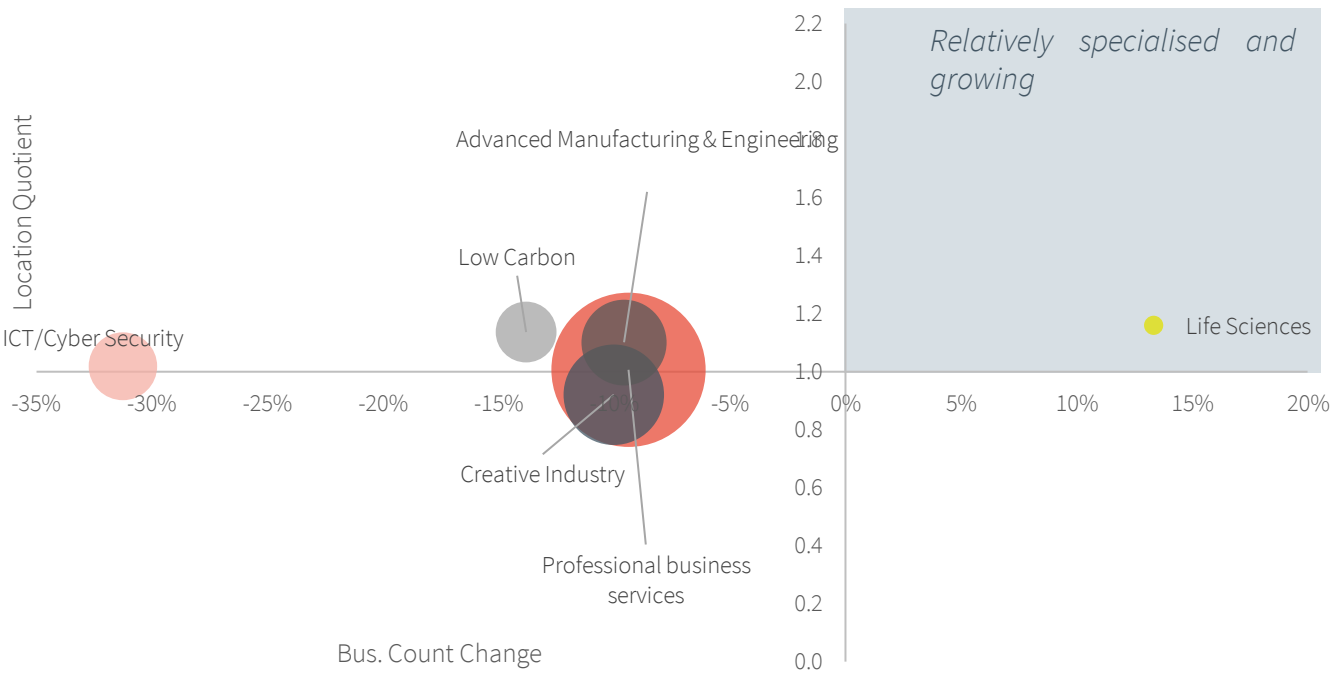
<sup>1</sup> LQ refers to Location Quotient, a measure of how specialized/concentrated activity is in an area. It is based on the relative share of employment in an industry within an area compared to the share nationally. An LQ greater than 1 indicates relative specialization/concentration.

# Business and Sectors

## Business Specialisation

The Life Sciences sector is the only priority sector to have experienced growth from 2018 to 2022, with 13% growth in the business base. Whilst this sector is relatively specialized (LQ of 1.2), it represents a very small percentage of Wiltshire’s business base (0.3% or 75 businesses). Conversely, the number of businesses in all other sectors has contracted from 2018-2022, with ICT/Cyber Security shrinking by a significant 31% over this period.

**LQ<sup>1</sup> (Y-axis) against business count growth from 2018-2022 (X-axis) for the LEP priority sectors in Wiltshire**



**LQ against business count growth from 2018-22 for the LEP priority sectors in Wiltshire**

Wiltshire	Total	% of total business count	% change (2018-2021)	LQ
Professional business services	4,960	23%	-9%	1.0
Creative Industry	2,095	10%	-10%	0.9
Low Carbon	760	3%	-14%	1.1
Life Sciences	75	0.3%	13%	1.2
Advanced Manufacturing and Engineering	1,515	7%	-10%	1.1
ICT/Cyber Security	960	4%	-31%	1.0

Source: ONS Business Count, 2022

<sup>1</sup> LQ refers to Location Quotient, a measure of how specialized/concentrated activity is in an area. It is based on the relative share of employment in an industry within an area compared to the share nationally. An LQ greater than 1 indicates relative specialization/concentration.



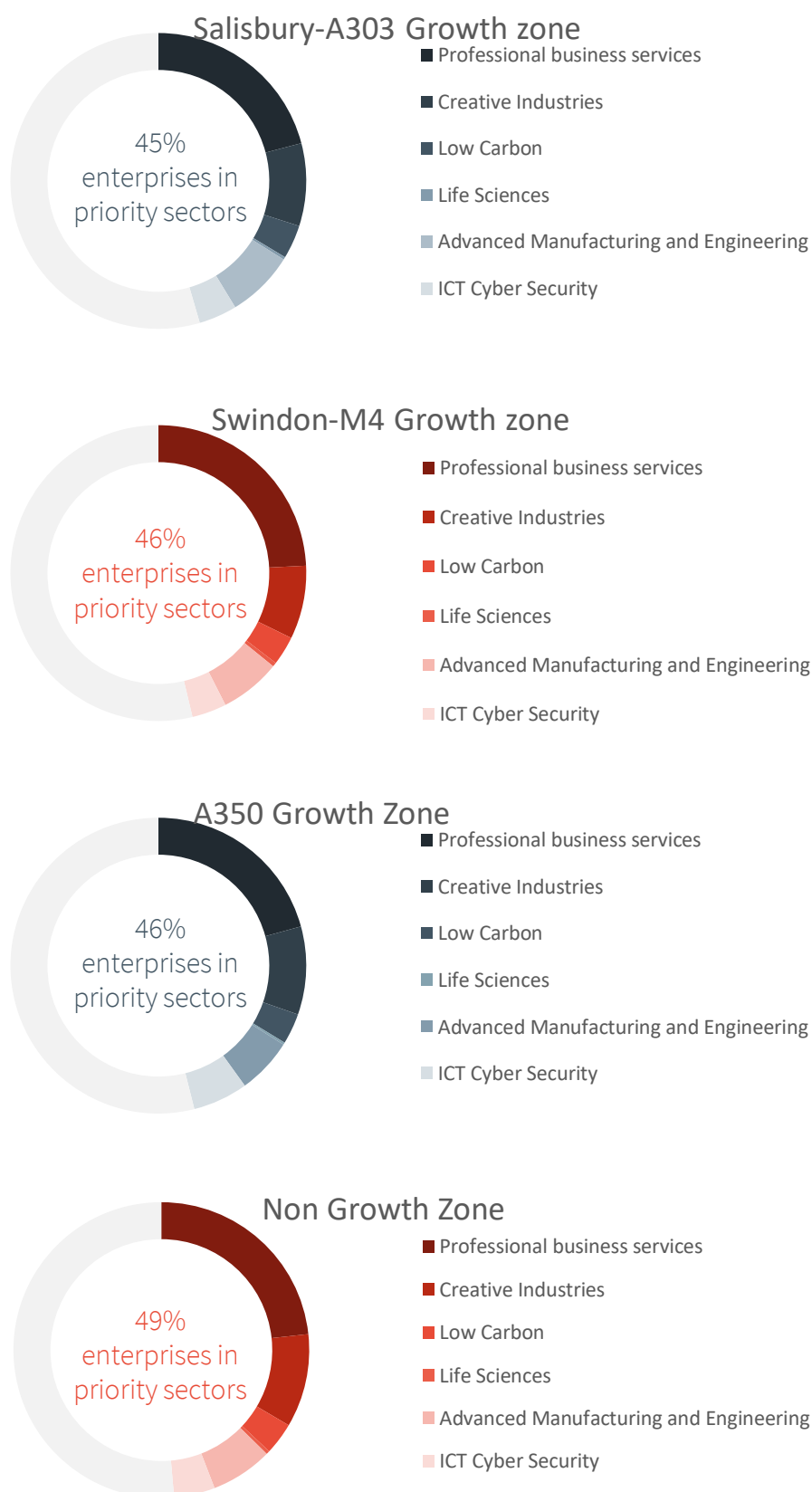
# Business and Sectors

## Business Specialisation – Growth Zone Analysis

The priority sectors of the LEP area are important in all Growth Zones, and the non-growth zone. Examining the business base in the Growth Zones, the six priority sectors account for well over two fifths of businesses in all growth zones. Within the Growth Zones the dominant priority sector tends to be the professional business service sector, which account for on average 22% of the businesses base in all Growth Zones, and most significantly nearly a quarter of all businesses in the M4 Growth Zone.

The largest growth zone, in absolute terms accounting for nearly 12,000 jobs, is the M4 growth zone. While the professional service sector is an important business sector in this Growth Zone other sectors, namely ICT/Cyber security are overrepresented in business count terms when compared to this sectors presence in the wider Swindon and Wiltshire LEP area. Similarly, the Low Carbon sector is more represented in all the growth zone areas – as a proportion of the business base – than in the LEP area as a whole, this is most acute in the A350 Growth Zone where Low Carbon businesses make up 6% of the business base compared to 3% at the Swindon and Wiltshire level.

### Growth Zone\* Employment in Priority Sectors, 2021



Source: ONS UKBC, 2022

\* UK business count data is only available at MSOA level as such a best fit match has been used to determine the statistical geographies of the growth zones



**Swindon & Wiltshire** **HATCH**  
LOCAL ENTERPRISE PARTNERSHIP

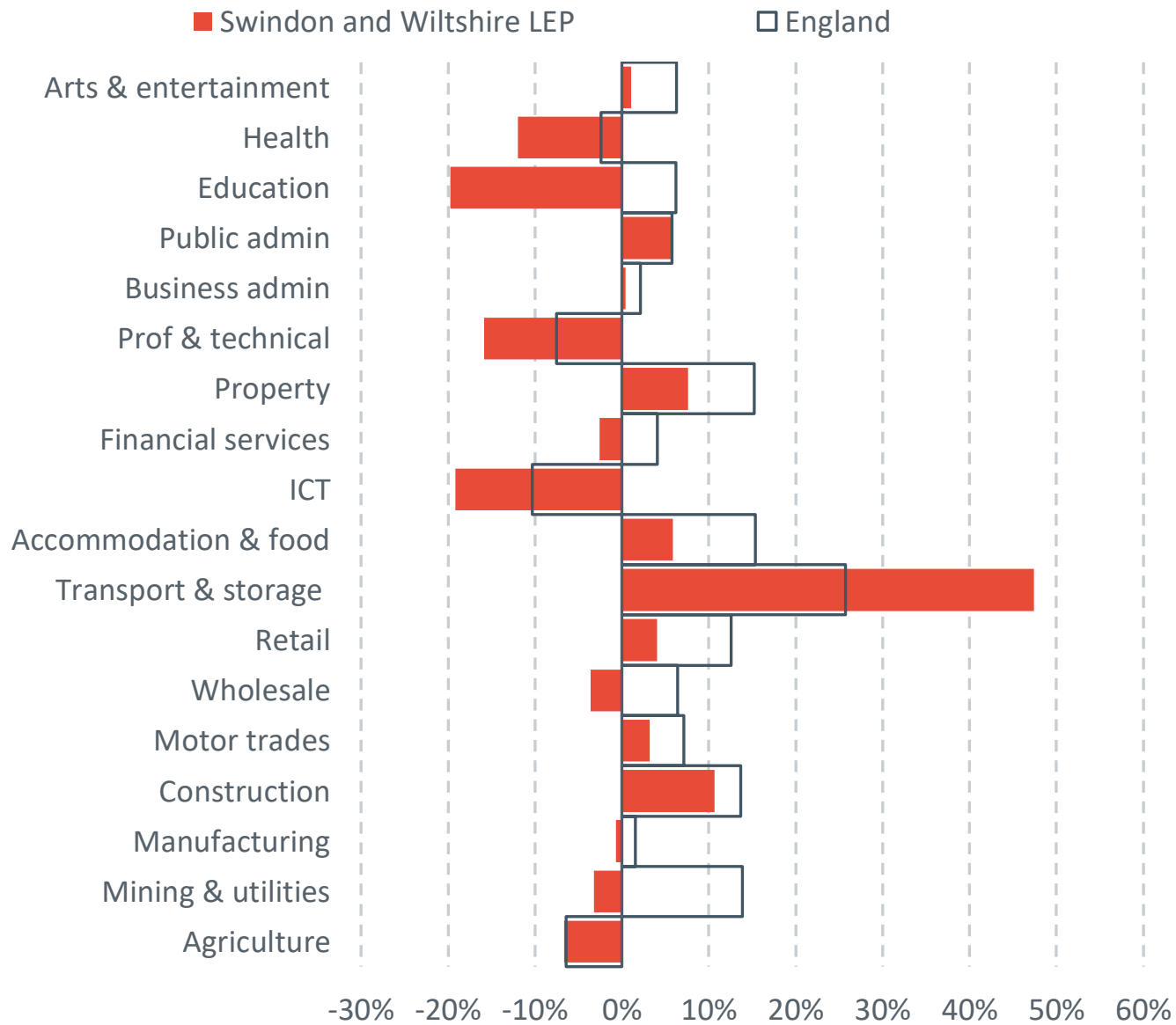
# Business and Sectors

## Business Demography and Trends

Between 2018 and 2022, the number of enterprises in the Swindon and Wiltshire LEP area contracted 2% or a loss of over 720 businesses. Contrasting the national trend which saw an increase of the business population by 4%. Business contraction occurred significantly in the education sector, which experienced a loss of 145 enterprises between 2018 and 2022.

Conversely, the transport and storage sector recorded the largest percentage increase growing by a third since 2018, growing by 47%, or an additional 500 businesses, this was also a strong growth sector nationally. This may indicate alignment between the emerging sectors of national importance and important sectors in the Swindon and Wiltshire LEP area.

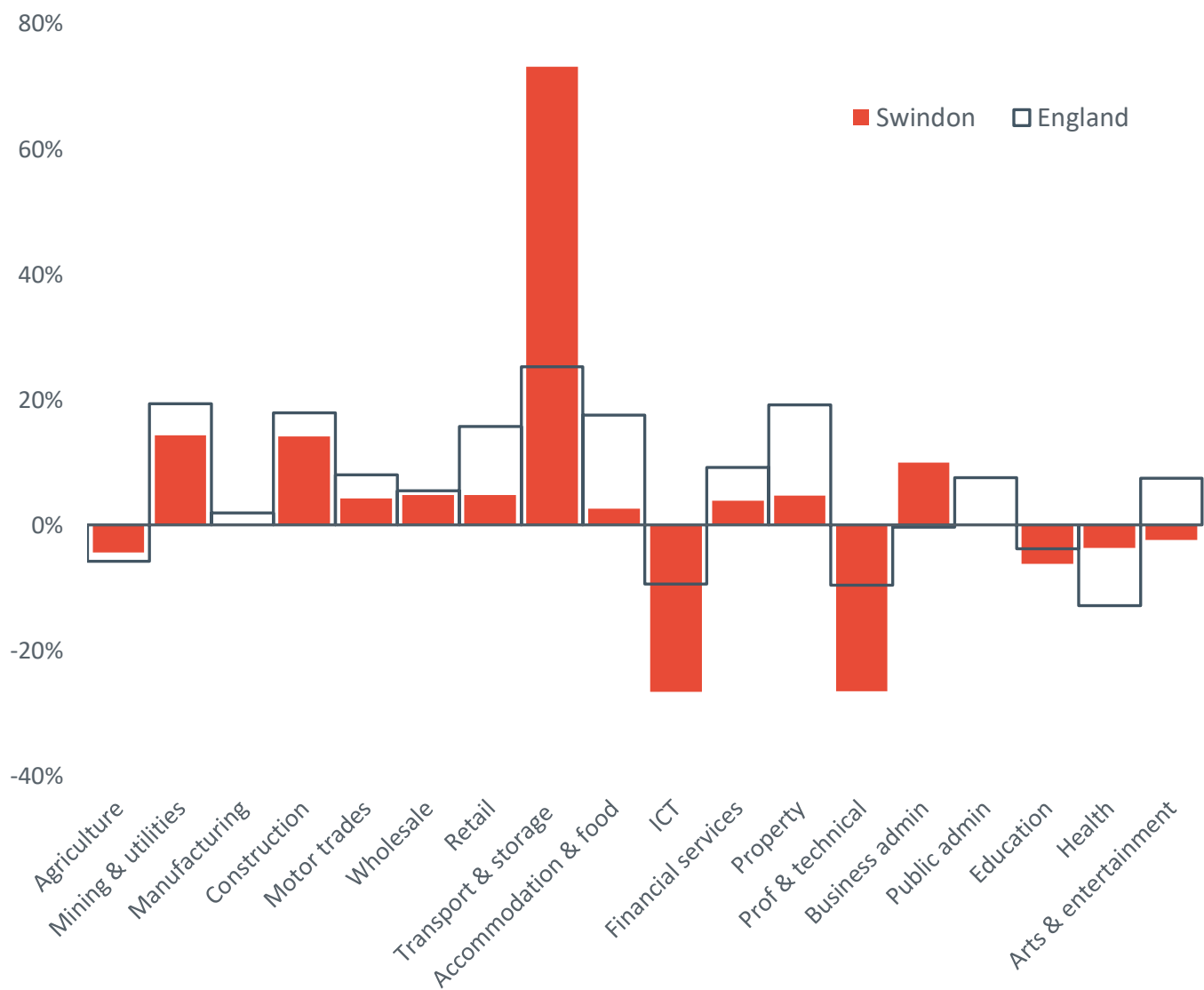
**Business Count Growth of Enterprises by Broad Sector, 2017-2022**



Source: ONS Business Count, 2022

There has been very minor changes in the business population in Swindon between 2018-2022, with a small net loss of 5 businesses in total in this period. Some of the strongest business sectors in Swindon outstripped national business growth rates, for example the transport and storage sector (+73%) and the business admin sector (+10%) both grew rapidly in the last five years. By contrast, sectors such as the ICT and professional technical sectors contracted in Swindon between 2018-2022.

Swindon Business Count Growth of Enterprises by Broad Sector, 2018-2022



Source: ONS Business Count, 2018-2022

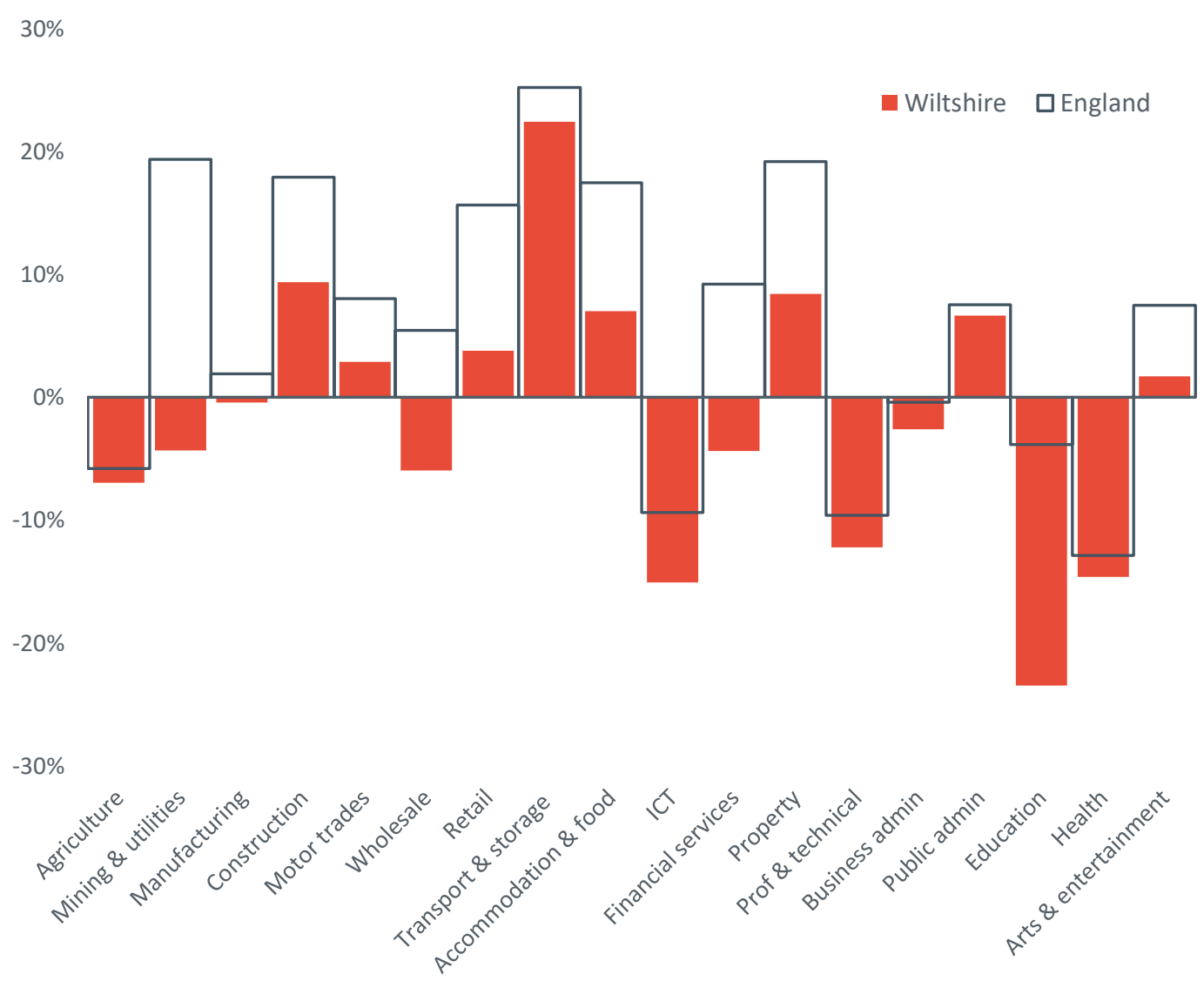
# Business and Sectors

## Business Demography and Trends

Whereas in Swindon the number of businesses remained stable, Wiltshire experienced a contraction since 2018, with a reduction of 3% of enterprises, a net loss of 715 businesses. This contraction was most significant in the education sector, as with the LEP area, the business losses in this sector make up a significant proportion of the businesses lost in the last five years. In 2022 the Wiltshire education sector reported 135 fewer businesses than four years prior.

Similarly to in Swindon, there was strong growth in the transport and storage sector (+23% enterprises) between 2018-2022. It is clear that there is widespread LEP-wide growth in this sector, with an increase in E-commerce it is likely that this sector will gain further importance in the business ecosystem of Wiltshire and the wider LEP area economy in the future.

Wiltshire Business Count Growth of Enterprises by Broad Sector, 2018-2022



Source: ONS Business Count, 2018–2022

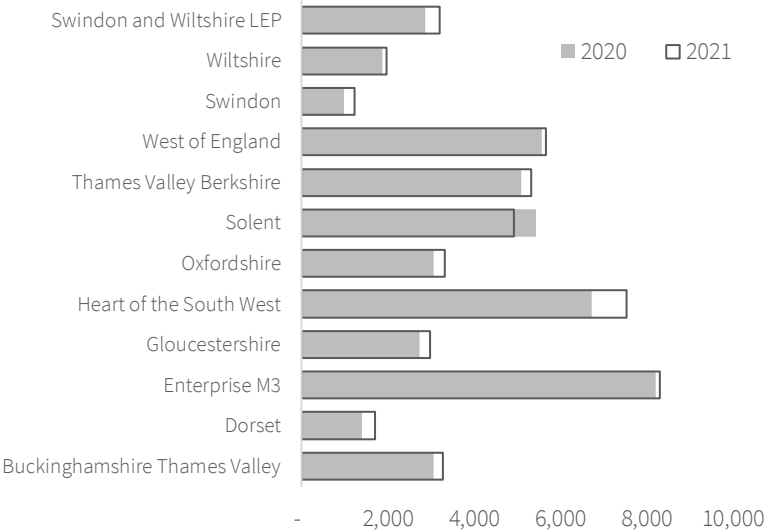
# Business and Sectors

## Business Demography and Trends

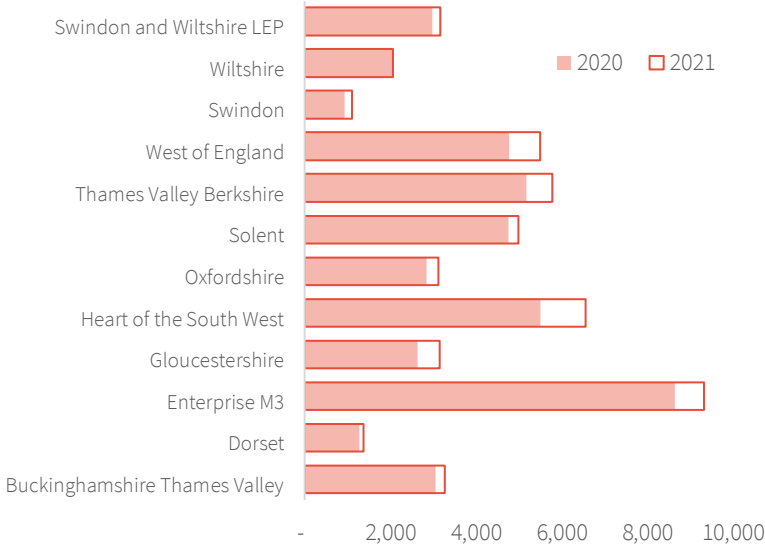
COVID-19 may have had an impact on the net incorporations of new businesses in Swindon and Wiltshire as it has likely done in comparator geographies. While a slightly higher number of businesses (+250) were incorporated in 2021 compared to 2020 in Swindon and Wiltshire there were also more business deaths (+220) in 2021 compared to 2020. In 2021, there were more business births (3,215) in Swindon and Wiltshire than business deaths (3,175) which led to a small but positive net rate of business creation of 40 businesses. Though a small gain, if we consider the position of comparator areas in 2021, such as Enterprise M3, where the net business birth rate was -1,000 business in 2021 there is an indication that Swindon and Wiltshire’s business base has been resilient to some of the most significant negative commercial impacts of COVID-19 or recovered quickly from the impacts of the pandemic.

Going forward, Swindon and Wiltshire must spur on business creation and survival to allow for the net business birth rate in the LEP economy to return to the pre-COVID levels of +3,000 rather than +40.

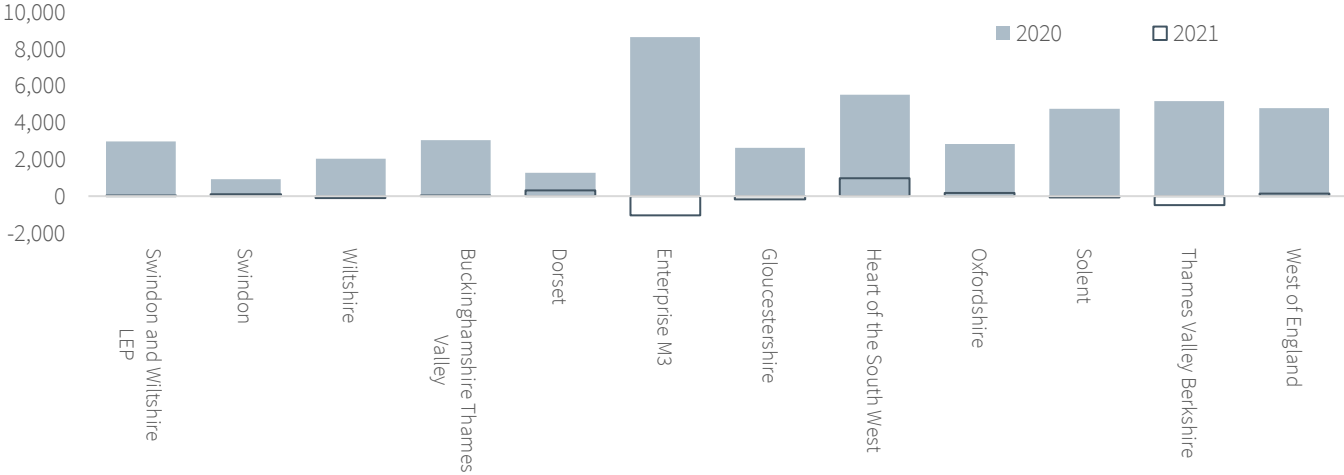
Business Births, 2020 and 2021



Business Deaths, 2020 and 2021



Net Business Births, 2020 and 2021



Source: ONS Business Demography, 2020-2021

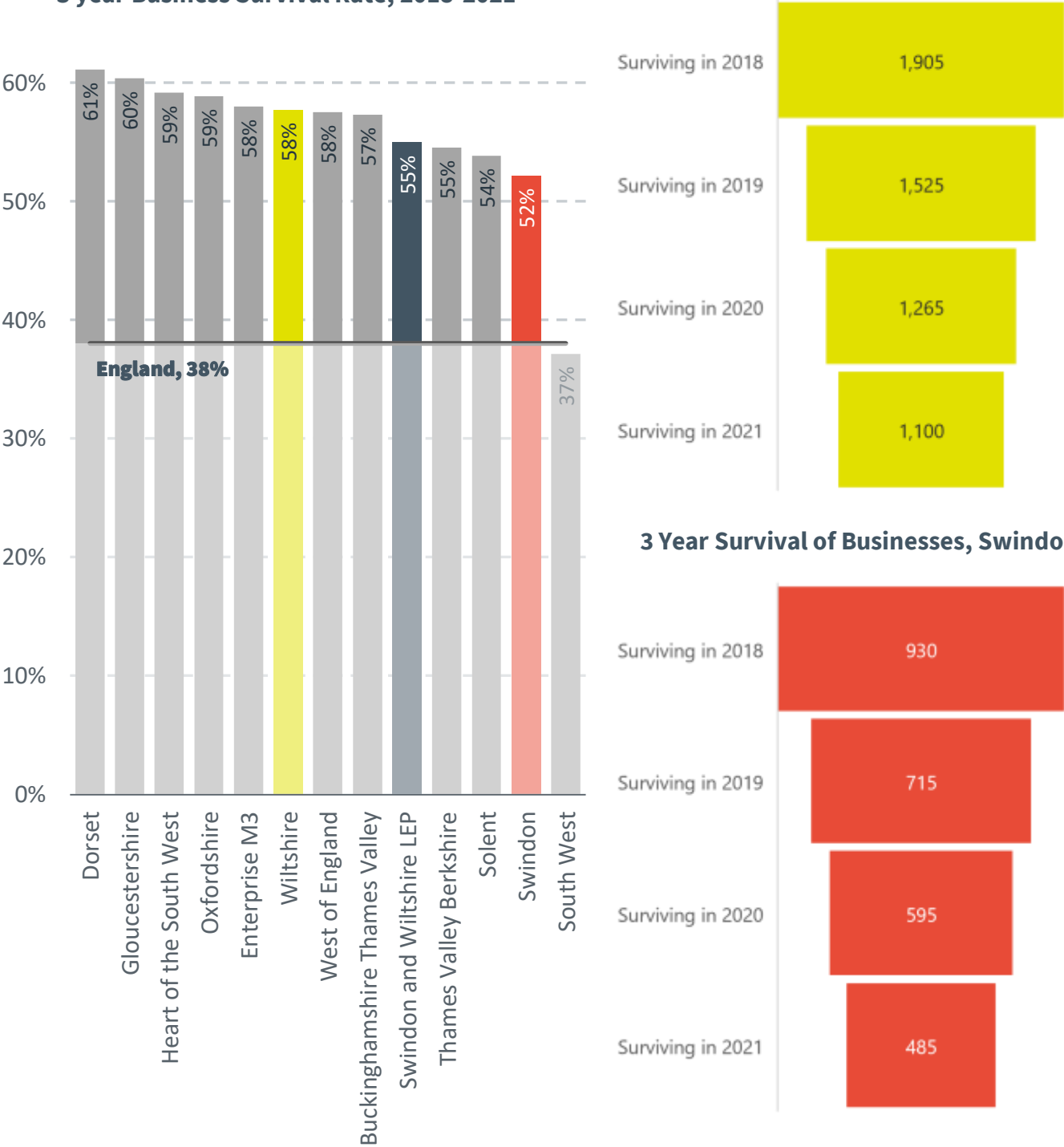
# Business and Sectors

## Business Demography and Trends

As of 2021, the three year survival rate\* of businesses in the Swindon and Wiltshire was 58%. This is in line with many of the LEP area’s competitors and higher than national three year survival rate (38%). Survival tends to be higher in Wiltshire than in Swindon and may be a reflection of the types of businesses in each area, with the increased likelihood of start-ups (and therefore business churn) in more urbanized areas with high rates of professional services.

### 3 Year Survival of Businesses, Wiltshire

3 year Business Survival Rate, 2018-2021





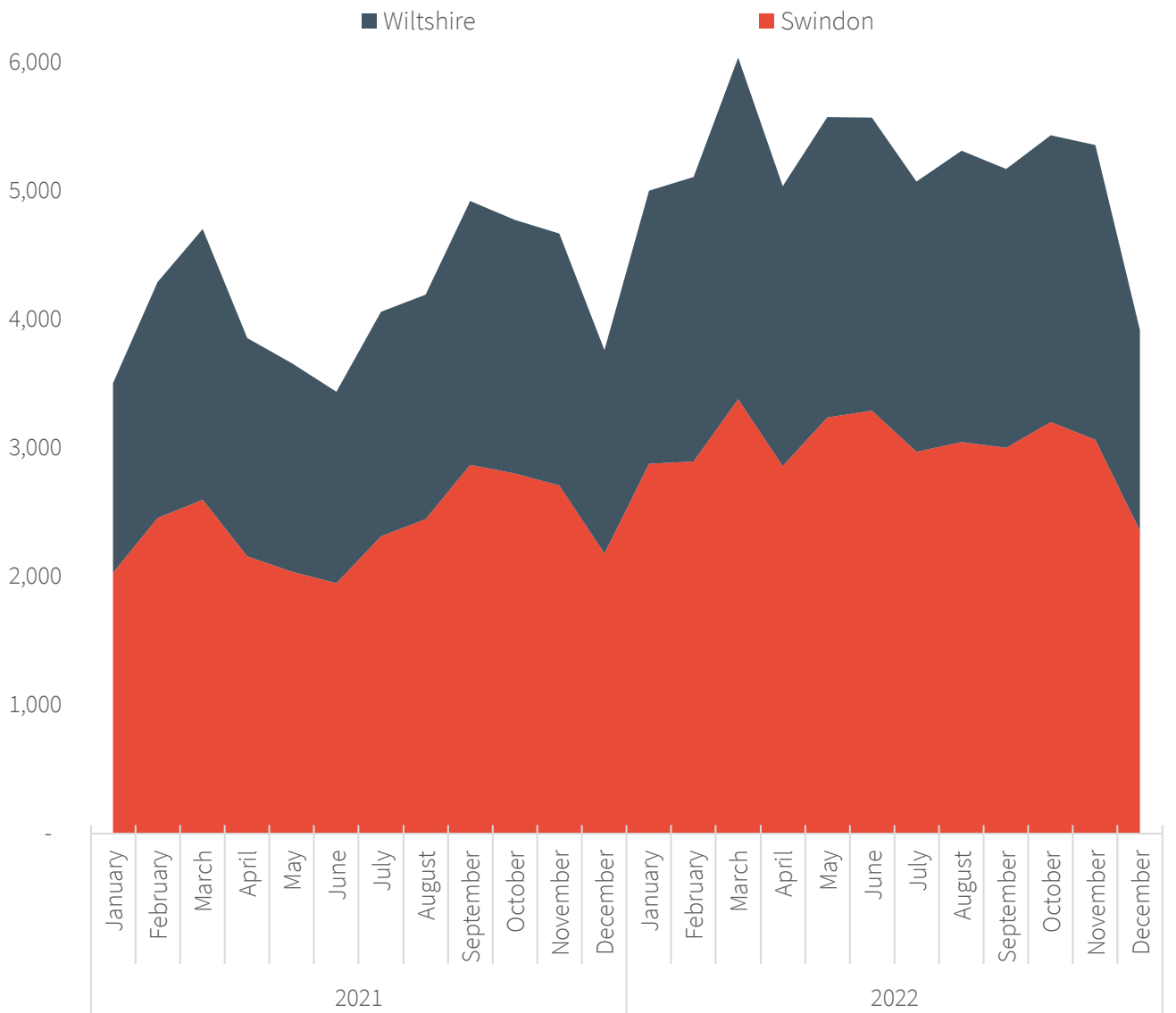
# Business and Sectors

## Business Demography and Trends

The number of business incorporations in Swindon and Wiltshire has remained steady in the last 12 months, with an averaged business incorporation rate in Swindon and Wiltshire of 4,800 businesses incorporated a month. The two areas contribute a similar number of business incorporations per month with both Swindon and Wiltshire seeing an average number of incorporations of around 2,000 businesses. In the last 12 months Swindon and Wiltshire saw business incorporations peak in March 2022 with over 6,000 businesses being incorporated in this month.

The stability of incorporations in the period analyzed suggests a stable business base which indicates a return to normalcy for many new businesses after the disruption of the pandemic.

**Business Incorporations in Swindon and Wiltshire LEP, Jan 2021-Dec 2022**



Source: HMRC Companies House

Further insights into the health of the Swindon and Wiltshire business ecosystem can be found through analysis undertaken by *Red Flag* . This data considers businesses registered on Companies House and matches each businesses unique ID to other metrics, such as financial reports and banking data.

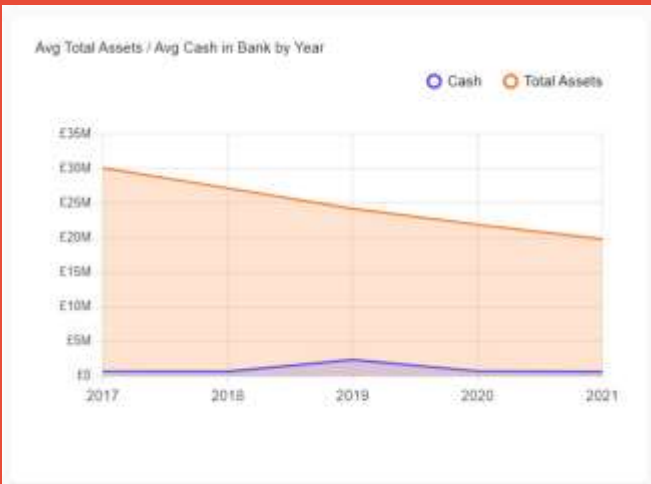
### Swindon

Most businesses in Swindon are not predicted as being likely to grow, potentially due to challenging economic circumstances. While business assets have been falling sharply since 2017.

#### Likelihood of businesses growing



#### Company Assets, Swindon businesses 2017-2021



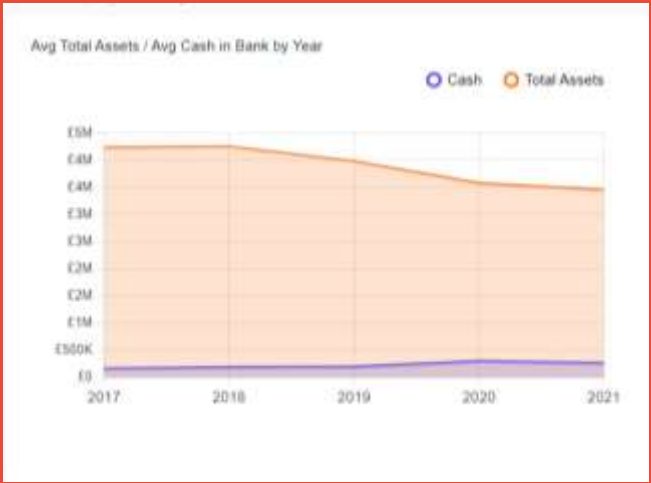
### Wiltshire

Very few businesses in Wiltshire are expected to grow, similarly to Swindon businesses there has been a fall in business assets since 2017. In Wiltshire cash assets have been steadily rising in the last two years.

#### Likelihood of businesses growing



#### Company Assets, Wiltshire businesses 2017-2021

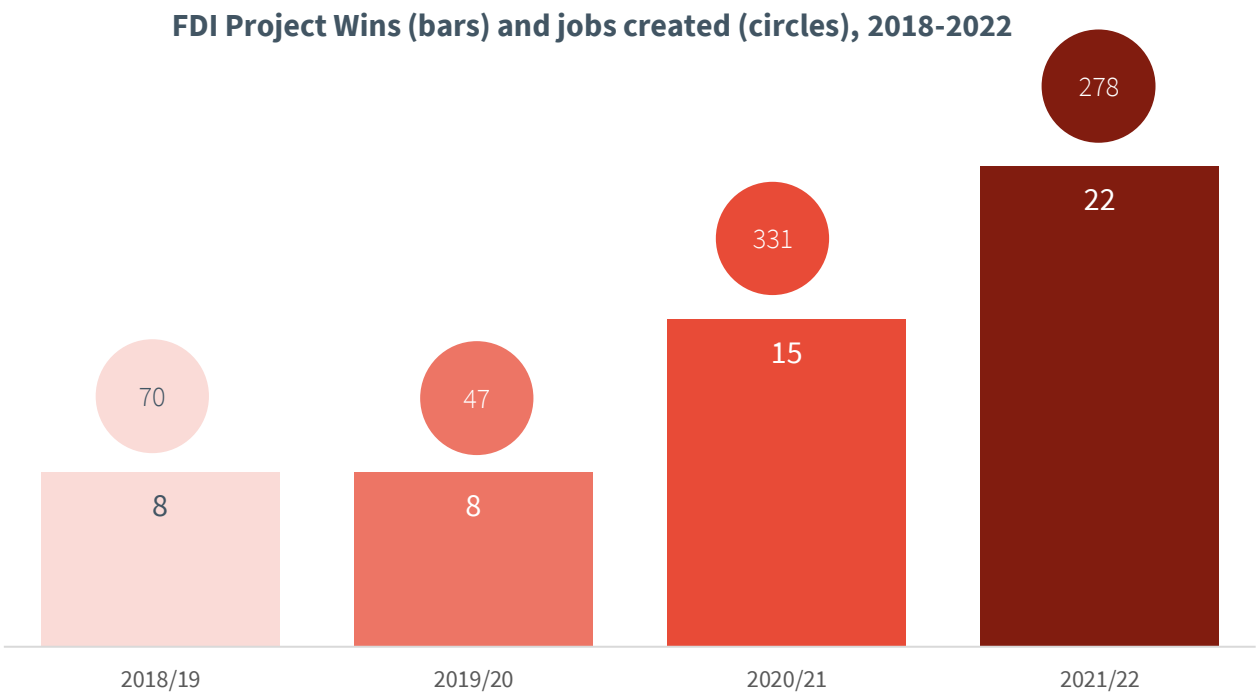


Source: Red Flag



COVID-19 seemed to cause no disruption in the trend of rising rates of FDI in Swindon and Wiltshire. Latest data from 2021/2022 shows a high rate of FDI projects at 22 successful wins in the LEP. This is currently indicating a degree of investment resilience where despite global economic uncertainty, inward investment in the LEP area is sustaining itself and even growing. However, it should be caveated we cannot fully determine the scale of these FDI projects and they may vary in monetary size per project. Moreover, while the number of wins has increased, these wins have resulted in fewer job creations, in 2020/21 331 FDI jobs were created, but in 2021/22 this fell to 278, this may indicate lower value investments.

Creating an attractive environment for inward investment will be a crucial component to the future prosperity of the LEP area. This is particularly crucial post EU exit, within the context of international supply chain disruptions caused by the war in Ukraine and the economic downturn at large that will stave off more risk-averse investors. Initiatives such as the joint inward investment programme, a joint partnership between Swindon and Wiltshire LEP, Swindon Borough Council and Wiltshire Borough Council, provide useful tools to drawing investment into the area and ensuring the Swindon and Wiltshire investment opportunity is marketed appropriately to wider audiences. To further build on this, a comprehensive inward investment strategy that outlines the LEP area’s main strengths should be developed to reflect how the LEP counters current economic uncertainty to ease concerns of potential inward investors.

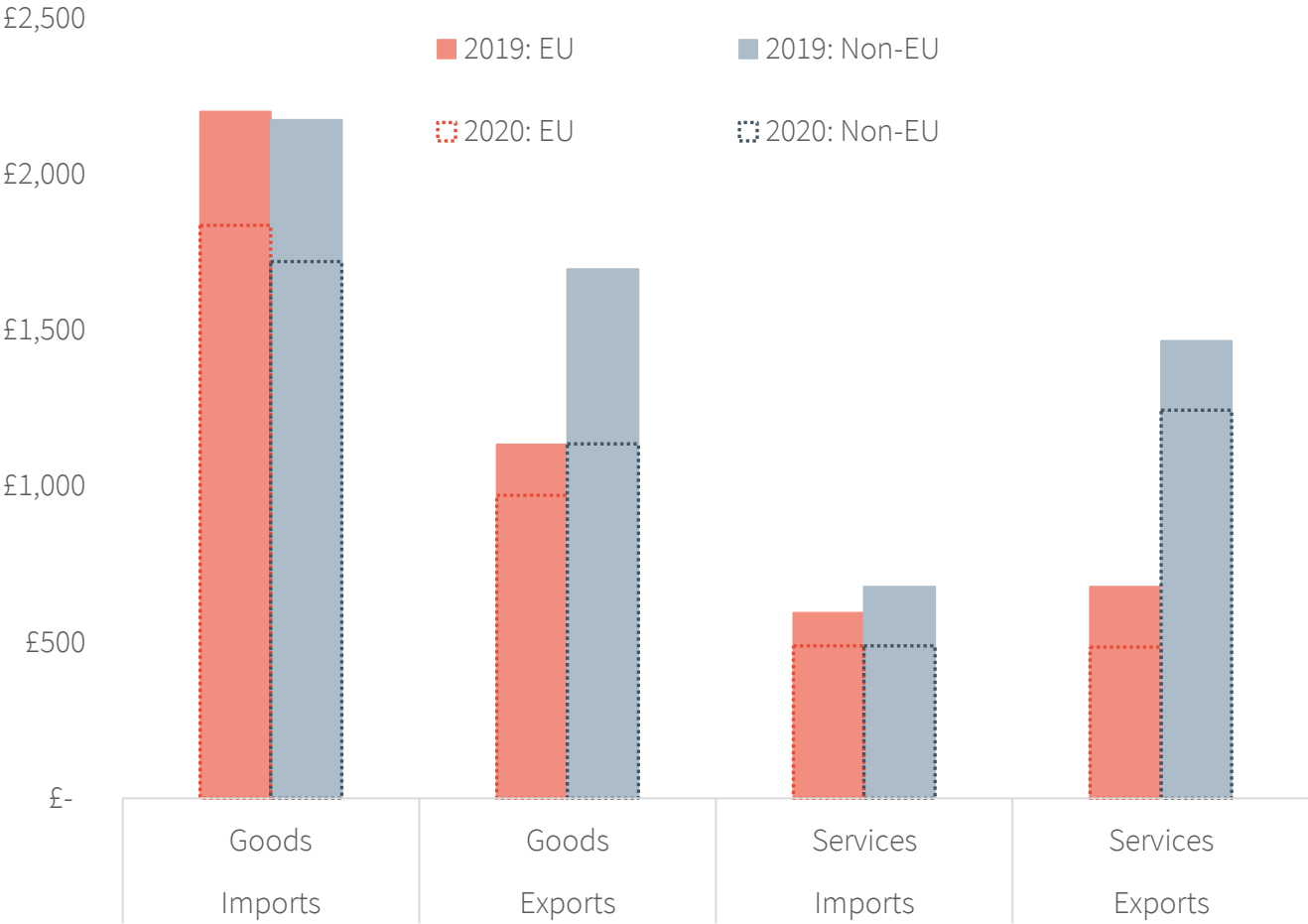


Source: Department for International Trade inward investment results, 2018/19-2021/22

Due to the disruption caused across many international markets, international trade fell between 2019 and 2020 for Swindon and Wiltshire. In Swindon and Wiltshire, the value of exports (in both goods and services) fell by 24% between 2019 and 2020, while nationally there was a fall of 12%.

In 2020, the total amount of all imports for the Swindon and Wiltshire LEP area was £4.5bn while exports were valued at £3.8bn. This indicates a negative balance of payments in trade for the Swindon and Wiltshire economy. This presents some challenges for the economy of Swindon and Wiltshire. Within the context of high UK inflation and weakening sterling, a dependency on imports from other countries will mean increased costs for businesses and consumers. Trade in Wiltshire (both exports and imports) is evenly split between EU and non-EU partners. Though in Swindon, the export market for goods and services is oriented to non-EU countries. In the context of the UK’s departure from the EU, there may be a degree of resilience found here, relative to other areas of the UK economy. With reduced dependency on EU markets, exporters are less exposed to additional trade friction that has emerged between the UK and EU post Brexit.

Swindon and Wiltshire Trade, (£m), 2019-2020



Source: ONS Subnational Trade in Goods and Services

Trade in Wiltshire (both exports and imports) is evenly split between EU and non-EU partners. Though in Swindon, the export market for goods and services is oriented to non-EU countries. In the context of the UK’s departure from the EU, there may be a degree of resilience found here, relative to other areas of the UK economy. With reduced dependency on EU markets, exporters are less exposed to additional trade friction that has emerged between the UK and EU post Brexit.



Source: ONS Subnational Trade in Goods and Services

# Business and Sectors

## Employment Characteristics

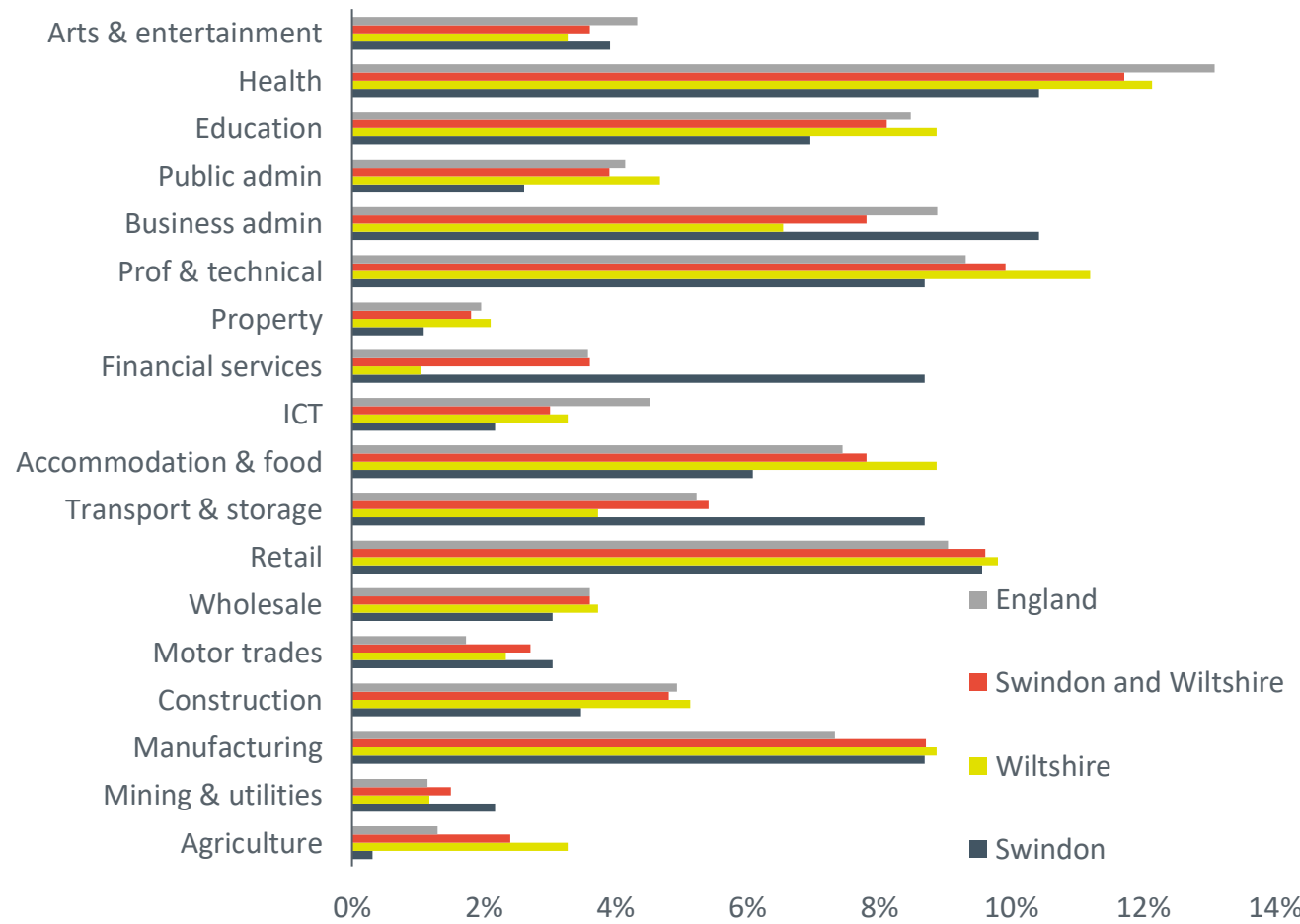
In 2021 employment in Swindon and Wiltshire was 333,000, of which 64% was within Wiltshire. This is a workplace measure and Employment in this sense considers those employed in the LEP area’s economy and can include residents as well commuters into Swindon and Wiltshire

The largest employment sector for employment across the LEP area was the health sector, accounting for 12% of total employment, in line with the national average of 13%. Other important employment sectors include Prof and technical (10%), Retail (10%) and Manufacturing.

Sectoral employment differs between Swindon and Wiltshire. For example, the financial and insurance sector is a significant employer in Swindon and accounts for almost one in ten jobs, but is a relatively small sector in Wiltshire where the sector only accounts for one in a hundred jobs. It should be noted that while the financial and insurance sector provides employment for many residents, this sector has recently been exposed to uncertainty as shown by the recent loss of 450 jobs at the Swindon Nationwide offices.

Both Swindon (9%) and Wiltshire (9%) have an equally strong manufacturing sector, with both outstripping national proportionate employment (7%) in this sector, underscoring the core strength of the manufacturing sector in Swindon and Wiltshire.

Percentage Employment by Broad Sector, 2021



Source: ONS BRES



# Business and Sectors

## Employment Characteristics

Unlike the businesses in Swindon and Wiltshire, employment has risen in the last five years of available data. Though it should be noted that release dates for employment data lags behind business count data by one year and therefore cannot be directly matched and compared.

Employment in Swindon and Wiltshire is diverse, with only one sector accounting for more than 10% of employment (health at 12%). Other large sectors in the LEP area include prof. and technical services, retail, manufacturing and education. Similar to growth of the business base, there has been a large amount of employment growth (17%) in the transport and storage sector since 2017, reinforcing the likelihood of an emerging logistics hub in the economy. Other growth sectors include mining and utilities (+20%), and prof and technical services (+9%). Of these growth sectors mining and utilities and prof and technical services have a high employment density in Swindon and Wiltshire when compared to national levels. This indicates some of the fastest growing sectors in the Swindon and Wiltshire LEP area employment base are in the area's already specialised sectors, while it is also clear that transport and storage is close to being considered specialised with an LQ of 1.0 (anything greater than 1.0 indicating a specialism).

### LQ<sup>1</sup> against employment growth from 2017-21 for broad sector employment in Swindon and Wiltshire

Swindon and Wiltshire LEP area	Total	%	% change (2017-2021)	LQ
Agriculture	8,000	2%	13%	1.9
Mining & utilities	5,000	2%	20%	1.3
Manufacturing	29,000	9%	3%	1.2
Construction	16,000	5%	0%	1.0
Motor trades	9,000	3%	22%	1.6
Wholesale	12,000	4%	-33%	1.0
Retail	32,000	10%	0%	1.1
Transport & storage	18,000	5%	17%	1.0
Accommodation & food	26,000	8%	-4%	1.0
ICT	10,000	3%	-20%	0.7
Financial services	12,000	4%	-8%	1.0
Property	6,000	2%	0%	0.9
Prof & technical	33,000	10%	9%	1.1
Business admin	26,000	8%	-4%	0.9
Public admin	13,000	4%	0%	0.9
Education	27,000	8%	-4%	1.0
Health	39,000	12%	10%	0.9
Arts & entertainment	12,000	4%	-17%	0.8
<b>Total</b>	<b>333,000</b>	<b>100%</b>	<b>1%</b>	<b>1.0</b>

Source: ONS BRES, 2017-2021

<sup>1</sup> LQ refers to Location Quotient, a measure of how specialized/concentrated activity is in an area. It is based on the relative share of employment in an industry within an area compared to the share nationally. An LQ greater than 1 indicates relative specialization/concentration.



# Business and Sectors

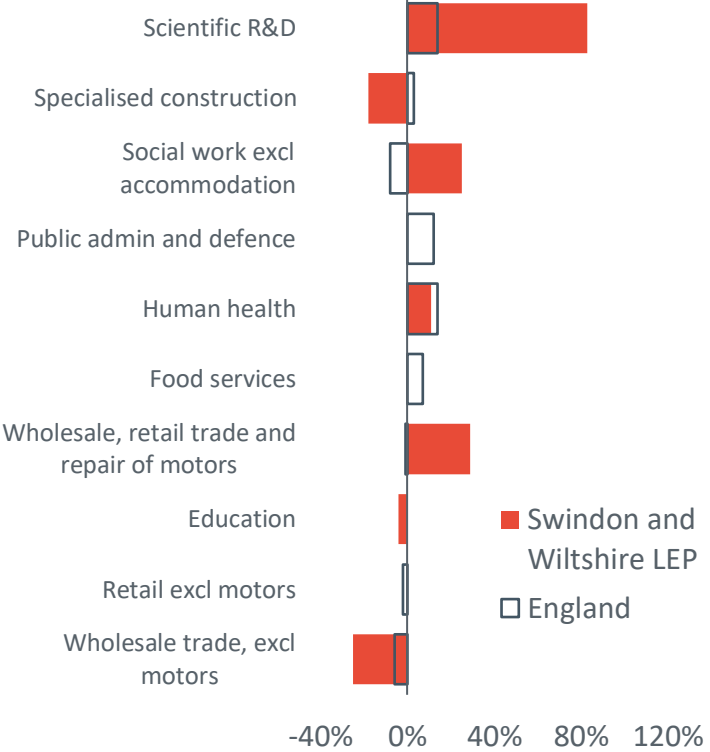
## Employment Specialisation

Since 2017, employment in the largest (by proportion) sectors in Swindon and Wiltshire has typically grown with only three sectors contracting in this period (wholesale trade excluding motor vehicles, education and specialised construction).

The social work sector grew by 25% while contracting nationally and the scientific R&D sector which grew significantly by 83% compared to 14% nationally. There are therefore signs that employment in Swindon and Wiltshire is currently mixed between what is classed as high skilled and lower skilled – the importance of the foundational economy should not be understated – and the growth trends in the top sectors suggest that this will continue going forwards.

The substantial specialism in some of these sectors, notably scientific R&D which grew at 83% which is a testament to the future facing aspects of the Swindon and Wiltshire economy. Swindon is the home of UKRI and there may be some correlation between the presence of the UK’s main arms-length R&D funder and such a strong scientific R&D base in the area. The presence of Port Science Park will also contribute to high degrees of R&D that may diffuse to the wider area economy.

**Employment growth 2017-21 for the 10 largest employment sectors in Swindon and Wiltshire at 2-digit level**



**LQ against employment growth from 2017-2021 for the 10 largest employment sectors in Swindon and Wiltshire at 2-digit level**

Swindon and Wiltshire LEP	Total	%	% change (2017-2021)	LQ
Retail excl motors	32,000	10%	0%	1.1
Education	27,000	8%	-4%	1.0
Food services	21,000	6%	0%	1.0
Human health	21,000	6%	11%	0.8
Public admin and defence	13,000	4%	0%	0.9
Wholesale trade, excl motors	12,000	4%	-25%	1.0
Scientific R&D	11,000	3%	83%	6.5
Social work excl accommodation	10,000	3%	25%	1.2
Specialised construction	9,000	3%	-18%	1.0
Wholesale, retail trade and repair of motors	9,000	3%	29%	1.6

Source: ONS BRES, 2017-2021

<sup>1</sup> LQ refers to Location Quotient, a measure of how specialized/concentrated activity is in an area. It is based on the relative share of employment in an industry within an area compared to the share nationally. An LQ greater than 1 indicates relative specialization/concentration.

# Business and Sectors

## Employment Specialisation

Individually, Swindon and Wiltshire both contain sectors of employment specialism that are distinct to their unitary authority area. In Swindon, manufacturing of motor vehicles and trailers has an LQ of 6.5, though has contracted in the last five years – likely due to the closure of Honda (though this is not yet expressed in employment data). There is also strength in Swindon in financial services with an LQ of 4.6 and warehousing with an LQ of 2.4. The latter of these sectors grew by 33% between 2017 and 2021. In Wiltshire, strengths lie in both the primary agricultural sector but also in a quickly growing professional and creative sector. A strong advertising and market research sector exists in Wiltshire with a strong degree of specialism (LQ of 7.1) and has seen significant growth of over 7,000 jobs in the last five years. However, the high increase in advertising, market research, publishing, and forestry and logging is due to the sectors growing from a low employment base in 2018.

Overall, Swindon has experienced employment growth in most sectors, the strongest growth being in the warehousing sector. There has been some contraction, for example in the retail trades (-8%) and in the manufacture of motor vehicles and trailers (-11%) since 2017. In Wiltshire, education and retail trade excluding motors are the sectors to have experienced a contraction of employment, with the employment base in these sector contracting by 50% and 60%, equating to a loss of 22,000 jobs since 2016.

### LQ against employment growth from 2017-21 for the 10 largest employment sectors in Swindon and Wiltshire at 2-digit level

Swindon	Total	%	% change (2017-2021)	LQ
Retail trade excl motors	11,000	10%	-8%	1.1
Financial services, excl insurance and pensions	8,000	7%	0%	4.6
Education	8,000	7%	0%	0.8
Human health	8,000	7%	14%	0.8
Warehousing	6,000	5%	33%	2.4
Food services	6,000	5%	-14%	0.8
Employment activities	6,000	5%	33%	1.5
Manufacture of motor vehicles and trailers	4,000	3%	-11%	6.5
Wholesale ,retail trade and repair of motors	3,500	3%	17%	1.8
Wholesale trade excl motors	3,500	3%	-22%	0.8

Wiltshire	Total	%	% change (2017-2021)	LQ
Land transport and transport via pipelines	21,000	9%	600%	1.1
Human health	19,000	9%	73%	1.0
Publishing activities	15,000	7%	3650%	1.1
Residential care activities	13,000	6%	117%	0.7
Education	10,000	5%	-50%	1.1
Retail trade excl motors	8,000	4%	-60%	1.0
Advertising and market research	8,000	4%	1500%	7.1
Crop and animal production	7,000	3%	0%	2.6
Forestry and logging	7,000	3%	5500%	2.6
Wholesale ,retail trade and repair of motors	7,000	3%	75%	1.2

Source: ONS BRES, 2017-2021

<sup>1</sup> LQ refers to Location Quotient, a measure of how specialized/concentrated activity is in an area. It is based on the relative share of employment in an industry within an area compared to the share nationally. An LQ greater than 1 indicates relative specialization/concentration.



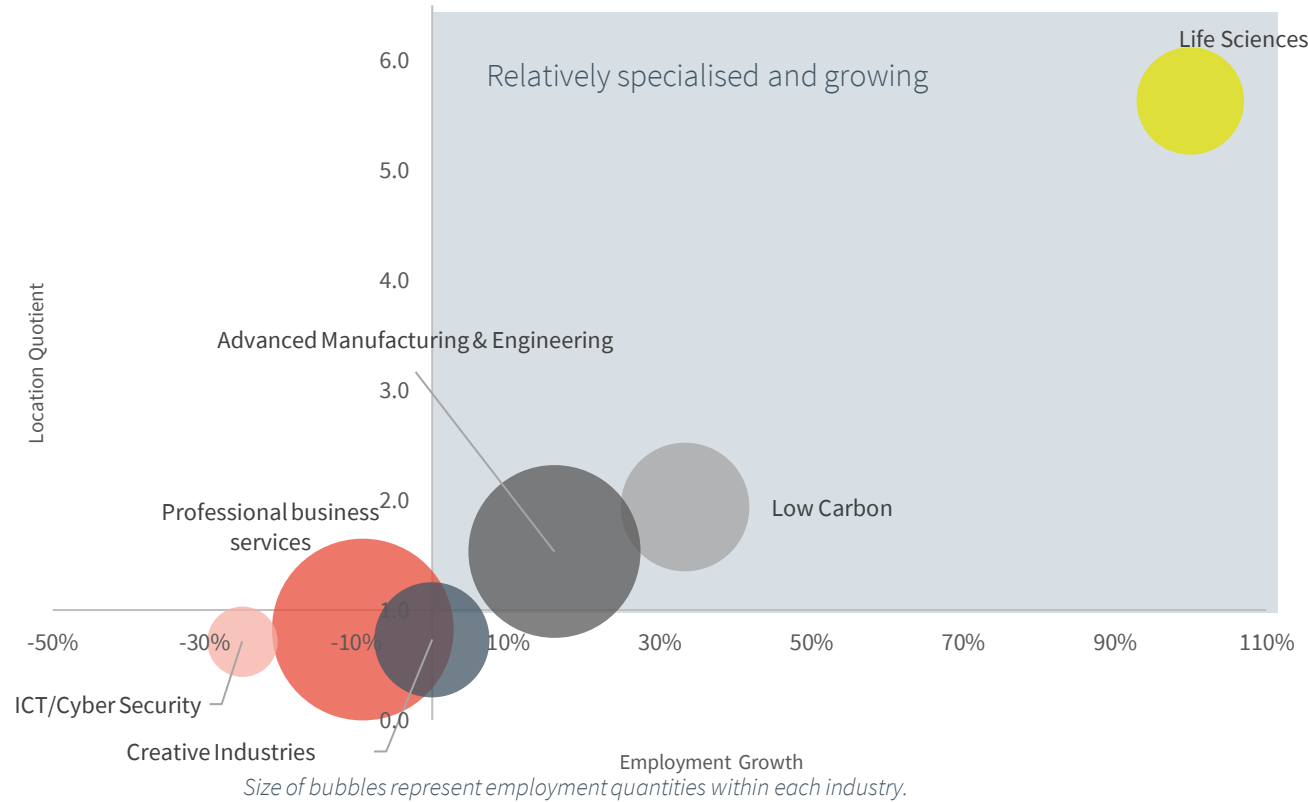
# Business and Sectors

## Employment Specialisation

Of the priority sectors, the most specialised sectors in Swindon and Wiltshire have also grown the fastest since 2017. Life sciences has grown by over 100% (+7,000) in size in Swindon and Wiltshire since 2017 and is highly specialised (LQ of 5.6). Similarly, low carbon has increased by over 30% (+5,000). Other growing priority sectors with a degree of specialisation include the specialization advanced manufacturing and engineering sector indicating that within the priority sectors of Swindon and Wiltshire these sectors offer the most significant growth potential for the future.

Other priority sectors, professional business services, creative industries and ICT/Cyber security are not particularly specialized in Swindon and Wiltshire and have contracted in the last five years. These three sectors are also heavily based in the service economy suggesting a potential economic restructuring within Swindon and Wiltshire’s employment base.

**LQ<sup>1</sup> (Y-axis) against employment growth from 2017-21 (X-axis) for the LEP priority sectors**



**LQ against employment growth from 2017-2021 for the LEP priority sectors**

Swindon and Wiltshire LEP	Total	%	% change (2016-2021)	LQ
Professional business services	40,000	12%	-9%	0.8
Creative Industries	16,000	5%	0%	0.7
Low Carbon	20,000	6%	33%	1.9
Life Sciences	14,000	4%	100%	5.6
Advanced Manufacturing & Engineering	36,000	11%	16%	1.5
ICT/Cyber Security	6,000	2%	-25%	0.7

Source: ONS BRES, 2017-2021

<sup>1</sup> LQ refers to Location Quotient, a measure of how specialized/concentrated activity is in an area. It is based on the relative share of employment in an industry within an area compared to the share nationally. An LQ greater than 1 indicates relative specialization/concentration.

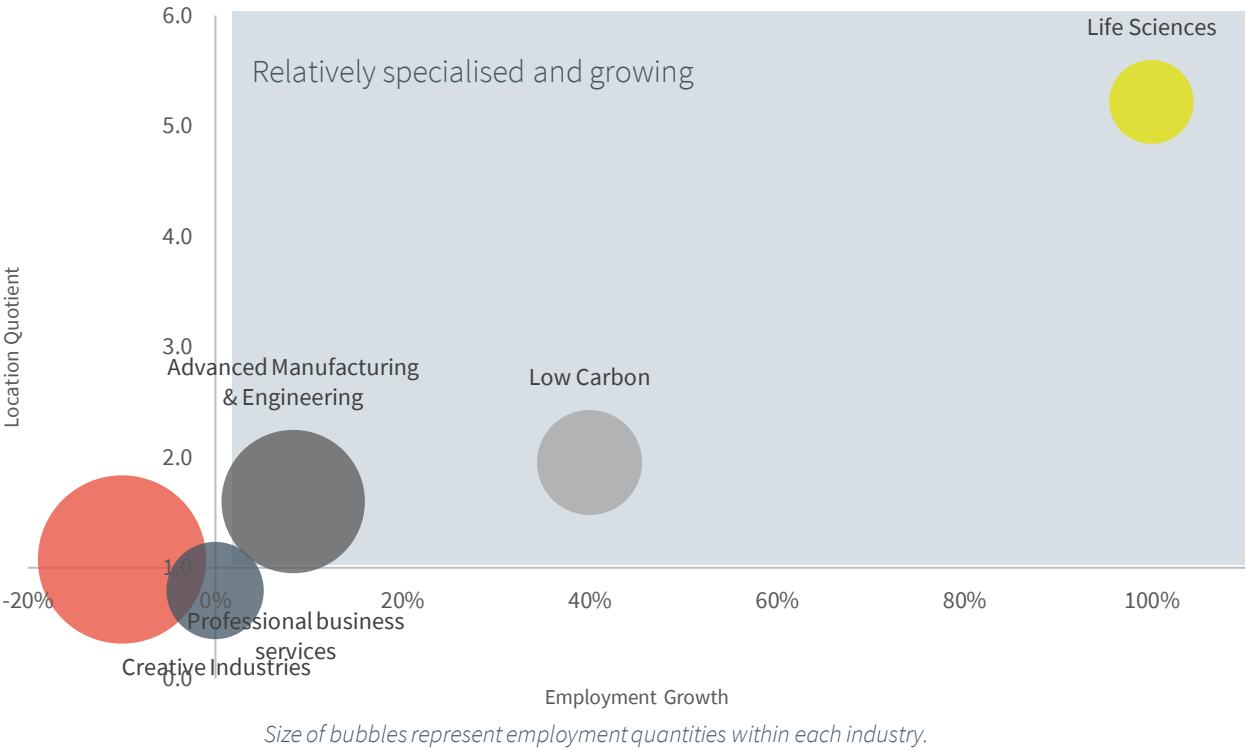
# Business and Sectors

## Employment Specialisation

Four out of six of the Swindon and Wiltshire LEP priority sectors can be deemed relatively specialised in Swindon.. The priority sector of Life Sciences in Swindon is significantly specialised and growing at a rapid rate (100% growth in employment between 2017 and 2021). With 4,500 employees the sector is relatively small, however, if this growth rate continues this sector will become a fundamental component of the Swindon labour market.

All but two of these specialised priority sectors grew between 2017-2021, with professional business services contracting by 10% or 2,000 jobs and ICT/Cyber security contracting by 33% or 1,000 jobs between 2016-2021. ICT/Cyber security is not specialized, nor does it account for a substantial amount of employment in Swindon. If the trends of this sector continue it will be unlikely that it can be considered priority sectors for Swindon going forward.

**LQ<sup>1</sup> (Y-axis) against employment growth from 2017-2021 (X-axis) for the LEP priority sectors in Swindon**



**LQ against employment growth from 2017-2021 for the LEP priority sectors in Swindon**

Swindon	Total	%	% change (2016-2021)	LQ
Professional Business Services	18,000	16%	-10%	1.1
Creative Industry	6,000	5%	0%	0.8
Low Carbon	7,000	6%	40%	2.0
Life Sciences	4,500	4%	100%	5.2
Advanced Manufacturing and Engineering	13,000	11%	8%	1.6
ICT/Cyber Security	2,000	2%	-33%	0.7

Source: ONS BRES, 2017-2021  
<sup>1</sup> LQ refers to Location Quotient, a measure of how specialized/concentrated activity is in an area. It is based on the relative share of employment in an industry within an area compared to the share nationally. An LQ greater than 1 indicates relative specialization/concentration.

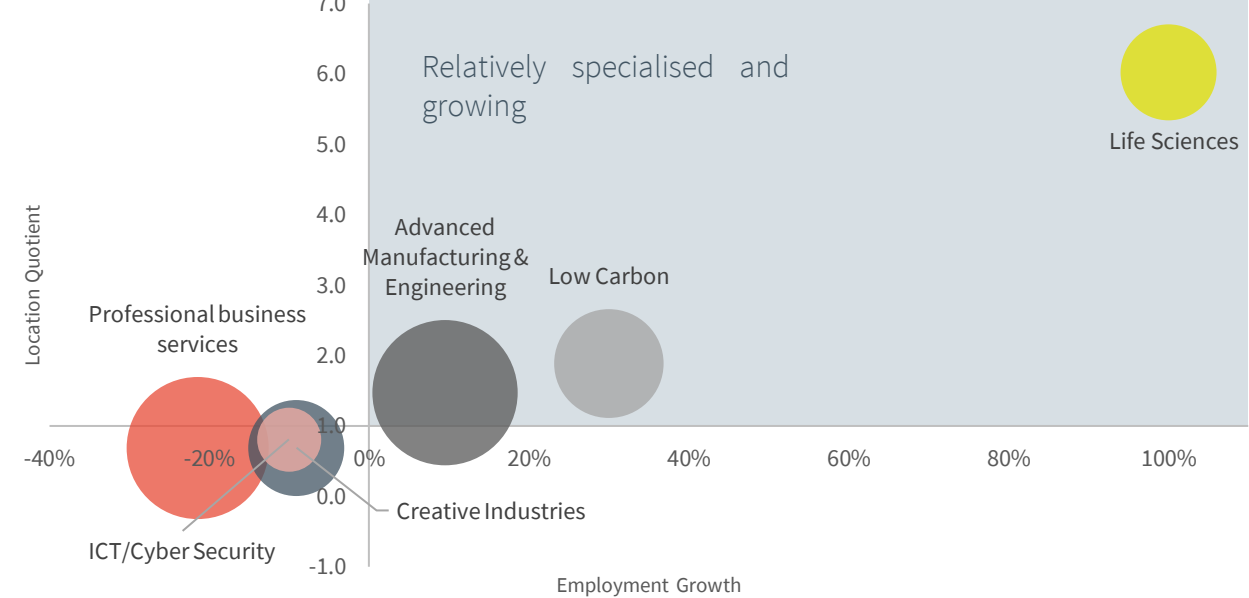
# Business and Sectors

## Employment Specialisation

As is the case in Swindon, Wiltshire has specialisms in several of the Swindon and Wiltshire LEP priority sectors, notably in the non-service focused sectors. As with Swindon and the LEP area as a whole, the life sciences sector in Wiltshire is specialised and growing rapidly. The same can be said about the low carbon sector, these two sectors are of growing importance nationally suggesting local and national sectoral alignment in future-facing sectors.

The more traditional service sector-oriented sectors of the LEP’s priority sectors- these being professional business services, ICT/Cyber security and the creative industries - have contracted in Wiltshire in employment terms since 2017. None of these three sectors can be deemed specialised in Wiltshire, though they are still important to the overall employment base of the borough – most notably the professional and business services sector where employment accounts for one in ten jobs in the borough.

**LQ<sup>1</sup> (Y-axis) against employment growth from 2017-2021 (X-axis) for the LEP priority sectors in Wiltshire**



Size of bubbles represent employment quantities within each industry.

**LQ against employment growth from 2017-2021 for the LEP priority sectors in Wiltshire**

Wiltshire	Total	%	% change	LQ
Professional business services	22,000	10%	-8%	0.7
Creative Industry	10,000	5%	0%	0.7
Low Carbon	13,000	6%	30%	1.9
Life Sciences	10,000	5%	100%	6.0
Advanced Manufacturing and Engineering	23,000	10%	21%	1.5
ICT/Cyber Security	4,500	2%	-10%	0.8

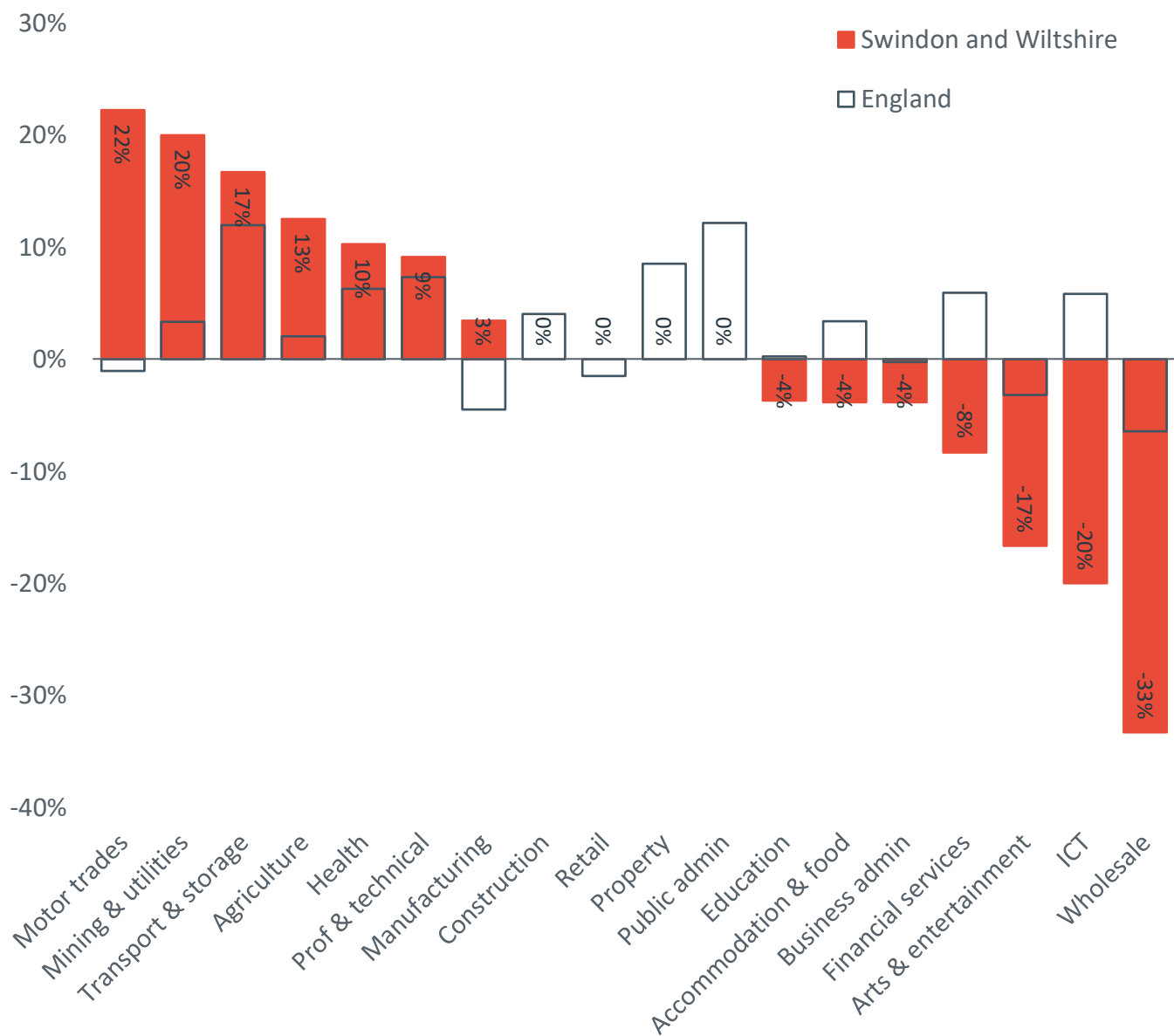
Source: ONS BRES, 2017-2021  
<sup>1</sup> LQ refers to Location Quotient, a measure of how specialized/concentrated activity is in an area. It is based on the relative share of employment in an industry within an area compared to the share nationally. An LQ greater than 1 indicates relative specialization/concentration.



Employment Trends

Since 2017, employment in Swindon and Wiltshire has increased by 1% compared to a 3% nationally. Over this period, motor trades sector recorded the largest percentage increase in employment, at +22% (compared to -1% nationally). This was followed by strong growth in the mining and utilities sector, which grew at 20% since 2017 outstripping national growth rates of 3%.

Employment Growth by Broad Sector, 2017-2021



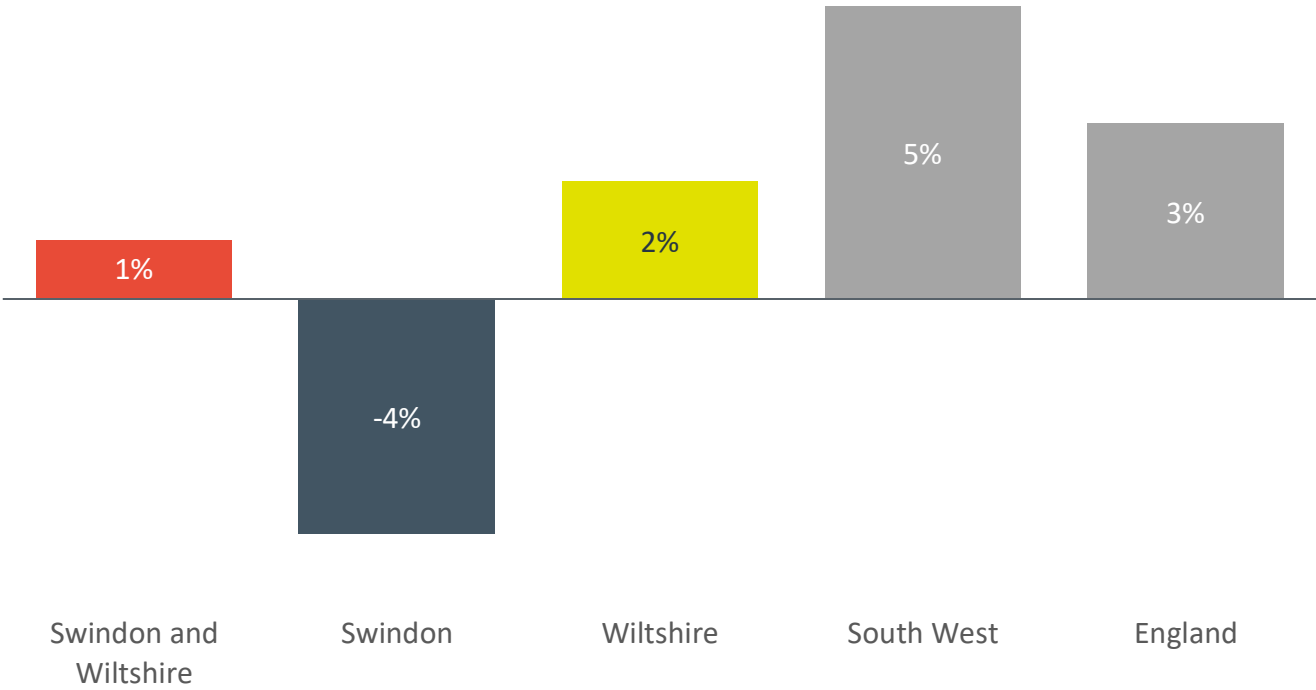
Source: ONS BRES, 2017-2021

Employment Trends

Latest data from 2021 shows that 333,000 people are in employment in Swindon and Wiltshire. This is an increase of 3,000 jobs since 2017. This growth has been concentrated in Wiltshire which has grown by 2% whilst Swindon has decreased by 4%. This contraction is likely a combination of long-term challenges and also impacts from COVID-19 that disrupted the labour market in the area. Employment in Swindon and Wiltshire accounts for 12% of all South West employment.

One of the main challenges for Swindon and Wiltshire is the shifting of the population out of the labour market as demographics change and people age out of the workforce. This may explain the slow growth in employment and may become a greater challenge in the future as people leave the labour market but are not replaced by new employees.

Employment Change, 2017-2021



Source: ONS BRES, 2017-2021

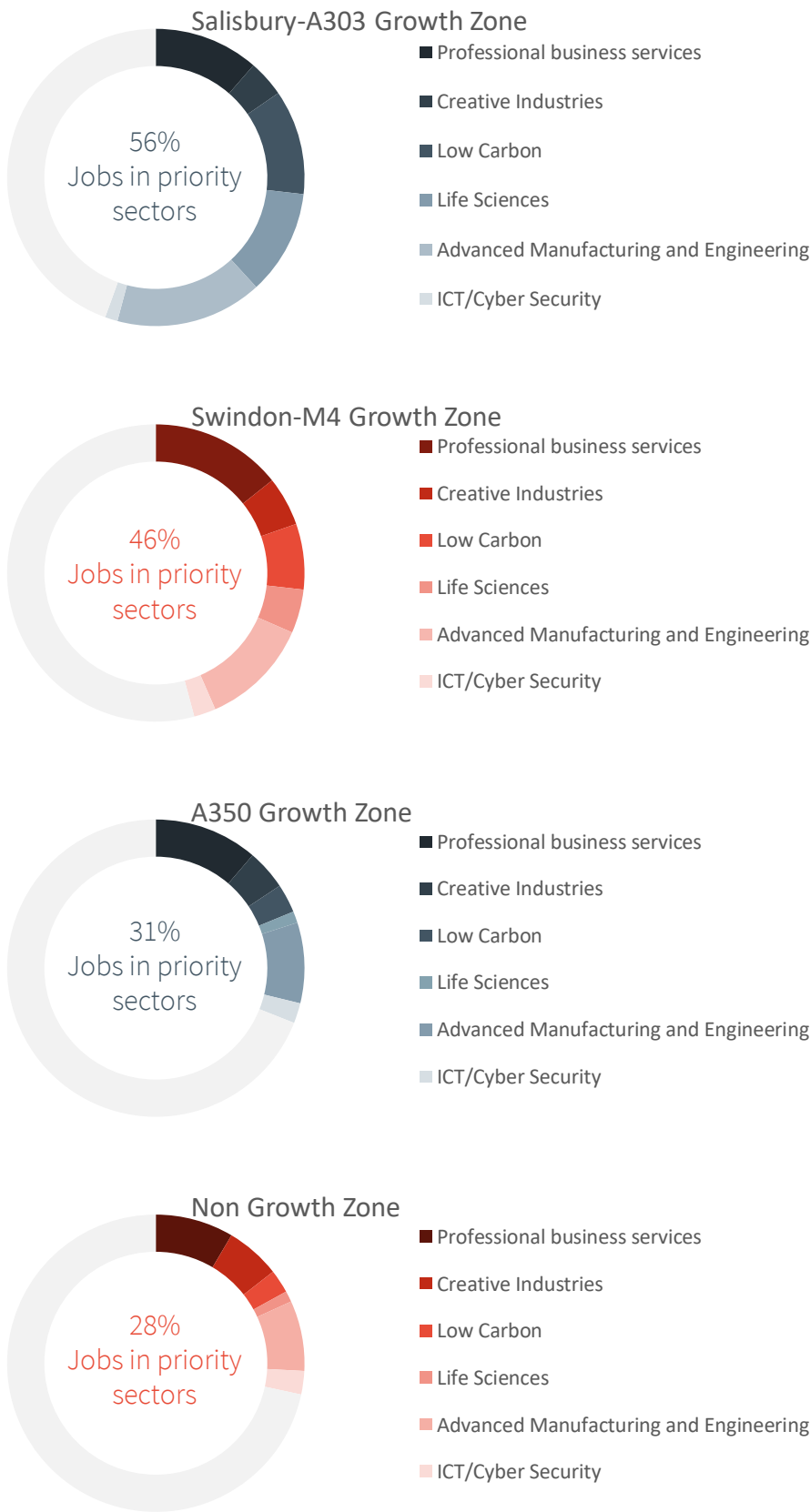
The priority sectors of the LEP area are important in all Growth Zones, and the non-growth zone. This is no more so apparent than in the Salisbury-A303 growth zone, where 56% of all jobs (24,350 jobs) are held within the priority sectors.

The largest growth zone, in absolute terms accounting for nearly 77,000 jobs, is the M4 growth zone. The economy in this growth zone is diverse, nearly half of employment is in the priority sectors. With the professional business services sector employing over 24,000 people in 2021.

The A350 Growth Zone has the lowest proportion of priority sector jobs of the Growth Zones but there are still some significant clusters. For example, over one in ten jobs of the growth zone are in the professional business services sector (9,000 jobs).

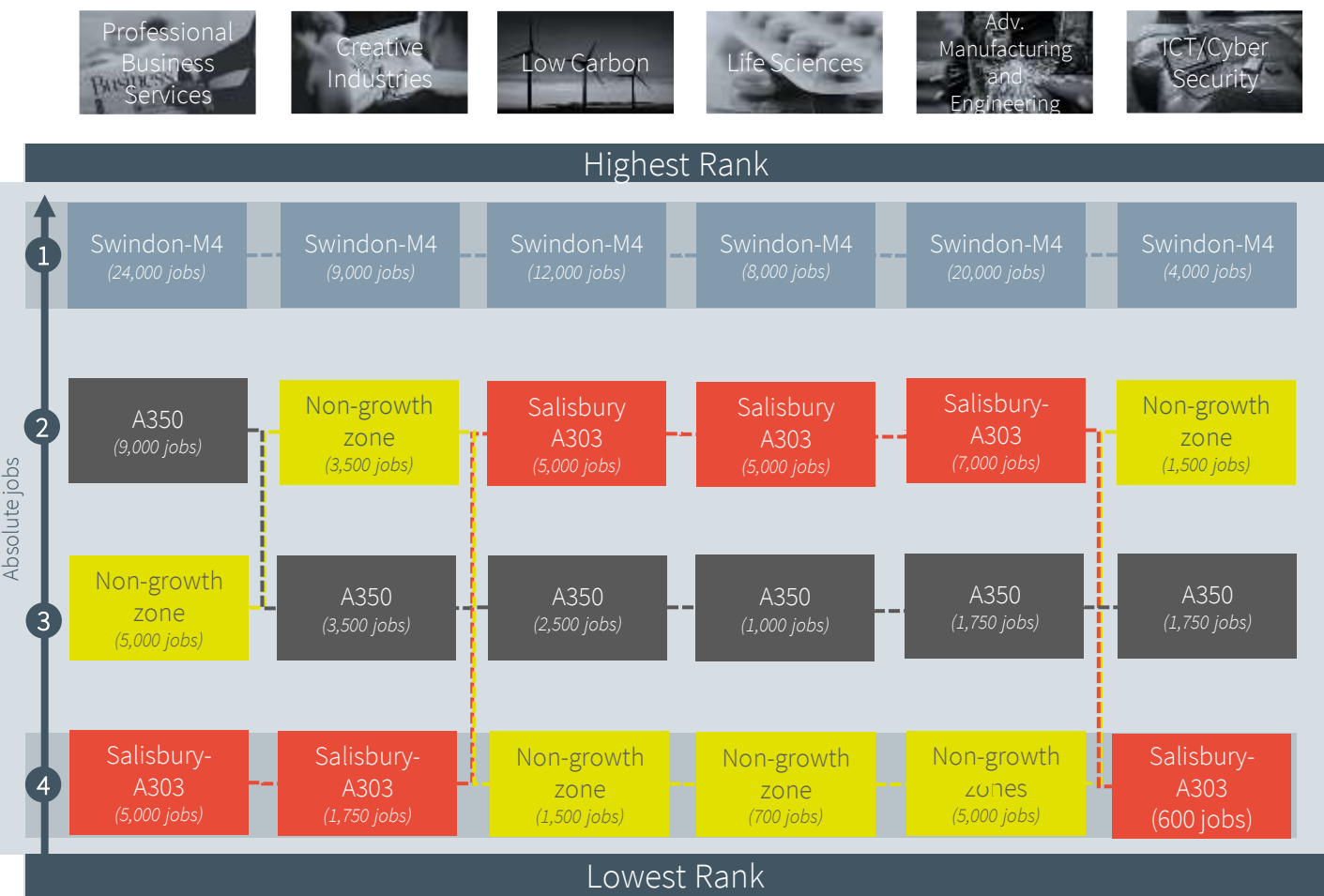
Outside of the Growth Zone areas, there are 16,700 jobs, 28% of which are in the six priority sectors. Similarly, to the A350 Growth Zone, over one in ten jobs are in the professional business services sector though growth has been strongest in the life sciences sector as it has been for all other growth zone areas.

Growth Zone Employment in Priority Sectors, 2021



# Business and Sectors

## Employment Specialisation – Growth Zone Analysis

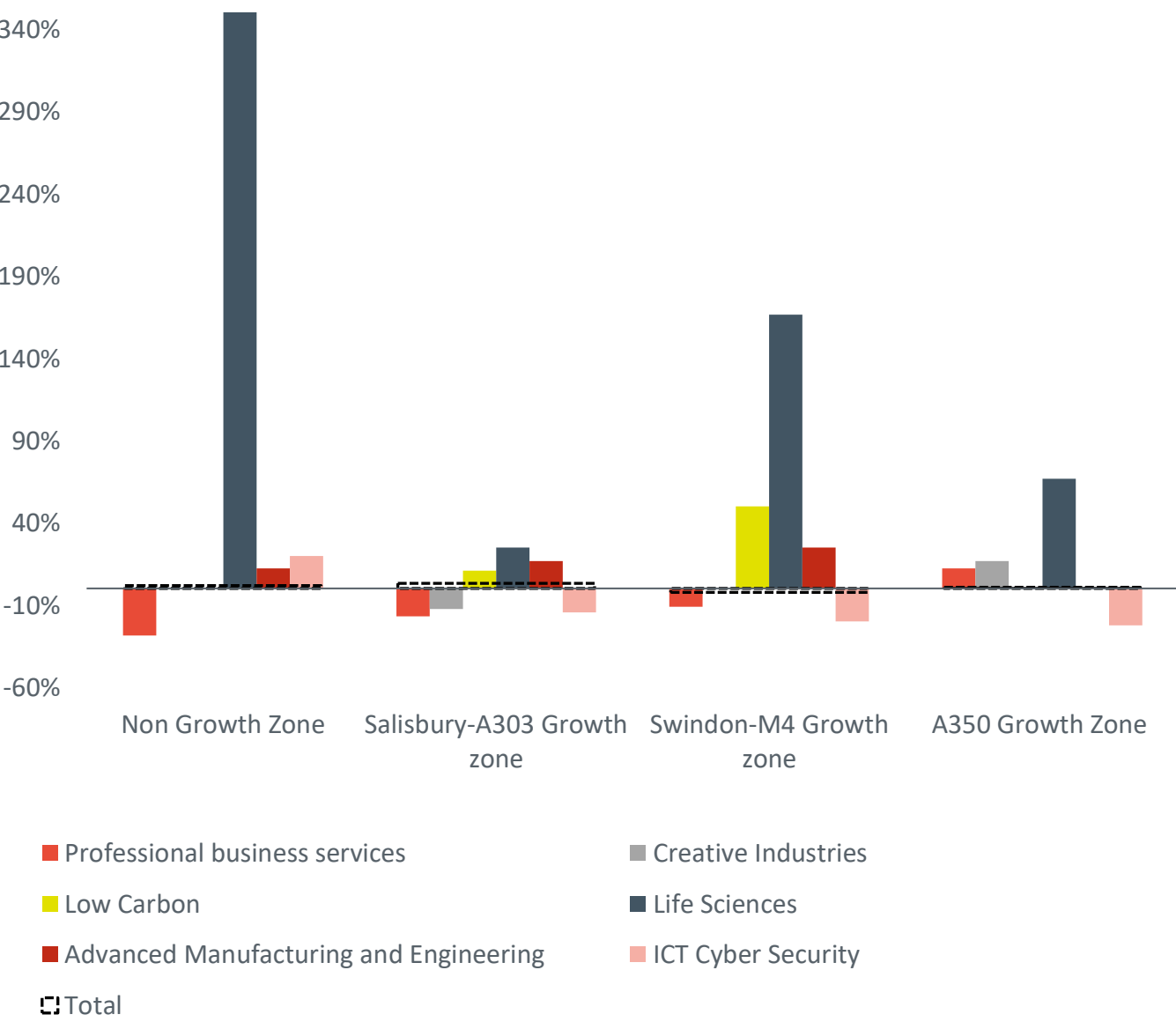


Employment Trends

Overall employment has been broadly stable in the growth zones in Swindon and Wiltshire, with the exception of the Swindon M4 Growth Zone which have experienced a contraction in employment of 2% over the last four years, equivalent to the loss of 4,100 jobs. The chart below illustrates employment contraction in the Professional Business Services sector with employment in 2021 being lower in all growth compared to 2017.

Life Sciences is a growing sector across all growth zones. Employment in life sciences more than doubled in the Swindon M4 growth zone and in the non growth zone area.

Employment change by industry across the Swindon and Wiltshire Growth Zones, 2017-2021

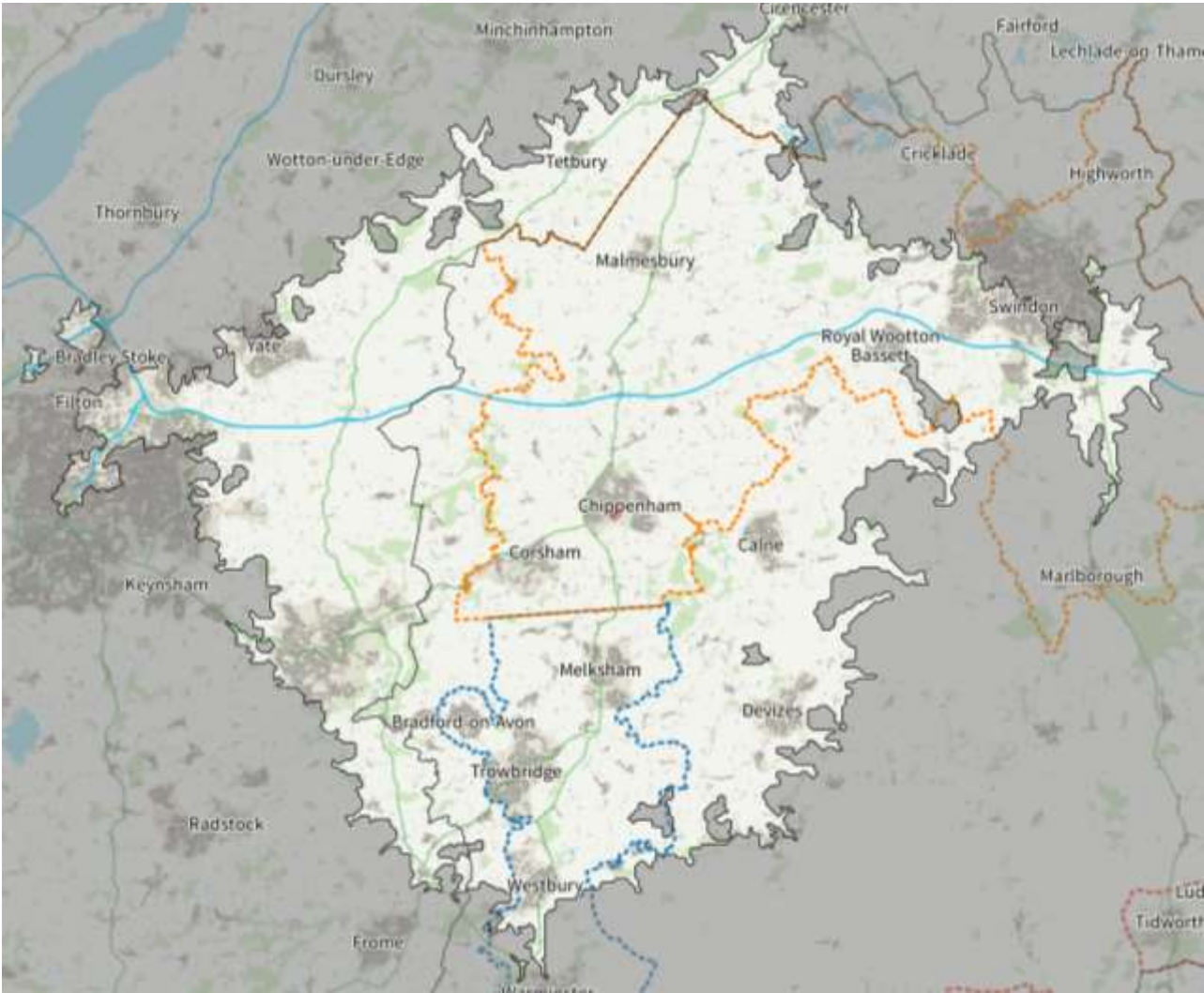


Source: ONS BRES, 2021

Labour Travel Catchment

Real-time travel data can help our knowledge of commuting by using live traffic information to identify the catchment areas reached from a defined point during a specific time-period and mode of transport. This can help understand the potential labour force reachable from a given area. Based on this, a travel time of 45 minutes via car was used to identify areas which could be reached by 9am from the 3 growth zones, with an assumption that 9am remains the standard start time for the average worker. The following pages outline the major towns of Swindon and Wiltshire with their catchment of labour and reachable local authorities.

Chippenham catchment area (45 minute by car)



LAD reachable

Labour catchment

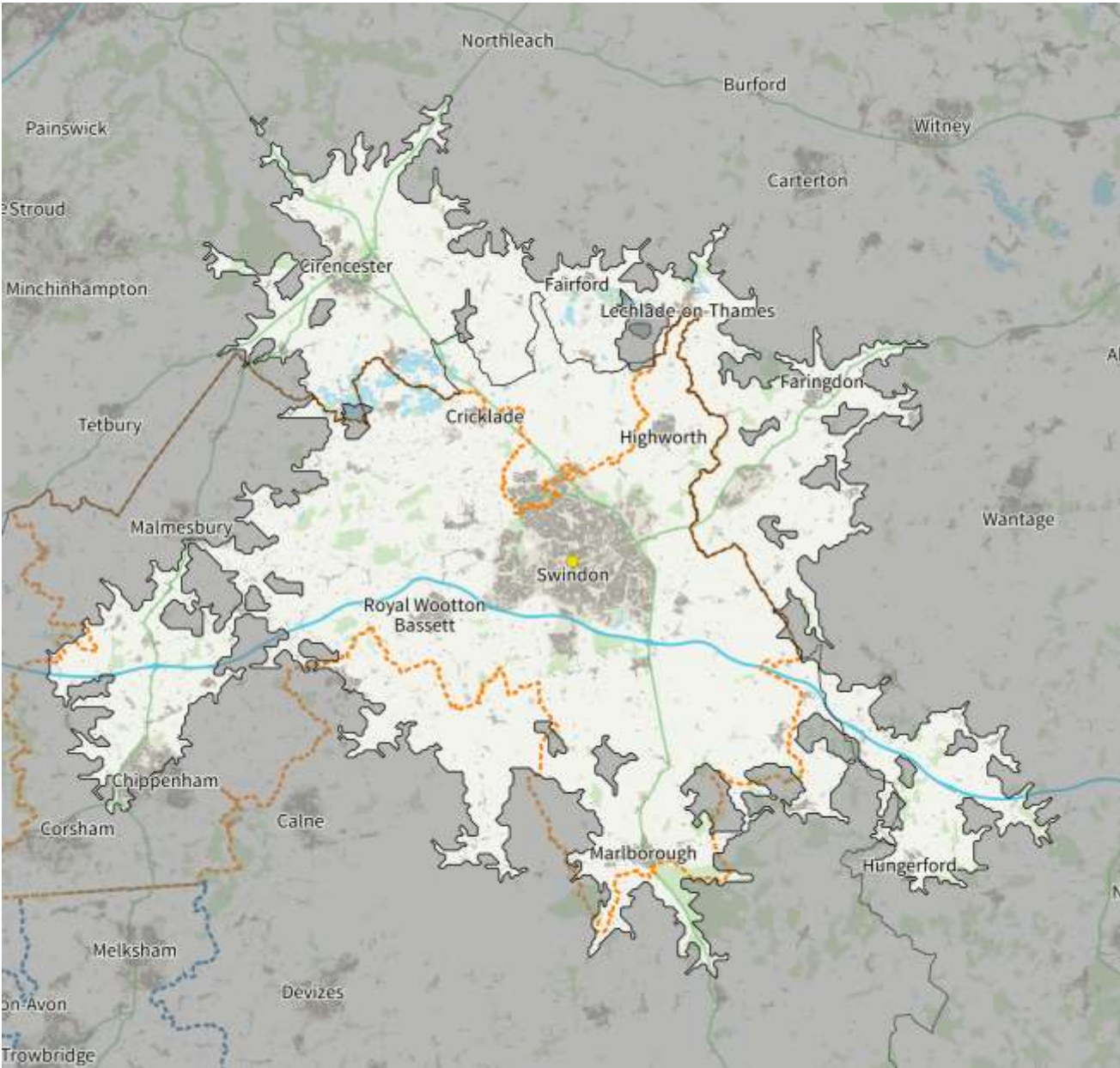
46,000

- ✓ West Berkshire
- ✓ Swindon
- ✓ Cotswold
- ✓ Vale of White Horse
- ✓ Oxfordshire
- ✓ Bath





Swindon catchment area (45 minute by car)



LAD reachable

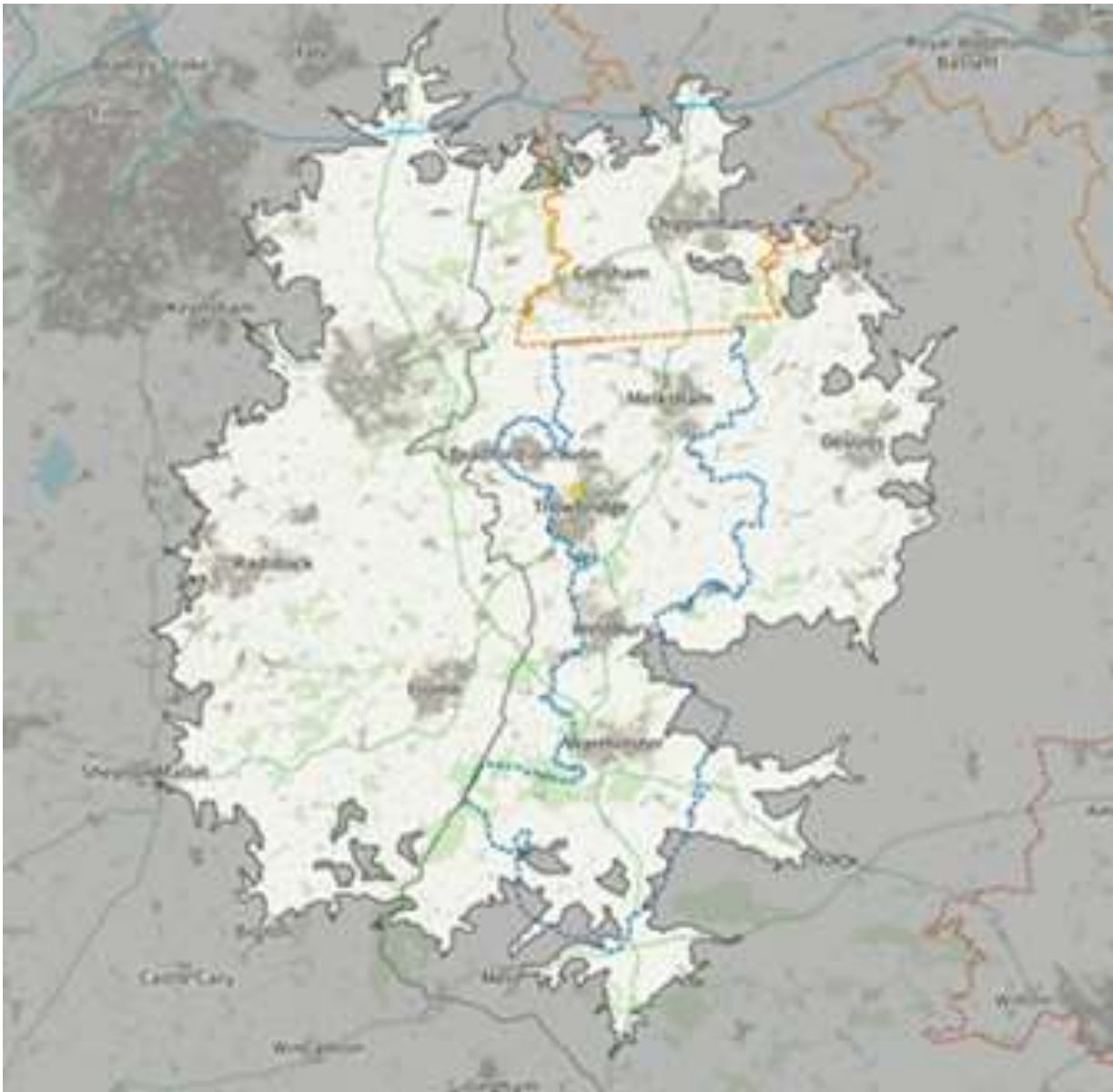
- ✓ Bath and NE Somerset
- ✓ Gloucestershire
- ✓ Bristol
- ✓ Stroud
- ✓ Cotswold
- ✓ Mendip
- ✓ South

Labour catchment

163,500



Trowbridge catchment area (45 minute by car)



LAD reachable

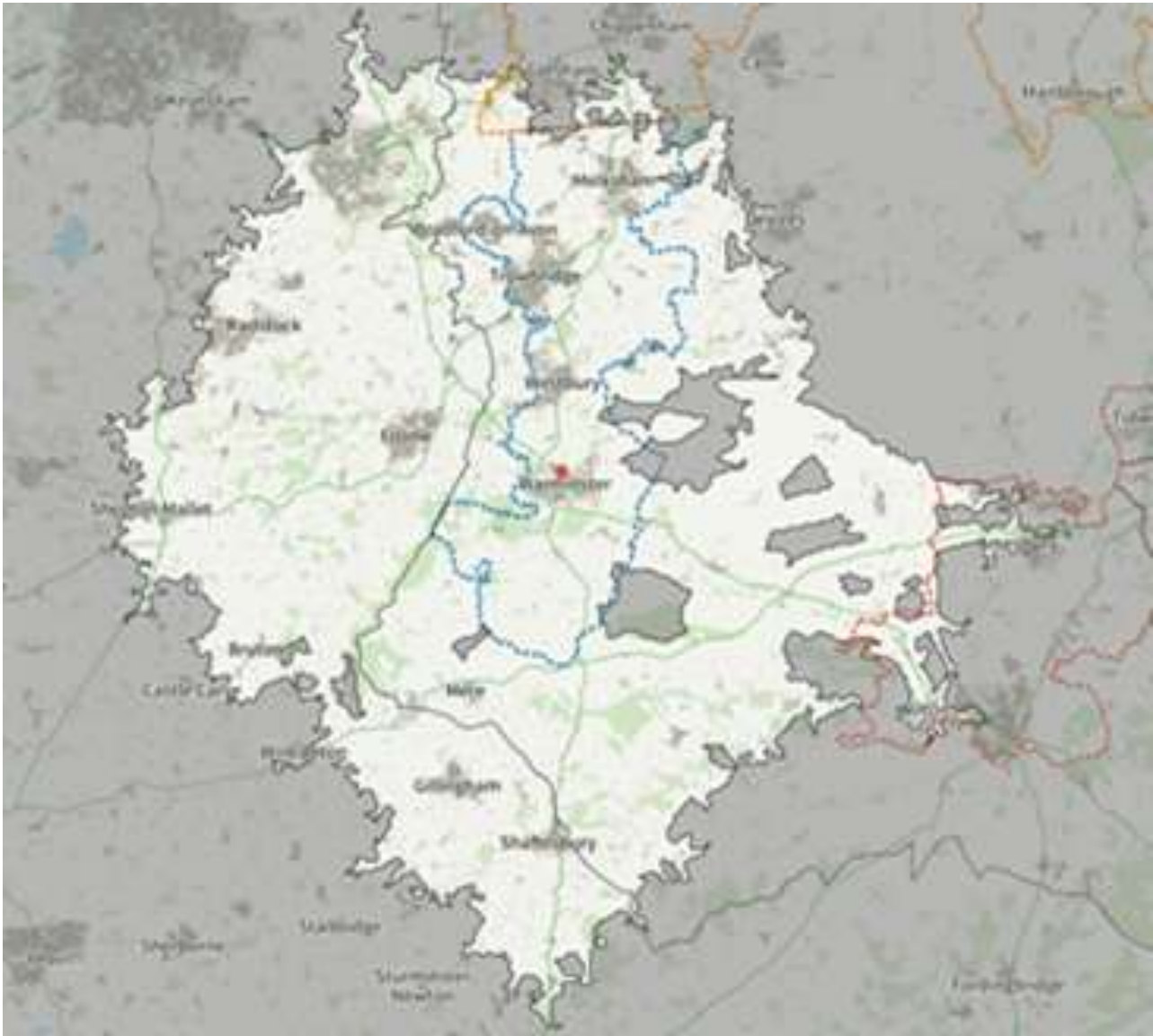
- ✓ Bath and NE Somerset
- ✓ East Somerset
- ✓ Mendip
- ✓ South Gloucestershire
- ✓ South Somerset
- ✓ Bath

Labour catchment

158,000



Warminster catchment area (45 minute by car)



LAD reachable

- ✓ Bath and NE Somerset
- ✓ East Somerset
- ✓ Mendip
- ✓ North Dorset
- ✓ South Somerset
- ✓ Bath

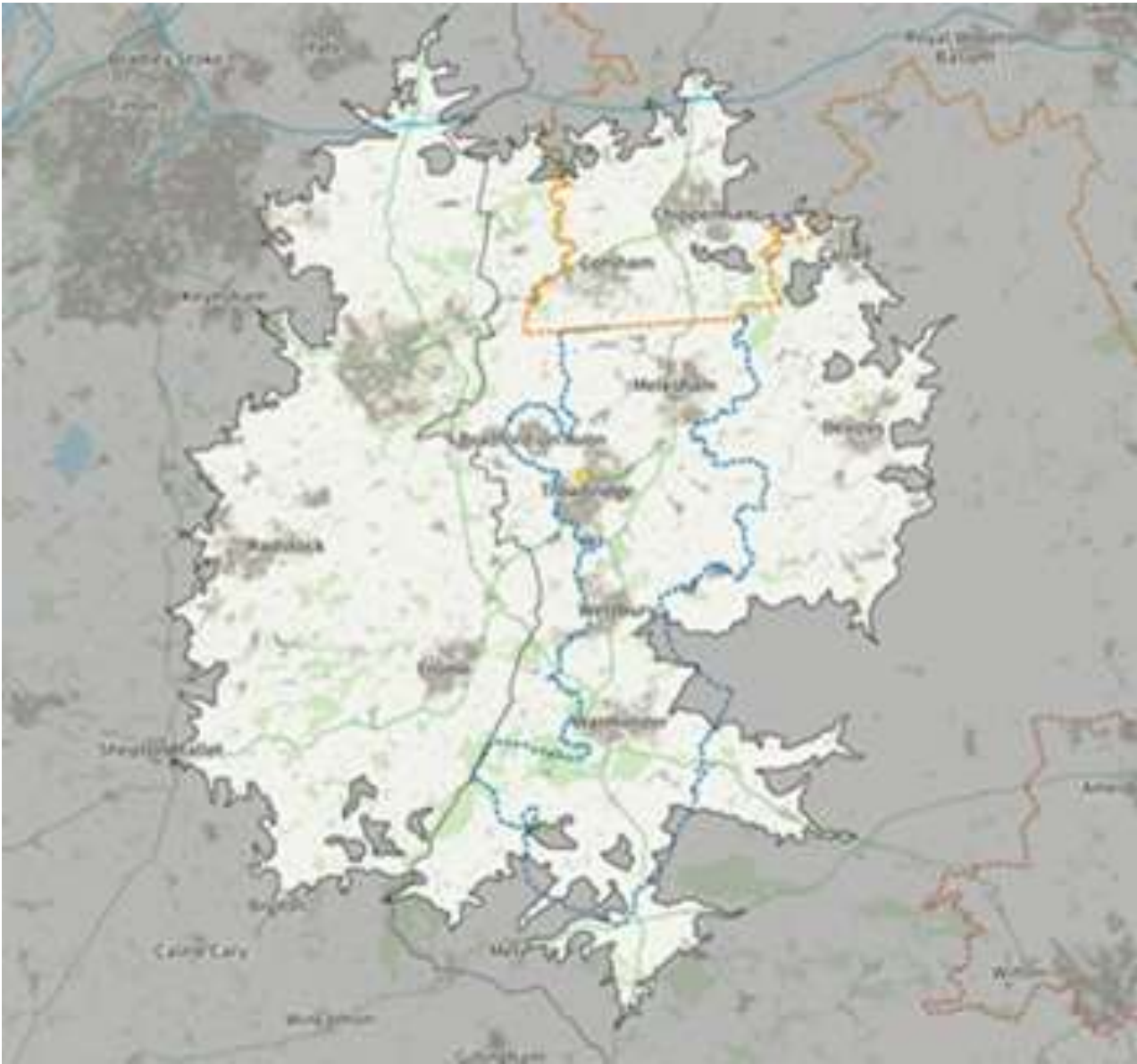
Labour catchment

180,000





Salisbury catchment area (45 minute by car)



LAD reachable

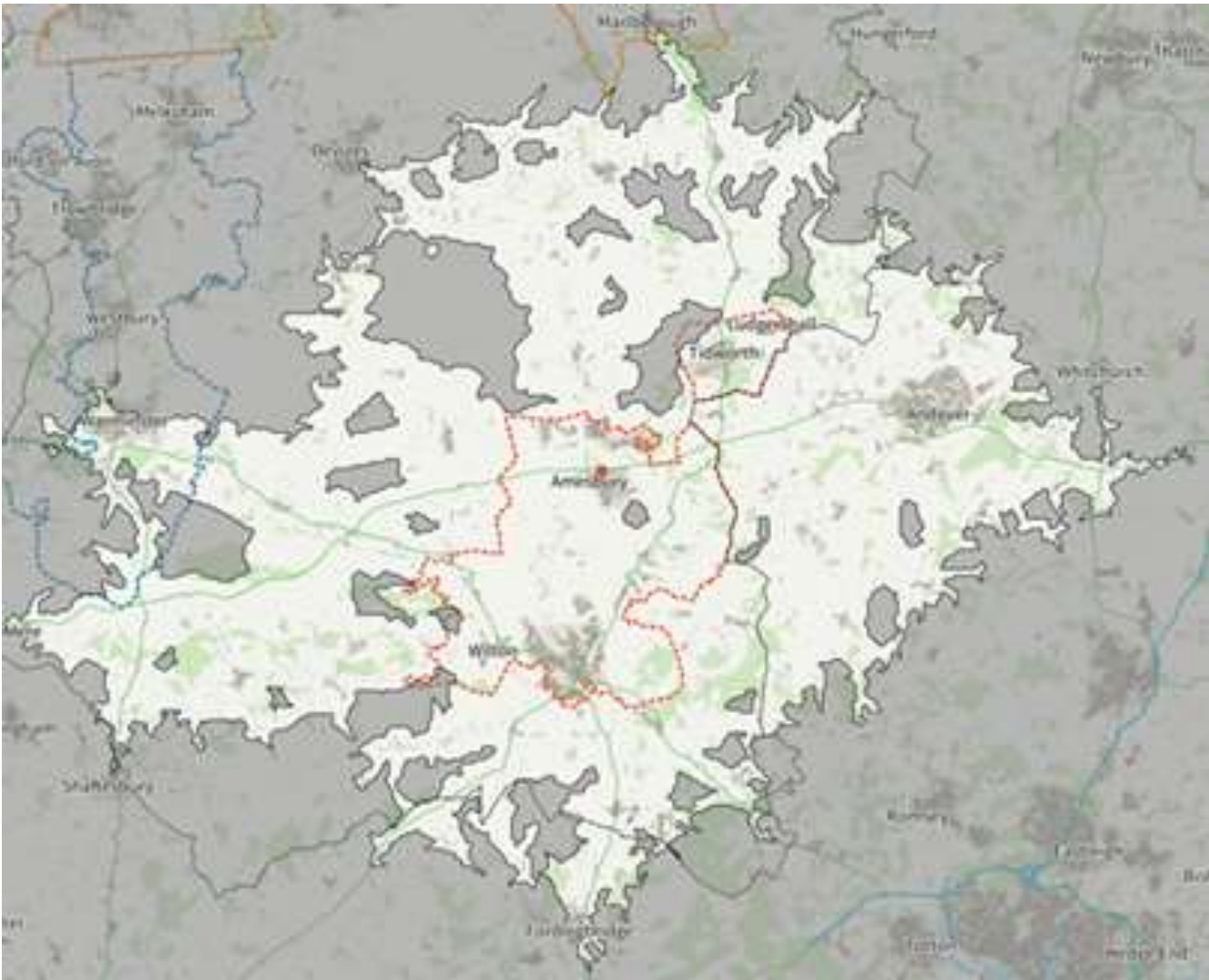
- ✓ East Dorset
- ✓ New Forest
- ✓ Southampton
- ✓ Test Valley
- ✓ Bath

Labour catchment

60,000



Amesbury catchment area (45 minute by car)



LAD reachable

- ✓ Basingstoke and Deane
- ✓ New Forest
- ✓ Test Valley
- ✓ Winchester

Labour catchment

55,000



The LEP and local authorities need to look at ways to address business base losses that occurred during the pandemic and help prepare businesses to mitigate future shocks. Policies that may achieve this will include:

- + Non-financial business support, with a focus on start-up support that is targeted at addressing the low five year survival rates of businesses in Swindon and Wiltshire
- + Financial or in-kind business support, including sector specific grants for innovative practices, start-up support
- + Skills support to ensure skill alignment with current and future needs of local businesses as the Swindon and Wiltshire economy evolves. Net Zero offers significant opportunity but will only be capitalized upon if appropriate skills are available – for example net-zero advisory roles in the professional service sector.
- + Development of an up-to-date, intelligence led inward investment strategy that considers the strengths of the LEP economy as well as how Swindon and Wiltshire is advantageously positioned to alleviate any investor concerns in light of global economic uncertainty

Examining business counts, there was minor contraction in Swindon and Wiltshire's business base since 2018. It is useful to note that this may not cover the full impacts of the Covid-19 pandemic and may not consider the full effects of the **UK's exit from the EU**.

Net business births and survival rates are comparatively low, suggesting scope for policies to support entrepreneurialism and business growth. This is of particular importance in light of rising costs of doing businesses prompted by supply chain disruption caused by the **War in Ukraine** and increased interest rates due to a tightening monetary policy to counter **inflation**.

Swindon and Wiltshire have seen increases in Foreign Direct Investment (FDI) project wins in the last few years which may potentially indicate a degree of investment security. Even in times of uncertainty, there are clearly still inward investors willing to operate in Swindon and Wiltshire. Going forward, there is a need to build on this and outline the key strengths of the LEP area economy and why it is a suitable place for inward investment even within the context of broader international uncertainty that typically results in investor hesitancy.







# People and Labour Market



**Swindon & Wiltshire**  
LOCAL ENTERPRISE PARTNERSHIP

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**HATCH**

# People and Labour Market

## Summary

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Latest Census data shows a population in Swindon and Wiltshire of 744,000. Swindon and Wiltshire has a similar age profile to England this includes an ageing demographic, with a larger proportion of over 65s in Wiltshire than in Swindon.

Swindon and Wiltshire has net inflow migration amongst all age groups except in the 15-19 age group, this is likely due to a student age population leaving the area, though an inflow of all other age groups suggests the Swindon and Wiltshire offer is appealing across multiple demographic cohorts.

Historically, Swindon and Wiltshire experienced relatively high levels of international migration, although this has fallen significantly since 2016. There are currently 98,000 non-UK born residents in the LEP area, accounting for 13% of the total population. Of this figure, 62% are from outside the EU, with the remainder from the EU. Swindon has a higher share of non-EU born residents at 14% compared to 5% in Wiltshire. Although Swindon and Wiltshire has a low economic inactivity rate (17.4%) one in five of these want a job. A low rate of economic inactivity indicates a highly utilised population in terms of accessing labour. The remaining 83% of residents are engaged in the labour market.

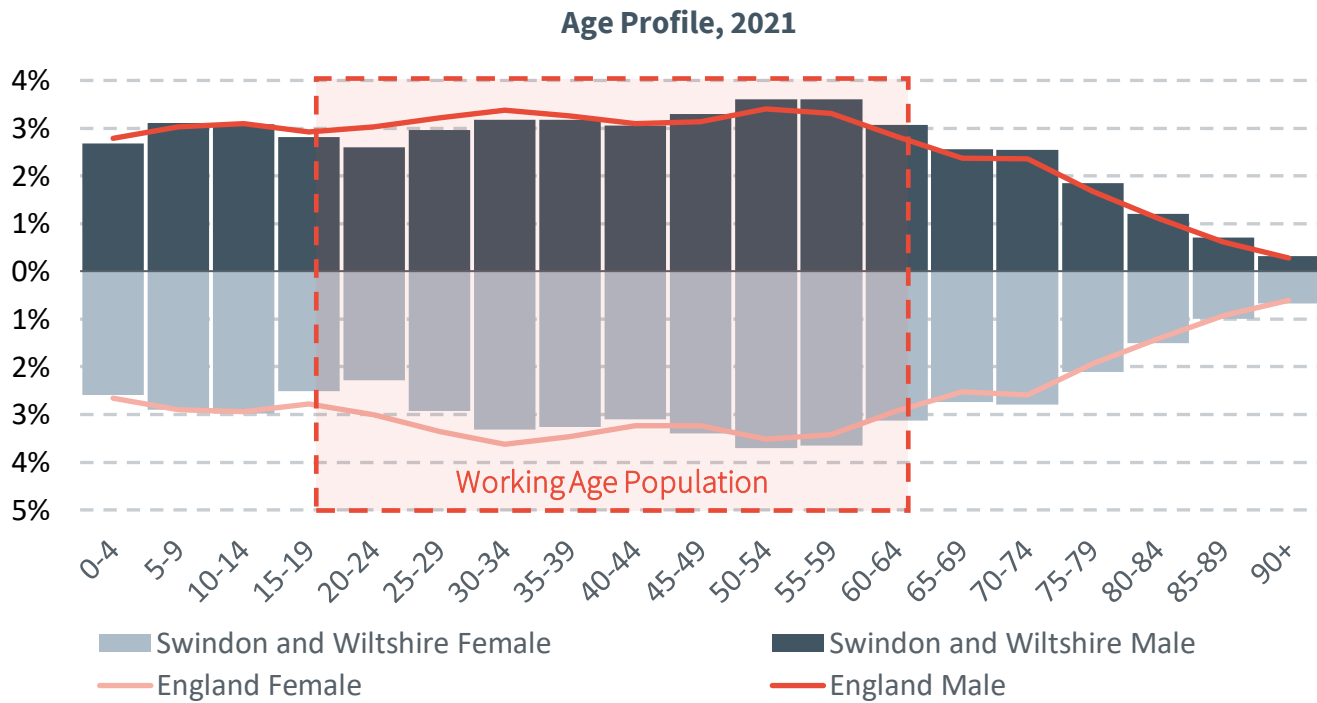
Despite having low rates of unemployment Swindon and Wiltshire has a high economic activity rate at 82% compared to 79% nationally. Both Swindon and Wiltshire contribute similarly, with activity rates of 81% and 82% respectively. Just 3.1% of the economically inactive population are currently unemployed, which is lower than the national rate (3.8%).

# People and Labour Market

## Population Demographics

Around 744,000 people live in Swindon and Wiltshire, of which 31% (233,000) live in Swindon compared to 69% (510,000) in Wiltshire. The two areas have similar demographics, though a greater proportion of Swindon’s residents are of working age (63%) compared to Wiltshire (59%).

As a proportion of the working age population in the LEP area, there is a 50/50 split in male and females, which reflects the same pattern seen at a national level. There are slightly more females (54%) within the 65+ age group compared to men (46%), but this also reflects the same national trend.



This is reaffirmed by the picture in the growth zones. Excluding the A350, the growth zones (note that the release of population data from the 2021 Census has not been released for LSOA areas that make up the growth zones) have a higher proportion of people aged 16-64 compared to the rural zone of Swindon and Wiltshire. However, this difference is only 2-3 percentage points higher, highlighting that rural zone still plays an important role in attracting people to live and work in Swindon and Wiltshire, likely due to its strong rural economy and quality of life offer.

**Population in Growth Zones, 2020**

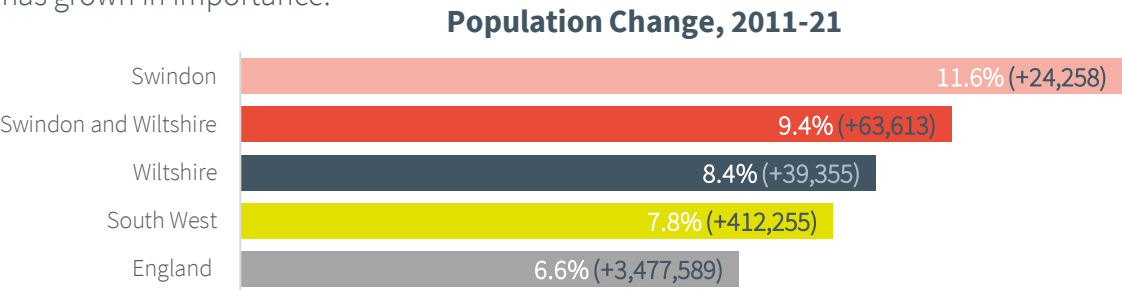
Population 2020	Swindon and Wiltshire*	A350	Salisbury A303	Swindon M4	Rural Zone
Total	744,000	126,000	105,000	320,000	177,000
16-64 (no.)	458,000	75,000	64,000	197,000	104,000
16-64 (%)	62%	59%	61%	62%	59%

Source: Mid-Year Population Estimates, ONS, 2020; Census, 2021  
Note: due to area overlap of the sum of the zones does not equate to the total for Swindon and Wiltshire, \* data for Swindon and Wiltshire is 2021

# People and Labour Market

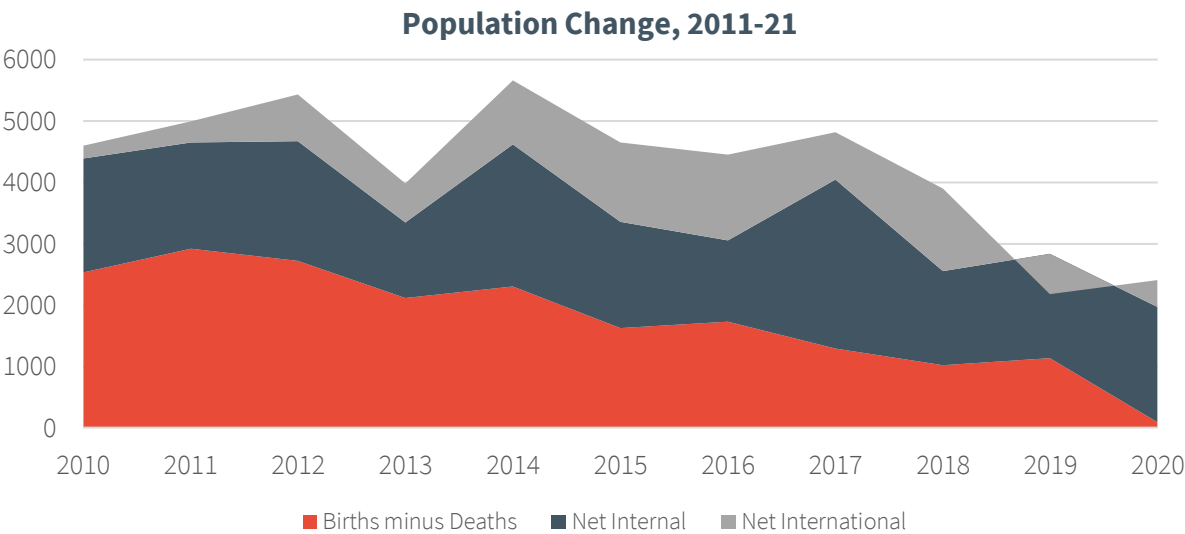
## Population Demographics

Over the last decade, Swindon and Wiltshire's population has grown by 9% (66,613 people) which is broadly in line with the change experienced in the South West (8%) and England (7%). As a source of population change, both net births and international migration have fallen whilst internal migration has grown in importance.



Residents aged 0-15 have grown by 4% (5,130) which is the same as the South West (4%) but below England (5%). The number of working-age adults in Swindon and Wiltshire has grown by 6% (24,224 people) compared to 4% in the South West and 4% in England. With an already below average working age population this might have direct implications for future growth as businesses base their decision to locate on local workforce availability. People aged 65+ have seen the largest growth by 30% (34,259) which is notably higher than both the South West (23%) and England (20%). If this rate of change continues alongside the small growth in working age people, this may create pressure for Swindon and Wiltshire as the amount of people exiting the workforce is not reflected in those entering. However, some of this may be mitigated by the planned increased in the state pension age.

Between 2015-2020, there was a 66% fall in net inward international migration coming into Swindon and Wiltshire from 1,300 net inward international migrations in 2015 to just 400 in 2020. However, this is an increase from 2010, where net international migrations were 206. Domestic net inward migration does not elevate this issue, with only a small rise of 8% inward domestic migration happening in 2015-2020. In 2020 the births minus deaths in Swindon and Wiltshire was 91, dropping from 1,132 in 2019 which may be attributed to the Covid-19 pandemic.



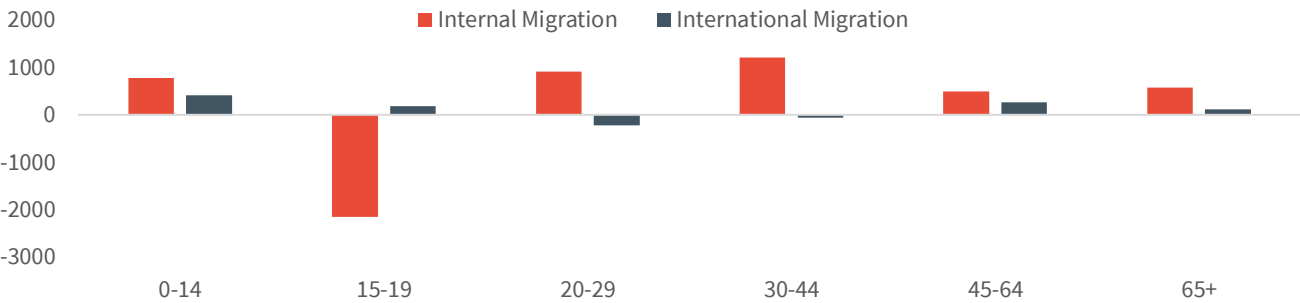
Source: Mid-Year Population Estimates, ONS, 2021. Census, ONS, 2021.  
Note: due to area overlap of the sum of the zones does not equate to the total for Swindon and Wiltshire

Population Demographics

Internal migration to Swindon and Wiltshire since 2012 has remained positive for all age groups except those aged 15-19, which is likely due to a large number of young people moving away to university towns and cities. The large inflow of people aged 0-14 and 20-44 suggests that young families are likely attracted to Swindon and Wiltshire as a place to live.

Coupled with the growing importance of net migration as a source of population change, this could further reiterate the desirability of Swindon and Wiltshire as a place to live. With its strong economic centres and connectivity to other key employment locations in the South West, more people may be choosing to move to the LEP area.

Average net migration by age group in Swindon and Wiltshire, 2011-2021\*

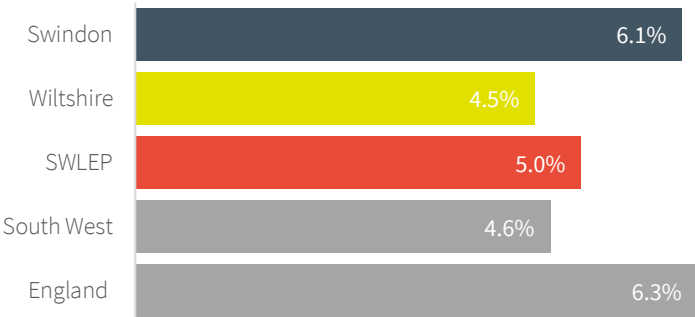


Whilst international migration has decreased or remained low in Swindon and Wiltshire the share of non-UK born people is not insignificant. In 2021 there were 98,000 non-UK born residents in Swindon and Wiltshire, of which 47,500 resided in Swindon compared to 50,500 in Wiltshire.

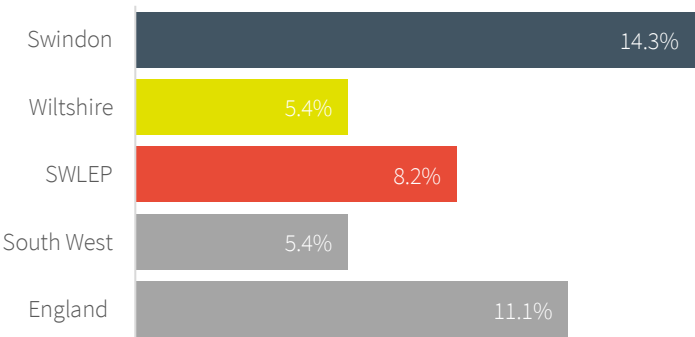
This means that, as a proportion of total residents, nearly one in ten residents are non-UK born, rising to just under one in five in Swindon (20%).

Non-EU born residents make up 61,000 of all residents, accounting for 8% of all residents in Swindon and Wiltshire, with 37,000 born in the EU (4%). There are clear differences between Swindon and Wiltshire in terms of international migrants, with non-EU born residents accounting for 14% of the population in Swindon compared to 5% in Wiltshire.

% of EU population by country of birth, 2021



% of Non-EU population by country of birth, 2021



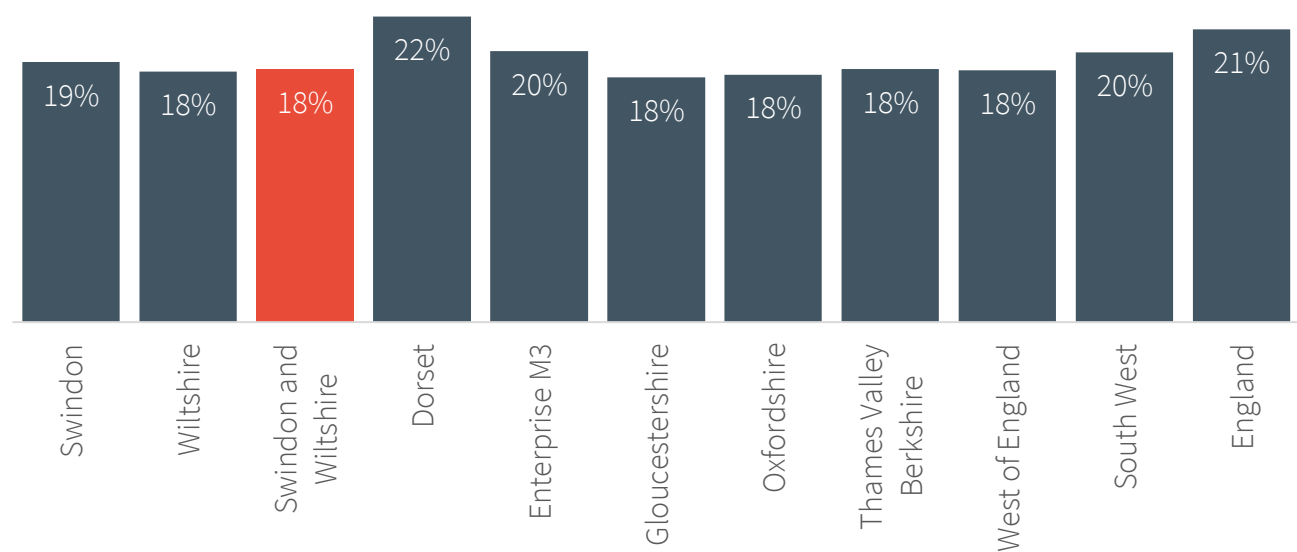
Source: ONS Census, Country of Birth, 2021; ONS Mid-Year Population Estimates, 2020  
\*Internal migration for Swindon and Wiltshire LEP may include internal migration between the two LADs due to data only being available at a LAD level and aggregated to create Swindon and Wiltshire LEP

# People and Labour Market

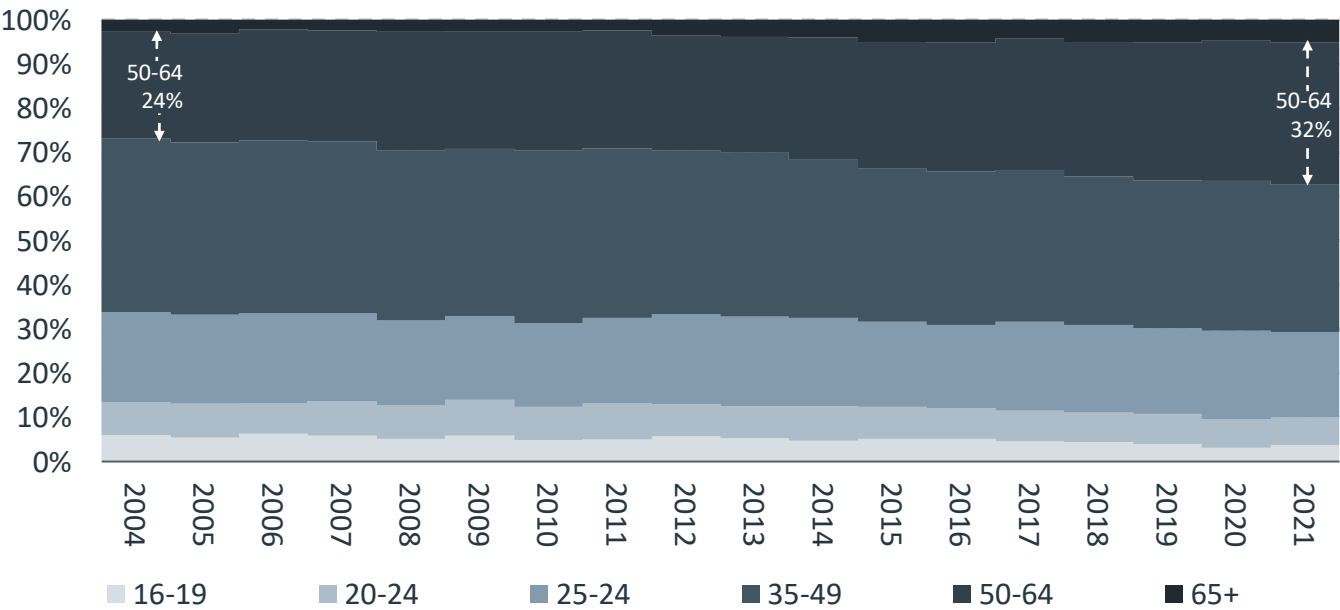
## Labour Market Characteristics

There are 101,145 people aged 16-64 in Swindon and Wiltshire who are considered economically inactive. Relative to comparator areas and England, this represents a low level of economic inactivity. Examining the population based on those classed as “economically inactive”, we can see that a tightening labour supply trend has been emerging amongst the older working age cohort. While we would anticipate a rising rate of economic inactivity for the 65+ population who are leaving the labour market while also becoming a larger demographic, the main concern lies around those aged 50-64. In 2004, this group accounted for less than one quarter of all economically inactive people in Swindon and Wiltshire, as of 2021, this group account for one in three economically inactive people in the LEP area.

Economically inactive as proportion of working age population, 2021



Economic Inactivity Rates by Age Cohort, Swindon and Wiltshire, 2004-2021



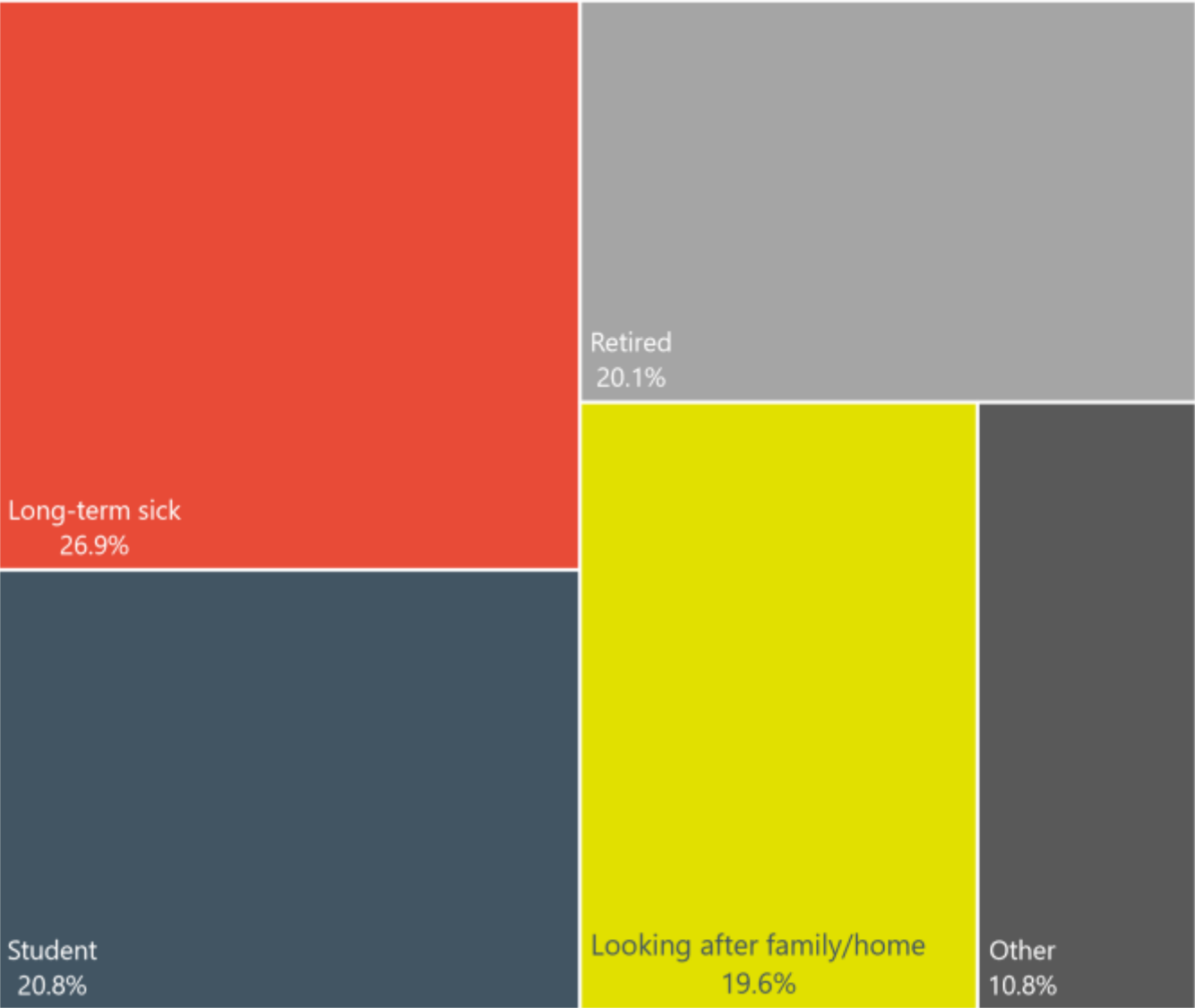


## Labour Market Characteristics

The definition of economic activity is narrow, including only those who are either employed or out of work but have actively sought work in the previous four weeks and are available to start in the next two weeks. It can be thought of as the immediate labour supply but it doesn't include people that may still want to engage in the labour market.

The reasons for economic inactivity in Swindon and Wiltshire vary. With a high proportion of people in the long term sick category (27%) followed by students (21%) and retired people (20%). At a national level there have been considerable increases in economically inactive people classed as long term sick. Of these groups, the student population is likely economically inactive in a shorter term sense and will enter the economically active population once they have achieved their skills goals. The retired population and those who are long-term sick are less likely to re-enter into the economically active cohort. This will be due to social and physical barriers.

**Reason for economic inactivity, Swindon and Wiltshire LEP, 2022**



Figures will not sum to 100% due to disclosive data

# People and Labour Market

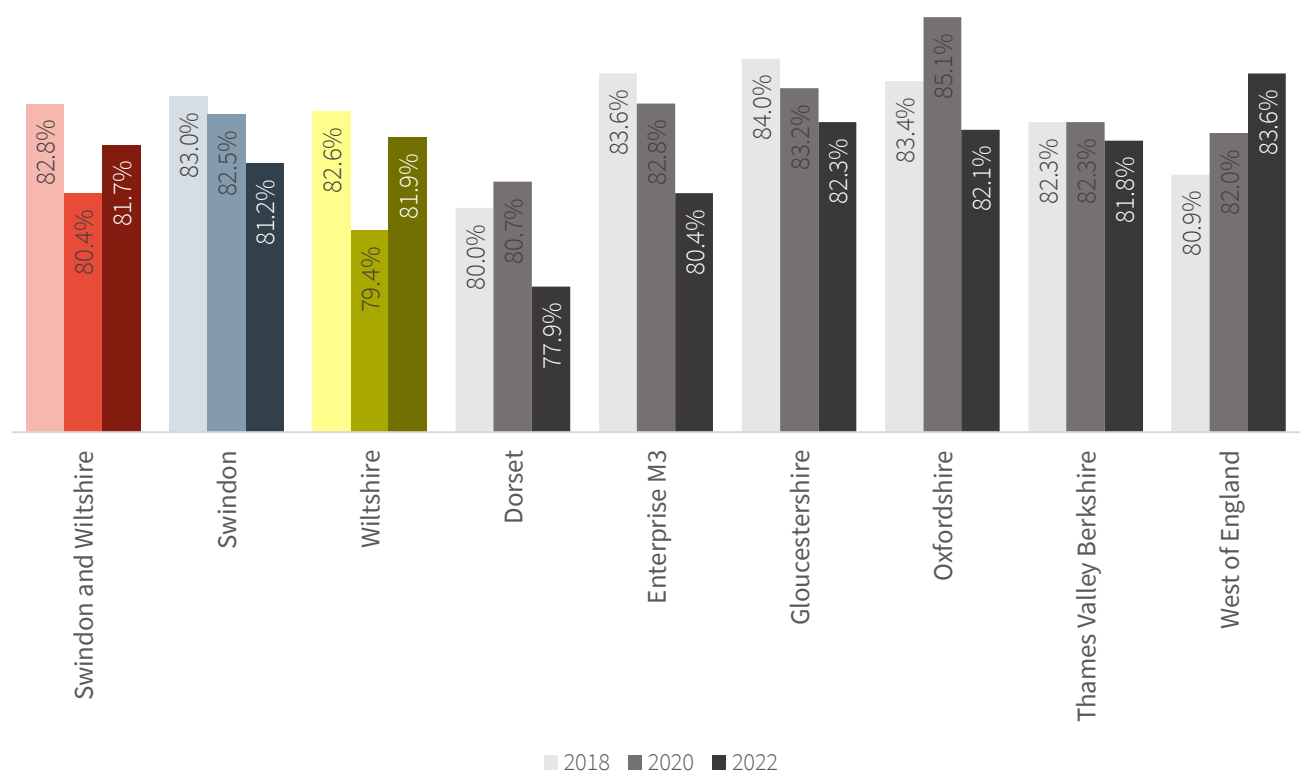
## Labour Market Characteristics

Over four in five people living in Swindon and Wiltshire are considered “economically active”. This means a large proportion of working age adults are participating in the labour market in some way. The economic activity rate in 2022 for Swindon and Wiltshire (82%) was just below the national rate (83%), however this masks the slight differences at the authority level; Wiltshire’s economic activity rate is 1 percentage point above Swindon’s with the latter having seen a decline since the pandemic.

Just 3.1% of Swindon and Wiltshire’s economically active population are currently unemployed. This is broadly in line with the national rate (3.8%). However Swindon and Wiltshire’s unemployment rate is primarily driven by Swindon (5.2%), which is more than double that of Wiltshire (2.1%).

This is a good indication of strong demand for Swindon and Wiltshire labour, though is also an indicator of a very restricted supply of future labour and may suggest businesses in future will struggle to meet their labour needs from the Swindon and Wiltshire labour pool.

Proportion of working age population economically active, 2017/18 to 2021/22



Number of people economically active, 2022



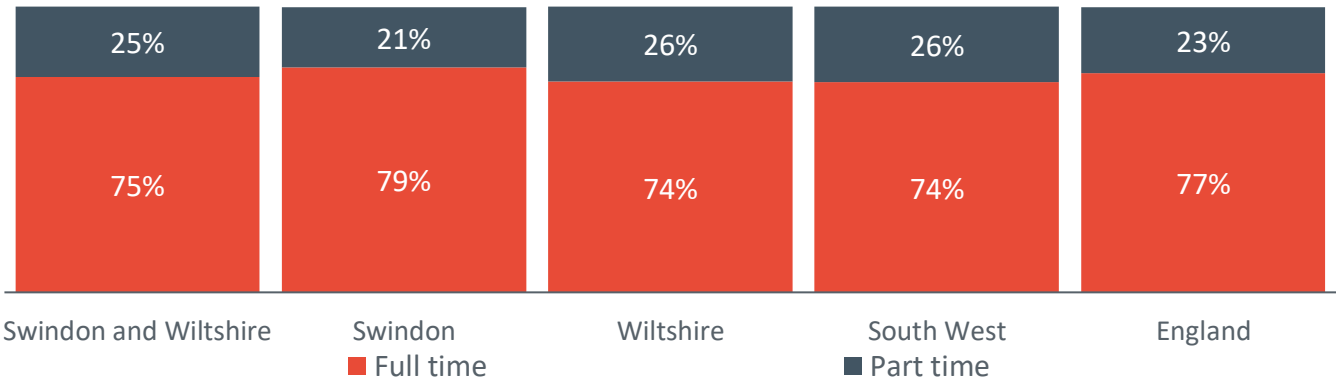
Source: Annual Population Survey, ONS, 2018-2022. ONS, Census, 2021.

# People and Labour Market

## Labour Market Characteristics

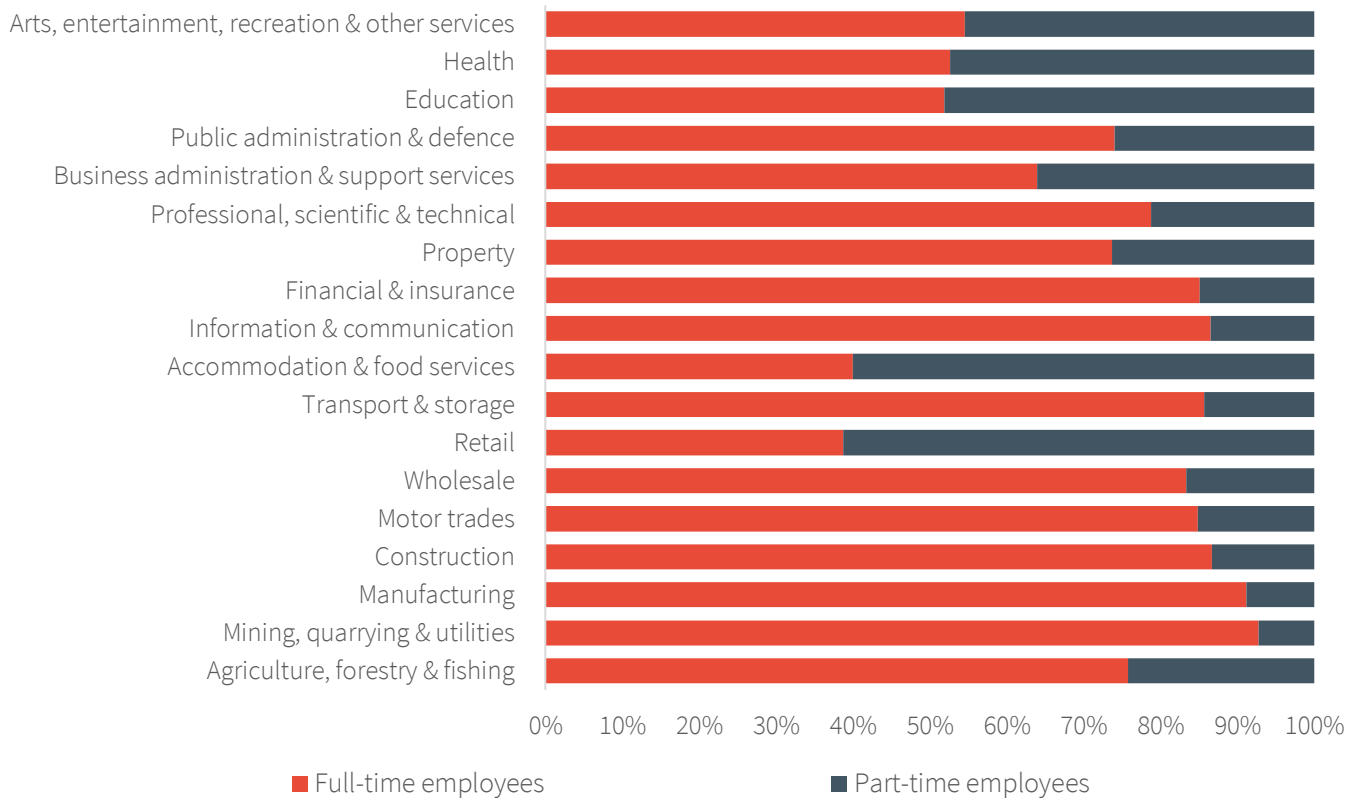
Swindon and Wiltshire have a split of full time and part time workers broadly in line with the national rates, with 25% working part time and 75% full time. Though within the LEP, area differences do exist with a higher proportion of full time workers in Swindon (79%) than Wiltshire (74%).

### Full time/Part Time Employment, 2021-2022



This may be down to the sectoral composition in Swindon. While Wiltshire employment is highly represented in the retail and accommodation and food sector which have high rates of part time working, employment in Swindon is more oriented towards sectors such as financial services, mining and utilities and motor trades where there is less part-time representation.

### Swindon and Wiltshire Full time/Part Time Employment by Sector, 2021\*



Source: Annual Population Survey, ONS, 2018-2022; BRES, ONS, 2021

\*Note data here uses BRES, unlike annual population survey data this is also inclusive of commuters who work in the area but may not be residents



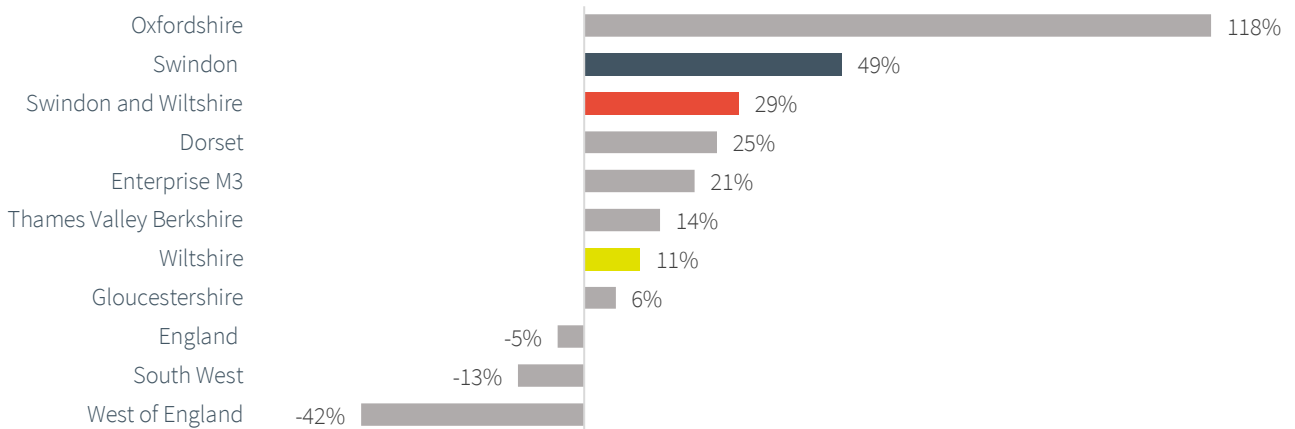
# People and Labour Market

## Labour Market Characteristics

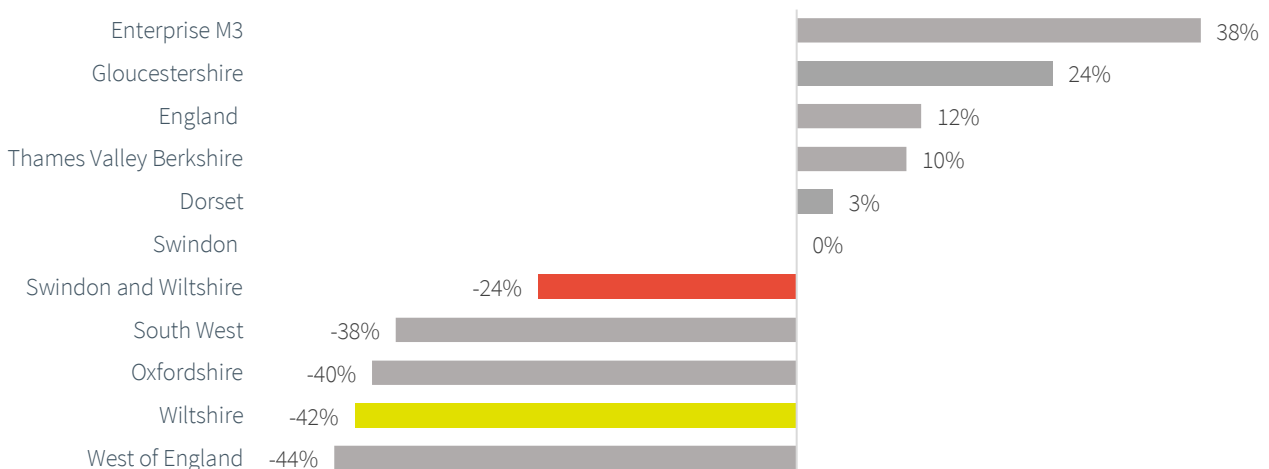
As of September 2022, there were 14,200 unemployed people in Swindon and Wiltshire. Of this, 55% are derived from Swindon compared to 45% from Wiltshire. This gives Swindon and Wiltshire an unemployment rate of 3.1% (5.2% and 2.1% respectively), which is broadly in-line with the comparator LEP areas and the South West (2.8%) but below England (3.8%).

Between 2019 and 2021/22, Swindon and Wiltshire experienced the third largest increase in unemployment (29%). This increase was driven by Swindon (49%) compared to Wiltshire (11%). Whilst unemployment over the last 5 years may have been impacted by the covid-19 pandemic, with Swindon facing particular challenges over the past 3 years, unemployment rates have been falling since September 2021.

### Change in unemployment, 2019-2021/22



### Change in unemployment, 2017-2021/22



# People and Labour Market

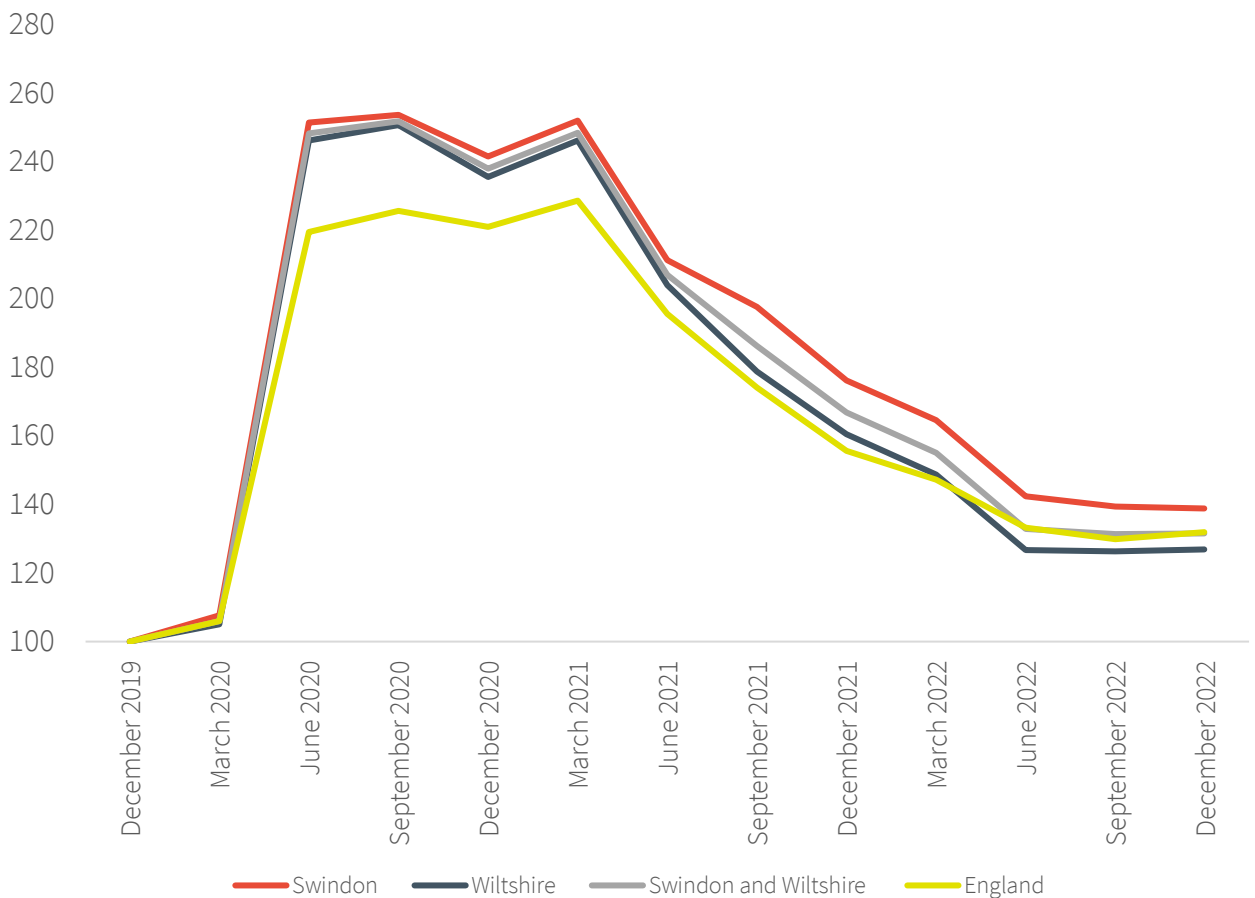
## Labour Market Characteristics

Claimant Count is a measure of the number of people claiming benefits principally for the reason of being unemployed, based on administrative data from the benefits system. Whilst there is a large overlap between the unemployed and claimants there are some important differences. Perhaps most important is that the claimant count includes a small proportion of people who may be in work but on low income.

Since the onset of the pandemic, at its peak, there were an additional 12,100 claimants in Swindon and Wiltshire in June 2020 (20,300) compared to December 2019 (8,200). However, since then the claimant count has fallen to 10,800 in December 2022. The majority of claimants in the LEP area have been from Wiltshire (58%) compared to Swindon (42%).

The number of claimants has decreased by 47% in Swindon and Wiltshire, which is above England (40%). This indicates that the area has recovered well post-Covid with people getting back into employment. However, the levels across each comparator area have not yet surpassed pre-covid levels.

**Indexed growth in claimants, 2019-2022, 2019 = 100**



Source: Claimant Count, ONS, 2022



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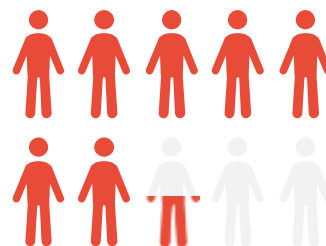
From October 2021 to September 2022 there were 360,000 residents in employment in Swindon and Wiltshire. This equates to an employment rate of 79.2% in the LEP area, above both the national rate (75.8%) and the South West (78.3%). However the rate in Wiltshire (80.2%) is much higher than in Swindon (76.9%). The employment rate is a resident based measure.

Sectorally, employment growth has been strongest in the public admin, and transport and comms sectors. With all other sectors either experiencing no growth or negative growth. Compared to workplace data as shown on page 52 both transport and comms, and public admin grew by 30% and 15% respectively.

Nearly a quarter (24%) of employment in Swindon and Wiltshire is in the public sector – similar to England (23%) and has remained broadly unchanged over the last five years.

With the potential of a recession prompting further public sector fiscal tightening, high rates of employment in the public sector present a risk as jobs may be lost in government spending cuts.

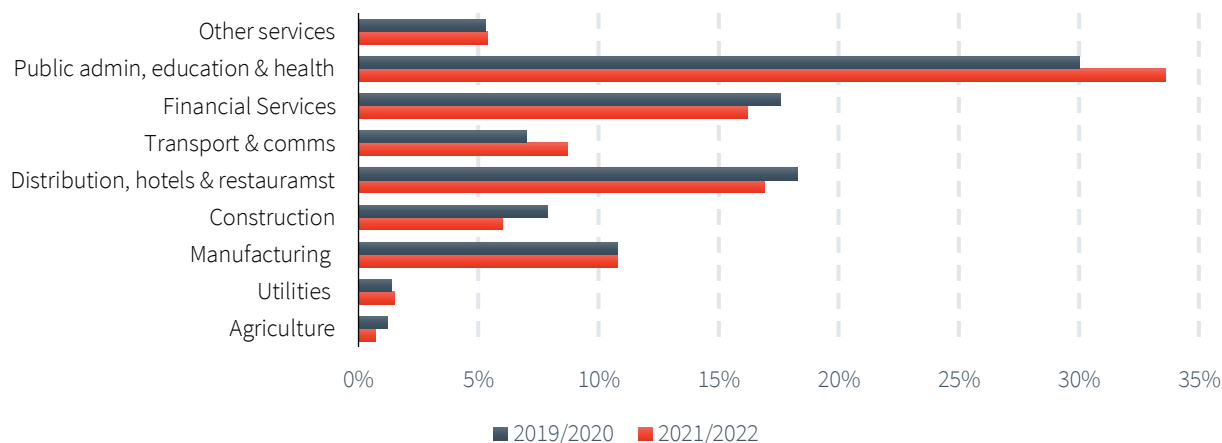
### Resident-Based Private Sector Employment, 2021/22



**76%**

Private sector employment

### Resident-Based Employment by Sector (16+), 2019/20 – 2021/22



#### 11% of employed residents are self-employed

Less than the South West (16%) and England (13%) and a decrease since 2015/16

**11%**

#### 4% of employed residents are in flexible employment

In line with the South West (4%) and England (5%) and broadly unchanged since 2015/6

**4%**

Source: Annual Population Survey, ONS, 2022



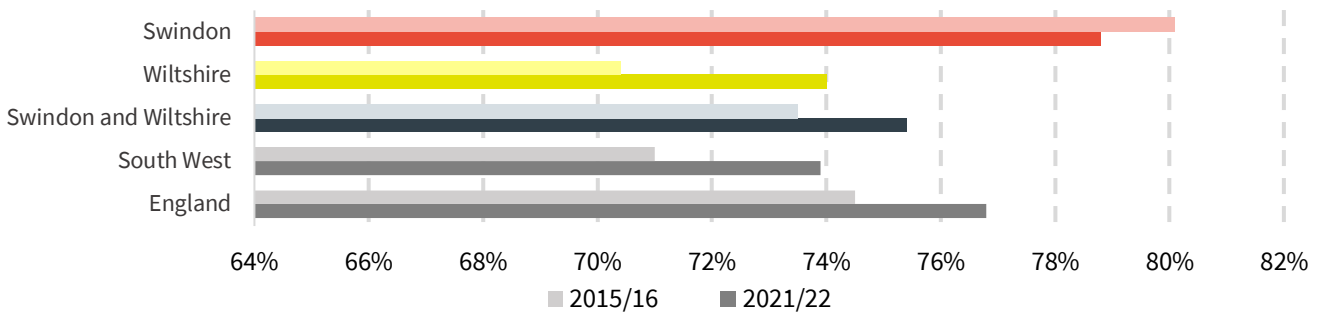


# People and Labour Market

## Labour Market Characteristics

Most employment in Swindon and Wiltshire is full-time employment at 75%, accounting for 83,000 jobs. Overall, this rate is slightly lower than national rates (77%), which is primarily driven by lower rates of full-time employment in Wiltshire (74%).

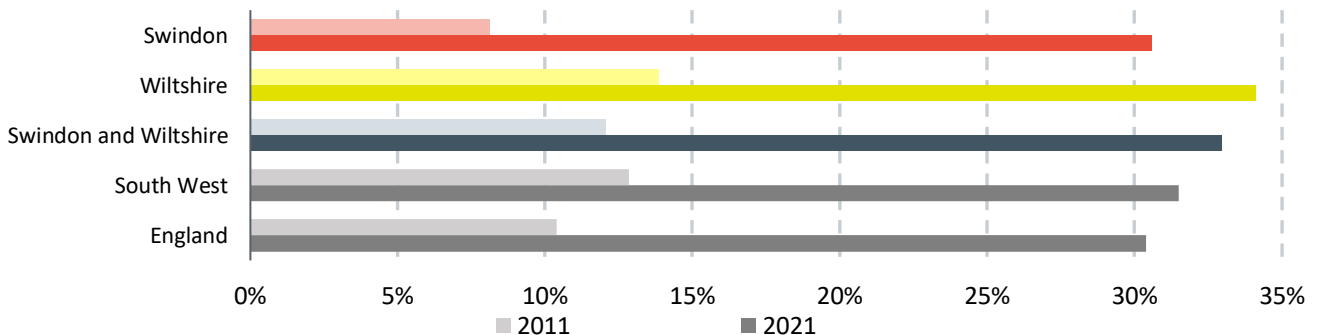
**Full-time employment rates (16-64), 2015/16 – 2021/22**



COVID-19 changed the way in which many people in Swindon and Wiltshire work. Compared to a decade ago there has been a 188% increase in people working mainly from home in Swindon and Wiltshire. The largest increase being in Swindon which saw an increase of over 300% since 2011, outstripping the national rate of change (216%), while change in Wiltshire was still a significant increase of 157%.

Latest data on home is from 2021 Census, as census undertaken while many parts of the country were under strict guidance to work from home where possible. Because of this, we can assume reported work from home rates are higher than they would tend to be. However, based on the growing ability for individuals to work from home – with greater connectivity at home and less requirement for in-person presence due to sectoral change – we may assume the work from home rate has increased in the last decade regardless of the pandemic. Though we cannot put an exact rate to what we would anticipate would be the work from home rate in Swindon and Wiltshire, we can see from 2021, that when required 33% of people had the ability to work mainly from home, with the 2011 figure of 12% we may assume home working rates – outside of COVID-19 restrictions – will be between 12%-33% in Swindon and Wiltshire. Applying these assumptions to the national work from home rate shows a rate of 10%-32%. More people may therefore be working from home in the LEP area, notably in Wiltshire – something we may infer is related to the dominance of the professional service sector in this area and the district's rurality that may disincentivise commuting to work due to distance.

**Work from Home rates, 2011 and 2021**



Source: Annual Population Survey, ONS, 2021. Census, 2021. Census 2011



# People and Labour Market

## Labour Market Characteristics

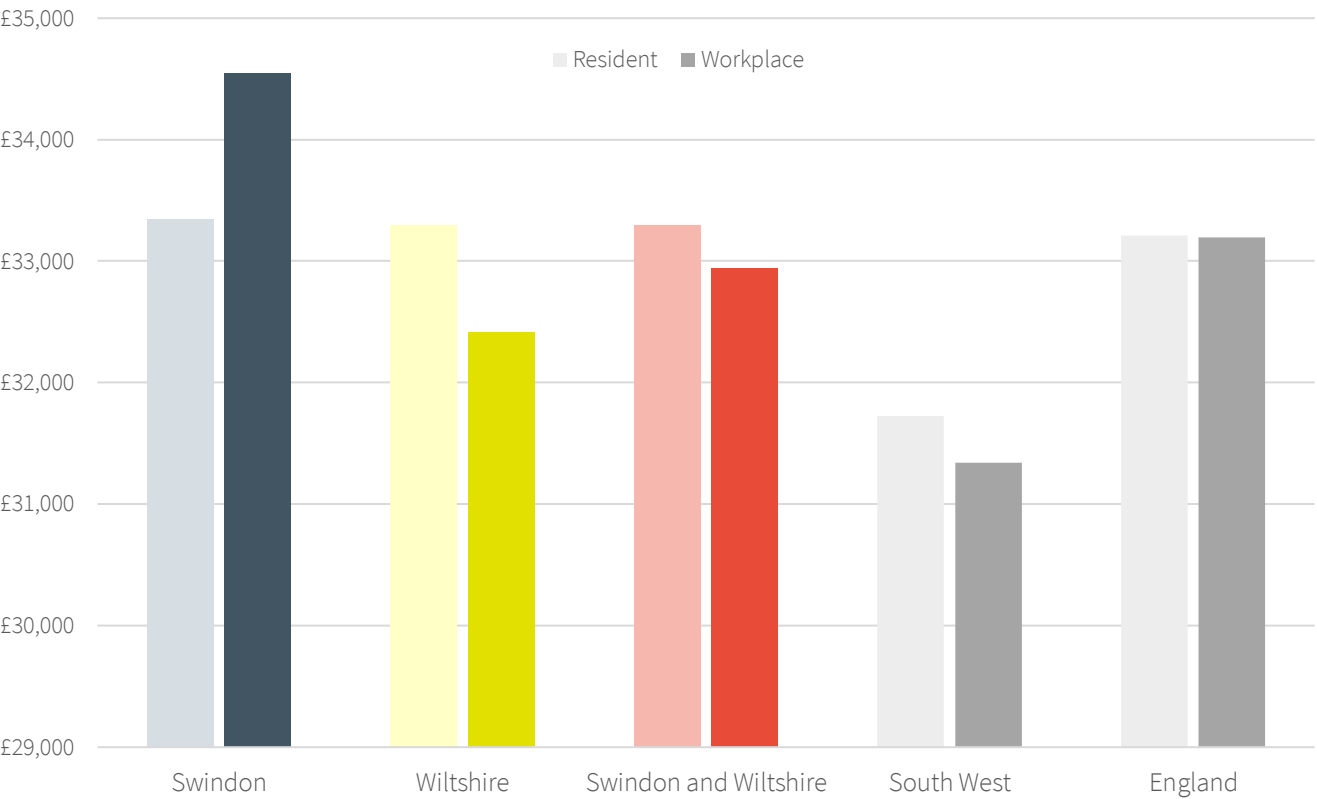
People living in Swindon and Wiltshire on average earn £33,300 per annum which is £1,500 more than the average in the South West (£31,700) and £100 above the English average (£33,200). Internally, people living in Swindon earn roughly the same as those in Wiltshire (£33,340 versus £33,290).

The main difference experienced in Swindon and Wiltshire is between resident and workplace earnings. Workplace earnings in the LEP area (£32,935) are 1% less than resident earnings (£33,295).

Workplace earnings (earning based on place of work not place of residents) in Swindon (£34,600) are 4% higher than resident earnings (earnings data based on residency not place of work) whilst Wiltshire shows the reverse, with workplace earnings (£32,400) 3% below residents. This suggests more people may be leaving Wiltshire to access higher-value employment opportunities whilst Swindon, as the largest commercial centre, offers higher paid employment for people entering the district.

Median resident and workplace earnings in the LEP area, however, have experienced the same growth (15%) as the regional and national average since 2017, suggesting a strong labour market for people residing and working in the area. Again, this picture changes when broken down internally. Resident earnings have grown by 16% in Swindon compared to 14% in Wiltshire, with workplace earnings in Swindon (14%) which is below Wiltshire (19%). This above average growth paints an optimistic picture of earnings in Wiltshire and its attraction as a key place for employment.

Median annual resident and workplace earnings (full time) (£), 2022



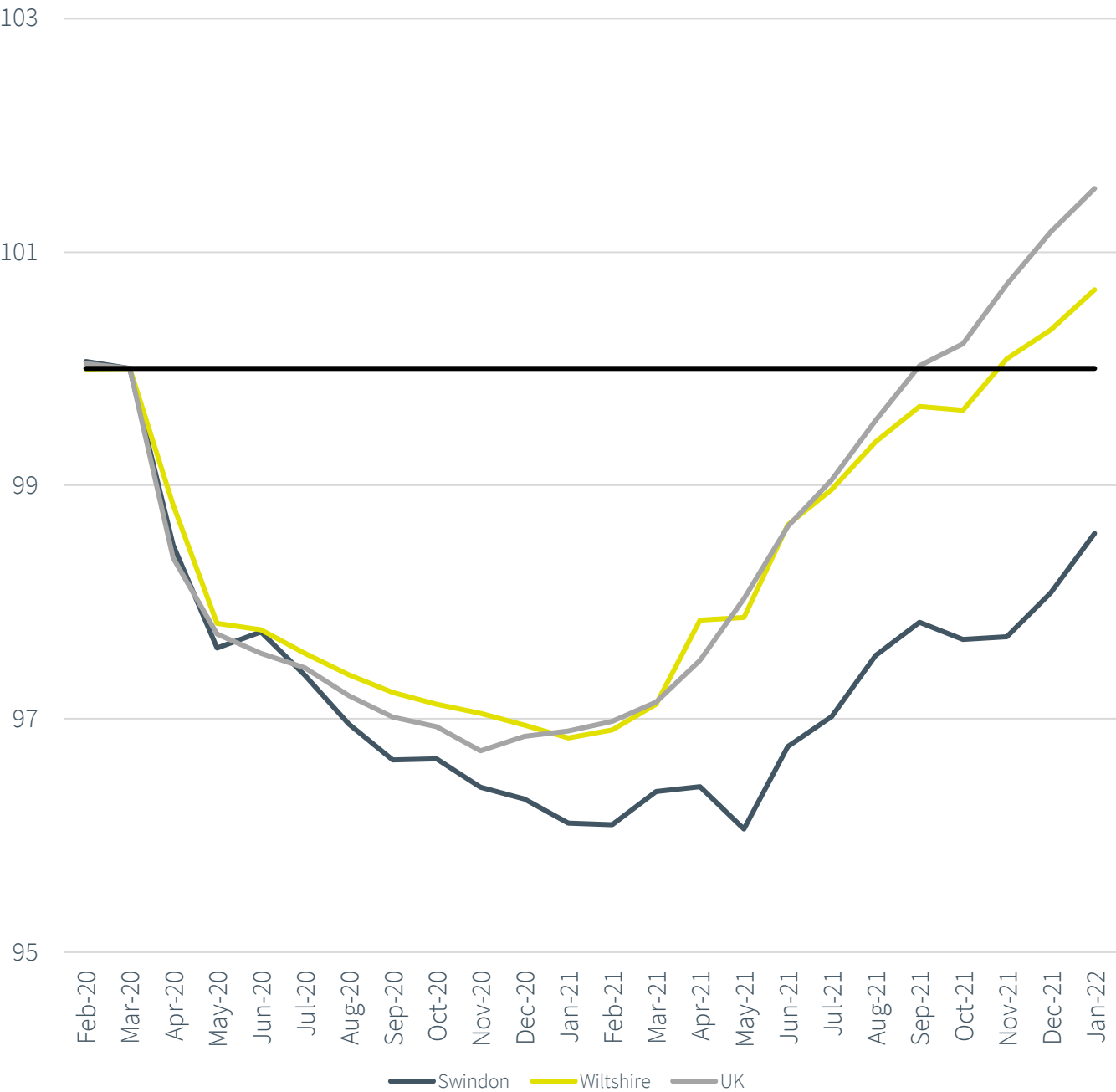
Source: Annual Survey of Hours and Earnings, 2022;

# People and Labour Market

## Labour Market Characteristics

HMRC provides data on people paid through the Pay As You Earn (PAYE) system where their pay is reported through the Real Time Information (RTI) system. Some of the impacts of the Pandemic can be seen in this data. Following the first UK lockdown in March 2020, all areas of the UK saw a fall in the number of payrolled employees. Whilst the fall in Wiltshire (-3.2%) was slightly less than in Swindon (-3.9%) its recovery has been faster, meaning payrolled employees in Wiltshire is now above pre-pandemic levels (+1,500) but remain below pre-pandemic levels in Swindon (-1,600).

Growth in payrolled employees, March 2020=100



Source: HMRC Pay As You Earn (PAYE) Real Time Information, 2021



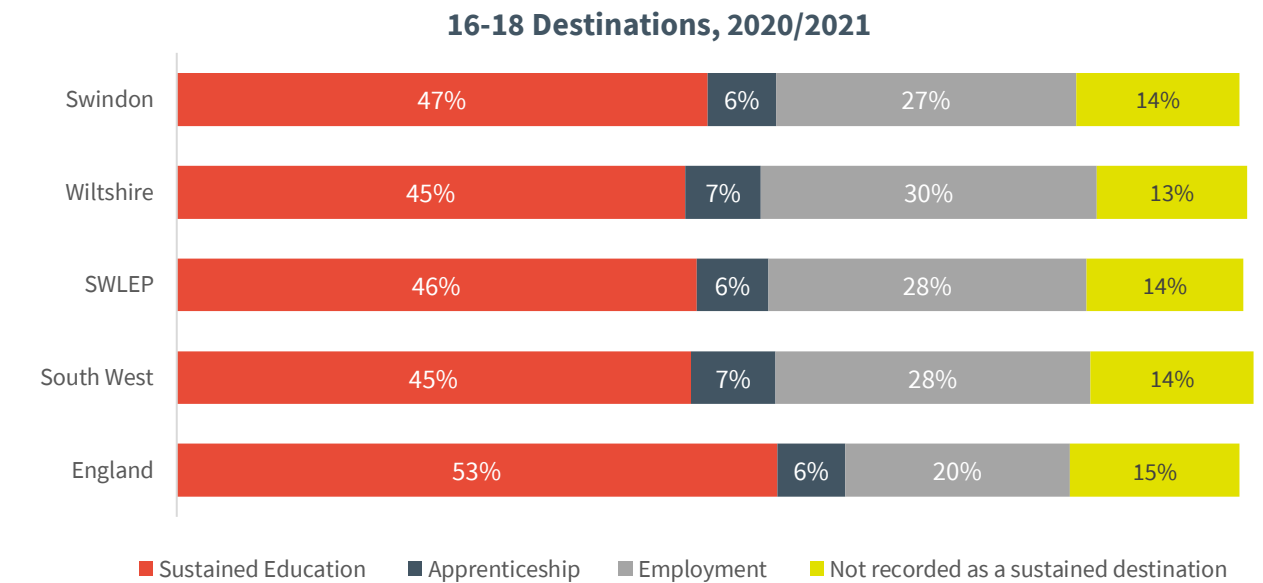
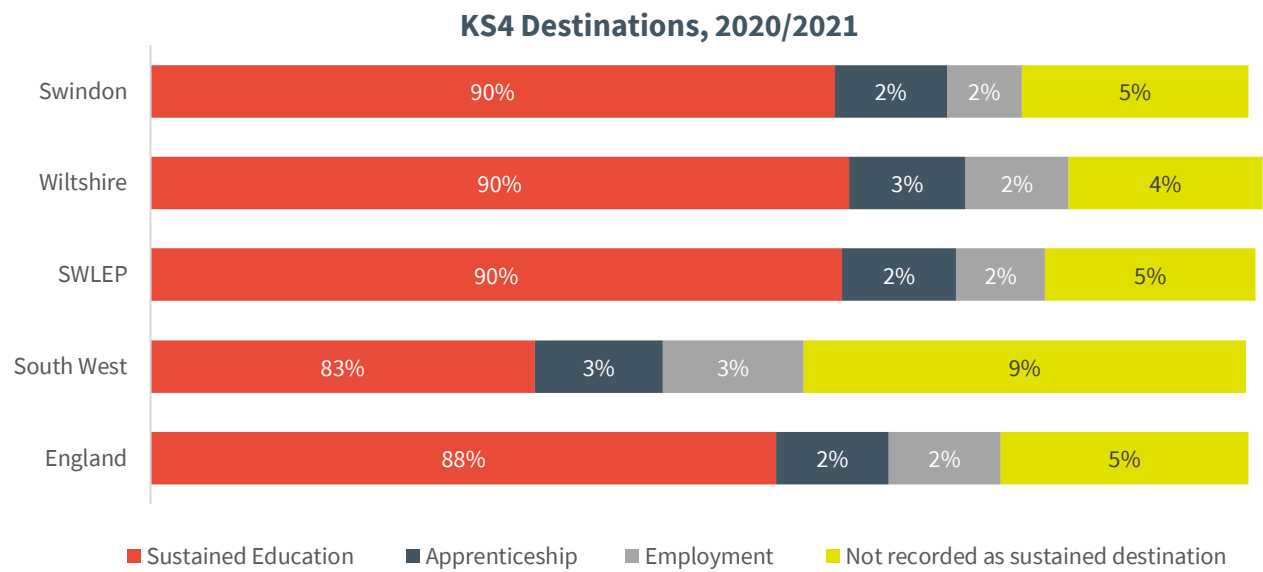
# People and Labour Market

## Skills Supply and Demand

The most common KS4 destination (pupils completing GCSE or equivalent qualifications) in Swindon and Wiltshire is sustained education with 90% of KS4 learners entering education in 2020/21. This is in line with the English average, but considerably higher than the South West average (83%). Within the Swindon and Wiltshire area, there is little variation in the destinations of learners.

Within Swindon and Wiltshire, the most common destination for 16–18-year-olds in 2020/21 was sustained education, with 46% of people entering education. This is below the national average of 53%.

The proportion of 16–18-year-olds entering apprenticeships in Swindon and Wiltshire and in England is the same. Within the Swindon and Wiltshire, 7% of 16-18-year-olds enter apprenticeships in Wiltshire, which is only slightly above the figure in Swindon (6%). Similar proportions of 16-18-year-olds enter employment in the Swindon and Wiltshire (27%) compared with the South West, with this proportion being considerably higher than in England (20%).

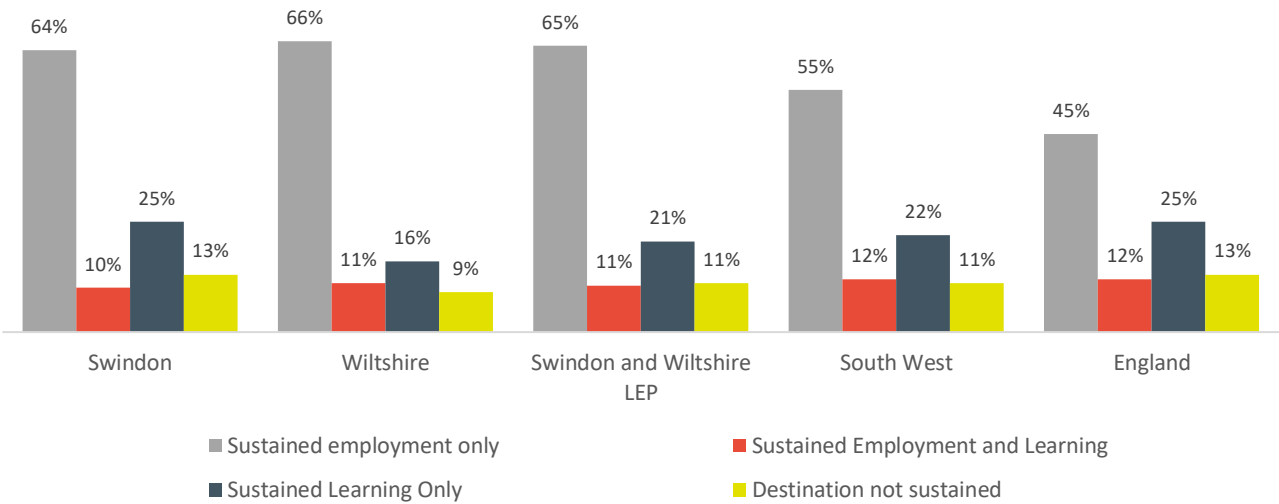


Source: Dfe, Further Education: Outcome based success measures 20/2021.

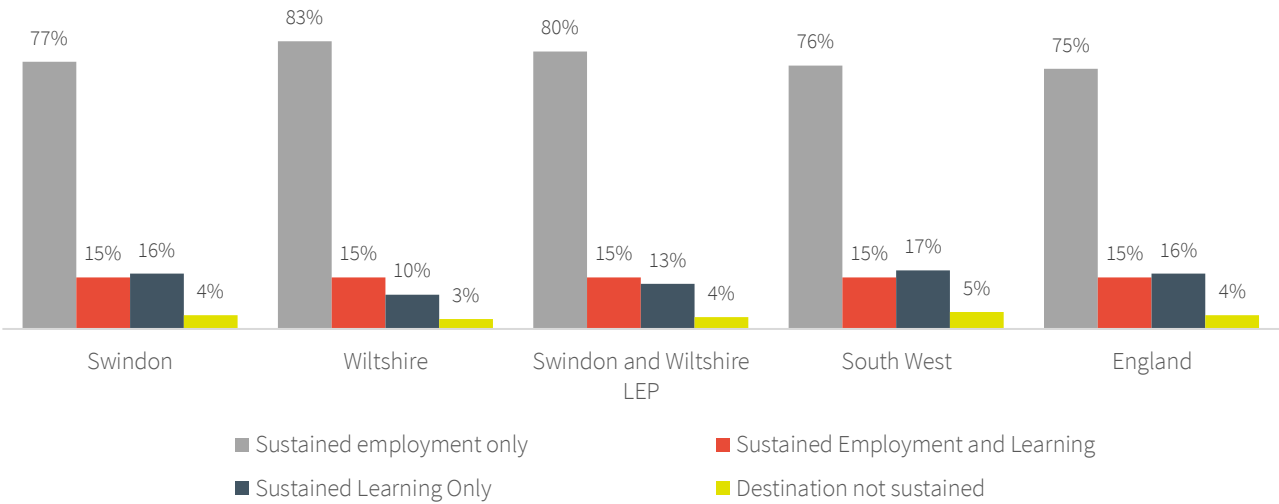
The majority of further education learners in Swindon and Wiltshire enter sustained employment (64%). This is higher than both the South West and English averages at 55% and 45% respectively. The percentage of learners that go in to sustained education is in line with the English average at 25%, yet in Wiltshire this is lower at 16%.

The destination of apprentices in Swindon and Wiltshire generally mirrors those in England and the South West, with a slightly larger percentage of learners entering employment (77%), compared with 76% in the South West and 75% in England. Within Swindon and Wiltshire, a larger proportion of apprentices enter employment in Wiltshire than in Swindon (83% compared to 77%), whilst in Swindon a larger proportion of apprentices go on further sustained learning at 16% compared to 10% in Wiltshire.

Further education and skills learner’s destination, 2019/2020



Apprentices’ Destinations, 2019/2020



Source: Dfe, Further Education: Outcome based success measures 2019/20. Please note, figures will not sum to 100% due to uncaptured data on outcomes

# People and Labour Market

## Skills Supply and Demand

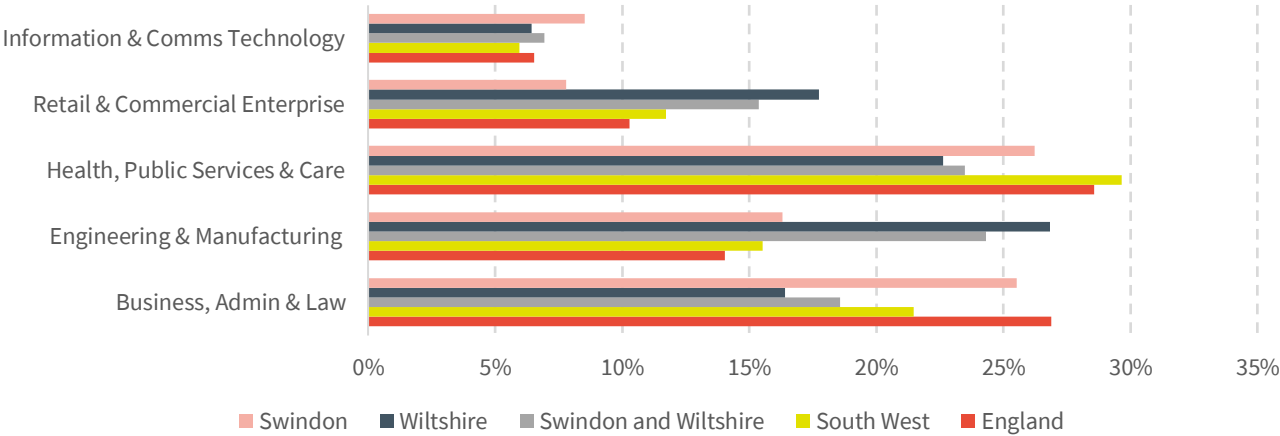
Apprenticeship starts provide an overview of appetite for technical skills and careers across different sectors. Overall, Swindon and Wiltshire had 5,920 apprenticeship starts in 2021/22 (1,410 and 4,510 respectively). Sectors with the highest apprenticeship starts included Business, Admin & Law (19%), Engineering & Manufacturing (24%) and Health, Public Services & Care (23%).

In the LEP area, data from the Employer Skills Survey suggest 14% of employers had at least one staff member undertaking a formal apprenticeship (compared to 11% nationally). However, a higher proportion of these (81%) only had one apprentice (60% nationally).

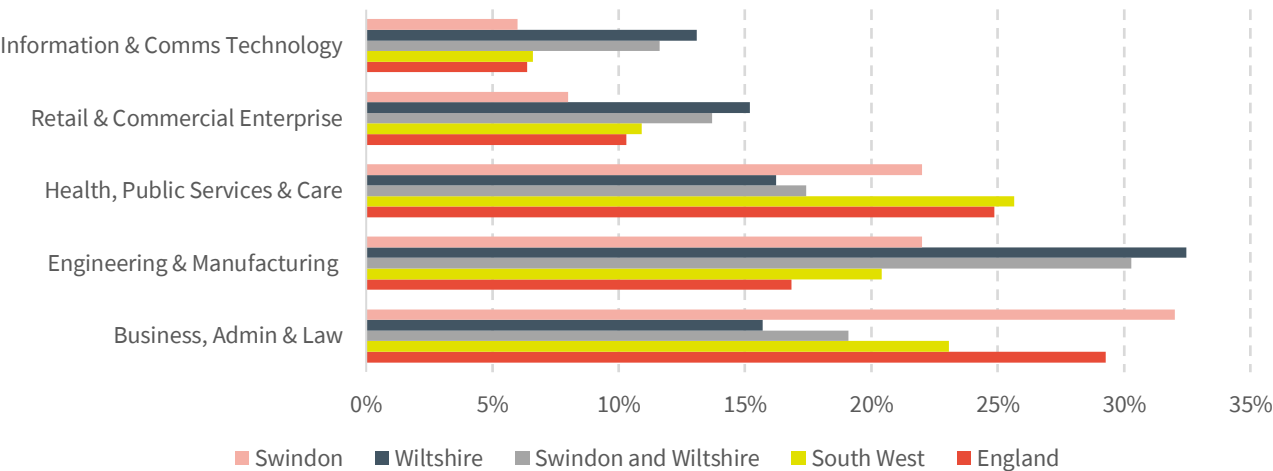
There is scope to increase the number of employers who offer apprenticeships; according to the respondents of the 2019 Employers Skills Survey 86% did not offer a formal apprenticeship in the last year, of these over four fifths hadn't offered any in the last 3 years.

Apprenticeship achievements give an indication of retention and success. In 2021/22, Swindon and Wiltshire had 2,410 apprenticeship achievements. Sectors accounting for the greatest proportion of achievements included Engineering & Manufacturing (30%), Business, Admin & Law (19%), and Health, Public Services & Care (17%).

Top 5 Apprenticeship starts by subject area



Top 5 Apprenticeship achievements by subject area



Source: Employer Skills Survey 2019, DfE 2022



# People and Labour Market

## Skills Supply and Demand

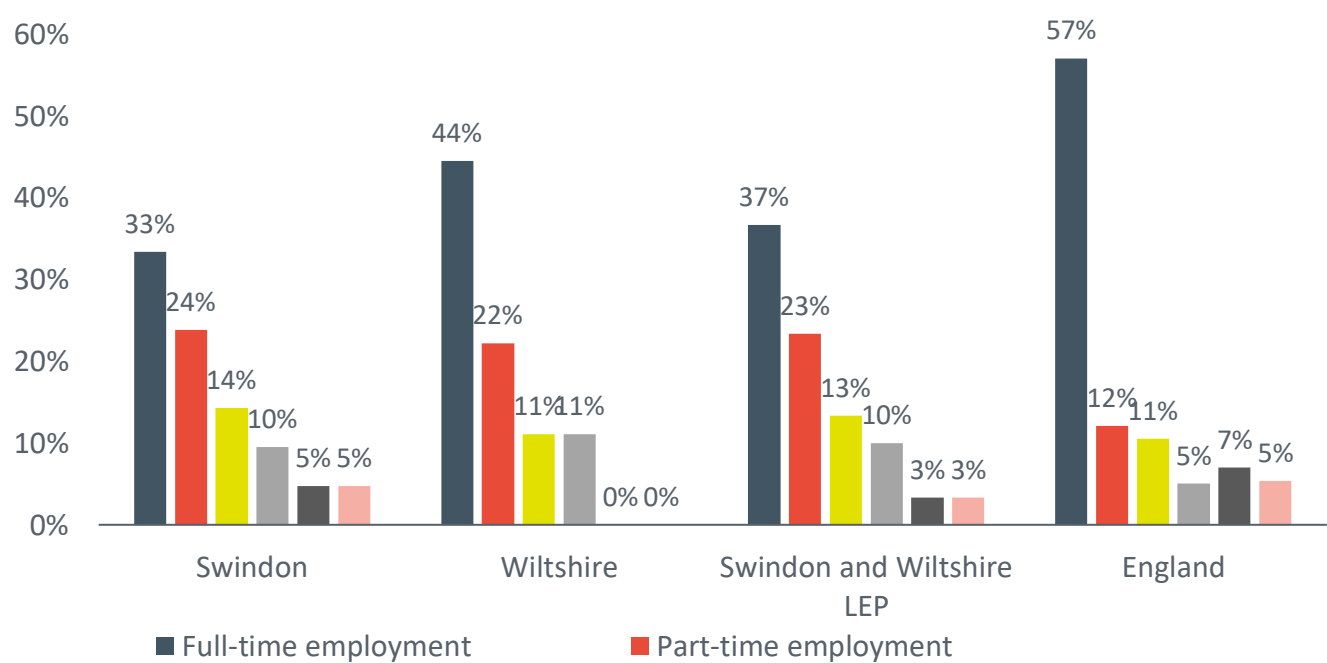
While there are no main university campuses in Swindon and Wiltshire there are campus locations that are affiliated with higher education beyond the LEP area, however data for these will be recorded in the locality of each institution’s main campus. Because of this the institutions that are recorded as granting university level qualification in Swindon and Wiltshire are not universities and are instead further education institutions such as New College Swindon, Swindon College and Wiltshire College and University Centre, therefore the outcomes of learners will differ.

Within Swindon and Wiltshire, full-time employment is the most common graduate destination, with 37% of graduates entering full-time employment. Within Swindon and Wiltshire, a smaller proportion of graduates in Swindon entered full-time employment at 33%, compared to in Wiltshire (44%). This is considerably lower than the percentage of graduates entering full time employment nationally (57%). It is possible that due to the non-main campus and traditional higher education institutions in Swindon and Wiltshire, graduate outcomes differ from national and regional comparisons. For example FE institutes may tend to have more mixed age cohorts that are not all seeking full-time employment on graduation.

However, a large proportion of graduates in Swindon and Wiltshire enter part-time employment at 23%, compared to just 11% nationally. This may indicate a flexible job market or be a sign of an unutilized graduate skills base. It may also be a reflection of the type of institutions issuing degree level qualifications in the LEP area if graduates are seeking full-time work but are only able to access part-time employment.

It is worth noting that some of the difference may be due to small sample sizes and sampling variability. There should also be some consideration of the time of this data collection as it will have occurred during an academic period of significant disruption caused by COVID-19. Also while these rates provide a reasonable understanding for the destination of graduates from institutions in Swindon and Wiltshire, they do not necessarily reflect graduates who have studied elsewhere moving into Swindon and Wiltshire.

Graduate Destinations, 2019/20\*



Source: HESA, Graduate Activities by Provider, 2019/202  
\* Due data sampling rounding figures will not sum to 100%

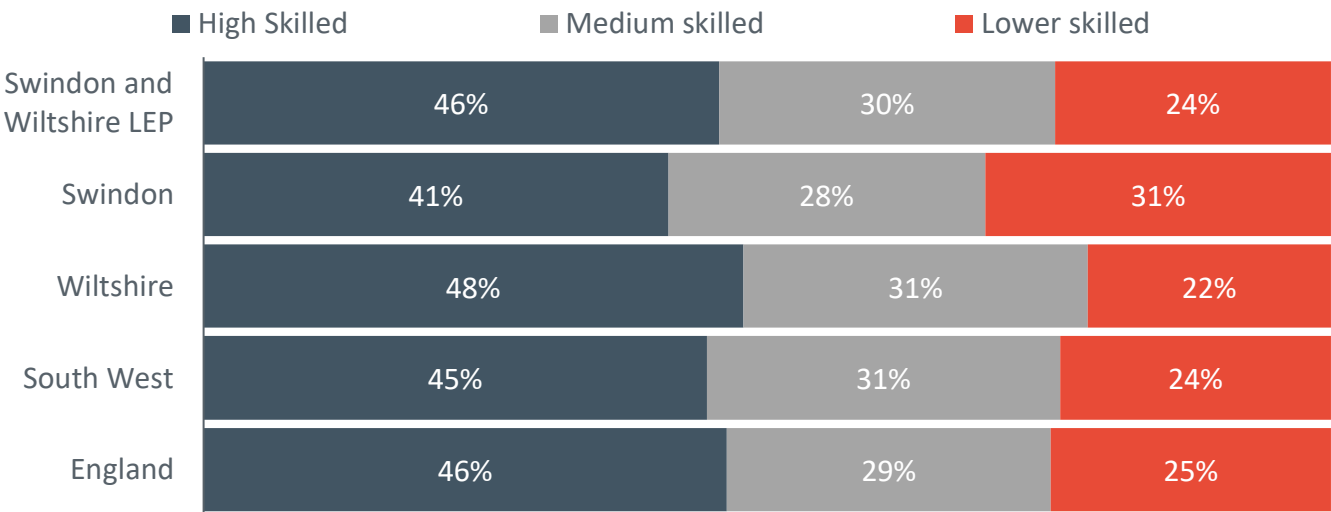


# People and Labour Market

## Skills Supply and Demand

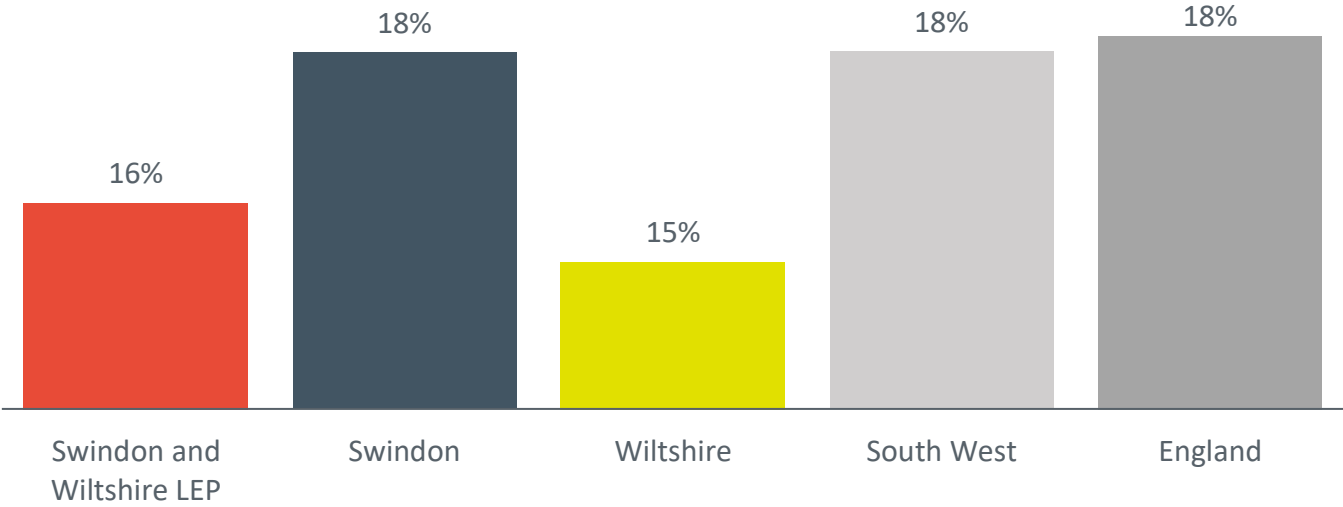
Swindon and Wiltshire’s occupational profile shows a higher proportion of high level occupations (46%) than the South West (45%) and a similar composition to the England average (46%). Within the LEP area, Wiltshire has a greater proportion of workers in high skilled occupations (48%). Swindon has a high proportion of lower skilled occupations, skills funding should target these individuals in this authority to ensure a resilient labour market of higher skilled.

Resident Workers by Occupation, 2021



Growth in high level occupations has been slower than regional and national rates in the last decade. With growth for high skilled occupations in Swindon and Wiltshire at 16% compared to 18% nationally and regionally. Swindon however has a growth rate in line with this, while Wiltshire has a lower rate of growth causing the LEP area rate to fall. This can be explained with the already significant high skilled employment base in Wiltshire (44% in 2011) compared to national rate (41% in 2011). It is important to note that in 2011, Swindon had 41,329 high skilled workers, making up only 28% of Swindon and Wiltshire’s high skilled workforce, and therefore they should be seeing a more significant uplift in the high skilled workforce.

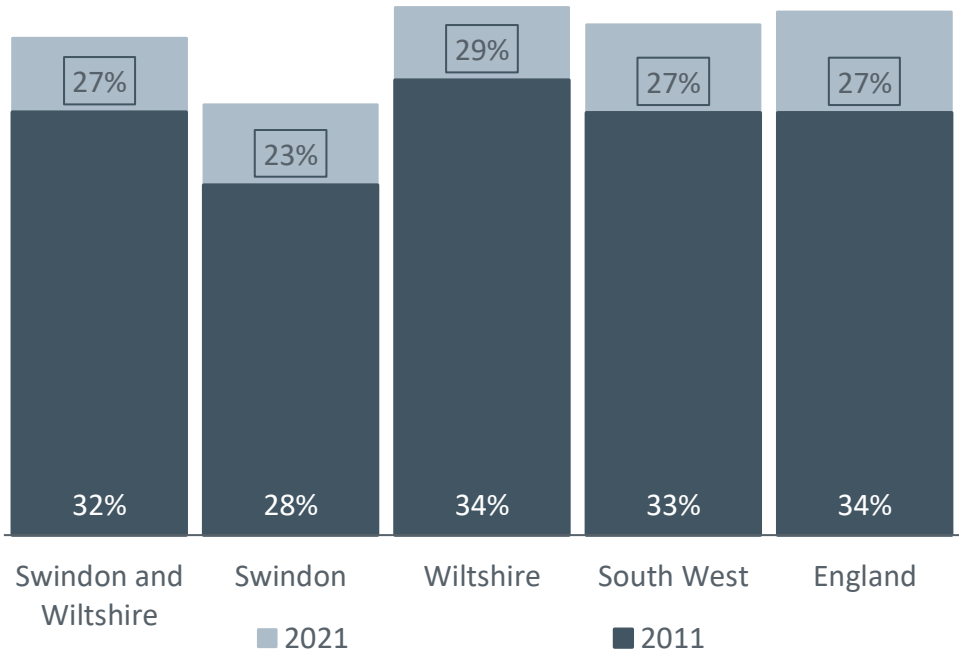
Percentage Change in High Skilled Occupations 2011 to 2021



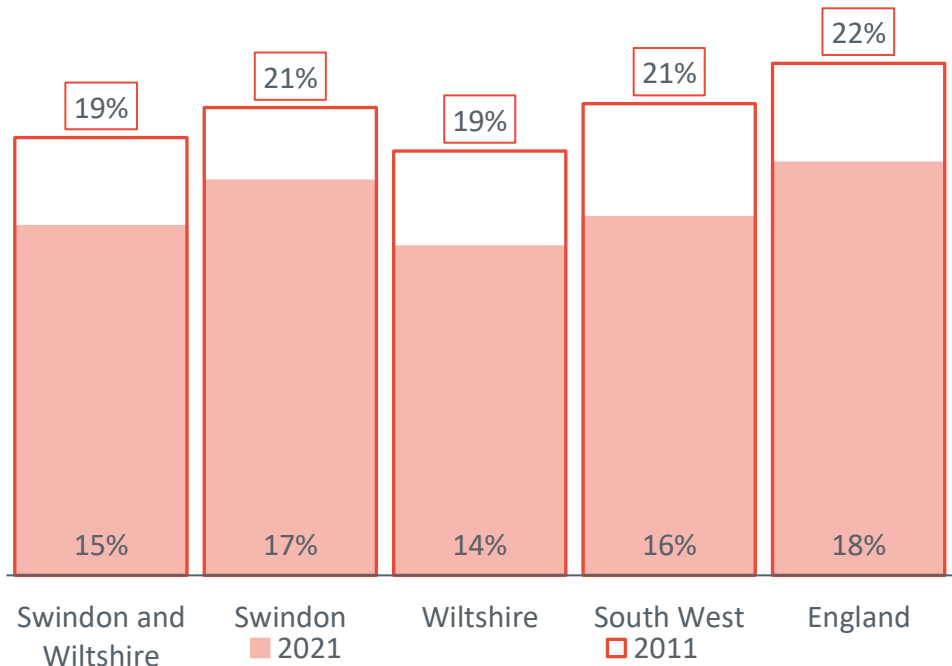
2021 Census data suggests a skilled population with adults (aged over 16) holding a proportionately similar rate of Level 4+ qualifications (32%) as the national rate (34%). Though slightly lower than the national and regional rate at the LEP area level, within Swindon and Wiltshire there is a variance in percentage of adults holding Level 4+ qualifications, with Swindon having 28% and Wiltshire 34% the latter being higher than the regional rate and in line with the national rate implying a skilled population. Swindon and Wiltshire have seen a noticeably lower increase than the national increase of highly skilled workers. Though there has been increases of five percentage points in both local authority areas since 2011.

The proportion of residents with no qualifications in Swindon and Wiltshire (15%) is in line with the South West average (16%) and lower than in England(18%). Since 2011, this figure has reduced from 19%, a reduction in line with the change seen nationally (4 percentage points). Within Swindon and Wiltshire, a slightly smaller percentage of residents hold no qualifications in Wiltshire (14%) than in Swindon (17%).

Proportion of residents educated to Level 4+, 2011 and 2021



Proportion of residents with no qualifications, 2011 and 2021

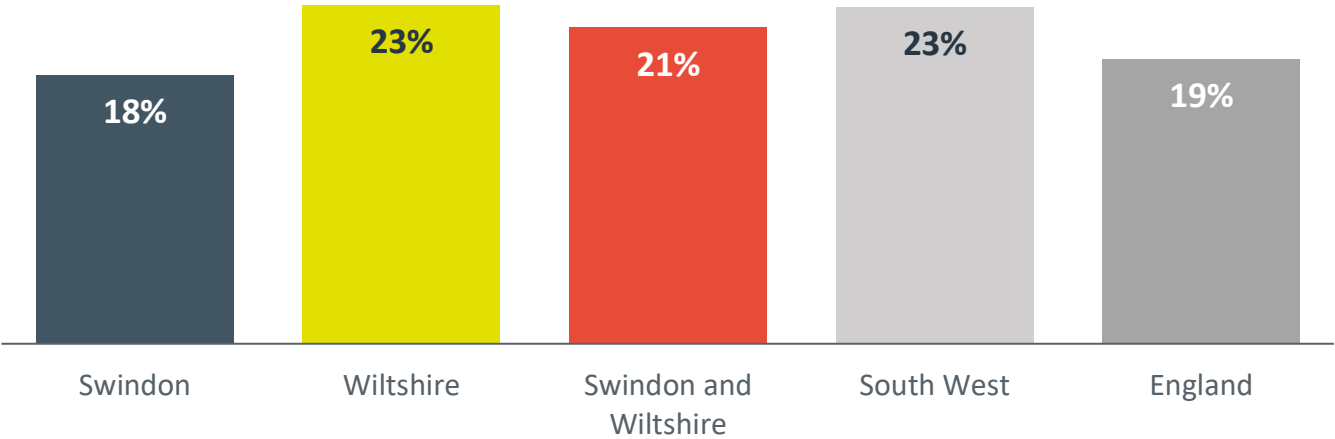


# People and Labour Market

## Skills Supply and Demand

Latest data measuring a 13-week period between September 2021 and September 2022, shows that 21% of staff in in Swindon and Wiltshire have received in-work training, this is above the national average (19%), but slightly lower than the South West average (23%). However, across the LEP area there are distinct geographic differences. In Swindon, just 18% of staff received training, which is significantly lower than in Wiltshire, at 23%.

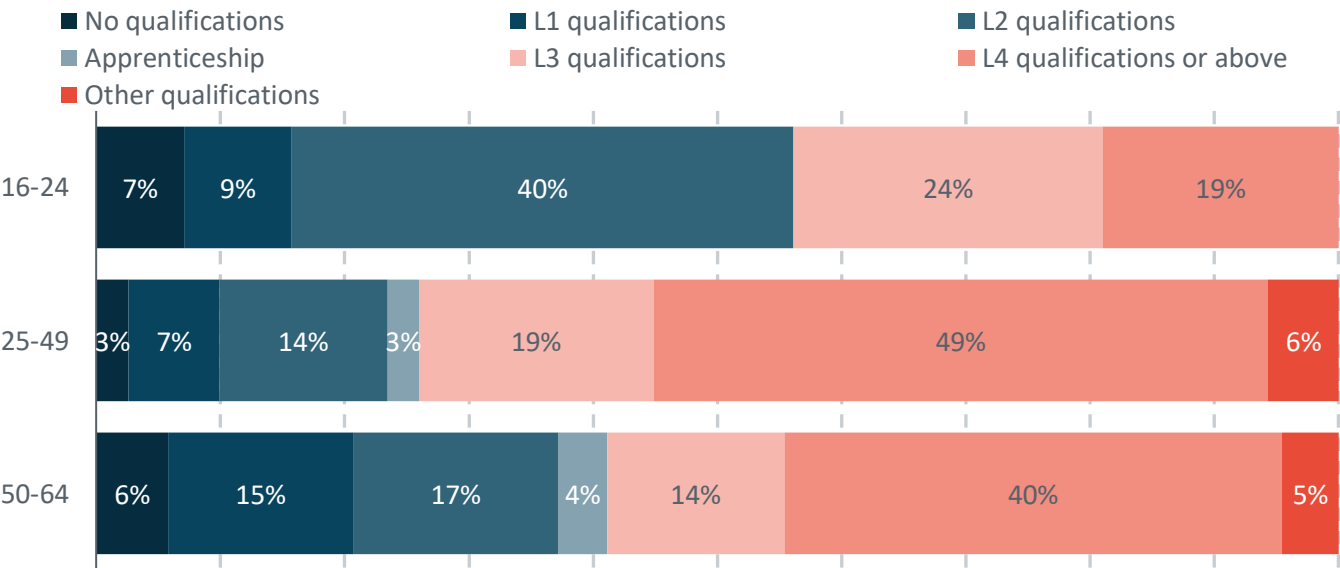
Percentage of staff who have received training in the last 13 Weeks, Sept 2021- Sept 2022



Within Swindon and Wiltshire, the 25–49-year-old age group are the highest qualified, with 49% of people holding Level 4+ qualifications. This is above the 50-64-year-old age group, with 40% of people holding level 4+ qualifications. This may be a result of this demographic moving into the area as they leave larger cities such as Bristol, Birmingham or London in pursuit of space to start and bring up families – something we would see common in the 25-49 demographic.

The 16-24 cohort has the lowest proportion of people holding level 4+ qualifications. However, this is likely due to those in the age group not yet reaching an age to gain these qualifications.

Qualifications by age group in Swindon and Wiltshire LEP area, 2021



# People and Labour Market

## Skills Supply and Demand

The Employers Skills Survey found that 7% of employers identified skills shortage as the reason behind vacancies in Swindon and Wiltshire which is above both the regional and national average (6% respectively). This is higher in Swindon (8%) than Wiltshire (7%).

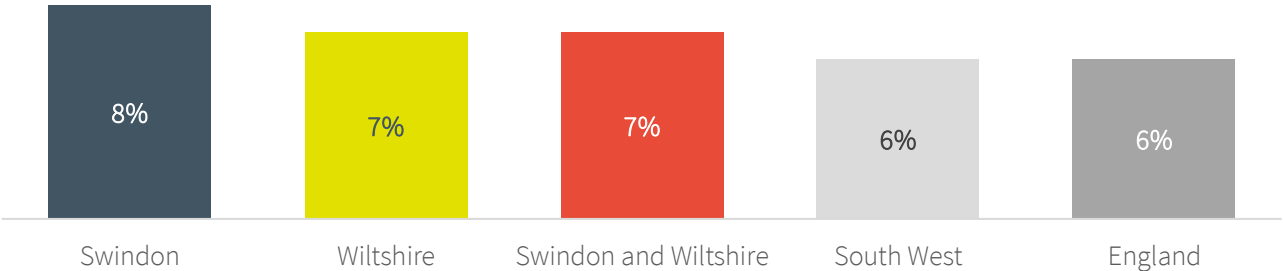
Alongside this, a higher proportion of employers in Swindon and Wiltshire advertised a vacancy to address a skills shortage or gap (23% versus 17% nationally). This was most common in professional occupations (35% versus 19% nationally) followed by skilled trades occupations (22% versus 19% nationally).

Hard-to-fill vacancies can constrain growth and productivity in an area. Swindon and Wiltshire may be more at risk of this as 28% of employers said it led to difficulties introducing new technologies (versus 22% nationally).

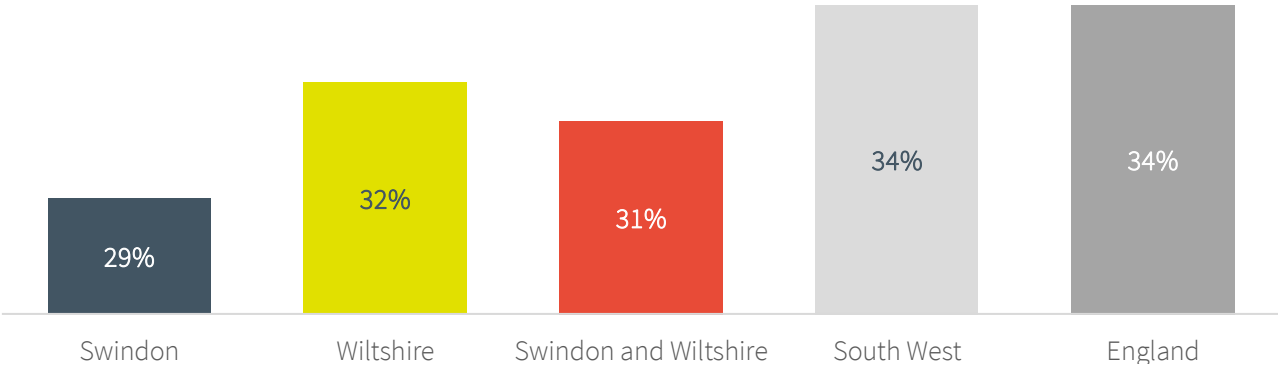
Of those employers with a skills gap, 14% recruited (or tried to recruit) non-UK nationals, with only 2% of those looking to non-EU nationals. If recruitment habits continue to focus on EU-based nationals to fill this skills gap, then the transition from free movement to a point-based immigration system will also likely increase the number of skills gap-based vacancies due to limitations on EU-based recruitment.

At the same time, 31% of employers had at least one employee who was underutilised. This suggests a significant skills mismatch (albeit at a lower frequency than in the region and nationally).

Vacancies by skills shortage, 2019



Under-utilisation of at least one employee, 2019

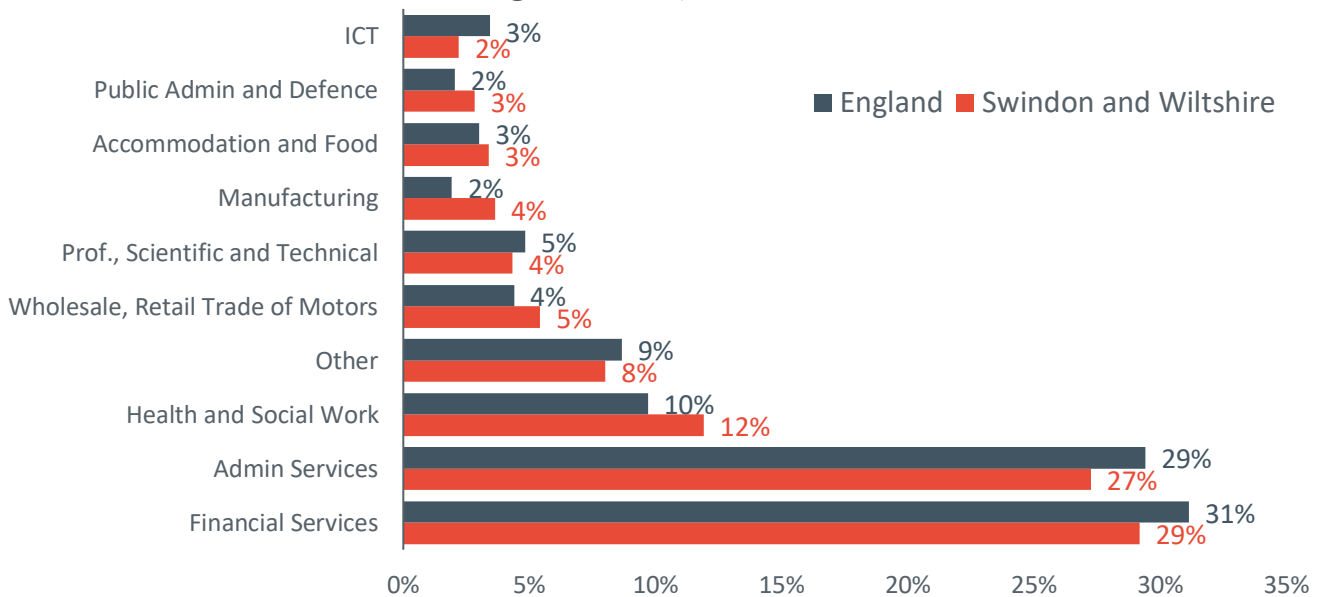


# People and Labour Market

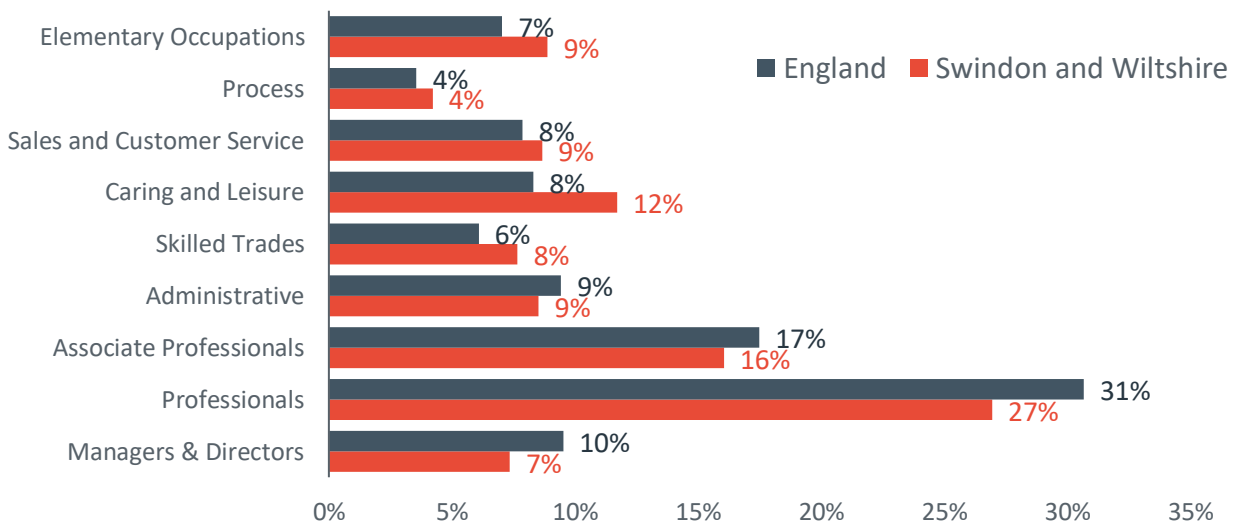
## Skills Supply and Demand

Swindon and Wiltshire had 20,924 jobs advertised in December 2022. Between the period Dec-2021 and Dec-2022, the main sectors posting job vacancies in Swindon and Wiltshire were the service sectors, notably financial services (30,482 postings\* in the 12-month period) and admin services (28,457). These sectors were also the main sources of job postings nationally, indicating skills needs in Swindon and Wiltshire align with the sector skills needs seen nationally. The occupation in which the highest proportion of job postings came from in the last 12 months were typically higher skilled occupations including managers and directors and professional occupations. Combined, these occupations accounted for over a third of job postings in Swindon and Wiltshire. Notably, there is also higher demand in Swindon and Wiltshire for lower skilled and medium skilled occupations, for example, process and elementary occupations which accounted for 13% of job postings in the period Dec 2021-Dec 2022 in Swindon and Wiltshire compared to 11% nationally.

**Job postings by Sector, Dec 2021-Dec 2021**



**Job postings by Occupation, Dec 2021-Dec 2021**



Source: Lightcast, 2019-2022

\*some of these postings may be repeat postings for the same role



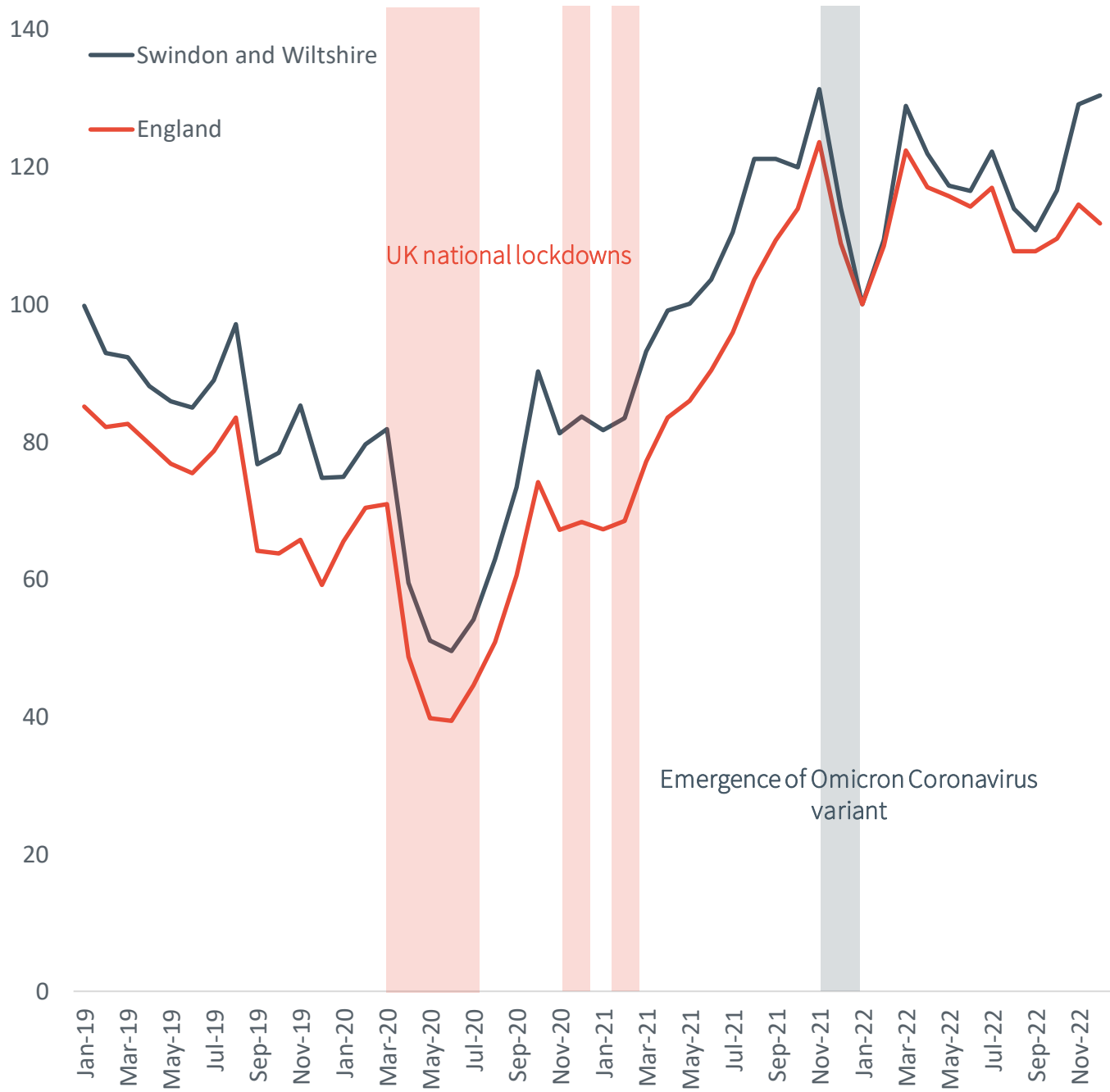


# People and Labour Market

## Skills Supply and Demand

Examining a time-series of vacancies, we can see that the COVID-19 pandemic caused the rate of job postings to fall from 13,126 in 2020 to a low of 7,945 in June 2020. This decline is seen nationally as well as in Swindon and Wiltshire. A recovery did take place immediately after the end of the periods of national lockdown. With the exception of a slight fall in vacancies towards the end of 2021 after the national three lockdowns but in line with concerns around a new COVID-19 virus variant, job postings have broadly stabilized in Swindon and Wiltshire.

Index Change Job posting, Jan 2019-Dec 2022 (Jan 2019 = 100)



Source: Lightcast, 2019-2022

# People and Labour Market

## Policy Insights

The labour market in Swindon and Wiltshire is very active and buoyant, but there are risks to retaining sufficient labour supply and addressing skills gaps:

- + With a growing share of older residents, policy should look to leverage the Lifetimes Skills Guarantee to ensure lifelong learning amongst residents that can assist their retention and engagement in the labour market even into older working ages.
- + A high share of non-UK residents (in Swindon particularly) suggests a possible reliance on international migrant labour that may be affected by **EU Exit** and exacerbate existing skills gaps which policy will need to address.
- + Support SMEs in training and apprenticeship offers to ensure long-term *home-grown* talent is being nurtured to lessen the scale future skills gaps.

While the proportion of residents over retirement age in Swindon and Wiltshire is a concern, there is also another more immediate demographic challenge creating **labour market constraints**. In the past two decades, adults aged 50-64 have become an increasingly large proportion of Swindon and Wiltshire's economically inactive population. Due to data limitations, we cannot determine the reason for inactivity amongst a specific age cohort, however this substantial demographic – accounting for 21% of the LEP area's population – is leaving the labour market at high rates much earlier than would have traditionally been expected. This cohort often represent some of the highest skilled members of the workforce who have significant work experience in a variety of fields. As this group is leaving the workforce, skills gaps are arising that are not easily filled. Policy initiatives must be enacted immediately to try and either fill these gaps or stem the departure of this cohort. Policies may leverage the Lifetimes Skills Guarantee to ensure lifelong learning amongst residents that can assist their retention and engagement in the labour market.

Efforts should be made to attract younger workers to the LEP area. However, recent trends suggest the opposite may be happening, between 2015-2020, there was a 66% fall in net inward international migration coming into Swindon and Wiltshire from 1,300 net inward international migrations in 2015 to just 400 in 2020. The data trend therefore suggests an impact on inward migration caused by the UK's decision in the 2016 referendum to leave the EU. Domestic net inward migration does not elevate this issue, with only a small rise of 8% inward domestic migration happening in 2015-2020.

Policies therefore need to be put in place to attract inward domestic and international flows into the LEP area to ensure skills gaps are filled in the short to medium term while upskilling and retaining talent simultaneously in the longer term. The Swindon and Wiltshire Skills Plan looks to spur a step-change in the take-up of apprenticeships to begin to create a long-term solution. One barrier to apprenticeship programmes will be the demography (business size) of the business base in Swindon and Wiltshire, with 98% of businesses in the area classed as micro or small they will have limited capacity in the provision of trainee and apprenticeships, moreover with the potential for a recession, supply chain disruptions and **inflationary pressures** many of these businesses will be more reluctant to take on any additional staff for training. If the LEP can support small business both in underscoring the value of training staff and outlining the support already out there, there is scope to develop *home-grown* skills and create opportunity for people in the LEP area.





# Socio-economic Issues



Swindon & Wiltshire  
LOCAL ENTERPRISE PARTNERSHIP

HATCH

## Summary

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Although the LEP area has a relatively strong labour market the picture varies across the population, for example, whilst females tend to have lower employment rates than males, the rate in Swindon (69%) is low in comparison to Wiltshire (79%).

In 2019/20, the average child poverty rate in Swindon and Wiltshire was below the average for both the South West and the UK, however it is still important to note that nearly one in four children in the LEP area (23%) are in poverty.

Deprivation in the Swindon and Wiltshire varies geographically, pockets of deprivation are located within urban centres, though overall, the LEP area is relatively prosperous with housing challenges being the most consistent deprivation domain.

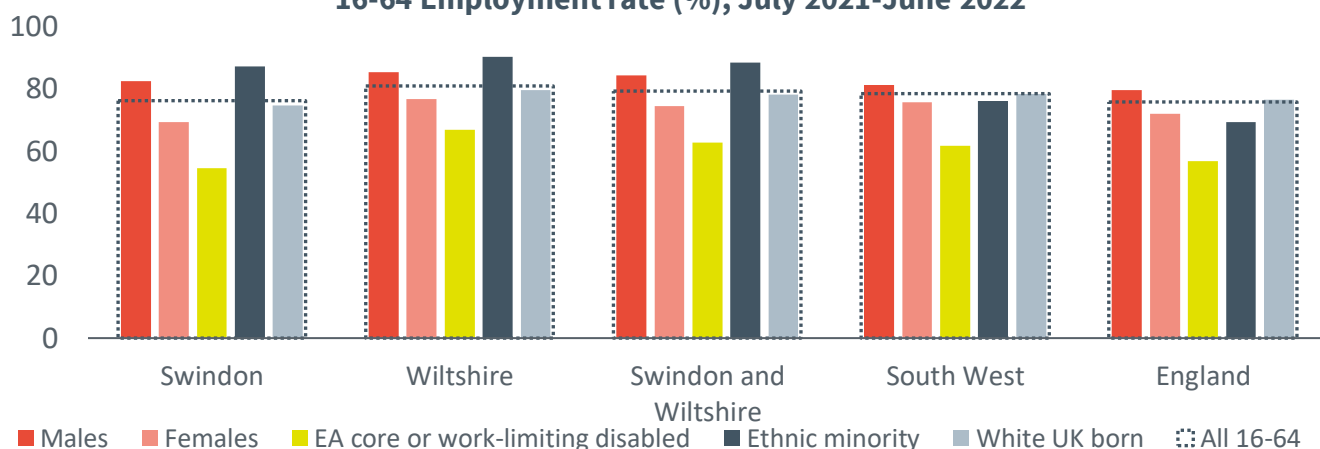
# Socio-Economic Issues

## Employment and Unemployment

Although the LEP area has a relatively strong labour market the picture varies across the population. Whilst females have lower employment rates than males, the rate in Swindon (69.3%) is low in comparison to Wiltshire (76.6%) this is likely an issue of sectoral composition in the area. The position of female employment is higher in Wiltshire than at the regional (75.6%) and national levels (72.0%)

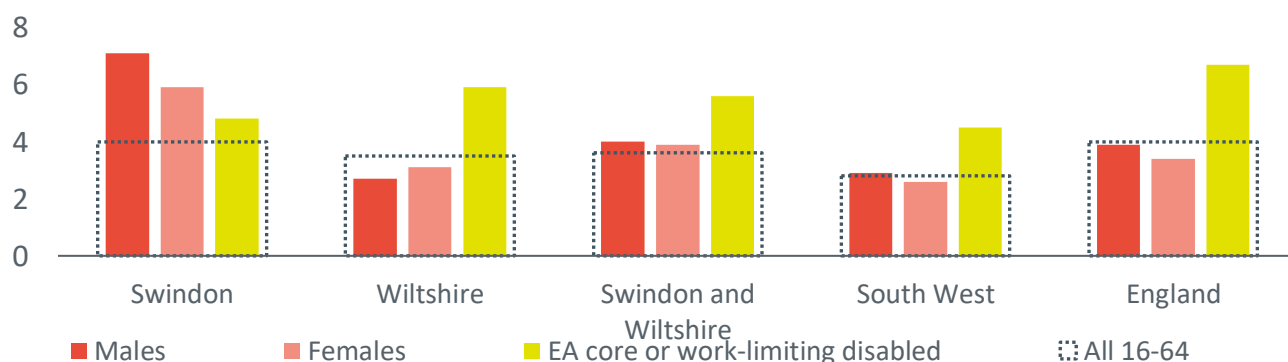
Similarly, disabled<sup>1</sup> people are less likely to be employed in Swindon (54.4%) than Wiltshire (66.8%). Whilst this is 14% and 12% lower than overall employment in the two districts, the gap has reduced significantly since the previous year (23% and 15% respectively). A similar picture can be seen when looking at employment rates of ethnic minority groups where Swindon has a rate of 87.1% with Wiltshire having 90.3%, both these rates are significantly higher than national rates of 69.2%. With this in mind, we can see – particularly in Wiltshire – a highly diverse employment market with less barriers for groups with protected characteristics to achieve employment than at the national level.

**16-64 Employment rate (%), July 2021-June 2022**



Wiltshire performs well in unemployment measures compared to the national position across all groups analysed. Overall the Swindon and Wiltshire LEP has a lower unemployment rate for all people aged 16-64 (3.6%) than the national rate of 4%. However, challenges exist, particularly in Swindon where the unemployment rate is the same as the national rate, but acute challenges exist among certain groups – notably a 7.1% unemployment rate amongst men in the borough compared to 3.9% nationally.

**Unemployment rate\* (%), July 2021-June 2022**



Source: ONS, Annual Population Survey

<sup>1</sup> EA Core disabled includes those who have a long-term disability which substantially limits their day-to-day activities. Work-limiting disabled includes those who have a long-term disability which affects the kind or amount of work they might do ; \*unemployment for ethnic minority groups data is unavailable as data is disclosive at the Swindon, Wiltshire and Swindon and Wiltshire LEP level



# Socio-Economic Issues

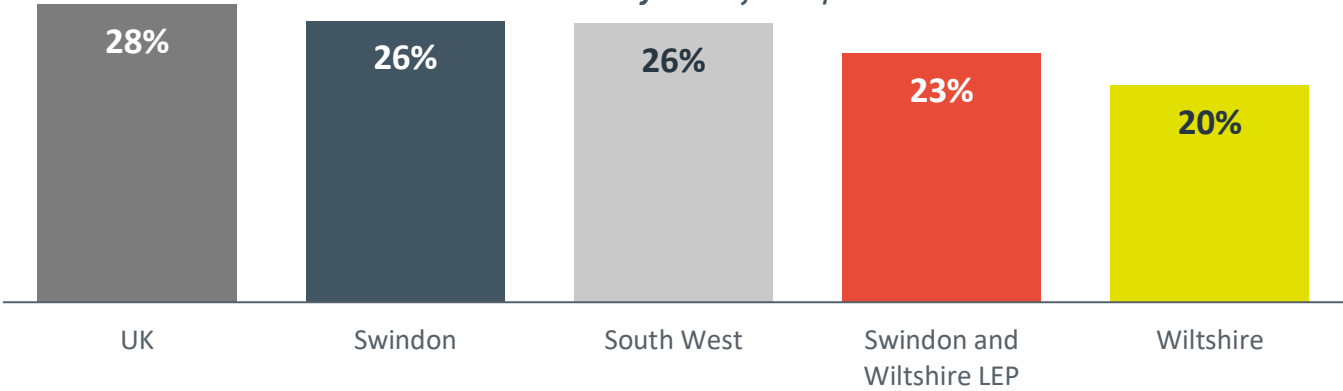
## Income, Poverty and Deprivation

It is necessary to note, while data below provides a contextual image of Swindon and Wiltshire, this data was collected prior to the onset of the current cost of living crisis.

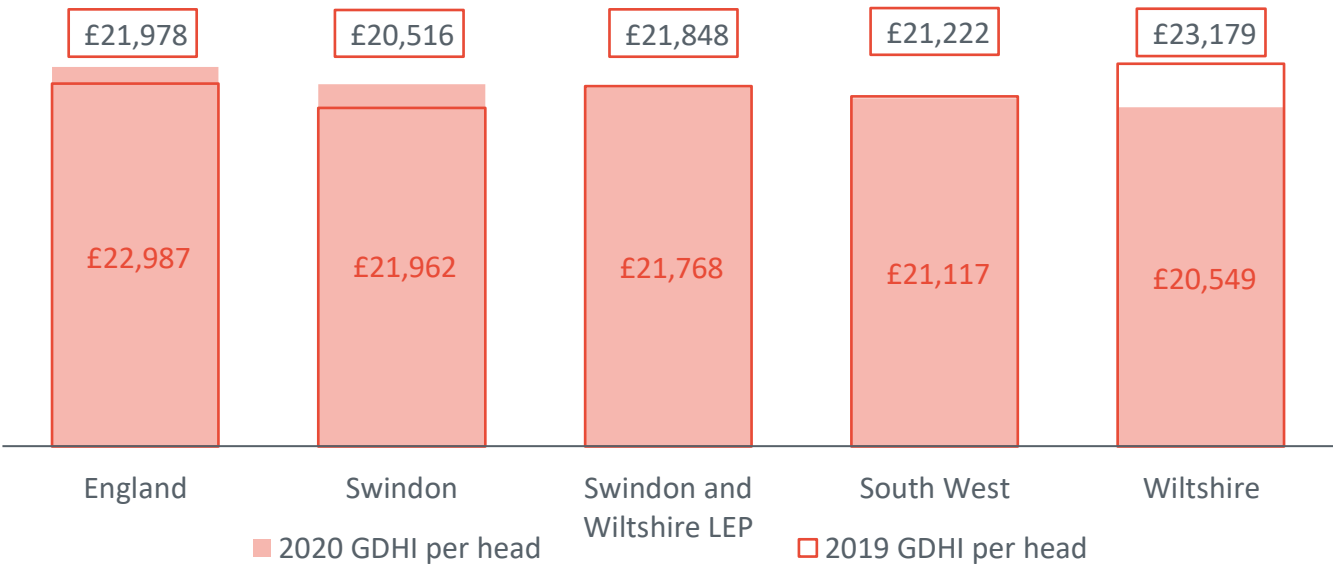
Child poverty was 23% for the LEP area compared to 28% seen nationally. Whilst in relative terms this is lower than that seen nationally this is still a significant figure in gross terms, with 32,300 children living in poverty in the LEP area. However, there are also spatial differences within the LEP area with Swindon recording a notably higher child poverty rate at 26% compared to just 20% in Wiltshire.

In 2019/20 the GDHI (Gross disposable household income) per head of population in Swindon and Wiltshire was now lower than national averages while it was higher in 2019. While Swindon experienced an increase in GDHI per head of population by 7% between 2019 and 2020 Wiltshire experienced a fall in GDHI of 11%. The data outlines a period prior to the current cost of living crisis which is being driven by inflationary pressures at a national and international level. However, it is clear that prior to the onset of a cost of living challenge, Swindon and Wiltshire household's earnings were already struggling to keep up with national rates – most notably in Wiltshire. This will present considerable challenges in the borough going forward as households continue to see more and more of their earnings being used to fund for rent/mortgage payments, utilities and other essentials.

Child Poverty Rates, 2019/20



Gross Disposable Household Income (GDHI), per head of population, £s 2019 and 2020



Source: Joseph Rowntree Foundation, Child poverty rates by local authority, 2019/20; ONS, Regional gross disposable household income, 2019



# Socio-Economic Issues

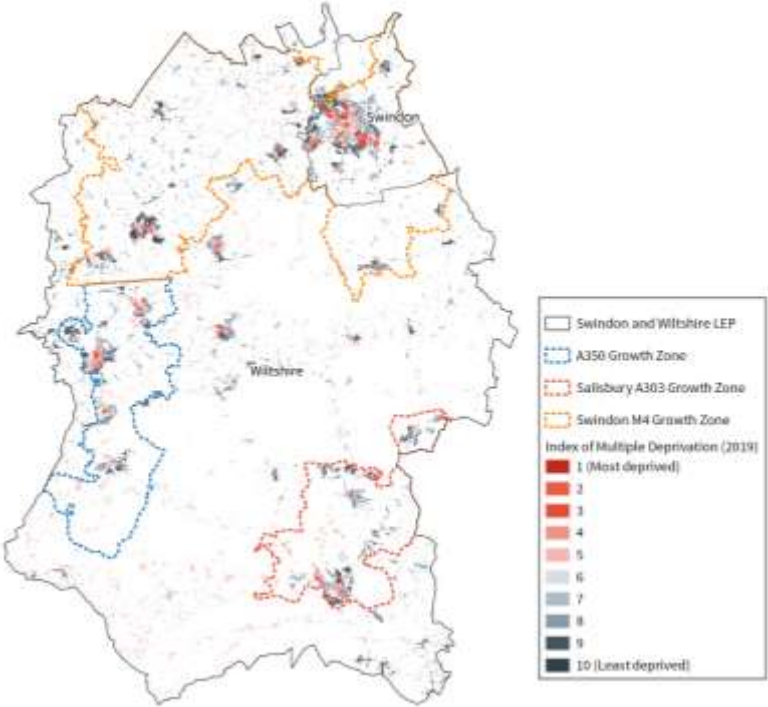
## Income, Poverty and Deprivation

There are pockets of higher deprivation concentrated in Swindon town centre, Trowbridge, and rural areas in the south west of the region. Across the LEP area, the average IMD (index of multiple deprivation) decile is 7, where 1 is the most deprived.

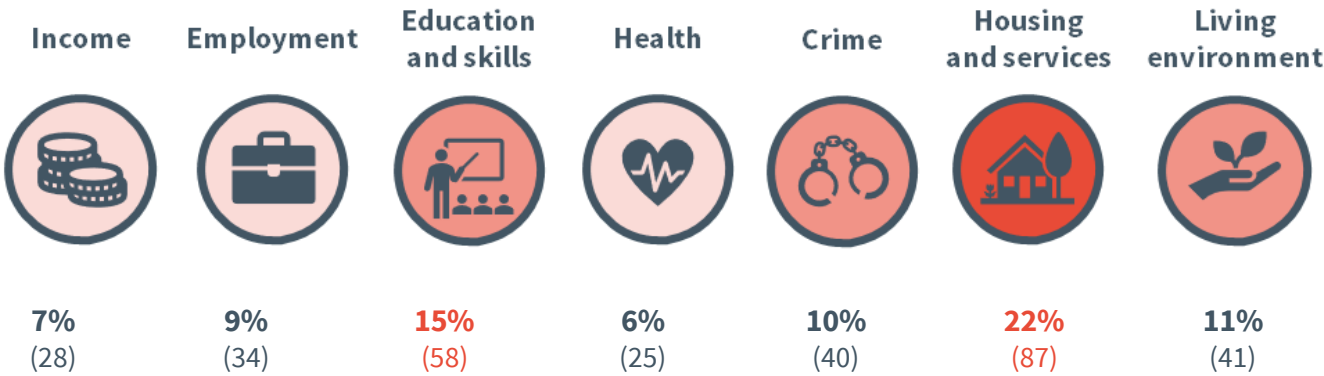
Across the LEP area, deprivation is driven by relatively high levels of housing and services deprivation, with 22% of LSOAs in the LEP area ranking in the bottom 20% of LSOAs (lower super output areas) nationally. There are also relatively high levels of education and skills deprivation within Swindon and Wiltshire.

All three growth zones have an average IMD decile of 7, where 1 is the most deprived. Within the Swindon M4 growth zone high levels of deprivation are concentrated in Swindon. Within the Salisbury A303 growth zone, westerly rural areas and Salisbury experience the highest levels of deprivation. And within the A350 growth zone, the highest levels of deprivation are found in Trowbridge and Melksham. Outside the growth zones, the non-growth zone largely falls within the top 10% least deprived. However, there are pockets of deprivation concentrated within Devizes and Calne which fall within the top 20% most deprived.

Index of Multiple Deprivation (IMD), 2019



Percentage of LSOAs in Swindon and Wiltshire ranking in the bottom 20% of LSOAs nationally, per domain of deprivation, 2019



% (number) of LSOAs in area that are in bottom 20% of category nationally

Source: MHCLG, Index of Multiple Deprivation, 2019



The socio-economic position of Swindon and Wiltshire varies geographically. With some areas, and some residents being more disadvantaged than others. Life expectancy, for example, between the area with the highest average life expectancy and the area with the lowest life expectancy varies as much as 11 years across Swindon and Wiltshire. With growing concerns around a challenging economic period and rising living costs, it has never been more important to consider the economic wellbeing of all the people in Swindon and Wiltshire with a specific focus on groups already facing high levels of economic precarity.

While many socio-economic challenges are caused by external factors, activity can be undertaken at the more local level to alleviate the worst aspects of an economic crisis and shore-up resilience amongst the highly exposed population. Policies may involve:

- + Return to work skills programmes to ensure those out of the labour market can confidently apply their skills and talents to match demand of local employers.
- + Pursue inclusive growth and ensure where possible economic benefits are felt by as large a share of the local population as possible. This may include affordable housing initiatives, facilitating community pride in local events or ensuring free or affordable access to civic infrastructure.
- + To combat challenges around rising energy costs, working with residents and businesses to ensure homes and businesses are retrofitted to be energy efficient will be crucial to reducing the challenge of affordability.

Significantly, the data in this chapter shows some challenging circumstances for the residents of Swindon and Wiltshire, for example: low levels of social mobility, falling gross disposable income in parts of the LEP area and static income in others alongside a child poverty rate of nearly one in four often pre-dates the current and emerging period of economic uncertainty. While disposable income has been static across the LEP in 2019 to 2020 this is prior to the context of rising costs of living in fuel, housing and food. We would anticipate that given the trend the situation around disposable income may now be of significant concern. This will in turn have an impact on wider standard of living measures including child poverty rates.





# Infrastructure and Environment



Swindon & Wiltshire  
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# Infrastructure and Environment

## Summary

Industrial floorspace across Swindon and Wiltshire has grown significantly over the past ten years, with an additional 9% more industrial floorspace in the LEP area than there was 10 years ago. In tandem, significant employment growth has been experienced in sectors occupying industrial space such as transport and storage. The rate of industrial floorspace growth across Swindon and Wiltshire is over three times the rate seen nationally.

Despite additional space delivered, high demand for industrial property space has been driving down the level of vacancy in recent years.

There is currently 1,160,000 sqm of retail floorspace in Swindon and Wiltshire, an increase of 2% since 2011/12. Around 2% of retail floorspace is vacant and has decreased from 4% in 2013. More recently, in line with national trends, retail vacancies have started to rise since 2020.

There is around 55,000 sqm less office floorspace in Swindon and Wiltshire than there was ten years ago. This will likely present challenges for businesses in some of the priority sectors of Swindon and Wiltshire, namely the professional service sector.

House prices in the LEP area have generally kept pace with the national average: the current median house price in Swindon is £240,000, compared to £260,000 nationally and £294,000 in Wiltshire. However, after rapid increases in 2020, post-pandemic there is some indication that house prices are beginning to fall.

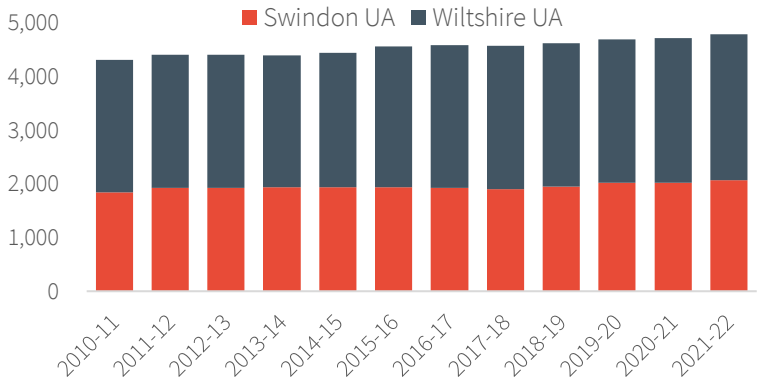
Around 2,100 premises across Swindon and Wiltshire do not have access to a sufficient digital connection – reducing economic and social opportunity for these residents and businesses.

Over the last decade, total CO2 produced in the LEP area has fallen by over a third in line with the net zero agenda. Key contributors to carbon emissions in Swindon and Wiltshire include transport which accounts for 47%, domestic property (28%) and industry (17%).

## Commercial Property- Industrial Space

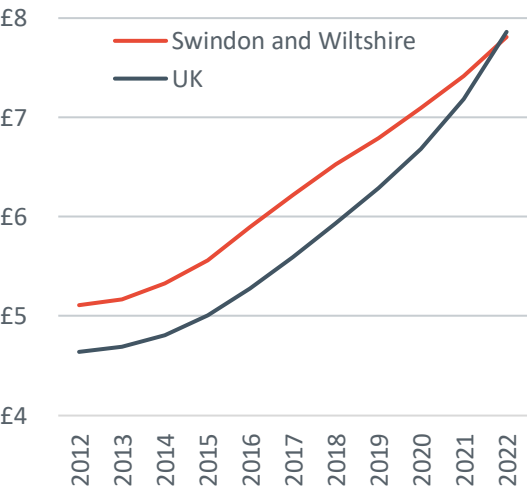
Industrial floorspace stock across Swindon and Wiltshire has been growing consistently over the past ten years. In 2021/20, there is 4.8m sqm of industrial floorspace in Swindon and Wiltshire. Swindon has a 43% share of total industrial floorspace – reflecting the greater density of employment and specifically industrial uses in Swindon. Over the past decade, there has been a consistent increase of industrial floorspace in Swindon and Wiltshire, with an average rate of growth of just under 1%, equating to a 9% difference in the amount of industrial floorspace in 2021/22 than in 2010/11, an additional 480,000 sqm of industrial floorspace. This rate of growth outstrips the change of industrial floorspace seen nationally, which saw an increase of 3% since 2010/11. This rate of growth is necessary when we consider the sectoral dimensions of the Swindon and Wiltshire economy, with rapid expansion in the logistics sector which experienced a business base growth rate of 33% in the last five years. This sector has a requirement for industrial land, typically in the form of large warehouse units – its expansion in Swindon and Wiltshire may have prompted this increase in industrial space over the last decade or inversely this increase in space may have allowed for expansion in this sector.

**Total Industrial Floorspace (sqm) – 2010/11-2021/22 (thousands)**

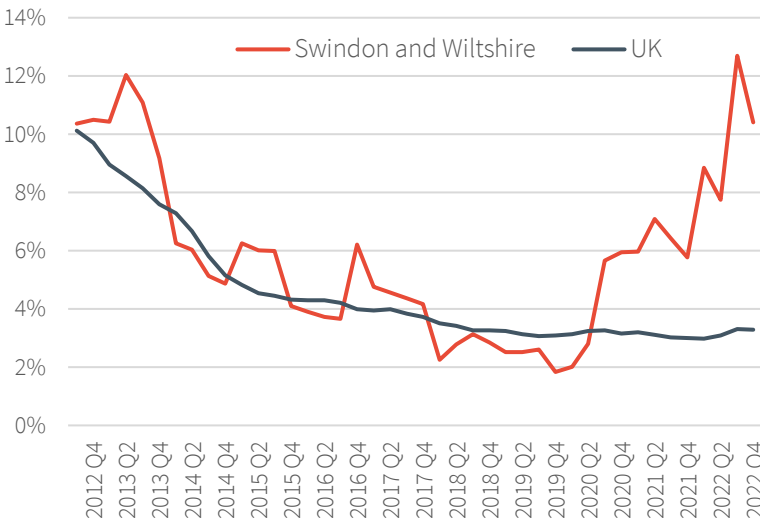


Industrial floorspace vacancy rates were falling before the pandemic, following the national trend, declining from 10% in Q4 2012 to 2% in Q4 2019. Post pandemic there has been a rapid rise of vacant industrial space, reaching 13% in Q3 2022. There are signs that this trend is reversing, but it may be a sign of challenging times for many industrial businesses. This is further emphasised with the decoupling of vacancy rates for industrial space and rental values. Despite increased vacancies, there has been no sign of falling rental values in Swindon and Wiltshire’s industrial property sector.

**Industrial Property Rental Values, 2012-2022**



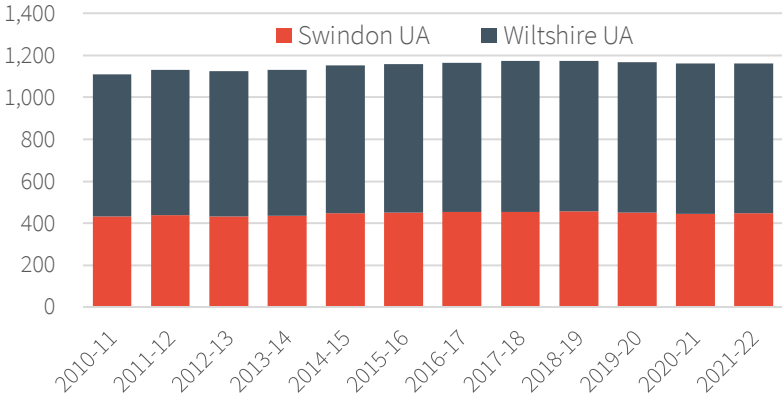
**Industrial Property Vacancy Rates, 2012-2022**



Commercial Property- Retail Space

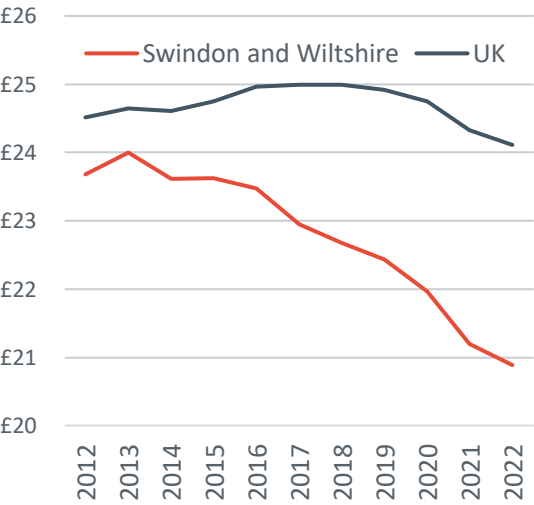
Retail floorspace stock across Swindon and Wiltshire has been steady over the past ten years. In 2021/20, there is 1.2m sqm of retail floorspace in Swindon and Wiltshire. Swindon has a 39% share of total retail floorspace – reflecting the more urbanized nature of the district. Over the past decade, there has been a small increase of retail floorspace in Swindon and Wiltshire, with there being 2% more retail space (or an additional 50,000 sqm) in 2021/22 compared ten years earlier. While a modest increase, this is in line with national trends, and should be considered within the context of a changing retail sector with the last decade being a significant period for rising e-commerce reducing dependency on physical retail space. Therefore, we should not assume a contracting retail property base is a sign of a troubled retail sector (though it may reflect a sector undergoing significant disruption and globalization), this is shown in the latest data on retail businesses in Swindon and Wiltshire which experienced a growth rate of 4% in the last five years.

Total Retail Floorspace (sqm) – 2010/11-2021/22 (thousands)

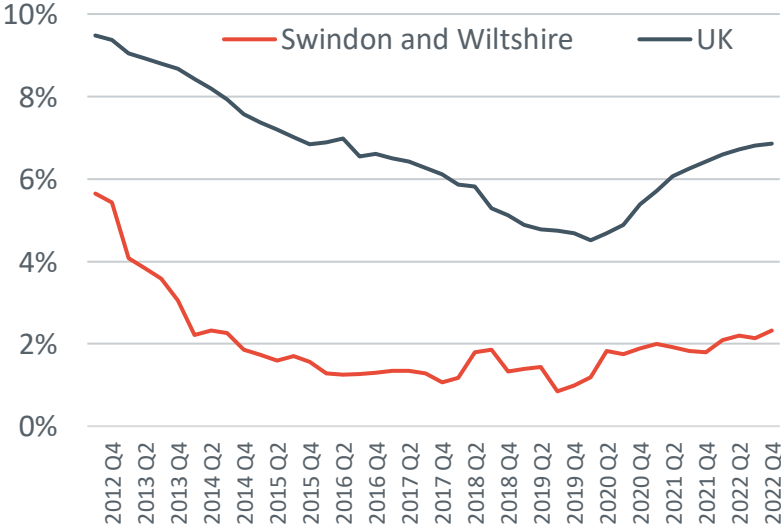


Over the last ten years, vacancy rates for retail space have been significantly lower in Swindon and Wiltshire than they have been nationally. Vacancy rates have also been broadly static in the latter half of the last decade. Despite this, there has been a fall in rental rates since 2012, with rates in 2022 being 12% less than they were in 2012. This may again be a result of a shifting retail sector combined with an overall increase in retail property stock entering the market in the last decade.

Retail Property Rental Values, 2012-2022



Retail Property Vacancy Rates, 2012-2022



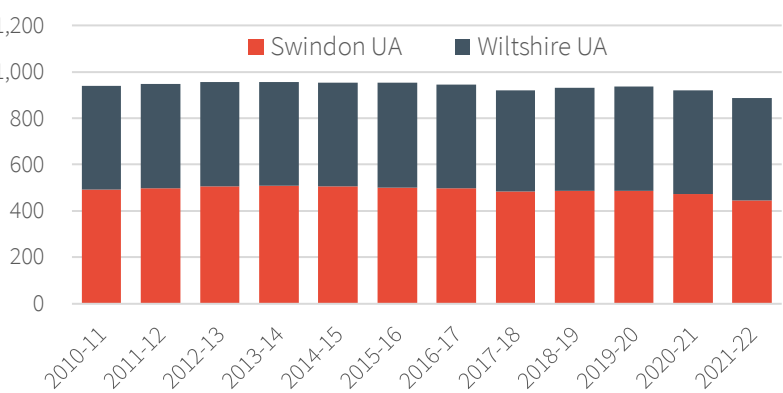


## Commercial Property- Office Space

There has been an overall loss of office space in Swindon and Wiltshire since 2010/11. In 2021/22 there was 0.9m sqm of office space in the Swindon and Wiltshire LEP area compared to 2010/11 this is a fall of 55,000 sqm of office space, a loss of 6%. This is significant given the importance of the professional service sector to the Swindon and Wiltshire economy. While the loss at the Swindon and Wiltshire level is significant, it is even more pronounced in Swindon which has seen commercial office space contract by 11% since 2010/11. There has been a loss of office space nationally in this period, but a loss of 4%.

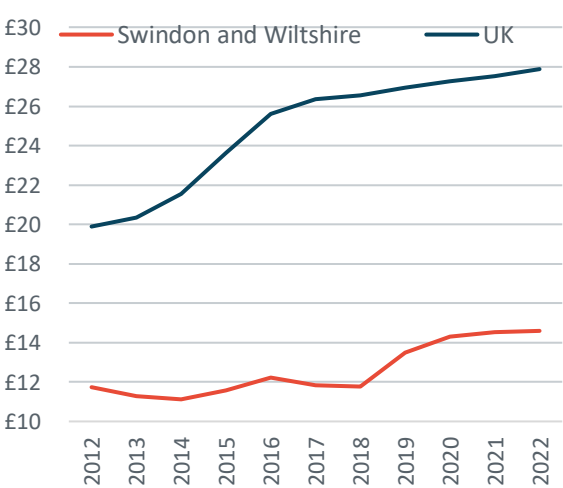
In 2021/22 there is an even split between Swindon and Wiltshire in terms of the location of office space. This reflects the sectoral composition in both areas and the importance of service sector across the economies of both areas, for example the professional and businesses services priority sector being responsible for 19% of businesses in Swindon and 23% in Wiltshire.

**Total Office Floorspace (sqm) – 2010/11-2021/22 (thousands)**

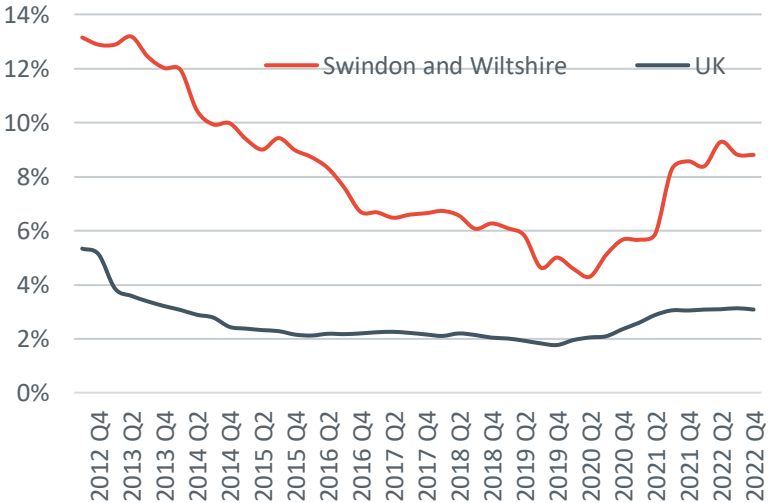


Similar to trends in industrial space, prior to the pandemic, there were falling vacancy rates for office space in Swindon and Wiltshire. However, after Q2 2020, this trend reversed, this may reflect changing working patterns and a symptom of many office workers continuing to work from home following the pandemic and so reducing the demand for office space. Office space is also competitively priced in Swindon and Wiltshire, at around half the rental rate nationally. Though there has been a small increase in rental rates for office space in recent years, current rental values are £15 per sqm compared to £28 nationally, though it is necessary to note the national rate will include more expensive locations for office space such as central London.

**Office Property Rental Values, 2012-2022**



**Office Property Vacancy Rates, 2012-2022**



# Infrastructure and Environment

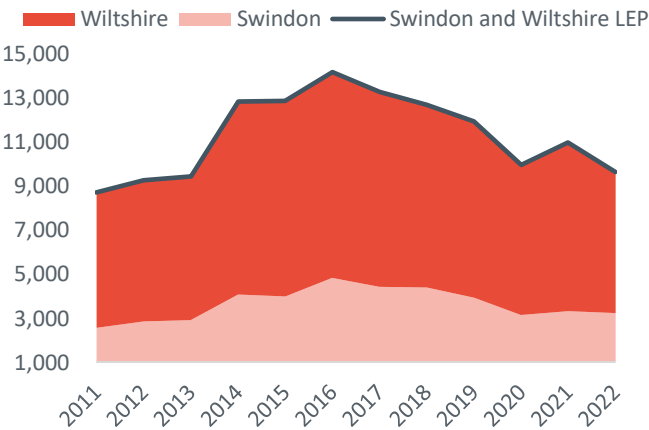
## Residential Property

From 2011 to 2016, the number of residential property sales in Swindon and Wiltshire increased by 62% from approximately 8,700 sales in 2011 to 14,000 in 2016. Since peaking in 2016, the number of property sales has decreased year on year with the exception of 2021, where property sales increased from 9,950 in 2020 to 10,900 in 2021, this increase occurred entirely in Wiltshire, and may be explained by a national trend which saw an increase in sales in rural areas during the onset of the COVID-19 pandemic due to the increased ability of home-working and lifestyle changes.

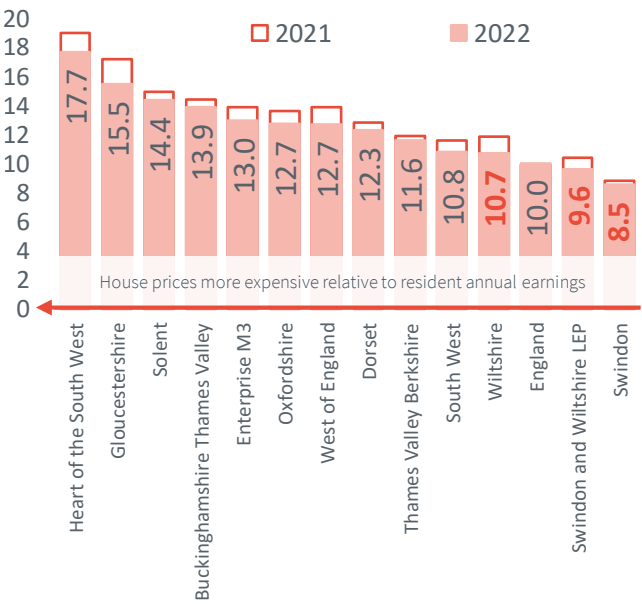
Growth in house prices in the LEP area have generally kept pace with the national average, and even outstripped national growth rates from 2016-2021. Within the Swindon and Wiltshire, growth in Swindon (57%) has increased more quickly than in Wiltshire (50%), from 2011-2022. Causes are likely to be multifaceted but recent electrification of the railway to London may have been a contributing factor. The current median house price in the Swindon and Wiltshire is £270,000 compared to £280,000 nationally.

As of 2022, the housing affordability in Swindon and Wiltshire is close to the national average, at 9.6 to 10.0. Of all the comparator LEP areas, Swindon and Wiltshire has the lowest housing affordability ratio. However, there are geographic disparities within Swindon and Wiltshire, with housing in Wiltshire less affordable than in Swindon with a ratio of 9.9 compared to 7.8. The house price ratio has fallen slightly since 2021, indicating, relative to earnings, house prices have become fractionally more affordable in Swindon and Wiltshire.

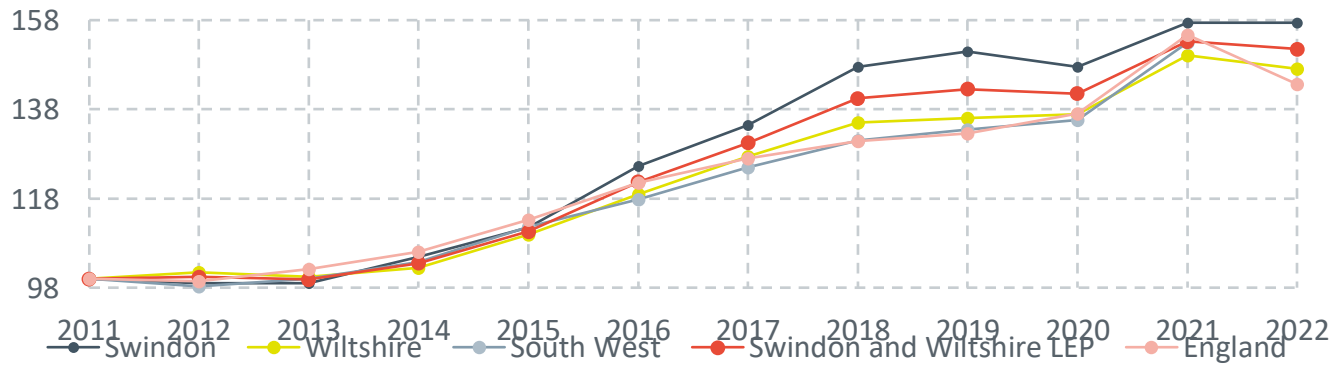
Number of Residential Property Sales, Year Ending June 2011-2022



Average Housing Affordability Ratio, 2022



Indexed Median House Price, 2011-2022 (2011=100)



Source: ONS Median house prices by region and country, 2022; Annual Survey of Hours and Earnings, 2022

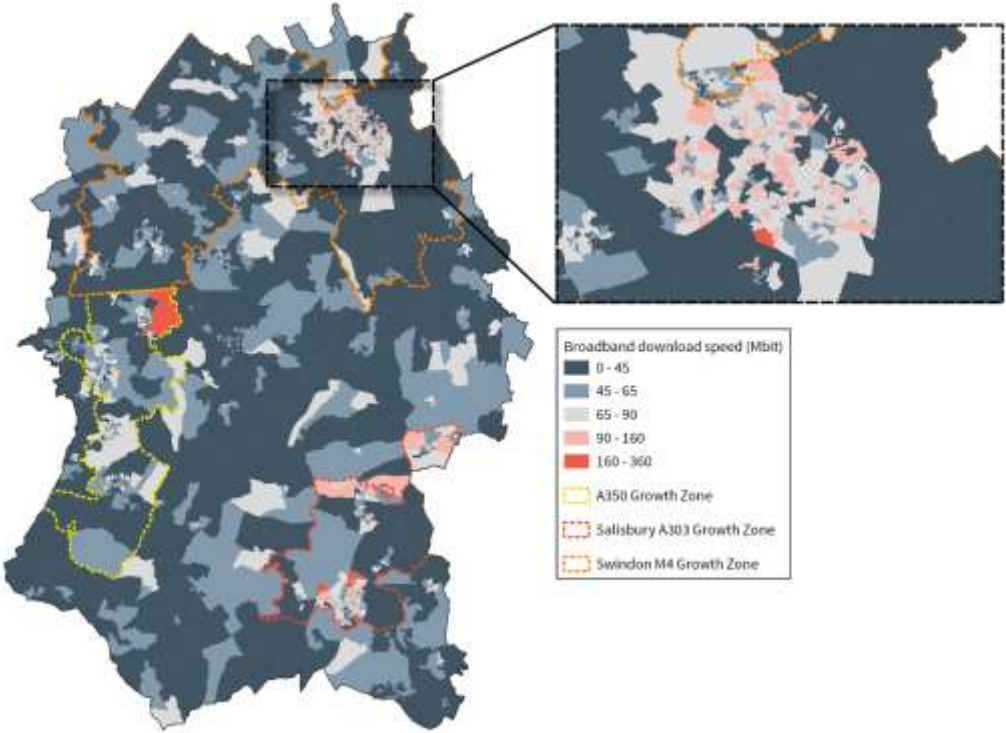


Indoor 4G connectivity in Swindon and Wiltshire is greater than the UK average at 82% compared to 78%. In Swindon this figure is 89%, whereas across Wiltshire it is just 74%, 4% lower than the national average.

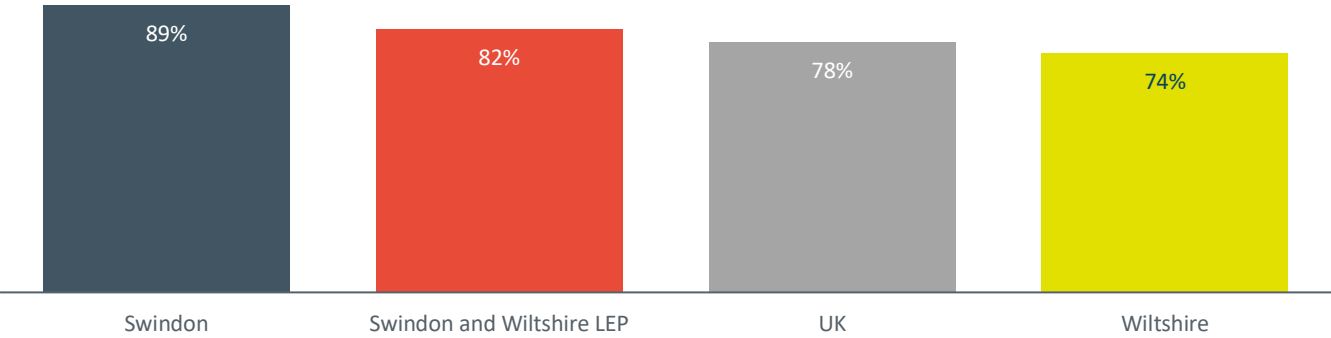
The highest broadband download speeds in the Swindon and Wiltshire are found within pockets in each of the Growth Zones, this includes in Swindon, on the eastern edge of Melksham, and near Bulford Camp.

Broadband Download Speed, Mbit, 2021

Within the LEP area, the percentage of premises below the USO\* is 0.65%, which is lower than the UK average of 0.82% of premises. Whilst this is equivalent to a small figure in percentage terms, in gross terms this amounts to over 2,100 premises who are currently digitally disconnected from the world – stifling both their economic and social opportunity.



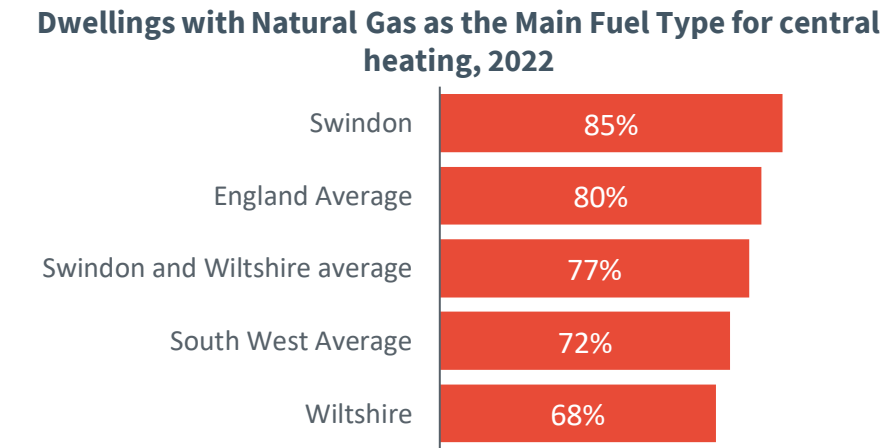
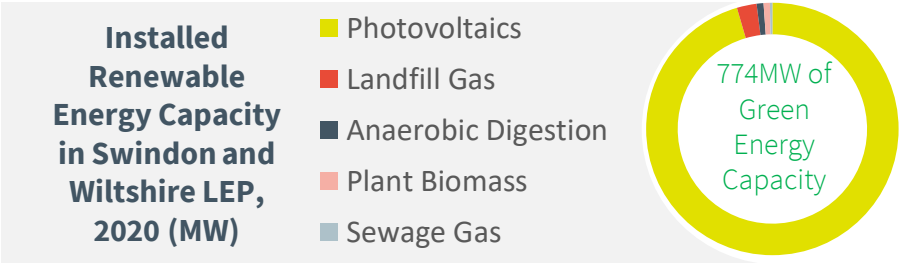
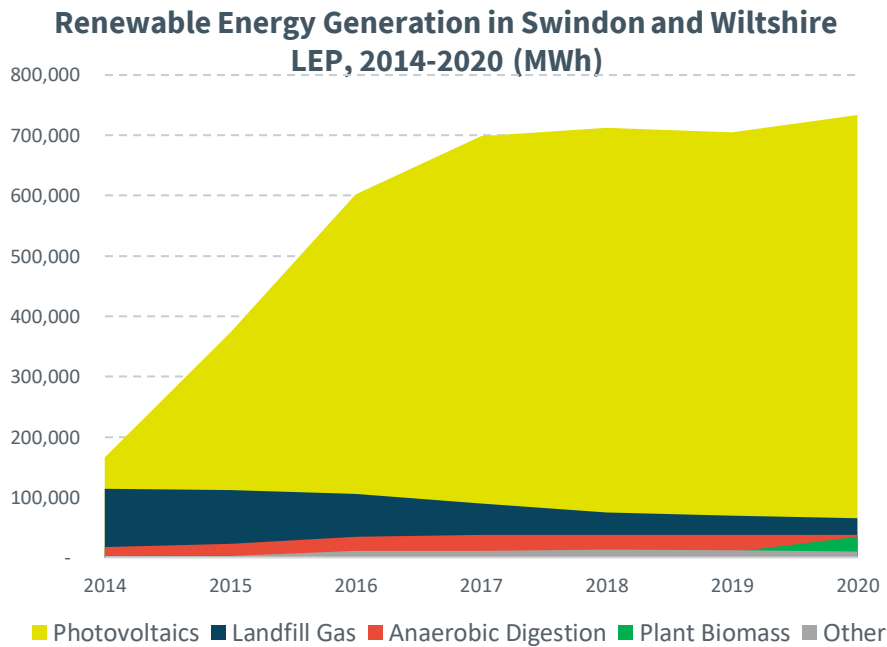
4G Connectivity Indoors, 2021



In 2020, the LEP area generated a total of 891,000MWh of green energy. The majority of this (82%) renewable energy is photovoltaic energy (solar energy). Other renewable energy sources still account for a reasonable share of energy generation in the LEP area, though most have tended to produce broadly the same volume of energy over the past six years, this may be a reflection of contractual obligations dictating production volumes.

Examining the energy capacity of renewable energy production, this being the installed mega watt capacity of energy production, shows that over 90% of Swindon and Wiltshire’s installed green energy infrastructure capacity is devoted to solar energy production in 2020, underscoring the importance of this renewable energy type to the LEP area’s energy ecosystem.

One of the most significant causes in the recent rising energy costs has been restrictions on access to natural gas due to the war in Ukraine. Homes dependent on natural gas may therefore be in a more precarious position than homes heated via other means such as renewable energy. In Swindon and Wiltshire, there is an acute problem in Swindon where 85% of homes use natural gas as their main fuel type compared to the national average of 80%. Within the context of renewable energy production, there should be more concerted to guide consumers to use providers who source energy from renewables for example.

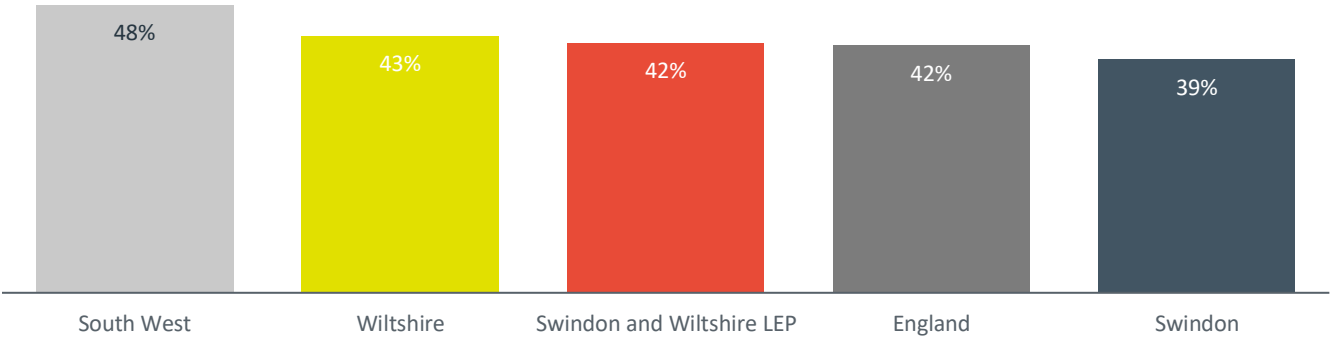


Source: BEIS, Regional Renewable Energy Statistics, 2021; Energy efficiency of Housing, England and Wales, local authority districts, ONS, 2022

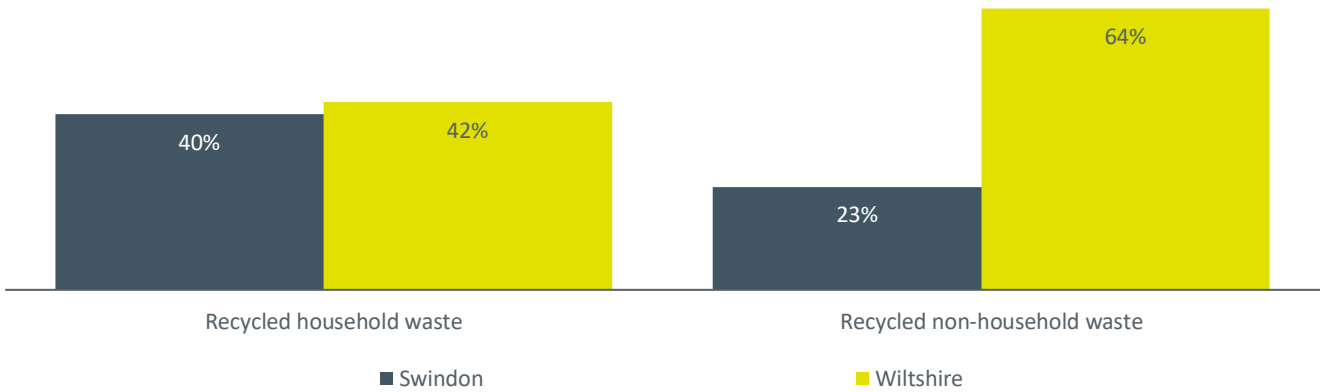
In Swindon and Wiltshire and in England recycling rates are both 42%, but are behind the South West average of 48%. Within the LEP area, Wiltshire has higher recycling rates at 43% compared to just 39% in Swindon. The majority of waste in both local authorities is produced by households (98% in Swindon and 96% in Wiltshire).

Regarding waste, the two local authorities differ when it comes to recycling of non-household waste, but as stated above this is a very small proportion of waste created. Two thirds of non-household waste is recycled in Wiltshire, while this is only 23% in Swindon. High rates of recycling, both household and non-household, both reduce an area’s contribution to environmental degradation but may also provide resolutions to resource issues by creating a circular economy with resources recycled to a point where they are used to the maximum level of utility.

Recycling Rates, 2020/21



Recycling Rates by household and non-household waste type 2020/21



Source: DEFRA Local authority collected waste, 2021

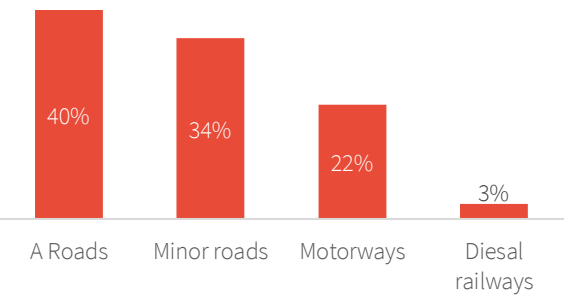
In 2019 Swindon and Wiltshire produce nearly 3kt of CO2 per year, this has fallen by 38% (1.8kt) since 2009. Swindon and Wiltshire’s regional CO2 contribution to the wider South West region is around 10%, while it accounts for 13% of the region’s total population indicating some degree of lower than proportionate CO2 emissions than we would expect.

The trend away from carbon has been particularly strong in Swindon, where rates per capita have consistently remained lower than the national rate. Wiltshire, on the other hand, has generally been above the national rate per capita. Combined, the LEP area has been below the national rate, although this gap has been closing since 2015. Targeting the rate per capita in Wiltshire will help bring down the overall rate in the LEP area and complement the strong reduction seen in Swindon.

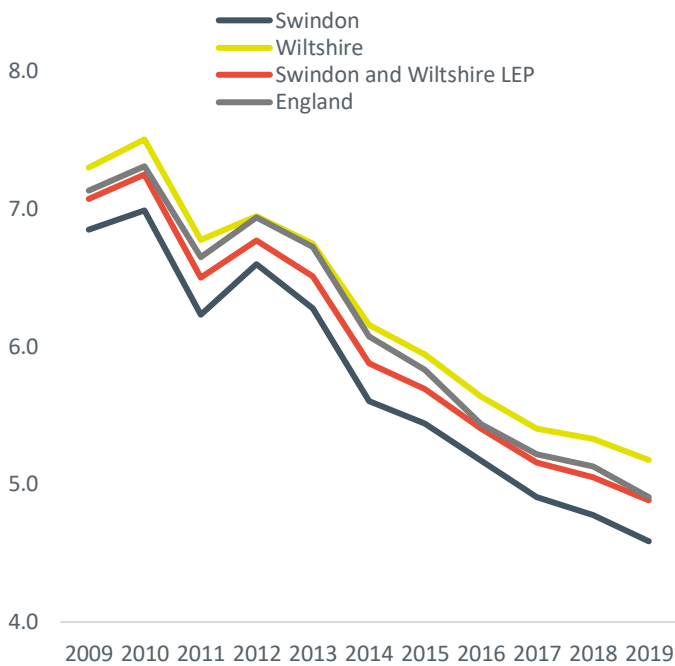
Whilst transport emissions make up the largest component of both the LEP area’s, regional and national emissions by source, it is nearly 10 percentage points higher in Swindon and Wiltshire (47%) than England (38%). BEIS data also allows analysis of the main source of transport emissions in Swindon and Wiltshire. This shows that A roads and minor roads make up two-thirds of all transport emissions in the LEP area.

The need to reduce CO2 emissions will help to drive Swindon and Wiltshire as a leading low carbon economy. Finding innovative solutions to, for example, transport emissions will create jobs and economic growth. This may be in the form of alternative vehicle fuels or more accessible and greener public transport solutions.

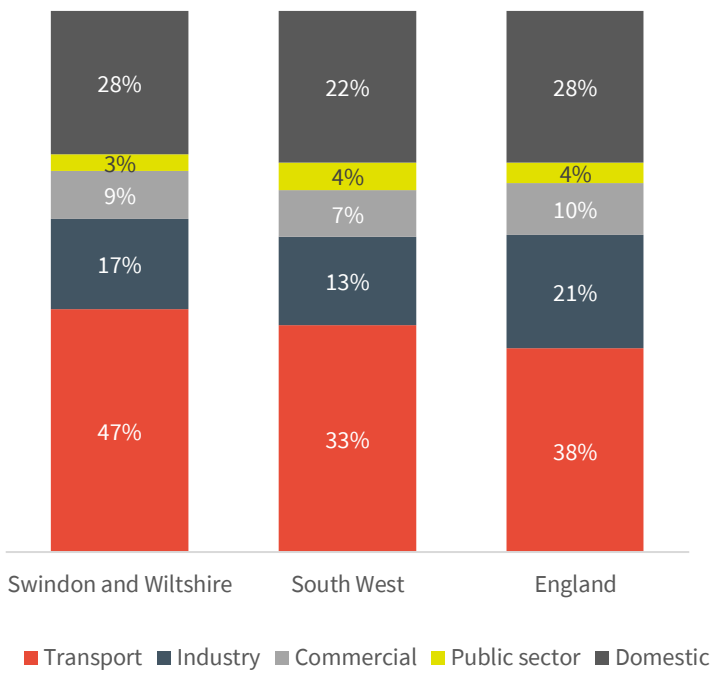
Transport Emissions by Source, 2019



CO2 Per Capita, 2009-2019



CO2t Emissions by Source, 2019



Source: UK local authority and regional carbon dioxide emissions national statistics: 2005-2019, Dept of Business Energy and Industrial Strategy



# Infrastructure and Environment

## Policy Insights

Across many aspects of physical infrastructure in Swindon and Wiltshire there is a need for further development.

- + To assist with commercial property needs there is requirement to understand the sectoral needs of local businesses. While there may be limitations in direct provision of commercial property amongst local policy makers, the LEP and local authorities should consider working with providers to ensure commercial space is adaptive to the need and appropriately sized for SMEs in Swindon and Wiltshire.
- + Ensuring there is a sufficient supply of affordable homes will be crucial to the long-term success of the Swindon and Wiltshire economy.
- + New and existing homes need to be energy efficient. A LEP wide retrofit programme would help many households to reduce their energy costs while also lowering emissions. While retrofitting itself would be predominantly undertaken by private sector suppliers, the LEP and local authorities can ensure these companies are confident of a pipeline of work. This may be done through education initiatives that give households the information on the importance of increasing their energy efficiency
- + A significant proportion of emissions in the LEP area comes from transport, moving away from high levels of car-dependency will go a long way to reduce emissions. To do this active travel needs to be encouraged through safer cycle schemes and reliable access to public transport. This must be done with consideration of the rural dimensions of the LEP area, support for low carbon fuels such as hydrogen will have a major role to play in this regard.

In order to support local enterprises, commercial space needs to be available for all businesses. While recent years have shown increases in vacancy rates for commercial property types this has not led to more affordable commercial space. However, this may be due to long contracts where businesses, although not using the commercial space, are still within contract thereby keeping rents artificially high.

With over 98% of businesses in Swindon and Wiltshire employing fewer than 49 people – supply of commercial space will need to be flexible and scaled to meet the needs of this business demographic. Flexible and co-working spaces will help with the provision of commercial space to aid businesses in the early grow-on phase.

Without a sufficient supply of affordable homes many socio-economic challenges will worsen. Attracting and retaining working age residents will be difficult if domestic property prices are unaffordable. This labour market challenge will worsen as older property-owning residents leave the workforce.

Around 2,100 premises across Swindon and Wiltshire do not have access to a sufficient digital connection – reducing economic and social opportunity for these residents and businesses. With the rise of home-working, the importance of secure and reliable digital connection has never been more paramount to the wider economic success of an area. Projects such as the UK Government's Project Gigabit present an opportunity for Swindon and Wiltshire to provide fast and reliable digital connectivity to areas across the LEP.





# Future Trends



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# Future Trends

## Summary

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By 2043 it is estimated that there will be over 800,000 people living in Swindon and Wiltshire, a large share of this population will be over 65 (+49% by 2043) bringing with this the specific needs of an older demographic that must be met.

By 2027, estimates suggest there will be 382,000 people employed in Swindon and Wiltshire. Future employment is anticipated to be in Business and Other Services, Trade, Accommodation and Transport, Non-Marketed Services.

Demand will be most pressing in managerial and professional occupations in Swindon and Wiltshire, ensuring future employment demand is satisfied will be important to ensuring commercial success for Swindon and Wiltshire's future businesses and the overall economic wellbeing of the LEP area.

Uncertainty is clouding future economic projections, with specific focus on employment projections for Wiltshire, it is clear that there exist a wide range of estimates of where employment will be (by absolute count) in the next two decades.

277,000 jobs are exposed to automation risks in the LEP area, with 78% of jobs at medium to high risk of automation in Swindon and 67% of Wiltshire jobs at medium to high risk of automation in Wiltshire. This may present both challenges in terms of labour market demand, but also the opportunity to create high skilled jobs that are enabled through automated innovation processes.



# Future Trends

## Population and Demographic Projections

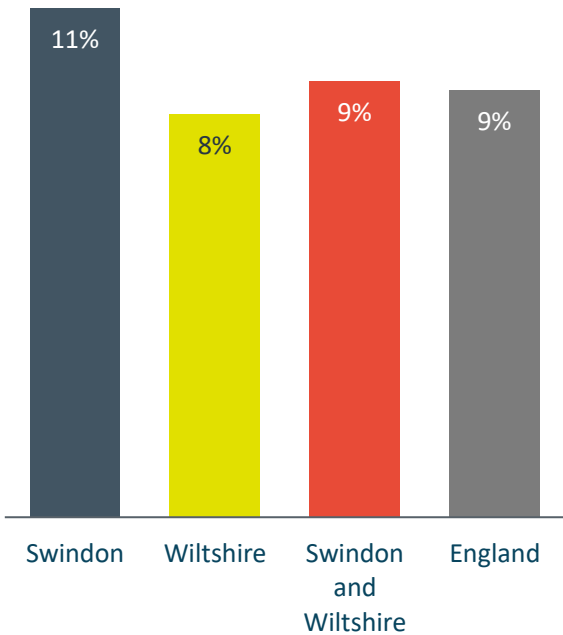
By 2043 it is estimated that there will be over 800,000 people living in Swindon and Wiltshire. This equates to a population increase of 67,000 people between 2020-2043 (+9%). Overall, growth is estimated to be in line with national averages. Though Swindon will see growth of its population outstripping national projections.

The majority of this growth is amongst the older demographics, with over 65s seeing growth of 49% (+21,400 people) between 2020 and 2043. Meanwhile, the working age cohort is expected to see its population remain broadly static over the next two decades growing by just over 4,000.

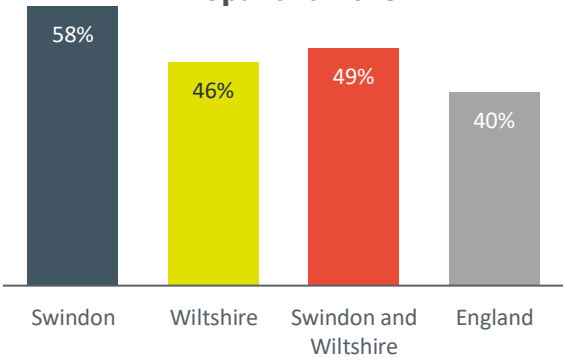
The working age demographic in Swindon and Wiltshire will fall as a proportion of the population from 61% (142,500 people) in 2020 to 56% (146,800 people) in 2043, while the older population over 65 will account for 27% (58,400 people) of the population in 2043, up from 20% (37,000) in 2020.

The future Swindon and Wiltshire labour market will include a smaller potential pool of labour supply while greater demand for social care and healthcare will rise due to greater need from the older population.

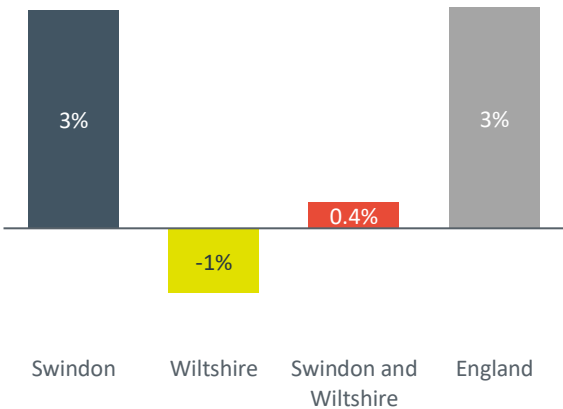
Projected change in total population  
(%), 2020-2043



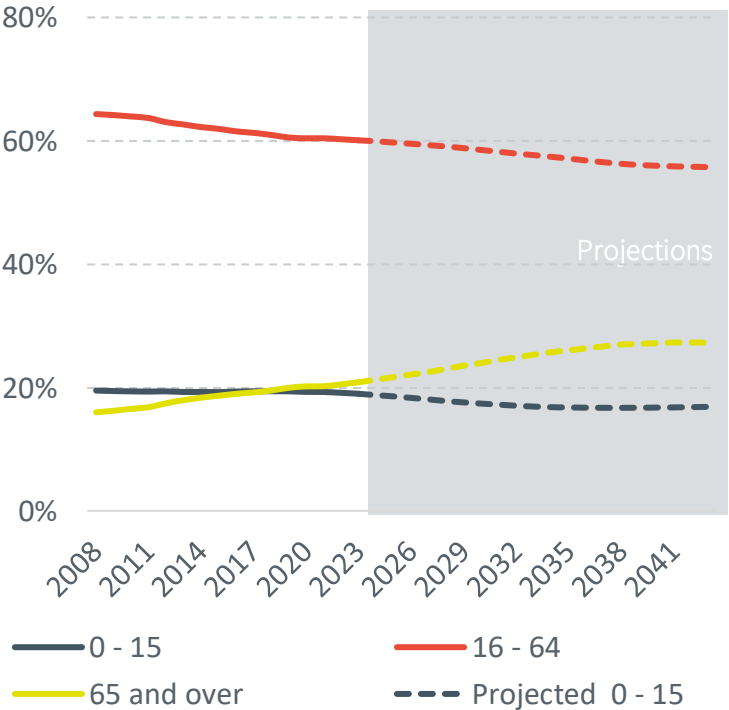
% Projected Change in Aged 65+  
Pop. 2020-2043



% Projected Change in Working Age  
Pop. 2020-2043



Proportional Population Growth Estimates by  
Demographic



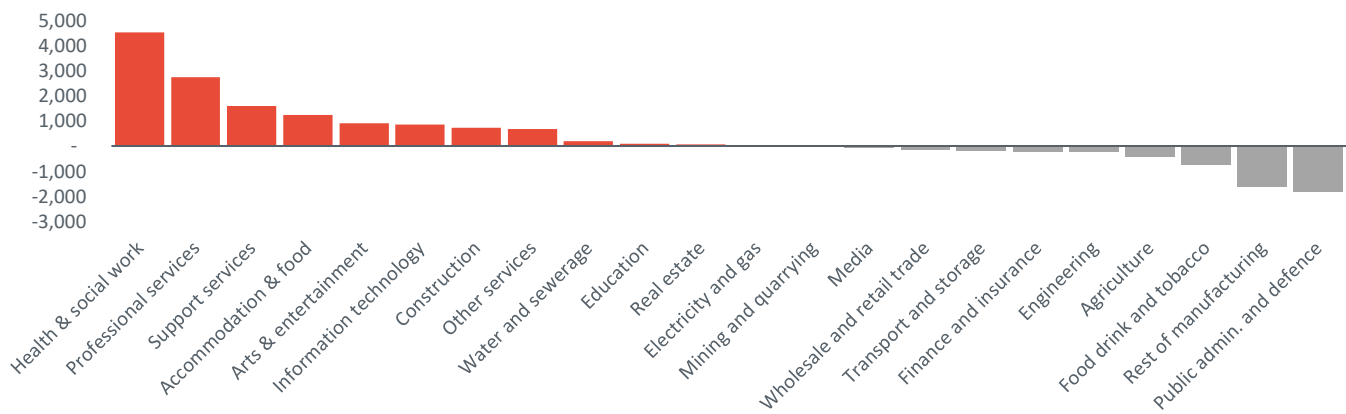
# Future Trends

## Employment Projections

By 2027 estimates suggest there will be 382,000 people employed in Swindon and Wiltshire. Large sectors of employment include Business and Other Services, Trade, Accommodation and Transport, Non-Marketed Services. This future demand for labour can be broken down in to two main components:

**Expansion demand demonstrates the additional workers required as a result of future jobs growth in Swindon and Wiltshire.** Sectors including Health, Professional Services, Support Services, Accommodation and Food amongst others will experience an increase in jobs demand in the near future. While sectors such as Food, Drink and Tobacco, Agriculture and Public Admin are forecast to contract.

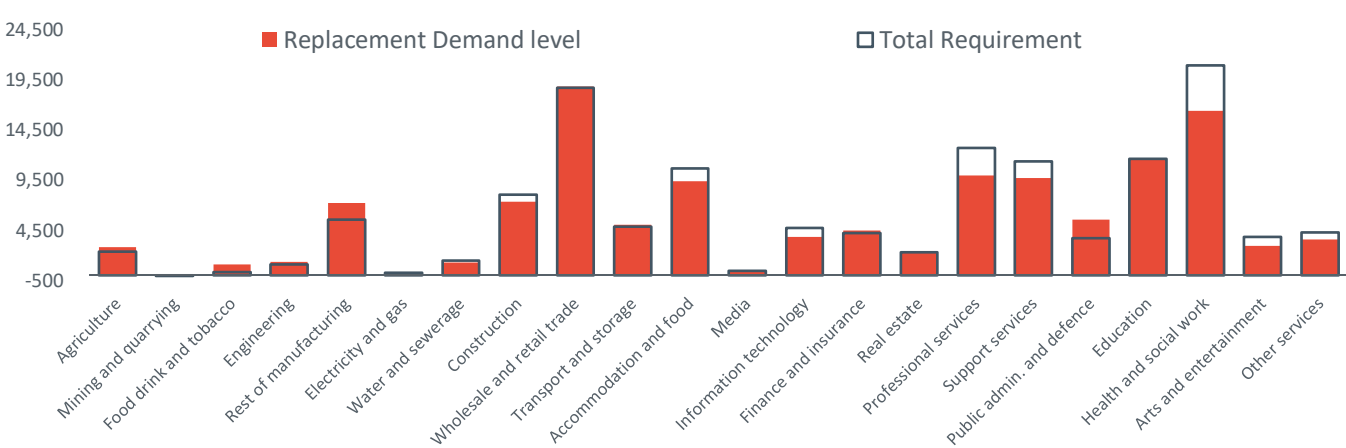
Projected Sectoral Employment Change/Expansion Demand, 2017-2027



**Replacement demand is the labour required to replace people leaving the workforce** (e.g. through retirement). While demand requirements suggest the skills needed in each sector. In eight sectors of the Swindon and Wiltshire economy, it is estimated that replacement demand will not sufficiently fill labour gaps meaning sectors including Health and Social Work, Accommodation and Food, Professional Services will need to find additional labour sources to meet employer needs.

Looking at the more immediate term the Employer Skills Survey suggests skills demands will be impacted by macroeconomic changes, for example, 18% of Swindon and Wiltshire employers expect there to be a need for new skills due to EU exit.

Forecast Replacement Demand and Requirements by Sector 2017-2027



Source: Working Futures 2017

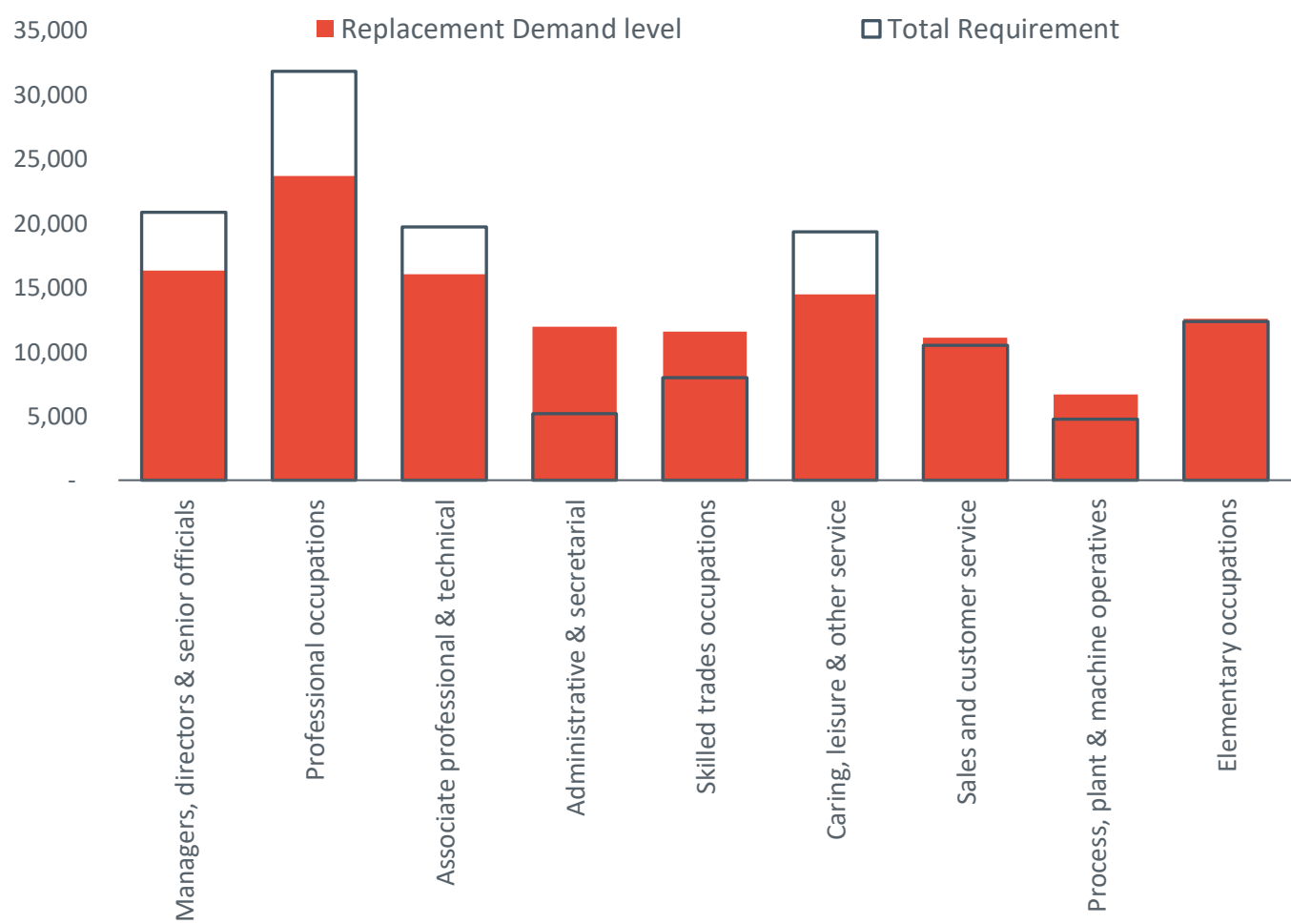
# Future Trends

## Employment Projections

Demand will be most pressing in managerial and professional occupations in Swindon and Wiltshire. Examining the type of skills expected to be in demand in Swindon and Wiltshire shows that there will be a need for 53,000 jobs, 40,000 of which will be based on replacement demand and 13,000 due to expansion.

In the shorter term, two in five employers in the LEP area have expressed an emerging need for new skills to satisfy new technologies, products and new working processes. Filling these skills gaps will contribute to productivity improvements as they will better enable Swindon and Wiltshire employers to harness the economic advantage of more efficient business practices and bring innovative, and potentially, market-disrupting new products to market.

**Forecast Replacement Demand and Requirements by Occupation, 2017-2027**



Source: Working Futures ; Employer Skills Survey, 2019



# Future Trends

## Automation

277,000 jobs are exposed to automation risks in the LEP area. The ONS have looked at the number of (main) jobs at varying risks of automation. These are categorised as high (70%+ probability of the job being fully automated), medium (between 30%-70% automation probability) and low (<30%). In Swindon, a total of 93,000 main jobs are at risk of automation, of which 78% are either medium or high risk. Unsurprisingly, given its relative size, in Wiltshire the total number of jobs at risk is higher (184,000) but a lower share of these (67%) are high or medium risk.

The ONS also produce an estimate of the overall probability of automation in each area relates to the aggregate of the probability of automation for each job multiplied by the number of those jobs. As such, it can be thought of as the weighted exposure across all jobs to automation.

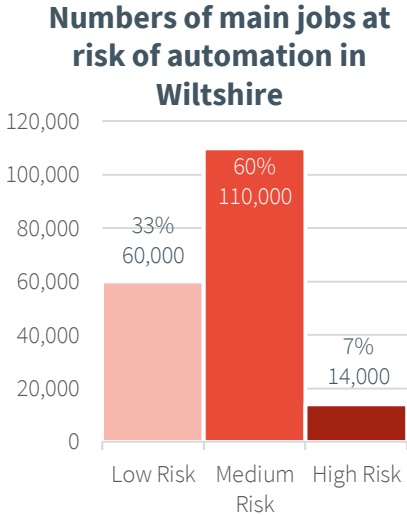
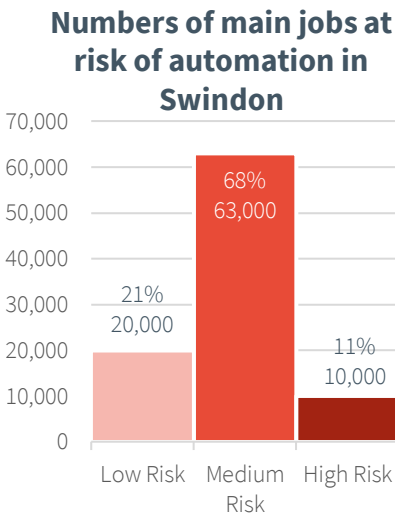
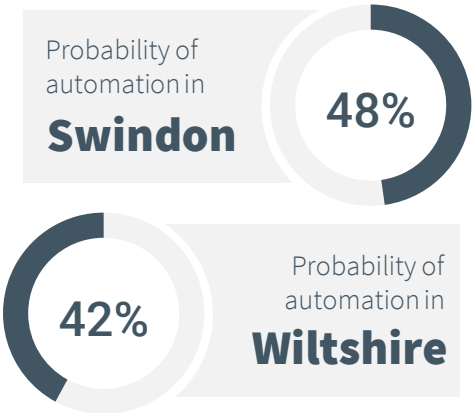
Some of the Swindon and Wiltshire’s most important sectors have a high exposure to automation. Automation will change the composition of tasks required in jobs. These task changes may be small, but some may require new skills and will affect different industries to differing degrees. This will mean the need for re-skilling is unevenly distributed.

We can look at the probability of automation of sectors in England alongside data on the importance of those industries in Swindon and Wiltshire to understand where the overall exposure to automation may be felt hardest. Retail and Wholesale, and Accommodation and Food Services account for nearly a quarter of employment in the LEP area and have the highest probabilities of automation.

Probability of automation by sector (England, 2017)

	Employment (2021)	% of Employment Base in the LEP area	Probability of automation (2017)
Agriculture, mining and utilities	13,000	4%	47%
Manufacturing	29,000	9%	49%
Construction	16,000	5%	46%
Retail and wholesale	44,000	13%	57%
Transport and storage	18,000	5%	49%
Accommodation and food services	26,000	8%	62%
Information and communication	10,000	3%	36%
Financial and insurance	12,000	4%	42%
Property	6,000	2%	45%
Professional, scientific and technical	33,000	10%	37%
Administration and support services	26,000	8%	49%
Public administration and defence	13,000	4%	37%
Education	27,000	8%	35%
Health	39,000	12%	43%
Arts, entertainment and other services	12,000	4%	47%

Source: ONS Probability of Automation  
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By 2043 it is estimated that there will be over 800,000 people living in Swindon and Wiltshire, a large share of this population will be over 65 (+49% by 2043) bringing with this the specific needs of an older demographic that must be met. In 2027, estimates suggest there will be 382,000 people employed in Swindon and Wiltshire. Employment demand will be most pressing in managerial and professional occupations in Swindon and Wiltshire, ensuring future employment demand is satisfied will be the most important ingredient to the future prosperity of Swindon and Wiltshire.

While many jobs may be undertaken by advancing automation, there will undoubtedly remain a need to ensure labour demand is met by labour supply. In the medium to long term older workers leaving the labour market must be replaced by younger workers, for this to be possible there is a need to counter the ageing demography of Swindon and Wiltshire.

However, it is necessary to caveat future policy insights and recommendations. In the medium term, to reduce some of the main risks to the Swindon and Wiltshire economy housing needs to be provided and infrastructure needs to be created to meet the needs of residents and businesses, while being mindful that economic shocks may arise, building a degree of resilience across the economy will serve the LEP area.

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