

An Economic Strategy for Swindon 2012 - 26

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ForwardSwindon

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Appendices

A1 - What the evidence tells us

A2 - Employment Growth Scenarios

A3 - Measuring Success

Draft v2 – new text on low carbon from Regeneris

Draft v3 – incorporates AW amends 200912 and text on rural economy (GP)

Draft v3a – amendments to 2.12 and 2.27 as per E Gee email 270912

1. Why Swindon Needs an Economic Strategy

- 1.1 This document presents a draft Economic Strategy and Action Plan for the Borough of Swindon. It captures the commitment of private and public sector stakeholders in Swindon to creating the conditions for a return to economic growth and to delivering changes in Swindon's economy that will benefit businesses, residents, the workforce and visitors over the next 15 years.
- 1.2 The need for an Economic Strategy and Action Plan is clear. At a time when private and public sector partners in Swindon face the twin challenges of recession and constraints on public sector funding, agreeing shared objectives and priority actions is the best way of ensuring that the Borough secures the maximum benefit from their investments. By setting out the Borough's economic priorities, the Strategy is also expected to shape the emerging Swindon Core Strategy: A Local Plan for Swindon, the long term spatial plan for the Borough that will guide the scale, type and location of future development.
- 1.3 Creating new jobs and businesses, developing the skills of its residents and ensuring many more young people are working in Swindon must be key priorities for the Borough. Its population has expanded significantly over the past decade. However, over the same period, employment has fallen. This means that Swindon needs to create many more new jobs simply to return to the employment levels it saw in the late 1990s and early 2000s. The implication of failing to generate new jobs is more residents who are without work, under-employed or commuting to other employment centres.
- 1.4 The main purpose of this document is to set out the practical measures that stakeholders will need to take to encourage recovery and a return to growth. In some cases, this means completing or building on activity that is already taking place. In other cases, it requires new ideas and new action. Some actions are identified as immediate priorities (1-2 years), while others are for the medium (3-5 years) or long term (5 years +). The emphasis is on actions that will deliver economic benefit, but that are also realistic and deliverable given the resources available to partners.
- 1.5 An emphasis on action that is practical, realistic and deliverable is important in challenging economic times. The aspiration behind the Strategy is that Swindon becomes a better quality place offering opportunities to all, while acknowledging the contribution a strong economy with high employment and reduced dependency can make to health and wellbeing in Swindon. Swindon Borough Council takes on Public Health responsibilities from April 2013 and this enables the Council as steward of the Economic Strategy to embed fully, consideration of health and wellbeing outcomes in the economic regeneration of the borough.
- 1.6 The Economic Strategy is underpinned by a vision of Swindon's economy in 2026, setting out how the Borough might earn its living, what will be driving economic growth and what it will be like to live, work and do business in the Borough.
- 1.7 The development of the Strategy and Action Plan has been overseen by a Steering Group comprising Forward Swindon, Swindon Borough Council and private sector representatives. A group of private and public sector stakeholders have helped to shape the priorities it

identifies during workshops in March and it will be further refined as a result of a consultation process during the autumn of 2012.

- 1.8 It is important that the Strategy and Action Plan is informed by evidence about Swindon's economic performance and prospects. Stakeholders have sought to understand where Swindon's strengths and weaknesses lie, the growth opportunities for the Borough and the barriers to growth that must be tackled. The key evidence is set out in Appendices.
- 1.9 A good strategy starts with a clear idea of where it is intended to end up. In economic terms this means establishing what the collective agreed level of ambition for economic growth for Swindon ought to be. This in turn will determine the action plan required to achieve the outcome sought. It is a difficult economic climate in which to establish a level of ambition for Swindon's economy over the next 15 years. It would be easy to be overly cautious and set a low growth target, but there is a risk that this becomes self-fulfilling. To have real traction a strategy must have strong backing and support from a wide range of stakeholders - they therefore must believe it can be achieved.
- 1.10 Even in stable and benign economic conditions, it is difficult to predict the scale or nature of future employment growth. However, Swindon clearly needs to stimulate and support an early return to employment creation. The priorities identified in the Economic Strategy and Action Plan are driven by the need to focus activities and investment where there is greatest potential to secure new jobs for the Borough. The evidence base (see Appendix 2) suggests a range of employment growth scenarios. This strategy and action plan proposes that Swindon aims for the higher growth scenario - to create 19,600 new jobs by 2026.
- 1.11 We are producing this strategy at a point in time. Investment, action, regeneration is happening now, established through previous strategies and policy direction, and more is planned. These existing plans are good starting points for the future so this strategy must ensure we deliver and build on them.
- 1.12 The following section sets out a view of what Swindon's economy could be like in 2026, in that sense it is the very heart of the strategy - it sets the desired level of ambition for economic growth and from it clear priorities for action actions can be drawn that will create the desired outcomes.

2. Swindon in 2026

- 2.13 The Swindon of 2026 has been transformed. It is regarded both inside and outside the Borough as a place of economic opportunity, having been amongst the UK's pacesetters in creating new jobs and growing businesses as the economy stabilised after the recession. Its reputation is as a place that designs, manufactures and innovates, giving Swindon a distinctive role on the M4 corridor and ensuring that the town is now much more widely recognised. At the same time, it is widely seen as a good place to do business, one in which large manufacturing and service sector companies rub shoulders with a thriving small business base.
- 2.14 The Borough has seen nearly 20,000 new jobs created at an accelerating rate over the past few years, putting it on track to recover much of the ground it lost during the 2000s. More of its residents are now in work, and fewer are having to commute out of the Borough to work elsewhere. Further investment in new housing has helped Swindon's see sustained growth in its population, with many working age people attracted to the town by new jobs and by high quality housing developments which have proved particularly attractive to younger buyers with families.

A Place of Opportunity for Young People

- 2.15 An economy which is creating an impressive range of new jobs and a much improved vocational education and training system with high levels of attainment in local schools and a responsive vocational offer has helped Swindon to make real progress in tackling youth unemployment, widely seen as its biggest challenge a decade ago. The youth unemployment rate has fallen well below the UK average, and surveys of young people are now more optimistic about their future prospects if they choose to live and work in the town. Action to assist young people to start new businesses has paid dividends, with a small but growing number of successful small businesses having started life in the borough. The mix is diverse, ranging from on-line gamers to market traders.
- 2.16 Backed by the successful Plan 500 initiative, which has consistently over achieved, employers report high levels of satisfaction with recruitment in the town, particularly of younger employees who are arriving with a combination of strong educational backgrounds and practical skills for work. Using Plan 500 as a platform, employer engagement in schools and colleges has steadily increased, building strong connections between young people and the world of work in 2026.
- 2.17 The link between Swindon's University Technical College and its higher education provision is working well, with young people offered clear pathways from school through the UTC and apprenticeships to higher level qualifications in a broad range of engineering and ICT disciplines. Vocational choices now have high status in Swindon, and have contributed to marked improvements in educational attainment amongst young people. Johnson Matthey's commitment to the University Technical College helped ensure that a significant proportion of its growing workforce lives in the Borough, a good indication of the progress that Swindon has made.

Innovative Higher Education Provision

- 2.18 The Swindon of 2026 is noted for the quality and flexibility of its higher education provision which is seen by employers as highly responsive to the changing needs of the economy and which are turning out graduates with practical and highly marketable skills for work. By working with a range of higher education institutions, Swindon College and New College, through an innovative partnership approach, the town offers aspiring graduates in the town a good range of practical course options tailored to the borough's established and emerging industries. Advanced engineering and digital technology courses have grown in popularity, as have the programme of courses in hardware and software development.
- 2.19 The development of higher education provision has helped to bring many more people into the town centre. Service businesses including retailers, bars, cafes and restaurants have seen big increases in trade, while the arena, theatre and new and improved arts venues in and around the town centre are widely used by students, other residents and visitors. The redeveloped Oasis and Regent Circus are also heavily used by students, helping to increase flow of people shopping and spending leisure time around the town. Daytime trading has improved, and the evening economy has also been given a real boost, with more residents of Swindon now choosing to spend time in the town centre.
- 2.20 With higher education fees and living costs continuing to rise, living at home and studying for a degree has become a popular and viable option. Swindon has benefited from this as fewer young people choose to leave the Borough to study elsewhere. The Borough has also seen a rising number of young people living in the surrounding areas of Wiltshire, Oxfordshire, and Gloucestershire choosing to study in Swindon.

A Higher Skilled, Higher Earning Population

- 2.21 Committed employers combined with flexible further and higher education have also helped to improve skill levels amongst Swindon's residents. The drive to promote the value of higher skills, retraining and education has paid dividends with high levels of demand across the town's further and higher education facilities from within the Borough. For adults looking to take higher level qualifications, Swindon is now well geared up to meeting the needs of mature students, and Swindon has moved up the skill rankings as a growing number of its residents enter higher managerial and professional jobs.
- 2.22 The bigger picture is that prosperity levels for the Borough's residents and its workforce have seen impressive rates of increase over the past decade. Swindon has seen the biggest percentage increase in average workplace earnings of any of the major employment centres on the M4 corridor, bringing the borough closer to the income levels of workers in places such as Reading and Newbury. For residents, the opportunity to secure higher paid jobs in Swindon and rising skill levels have also seen increases in average earnings. Fewer residents now have to work elsewhere, helping to reduce car travel and congestion across the area.

A Hub of Advanced Engineering & Technology...

- 2.23 Across the UK, Swindon is now seen as a cutting edge location for advanced engineering and manufacturing technology. Its automotive manufacturers continue to perform strongly, with Honda at the forefront of low carbon vehicle production and the BMW plant setting

new benchmarks for the use of technology in body manufacturing. The town has secured a steady inflow of businesses operating in the automotive supply chain, chiefly by offering the land and infrastructure which has proved to be an attractive location for companies looking to locate close to some of the town's main manufacturers. With a small higher education R&D facility on site, the town's Advanced Technology Park has helped Swindon capture new investment and expanding companies that might in the past have located elsewhere, including investment which has moved eastwards along the A420 and M4 corridor.

- 2.24 Swindon's success in automotive engineering is complemented by the strong performance of its ICT and electronics sectors. The town has gained a share of the lucrative mobile technology market as well as the applications industry, helped by the gradual emergence of the Advanced Technology Park and the Wichelstowe employment area as attractive locations for the ICT and business services sectors. Roll out of the UK's first 4G network a decade ago helped Swindon to build a small base of digital tech businesses from within town, with decisions to provide subsidised small office space in the town centre having proved a success story. The Borough has seen its infrastructure and services regularly upgraded with private investment, ensuring it remains at the vanguard of communications technology.
- 2.25 The town has secured an internationally recognised role as an important location for research, development and the production of hydrogen fuel cell technology, an integral part of low carbon automotive technology. With Johnson Matthey and Honda leading the way, Swindon now ranks alongside larger centres in the Midlands as a centre for excellence in commercial innovation and production in this sphere. The Borough's position in this sector has been helped by the commitment of public service providers and transport operators to use hydrogen fuel, testament to the success of the BOC-Honda-Forward Swindon initiative to establish the UK's first hydrogen fuel station. Potential investors in the Borough are able to see practical evidence of the use of hydrogen technology all around them, which in turn has helped to further raise Swindon's profile.

...but still a diverse, private sector led economy

- 2.26 Despite having further developed its reputation for advanced manufacturing technology, diversity remains a feature of Swindon's economy in 2026. The town's major service sector employers have chosen to maintain their headquarters operations in the town, fending off fierce competition for investment from overseas and continuing cost pressures. Financial and professional services remain an important pillar of Swindon's employment base, reflected in a recovering town centre office market and in the decision by an international engineering consultancy to set up a European HQ operation in new offices in Swindon. Employer surveys show that good progress has been made in enabling more recruitment of higher skilled and higher qualified employees locally, helping to reduce skills shortages.
- 2.27 Swindon's growing population has created new opportunities for businesses in the retail, leisure, ICT and private services sectors. New housing in the town centre and on the Borough's fringes has expanded the customer base across the town and helped both established and new businesses to generate increased trade. As the economy recovers, more residents are choosing to spend their leisure time in a regenerated Swindon centre which has also helped to create new jobs and businesses.

- 2.28 The Borough has good reputation as a place to start and develop a business. Working with enterprise companies in the Borough, Forward Swindon's 'One Team' approach has helped to bring much needed clarity to business support in the town, while Swindon Borough Council and other public sector partners are recognised in the business press for a 'can do' attitude to meeting the needs of employers. In part, this reflects the strong partnership between the private and public sector, with Swindon's business networking and enterprise support companies having worked constructively and collaboratively with public sector organisations in the Borough over a long period.
- 2.29 The town's planning system is highly flexible and responsive with businesses welcoming the speed and clarity with which decisions planning decisions are taken and communicated. An excellent range of commercial premises, including affordable facilities for new start businesses, coupled with an easily understood package of business support services, underpin the borough's success in this area. This business friendly approach means a growing numbers of residents have started their own enterprises. Initiatives to promote entrepreneurship help many residents previously unemployed to establish themselves in self-employed professions.
- 2.30 Swindon's rural areas are better connected to the urban centre both economically through exploitation of supply chain opportunities and local transport connections. The economy of the rural areas is more competitive with land based businesses being highly resource efficient and diversified.

Low Carbon Swindon

- 2.31 A decade of investment in local energy generating facilities means Swindon is now positioned as one of the UK's top low carbon economies as well as a town which can shout loud about the energy supply advantages it offers to business. Companies have bought into the low carbon vision for Swindon, and in doing so have benefited from stable energy costs and confidence about supply over a period when volatile energy markets have increased costs for many companies elsewhere. Its success in local energy generation coupled with the town's strengths in low carbon technology development and manufacturing have helped to create new jobs in a wide range of disciplines, and sustain many others.
- 2.32 The benefits of low carbon Swindon have extended to residents who have an extensive choice of energy sources within the town, while Swindon's district heating system is now regarded as an exemplar in the UK. The initiative has also provided the springboard for Swindon to lead the way in upgrading its housing stock to reduce domestic carbon emissions. The Borough is seeing a steady stream of visitors from other parts of the UK looking to learn from Swindon's innovative public-private partnership in this area.

A Revitalised Town Centre

- 2.33 Swindon's town centre has seen sustained investment in major projects that are making a real difference to the way it looks and works. Completion of the Regent Circus development breathed new life into the southern part of the town centre, including Victoria Road, the High Street and Wood Street, bringing much needed new trade and sparking new investment elsewhere in the area. Residents and visitors now have much better range of options for the evening, including places to eat and drink and new venues for arts and

cultural activities. The theatre has brought a greatly extended arts programme to the town, meaning the area around Regent Circus is often bustling at night with theatre and cinema goers. Improvements to Swindon station, better pedestrian connections across the railway to the Oasis area and a sustained programme of improvements in the town's public spaces have all helped to create a town centre that is easier to use and more welcoming. Across the borough, sustained efforts to improve its transport network have encouraged more people to use public transport, providing better access to employment areas and leisure facilities, and helping in the push to reduce carbon emissions from car travel.

- 2.34 Completion of the Union Square development has brought a good mix of offices, flexible workspace and a small amount of new retail provision to the town centre. As the economy stabilised, businesses have seen the benefits of the growing number of office workers based in the town centre as well as a growing population living in central Swindon. The good standard of design implemented in Union Square has been extended to other parts of the town centre, and retail businesses now see Swindon as a better investment proposition than was the case 10 years ago.

An Important Regional Leisure Destination

- 2.35 Swindon has carved out a role as regional leisure destination, providing both its own residents and those of the wider area around it with an interesting choice of facilities. The snow dome and the town's arena have proved popular additions, drawing substantial numbers of people – residents, students and other visitors into the town at weekends and in holiday periods. As the number of visitors increased, the Outlet Village benefited from new investment and has seen its market share expand. The arena has managed to mix shows appealing to a very broad audience with a selection of events with a niche audience. This has enabled it to steadily extend its programme over the year.
- 2.36 In turn, the influx of new visitors to Swindon has given well established attractions a boost. The Oasis leisure centre has secured further new investment as more people visit this area of town, with a steady flow of visitors crossing the railway to the town centre and back each day. STEAM has cemented its position as a museum which tells a good story about the area's rail history and provides a stimulating place to visit. The theatre and Arts Centre complex have helped to increase the range of cultural activities Swindon offers, and in turn have helped to expand its visitor base. For hoteliers in the Borough, there has been a welcome increase in the number of people choosing to stay overnight in Swindon and making return trips.

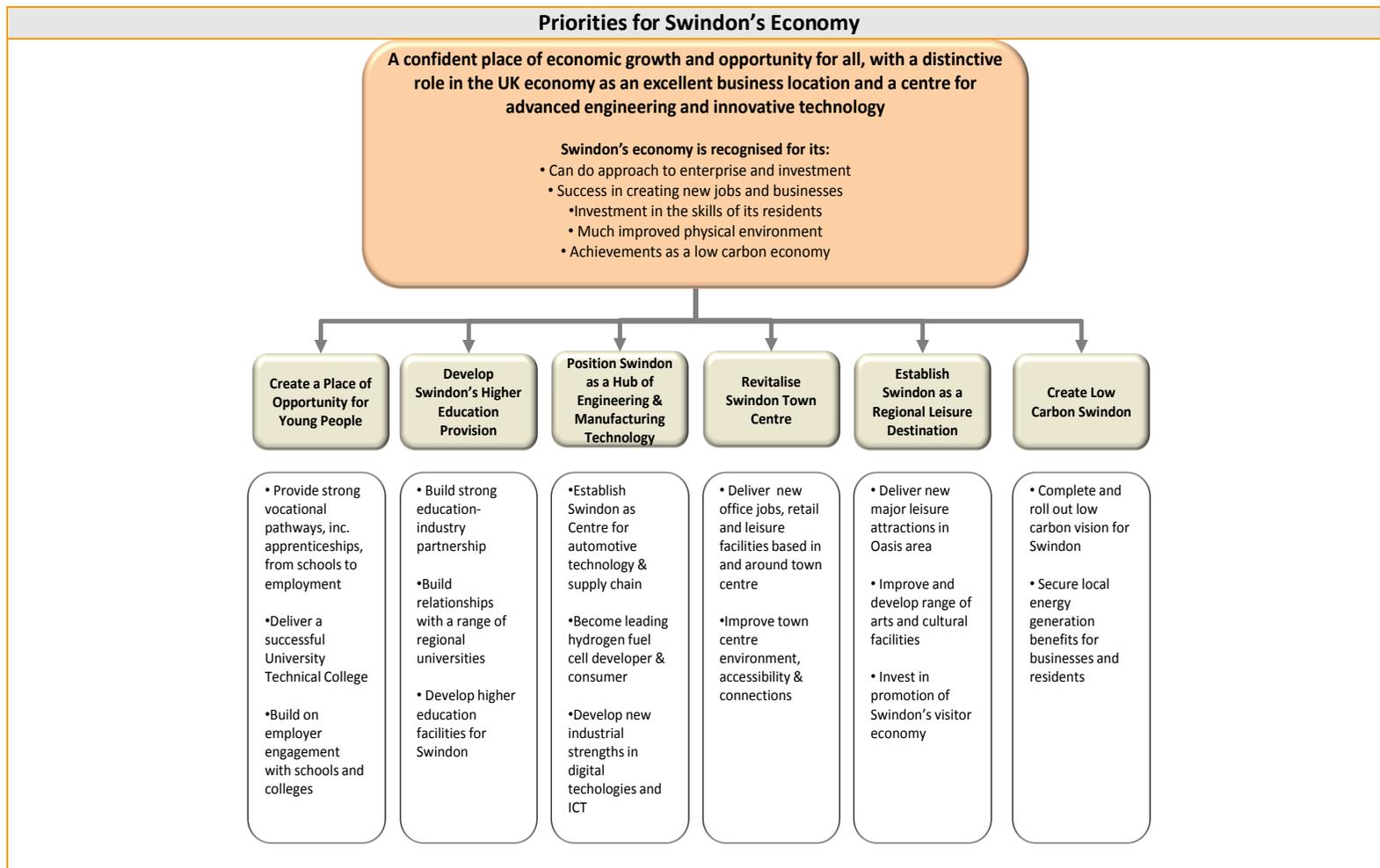
A Strong and Positive External Profile

The result of these changes is that the Swindon of 2026 is a place that is much more widely recognised and respected for its economic achievements. Inward investment promotion activity has once again become a success story as partners capitalise on its distinctive propositions to investors. The Borough's lead generation work has brought major new investments, with Swindon's competitive skills base, its open approach to businesses and its excellent location all cited as decisive factors in the final decisions of investors. For employers in the Borough, it has become easier to sell the advantages of Swindon to business partners and prospective employees alike. The range of good employment opportunities, its competitively priced housing and its strong travel to work connections

with the surrounding area are all playing a part in attracting new working residents.

3. Priorities for Swindon

3.37 To achieve our vision for Swindon, we have identified a series of priorities which provide a framework for action.



4. An Action Plan for Swindon's Economy

Principles of the Action Plan

- 4.38 To deliver change in Swindon's economy, public and private sector stakeholders have recognised the need to commit themselves to practical and deliverable actions in the short, medium and long term. In difficult economic conditions, and with constraints on the public and private sector resources available for investment, focusing Swindon's collective effort on a small number of key priorities is both critical and sensible.
- 4.39 For some actions, particularly those related to physical development, the end result must be visible changes in Swindon over the next decade. For others, especially those linked to the need to raise the aspirations of young people, drive down youth unemployment, raise residents' skill levels and create new economic opportunity, action is as much about cultural change in the Borough as it is about measurable results. The impacts of such actions could take a generation or more to become embedded in Swindon's economy, but they have to be seen as a vital part of Swindon's economic future.

Action Planning Process

- 4.40 In a difficult economic and funding climate tough choices are needed about where to invest to maximum effect, and will require strong leadership on the part of partners in the public, private and third sectors partner. To do this, we need to be clear about why the actions identified below are priorities.
- 4.41 The process started with a list of possible actions identified with stakeholders through workshops during 2012. An effective action plan draws together action that is already taking place, actions in the pipeline and good ideas for future action. This process identified a list of more than 70 actions, and provided a long list for the action plan.
- 4.42 The next step was to move from a long list to a short list of actions. Stakeholders recognise that the Borough cannot expect to deliver all the actions identified as important or desirable for Swindon's economy. This short listing process was based on an assessment of each action against these criteria:
- **Economic impact** – How would the action contribute to job creation and prosperity in Swindon? Would the economic impact of the action be direct or indirect? How substantial would its economic impact be?
 - **Funding** – Is the funding for the action in place? How realistic is the prospect of securing funding given the amount of resources required? Would the action represent good value for public or private sector investment?
 - **Deliverability** – How realistic are the prospects of delivering the action? Is it straightforward to implement, or will it be complex and difficult? How much progress has already been made?
 - **Enabling function** – If an action is about enabling change to take place, how critical

might be its contribution to this change?

Priority Actions

- 4.43 The result is a set of priority actions that stakeholders see as vital to achieving their aspirations for the Swindon economy of 2026. These actions relate both to the general needs of Swindon's economy and to the specific priorities identified with stakeholders. The short listing process has pointed to five specific actions which emerge as key priorities.

Create a Place of Opportunity for Young People

Objective: To maximise the effectiveness of the existing educational system in Swindon and improve and then maintain the attainment levels of young people within the system. To deliver a coordinated system for connecting young people in schools to further education, apprenticeships, training, employment and new enterprise opportunities. A key aim should be to create a high quality vocational track for young people which helps them to develop the skills required by employers and secure jobs. The aspiration might be to offer vocational pathways akin to those available in Germany.

Rationale: Public and private sector stakeholders regard this as a key socio-economic challenge for the Borough. Data point to Swindon's young people having experienced particularly sharp increases in unemployment during the recession. Sustained action to tackle this problem will have direct economic impacts (on the depth of the skills base and the labour force available to employers) and important indirect effects (on the incomes of young people and spending in town, on social cohesion). A strong vocational track from school-further education-employment will strengthen employability and aspirations amongst young people, and better enable employers to recruit in the town. Alongside these specific action areas, job creation in general will be critical to providing opportunities for young people in the long term. So too will support to enable some young people to start their own business in the borough.

Develop Higher Education Facilities for Swindon

Objective: To ensure that Swindon offers young people and its adult population a good range of options to study to degree level in Swindon, strongly linked to the Borough's current employment base and emerging industrial sectors. The aim is both to secure a higher skilled workforce living and working in Swindon, and to generate the benefits associated with students and graduates living and spending leisure time in and around the town centre.

Rationale: Stakeholders have consistently identified this as a top priority for Swindon's economy, for the benefits it could deliver to employers in terms of recruiting a graduate qualified workforce, its impacts on economic opportunities for residents of the Borough and the catalytic benefits of a student population for the wider economy of the town. Although it is clearly challenging to deliver, a dedicated town centre facility could be an important part of the solution to the problem of drawing much higher numbers of people to the town centre. Specialist HE facilities could be a pull factor in the development of an edge of town Advanced Technology Park, with a number of examples around the UK of HE institutions having established collaborative research centres in developments of this type.

Position Swindon as a Hub of Advanced Engineering and Technology

Objective: To establish the Borough as a hub of technology led advanced engineering on the M4 corridor. It should build on its established position as a location for automotive engineering and seek to develop an automotive supply chain in the Borough. It should also aim to capitalise on its strengths in advanced electronics and communications technologies, as well as the presence of research and development strengths in hydrogen fuel cell technology. Swindon should be looking to create and sustain jobs in the town as a result of action under this priority, and also to the role of these industries as productive wealth generators

Rationale: This priority reflects the twin need for Swindon to capitalise on its industrial strengths and ensure that it further develops its presence in knowledge intensive commercial activity. Productive industries (manufacturing and engineering) are seen as essential to the rebalancing of the UK economy towards the private sector, and to reduced dependence on service industries. With an established platform of automotive and ICT businesses, including large employers, based in the Borough, these two broad sectors provide the key building blocks for action in this area. Securing investment in the mobile communications and software development industries will be particularly critical, since these are expected to drive UK growth and Swindon should be aiming to capture a share of investment that will be generated around the greater South East and M4 corridor. However, the Borough also has strengths in emerging technologies (eg. hydrogen fuel cells), the potential to see spin out activity in other sectors (eg. pharmaceuticals, advanced electronics) and a comparatively high level of patent generating activity. These too provide important building blocks for the Borough's future role.

Revitalise Swindon Town Centre

Objective: To secure the delivery of the major town regeneration schemes that will deliver the maximum economic benefit to Swindon. The aim is to secure both direct economic benefits in the form of new jobs and business opportunities in Swindon, and to ensure that the town becomes a better quality place to live in and visit extending from the day to the evening and night time economy.

Rationale: The redevelopment of key town centre sites is a well established priority for Swindon and stakeholders have emphasised this strongly in preparing the Economic Strategy. Completion of the Regent Circus scheme, with the direct and catalytic effects this will deliver, Union Square developments which needs to bring new jobs and spending to the town centre and investment in Improved arts and cultural facilities are widely regarded as desirable by residents of Swindon, and could play a central role in transforming the evening and night time economy. The presence of students and graduates in the town would also help to underpin new business activity in this sector. In turn, major investments in the physical improvement of Swindon's central area would be expected to help unlock further private investment.

Establish Swindon as a Regional Leisure Destination

Objective: The delivery of major regeneration projects in the town centre should form part of action to establish Swindon as a regional leisure destination. This requires the delivery of new attractions on the Oasis site including a snowdome and arena facility, improvements to the town's arts and cultural facilities (including its museums and theatre) and new investment in visitor marketing. The aim should be both to attract more visitors (day and overnight stays) to the town and to generate higher levels of visitor expenditure in the town itself. Capturing the economic benefit of the Oasis development for the Town Centre to the south, will require the severance caused by the railway to be addressed.

Rationale: Business and public sector stakeholders recognise that Swindon is punching below its weight in capturing the leisure expenditure of its residents and those of the wider area in which it is located. New investment and proposed development in the Oasis area, together with improvements

to town centre arts and cultural facilities has to be seen as a springboard for the development of the town's visitor economy. This is about both making the most of exciting new leisure facilities and better connecting and marketing the range of attractions for visitors. Providing visitors with more options for spending time both within and outside the town has the potential to encourage more overnight stays and longer dwell time, both of which should benefit the town's hotels, retailers, restaurants, bars etc.. There is the potential for a substantial student market to use facilities of this type, and this further strengthens the rationale for investment in this area.

Create a Low Carbon Economy

Objective: To secure the benefits of a low carbon economy in Swindon by capitalising on the sectoral strengths in this area locally, meet a growing proportion of energy requirements from local low carbon sources, and secure a reputation as a place with an innovative and practical approach to energy provision and low carbon growth. To ensure that the benefits of low carbon energy investments extend both to businesses and residents of the Borough.

Rationale: Rising energy costs, energy security and CO₂ reduction are both challenges and opportunities for business growth and future investment, and will become increasingly important as fossil fuel costs rise. In this respect, the creation and safeguarding of employment could be a key outcome of action. There is appetite within the private sector in Swindon to invest in energy generation for business operations within the Borough, and recognition of the potential value of extending this to other businesses and residents. Stakeholders see low carbon energy as an important priority in its own right in meeting the challenges of global warming. It is also seen as a potentially significant competitive edge for its potential to help attract new investment to Swindon if lower cost energy becomes part of the Borough's proposition to businesses. Investment in green technology may in turn create the potential for Swindon to create engineering or and manufacturing employment.

- 4.44 The detailed action plan set out below brings together the priority actions for Swindon. It shows both the immediate/short term actions needed to make headway in delivering the key actions we have identified, and the medium/longer term actions that should follow.
- 4.45 In addition, the Action Plan identifies a series of cross-cutting actions, recognised by stakeholders during the Economic Strategy workshop, are critical to the delivery of these actions and to the future development of Swindon's economy more generally.

Priority	Key Actions	Impacts on the Economy	Responsibility	Timescale
Create a Place of Opportunity for Young People	Extend Plan 500 for Swindon	<ul style="list-style-type: none"> Improved skills and work readiness among young people (16-24) Significant reductions in youth unemployment, and higher employment Widened employer engagement in creating opportunities for young people 	Forward Swindon, Swindon Borough Council , Influence	Roll out from 1-2 years onwards
	Deliver a successful UTC for Swindon, embedding it into local education system	<ul style="list-style-type: none"> Strengthen Swindon's skills base in engineering disciplines Strong vocational path to employment for young people 	Oxford Brookes University, Johnson Matthey, Swindon Borough Council , Colleges	1-2 years onwards
	Develop and extend coordinated approach to employer engagement, with particular focus on schools and colleges	<ul style="list-style-type: none"> Further contribution to raising aspiration levels Identify skills requirements Reinforces employability of school and college leavers Strengthens skills base and enables employers to recruit more easily 	Colleges, GWE, Forward Swindon, Swindon Borough Council , Job Centre Plus, FSB, Chamber of Commerce	Immediate, ongoing
Develop Higher Education Facilities for Swindon	Build partnership with regional universities, Swindon College and New College to attract HE investment to Swindon	<ul style="list-style-type: none"> Builds on current activity to develop working relationship leading to university investment in the town 	HE Strategy Project Group, Swindon Council, Forward Swindon	Immediate, ongoing
	Engage employers in securing HE facilities	<ul style="list-style-type: none"> Prepares ground for HE facility, ensuring courses respond to needs of local employers 	HE Strategy Project Group, Swindon Council, Forward Swindon	Immediate, ongoing
	Develop a central HE facility close to town centre	<ul style="list-style-type: none"> Significant boost to Swindon's graduate labour supply Wider benefits to town through students living in town 	Forward Swindon, Swindon Borough Council , universities, colleges	5 years +
Position Swindon as a Hub of	Inward investment and promotional activity to position Swindon	<ul style="list-style-type: none"> Increases potential to bring new investment and jobs to Swindon 	Forward Swindon, LEP	1-2 years
	Carry out feasibility assessment	<ul style="list-style-type: none"> Prepare ground for possible investment to 	Swindon Borough Council, Key	1 year

Priority	Key Actions	Impacts on the Economy	Responsibility	Timescale
Advanced Engineering and Technology	of potential locations for automotive supply chain	co-locate supply chain with primes	Employers	
	Assess feasibility and potential locations of an Advanced Technology Park for Swindon	<ul style="list-style-type: none"> Key to identifying viability, potential locations, scale, type of development 	Swindon Borough Council , Forward Swindon	1-2 years
	Prepare development brief for an Advanced Technology Park	<ul style="list-style-type: none"> Enabling action to secure a site 	Swindon Borough Council , Forward Swindon	2+ years
	Deliver Advanced Technology Park	<ul style="list-style-type: none"> Provides location for inward investment and relocation Create conditions to increase employment 	Swindon Borough Council, Developer, Key Employers	5 years +
Revitalise Swindon Town Centre	Swindon Borough Council to review resources and assets to support delivery of key town centre regeneration projects	<ul style="list-style-type: none"> Enabling action to support prioritising of actions in Town Centre Masterplan 	Swindon Borough Council	Immediate
	Complete town centre masterplan process to provide adopted masterplan setting vision and priority actions for town centre. Commission next stage of more detailed development briefs for priority areas	<ul style="list-style-type: none"> Enabling action to identify investment priorities for town centre 	Forward Swindon, Swindon Borough Council ,	1 year
	Complete delivery of Regent Circus development	<ul style="list-style-type: none"> Secure enhanced retail and leisure provision Creates new jobs and business opportunities Provide catalyst for further development 	Ashfield Land (Developer)	Ongoing, with delivery complete in 1-2 years
	Develop public and civic space investment strategy for Swindon Town Centre, including connections to Oasis leisure area across the railway	<ul style="list-style-type: none"> Integral to town centre regeneration Catalytic effects on investment Capitalise on Oasis developments 	Forward Swindon, Swindon Borough Council	Immediate
	Develop and deliver arts and culture investment strategy for	<ul style="list-style-type: none"> Increased visitor numbers and spending, supporting new jobs 	Swindon Borough Council	Immediate start 2 years + to begin

Priority	Key Actions	Impacts on the Economy	Responsibility	Timescale
	Swindon	<ul style="list-style-type: none"> Enhanced quality of living environment for residents and visitor experience Raise profile of Swindon and increase confidence in town centre investment 		implementation
Establish Swindon as a Regional Leisure Destination	Develop a visitor economy strategy for Swindon	<ul style="list-style-type: none"> Enables resources to be prioritised and investment needs identified Ensures best use is made of new and improved facilities in terms of marketing to visitors 	Swindon Borough Council , Hoteliers, Leisure Facility Operators	1-2 years linked to development of new facilities
	Designate a visitor economy lead officer for Swindon to work with private and public sector partners	<ul style="list-style-type: none"> Provides dedicated resource to coordinate visitor economy related activity Helps to raise profile of visitor economy as key sector of Swindon economy 	Swindon Borough Council	1-2 years, linked to development of new visitor facilities
	Develop new leisure facilities in Oasis leisure area	<ul style="list-style-type: none"> Increased visitor numbers and expenditure in Swindon Supports new employment Raises profile & encourages further investment 	Moirai Capital, Forward Swindon, Swindon Borough Council	3-5 years for completion
Create a Low Carbon Economy	Complete & communicate low carbon economic vision & plan for Swindon, underpinned by public/private governance.	<ul style="list-style-type: none"> Enables vision to start to serve as framework for future planning and investment Links key areas which contribute to the low carbon vision such as higher education, transport, and planning, under common objective. 	Energy Partnership	Immediate
	Gear up planning system to support local energy generation projects and seek to secure quick win energy projects	<ul style="list-style-type: none"> Sends positive signals about private sector investment Facilitates developments that will help to support employment in Swindon Generates new business opportunities (planning, construction etc.) 	Swindon Borough Council, Energy Partnership	1-2 years (driven by low carbon vision)
	Benefits local businesses and residents connected to the network.	<ul style="list-style-type: none"> Starts progress towards a potentially significant source of competitive advantage for Swindon 	Energy Partnership, Swindon Borough Council	1-2 years

Priority	Key Actions	Impacts on the Economy	Responsibility	Timescale
		<ul style="list-style-type: none"> Benefits local businesses and residents connected to the network. 		
	Encourage Investment in low carbon technologies and research , particularly hydrogen applications tr.	<ul style="list-style-type: none"> Generates commercial activity in hydrogen fuel supply, with potential to support new employment Demonstrator effect for further investment, raising profile of Swindon's R&D and manufacturing assets 	Swindon Commercial Services, Transport Operators	1-2 years
Cross Cutting Actions				
Developing Residents' Skills	Extend and strengthen engagement between education institutions, training providers employers in order to raise attainment	<ul style="list-style-type: none"> Ensures skills & training provision responsive to employer needs and changes in economy (as far as possible) Reduces skills gaps and shortages Raises skill levels in Borough 	Colleges, Forward Swindon, employers, Influence , Voluntary and Community Sector	Immediate
	Sustain promotion of value of developing skills across the Borough	<ul style="list-style-type: none"> Raising aspirations of Swindon labour force Puts down marker about Swindon's commitment to skills development 	Forward Swindon, Swindon Borough Council, Voluntary and Community Sector	Immediate
Deliver Well Coordinated Package of Business Support	Establish current picture of business support provision in Swindon and identify key gaps	<ul style="list-style-type: none"> Basis for action to support new enterprise formation and existing businesses Assist in identifying possible funding sources and targeting resources 	Influence, Forward Swindon, GWE, Swindon Borough Council	1 year
	Review support for commercial innovation in Swindon, building on Local Development Orders and exploring potential for discounted business rates	<ul style="list-style-type: none"> Capitalise on strong record of generating patents Underpin shift towards more knowledge based commercial activity 	TBC	1 year
	Explore options for developing start up support provision	<ul style="list-style-type: none"> Addresses existing gap in provision Contribute to job creation and business formation 	Influence, Forward Swindon, GWE, Swindon Borough Council	1 year
Ensure High Quality	Secure investment to deliver infrastructure to support growth and tackle problems	<ul style="list-style-type: none"> Reduce costs to business of congestion Unlock new development sites Help attract investment 	Swindon Borough Council , Highways Agency	Ongoing
	Improve frequency and reliability of rail services to	<ul style="list-style-type: none"> Helps with inward investment pitch for Swindon 	Forward Swindon, rail operators	Ongoing

Priority	Key Actions	Impacts on the Economy	Responsibility	Timescale
Communications. Transport Infrastructure and Services	London and Heathrow	<ul style="list-style-type: none"> Reduces time (and cost) to business of travel 		
	Deliver high quality telecoms provision, including superfast broadband, 4G infrastructure and next generation services	<ul style="list-style-type: none"> Assists in attracting business to invest in the town Enables businesses to reach new markets Productivity benefits 	Swindon Borough Council , telecoms providers	Ongoing
Provide Right Mix of Land and Premises to Support Growth & Investment	Link site allocations and development priorities to economic strategy and key sectors	<ul style="list-style-type: none"> Encourages match between future development and priority sectors Tackles gaps in provision of sites and premises 	Swindon Borough Council ,	Ongoing
Identify New Investment to Support Swindon's Economy	Explore potential public and private funding sources and mechanisms to support priorities	<ul style="list-style-type: none"> Potential to provide financial backing to economic priorities Tackle gaps in funding provision 	Influence, Forward Swindon, Swindon Borough Council	Ongoing
Raise Swindon's External Profile and Promote Inward Investment	Develop a sector strategy focusing on key employment and growth sectors	<ul style="list-style-type: none"> Ensures best use of resources by targeting activity 	Forward Swindon	Immediate
	Build on new initiatives to develop inward investment strategy, propositions and activities	<ul style="list-style-type: none"> Contribute to capturing new investment Address negative perceptions of Borough as place to live and work 	Forward Swindon	Ongoing
	Resourced and joined up branding and marketing strategy for Swindon, covering all target markets (employers, employees, investors, visitors etc.) and both public and private sector	<ul style="list-style-type: none"> Enhanced reputation, generation of new visitors 	Swindon Council/Forward Swindon	
Deliver the Right	Provide the infrastructure to support housing growth for the economy	<ul style="list-style-type: none"> Ensures that population and labour force growth meet needs of economy 	Swindon Council	Ongoing

Priority	Key Actions	Impacts on the Economy	Responsibility	Timescale
Housing in the Right Locations	Encourage development of more family housing	<ul style="list-style-type: none"> • Supports growth and retention of working age population 	Swindon Council	Ongoing
	Continue to improve overall quality of housing stock	<ul style="list-style-type: none"> • Contributes to Swindon becoming a more attractive place to live and work • Responds to needs of current residents 	Swindon Council	Ongoing

Appendix 1 - What the Evidence Tells Us

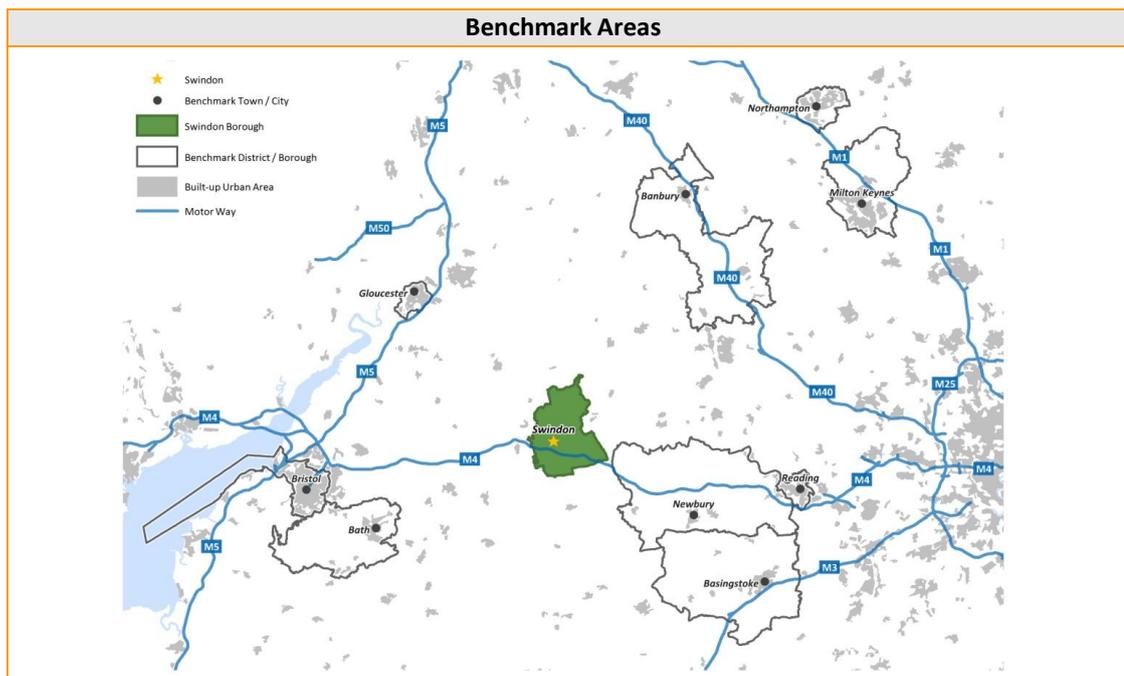
A1.1 This section summarises three key aspects of the evidence base for Swindon

- **Benchmarking** – Swindon’s performance has been compared to 10 locations around the M4 corridor and greater South East which might be regarded as competitors for future investment and growth in the UK and which provide useful benchmarks.
- **Barriers to Growth** – Private and public sector stakeholders have identified the barriers to employment and business growth that Swindon needs to address.
- **SWOT Analysis** – This draws together the evidence about Swindon’s performance and prospects, and has helped stakeholders to identify priorities and the actions that need to be taken.

Benchmarking Swindon

A1.2 Swindon’s future economic prospects will be partly determined by the share it captures of any future UK economic growth. In effect, it will be competing against other locations to secure new business investment and enable its existing businesses to expand.

A1.3 It is therefore useful to understand how Swindon’s economy compares on a series of indicators of competitiveness ranging from the skills of its workforce and the depth of its business base to the strengths of its infrastructure for business. Swindon’s performance on these indicators is ranked against that of 9 locations shown in the map below.



A1.5 The headline messages about Swindon's comparative performance are:

- Swindon continues to be a **productive economy** with one of the highest gross value added per capita figures amongst locations outside London. However, it has fallen behind Milton Keynes, Newbury and Reading and has seen growth slow significantly in the last decade compared to others.
- The borough has also seen **employment losses over the past decade**, a period when many comparator locations saw growth. Youth unemployment has become a particularly acute problem as recession took hold.
- The borough's resident **skills base is well matched to its current economy** in which manufacturing, logistics/distribution and consumer services play a large part.
- However, it is a **relatively lower skilled location**. Residents tend to have higher proportions of lower level skills and work in lower skilled occupations than other locations.
- The Borough is **well located**, with excellent access via road and rail to London, Heathrow, the Greater South East, the West Country and Wales.
- Swindon's excellent location also enables it to draw on an **extensive labour market** along the M4 corridor and Great Western rail route. In this respect, it should be well placed to capture a share of future economic growth in south east/south west England.
- It is a **cost competitive location** in which house prices are lower than many areas and which compares favourably to other locations in terms of commercial property prices.

A1.6 A summary of Swindon's performance on the key indicators is provided below.

Benchmarking Swindon – Positives and Negatives				
	Positives	Rank	Negatives	Rank
How competitive is Swindon's economy?	Strong productivity – GVA per capita £27,600	4 th	Low rate of GVA growth – 45% between 1998 and 2009	10 th
	Growing labour market – 13% population growth 1998-2009	2 nd	Loss of employment 1998-2010 of 9,000	10 th
	Innovation active – 14.9 patents per 100,000 population in 2010	1 st		
What is distinctive about Swindon's economy?	High ratio of private:public sector jobs which account for c.80% of employment	1 st	Low proportion (30%) of jobs in knowledge intensive sectors	8 th
	Strong manufacturing base (11% of employment) at a time when it is seen as key to rebalancing UK economy	2 nd	Low density of jobs (0.8) to working age residents	6 th
How dynamic is Swindon's business base?	High 1 year business start up survival rate (94.2%)	1 st	Low 5 year business survival rate (44.5%)	9 th
	High proportion of businesses with more than 50 employees (ie success in expanding)	2 nd	Low business start up rate – 34 per 10,000 population in 2010	9 th
How well is Swindon weathering the recession?	Reasonable performance in limiting business closures – 1.5% fall 2008-11	2 nd	Substantial loss of employment – 7,300 from 2007-10	9 th
			Significant youth unemployment – 6.9% claimant count in 2012	10 th
How strong is Swindon's skills base?	Middle ranking for residents in low skilled occupations	5 th	Low proportion of resident population in higher managerial and professional occupations – 26% in 2011	9 th
	Size of working age population in travel to work area compares favourably to Reading and West Berkshire (302,000)	NA	Low % of students obtaining 5+ GCE A*-C grades – 53% in 2011	7 th
How competitive is Swindon's infrastructure for business?	Competitive house prices – average £154,000 in 2011	3 rd	Significant contraction in industrial floorspace between 2000 and 2012 – fall of 13%	8 th
			Weakest performance in terms of commercial office floorspace developed between 2000 and 2012 – loss of 3%, implying an ageing stock	10 th

Barriers to Growth

A1.7 Private and public sector stakeholders have identified a series of barriers to growth, reflecting the challenges of running and business, living and working in Swindon, and their expectations about future challenges the Borough needs to tackle.

Issue area	Barriers to growth	How growth is impeded
Skills & Education	<ul style="list-style-type: none"> • Outflow of young people to universities • High proportion of lower skilled people in resident labour force • Skills shortages for specific industries • High rate of unemployment among younger people 	<ul style="list-style-type: none"> • Employers forced to draw from wide area for graduates/higher skilled • Reduces attraction to investors seeking higher skilled labour • Hampers expansion of businesses if they are unable to recruit • Economic and social costs of youth unemployment & under-employment
Innovation, R&D	<ul style="list-style-type: none"> • Lack of significant higher education presence in Swindon • Private sector R&D activity concentrated in relatively small number of firms • Tough business climate for SMEs to invest in innovation • Reduced public sector resources available 	<ul style="list-style-type: none"> • Limited potential for local businesses to interact with university sector • Constraints on pool of innovation active companies, in turn reducing potential to for high value commercial innovation • Competition for scarce resources is now stiffer
Land & Property	<ul style="list-style-type: none"> • Recession & credit crunch have reduced potential for new commercial development • Availability of sites and premises to attract investment and enable the growth of existing businesses • Weak town centre office market 	<ul style="list-style-type: none"> • Missed opportunities to secure new investment and enable expansion of businesses • Knock on effects on town centre regeneration resulting from weaknesses of office market
Other infrastructure	<ul style="list-style-type: none"> • Transport infrastructure pinch points and enabling infrastructure • Limited public sector investment available 	<ul style="list-style-type: none"> • Delays or restrictions on ability to expand business sites and premises • Difficult to assemble resources for infrastructure projects
Image & Positioning	<ul style="list-style-type: none"> • Negative image or lack of awareness of Swindon • Low profile as a place to visit, only partly related to its leisure offer 	<ul style="list-style-type: none"> • Difficulties for employers to attract recruits to Swindon • Town is failing to capture the full potential of leisure and business visitor markets
Quality of Place	<ul style="list-style-type: none"> • Retail and leisure facilities in need of redevelopment and new development • Ensuring Swindon continues to provide right mix and volume of housing 	<ul style="list-style-type: none"> • Town does not capture full potential of resident and visitor expenditure • Hampers efforts to strengthen image and profile of Swindon, deterring investors, workers and visitors • Town might fail to attract and retain labour force with the right mix of skills if housing and lifestyle offer does not match requirements
Business Support	<ul style="list-style-type: none"> • Fragmentation of business support post 2010 and limited resources available 	<ul style="list-style-type: none"> • Particularly difficult for new start ups to access the support they require, leaving untapped potential for new enterprise

SWOT Assessment

A1.8 The combination of evidence about Swindon's comparative performance and the views of stakeholders about its economy are drawn together in this SWOT assessment. It highlights where stakeholders see the key opportunities for Swindon's economy, and where action needs to be taken.

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • Maintaining strong productivity performance (GVA per capita) • Location of Swindon - M4 corridor, A417/M5, proximity to London • Diversity of business base and sectors represented in economy • High proportion of private sector employment • Low proportion of public sector employment means more resilience to public sector austerity measures • Strong manufacturing base • Presence of HQ functions in a broad range of sectors including ICT, financial services, insurance, business services and manufacturing • Relatively cost competitive, offering lower than average house prices and mid range commercial property prices • Proximity of scientific research assets (eg. Oxford University, Porton Down) and presence in town (Research Councils, TSB) 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> • GVA growth has slowed over last decade relative to competitor locations • Higher than average proportion of residents with low qualification levels • High level of youth unemployment • Town centre in need of significant regeneration • Limited range of good quality cultural and leisure assets drawing visitors to town and providing facilities for residents • Rising outcommuting may reflect lack of suitable employment in town • Lack of awareness or negative image of Swindon externally • Absence of a significant HEI presence • Weak commercial office market, particularly in town centre • Unreliable journey times and price of rail services • Slow and infrequent rail link to Heathrow • Distance from neighbouring cities and towns means Swindon isolated
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • Expanding population, with forecasts for a growing working age population • Delivery of major regeneration projects – Regent Circus, Oasis, Union Square • Potential to draw additional visitors and generate additional visitor spend • UK initiatives to develop indigenous supply chain for automotive industry • Rising labour costs in China, India etc. has potential to make Swindon a more competitive manufacturing location • High level of patent activity in Swindon points to potential to generate more commercial innovation, building on base in automotive, ICT, electronics, pharmaceuticals • Investment in green energy infrastructure, low carbon transport and local energy generation • Western access to Heathrow and electrification 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • Major employers in globally competitive sectors makes Swindon vulnerable to recession impacts including closures • Double dip recession and weakness of recovery is broader threat to Swindon's business base and ability to create and sustain jobs • Progress of competitor locations on M4 corridor and home counties, capturing limited pool of major commercial investment • Failure to develop more knowledge intensive business activity • Failure to deliver major regeneration projects • Lack of suitable sites and premises to underpin expansion of economy including offices, logistics and distribution • Lack of public sector resources available to support infrastructure development, business support, regeneration

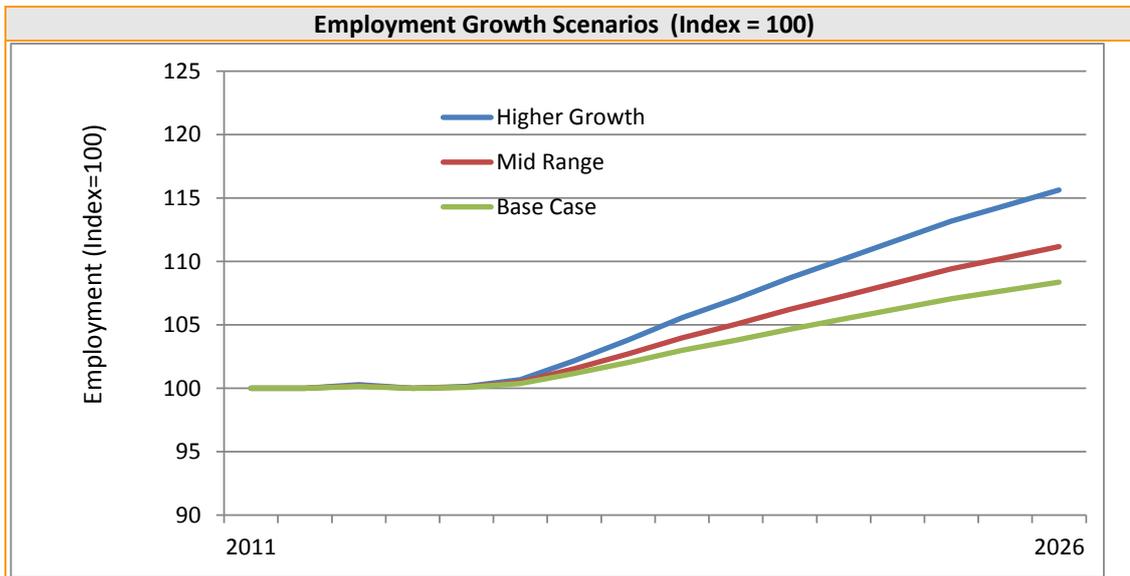
Appendix 2 - Employment Growth Scenarios

The Need for Employment Growth

A2. Work on the Economic Strategy evidence base has pointed to three growth scenarios:

- A **Base Case** scenario in which Swindon achieves a level of employment growth that is consistent with national and regional forecasts, and which reflects expectations about a recovery of the economy that is likely to be slow to arrive and modest in scale. This suggested employment growth of around 10,500 net new jobs to 2026.
- A **Higher Growth** scenario in which the pace and extent of Swindon's recovery outstrips that of other locations and the UK as a whole. In this scenario, nearly 20,000 net new jobs would be created in Swindon by 2026.
- It is also sensible to consider a **Mid Range** scenario, which would represent net employment growth of around 14,000 jobs.

A2.1 Given the depth of the current recession, a return to employment growth is likely to be slow to emerge and the trajectory of growth in the three scenarios is shown below.



A2.2 While a range of 10-20,000 net new jobs in Swindon by 2026 may appear ambitious in the current economic climate, there are a number of issues for partners to consider in setting their aspirations for growth:

- The **Base Case** scenario would see employment in Swindon return to a level not much in excess of total employment in 2001.
- Even the **Higher Growth** scenario would see net employment growth of only 12,000 jobs over the 2001 level.

A2.3 Swindon saw its working age population grow by 15,000 during the 2000s, in a period when employment in the Borough fell. New jobs are therefore needed to enable Swindon to provide opportunities for residents who may currently have to work outside the Borough, or who are under-employed or unemployed. Although the amount of new housing the Borough will aim for from 2012-2026 is yet to be determined, new residents will create demand for services such as schools, health care, retail and leisure. In turn, this will lead to the creation of new jobs, meaning that some employment growth will occur regardless of what happens in the UK or international economy.

A2.4 The key point is that Swindon needs to set its sights on employment growth. Modest growth would enable it to regain ground lost during the 2000s. A higher growth target would mean offering a wider range of employment opportunities to people living and working in the Borough, helping to re-establish its reputation as a dynamic and expanding economic centre.

Drivers of Growth

A2.5 Future employment growth in Swindon will be driven by a number of sectors of the economy. For some sectors, growth will be determined by the ability of Swindon to capture a share of future growth in the UK, particularly in industries that would be expected to invest in the greater South East and M4 corridor. This is about outward facing sectors whose prospects are tied to trading in the UK and internationally. In other sectors, growth will be driven by the demand from residents of Swindon as the population of the town expands, or by additional visitors creating higher demand for services.

Key Sectors for Swindon	
Sector	Drivers of Growth
Business, Professional and Financial Services	<ul style="list-style-type: none"> • Swindon's location on M4 corridor • Availability of good quality land & premises • Strong expansion of sector expected in UK • Established business and employment base
Tourism & Leisure (Hotels & Catering)	<ul style="list-style-type: none"> • Potential of town to become regional leisure destination • Well established as a location for business trade • Strong population growth generating more expenditure
Logistics & Distribution	<ul style="list-style-type: none"> • Excellent location on M4/A417 intersection with excellent market reach • Well established centre for the industry with wide range of premises available and right skills base
Information & Communications Technology	<ul style="list-style-type: none"> • Potential for Swindon to capture bigger share of UK growth in sectors such as mobile communications, software development • Competitive land and property offer and scope to accommodate new investment and expansion (eg. Advanced Technology Park) • Established presence in some sub-sectors (eg. mobile telecoms) and major employers (eg. Intel)
Manufacturing & Advanced Engineering	<ul style="list-style-type: none"> • Growth in low carbon technologies and engineering • Strong commercial engineering and manufacturing base (automotive, electronics)
Retail & Private Services	<ul style="list-style-type: none"> • Population growth will generate new demand for services • Potential to be important source of new business formation
Health & Education Services	<ul style="list-style-type: none"> • Growing population will generate additional demand for services • Potential for enhanced higher education provision in the town

Low Carbon Economy

A2.6 The increase in fossil fuel costs and a raft of legislation, regulation and taxation measures have driven up the cost of carbon based forms of energy. This will lead to a shift towards a “low carbon economy” across the UK and elsewhere, impacting on all sectors of the economy and forms of economic activity to some degree. The pressure to reduce carbon based energy consumption globally, the rising cost of energy and the development of new low carbon technologies will be reflected in the way businesses operate. These carbon reduction effects will impact Swindon’s economy in three main ways:

- The rapid pace of change in low carbon technologies, goods and services will create some **opportunities for entirely new economic activity and employment**. In some instances, Swindon-based firms will have the potential to capture a share of growth where there is an established base in Swindon or the potential for a competitive edge. The development of hydrogen fuel cells is a good example of a technology in which Swindon has the potential to see employment growth linked to its more widespread use as a power source in motor vehicles. The extent of these opportunities is largely a product of the business and technology base of Swindon’s businesses and their success in investing in the new opportunities. These opportunities are often seen as the key elements of the low carbon economy, but in truth they are but one part.
- Other parts of Swindon’s economy will be significantly affected by the welter of change in the move to low carbon economy. Businesses which are particularly energy hungry relative to output (eg. manufacturing) will face rising costs and the imperative will be to become more energy efficient and diversify into alternative energy sources (which may be generated locally). The automotive sector and the logistics and distribution sectors are good examples of industries whose core products and services are already increasingly integrating low carbon technologies. Other industries (such as construction) will see similar shifts in terms of the goods and services they produce and skills needed. This effect of the low carbon economy is not necessarily to produce new business opportunities and employment, rather it represents the need to adjust and adapt to change.
- Finally, many parts of Swindon’s economy will only be modestly affected - as energy and fuel costs are a relatively low proportion of total GVA. This is true for many service sector activities. For example, we would expect the effects of the low carbon economy to be comparatively limited in the hotel and catering sector, although rising travel costs are likely to affect inbound business and consumer preferences may shift increasingly to “green tourism”.

A2.7 At this point in time it is difficult to estimate the scale of the impacts the move to a low carbon economy is likely to have on Swindon’s key business sectors. The table below gives an indicative picture of how different business sectors might be affected. The number of stars gives an indication of the likely scale of the opportunity or effects.

Potential Impacts of the Low Carbon Economy on Swindon's Key Sectors			
	Impacts on existing business activity	Potential for additional employment opportunities	Nature of Impacts
Business Services	★	★	Some impacts on existing business as energy costs rise. Potential for Swindon to capture investment in services to low carbon economy (eg. technical consultancy).
Banking & Insurance	★	★	Limited impacts on current businesses, chiefly through cost pressures as energy prices rise. New employment opportunities limited.
ICT	★★	★★	ICT will have important roles to play in energy management, and low carbon energy generation, creating opportunities for existing and new business in Swindon.
Hotels and Catering	★	★	Impacts from rising energy prices on business costs. New job opportunities probably minimal.
Logistics & Distribution	★★★	★★	Significant impacts already evident as warehousing operations and vehicles adapt to need to reduce carbon emissions and energy costs. Some new employment opportunities likely from investment in more efficient distribution operations.
Automotive	★★★★	★★★★	Industry already substantially affected as low carbon technology integrated into vehicle production. Potential for significant new employment linked to production of new low carbon vehicles, components and fuel.
Electronics	★★	★	Sector will see some impacts from rising energy costs. Possibly some potential for new employment linked to use of electronics in new forms of energy management and production.
Pharmaceuticals	★	★	Some impacts on costs of doing business, but probably little direct employment opportunity from low carbon economy.
Retail	★★★	★	Industry is feeling impacts of rising energy costs on existing operations, including movement of goods. Shift to on line retail in part driven by need to reduce costs. Little scope for new employment opportunities.
Construction	★★★	★★	Sector already substantially affected by low carbon economy, both in terms of need to integrate technology into buildings and impacts of rising energy costs. Some job opportunities will also be linked to drive for lower carbon construction in Swindon and surrounding areas.

Source: Regeneris Consulting

APPENDIX 3 - Measuring Swindon's Progress

A3.1 It is important to capture the impacts of delivering the Economic Strategy and Action Plan for Swindon. It should be expected to help create the conditions for a range of positive impacts including new employment, new business creation, increased value added and new commercial development. Capturing and communicating progress highlight where Swindon has been successful and where further action may be required.

A3.2 To measure progress, Forward Swindon and Swindon Borough Council will agree a mechanism by which progress will be reported against a range of indicators. Which indicators are to be used and how progress is to be reported will be determined once the Economic Strategy has been formally adopted by Swindon Borough Council and its partners. However, the range of indicators could include:

- New jobs created
- New business formation – New start ups, business survival rates
- Gross Value Added (GVA) – Absolute and percentage change
- Quantity of employment land developed
- Quantity of new office floorspace developed – Sq m
- Quantity of new industrial and warehousing floorspace developed – Sq m
- Quantity of retail and leisure floorspace developed
- New national or international inward investments – Absolute number
- Youth unemployment rate – Percentage fall
- Economic activity – Employment rate, unemployment rate
- Commercial innovation – New patents registered
- Visitor numbers – Increase in day and overnight visitors (percentage and absolute)
- Visitor expenditure – Estimated increases in visitor expenditure
- Salaries – Change in median salary levels
- Performance against competitor locations – GVA increases, job creation, business formation

Acknowledgement:

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