

An Analysis of the local Swindon and Wiltshire labour market and skills requirements.

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Macroeconomic Prospects in the UK

The prospects for the economies of Swindon and Wiltshire are tied to that of the rest of the UK. The main changes recently are as follows:

- Due to high inflation, that is likely to persist into the medium term, interest rates are likely to remain historically high, at between 3.5% and 4%. This will particularly affect the property sector.
- This is likely to lead to a recession throughout 2023 (Bank of England) and falls in employment.
- Energy prices, especially gas prices are historically high, but should fall in the medium term.
- Long-term interest rates (10 yr Government bond rate) are also historically high at about 3.7%. This affects mortgage rates, which in turn impacts on the property sector.

UK and Local Labour Markets

- Unemployment across the UK is relatively low, despite the difficult economic conditions. Labour markets are likely to remain competitive, especially in high skilled areas.
- Unemployment in the UK is about 3.8%, this is below what is considered the natural rate of unemployment (Usually 4-5%). However it has risen slightly recently.
- The unemployment rate is ranging from between 2.3% in Wiltshire and 3.2% in Swindon during 2022.
- The main difference between Swindon and Wiltshire: is that Swindon is dominated by the financial services sector, whereas in Wiltshire property development is the strongest sector currently.

Labour Market Clusters

The main sources of employment and Gross Value Added

| Wiltshire | Swindon |
|----------------------------------|--|
| Property development (GVA 8%) | Financial and Legal Services (GVA 18%) |
| Education and Childcare (GVA 8%) | Utility (GVA 8%) |
| Health and Care (GVA 7%) | Business services (GVA 6%) |

Clusters

- In both Swindon and Wiltshire, the main local industry clusters in terms of strengths and opportunities are in local industry, especially in health care, commercial services and government.
- The main areas of opportunity and strength in the tradeable sector for Wiltshire are in hazardous materials and waste, logistics and e-commerce as well as professional services and digital industries. Swindon is slightly different as along with the logistics and e-commerce, business services are also a strength.
- Currently for Swindon financial services are slightly more of a risk than a strength.
- This suggests a mix of high technology and more traditional skills are required across the area in the short-run and the sustained development of employment in future-oriented sectors like the Digital cluster



Average Wages

- Average wages across Swindon and Wiltshire are similar, the main difference being the dominant financial services effect in Swindon.
- The sectors in Wiltshire with the highest average wages are: utility (£43,500), air transport (£42,700), hazardous materials and Waste (£40,000)
- In Swindon the highest wages are in: financial services (£46,500), utility (£47,800) and air transport (£44,700)
- In Wiltshire the lowest wages are in: Food and Beverages (£15,300), Retail (£16,200), Sports and Leisure (£16,400)
- In Swindon the lowest wages are retail (£15,100), food and beverages (£15,200) and sports and leisure (£16,900)

Strengths and Weaknesses

- Historically Wiltshire has been dominated by agriculture and defence, whereas Swindon has been dominated by transport.
- The emphasis on defence could explain the high wages in hazardous materials and air transport.
- The sectors with the lowest pay have all experienced declines over 2021/22, partially explained by the pandemic restrictions.
- The main difference between Swindon and Wiltshire is that Swindon has an important financial services sector, accounting for over 9% of GVA in the SWLEP area.



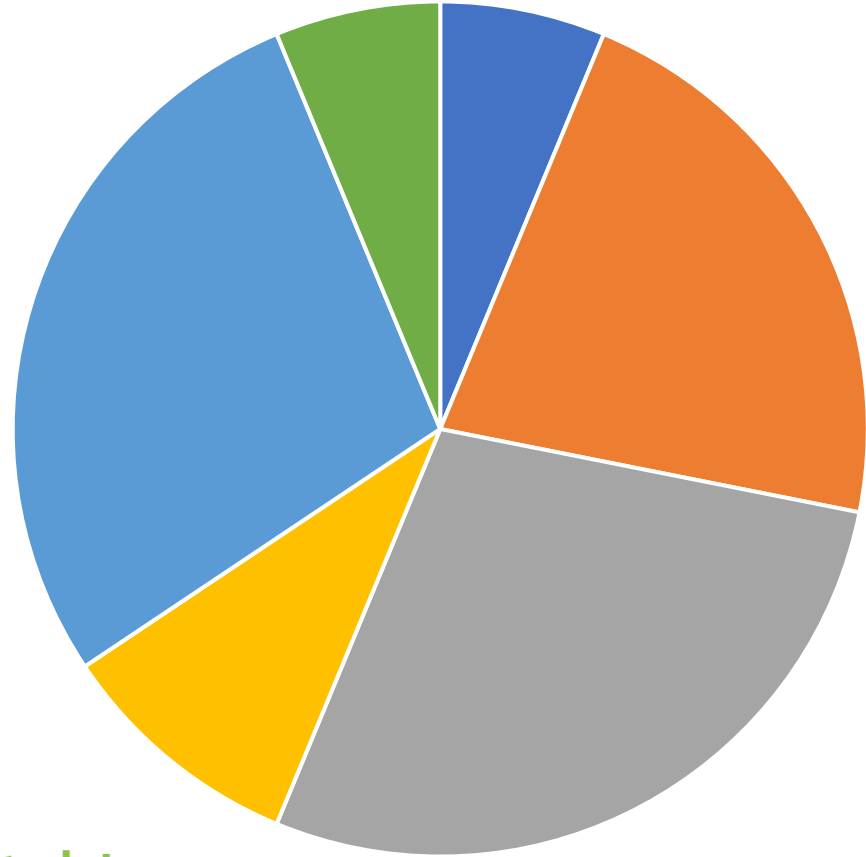
Growth Areas

- Areas of potential growth in employment would include the renewable energy sector and environmental services in general, as both the Wiltshire and Swindon councils aim to switch to renewable energy usage by the end of the coming decade.
- As yet renewable energy does not appear in the clusters, although oil and gas does, but appears to have no employment.

Renewable energy and environment.

- In Wiltshire the renewable energy sector is dominated by photovoltaics (solar energy), with almost 10,000 installations across Wiltshire. Swindon has less at 2500. This has implications for the wider environment and planning in the area.
- There have been developments in other renewable energy sectors as charted in the next slide. However unlike the solar energy sector (since 2014 solar energy sites across both areas have increased from 8700 to about 10,300), there has been little change in the other renewable energy sectors.

Share of renewable energy in Swindon and Wiltshire (excluding solar)

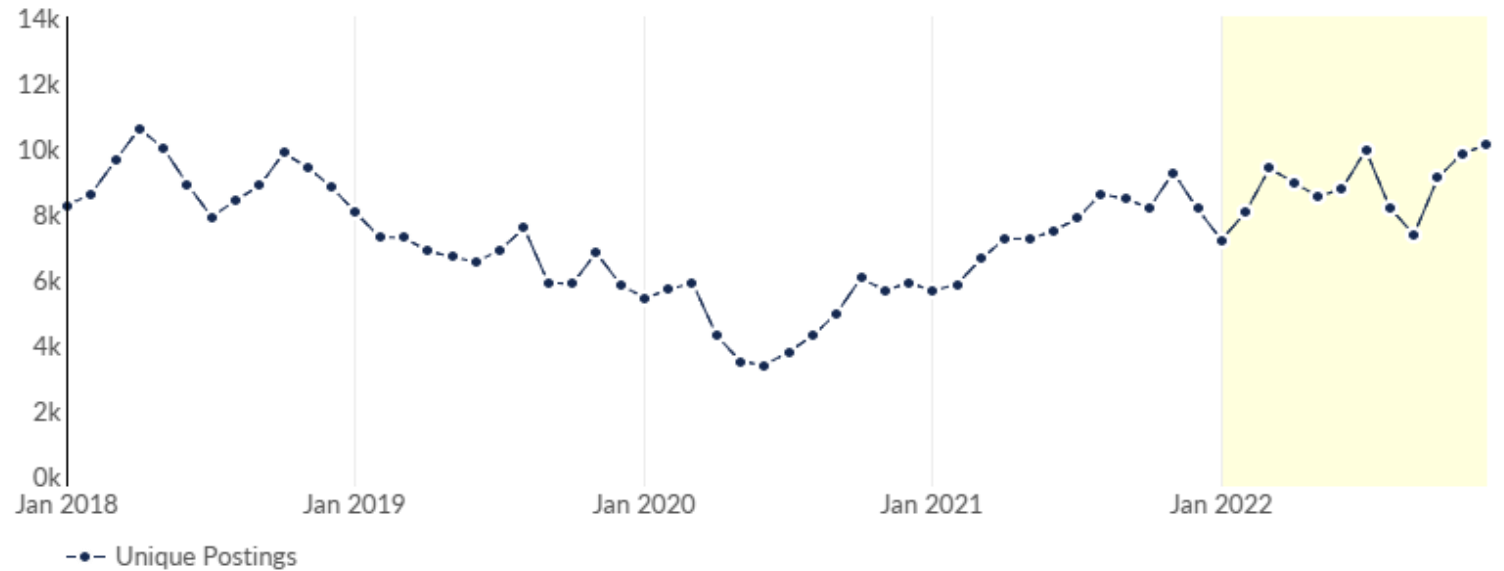
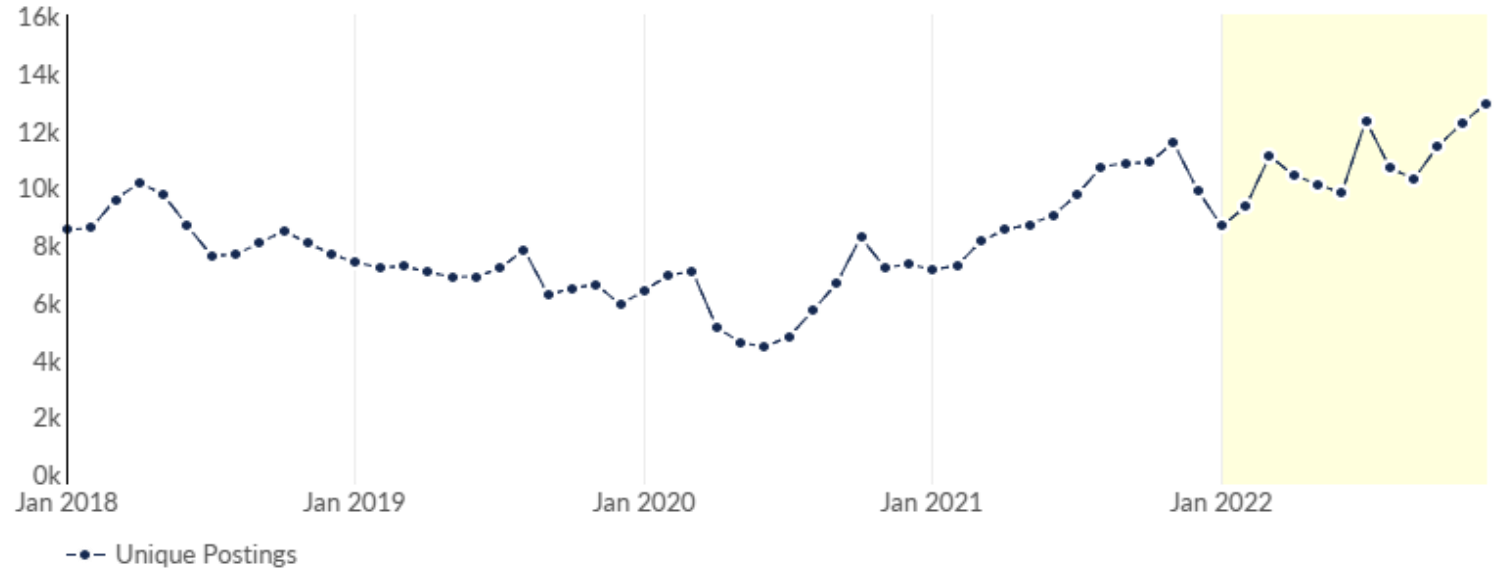


- Onshore Wind
- Hydro
- Anaerobic Digestion
- Sewage Gas
- Landfill Gas
- Plant Biomass

Job Prospects

- Job prospects have recently reduced in both Wiltshire and Swindon during 2022, reflecting the slowdown across the UK economy. (see chart)
- Job postings across Wiltshire and Swindon tend to not require specific educational achievements (83% Wiltshire, 81% Swindon)), with just 6% (8% Swindon) requiring a degree.
- The median posting duration is about 32 days, with nursing having the highest posting days at 36 days and cleaners the lowest at 27 days. Nursing also has the highest posting intensity.
- Technology postings are also relatively low with 28 days for the posting for IT/software occupations.
- Care workers and nursing are the top posted occupations in Wiltshire.

Trend in postings for Wiltshire (top) and Swindon



Strengths, Opportunities, and Risks

- **Strengths**: Industries that are growing nationally, and in which a region has a comparative advantage over other areas of the country, meaning that an area is well placed to benefit.
- **Opportunities**: Industries that are growing nationally, and in which a region has a healthy presence rather than a comparative advantage, so presenting you with opportunities to try to grow them.
- **Risks**: Industries in which a region enjoys a comparative advantage over other areas, but which are set to decline nationally in the coming years, indicating that they may be under threat.

Swindon & Wiltshire: Strengths

Commercial Services

Total jobs: 24,135
 Av. wage: 24,890
 GVA: 4.21%

Education and Childcare

Total jobs: 26,037
 Av. wage: 24,609
 GVA: 5.61%

Business Services

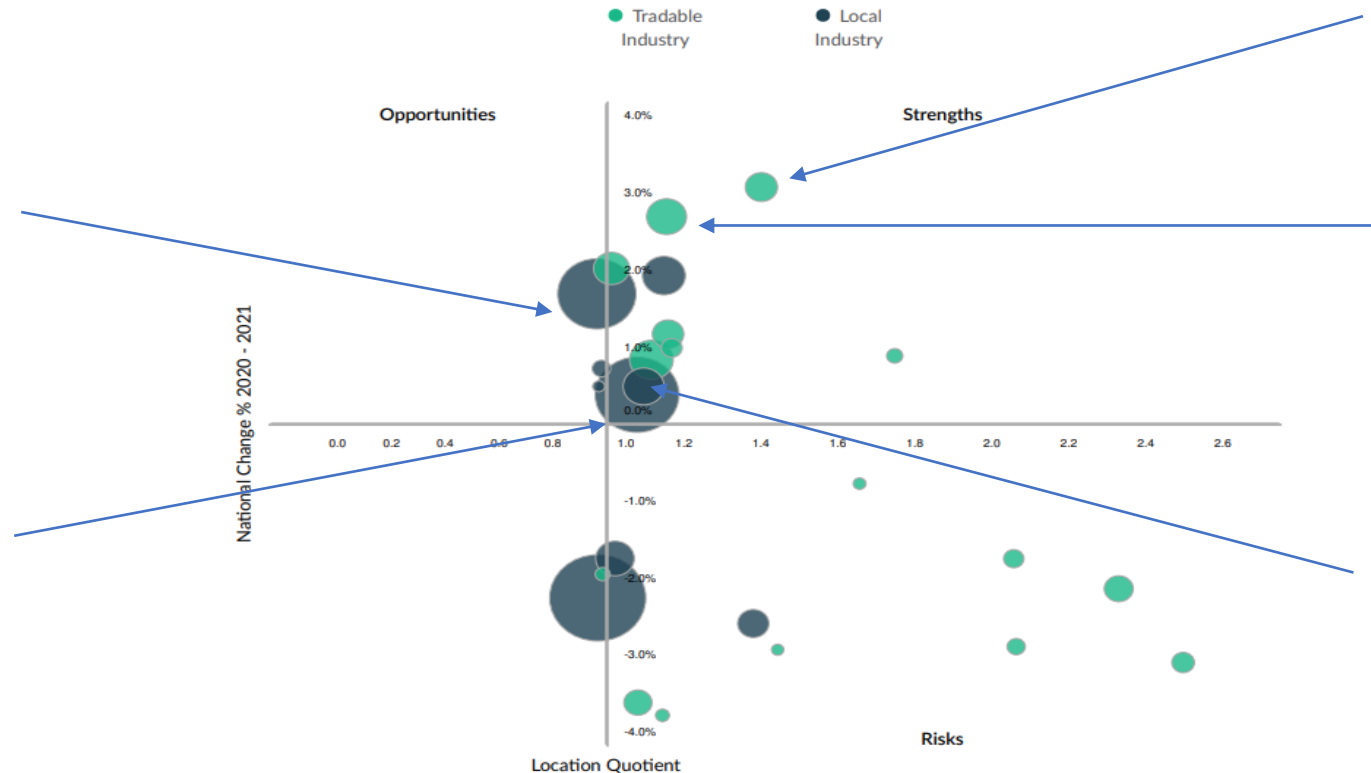
Total jobs: 8,290
 Av. wage: 24,378
 GVA: 3.30%

Logistics and Ecommerce

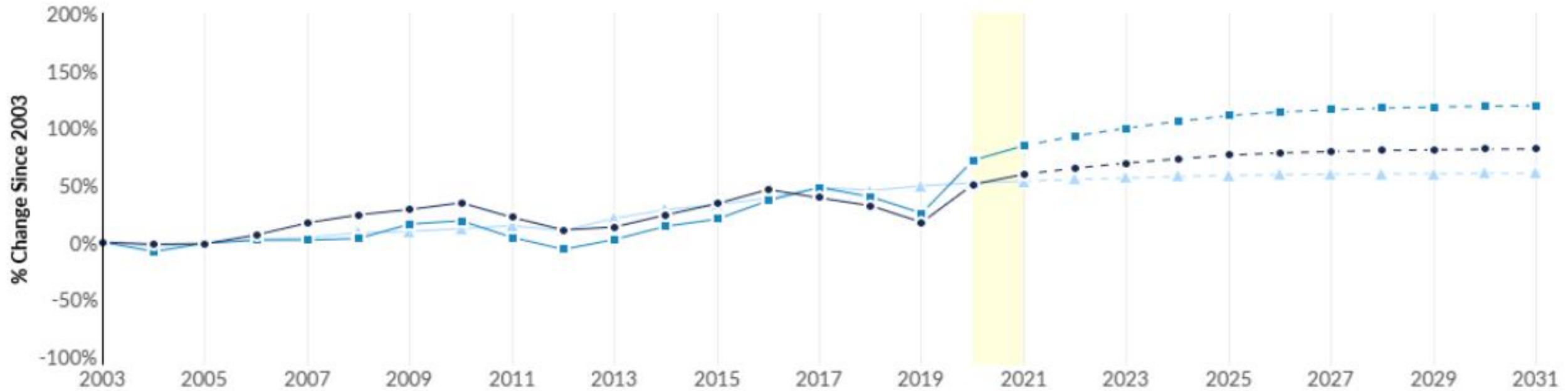
Total jobs: 10,931
 Av. wage: 26,704
 GVA: 2.21%

Digital

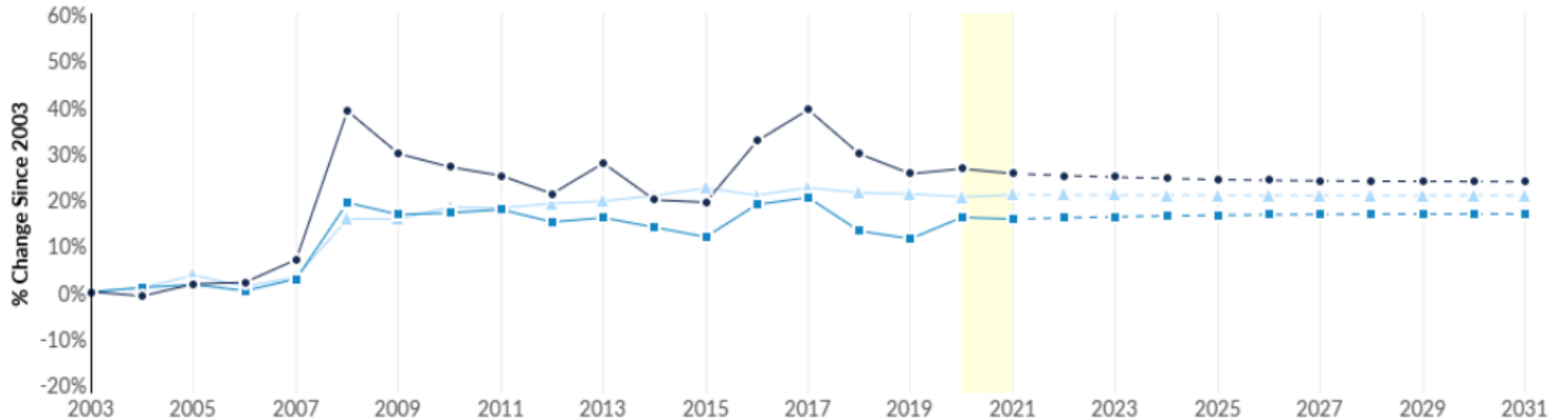
Total jobs: 12,217
 Av. wage: 38,603
 GVA: 2.58%



Jobs Digital Cluster



Jobs Education and Childcare Cluster



Swindon & Wiltshire: Strengths

Professional Services

Total jobs: 9,592
Av. wage: 32,566
GVA: 4.10%

Agricultural Inputs and Services

Total jobs: 4,442
Av. wage: 25,384
GVA: 1.93%

Property Development

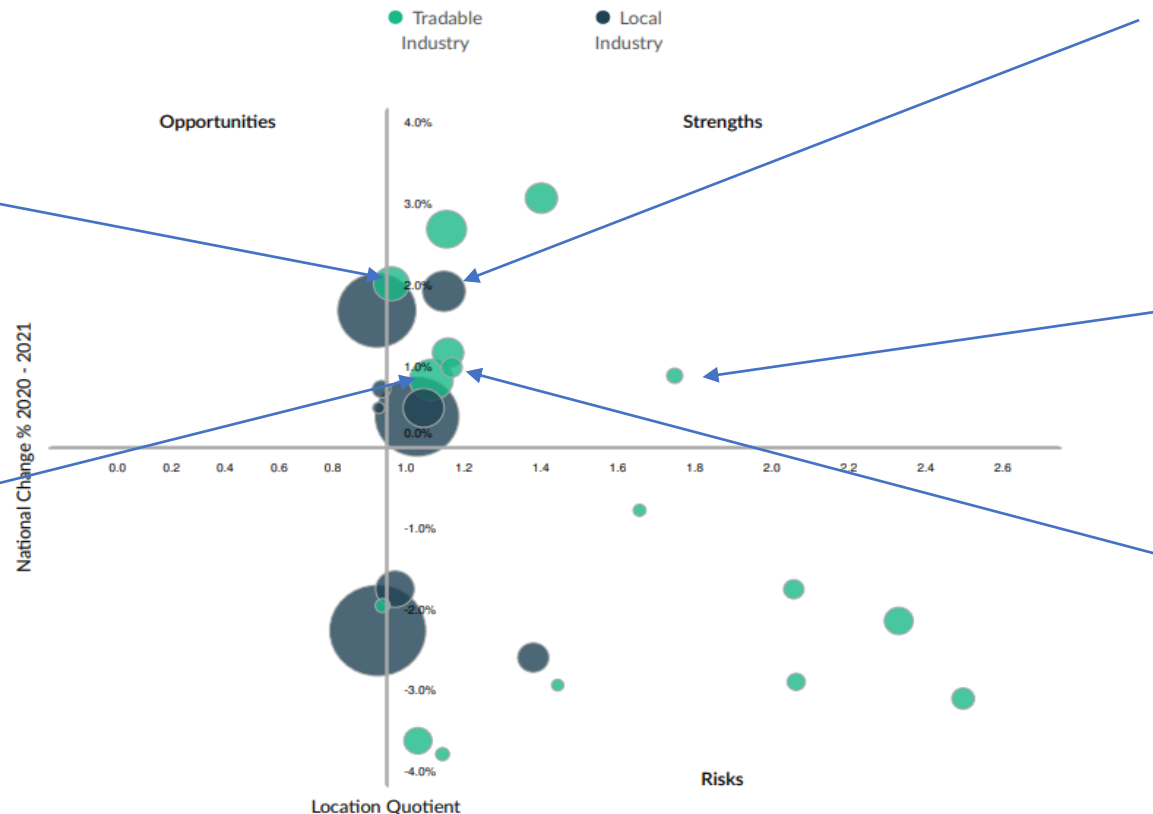
Total jobs: 11,995
Av. wage: 29,770
GVA: 6.01%

Passenger Transport

Total jobs: 2,785
Av. wage: 36,024
GVA: 0.70%

Education and Knowledge Creation

Total jobs: 8,035
Av. wage: 38,392
GVA: 2.81%



Swindon versus Wiltshire: Strengths

- Separating the two regions shows a more heterogenous pattern in some cases

| Swindon & Wiltshire (Strengths) | Swindon | Wiltshire |
|----------------------------------|--------------------|-------------|
| Education and Childcare | Opportunity | Strength |
| Logistics and Ecommerce | Strength | Opportunity |
| Digital | Opportunity | Strength |
| Agricultural Inputs and Services | Opportunity (weak) | Strength |
| Passenger Transport | Strength | Opportunity |

Swindon & Wiltshire: Opportunities

Government

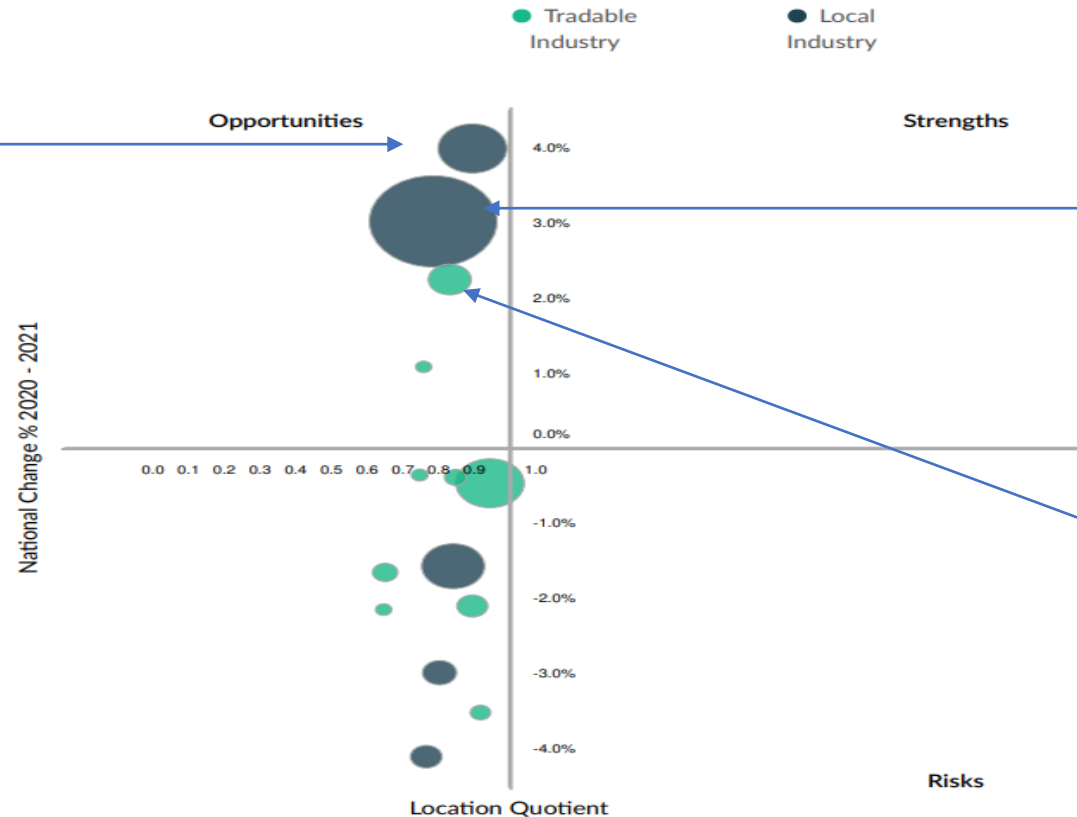
Total jobs: 13,398
Av. wage: 28,099
GVA: 3.66%

Health and Care

Total jobs: 28,108
Av. wage: 23,601
GVA: 5.59%

Civil Engineering

Total jobs: 6,889
Av. wage: 36,628
GVA: 4.23%



Swindon versus Wiltshire: Opportunities

| Swindon & Wiltshire (Opportunities) | Swindon | Wiltshire |
|--|-------------|-----------|
| Government | Opportunity | Strength |



Swindon & Wiltshire: Risks

Financial and Legal Services

Total jobs: 13,270
Av. wage: 43,967
GVA: 9.20%

Retail

Total jobs: 4,702
Av. wage: 15,782
GVA: 1.01%

Sports and Leisure

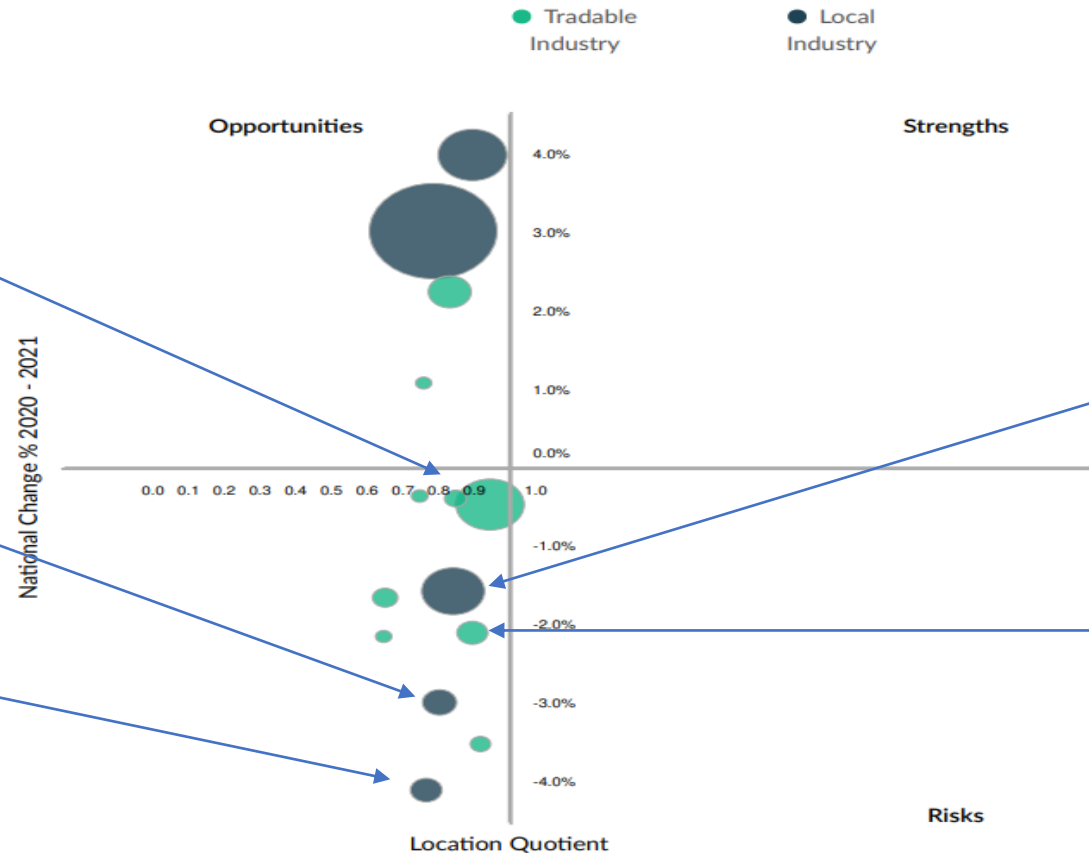
Total jobs: 4,109
Av. wage: 16,599
GVA: 0.89%

Personal Services

Total jobs: 11,920
Av. wage: 32,399
GVA: 3.11%

Production Technology

Total jobs: 3,888
Av. wage: 34,352
GVA: 1.67%



Jobs Financial and Legal Services Cluster



Swindon & Wiltshire: Risks

Household Goods and Services

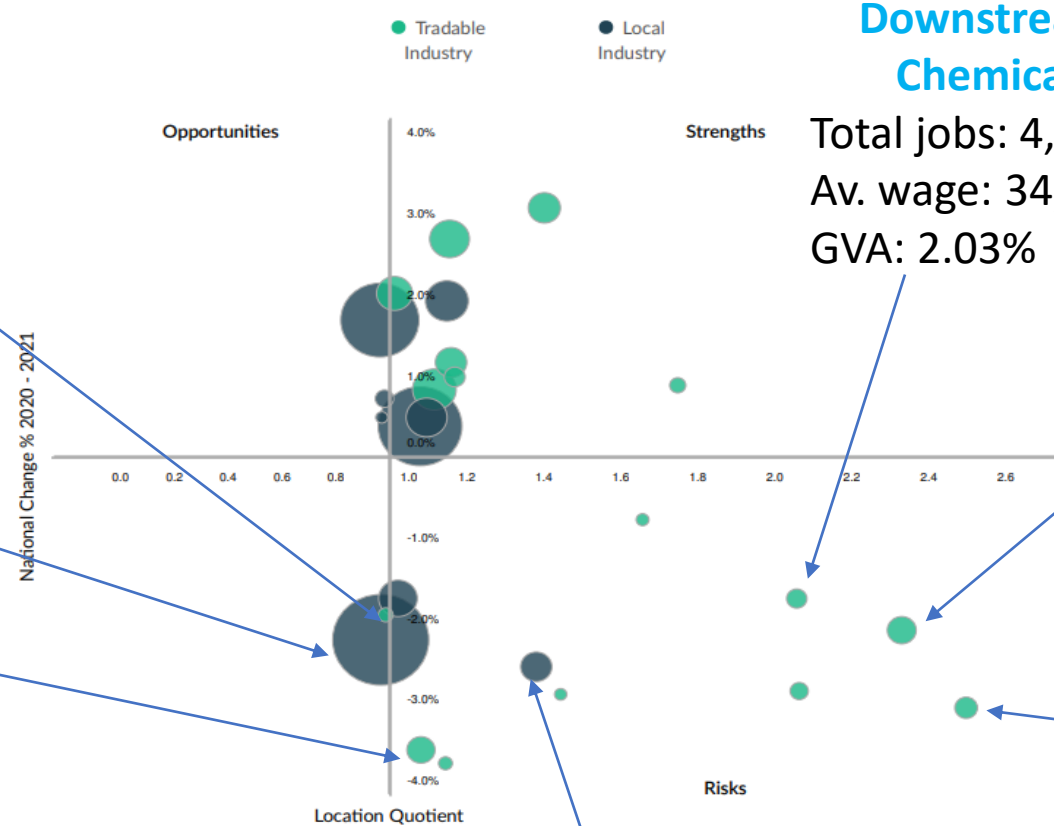
Total jobs: 10,532
 Av. wage: 20,995
 GVA: 2.65%

Food and Beverage

Total jobs: 30,252
 Av. wage: 15,256
 GVA: 4.61%

Visitor Economy

Total jobs: 6,911
 Av. wage: 18,816
 GVA: 1.71%



Downstream Chemical

Total jobs: 4,218
 Av. wage: 34,837
 GVA: 2.03%

Vehicle and Defence Technology

Total jobs: 7,177
 Av. wage: 37,817
 GVA: 3.19%

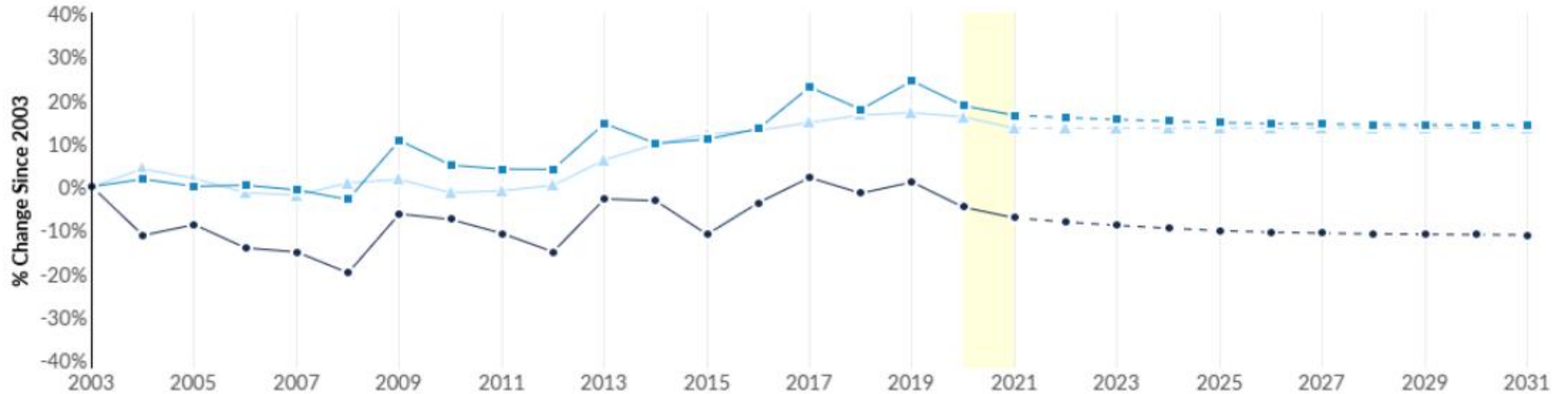
Appliances and Personal Goods

Total jobs: 5,010
 Av. wage: 30,118
 GVA: 1.74%

Automotive Services

Total jobs: 7,982
 Av. wage: 25,735
 GVA: 2.51%

Jobs Food and Beverage Cluster



Swindon versus Wiltshire: Risks

- Separating the two regions shows no disparities except for Financial and Legal Services

| Swindon & Wiltshire (Risks) | Swindon | Wiltshire |
|--------------------------------|---------------|-----------|
| Financial Legal Services | Risk/Strength | Risk |

Swindon & Wiltshire: complete picture

- In terms of the distribution of clusters there is an imbalance between risks and opportunities/strengths

