swindonwiltshire
Local Enterprise Partnership

APPENDIX 1 STRATEGIC ECONOMIC PLAN

SWINDON AND WILTSHIRE GROWTH ZONES: AN ECONOMIC OVERVIEW

JANUARY 2016

Using our unique physical location in Southern England to create wealth,

jobs and new business opportunities

Skills and talent	*Transport infrastructure*	*Digital connectivity*	*Place shaping*	*Business development*

CONTENTS

List of Figures

INTRODUCTION

This report gives an economic overview of Swindon and Wiltshire as background to the 2015 Strategic Economic Plan (SEP). It sets out information on how the economy has been doing since the 2014 SEP was adopted and also sets out economic data on the three Growth Zones identified in the refreshed SEP published in 2015: Swindon-M4 Growth Zone; A350 Growth Zone and Salisbury-A303 Zone.

How are we doing?

We know how well we are doing because we compare the economic performance of Swindon and Wiltshire with its benchmark group[1]. The Swindon and Wiltshire economy has performed well with the number of businesses in the area growing by 7% between 2011 and 2014. This was largely due to growth in micro and small businesses whereas our large business base and associated employment has shrunk. We therefore need to ensure that the right environment is in place to sustain our existing business base as well as attract new investment.

Business density is a reflection of enterprise and Swindon and Wiltshire out-performs the national average (35 per 1,000 residents) but there is room for improvement compared to our benchmark group where we sit at the bottom (38 per 1,000 residents). Setting the right physical and support infrastructure in place will therefore be key to improving our position.

Businesses survival rates are strong and Swindon and Wiltshire has the highest 5-year survival rate amongst our peers at 69% and it is appreciably higher than the national average.

We are a productive region although there are variations across the SWLEP area and GVA growth has been slowing compared to our peers. GVA per hour worked stands at £33.80 in Swindon and £30.20 in Wiltshire compared to the UK at £30.10. Through skills development and focussing on our priority actions, we need to increase our productivity growth rate to maintain an above national average position.

Unemployment fell to 4.3% between April 2014 and March 2015 from a high of 7.3% for the same period 2012-2013 and our Job Seekers Allowance Claimant Count fell to just 0.8% in June 2015. This trend is reflected in the overall growth in the total number of employees between 2011 and 2014 but the growth in part-time employees has been stronger than full time employees which raises the risk of in-work poverty for some of our residents. The creation of additional full time and high value employment opportunities will be important now the economy has come out of recession and we focus on growth.

We are well on our way to achieving our goal of meeting the need for 30,000 additional workers with an emphasis on higher qualifications by 2020. By 2014, Swindon and Wiltshire had 17,300 more people qualified to NVQ4+ living in the area in 2014 than in 2011; the greatest percentage increase across the benchmark group.

Professional occupations are the largest occupational category in the area followed by associate professional and technical occupations which is reflected in our ability to innovate and undertake high value added activity. There are discrepancies in activity however and there is also significant activity in lower paid, lower value added activity.

[1] Buckinghamshire Thames Valley LEP; Heart of the South West LEP; Northamptonshire LEP and Oxfordshire LEP as identified by Redbox Research Ltd in the Swindon and Wiltshire Economic Assessment 2013.

The increase in house prices has outstripped any increase in average earnings; the average house in Swindon costs 5.2 times the average salary, this rises to 7.4 times in Wiltshire compared to 6.5 nationally. Our focus on higher value, higher skilled activity over the medium to long-term should act to redress this balance to a degree by raising incomes and the acceleration of house-building should help to decelerate further house price increases.

In 2013, turnover and related spend in the Swindon and Wiltshire Visitor Economy was worth £1.45bn generating £817m in GVA and supporting 28,000 visitor related jobs in the area. The number of day trips in the area remained steady at 18.1 million however, the amount spent on these trips increased by £92m to £641m in 2013 (16% increase) and overnight visitor spend also increased by £70m (26%) over the same period. The largest overseas markets for the area are Germany, The Netherlands, USA and France.

SWINDON-M4 GROWTH ZONE

The Swindon-M4 Zone includes the Towns of Swindon, Chippenham, Corsham, Malmesbury, Marlborough and Royal Wootton Bassett and has a population of 324,900, which accounts for 48% of the Swindon and Wiltshire total. Swindon is a key node on the M4 Corridor, a nationally significant corridor of knowledge intensive firms stretching from Cardiff and Bristol through to the Thames Valley and London, with Corsham hosting IT and Data Services of international importance. The Swindon-M4 corridor is home to a large number of knowledge-intensive businesses including advanced manufacturing, business and professional services and digital, electronics and telecommunications companies.

The area has excellent connectivity, provided by direct access from the Swindon-M4 Zone to Bristol and London. This provides linkages to Oxford, Reading, London, Bristol and Bath. The A420 enables a link to the A34/M40, the Midlands and the North of England. Linkages to Salisbury, Southampton, Bournemouth and the South Coast are enabled via the A346/A338.

The M4 corridor provides an important arterial route for transporting goods, linking people to jobs and employment sites. It also acts as a major employment hub providing access to towns and cities between London, Heathrow and South Wales. Connectivity to significant areas of economic growth in the UK is a strength of the area, but there are transport pinch-points that need to be addressed.

Rail connectivity is also strong, with London accessible within an hour and routes to Birmingham enable a travel time of two hours. Continued Government support for future electrification of the Great Western Railway is a vote of confidence in the area. It will mean the journey from London to Swindon will be 45 minutes and under an hour to Chippenham. Crucially there will be a fast link to Heathrow via Reading.

In terms of commuter flow this connectivity supports sizeable in- and out-commuting. The Swindon-M4 corridor experiences out-commuting to areas to the east, north and west however, it sees a much greater number of people commuting-in from neighbouring LEP areas. The overall proportion of residents who travelled to work to other parts of Swindon and Wiltshire was 8%.

The Swindon-M4 Zone is a significant economy, based on GVA per job filled[2]; the corridor generates estimated outputs to a value of £8bn or 50% of the SWLEP's GVA (£16.1 bn in 2013). The productivity level in Swindon in particular is only surpassed by Inner London, Berkshire and Buckinghamshire, Surrey and North East Scotland. The Zone is home to 46 employment sites comprising business parks, industrial estates and a number of key single-occupier sites.

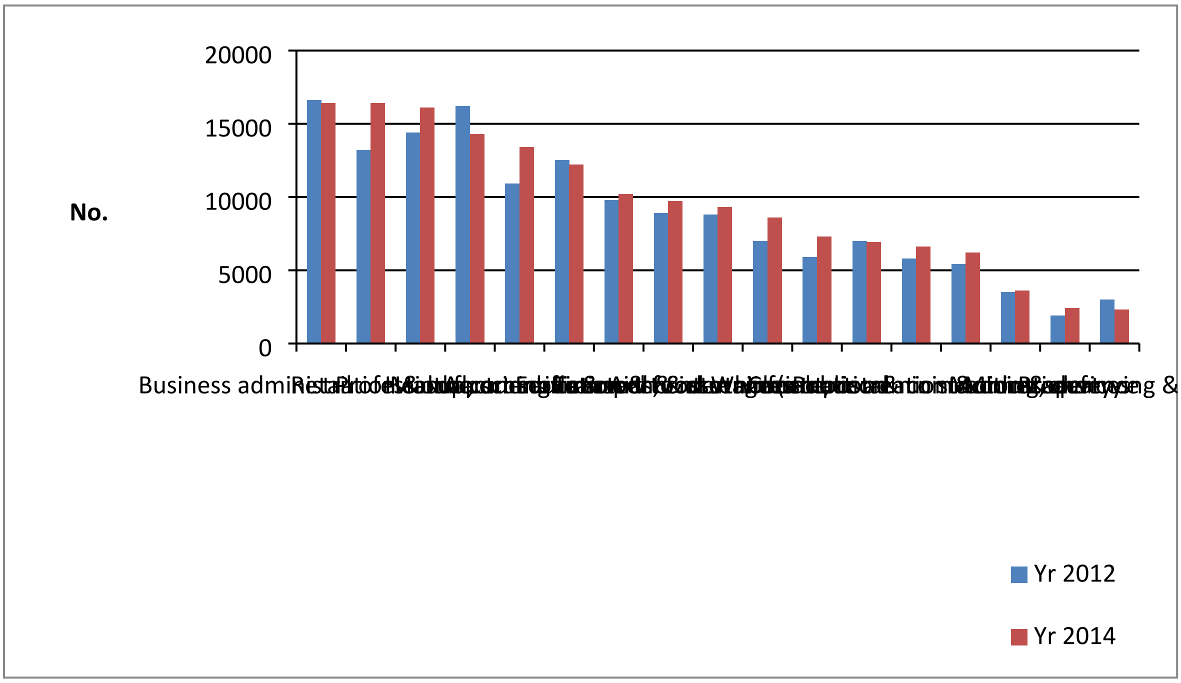
Between 2012 and 2014, the number of employees in the area grew by 7.2% to 161,700 compared to 7.4% growth across Swindon and Wiltshire as a whole and 5.2% across Great Britain. This was driven largely by growth in business administration and support services (3,200), professional scientific and technical services (2,500) health (1,700) and wholesale sectors (1,600)[3]. Key sources of employment in the Zone are in retail, business administration and support services, health, manufacturing and professional, scientific and

[2] £56,197 in Swindon and £44,841 in Wiltshire per job filled calculated by number of employees in each area within the zone. Sub-regional Activity August 2015, Table D1, ONS.

[3] Business administration and support services (3,200), professional scientific and technical services (2,500) health (1,700) and wholesale sectors (1,600

technical services sectors; combined they account for 47% of all employees in the Zone (Figure 1).

Figure 1: Swindon-M4 Zone, Number of Employees by Sector 2012-2014



Source: BRES 2012-2014, NOMIS

The Zone has strengths in transport and storage and accounts for 73% of all of Swindon and Wiltshire's employees in that sector. In addition, the number of employees in the financial and insurance sector accounts for 60% of all employees across Swindon and Wiltshire. The number of people employed in Employment Services is also high at 15% compared to Swindon and Wiltshire as a whole which is probably a reflection of the density of businesses and employment along this Zone.

Across the Zone, there are 23.2%[4] of all employees working in Knowledge-Based Industries which is above average compared to Great Britain (20.7%) and SWLEP (22.8%). The importance of the financial services activities is particularly apparent for this Zone and the sector accounts for 19.5% of employees in all Knowledge Based Industries in this area (Figure 2). Around 1,000 people are employed in the manufacture of pharmaceutical products; this is one of the highest relative concentrations in the UK. One of our key challenges will be to improve the linkages between the research and manufacturing capabilities. Telecommunications is another important cluster accounting for nearly 6% of employment which is double the GB average, and growing strongly[5]. Scientific Research and Development stands out at 4.8% compared to Great Britain at 2.1% which supports the even more concentrated activity in the Salisbury-A303 Zone.

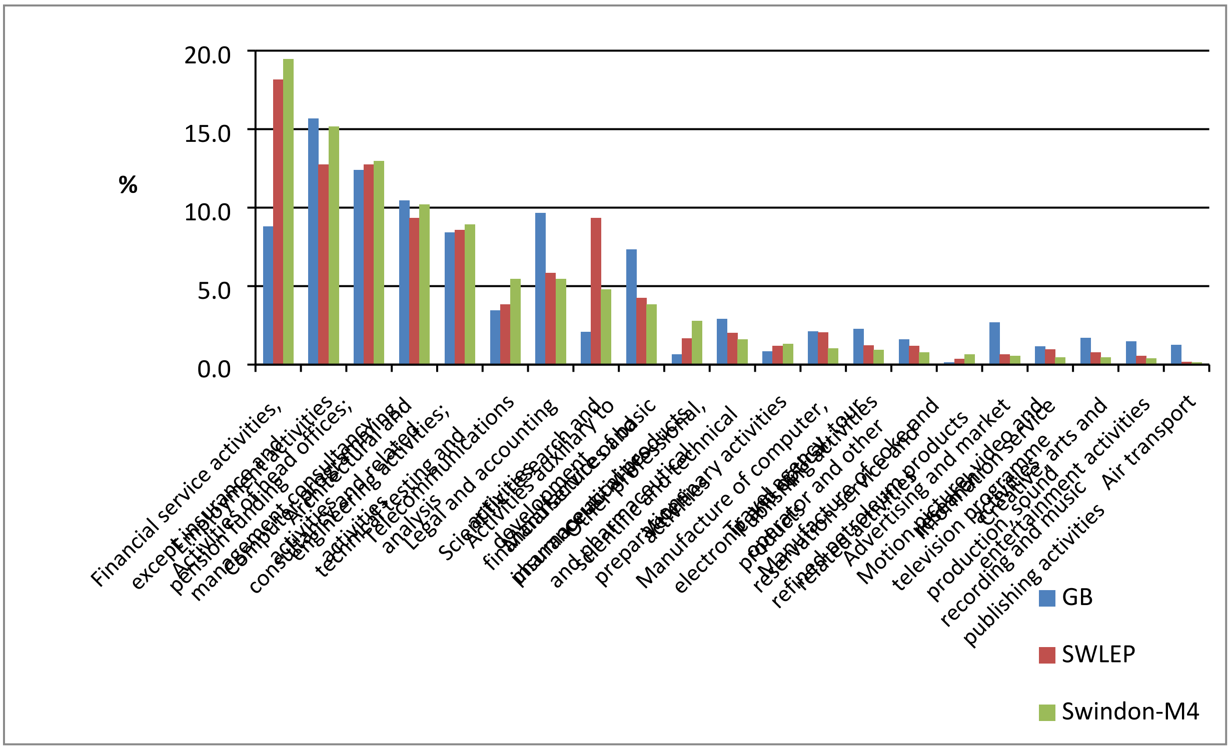
The Swindon-M4 Zone is home to 15,400 businesses which is 46% of all businesses in the SWLEP area. The Zone has experienced the highest level of growth in the number of businesses between 2010 and 2015 compared to local and national comparators (net increase of 2,080 businesses). This growth has predominantly been experienced in

[4] 37,500 employees across the M4 zone.

[5] Financial services is 19.5% Compared to 0.6% for GB and 1.7% for Swindon and Wiltshire, telecommunications is 5.5% compared to 3.4% GB and 3.8% SWLEP, pharmaceuticals is 2.8%, GB – 0.6 and SWLEP is 1.7% Scientific research is 4.8% compared to 2.1% GB and 9.3% SWLEP. Employment services 15% compared to 12.7% for Swindon and Wiltshire

Professional, Scientific and Technical Services (695), Information and Communication (350) and Business Administration (240). Manufacturing represents 42% of the total manufacturing business stock in the SWLEP area.

Figure 2: Swindon-M4 Zone, % Employees in Knowledge Based Industries, 2012-2014



Source: BRES 2012-2014, NOMIS

The corridor also includes two of the largest planned urban extensions in the country at Wichelstowe and the Swindon New Eastern Villages, which will deliver 12,500 homes and 50 ha of employment land.

There are two Wiltshire College campuses, two Colleges in Swindon and a University Technical College based in the Zone, but there is a demand to further develop skills provision in sustainable technology in Swindon and Land-Based Technology at Lackham as well as the presence of Bath Spa University at Corsham. In addition, there is a need for enhanced Higher Education provision, focussed particularly on Swindon which has been identified by HEFCE as a cold-spot for Higher Education participation.

Analysis of Needs

In terms of employment, the recession hit Swindon much harder than England as a whole, with employment declining by around 10% over the period 2009-13. The post-recession recovery took longer too. The rest of the M4 was not affected as badly but the position of the whole Zone has shown improvement since 2012 and nearly reflects overall growth for the whole of Swindon and Wiltshire.

There are 19,200 people in the Swindon-M4 Zone who are self-employed, a rate of 11.6% which is below the self-employment rate for the SWLEP (13.6%). With low self–employment rates and a significant presence amongst major employers it is unsurprising to find that more than half of all employment in large firms (250+) in Swindon and Wiltshire is located within the Swindon-M4 Zone. Job losses have been greatest amongst large firms with 250 or more employees but there has been jobs growth amongst smaller enterprises (up to 99 employees).

Swindon-M4 economy has grown up around 46 employment sites with a number of large single occupier sites which is resulting in local transport pinch-points as industrial transport and commuters are uneasy partners on strategic and local roads. Targeted investment on transport networks is required to address local pinch-points including: improvements at Junctions 15 and 16 to unlock additional strategically important employment sites to enable medium to long-term growth; road schemes and junction improvements to unlock strategic housing allocations; the dualling of A420 to improve east-west linkages to Oxford; transport improvements to ease congestion; open up access to key employment sites and support the development of the proposed cultural quarter.

In 2014, the Manufacturing Sector was the fourth largest in the Zone where it accounted for 9% of all employees which is slightly above the average for Swindon and Wiltshire (8.8%) and Great Britain (8.6%). The area is home to over 40% of Swindon and Wiltshire's manufacturing businesses and contains the Zone's largest employers; this makes the economy very susceptible to shocks and global slowdown. In order to increase economic resilience, there is a need to continue to attract advanced manufacturing companies to strengthen the supply-chain, encourage more start-ups and attract more small and medium sized businesses generally in order to mitigate this risk. There is also the need to develop additional facilities to support and nurture small business growth; business incubation and serviced office space.

New Higher Education provision is required in the Zone to provide a step-change in the number of residents with degree-level qualifications to meet current business needs. Businesses have reported skills gaps at Level 4+ and have to recruit and attract staff from outside of the local area. Swindon in particular has a smaller proportion of residents qualified to Level 4 and above (30.8%) compared to England (36%) and surrounding areas.

The Town Centre in Swindon suffers from the impact of rapid expansion in the 1950s and 1960s and does not project the image of Swindon's thriving, knowledge-intensive economy. Innovative approaches to masterplan delivery may need to be trialled including the use of loan funds to pump-prime development. This could facilitate long-term physical development of the town centre in a holistic way including the development of a new cultural quarter and the preservation and sustainable development of historic buildings such as the Corn Exchange and Mechanics Institute.

Demand for office space in Swindon is at a 10-year high, however the scale and complexity of build, and associated risk, has meant that it has been difficult to get Kimmerfields mixed use development underway. The provision of Grade A office stock is also important to continue to attract foreign owned enterprises and global head-quarters in future.

Contribution to the UK economy

- Nationally significant clusters of high growth businesses in advanced manufacturing, professional and financial services, ICT and research;
- Contribution to housing growth targets by hosting the country's largest urban extension;
- One of the country's most economically productive LEP areas;

- One of the most innovative and knowledge intensive places in the UK[6];
- A key driver of "digital society", having a positive impact for Government and citizens; and
- Genuine spin-out of military technology leading to commercial development in areas which are important for UK Plc's growth.

Swindon-M4 Key Strengths and Opportunities for the Future

Key strengths in this Growth Zone include:

- The Further Education offer is rated as of Good or Outstanding quality with campuses at Wiltshire College Chippenham, Wiltshire College Lackham, Swindon College and New College Swindon. In addition there are high quality new buildings at New College Swindon and Wiltshire College Chippenham;
- Good inter-regional connectivity supported by key strategic road and rail routes;
- The levels of value added activity which is undertaken making it one of the most productive labour markets in the country accounting for 50% of total GVA across Swindon and Wiltshire; and
- Strong demand for industrial (B8) property for advanced manufacturing as well as Grade A office space particularly in Swindon Town Centre.

Opportunities for the future are based on:

- The potential for the development of a Higher Education Centre in Swindon;
- Major urban housing developments through the Zone prompting significant economic growth;
- Employment growth across Swindon and Wiltshire which is predicted to increase by 9% (30,200) between 2010 and 2020;
- Improvements to Swindon Town Centre identified in the masterplan will generate significant additional retail and leisure spending to the benefit of many new businesses
- Increases in high value employment which will require additional strategic employment allocations and investment in transport;
- Increasing investor confidence which will attract more knowledge intensive businesses particularly finance and professional services, ICT and advanced manufacturing into the area; and
- The development of the Great West Way as a major visitor attraction.

[6] As defined by Centre for Cities 2015

A350 GROWTH ZONE

Connecting the West Midlands to the south coast ports, the Zone stretches from Chippenham, along the A350 which connects the settlements of Corsham, Bradford-on-Avon, Trowbridge, Melksham, Westbury and Warminster. The network of settlements that form the A350 Zone have a combined population of 190,000, equivalent to 26% of the total population of the SWLEP area and represents a major agglomeration of economic activity.

The Zone is strategically significant as it connects western Wiltshire with the M4 at Junction 17 to the north and the A303 to the south. A number of sections of the A350 primary route carry the highest volume of traffic and HGV movements on the county's non-trunk road primary routes and is one of the main routes connecting Poole and ports on the south coast to the M4 and the Midlands.

In terms of rail, the Zone is crossed by the Great Western Rail line through Chippenham and the Berkshire and Hampshire line through Westbury linking London with Devon and Cornwall. Westbury also serves as a hub station by providing access to the Severn-Solent route between the south coast and Bristol/Cardiff, and the TransWilts line to Swindon. Given its good connectivity it is unsurprising that there are in- and out-commuting flows between the A350 Zone and with the West of England, Dorset, Gloucestershire and Heart of the South West. The A350 corridor experienced a net loss of workers commuting to other parts of Swindon and Wiltshire.

In 2013, the Zone generated 21% of GVA per job filled in the Swindon and Wiltshire area, worth £3.3bn. Between 2012 and 2014, the number of employees in the area grew by 12.4% to 79,400 compared to 7.4% growth for Swindon and Wiltshire as a whole and 5.2% across Great Britain. This growth in employees was driven by increases in the financial and insurance (2,100), business administration and support services (1,800) and wholesale sectors (1,300).

The key sources of employment in the Zone are in Manufacturing, Health, Retail and Business Administration and Support Services, accounting for 41% of all employees in the Zone. Employment in the Manufacturing Sector actually increased between 2012 and 2014 (figure 3), accounting for 11.1% of total employment in the Zone, appreciably higher than the average nationally and for Swindon and Wiltshire. The A350 has strengths in a number of Swindon and Wiltshire LEP's priority sectors particularly Food and Drink; ICT and Telecommunications; Defence; Advanced Manufacturing and Tourism/Visitor Economy (Figure 4).

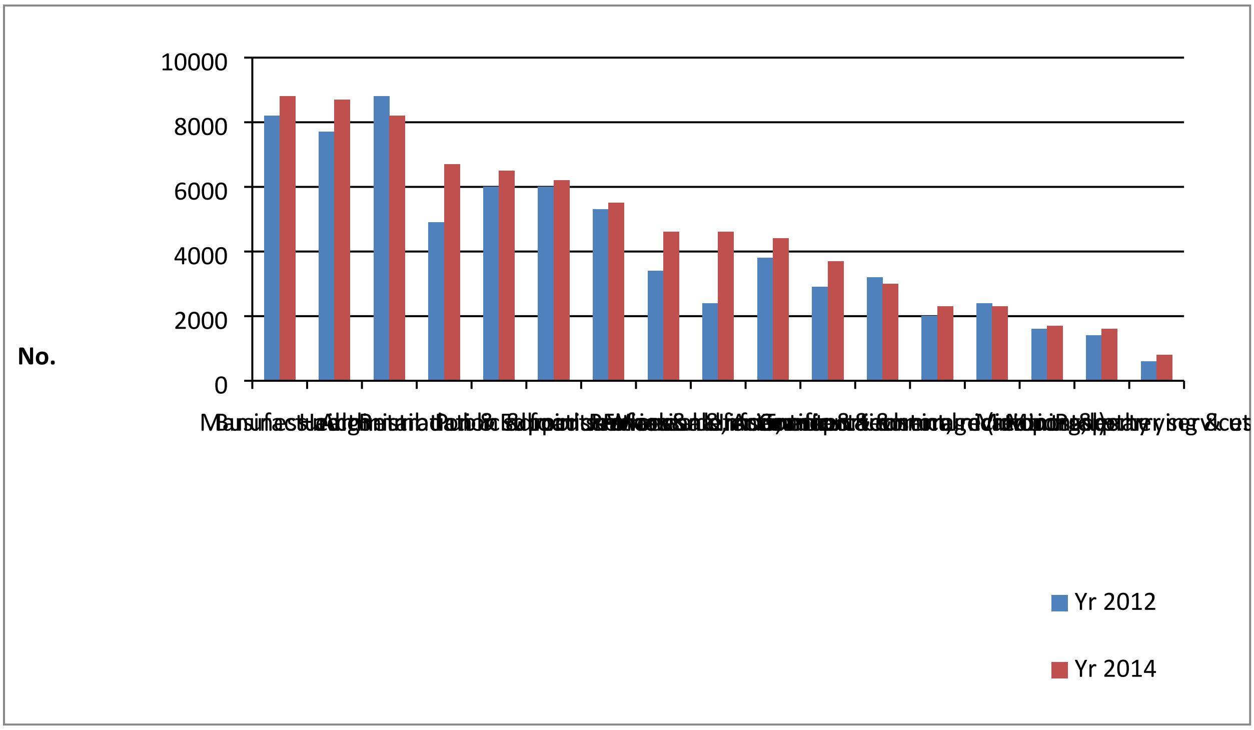
Across the Zone, 18.6%[7] of employees were working in Knowledge-Based Industries in 2014 which is below average compared to Great Britain (20.7%) and Swindon and Wiltshire (22.8%). Despite this below average performance, the proportion of employees in the Financial Services Sector stands out[8] as does the Telecommunications Sector as being significantly above the national or Swindon and Wiltshire average (Figure 4) which stands at 6.8% compared to 3.4% for Great Britain and 3.8% across Swindon and Wiltshire.

In terms of the number of businesses, the A350 Zone is home to 8,200 businesses which represents 25% of the total business stock in the SWLEP area. A net growth of 745 businesses was experienced between 2010 and 2015, which is an increase of 10%. Growth has been experienced across all employment size bands except for those companies employing over 250 people.

[7] 14,800 employees across the zone

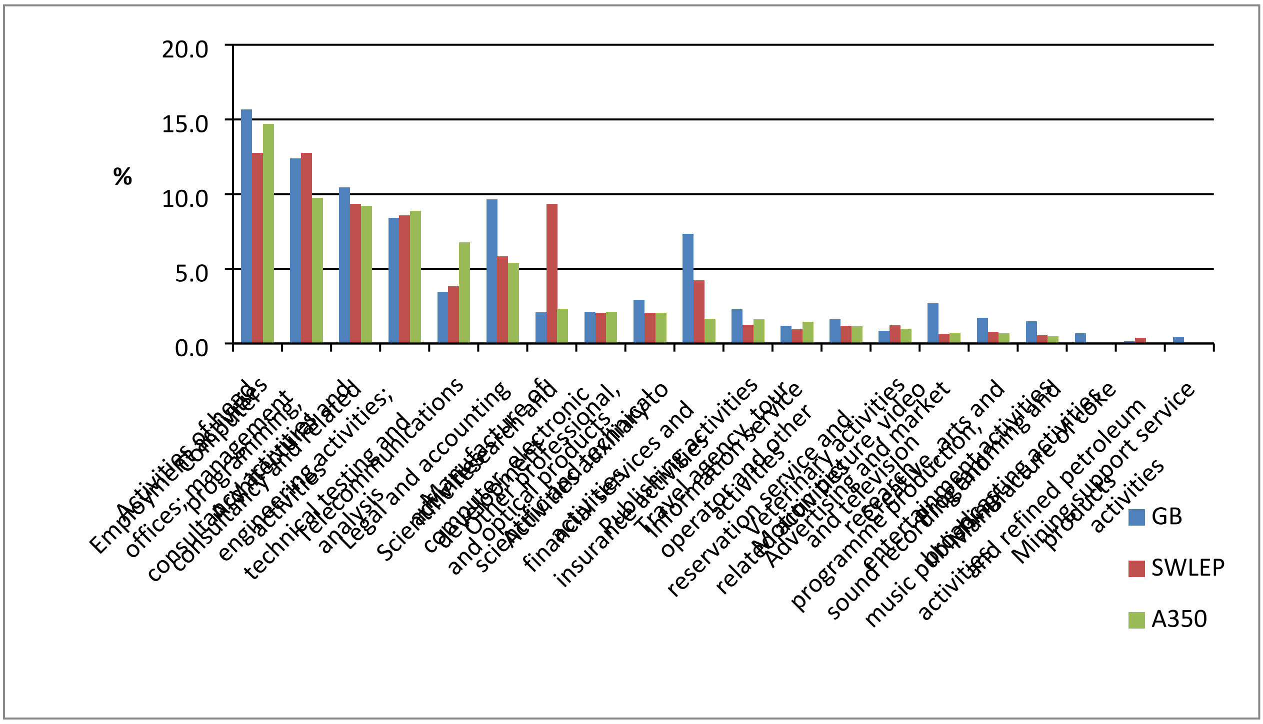
[8] Data on employees in the financial services sector has been suppressed by NOMIS

Figure 3: A350 Zone, Number of Employees by Sector 2012-2014



Source: BRES 2012-2014, NOMIS

Figure 4: A350 Zone, % Employees in Knowledge Based Industries, 2014



Source: BRES 2012-2014, NOMIS

The nine strategic sites designated in the area combined with the strategic development of settlements and infrastructure improvements through the A350 Zone will stimulate existing agglomeration effects (increased investment, enhanced labour market, improved and more cost effective access to jobs and services), whilst minimising the resulting diseconomies of scale (congestion, pollution, house price affordability, larger institutional support structures).

The Wiltshire College campus at Trowbridge is the largest in Wiltshire and has seen some investment, and the campus at Chippenham has recently been redeveloped. In terms of Further Education provision, the A350 Zone has the widest range of provision as well as enrolments. Lackham College, which has links with The Royal Agricultural University at Cirencester, is in need of investment to renew skills provision in land based industries, broaden the curriculum and make the site more attractive to potential students.

Analysis of needs

The A350 is a key link between the towns of western Wiltshire and on to the strategic route network through the M4 to the north and the A303 to the south and is of vital importance to the businesses that are located within the Zone. Improving the reliability and functionality of the A350 throughout western Wiltshire is therefore critical to unlocking and enabling continued growth within the Zone. Without continued investment in the A350, in time it will become an inhibitor to growth as it reaches capacity and acts to deter future private sector investment in the area.

Sections of the A350 carry the highest volume of traffic and HGV movements on the county's non-trunk road primary routes[9] and plans for additional housing development in the Zone by 2026 will put additional pressure on the A350. A number of pinch-points already exist where the road passes through urban centres, such as Westbury and Melksham, and these will need to be addressed if the Zone is to reach its full potential. In addition, the strategic role of the A350 is also being undermined by its susceptibility to incidents and events such as accidents and flooding.

More widely, the adequacy of connections through Wiltshire between the south coast (the port of Poole in particular) and M4 and onwards to Bristol and the Midlands has been increasingly compromised. In simple terms, there is a lack of suitable north-south links in the strategic network covering large parts of the south of England formed by a ‘box’ bounded by M5 to the west, A34 to the east, M4 to the North, and the A31, A35 and Dorset coast to the south. Within this area, north-south connections are made either by the A36/46(T), or the primary routes A350 and A338. However, these routes experience considerable congestion and road safety problems, and their increasing unreliability is significantly constraining development and business growth across the region, including plans to grow the port of Poole.

Over time the focus for business and housing development in the area has shifted towards the western Wiltshire towns and away from the more sensitive environments of Bath and the Cotswolds and Mendips Areas of Outstanding Natural Beauty. The ‘growth corridor’ in this area is therefore along the A350, rather than the A36.

Investment also needs to be focussed on the transport networks in the urban centres of Chippenham and Trowbridge, western Wiltshire’s principal settlements. A targeted package of highway improvement schemes and sustainable transport measures to both accommodate existing growth and enable future growth will help make these key settlements functional and attractive places to live and work as well as to visit. With regard

[9] Traffic flows on the A350 primary route range from around 15,000 south of Trowbridge up to 27,000 between Chippenham and the M4).

to rail connections, these are being compromised by a lack of key infrastructure and potential service enhancements are hampered by the single track line through Melksham. Capacity improvements at Chippenham and Westbury stations would also be beneficial and support the important sub-regional hub role of Westbury Station. All of these improvements would also have wider rail network benefits. In addition, Corsham has been identified as a key growth location but this ambition may be somewhat compromised by the lack of a rail station which enables easier and faster medium and long distance connections to be made.

Directly linked to the business growth of this zone is the increasing stress upon an already constrained energy infrastructure. Investment is needed to identify, reinforce, upgrade and capitalise on innovative solutions to increase capacity as well as deploy a smart approach energy demand, supply and management.

The service infrastructure at Lackham campus is at capacity and the Skills Funding Agency deems the campus condition to be ‘unsatisfactory’. This is impacting upon the number of students attracted to the college and will need to be addressed if aspirations to extend provision on site are to be realised.

Contribution to the UK economy

- Help to drive digital society, having a positive impact for Government and citizens;
- Genuine spin-out of military technology leading to commercial development in areas which are important for UK Plc’s growth;
- Growth of key sectors and businesses that are net contributors to balance of trade;
- Transport infrastructure improvements benefiting connectivity from south coast ports to the Midlands;
- Increasing capacity and growth of Bristol city region; and
- Specialist education provision in land based industry.

A350 Key Strengths and Opportunities for the Future

Key strengths in this Growth Zone include:

- The strong Further Education sector throughout the Zone and a Higher Education presence offering postgraduate placements;
- The support to create the conditions for economic growth through the master planning work undertaken in Chippenham and Trowbridge;
- Good value housing making the area attractive as a place to both work and live;
- The cluster of high-tech businesses centred around the significant digital infrastructure investment related to the Global Communications Centre at MOD Corsham;
- The significant MOD presence at Corsham and Warminster with approximately 2,500 Military personnel stationed in the area, 17% of the total across Swindon and Wiltshire; and
- The presence of the life science sector;

Opportunities for the future are based on:

- The development of extended provision in Land-Based Industries at Lackham College;
- Improving the A350 to make it a key north-south route in the area replacing the A36 and A46 and in doing so helping to attract greater investment;
- The electrification of the railway line making Chippenham far more attractive as a residential and business location;

- Building on the success of the enhanced TransWilts train service;
- Over 24,000 new homes are planned to be built in this Zone by 2026;
- 91 hectares of new employment land is planned to come forward by 2026; and
- The development of the Melksham Link with the potential to create an additional 600 jobs by 2025 further strengthening the Visitor Economy.

SALISBURY-A303 ZONE

The A303 is a key strategic transport corridor and is the gateway to the southwest, providing the shortest route connecting with the south east of England and London. Major investment, particularly in the area around the World Heritage Site at Stonehenge, has been committed to the dualling of this arterial route to Exeter which is of national significance. Salisbury also looks to the south and southeast, with connections to Southampton, Bournemouth, and London.

The Salisbury-A303 Zone covers an area which includes the City of Salisbury, the military garrison towns of Bulford, Amesbury, Tidworth and Ludgershall, as well as Porton and Boscombe Down. This area includes the Salisbury Research Triangle, incorporating the important cluster of life sciences businesses around Porton; the UK's largest military presence on Salisbury Plain and leading edge work undertaken by Dstl in cyber-security.

Salisbury forms the regional economic centre for the Zone and the primary urban settlement in South Wiltshire. The Zone connects Wiltshire along the A303 through to London to the east and across the South West. It also connects to the south coast along the A36. Approximately 86,500 people live in the Zone which represents 13% of the total population of Swindon and Wiltshire.

Salisbury is well served by rail transport. The Wessex Main Line provides two trains per hour towards London and generally one train per hour towards Exeter. The station is also situated on the Severn-Solent route, with hourly services towards Bristol, Cardiff, and Portsmouth. There are two trains per hour towards Southampton, one of which also serves Southampton Airport directly.

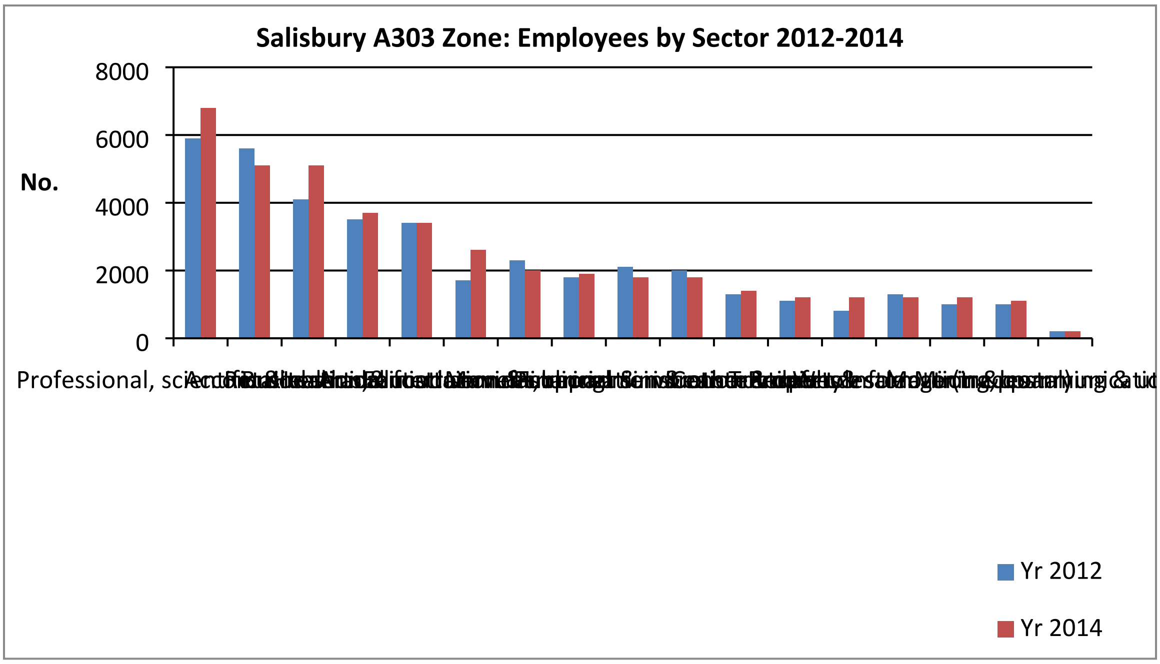
In terms of commuting flow, the Salisbury-A303 Zone is relatively balanced in terms of in- and out-commuting with 8,150 residents travelling to work to neighbouring LEPs whilst gaining 8,330 commuting in. A large proportion of these in-commuters travelling to the Zone are from the Enterprise M3 LEP area.

In 2013, the Zone generated 11% of total GVA per jib filled generated in the Swindon and Wiltshire area worth £1.8bn. There are eight strategic sites located across this Growth Zone strengthening its future growth potential.

Between 2012 and 2014, the number of employees in the area grew by 6.3% to 41,800 compared to 7.4% growth for Swindon and Wiltshire as a whole and 5.2% across Great Britain. The key sources of employment are in Health, Professional, Scientific and Technical Services, Retail and Accommodation and Food Services, accounting for 54% of all employees in the Zone. The growth in the number of employees between 2010 and 2012 has been minimal owing to a significant reduction in the number of people employed in the public sector. Growth has picked up since 2012 led by employees in the health, professional, scientific and technical services and business administration and support services (Figure 5).

Overall, 26.2% of all employees in this Zone were employed in Knowledge Based Industries, the highest level across the three Growth Zones. This is accounted for largely by the proportion of employees in the Scientific, Research and Technical activities sector which stood at 38.8% of all Knowledge Based employment in the Zone in 2014. This reflects the specialist activities which are undertaken at Porton where Public Health England, Dstl and Quinetiq are based alongside health related research activities in Salisbury. This compares to just 2.1% of employees in Knowledge Based Industries nationally whilst the average for Swindon and Wiltshire is lifted by activity in this Zone and averages at 9.3%.

Figure 5: Salisbury-A303 Zone, Number of Employees by Sector 2012-2014



Source: BRES 2012-2014, NOMIS

Activity in auxiliary financial support services is also significantly higher than the average for Great Britain. This industry offers support to the financial services sector which is important in both the Swindon-M4 and A350 Zones as well as the pension fund sector. The proportion of employees in the insurance sector in the Salisbury A350 Zone is also much higher than average in this Zone compared to national and Swindon and Wiltshire average (Figure 6).

In terms of business stock, the Salisbury-A303 corridor is home to 4,910 businesses which represents 15% of the total business stock in the SWLEP area. Between 2010 and 2015 the area experienced a net growth of 505 businesses which has mainly been due to increases in professional, scientific and technical (170), business administration and support services (80), information and communication (60) sectors. There have been losses in several sectors including construction (-25), wholesale (-15), manufacturing (-5).

There are two Further Education establishments in the area: Salisbury College and the recently established University Technical College also based in the City.

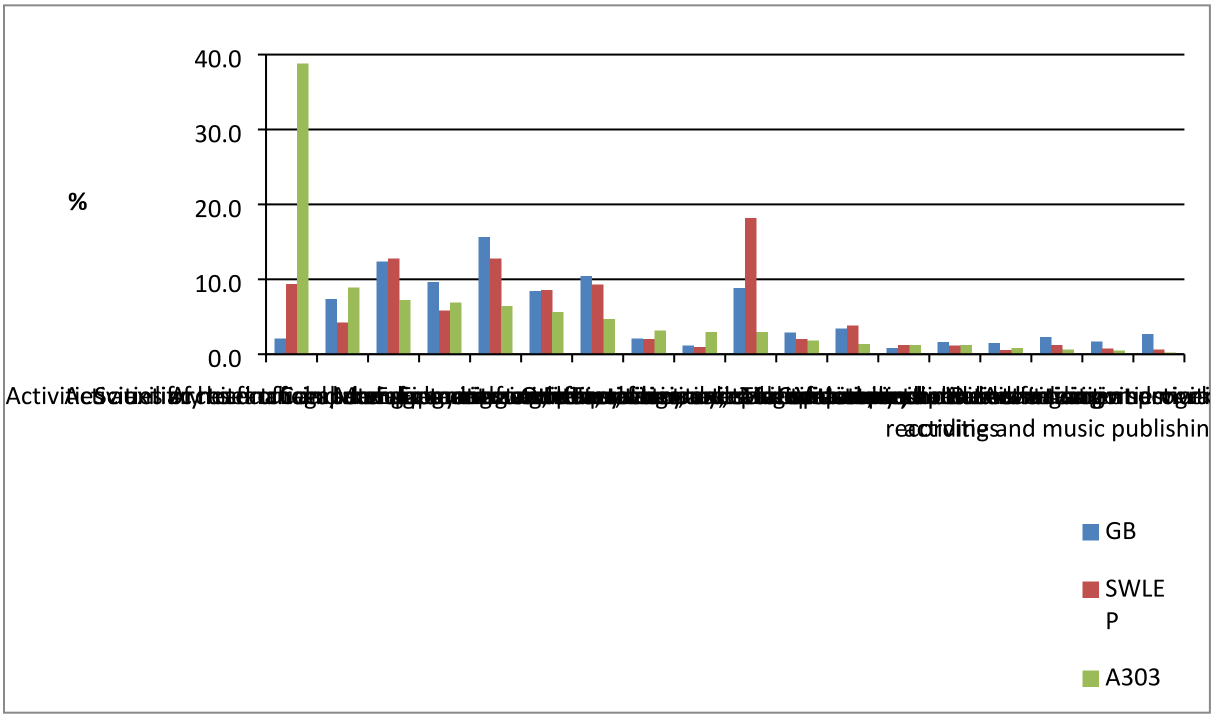
Analysis of needs

Salisbury and South Wiltshire face significant challenges in the SEP plan period. Recent announcements concerning the restructuring of Aviva (450 jobs) and Public Health England mean that Salisbury will have a much diminished financial sector, and the loss of some public health related Lifescience research activity at Porton. This could lead to a further demographic shift towards an ageing population locally.

In addition, there will be significant further demographic growth as a result of Army Basing which will see 4,000 personnel and their dependants move into the county. This is likely to cause a one-time surge in workplace demand as Army dependants seek employment in the county, and will leave a long term residual impact on the employment market due to Service

Leavers. This should be seen as an opportunity, providing inward investors and employers with confidence that there is a skilled, motivated and dependable labour pool available in the area.

Figure 6: Salisbury-A303 Zone, % of Employees in Knowledge Based Industries 2012-2014



Source: BRES 2012-2014, NOMIS

The Wiltshire College Salisbury campus restricts the development of new curriculum to serve employers in South Wiltshire. In its current state it is unsustainable and does not serve to inspire students to take up vocational education. To generate growth in Higher Education new facilities need to be developed. Existing and new provision can then be brought together in a University Centre.

The A303 route through Wiltshire has a number of weaknesses where the road is not dual carriageway, creating journey time reliability problems. The route also suffers from flooding, compounding capacity and connectivity issues. The Department for Transport and Highways England have recognised these barriers to growth, allocating significant funds over the next 14 years to improve the connectivity of the A303 and upgrading the route to 'Expressway' standards.

The A36 acts as the main ring road for Salisbury city centre where around 30% of all traffic currently on Salisbury's roads (and an even higher proportion of HGV traffic) is through-traffic which has to be accommodated at the same time as local traffic. Congestion also impacts on the local environment and the entire city centre is an air-quality management area. The A36 Southampton Road to the south east of the city is constrained by a combination of narrow carriageway width, turning traffic generated from adjacent developments and capacity constraints at College Roundabout. These factors particularly limit access to and from the city via the south and east.

Salisbury's local transport network also requires investment and a targeted package of highway improvement schemes and sustainable transport measures to both accommodate existing growth and enable future growth. This will help make Salisbury a functional and attractive place for residents, workers and visitors. While Salisbury is well served by rail, this has resulted in demand pressures at Salisbury Station where there are also interchange issues.

The energy infrastructure in the area is known to be close to or at full capacity constraining business investment and expansion within the Zone. Investment is needed to identify, reinforce, upgrade and capitalise on innovative solutions to increase capacity as well as deploy a smart approach energy demand, supply and management.

Contribution to the UK

- It is at the heart of the fourth life science cluster in England, alongside Oxford, Cambridge and London, with an overall investment potential of £200 million;
- Salisbury Plain Training Area home of the military in England, with accompanying benefits of clustering of Defence Technologies, military supply chains and opportunities to link military and heritage tourist attractions;
- Relief for M4 and M5 route to the peninsula enabling more resilient connectivity across the south coast and improved journey times to the southwest; and
- A World Heritage Site and cultural destination for visitors from within the country and abroad.

Salisbury-A303 Key Strengths and Opportunities for the Future

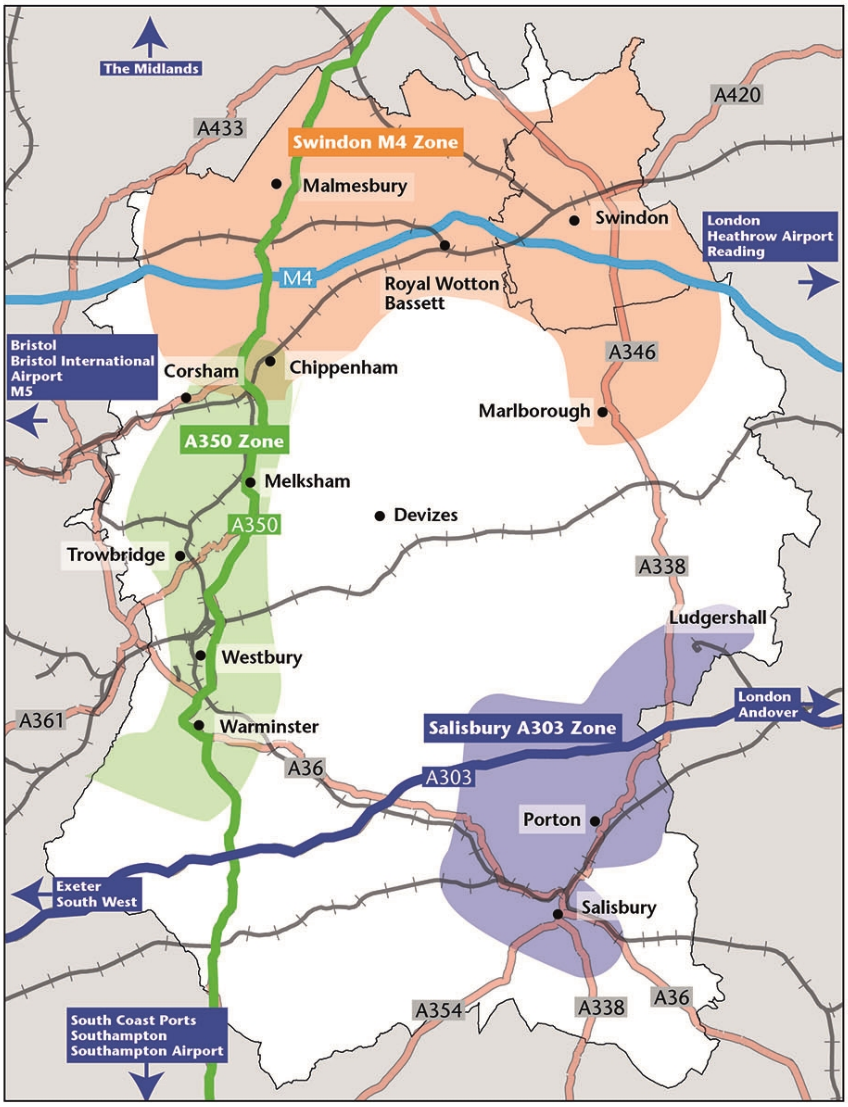
Key strengths in the Growth Zone are:

- The University Technical College based in Salisbury;
- The Life Sciences and Defence Technologies sectors including cyber security;
- The military presence which adds economic power; and
- Its internationally renowned tourist attractions and reputation for arts and culture.

Key opportunities for the future are based on:

- Army Basing and infrastructure investment will result in 4,000 additional personnel and dependants in the area bringing new skills and a highly motivated resource to the labour pool;
- Working with Highways England to deliver an improved A36 through Salisbury;
- Wilton Parkway station proposals;
- Major regeneration at the Maltings, Salisbury;
- Delivery of Porton Science Park, to grow the life sciences cluster;
- Additional activity at Dstl through the relocation of 650 jobs to Porton;
- SME supply chain opportunities from the defence technologies sector and employment growth at Castledown Business Park in Ludgershall; and
- Greater military cultural and historical tourist attractions including the development of the Salisbury Plain Heritage Centre.

Figure 7: Summary of Growth Zones in Swindon and Wiltshire[10]



Key Statistics	Swindon-M4 Zone	A350 Zone	Salisbury-A303 Zone	Chippenham and Corsham	SWLEP
GVA per job filled as % SWLEP	50%	21%	11%	9.8%	-
Employees 2014	161,700	79,400	41,800	26,500	303,800
% Growth in Employees 2012-2014	7.2%	12.4%	6.3%	27.4%	7.4%
% Employees in Knowledge Intensive Businesses	23.2%	18.6%	26.2%	16.6%	22.7%
% Growth in Employees in Knowledge Intensive Businesses 2012-2014	11.6%	25.7%	9.7%	9.6%	14.9%
No. businesses as % SWLEP	46%	25%	15%	8.7%	-
No. SMEs (0-249 emps)	15300	8200	4900	2320	33100
No. large businesses 2015 (>250 emps)	75	35	15	10	125
Rail journey time to London Swindon, Westbury, Salisbury & Chippenham	1 hr 1m	1hr 37m	1hr 29m	1 hr 16m	-
Distance to London from Swindon, Trowbridge, Salisbury & Chippenham (miles)	80	112	88	99	-

[10] Data for Chippenham and Corsham are included in the data for both the Swindon-M4 and the A350 Growth Zones. Data are also separated out in the table above to show their respective contribution to both Zones.

Key to sectors referenced in the graphs.

1. **Employees by Broad Industrial Group by SIC**

1 : Agriculture, forestry & fishing (A)[11]
2 : Mining, quarrying & utilities (B,D and E)
3 : Manufacturing (C)
4 : Construction (F)
5 : Motor trades (Part G)
6 : Wholesale (Part G)
7 : Retail (Part G)
8 : Transport & storage (inc postal) (H)
9 : Accommodation & food services (I)
10 : Information & communication (J)
11 : Financial & insurance (K)
12 : Property (L)
13 : Professional, scientific & technical (M)
14 : Business administration & support services (N)
15 : Public administration & defence (O)
16 : Education (P)
17 : Health (Q)
18 : Arts, entertainment, recreation & other services (R,S,T and U)

2: Employment in Knowledge Based Industries by 2 digit SIC

09 : Mining support service activities
19 : Manufacture of coke and refined petroleum products
21 : Manufacture of basic pharmaceutical products and pharmaceutical preparations
26 : Manufacture of computer, electronic and optical products
51 : Air transport
58 : Publishing activities
59 : Motion picture, video and television programme production, sound recording and music publishing activities
60 : Programming and broadcasting activities
61 : Telecommunications
62 : Computer programming, consultancy and related activities
63 : Information service activities
64 : Financial service activities, except insurance and pension funding
65 : Insurance, reinsurance and pension funding, except compulsory social security
66 : Activities auxiliary to financial services and insurance activities
69 : Legal and accounting activities
70 : Activities of head offices; management consultancy activities
71 : Architectural and engineering activities; technical testing and analysis
72 : Scientific research and development
73 : Advertising and market research
74 : Other professional, scientific and technical activities

[11] N.B. Agriculture, forestry & fishing data have not been included as NOMIS does not have full data for this sector which is collected through the Agricultural Census

75 : Veterinary activities
78 : Employment activities
79 : Travel agency, tour operator and other reservation service and related activities
90 : Creative, arts and entertainment activities