

Swindon's Economic Strategy

Growing the Economy Overview & Scrutiny Committee

Date: 29th June 2016

Author: Interim Director Economy, Skills & Property Development
Wards: All
Locality Affected: All
Parishes Affected: All

1. Purpose and Reasons

- 1.1 The purpose of the report is to provide an overview of the current Economic Strategy and review current progress for 2016/17 to inform the development of the Committee's Work Programme.
- 1.2 The report also provides a summary of the delivery arrangements for the strategy across SBC and Forward Swindon Limited (FSL) and outlines the role and priorities of the Swindon and Wiltshire Local Enterprise Partnership (SWLEP).
- 1.3 This report supports the Council priorities: Priority One: Improve infrastructure and housing to support a growing, low-carbon economy and Priority Two: Offer education opportunities that lead to the right skills and right jobs in the right places

2. Recommendations

The Committee is recommended to:

- 2.1 Note the information on the overview of the Economic strategy and the review of progress.
- 2.2 Identify and agree items and priorities for the Work Programme aligned to the strategy moving forward

3. Overview of current strategy

- 3.1 The Economic Strategy outlines 6 priorities as follows:

1	2	3	4	5	6
Create a place of opportunity for young people	Develop Swindon's HE provision	Position Swindon as a hub of Engineering & Manufacturing Technology	Revitalise Swindon's Town Centre	Establish Swindon as a Regional Leisure Destination	Create a Low Carbon Swindon

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3.2 The strategy outlines a number of cross cutting themes including:

- Develop well-co-ordinated Business Support
- Raise Swindon's external profile and promote Inward Investment

The priorities in the Economic Strategy – what are we aiming to achieve?

4. **Create a place of opportunity for young people.** This work stream includes ensuring young people are able to access high quality appropriate learning and work at age 16-18 and where appropriate, progress to Higher Education. Securing a high quality apprenticeship is important to long-term career prospects for young people. However it is also important for businesses to grow the skills of their workforce. SBC is working with employers and training providers in partnership to communicate the benefits of apprenticeships and to make it easier for them to recruit apprentices. We have delivered an annual successful 'Jobfest' event for the last two years. We are on track to meet the objective of increasing apprenticeships from 676 businesses in 2014-15 to 956 businesses in 2019/20 (Pledge 18). The Council was successful in securing funding for a new University Technical College (UTC) which opened in September 2014.

4.1 **Develop Swindon's HE Provision.** Only 27% of Swindon's school leavers enter HE, compared with 37% nationally. Relatively few Swindon residents have degree level qualifications which mean that businesses in Swindon currently employ 4,000 graduates who live outside of the town. Looking forward, forecasts suggest that businesses will need 30,000 more graduates and fewer skilled manual workers to 2036. There is already unmet need for higher level skills in Swindon, and this need will increase over the next 20 years.

The Council has a pledge to develop a range of options to improve access to Higher Education in Swindon (Pledge 19). To help us deliver this pledge, we have recruited a part-time HE Project Manager who will work with existing colleges and other providers to encourage increased delivery of higher education within Swindon. However to deliver the anticipated step-change in higher level skills (there is current unmet need of around 700 students per annum), it is envisaged we will need to attract a new HE provider to Swindon. Officers have submitted an outline business case to help fund the refurbishment of office accommodation for use as an HE centre and will seek a partner to deliver more higher education outcomes.

5. **Position Swindon as a hub of Engineering & Manufacturing Technology.** In its work to promote Swindon as a centre for excellence in Hydrogen Technology, Swindon is a lead partner of the Hydrogen Hub which has a varied membership from the large business and SME community and promotes commercial applications of hydrogen in the form of cars, buses, forklift trucks and stationary

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applications e.g. combined heat and power units. This work aims to increase Swindon's competitiveness by lowering energy costs of businesses, driving supply chain development in this new technology and lowering emissions to improve air quality in the town. Swindon is working with Wiltshire through the LEP to co-ordinate a High Value Manufacturing Network, identifying sector specific activity to ensure the sector can thrive and grow in the area.

6. Revitalise Swindon's Town Centre

- 6.1 **Swindon's Town Centre Masterplan** (2013) sets out a Vision and outline plan for redevelopment of the town centre. This has already delivered some great results including the expansion of the Swindon Designer Outlet and the Regent Circus shopping and leisure centre. The 2008 recession made it difficult to attract investment across the UK and had a long lasting impact over a 5-year period. Since 2013, the economy has recovered and Swindon has an opportunity to secure private sector investment again.
- 6.2 Following the Cabinet decision in December 2015, FSL will continue to lead on **town centre regeneration** in collaboration with Council officers. The masterplan delivery plan is designed to transform Swindon town centre over the next 5 years and the summary can be viewed [here](#). In summary, a key objective of the Delivery Plan is to change investors' perceptions, via a series of catalytic projects and a clear narrative that indicates what the future will be like, in which they can clearly envisage growth taking place. It is proposed to focus on:
- Improvements to public realm
 - Unwinding of vehicle domination to improve accessibility and connectivity
 - Re-animation of key elements of Swindon's cultural heritage (with a particular focus on the Railway Quarter)
 - Accelerating key projects (like Kimmerfields) by transforming Fleming Way
- 6.3 Establishing a new **Museum and Art Gallery (SMAG)** in Swindon has been a long-established priority for the Council as outlined in Pledge 21 in the Council's 2016 Vision for Swindon. Swindon's larger employers believe that improvements in the evening entertainment offer will make it easier to recruit and retain skilled employees and graduates in particular. It is also likely that improvements to arts and culture within Swindon will make it easier to attract new businesses to the town which will, in turn, improve the prospects for wider town centre regeneration.
- 6.4 Responsibility for delivering the SMAG rests with the newly created SMAG Trust and project Director, working in partnership with the Council and FSL to secure

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the wider 'cultural quarter'. The Council have pledged £5m capital funding over a 3-year period to help the SMAG Trust achieve its objectives.

7. Establish Swindon as a Regional Leisure Destination

- 7.1 **North Star and Oasis Leisure Development.** The Oasis Leisure Centre is now at the heart of a 40-acre North Star development area. The project is an important part of the transformation of Swindon's central area, and includes the refurbishment of the existing Oasis Leisure Centre, and the expansion of leisure choices to include a range of activities not yet seen in Swindon. Moirai Capital Investments (Swindon) Ltd, new owners of the site, are working in collaboration with Swindon Borough Council, and the project is managed by Forward Swindon.

8. Create a Low Carbon Swindon

- 8.1 Swindon is working to establish a national and international reputation as a centre for sustainable technologies and the Council is developing low carbon schemes which will generate significant revenue for the Council, through business rate retention and inward investment. The Council has a target to produce 200 MW of renewable energy in Swindon by 2020. Pledges exist to put solar noise barriers on the M4 at Wichelstowe and other sites, to build and operate solar farms on Council-owned land and to install solar canopies on car parks and other available sites. On June 30th the Common Farm Solar Scheme will begin generation, which is the UK's first Council owned Community Interest Company funded by debenture bonds. The Council has matched £3m funding to the £1.8m raised by the community and profits will fund community interest projects. The Council has commissioned a study (that was match funded by the Department for Energy and Climate Change, DECC) to develop a heating and cooling network on the North Star site.

Cross Cutting Themes

9. Inward Investment

- 9.1 Forward Swindon Limited (FSL) lead on attracting new businesses to the borough (this is termed "inward investment"). Swindon has a large number of companies that have chosen to locate their headquarters in the town, and it has the UK's highest concentration of foreign owned businesses including: Honda, BMW, Dynamatic Technologies Ltd, Patheon, Cisco, INTEL, Handelsbanken, Catalent, Swindon's future economic success is largely dependent on the extent to which we are able to attract more businesses to the borough. Swindon has the UK's 7th largest automotive engineering cluster, measured in employment terms, and the 9th largest pharmaceutical manufacturing sector; which is very impressive considering Swindon is one of the smallest unitary authorities (ranking

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113th in the UK in terms of its' population size). We aim to build on these 'unique' selling points to attract more businesses of this calibre.

10. Supporting our existing businesses to grow

- 10.1 Small and medium sized enterprises are the life blood of an economy. Swindon's future employment growth will largely be driven by the rate of growth of its' existing businesses. Swindon and Wiltshire have managed to secure £15.5m European funding (European Regional Development Fund or ERDF) to be spent supporting businesses in three main ways:
- Encouraging innovation
 - Improving SME Competitiveness
 - Encouraging investment in Low Carbon.
- 10.2 This funding will support businesses who wish to start exporting, or to support advanced manufacturing businesses, to encourage more business innovation and to encourage business investment in low carbon projects. In addition, Swindon and Wiltshire are working together to establish a business Start Up and Growth programme.
- 10.3 Recognising the importance of supporting businesses in Swindon, in December 2015 Cabinet approved growth funding for the recruitment of a new officer and apprentice to help support our existing businesses to grow and expand and to encourage new businesses to start-up. We are working with a number of existing businesses to encourage their growth and development. We aim to support 50 businesses per annum and to increase employment by 200 employees.

Development of the new Swindon Economic Strategy Work Programme

11. It is proposed that the current strategy is refreshed and the evidence base moving forward to 2036 strengthen. The new strategy would set the framework for Swindon's growth over the next twenty years and will include an evidence base and delivery plan.
- 11.1 Swindon and Wiltshire are working together on the evidence base from which we will develop Swindon's Local Plan to 2036 and Wiltshire's Core Strategy to 2036. This will include the Strategic Housing Market Assessment and Functional Economic Market Area Assessment. Nationally, the economic landscape has changed since 2011 with much more impetus around the Local Enterprise Partnerships that were established around 2010. In addition, the refresh of the Swindon employment land needs assessment is likely to identify a need to allocate new employment sites.

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11.2 The Economic Strategy will identify Swindon's economic priorities and set the framework for our growth ambitions through to 2036 and will be supported by a 3-year action plan. Swindon's Economic Strategy will not be 'owned' by the Council, rather, ownership will rest with all agencies, partners and businesses in the borough and this document will communicate Swindon's economic ambitions to the outside world. It is therefore essential that officers devote significant effort and time to engage members, all council services and the business community over the next 18 months.

12. An outline of the work of the Swindon and Wiltshire Local Enterprise Partnership (SWLEP)

12.1 Across the UK, central government has been channelling increasing funding via Local Enterprise Partnerships for economic development. SWLEP, which is a partnership involving officers from Swindon and Wiltshire, with leadership from the business community and both local authorities, have been successful in attracting large amounts of funding to accelerate economic growth. SWLEP funding streams include:

- Local Growth Fund (LGF) – A grant system launched by the Department for Business, Innovation and Skills in conjunction with Department for Transport and now on its third round, the LGF has supported projects that will encourage economic growth through homes, jobs and skills. From Rounds 1 and 2 Swindon has been awarded almost £100m for infrastructure projects to support New Eastern Villages (Pledge 13) and Wichelstowe (Pledge 14), M4 junction improvements, Swindon Bus Exchange (Pledge 11) and the Local Sustainable Transport programme to name a few. Officers have been preparing business cases in preparation for the next round of LGF projects including: Swindon HE centre, Swindon Museum & Art Gallery, Kingsdown Bridge and funding to improve pedestrian and cycling links across the railway line (Pledge 6) Infrastructure loan funding is also available in the form of Growing Places Infrastructure Fund which will help to accelerate projects.
- European Social Investment funding (ESIF) – Swindon and Wiltshire have managed to secure around £35m funding for projects that will support skills, business growth, encouraging innovation and enabling low carbon projects.

13. Resourcing and delivering economic development in Swindon

13.1 In December 2015, Swindon Borough Council made the decision to continue to fund FSL for a further two years and that it should focus upon the regeneration of Swindon Town Centre and to lead on inward investment. It was also decided that Swindon Borough Council's Economy team should focus on setting the

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strategic direction for the Economy function, managing the relationship with SWLEP, ensuring that the skills of residents match the needs of businesses, and supporting businesses (both start-up and existing). There is also a fundamental shift away from the direct commissioning of FSL by the Economy team towards a more collaborative, partnership approach.

- 13.2 The proposed allocation of responsibilities between the Council and FSL is set out in the table below.

Swindon Borough Council	Forward Swindon Limited
<u>Purpose</u> Sets the economic strategy, undertakes a range of delivery responsibilities including business support, skills development and developing Higher Education provision. Drives a consistent narrative and approach across the economic growth agenda, which includes town centre regeneration.	<u>Purpose</u> Brings the capability to deliver major regeneration projects including innovative partnerships with developers and inward investment to Swindon town centre. Delivers the Town Centre Masterplan (not including the Swindon Museum and Art Gallery).
<u>Responsibilities</u> <ul style="list-style-type: none">• Business Support• Relationship Management to businesses outside of the town centre• Relationships with the LEP• Skills – raising participation, route to employment (including apprentices) , routes to employment to Higher Education (HE) and routes for supported employment - HE provision, matching skills with business needs• Place marketing	<u>Responsibilities</u> <ul style="list-style-type: none">• Delivery of Town Centre Regeneration – implementing the Masterplan including assisting with the Swindon Museum and Art Gallery• Bid development for the town centre with the LEP and others• Inward investment including relationship management for those businesses related to town centre regeneration• Town centre marketing
<u>Shared Accountabilities</u> <ul style="list-style-type: none">- Agreed and consistently projected shared overall economic narrative and evidence base for Swindon- Clear lines of communication and signposting between teams- Clear process for sharing performance reporting and management information relevant to the overall programme to enhance Swindon's economic growth- Clarity of intention of how we jointly use and participate in the LEP and other partnerships	

14. Alternative Options

- 14.1 This paper provides an overview of the key programmes of work in the Economic Strategy to inform the work of the Committee moving forward. The Committee will identify other information and approaches moving forward.

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15. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

15.1 None arising from this report.

Legal and Human Rights Implications

15.2 Not applicable.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

15.3 Not applicable.

Diversity Impact Assessment

15.4 A diversity impact assessment was carried out for the Economic Strategy.

Risk Management

16. Consultees

16.1 The Board Director, Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

17. Background Papers

17.1 Not applicable.

18. Appendices

18.1 None.