



THE ECONOMIC IMPACT OF THE NEW SPZ

An overview of the economic opportunity presented by the new SPZ, the challenges faced by Slough and the contribution the new SPZ can make to the Borough

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The Economic Impact of the New SPZ

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Executive Summary

- i. The Slough Trading Estate (STE) is a vital component of Slough's local economy. Facilitated by the current Simplified Planning Zone (SPZ), it has achieved significant growth and modernisation over the past 10 years enabling its occupiers to not only keep pace with the rapid technological advancements that have reshaped the UK's economic landscape, but to embrace them and thrive.
- ii. The estate accounts for approximately 20% of the employment opportunities across the Borough. Jobs on the STE encompass a wide range of occupations and are more evenly spread across different sectors than at the local authority and regional level, making the estate economically resilient while providing employment opportunities across all skill levels.
- iii. The highly productive sectors of knowledge intensive services and medium high tech manufacturing account for a higher proportion of roles on the STE than at the local authority and regional level, fuelling innovation, growth and future proofing the local economy to further technological progress which will inevitably take place in the near future.
- iv. The expansion of these sectors on the estate has been enabled by benefits the current SPZ has provided for occupiers. The new SPZ will provide the platform for further economic growth, delivering new jobs that would otherwise not be created. Furthermore, the new SPZ will deliver funding that can be used to ensure that the Slough residents are better positioned to access the type jobs and occupations that are being created.
- v. Despite the opportunities that the current SPZ has provided the Borough, Slough's Inclusive Growth Strategy acknowledges that Slough residents face some significant socio-economic challenges that are limiting their economic wellbeing. Our own analysis supports this conclusion, highlighting that access to employment and skills could be increased.
- vi. The STE currently contributes £49.1m in business rates (£52.8m in 2023), 49% of which is retained by Slough Council. The additional floorspace enabled by the new SPZ will generate an estimated additional £21.7m per annum in business rates (of which £10.6m per annum would be retained by Slough Council) on top of the current £49.1m (£24.1m of which is retained by Slough Council). In total, the new SPZ is estimated to generate £34.7m in business rates which go directly to Slough Borough Council.
- vii. Acknowledging the likelihood that the occupier mix on the new floorspace may accommodate a reduced proportion of office based employment and may lead to a lower jobs density, the additional floorspace created through the new SPZ could generate 3,000 to 6,000 new jobs on the estate across a wide range of sectors and occupations.
- viii. SEGRO plays an important role in community development, for example through its Community Investment Plan. This provides a clear indication of SEGRO's commitment to improving local socioeconomic outcomes. The new SPZ will play a critical role in enhancing residents' skills and workforce participation through the activities and interventions that it funds.



1 Introduction

- 1.1 This report sets out the economic impact that the new Simplified Planning Zone (SPZ) can be expected to have. We set out the economic importance of the estate to date and the impact that the new SPZ will have in future.
- 1.2 Insights into the opportunities and challenges facing the population of Slough as well as the local economy are summarised along with the positive impact that the SPZ will have. This provides the basis for addressing issues important to the borough, helping it achieve its goal of clean, inclusive growth.
- 1.3 To that end, section 2 of this report describes the economic value of the estate and the impacts the new SPZ will have in the future.
- 1.4 Section 3 describes the socioeconomic challenges facing the Borough currently and those anticipated in the near future. Issues facing the people of Slough as stated in Slough Borough Council's Inclusive Growth Strategy are discussed, while data is used to evidence these concerns. A more comprehensive review of the socioeconomic data is appended.
- 1.5 The current value of the Slough Trading Estate (STE) to Slough is provided in section 4, considering both business rates and jobs.
- 1.6 Section 5 describes how funding facilitated through the new SPZ can benefit the residents of Slough by providing examples from the current SPZ.
- 1.7 The conclusion of this report presented in Section 6 summarises the contribution the new SPZ can make to Slough's goal of clean, inclusive growth.



2 The Economic Importance of the Estate

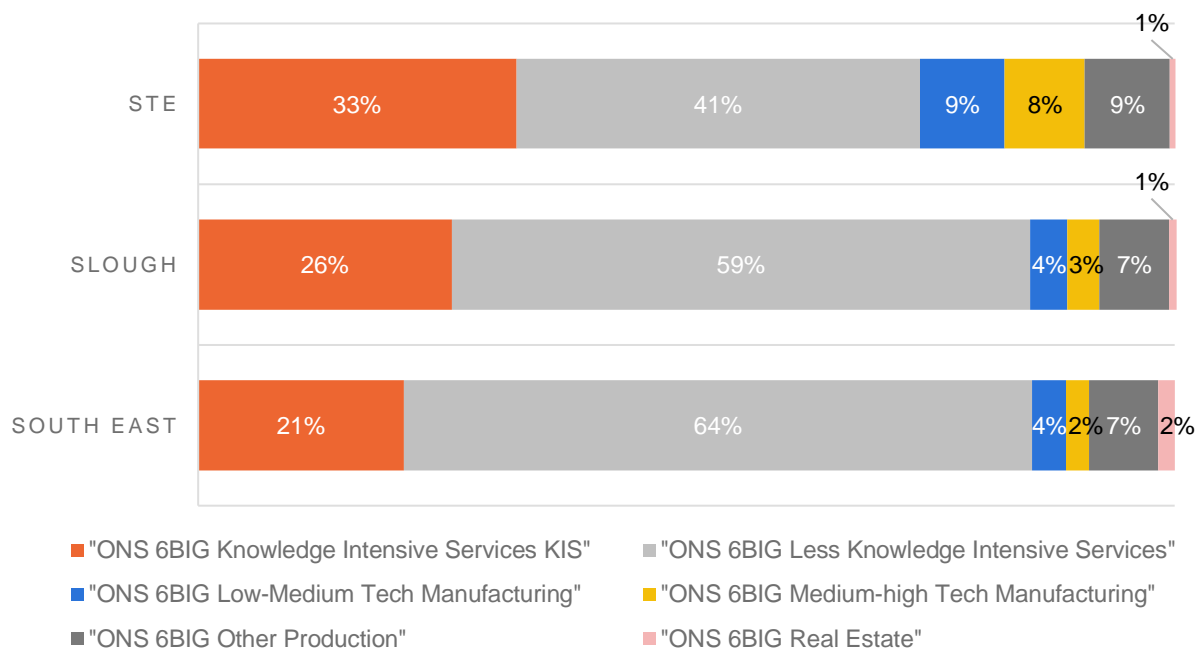
- 2.1 The Slough Trading Estate is Europe's largest trading estate in single ownership. STE is a key employer in Slough, employing approximately 15,000¹ workers across a variety of industries and occupations, including Knowledge Intensive Services and Medium-high Tech Manufacturing. The jobs tend to be high-value and well-paid, and the wide range of occupations supported provides opportunities for a range of skill levels.
- 2.2 Over the last ten years (during the current SPZ), significant growth and modernisation of the Slough Trading Estate has taken place, with more than 2.4 million square feet (220,000 square metres) of industrial and warehouse space created, along with building upgrades, refurbishments, and infrastructure improvements supported by SEGRO's investment.
- 2.3 SEGRO has also worked with local businesses, unemployed people, and young people to improve skills and labour market outcomes.
- 2.4 A new SPZ will allow this growth to continue, for example through increased building heights in parts of the Estates – whilst ensuring that this growth is sustainable through measures such as a cap on car parking and increased controls and standards for building design, quality, and sustainability.
- 2.5 Data from the ONS's Business Register and Employment Survey shows that in 2022 the number of employee jobs in Slough reached 77,000. This indicates that the 15,000 jobs on the estate contribute 20% of employment opportunities in the Borough, a significant portion. Figure 2-1 presents a breakdown of employee roles in the STE, Slough and the South East by sector.
- 2.6 A greater proportion of the jobs of the STE, compared with Slough and the South East are within the 'knowledge intensive services' subsector of the economy (33% compared with 26% and 21% respectively). The knowledge intensive services sector is comprised of activities which generally fall into the broad categories of financial and insurance activities, information and communication and professional scientific and technical activities, such as telecommunications, information services, scientific research and development among many others. Roles in this sector tend to be highly productive with above average salaries, driving innovation and economic growth.

¹ The Slough Trading Estate job estimate used in this report is 'at least 15,000'. This is a conservative and potentially an underestimate that reconciles conflicting data sources. The Transport Assessment's Traffic Survey provides the basis for 15,000 employees, whereas the Business Register and Employment (BRES) Survey provides an estimate of 23,000 employees. BRES employment statistics are widely used, particularly by local government planning departments who use it to forecast trends in employment in their specific areas. However, it is possible that the data for Slough does not fully reflect some moves out of the Estate, specifically those impacting Bath Road office occupancy (a common post-pandemic phenomenon, across the UK). Hence, as a precaution, we use the term 'at least 15,000' to describe our estimate of the number of people employed on the Estate.



The Economic Impact of the New SPZ
2 The Economic Importance of the Estate

Figure 2-1: Proportion of Employee Jobs by Big 6 Sector, STE, Slough, South East, %



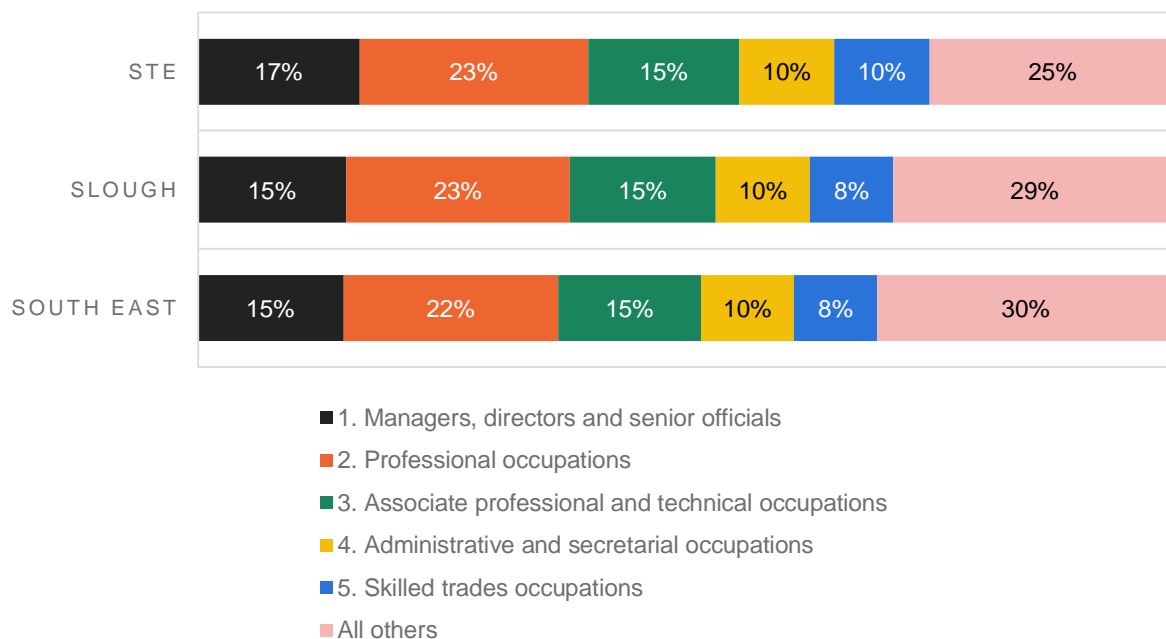
Source: BRES 2022

- 2.7 However, the sector into which the largest proportion of STE jobs fall into is 'less knowledge intensive services' at 41%. Roles within this sector encompass a wide range of occupations, while its significant size illustrates that employment opportunities also exist for those with fewer qualifications and a less advanced skill profile.
- 2.8 The range of jobs available on the estate are more evenly spread out across the sectors included than at the local authority and regional level. This broad employment base provides employment opportunities for a wide range of people, with skills and experience in a multitude of sectors, at varying levels of career progression. In addition, this range of breadth of industry activity makes the STE resilient to economic changes that may adversely impact specific industries.
- 2.9 Stantec analysis of BRES and 2021 Census data estimates the range of occupations associated with the jobs profile identified in Figure 2-1. This is presented in Figure 2-2



The Economic Impact of the New SPZ
2 The Economic Importance of the Estate

Figure 2-2: Occupational Profile, STE, Slough, South East, %

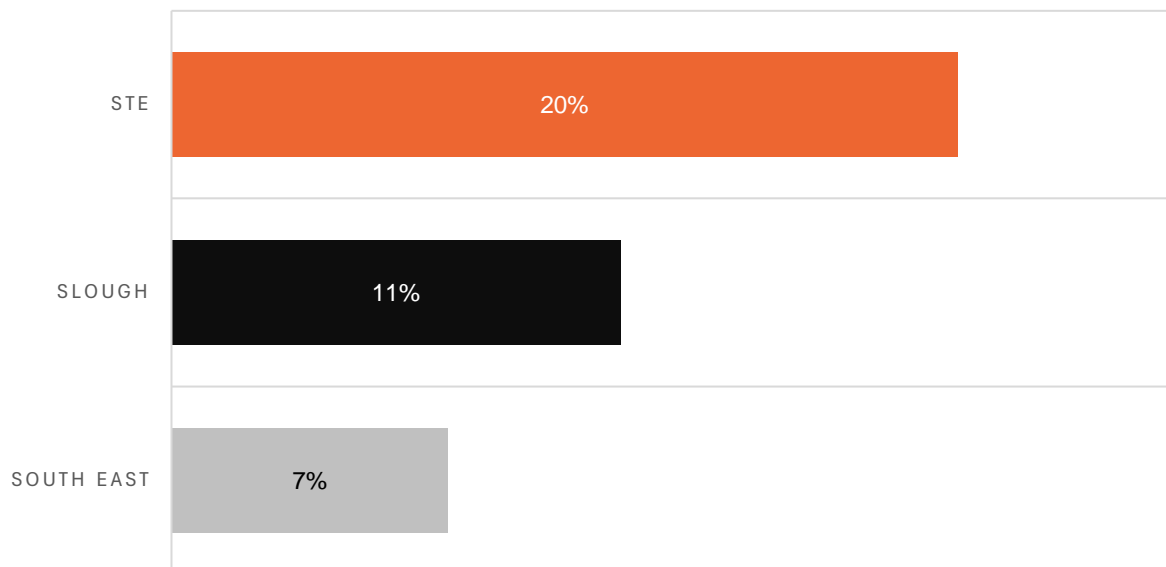


Source: BRES 2022, 2021 Census, Stantec Analysis

- 2.10 While there are a relatively high proportion of roles in senior positions, the estate provides opportunities in a broad range of occupations at varying skill and experience levels.
- 2.11 The high proportion of roles on the STE in the knowledge intensive services and medium high tech manufacturing subsectors also protects the STE from changes in the economy caused by technological progress as industries in these sectors tend to be at the forefront of such change and are therefore impacted more positively by these changes than are other industries.
- 2.12 The current SPZ has enabled occupiers to rapidly redevelop space which would otherwise be obsolete and inappropriate for intended use. A survey of occupiers on the STE conducted by market research firm Savanta, found that timesaving and specifically reductions in build time were commonly cited benefits of the SPZ, while such benefits were pivotal in their decisions to remain on the estate or move elsewhere.
- 2.13 Occupiers on the STE, facilitated by the current SPZ, have been able to adapt quickly to changes in demand patterns and technological advancements to grow their businesses. The result has been the expansion of high value sectors such as knowledge intensive services, medium high-tech manufacturing, and digital sector activities on the STE.
- 2.14 In this way the SPZ has also facilitated the growth of the STE’s digital sector, an important component of Slough’s local economy. A substantial proportion of roles on the STE are within the digital sector, as presented in Figure 2-3.



Figure 2-3: Proportion of Employee Jobs that are within the Digital Sector, STE, Slough, South East, %



Source: BRES 2022

- 2.15 A key component of Slough's digital sector is the data centre industry, the majority of which is located on the STE, home to Europe's largest collection of data centres². Enabled by the current SPZ, continued investment is anticipated under the new SPZ.
- 2.16 The United Kingdom Data Centre market amounts to 2,190 Mega Watts (MW) (£7.5bn turnover) in 2024 and is expected to reach 3,610 MW (£14.5bn) by 2029, a compound annual growth rate of 10.49% (14% by £ value). Data Centres enable growth in the UK's Digital Economy and across all sectors the economy that are data enabled. Slough is a major UK Data Centre location with 379.23 MW of IT load capacity across 29 facilities³ and supporting a wide range of digital industries.
- 2.17 Within Slough the Digital Economy employs 9,500 people, about half of which are on the Estate. Of these, 4,250 carry out computer programming, consultancy and related activities. Jobs in Slough's digital economy account for 11.2% of all employee jobs, a greater proportion than in any of Slough's neighbours.
- 2.18 In 2021, about 6,300 Slough residents (8.5% of all employed residents) were employed in the digital economy, including 4,500 Slough residents (6.2% of all employed residents) in computer programming, consultancy and related activities. Of Slough's neighbours, only Windsor and Maidenhead exceeded these proportions (11.8% and 8.9% respectively).⁴

² <https://www.bbc.co.uk/news/articles/cyrl7nlnkjp0>

³ Source: <https://www.mordorintelligence.com/industry-reports/united-kingdom-data-center-market>.

⁴ TS060 - Industry (Census 2021) ONS Crown Copyright Reserved [from Nomis on 29 February 2024]. The neighbouring districts as follows (Digital economy, Computer programming): Bucks 7.9% and 5.1%, Spelthorne 8.1% and 5.4%, Windsor & Maidenhead 11.8% and 8.0%, % and Hillingdon 7.0% and 4.4%.



The Economic Impact of the New SPZ

2 The Economic Importance of the Estate

- 2.19 The strength of Slough's digital economy is demonstrated by the fact that several innovation clusters, that are expected to experience significant turnover growth, are centred on, or envelop Slough. These clusters are drivers of innovation and productivity and create well paid employment opportunities.
- 2.20 Located in the heart of the UK's transport and communications network, Slough's proximity to key national and international markets along with its young and growing population make the borough an attractive area for businesses to locate and operate from. This is reflected in the large number of digital startups that have emerged within the Borough, with Slough and Heathrow experiencing a 536% increase in digital startups between 2006 and 2016⁵.
- 2.21 This growth is driven by a number of specialist digital sectors centred on Slough. These include Adtech, Software Development and Software as a Service businesses that currently employ 693 people, in 88 companies with a combined turnover of £94.5m⁶. Over the next five years, these sectors are forecast to achieve a compound annual growth rate within the range of 20% to 37%^{7,8}.
- 2.22 In addition, Slough (and the Slough Trading Estate) falls within four innovation clusters centred on neighbouring areas in the rest of Berkshire and Buckinghamshire and extending over a wider area than the clusters centred predominately on Slough. The four industries that define these clusters are Artificial Intelligence, Clean Tech, Research and Consulting (Physical Science and Engineering), and Electronics Manufacturing. These larger clusters employ about 5,900 people in 242 firms with a combined turnover of £1.7bn⁹. Over the next five years, the four industries are forecast to achieve a compound annual growth rate within the range of 4% to 27%¹⁰.
- 2.23 On average, tech salaries are nearly 80% higher than salaries for non tech jobs in the UK, at £62,000 compared to £35,000 as of Q1 2022¹¹. Illustrative of a steep growth curve, UK employment in the digital economy has increased by 2 million in the last five years, reaching 4.7 million in 2022. In in the last year, more than 2 million tech vacancies were advertised, more than any other area of the UK labour market¹².
- 2.24 The Slough Trading Estate is a critical component of Slough's diverse economy, and the Digital Economy in particular. The estate provides much needed digital infrastructure, enabling growth in tech industries and innovation clusters in Slough and neighbouring areas, as well as further afield. Tech industries are set for continued growth, creating the tangible prospect of significantly increasing the proportion of Slough residents in well paid tech jobs.

The New SPZ

- 2.25 Notwithstanding the fact that the precise scale and size and nature of the development brought forward under the New SPZ Scheme is unknown and dependent on market forces, the new

⁵ Tech Nation 2018 Report

⁶ The Innovation Clusters Map from the Department for Science, Innovation and Technology, 2024.

⁷ <https://www.grandviewresearch.com/industry-analysis/custom-software-development-market-report>

⁸ <https://thedatacity.com/rtics/>

⁹ The Innovation Clusters Map from the Department for Science, Innovation and Technology, 2024.

¹⁰ <https://thedatacity.com/rtics/>

¹¹ <https://stagetechn.wpengine.com/people-and-skills-report-2022/#key-statistics>.

¹² <https://stagetechn.wpengine.com/people-and-skills-report-2022/#tech-job-vacancies>.



The Economic Impact of the New SPZ

2 The Economic Importance of the Estate

SPZ will enable a mix of retention / refurbishment and redevelopment of the existing floorspace. Assuming a total of around 700,000 sqm of existing floorspace within the boundary of the new SPZ, one indicative option (reported to Cabinet, March 2023), in broad based terms, would be to retain/refurbish 460,000 sqm (about 66%) and redevelop 240,000 sqm (about 34%). This redevelopment could result in a total of about 990,000 sqm floorspace over the next 10 years, an increase of 290,000 sqm or about 40%.

- 2.26 This intensification of uses would give rise to additional Industrial, Data Centres, Research and Development, Storage and Distribution and Retail development. Acknowledging that changes in floorspace use and types of occupiers may lead to a lower jobs density, the additional floorspace created through the new SPZ could generate 3,000 to 6,000 new jobs on the estate across a wide range of sectors and occupations.
- 2.27 On the reasonable assumption that industrial and occupational proportions remain the same, this would include between 1,200 and 2,400 roles in productive and high value sectors.
- 2.28 The remaining 1,800 to 3,600 jobs would be spread across the remaining sector of less knowledge intensive services, manufacturing and production, highlighting the breadth of opportunities that the new SPZ will enable.
- 2.29 We explore the current and potential economic value of the estate further in section 4 of this report.



3 The Challenge

Slough's Inclusive Growth Strategy

- 3.1 There are several challenges facing Slough, as recognised within Slough Borough Council's Inclusive Growth Strategy 2020 - 2025¹³. Of particular relevance are those facing people and businesses.
- 3.2 Challenges facing Slough's resident population as noted in the growth strategy include:
- Increasing the base of skilled residents – so residents can remain competitive in the labour market and secure productive jobs;
 - Addressing educational issues and lack of skills and participation – this issue is the cause of many of the Borough's deprivation related issues;
 - A changing occupational structure – the employability of residents will rely on forward-facing skills ecosystems as the occupations available locally and skills desired by employers is set to change in the near future;
 - The gig economy and insecure employment – threaten job security as well as the distribution of prosperity;
 - The productivity gap – between Slough's workers and residents must be bridged to ensure that when opportunities for secure employment with career progression arise, Slough residents are equipped to benefit from them.
- 3.3 The strategy also mentions that being prepared for trends and technologies that will shape Slough's economy is key to delivering its goal of inclusive growth¹⁴, while sectors are constantly evolving, shaped by market forces and technological disruption¹⁵. The Strategy highlights disruption to business as a key challenge facing the Borough, creating both opportunities and risks. In order to capitalise on opportunities and mitigate risk, an ability to adapt is at the core of the Borough's resilience¹⁶.

Data Insights

- 3.4 Insights presented within this report are appended by a more detailed data overview of Slough's socio-economic position in the power point slides provided.
- 3.5 Whilst many Slough residents are already employed in the Digital Economy, the 2021 Census revealed that a greater proportion of Slough residents (c. 10% aged 16 to 64) than residents of

¹³ [Inclusive Growth Strategy 2020 - 2025](#)

¹⁴ [Inclusive Growth Strategy 2020 - 2025](#) p5

¹⁵ [Inclusive Growth Strategy 2020 - 2025](#) p10

¹⁶ [Inclusive Growth Strategy 2020 - 2025](#) p19



The Economic Impact of the New SPZ

3 The Challenge

neighbouring districts (where the equivalent figure is c. 5%) had either never worked or were long term unemployed¹⁷.

- 3.6 Moreover, of those Slough residents who were employed, a greater proportion were employed in semi routine and routine occupations (24.9% at the 2021 Census) than in neighbouring districts (17.7%)¹⁸. A correspondingly smaller proportion of Slough residents are employed in higher and lower managerial and, administrative and professional occupations (27.2%, compared to 39.7% in neighbouring districts)¹⁹.
- 3.7 Economic inactivity (people not in the labour market) appears higher in Slough than neighbouring authorities, most notably amongst 25- to 49-year-olds, the Census recording 18.4% inactivity in this age group, compared to about 12% in neighbouring areas. A notable feature of Slough's economically inactive population in this age group is the proportion of women whose status is 'looking after family or home'; 18.6% in Slough compared to c11% in neighbouring areas.
- 3.8 Looking at more recent survey data (year-end September 2023) from the ONS²⁰ we can see that amongst Slough's population aged 16 to 64, economic activity remains below the levels observed in neighbouring authorities, except for Hillingdon²¹. Moreover, 7.6% of this economically active population are unemployed, double, or more, the level in Slough's Berkshire and Buckinghamshire neighbours, but lower than observed in Hillingdon²².
- 3.9 Furthermore, of Slough's population aged 16 to 64 that are economically inactive (20%, c19,600 people), 4,400 want a job, but cannot presently enter the labour market²³²⁴. While a greater portion of Slough's resident population have degree level qualifications or higher than the national average, this is lower than its neighbouring authorities (with the exception of Spelthorne) which have particularly well-educated populations.

¹⁷ Never worked & long term unemployed (L14.1, L14.2) national statistics socio-economic classification (NS-SEC), ONS custom dataset, March 2024.

¹⁸ Semi routine and routine occupations (L12, L13) national statistics socio-economic classification (NS-SEC). These are national statistics socio-economic classifications (NS-SEC), 2021 Census, July, 2024.

¹⁹ L1, L2 and L3 Higher managerial, administrative and professional occupations and L4, L5 and L6 Lower managerial, administrative and professional occupations. These are national statistics socio-economic classifications (NS-SEC), 2021 Census, July, 2024.

²⁰ Annual Population Survey, ONS Crown Copyright Reserved [from Nomis on 1 March 2024].

²¹ Econ activity, 16 to 64 population: Slough, 79.7%, Bucks, 82.2%, Spelthorne 80.3%, Windsor & Maidenhead 85.5%, Hillingdon, 73.8%.

²² Unemployed, 16 to 64 population that is econ active: Slough, 7.6%, Bucks, 2.1%, Spelthorne 3.4%, Windsor & Maidenhead 3.5%, Hillingdon, 12.1%.

²³ Econ inactive, 16 to 64: Slough, 20.3%, Bucks, 17.8%, Spelthorne 19.7%, Windsor & Maidenhead 14.5%, Hillingdon, 26.6%. APS data for the period Oct 2022 – Sept 2023.

²⁴ Want a job, 16 to 64 population that is econ inactive: Slough, 22.4%, Bucks, 17.0%, Spelthorne 11.3%, Windsor & Maidenhead 15.7%, Hillingdon, 16.3%. APS data for the period Oct 2022 – Sept 2023.



4 The Economic Value of the Slough Trading Estate

4.1 Slough Trading Estate is a major component of Slough's economy and jobs market, accommodating about 15,000 employee jobs, including half of Slough's Digital Sector jobs²⁵.

4.2 As described in Section 2, assuming an increase in floorspace of 40% as a direct result of the new SPZ being approved we might expect job numbers to increase by an equivalent amount. This would lead to the creation of an additional 3,000 to 6,000 jobs on the estate, depending on employment density. Based on the current industrial and occupational profile the following illustrates the potential outcome.

4.3 Illustrative industry of employment outcomes:

- 978 to 1,956 jobs in knowledge intensive services
- 1,239 to 2,478 jobs in less knowledge intensive services
- 261 to 522 jobs in low-medium tech manufacturing
- 246 to 492 jobs in medium-high tech manufacturing
- 261 to 522 jobs in other production
- 18 to 36 jobs in real estate

4.4 Illustrative occupational outcomes:

- 495 to 991 managerial, director level and senior official jobs
- 703 to 1,406 jobs in professional occupations
- 464 to 929 jobs in associate professional and technical occupations
- 291 to 583 jobs in administrative and secretarial occupations
- 293 to 585 jobs in skilled trade occupations,
- 756 to 1,513 jobs in all other occupations (including sales and customer services, process plant and machine operatives and elementary occupations).

Business Rates

4.5 In 2023, non-domestic (business) premises on the rating list²⁶ on Slough Trading Estate generated around £53m in business rates, 45% of Slough's non-domestic rating income in-year Slough (£117m, see Table 4-1) 49% of which is retained by the Council (about £57m). Recent

²⁵ Business Register and Employment Survey: safeguarded access ONS Crown Copyright Reserved [from Nomis on 29 February 2024].

²⁶ The rating list sets out all rateable values for non-domestic properties in England and Wales. It is used by local authorities to help determine business rates.



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4 The Economic Value of the Slough Trading Estate

changes in occupancy however, mean that business rates receipts are now slightly lower (£49m) as presented in Table 4-2.

- 4.6 The retained proportion of business rates that originated from Slough Trading Estate, year-end 2023 (about £26m), was equivalent to about 10% of Slough Council's total service expenditure, or the same amount that Slough Council spent on Public Health, and Environmental and Regulatory Services, combined²⁷.

Table 4-1 Slough Trading Estate Business Rates income as of the 2023 Rating List.

<u>2023 Rating List</u>	Total Slough Borough	Total Slough Trading Estate	As a proportion of Slough Borough
Floor Area (sqm)	1,709,898	689,948	40%
Adopted RV	£230,361,535.00	£103,163,675.00	45%
Rates Payable	£117,496,966.22	£52,750,171.33	45%

- 4.7 When considering buildings that have recently been taken off the list since the 2023 rating's valuations, Slough Trading Estate (£49m) accounts for 65% of business rates collected in Slough (£75m), as shown in Table 4-2.

Table 4-2 Slough Trading Estate Business Rates Income updated with recent changes to the Rating List.

<u>Current Business Rates Position in Slough</u>	Total Slough Borough	Total Slough Trading Estate	As a proportion of Slough Borough
Floor Area (sqm)	1,136,603	652,900	57%
Adopted RV	£147,142,750.00	£96,044,550.00	65%
Rates Payable	£75,335,635.25	£49,122,067.95	65%

- 4.8 Table 4-3 shows the difference between the Rating List 2023 and the current Rating List implying that a number of buildings have been taken out of the Rating List in Slough that will result in a reduction in rates income retained by Slough Borough Council. Below, we explain that whilst some reduction may be a permanent effect in the rest of Slough, it would be offset by a net increase in business rates generated within Slough Trading Estate as a result of the new SPZ.
- 4.9 Expansion of floorspace on Slough Trading Estate would, all other things being equal, increase non-domestic business rates, which would in turn increase Slough's retained business rates income, income which plays a significant role in financing Slough's revenue expenditure.

²⁷ Based on analysis of Department for Levelling Up, Housing and Communities Revenue Outturn returns 2021-22 - RS data



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4 The Economic Value of the Slough Trading Estate

Table 4-3 Slough Business Rates Calculation (Rating List 2023 – Buildings that have been taken off the list)

<u>Subtraction</u>	Total Slough Borough	Total Slough Trading Estate	As a proportion of Slough Borough
Floor Area (sqm)	573,295	37,048	6%
Adopted RV	£83,218,785	£7,119,125.00	9%
Rates Payable	£42,161,331	£3,628,103.38	9%

- 4.10 On the basis that the new SPZ enables Slough Trading Estate to increase floorspace by about 290,000 sqm,²⁸ and that in 2023 the rating income from the estate averaged out at £75 per sqm, the increase in business rates enabled by the SPZ would amount to £21.7m (288,000 sqm multiplied by the estate’s average rates payable £75 per sqm) of which £10.6m, per annum, would be retained by Slough Council.
- 4.11 Based on deductions from the Rating List of non-domestic properties in 2023, we estimate that Slough Council rates income will reduce to £42.1m. Whilst some of this lost floorspace will be redeveloped for non-domestic uses and be returned to the Rating List at some point in the future, we understand that a significant proportion has already been converted to residential use. Whilst this will generate Council Tax revenue, the employment floorspace is lost.
- 4.12 In contrast, changes to the Rating List because of properties on Slough Trading Estate are no longer available to let represent a more positive economic chain of events. The reduction in 2023, equivalent to £3.6m retained rates (table 3), is largely explained by the removal of Bath Road, functionally redundant office space, for which there is no longer occupier demand due to the changing nature of the office market.
- 4.13 The new SPZ will facilitate the redundant, vacant space, being brought back into employment use in a speedy manner, enabling STE to pivot away from obsolete buildings and redevelop to suit modern occupier requirements, to modern standards, and more intense levels of economic activity across a range of industry sectors. This means that whilst business rate revenue temporarily reduces, it will increase above current levels over the next ten years. Thus, the new SPZ will play a pivotal role in maintaining Slough’s business rates income.
- 4.14 Relative to other authorities in England, Slough Council generates a significant amount of income from business rates. In 2022, one fifth of England’s authorities generated 53% of business rates (£11bn), with Slough among them²⁹.
- 4.15 On a per capita basis, Slough’s 2022 business rate income was £525 compared to £254 in Buckinghamshire, £448 in Spelthorne and £540 in Hillingdon³⁰.

²⁸ This illustrative figure is derived from Slough Borough Council Report to Cabinet, 2 March 2023, and explained in Section 2 of this Report

²⁹ Based on analysis of National non-domestic rates collected by councils in England: 2021 to 2022, Official Statistics, Department of Levelling Up, Housing and Communities.

³⁰ Ibid.



5 New SPZ Facilitating Skills and Workforce Development

- 5.1 A key challenge stated within Slough Borough Council's Inclusive Growth Strategy has been, and will continue to be, changing to business practices and the resulting demands on the supporting workforce. A multitude of factors, particularly the fast pace of technology adoption, but also economic shocks such as the Covid-19 pandemic and Brexit, have altered the industry dynamic, business operations and subsequently patterns of labour demand across Slough. To achieve economic resilience to these changes, SBC recognised that Slough must offer an environment which enables businesses to be responsive and adapt to these changes, whilst developing a skilled and sustainable workforce.
- 5.2 The SPZ provides a distinctive ability to be reactive to market change and demand. Through its simplified planning process, the STE can efficiently respond to business disruptions and opportunities. This ensures employment space on the STE consistently meets market demand and contributes to security of employment throughout Slough. The SPZ guarantees standards of development are upheld, including provision of land use types that will be permitted, parameter plans, a design code, travel plans, a construction traffic management plan, sustainability requirements, planning conditions and an environmental management plan, all factors that contribute to a holistic employment environment.
- 5.3 The current SPZ has played a key role in skills and workforce development across Slough, facilitating investment contributions and support across the Borough. SEGRO are committed to supporting further community growth through funding agreed as part of the new SPZ Section 106 Agreement. Specific initiatives and projects are yet to be agreed, however the Section 106 Agreement will provide financial contributions paid by SEGRO towards developing economic development in the Borough and a package to provide skills, training and education for the people of Slough.
- 5.4 This provides an insight into how the current SPZ has contributed to community growth and how funding from the new SPZ could be directed by the Council to support community initiatives. SEGRO endeavour to build on their current commitments, connections and knowledge, capitalising on the opportunities created by the new SPZ, subject to further discussion with Slough Borough Council.
- 5.5 SEGRO plays an important role in community development, for example through its Community Investment Plan. This provides a clear indication of SEGRO's commitment to improving local socioeconomic outcomes. The new SPZ will play a critical role in enhancing residents' skills and workforce participation through the activities and interventions that it funds.
- 5.6 Below we identify existing projects and initiatives that could be funded by the new SPZ.



Investing in Modern Employment Floorspace and Supporting Infrastructure

- 5.7 The Slough Trading Estate is home to 350 businesses which employ over 15,000 people and contribute some £49.1 million in business rates every year that can be reinvested into other local services.
- 5.8 Over the last 10 years, SEGRO has invested tens of millions of pounds in modernising the STE, creating more than 2.4 million square feet of industrial and warehouse space. This includes some £60 million in refurbishments and building upgrades and £20 million in infrastructure improvements. This ensures modern and attractive employment floorspace, supporting the retention of successful companies, local employment opportunities and community investment prospects.
- 5.9 The new SPZ permits the STE to effectively respond to diverse business needs across growing sectors. SEGRO is proud to provide a range of space options for companies of different sizes. For example, several developments, both completed and under development, are well suited to support smaller businesses.
- 5.10 The new SPZ could enable further increases in floorspace options across the STE. SEGRO have previously delivered the Enterprise Quarter which is designed to support start-up and small companies and which provides highly flexible lease terms and as a result is almost fully let with 23 out of the 24 units occupied. STE has a thriving SME community with 44 start up units (up to 1,000 square feet) and 249 small business units (1,000 to 10,000 square feet).

Reducing the Skills Gap

- 5.11 The new SPZ provides the conditions to adapt to a changing market environment, supporting and attracting pro-active and growth driven occupiers. Such firms are likely to sustain a successful business performance, enabling them to financially support and invest in training.
- 5.12 As part of its ESG programme ('Responsible SEGRO'), SEGRO has funded community development and will continue to do so. Additionally, the new SPZ could fund training and employment plans in partnership with local businesses.
- 5.13 The current SPZ provides a home for dynamic companies, contributing to innovative industry development across Slough. The new SPZ will provide the opportunity to widen the spectrum of businesses on the STE, expanding the knowledge and skills training environments.
- 5.14 This is particularly important given the skills demand across Slough's developing digital economy, and the changeable landscape due to climate change and globalisation. The new SPZ provides a stable platform and partnership opportunity to support growth in advancing technologies and innovative skills development, as discussed within the Growth Strategy.
- 5.15 Socio-economic data and local policy have identified a growing skills gap across Slough. The new SPZ allows SEGRO to put its customers and residents at the heart of the development plan to ensure it responds to the needs of the community, economy and employers, now and in the future.



Community Partnership

- 5.16 SEGRO is passionate about education, employment and the environment. The new SPZ could fund further commitments to community engagement and development.
- 5.17 A review of how SEGRO currently supports Slough, and its local communities provides an insight into what can be achieved through the new SPZ.
- 5.18 In 2022, SEGRO launched the Slough Community Investment Plan (CIP) to enable investment in projects over the long-term. The CIP is designed to inspire young people about the world of work, help unemployed people into employment, support the growth of local businesses and create a better environment that improves the health and wellbeing of residents.
- 5.19 SEGRO has been able to help young people from diverse backgrounds develop their employability skills. Non-profit-organisations such as Learning to Work and SEGRO's schools programme support young people and provide insight into the world of work. SEGRO also supports programmes such as Pathways to Property, Haybrook College Trust, and Youth Engagement Slough, all providing various forms of access to skill development to young people.
- 5.20 In conjunction with the Slough CIP, SEGRO provide ongoing and long-term support for community organisations, such as Slough Foodbank, providing warehouse space on the STE.
- 5.21 SEGRO currently provide space throughout the STE for community organisations which include the following:
- Haybrook College Trust
 - Slough Museum
 - Learning to Work
 - British Ukrainian Aid
 - River Church
 - Slough Foodbank

Access to Employment

- 5.22 The new SPZ provides an opportunity to fund the development of pathways between STE employers and Slough residents across a broad range of industry sectors and occupations.
- 5.23 The Slough Hub and YMCA St Pauls are examples of SEGRO's existing commitment and support to enhancing the mental, physical and economic well-being of Slough residents, supporting access to employment. Funding from the new SPZ could provide the basis for expansion of such activities.

Sustainable Infrastructure

- 5.24 Under the new SPZ, SEGRO have proposed that the cap on car parking which exists under the 2014 – 2024 SPZ is maintained to minimise traffic congestion and pollution. Alongside this



The Economic Impact of the New SPZ

5 New SPZ Facilitating Skills and Workforce Development

control, a comprehensive package of infrastructure improvements will enhance the estates accessibility and environment, support a healthier workforce and improve air quality.

- 5.25 The measures included in this infrastructure package include: a new dedicated shuttle bus service connecting various locations around the estate with Burnham Station, which is on the Elizabeth Line; a new cycle route providing safe access for cyclists to the STE, new electric car charging points in both business premises and public locations and a travel plan including measures to encourage STE staff to travel sustainably.
- 5.26 The new sustainable infrastructure will improve connections between the STE and Slough Borough residents, increasing their physical access to employment opportunities on the estate.



6 Conclusions

- 6.1 The STE is Europe's largest trading estate in single ownership. It is a key employer in Slough, employing approximately 15,000 workers across a variety of industries and occupations, including Knowledge Intensive Services and Medium-high Tech Manufacturing. The jobs tend to be high-value and well-paid, and the wide range of occupations supported provides opportunities for a range of skill levels.
- 6.2 The STE is a critical component of Slough's diverse economy, and the Digital Economy in particular. The estate provides much needed economic infrastructure, enabling growth in a range of both high value industries and traditional sectors.
- 6.3 The new SPZ will provide the basis for intensification of employment uses on the estate including additional Industrial, Data Centres, Research and Development, Distribution and Storage and Retail development.
- 6.4 Despite this opportunity, as Slough's Inclusive Growth Strategy acknowledges, Slough residents face some significant socio-economic challenges which are limiting their economic wellbeing. Our own analysis supports this conclusion, highlighting that access to employment and skills could be increased.
- 6.5 New SPZ funding could be directed towards initiatives that support Slough residents to overcome the socioeconomic barriers that they face. For example:
- Training and employment plans, for example created in partnership with local businesses to reduce the skills gap.
 - Support to community organisations that help bridge the gap between local people on the margins of the labour market and employment opportunities.
 - Initiatives directed towards engaging young people who have not been in education, employment or training.
- 6.6 The new SPZ offers the potential to create between 3,000 and 6,000 additional jobs on the estate including between 1,200 and 2,400 in productive and high value sectors. The value of the estate is further illustrated by the fact that it contributes £49m in business rates, 49% of which is retained by Slough Council.
- 6.7 Assuming a 40% intensification of floorspace could be enabled by the new SPZ, we would reasonably expect business rates to increase by £21.7m per annum, of which £10.6m per annum will be retained by the council, increasing the total retained by the council to £34.7m per annum.



Slough Borough Socio Economic Profile

Stantec Development Economics





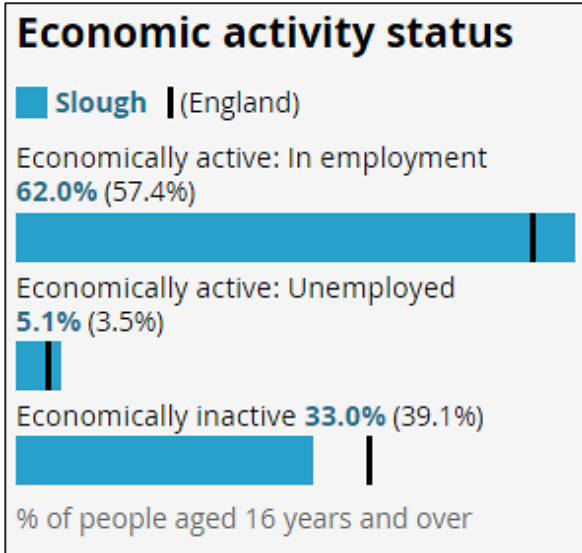
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5	Socio Economic Status
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13	Workforce Profile

Sloughs Resident Workforce

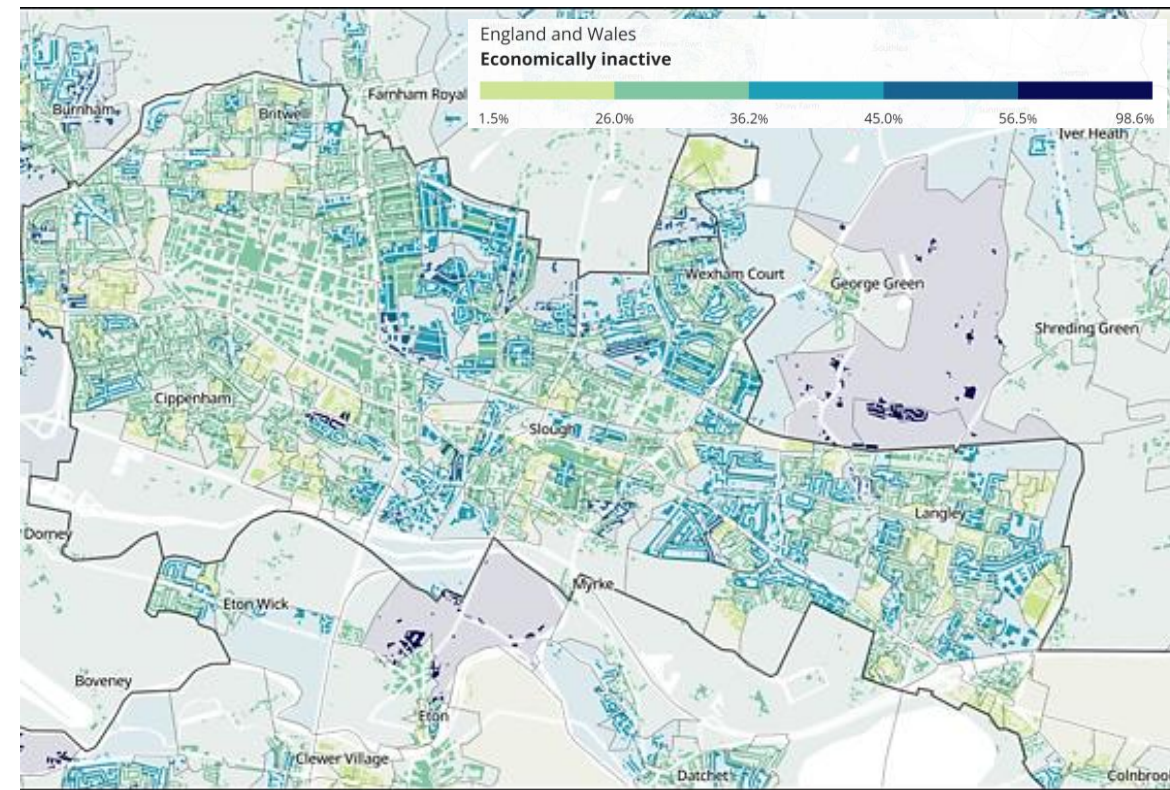
Economic Activity Profile

Slough's population is younger than the average regional and national profile, with a higher proportion of residents being of working age (16 to 64). As a result, it contains a higher proportion of economically active residents (64%) (aged 16+) compared to both the South East (60%) and England (59%). This presents a great opportunity for the local labour force to support economic growth.



However, breaking down economic activity by age group reveals a high-level of economic inactivity amongst the workforce, particularly the younger age groups. For example, 17% of 25 to 34 year olds in Slough are economically inactive, compared to 12% and 14% of those in this age group living across the South East and England respectively.

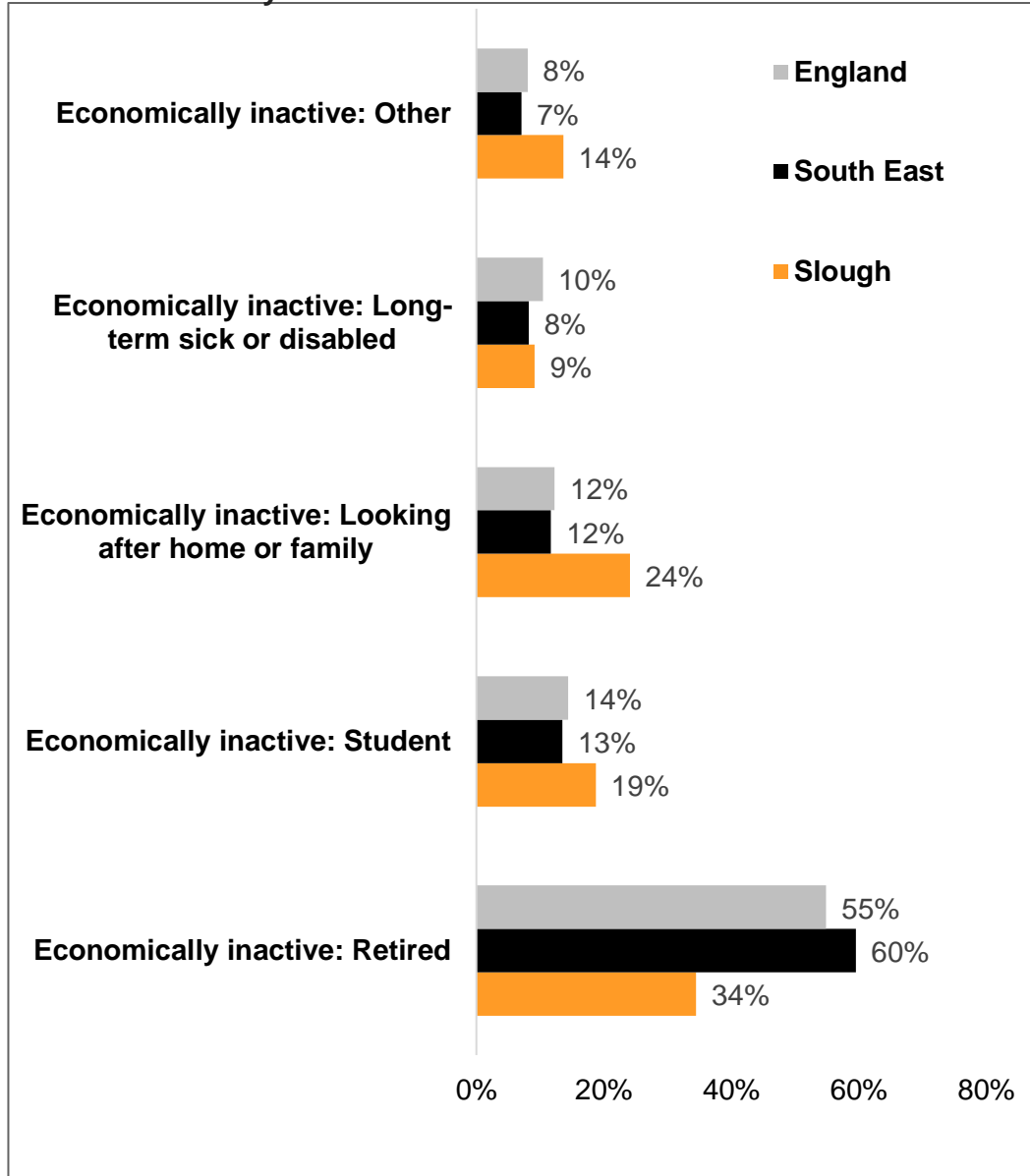
This presents both a challenge and an opportunity for economic growth in the Borough. Understanding why this group is not engaged in the labour market is key to increasing accessibility.



	Economic Activity by Age Group	Slough	South East	England
16 - 24	Employed %	69%	77%	74%
	Economically Inactive %	17%	14%	15%
	Unemployed %	14%	10%	11%
25 - 34	Employed %	77%	84%	82%
	Economically Inactive %	17%	12%	14%
	Unemployed %	6%	4%	4%
35 - 49	Employed %	78%	84%	81%
	Economically Inactive %	18%	13%	16%
	Unemployed %	4%	3%	3%
50 - 64	Employed %	69%	73%	70%
	Economically Inactive %	27%	24%	28%
	Unemployed %	5%	3%	3%
65+	Employed %	13%	12%	11%
	Economically Inactive %	86%	88%	89%
	Unemployed %	1%	<1%	<1%



Economic Activity Profile



Slough's Resident Workforce

Economic Activity Profile

In Slough, 24% of economic inactivity is attributed to residents 'looking after homes or family'. This is comparatively high compared to the regional (12%) and national (12%) profile. Slough also has a large student population, with 19% of economically inactive residents giving studying as their primary reason for being out of the workforce. A much smaller proportion of Slough's inactive population are out of the workforce due to retirement than at the national and regional level. This could indicate that Slough's residents remain working until an older age.

23% of Slough's residents classified as economically inactive are seeking employment. This compares to 17.9% across the South East and 19.6% in England.

According to Annual Population Survey data, for the year through to September 2023 (October 2022 to September 2023), the economic activity rate of the 16 to 64 year old population in Slough remains lower than that of the majority of surrounding local authorities. This is also true for the employment rate of the same age group.

	Economic Activity Rate	Employment Rate
Slough	79.7%	73.7%
Spelthorne	80.3%	77.6%
Windsor and Maidenhead	85.5%	82.5%
Hillingdon	73.8%	64.8%
Buckinghamshire	82.2%	80.5%



Sloughs Resident Workforce

Socio Economic Status

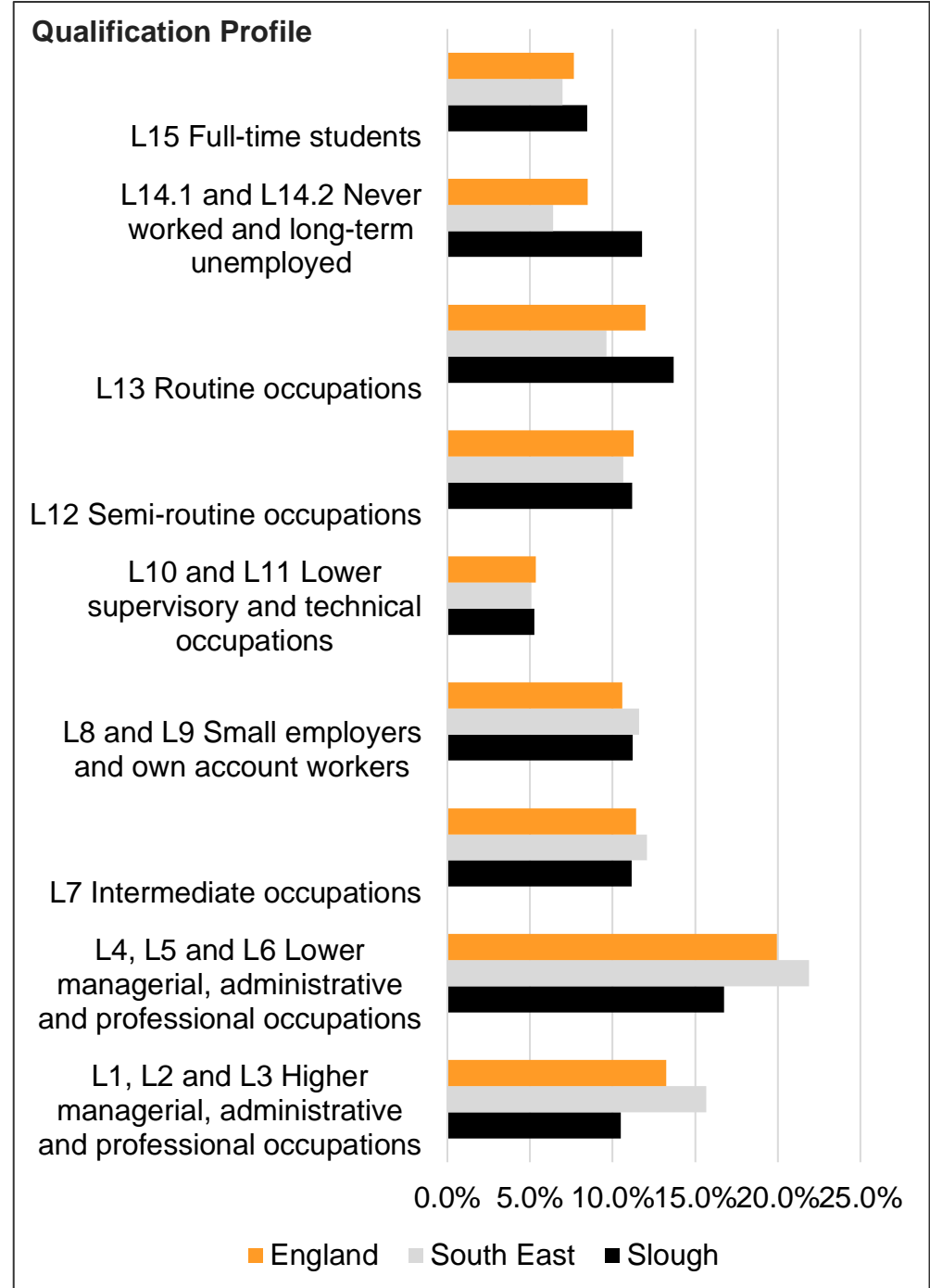
Slough’s population has a lower socio-economic status on average than both the South East and England, with a greater proportion of residents falling into the occupations ranked lower in the socio-economic classifications (semi routine and routine occupations) and a lower proportion of residents employed in the top three socio-economic categories of occupation.

Socio-Economic Status - Occupations	Slough	South East	England
L1, L2 and L3 Higher managerial, administrative and professional occupations	10.5%	15.7%	13.2%
L4, L5 and L6 Lower managerial, administrative and professional occupations	16.7%	21.9%	19.9%
L13 Routine occupations	13.7%	9.6%	12.0%
L14.1 and L14.2 Never worked and long-term unemployed	11.8%	6.4%	8.5%
L15 Full-time students	8.5%	7.0%	7.7%

The highest proportion of Slough’s resident workforce are employed within lower managerial, administrative and professional occupations (17%), the level of which is below the average across the South East (22%) and England (20%). The proportion of residents (11%) working in higher managerial occupations is markedly lower than the regional (16%) and national (13%) level.

Routine (L13) occupations employ a notably higher proportion of Slough’s resident workforce (14%) than the regional (10%) and national average (12%).

The proportion of Slough residents who are long-term unemployed (12%) or have never worked, is almost double that of the South East (6%) and much higher than England (9%).





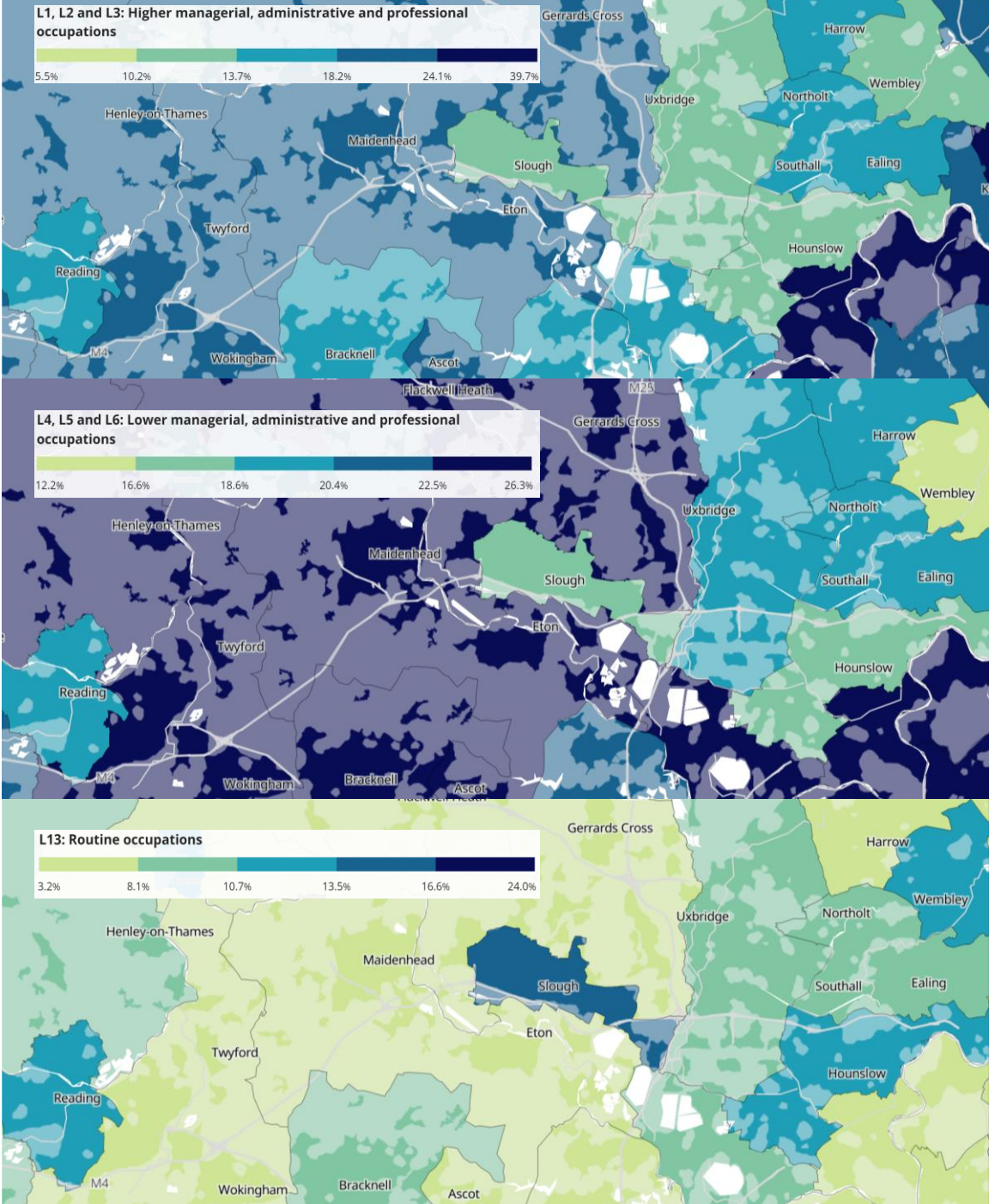
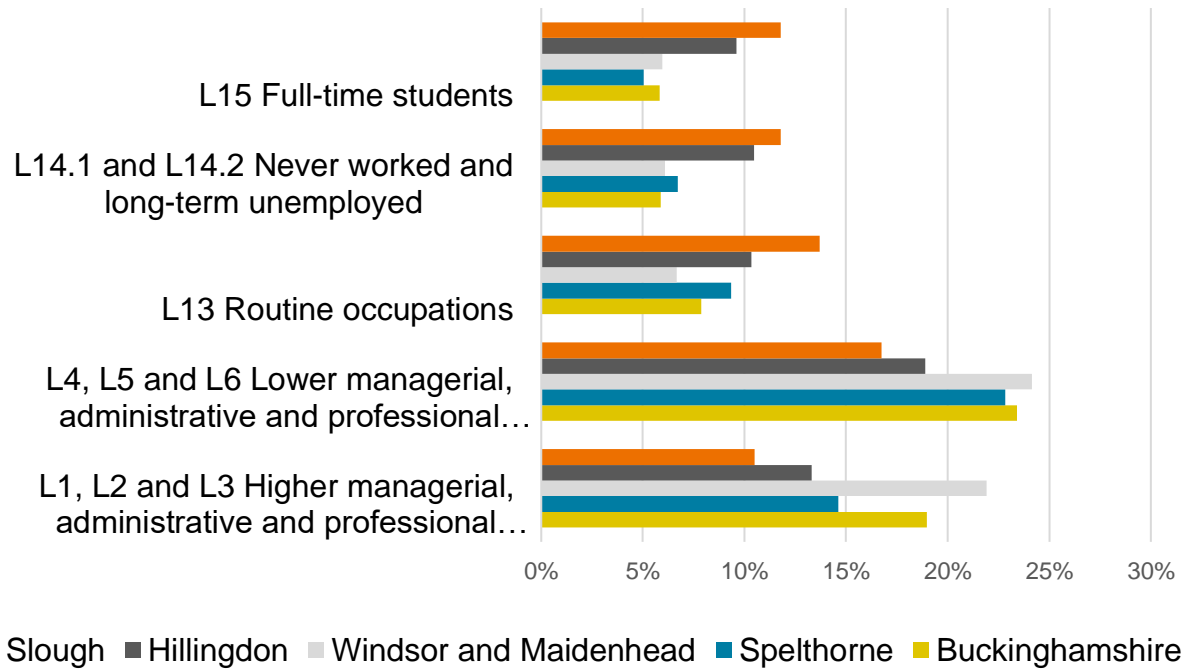
Sloughs Resident Workforce

Socio Economic Status

Slough's socio-economic status is distinctively different to the surrounding Local Authority area. Slough contains a higher proportion of students, residents classified as 'never worked or long term unemployed' and residents employed in routine occupations that all Hillingdon, Windsor and Maidenhead, Spelthorne and Buckinghamshire.

A smaller proportion of Slough's residents fall into the higher socio economic categories than that of surrounding LAs.

Socio-Economic Status – Area Comparison



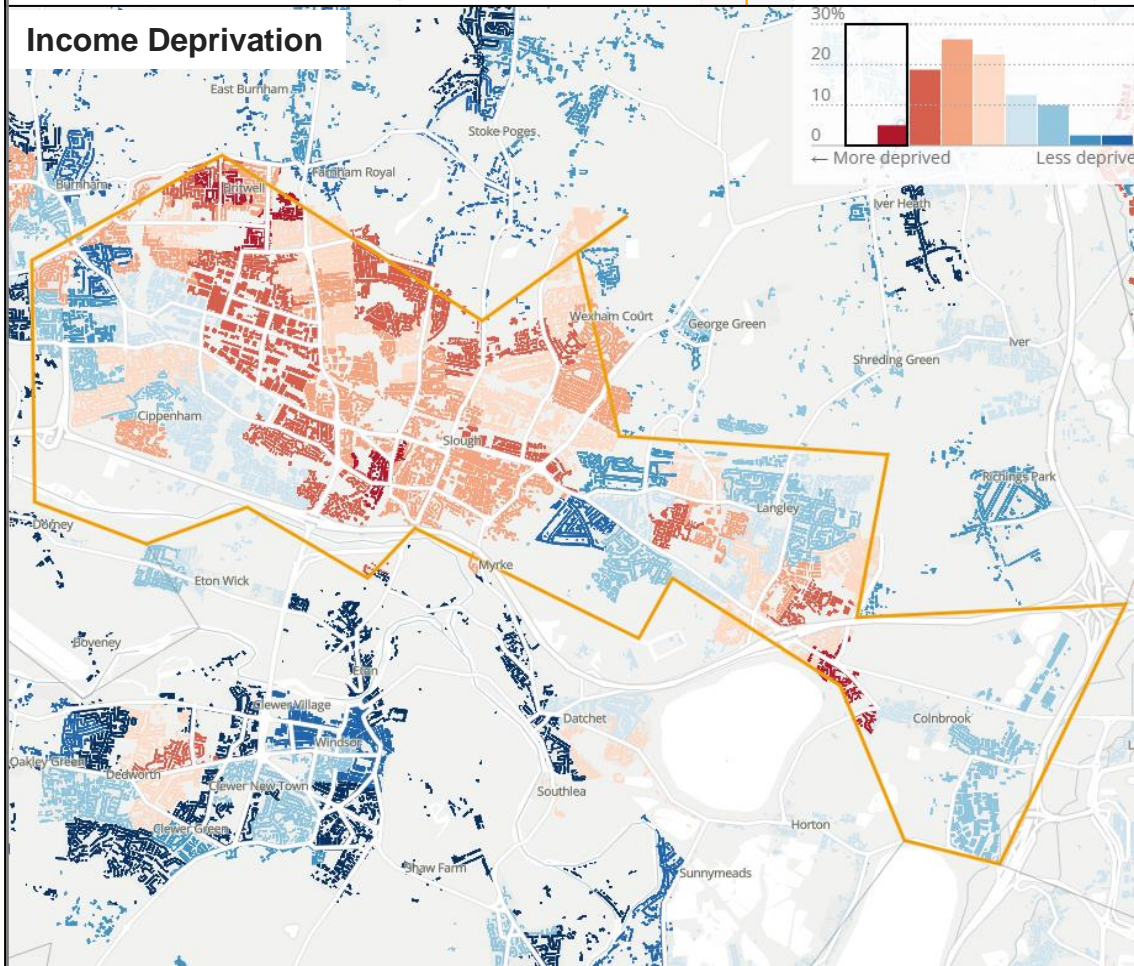
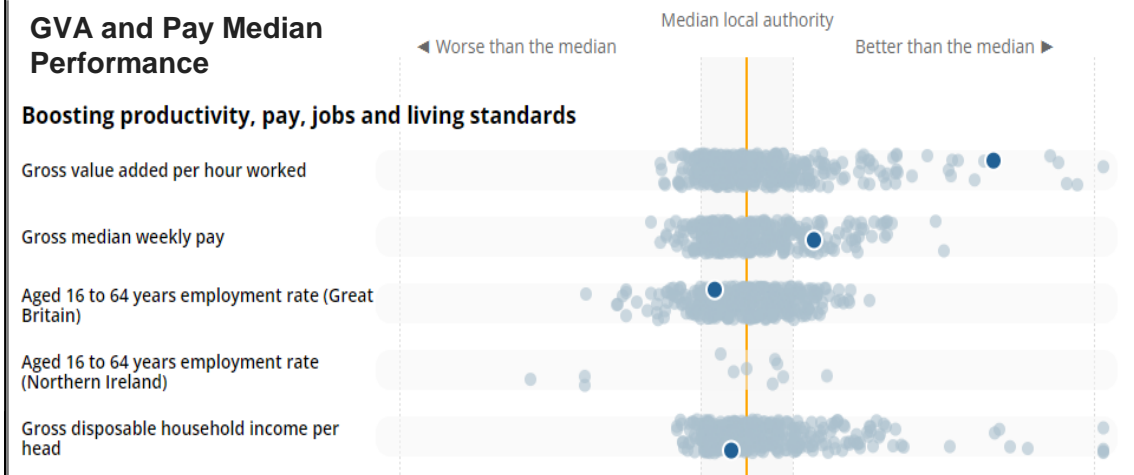
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Sloughs Resident Workforce

Pay and Productivity

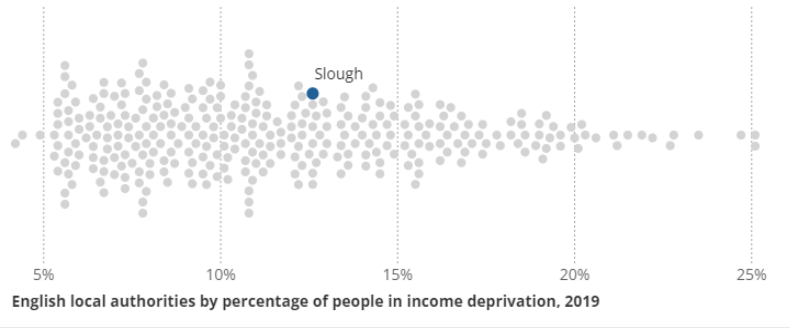
A review of productivity and pay indicators, compared to other local authorities and the UK average (median), suggests that Slough generates a particularly high GVA per hour value and a comparatively high weekly median pay level.

Despite this, when reviewing the 16 to 64 years employment rate and gross disposable household income per head there is a mismatch between the workforce population, displaying high productivity levels and wage levels, and the resident labour force presenting a lower-than-average employment rate and disposable income.



Income deprivation in Slough

In **Slough**, **12.6%** of the population was income-deprived in 2019. Of the 316 local authorities in England (excluding the Isles of Scilly), Slough is ranked **117th most income-deprived**.



In terms of income deprivation, Slough is ranked 117th out of 316th local authorities. This compares to Hillingdon 141st, Spelthorne 234th and Windsor and Maidenhead 294th indicating that it suffers more from income deprivation than neighbouring areas.

While Slough enjoys an impressive level of productivity and relatively competitive median wages, this has not translated into high living standards for all residents. A likely explanation is that residents from neighbouring authorities who are comparatively better educated are commuting into Slough and obtaining some of the highest paying roles.

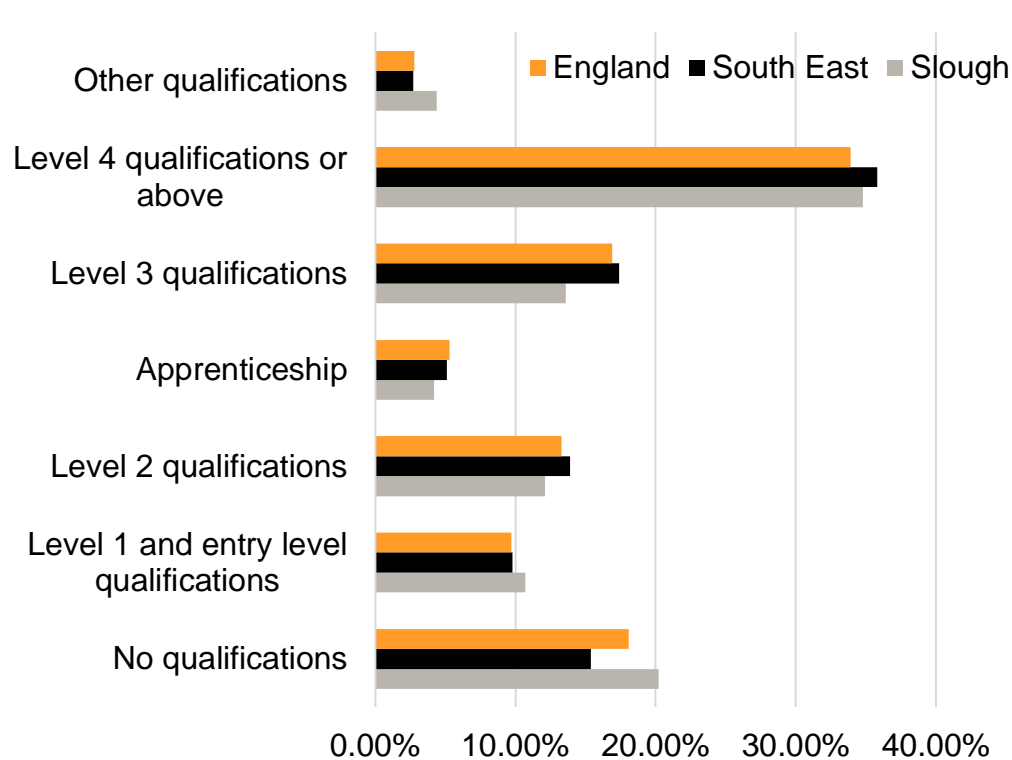
Slough's Resident Workforce

Skills Profile

According to 2021 Census data the highest proportion of residents across Slough have achieved a level 4 qualification (34.8%), comparable to levels across the South East (35.8%) and England (33.9%).

20.1% of Sloughs residents (aged 16 to 64) have achieved no formal qualification. This is significantly higher than the proportion across the South East (15.4%) and England (18.1%). The difference between those with the highest level of qualifications (level 4) and those with no qualifications is larger than for the South East and England.

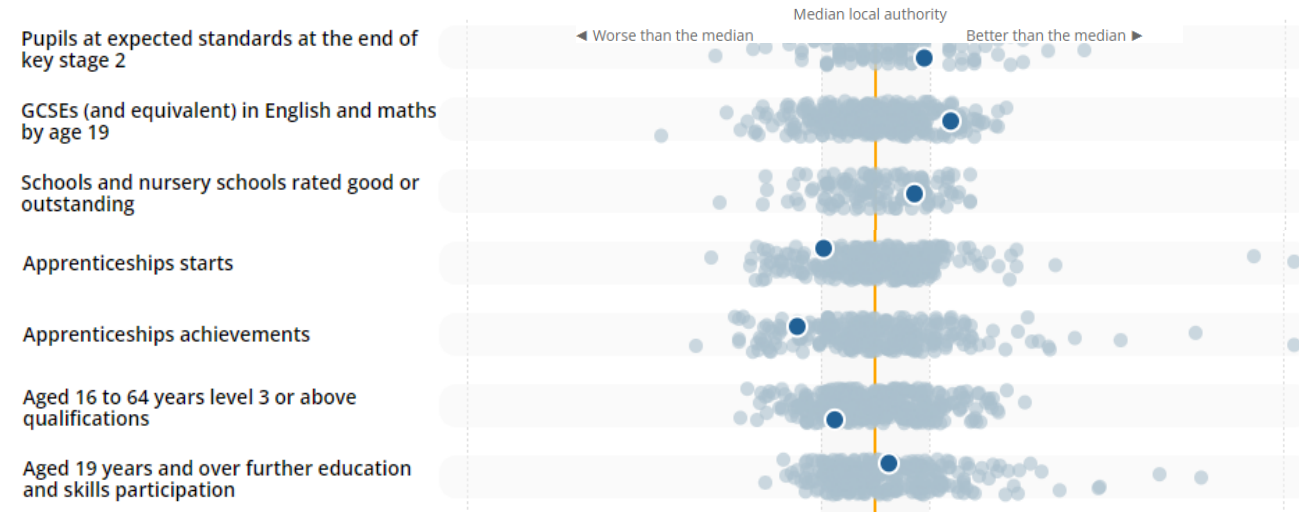
Qualification Profile



Slough presents above average levels in relation to early years education standards (pupils at expected standards at the end of key stage 2) and GCSE achieved in maths and English by age 19, along with the number for schools and nurseries achieving outstanding ratings.

There appears to be disconnect between the education and working age qualifications profile. The proportion of residents aged 16 to 64 years to have achieved a level 3 of above qualification is noticeably below average. As to is the level of apprenticeships starts and achievements.

Education Median Performance



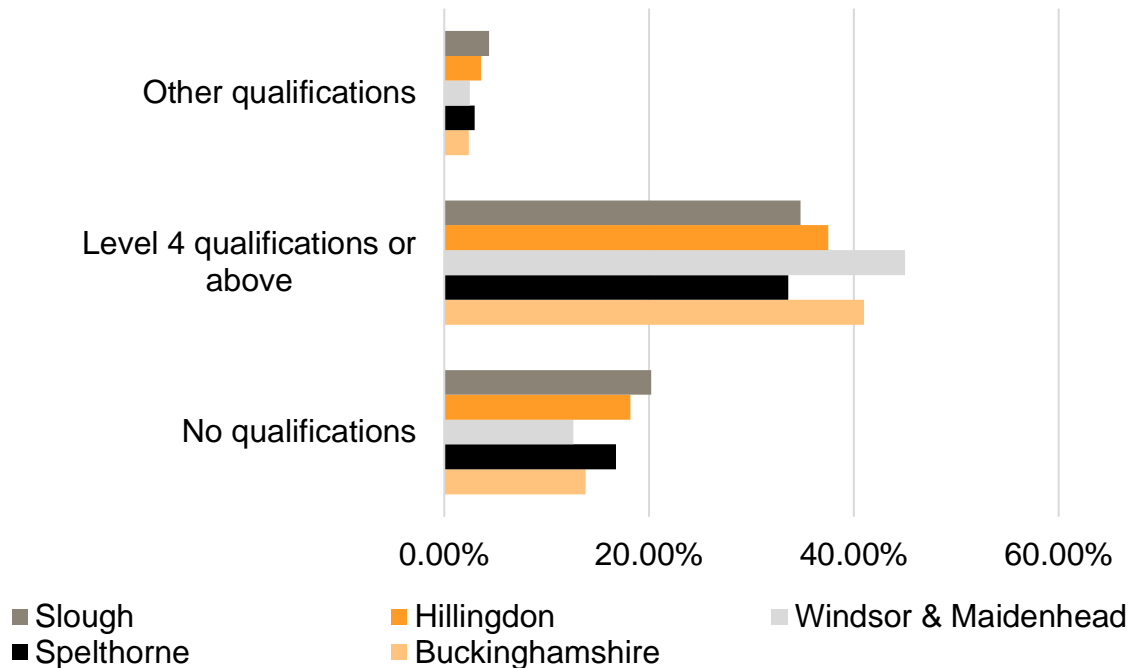
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Slough Resident Workforce

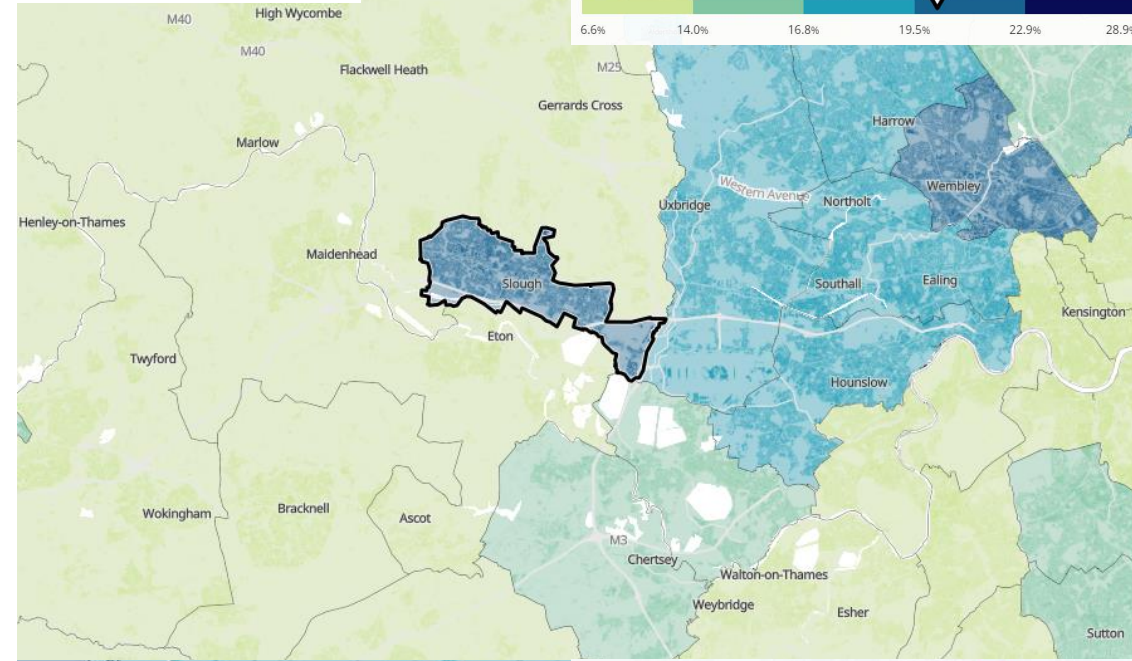
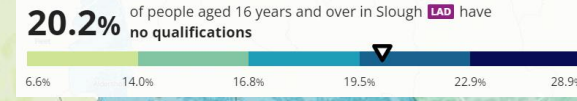
Skills Profile

When comparing Slough to Buckinghamshire, Spelthorne, Windsor and Maidenhead, and Hillingdon, the surrounding areas present a lower percentage of residents within no formal qualifications. The majority, with the exception of Spelthorne, also have a higher percentage of residents having achieved a level 4 qualification. The labour force from these areas are within a commutable distance to Slough and therefore pose the greatest competition to Slough's resident workforce.

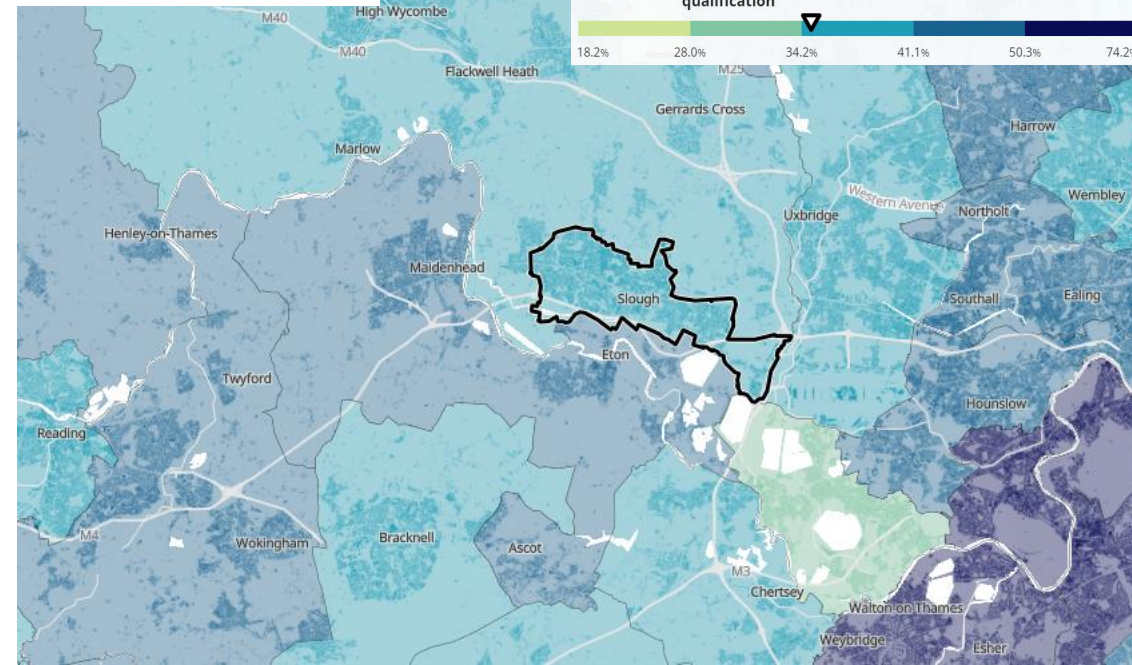
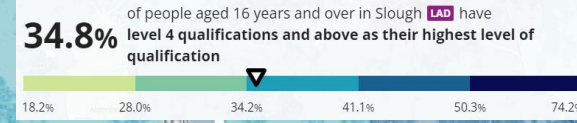
Qualification Profile – Area Comparison



No Qualifications



Level 4 Qualification



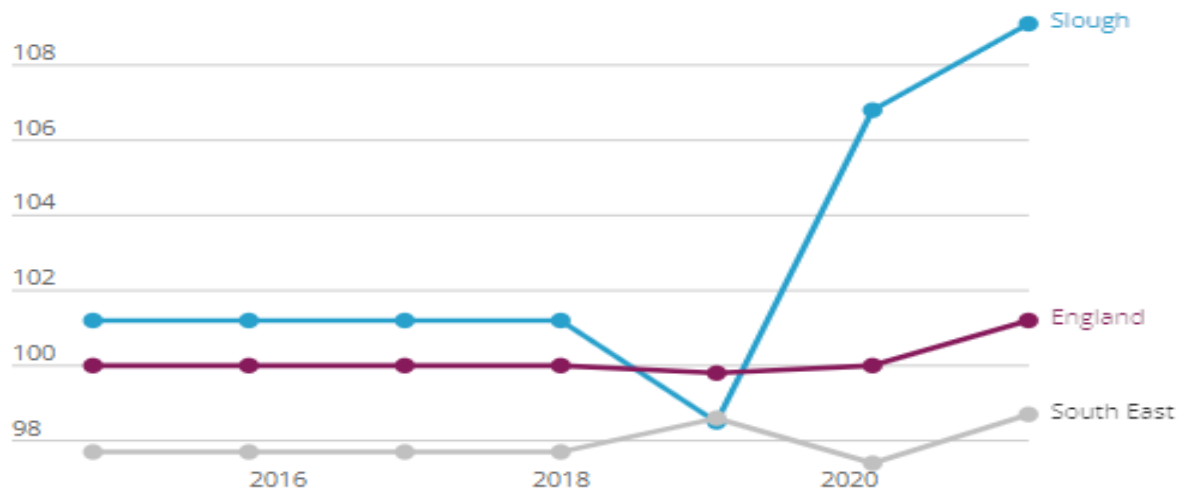
Slough Resident Workforce

Health Index

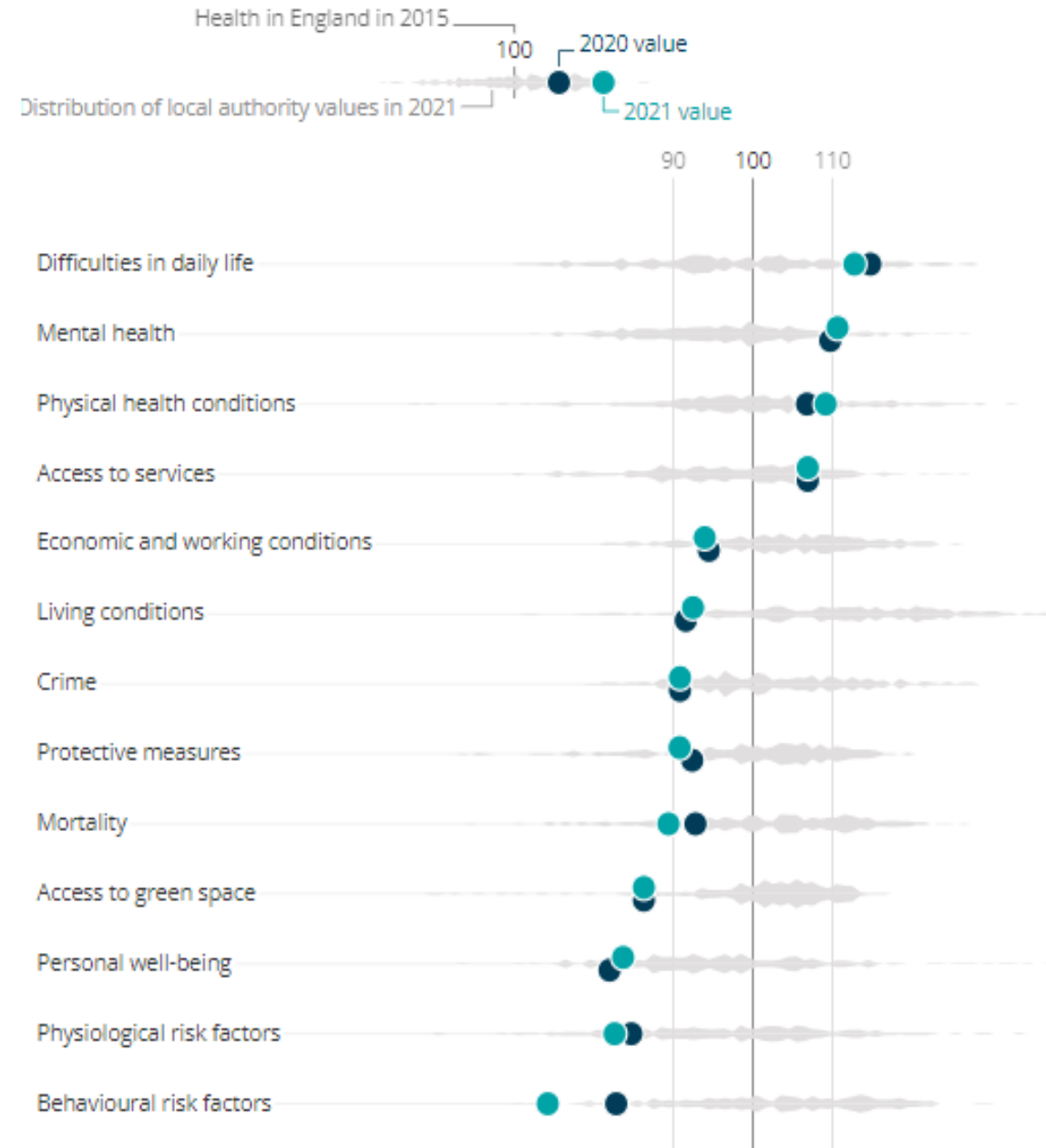
Slough scores better than the national average on several important health measures. In terms of access to services, Slough performs better than the vast majority of other authorities in the South East, and over 7% better than the national average. Of the 13 wellbeing indicators recorded by the ONS and shown in the figure to the right, Slough performs better than the national average in four.

The Index for Physical Health Outcomes provides an index of physical health conditions for Slough, the index below indicates that Slough has seen a rapid increase in its physical health outcomes in recent years, by 7.9 points between 2015 and 2021.

Index of physical health outcomes, Slough, South East and England, 2021



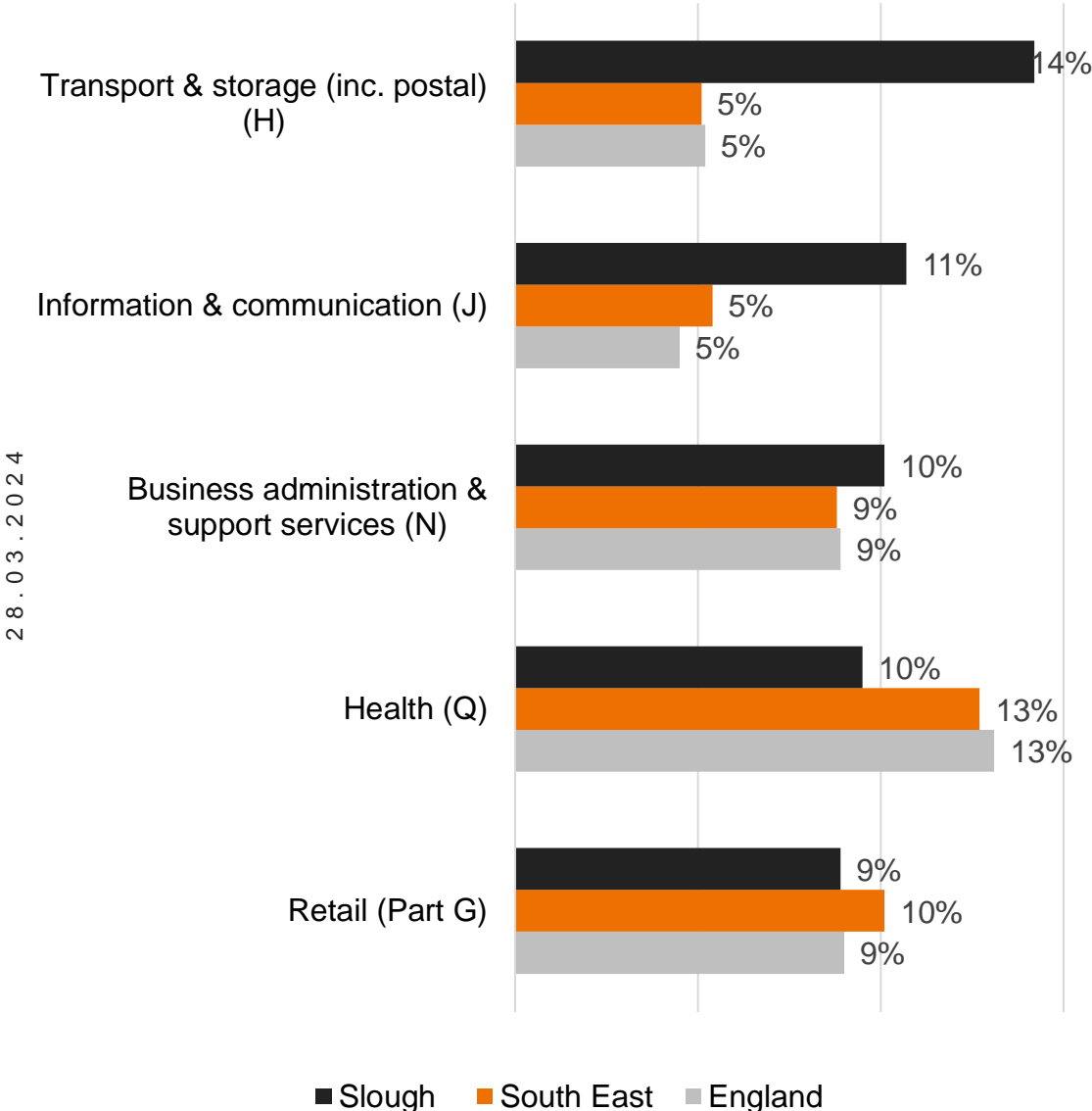
Health Median Performance





Slough's Resident Workforce

Top five Industries of Employment in Slough



28.03.2024

Industry

The two highest employing industries in Slough are the transport and storage industry and the information and communication industry, which employ 14% and 11% of Slough's employed residents respectively. These proportions are much higher than experienced at the national and regional level. The next three highest employing industries in Slough employ a comparable proportion of the employed population to that of the South East and England. This indicates that Slough's logistics and ICT industries are particularly competitive; firms in these industries are likely to gain economic advantages from being located within the Borough.

Slough's transport and storage firms benefit from Slough's location in the heart of the UK's transport network, enabling greater efficiency of transport operations.

Employment in Slough's digital sector is concentrated within the Slough Trading Estate (STE), with 19.8% (c.4,250) of those employed within the STE working within the digital sector. In contrast this figure is 9.2% for the rest of Slough and lower still in the South East and England at 6.1% and 5.0% respectively.

The success of Slough's digital sector contributes to the Borough's high level of productivity. In 2022, UK government official statistics found that output per job in the digital sector was £92,000 per annum compared to £65,000 for the UK as a whole; each job filled in the digital sector generates more GVA than the average UK industry.

Employment in the Digital Sector	Slough Trading Estate	Rest of Slough	South East	England
Employment count	4,250	5,500	263,000	1,377,500
% of employed pop	20%	9%	6%	5%



Sloughs Business Profile

Enterprises by Industry

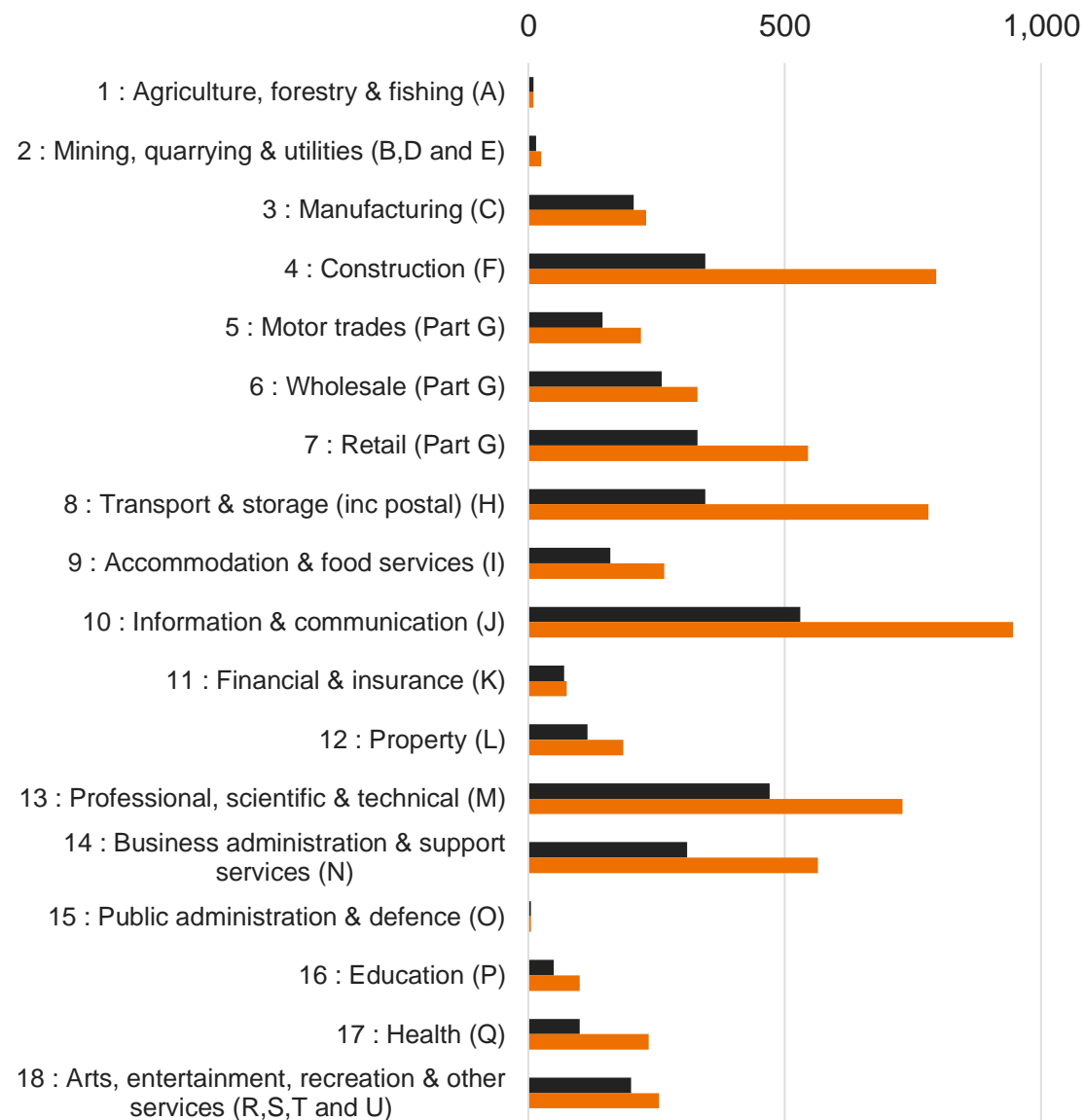
UK Business Counts data identifies the number of enterprises across Slough. Between 2010 and 2023 the number of enterprises with Slough increased from 3,665 to 6,300. 98% of the growth was the result of an increase in the number micro enterprises (employing up to 9 people). Micro enterprises account for 90% of the total enterprise count, as of 2023.

Enterprise Size (number of Employees)	2010	2023
Micro (0 to 9)	3,665	6,300
Small (10 to 49)	3,085	5,655
Medium-sized (50 to 249)	410	460
Large (250+)	115	140

A review of the enterprise split by industry across Slough reveals, in comparison to the South East and England, a markedly high proportion of information and communication, and transport and storage enterprises. Enterprises operating within the information and communication industry account for 15% of Slough's overall enterprise count. A further 12% operate within transport and storage industry.

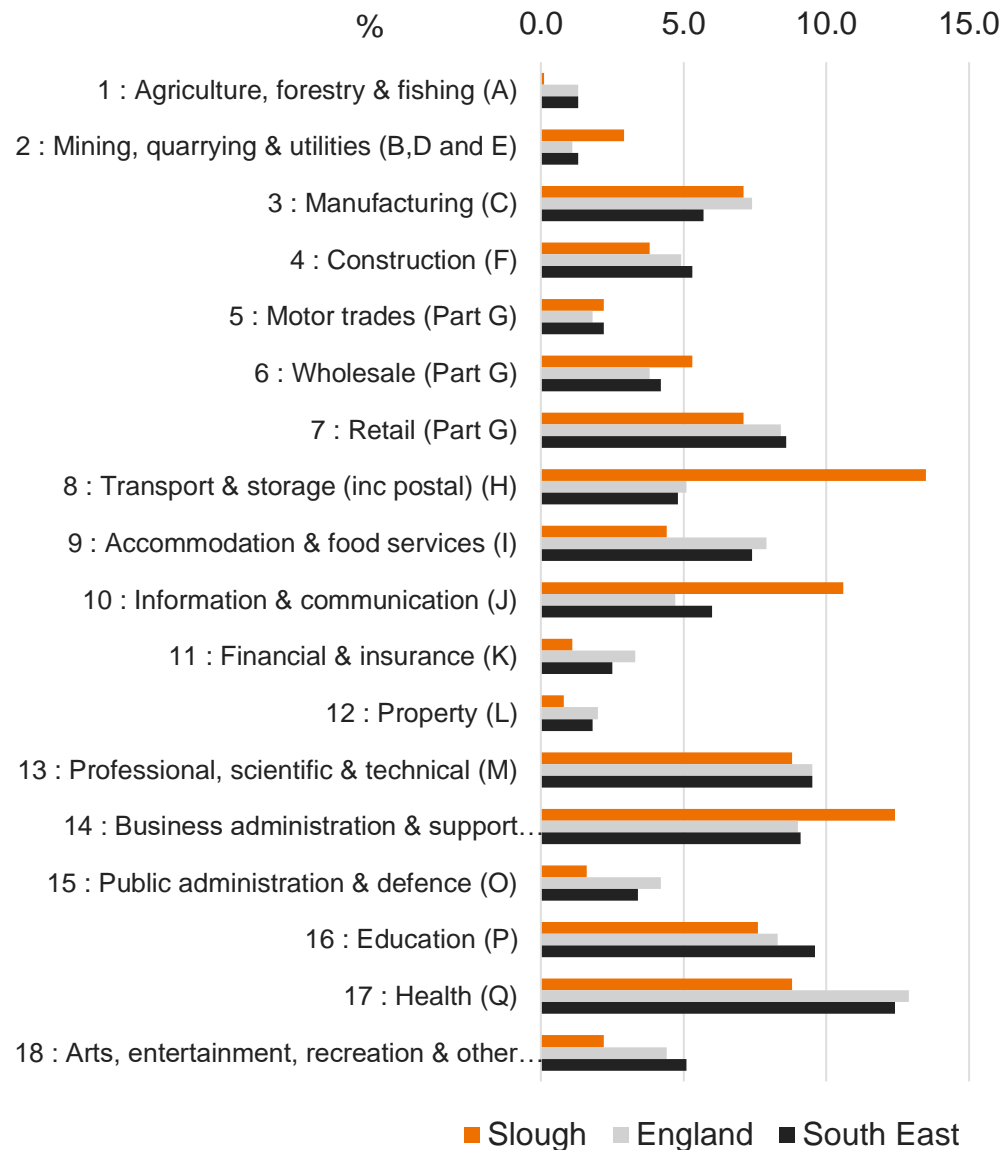
Construction, professional, scientific and technical services, and business administration and support services also represent over 30% of the total enterprise profile across Slough.

Number of Enterprises



■ 2010 Enterprise Profile ■ 2023 Enterprise Profile

Workforce Population by Industry

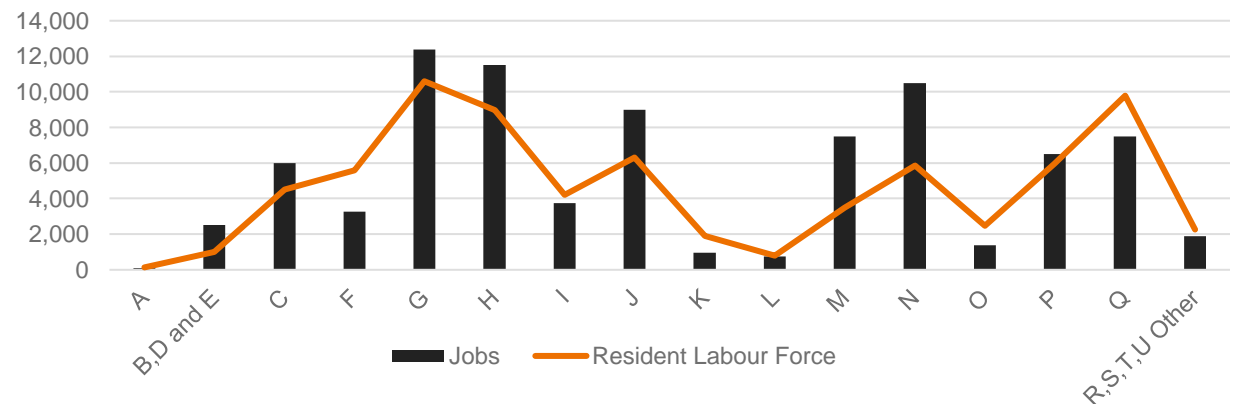


According to 2023 BRES data there are 85,415 people working across Slough. **Approximately 15,000 of these jobs are located within the STE.** The transport and storage industry provides the highest number of job opportunities (employing 11,500). This is followed by business administration and support services (employing 10,500), and information and communication (employing 9,000).

The proportion of transport and storage jobs within Slough's (13.5%) is particularly high when compared to the regional (5.1%) and national profile (4.8%). The same variance is observed across the proportion of Slough's jobs within the information and communication jobs (1.6%), compared to region (4.7%) and national level (6.0%). Slough contains a noticeably lower proportion of employment within the construction industry, finance and insurance, and health sector.

The total number jobs within Slough has increased from 79,600 to 85,415 over the period 2015 to 2023, this equates to a further 5,815 jobs in being created across Slough over the period 2015 to 2023. Over this period the largest increase in employment was across the transport and storage sector (+1,500), business and administrative services (+1,500), and accommodation and food services (+750).

Jobs within Slough compared to Resident Industry of Employment



28.03.2024



Summary

Slough has a low overall rate of economic inactivity due to its high proportion of working aged residents. When broken down into age groups, Slough has a higher rate of unemployment than regional and national averages for every age cohort, and a higher rate of economic inactivity for all age groups under 50. However, it's young population provides an opportunity for the borough, provided the human capital of Slough's resident population is developed. This involves enhancing their skills, knowledge, abilities and overall potential.

Slough's labour force faces competition from neighboring authorities, which on average a better educated labour force. GVA generated within the borough is far higher than the national average and wages are competitive, this has not translated into high living standards for all. Gross disposable incomes in Slough are lower than the national average, while Slough experiences a higher degree of income deprivation than all neighboring authorities.

In terms of physical and mental health outcomes and access to services, Slough scores better than the national average. Physical health outcomes in particular have increased rapidly in recent years.

These improvements not only improve the quality of life for residents, they are also likely to benefit the local economy, with a healthier labour force boosting productivity.

The assumption that highly skilled workers from neighboring local authorities obtain some of the highest paid roles available in Slough is supported by Slough's economic development strategy 2020 – 2025 which finds that Slough's workers earn significantly more than its residents.

Slough borough benefits from strategic transport links, and a well developed digital sector, creating economic advantages for both firms in these sectors, and those upstream and downstream from them. This in conjunction with a young population and rapidly rising health outcomes presents opportunities for Slough going forwards. Education and training initiatives that could be funded by SEGRO through the new SPZ will increase the likelihood that benefits experienced will better distributed across the resident population.