

Swindon Borough Council Update on Swindon's Economic Strategy 2016-36

Growing the Economy Overview and Scrutiny Committee

Date: 1 February 2017

Author: Corporate Director of Economy, Regeneration & Skills

Wards: All

Locality Affected: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 This report is in response to a request from Growing the Economy Overview and Scrutiny Committee to report on progress to date in respect of Swindon's Economic Strategy, and to give an update on the production of a revised Economic Strategy over the longer timeframe 2016-36.

2. Recommendations

The Committee is recommended to consider and feedback on the emerging objectives and actions, and to make suggestions in respect of SMART outcomes:

3. Detail

Swindon's Economic Strategy

- 3.1 Members are referred to the [June](#) and [September](#) committee papers for the update and progress report on the Swindon Economic Strategy 2013 which set out the work programme.
- 3.2 Swindon's Economic Strategy Vision reads:
- 3.3 *"By 2036, Swindon will be the UK's most innovative, productive, fastest-growing city, and will grow sustainably by upskilling our workforce to enable our businesses to compete, whilst enhancing residents' quality of life."*
- 3.4 The strapline to sit alongside the vision is "**Accelerating Swindon's Growth Potential**" as this reflects our status as one of the UK's fastest growing cities. To date our growth has been predominantly around housing, but in the economic strategy, we articulate our intent to grow the economy to match housing growth. This will become more important as the authority becomes more dependent on business rates as a form of income.
- 3.5 The four key themes associated with the Economic Strategy are Business Growth, Land and Infrastructure, Town Centre Regeneration and Education and Skills. The associated aims are:-
- To grow the economy, strengthen and diversify the business base and create jobs through the development of a business support & inward investment service that encourages innovation and exporting

For more information on this report, contact TGodfrey@swindon.gov.uk

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- To enhance Swindon's competitive position as one of the UK's most productive economies by providing the conditions to attract investment, accelerate housing delivery and create high value employment
 - To create a fast growth high value economy by improving education outcomes and upskilling our residents to enable our businesses to grow and compete
 - To enhance the attractiveness of Swindon as a place to live, visit and do business in through delivering transformational change in the town centre including significant improvement to the leisure, cultural and evening economy
- 3.6 Whilst not an explicit 'theme', one of our cross-cutting objectives is to make Swindon a more inclusive place, with reduced worklessness and associated improving health and well-being outcomes.
- 3.7 The strengths, weaknesses, opportunities and threats provide a summary of the comprehensive evidence base that is being developed through the Joint Strategic Needs Assessment (JSNA) for each theme (see Appendix A). The evidence base will be taken through the rigour of the JSNA process over the next few weeks with an aim of publishing in the spring 2017.
- 3.8 The draft aims, objectives and actions are set out in Appendix B. We are asking for the Committee to consider, and put forward outcomes that are SMART: Specific, Measurable, Achievable, Realistic and Time-bound. When making recommendations on outcomes, Members should also consider the outcomes and indicators that the council are already committed to. Appendix C summarises the associated outcomes for the corporate dashboard pledges and goals.
- 3.9 Following this Committee meeting, suggested outcomes will be considered by officers when developing the Economic Strategy in consultation with the cabinet member for Economy.
- 3.10 The following consultation programme is proposed:

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Swindon's Economic Strategy Work Programme	
Milestone	Start and Finish Dates
Evidence gathering	Oct 2015 – Autumn 2016
Engagement	July 2016 – February 2017
First draft	Late February 2017
Public consultation	March 2017 – April 2017
Final draft	May 2017
Sign off by members and publish	June 2017

4. Engagement Plan

- 4.1 Cabinet members for Economy, Planning and Highways have been briefed throughout the programme. Businesses were engaged throughout the production of the Economic Strategy (2012-26) and, as a result, officers will engage the business community in a light touch way.
- 4.2 Officers are consulting businesses in the following way:-
1. We presented the Economic Strategy Vision, Aims and Objectives at an INFLUENCE meeting in October 2016 and captured feedback from twenty of our largest businesses.
 2. We plan to present at the launch of the 'Switch onto Swindon' campaign on 24 January 2017, where it is expected that over two hundred businesses will be represented.
 3. We will hold a workshop for business-support providers in February 2017 to explore how we can work together to grow the economy, strengthen and diversify the business base and create high value jobs; as well as increasing the number of business start-ups and improving survival rates.
- 4.3 The Economic Strategy refresh also gives us the opportunity consult with national Government departments, Swindon and Wiltshire Local Enterprise Partnership (SWLEP), neighbouring local authorities and our fast growth city partners (Oxford, Cambridge, Milton Keynes and Norwich). We have had initial meetings with Department for Business Energy and Industrial Strategy (BEIS), the Department for International Trade (DIT) and Homes and Communities Agency.

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5. Public Consultation

- 5.1 The engagement plan schedules a full public consultation on the draft Economic Strategy from March to May 2017. This will give people opportunity to comment on a limited number of questions as it will have followed wide engagement with businesses. There are a number of advantages to wide public consultation, not least that it will help to promote Swindon as a great place to do business, allow us to showcase Swindon's aspirations, and encourage businesses to get in touch with the economy team.
- 5.2 When we consult, it is important that we engage in a way that encourages the fullest possible participation from all members of society and does not discriminate against any of our population, particularly those protected characteristics. We will develop an online consultation pack and encourage businesses and residents to review and feedback and to get in touch with us using printed and social media. However and we will also hold face to face consultation sessions in community venues such as the libraries. We will promote the consultation using our community action groups such as the Equality and Access Group, Older people's networks and Inter-Faith forum.

6. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 6.1 The report does not include any direct implications.

Legal and Human Rights Implications

- 6.2 The report does not include any direct implications.

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

- 6.3 The report does not include any direct implications.

Diversity Impact Assessment

- 6.4 A diversity impact assessment will be carried out to ensure that we do not discriminate against any of our protected characteristics and encourage full participation in the consultation on the Economic Strategy.

Risk Management

- 6.5 The evidence base underpinning the Economic Strategy has been subject to the rigour of the JSNA process; and is compatible with the economic evidence base underpinning the Swindon and Wiltshire Local Enterprise Partnership's Strategic Economic Plan. The Economic Strategy has been developed in partnership with the business community, with significant input from the Cabinet Member for

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Economy and from Overview and Scrutiny Committee. It will also go through Cabinet and full Council.

7. Consultees

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

8. Background Papers

- 8.1 Swindon's Economic Strategy 2012-2026 – available on request.
- 8.2 Economy and Scrutiny Report on the EU – available on request

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9. Appendix A - Strengths, Weaknesses, Opportunities and Threats for each theme

Business and Enterprise SWOT:	
Strengths	Weaknesses
<p>Dominance of larger, 'HQ' businesses</p> <p>UK's highest concentration of foreign owned enterprises</p> <p>Diversified economy, dominated by private companies (low reliance on public sector)</p> <p>Innovative economy (high employment in 'knowledge intensive businesses')</p> <p>Innovative financing of energy generation</p>	<p>Low number of businesses per head of population</p> <p>Volatile employment – high level of exposure to global recessions</p> <p>Low business birth rate</p> <p>Business survival rates poor (beyond year 3); made worse because of low business base</p> <p>Lack of co-ordination of inward investment and business support infrastructure</p>
Opportunities	Threats
<p>Recent growth in Swindon's business base -</p> <p>Fast growth sectors include: banking and professional services, business administration and HQs, scientific and technical (pharmaceuticals), digital economy</p> <p>Presence of Innovate UK, Research Councils UK, Hospital Trust with growth aspirations</p> <p>Recent investment in business start-up / incubator facilities</p> <p>Recognised international brands which provides a draw for other companies</p> <p>Council's property investment programme supporting business growth</p> <p>Capitalise on employment growth plans of existing businesses and provide recruitment solutions that could be targeted to address worklessness</p> <p>Hydrogen hub in Swindon seen as a hub for the early adoption of hydrogen technology</p>	<p>Employment in the manufacturing sector, nationally is in decline (due to automation and off-shoring)</p> <p>Shortage of high quality employment land and 'freehold' options</p> <p>Need for 'grow on' space for expanding businesses</p> <p>A high proportion of existing industrial stock needs investment / regeneration</p> <p>Businesses report difficulties in recruiting and retaining staff due to poor town centre offer, and wage inflation in Swindon (twice national average) suggests employers are having to increase salaries to attract high calibre staff</p> <p>Risks associated with Brexit significant (strong manufacturing base, high concentration of foreign owned businesses, high dependence on exports)</p> <p>Uncertainty of future funding for business support, both locally and nationally</p>

Land and Infrastructure SWOT:	
Strengths	Weaknesses
<p>Easy access to strategic road [M4 / A419] and rail networks</p> <p>Frequent rail services to London, Bristol and South Wales</p> <p>Good level of car parking within the town centre</p> <p>Strong commercial bus network within the town</p> <p>Compared to nearby authorities, Swindon has the largest stock of offices; factories and warehouses</p> <p>Council's innovative planning framework (e.g. use of LDOs) to encourage businesses to consider</p>	<p>North south links are weaker, with poorer connectivity and transport links. There is no direct rail connection to Oxford</p> <p>Peak period traffic congestion on major routes</p> <p>Poor connectivity on some corridors [North East to Oxford, South to Dorset / Hampshire]</p> <p>Employment areas (on 50 sites) around town makes public transport planning challenging</p> <p>The last significant office development was in 2009</p> <p>A lower than average number of properties with superfast broadband access compared with the national average.</p>
Opportunities	Threats
<p>Electrification and new trains on GW mainline – quicker and more frequent rail services to London and South Wales</p> <p>Western Rail Link to Heathrow – improved access to international gateway</p> <p>Rail service options linked to CrossRail, East-West Rail, and Swindon – Gloucester</p> <p>Improved highway network capacity arising from current investment programme</p> <p>Better bus services – Rapid Transit and Bus Exchange</p> <p>Evolving technology in transport – vehicles, information and management systems</p> <p>Demand for office space is rising and rents have risen to £18psf (still significantly less than other southern cities)</p> <p>Industrial space has decreased during recent years BUT demand is strong</p> <p>Need to reallocate new strategic employment sites</p> <p>Council exploring options for heat networks on large new urban developments</p>	<p>Housing growth, combined with increased resident out-commuting; and in-commuting (for highest skilled jobs) are increasing congestion on road network</p> <p>Skills shortage to deliver new infrastructure [Hinkley C / HS2 / Heathrow demand]</p> <p>Capacity constraints on GW Mainline</p> <p>Lack of resource funding for sustainable travel initiatives, asset management or ITS systems</p> <p>Lack of funding to maintain the transport network</p> <p>Lack of funding to invest in car parks</p> <p>Lack of employment sites for larger inquiries (100,000 sq ft+), and freehold options in particular</p>

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Education and Skills SWOT:

Strengths	Weaknesses
<ul style="list-style-type: none"> Rapid population growth over past 4 decades– earns us a reputation as one of the UK's fast growth cities "Full Employment" rate and low unemployment levels Forecast suggests steady employment growth Diversified economy, strong private sector employment base with sector strengths in advanced engineering, financial services, science & technology, digital Apprenticeship volumes are increasing NEET/Participation outcomes for 16/17 year olds above national average and improved transition in 2016 Strong Skills and Employment Partnership with key stakeholders including employers 	<p>National concerns raised by OFSTED about Swindon schools (November 2016)</p> <p>Percentage of residents with higher level skills below average and they are less likely to be in professional and managerial roles</p> <p>Educational outcomes at 16 and by 19 are rising but are below average</p> <p>Low levels of progression to HE amongst young people and the percentage studying at level 3 (A level or equivalent) progressing is well below national average</p> <p>Swindon imports 4,000 graduates to meet business need</p> <p>Unemployment in our most deprived wards is high (Penhill, Parks, Walcot)</p> <p>Evidence of low aspirations and preference for work rather than education</p> <p>No University in the LEP area with a comprehensive HE offer.</p>
Opportunities	Threats
<p>Planned 'high quality' housing growth to attract residents with higher level skills</p> <p>Skills – number one priority in the LEP Strategic Economic Plan</p> <p>Skills focus for LGF3 Funding</p> <p>Post 16 Review – opportunities for LA/LEP to work strategically with providers.</p> <p>ESIF funding and Higher Futures Programme – to address workforce skills gaps and higher level skills</p> <p>Significant HE funding to raise aspirations and improve progression to HE</p> <p>HE Strategy – strong partnership and high levels of funding to work with 14-19 year olds on raising aspirations</p> <p>National Skills Plan and Apprenticeships levy – improve technical pathways. Work route to high level skills popular.</p> <p>Swindon Challenge – approach to improving educational attainment</p>	<p>Forecast strong demand for higher level (graduate) skills over the next ten years</p> <p>Impact on below average educational outcomes</p> <p>Perception of Swindon as a place to work and live to attract skilled workforce.</p> <p>Perception of Swindon's educational provision</p> <p>Impact of workforce skills on competitiveness and on inward investment</p> <p>Raising aspirations – require significant intervention over a long period.</p>

Town Centre SWOT:

Strengths	Weaknesses
<p>Affluent demographic catchment – Wiltshire, Cotswolds, Oxfordshire</p> <p>Large town centre with good representation from national multiples</p>	<p>Competition from out of town retail centres</p>
<p>Total expenditure in the town centre increased by 25% between 2009 and 2016, faster than the rate of inflation</p>	<p>Poor perception of Swindon town centre, particularly by employees of our larger business</p>
<p>Strong 'heritage' offer: railways engineering, Railway Village Outlet Centre, good health & leisure facilities</p>	<p>Need to improve the retail 'food and beverage' offer in the town centre and the evening economy, and particularly the cultural offer</p>
<p>Footfall has been increasing over the last two years, due partly to a strong events programme. INSWINDON BID Co. provide additional resources targeted at improvements to the town centre</p>	<p>Retail vacancy rate is higher than UK average, and concentrated level of vacancies in Fleet Street / Bridge Street area</p>
<p>Competitively priced office space compared with neighbouring areas along the M4 corridor (Bristol, Reading)</p>	<p>Loss of office stock in recent years due to permitted development rights resulting in urgent need to expand supply</p>
Opportunities	Threats
<p>Improve heritage and linkages to Old Town and Outlet Centre to encourage more spend through linked trips</p>	<p>Ongoing threats from internet shopping, out of town centre developments</p>
<p>Retail and leisure needs assessment identified scope to improve the retail offer through quantitative and qualitative measures e.g. increasing independent retail and leisure businesses</p>	<p>Road congestion and circulating traffic around town centre</p>
<p>Town centre masterplan 5-year delivery plan focuses investment in railway quarter and improvements to Bristol Street Tunnel to attract office occupiers to Kimmerfields. This will increase daytime population to the benefit of retail and leisure businesses in the Town Centre.</p>	<p>Diminished stock of high quality office space in town centre</p> <p>Image, perception safety/security – lack of attractive shops / cafés</p> <p>'Clone' town</p>

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Appendix B – Worklessness in most deprived wards

Table B.1 shows worklessness in our most deprived wards. In Swindon, worklessness varies from 23.5% in Penhill to 2% in Ridgeway. There are over 3,500 people out of work in our top 4 wards. This gives very powerful rationale for focussed policy intervention with the aim of reducing worklessness in these wards. Growing up in a workless household will affect future and lifetime poverty, according to a recent study from the ONS.¹

Table B.1 Worklessness by ward

Ward	Nos	%
Gorse Hill and Pinehurst	880	14.3
Parks	1125	19.2
Penhill	825	23.5
Walcot	650	14.5

Source: DWP Benefit Claimants Working Age Client Group, May 2015

While worklessness rates will inevitably rise and fall over time depending on overall economic conditions, it should be noted that the top 4 wards in Swindon with the highest levels of worklessness have remained the worst performing areas in the borough over the past decade (see table B.2). This provides us with compelling evidence for active labour market intervention. These wards also suffer from the most extreme deprivation across all indices (health, income, social mobility); evidence suggests that tackling worklessness should have a direct bearing on all of these issues

Table B.2: Wards with highest proportion of benefit claimants in SWLEP area, May 2005 and 2015

¹ <http://visual.ons.gov.uk/how-do-childhood-circumstances-affect-your-chances-of-poverty-as-an-adult/>

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	Rate May 2005	Rank		Rate May 2015	Rank
Penhill	26.6%	1	Penhill	23.5%	1
Parks	22.8%	2	Parks	19.2%	2
Walcot	17.9%	3	Walcot	14.5%	3
Gorse Hill and Pinehurst	14.3%	4	Gorse Hill and Pinehurst	14.3%	4
Central	11.8%	5	Toothill and Westlea	10.4%	5
Source: DWP Benefit Claimants Working Age Client Group, May 2015					

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Appendix C - draft aims, objectives and actions for each theme

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Appendix D – existing corporate dashboard indicators for goals and pledges

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Appendix E – INSWINDON BID Co. Outcomes (2012-17) and Business Plan for 2017 – 22

The INSWINDON Bid Co. has just ended its second term, and is in the middle of a reballot. If the majority of businesses in the town centre vote in to renew the Bid Co., then they will enter their third term based on the business plan