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Swindon Workforce Analysis

A Report by Regeneris
Consulting

Swindon Workforce Analysis

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Summary

To support the case for companies to locate at Symmetry Park in Swindon, Regeneris Consulting has undertaken a detailed assessment of the strength of the local workforce. Focussing on a 30 minute 'drive-time' catchment, analysis has focussed both on the characteristics of the workforce and its performance versus other successful logistics, distribution and fulfilment locations in the South of England.

This report ultimately demonstrates that the current and future workforce in the vicinity of the park represents a significant comparative advantage for occupiers.

The Symmetry Park/Swindon Workforce

The following points summarise the key characteristics of the 30-minute catchment of Symmetry Park.

- **A workforce with appropriate experience** - One in three of the workforce within the catchment area has work experience which matches the needs of the logistics and distribution sector. This strength is recognised by Swindon Borough Council, who subsequently identify the sector as a priority in their economic strategy.
- **An appropriately skilled workforce** - It is estimated that almost 150,000 people within the catchment have appropriate skills to work within the sector.
- **A growing workforce** - New housing will see the working age population grow rapidly. If Swindon meets its 20-year housing target, supply of labour will grow by 36,000. 13,400 of these will live in the Eastern Villages development area, adjacent to Symmetry Park.
- **A young workforce** - The 30-minute catchment of Symmetry Park has a young workforce, with over half of the working age population under the age of 45. The 2015 Swindon Skills Mapping and Brokerage Business Survey showed high levels of satisfaction amongst local employers recruiting young people in Swindon.
- **An affordable workforce** - Advertised weekly salaries for the sector are around £50 to £100 cheaper in Swindon than jobs currently advertised in other prominent logistics parks in the South East.
- **Efficient recruitment** - Vacancies in the sector locally are filled quickly – two thirds of local vacancies in the sector are filled within 13 weeks.

Performance versus Comparators

In order to demonstrate the relative performance of Swindon, comparison has been undertaken between the Symmetry Park catchment and 3 other high performing locations in Bristol, Milton Keynes and Reading. A number of indicators were considered, the key points being:

- Swindon has a much higher proportion of its workforce working in relevant occupations, meaning **more local people will have relevant experience than in comparator locations**. This is 10 percentage points higher than Bristol and seven percentage points higher than Reading.
- Median weekly earnings at the appropriate level (the 20th percentile) are lowest in Swindon. This suggests that in Swindon the average gross weekly wage is £3 less than

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Bristol, £4 less than Milton Keynes and £32 less than Reading. **Over the course of a year, for a workforce of 500, Reading would be over £800,000 more expensive than Swindon.**

- **Compared to other locations, Swindon has a good record of being able to recruit quickly into logistics and distribution jobs.** The latest data suggests that more candidates are successfully matched to logistics and distribution jobs in the town within 13 weeks than in Milton Keynes and Bristol.
- Significant new housing will mean that **over the next decade Swindon's working age population will grow much more quickly than Bristol and Reading** and at a similar rate to Milton Keynes.
- Whilst comparator locations have a higher quantum of employees within their catchment areas, the workforce in these places are more likely to travel to other locations for work. **Swindon is less likely to see high levels of economic migration, which ultimately means less overall competition for labour.**

Summary of Comparator Ranking

To summarise the relative performance of the catchment of comparator locations, we have undertaken a composite ranking assessment for the indicators considered above. Symmetry Park, scores the lowest composite ranking score, suggesting that, **based on the indicators and locations considered, it represents the best overall location for the distribution and logistics sector based on local workforce.**

Summary of Ranking Across Comparator Areas				
Indicator	Location and Rank (1 being best/most appropriate)			
	Swindon	Bristol	Milton Keynes	Reading
Proportion of labour market of working age	3	1	4	2
Projected % Growth in the Workforce	2	3	1	4
Proportion of labour market travelling less than 10km to work	2	1	3	4
Proportion working in the local area	2	3	1	4
Proportion working in appropriate occupation	1	3	4	2
Proportion with appropriate qualifications	1	4	2	3
Median Salary in 20 th Percentile (labour cost)	1	2	3	4
Economic activity rate	2	4	3	1
Proportion of unemployed looking for appropriate jobs	2	4	3	1
Ability to fulfil vacancies	2	1	3	4
Total Rank Score	18	26	27	29
Overall Rank	1	2	3	4

1. Introduction

- 1.1 DB Symmetry are currently looking to attract occupiers to locate at Symmetry Park, a significant new logistics and fulfilment park in Swindon.
- 1.2 Symmetry Park, is located 4 miles to the north of Junction 15 on the M4, and provides a premier B8 use location with access to key markets. It is strategically positioned between London and Bristol at the heart of the M4 corridor. The development provides a rare opportunity to occupy a single build-to-suit building of over 1 million sq. feet in the south of the UK. It is estimated that between 500 and 1,000 jobs could be accommodated¹ there.
- 1.3 Regeneris Consulting has been commissioned by DB Symmetry to undertake research to establish the specific comparative advantages of its Symmetry Park site and Swindon as a whole.

Regeneris Consulting Ltd is a specialist economic development and regeneration consultancy providing high quality economic research to both public and private sector clients across London and the UK.

- 1.4 This research is based on an analysis of the workforce within the catchment area for Symmetry Park.

Logistics and Distribution Sector Skills

- 1.5 Whilst we recognise the diverse mix of jobs within a modern logistics warehouse/fulfilment centre (warehouse staff, HGV drivers, customer care/support, IT staff, finance, management and administrative), to aid analysis we have sought to profile the typical individual who might be employed at Symmetry Park. This is based on desk-based research of current logistics and distribution job adverts in Swindon (and more generally nationally) in addition to sector-based research about the skills requirements for employment in the sector. The following is a list of key characteristics used to define the logistics and distribution workforce:
- age
 - qualifications
 - skills
 - salary
- 1.6 The nature of these characteristics may change depending on the role a particular person is employed in being administrative, management as well as elementary occupations and process, plant and machine operatives.

Age

- 1.7 The logistics and distribution sector employs a broad range of ages. That said, recent research by the UK Commission for Employment and Skills² (UKCES) indicates that less than 10% of the sector's workforce is under the age of 25. Indeed, nearly half (45%) of the workforce in the logistics and distribution sector nationally is over 45 years of age. It is important to note that in its research, the UKCES (UK Commission for Employment and Skills) notes that "attracting young people is a [...]"

¹ Based on average density guides from the HCA's *Employment Density Guide, 3rd edition* published in November 2015.

² UKCES, *Understanding Skills and Performance Challenges in the Logistics Sector*, October 2014

problem to the sector” and its future security. The sector’s ability to attract a younger workforce will become more important in the future as the logistics’ workforce is expected to grow by an additional 1.2 million workers by 2022². With this in mind, we assume that a mix of experienced operatives and a motivated and employable young workforce is attractive to occupiers.

Qualifications

- 1.8 Our review of current job vacancies in logistics and distribution has not highlighted any specific qualification requirements for warehouse operatives. Nevertheless, this requirement varies depending on the roles being advertised. Specialist roles, such as data analysts for instance may require specific qualifications such as GCSEs in Mathematics and English subjects.
- 1.9 UKCES show that nationally, a large proportion of the workforce in logistics and distribution has up to level 2 qualifications (ie. 1-4 and 5+ GCSEs) as well as apprenticeships. Furthermore, this research indicates that more highly-skilled jobs will be created in the sector by 2022, and as such the workforce will need to be up-skilled accordingly.

Skills

- 1.10 Recent research by the Baker Dering Educational Trust³ has reported that logistics is moving towards a high-skills business model. The rapid technological advances, consumer demand and environmental factors mean that the sector is undergoing significant changes. As such, it is imperative that any mismatches in skills between employers’ requirements and the skills available to them are addressed swiftly.
- 1.11 The skills required for employment in the logistics and distribution sector vary greatly, depending on the occupation and role being recruited. However, we have identified the following as being essential:
- basic / working knowledge of IT systems including Microsoft Office Excel, and other warehouse management systems
 - problem-solving skills
 - understanding of warehouse, despatch, logistics and stock control
 - numeracy and literacy skills
 - communication skills, including verbal and written.

Salary

- 1.12 Salaries for jobs in logistics and distribution vary by location, role, occupation and experience. In our research based on current job vacancies in the sector in Swindon we have identified the following (gross) weekly salaries for
- warehouse manager: £640 per week
 - warehouse operative: £300-£350 per week.
- 1.13 In this report we assess the workforce within the DB Symmetry Park’s catchment area, and compare it with the catchment area for similar distribution parks in Bristol (Central Park), Milton Keynes (Magna Park) and Reading (Green Park and surrounding area).

³ Baker Dering Educational Trust, *The skills needs of the Logistics Sector in Leicestershire and the case for a University Technical College*, March 2015

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- 1.14 The following section sets out our approach in defining the workforce catchment area for each of the distribution parks discussed above, as well as a description of the indicators used to compare Swindon's workforce with the other areas.

2. Defining Catchments

- 2.1 To identify the catchment area for the Symmetry Park's workforce (and its comparators) we have used the TravelTime Platform developed by iGeolise.
- 2.2 This tool allows users to select a starting location, a start time, and the mode of transport used to complete the journey. The maps appended to this document show the respective catchment areas for Swindon, Bristol, Reading, and Milton Keynes. It is assumed that each location's catchment area consists of the distance that can be reached in a 30-minute⁴ drive during peak hours⁵.
- 2.3 Following this we identified the statistical geographies forming each catchment area⁶ and accessed data from the census. In some instances, data was only available at the local authority and/or regional levels. In these cases, larger-scale data was used to add overall context to our analysis.

Indicators Used

- 2.4 Building on the profile for a typical employee in the logistics and distribution sector we have described above, the following indicators were identified and used to compare Swindon's workforce with that of the other comparator areas:
- participation in the labour market
 - occupations
 - skills and qualifications
 - population age
 - unemployment and job seekers' profile
 - salary
 - travel to work areas and commuting.
- 2.5 In addition to our analysis of the data we have also looked at a number of recently-published studies such as the Swindon 2020 Masterplan Review and Delivery Plan, the Swindon Economic Strategy for 2012-26 and the recently-adopted Local Plan to add context. Furthermore, we have looked at the likely impacts the Council's housing targets (22,000 new dwellings) for 2011-26 could have on Swindon's workforce.
- 2.6 In the following chapters, our use of the term 'Swindon's workforce' refers to the workforce within Swindon's 30-minute catchment area. the Symmetry Park's 30-minute catchment area. Likewise, our use of 'Bristol's workforce', 'Milton Keynes's workforce' and 'Reading's workforce' refers to the respective workforce of Central Park, Magna Park and Green Park 30-minute catchment areas.

⁴ This assumption is based on data from the 2011 Census of Population which shows that over 70% of Swindon's residents travel less than 10 km to reach their workplace. Furthermore, data from the Census also shows that more than two-thirds of all people employed in transport and communication travel less than 30 km for work.

⁵ ie. starting at 8 am.

⁶ We made use of data at the local super output area (LSOA) level from the 2011 Census of Population. If 50% or more of a particular LSOAs was located within a catchment area, it was included in our best-fit definition of the catchment areas.

3. The Swindon Workforce

- 3.1 The following analysis assesses the key strengths of Swindon's workforce in terms of the indicators identified above.

Workforce Skills

- 3.2 There is no definitive way of measuring whether a local workforce's skills are relevant to the logistics and distribution sector. There are however, a number of indicators that can be used as a proxy for measuring this. Among these are the occupations' split of the local workforce. For distribution and logistics, we (using ONS definitions) identify 'skilled trades', 'elementary occupations', and 'process, plant and machine operatives' as key indicators in assessing the local workforce.
- 3.3 Based on these occupations, we identify 53,000 people within Symmetry Park's 30-minute catchment area that are in occupations relevant to the logistics and distribution sector. This number can be broken down as follows:
- 19,400 people employed in skilled trades and similar occupations
 - 13,100 people occupied as process, plant and machine operatives
 - 20,500 people employed within elementary occupations
- 3.4 This figure represents around one-in-three of all working age people within the Swindon catchment area. This is higher than the proportions seen nationally and in the South East. Swindon's Economic Strategy⁷ identifies logistics and distribution as a priority for the area's ongoing economic success, and argues that its residents' skills base is very well matched to the logistics and distribution sector. Furthermore, the Strategy indicates that Swindon's skills base has increased the area's resilience, and enabled it to remain an important base in logistics and distribution throughout the recent economic downturn.

Workforce Qualifications

- 3.5 Another key measure of an area's skills levels is the qualifications achieved by its workforce. Research by UKCES shows that a large proportion of the workforce in the logistics and distribution sector nationally has levels 1 & 2 qualifications (ie. 1-4 and 5+ GCSEs respectively). Using this measure, we identify around 87,800 people with level 1 & 2 qualifications within the Swindon workforce.
- 3.6 In addition, there are a further 13,700 people with what are defined as 'other qualifications'⁸ by the ONS, and 45,300 people completing apprenticeships locally. Although not included within the UKCES study, we believe that these skills are relevant to the logistics and distribution sector. As such, we estimate that in total there are up to 146,800 people with the skills levels normally sought by the sector within Swindon's 30-minute catchment area. This represents around 54% of the area's total workforce, and is considerably higher than that seen in the South West (39%) and nationally (38%).

⁷ *Economic Strategy and Action Plan for Swindon 2012-26*, January 2013

⁸ This refers to people receiving vocational and on-the-job training.

Economic Activity and Unemployment

- 3.7 Economic activity⁹ is another critical measure of the overall strength of an area's workforce. In total, there are 183,200 people who are economically active within Swindon's 30-minute catchment area, which translates to around three-in-four people aged 16 to 74.
- 3.8 Unemployment is a notoriously tricky measure in a study of this type. Whilst high unemployment can show availability of labour, it also suggests an area lacks economic competitiveness, lower exposure to workplace training and often lower levels of workforce mobility in an area. In short, we would note that unemployment alone is not an adequate measure of workforce availability.
- 3.9 Swindon itself has an unemployment rate of 3.7%; this is lower than the national average, but higher than the regional averages for the South East and South West.
- 3.10 Overall, there are around 9,000 people listed as being unemployed within the Swindon catchment area. Recent Job Centre data shows that there are currently¹⁰ around 1,615 people looking for jobs within the Swindon catchment area.

Cost and Availability of Labour

- 3.11 Our research of current vacancies in logistics within the Swindon catchment area has identified an average salary of between £300 and £350 for warehouse operatives, compared with an average weekly salary of £350 to £400 in the South East. The salary for warehouse operatives is significantly lower than the median weekly salary for Swindon (Local Authority area) which in 2015 stood at £560 per week (a figure which is skewed upwards by the presence of some established advanced manufacturing employers in the area such as Honda).
- 3.12 Job Centre data for unfulfilled vacancies in the logistics sector from November 2012¹¹ indicates that only around a third of all vacancies were not filled within a 13-week period. Historically, the number and proportion of unfulfilled vacancies in the logistics sector within Swindon has been lower than that across the South West and nationally.
- 3.13 Data on satisfaction with, and the quality of local recruitment is not available. Having said that, in The Swindon Skills Mapping and Brokerage Business Survey 2015 employers report high levels of satisfaction with the recruitment of young people in the town. Swindon's Economic Strategy also anticipates that vocational training will achieve a higher status locally, ultimately contributing to improvements in the education attainment, resulting in even higher satisfaction in local recruitment.

⁹ The definition of economic activity includes people in employment (i.e. employees and self-employed), unemployed people looking for paid employment and full-time students.

¹⁰ August 2016

¹¹ This dataset has been discontinued and is used only for illustrative purposes.

Age Profile of the Workforce

- 3.14 Within the Swindon 30-minute catchment area, there are around 224,600 people aged 16 to 74, identified as working age by the Office for National Statistics. This represents around 73% of the catchment area's total population, and is slightly higher than the proportions seen in the South East and South West. This is echoed in the Swindon Economic Strategy¹² which describes the size of Swindon's working age population as comparing favourably to Reading and West Berkshire's respective working age population.
- 3.15 Given the acknowledged need of the sector to attract a younger workforce, perhaps a more appropriate measure of the labour market depth and workforce availability for the logistics and distribution sector is the population aged 16 to 44. As discussed previously, over half of the sector's workforce nationally is under the age of 45 (around 55% nationally), and this is expected to grow as the demand for workforce increases over the next 5 years or so¹³. In Swindon, over half of the working age population (127,400 people or 52%) is under 45 years of age. In comparison, less than half (or 49%) of the South West's working age population is aged under 45.
- 3.16 This evidence suggests that occupiers can be confident of attracting a relatively youthful workforce at Symmetry Park. It is also worth noting that The Swindon Skills and Business Brokerage Survey of 2015¹⁴ shows high levels of satisfaction amongst local employers at the employability and retention of young people in Swindon.

Self-Containment and Commuting

- 3.17 Data from the Census shows that the distance travelled to work by Swindon (Local Authority area) residents varies from under 2km to over 60km, with the average distance travelled being just under 16 km; this is lower than the average across the region.
- 3.18 A large proportion of the Swindon's residents (around 70%) travel less than 10 km for work. Across the South West, people travel longer distances for work, and only a little over half of all residents travel less than 10 km. In addition, the data also shows that Swindon (Local Authority area) has a self-containment rate of around 74% (68,200 people). This means that around three in every four of the Borough's residents who are employed, work within Swindon and that unlike other locations (particularly those close to London), Swindon is not losing a high proportion of its workforce each day.

¹² *Economic Strategy and Action Plan for Swindon 2012-26*, January 2013

¹³ The UKCES report *Understanding Skills and Performance Challenges in the Logistics Sector* identifies that by 2022 the sector's workforce will increase by a further 1.2 million workers.

¹⁴ Survey of 110 Swindon businesses in Summer 2015

Future Workforce Growth

- 3.19 The recently-adopted Local Plan for Swindon¹⁵ sets a target of up to 22,000 new dwellings in the Borough between 2011 and 2026. The construction of 22,000 new homes over a 15-year period is expected to have a considerable impact upon Swindon's population. Based on projected household sizes from the latest Sub-National Household Projections¹⁶ we estimate that the construction of 22,000 new dwellings in Swindon would result in 51,200 additional people. This represents an increase of 24% in Swindon's population. As a result of this population increase we expect that around 36,900 people are aged 16 to 74, resulting in an increase of around 9% to Swindon's (Local Authority area) working age population.
- 3.20 The Local Plan also sets out a number of allocated sites for strategic housing development to 2026. One of the key areas identified is referred to as 'Eastern Villages' which incorporates Rowborough and the South Marston Village Expansion. This area includes Symmetry Park, and has been earmarked as accommodating up to 8,000 of the Borough's 22,000 new homes target. This means that should these 8,000 new homes be delivered, there will be up to 13,400 additional people aged 16 to 74 within very close proximity of Symmetry Park.

¹⁵ Swindon Borough Local Plan, adopted March 2015

¹⁶ ie. 2014-based Sub-National Household Projections published by DCLG in June 2016

4. Area Comparisons

- 4.1 The previous section established that the Symmetry Park catchment area has an active, skilled, youthful and local workforce who are currently employed on wages that are lower than the averages seen elsewhere. This alone however, does not demonstrate the comparative advantage offered by Swindon. As such, this section compares the workforce within Swindon’s catchment area with that in Bristol, Reading and Milton Keynes.
- 4.2 In deciding which catchment areas to compare Symmetry Park with, we have looked at a number of high performing locations and identified the ones that are most similar to Symmetry Park, and which could be potential choices for logistics and distribution businesses to locate in. The maps in Appendix A show in some detail the places included within each 30-minute catchment area.

Demographic Profile

- 4.3 Overall, Swindon’s working age population is lower than comparator locations. As a proportion of total population however, Swindon’s working age population is similar to comparator locations. It is also higher than the average for the South East and South West

Table 4.1 Demographic structure, 2011

	Population aged 16-74		Population aged 16-44	
	No	%	No	% of Working Age Popn.
Swindon	244,600	73.3%	127,400	52.1%
Bristol	445,900	74.4%	256,000	57.4%
Milton Keynes	467,400	72.5%	262,200	56.1%
Reading	356,000	73.5%	197,800	55.6%
South East (millions)	6.27	72.7%	3.26	51.9%
South West (millions)	3.86	72.9%	1.90	49.2%

Source: ONS, Census of Population, 2011

Containment of the Labour Market

- 4.4 In considering workforce supply, it is important to consider where each area’s workers are actually employed. The table below shows the proportion of residents that travel fewer than 10 km to get to their workplace (roughly a 30-minute drive). In Swindon (Local Authority area), around 72% of the workforce travels less than 10 km for work. This is considerably higher than in Milton Keynes (69%) and Reading (66%). The proportion of Swindon (Local Authority area) residents who travel less than 10 km for work is higher than the average for the South West and the South East.

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Table 4.2 Distance travelled to work, 2011

		Less than 10 km	Work mainly at or from home	Total travelling less than 10 km (including working from home)
Swindon	No	70,400	8,900	79,300
	%	64.3%	8.1%	72.4%
Bristol	No	144,600	17,800	162,500
	%	68.9%	8.5%	77.4%
Milton Keynes	No	76,200	12,500	88,700
	%	59.7%	9.8%	69.4%
Reading	No	45,500	7,000	52,500
	%	56.9%	8.8%	65.7%
South East	No	1,999,300	502,600	2,501,800
	%	46.9%	11.8%	58.7%
South West	No	1,337,300	323,800	1,661,000
	%	52.2%	12.6%	64.9%

Source: ONS, Census of Population, 2011

- 4.5 Another way of looking at this is the level of self-containment. This refers to the proportion of residents that both live and work within the same Local Authority area. Census data shows that in Swindon there are around 68,200 people who live and work within the same Local Authority area. This adds up to around 74% of the local resident workforce, and is on par with the level of self-containment seen in Milton Keynes, but higher than that seen in Bristol.

Table 4.3 Self-containment rate, 2011

	Self-Containment	Self-Containment Rate
Swindon	68,200	73.7%
Bristol	121,600	69.7%
Milton Keynes	77,800	73.8%
Reading	34,000	51.0%

Source: ONS, Census of Population, 2011

- 4.6 Ultimately, whilst comparator locations have a higher quantum of employees within their catchment areas, the workforce in these places are more likely to travel to other locations for work. Swindon (and indeed Bristol) is less likely to see high levels of economic migration, which ultimately means less overall competition for labour.

Occupational Profile

- 4.7 In the previous section we identified skilled trades, elementary occupations, and process, plant and machine operatives as one of the key indicators in assessing a workforce's suitability for providing employment in the logistics and distribution sector.
- 4.8 The table below indicates that the pool of process, plant and machine operatives in Swindon is on par with that seen in Bristol (15,500 people), but is higher than that in Reading (11,000). Overall, we identify 52,900 people within Swindon's workforce in occupations best aligned to those in the logistics and distribution sector. This represents around 31% of the total workforce, meaning that a higher proportion of Swindon's workforce is more appropriate to the logistics and distribution

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sectors than other locations. This is also higher than the average seen across the South East, and in line with that in the South West region.

Table 4.4 Skilled occupations (000s), 2011

	Skilled trades occupations		Process plant & machine op.		Elementary occupations		Total	
	No	%	No	%	No	%	No	%
Swindon	19.4	11.2%	13.1	7.6%	20.5	11.8%	52.9	30.6%
Bristol	28.2	9.4%	15.5	5.2%	30.1	10.0%	73.8	24.6%
Milton Keynes	32.9	10.3%	23.3	7.2%	38.8	12.1%	95.0	29.6%
Reading	23.8	9.4%	11.0	4.3%	21.4	8.5%	56.3	22.2%
South East	473.3	11.1%	243.0	5.7%	413.2	9.7%	1,129.4	26.5%
South West	343.0	13.4%	171.2	6.7%	282.5	11.0%	796.7	31.1%

Source: ONS, Census of Population, 2011

Qualifications

- 4.9 In the previous section we identify levels 1 and 2 qualifications, other qualifications and apprenticeships as another key measure for assessing a workforce's skills levels with regards to the logistics and distribution sector.
- 4.10 The table below compares qualification levels in Swindon with those across its comparator areas. The data shows that overall, Swindon has a higher proportion of its workforce with appropriate skills for the sector. This is 10 percentage points higher than the Bristol catchment and 7 percentage points higher than Reading. Furthermore, this is also higher than the averages for the South East (38%) and the South West (39%) regions.

Table 4.5 Qualifications (000s), 2011

	Levels 1 & 2		Other Qualifications		Apprenticeships		Total	
	No	%	No	%	No	%	No	%
Swindon	87.8	32.5%	13.7	5.1%	45.3	16.8%	146.8	54.4%
Bristol	126.7	25.8%	21.5	4.4%	68.8	14.0%	216.9	44.2%
Milton Keynes	157.6	31.2%	32.7	6.5%	81.2	16.1%	271.5	53.7%
Reading	105.9	27.4%	20.6	5.3%	56.4	14.6%	182.9	47.3%
South East (million)	2.06	29.4%	0.36	5.2%	0.25	3.6%	2.67	38.2%
South West (million)	1.31	30.0%	0.19	4.5%	0.19	4.3%	1.69	38.7%

Source: ONS, Census of Population, 2011

Cost of Labour

- 4.11 Salary data from the Annual Survey of Hours and Earnings¹⁷ shows that Swindon's (gross) median weekly salary of £560 is slightly higher than Bristol's (£530) and Milton Keynes's (£550). On the other hand, Swindon's median salary is lower than Reading's median salary (£590). This however, is influenced by the structure of the local economy, which in Swindon is identified as having a strong manufacturing base (consisting of a large number of jobs in the motor industry, as well as the manufacturing of pharmaceuticals).

¹⁷ Office for National Statistics, Annual Survey of Hours and Earnings, 2015

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- 4.12 It is however, possible to segment earning to give a clearer idea of workforce costs at salary levels relevant to the logistics and distribution sector.
- 4.13 Our assessment of current job vacancies for warehouse operatives in Swindon has identified an average salary of between £300 and £350 per week (which is lower than the wages offered in Reading and Milton Keynes which are in the region of £350 and £400). This places average salaries for jobs in the logistics and distribution sector in Swindon in the 20th percentile along the local salary spectrum.
- 4.14 By assuming that all jobs in logistics everywhere are within the 20th percentile (as in 4.14), it can be argued that overall costs for labour in the logistics and distribution sector in Swindon are cheaper than all comparator locations.

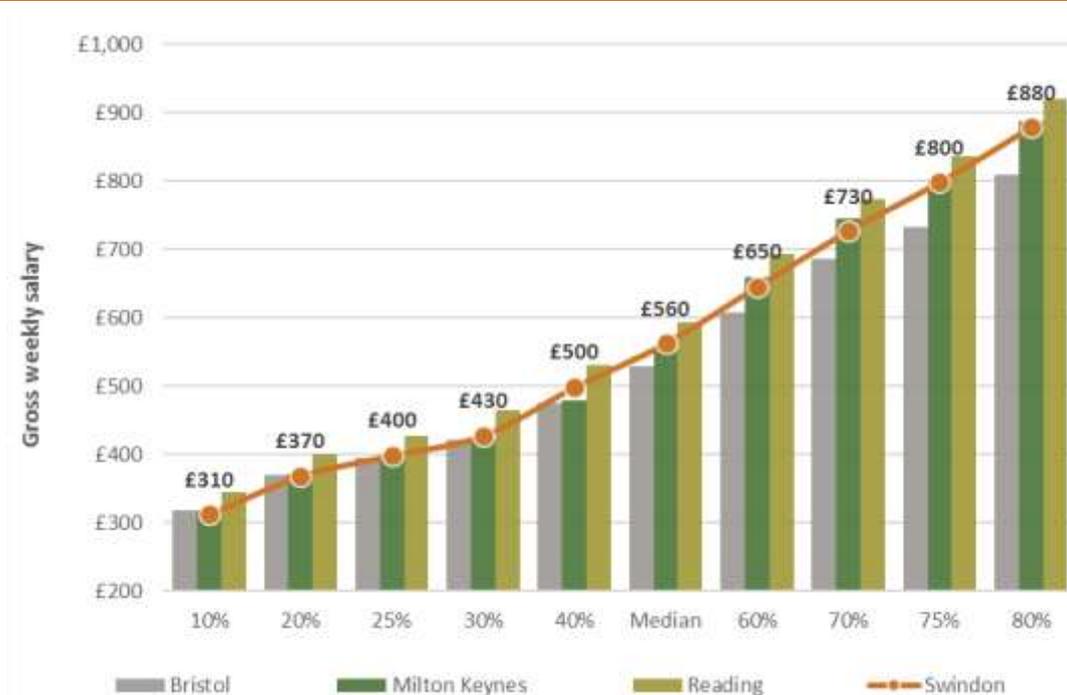
Table 4.6 Weekly (gross) 20th percentile and median salary, 2015

	20 th percentile	Median Salary
Swindon	£368	£560
Bristol	£371	£530
Milton Keynes	£372	£550
Reading	£400	£590
South East	£368	£550
South West	£342	£490

Source: ONS, Annual Survey of Hours and Earnings, 2015

- 4.15 In the case of Reading, this estimated difference could equate to a difference in annual gross wages of over £800,000 per year.

Comparison of weekly percentile salary



Source: ONS, Annual Survey of Hours and Earnings, 2015

Economic Activity and Unemployment

- 4.16 At around 75%, the economic activity rate within Swindon’s catchment area is higher than the equivalent rates in Bristol and Milton Keynes and similar to Reading. Furthermore, the strength of Swindon residents’ participation in the labour market is evident in the area’s unemployment rate. That said, labour availability in Swindon (by measure of unemployment) is still higher than the South East (3.4%) and South West (3.3%) regions.

Table 4.7 Economic activity and unemployment, 2011

	Economically Active		Unemployed	
	No	%	No	%
Swindon	183,200	74.9%	9,000	3.7%
Bristol	319,100	71.6%	15,200	3.4%
Milton Keynes	345,900	74.0%	21,000	4.5%
Reading	268,172	75.3%	12,200	3.4%
South East	4.52 million	72.1%	216,200	3.4%
South West	2.71 million	70.3%	126,200	3.3%

Source: ONS, Census of Population, 2011

- 4.17 Given the large number of unemployed residents in the Bristol, Reading and Milton Keynes catchment areas, it is no surprise that all three areas have a higher number seeking employment and claiming unemployment benefits. As a proportion of the working age population, claimant count rate is actually similar to Reading and the southern regions and only marginally lower than Bristol.

Table 4.8 JSA Claimant counts, August 2016

	Claimants totals	Claimants as % of working age population
Swindon	1,600	0.66%
Bristol	3,700	0.83%
Milton Keynes	4,900	1.05%
Reading	2,100	0.60%
South East	44,500	0.71%
South West	27,200	0.71%

Source: ONS, Census of Population, 2011; Job Seekers’ Allowance, Claimant counts, August 2016

Fulfilling Vacancies

- 4.18 The latest available Job Centre data on unfulfilled vacancies shows that in Swindon, only one-in-three jobs were left unfulfilled for a period of up to 13 weeks in November 2012. This is significantly lower than in Bristol and Milton Keynes, suggesting Swindon represents a stronger location in terms of ability to recruit efficiently.

Swindon Workforce Analysis

Table 4.9 Total and unfulfilled vacancies in transport, storage and communication, November 2012*

	Unfulfilled Vacancies within 13-weeks	
	No	%
Swindon	20	32.8%
Bristol	85	44.0%
Milton Keynes	50	44.1%
Reading	10	30.0%
South West	535	46.4%
South East	720	26.3%

Source: Job Centre, Vacancies – unfulfilled by duration and industry, November 2012

*Please note that this dataset has been discontinued in November 2012

Future Workforce Growth

- 4.19 Estimating the level of growth expected across different housing delivery areas (with different timescales) is a tricky exercise. However, based on an estimate of the number of dwellings expected to be delivered in Bristol, Reading and Milton Keynes (Local Authority areas) from their respective increase in workforce size Local Plans / Core Strategies, we can estimate the number of dwellings that could be expected by 2026.
- 4.20 Overall, the construction of 22,000 new dwellings in Swindon could result in 51,200 additional people across the borough. This represents an increase of almost 25% in Swindon’s population. Although this number is lower than the expected growth in Bristol (52,900 additional people) and Milton Keynes (64,900 additional people), the rate of growth in Swindon (+25%) is more in line with that of Milton Keynes (+26%) than Bristol’s (+12%).
- 4.21 The same can be said about the expected growth in Swindon’s working age population (ie. people aged 16 to 74). Overall, Swindon’s working age population is expected to grow at a similar rate to Milton Keynes’s, but is expected to be around two-times that seen in Bristol and Reading.

Table 4.10 Expected growth, 2011-2026

	Dwellings 2011-26	Total population change		Working age population (16-74)	
		No	%	No	%
Swindon	22,000	+51,200	+24.5%	+36,900	+24.0%
Bristol	22,950	+52,900	+12.4%	+39,400	+12.3%
Milton Keynes	26,250	+64,900	+26.1%	+46,100	+25.4%
Reading	8,070	+19,400	+12.5%	+14,200	+12.2%

Source: Calculations by Regeneris Consulting, 2016

Please note that the number of dwellings between 2011 and 2026 is based on the proposed number of dwellings per annum for each local authority area multiplied by 15. To convert the number of dwellings to population growth we calculate the changes in average household sizes 2011-2026 (from DCLG, 2014-based Sub-National Household Projections, 2016). Finally, the population is broken down based on age structure in the latest population projections available (from ONS, 2014-based Sub-National Population Projections, 2016).

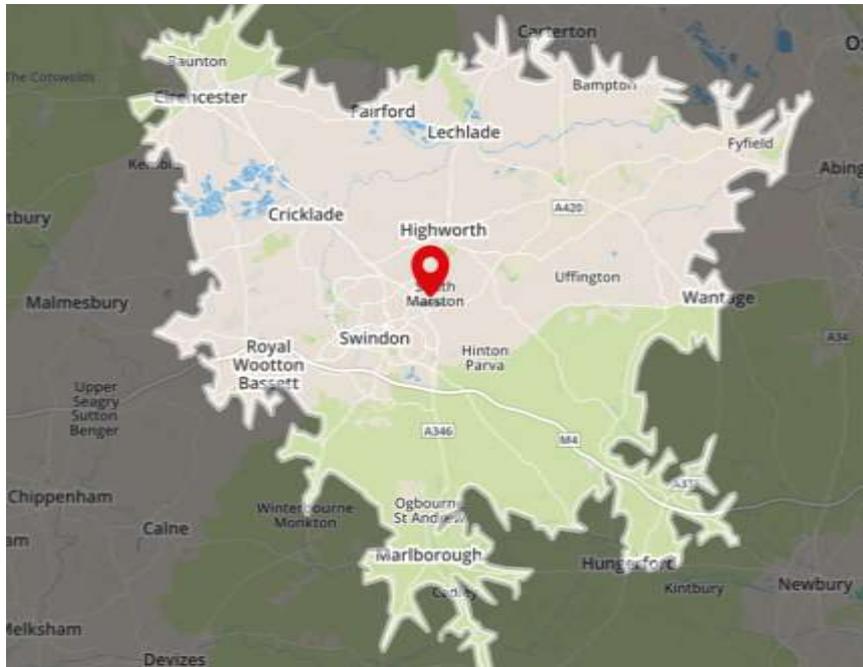
Summary of Comparator Ranking

4.22 To summarise the relative performance of the catchment of comparator locations, we have undertaken a quick composite ranking assessment for the indicators considered above. In the table below, Swindon scores the lowest composite ranking score, suggesting that based on the indicators and locations considered, it represents the best employment location for occupiers within the distribution and logistics sector.

Table 4.11 Summary of Ranking Across Comparator Areas				
Indicator	Location and Rank (1 being best/most appropriate)			
	Swindon	Bristol	Milton Keynes	Reading
Proportion of labour market of working age	3	1	4	2
Projected % Growth in the Workforce	2	3	1	4
Proportion of labour market travelling less than 10km to work	2	1	3	4
Proportion working in the local area	2	3	1	4
Proportion working in appropriate occupation	1	3	4	2
Proportion with appropriate qualifications	1	4	2	3
Median Salary in 20 th Percentile (labour cost)	1	2	3	4
Economic activity rate	2	4	3	1
Proportion of unemployed looking for appropriate jobs	2	4	3	1
Ability to fulfil vacancies	2	1	3	4
Total Rank Score	18	26	27	29
Overall Rank	1	2	3	4

Appendix A - Catchment Areas

30-minute catchment area for Symmetry Park in Swindon



Source: Based on TravelTime Platform developed by iGeolise

30-minute catchment area for Bristol



Source: Based on TravelTime Platform developed by iGeolise

Swindon Workforce Analysis

30-minute catchment area for Reading



Source: Based on TravelTime Platform developed by iGeolise

30-minute catchment area for Milton Keynes



Source: Based on TravelTime Platform developed by iGeolise



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