

Swindon and Wiltshire Local Economic Assessment

March 2022

Local Economic Assessment **Contents**

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Executive Summary



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This Local Economic Assessment (LEA) report provides an evidence base for Swindon and Wiltshire economic positioning and will be used to inform future needs and policy decisions that will impact residents and businesses in the LEP area.

To ensure a comprehensive overview of the most significant economic, social and environmental indicators, this report considers evidence across the following thematic areas:

- + **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.
- + **Future trends:** with recent macroeconomic shocks, including the UK decision to leave the EU and the COVID-19 pandemic, the future is incredibly uncertain. The report considers future trends and disruptors to consider where opportunities and challenges exist that Swindon and Wiltshire needs to respond to in order to support economic resilience and growth.

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.

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

- + **The Swindon and Wiltshire economy contributes £21bn annually** to the UK economy, equating to 15% of the South West of England's and 1% of England's total output. Historically, Swindon and Wiltshire's GVA growth rates have surpassed the regional and national averages, but this has slowed since 2015, and the LEP area is now on par with growth seen at a national level. In comparison to comparator LEP areas Swindon and Wiltshire has experienced the lowest rate of growth, indicating barriers to growth.
- + **The largest contributors to GVA output are manufacturing, real estate and retail and wholesale** which collectively account for a third of total economic output in Swindon and Wiltshire. Manufacturing output is over-represented in the LEP area, indicative of a sector strength. The impact of the recent closure of Honda is not reflected in current data sets which may change this position looking ahead.
- + 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 61% of total output in the LEP area. Spatial concentrations of high economic output include Swindon, Amesbury and Trowbridge. Targeting interventions to support productivity growth in the Growth Zones will further enhance these engines of growth.
- + **Swindon and Wiltshire has experienced an estimated loss of £1.7bn in GVA in 2020 due to the pandemic.** Losses have been experienced across all sectors, but the Accommodation and Food sector has been heavily exposed, accounting for an estimated 22% of losses.

- + Swindon and Wiltshire LEP area has a minor productivity gap with the national average (-£1.7k output per job filled) but this masks substantial differences locally. Wiltshire has a significant productivity gap at -£12.3k whilst Swindon has above average productivity at +£19.9k. **Supporting productivity growth will drive growth in wages and living standards.** Targeting interventions to raise productivity in lower productivity areas such as Chippenham, Salisbury and Trowbridge will help to improve overall productivity in Wiltshire and the wider LEP area.
- + 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.



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

- + **There are currently 29,000 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 such as professional, scientific and technical (17% of total business base), construction (13%) and ICT (9%).
- + In line with the national average, **Swindon and Wiltshire has a business base consisting primarily of SMEs** (employing under 250 people), accounting for 98% of the business base. Swindon is home to larger employers, with those employers employing over 250 people accounting for 0.4% (130 businesses) the same as at the national level.
- + **Growth in the overall business count has been relatively static**, experiencing a 1% increase since 2016 (just 160 additional enterprises), compared to 9% nationally. This reflects the exposure of the economy to the effects of the pandemic, with a loss of over 400 businesses between 2020 and 2021. However, data indicates longer term issues, with sluggish growth across the entire five year period, with the majority of losses experienced between 2017 and 2018.
- + There has been substantial growth in the business base in broad sectors such as **transport and storage (+51%), construction (+14%), property (+13%) and financial and insurance (+10%)** which exceeds the level of growth experienced nationally. Conversely, a number of sectors experienced a decrease in the business base in contrast to a position of growth witnessed nationally. These sectors include information and communication, education, wholesale, retail, arts and education. Significant contraction has occurred in the health sector (-10%) in line with the national trend.

- + In 2020, there were -55 net business births in Swindon and Wiltshire. The position differs by local authority, with Swindon experiencing a positive net birth rate of +55 whilst Wiltshire has experienced a negative rate of -110. The high death rate in Wiltshire is particularly notable. However, the LEA area does have an above average 5 year survival rate at 44% compared to 39% nationally, suggesting a supportive business environment for growth.
- + The number of business incorporations in Swindon and Wiltshire rose significantly during the pandemic. This could be indicative of a growing entrepreneurial culture, however it can also be attributed to a reduced number permanent employment opportunities during lockdown periods stimulating business start ups.
- + 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 2019, the LEP area imported £5.6m in goods and services, compared to exporting £5.0m. The LEP area does have a strong trading relationship with non EU countries which could provide greater protection from Brexit, although it is noted that Wiltshire is more dependent on the EU for trade, particularly imported goods and services, and exported goods.
- + Employment in Swindon and Wiltshire stood at 326,500 and has decreased by 3% since 2016, which contrasts with the 1% growth experienced nationally.
- + Large employment sectors in the LEP area include retail and wholesale (16% of total employment), health (11%), manufacturing (9%) and professional, scientific and technical (9%). 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 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.

- + 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 2020	5-year change (2015-2020)	LQ ¹ 2020	Share of zone's employment
Professional Business Services	44,000	-1%	1.0	13%
Creative Industries	18,000	4%	0.9	5%
Low Carbon	15,000	0%	1.5	5%
Life Sciences	10,000	7%	4.5	3%
Advanced Manufacturing and Engineering	34,000	1%	1.4	10%
ICT/Cyber Security	9,000	2%	1.1	3%

	Businesses 2020	5-year change (2016-2021)	LQ ¹ 2021	Share of zone's businesses
Professional Business Services	6,630	-5%	1.0	23%
Creative Industries	3,040	-6%	0.9	10%
Low Carbon	1,070	-8%	1.1	4%
Life Sciences	85	18%	1.0	0%
Advanced Manufacturing and Engineering	2,085	-4%	1.1	7%
ICT/Cyber Security	1,760	-11%	1.2	6%

- + Swindon and Wiltshire is a net exporter of labour (-16,500) with key employment destinations outside the sub region including Bath, Test Valley and West Berkshire. However, it is notable that Wiltshire is a net importer of labour (+3,400) whilst Swindon is a net exporter (-3,400).
- + The LEP area has a relatively high job density of 0.9 compared to 0.85 in England, indicating a strong jobs market. Origin areas of commuters include Mendip, North Dorset, East Dorset and New Forest. There has been a rapid rise in homeworking (71% since 2019) which may have contributed to a reduction in the historic export of labour. Wiltshire has an above average of employees working mainly from home at 21% compared to 18% in England (and 18% in the LEP area). In contrast, only 13% of employees mainly work from home in Swindon, which may reflect the representation of retail, health and manufacturing sectors which have some of the lowest proportion of staff mainly working from home.

¹ 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.

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

- + **Approximately 727,000 people live in Swindon and Wiltshire**, of which 31% live in Swindon and 69% in Wiltshire. The population has grown by 7% (50,000) since 2010, in line with the national average. The largest contributor to population growth is net internal migration which has taken place across all age groups, with the exception of 15-19, suggesting young people are leaving the area to access higher level education opportunities.
- + **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 68,000 non-UK born residents in the LEP area, accounting for 9% of the total population. Of this figure, 59% are from outside the EU, with the remainder from the EU. Swindon has a higher share of non-EU born residents at 11% compared to 3% 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 59% aged 16-64 years compared to 63% in Swindon and 62% nationally. The population is ageing, with the proportion of residents aged 65+ accounting for 20% in 2020 compared to 17% in 2010. Since 2010, the number of residents aged 65+ have increased by 31% (34,700) which is notably higher than the growth experienced across the South West (24%) and nationally (22%).
- + **Swindon and Wiltshire has a high economic activity rate** at 83% compared to 79% nationally. Wiltshire is a key contributor, with an activity rate of 85% compared to 78% in Swindon. Just 4.3% of the economically population are currently unemployed, broadly in line with the national rate (4.9%). Swindon and Wiltshire has a relatively low economic inactivity rate (17%), many of whom are students, long term sick or retired. Of those classed economically inactive, 20% would like a job.

- + As of September 2021, there were 13,200 people unemployed in Swindon and Wiltshire, of which 64% reside in Swindon and 36% in Wiltshire. Since 2016, the total number of people unemployed has reduced by 13% (compared to a 1% reduction in England). **However, more recent trends indicate an increase in unemployment**, with the number of people unemployed rising significantly since 2019 (31%) illustrative of the impact on the pandemic. The number of benefit claimants peaked at 21,400 in May 2020, compared to 8,200 in December 2019. This has since fallen to 13,800 in December 2021. The majority of claimants are from Swindon (58%). The rate of increase in the number of claimants has tracked above the South West and England average over the time period, indicating a heightened exposure to the effect of the pandemic on the labour market within the LEP area.
- + Swindon and Wiltshire **has a high employment rate** at 79.5% compared to 74.9% nationally. The rate in Wiltshire is notably high at 81.8% compared to 74.9% in Swindon.
- + 76% of residents are in full time employment, slightly below the national average of 77%.
- + Overall, 24% of employment in Swindon and Wiltshire is within the public sector, broadly in line with the national average (23%).
- + Self employment levels stand at 15%, broadly in line with the national average (14%).
- + People living in Swindon and Wiltshire earn more than people who work in the LEP area, indicating that residents may be leaving to access higher value opportunities outside the area. This picture differs within the area, with workplace earnings higher than resident earnings in Swindon, whilst the reverse is true in Wiltshire. There has been strong growth in resident and workplace earnings, indicating demand for labour is high.
- + Swindon and Wiltshire have a **high proportion of residents working in high level occupations** (49%) which is above the South West (47%) and just below the England average (50%). 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.

- + The proportion of residents **educated to NVQ L4+ in Swindon and Wiltshire is below average**, at 38% compared to 40% in the South West and 43% in England. There has been positive movement with a 3 percentage point increase since 2015, but this rate of growth is below national levels (6 percentage points).
- + **Skill shortage vacancies are experienced by 7% of employers** in Swindon and Wiltshire (compared to 6% nationally). Occupations with the highest levels of vacancy in the LEP area include professional occupations (35% of advertised vacancies compared to 19% nationally) and skilled trades (22% compared to 19% nationally). Hard to fill vacancies can constrain growth and productivity in an area, and 28% of employers in Swindon and Wiltshire report that these vacancies have led to difficulties introducing new technologies (compared to 22% nationally).
- + A high proportion of employers report they have **at least one employee who is underutilised** (31%), indicating a skills mismatch which needs to be addressed.
- + As lockdown restrictions have eased, **job postings in the LEP area have increased rapidly**. As of January 2022, there were 6,893 jobs being advertised in Swindon and Wiltshire, with a high number reported in education, hospitality, finance and insurance, health and manufacturing.
- + **A high proportion of Key Stage 4 pupils in Swindon and Wiltshire progress into sustained education** (92%) in line with the national average but considerably higher than the South West average of 82%. **Progression into apprenticeships is under-represented** at 3% compared to 5% at KS2, and this trend continues with only 6% of 16-18 following this route compared to 12% nationally. However, **further education leavers are less likely to continue into sustained education** at 33% compared to 40% nationally, suggesting a more limited local higher education offer is deterring participation.
- + In 2020/21 Swindon and Wiltshire had 5,100 apprenticeship starts and 2,000 apprenticeship achievements. Sectors with the highest number of starts include engineering and manufacturing technologies, administration and low, and retail, commercial and enterprise, indicating **a good level of alignment with important sectors**.
- + Graduates from Swindon and Wiltshire are less likely to be unemployed upon graduation than comparators but **are not being fully utilised**, with the proportion of graduates progressing into part-time employment significantly higher than the national average (24% compared to 12%).

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, including below average female employment which is stark when considering the differences that exist between female employment in Swindon (70%) compared to Wiltshire (78%). Disabled people are also less likely to be employed in Swindon (52%) than Wiltshire (66%). The unemployment rate for ethnic minorities in Wiltshire is very high, at 12.5% compared to 9% in England.
- + **There are 32,300 children living in poverty** in Swindon and Wiltshire. This is particularly high in Swindon at 26% compared to 20% in Wiltshire.
- + **Deprivation is concentrated** in Swindon town centre, Trowbridge, and rural areas such as Devizes and Calne. 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).
- + **Social mobility is a barrier to life chances** in Swindon and Wiltshire, this is particularly acute in Wiltshire which ranks 267 on the Social Mobility Index (where 324 is the least socially mobile local authority). Key issues include poor social mobility associated with early years in Wiltshire (ranked 282 out of 324) and the proportion of young people eligible for free school meals at age 15 entering higher education by age 19 (ranked 254 and 251 in Swindon and Wiltshire respectively).

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 4,724,000 sqm of industrial floorspace in Swindon and Wiltshire and this has grown by 7% since 2010/11 (compared to 2% nationally). In tandem, significant employment growth has been experienced in sectors occupying industrial space such as transport and storage (51% growth since 2016) and manufacturing (3% growth since 2016).
- + There is a **high demand for industrial space and only 2% is vacant**. Industrial rental values have increased but the area is relatively affordable at £5.80 per sq ft compared to £6.70 nationally.
- + There is currently 1,161,000 sqm of retail floorspace in Swindon and Wiltshire, an increase of 3% since 2010/11. Around 3% of retail floorspace is vacant and has decreased from 8% 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 £22 psf in the UK).
- + There is currently 919,000 sqm of office floorspace in Swindon and Wiltshire and **the stock of office space has contracted over time** with a loss of 22,000 sqm (3%). This trend has been reflected nationally. Around 4% of office floorspace in the LEP area is currently vacant, and the vacancy rate has fallen over time. **Rental values are rising**, with the average price of office space standing at £23 psf compared to £14 psf nationally.
- + **House prices in the LEP area have generally kept pace with the national average**: the current median house price in Swindon is £270,000, compared to £280,000 nationally and £300,000 in Wiltshire. 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.
- + **Swindon has relatively good digital infrastructure** with 89% of properties with indoor 4G (compared to 78% nationally) and high broadband download speeds. However **Wiltshire has cold spots of digital connectivity**: only 74% of households can access indoor 4G. Some 2,100 properties in Swindon and Wiltshire are below the digital Universal Service Obligation of a download speed of at least 10MB and upload of at least 1MB, pointing to issues of digital exclusion.

- + Swindon and Wiltshire are progressing their ambitions to net zero by 2050.
- + In 2020, the **LEP area generated a total of 891,000 MWh of green energy**, the majority of which (82%) was from photovoltaics. Swindon and Wiltshire has 774 MW of green energy capacity, the majority of which comes from photovoltaics (90%).
- + Recycling rates in Swindon and Wiltshire are broadly in line with the national average at 42% but local differences include a lower rate in Swindon (39% compared to 43% in Wiltshire).
- + 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 CO₂ per capita. The majority of Swindon and Wiltshire's CO₂ emissions are from transport (47%), domestic (28%) and industry (17%). Continued efforts to decarbonise will support further reductions.
- + Noise pollution in Swindon and Wiltshire is largely experienced around motorways and artillery roads. This can impact on health and quality of life.



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 61% 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; rest of 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.**
- + In the shorter term, the Employer Skills Survey identifies that 18% of Swindon and Wiltshire employers expect there to be a need for **additional skills due to EU exit**. Furthermore, 40% of employers identify a need for **new skills to implement new technologies, products and new working processes**. Many of these new skills require high level occupations to implement, with 38% of employers identifying the need for managers, professionals and associate professionals to meet replacement and expansion demand.

- + OBR estimates indicate a potential loss of £1.7bn in GVA in 2020 due to the pandemic. Recovery scenarios consider how Swindon and Wiltshire may bounce back as restrictions on the economy ease. An optimistic scenario considers that the Swindon and Wiltshire economy will return to and surpass its growth trajectory in 2023.
- + The **Low Carbon economy is expected to grow in importance in Swindon and Wiltshire**. The sector currently employs 15,000 people and is expected to grow in line with global trends that predict that 14 million new jobs will be created by 2030. It is expected that one in five of all jobs will be impacted by climate change and decarbonisation. As Swindon and Wiltshire continues on its net zero journey it can be expected that further jobs will be created in the sector alongside further reductions in carbon emissions.
- + **An estimated 277,000 jobs in the LEP area are exposed to automation risks**. Of this, 173,000 jobs are considered at 'high risk'. Wiltshire is most exposed with 110,000 roles at high risk, compared to 63,000 in Swindon. 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%).
- + **EU exit is expected to continue to create labour market challenges** as international migration rates decline. An increased focus on trade markets outside the EU is already underway, with a positive trade balance experienced to non-EU countries in 2019.
- + **Meeting housing demand will support the provision of labour to fuel economic growth**. Based on current Local Plans, the requirements for additional housing include 42,000 in Wiltshire to 2026, and 22,000 in Swindon to 2026. Both Swindon and Wiltshire will publish updated local plans setting out housing need up to 2036.



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.

Swindon's Key Statistics Summary

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Productivity and Output

Output (2019) £9,575bn

Share of LEP area 45%

2015-2019 growth 7%

GVA per filled job (2019) £77,500

2009-2019 growth 6%



Business and Sectors

Top 3 2-digit sectors by business count (and LQ*)
Specialised construction (1.2)
Computer programming & consultancy (1.6)
Head offices (1.0)

Top 3 priority sectors by business count (and LQ)
Professional business services (1.7)
Creative industry (2.0)
Low carbon (2.2)

Business deaths (2020) 960

Net business births (2020) 55

5 year survival rate 43.4%

Total exports (2019) £3,119mn

Of which to EU 30%

Total imports (2019) £2,929mn

Of which from EU 42%

Top 3 2-digit sectors by employment (and LQ)
Specialised construction (1.2)
Computer programming & consultancy (1.6)
Head offices (1.0)

Top 3 priority sectors by employment (and LQ)
Professional business services (1.7)
Creative industry (2.0)
Low carbon (2.2)

** 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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Swindon's Key Statistics Summary

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People and Labour Market

Population (2020)	222,900
2010-2020 growth	8%
% of population born in EU (2020)	5%
Economic activity rate (Oct-Sept 2021)	78.2%
Unemployment rate (Oct-Sept 2021)	4.3%
% of employed in full-time employment (2020/21)	79%
Number of payrolled employees (Jan 2022)	113,733
Change since March 2020	-1.4%
Median monthly pay of payrolled employees (Jan 2022)	£2,070
Change since March 2020	9.4%
% employed in high-skilled occupations (2020/21)	47%
Change in proportion since 2015/16	4%
Residents educated to Level 4+	33%
Skills shortage vacancies (2019)	8%

Skills under-utilisation (2019)	29%
Apprenticeship starts (2020/21)	1,110
Of which higher apprenticeship	26%



Socio-Economic Issues

Female employment rate (oct-sept 2021)	69.7%
EA core or work-limiting disabled employment rate	52.0%
Child poverty rates (2019/20)	26%
Gross disposable income per head (2019)	£20,520
Social mobility rank (out of 324 local authorities, 2016)	141



Infrastructure and Environment

Average housing affordability ratio (2021)	8
Indoor 4G connectivity (2021)	89%
Recycling rate (2020/21)	39%



Swindon & Wiltshire
LOCAL ENTERPRISE PARTNERSHIP



Swindon's Key Statistics Summary

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Infrastructure and Environment

CO2 per capita (ktCO2, 2019)	4.6
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%



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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 and ICT/Cyber security.

Wiltshire's Key Statistics Summary

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Productivity and Output

Output £11,571bn

Share of LEP area 55%

2015-2019 growth 13%

GVA per filled job (2019) £45,300

2009-2019 growth 6%



Business and Sectors

Top 3 2-digit sectors by business count (and LQ*) (2021)

Crop & animal production (2.4)
Specialised construction (1.0)
Head offices (1.2)

Top 3 priority sectors by business count (and LQ) (2021)

Professional business services (2.0)
Creative industry (1.8)
Low carbon (2.2)

Business deaths (2020) 2,115

Net business births (2020) -110

5 year survival rate 44.3%

Total exports (2019) £1,852mn

Of which to EU 46%

Total imports (2019) £2,715 mn

Of which from EU 57%

Top 3 2-digit sectors by employment (and LQ) (2020)

Retail excl motors (1.0)
Education (0.9)
Food services (1.0)

Top 3 priority sectors by employment (and LQ) (2020)

Professional business services (0.8)
Advanced manufacturing & engineering (1.3)
Low carbon (1.5)

* 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.



Swindon & Wiltshire
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Wiltshire's Key Statistics Summary

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People and Labour Market

Population (2020)	504,100
2010-2020 growth	7%
% of population born in EU (2020)	3%
Economic activity rate (2021)	84.7%
Unemployment rate (2021)	3.2%
% of employed in full-time employment (2020/21)	74%
Number of payrolled employees (Jan 2022)	227,280
Change since March 2020	0.7%
Median monthly pay of payrolled employees (Jan 2022)	£2,070
Change since March 2020	10.3%
% employed in high-skilled occupations (2021)	50%
Change in proportion since 2015/16	4%
Residents educated to Level 4+	40%
Skills shortage vacancies (2019)	7%

Skills underutilisation (2019)	32%
Apprenticeship starts (2020/21)	4,010
Of which higher apprenticeship	15%



Socio-Economic Issues

Female employment rate (oct-sept 2021)	78.7%
EA core or work-limiting disabled employment rate	66.3%
Child poverty rates (2019/20)	20%
Gross disposable income per head (2019)	£23,180
Social mobility rank (out of 324 local authorities, 2016)	267



Infrastructure and Environment

Average housing affordability ratio (2021)	10
Indoor 4G connectivity (2021)	74%
Recycling rate (2020/21)	43%



Swindon & Wiltshire
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Wiltshire's Key Statistics Summary

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Infrastructure and Environment

CO2 per capita (ktCO2, 2019)	5.2
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%



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Growth Zone A350 Executive Summary

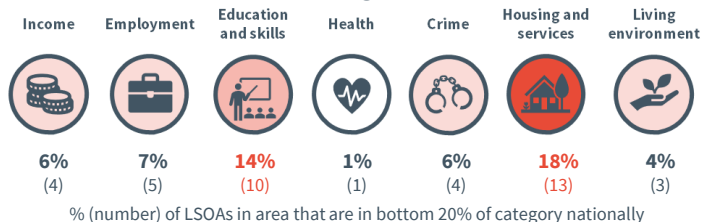
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The A350 Growth Zone is home to over 126,000 people, equivalent to 17% of the LEP area's total population...

The A350 Growth Zone generates over £3bn in GVA and accounts for 17% of employment in the LEP area. Its employment share is therefore in line with its share of the LEP area's population. Similarly, the area is home to 17% of businesses in the LEP area, although it is the only Growth Zone that has experienced a minor decrease (-0.5%) in business counts since 2016.

Over half of employment is held within four sectors, with nearly one in three jobs in either Retail and Wholesale (16%) or Manufacturing (15%).

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.

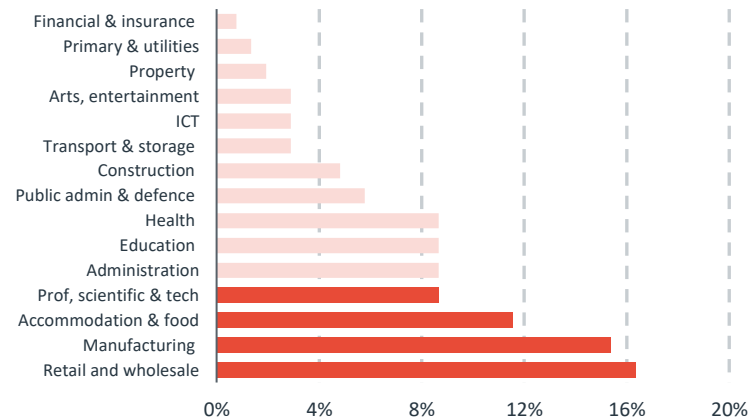


Source: BRES, ONS; IMD, GVA Small Area Data, ONS

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

¹ 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.

Sector Employment, 2020



Priority Sector Employment Overview

	Employment 2020	5-year change (2015-2020)	LQ ¹ 2020	Share of zone's employment
Professional Business Services	6,000	8%	0.0	12%
Creative Industries	2,000	-8%	1.7	4%
Low Carbon	1,500	3%	0.7	3%
Life Sciences	225	4%	2.2	0%
Advanced Manufacturing and Engineering	5,000	2%	0.8	10%
ICT/Cyber Security	1,000	2%	0.4	2%



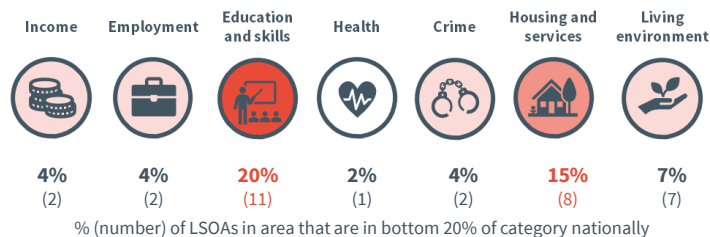
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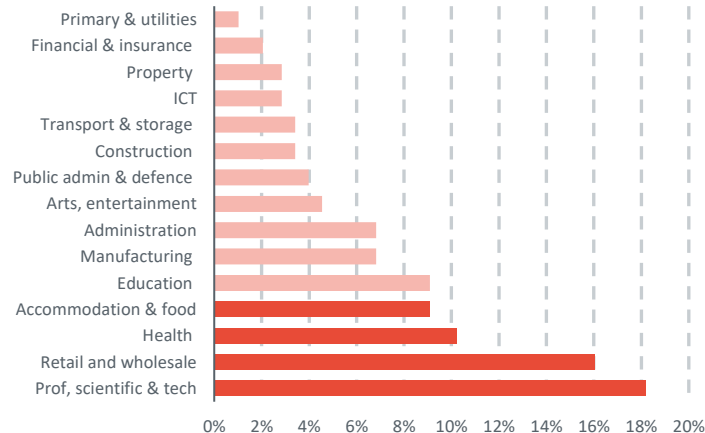
The Salisbury A303 Growth Zone is the smallest of the Growth Zones in terms of population, with just over 105,000 residents...

Economically the growth zone contributes just shy of £3bn 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) emphasising the scale of the visitor economy and importance of Salisbury as a key attraction for tourists and visitors.

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.



Sector Employment, 2020



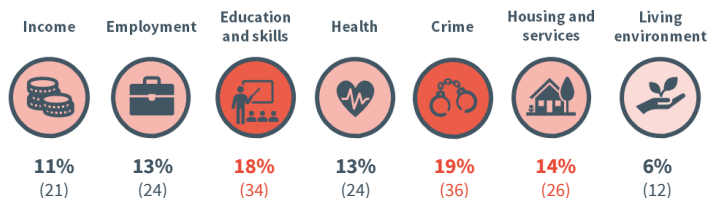
Priority Sector Employment Overview

	Employment 2020	5-year change (2015-2020)	LQ 2020	Share of zone's employment
Professional Business Services	6,000	5%	0.3	14%
Creative Industries	2,000	0%	0.2	5%
Low Carbon	5,000	3%	1.3	11%
Life Sciences	10,000	0%	11.2	23%
Advanced Manufacturing and Engineering	7,000	3%	0.8	16%
ICT/Cyber Security	700	3%	0.2	2%

The Swindon M4 Growth Zone is the largest of the growth zones in the LEP area in population terms, with 320,000 residents, 44% of Swindon and Wiltshire's total population and 50% of all employment...

The Swindon M4 growth zone is a driver of the Swindon and Wiltshire economy, contributing £13bn in 2019 and accounting for over half of the LEP area's output, as well as 42% of its businesses base. The Swindon M4 are is dominated by five sectors in particularly that account for over half of its total employment. These include Retail and Wholesale (17%), Administration (11%), Health (10%), Manufacturing (8%) and Professional, Scientific and Technical (8%).

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.

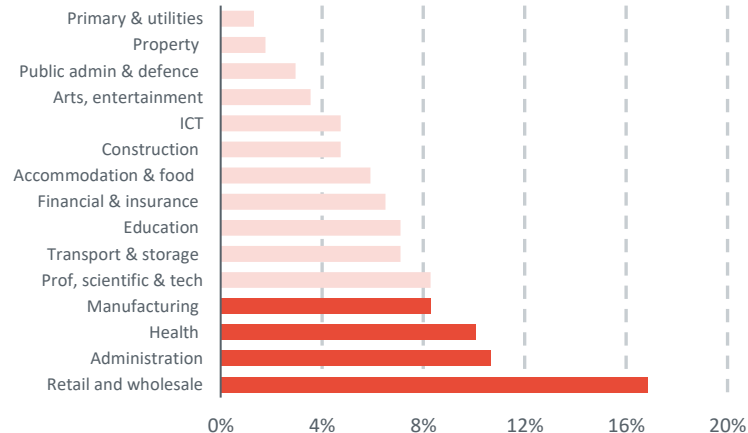


% (number) of LSOAs in area that are in bottom 20% of category nationally

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.

Sectoral Employment, 2020



Priority Sector Employment Overview

	Employment 2020	5-year Employment change (2015-2020)	LQ 2020	Share of GZ Employment
Professional business services	26,000	12%	0.4	15%
Creative Industries	10,000	0%	4.9	6%
Low Carbon	8,000	2%	3.5	5%
Life Sciences	8,000	3%	12.4	5%
Advanced Manufacturing and Engineering	17,000	0%	2.9	10%
ICT/Cyber Security	5,000	0%	2.4	3%



Swindon & Wiltshire
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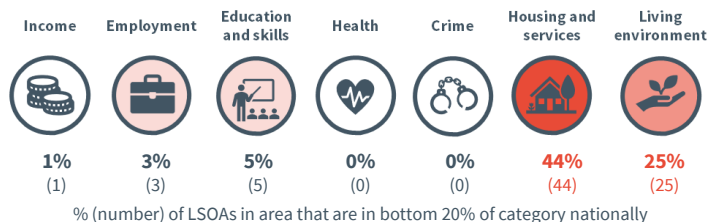
Rest of Swindon and Wiltshire Executive Summary

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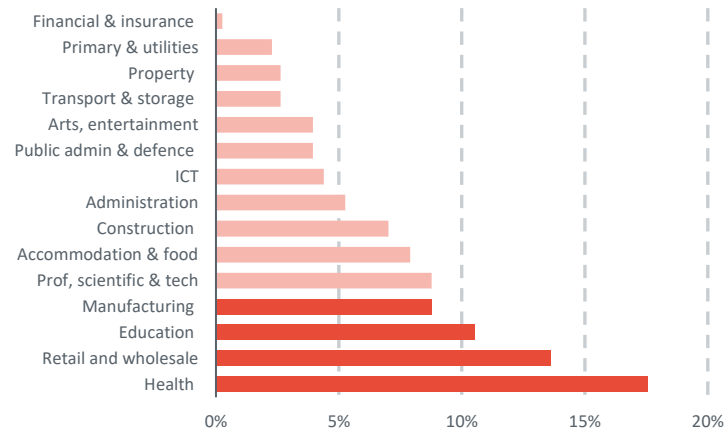
Nearly a quarter (24%) of Swindon and Wiltshire's population live outside of the three Growth Zones...

These residents live in what is predominantly the rural areas of Wiltshire. Despite accounting for a quarter of the LEP area's population, the non-growth zone area of Swindon and Wiltshire accounts for 17% of employment. 25% of adults in this area are retired, this is slightly higher than the rate for the LEP area (24%) suggesting a combination of high outflow commuting and more retirees may explain for the lower share of employment. The non-growth zone area is estimated to be valued at over £3.6bn, the equivalent of 16% of the LEP area's total economy.

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.



Sectoral Employment, 2020



Priority Sector Employment Overview

	Employment 2020	5-year Employment change (2015-2020)	LQ 2020	Share of Area Employment
Professional business services	7,000	15%	0.0	12%
Creative Industries	3,500	3%	1.1	6%
Low Carbon	1,500	7%	1.0	3%
Life Sciences	250	-3%	3.1	0%
Advanced Manufacturing and Engineering	4,500	0%	0.8	8%
ICT/Cyber Security	2,000	15%	0.5	4%

Source: BRES, ONS; IMD, GVA Small Area Data, ONS; Annual Population Survey, ONS

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



Swindon & Wiltshire
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2

Introduction and Context



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

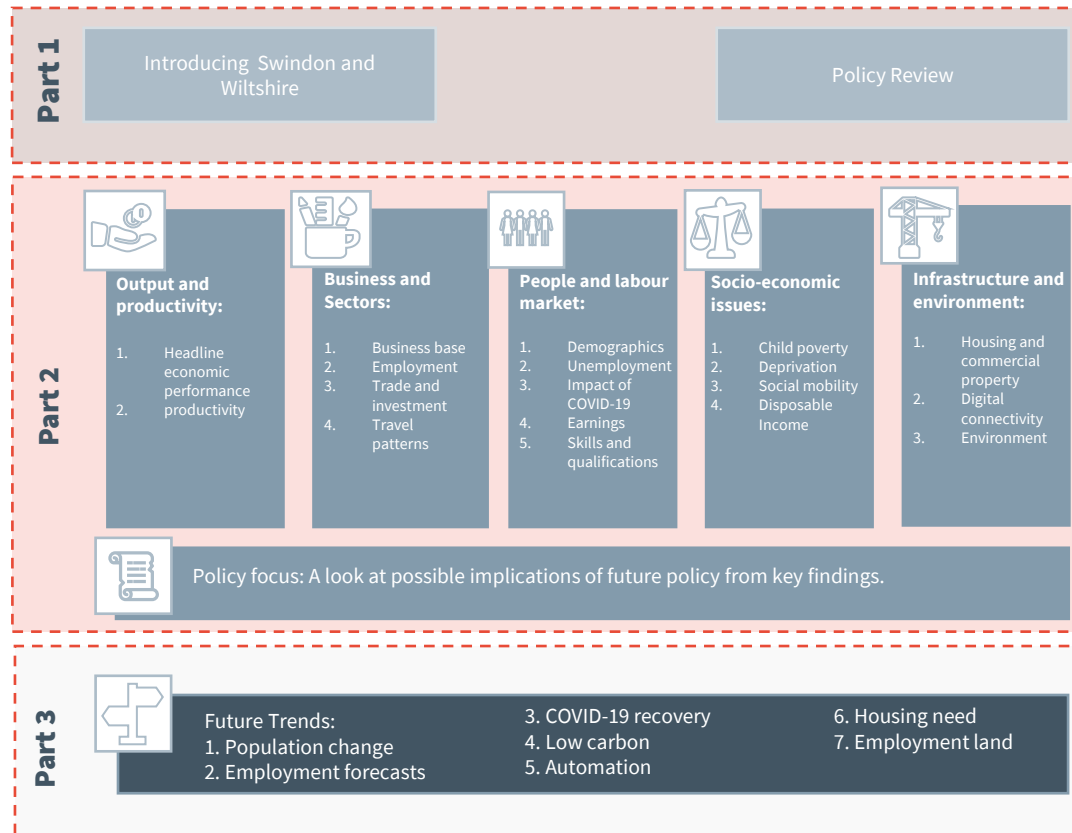
Part 1 introduces Swindon and Wiltshire and aligns the study within its local, regional and national policy context.

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

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

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

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

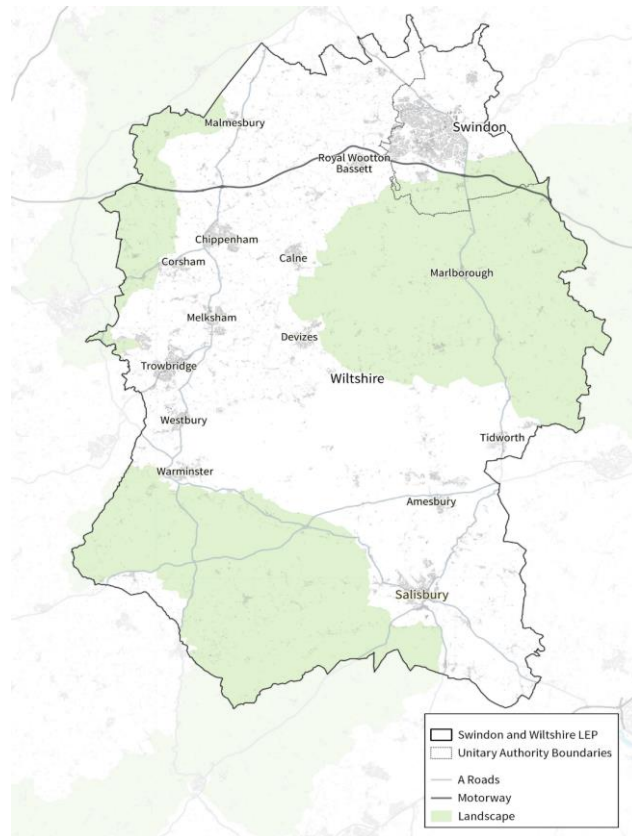


About Swindon and Wiltshire...

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

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

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



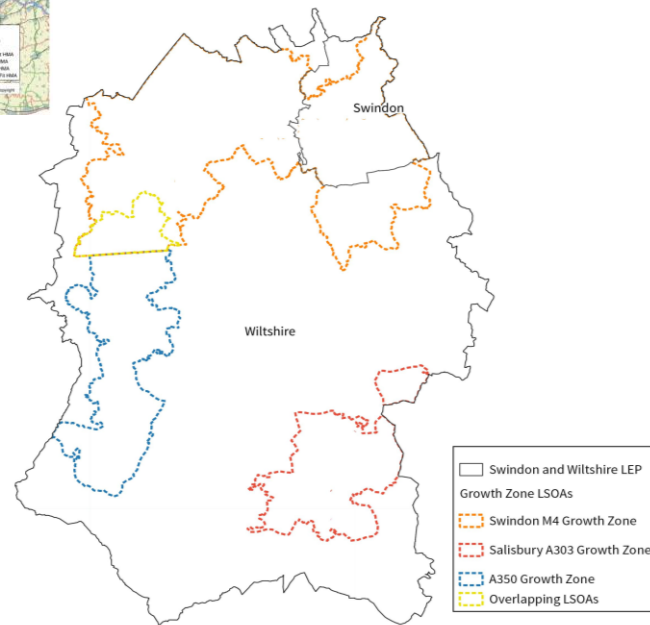
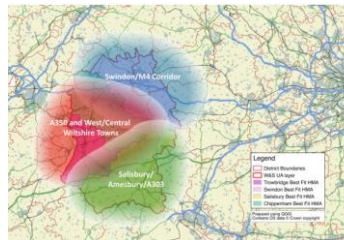
The Swindon and Wiltshire 'Zones' fuel economic growth...

Within the Swindon and Wiltshire area there are three Growth Zones which represent large agglomerations of economic activity. These Growth Zones broadly 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.

FEMAs in Swindon and Wiltshire



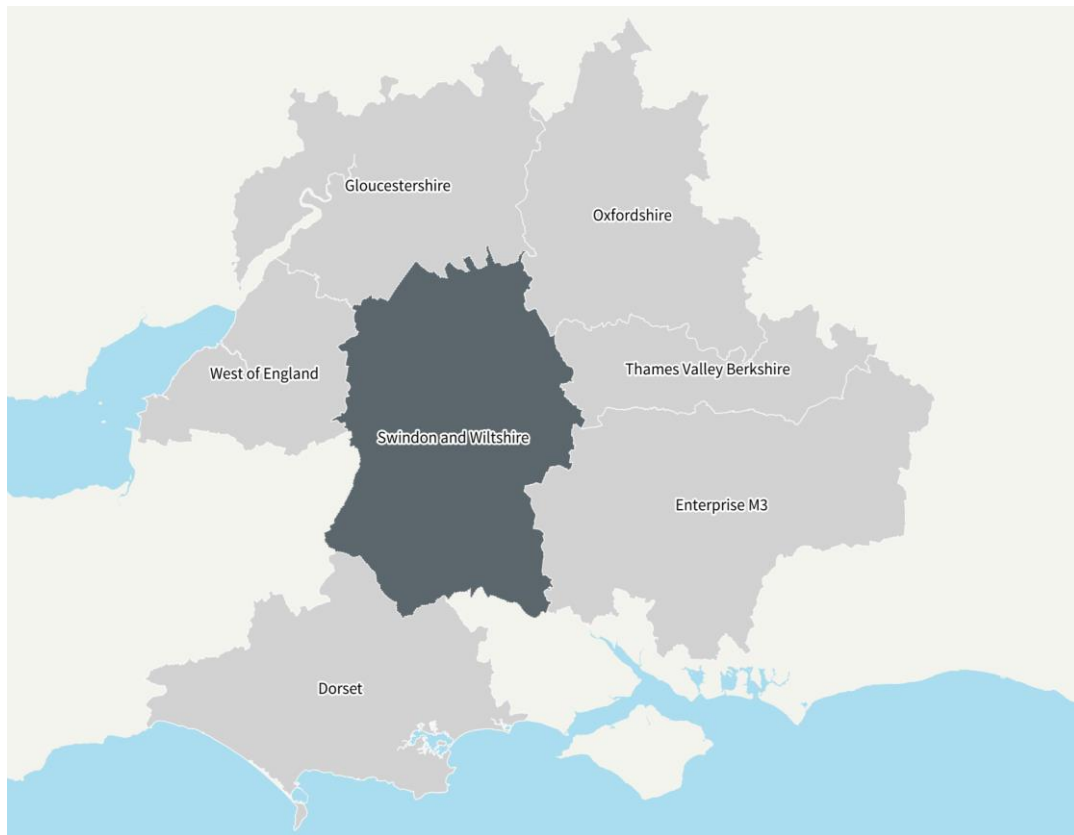
Contextualizing the performance of Swindon and Wiltshire

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

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

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

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

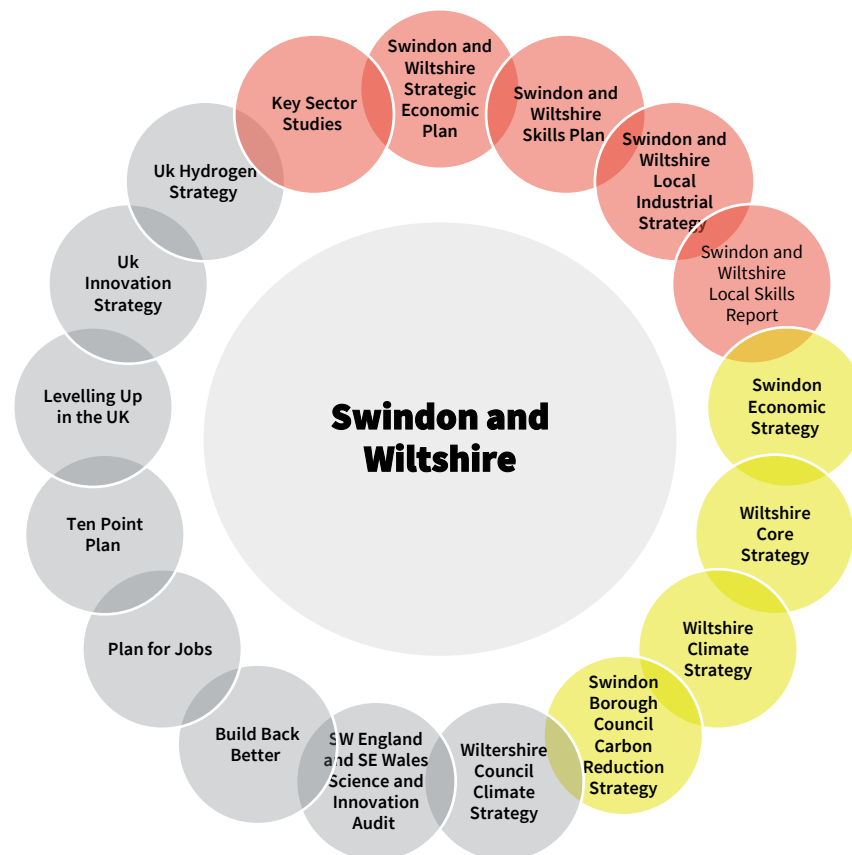


Swindon and Wiltshire's Local Economic Assessment (LEA) sits alongside several important policy documents.

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

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

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



Swindon and Wiltshire Strategic Economic Plan 2016

The vision for Swindon and Wiltshire to 2026 as world-renowned for innovation, entrepreneurialism and quality of life. The strategic objectives of the plan are to deliver:

- An appropriately skilled and competitive workforce
- A well connected, reliable and resilient transport system to support planned growth at key locations
- Excellence in digital connectivity and cyber transformation
- Infrastructure to deliver planned growth, regenerate City and Town Centres and improve the visitor and cultural offer
- Strengthen the competitiveness of SMEs and attract a greater share of foreign and domestic investment into the area.

Swindon and Wiltshire Skills Plan 2020

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

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

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

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



Swindon and Wiltshire Local Skills Report 2022

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

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

Swindon Economic Strategy to 2026

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

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

Swindon Borough Council Carbon Reduction Strategy 2020

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

Wiltshire Climate Strategy 2022

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

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

Wiltshire Core Strategy, 2015-2016

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

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

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

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

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

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

UK Innovation Strategy 2021

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

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

UK Hydrogen Strategy 2021

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

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

Build Back Better 2021

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

Plan for Jobs 2020

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

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

Ten Point Plan 2020

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

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

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

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

Swindon and
Wiltshire Local
Industrial
Strategy 2020-
2036

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

- 1. Life sciences at Porton: attracting companies to the expanding science park.
- 2. High-value manufacturing and advanced engineering innovation and R&D
- 3. Multidisciplinary research centre to deliver sustainable technologies for the circular economy.
- 4. Research and Innovation Opportunities at the Science Museum, Wroughton.

Ideas
Foundation



- 5. Business-led, federation of Higher Education Providers

People
Foundation



- 6. New energy vehicles fueling infrastructure

Infrastructure
Foundation



- 7. Swindon and Wiltshire Business Cyber Centre

Business
Environment
Foundation



- 8. Good growth for Swindon
- 9. Good growth for Salisbury
- 10. Rural communities: levelling up opportunities
- 11. Understanding the value of our natural capital
- 12. The Great West Way and approaches to clean growth tourism

Place
Foundation



The strategy is made up of 12 strategic priorities, split into five foundations. There are two main underlying grand challenges; Clean Growth, Future of Mobility.



Swindon & Wiltshire
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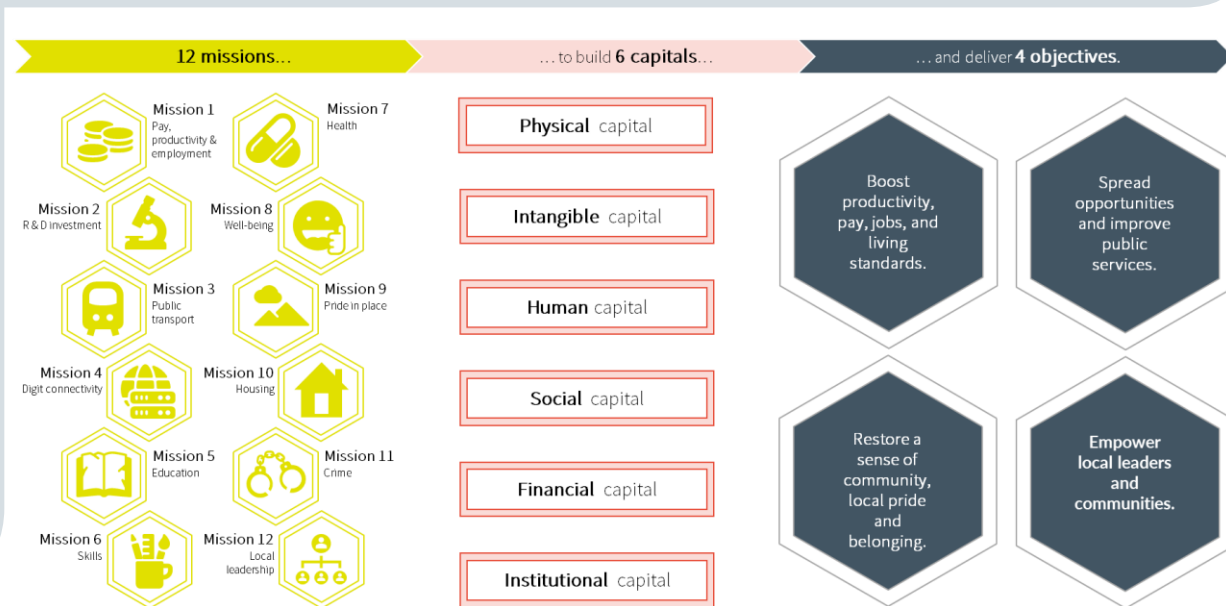
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Levelling Up in the UK 2022

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

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

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



Levelling Up in
the UK 2022

Implication for Swindon and
Wiltshire

Swindon identified as an Educational Improvement Area (EIA)

Local Skills
Improvement Plans
will be given
statutory footing

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

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

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

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

ZEBRA fund for zero emission buses

Review of Local Plans

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

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

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

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

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



Sector Studies

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

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

Local Energy Strategy



'Digital capabilities' as "those factors that (ideally) work together to promote technology-driven productivity growth". Built around three key themes;

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

Digital Capabilities Draft Strategy Sept 18



Vision for Rail in Swindon and Wiltshire

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

Rail Strategy July 19



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

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

Rural Productivity Strategy



3

Productivity and Output



Swindon & Wiltshire
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Swindon and Wiltshire generated over £21bn worth of goods and services in 2019, making a substantial economic contribution to the South West region (15%) underscoring the importance of the LEP area as a major economic driver in the region.

Swindon and Wiltshire Growth Zones are the key drivers of economic growth in the LEP area accounting for over four fifths of total output.

Output growth in the Swindon and Wiltshire has been strong, outstripping growth in the South East over the last two decades, though this growth has been predominantly led by growth within Swindon specifically.

Manufacturing, Real Estate 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 most significant losses to the economy due to COVID-19 were experienced in the Accommodation and Food and Administrative Support sector, this is unsurprising given the face-to-face nature of these sectors. Supporting these sectors to build back will be a crucial element of the recovery the economy.

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.

Per hour work in Swindon and Wiltshire created on average £37 of output, this is greater than all but two comparator area (Enterprise M3 and Thames Valley Berkshire).

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.



Swindon and Wiltshire generated over £21bn worth of goods and services in 2019, making a substantial economic contribution to the South West region...

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 : £9,575bn (45% of the total)

+ Wiltshire : £11,571bn (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:

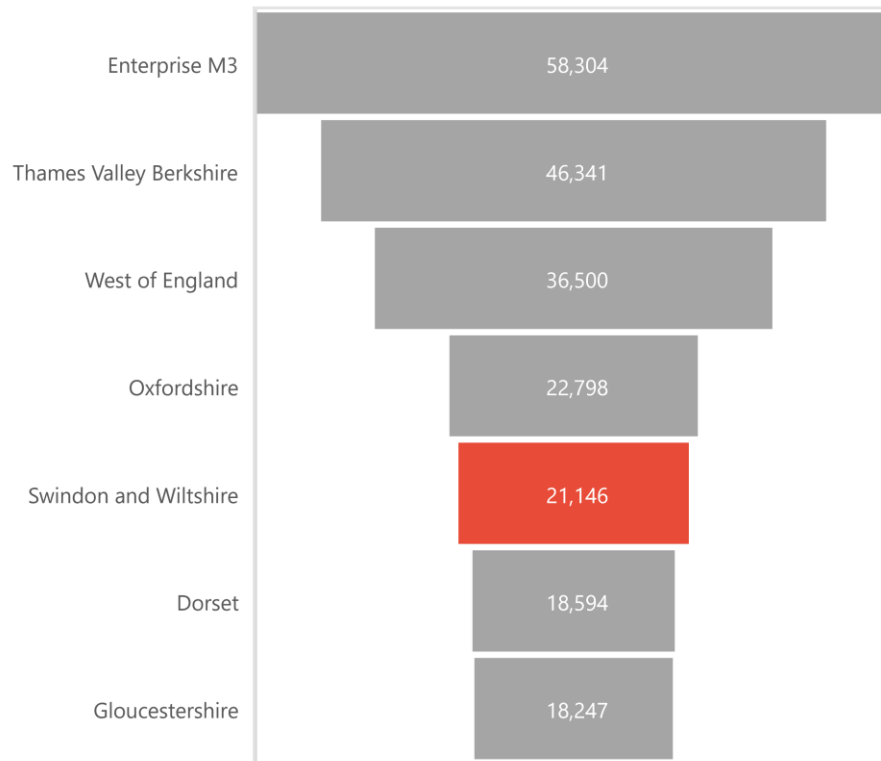
+ Manufacturing (£2.9bn)

+ Real estate (£2.7bn)

+ Retail and wholesale (£2.2bn)

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

Total GVA output, £ millions, 2019



Swindon and Wiltshire's 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 £9.5bn (45% of the LEP area total output) whilst Wiltshire contributes a higher proportion at £11.5bn (55%).

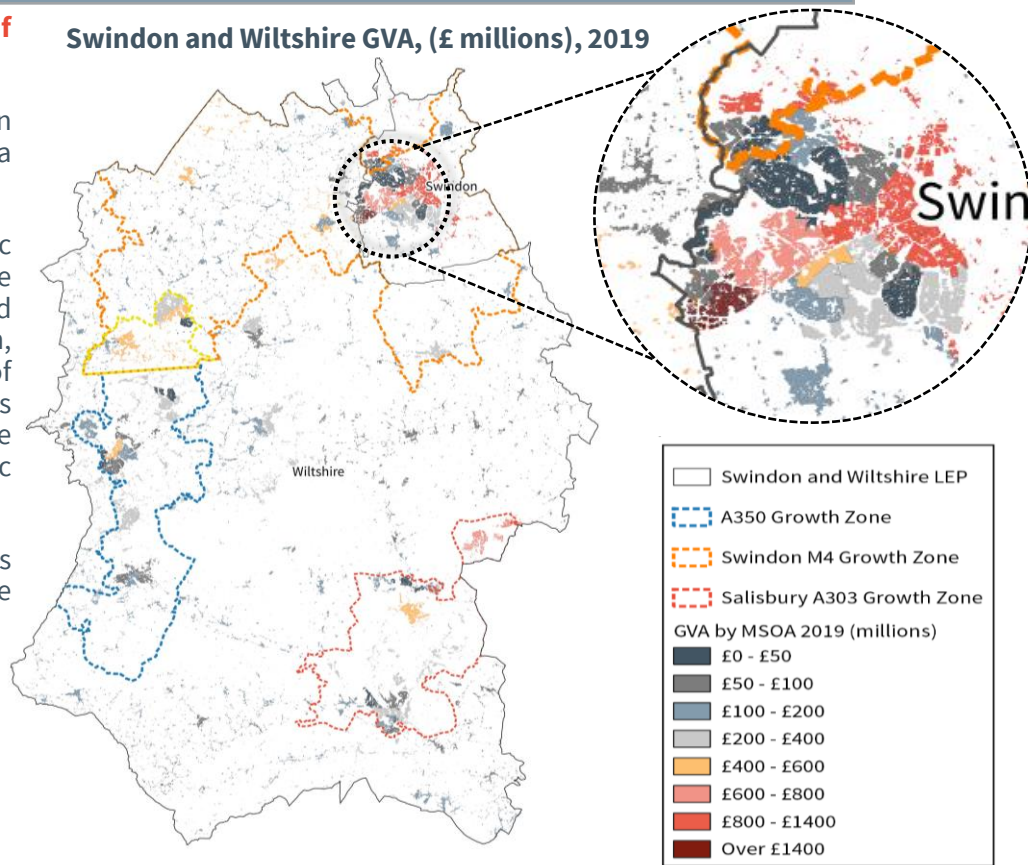
Experimental data by the ONS enables examination of economic output at a lower geographical level. This shows that there are distinct areas of economic activity. These are primarily located within the Swindon and Wiltshire growth zones around Swindon, Amesbury and Trowbridge. By contrast, the remaining 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 £13bn of output (61%).

Growth Zone GVA, 2019

A350	Salisbury A303	Swindon M4	Non-growth Zone
£3.1bn	£2.8bn	£13.0bn	£3.6bn

Swindon and Wiltshire GVA, (£ millions), 2019



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.



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Swindon and Wiltshire's **Output**

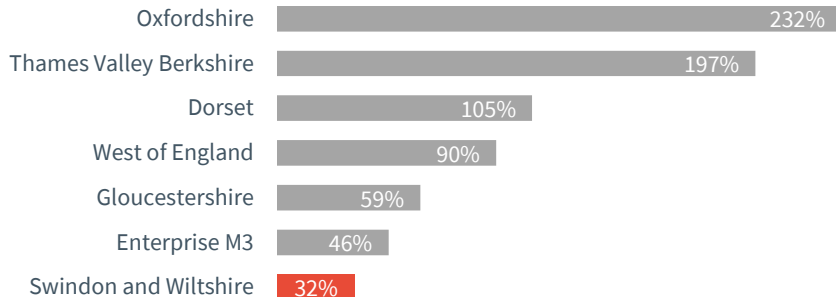
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Output growth in Swindon and Wiltshire has been strong, outstripping growth in the South East over the last two decades...

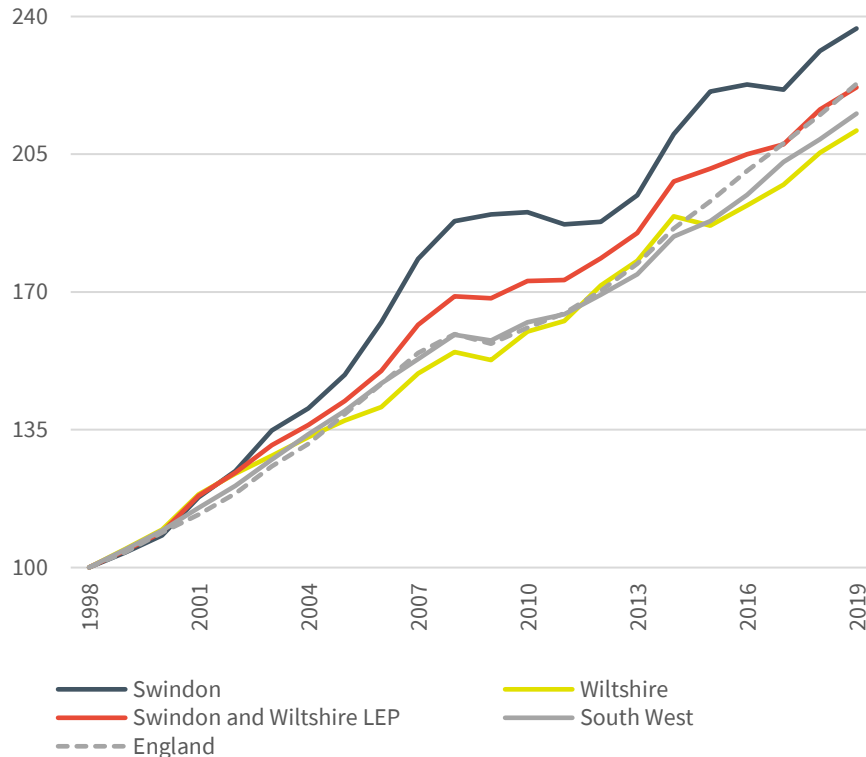
In 2019, total Gross Value Added (GVA) output in Swindon and Wiltshire was £21bn (1% of England's total output). It has grown steadily since 1998, with only a slight drop after the 2008 financial crisis. Up until 2015, Swindon and Wiltshire experienced GVA growth above the regional and national average. However, this growth has slowed slightly since 2015 and is now more aligned to the growth seen at a national level.

Across comparator LEP areas, Swindon and Wiltshire has experienced the lowest overall growth since 1998, increasing by 32% from 1998 levels.

GVA overall annual growth in Swindon and Wiltshire and comparator LEPs, 1998-2019



Indexed GVA growth (1998-2019), 1998=100



Source: ONS Regional Accounts



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Manufacturing, Real Estate and Retail collectively contribute a third of total GVA...

Manufacturing (14%), Real Estate (13%) and Retail (10%) contribute a third of total GVA output in Swindon and Wiltshire. Apart from Manufacturing, which only makes up 7% of national GVA, Swindon and Wiltshire's sectoral composition is broadly in-line with England.

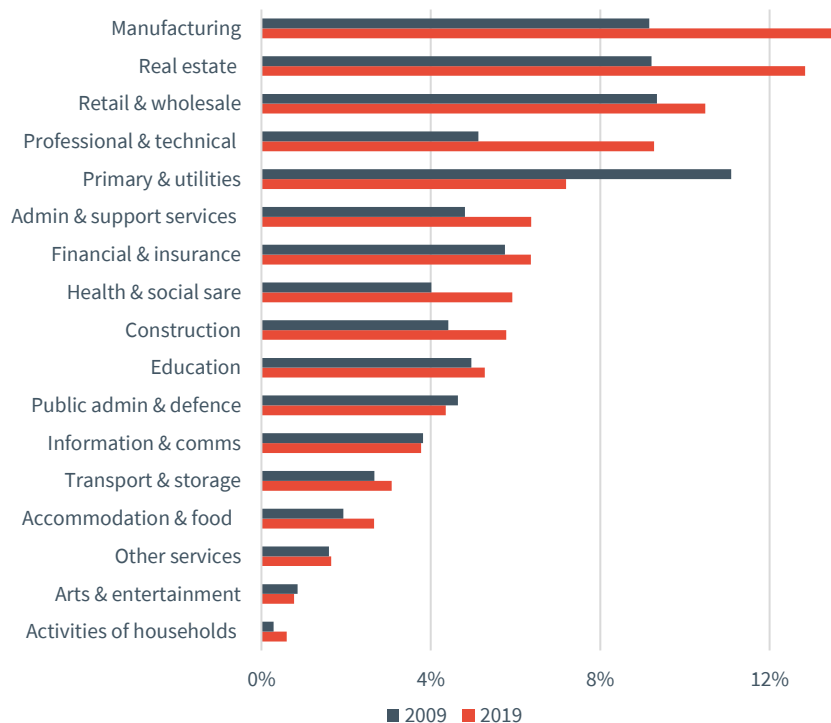
Whilst Primary and Utilities was once the dominant sector in Swindon and Wiltshire's output, this has been superseded by Manufacturing and has fallen to the 5th most contributory sector. The growth in manufacturing contribution, however, does not take into account the closure of Swindon's Honda site 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 (4%) and financial and insurance (6%) contribute a smaller proportion of GVA output compared to England (7% respectively). Professional and Technical sectors, however, 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 increased by 1% whilst Financial and Insurance sectors has increased by 2% compared to 5% and 1% growth in England. However, the highest compound growth has been seen in the Professional and Technical sectors (7%) which is 2 percentage points above England (5%). Despite this growth, higher-value sectors are still underrepresented in the area's total output compared to England.

Source: ONS Regional Accounts

Swindon and Wiltshire GVA output by sector (%) 2009 and 2019



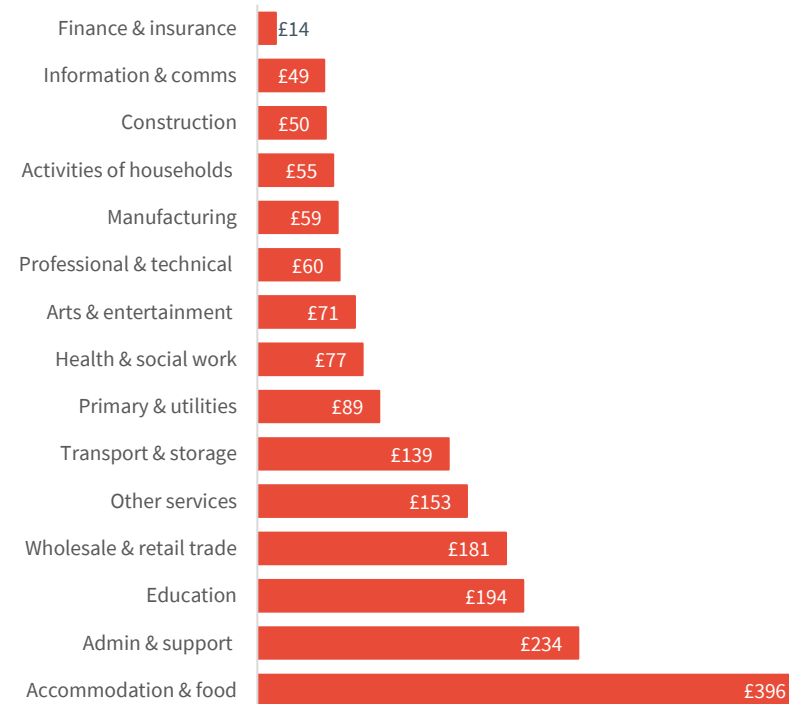
The most significant losses to the economy due to COVID-19 were experienced in the Accommodation and Food and Administrative Support sectors...

Using national proportional estimates for the sectoral impact of COVID-19 from the OBR, Hatch have developed a model that applies these to estimates to Swindon and Wiltshire's economy. In total, OBR estimates estimate a total loss of £1.7bn to the Swindon and Wiltshire economy in 2020 (-8%).

The sectoral losses reflect a mix of both the magnitude of assumed sectoral impacts at the national level as well as the relative importance of the sector in the local economy.

The model indicates that the distribution of losses varies notably across sectors. The estimated GVA contraction in 2020 was primarily driven by the Accommodation and Food sector, accounting for 22% of total losses, but also Administration and Support Services sector (13% of losses).

Estimated Output loss by Sector in Swindon and Wiltshire, 2020 (£m)



Source: Hatch analysis of the OBR October 2021 Projections

The Swindon and Wiltshire LEP area has a small productivity gap with England...

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 (£55,700) below the national average (£57,500). This gap is driven by low productivity in Wiltshire (£45,200) which hides the notably high and above average productivity found in Swindon (£77,400).

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; some of the UK's most productive regions also have the lowest levels of life satisfaction and highest levels of anxiety.

Output per job filled (£), 2019



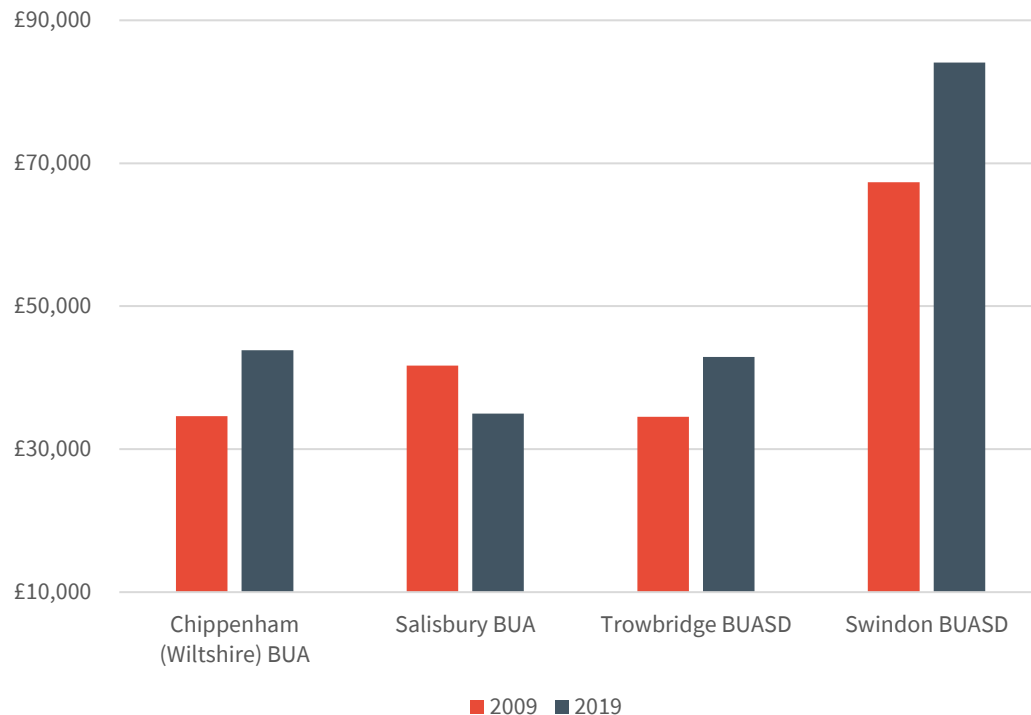
Tackling low productivity in Wiltshire's key settlements would help bolster the gains made in Swindon...

The ONS contains analysis of output and productivity for certain lower geographical areas* (Built Up Area (BAU) and Built Up Sub-Division (BAUSD). However, this data is not available for all areas.

This reaffirms that Swindon drives the high productivity. With Chippenham, Salisbury and Trowbridge all forming key settlements within the growth zones, focusing attention on raising productivity in these areas will help improve overall productivity in both Wiltshire and the wider LEP area.

Between 2014 and 2019, GVA per job has grown at a slower rate in Swindon and Wiltshire (6%) compared to the South West (10%) and England (10%). This shows that the area is still struggling to make the productivity gains seen elsewhere.

Output per filled job by small area, £s, 2019



Source: ONS GVA and productivity estimates for other geographies

*The ONS only provides GVA data at a lower geographical level for the four aforementioned areas and not every BAU in Swindon and Wiltshire



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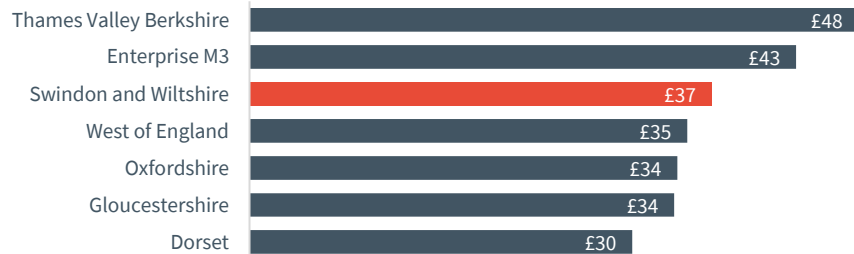
Whilst Swindon and Wiltshire's output is relatively small compared to surrounding LEP areas, its productivity performance is strong;

Swindon and Wiltshire has the third highest output per hour (which is also above the regional (£32) and national average (£36) levels). This is primarily due to a distinctly higher output per hour in Swindon (£48) compared to Wiltshire (£31).

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.

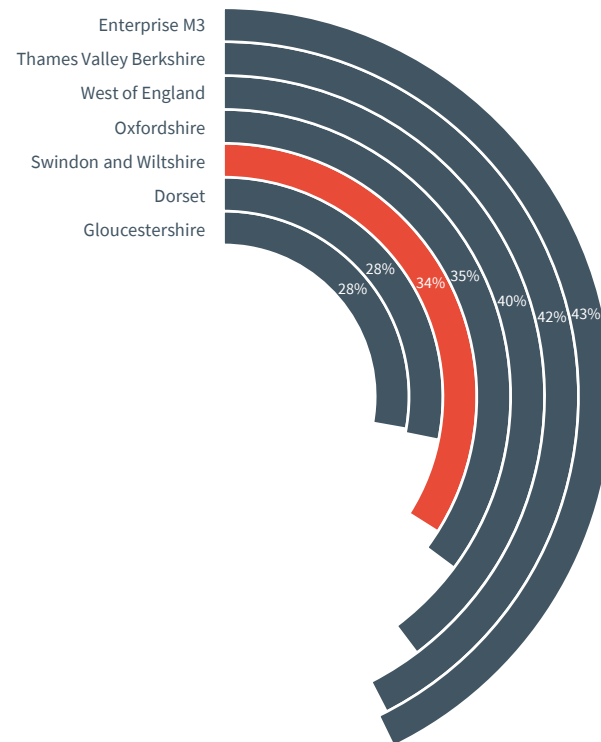
Whilst Swindon and Wiltshire has a relatively high output per hour filled, it has experienced the lowest relative growth since 2014 compared to the other LEP areas. This low growth holds back Swindon and Wiltshire's economy and risks its productivity being overtaken by other LEP areas over time.

GVA per hour worked, £s, 2019



Source: ONS Subregional Productivity

Growth in output per hour worked, 2004-2019

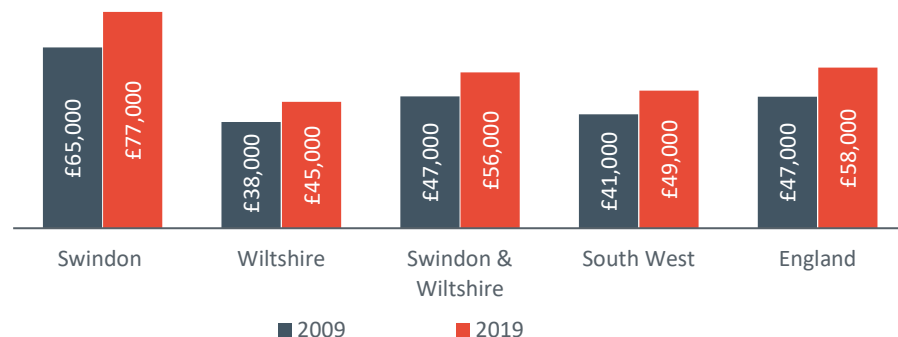


Productivity in financial services is nearly 5 times larger than in accommodation and food services...

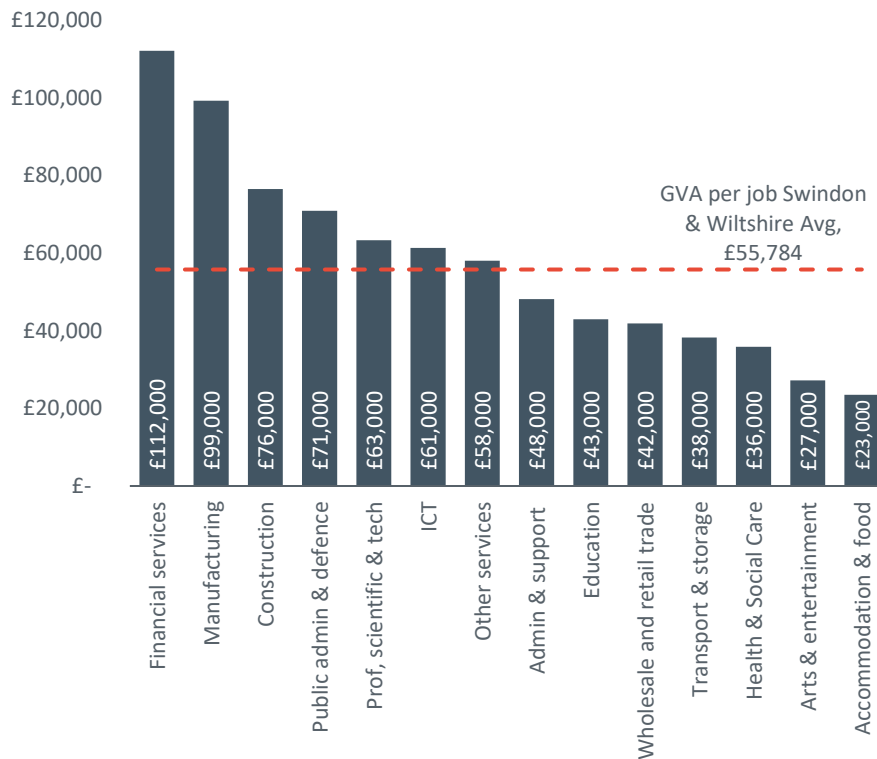
Highly productive sectors in Swindon and Wiltshire include financial services, manufacturing and construction sectors. In contrast, sectors such as accommodation and food and arts and entertainment lag well below the average rate of output per worker for the LEP area.

Over the past decade output per job has increased by 6% in Swindon and Wiltshire, although this is lower than the 10% rise seen nationally and regionally.

Output per Employment 2009-2019



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





Swindon and Wiltshire is a significant contributor to the UK and regional economy of £21bn in total output. Economic growth has been relatively healthy over the past five years with a growth rate of 12%, though this is lower than growth rates seen in comparator LEP areas and therefore may indicate a degree of relative underperformance over the past five years.

Perhaps more important than output growth is productivity growth. Productivity growth allows for improvements in wages and living standards and is one of the central pillars of the Levelling Up White Paper. Analysis suggests that much of the productivity gaps in the country are due to firm productivity difference rather than differing sectoral compositions of areas. This means it will be important for Swindon and Wiltshire to focus particularly on things that drive business productivity, especially within Wiltshire.

Considering recent policy, at the local (Swindon and Wiltshire Local Industrial Strategy), and national level (Build Back Better and the Levelling Up White Paper) it is clear too that productivity growth should be inclusive and sustainable.



4

Business and Sectors



Business and Sectors Summary



There are currently 29,000 enterprises operating in Swindon and Wiltshire though 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.

Fewer net business births than most comparators is driven by net business deaths in Wiltshire and few new births in Swindon supporting existing business will aid the net-birth rate while encouraging start-ups will ensure a healthy entrepreneurial ecosystem.

As of 2020, the 5-year survival rate of businesses in the Swindon and Wiltshire was 44%. 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.

The number of business incorporations in Swindon and Wiltshire has significantly increased over the lockdown periods of March 2020-March 2021, compared to the prior 6-month period. This is likely a result of shifting activity from PAYE work to self-employed lone trader businesses.

Whilst Swindon and Wiltshire have seen a near doubling in Foreign Direct Investment (FDI) project wins in the last few years the value of these, proxied by jobs created has been even greater, likely indicating a hospitable environment for inward investment that can be harnessed for growth.

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.

Employment is concentrated in several sectors such as Retail, Health and Professional and Scientific Services, 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.

A growing employment market with stark sectoral differences, strong growth in IT and the property sector has been offset by a large contraction of employment in financial services.

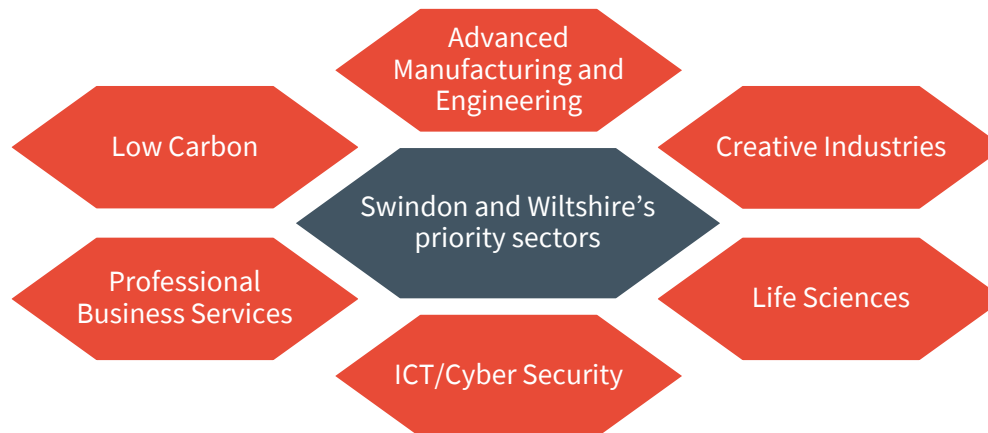
Employment growth is below both the regional and national average over the last five years, while COVID has played a role in this challenge poor employment growth has been an issue since 2018.

Swindon and Wiltshire is a net exporter of labour, indicating strong external demand for Swindon and Wiltshire talent, though containment rate is a healthy 78% showing many residents can find work within the LEP area.



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.



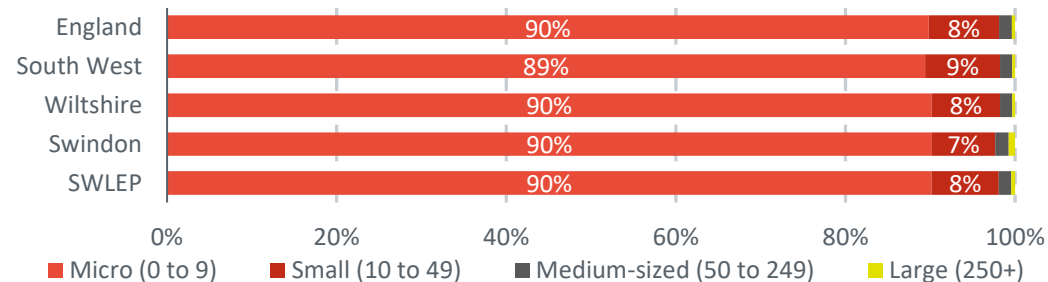
There are currently 29,000 enterprises operating in Swindon and Wiltshire...

Growth of businesses has been relatively static in the LEP area over the past five years with an increase in 160 enterprises (+1%) since 2016, whereas the growth rate nationally has been 9%.

The sectoral business composition in Swindon and Wiltshire is similar to that of England, with the exception of 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 (17%), Construction (13%) and ICT (9%).

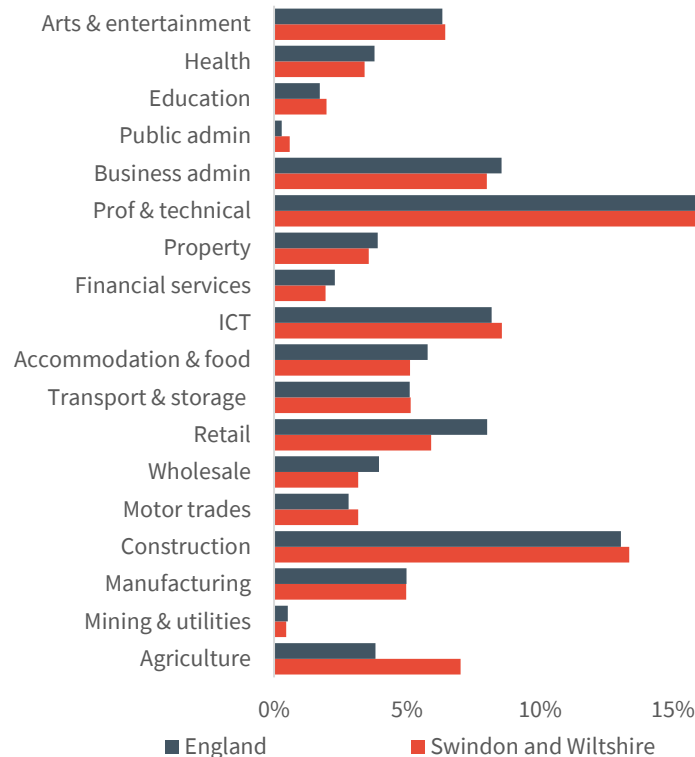
The majority of businesses in Swindon and Wiltshire are considered SMEs (employing under 250 people). Swindon's business base includes a slightly larger proportion of large employers (+1 percentage point) than the national average.

Business Base by Size, 2021



Source: ONS UK Business Count, 2016-2021

Business Base by Broad Sectors, 2021



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A diverse business economy with no individual sector accounting for more than 20% of the total LEP area business base.

A wide range of sectors allow Swindon and Wiltshire's business base some degree of resilience to sector specific shocks. 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 the primary and utilities sector (LQ of 1.7), education (LQ of 1.1) and public admin. and defence (LQ of 2.0). Of these sectors, public admin and defence is the only specialised sector to experience business count growth since 2016 (+3%).

While the public admin and defence business base is relatively small, (175 businesses) a strong foundation of expansion seems to exist in this sector. The defence sector is of particular importance to the LEP area, identified is a prominent sector in the Local Industrial Strategy (2020) while significant world-leading innovative assets, such as defence R&D defence and security technologies exist at Porton Science Park.

LQ against business count growth from 2016-21 for broad sectors in Swindon and Wiltshire

Swindon and Wiltshire LEP area	Total	% Share of Total	% change (2016-2021)	LQ
Primary and utilities	2,195	7%	-9%	1.7
Manufacturing	2,710	5%	1%	1.0
Construction	7,500	13%	14%	1.0
Retail and wholesale	3,595	12%	-3%	0.8
Transport and storage	1,510	5%	30%	1.0
Accommodation and food	1,500	5%	2%	0.9
Information and comms	2,515	9%	-10%	1.0
Financial and insurance	570	2%	6%	0.8
Property	1,045	4%	10%	0.9
Professional and technical	5,040	17%	-19%	1.0
Admin and support	2,350	8%	-27%	0.9
Public admin. and defence	175	1%	3%	2.0
Education	580	2%	-75%	1.1
Health	1,000	3%	-15%	0.9
Arts and entertainment	1,890	6%	-1%	1.0

Source: ONS Business Count, 2021

¹LQ 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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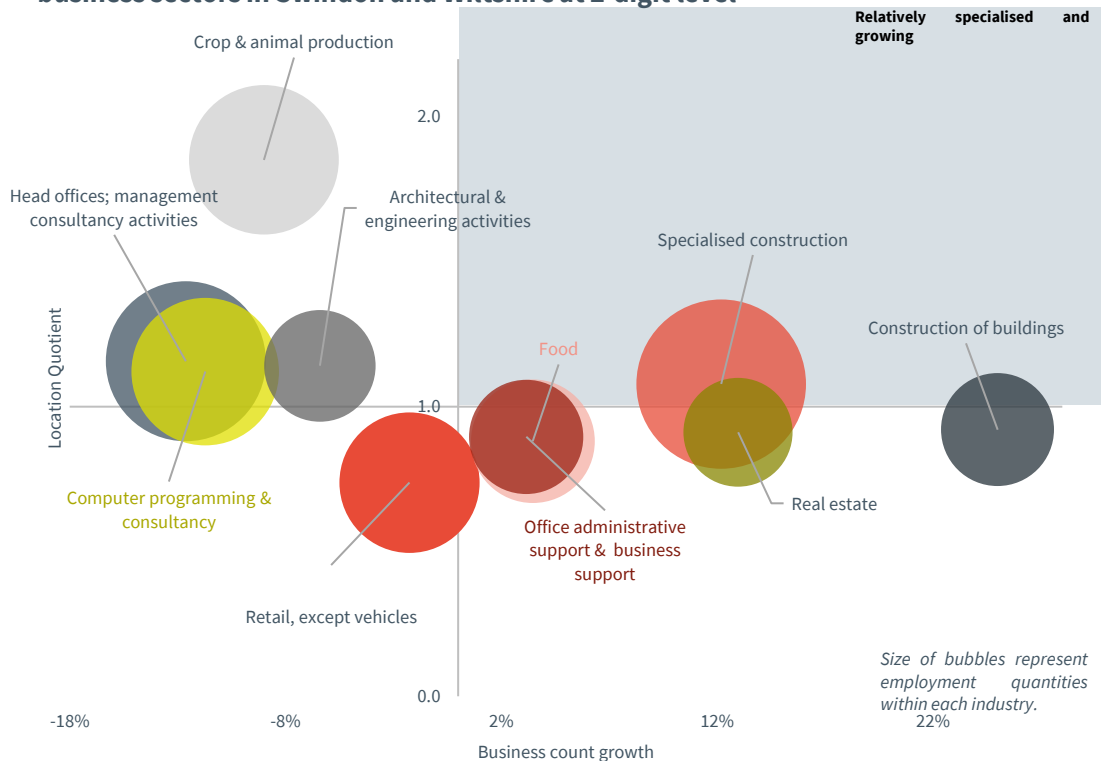


The number of businesses in the Construction and Property sector in the LEP area has grown...

Of the top ten business sectors in Swindon and Wiltshire with the largest number of enterprises in 2021, five have shrunk from 2016 to 2021. Of these Head Offices; Management Consultancy Activities has recorded the largest contraction of 13%.

Conversely, several of the top 10 sectors have grown since 2016, with Construction of Buildings recording the largest growth at 25%.

LQ¹ (Y-axis) against business count growth from 2016-21 (X-axis) for the 10 largest business sectors in Swindon and Wiltshire at 2-digit level



Source: ONS Business Count, 2021

¹ 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.



Swindon & Wiltshire
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Declining business counts in all but one of Swindon and Wiltshire's sectors of business specialism...

Of the top 10 sectors by business count, Retail except Vehicles, Food, Office Administrative Support and Business Support, Construction of Buildings, and Real Estate are at a lower density in Swindon and Wiltshire than in England (as measured by the location quotient). The negative growth of Retail, except Vehicles, is a national issue as this sector has been hard hit by the impact of e-commerce and the pandemic.

Analysis of business specialisms allows for an understanding of the types of organisation within an area, it is important to note that specialisation for employment may differ from the sectoral specialisms of businesses.

LQ against business count growth from 2016-21 for the 10 largest business sectors in Swindon and Wiltshire at 2-digit level

Swindon and Wiltshire LEP	Total	%	% change (2016-2021)	LQ
Specialised construction	2,530	9%	12%	1.1
Head offices; management consultancy activities	2,250	8%	-13%	1.2
Crop and animal production	1,970	7%	-9%	1.9
Computer programming and consultancy	1,920	7%	-12%	1.1
Retail, except vehicles	1,735	6%	-2%	0.7
Food	1,345	5%	3%	0.9
Office administrative support and business support	1,145	4%	3%	0.9
Construction of buildings	1,125	4%	25%	0.9
Architectural and engineering activities	1,095	4%	-6%	1.1
Real estate	1,045	4%	13%	0.9

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, 3 sectors have shrunk between 2016 and 2021, with Computer Programming experiencing the biggest contraction at 13%. In Wiltshire, however, 7 of its largest business sectors have seen a reduction. This is the greatest in the Head Offices; Management Consultancy Activities sector at 12%. Concerningly, 3 of Wiltshire's contracting business sectors are where Wiltshire has business specialism.

On the other hand, Swindon has also experienced notable growth in 7 of its top 10 sectors, with the Postal and Courier sector witnessing a 400% growth (+300 businesses). In Wiltshire, only 4 sectors have seen business growth since 2016 with the Construction of Buildings recording the highest at 22%.

Both Swindon and Wiltshire, as separate authority areas, have similar sectors of low business specialism, namely Retail except Vehicles, Food, Construction of Buildings. In Wiltshire, Computer Programming and Consultancy and Office Administrative Support and Business Support are also of low density.

Both unitary authorities also contain highly specialised business sectors. In Swindon, the Postal and Courier sector is particularly specialised with a location quotient of 3.5. In Wiltshire, Crop and Animal Production is particularly specialized compared to England, with a location quotient of 2.4. However, this sector has also experienced one of the highest contractions since 2016 (-9%).

Source: ONS Business Count, 2021

LQ against business count growth from 2016-21 for the 10 largest business sectors in Swindon (top) and Wiltshire (bottom) at 2-digit level

Swindon	Total	%	% change (2016-2021)	LQ
Specialised construction	710	9%	19%	1.2
Computer programming and consultancy	690	9%	-13%	1.6
Head offices; management consultancy activities	505	7%	-14%	1.0
Retail, except vehicles	430	6%	2%	0.7
Land and pipeline transport	405	5%	33%	1.8
Postal and courier	375	5%	400%	3.5
Food	365	5%	9%	0.9
Office admin. support and business support	330	4%	25%	1.0
Construction of buildings	295	4%	31%	0.9
Architectural and engineering activities	285	4%	-8%	1.2
Specialised construction	710	9%	19%	1.2

Wiltshire	Total	%	% change (2016-2021)	LQ
Crop and animal production	1,870	9%	-9%	2.4
Specialised construction	1,820	8%	10%	1.0
Head offices; management consultancy activities	1,745	8%	-12%	1.2
Retail, except vehicles	1,310	6%	-3%	0.7
Computer programming and consultancy	1,230	6%	-11%	1.0
Food	980	4%	2%	0.9
Construction of buildings	825	4%	22%	0.9
Real estate	820	4%	13%	1.0
Office admin. support and business support	820	4%	-3%	0.9
Architectural and engineering activities	810	4%	-5%	1.1



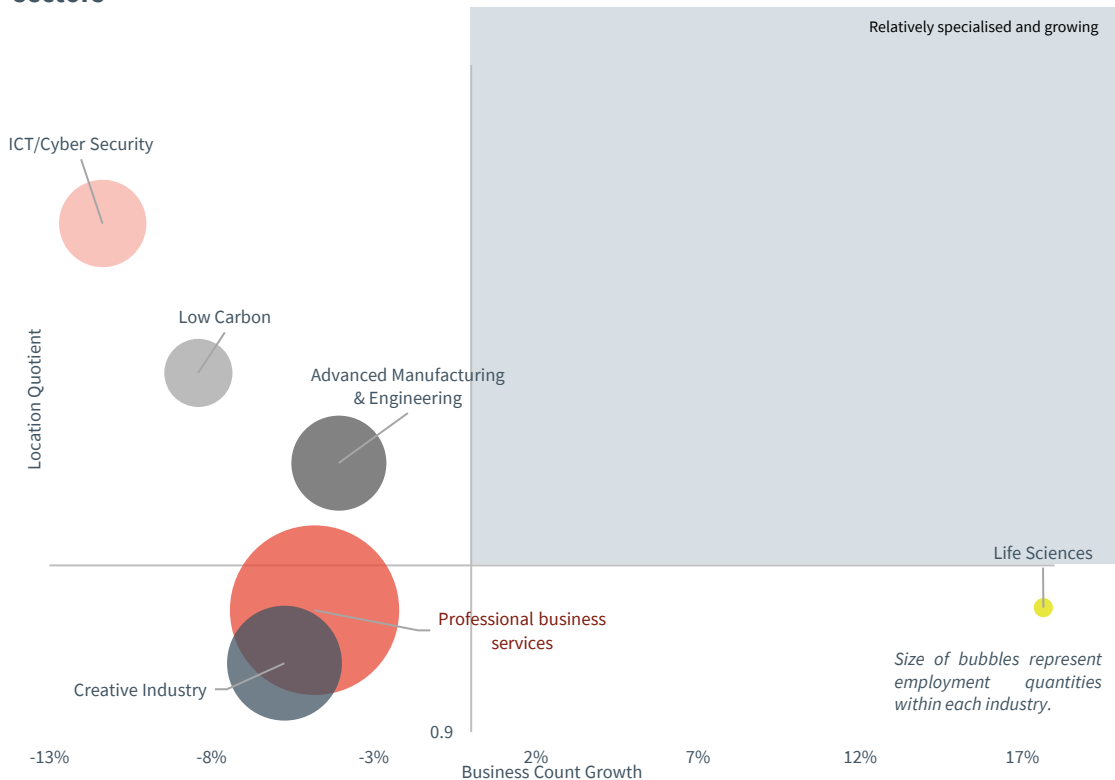
Low business counts in priority sectors...

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 2016-2021, with each of these sectors losing between 0.5 and 2% of active businesses per year on average.

The priority sector of Life Sciences, conversely, has grown strongly, albeit from the lowest base of the priority sectors.

However, business counts for Life Sciences, along with Creative Industries and Professional Business Services, are at a lower density for Swindon and Wiltshire than England (as measured by Location Quotient). The negative growth of the latter two should be of particular concern.

LQ (Y-axis) against business count growth from 2016-21 (X-axis) for the LEP priority sectors



The priority sectors demonstrate business specialism in Swindon and Wiltshire but have experienced a declining business count over the last 5 years...

Conversely, ICT Cyber Security, Low Carbon, and Advanced Manufacturing and Engineering are all relatively specialized compared to England based on Location Quotient but the number of businesses have been declining in Swindon and Wiltshire. Nonetheless employment has continued to grow in these industries (see p51) suggesting the average firm size has also grown.

It should be noted that while business growth has been low/negative in these sectors, employment growth in the same sectors has been relatively stronger. This may imply that the average business in these sectors tends to be larger and employing more people.

LQ against business count growth from 2016-21 for the LEP priority sectors

Swindon and Wiltshire LEP	Total	%	% change (2016-2021)	LQ
Professional business services	6,630	23%	-5%	1.0
Creative Industry	3,040	10%	-6%	0.9
Low Carbon	1,070	4%	-8%	1.1
Life Sciences	85	0%	18%	1.0
Advanced Manufacturing and Engineering	2,085	7%	-4%	1.1
ICT/Cyber Security	1,760	6%	-11%	1.2

The number of businesses in priority sectors in Swindon are shrinking...

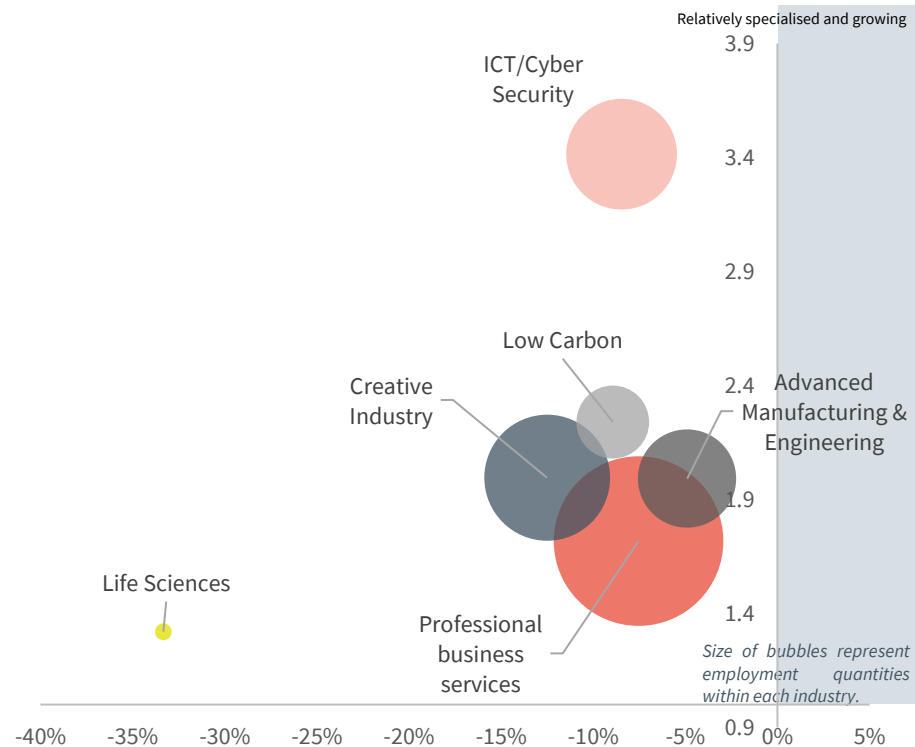
All of the priority sectors in Swindon have recorded a contraction in the number of businesses from 2016-2021. The largest contraction is recorded in the Life Science sector at 33%. Currently, the sector has just 15 businesses in Swindon, which accounts for 0.2% of Swindon's business base.

Of particular concern is the contraction in the Professional Business Services and Creative Industry sectors as combined these sectors account for 31% of the total business count in Swindon and have shrunk by 8% and 13% respectively. Despite these trends, all of the priority sectors are relatively specialised compared to England.

Swindon	Total	% of total business count	% change (2016-2021)	LQ
Professional business services	1,525	20%	-8%	1.7
Creative Industry	840	11%	-13%	2.0
Low Carbon	280	4%	-9%	2.2
Life Sciences	15	0%	-33%	1.3
Advanced Manufacturing and Engineering	510	7%	-5%	2.0
ICT/Cyber Security	650	9%	-8%	3.4

Source: ONS Business Count, 2021

LQ (Y-axis) against business count growth from 2016-21 (X-axis) for Swindon priority sectors



All priority sectors but the Life Sciences sector are struggling to grow in Wiltshire...

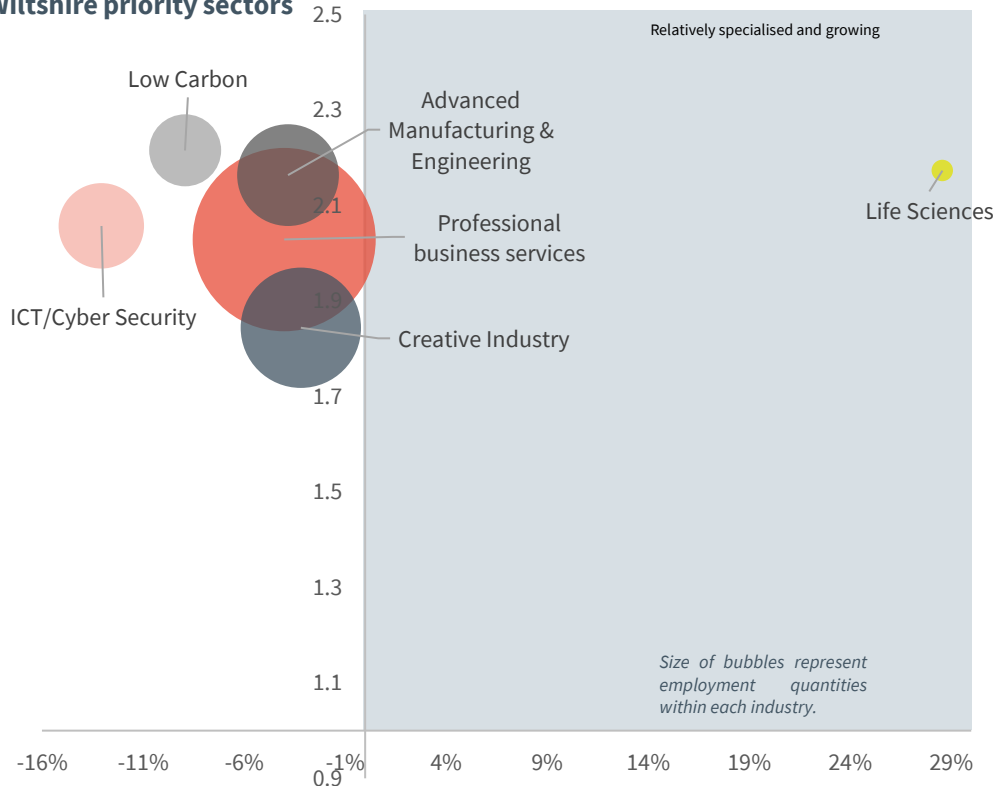
The Life Sciences sector is the only priority sector to have experienced growth from 2016 to 2021, with 29% growth in the business base. Whilst this sector is relatively specialised, it represents a very small percentage of Wiltshire's business base (0.3% or 70 businesses).

Conversely, the number of businesses in all other sectors has contracted from 2016-2021, with ICT/Cyber Security shrinking by 13% over this period. This is of particular concern, as together these sectors account for almost half (49%) of all businesses in Wiltshire.

Wiltshire	Total	% of total business count	% change (2016-2021)	LQ
Professional business services	5,105	23%	-4%	2.0
Creative Industry	2,200	10%	-3%	1.8
Low Carbon	785	4%	-9%	2.2
Life Sciences	70	0%	29%	2.2
Advanced Manufacturing and Engineering	1,570	7%	-4%	2.2
ICT/Cyber Security	1,110	5%	-13%	2.1

Source: ONS Business Count, 2021

LQ¹ (Y-axis) against business count growth from 2016-21 (X-axis) for Wiltshire priority sectors



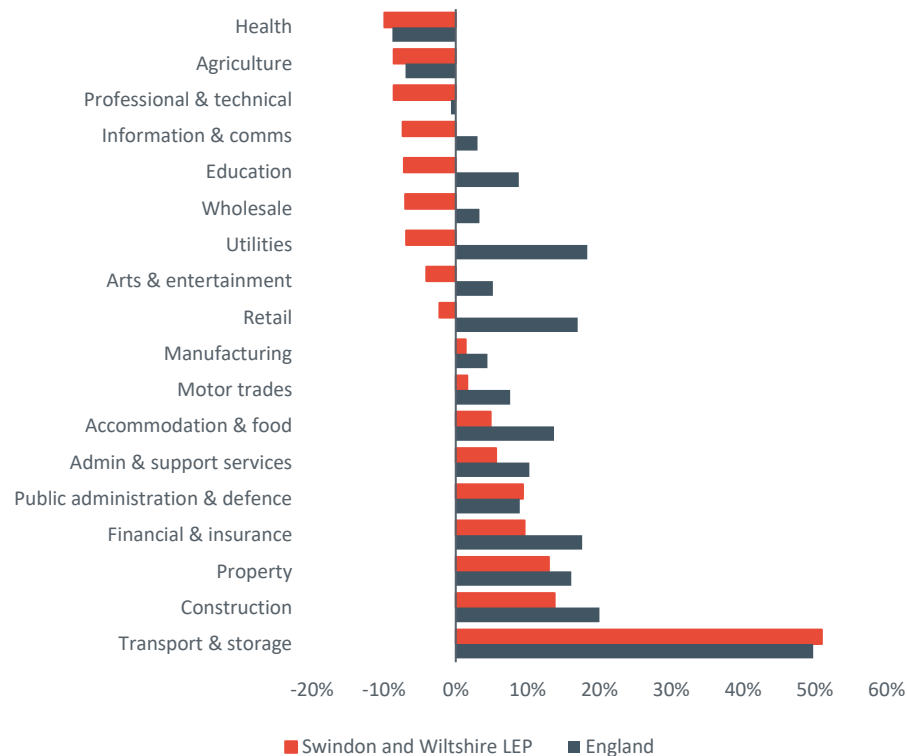
Sluggish business count growth in the LEP area than compared to England...

Between 2016 and 2021, the number of enterprises in the Swindon and Wiltshire grew by just 1% or 160 enterprises. This is much lower than the English average of 9%. It should be noted that this contraction period includes impacts that resulted from Covid-19 and are unlikely to be a reflection of the longer-term trend of business performance across the LEP area.

During this period, the Transport and Storage sector recorded the largest percentage increase in the number of enterprises at 51%, which is in line with national growth in this sector (50%).

Conversely, the Health sector recorded the largest percentage decrease in the number of enterprises at -10%, a larger decrease than in England (-9%). Importantly, numerous sectors in the Swindon and Wiltshire recorded a decrease in the count of enterprises whilst nationally these sectors grew. These include Information and Communication, Education, Wholesale, Mining Quarrying and Utilities, Arts, Entertainment and Recreation and Other Services, and Retail.

Business Count Growth of Enterprises by Broad Sector, 2016-2021



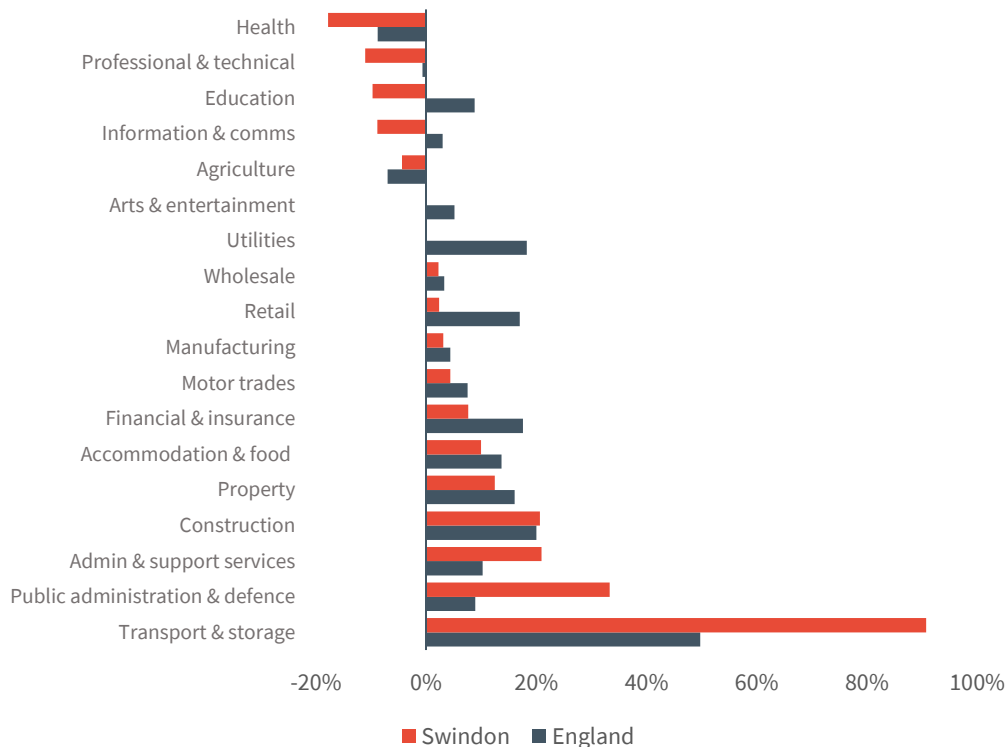
Business count growth rate is higher in Swindon than in the LEP area, but growth lags the national average...

Between 2016 and 2021, the number of enterprises in Swindon grew by 7% or 490 enterprises. This is slightly lower than the English average of 9%. Between 2016-2019 the growth rate in Swindon was 8%, but from 2019-2021 the number of enterprises contracted by -1%. Whereas in England between 2019-2021 the number of enterprises grew by 2%, suggesting Swindon's businesses may have been less resilient to the impacts that resulted from Covid-19, compared to the national average.

During 2016-2021, the Transport and Storage sector recorded the largest percentage increase in the number of enterprises at 91%, which exceeds with national growth in this sector (50%).

Conversely, the Health sector recorded the largest percentage decrease in the number of enterprises at -18%, a larger decrease than in England (-9%). Importantly, numerous sectors in Swindon recorded a decrease in the count of enterprises whilst nationally these sectors grew. These include Education, Information and Communication, and Arts and Entertainment.

Business Count Growth of Enterprises by Broad Sector, 2016-2021



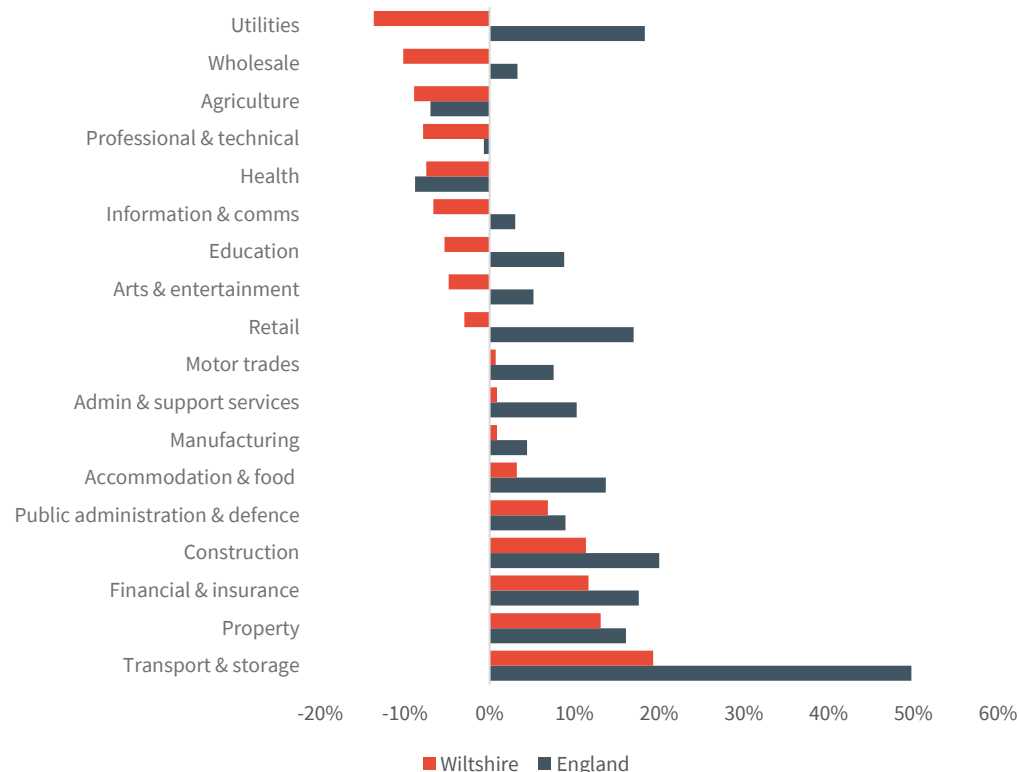
The number of businesses in Wiltshire has contracted in the past five years...

Between 2016 and 2021, the number of enterprises in Wiltshire shrunk by 1% or 330 enterprises. Whereas in Swindon the number of businesses grew by 7% over this period, and in England this figure was 9%. Prior to the pandemic growth was stagnant, with the count of enterprises growing by just 1% in 2016-2019. But, from 2019-2021, business count growth shrank by 2%, suggesting Wiltshire's businesses have been less resilient to the effects of Covid-19, when compared to Swindon (contraction of -1% 2019-2021) and England (growth of 2% 2019-2021).

During 2016-2021, the Transport and Storage sector recorded the largest percentage increase in the number of enterprises at 19%, but this remained behind national growth in this sector (50%).

Conversely, the Utilities sector recorded the largest percentage decrease in the number of enterprises at -14%, whilst this sector grew by 18% in England. Importantly, numerous sectors in Swindon recorded a decrease in the count of enterprises whilst nationally these sectors grew. These include Utilities, Wholesale, Information and Comms, Education, Arts and Entertainment, and Retail.

Business Count Growth of Enterprises by Broad Sector, 2016-2021

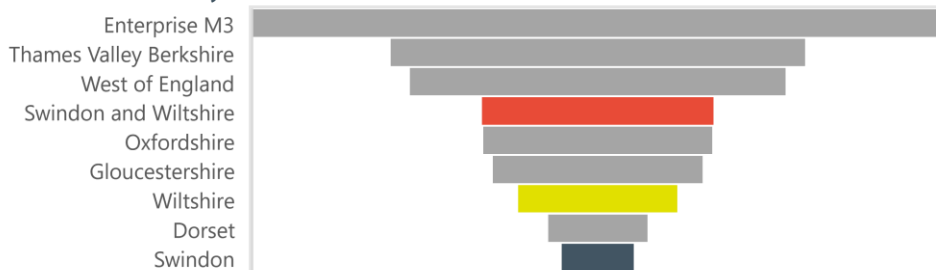


Fewer net business births than most comparators is driven by net business deaths in Wiltshire and few new births in Swindon...

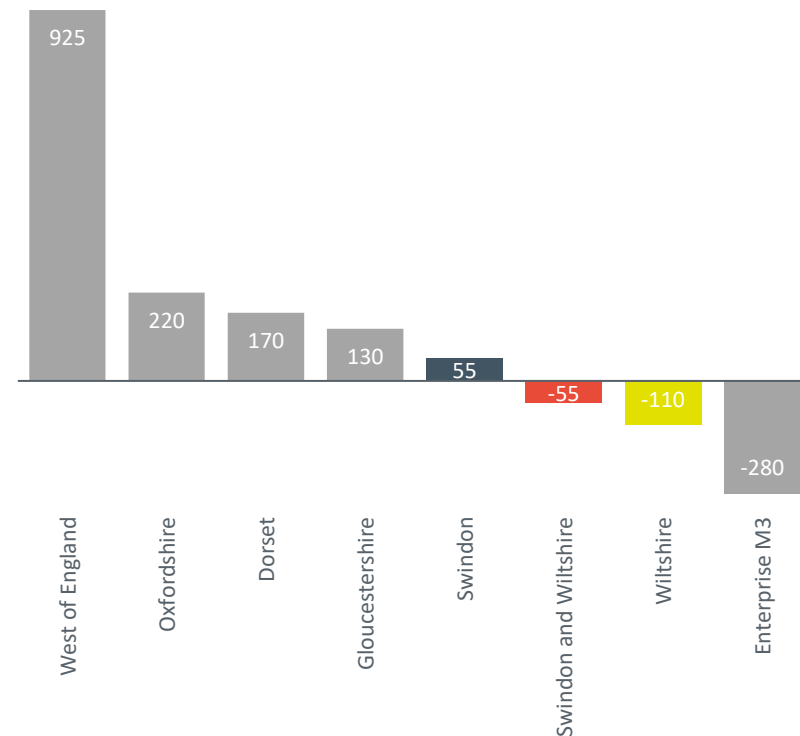
In 2020, there was a negative birth rate (-55) in Swindon and Wiltshire. This position varies by local authority, with Swindon experiencing a positive net birth rate of +55 whilst Wiltshire experienced a negative rate of -110.

There were 3,075 business deaths in Swindon and Wiltshire during 2020, with Wiltshire accounting for almost 70% of these deaths. This is lower than most other comparator LEP areas, with only Oxfordshire, Gloucestershire, and Dorset LEP areas recording a lower number of business deaths. However, Swindon and Wiltshire performs relatively worse when assessing net business births. In 2020, there were -55 net business births in the area, with only Enterprise M3 LEP recording lower net business births. Within the LEP area, Wiltshire performs poorly compared to Swindon with -110 net business births compared to 55 in Swindon. Although this will be shaped by the impact of Covid-19, in 2019 Swindon and Wiltshire were still performing relatively poorly compared to the other LEP areas, with the fourth highest number of business deaths (2,485) and the third lowest net births (45).

Business Deaths, 2020



Net Business Births, 2020

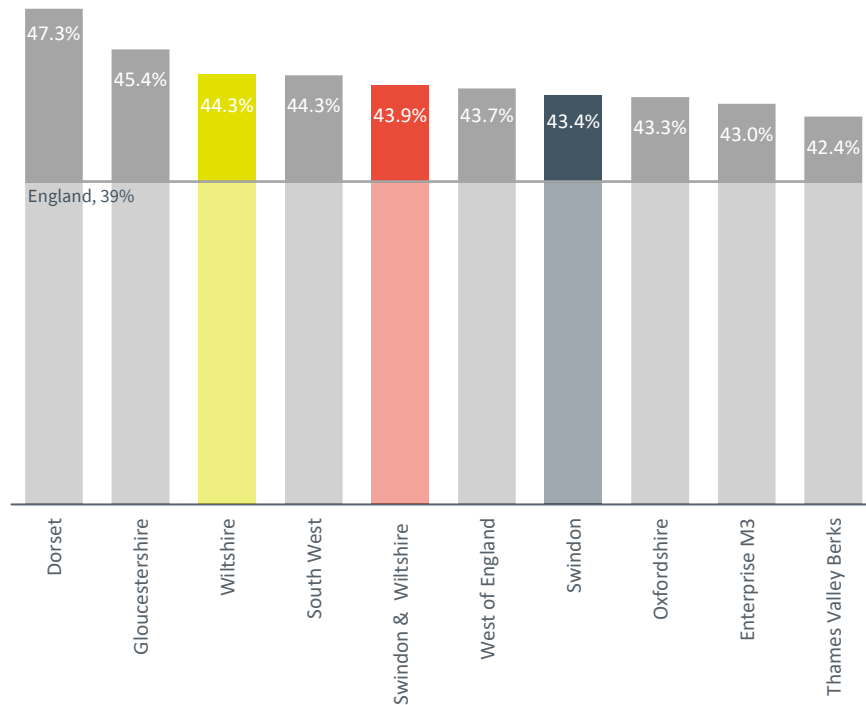


As of 2020, the 5 year survival rate of businesses in the Swindon and Wiltshire was 44%...

This is considerably above the English average of 39% and in line with the South West average, also at 44%. Of the LEP comparator areas, only Dorset, Gloucestershire, and Bucks Thames Valley LEP have higher business survival rates. Dorset has the highest 5 year business survival rate at 47%.

Within Swindon and Wiltshire, Wiltshire has a slightly higher 5 year business survival rate at 44.3% compared to 43.4% in Swindon. This could be an indicator of strong business support mechanisms in place that assure business longevity with business needs being met, alternatively it may be an expression of a less competitive business ecosystem that allows for less efficient businesses to remain functioning due to a lack of competition which would typically result in lower survival rates after five years.

5 year Business Survival Rate, 2015-2020



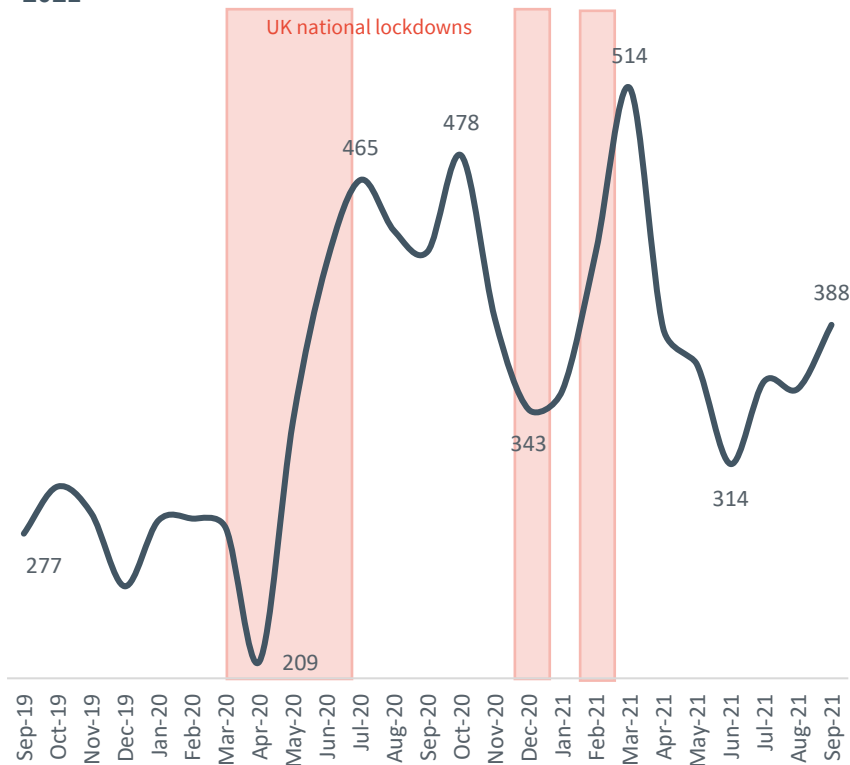
The number of business incorporations in Swindon and Wiltshire has significantly increased over the lockdown periods of March 2020-March 2021, compared to the prior 6 month period...

Between September 2019 and March 2020, business incorporations averaged 280 per month.

After an initial drop in the number of business incorporations from March 2020 (280) to April 2020 (209), the number of business incorporations grew to a peak of 514 in March 2021. From March to September 2021, business incorporations have averaged 360 per month, which is 29% higher than in the 6 months prior to national lockdowns.

This suggests that during the lockdown periods greater numbers of new businesses were being created, with continuing positive influence on business incorporations post-lockdown. When examining business incorporation trends during challenging economic periods, consideration should be given to the displacement effect from permanent employment.

Business Incorporations in Swindon and Wiltshire LEP, Sept 2019-Sept 2021

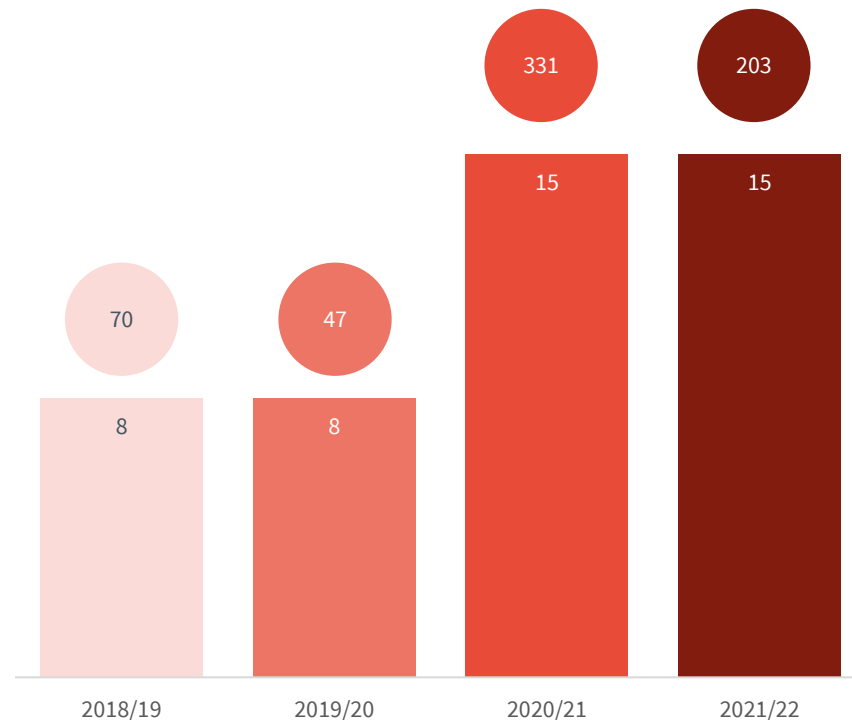


Whilst Swindon and Wiltshire have seen a near doubling in Foreign Direct Investment (FDI) project wins in the last few years the value of these, proxied by jobs created has been even greater...

The number of FDI project wins in Swindon and Wiltshire has increased by 88% since 2018/19 to a total of in 2021/22. The number of FDI jobs created has also increased over this period, generally in line with the number of project wins. In 2019/20 when there were 8 FDI project wins, just 47 FDI jobs were created, whereas in 2020/21 when 15 FDI projects were won, 331 FDI jobs were created. But 2021/22 did record a reduction in the number of FDI jobs created to just 203, despite the number of FDI project wins equalling the previous year.

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. Initiatives such as the joint inward investment programme, a joint partnership between Swindon and Wiltshire LEP, Swindon Borough Council and Wiltshire County Council, will provide the first step to attracting investment into the area by ensuring sufficient investment opportunity is advertised to potential investors.

FDI Project Wins (bars) and jobs created (circles), 2018-2022



Swindon and Wiltshire is a net importer of goods and services...

A larger proportion of the monetary value gained from Swindon and Wiltshire's trade is from imported goods and services valued at £5.6bn (53%) than exports at £4.9bn (47%). However, within the LEP area there are spatial differences. There is considerably higher value in Wiltshire's imports at £2.7bn (59%) than its exports at £1.8bn (41%). By contrast, Swindon sees the reversal for its exports at £3.1bn (52%) and imports at £2.9bn (49%).

Of Swindon and Wiltshire's trade, there is greater value in the goods and services imported and exported to non-EU countries (51% and 64%) than EU (49% and 36%). This is greater than The South West (51%) and UK (48%). Whilst the value of its goods and services from non-EU countries is higher than the UK (52%), it is below the regional average (55%).

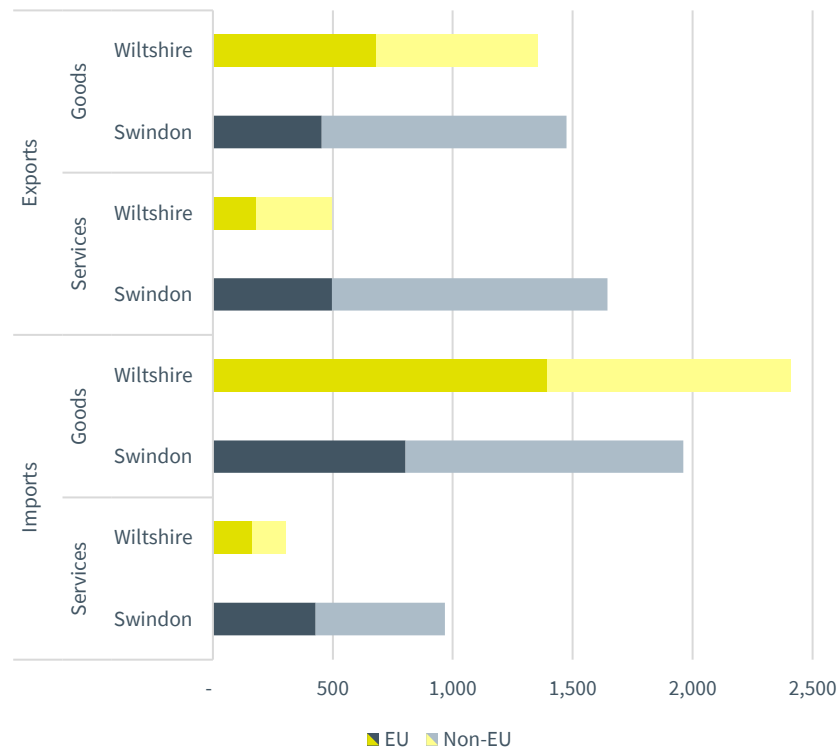
Internally, however, Wiltshire is more reliant upon imports from the EU (57%) than it is from non-EU countries (43%) compared to Swindon (42% and 58%). Swindon and Wiltshire both separately gain more value from exports to non-EU countries (70% and 54%) than they do EU (30% and 46%).

This means that although any disruption to imports and exports from Brexit could impact negatively upon Swindon and Wiltshire's economy, the LEP may have greater protection from its strong trading relationship with non-EU countries than seen regionally or nationally.

However, it is clear from the breakdown in goods and services that Wiltshire's trade is more dependent on the EU. Unlike Swindon, there is greater value in Wiltshire's EU imported goods (58%) and services (54%) and also more in its EU exported goods (50%), but not in its services (37%). This breakdown suggests that careful attention will need to be paid to how Wiltshire's in particular could be affected by changes in trade between the UK and EU.

Source: ONS Subnational Trade in Goods and Services

Imports and Exports, £ millions, 2019



Employment is concentrated in several sectors such as Retail, Health and Professional and Scientific Services...

In 2020 employment in Swindon and Wiltshire was 326,500, of which 65% 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 as commuters into Swindon and Wiltshire

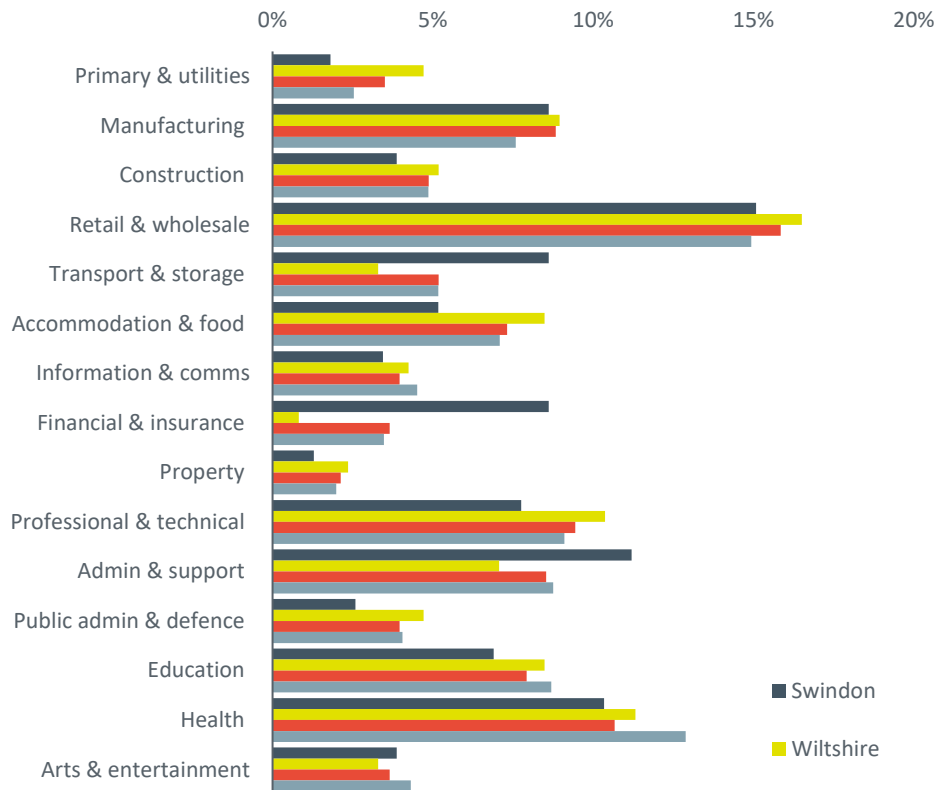
The largest employment sector for employment across the LEP area was Retail and wholesale, accounting for 16% of total employment, in line with the national average of 15%. Other important employment sectors include Health (11%), Manufacturing (9%) and Professional, Scientific and Technical (9%).

Sectoral employment differs between Swindon and Wiltshire. For example, the financial and insurance sector (due in part to presence of a large employer, Nationwide), is a significant employer in Swindon and accounts for almost one in ten jobs, but a relatively small sector in Wiltshire where the sector only accounts for one in a hundred jobs.

Whereas, the primary and utility sector is a major employer in Wiltshire, bringing total proportionate employment in the LEP area in this sector above national rates. Both Swindon and Wiltshire have an equally strong manufacturing sector, with both outstripping national proportionate employment in this sector, underscoring the core strength of the manufacturing sector in Swindon and Wiltshire.

Source: ONS BRES

Percentage Employment by Broad Sector, 2020



Swindon & Wiltshire
LOCAL ENTERPRISE PARTNERSHIP

HATCH

A quarter of employment in Swindon and Wiltshire LEP is concentrated in retail and health...

Whilst the Swindon and Wiltshire LEP area has employment spread across a range of broad sectors, just over a quarter of total employment is based within the retail (16%) and health (11%) sectors.

Transport and storage is of growing importance to the LEP area's employment base. While no overly concentrated in Swindon and Wiltshire, this sector has experienced strong growth over the last five years, if this trend were to continue it is likely that we would see some degree of specialisation here.

LQ against employment growth from 2015-20 for broad sector employment in Swindon and Wiltshire

Swindon and Wiltshire LEP area	Total	%	% change (2015-2020)	LQ
Primary and utilities	11,500	4%	10%	1.4
Manufacturing	29,000	9%	-3%	1.2
Construction	16,000	5%	0%	1.0
Retail and wholesale	52,000	16%	-9%	1.1
Transport and storage	17,000	5%	21%	1.0
Accommodation and food	24,000	7%	-4%	1.0
Information and comms	13,000	4%	8%	0.9
Financial and insurance	12,000	4%	-33%	1.1
Property	7,000	2%	17%	1.1
Professional and technical	31,000	9%	11%	1.0
Admin and support	28,000	9%	-7%	1.0
Public admin. and defence	13,000	4%	8%	1.0
Education	26,000	8%	-4%	0.9
Health and social care	35,000	11%	-8%	0.8
Arts and entertainment	12,000	4%	-14%	0.9

Source: ONS BRES, 2020

¹ 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.



Swindon & Wiltshire
LOCAL ENTERPRISE PARTNERSHIP



Priority sectors play an important economic role in Growth Zone economies...

The summary on the following page highlights the dominance of the Swindon M4 Growth Zone in employment within the LEP's priority sectors. In all but Life Sciences, the Swindon M4 zone has the largest employment. The areas are ranked based on absolute employment values, with the area with the most employment in a specific sector ranking first and the one with the least ranking fourth.

Amongst the other growth zones, there are clear employment concentrations in specific policy sections. For example a high prevalence of ICT/Cyber Security and Creative roles outside the Swindon and Wiltshire Growth Zones, and Life Sciences and Advanced Manufacturing and Engineering clusters in Salisbury-A303.

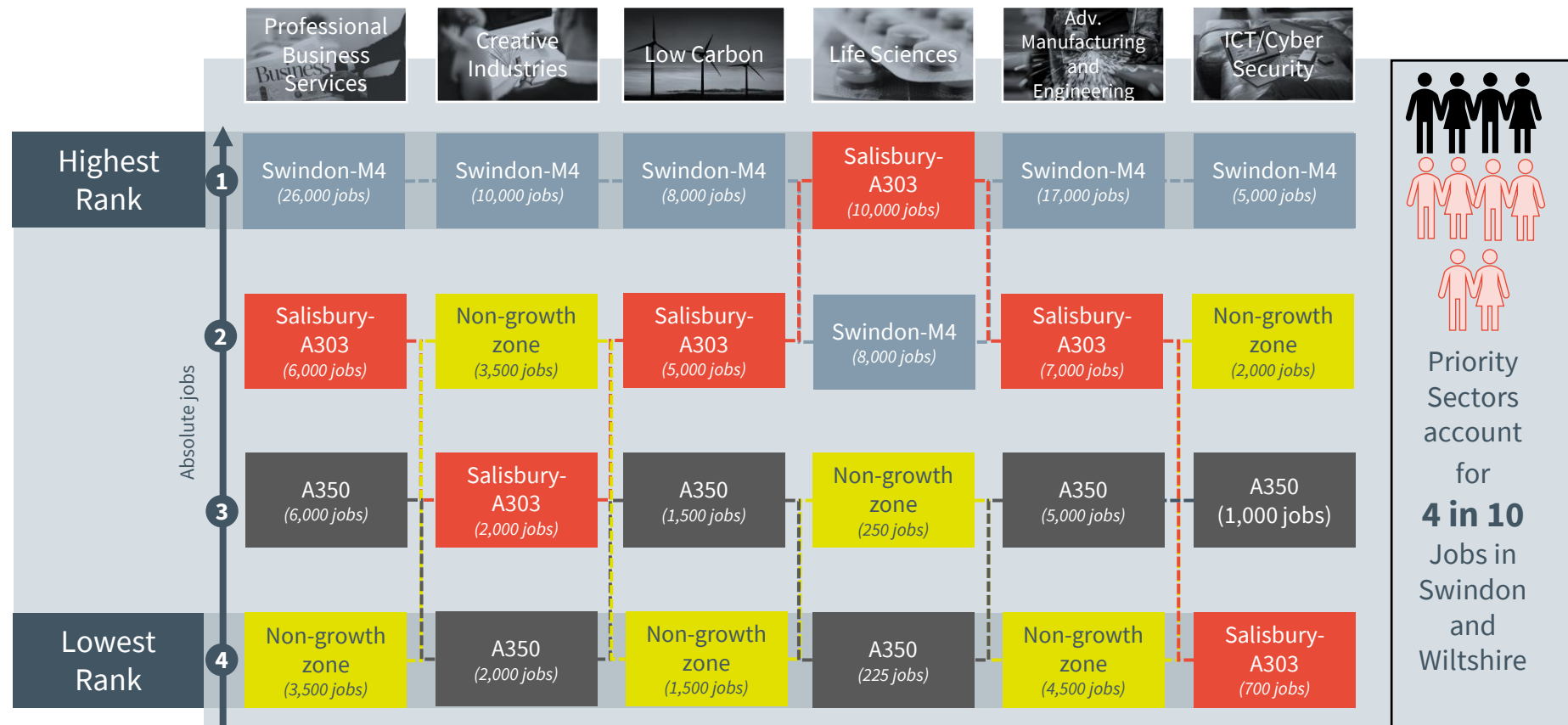
It should also be noted that the Growth Zones vary in relative size. While the A350 does not have the highest number of jobs in the priority sectors they are still of significant importance proportionately – for example with one in every ten jobs in this area is within the Professional Business Service sector.

Key assets exist in some of the priority sectors within Growth Zone, such as the Porton Science Park.

It should be noted that the strength of priority sectors in these areas may not be accurately demonstrated due to the limitations of SIC codes – this is most clearly the case for the Low Carbon and Life Science sectors.

Swindon and Wiltshire's Employment Characteristics

51.



Source: ONS BRES



Swindon & Wiltshire
LOCAL ENTERPRISE PARTNERSHIP

HATCH

Employment specialisation in Swindon and Wiltshire

Since 2015, employment in the sectors of Financial Services, Motor Retail and Wholesale, and Retail excl. Motors has decreased. Of these Financial Services has seen the greatest contraction at -31%.

Conversely, the Computer Programming sector has grown strongly (50% growth 2015-2020), albeit from a relatively small base.

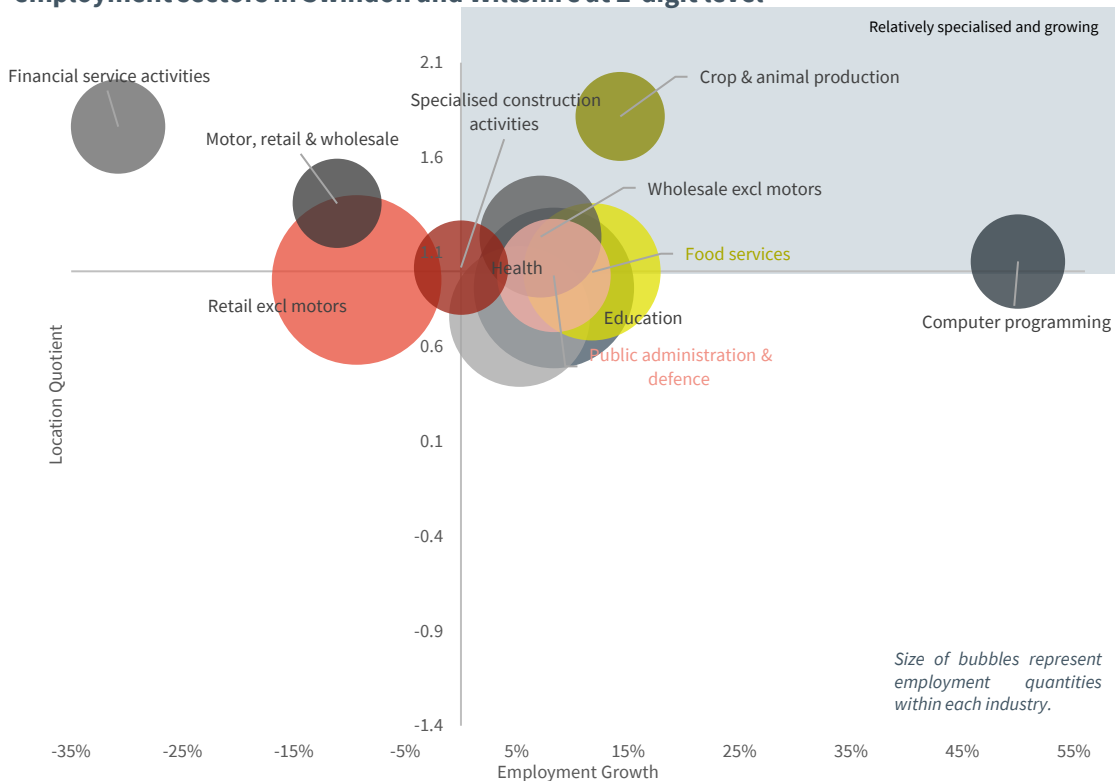
Employment in both Health and Education are relatively lower in Swindon and Wiltshire than in England (as measured by the Location Quotient¹), despite both sectors recording between 5 and 8% growth since 2015.

Opposingly, the Crop and Animal Production and Financial Services sectors are particularly specialized compared to England based on location quotient, but concerning the Financial Services sector is struggling to maintain its presence in Swindon and Wiltshire.

Source: ONS BRES, 2020

¹ 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.

LQ¹ (Y-axis) against employment growth from 2015-20 (X-axis) for the 10 largest employment sectors in Swindon and Wiltshire at 2-digit level



Employment is reorienting from Financial Services towards digital economy...

Employment in both Health and Education are relatively lower in Swindon and Wiltshire than in England (as measured by the Location Quotient¹), despite both sectors recording between 5 and 8% growth since 2015.

Opposingly, the Crop and Animal Production and Financial Services sectors are particularly specialized compared to England based on location quotient, but concerningly the Financial Services sector is struggling to maintain its presence in Swindon and Wiltshire.

LQ against employment growth from 2015-20 for the 10 largest employment sectors in Swindon and Wiltshire at 2-digit level

Swindon and Wiltshire LEP	Total	%	% change (2015-2020)	LQ
Retail excl motors	29,000	9%	-9%	1.0
Education	26,000	8%	8%	0.9
Health	20,000	6%	5%	0.8
Food services	19,000	6%	12%	1.0
Wholesale excl motors	15,000	5%	7%	1.2
Public admin.and defence	13,000	4%	8%	1.0
Specialised construction activities	9,000	3%	0%	1.0
Computer programming	9,000	3%	50%	1.1
Financial service activities	9,000	3%	-31%	1.8
Crop and animal production	8,000	2%	14%	1.8

Employment specialisation in Swindon and Wiltshire

Individually, Swindon and Wiltshire both contain sectors of employment specialism that are distinct to their unitary authority area. In Swindon, Financial Service Activities has a location quotient of 4.4 and has continued to grow by 14% since 2015 (+1,000 jobs). In Wiltshire, Crop and Animal Production is a highly dense employment sector with a location quotient of 2.5, a reflection of the importance of Wiltshire's rural economy. Despite this, the sector has not experienced any growth since 2015.

Overall, Swindon has experienced employment growth in Office Admin and Support (78%), Financial Service Activities (14%), Education (14%) and Health (14%). However, both the Wholesale excl Motors (-11%) and Retail excl Motors sectors (-17%) have experienced decline.

In Wiltshire, Motor, Retail and Wholesale (20%), Social Work (20%) and Retail excl Motors (11%) have experienced an increase in employment. However, over half of the top 10 sectors have either experienced decline or stagnant growth, particularly Wholesale excl Motors (-17%) and Specialised Construction Activities (-14%).

Source: ONS BRES, 2020

¹ 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.

LQ¹ against employment growth from 2015-20 for the 10 largest employment sectors in Swindon (top) and Wiltshire (bottom) at 2-digit level

Swindon	Total	%	% change (2015-2020)	LQ
Retail excl motors	10,000	9%	-17%	0.9
Financial service activities	8,000	7%	14%	4.4
Education	8,000	7%	14%	0.8
Health	8,000	7%	14%	0.9
Food services	6,000	5%	0%	0.9
Warehousing and support for transport	5,000	4%	11%	2.1
Manufacture of motor vehicles	4,500	4%	13%	7.0
Employment activities	4,500	4%	0%	1.2
Wholesale excl motors	4,000	3%	-11%	0.9
Office admin and support	4,000	3%	78%	1.9
Motor, retail and wholesale	3,500	3%	0%	1.7

Wiltshire	Total	%	% change (2015-2020)	LQ
Retail excl motors	20,000	9%	11%	1.0
Education	17,000	8%	-6%	0.9
Food services	12,000	6%	-8%	1.0
Health	12,000	6%	0%	0.7
Wholesale excl motors	10,000	5%	-17%	1.2
Public administration and defence	9,000	4%	-10%	1.0
Crop and animal production	7,000	3%	0%	2.5
Residential care activities	7,000	3%	0%	1.4
Specialised construction activities	6,000	3%	-14%	1.1
Motor, retail and wholesale	6,000	3%	20%	1.6
Social work activities	6,000	3%	20%	1.1



Of the priority sectors Life Sciences is specialised and growing...

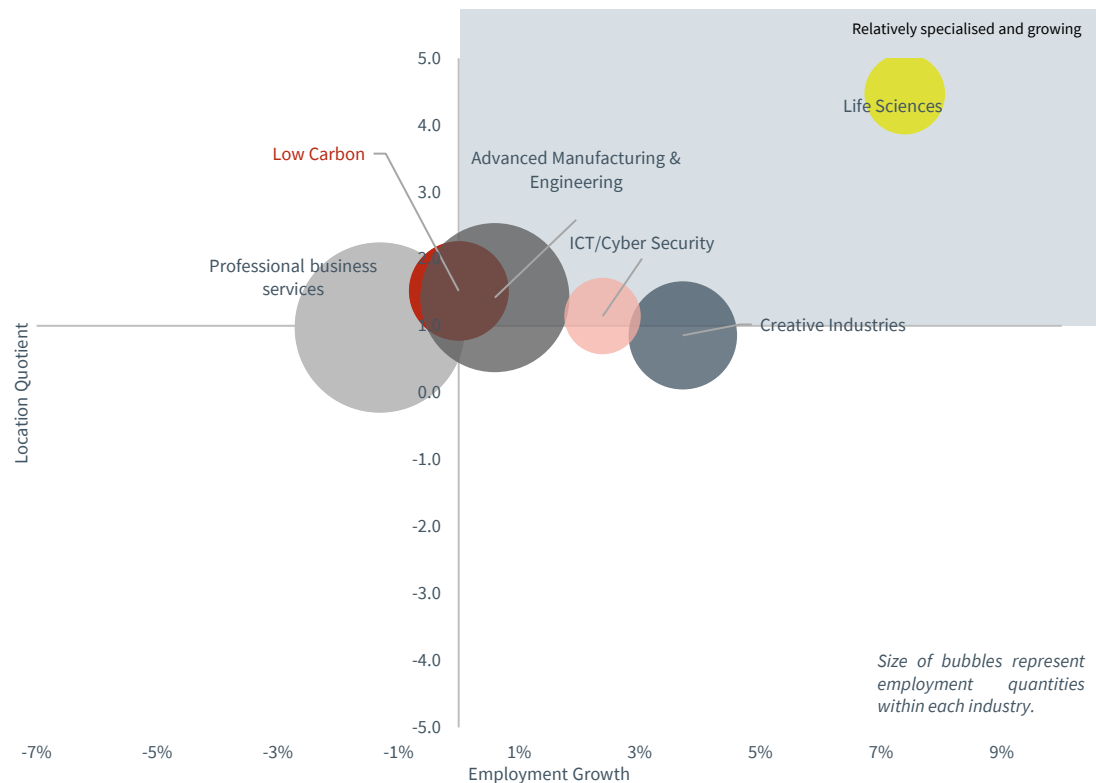
Employment in the priority sectors of Professional Business Services and Low Carbon has shrunk or remained the same between 2015 and 2020, with professional services losing 1% of employment per year on average.

Employment in the priority sectors of Advanced Manufacturing and Engineering, ICT /Cyber Security, Creative Industries, and Life Sciences have grown, with Life Sciences leading this growth at 7%.

Employment in the Creative Industries is lower than in England (as measured by the Location Quotient) and employment in the professional business services matches the rate in England.

The other priority sectors are all relatively specialized compared to England, based on the Location Quotient. As well as leading growth, Life Sciences also leads this comparative specialization.

LQ¹ (Y-axis) against employment growth from 2015-20 (X-axis) for the LEP priority sectors



The priority sectors in Swindon and Wiltshire demonstrate relative and absolute specialisation in employment terms...

The exception to this is employment in the Creative Industries which is less concentrated than within England, and employment in Professional Business Services which is present to the same degree as the England average. The other priority sectors are all relatively specialised compared to England. Life Sciences is particularly notable with absolute employment of some 10,000 employees and a LQ of 4.5.

LQ against employment growth from 2015-20 for the LEP priority sectors

Swindon and Wiltshire LEP	Total	% share	% change (2015-2020)	LQ
Professional Business Services	44,000	13%	-1%	1.0
Creative Industry	18,000	5%	4%	0.9
Low Carbon	15,000	5%	0%	1.5
Life Sciences	10,000	3%	7%	4.5
Advanced Manufacturing and Engineering	34,000	10%	1%	1.4
ICT/Cyber Security	9,000	3%	2%	1.1

The Life Sciences sector is specialised and growing in Swindon...

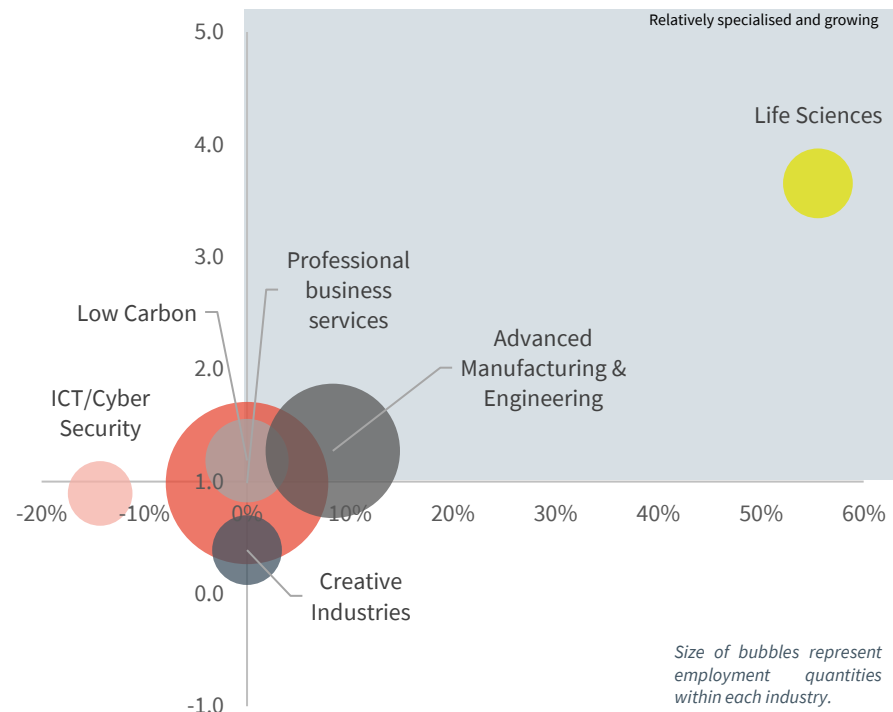
The priority sector of Life Sciences in Swindon is relatively specialised and growing, with a 56% growth in employment between 2015 and 2020. With 3,500 employees the sector is relatively small, however, accounting for only 3% of Swindon's total employment.

Conversely, ICT/Cyber security has experienced contraction between 2015-2020, with a 14% reduction in employment, and it is less specialised, when compared to England. The largest priority sector in Swindon is the Professional Business Services sector, accounting for 16% of total employment but employment levels have remained static since 2015. Advanced Manufacturing and Engineering is also of absolute and relative importance to Swindon but it should be noted that the closure of Honda will not be reflected in these figures.

Swindon			% change (2015- 2020)	LQ
Total		% of total employment		
Professional Business Services	19,000	16%	0%	1.0
Creative Industry	3,500	3%	0%	0.4
Low Carbon	5,000	4%	0%	1.2
Life Sciences	3,500	3%	56%	3.7
Advanced Manufacturing and Engineering	13,000	11%	8%	1.3
ICT/Cyber Security	3,000	3%	-14%	0.9

Source: ONS BRES, 2020

LQ¹ (Y-axis) against employment growth from 2015-20 (X-axis) for Swindon priority sectors



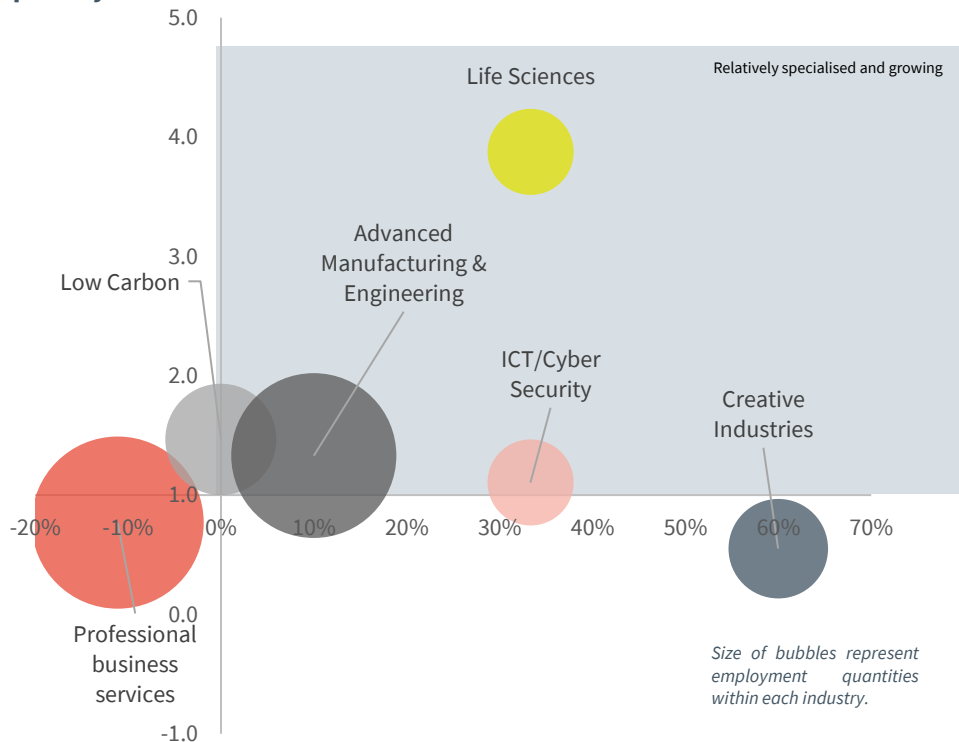
The Creative Industries and Life Sciences sectors are particularly growing, whereas the Professional Business Services sector, one of the largest employment sectors in Wiltshire, is struggling to maintain its influence..

Within Wiltshire, the Life Sciences sector is particularly specialised, when compared to England. But it's rate of growth is reduced when compared to Swindon, at 33% in Wiltshire, compared to 56% in Swindon.

The Creative Industry sector has experienced the largest growth of the priority sectors from 2015 to 2020 at 60%, however it only accounts for 4% of total employment in Wiltshire, and is not specialised when compared to England, with a LQ of 0.6. The Professional Business Services sector is particularly struggling, shrinking by 11% from 2015 to 2020. This is of particular concern as the sector accounts for 11% of total employment in Wiltshire.

Wiltshire			% change (2015- 2020)	LQ
	Total	% of total employment		
Professional business services	24,000	11%	-11%	0.8
Creative Industry	8,000	4%	60%	0.6
Low Carbon	10,000	5%	0%	1.5
Life Sciences	6,000	3%	33%	3.9
Advanced Manufacturing and Engineering	22,000	10%	10%	1.3
ICT/Cyber Security	6,000	3%	33%	1.1

LQ¹ (Y-axis) against employment growth from 2015-20 (X-axis) for Wiltshire priority sectors



Swindon and Wiltshire's Employment Specialisation

Priority sectors are of absolute importance in all areas of Swindon and Wiltshire...

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 70% of all jobs (31,000 jobs) are held within the priority sectors.

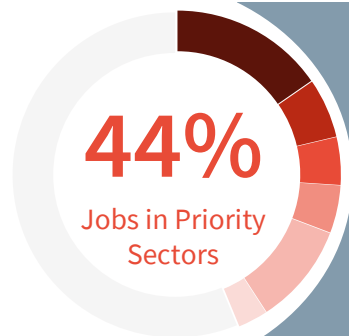
The largest Growth Zone is the M4 Growth Zone which accounts for 170,000 jobs. The economy in this growth zone is fairly diverse, although 44% of all jobs are within the priority sectors.

Employment in priority sectors : Salisbury-A303 Growth Zone, 2020



- Professional Business Services : 14%
- Creative Industries : 5%
- Low Carbon : 11%
- Life Sciences : 23%
- Advanced Manufacturing & Engineering : 16%
- ICT/Cyber Security : 2%

Employment in priority sectors : Swindon-M4 Growth Zone, 2020



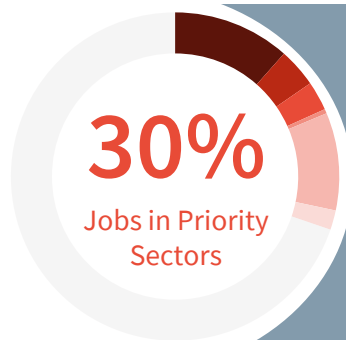
- Professional business services : 15%
- Creative Industries : 6%
- Low Carbon : 5%
- Life Sciences : 10%
- Adv. Manufacturing and Engineering : 10%
- ICT/Cyber Security : 3%

Priority sectors are of absolute importance in all areas of Swindon and Wiltshire...

The A350 Growth Zone has the lowest proportion of priority sector jobs 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 (6,000 jobs).

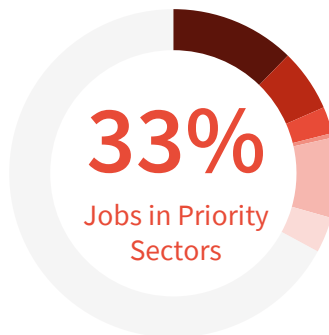
Outside of the Growth Zone areas, there are 57,000 jobs in the non-growth zone area of Swindon and Wiltshire, a third of which are in the six priority sectors. Similarly to the A350 Growth Zone, over one in ten jobs are in the Professional Business Services sector and growth in this sector has also been strong over the last five years.

Employment in priority sectors : A350 Growth Zone, 2020



- Professional business services : 12%
- Creative Industries : 4%
- Low Carbon : 3%
- Life Sciences : 0%
- Adv. Manufacturing and Engineering : 10%
- ICT/Cyber Security : 2%

Employment in priority sectors : Rural Swindon and Wiltshire, 2020



- Professional business services : 12%
- Creative Industries : 6%
- Low Carbon : 3%
- Life Sciences : 0%
- Adv. Manufacturing and Engineering : 8%
- ICT/Cyber Security : 4%

A slow growing employment market with stark sectoral differences...

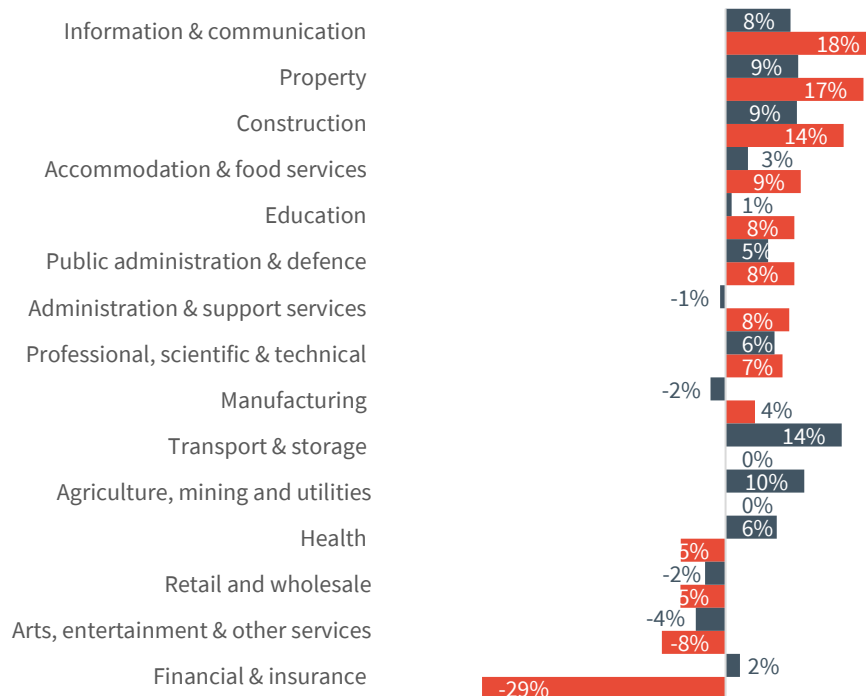
Since 2015, employment in Swindon and Wiltshire has increased by 1% compared to a 3% increase nationally. Over this period, the Information and Communication sector recorded the largest percentage increase in employment, at 18% (compared to 8% nationally). Within the LEP area this sector grew more significantly in Wiltshire at 29%, compared to a 11% decrease in Swindon.

This was followed by the Property sector, which grew by 17% from 2015 to 2020, ahead of national growth in this sector (9%).

Conversely, the Financial and Insurance sector contracted by 29% equating to a loss of 5,000 jobs, all of which have been lost in Wiltshire. This contraction has been ongoing over the last five years, with almost all contraction occurring in Wiltshire before 2017. This may indicate impacts of Brexit or other macroeconomic issues, though further investigation would be required at the local level to determine the root cause.

In the LEP area, the Arts and Entertainment sector also shrank considerably, decreasing by 8% from 2015 to 2020 compared to 5% contraction nationally. This decrease has been experienced solely in Wiltshire which contracted by 22%, a loss of 2,000 jobs.

Employment Growth by Broad Sector, 2015-2020

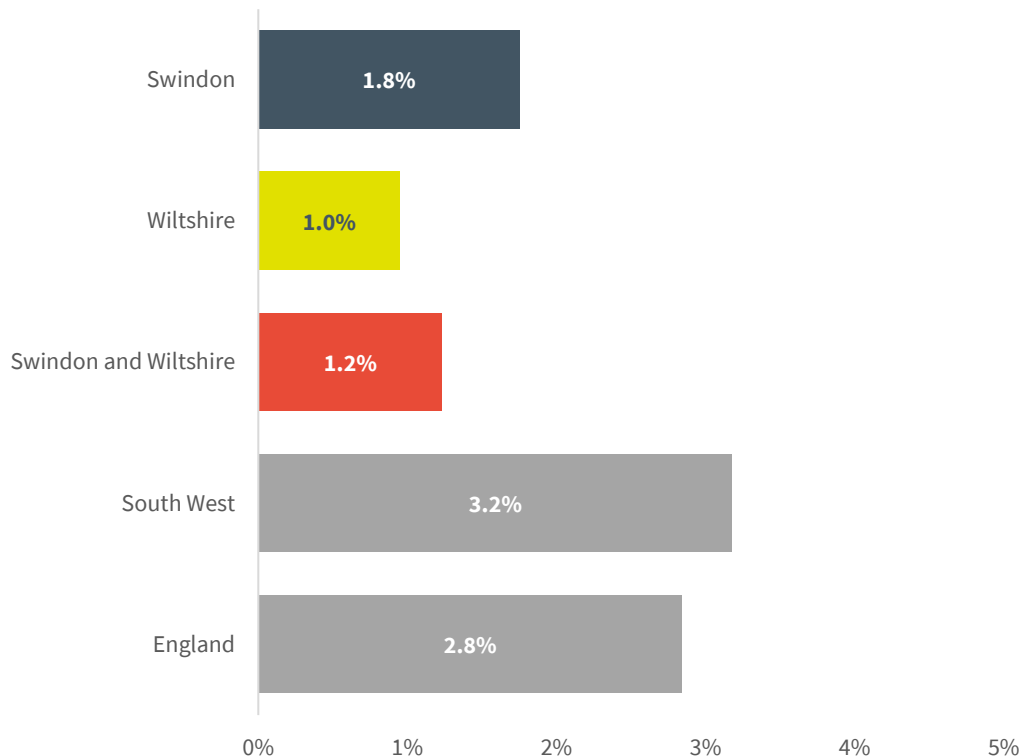


Employment growth is below both the regional and national average...

Latest data from 2020 shows that 328,000 people are in employment in Swindon and Wiltshire, accounting for 13% of all South West employment. Over the last five years, employment in the LEP area has increased by 1%, an additional 4,000 jobs. However, when this is compared to regional and national change this indicates a slow rate of growth.

Furthermore, while employment has modestly increased over the last five years, this increase largely occurred prior to 2018 and since then the employment count in Swindon and Wiltshire has been reducing. This may be a combined result of the already highly utilised labour pool, as shown by the economically active rate (83%) alongside an ageing population who are leaving the labour market. Consideration of how to ensure labour supply meets demand will therefore become increasingly necessary in the short and medium term future of Swindon and Wiltshire's economy.

Employment change, 2015-2020



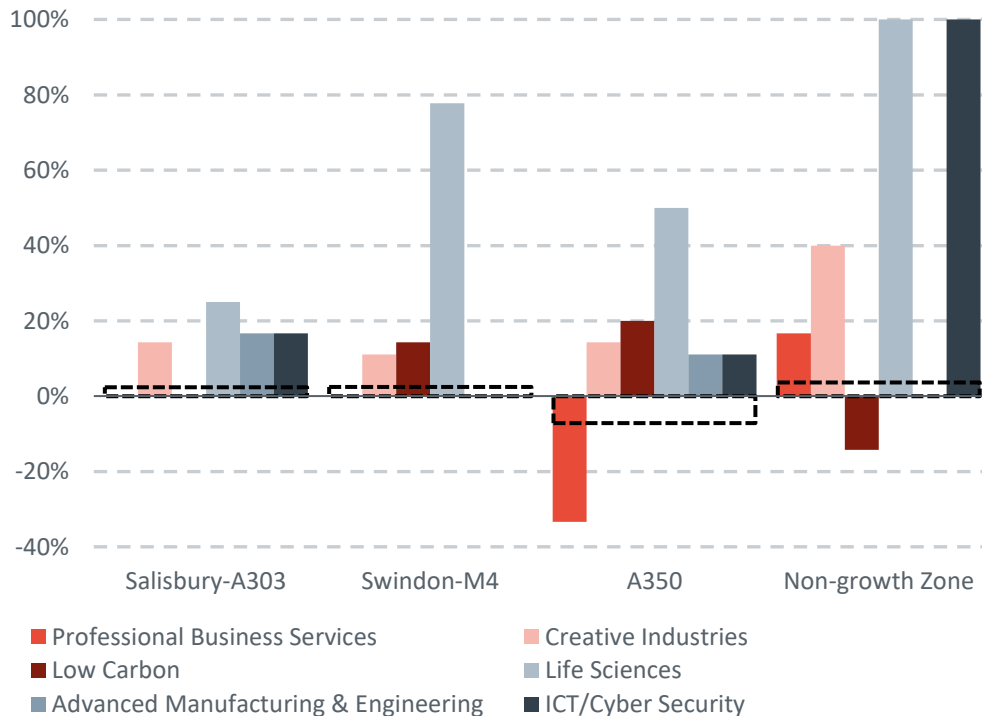
Employment change across Swindon and Wiltshire's Growth Zones and priority sectors has been strong in places...

Overall employment has grown across the Swindon and Wiltshire zones, with the exception of the A350 Growth Zone which has experienced a contraction in employment of 7% over the last five years, equivalent to the loss of 4,000 jobs. The adjacent chart illustrates employment contraction in the Professional Business Services sector with employment in 2020 being a third lower than in 2015 in the priority sector of this Growth Zone.

Life Sciences is a growing sector across all growth zones, doubling in size in the non-growth zone (although from a small starting point, Life Science employment has increased by 125 jobs in the non growth zone area of Swindon and Wiltshire since 2015.) The Life Sciences sector has also experienced growth in Swindon of +78% (+3,500 jobs) and the Salisbury A303 Growth Zone where it has increased by 25% (+2,000 jobs.)

Outside of the Growth Zones, the Low Carbon sector has experienced employment decline in the non-growth zone (-14%, -250 jobs) but has been growing in the Swindon-M4 (+14%, +1,000 jobs) and A350 Growth Zone (+20%, +250 jobs).

Employment change by industry across the Swindon and Wiltshire Growth Zones, 2015-2020

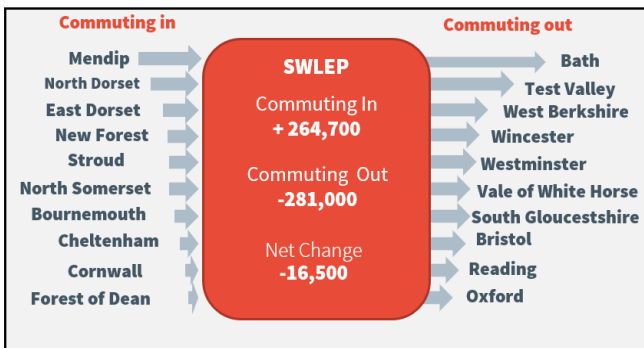


Swindon and Wiltshire is a net exporter of labour...

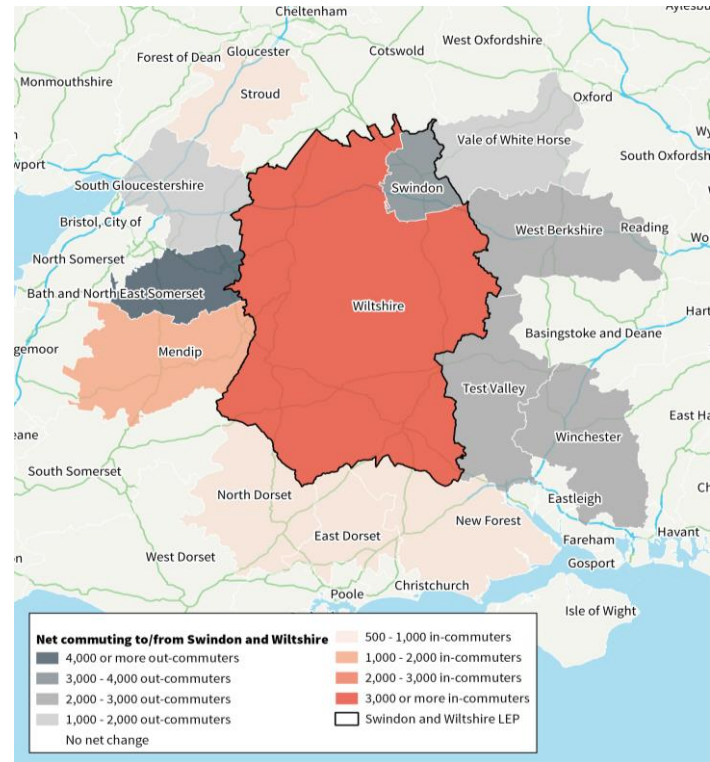
Commuting patterns for Swindon and Wiltshire shows that there is a greater number of people who commute out of the LEP area rather than into, with a net outflow of 16,500. Internally, there is a difference in pattern between the two local authorities. The map on the right shows more people commute into Wiltshire than out (net 3,400) whilst more people commute out of Swindon (net -3,400)

Despite this, the LEP area does have a job density of 0.90 compared to the 0.88 in the South West and 0.85 in England meaning there are enough jobs to provide work for 90% of working-age residents. This high job density reflects a strong jobs market and may also help explain why the area has a high number of people also commuting in. Swindon and Wiltshire is highly self-contained, with 78% of residents working and living in the LEP area.

As the commuting data is from the 2011 Census, the picture in Swindon and Wiltshire may have changed over the last decade. With Swindon and Wiltshire experiencing an above average rise in home-working (71%) since 2019 compared to the South West (39%) and England (67%), the number commuting out Swindon and Wiltshire could have potentially reduced.



Net commuters to/from Swindon and Wiltshire, 2011



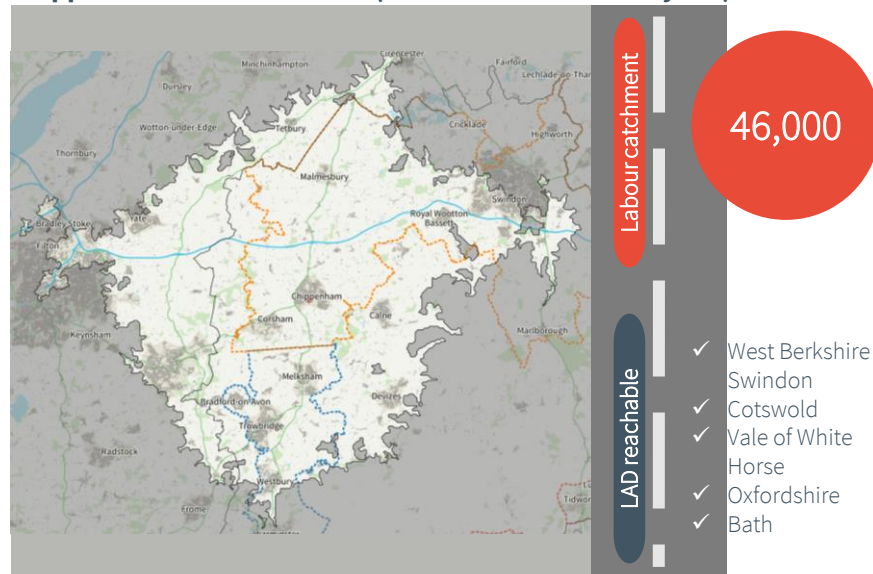
Source: Annual Population Survey, ONS, 2020; ONS Jobs Density, 2020; Census 2011

Real-time travel data can help supplement 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.

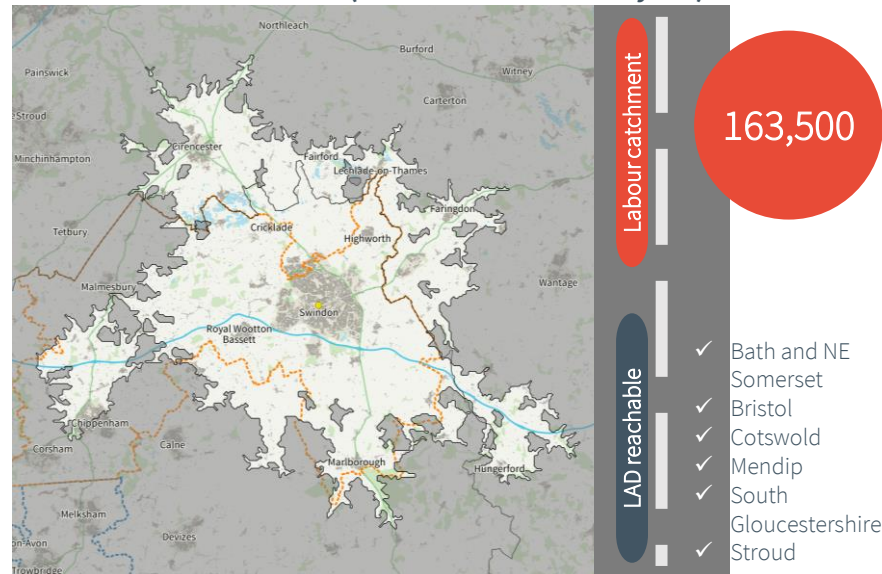
Swindon M4 Growth Zone

For the Swindon M4 Growth Zone, Swindon and Chippenham were used as the economic centres. Together these centres could reach as far west as north Bristol, as far north as southern Gloucestershire and as far east as Oxfordshire.

Chippenham catchment area (45 minute drive time by car)



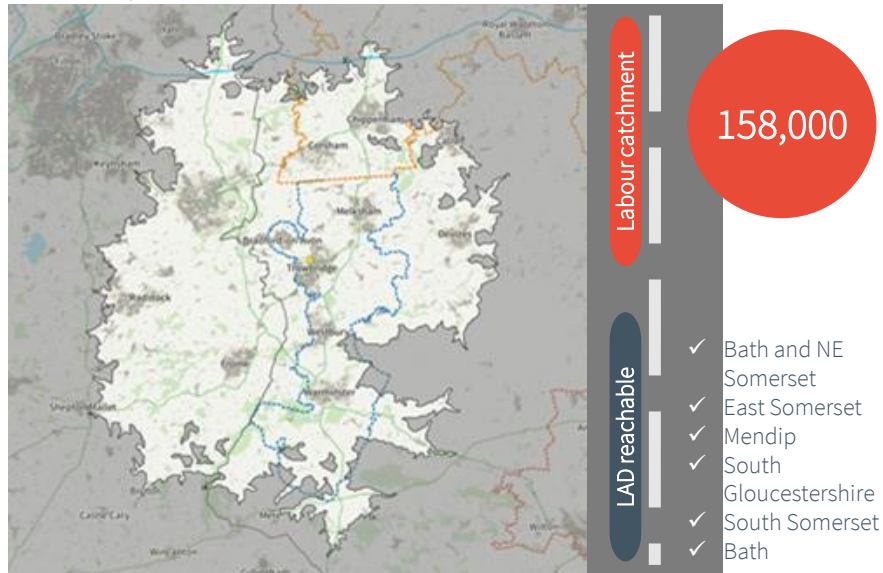
Swindon catchment area (45 minute drive time by car)



A350 Growth Zone

For the A350 Growth Zone, Trowbridge and Warminster were used as the economic centres. Between the two centres, the travel time data shows that within a 45 min drive time several key towns and employment sites could be reached, including Bath in the west of the catchment, Amesbury in the east of the catchment and the outskirts of Chippenham to the north. The labour market catchment of these 2 areas totals approximately 335,000 working age residents, the largest of the 3 growth zones.

Trowbridge catchment area (45 minute drive time by car)



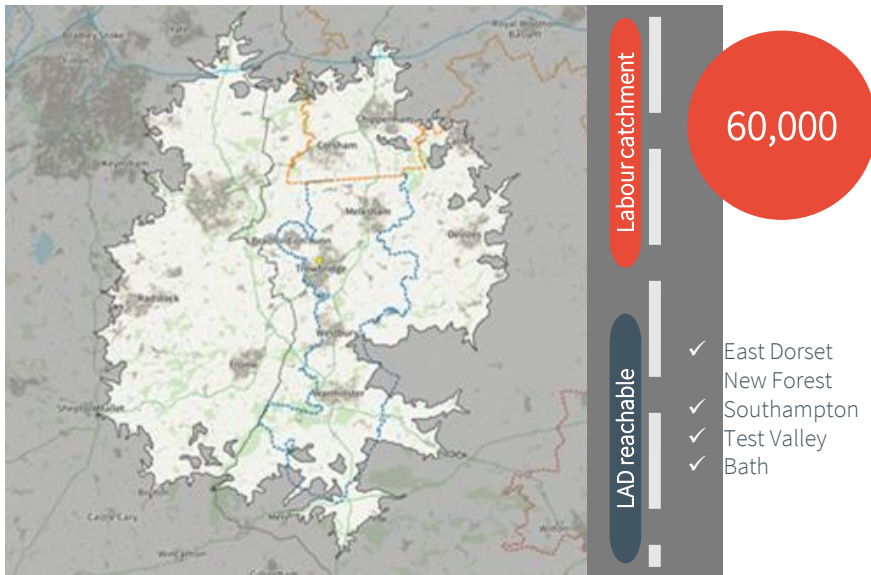
Warminster catchment area (45 minute drive time by car)



Salisbury A303 Growth Zone

For the Salisbury A303 Growth Zone, Salisbury and Amesbury were used as the economic centres. Between the two centres, the travel time data shows that within a 45min drive time several key towns and employment sites could be reached, including Warminster in the west of the catchment, the outskirts of Southampton in the south east of the catchment and Marlborough to the north. The labour market catchment of these two areas totals approximately 115,000 working age residents, the smallest of the 3 growth zone catchments.

Salisbury catchment area (45 minute drive time by car)



Amesbury catchment area (45 minute drive time by car)



Home working is more prevalent in Wiltshire than in Swindon...

COVID-19 and the resulting restrictions required many employees to work from home. For many individuals this new way of working is anticipated to be a longer term trend.

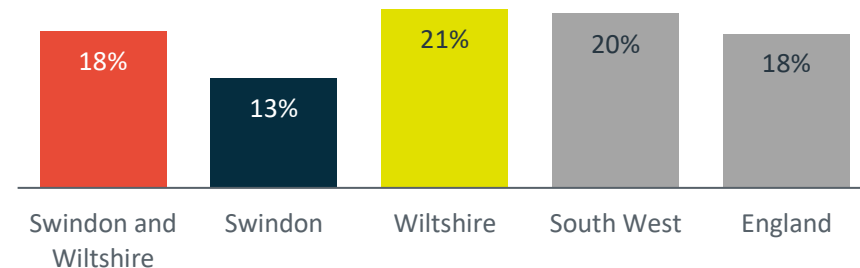
The ability to work from home allows individuals a reasonable degree of flexibility while at the same time creating potential productivity uplifts. It increases the potential pool of labour available to business and can start to change the range of 'travel to work' areas.

Likely due to a combination of factors, such as job type and the greater length of commuting, over 20% of employees in Wiltshire work mainly from home while this is only 13% in Swindon. As a whole, the Swindon and Wiltshire LEP area has a proportion of employees who work from home at the same rate as England (18%), although this is slightly lower than the regional rate.

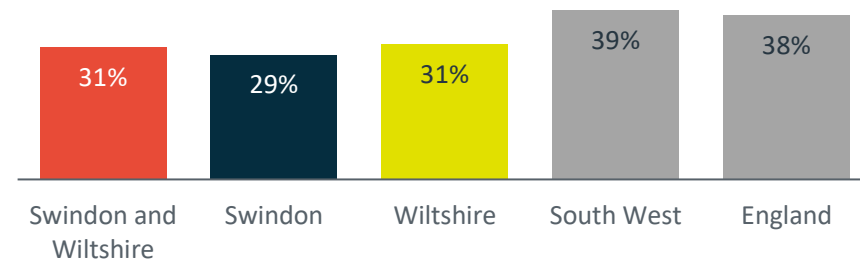
Alongside individuals who work mainly from home, analysis has been undertaken to determine the proportion of employees who have worked from home at some point, this includes anyone who has undertaken paid work from their home. In the Swindon and Wiltshire area, 31% of employees state that they have worked from home at some point, this is a lot lower than both regional (39%) and national (38%) levels. Within the LEP area, neither local authority has a higher than national home working rate under this specific criteria.

A sectoral breakdown of working from home is only available at a national level. Sectors such as retail, health and manufacturing have some of the lowest proportion of staff 'ever' working from home. Given the importance of these sectors in Swindon and Wiltshire's employment, this might help contextualise the below regional and national average seen in the LEP area.

Proportion of Employees Working Mainly from Home* (2020)



Proportion of Employees Working from Home "ever" (2020)





Net business births and survival rates are comparatively low suggesting scope for policy to support entrepreneurialism and business growth.

However, FDI has been strong and global exports are important to the local economy. The LEP should continue to work with DTI and industry to further explore trade and investment opportunities, leveraging the international links that exist already, particularly in Swindon. This can help drive productivity in the region and mitigate the risks posed from the UK exit from the EU.

As highlighted in the South West England and South East Wales Innovation Audit, the LEP area has several industry strengths that come through in the data. Sectors such as advanced engineering and manufacturing and low carbon, where the LEP area specialises and play a nationally important role, should be supported. These sectors tend to also have high levels of productivity and present opportunities for residents to engage in local high-skilled jobs.

The role of the rural economy has also been evolving and looks to be taking on an increasingly important role in the LEPs priority sectors. Porton, for example, is a designated Life Sciences Opportunity Zone by DIT. Policy should continue to support the role of the rural area in this sector.



5

People and Labour Market





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.

Swindon has a high share of non-EU born residents, demonstrated by one in ten residents being non UK born. The success of the area is therefore represented by its ability to attract this level of talent.

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 experienced a large increase since 2019. This is likely a result of impacts from COVID, to prevent long term labour market scarring effort must be made to assist these people back to work.

Claimants rose during the pandemic and are yet to recover to pre-pandemic numbers, this may suggest significant immediate labour market issues, as stated above immediate action to reduce unemployment is needed to prevent long term scarring in the labour market.

A small percentage of people remained on furlough until the scheme's closure, with certain industries relying on it more, labour market impacts from COVID will vary between sectors. Ensuring the most impacted sectors return to normalcy will be important to assisting the parts of the labour market that have been most acutely impacted by COVID.

Full time employment is increasing while flexible employment has fallen over the past five years, this may suggest a degree of labour market orientation towards more fixed and traditional working roles. This will likely increase job security but may create a less flexible workforce that could hinder some business goals.



Swindon and Wiltshire's Demographic Characteristics

71.

Swindon and Wiltshire has a similar age profile to England...

Around 727,000 people live in Swindon and Wiltshire, of which 31% (222,900) live in Swindon compared to 69% (504,100) 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.

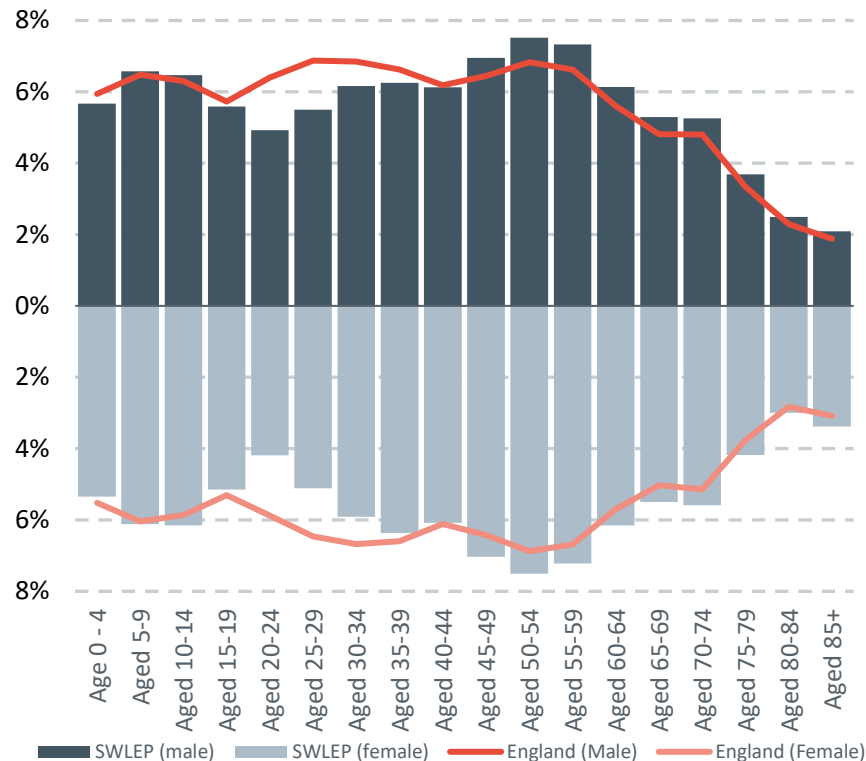
This is reaffirmed by the picture in the growth zones. Excluding the A350, the growth zones have a higher proportion of people aged 16-64 compared to the rural zone of Swindon and Wiltshire. However, this difference is only 2-3 percentage points higher, highlighting that rural zone still plays an important 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 2020	Swindon and Wiltshire	A350	Salisbury A303	Swindon M4	Rural Zone
Total	727,000	126,000	105,000	320,000	177,000
16-64 (no.)	439,000	75,000	64,000	197,000	104,000
16-64 (%)	60%	59%	61%	62%	59%

Source: Mid-Year Population Estimates, ONS, 2020

Note: due to area overlap of the sum of the zones does not equate to the total for Swindon and Wiltshire

Age Profile, 2020



Swindon & Wiltshire
LOCAL ENTERPRISE PARTNERSHIP

HATCH

Swindon and Wiltshire is vulnerable to the pressures of an ageing population...

Over the last decade, Swindon and Wiltshire's population has grown by 7% (50,000 people) which is broadly in line with 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 7% (9,000) which is the same as the South West (7%) but below England (9%).

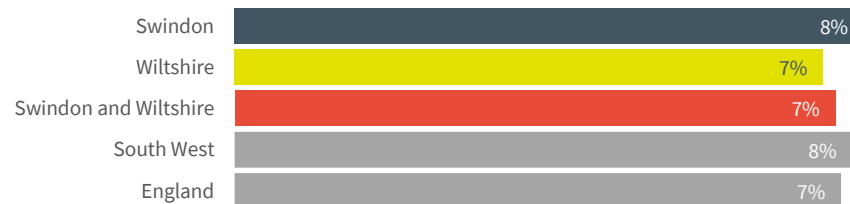
The number of working-age adults in Swindon and Wiltshire has only grown by 1% (6,000 people) compared to 2% in the South West and 3% in England. With an already below average working age population this might have direct implications for future growth as businesses base their decision to locate on local workforce availability.

People aged 65+ have seen the largest growth by 31% (34,700) which is notably higher than both the South West (24%) and England (22%). 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.

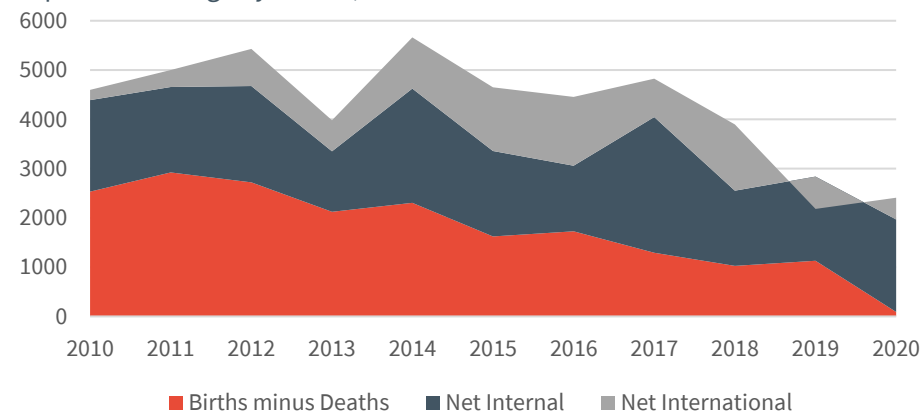
Source: Mid-Year Population Estimates, ONS, 2020

*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 area

Population growth 2010-2020, 2010 = 100



Population change by source, 2010 – 2020*



Swindon & Wiltshire
LOCAL ENTERPRISE PARTNERSHIP

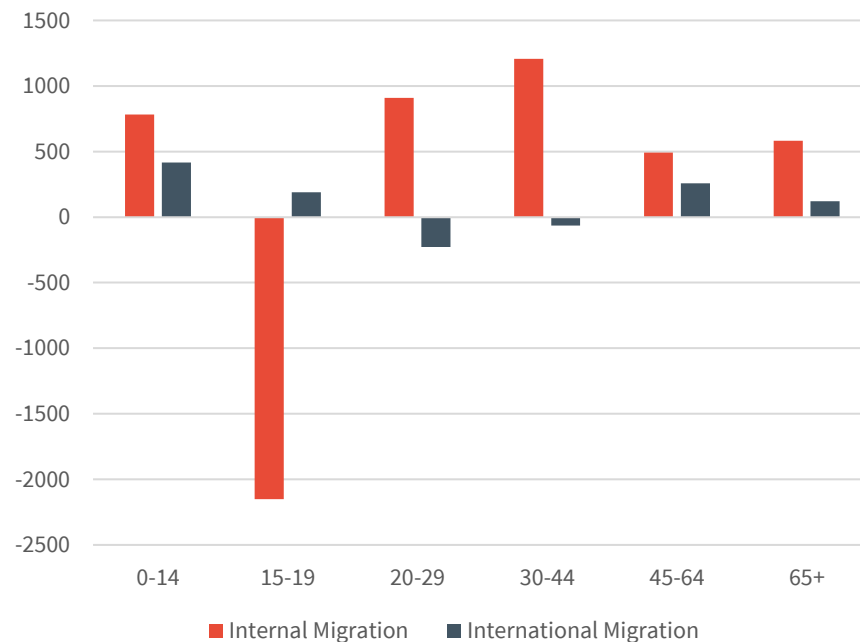
HATCH

Swindon and Wiltshire has net inflow amongst all age groups except in the 15-19 age group...

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 (see p.64), 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, 2012-2020*



Source: ONS Population by 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



Swindon & Wiltshire
LOCAL ENTERPRISE PARTNERSHIP



Swindon has a high share of non-EU born residents...

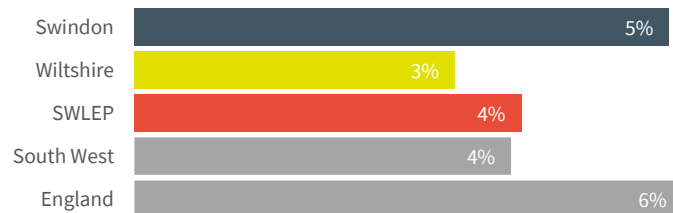
Whilst international migration has decreased or remained low in Swindon and Wiltshire the share of non-UK born people is not insignificant. In 2021 there were 68,000 non-UK born residents in Swindon and Wiltshire, of which 36,000 resided in Swindon compared to 32,000 in Wiltshire.

This means that, as a proportion of total residents, nearly one in ten residents are non-UK born, rising to just under one in six (16%) in Swindon.

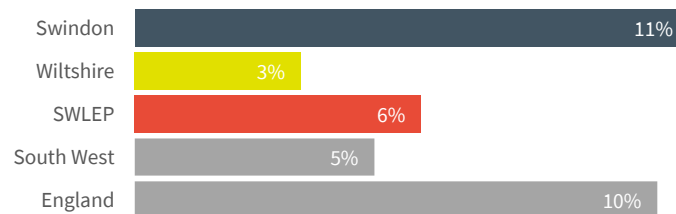
Non-EU born residents make up 40,000 of all residents, accounting for 6% of all residents in Swindon and Wiltshire, with 28,000 born in the EU (4%). There are clear differences between Swindon and Wiltshire in terms of international migrants, with non-EU born residents accounting for 11% of the population in Swindon compared to 3% in Wiltshire.

With the UK departure from the European Union and, therefore, marking the end of 'free movement', Swindon and Wiltshire could be particularly vulnerable to a possible decline in European Union based migration. However, with the high number of non-EU born people in the LEP area, there may also be an opportunity to increase non-EU migration in Swindon and Wiltshire to support economic growth.

% of EU population by country of birth, 2021



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



Although Swindon and Wiltshire has a low economic inactivity rate (17%) one in five of these residents want a job...

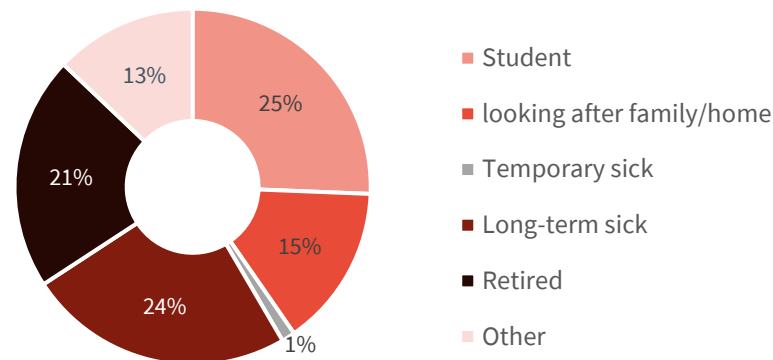
There are 75,000 people aged 16-64 in Swindon and Wiltshire who are considered economically inactive. Relative to comparator areas and England, this represents a low level of economic inactivity.

A quarter of the economically inactive population the LEP area are students, and as such are likely to only be economically inactive in a transient sense. A further quarter are long-term sick and one fifth are retired.

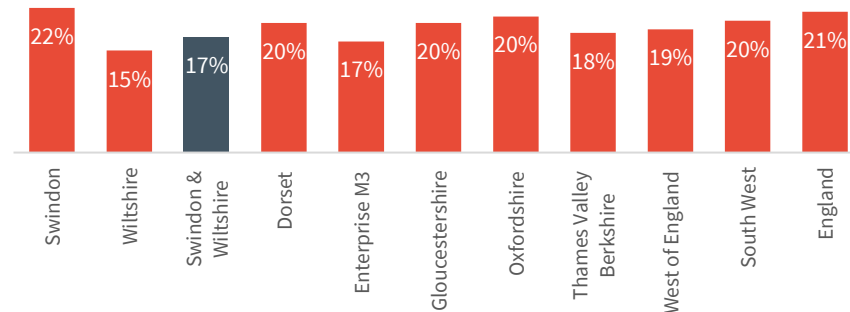
The definition of economic activity is narrow, including only those who are either employed or out of work but have actively sought work in the previous four weeks and are available to start in the next two weeks. It can be thought of as the immediate labour supply but it doesn't include people that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

ONS data suggests 20% of those who are classed economically inactive in the LEP area want a job – a similar proportion to the South West and nationally.

Reason for economic inactivity, Swindon and Wiltshire LEP, 2021



Economically inactive as proportion of working age population, 2021



Swindon and Wiltshire's Labour Market Characteristics

76.

83% of residents are engaged in the labour market...

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. Whilst the economic activity rate in 2021 for Swindon and Wiltshire was above the national rate (79%), this masks differences at the authority level; Wiltshire’s economic activity rate is 6.4 percentage points above Swindon’s with the latter having seen a decline since the pandemic.

Just 4.3% of Swindon and Wiltshire’s economically active population are currently unemployed. This is broadly in line with the national rate (4.9%) is broadly similar in both Swindon (4.3%) and Wiltshire (3.2%).

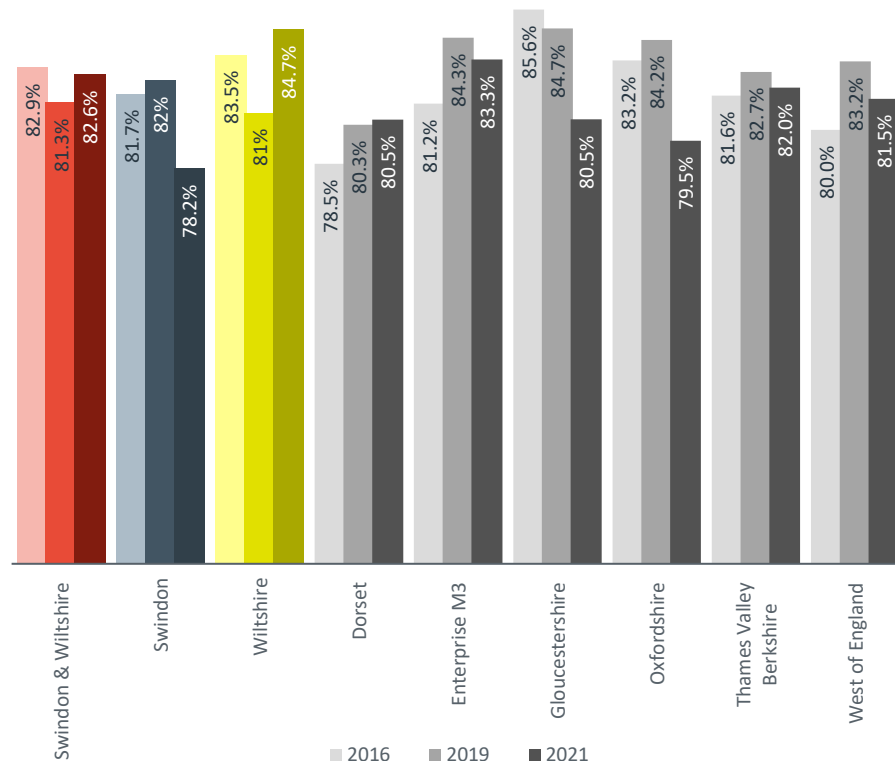
This is a good indication of strong demand for Swindon and Wiltshire labour, though is also an indicator of a very restricted supply of future labour and may suggest businesses in will struggle to meet their labour needs from the Swindon and Wiltshire labour pool.

Number of people economically active, 2021

Swindon
109,000

Wiltshire
247,000

Proportion of working age population economically active, 2019 to 2021



Source: Annual Population Survey, ONS, 2019-2021



Swindon & Wiltshire
LOCAL ENTERPRISE PARTNERSHIP

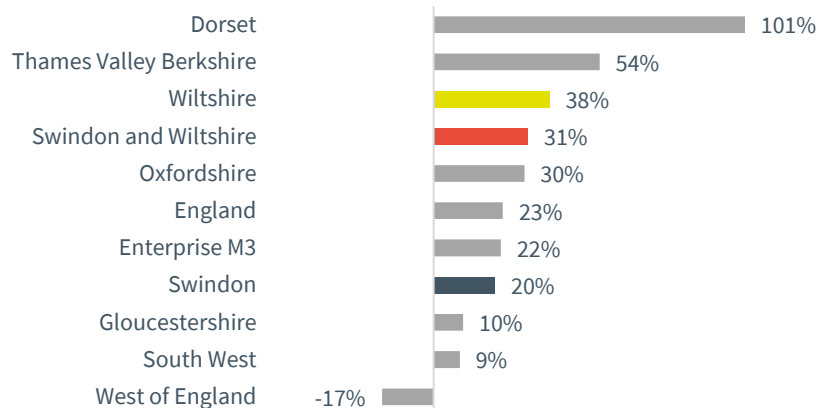
HATCH

Despite having low rates of unemployment, Swindon and Wiltshire has experienced a large increase since 2019...

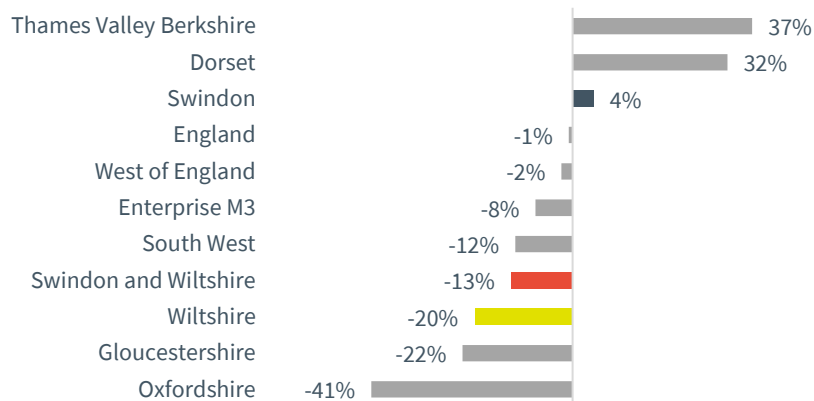
As of September 2021, there were 13,200 people unemployed in Swindon and Wiltshire. Of this, 64% derived from Swindon compared to 36% in Wiltshire. This gives Swindon and Wiltshire an unemployment rate of 3.5% (4.3% and 3.2% respectively) which is broadly in-line with the comparator LEP areas and South West (4%) but below England (5%).

However, between 2019 and 2021, Swindon and Wiltshire experienced the fourth largest increase in unemployment (31%). A large part of this increase was concentrated in Wiltshire (38%) compared to Swindon (20%). This suggests that, whilst the positive trajectory in unemployment over the last 5 years may have been thwarted by the impact of COVID-19, the LEP area is still on track to reducing overall unemployment in the region (-1,900 since 2016), albeit at a slower rate as it recovers from the pandemic.

Change in unemployment, 2019-2021



Change in unemployment, 2016-2021



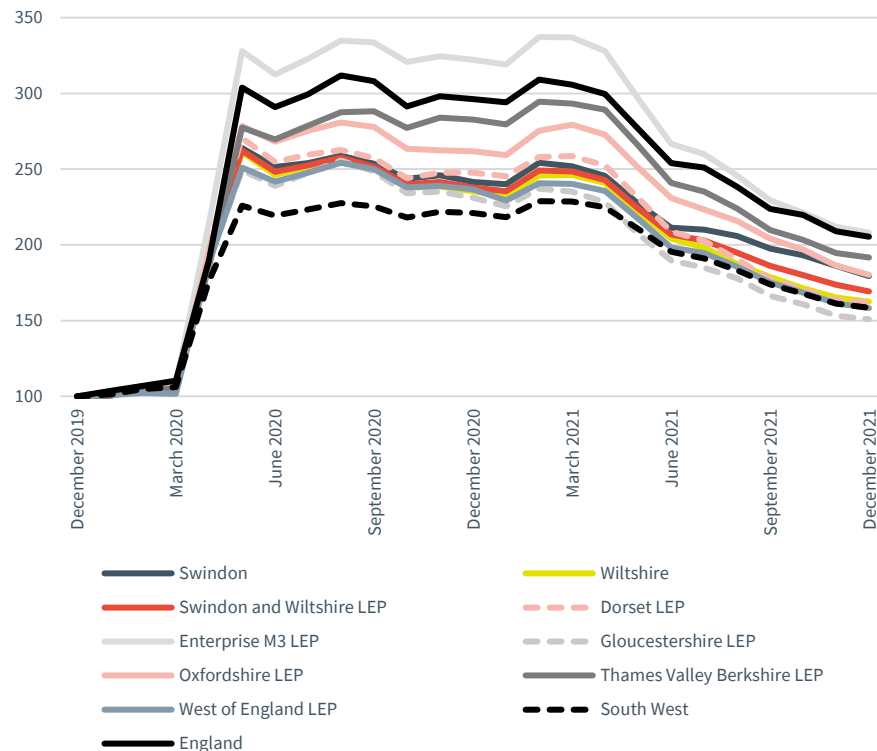
The number of claimants rose during the pandemic and are yet to recover to pre-pandemic numbers...

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 13,300 claimants in Swindon and Wiltshire in May 2020 (21,400) compared to December 2019 (8,200). However, since then the claimant count has fallen to 13,800 in December 2021. The majority of claimants in the LEP area have been from Swindon (58%) compared to Wiltshire (42%).

From March 2020, the increase in claimants in Swindon and Wiltshire (60%) has been largely below the comparator LEP areas but above the South West (44%) and England (49%). This has been driven by high growth (67%) in Swindon compared to Wiltshire (55%).

Indexed growth in claimants, 2019-2021, 2019 = 100

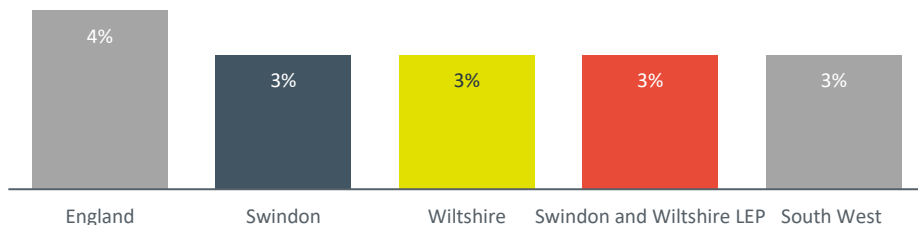


A small percentage of people remained on furlough until the scheme's closure, with certain sectors reliant on the scheme...

As of September 2021, the take-up rate of the job retention scheme in Swindon and Wiltshire was 3%, which is in line with the South West average and just below the national average of 4%. As this was the last month the scheme was in place, it suggests the labour market scarring from the pandemic may be moderate.

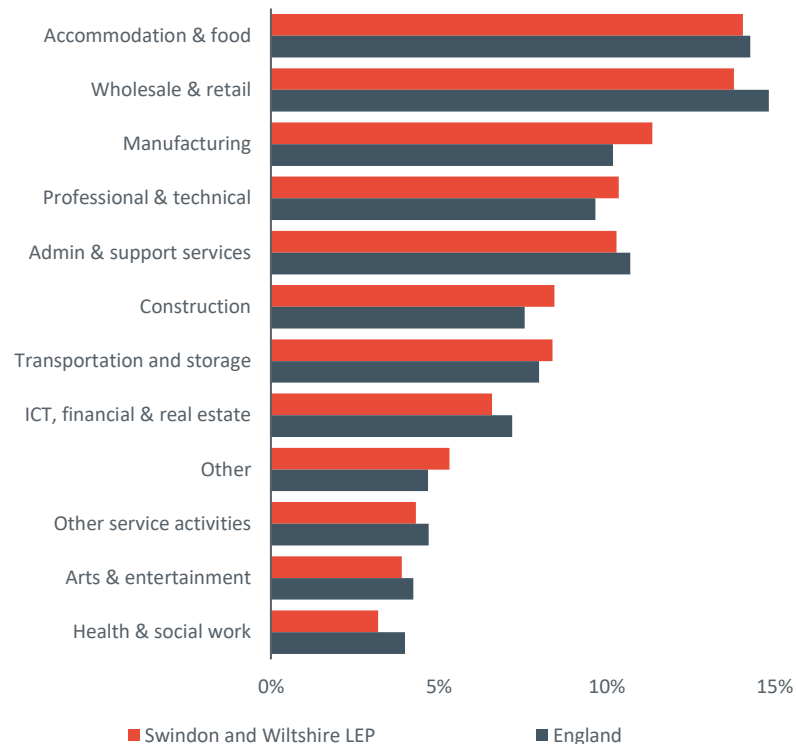
Within Swindon and Wiltshire, the Accommodation and Food services, Wholesale and Retail, and Manufacturing sectors had the highest proportion of employments on furlough, suggesting these sectors may struggle to recover from the effects of the pandemic most. This trend is largely mirrored in the national data, suggesting these sectors are commonly struggling to recover from the COVID-19 pandemic.

Coronavirus job retention scheme take-up rate, Sept 2021



Source: HMRC, Job Retention Scheme Statistics, August 2021

Sectoral Breakdown of employments on Furlough, August 2021



Swindon & Wiltshire
LOCAL ENTERPRISE PARTNERSHIP

HATCH

Swindon and Wiltshire's Labour Market Characteristics

80.

In the three months to September 2021 there were 342,800 residents in employment in Swindon and Wiltshire...

This equates to an employment rate of 79.5% in the LEP area, above both the national rate (74.9%) and the South West (77.2%). However the rate in Wiltshire (81.8%) is much higher than in Swindon (74.9%). The employment rate is a resident based measure.

Sectorally, employment growth has been strongest in the public admin, education and health sectors, due to the time period covered, it is likely that this is a result of COVID-19. However, compared to workplace data as shown on page 53 both education and health employment contracted by 4% and 8% respectively.

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

15 % of employed residents are self-employed

Similar to the South West (15%) and England (14%) and unchanged since 2015/16

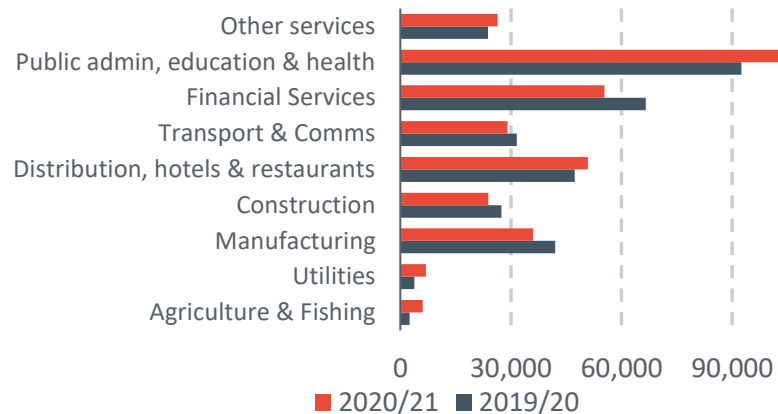
15%

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%

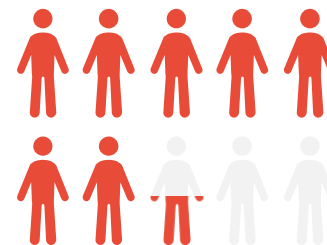
Resident-Based Employment by Sector, 2019/20 – 2020/21



Resident-Based Private Sector Employment, 2020/21

76%

Private sector employment

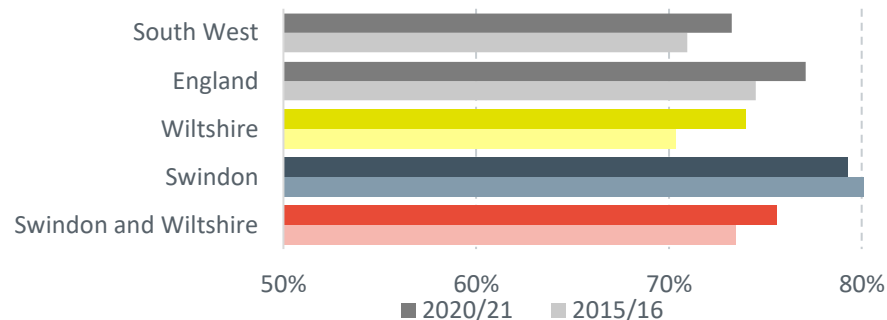


Full time employment is increasing while flexible employment has fallen over the past five years...

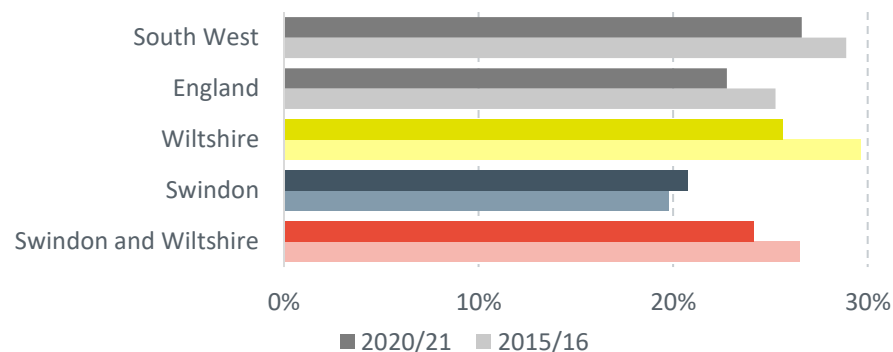
Most employment in Swindon and Wiltshire is full-time employment at 76%, accounting for 83,000 jobs. Overall, this rate is slightly lower than national rates (77%), this due to lower rates of full-time employment in Wiltshire (74%) being lower.

In addition to full-time employment, it is possible to consider the role and proportion of flexible workers in an area's labour market. Over the last five years flexible working rates have fallen by 28% (-5,200 jobs) in the LEP area. Latest data shows that there are 13,700 workers who are considered to be undertaking flexible work (4% of the Swindon and Wiltshire's workforce). Flexible work includes work that is temporary due various reasons such as work being seasonal, fixed-term contracts, agency work, temping and other casual work. It should not be perceived as a positive or negative indicator of the labour market and can be a representation of labour supply fluidity while also being an expression of more insecure work.

Full-time Employment Rates, 2015/16 – 2020/21



Flexible Working Rates, 2015/16 – 2020/21

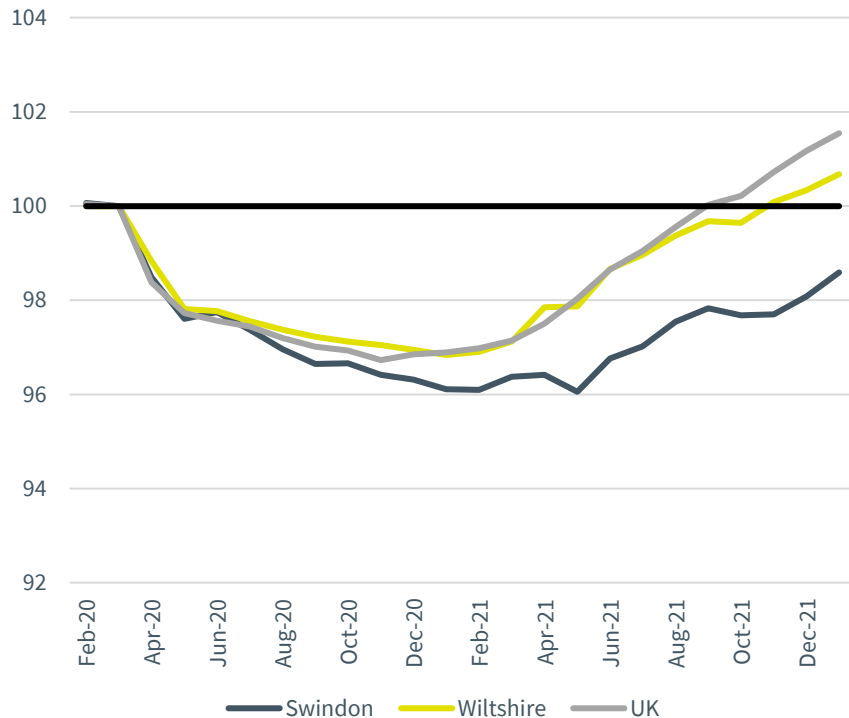


Payrolled employee numbers in Swindon is yet to recover to pre-pandemic levels...

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. Employees who were furloughed should still have their payments reported through this system, and so feature in the data. People who are solely self-employed will not be included.

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



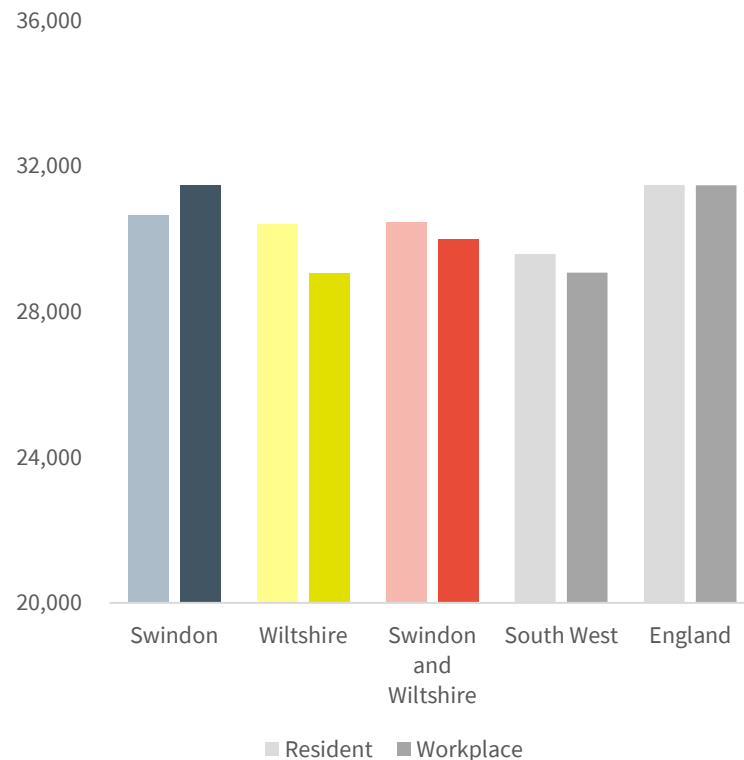
People living in Swindon and Wiltshire earn more than people who work in the area...

People living in Swindon and Wiltshire on average earn £30,500 per annum which is nearly £1,000 more than the average in the South West (£29,600) but £1,000 less than the England average (£31,500). Internally, people living in Swindon earn £300 more than people living in Wiltshire (£30,700 versus £30,400).

The main difference experienced in Swindon and Wiltshire is between resident earnings and workplace. Workplace earnings in the LEP area (£30,000) are 2% less than resident earnings which is broadly inline with the regional average (£29,000, 2%). However, internally, there is a very different picture. Workplace earnings in Swindon (£31,500) are 3% higher than residents whilst Wiltshire shows the reverse, with workplace earnings (£29,000) -5% 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 (10%) as the regional and national average suggesting a strong labour market for people residing and working in the area. Again, this picture changes when broken down internally. Resident earnings have only grown by 5% in Swindon compared to 13% in Wiltshire, with workplace earnings in Swindon (4%) also below Wiltshire (14%). 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 (£), 2021

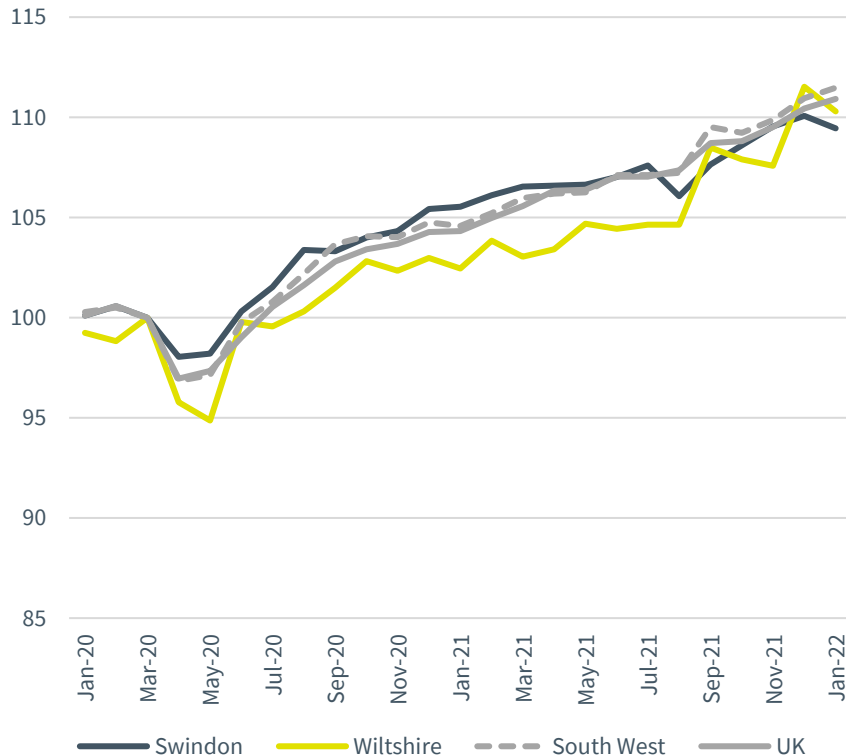


Median monthly pay has grown strongly as the impact of the pandemic on the economy has eased...

The median monthly pay of payrolled employees experienced a larger fall in Wiltshire (-5.1%) than in Swindon (-1.8%), but it has recovered strongly since August 2021. Pay is now 10.3% higher than in March 2020 in Wiltshire, and 9.4% higher in Swindon, illustrative of a tightening labour market and wage inflation.

This suggests that for those on payroll earnings growth has generally held strong over time.

Growth in payrolled employees' median monthly pay , March 2020=100



Most KS4 pupils and 16-18-year-olds in the Swindon and Wiltshire enter sustained education, with fewer choosing apprenticeships compared to the national average...

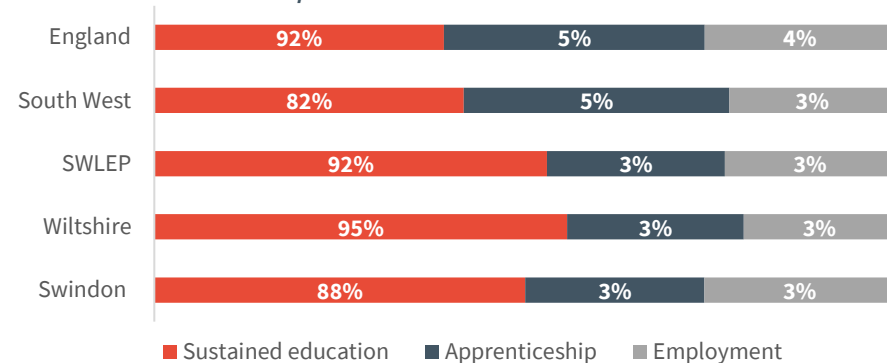
The most common KS4 destination in Swindon and Wiltshire is sustained education with 92% of KS4 learners entering education in 2019/20. This is in line with the English average, but considerably higher than the South West average (82%). Within the Swindon and Wiltshire, a larger proportion of learners enter education in Wiltshire than in Swindon at 95% compared to 88%.

Conversely, a lower percentage of KS4 learners in the Swindon and Wiltshire enter apprenticeships at 3%, compared to 5% in both the South West and England.

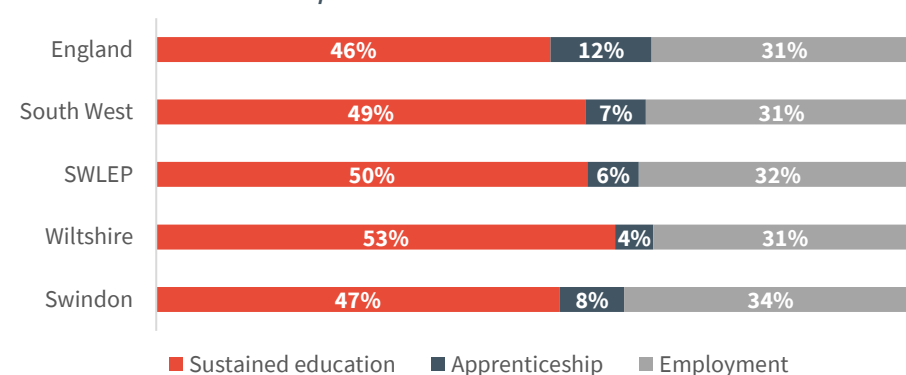
Within Swindon and Wiltshire, the most common destination for 16-18-year-olds in 2019/20 was sustained education, with 50% of people entering education. This is above the national average of 46%.

However, fewer 16-18-year-olds are entering apprenticeships in Swindon and Wiltshire compared to in England, at 6% compared to 12% nationally. Within the Swindon and Wiltshire, just 4% of 16-18-year-olds enter apprenticeships in Wiltshire, which is considerably lower than the figure in Swindon (8%). Similar proportions of 16-18-year-olds enter employment in the Swindon and Wiltshire and in both the South West and England.

KS4 destinations 2019/20



16-18 destinations 2019/20

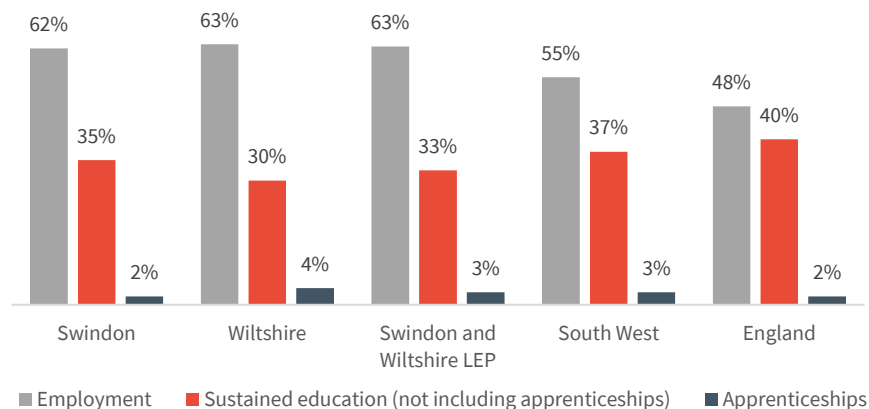


A higher proportion of further education learners and apprentices in Swindon and Wiltshire enter employment than the English average...

The majority of further education learners in Swindon and Wiltshire enter sustained employment (63%). This is higher than both the South West and English averages at 55% and 48% respectively. Consequently, a comparatively lower percentage of learners go in to sustained education at 33%, compared to 37% in the South West and 40% in England.

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 (76%), compared to 74% in the South West and 73% in England. Within Swindon and Wiltshire, a larger proportion of apprentices enter employment in Wiltshire than in Swindon (79% compared to 72%), whilst in Swindon a larger proportion of apprentices go on to further apprenticeships at 15% compared to 10% in Wiltshire.

Further education and skills learner's destinations 2018/19



Apprentices' destinations 2018/19



Many employers are engaged in formal apprenticeships but there is scope to increase this further...

Apprenticeship starts provide an overview of appetite for technical skills and careers across different sectors. Overall, Swindon and Wiltshire had 5,100 apprenticeship starts in 2020/21 (1,110 and 4,010 respectively). Sectors with the highest apprenticeship starts included engineering and manufacturing technologies (26%), business, administration and law (18%) and retail, commercial and enterprise (17%).

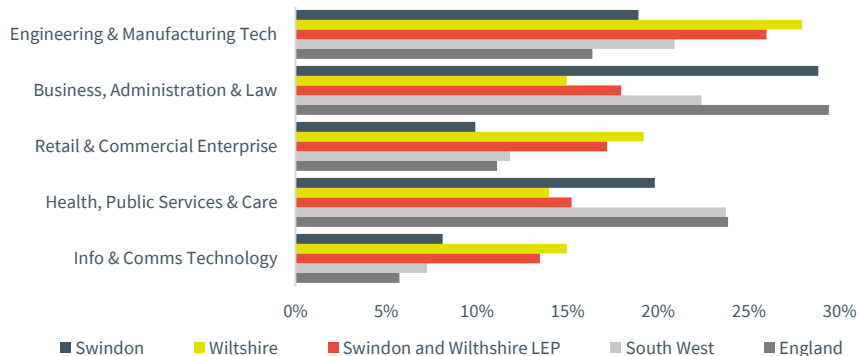
In the LEP area, data from the Employer Skills Survey suggest 14% of employers had at least one staff member undertaking a formal apprenticeship (compared to 11% nationally). However, a higher proportion of these (81%) only had one apprentice (60% nationally).

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

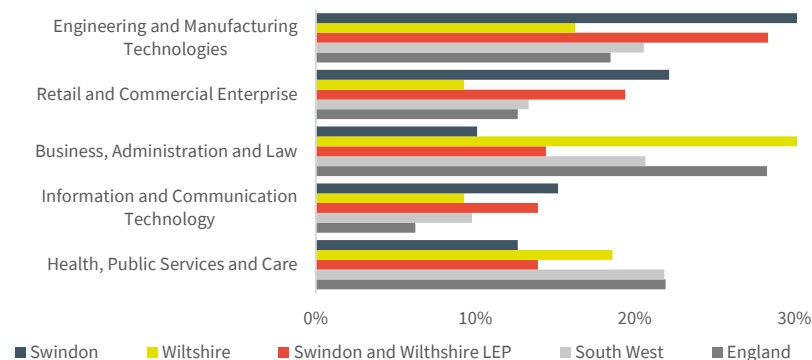
Apprenticeship achievements give an indication of retention and success. In 2020/21, Swindon and Wiltshire had 2,000 apprenticeship achievements. Sectors accounting for the greatest proportion of achievements included engineering and manufacturing technologies (28%), retail and commercial enterprise (19%), and business, administration and law (14%).

Source: Employer Skills Survey 2019, DfE 2021

Top 5 Apprenticeship starts by subject area



Top 5 Apprenticeship achievements by subject area



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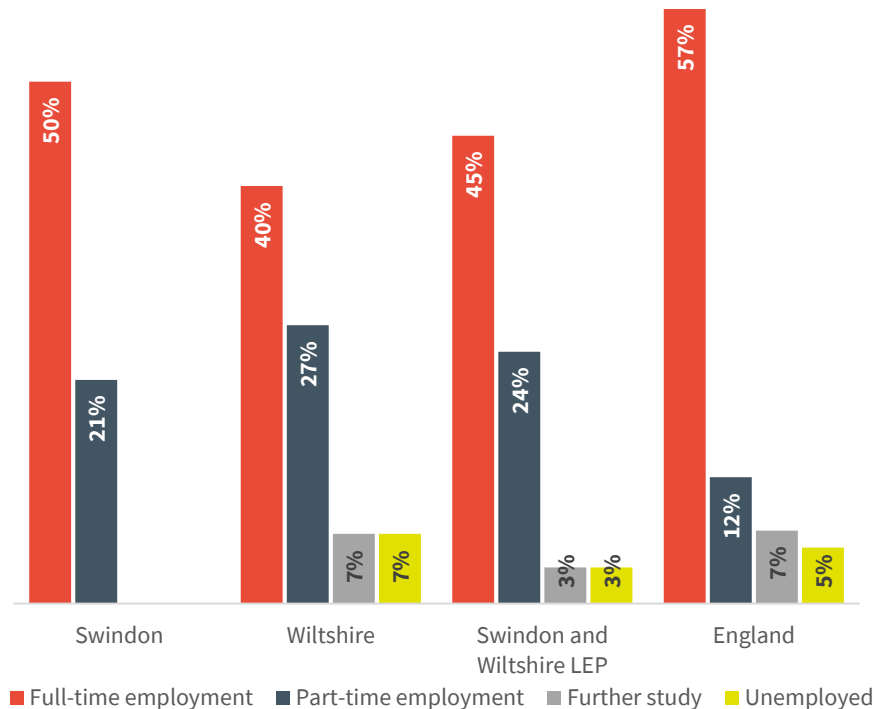
Progression to full time employment after graduation is significantly below the national average...

Within Swindon and Wiltshire, full-time employment is the most common graduate destination, with 45% of graduates who attended the region's higher education institutes entering full-time employment. Within Swindon and Wiltshire, a larger proportion of graduates in Swindon entered full-time employment at 50%, compared to in Wiltshire (40%). This is considerably lower than the percentage of graduates entering full time employment nationally (57%).

A large proportion of graduates attending Swindon and Wiltshire Higher Education Institutes enter part-time employment at 24%, compared to just 12% nationally. This is particularly high within Wiltshire at 27% and indicates a pool of under-utilised graduate labour.

However, a lower proportion of graduates from Swindon and Wiltshire HEIs are unemployed (3%), compared to England at (5%). It is worth noting that some of the difference may be due to small sample sizes and sampling variability.

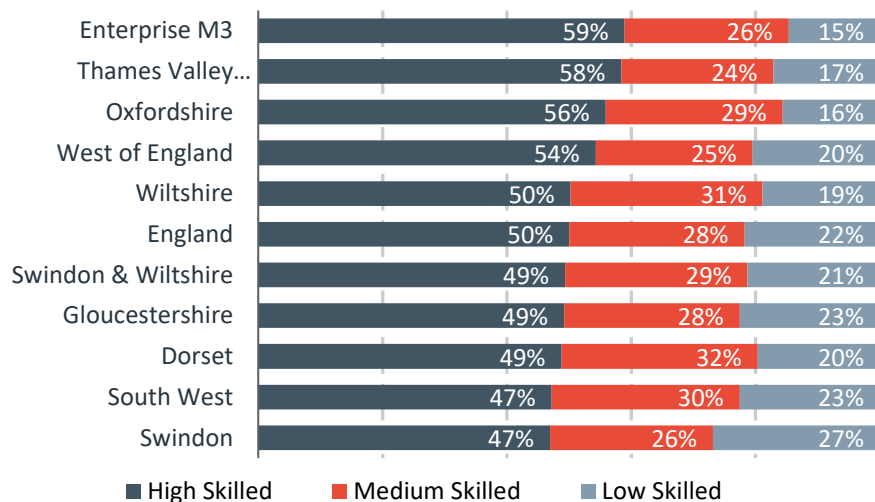
Graduate destinations 2018/19



Swindon and Wiltshire has a high proportion of resident workers in high level occupations but this cohort is growing slowly relative to comparator areas...

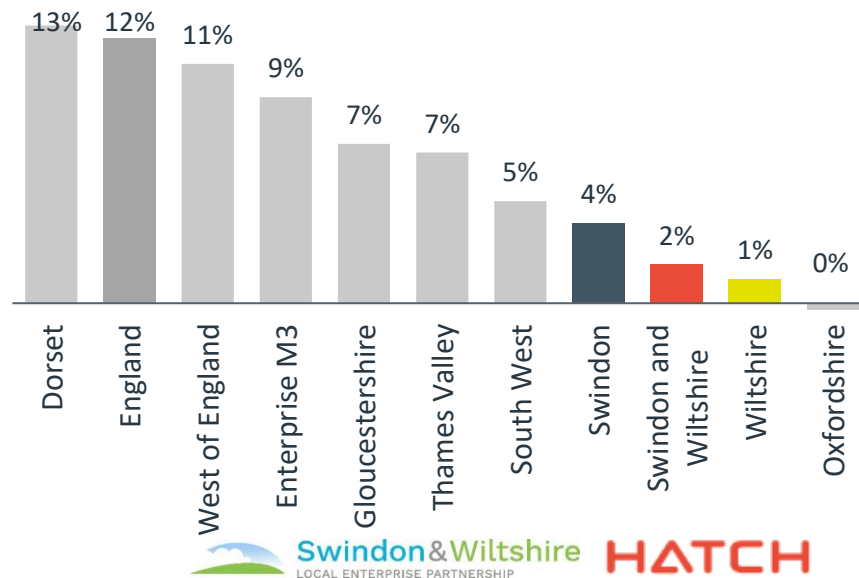
Swindon and Wiltshire's occupational profile shows a higher proportion of high level occupations (49%) than the South West (47%) and a broadly similar composition to the England average (50%). However, compared to comparator LEP areas, Swindon and Wiltshire has the third lowest proportion of high skilled occupations.

Resident Workers by Occupation, 2020/21



Growth in high level occupations is slow, with a 2% increase since 2015/16 relative to 12% in England. If this trend continues, Swindon and Wiltshire may lose its competitive position relative to neighbouring LEP areas who have experienced significant growth in the proportion of resident workers holding high level occupations.

Percentage Change in High Skilled Occupations 2015/16 to 2020/21

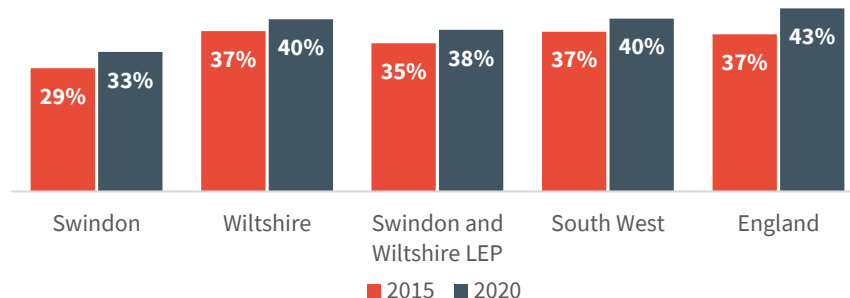


Residents qualified to Level 4 and above are under-represented in Swindon and Wiltshire...

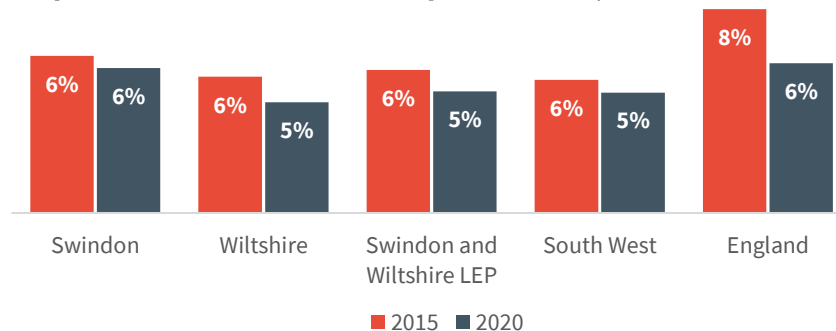
The proportion of residents educated to Level 4+ in Swindon and Wiltshire (38%) is below both the South West (40%) and England (43%) averages. Although this proportion has increased by 3 percentage points since 2015 (from 35%), the growth has been faster in England (from 37% in 2015 to 43% in 2020). Within the LEP area, a larger proportion of residents in Wiltshire hold a Level 4+ qualification at 40%, compared to just 33% in Swindon. Both areas record similar levels of growth since 2015.

The proportion of residents with no qualifications in Swindon and Wiltshire (5%) is in line with the South West average (5%) and lower than in England (6%). Since 2015, this figure has reduced from 6%, which is in line with the South West. However, the reduction in the proportion of residents with no qualifications in England over this period is slightly larger, reducing from 8% to 6%. Within Swindon and Wiltshire, a slightly smaller percentage of residents hold no qualifications in Wiltshire (5%) than in Swindon (6%).

Proportion of residents educated to Level 4+, 2015 and 2020



Proportion of residents with no qualifications, 2015 and 2020



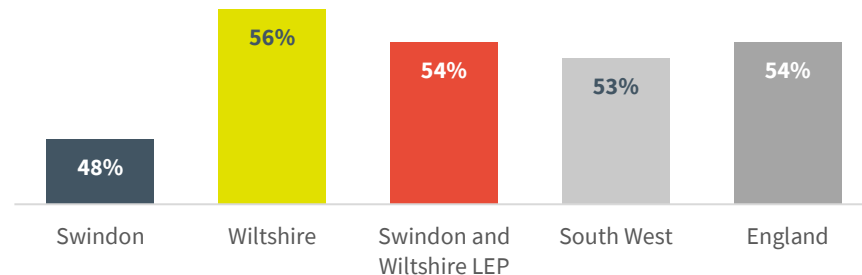
Investment in staff training in Swindon and Wiltshire is on par with the national average but there are geographic differences...

Within the last 12 months, 54% of staff in Swindon and Wiltshire have received training, this is in line with the national average, and slightly above the South West average (53%). However, across the LEP area there are distinct geographic differences. In Swindon, just 48% of staff received training, which is significantly lower than in Wiltshire, at 56%.

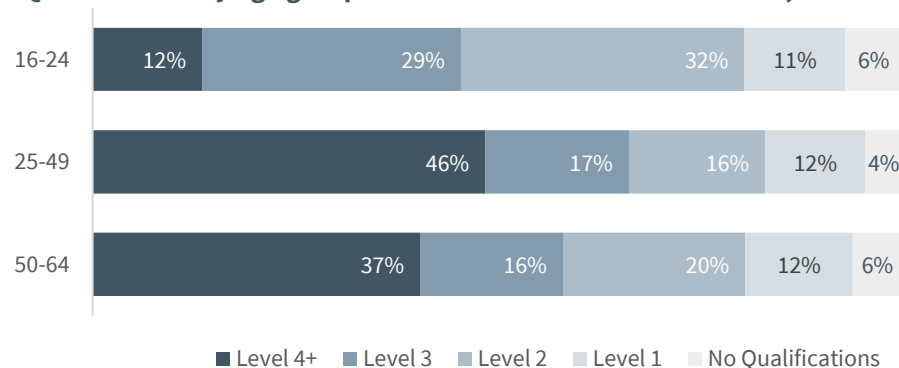
Within Swindon and Wiltshire, the 25–49-year-old age group are the highest qualified, with 46% of people holding Level 4+ qualifications. This is above the 50-64-year-old age group, with 37% of people holding level 4+ qualifications, suggesting increasingly more people are becoming higher qualified.

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.

Percentage of staff who have received training in the last 12 months, 2019



Qualifications by age group in Swindon and Wiltshire LEP area, 2020



A skills mismatch exists in Swindon and Wiltshire...

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%).

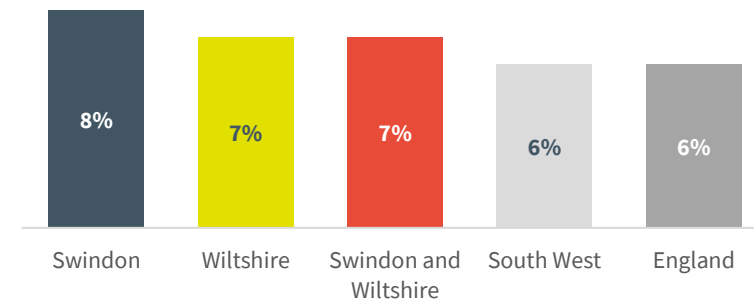
Alongside this, a higher proportion of employers in Swindon and Wiltshire advertised a vacancy to address a skills shortage or gap (23% versus 17% nationally). This was most common in professional occupations (35% versus 19% nationally) followed by skilled trades occupations (22% versus 19% nationally).

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).

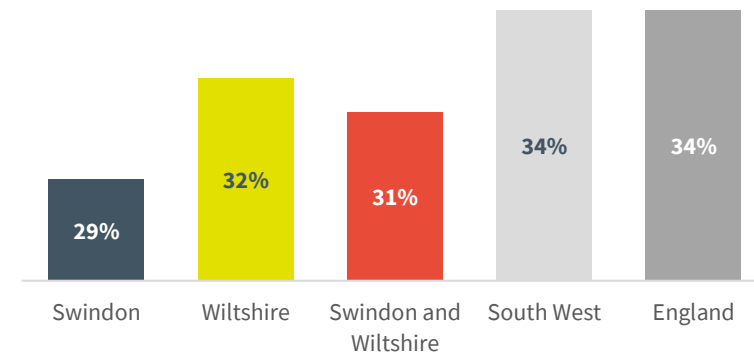
Of those employers with a skills gap, 14% recruited (or tried to recruit) non-UK nationals, with only 2% of those looking to non-EU nationals. If recruitment habits continue to focus on EU-based nationals to fill this skills gap, then the transition from free movement to a point-based immigration system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



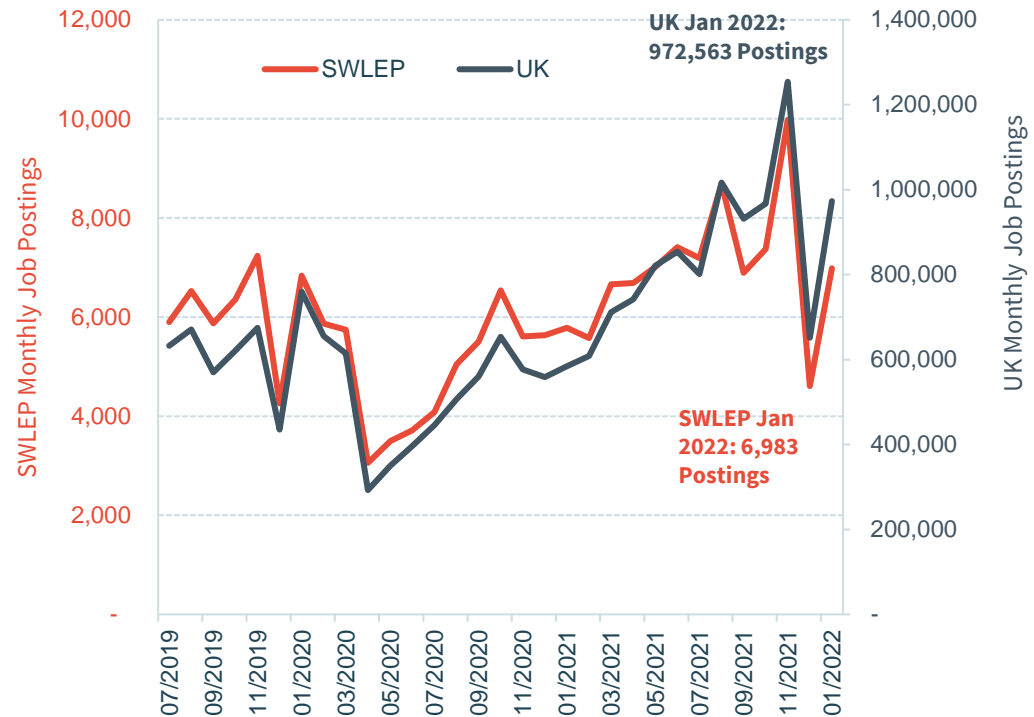
A high number of job postings

Swindon and Wiltshire had 6,983 jobs advertised in January 2022. Swindon has a high number of job vacancies (6,000). This is likely due to its position as the main commercial centre of the LEP area compared to Wiltshire.

Ten sectors experienced increases in the number of vacancies between December 2021 and January 2022. These included:

- + Admin services
- + Education
- + Finance and insurance
- + Hospitality
- + Human health
- + IT
- + Manufacturing
- + Prof. services
- + Public admin
- + Wholesale and retail

Job postings, 2019-2022





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;
- 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.

High rates of part-time working (in Wiltshire) suggests an underutilisation of human capital that could help address shortages of local labour supply.

It may also be necessary for policy intervention to mitigate long term labour scarring from the pandemic, particularly in areas where employment is yet to recover and where the claimant count remains above pre-pandemic. The Swindon and Wiltshire Skills Plan looks to spur a step-change in the take-up of apprenticeships. With a large proportion of business in the LEP area not offering apprenticeships this could be a route for policy to look to increase numbers. Focusing on high level apprenticeships in certain sectors could also help address some of the existing skills gaps.



6

Socio-Economic Issues





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 (69.7%) is low in comparison to Wiltshire (78.7%).

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.

Poor social mobility within the LEP area is a significant cause for concern in relation to the inclusive growth agenda. Wiltshire ranks as the 236th local authority out of 324 in social mobility using a wide range of indicators.

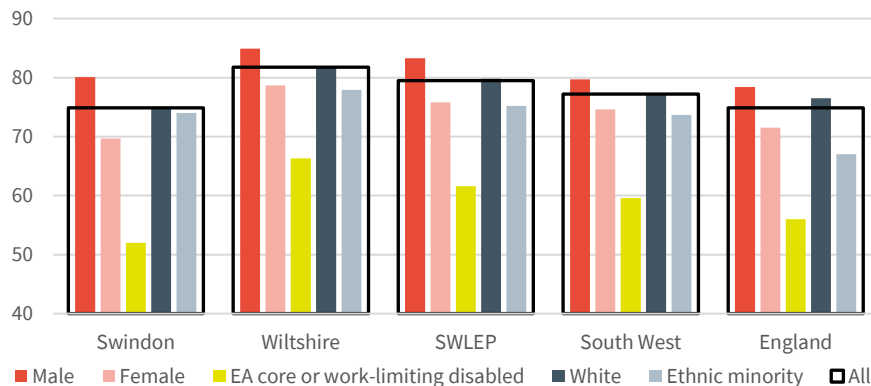
Poor social mobility within Swindon and Wiltshire is driven by challenges facing young people. These social mobility issues include school leaver destinations, GCSE attainment and progression to the most selected universities.

Although the LEP area has a relatively strong labour market the picture varies across the population...

Whilst females tend to have lower employment rates than males, the rate in Swindon (69.7%) is low in comparison to Wiltshire (78.7%).

Similarly, disabled² people are much less likely to be employed in Swindon (52.0%) than Wiltshire (66.3%).

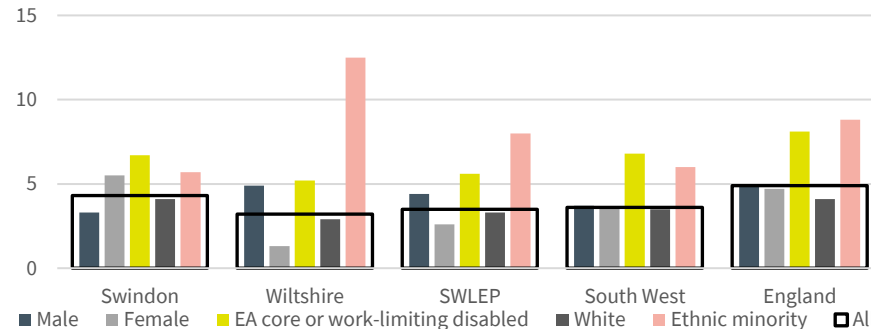
Employment rate (%), October 2020-September 2021



Source: ONS, Annual Population Survey

¹ Unemployment rate for EA core or work limiting disabled is for those aged 16-64. All others are based on aged 16+, ² 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 rate¹ (%), October 2020-September 2021



Similarly, unemployment affects some more than others. Particularly stark is the unemployment rate for ethnic minorities in Wiltshire (12.5%).

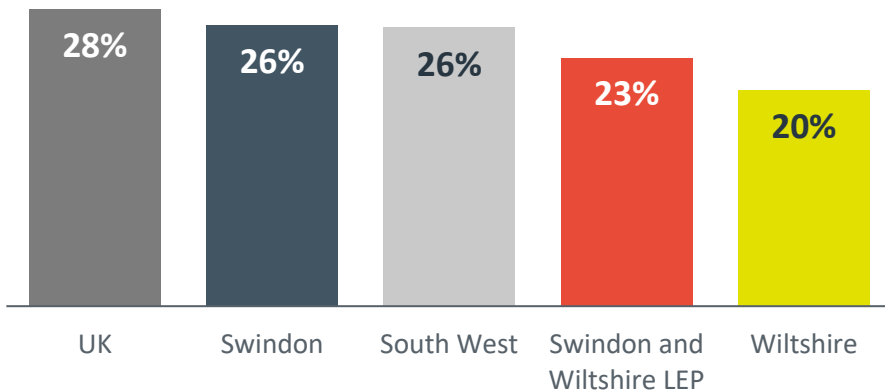
However, Wiltshire has a low unemployment rate amongst females (1.3%) which is uniquely much lower than the male unemployment rate.

In 2019/20, the average child poverty rate in Swindon and Wiltshire was below the average for both the South West and the UK...

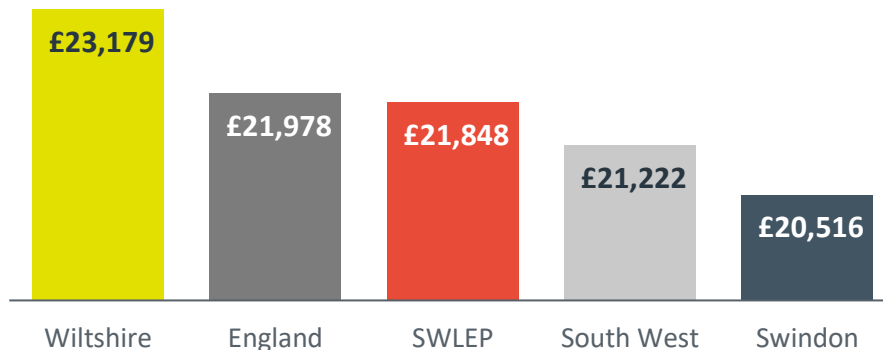
Child poverty was 23% for the LEP area compared to 28% seen nationally. Whilst in relative terms this is lower than that seen nationally this is still a significant figure in gross terms, with 32,300 children living in poverty in the LEP area. However, there are also spatial differences within the LEP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

In Swindon and Wiltshire, the GDHI per head of population is roughly comparable to the national average and is marginally above the South West average. However, similar spatial disparities exist within the LEP area. Wiltshire has a considerably higher GDHI at approximately £23,200 to just £20,500 in Swindon.

Child Poverty Rates, 2019/20



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

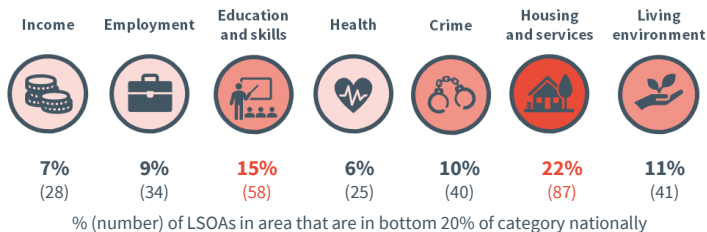


Deprivation in the Swindon and Wiltshire varies geographically...

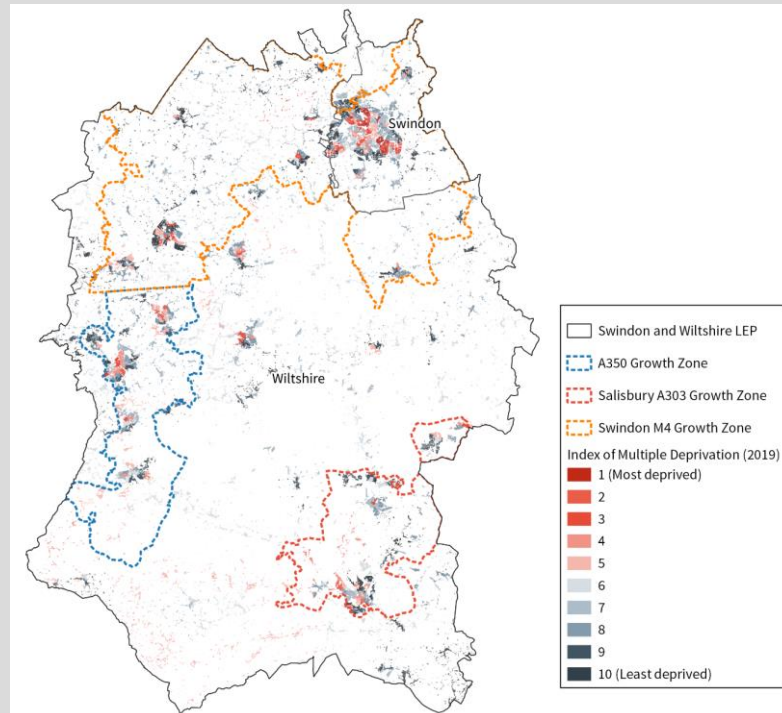
There are pockets of higher deprivation concentrated in Swindon town centre, Trowbridge, and rural areas in the south west of the region. Across the LEP area, the average IMD decile is 7, where 1 is the most deprived.

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 nationally. There are also relatively high levels of education and skills deprivation within the Swindon and Wiltshire.

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



Index of Multiple Deprivation (IMD), 2019

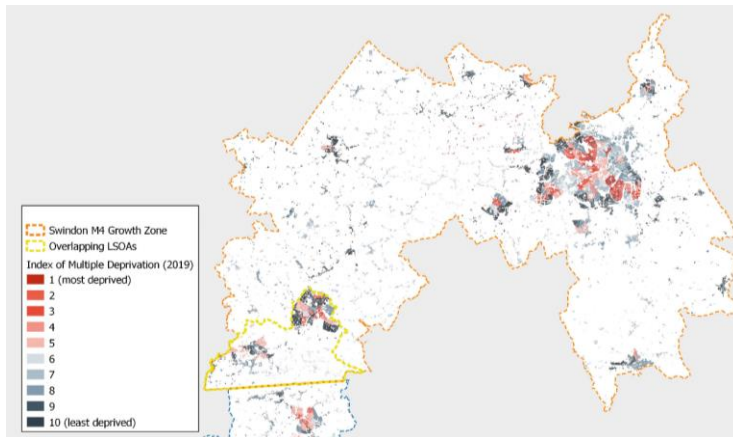


Generally low levels of deprivation across the Growth Zones, with some pockets of high deprivation...

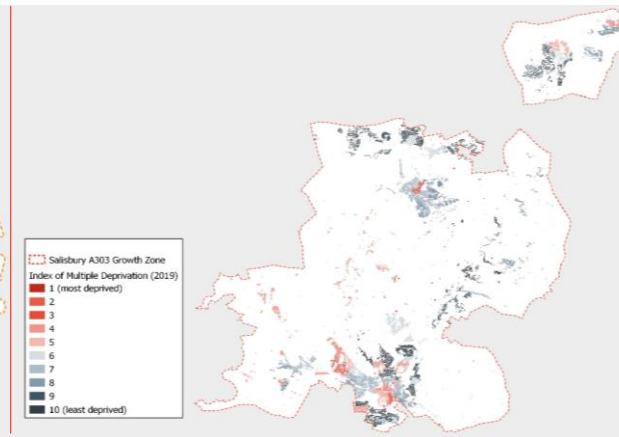
All three growth zones have an average IMD decile of 7, where 1 is the most deprived. Within the Swindon M4 growth zone high levels of deprivation are concentrated in Swindon. Within the Salisbury A303 growth zone, westerly rural areas and Salisbury experience the highest levels of deprivation. And within 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% (see previous page 91)

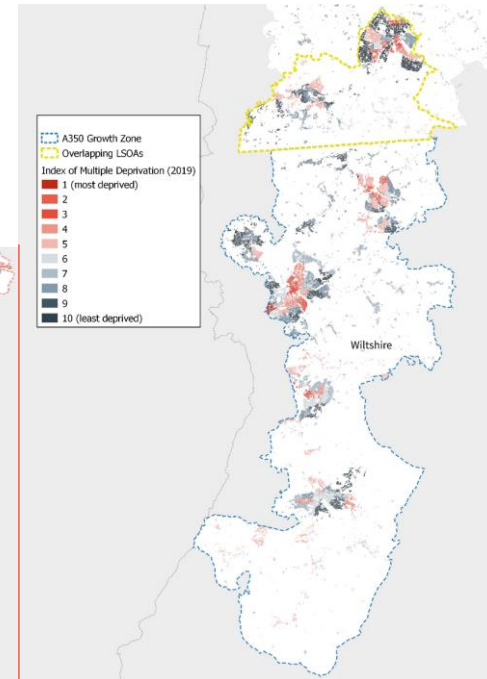
Swindon M4 Index of Multiple Deprivation, 2019



Salisbury A303 Growth Zone Index of Multiple Deprivation, 2019



A350 Growth Zone Index of Multiple Deprivation, 2019



To arrive at an overall ranking, the **Social Mobility Index** covers four different stages of a person's life. This is made up of:

Early years : This ranking looks at the overall quality of early years provision in an area and development outcomes achieved



School : Quality of primary and secondary schools accessed by children and the outcomes achieved at age 11 and GCSE

Youth : Assessing post-16 destinations, the proportion of poorer young people who left education after GCSEs, A-Level attainment or equivalent, progression to higher education, progression to the most selective universities



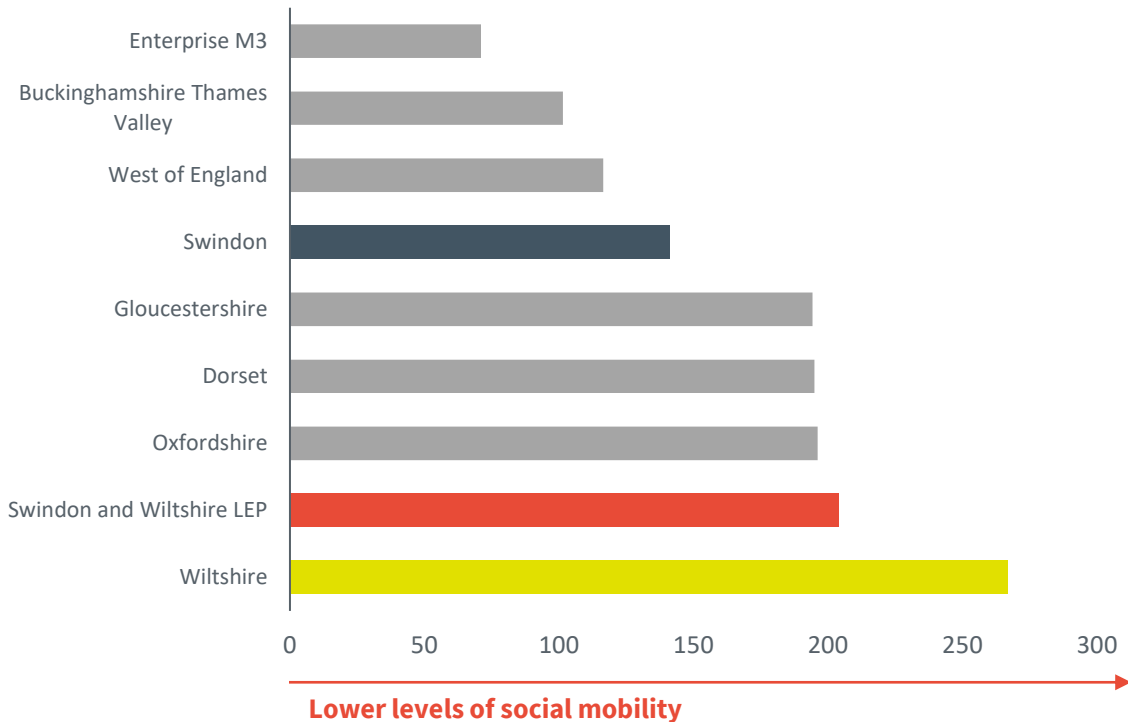
Adulthood : Measuring, labour market outcomes (including average income, low pay, and employment in highly skilled occupations) and housing market outcomes, specifically housing affordability and family home ownership rates

Social mobility is relatively poor in Swindon and Wiltshire...

The Social Mobility Index measures the chances a child from a disadvantaged background has of performing well in life and ranks this against the other local authorities in the country. Swindon and Wiltshire* performs comparatively poorly on the Social Mobility Index, compared to the LEP comparator areas. In 2016, its overall ranking on the index was 204, where 1 is the most socially mobile, and 324 is the least socially mobile, which is higher than any other comparator LEP area.

However, within Swindon and Wiltshire there is clear geographic disparity. Wiltshire performs considerably worse than Swindon, with a ranking of 267. Swindon's overall ranking is 141, which is lower than several of the LEP comparator areas.

Social Mobility Index, 2016



Source: Social Mobility and Child Poverty Commission, The Social Mobility Index, 2016

*The Social Mobility Index is only available for individual local authorities. The LEP figures were calculated as an average of their constituent local authorities.



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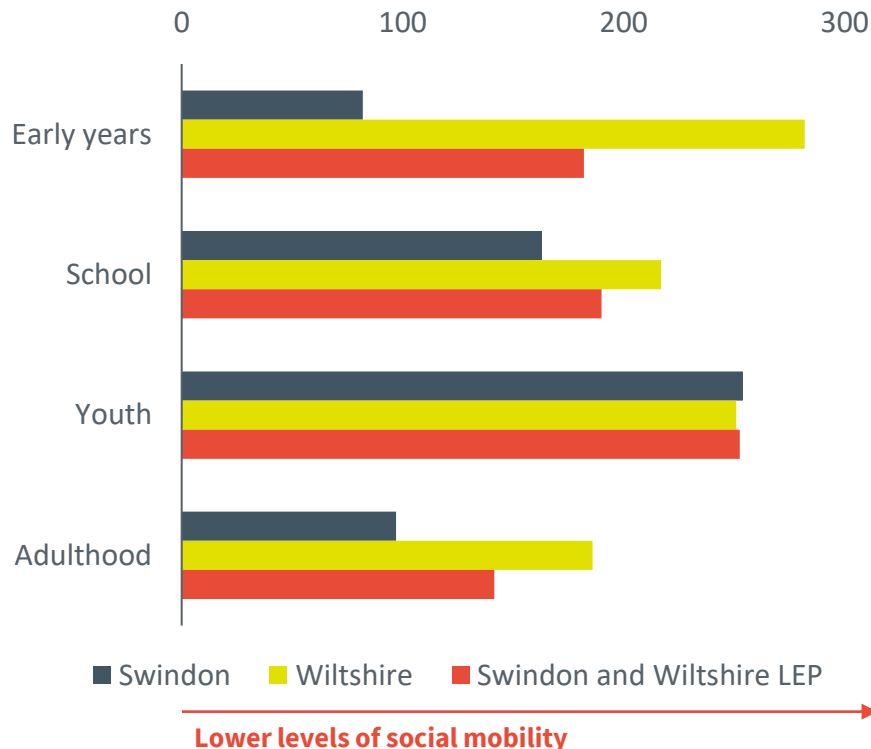
Poor social mobility within Swindon and Wiltshire is driven by particular challenges facing young people...

Within the LEP area, challenges facing the youth are driving poor social mobility, with an average ranking of 253 out of 324 local authorities in this category (where 1 is the most socially mobile). In both Swindon and Wiltshire, this category ranks particularly high at 254 and 251 respectively.

Within the youth category, the LEP area performs particularly poorly across the following indicators – the percentage of young people eligible for free school meals at age 15 entering higher education by the age 19 (average ranking of 276) and the percentage of young people eligible for free school meals at age 15 entering higher education at selective universities by the age of 19 (average ranking of 231). This suggests Swindon and Wiltshire have challenges around youth social mobility, particularly the progression of those children who are from relatively poorer socio-economic backgrounds into higher education.

Within the LEP area, Swindon and Wiltshire face different challenges. For example, Wiltshire performs particularly poorly in the early years category, some 200 ranks worse than Swindon, at 282, compared to 82. Whereas Swindon has slightly worse social mobility in the youth category with a ranking of 254 compared to 251 in Wiltshire.

Ranking of the categories of the Social Mobility Index, 2016





The UK Levelling Up White Paper along with the Swindon and Wiltshire Skills Plan and Local Industrial Strategy all place equality and inclusive growth at their heart.

Although the Swindon and Wiltshire's overall labour market is strong this masks differences amongst demographics that policy will need to look to address. Supporting engagement in the labour market will be critical to ensuring everyone can benefit from future growth. It can also help ensure that the local labour supply continues to grow.

As shown in the labour market analysis, demand for skills in Swindon and Wiltshire is high, ensuring that some of the most disadvantaged, deprived and socially excluded residents of the LEP area have the skills in demand to respond to opportunities provide a mechanism to combat deprivation and meet skills needs. To do this it is important to consider the Levelling Up agenda and seek to provide some of the less economically affluent areas of Swindon and Wiltshire with the skills and abilities for jobs of the future.

As shown this levelling up of skills must begin at a young age, Swindon has some of the poorest social mobility amongst young people in the country. Ensuring all young people are equipped with the skills needed for the jobs of the future will go a long way to uplifting many from poverty and deprivation challenges.

7

Infrastructure and Environment



Summary

- **Industrial floorspace across Swindon and Wiltshire has grown significantly over the past ten years**, with an additional 409,000sqm more industrial floorspace in the LEP area than there was 10 years ago.
- 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
- Despite an increase in retail provision, the level of vacancy across Swindon and Wiltshire has been declining in recent years
- **There is around 22,000 sqm less office floorspace in Swindon and Wiltshire than there was ten years ago**. Reduced office space has translated into lower levels of vacancy and disproportionately higher rental growth than that seen nationally
- **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%).



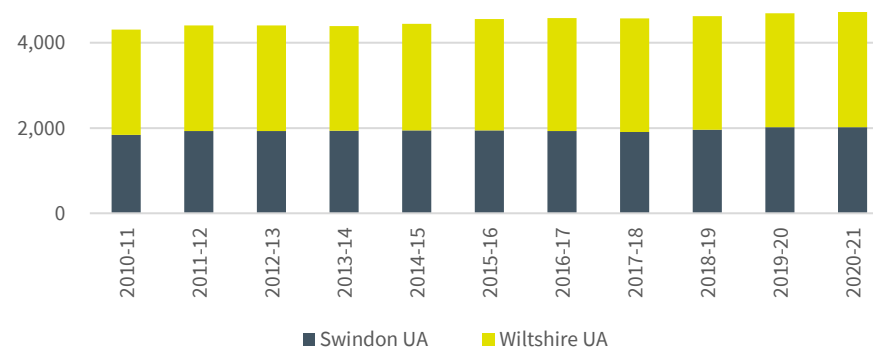
Industrial floorspace stock across Swindon and Wiltshire has been growing consistently over the past ten years...

There is currently 4,724,000 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.

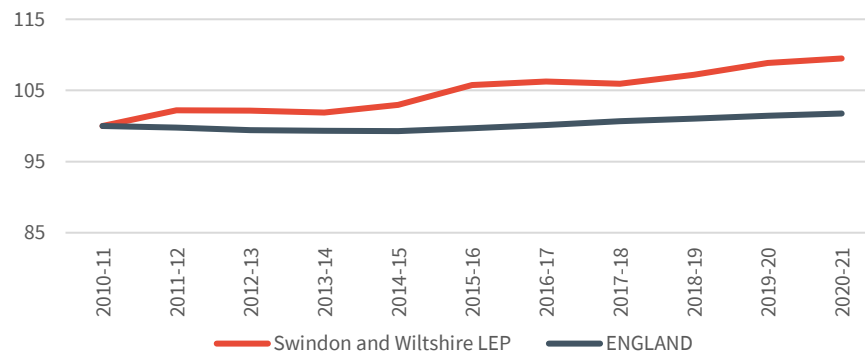
There is around 409,000sqm more industrial floorspace in the LEP area than there was ten years ago. This is a rate of industrial floorspace growth that has outpaced that seen nationally. Here, Swindon and Wiltshire's industrial floorspace has grown by around 7% over this period relative to 2% seen nationally.

This growth in industrial floorspace has supported wider sectoral growth across the LEP area (2016-2021), with the transport and storage sector experiencing significant growth (51%) and manufacturing also experiencing growth (3%) from a large and established base in the area.

Total Industrial Floorspace (sqm) – 2010/11-2020/21 (thousands)



Industrial Floorspace Change (Index – 100: 2010/11)



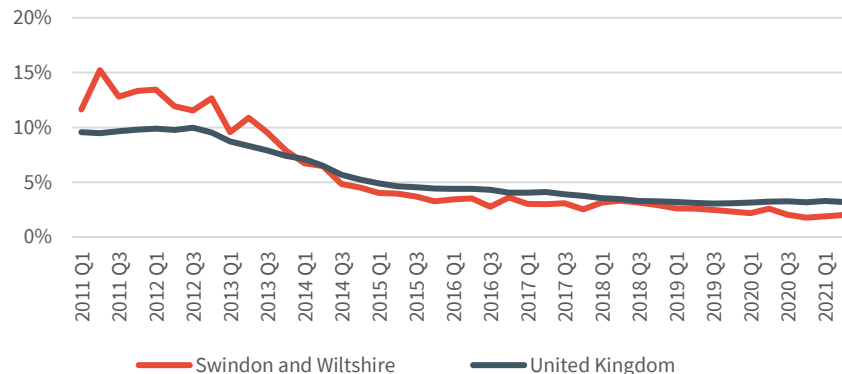
High demand for industrial property space has been driving down the level of vacancy in recent years...

In Swindon and Wiltshire LEP area just under 2% of industrial floorspace is vacant, equivalent to around 94,000 sqm of industrial floorspace – pointing to an under-supply of industrial premises across the LEP area. The rate of vacancy across the area has fallen considerably in the past ten years, where it stood at 12% in 2011. This decline in vacancy comes against a backdrop of wider decline across the country, however, Swindon and Wiltshire's level of industrial vacancy has now dropped below that seen nationally.

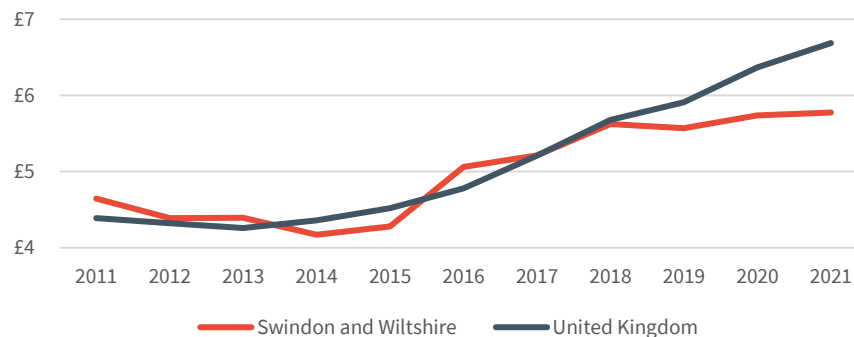
Despite a significant fall in vacant industrial floorspace this has not translated into a disproportionate rise in rental values for commercial property across the area. In 2021 the average price for industrial floorspace across the LEP area was £5.80 per sq ft – lower than the level seen nationally of £6.70.

The lower levels of price inflation for industrial floorspace seen in THE LEP area could be attributed to the higher levels of growth in industrial floorspace accommodated locally in recent years which has reduced overheating in the commercial property market.

Industrial Property Vacancy Rates, 2011-2021



Industrial Property Rental Values, 2011-2021



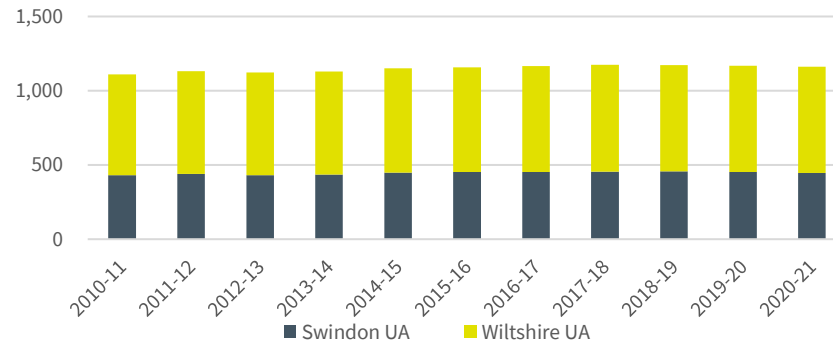
Retail provision across Swindon and Wiltshire has increased over the past ten years....

There is currently 1,161,000 sqm of retail floorspace in the LEP area with two thirds of the total retail stock located in Wiltshire.

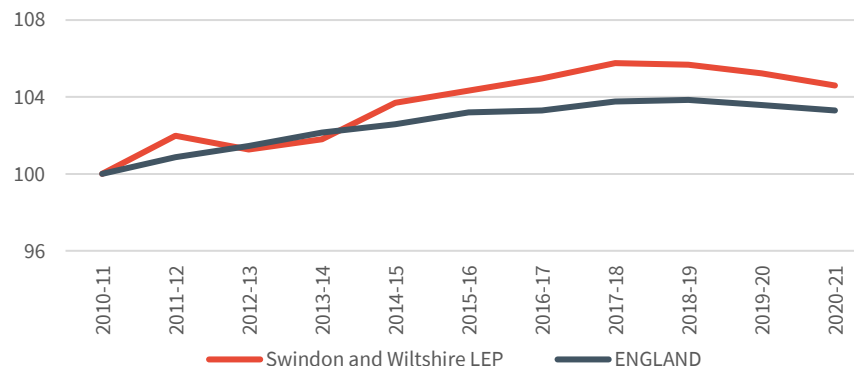
There is around 51,000sqm additional retail floorspace in Swindon and Wiltshire than there was 10 years ago. This is a rate of industrial floorspace growth that has followed that seen nationally, in a sector that is facing a series of wider challenges tied to the rise of ecommerce and changes to consumer habits. Here, Swindon and Wiltshire's retail floorspace has grown by around 3% over this period, relative to 2% seen nationally.

This growth in retail floorspace has come against a backdrop of wider sectoral decline within the sector, where it has contracted by around 3% in business terms. This is likely to have consequences for demand for retail floorspace and issues of vacancy and prevailing values which are set out overleaf.

Total Retail Floorspace (sqm) – 2010/11-2020/21 (thousands)



Retail Floorspace Change (Index – 100: 2010/11)



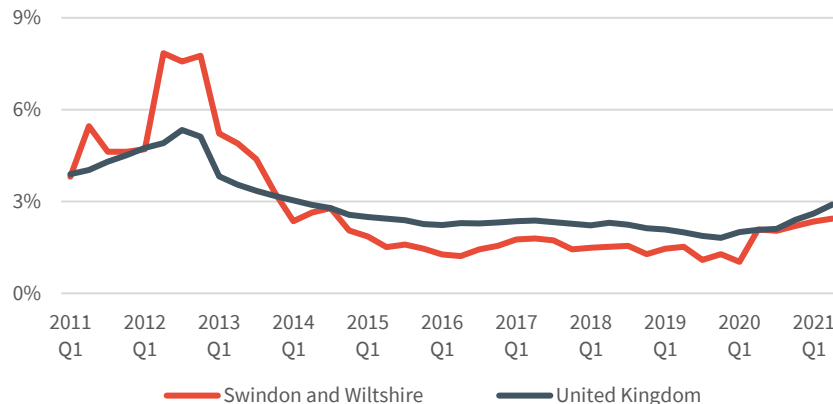
Retail vacancy has declined in recent years but this hasn't translated into exacerbated rents...

In Swindon and Wiltshire around 3% of retail floorspace is vacant equivalent to around 35,000 sqm of retail floorspace. The rate of vacancy fell sharply in 2021 from 8% and has remained fairly consistent since 2015. This decline in vacancy comes against a backdrop of wider decline across the country, however, this wider perspective masks some of the wider challenges faced by the retail sector and acute challenges faced in many town centres.

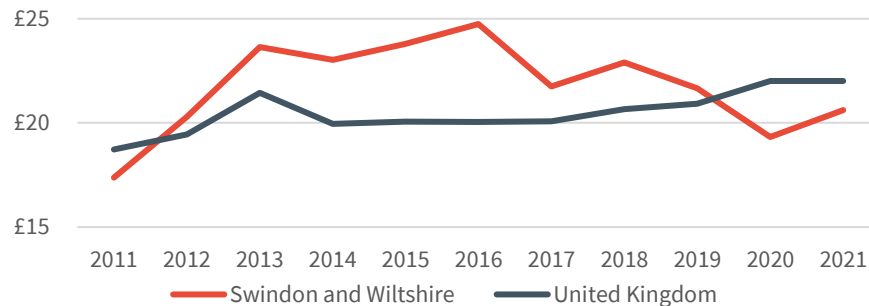
This decline in vacancy could be attributable to an increasing population in the area and an increased local spend that comes with that. A more detailed retail needs assessment may be required to examine this issue further.

Despite a contraction in vacancy levels, rents have risen more modestly potentially reflecting wider challenges facing the retail sector over the past decade. In 2021, the average price of retail space in the Swindon and Wiltshire area was £21 per sq ft, slightly lower than the national average of £22 per sq ft.

Retail Property Vacancy Rates, 2011-2021



Retail Property Rental Values, 2011-2021



Office floorspace across Swindon and Wiltshire has been declining in recent years....

There is currently 919,000 sqm of office floorspace in the LEP area with the stock split fairly evenly between Swindon (48%) and Wiltshire 52%, despite Swindon only making up 7% of the total land area – reflecting its strategically significant role as the LEP area's hub for employment.

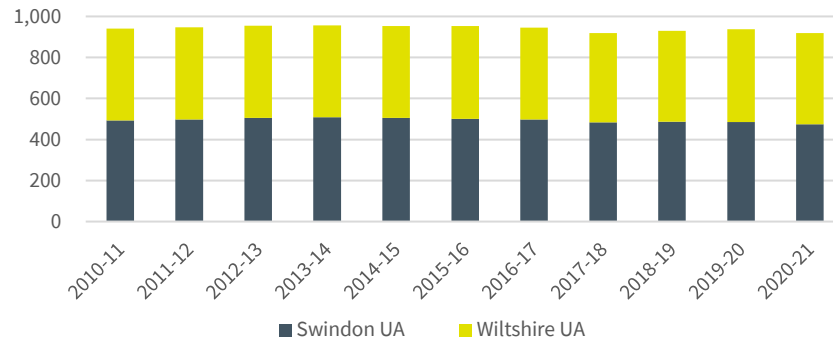
Over the past ten years there has been a contraction in the level of office space across Swindon and Wiltshire. This equates to a loss of around 22,000 sqm of office floorspace in Swindon and Wiltshire LEP compared to the level seen 10 years ago. To put this in context, based on employment densities guidance this lost commercial could support over 1,800 jobs.

This is a rate of decline that follows the trend seen nationally. Here, Swindon and Wiltshire's office floorspace has contracted by around 3% over this period relative to 4% seen nationally.

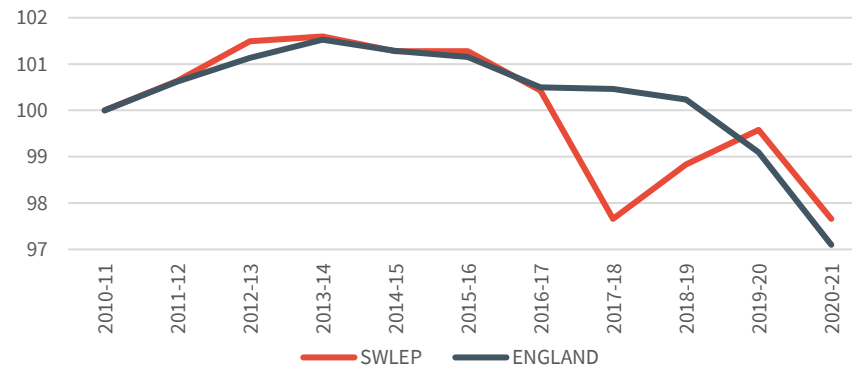
This decline in office stock has also been matched by decline in the professional and technical sector (-9%) which could be a response to changing market conditions for office space or be a symptom of a decline in the amount of office accommodation more generally.

Source: VOA, 2021

Total Office Floorspace (sqm) – 2010/11-2020/21 (thousands)



Office Floorspace Change (Index – 100: 2010/11)



Supply of office stock has declined in recent years, which has translated into disproportionate rises in rental values...

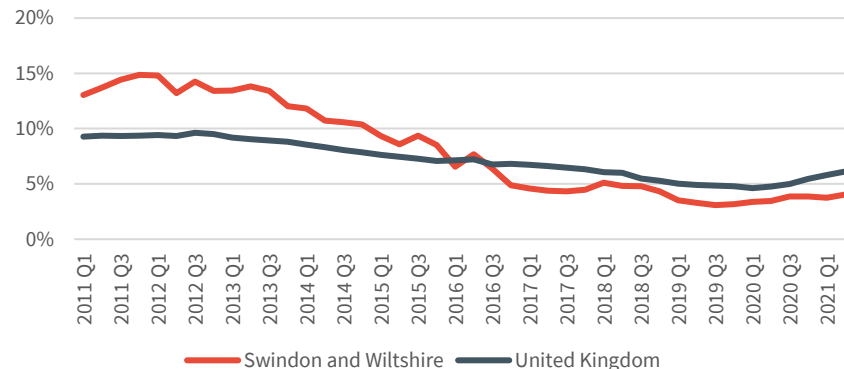
In Swindon and Wiltshire around 4% of office floorspace is vacant equivalent to around 37,000 sqm of office floorspace. The rate of vacancy across the area has been falling consistently over the past ten years, where it stood at 15% in 2011. This decline in vacancy comes against a backdrop of wider decline across the country, however, SWLEP's level of office vacancy has now dropped below that seen nationally.

This decline in vacancy is likely attributable to a decline in stock across the area, set out in the page overleaf, which is likely to place greater demand on the remaining stock in the area.

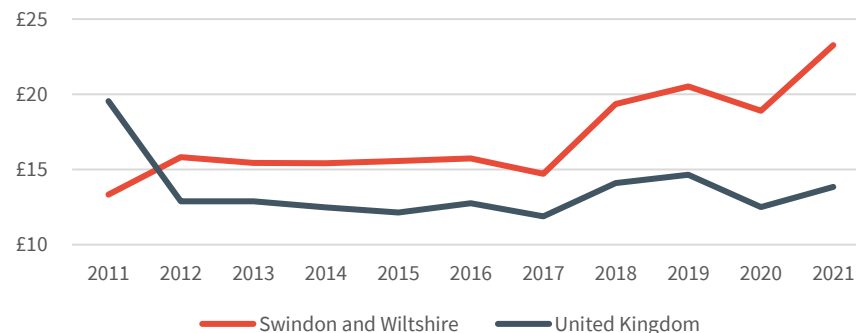
Lower levels of available stock in the area has also translated into rising rental values, that have grown well in excess of the national average. In 2021, the average price of office space in Swindon and Wiltshire was £23 per sq ft, significantly higher than the national average of £14 per sq ft.

To this end, office rental values have been rising at a far greater rate than that seen nationally. Since 2012 they have increased by 75% compared to 7% in the UK.

Office Property Vacancy Rates, 2011-2021



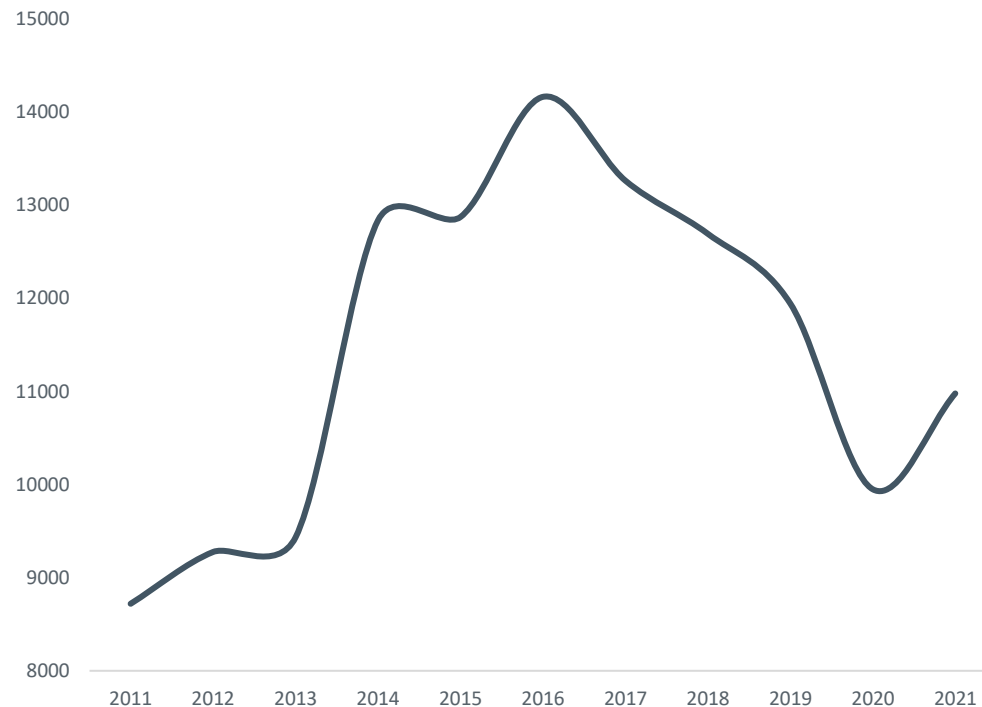
Office Property Rental Values, 2011-2021



The number of residential property sales has increased significantly since lockdown eased in 2020...

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 then, 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. Of these sales, Wiltshire has consistently accounted for a larger proportion of these sales at approximately 70% compared to approximately 20% in Swindon.

Number of Residential Property Sales in Swindon and Wiltshire, Year Ending June 2011-2021

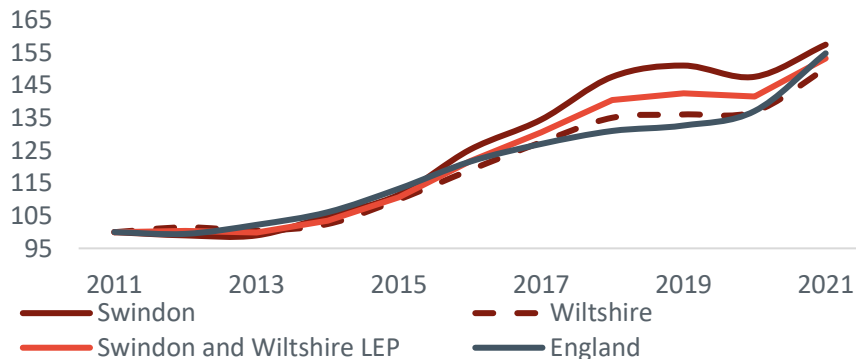


Increasing house prices is leading to decreased housing affordability in Swindon and Wiltshire...

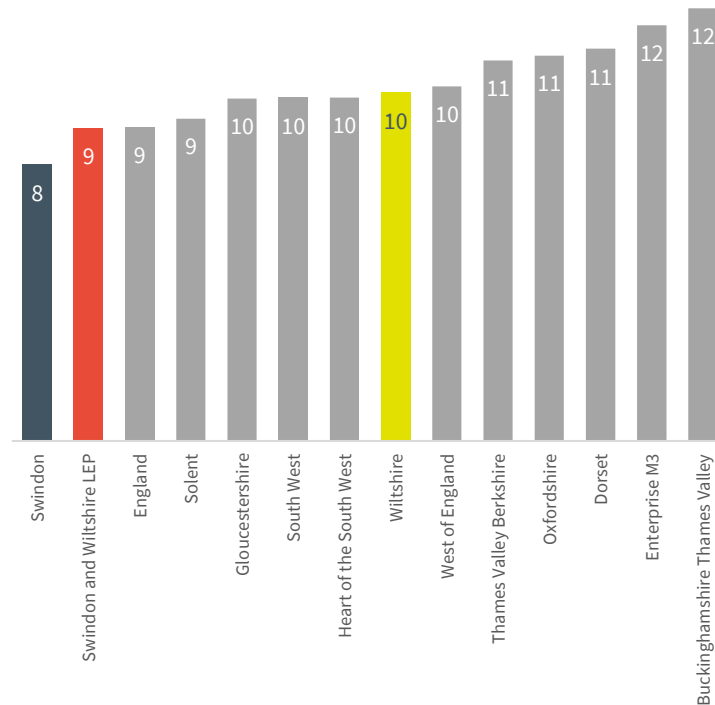
Growth in house prices in the LEP area have generally kept pace with the national average, and even outstripped national growth rates from 2016-2021. Within the Swindon and Wiltshire, growth in Swindon (57%) has increased more quickly than in Wiltshire (50%), from 2011-2021. The current median house price in the Swindon and Wiltshire is £270,000 compared to £280,000 nationally. In Wiltshire median house price is above the national average at £300,000 whereas in Swindon this is just £240,000.

As of 2021, the housing affordability in Swindon and Wiltshire is in line with the national average, both at 8.9. 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.

Indexed Median House Price, 2011-2021 (2011=100)



Average Housing Affordability Ratio, 2021



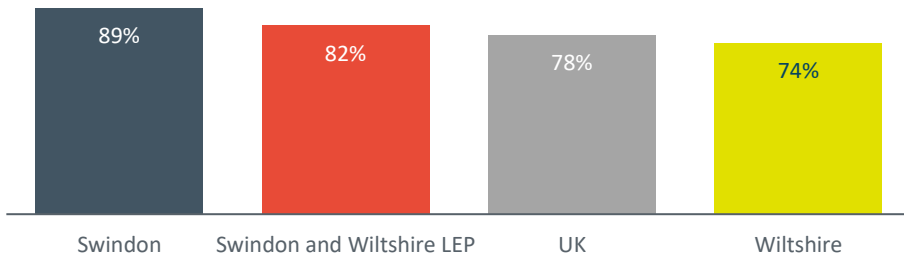
Good digital infrastructure with pockets of strong broadband download speeds...

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.

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.

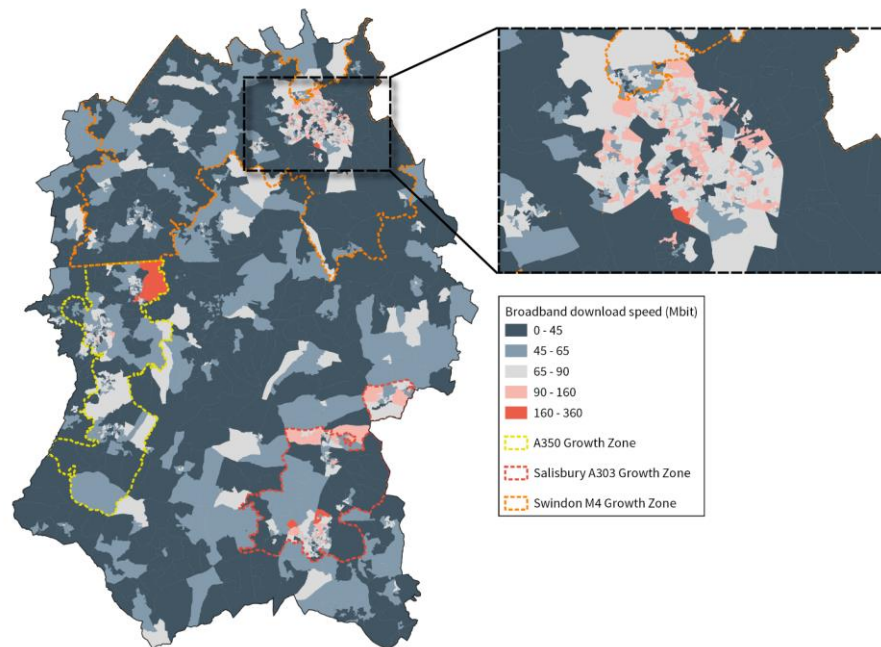
4G Connectivity Indoors, 2021



Source: Ofcom, 2021

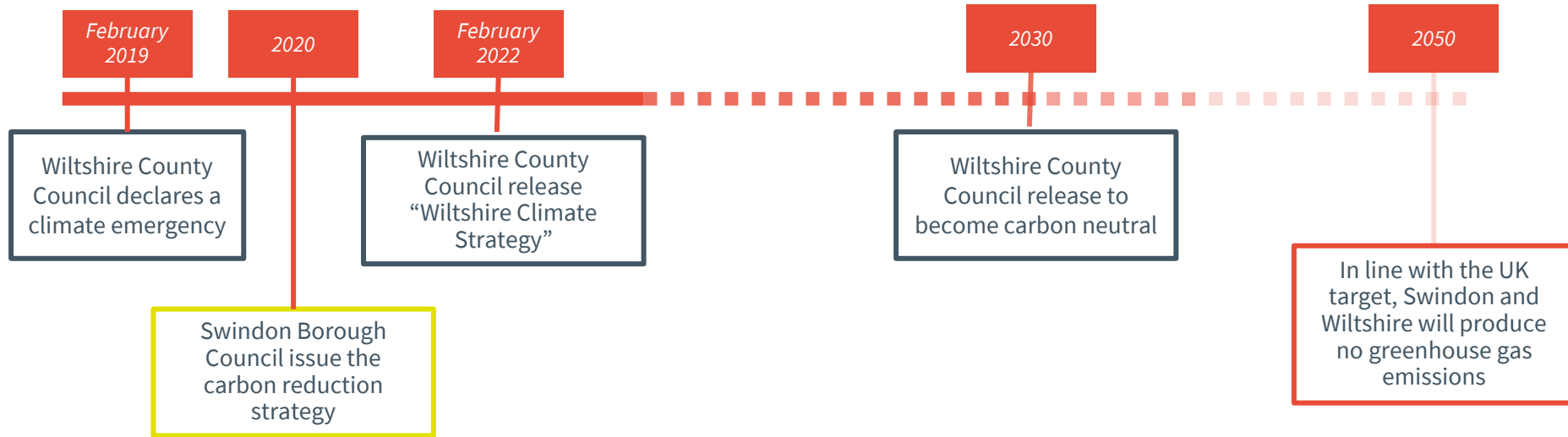
Notes: * Universal Service Obligation – a download speed of at least 10mb and an upload speed of at least 1mb

Broadband Download Speed, Mbit, 2021



Swindon and Wiltshire's Road to Net Zero

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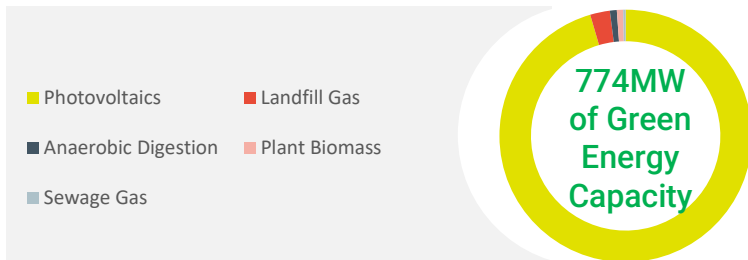
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A key producer of solar energy generating over 700,000MWh of solar power in 2020

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). An example being the 50MW solar farm in Wroughton. 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.

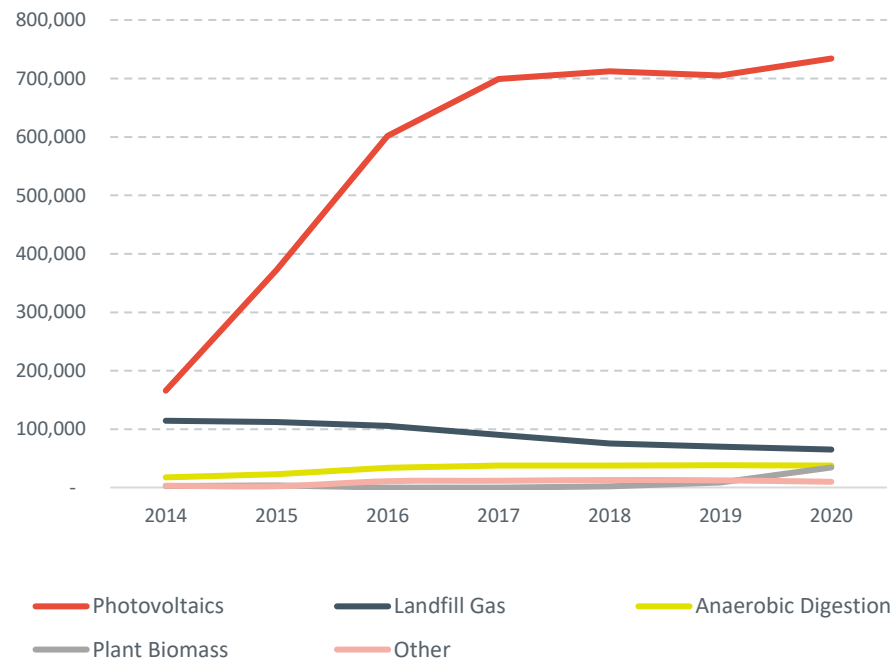
Examining the energy capacity of renewable energy production, this being the installed mega watt capacity of energy production, shows that over nine tenths of Swindon and Wiltshire's installed green energy infrastructure capacity is devoted to solar energy production in 2020, underscoring the importance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

Installed Renewable Energy Capacity in Swindon and Wiltshire LEP, 2020 (MW)



Source: BEIS, Regional Renewable Energy Statistics, 2021

Renewable Energy Generation in Swindon and Wiltshire LEP, 2014-2020 (MWh)

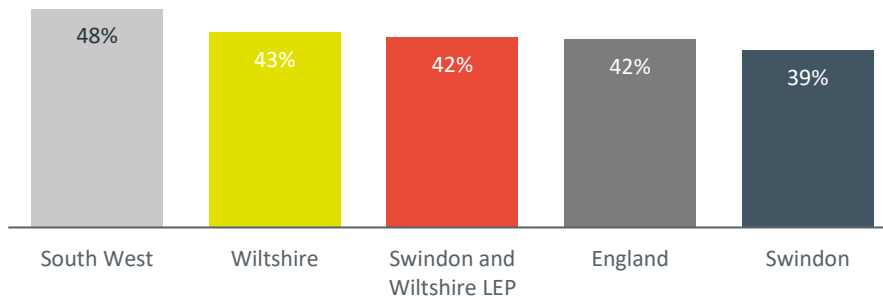


Recycling rates in Swindon and Wiltshire are in line with the national average...

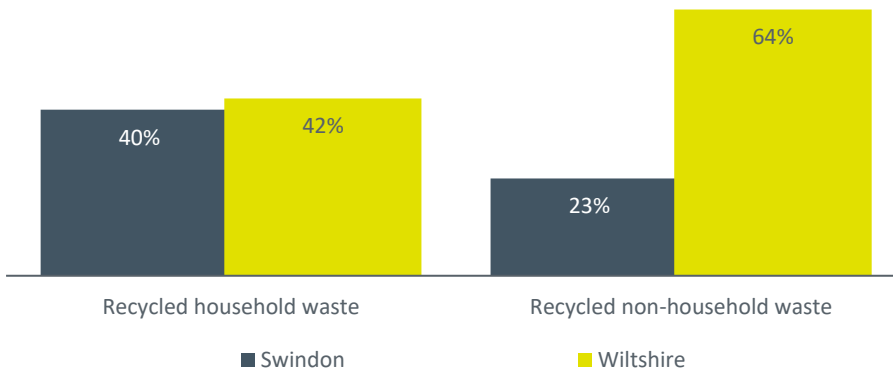
In Swindon and Wiltshire and in England recycling rates are both 42%, but are behind the South West average of 48%. Within the LEP area, Wiltshire has higher recycling rates at 43% compared to just 39% in Swindon. The majority of waste in both local authorities is produced by households (98% in Swindon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

In regards to 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

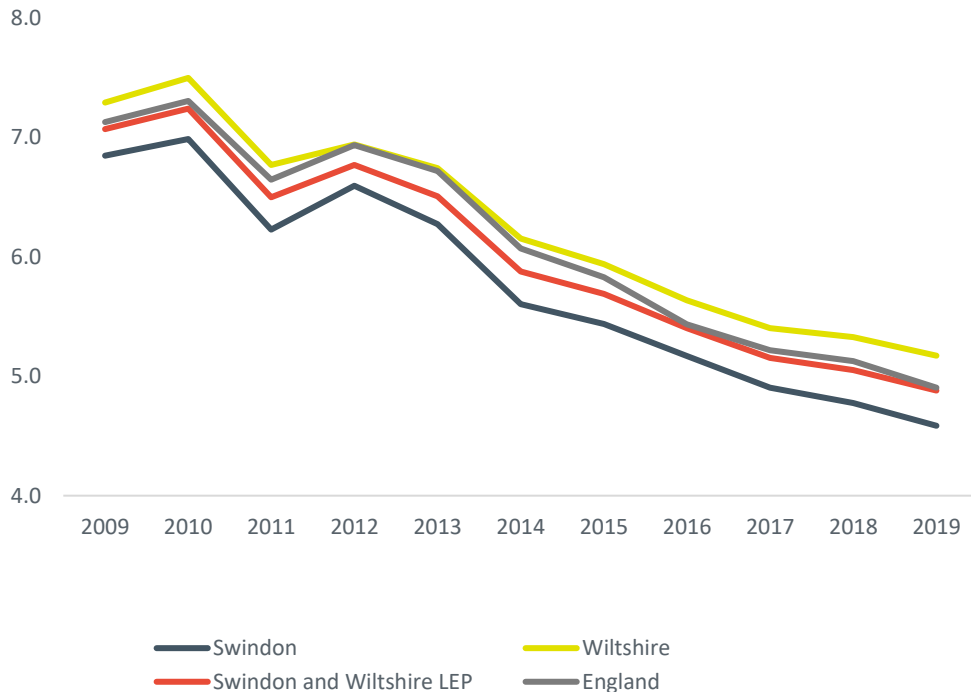


Over the last decade, total CO2 produced in the LEP area has fallen by over a third...

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.

CO2 Per Capita, 2009-2019



Transport emissions are the biggest contributor to total CO2 produced in the LEP area...

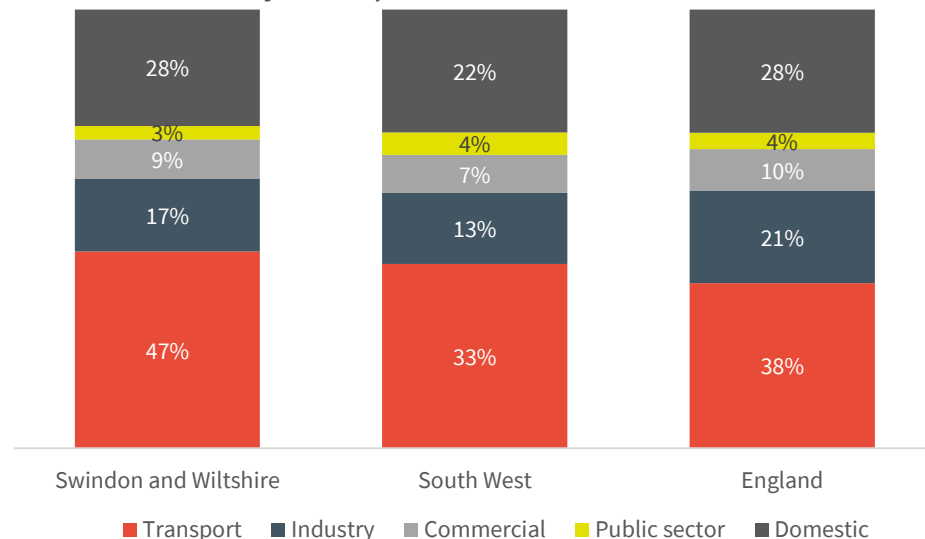
Whilst transport emissions make up the largest component of both the LEP area's, regional and national emissions by source, it is nearly 10 percentage points higher in Swindon and Wiltshire (47%) than England (38%).

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.

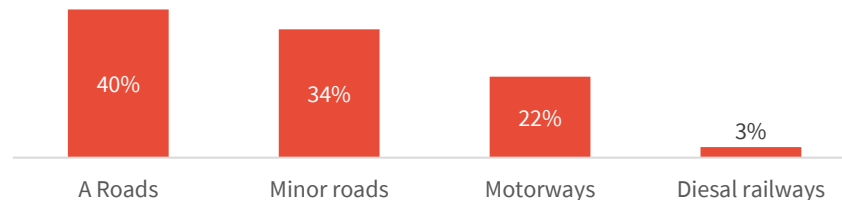
The need to reduce CO2 emissions will help to drive Swindon and Wiltshire as a leading low carbon economy. Finding innovative solutions to, for example, transport emissions will create jobs and economic growth. This may be in the form of electric vehicles or more accessible and greener public transport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



CO2t Emissions by Source, 2019



Transport Emissions by Source, 2019

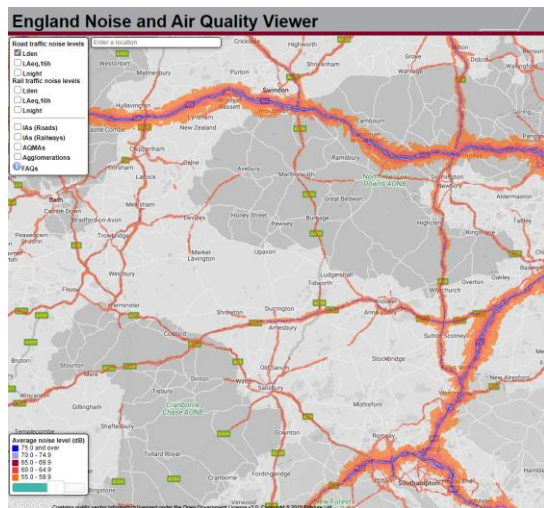


Swindon and Wiltshire's Environment

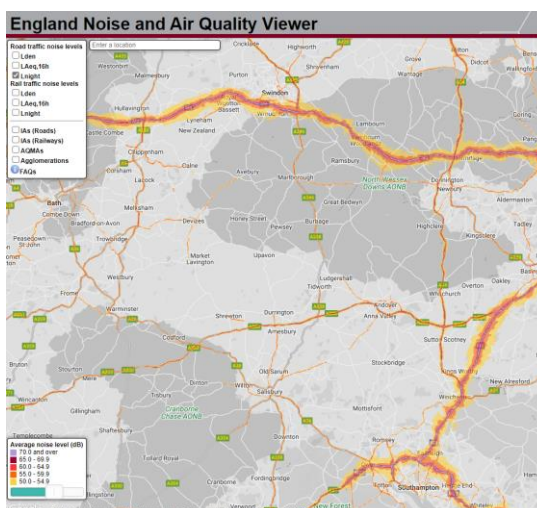
There are clear pockets of high noise pollution which are likely to affect health and quality of life...

High levels of noise exposure can have impacts on, for example, sleep and hypertension. These can in turn affect the quality of life for residents and workers with knock-on impacts to wider productivity and health costs. Within the Swindon and Wiltshire, there are clear areas around motorways and artillery roads (though not exclusively) where noise levels are high both during the day and night. The maps below highlight the hotspots where the highest 1% of noise levels at residential locations are.

Lden¹ noise levels (dB) in Swindon and Wiltshire



Lnight noise levels (dB) in Swindon and Wiltshire



Source: Extrium, Google Maps, based on DEFRA data

¹ Lden (day-evening-night) - a 24 hour annual average noise level in decibels with weightings applied for the evening and night periods. Lnight - the night time annual average noise level (in dB) where night is defined as 2300-0700



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Policy Insights

Swindon and Wiltshire has strong aspirations to deliver a well connected and resilient transport system (Swindon and Wiltshire Strategic Economic Plan 2016). The large contribution that transport makes to carbon emissions in Swindon and Wiltshire sets the policy imperative to focus on decarbonised transport, and deliver initiatives that promote low carbon transit. Likewise, the LEPs ambitions to create excellence in digital connectivity (Swindon and Wiltshire Strategic Economic Plan 2016) should mean focus is given to improving speeds across the area and resolving any “not spots” that persist.

A decline in office space in recent years may reduce the options for businesses looking to start up and grow in the area. Given the sectoral strengths and growth aspirations of the area, particularly in advanced engineering and high tech digital innovation (South West England and South East Wales Science and Innovation Audit 2017) there is a need to ensure the appropriate mix of commercial floorspace is secured both for sectors that are important today and to Swindon and Wiltshire’s future growth.



8

Future Trends





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.

COVID-19 caused the Swindon and Wiltshire economy to contract by 8%. Recovery scenarios vary considerably, but expectations are that growth will return to pre-COVID levels before the middle of the current decade.

The low carbon economy will grow in importance in Swindon and Wiltshire both economically and socially. It is expected that one in five jobs will be impacted by climate change and decarbonisation. Furthermore, new jobs are expected to be created in the Decarbonisation, Low Carbon and Wider Green economy.

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.

EU exit will bring labour market challenges alongside trading opportunities. The LEP area must ensure any gaps in the labour market created by Brexit are filled to ensure business continuity. There is also scope to tap into global trading networks and build on the LEP area's positive trade balance with markets outside of the European Union.

Ensuring adequate housing is provided to current and future residents of Swindon and Wiltshire will be crucial to enabling a strong pool of labour, both Swindon and Wiltshire local plans are currently under review. This will allow for an evidence base on which to ensure future housing supply can keep up with future housing demand.

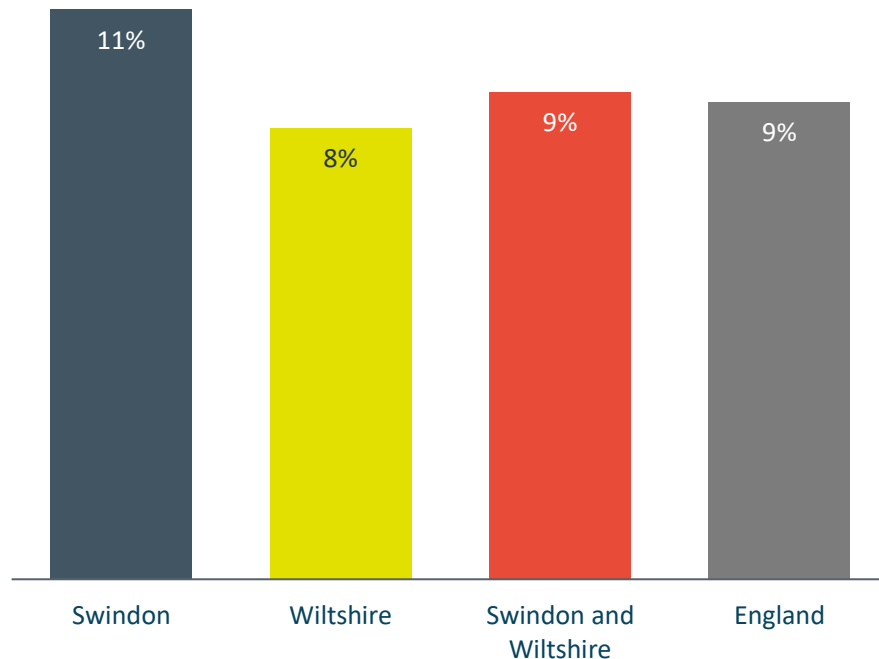


By 2043 it is estimated that there will be over 800,000 people living in Swindon and Wiltshire.

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, this is likely a result of Swindon's urban nature causing population increases due to continued flows of residents from rural to urban areas.

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



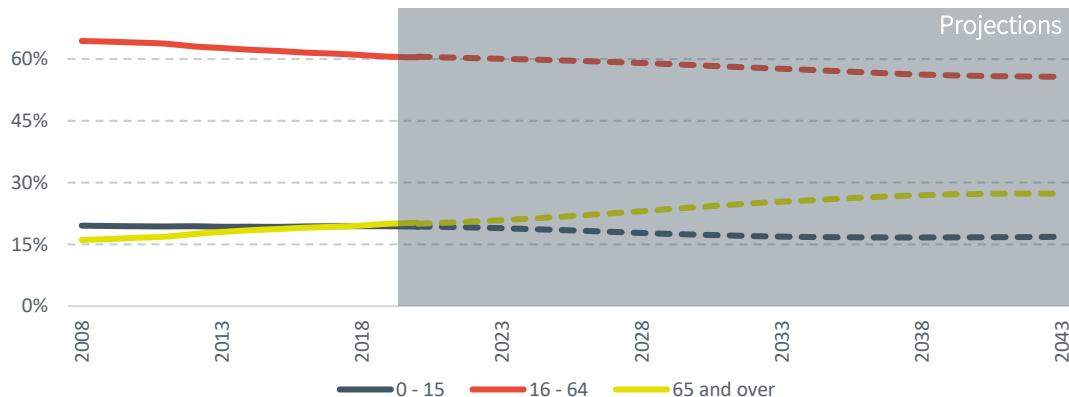
The majority of this growth is amongst the older demographics, with over 65s seeing growth of 49% between 2020 and 2043...

Meanwhile, the working age cohort is expected to see its population remain broadly static over the next two decades.

The working age demographic in Swindon and Wiltshire will fall as a proportion of the population from **61%** in 2020 to **56%** in 2043, while the older population over 65 will account for 27% of the population in 2043, up from **20%** in 2020.

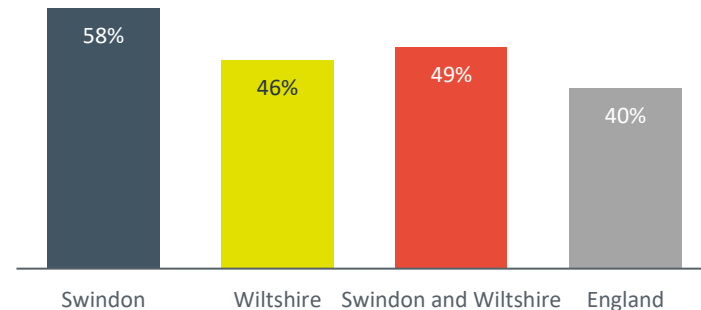
The future Swindon and Wiltshire labour market will include a smaller potential pool of labour supply while greater demand for social care and healthcare will rise due to greater need from the older population.

Proportional Population Growth Estimates by Demographic

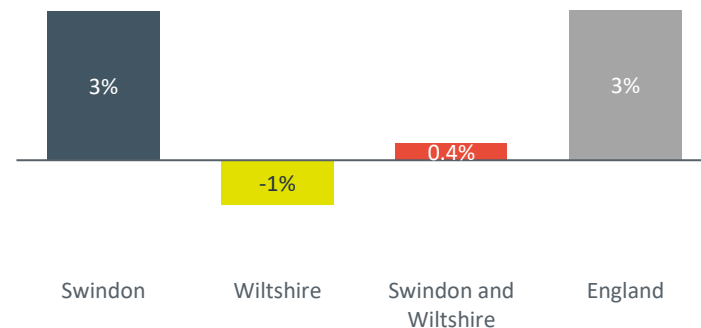


Source: Population Projections, ONS, 2020

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



% Projected Change in Working Age Pop. 2020-2043

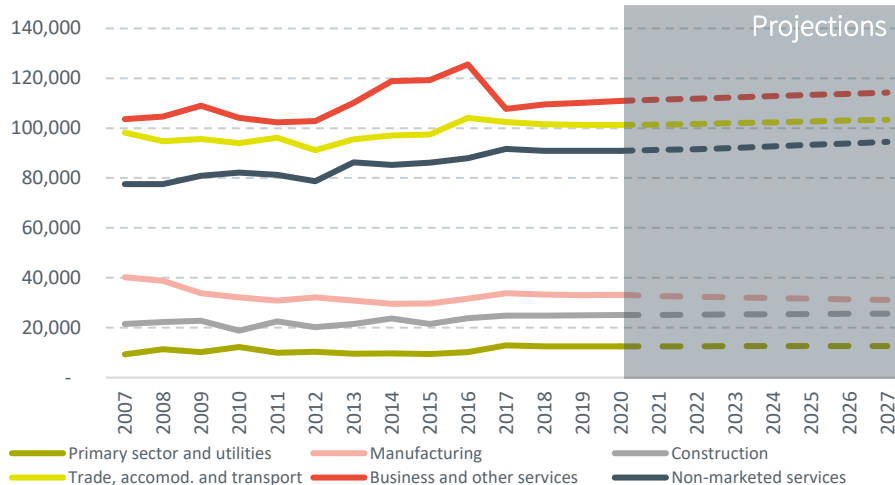


By 2027 estimates suggest there will be 382,000 people employed in Swindon and Wiltshire...

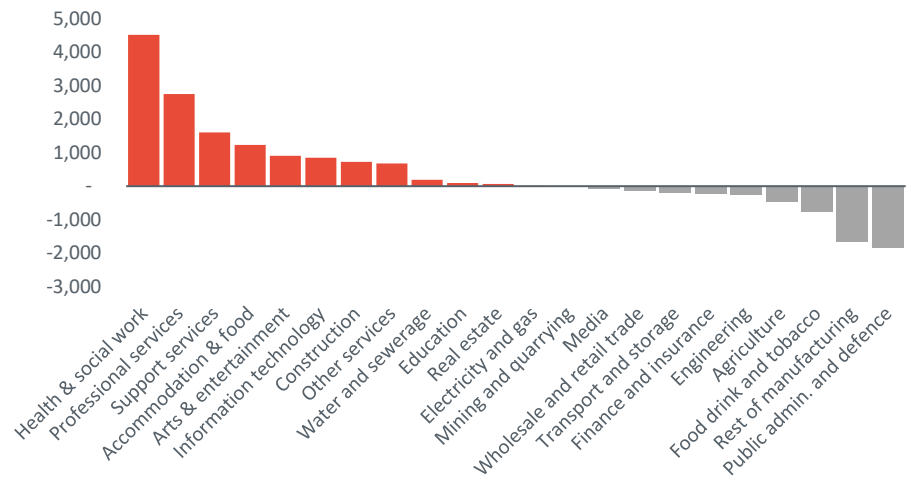
Large sectors of employment include Business and Other Services, Trade, Accommodation and Transport, Non-Marketed Services. This future demand for labour can be broken down in to two main components:

- 1. Expansion demand:** 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.

Employment Projections, 2017-2027



Projected Sectoral Employment Change/Expansion Demand, 2017-2027

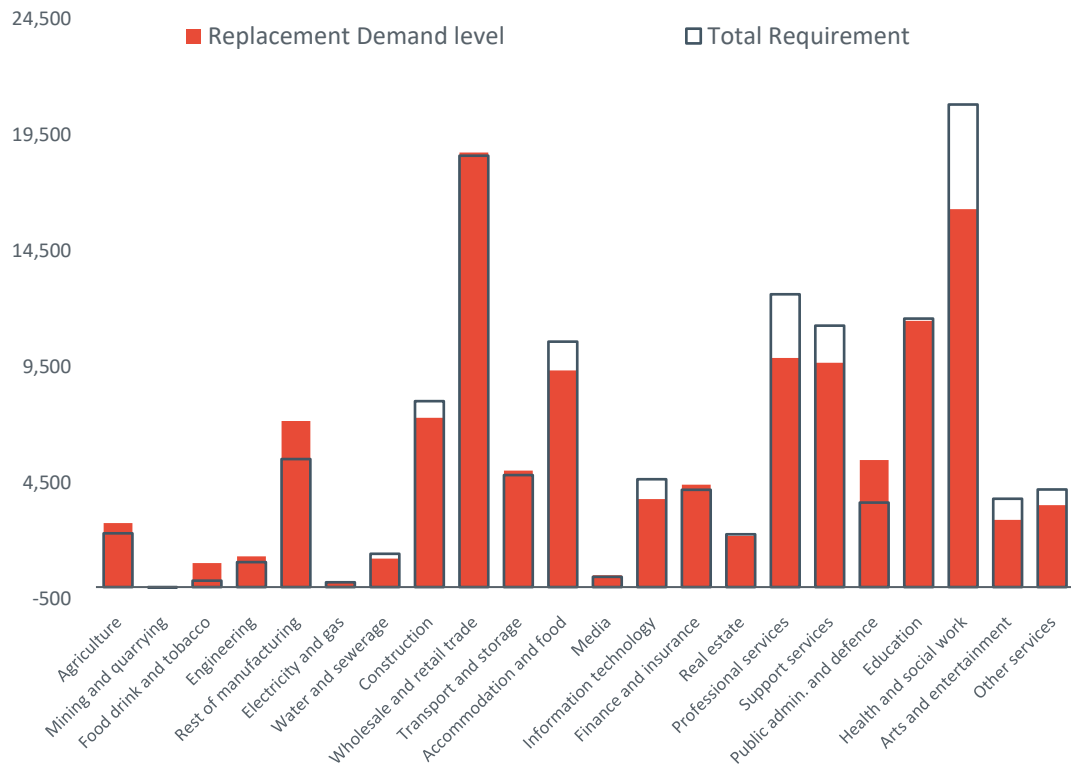


2. Replacement demand and requirements:

replacement demand is the labour required to replace people leaving the workforce (eg through retirement). While demand requirements suggest the skills need 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

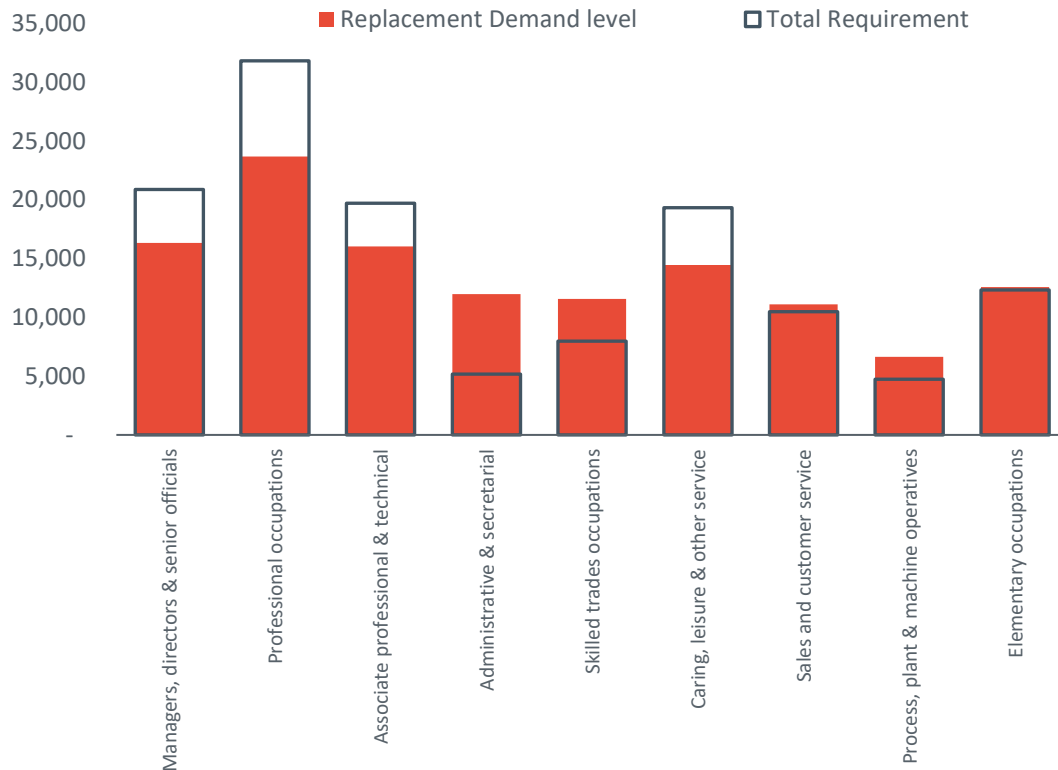


Demand will be most pressing in managerial and professional occupations in Swindon and Wiltshire...

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 able 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. Most of these new skills are anticipated to be amongst managers, directors and senior officials with 38% of businesses stating new skills needs are mostly among this bracket of the labour market.

Forecast Replacement Demand and Requirements by Occupation, 2017-2027



Uncertainty is clouding future economic projections...

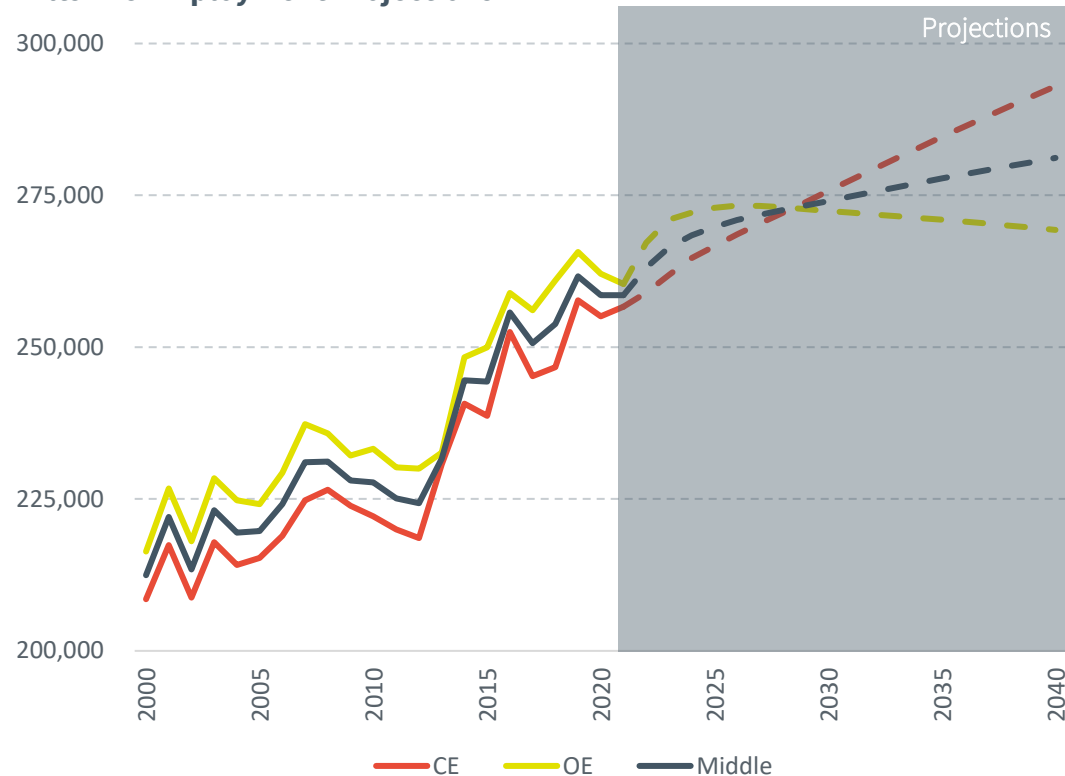
A further indicator of employment change uses modelling based on past trends alongside anticipated macroeconomic changes. This data is currently only accessible for Wiltshire and not for Swindon.

Wiltshire has commissioned employment modelling –this has not been done for Swindon – to estimate the volume of employment in the next two decades. Upper estimates (Cambridge Econometrics) suggest that employment levels will continue to increase in Wiltshire to over 292,000 in 2040, while lower estimates suggest employment will peak at 273,000 in 2025 and then begin a downwards trend.

These two differing estimations reflect the scale of uncertainty present in the Wiltshire economy at present, and going forward. This is likely a result of several factors, with changes in productivity being significant. Due to the important role of productivity in employment, and changing labour needs due to efficiencies found through innovation, estimating the level of employment in the future cannot be done without a high degree of uncertainty.

Source: Oxford Economics and Cambridge Econometrics

Wiltshire Employment Projections

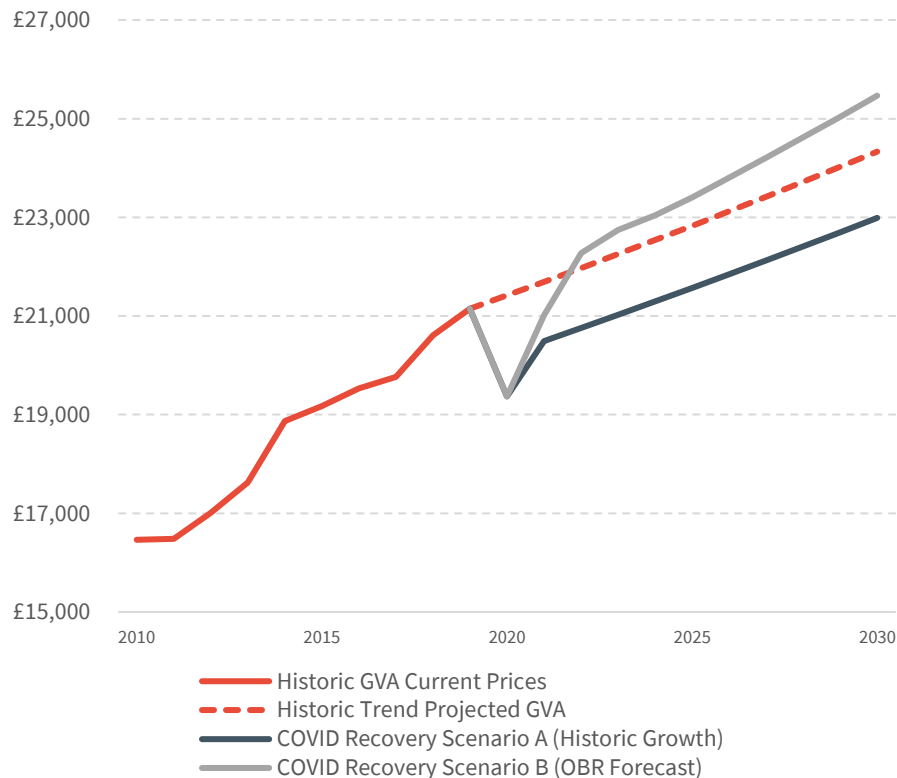


COVID-19 caused the Swindon and Wiltshire economy to contract by 8%, recovery scenarios vary considerably...

Under COVID Recovery Scenario A, Swindon and Wiltshire maintains its historic growth rate (1.3%) and does not re-join its pre-COVID growth trajectory, the scenario assumes that, following the loss of output from COVID-19 in 2020, the LEP area will experience the same growth rate as it did prior to the pandemic.

However, the OBR also provide a recovery scenario B forecast. Under this scenario there will be a healthy recovery, in part due to economic activity taking place that was been displaced from taking place in 2020 due to restrictions on the economy. Under this scenario the Swindon and Wiltshire economy is expected to return to and surpass its growth trajectory in 2023. It is likely that a recovery scenario will fall somewhere between these two forecasts. Moreover, these estimates are subject to change based on the release of the next OBR forecast following the Spring Statement in 2022.

COVID-19 Recovery Scenarios OBR (£m)



Source: OBR October 2021 Projections

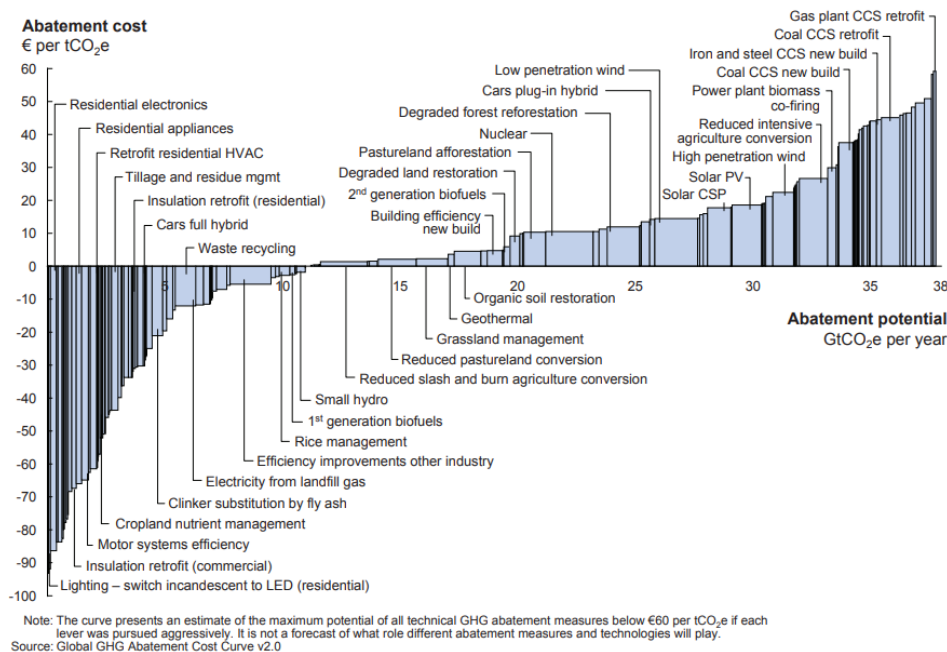


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Source: Green Jobs Taskforce Report, Department for Business, Energy and Industrial Strategy, 2021; Net Zero or Bust: Beating the abatement cost curve for growth, McKinsey and Co, 2021

Global greenhouse gas abatement cost curve beyond business as usual, 2030



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.

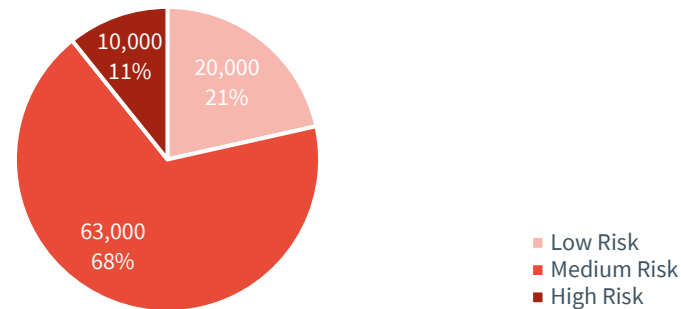
Probability of automation in
Swindon

48%

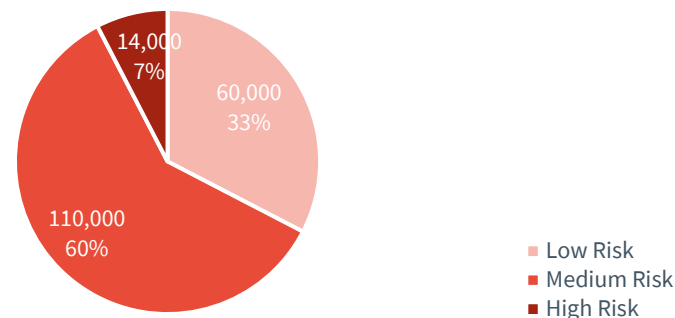
42%

Probability of automation in
Wiltshire

Numbers of main jobs at risk of automation in Swindon



Numbers of main jobs at risk of automation in Wiltshire



Source: ONS Probability of Automation



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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) and sector importance to Swindon and Wiltshire

	Employment (2020)	% of Employment Base in the LEP area	Probability of automation (2017)
Agriculture, mining and utilities	11,500	4%	47%
Manufacturing	29,000	9%	49%
Construction	16,000	5%	46%
Retail and wholesale	52,000	16%	57%
Transport and storage	17,000	5%	49%
Accommodation and food services	24,000	7%	62%
Information and communication	13,000	4%	36%
Financial and insurance	12,000	4%	42%
Property	7,000	2%	45%
Professional, scientific and technical	31,000	9%	37%
Administration and support services	28,000	9%	49%
Public administration and defence	13,000	4%	37%
Education	26,000	8%	35%
Health	35,000	11%	43%
Arts, entertainment and other services	12,000	4%	47%

Source: BRES, 2020; ONS Probability of Automation, 2017 (data at the broad industry level has been calculated as the average of the 2-digit SICs therein)

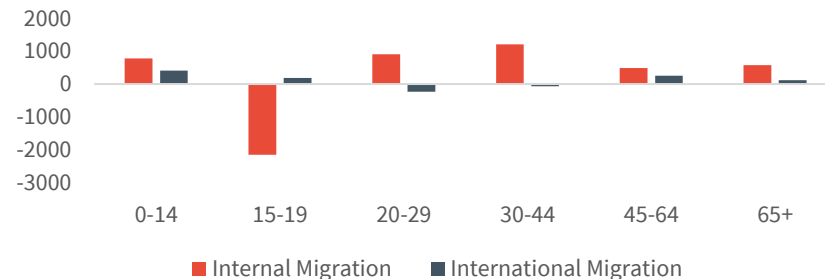


EU exit will bring labour market challenges alongside new trading opportunities...

Over the last eight years, internal migration has been the main source of migratory labour inflow, particularly for the working age population. However, it is also clear that international migration plays a role in the labour supply in the LEP area. This data does not differentiate EU and non-EU migration, ensuring businesses will be able to fulfill roles following the EU exit will nevertheless remain crucial.

Examining trade, we can see that overall, including both goods and services, Swindon and Wiltshire has a negative balance of payments (more imports than exports). Although when looking at EU and non-EU trade this differs with a positive trade balance to places outside of the EU. Supporting businesses to expand further into these markets will expand the export economy in the LEP area.

Average net migration by age group in Swindon and Wiltshire, 2012-2020*



Swindon and Wiltshire Balance of Payments in Goods and Services (£m), 2019



Source: ONS Subnational Trade in Goods and Services; ONS Population by 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



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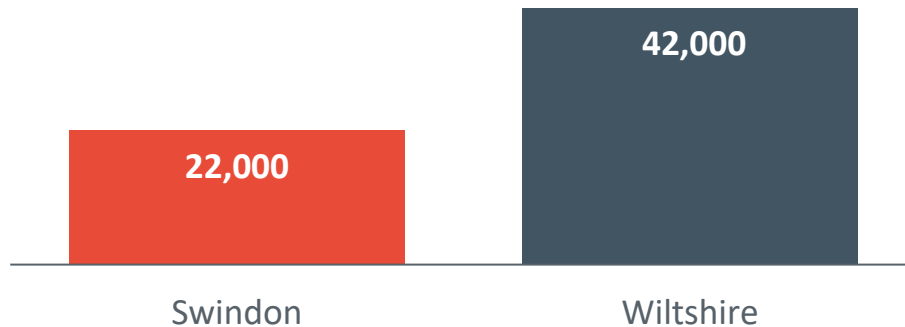


Ensuring adequate housing is provided to current and future residents of Swindon and Wiltshire will be crucial to enabling a strong pool of labour...

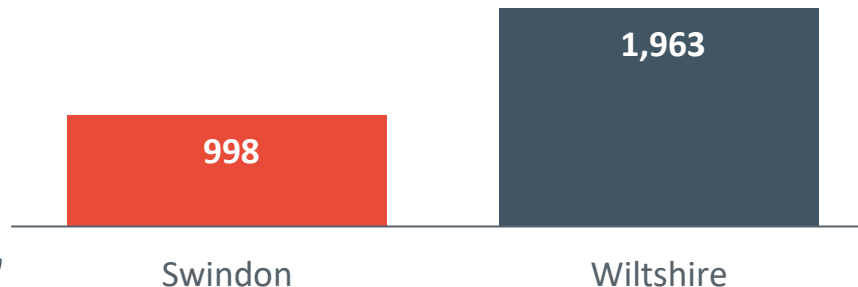
Based on available data from adopted local plans at the time of the LEA publication, we can estimate a total housing requirement across both Swindon and Wiltshire to 2026 to be circa 64,000 homes. It is necessary to note that these figures are expected to be revised through the preparation of new local plans for both local authorities, which are being progressed.

Using the Government's standard method to calculate the minimum annual local housing need at the time of writing for both authority areas, it is also possible to show the annual housing need across Swindon and Wiltshire in terms of minimum number of new homes expected to be provided for both areas. As can be seen the majority of the LEP areas annual housing need is in Wiltshire, though this is to be expected given the relative size of this local authority compared to Swindon.

Local Plan Housing Requirements to 2026*



Per Year Housing Minimum Need, 2022 (standard method)**



*Source: Government Standard Method, 2017; Wiltshire Core Strategy, 2015; Swindon Borough Local Plan 2026, 2015 *Both local plans are currently under review with housing requirement projections to 2036 to be published ** Calculated mid March 2022 using Government's standard method set out in national planning practice guidance and up to date inputs.*



High levels of demand, particularly in industrial space is expected by 2036

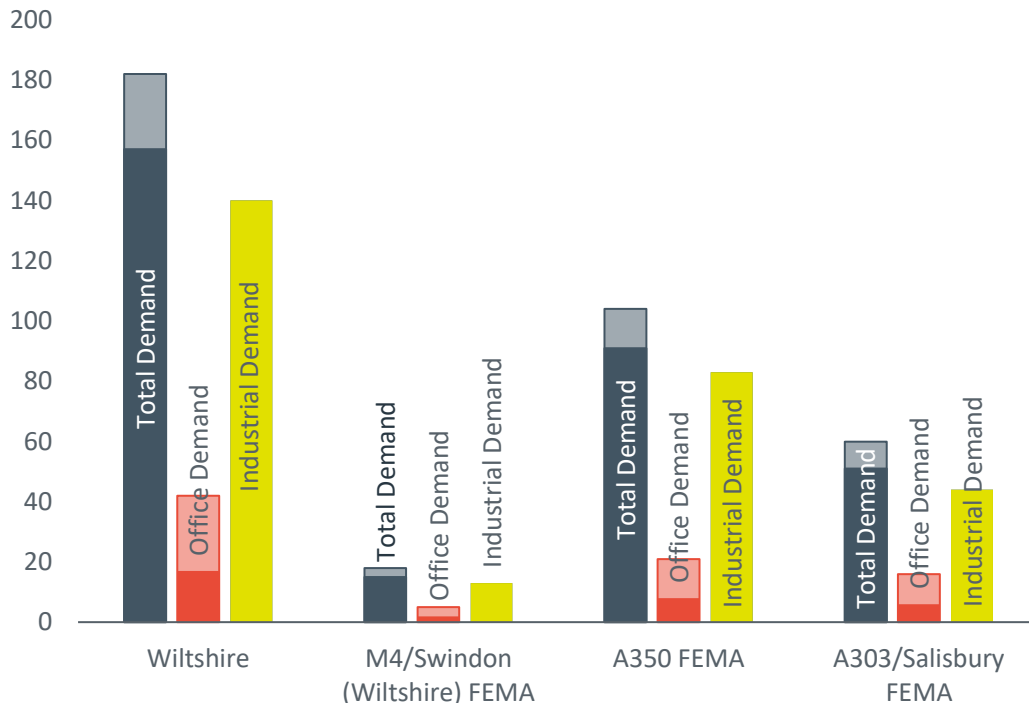
Due to the difference in business sectoral make-up, the demand for commercial space varies across the LEP area. Although it is anticipated that in each sub-area considered, industrial demand will be higher than office space demand. At the time of reporting the employment land review was undergoing an update and as such projections are expected to change in light of Covid-19, Brexit and other changes in economic and commercial circumstances.

Wiltshire was expecting to see the highest level of absolute demand in commercial space (Ha) with demand equating to 160-180.

Demand for commercial space is a reasonable indicator of an area's commercial vibrancy, though if this demand is not sufficiently met by supplier growth may be jeopardise and business activity may move elsewhere to find commercial property that meets current and future anticipated demand.

Employment Land Demand Projections (Ha), 2016-2036

(min. estimate shown in darker colour, max. estimates lighter)

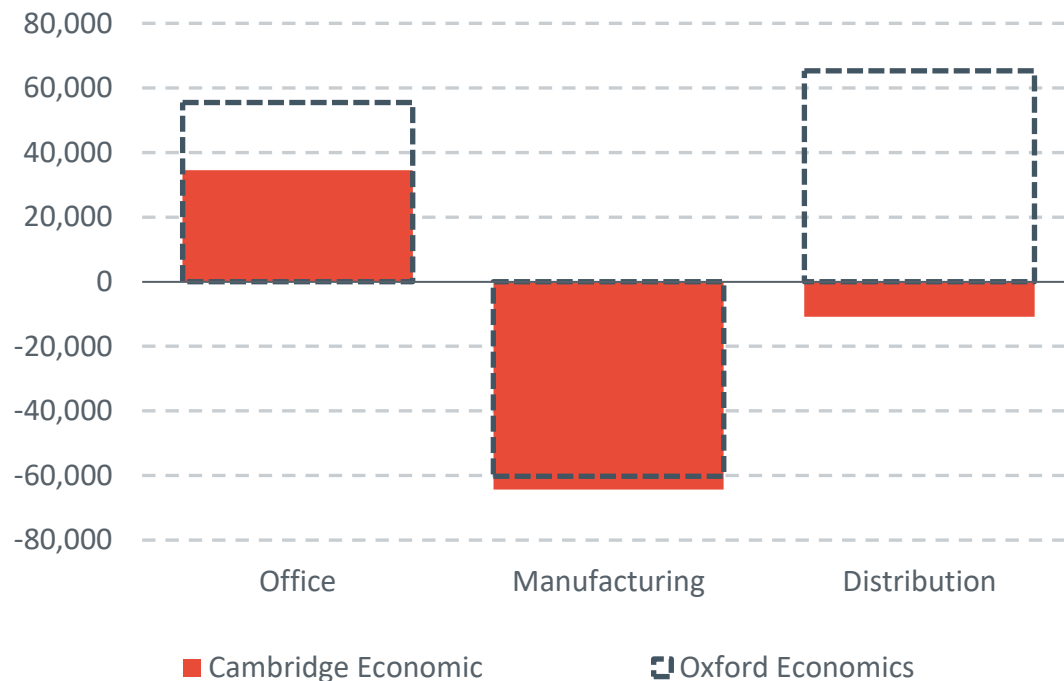


Projections of future employment land need in Swindon differ based on employment projections...

With projections about future employment anticipated between 2016-2036 differing, the projected demand for land in Swindon cannot be projected with absolute certainty. Two of the three employment land projections may see a shrinkage in demand in Swindon, with the office space being the only type of industrial land anticipated to see demand rise according to both projections.

It is necessary to note, as with Wiltshire, recent economic disruption will likely have changed these projections and these estimates may not hold in light of COVID and EU exit.

Employment Land Demand Projections (sq.m) to based on Baseline Labour Demand Projections 2016-2036





Swindon and Wiltshire, like the UK as a whole, is at a critical juncture. A number of macroeconomic shifts are occurring, some of these have been known for some time (for example automation/4th AI) whilst others have presented a shock (e.g. the COVID pandemic). What we do know is that the impact of these will not be felt equally by all residents, workers or sectors. Policy will need to consider mitigating or supporting groups where the costs fall disproportionately.

However, change also presents opportunities. Swindon and Wiltshire have a number of sector strengths (for example around low carbon industries and advanced engineering and manufacturing) that position it well to take advantage of some of the macroeconomic shifts. Policy should ensure that business and people can fully exploit opportunities by providing adequate infrastructure and supporting sustainable growth.





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