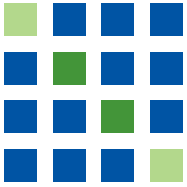




City Growth **Luton**

Executive Summary Document

Driving wealth creation in Luton

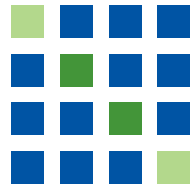


2012 and Beyond, Driving for Success



City Growth Luton 2012 and beyond.

A dynamic town built through capitalising on opportunities for growth; nurturing its businesses and communities; exploiting innovation; providing an enabling environment; and driving for success



Executive Summary

2

City Growth | Luton

Luton has been the hat capital of England since the seventeenth century. The city's industrial past is dominated by the presence of Vauxhall as the major employer (once producing the Cavalier and Vectra in the town). The industrialisation of less economically developed countries, however, has resulted in a massive restructuring of UK manufacture that is less wage competitive. Luton's industrial restructuring is managed within the context of widespread and concentrated economic and social deprivation, land supply constraints, and a high proportion of minority groups.

Despite the decline, Vauxhall Motors maintains its long-standing presence in Luton, with UK headquarters and a European Customer Care Centre based in the town. Its sister company IBC also has a major manufacturing facility in Luton. Other well-known employers include Anritsu, Barclays Bank, Ernst & Young, Interbrew, ntl, Rexam, Siemens, Honeywell and Whitbread. In addition, various major airline and travel companies are located at the airport, including Britannia Airways, easyJet, Alteon, Monarch, Ryanair and Thomson Travel. AstraZeneca – one of the world's largest pharmaceutical manufacturers – and former BAe Systems (now Selex Sensors and Airborne Systems) have chosen to develop state-of-the-art facilities which are expected to employ 1,000 people at the Capability Green business park. While Luton has considerable assets and a range of innovative activities are

taking place, these are under-valued and not given sufficient profile. The result is a poor image which contributes to a continuing cycle of comparatively low performance and a cautious, risk-averse business community. In 2004, Luton was chosen along with nine other areas in England to roll out the City Growth Initiative.

City Growth focuses on building on success to create wealth for all its communities. In Luton, we have developed our Vision to reflect this reality that we must and will build on successful foundations, and capitalise on the many opportunities both within the key clusters and elsewhere. We also recognise that the critical elements of this broader community must be drawn from all groups including those in the deprived wards, business, education and the public sector.

City Growth gives the opportunity to create a focal point for action. It also spreads best practice allowing the exploitation of innovation not only in terms of new products, services or ideas, but also in improved business processes and communication.

The role of the public sector within City Growth is one of an enabler and we have recognised that there are fundamental issues around skills, transport, infrastructure and general business and community support which require either intervention or the long-term support of the public sector.



Building on these themes we have developed a **Vision** focusing on a successful future for all.

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To meet the challenges of realising this Vision will need a step-change and we have identified Key Drivers which focus on the key issues of skills, business change, meeting future demands and creating an enabling environment. They recognise the need to promote an improved image of Luton both internally and externally, and most critically they are underpinned by capitalising on the expansion of London Luton Airport.

These Key Drivers therefore create a focus for the Vision and support the growth and success of the City Growth area and its clusters and residents.

Key Driver 1: Enhance skills development to meet future business needs

Both industry and training/education providers have recognised the need to better align the provision of skills development with the needs of locally based businesses. The provision of this required skill base will enable existing businesses to stay, grow and attract new investors. They will also enable communities to upskill in order to capitalise on new opportunities.

City Growth Luton will also work closely with the needs of business, mapping future demand and creating a close linkage to schools, colleges, and universities to develop a relevant vocational focus to future education and training.

Key Driver 2: Support business change to meet future market demands

Luton has had major shifts in the make-up of its local industries and businesses. Those that have been able to respond to new demands have been able to survive. Newer and smaller companies also need to be able to meet these imposed changes. Improved processes, sharing of information and best practice, co-operative business development, all require innovation in learning, action and thinking. Innovation to meet these changes will be fundamental to future success and survival. Introducing and supporting innovation to meet the changes of future market demands will be a key feature of support from the public sector embedded in City Growth Luton.

Key Driver 3: Create an enabling environment for City Growth

Today the term 'environment' has taken on a broader meaning. Within the context of City Growth it encompasses transport, infrastructure, and the provision of business and community support. It covers all those other elements needed to enable successful growth and to make Luton a better place to live and do business.

It also includes having a focused leadership to drive towards the Vision. Although City Growth is private sector led, it is essential to have a strong co-ordinated public sector support system to create the framework for action.



The City Growth Luton (CGL) Board comprises key individuals, organisations and companies spanning the private and public sector. This Board will continue as a focal point, working closely through existing organisations including Luton Forum to harness private sector and public sector agencies to drive actions forward and create an enabling environment.

Key Driver 4: Capitalise upon the expansion of London Luton Airport

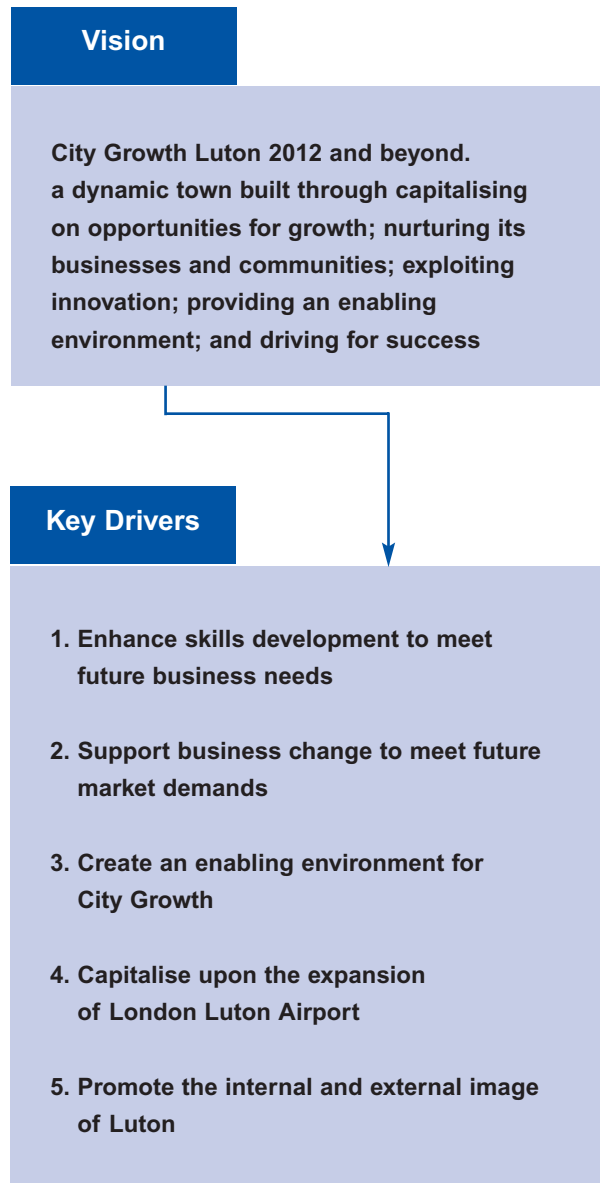
The projected growth at London Luton Airport will have a major economic impact on the town. It will provide opportunities and in turn challenges to provide the infrastructure and local resources to capitalise on them. In this capacity it is therefore a significant economic driver which successful companies and individuals will be able to capitalise on. Within the strategy for City Growth Luton, planning to meet these future opportunities is essential. We will map these challenges out in terms of skills demands and business opportunities as well as create connections and networks to provide greater access for local companies to capitalise on them. In addition we will work to more effectively connect the airport to our deprived communities through improved transport links developed jointly with the airport, business and the community.

Key Driver 5: Promote the internal and external image of Luton

During the consultation period it became apparent that both the internal and external image of Luton is an issue, often based on outdated misconceptions. It is however critical to address these misconceptions as they have a direct impact on attracting new people and investments as well as on retaining and growing existing ones.

By embedding key actions within each cluster and cross-cutting theme, City Growth Luton Strategy will raise the awareness of the positive opportunities existing within the town and support the growth and attraction of new investors into the area.

Linking the Vision to the Key Drivers forms the focus and framework for cluster-based actions.





Cluster action plans

During the development of the strategy, based on extensive research, four key clusters were chosen as the primary focus for the future:

- **Aerospace** – with direct links to both the airport and major strategic advanced technology engineering based industries in and around Luton, it has 323 businesses in the City Growth area. Their number has grown by 7.5%pa between 1998 and 2003 and they now account for 9% of the total businesses in the CGL area. These businesses employ 2,120 people. This has grown by 5%pa over the same period and accounts for 5% of the overall employment in the City Growth area. Some of the major players include: former BAE Systems (now Selex Sensors and Airborne Systems), Britannia Airways, easyJet, Monarch Airlines and Insys.
- **Airport** – a major economic magnet and driver for the town and sub-region, it has 660 businesses in the City Growth area which has remained relatively static between 1998 and 2003. This accounts for 18% of the total businesses in the CGL area. These businesses, including the airport itself, employ 6,017 people. This has grown by 6.7%pa between 1998 and 2003 and accounts for 14% of the overall employment in the City Growth area. Forecasts indicate future employment will rise to 21,000 by 2030 with major economic impacts on both the town and sub-region. Some of the major players include: London Luton Airport Operations (LLAO) Ltd, Britannia Airways, EasyJet Airlines (easyjet), FlyBe, Aviance, Big Orange Handling Company, Advanced Cargo Systems, Monarch Airlines, Monarch Engineering Ltd, Ryanair and Insys.

- **Food and Drink** – with several nationally dominant players both within and near to Luton this has 109 businesses in the City Growth area. Due to mergers and increased efficiencies, this has fallen by 7.2%pa between 1998 and 2003. This accounts for 3% of the total businesses in the CGL area. These businesses employ 1,761 people. This has fallen by 5%pa in the same period and accounts for 4% of the overall employment in the City Growth area. Some of the major players include: Heinz, Honeytop, Sampan Foods, Bernard Matthews, Interbrew, Jordans Cereals, Whitbread. Furthermore, General Motors' Intermediate Bulk Container arm continues to manufacture and develop vans in Luton.

- **Information and Communication Technology (ICT)** – with the opportunity for significant growth linking to both the aerospace and airport, and the establishment of Butterfield as a focal point for ICT within the EEDA region, the ICT Cluster has 336 businesses in the City Growth area. The number of businesses has grown by 9.5%pa between 1998 and 2003, and accounts for 9% of all businesses within the City Growth area. These businesses employ 3,092 people. This has fallen by 1.9% over the same period and accounts for 7% of the overall employment in the City Growth area. Some of the major players include: Watford Electronics, Unilever, Arrow Electronics, Box Clever, Insys, ntl, and Siemens.

In addition to the four clusters a range of Cross-Cutting Issues were identified: Networking, Communication and Leadership; Business Support and Engagement; Workforce Development; Education and Research; Transport; Sites and Premises; Environment; Image, Profile and Inward



Investment Proposition; and Social inclusion and Community Development. During the research and consultation phases of the

development of this strategy a range of Barriers to Growth and Opportunities were identified and summarised as follows:

BARRIERS	Aerospace	Airport
	Networking, Communication and Leadership	Smaller companies have poorer access to the market because of tighter resource constraints and lack of CAA approval. Latent demand in MRO service sector. Upstream supply chain integration (strategic partners are remote)
Business Support and Engagement	Lack of awareness of services. Weak relationships between support providers. Weak relations between business and academia	Lack of awareness of services. Weak relationships between support providers. Weak relations between business and academia. Little use is made of the Chamber of Commerce. Little evidence of collaboration/ integrated supply chain
Workforce Development	Engineering skills gaps Cyclical Demand Competition from large OEM for workers. Aging workforce.	Requires more semi-skilled workers. Literacy and numeracy are poor. Recruiting from other areas is difficult. Lack of skilled engineering and maintenance employees. Poaching and lack of training develops a perpetually transitional labour force. Not viewed as a serious career.
Education and Research	Lack of shared innovation and training NVQ course content not aligned with demand. Engineering courses are not in demand in Luton and are therefore not offered at the university, as courses are offered at Cranfield University and University of Hertfordshire	There is a lower level skills gap already at the airport, that will grow with the airport expansion; Lack of available basic skills staff. Unaware of vocational centres of expertise in local area.
Transport		Needs substantial investment in Project 2030. Thameslink rail service to London excellent, bus connection between Parkway and LLA is poor Buses are frustrating (Parkway, no buses after 10pm to Woodside). No east-west access to the M1 inhibiting company growth. Not enough staff car parking.
Sites/Premises	Urban renaissance before enterprise growth	Cost of unit space in and around LLA expensive, inhibiting growth and expansion. Project 2030 promises to deliver but short term needs to be addressed. Urban renaissance before enterprise growth.
Environment	The airport expansion impacts upon global climate change and the local environmental. SERP 160 targets on waste diversion.	Expansion of LLA and Project 2030 will need to be balanced with Environmental impact. SERP 160 targets on waste diversion.
Image, Profile and Inward Investment Proposition	Poor business perceptions (appearance, access to transport links, social problems). Brand Inconsistency	Poor business perceptions (appearance, access to transport links, social problems). Brand Inconsistency. Poor brand identity and recognition
Social Inclusion and Community Development		Little major crime at LLA due to high security. Majority crime opportunistic petty theft.



Food and Drink

Information, Communication Technology

Lack of collaboration External sourcing problematic

Geographical nucleus absent

Lack of awareness of services. Weak relationships between support providers Weak relations between business and academia
Poor uptake of language training (English as a 2nd Language)

Lack of awareness of services. Weak relationships between support providers Weak relations between business and academia

Requires skilled and unskilled workers. High staff mobility and turnover. Not capitalising on ethnic population's skills.

Seasonality of business causes cyclical redundancy of skills/workers. Graduates and high skilled workers prefer London.

Poor uptake of language training (English as a 2nd Language)

Mismatch between training and requirements. Limits to M1 Knowledge Exchange: Individual firm competitiveness is dependent on the uniqueness of intellectual property.

Buses are frustrating (Parkway, buses after 10pm Woodside). Difficult to get into the town centre because of congestion

Very little use of public transport among employees. Traffic congestion on M1 and A505 a problem. Difficult to get into the town centre because of congestion

Urban renaissance before enterprise growth. Companies are considering relocation. The town centre has run out of suitable accommodation space

Urban renaissance before enterprise growth. Staff parking problematic. Need to convert office space to housing. ICT sector in Luton is geographically dispersed. The town centre has run out of accommodation space

SERP 160 targets on waste diversion. No specialist food disposal service.

SERP 160 targets on waste diversion. WEEE directive.

Poor business perceptions (appearance, access to transport links, social problems). Brand Inconsistency

No high-tech image. Poor business perceptions (appearance, access to transport links, social problems) Brand Inconsistency

Blatant, major and petty theft occurs.

Major and petty theft occurs. Access to jobs on business parks difficult for those without private transport.



Cross Cutting Themes	OPPORTUNITIES	Aerospace	Airport
	Networking, Communication and Leadership	Luton Best Practice Forum MAS Best Practice Club Enterprise Hubs Central Innovation Network Dallow Business Partnership Facilities for consortium bidding will strengthen the supply chain particularly with smaller firms. Widespread downstream supply chain integration (from carriers). Cluster directory website	Airport cluster directory. Networks and workshops for airport cluster companies. Steering group and accountable airport action plan. Luton Best Practice Forum Central Innovation Network Cluster directory website
	Business Support and Engagement	Business Base Luton incubator Butterfield Innovation Centre (proposed) Enterprise Hub Business Support Offer	Promotion of Chamber and Business Link Business Base Luton incubator Butterfield Innovation Centre (proposed) Enterprise Hub Business Support Offer
	Workforce Development	Business led Advanced Engineering Apprenticeship scheme. Expansion of 5S (basic manufacturing training – automotive) Luton Futures Action Plan	Business Led Engineering and Maintenance apprenticeship scheme. Flight Training Centre of Excellence. Bespoke Aviation Training Centre. Joint LSC initiative with Schools - Open Days to promote LLA. Employer-led training. Luton Futures Action Plan
	Education and Research	Lack of shared innovation and training NVQ course content not aligned with demand Engineering courses are not in demand in Luton and are therefore not offered at the university, as courses are offered at Cranfield University and University of Hertfordshire	Currently little or no use made of Barnfield college. 'Campus Luton'. Need for Vocational Centres of excellence
	Transport	Bicycle loan system	Some use of public transport among employees; could be expanded. 24hr bus service. Better staff car park at LLA. East-west link road to improve LLA access
	Sites/Premises	Business to developer/ planner communication. Butterfield Park and other business parks with modern facilities	Development of a third party clearing house to link suppliers into LLA with LAA companies airside. Sharing unit spaces, sub leasing. Build incubator space into Project 2030. Business to developer/ planner communication.
	Environment	The Airport is establishing recycling and energy efficiency programmes, and asking companies based at the airport to do the same. Provide information about regulations. Bedfordshire Waste Exchange. B&L Sustainable Business Partnership Luton Friends of the Earth	The Airport is establishing recycling and energy efficiency programmes, and asking companies based at the airport to do the same. Minimise the environmental impact of a 3,000m runway. Provide information about regulations. Bedfordshire Waste Exchange. BandL Sustainable Business Partnership Luton Friends of the Earth
	Image, Profile and Inward Investment Proposition	Connected Conurbation brand linking O2C Arc with North London into a 'diamond' with Luton at the centre. Promotion of Luton in this pivotal position with a powerful new image and closely linked to the airport and the development of the clusters	
	Social Inclusion and Community Development		Large and growing migrant population is good for recruitment and must be integrated. Community groups and schools to promote LLA as a serious career prospect.



Food and Drink

Information, Communication Technology

Luton Best Practice Forum Central Innovation Network Enterprise Hubs Dallow Business Partnership Cluster directory website
Common infrastructure requirements could be met collaboratively (food handling, hygiene, safety).

Luton Best Practice Forum Central Innovation Network Enterprise Hubs EEDA Enterprise Business Hubs (Butterfield Park) Dallow Business Partnership Cluster directory website.

Business Base Luton incubator Butterfield Innovation Centre (proposed) Enterprise Hub Business Support Offer Increase use of the Chamber of Commerce.

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Employer-led training Labour pooling may 'smooth' cyclical demand. Food and Drink Academy. Luton Futures Action Plan.

Employer-led training Labour pooling may 'smooth' cyclical demand. Luton Futures Action Plan. Skills festival.

Currently little or no use made of Barnfield college. Food and Drink Heinz Academy. 'Campus Luton'.

Creation of industry apprenticeships 'Campus Luton'

Some use of public transport among employees; could be expanded. Carshare, Bicycle loan scheme.

Thameslink to London will be good for client/ visitors. Buses to business parks would widen job access.

Business to developer/ planner communication. Shared premises – warehousing, cold storage.

Business to developer/ planner communication. Butterfield Park incubation centre and modern offices likely to house the ICT cluster

Waste management from lean processes and supply chain development. Provide information about regulations. Bedfordshire Waste Exchange. BandL Sustainable Business Partnership Luton Friends of the Earth.

Rapid technical progress causes high capital equipment turnover: this may be recycled in non-leading-edge applications (e.g. Marsh Farm CERC). Economies from joint WEEE training. Provide information about regulations. Bedfordshire Waste Exchange. BandL Sustainable Business Partnership Luton Friends of the Earth

Large and growing migrant population good for recruitment. Satellite delivery of Academy training in deprived areas.

Skills in deprived communities are disproportionately low. Capital equipment may be recycled for community training resources or to bridge the 'digital divide'. Buses to business parks would widen job access.



Based on this extensive research and consultation, a series of Action Plans have been developed. **These are not 'Business as Usual' proposals**, but build on the needs and opportunities identified as a basis for making a significant impact and step-change in performance within each cluster and capitalise on the momentum created.

For this reason we see this as a **mobilising strategy**, not simply a static list of objectives to be achieved. It aims to capture the aspirations of the town, linking to the many existing organisations and initiatives already in place. Central to the success of this strategy therefore, is the **'Framework for Action'** outlining the key focus of planned actions for each of the clusters.

To ensure success, these actions are championed by private sector led City Growth Action Teams. The Vision, Key Drivers,

Themes and Actions are linked together in this Framework and categorised into: Short, Medium and Long-Term Actions.

In developing these plans, the public sector is often in an enabling role. In all cases the private sector will be involved in both the development and implementation stages in the future.

As the key regional player, EEDA will also ensure that regional cluster and sector networks and initiatives extend to include City Growth Luton and will look to support cluster and innovation initiatives in the City Growth Luton area. In addition the City Growth Luton Board will continue to track the development of other clusters on a regular basis.

This Framework must be taken as a work-in-progress, and as a first priority each Cluster Action Team will need to finalise detailed action plans.







Going forward – delivering the strategy

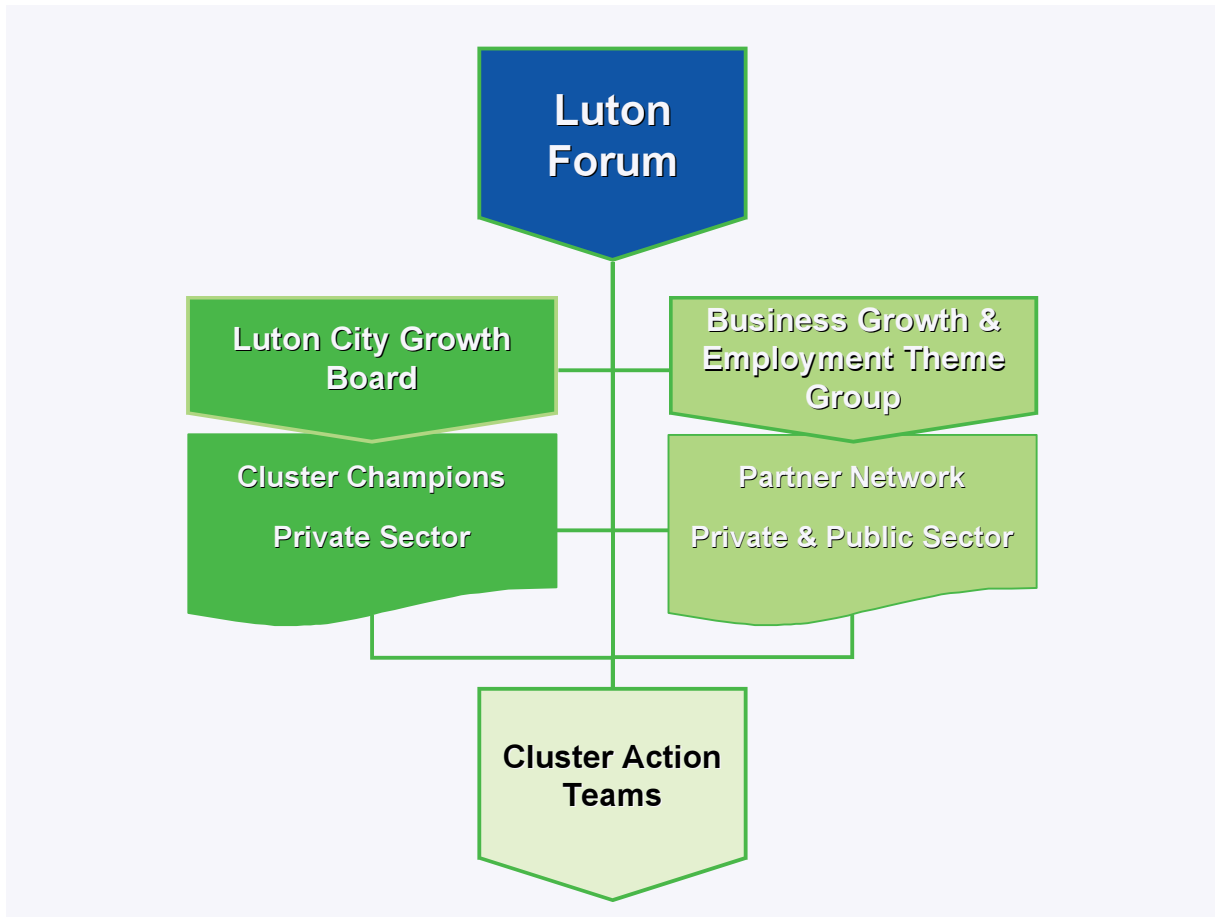
During the course of the City Growth Luton project, the City Growth Luton Board has worked with many private and public sector partners and embarked on a consultation exercise that culminated in the Strategy Day in January 2006. This has developed a critical mass and momentum that will be directly built on.

The Luton Forum is the Local Strategic Partnership encompassing representatives from the private and public sector.

Working closely with the Board, they will oversee the ongoing development and delivery of the Strategy. This will be led, from within the Forum, by the Business Growth and Employment theme group.

The City Growth Luton Board, continuing with the same group of people, will act as the guardians of the Vision and Strategy and oversee achievement of the Key Drivers and City Growth Action Plan.

Delivery Framework





Cluster action teams

Each of these are championed by a private sector Board member:

John Page	Honeywell Aerospace Customer and Product Support Leader	Aerospace Champion
John Appleby	London Luton Airport General Manager, Facilities and Planning	Airport Champion
Ron Mellow	Heinz Frozen and Chilled Foods Divisional Manager	Food and Drink Champion
Nazir Jessa	Watford Electronics Founder and Non-Executive Chairman	ICT co-Champion
Gary Jesson	E-Financial Management Managing Director	ICT co-Champion

The Cluster Action Teams are high-profile private sector led teams consulting widely with companies across the cluster and working with public sector partners to draft and secure the delivery of cluster action plans.

Creating a legacy

City Growth is not a delivery vehicle in its own right; rather, it is a catalyst for action. Ownership of this Strategy and the provision of an effective focused framework for implementation are essential.

Through the consultation and development process, a momentum has been created and at the time of going to print, results had already started coming through:

- Cluster Action Teams established with the first working groups coming from the Strategy Day

- Cluster Directories developed and issued and also available on the website
- Networking between companies and clusters already producing new partnerships and opportunities
- New Business Actions identified and being taken forward by private sector-led interest groups
- EEDA will support Butterfield Park by providing capacity to ensure that the outcomes of the cluster activity continue to be supported and integrated with effective linkages made with both FE and HE locally.

This is only the beginning. The City Growth Board, working with a wide variety of partners, will work to create this legacy and ensure that 'City Growth Luton 2012 and beyond' will drive for success.



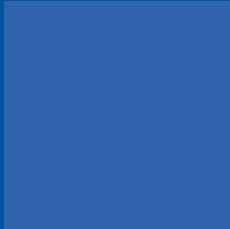
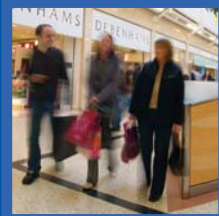
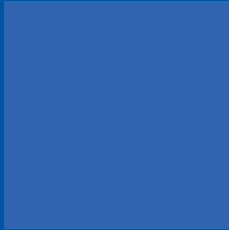
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