Swindon & Wiltshire Local Enterprise Partnership

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Local Enterprise Partnership

Wiltshire Council

Working in partnership with
Wiltshire Council
Where everybody matters

43 Wessex Brigade

Smart Specialisation for the Defence Sector Workshop

Unlocking the economic potential of our Armed Forces

Brussels – Monday 28 January 2013

Swindon & Wiltshire - Facts and Figures

Impressive Local and Regional Economic 'Firepower'

Research commissioned in 2009 revealed :-
Approx 25% of the defence Budget is spent in South West England (£9 billion) across an 'arc' stretching from Poole in Dorset to Abbeywood in Bristol :-

- £3.5 billion on Personnel
- £3 billion on Operations & Maintenance
- £0.7bn on Research & development
- £1.8bn on Procurement
- £0.1 billion on Construction

Of this £9 billion, £5 billion is estimated to be associated with Military bases, the other £4 billion associated with the defence industry that supports our armed forces

Swindon & Wiltshire - Facts & Figures (2)

Wiltshire - a core location for the British Army

- Over 20% of the Army's strength is based here
    - Approx 17,500 personnel
    - Over 15,000 dependents

This represents 3% of the total Wiltshire population with high concentrations (20% and above) in the towns and villages that circle Salisbury Plain.

Although there will be a drop in these figures in the short term (Closure of RAF Lyneham, transfer of Land Forces, HQ in Wilton), they are forecast to rebound to the levels above with further transfers in from Germany and the establishment of the tri-services training facility @ Lyneham in 2015. By 2020 25% of the Army's strength will be based in Wiltshire.

Responding to change – Recognising the Economic Opportunities

Long Military association has built up strong networks and understanding of the service culture. However significant changes in the way the Army operates means a new model is needed :-

- Ability to move 'Outside the Wire' as current/future threats to National Security are perceived to be outside UK borders
- Salisbury Plain (43 Wessex Brigade) lead the way in piloting the 'Super-Garrison' concept – significant logistical/cultural change;
- Wiltshire Council recognising the need to work closer with the Army and setting up the Military/Civilian Integration programme in 2006 – now recognised as a national exemplar;
- Strategic Defence & Security Review (October 2010) outlined significant reductions in Equipment and Man-power – to address £38bn budget deficit

Army 2020

SDSR (2010) outlined the reductions required from the Army to 'Balance the Books' :-

- Personnel to be reduced by 8,000 by 2015
- The British Army presence in Germany to end by 2020
- Heavy Artillery/Armour to be cut significantly
    - Challenger 2 Tanks to be cut by 40%
    - AS-90 self-propelled heavy artillery guns to be cut by 35%

Army 2020 outlines the re-structuring that will take the Army forward, based on the role that is perceived for it, main points:-

- Reduction in the Regular Army strength to 82,000 personnel
- Increase in Reservists to 30,000
- Full strength 112,000 personnel across three forces – Reaction Force, Adaptable Force and Force troops

More details:-
www.army.mod.uk/documents/general/Army2020_brochure.pdf

SDSR/Army 2020 – Social & Economic Impacts

The impact of the SDSR in the short/medium term and Army 2020 in the medium/long term will be significant on the Defence Sector – nationally and locally

- UK Defence industries are not solely reliant on domestic 'market' – the sector is generally global in its approach (BAE systems, Cobhams etc.) – this makes it competitive and there is diversification into 'Civilian' markets
- The sector is dynamic (fluid) and there is churn as contracts mature and new orders evolve
- 'Local' (economic) impact is mainly felt within the lower tiers of the supply chain
- Our focus within the Defence sector spectrum (Supplier > End user) is on the human assets – primarily service personnel facing redundancy as the armed forces down-size

Army 2020 – Change is an Opportunity

Against a background of deep defence cuts and different operating models – there are still opportunities for Defence Sector industries in Swindon & Wiltshires, these include:-

- The new Tri-service training establishment @ Lyneham
- The continued presence of the Army on Salisbury Plain
- The continued presence of the Tri-service communications facility @ Corsham
- The wider 'military arc' that stretches across Southern/Western England – from Dorset through to Bristol

Human Assets are important too!

Research confirms that many service leavers wish to settle in Wiltshire – the opportunity is to employ the wide range of skills available to business that flow from the spectrum of military activity that goes on in Wiltshire. The challenge is to create the economic infrastructure to drive growth and find businesses who can use the skills being released, these include:-

- Advanced telecommunications (Corsham)
- Engineering (Combat forces)
- Project management (Officer/NCO leavers)
- Catering

A targeted approach that will achieve tangible results

Our focus is on maximising the economic opportunities:-

1.Smarter utilisation of the skills held by service leavers;

2.Supporting Defence Sector businesses adapt to the new models being proposed in SDSR (Army 2020); specifically:-

- **1. Development of the new Tri-Services Training Establishment @ Lyneham**
  - **1.Clustering of technical support services**
  - **2.Procurement locally – during development and operation**
- **2.Further Development of the Salisbury Plain facility**
  - **1. To accommodate Army re-locations from Germany?**

3. Support Defence R & D to commercialise its model – DSTL is a key asset for us.

Project Workstreams

Skills Utilisation and Business Creation

• Develop Business networks within a broad framework that maximises opportunities for service leavers and raises availability profile with business base.

•Ensure that all the various support programmes – transition, business support, infrastructure are aligned to optimise the impact of (public & private) investment

Maximise Impact of MoD Investment in the Area

• Development of Tri-Service training establishment @ Lyneham base

• Infrastructure improvements on Salisbury Plain to accommodate AotR Brigade arrival

Army 2020 – Reservist Strategy

• Build and deliver an engagement programme that will educate and enthuse business leaders – encouraging them to provide/take on Army reservists as members of their workforce

•Focus on major employers, specifically those who benefit from public sector contracts, ie:-

- Major employers – such as Nationwide
- MOD Supply Chain contractors
- Public sector-funded organisations – Network Rail, NHS. LAs/UAs

Wider Networks – Dissemination of Best Practise

• Build on existing activity within LEP Network

- Dorset (Tank & Signal Regiments)
- Enterprise M3 (Aldershot Garrison)
- Engage with wider LEP family (including Devolved administrations) where there is a significant forces presence, ie:
- Yorkshire (Catterick)
- East and West Midlands

Welsh Assembly Government

Scottish Government

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Thank you for Your Attention

Any questions?

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