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<b>Meeting &amp; Date:</b>	JSEC Meeting – Wednesday, 12 October 2016		
<b>Subject:</b>	Local Growth Deal 3 submission from the Swindon and Wiltshire Local Enterprise Partnership (SWLEP)		
<b>Attachments:</b>			
<b>Author:</b>	Paddy Bradley	<b>Total no of sheets:</b>	7

<b>Papers are provided for:</b>	Approval <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input type="checkbox"/>
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<b>Summary &amp; Recommendation:</b>	
<p><b>1. Summary</b></p> <p>1.1. The report summarises the key elements of the submission made to government by the SWLEP. The bid was submitted on the 28 July 2016 and detailed a range of proposed projects to the value of £89.47m and a request for financial support to a commercially sensitive inward investment opportunity. The bid is to two separate government funds; the local growth fund (national value £1.8bn) and the Large Local Transport Majors fund (national value £475m).</p> <p>1.2. The projects cover capital investment to improve further and higher education provision, commercial developments and transport infrastructure improvements. If achieved, the projects, backed by an additional £140m from other private and public sector sources, will deliver 3,625 new jobs, up to 1,550 new homes, 3,420 learners qualified at Higher National Diploma and higher to degree level and 1,455 apprentices covering the range from intermediate to degree level. A full copy of the bid is available to members of JSEC from the report author.</p> <p>1.3. It is anticipated that the outcome of the submission will be known on or around the 23 November 2016, in order to align with the Government's Autumn Statement scheduled for that date.</p> <p><b>2. Recommendation</b></p> <p>2.1. The Joint Strategic Economic Committee is recommended to endorse the SWLEP bid to support local economic growth</p>	

### 3. Detail

- 3.1. By 2026, we want to be world-renowned for innovation, entrepreneurialism and our great quality of life. Our population will have increased from 699,000 in 2014 to 764,000, matched by employment providing higher skilled jobs and high value economic growth. The strength of our proposal lies in how we will accelerate economic growth and we have a very clear idea of what we want to achieve.
  - 3.2. Our proposed Growth Deal is based around three integrated programmes of investment in skills capital, place shaping and transport infrastructure. We will deliver 11 schemes that collectively will provide the conditions for further sustainable growth and maximise the productivity potential of our people, place and business in support of UK PLC. In addition, we propose support of up to £20m for a major aerospace foreign direct investment project.
  - 3.3. Our application to Government is for a total investment of £89.47m to:
    - 3.3.1. **Upskill our workforce** through our skills capital investment programme;
    - 3.3.2. **Unlock our growth potential** through our place shaping investment programme; and
    - 3.3.3. **Upgrade our principal settlements** through our transport infrastructure investment programme.
  - 3.4. The integration of our three programmes will result in a step change in our economic performance whereby investment in skills development will not only meet current demand but also prepare us for the future demand for higher value and higher skilled jobs (Figure 1). In turn, the availability of these workforce skills will fuel our ability to attract expansion investment and new inward investment, requiring new employment land to be unlocked and new homes to be built in attractive and functioning settlements with reliable transport networks. We face a major challenge to get ahead of our skills deficit. Without investment, our competitiveness will decline and our economy will shrink. Skills development therefore will be the catalyst for our economic transformation into a world-class, productive location. We will:
  - 3.5. **Upskill: Our skills capital investment programme - £38.53m Local Growth Fund**
    - 3.5.1. Skills and talent is the number one priority in our refreshed Strategic Economic Plan (January 2016). We need to **upskill** our workforce to meet the demands of employers who are experiencing skills gaps now, as well as meeting the future demand for higher level skills as our employment structure shifts towards higher level occupations. Our labour market is tightening and skills shortages have been rising with 31% of our employers currently reporting skills gaps (UKCES 2016). These shortages are constraining our growth.
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- 3.5.2. Backed by investment, we will get ahead of the skills deficit ‘curve’ so that we have a workforce that provides a competitive advantage and that is highly skilled, particularly in relation to STEM skills. We will achieve upskilling by supporting the provision of clear local progression pathways through the frameworks to higher and degree level apprenticeships and other degree level qualifications. We will implement a demand-led system where employers and individuals have greater influence over the skills provision, building on our existing Higher Futures programme (City Deal 2).
- 3.5.3. We have four skills capital investment schemes, three of which focus on new and refurbished accommodation at the further education college campuses across Swindon and Wiltshire to make a step change in the number of apprenticeships and higher education provision. The fourth scheme will deliver a new higher education centre in Swindon, aimed at addressing the current low levels of participation in university level provision and the limited higher education provision in our priority sectors.

### **3.6. Unlock: Our place shaping programme - £13.0m Local Growth Fund**

- 3.6.1. Swindon and Wiltshire has one of the fastest growing populations in England and between 2014 and 2024 we are forecast to grow by 11.3% (compared to 7.1% nationally) but the twin pressures of an ageing workforce and lack of suitable housing mean that we face a major challenge to create the conditions to attract younger workers to live and work in the area. To illustrate the scale of this challenge, between 2014 and 2024, we will need 141,000<sup>1</sup> replacement workers for our economy just to remain static.
- 3.6.2. The integrated delivery of our place shaping and transport investment programmes will **unlock** new housing development to meet demand and new employment sites to support job creation and regenerate our town and city centres. Achieving the right balance in the housing and employment markets will help younger people in particular to both live and work in our area resulting in more sustainable travel to work patterns. This is complemented by our support for enhancing our culture and arts provision through bids to other funding agencies and the allocation of resources outside our Growth Deal 3 proposals.
- 3.6.3. We are proposing two commercially driven place shaping schemes in Salisbury and Swindon which are at the core of our regeneration plans for the largest centres of population in our area.
- 3.6.4. The first and major transformational phase of the Central Car Park and Maltings Regeneration Scheme will redevelop this important 8.7 hectare brownfield site

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<sup>1</sup> Swindon and Wiltshire Economic Assessment, May 2016

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in Salisbury city centre for a mix of commercial (retail and leisure) and residential uses. This is a committed private sector-led scheme that will lever in a minimum of £67m of private investment through Stanhope plc under its development agreement with Wiltshire Council, the freeholder of the site. This scheme will enhance Salisbury's status as an international tourism destination and serve to safeguard and promote the city's economic vitality and viability.

- 3.6.5. Swindon grew as a railway town during the Victorian era and the legacy from this period remains today with the Railway Quarter forming a cluster of historic buildings within the town centre. Swindon Station is one of three pilot projects announced by Government for major town centre regeneration based upon railway stations, comprising the improvement of the station as a transport interchange and gateway to Swindon and North Wiltshire, as well as delivering housing and employment growth. This Growth Deal 3 scheme will deliver the first of three phases to unlock barriers to growth and provide investor confidence for the later stages. This key place shaping project will be delivered by a partnership between central Government, Network Rail, Great Western Rail, the Homes and Communities Agency (HCA), Forward Swindon Limited (FSL) and Swindon Borough Council (SBC).

**3.7. Upgrade: Our transport infrastructure investment programme - £37.94m Local Growth Fund**

- 3.7.1. Government backing for our transport investment programme will support the more efficient movement of goods, services, people and learners within and across our area and the delivery of significant numbers of new homes and employment land. The focus of our transport investment programme is therefore to **upgrade** the transport network in our principal settlements.
- 3.7.2. Whilst the area has good external transport links to the north, east and west, there are problems that are constraining our ability to deliver sustainable growth. These include poor connectivity within Swindon and Wiltshire between the M4 Growth Zone and the south coast along the A350 Growth Zone, as well as congestion within our principal settlements.
- 3.7.3. The Transport Infrastructure Investment Programme will build on investment secured through our Growth Deals 1 and 2 which has already resulted in the successful completion of two schemes. Further transport improvements are essential in order to accelerate the delivery of new homes, open up employment land and enable learners to access high quality education and training. We are proposing five schemes for investment comprising:
- 3.7.3.1. Three transport packages for Chippenham, Salisbury and Trowbridge building on our previous success in securing support for a transport package in Swindon which is now being implemented. These three
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transport packages are vital to underpin the housing and economic growth planned for our remaining principal settlements.

- 3.7.3.2. The Salisbury station interchange scheme will create a high quality, convenient transport hub for the city and address transport challenges at the railway station through improving accessibility for public transport.
  - 3.7.3.3. The A350 dualling at Chippenham (Chequers to Lackham) will deliver an improved, more resilient and efficiently operating A350 complementing works delivered under Growth Deals 1 and 2. Along with building on completed and live schemes, this project will also enable and support the large scale development proposed both within Chippenham and the wider A350 Growth Zone.
  - 3.7.4. In addition, our transport infrastructure investment programme will be enhanced by the two schemes we are proposing for investment through the Large Local Transport Majors fund:
    - 3.7.4.1. Improvements to the A350 at Melksham to improve north-south connectivity through increasing journey time speed and reliability between the M4, the A303 and south coast ports. This is in support of the combined approach of the South West LEPS and their desire to transform north to south connectivity along the A350 corridor;
    - 3.7.4.2. The Thamesdown Drive to Barnfield Link in Swindon relieving congested parts of the town's highway network and providing enhanced access to key strategic employment sites, thereby delivering jobs growth in high-value employment within the town. Specifically, the Link will provide direct access to the Cheney Manor Industrial Estate, providing the connectivity that will support the expansion of employment at this site.
  - 3.7.5. Our place shaping and transport investment proposals will directly deliver up to 1,550 new homes and accelerate the indirect delivery of a further 11,900. In addition, we are working with the Homes and Communities Agency and the construction industry to identify housing development sites which would be suitable for use within the Home Builders Fund and maximise the links with our Growth Deal 3 bid. For example, we will engage development partners in submitting bids to the Home Builders Fund for infrastructure schemes such as the Kingsdown Bridge across the A419 to the north-east of Swindon.
  - 3.7.6. Combined, the place shaping, transport and skills capital investment programmes will lay the foundations for Swindon and Wiltshire to transform itself into a high growth, high productivity economy competing with the best in
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the world.

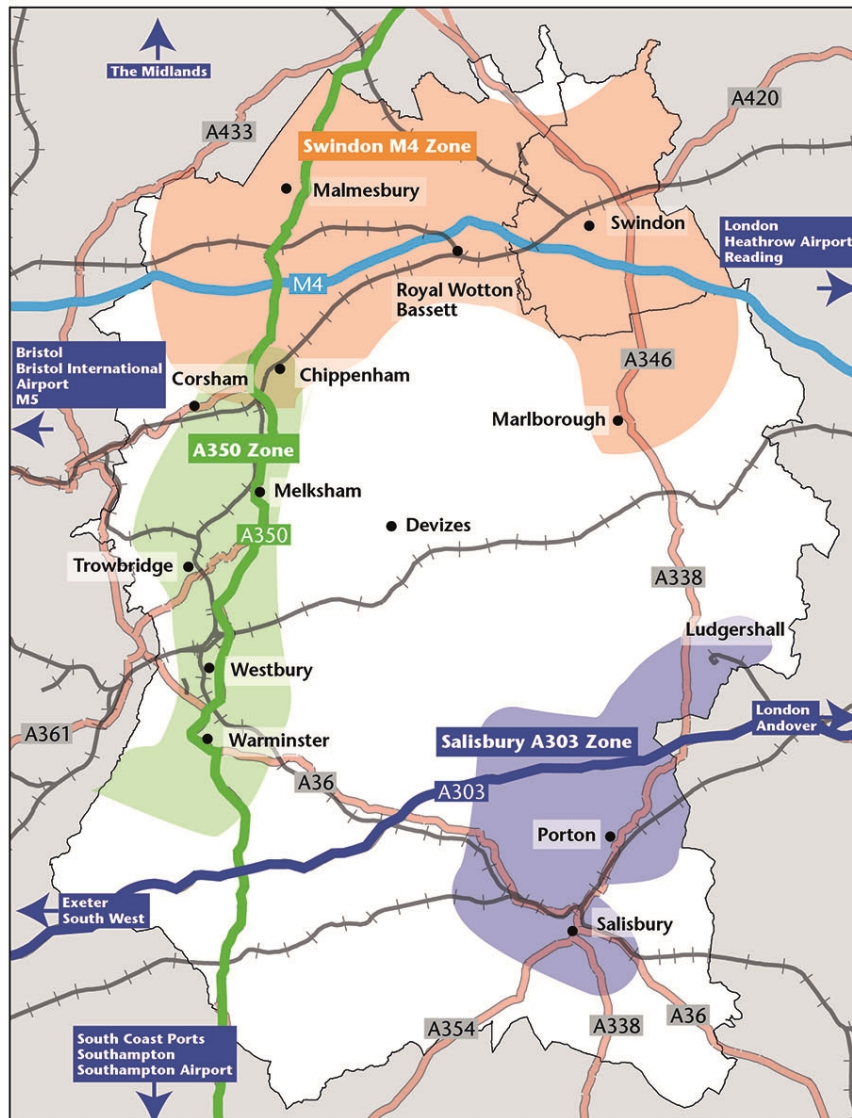
- 3.8. We are asking for £89.47m from the Local Growth Fund 3 to deliver our three integrated programmes of support and in return, we will deliver the following outputs:

<b>Measure</b>	<b>Direct outputs</b>	<b>Indirect accelerated outputs</b>
New jobs	3,625	8,097
Private sector investment leverage	£124.2m	-
Public and other match funding	£15.74m	-
New homes	Up to 1,550	11,900
Employment land (ha)	3.85	93.07
Reduction of floorspace (sq. m) in poor/inadequate further education building condition	9,660	-
Cumulative total of:		
L4+ learners by 2021	306	-
16-19 further education learners by 2021	130	-
Degree apprentices by 2021	-	-
Higher apprentices by 2021	10	-
L2 and L3 Apprentices by 2021	80	-
L4+ Learners by 2025	3,420	-
16-19 further education learners by 2025	3,045	-
Degree apprentices by 2025	63	-
Higher apprentices by 2025	300	-
L2 and L3 apprentices by 2025	1,092	-

Through leverage, we will add a further £1.56 to every £1 invested by Government.

The map below shows the growth zones identified by the SWLEP as the areas into which the Board wishes to target specific investment in line with its strategic priorities.

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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	-