

Luton



ECONOMIC GROWTH STRATEGY FOR LUTON (2025-2032)

A more productive, inclusive and resilient economy

Strategy Report

APRIL 2025

CONSULTATION DRAFT

EXECUTIVE SUMMARY

Luton is one of the most exciting places in the UK to live, work, study and invest. With over £5bn of investment already underway, including a new football stadium, town centre regeneration and rapid airport growth, Luton's future is bright.

Luton has a number of **Transformational Opportunities** which we can capitalise on to unlock growth and address the challenges within our economy, these include:

1. **Expansion of London Luton Airport** – growth of the airport will generate 11,000 new jobs and contribute an additional £1.5bn to the economy;
2. **Our young and diverse communities** – we have the 3rd youngest population in the UK with over half of residents aged under 35 years old. We can harness the economic potential of our young people through investment in skills to get them into employment;
3. **Strong business anchors within the town** – we are a base for some of the UK's biggest aviation and advanced manufacturing businesses, and important local businesses that not only employ a large share of residents but also substantially invest in Luton;
4. **Large scale investment programmes: investing over £5bn in our economic infrastructure**, including the £1.7bn town centre regeneration masterplan; and
5. **Proximity and connectivity to London and the Oxford-Cambridge super-cluster, and international markets via London Luton Airport:** We are 25 minutes from the centre of London / St. Pancras International with links to mainland Europe and we sit in close proximity to world class institutions and organisations located across the Oxford-Cambridge region.

Supporting Luton's vision for 2040, this economic growth strategy, will help to deliver a town which is a healthy, fair, and sustainable, where everyone can thrive, and no one has to live in poverty.

To achieve this, however, a number of **Grand Challenges** will need to be addressed:

1. **Increasing Productive Growth** in high value, fast growing sectors which support the UK economy;
2. **Unlocking the potential of Lutonians, creating an inclusive economy that leaves no-one behind**, enabling residents to have the skills and access to good, high paid jobs which help tackle the root causes of poverty;
3. **Growing and scaling Luton's businesses**, supporting both existing and new enterprises to thrive in Luton;
4. **Maintaining a portfolio of development sites** which can attract investment into our town and provide new employment and housing land to support a growing economy; and
5. **Increasing the resilience of Luton's major economic assets** to ensure that we maximise the opportunities from growth of the airport as well as increase the resilience of our economy to future economic shocks.

Tackling inequalities and economic inactivity, supporting those who are furthest from the labour market and reducing barriers to employment is a core part of our approach to inclusive growth. We will ensure our residents benefit from opportunities and increased prosperity from a growing and sustainable economy, improving their lives and life chances.

We will strengthen and improve our economic infrastructure to generate sustained and longer-term productive growth. We will invest in public transport as a facilitator of inclusive economic growth, providing better access to our key centres of employment, including London Luton Airport. We will identify the provision of suitable land for business and industrial uses and ensure the provision of adequate and affordable housing. Our future economy will be supported by advanced digital and utility infrastructure.

Luton’s Economic Growth Strategy therefore sets out the following vision and missions to define what we want to achieve and how we’re going to achieve it.

“By 2032, Luton’s economy will be more **productive, more **resilient** and more **inclusive**. We will support the fair transition of our people, places and businesses to a **green future**”**



To deliver these missions, we have identified **15 Action Areas** which will be delivered by a wide range of stakeholders across Luton and the wider region, drawing on existing partnerships and creating new ones.

This will include Luton businesses, education institutions, developers, community stakeholders and the Council. An action plan supports this strategy document and will set out how each action will be delivered, by who and the timescales.

Implementation of these actions will deliver key outcomes for Luton, including:

1. Luton will be a regional economic powerhouse that brings together high tech, aviation, engineering and manufacturing;
2. Luton will be the fairest town in the country where residents can realise their potential and all businesses can be part of growth;
3. Luton will be a highly productive economy, driven by investment in innovation and technology and the fair transition to a green economy;
4. Luton will be one of the most attractive locations within the South Midlands to locate a new business; and
5. Luton will be a place that Luton’s young people want to stay and prosper.

These outcomes will result in a number of quantifiable economic and social benefits for Luton including the following:



Productive

Increase of **£500 million** in additional GVA per annum to the Luton economy



Productive

Creation of **23,000** additional jobs in Luton’s growth driving sectors



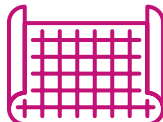
Inclusive

Lower unemployment rate, resulting in **5,000 fewer** 16-64-year-olds claiming unemployment benefits



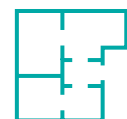
Inclusive

Reduce the number of residents with no qualifications, resulting in **7,500** more residents with qualifications



Inclusive

Reduce the number of LSOA’s within the **top 10%** most deprived LSOA’s in the country by half



Resilient

Delivery of **150,000 sqm** of new employment floorspace from key regeneration projects



Green

Increase the size of the Green Economy within Luton to the regional average, creating an additional **2,000 green jobs**

The Luton Inclusive Economy Board will monitor progress and the impact of the strategy and action plan measured against our key 2040 targets.

Luton 2040 - Targets



Welcome to Luton – globally connected, in the heart of the Golden Triangle of London, Oxford and Cambridge and within easy reach of many major cities across the UK, Europe and beyond. There's good reason for Luton to be confident. Luton's economy is growing, our town is transforming, and we are open for business. This growth is not just a trend, it's a promise of a brighter future for all of us. Our entrepreneurial, can-do spirit is in the fabric of the town: if you can dream it, you must do it.

Our economy is comprised of well-established and growing specialist sectors, including aviation and aerospace, digital technology, advanced manufacturing and engineering, creative and digital industries, as well as logistics and professional services.

Supported by a £5bn investment pipeline, including a £1.7bn town centre regeneration programme, Luton is undergoing transformational change and cementing its status as a key investment location within the heart of the Golden Triangle.

We are a globally connected town, home to the 5th largest UK Airport connecting us to over 130 destinations across Europe, Africa and the Middle East. A Development Consent Order (DCO) to increase the capacity of London Luton Airport from 19 million passengers per annum (ppa) up to 32 million ppa was approved by Government on the 3rd April 2025. The expansion of the airport would unlock major investment opportunities in new technology-driven, innovative sectors and create thousands of new jobs.

Our strategic location, alongside our connectivity and infrastructure assets, makes us uniquely placed to contribute significantly to the UK Government's growth agenda, whilst ensuring that our economy generates greater economic prosperity for all.

Luton 2040 already sets the wider vision for Luton: **“a healthy, fair, and sustainable town where everyone can thrive, and no one has to live in poverty”**. This economic strategy now sets out how Luton's economy will deliver the 2040 vision, ensuring the socio-economic causes of poverty and inequality are addressed, and the potential of Luton's young people is unleashed fully.

Tackling inequalities and economic inactivity and supporting those who are furthest from the labour market to reduce barriers to employment is a core part of our approach to inclusive growth. We will ensure our residents benefit from opportunities and increased prosperity from a growing and sustainable economy, improving their lives and life chances.

We will strengthen and improve our economic infrastructure to generate sustained and longer-term productive growth. We will invest in public transport as a facilitator of inclusive economic growth, providing better access to our key centres of employment, including London Luton Airport. We will identify the provision of suitable land for business and industrial uses and ensure the provision of adequate and affordable housing. Our future economy will be supported by advanced digital and utility infrastructure.

Luton's Inclusive Economy Board has developed this new Economic Strategy, in close collaboration with the town's wider business community, skills and education providers, young people and community organisations. Luton's role in the wider regional economy has also informed the strategy development, through engagement on the South Midlands Economic Growth Strategy and inputs to the Oxford to Cambridge (OxCam) Commission.

The purpose of this strategy is therefore to provide a clear framework for action, that enables and facilitates economic growth activities and investments across Luton, as well as influencing wider sub-regional development and investment decisions to support our own growth plans. It covers the period from 2025 to 2032 and sets a clear seven-year plan for how Luton will deliver a more **productive**, more **inclusive** and more **resilient** economy for the benefit of all businesses and residents across Luton.



London Luton Airport Aerial, Source: London Luton Airport

2

WE HAVE A NUMBER OF 'GRAND CHALLENGES' ...

Our economic trajectory over the last decade has been impressive, outperforming national and regional comparators in terms of GVA, employment, wages and businesses growth. However, whilst our overall economic performance is positive, our town like many places also has some structural weaknesses.

Only through addressing these 'Grand Challenges' will we ensure that our future economy is more productive, more inclusive and more resilient. The Economic Strategy is designed to address these challenges, identified following an extensive review of socio-economic data and in-depth engagement with a broad range of stakeholders.

1. Increasing Productive Growth

Luton has a fast-growing economy; however, this growth is driven by an expansion in relatively low skill, low value jobs. The town has an overdependence on a small number of key sectors, and this weakens the town's resilience to economic shocks.

- **Growth of low productivity sectors:** Administration and support services have added 20,500 jobs to Luton's economy since 2015; this is 5 times more than the next fastest growing sector - transport
- **Employment in low skilled jobs:** 21% of residents are in lower skilled occupations
- **A low wage economy:** Nearly half (49%) of all employment is within low paying sectors; 7% above the South Midlands average. Growth of the low wage economy is significantly higher in Luton, compared to our neighbours.

2. Unlocking the Potential of Lutonians

Luton residents, and particularly young people, are held back from fulfilling their full potential, whether this is due to skills attainment, barriers to employment or issues around health and wellbeing which limit their participation in the labour force.

- **Lower attainment levels among young people:** Only 63% of school pupils achieve grade 4 (pass) or above in English and Maths GCSE, compared to 65% nationally
- **Residents with no qualifications:** 23% of residents aged 16+ have no qualifications
- **Barriers to employment for non-native English language speakers:** 38% of Luton's residents were born outside of the UK and 23% have an alternative first language
- **Persistence of economic inactivity:** levels of economic inactivity (25% in 2023) remain unchanged over the last decade and the proportion of those who do not want a job is worsening over time.

3. Growing and Scaling Luton's Businesses

Luton has a highly entrepreneurial culture with high rates of new business formation statistically. However, the rate of business 'deaths' and long-term survival rates lag behind regional and national averages. Furthermore, the proportion of large employers within the borough is declining, and the loss of Vauxhall from the town will exacerbate this further.

- **A lack of business scale up:** The number of medium to large businesses contracted by 16% between 2010-2023.
- **Poor business survival rates among micro businesses:** A relatively large contraction in businesses in Luton between 2022 and 2023 was due to a decline in numbers of micro businesses.

4. Creating an Inclusive Economy that Leaves No One Behind

Luton suffers from entrenched deprivation and poverty in some communities, leading to health and wellbeing challenges and poor social mobility outcomes, particularly amongst young people and children.

- **Luton's low wage economy is impacting residents' quality of life:** 8.9% of Luton households live in destitution and a further 11.8% of households are struggling to pay for basic essentials.
- **High prevalence of temporary accommodation:** One in 29 children in Luton are currently living in temporary accommodation due to shortages of affordable housing.

5. Maintaining a Portfolio of Investment Sites

Luton is a tightly bounded local authority area and, as such, has a limited number of development sites within which it can accommodate growth. Ensuring that the town maximises opportunities from those strategic development sites that it does have will be key to ensuring long-term prosperity.

- **Limited and declining commercial space:** From 2001 to 2023, non-domestic floor space decreased in Luton by -18%.
- **Limited residential development space:** The typology mix of housing does not meet the needs of a growing population; there is a need for larger three-bed units, but issues with viability and land availability limit the housing products coming to market.

6. Increasing the Resilience of Luton's Major Economic Assets

Luton's reliance on a narrow range of core sectors, including aviation (leisure tourism), manufacturing (including automotive) and administration services, presents risks to the economy's resilience and its ability to respond to wider policy and legislative changes such as the UK Government's Net Zero Strategy, as well as wider technological disruptors such as automation and AI.

- **The Aviation sector:** London Luton Airport is the UK's fifth largest airport contributing £831 million in GVA and 11,800 jobs to the local economy.
- **A productive but shrinking Manufacturing sector:** The Manufacturing sector has contracted substantially since 2015, by 23% in GVA terms and 33% of total employment (loss of 3,000 jobs), falling from Luton's largest contributor to total gross output, to fourth.

- **Closure of the Luton Vauxhall Plant:** In November 2024, Stellantis announced its decision to consolidate its UK commercial vehicle manufacturing activities at its Ellesmere Port plant and the subsequent closure of its Luton plant. In February 2025, it was confirmed that the plant will close resulting in the loss of approximately 1,100 jobs in April 2025.
- **Exposure to automation:** 70% of jobs in Luton are at medium risk of automation⁽²⁾.

(2) Luton (2022) Employment and Skills Strategy 2022-2027



Power Court South Aerial, Source: Luton Town Football Club

Addressing our Grand Challenges will require carefully planned actions that tackle the root causes of the challenges our town faces but also a focus on capitalising on opportunities that directly impact our growth. These transformational opportunities are wide-ranging and have the potential to deliver a step change in Luton's economy.

1. Growth of London Luton Airport

The Transformational Opportunity

London Luton Airport is a major economic driver for our town and wider sub-region, contributing over £831 million GVA and supporting nearly 12,000 jobs in the economy in 2019. The unique public ownership of the airport by Luton Rising (wholly owned by Luton Council), has seen a further £300 million channelled into vital local front-line services within Luton, and a further £180 million has been invested in community projects.

Aviation has been identified by the Government as a key driver of economic growth and prosperity for the UK. Following the approval of the Development Consent Order (DCO) submission on the 3rd April 2025 to nearly double the capacity of London Luton Airport, its role in our economy is set to expand. The extension of the airport will increase capacity by over 75% to 32 million passengers, generate 11,000 new jobs and contribute an additional £1.5 bn per annum to the Luton and wider regional economy⁽²⁾. In addition, the expansion will open up new air routes from Luton to the Middle East, Asia and east-coast USA.

Unique to the DCO application is the commitment to introduce a 'Green Controlled Growth Framework', which will see the implementation of a new environmentally focused approach to managing growth at the airport. This will unlock opportunities for Luton to achieve its ambition to be the most sustainable airport in the UK and advance the green transition of the town's aviation sector.

Strategic Growth Opportunities

- **Strengthen a major economic driver within the town and region:** the expansion of the airport will support significant job creation in Luton and the wider region, as well as increasing training and upskilling opportunities for residents. A new terminal will enhance the town's direct international connectivity and increase supply chain opportunities for local companies, particularly SMEs. Growth of the airport will contribute to the success of the OxCam Growth Corridor and the Government's ambition to make it Europe's Silicon Valley.
- **Unlock development sites and foster new economic clusters:** funding for the airport access road will unlock Green Horizons Park for development, creating a new employment site focused on science and innovation activities adjacent to the airport. Green Horizons Park has the potential to accelerate investment from growth driving sectors in our town, working with Government to deliver its economic mission.
- **Attract global investment in growth driving sectors:** stronger connectivity will provide better access to foreign markets, facilitating trade and investment, and stimulating investment in Luton's growth driving sectors as well as providing new opportunities for Luton businesses to export goods and services. Greater connectivity will enable Luton and the wider region to tap into global flows of investment and innovation.

(2) <https://lutonrising.org.uk/our-airport/future-luton/>

- **Stimulate innovation in sustainable aviation:** the airport will be ready to supply sustainable aviation fuel at scale and there will be a supply of mains power to aircraft stands at the second terminal to reduce engine usage⁽³⁾.

2. A Young and Diverse Population

The Transformational Opportunity

Luton has the 3rd youngest population in the UK, with over half of our residents aged under 35 years old, driven by high birth rates and significant inflow of international migrants.

By 2032, Luton is expected to have approximately 92,000 people under 35 years of age. A young and diverse population points to a growing workforce and sustainably balanced economy. Ensuring that these young people remain in Luton and develop the skills needed for expanding industries will be a fundamental driver of our future economic success.

Strategic Growth Opportunities

- **Supporting Luton’s young people to realise their potential will increase the productivity of our economy:** To be able to effectively capitalise on our young and diverse town, providing pathways and opportunities for people to achieve their full potential is a crucial element of retaining residents, particularly young people and those not in formal employment due to language barriers. This will include maximising the opportunities from apprenticeships and greater coordination between Luton’s skills and training providers and its business community. Helping those with English as a second language will act as a fundamental tool for getting skilled and qualified people into jobs that match their educational attainment levels. The diversity this brings to the workforce will breed new ideas and innovation in the economy.

Luton Education and Learning Reset

Luton’s Education Strategy is going through a major reset to create a cohesive set of plans which tackle issues at both statutory school age provision and also the transition into adulthood and employment. Nine plans have been created and five of these are specifically linked to the preparation for employment and both further and higher education. These include a significant focus on standards in literacy and mathematics and raised attainment in these areas by Year 11 and GCSEs. This includes tackling inequalities in outcomes between different vulnerable groups, with a particular focus on post 16 provision and pathways for young people with SEND.

- **Maximising the impact of our educational assets:** Significant investments have been made in Luton’s educational assets, including a £38 million investment in a Construction and Engineering Centre at Barnfield College and a £40 million investment from the University of Bedfordshire (UoB) in a Science Technology, Engineering and Mathematics (STEM) building.

⁽³⁾ <https://lutonrising.org.uk/our-planet/the-airport-and-the-environment/>

3. Luton's Business Anchors

The Transformational Opportunity

Luton has a number of large or intrinsically important local businesses or organisations that not only employ a large share of residents but also substantially invest in Luton. These anchor institutions sit across several sectors, including health, education, sports, public services, transport and aviation delivering crucial activities that impact the lives of Luton's residents and beyond.

Anchor organisations include, but are not limited to:

- London Luton Airport;
- Luton Town FC;
- Barnfield College
- Luton and Dunstable Hospital;
- Luton Rising;
- Active Luton;
- BLMK NHS Trust;
- University of Bedfordshire;
- Bedfordshire Chamber of Commerce.
- Luton Council;
- Luton Sixth Form College;

Partnership is one of the fundamental ingredients to the success of a place. Recognising this, Luton has developed an Anchors Framework to foster collaboration and share best practices between the town's anchor organisations, further supporting economic growth through jobs, investment, and supporting SMEs; inclusion; and environmental goals in Luton.

How will this help address the Grand Challenges?

- **Generating Community Wealth through Luton's Anchor Organisations:** Anchors play an important part in Luton's economic ecosystem, creating 'good jobs', and maximising local supply chain spending. Collaboration between anchor businesses, institutional organisations and public sector bodies will act as a vital opportunity to demonstrate and promote the high value work opportunities available in the town, enabling highly skilled residents to remain in Luton and able to access highly productive and well-paid jobs.
- **Supporting Luton residents to realise their potential:** Anchor institutions will play a strong role in supporting local people back to work, by adopting socially positive initiatives such as paying the real living wage. Higher than average inactivity rates in Luton mean that building a career pathway through initiatives such as apprentices can help to upskill residents to access higher paid and skilled jobs. The more people Luton has in higher value jobs, the more productive our economy will be.



The Luton Anchors Framework

The Luton Anchors Framework places Luton's Anchor organisations, integral partners and drivers of change, at the heart of delivering Luton 2040. The framework's primary focus is to retain the Luton pound in Luton, uniting the town in its mission to collectively achieve real social value. As part of the Framework, work is currently ongoing with anchors to:

- Provide good employment and apprentice opportunities.
- Promote social value that has a positive tangible impact on the local community.
- Seek to increase local procurement levels.
- Proactively engage and communicate opportunities to local businesses and hold Meet the Buyer events.

4. Large Scale Investment Programmes

The Transformational Opportunity

Over the next decade, there are several large-scale investment projects due to be delivered across our town. One of the most dynamic and redefining projects is the £1.7bn town centre regeneration masterplan, a programme which is pivotal to transforming the centre of our town into a flourishing destination for businesses, residents and an enhanced visitor economy.

The regeneration masterplan focusses on creating a revitalised town centre to enhance leisure, retail and the public space experiences. The masterplan also includes the Stage development, which features a performance venue and food court, high quality office space and 292 new homes, all set in high quality public realm, including a new public square that will form a green gateway to the town centre⁽⁴⁾.

Other strategic investment sites include Green Horizons Park, Prologis Park, Junction and Power Court. These will serve to embolden the occupier offer in and around Luton, bringing forth additional high quality business spaces and opportunities for existing and emerging business clusters to not only work in higher quality and sustainable buildings and spaces but also to maximise the benefits of agglomeration.



*Clockwise Top Left to Bottom Right:
Luton Rising (2025) Barlett Square, Junction, Town Centre Regeneration and Power Court – Luton FC.*

⁽⁴⁾ https://invest.stepforwardluton.co.uk/wp-content/uploads/sites/2/2024/03/SFL_prospectus_Final.pdf

How will this help address the Grand Challenges?

- **A portfolio of reimagined development sites:** Attracting investment from our growth driving sectors will require the provision of new high-quality employment floorspace. The potential to bring employment uses into a vibrant regenerated town centre will build on the success of existing projects such as the Hat District.
- **Enhancing Luton’s reputation as a vibrant visitor destination:** the town centre regeneration programme will elevate the visitor economy in Luton, attracting up to 25,000 football fans on matchdays and for other events throughout the year as well as new visitor accommodation. High quality placemaking and cultural programming will further enhance the cultural scene in the town.



Hat Works, Source: The Culture Trust Luton



Luton Hat District

The Hat District is the UK’s best connected creative cluster in the heart of Luton town centre. Across three former hat factories refurbished for cultural use, we offer over 15,000 sqft of creative workspace for established and start-up businesses, graduates and entrepreneurs.

Hat District creative cluster tenants include hat makers, artists, photographers, designers, artists, marketing, media, producers and designers. We have a range of flexible-use hot desks, workspaces, studios, offices, practice rooms and events spaces and long-term leases for anchor tenants. As a charity we ensure income is reinvested back into arts events, networking, promotions and Hat District cultural infrastructure.

See www.culturetrust.com

5. Proximity and Connectivity to London, South Midlands, Oxford-Cambridge Corridor, and International Markets via Luton Airport

The Transformational Opportunity

Connectivity is one of our town's core strengths. We are only 25 minutes from the centre of London / St. Pancras International with fast links across the Capital and to mainland Europe and we sit in close proximity to world class institutions and organisations located across the Oxford-Cambridge arc. The UK Government recently announced its intentions to build 'Europe's Silicon Valley' within the Ox-Cam Arc, and Luton will be well placed to benefit from investment in associated housing and infrastructure and well as driving sub-regional growth through the expansion of London Luton Airport.

Luton's relative affordability of homes and offices creates opportunities for people and businesses to relocate to our town. The average price of a home is over £30,000 cheaper than the regional average, placing our town in a competitive position to attract young families and new start-up businesses.

How will this help address the Grand Challenges?

- **Increasing Luton's resilience:** Connectivity is an important economic driver built on the fundamental role it plays in business investment and location/relocation decisions. Businesses, particularly those in the logistics sector, which by their nature need strong transport links, can utilise connectivity for growth and expansion opportunities through trade activities.
- **Secure and reliable transport links:** particularly for sectors that rely heavily on connectivity and have extensive value chains such as aviation and automotive manufacturing help to attract new businesses and improve productivity.
- Connectivity will increasingly strengthen our town's **competitive advantage** as we develop our local and international links on the back of increased investment.

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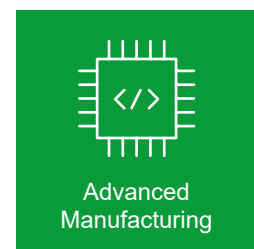
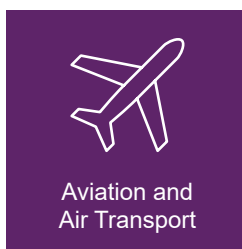
WE HAVE A NUMBER OF ESTABLISHED AND EMERGING GROWTH-DRIVING SECTORS

This strategy recognises that to drive economic growth and prosperity within the borough, we need to build on and maximise the potential of the town's core economic strengths. We will focus on those sectors that demonstrate the greatest potential for growth in employment and productivity.

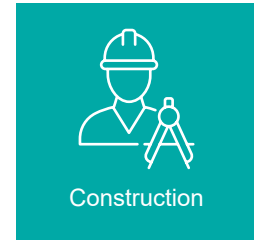
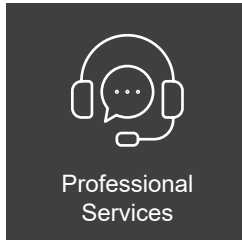
We will scale and diversify our existing, most productive sectors, as well as explore opportunities to draw in new investment and create jobs in innovative sectors which leverage the strengths of our location, connectivity and key assets, including London Luton Airport.

Our growth driving sectors are:

Core Growth Sectors



Opportunity Growth Sectors



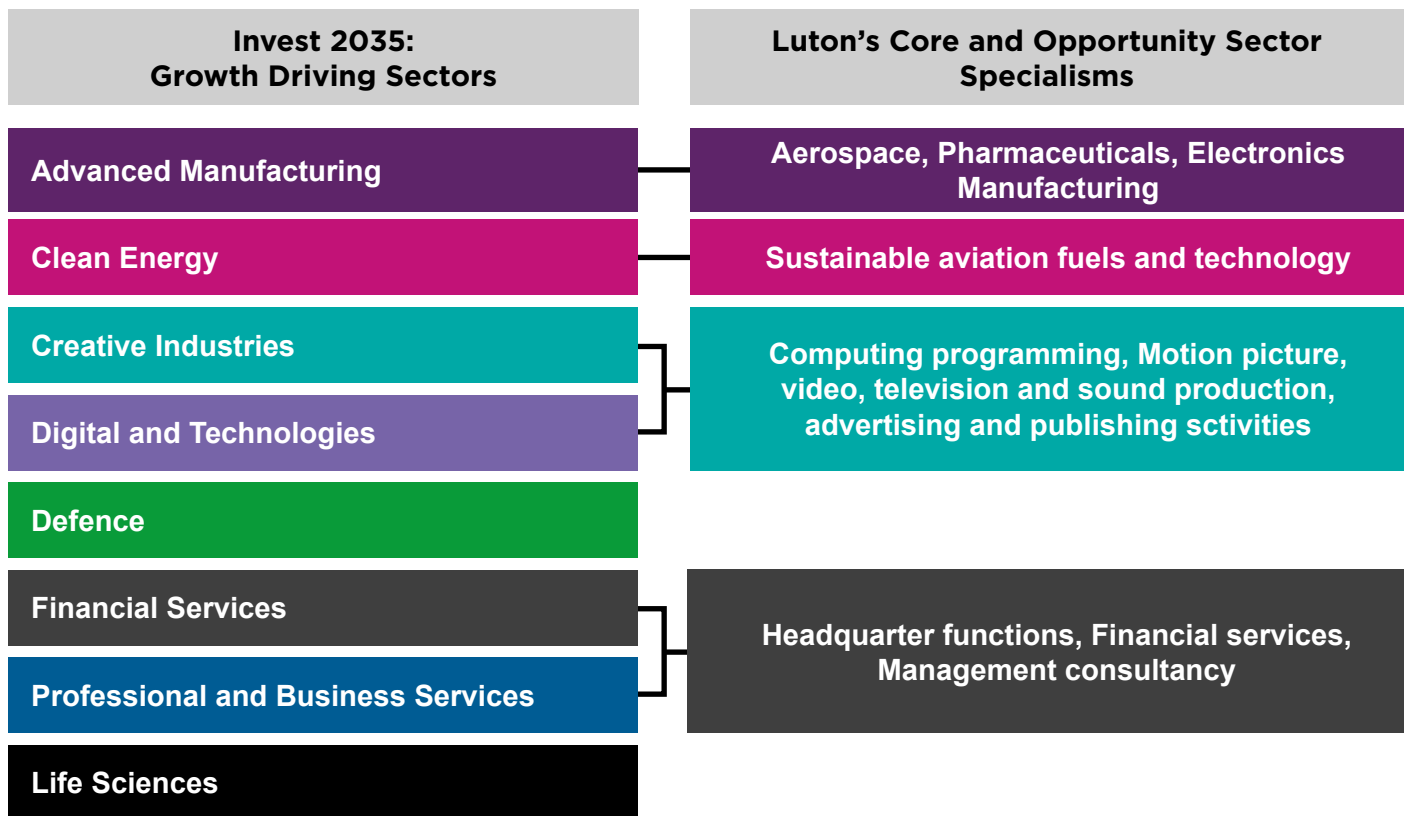
A sector deep dive is presented in Appendix A.

5

WE ARE IDEALLY PLACED TO SUPPORT THE GOVERNMENT’S GROWTH AGENDA

A general election in July 2024, resulted in a change in Government. The Labour Government has subsequently set out its mission to unlock investment and secure economic growth, described as the number one mission of Government. The Government’s Industrial Strategy Green Paper was subsequently released in October 2024 and identifies eight growth-driving sectors which offer the highest growth opportunity for the economy and business.

Our existing strengths in sectors such as aerospace and aviation, advanced manufacturing and professional services, as well as emerging opportunities in digital technologies (including Artificial Intelligence (AI)) and a growing creative industries sector means we are well placed to support the Government’s Growth Mission.



Regionally, the local authorities within Luton, Bedfordshire and Milton Keynes (BLMK Authorities), put forward an expression of interest to Government to form a devolved Strategic Authority . The local authorities will continue to work together and with government to take forward the devolution agenda to drive regional economic growth and prosperity.

The South Midlands Councils are also currently developing an Economic Growth Strategy which will establish a clear vision for the future of the regional economy and set out a pathway for achieving sustainable, inclusive and resilient growth to 2030. Luton will play a leading role in unlocking regional economic growth and driving sustainable economic growth across the region.

Luton’s Economic Growth Strategy will sit alongside the town’s other core strategies and plans in delivery of Luton 2040.

This strategy sets out how economic growth within the town will contribute to delivering the five key priorities set out in Luton 2040 Vision, to ensure sustainable growth in our key sectors, the creation of good jobs and an increase in the skill levels of our all residents.



How Luton's Economic Growth Strategy Contributes to Luton 2040



Building a more inclusive economy

A fair and inclusive economy will create opportunities for all, connecting those furthest from the labour market with good, well-paid jobs which will redress inequalities through economic growth and deliver a strong Luton economy.



Improving population wellbeing

Luton is working towards improving the health outcomes of our residents by focusing on the wider determinants of health. Through inclusive and sustained economic growth, we will address health inequalities by improving Luton's built environment, tackling our net zero ambitions, attracting new businesses and creating high quality workplaces. Each of these areas play a crucial role in a person's quality of life but also ultimately affects and impacts on residents' health outcomes and life expectancy.



Becoming a child friendly town

Supporting Luton's young population, we will ensure that the education system provides all children with a clear and transparent pathway to equip them to be the workforce of the future. This will be embedded in the economic action plan and include greater opportunities for those with SEND and SEMH needs.



Tackling the climate emergency and becoming a net zero town

The economic growth strategy is fundamental to accelerating carbon emissions reduction in Luton and beyond. More productive businesses embracing sustainability, more resilient infrastructure and homes prepared for the changing climate and upskilled workforce taking up green jobs will all be critical to Luton's fair and inclusive transition to net zero.



Supporting a strong and empowered community

Luton's economy will be built on fairness, ensuring that equitable outcomes are achieved for all residents. This will be driven by a strong and resilient social enterprise sector and a commitment from our anchor businesses to increase economic inclusion.

This Economic Growth Strategy covers the period from 2025 to 2032. By 2032 delivery of this strategy will mean that...



1. Luton will be a regional economic powerhouse that brings together high tech, aviation, engineering and manufacturing | Our strategic location and connectivity mean we are well placed to attract investment and capitalise on growing clusters of advanced manufacturing and engineering, digital technology and life sciences within the Ox-Cam Arc and London. The growth of London Luton Airport will play a significant role in stimulating regional economic growth, connecting the town and the region with global trade routes that drive new investment locally. There is nowhere better and more affordable to locate a thriving business.



2. Luton will be the fairest town in the country where residents can realise their potential and all businesses can be part of growth | We will work collaboratively to ensure Luton residents obtain the skills they need to secure good, well-paid jobs and address personal barriers to employment. We will improve the everyday lives of Lutonians, enabling them to lead healthier, happier lives and address the root causes of economic, social and health deprivation.

Alongside Luton's anchor institutions, we will ensure that public and private investment in Luton leads to long-term social, economic and environmental value, generating community wealth and delivering economic prosperity for all.



3. Luton will be a highly productive economy, driven by investment in innovation and technology and the fair transition to a green economy

We will support the digitisation of our economy, promoting adoption of advances in artificial intelligence (AI), helping businesses to decarbonise in support of the UK's national transition to net zero. We will connect academic and research institutions with our business community to accelerate development of sector clusters and realise high value growth opportunities.



4. Luton will be one of the most attractive locations within the South Midlands to locate a new business

Building on the already high numbers of start-up formations, Luton will provide the foundations for growth through access to high quality employment floorspace, talent, capital and opportunities. Luton will provide an attractive business environment in which businesses can start, scale, grow and thrive.



5. Luton will be a place that Luton's young people want to stay and prosper

We will be a place that is attractive to young people, families and professionals. A town which offers a high quality of life and a reputation for being a great place to live, work, study and invest. We will ensure our young people commit to the town for the long term, through high quality affordable housing, skills and learning opportunities and investment in economic and social infrastructure.

Luton's £1.7bn town centre regeneration programme will deliver housing, a new football stadium, live music venue and food court and community space, as well as a hugely enhanced night-time economy. We will grow the dynamic creative and cultural cluster in the town, alongside investment in creative programming which celebrates our unique diversity. Capitalising on airport expansion, as well as regional investments such as the proposed Universal Studios theme park, we will re-invigorate the town's reputation as a global visitor destination.

Luton will inspire its young people with the exciting career opportunities, a redeveloped town centre and the unique chance to grow with Luton.



Luton International Carnival 2023, Source: Luton Council

7.1 OUR VISION

This strategy sets out a clear vision for growing Luton's economy, over the period 2025 to 2032. Our vision is to create a stronger, and more productive economy, which delivers greater opportunities for our residents, improves their everyday lives and ensures that no one is left behind in the future economy. This includes increasing the resilience of our places and communities to support our businesses to thrive and fully realising the opportunities for our town from the transition to Net Zero.

“By 2032, Luton’s economy will be more productive, more resilient and more inclusive. We will support the fair transition of our people, places and businesses to a green future”

7.2 LUTON’S ECONOMIC MISSIONS

This strategy has been shaped and designed through the development of an extensive evidence base and consultation with key stakeholders, including businesses, community groups, young people and Council staff to understand what they perceive as the grand challenges facing the borough, and the strategic opportunities for Luton. The following missions respond to what we have heard and the need to create a more productive economy, which can support a resilient town and lead to genuine inclusive growth.

Luton’s three missions for economic growth are set out below, as well as a cross-cutting green transition theme which underpins each of our economic missions.



A Productive Economy

By 2032, our economy will be more productive, driven by diverse and innovative sectors which leverage Luton’s key economic assets, wider infrastructure and knowledge providers, to deliver growth and attract investment.



An Inclusive Economy

By 2032, our economy will be more inclusive, rooted in fairness with raising living standards through ensuring residents have the opportunity to access well-paid jobs and increased prosperity, improving the economic wellbeing of our town.



A Resilient Economy

By 2032, Luton will be a more resilient town, where communities and businesses are flourishing, supported by a vibrant town centre and a dynamic business environment which make Luton a great place to live, work, study and have fun.

Cross Cutting Theme

A Fair Transition to a Green Economy

Luton’s economy will support green growth, increasing the resilience of Luton’s people, places and businesses in the transition to net zero through growth which improves the quality of life of Luton’s residents whilst reducing carbon emissions, enhancing natural capital and building climate resilience.

Strategy Action Areas

AA1: Strategic Investment Sites

AA2: Growth Driving Sectors

AA3: International Trade Links

AA4: Productive Luton Businesses

AA9: Visitor & Night time Economy

AA10: Providing High Quality Employment Space

AA11: Meeting Luton’s Housing Demand

AA12: Investment in Infrastructure

AA5: Addressing Economic Inactivity

AA6: In-work Poverty

AA7: Workforce of the Future

AA8: Luton’s Anchor Networks

AA13: Net Zero Businesses

AA14: Luton’s Green Skills

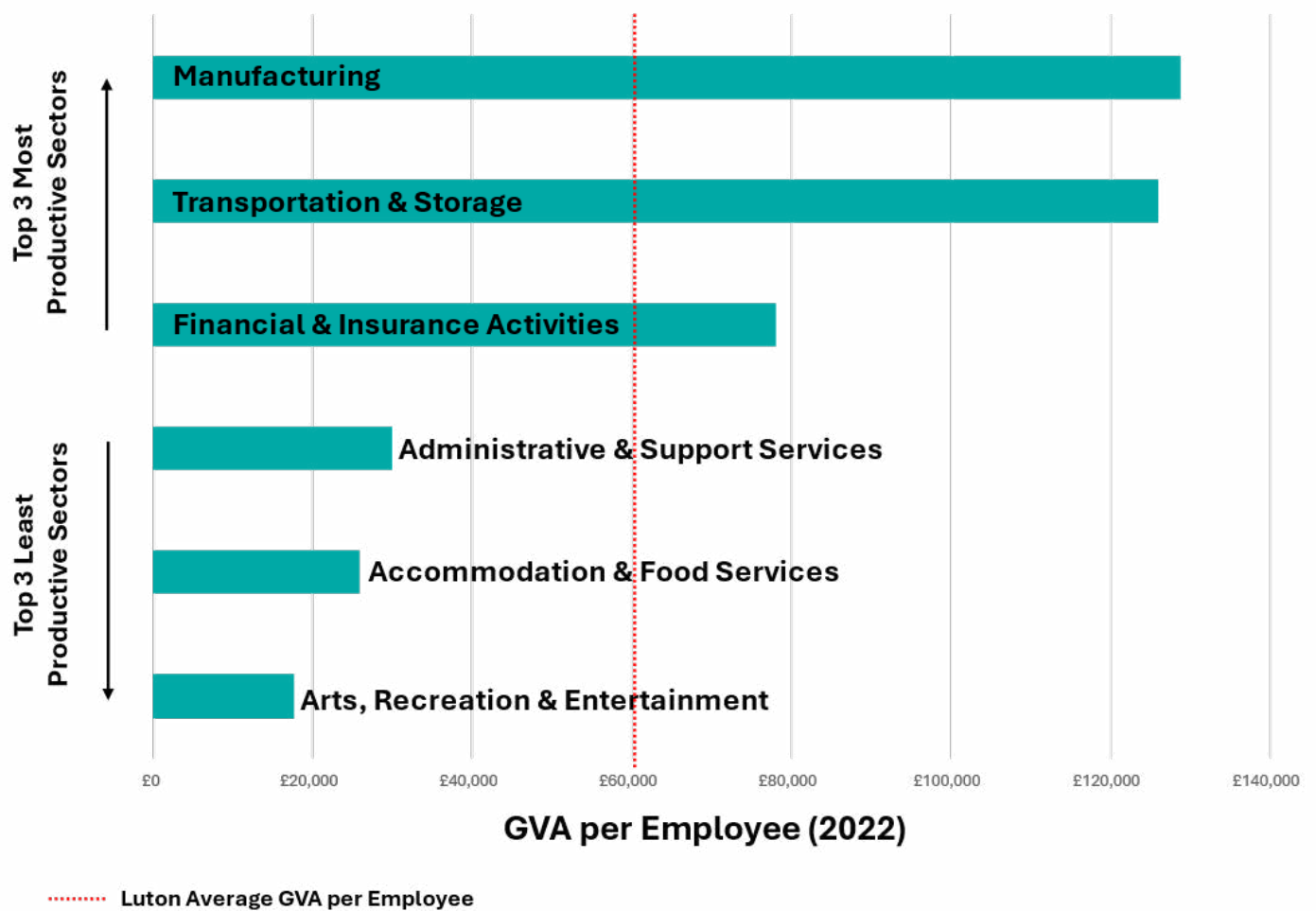
AA15: Low Carbon Infrastructure & Housing

8.1 MISSION RATIONALE

Luton contributed £6.6bn to the UK economy in 2022, rebounding strongly from a sharp contraction in 2020 where GVA fell by 15%; the economy is now 8% larger than it was pre-pandemic. This recovery has predominantly been driven by growth within the transport and storage sector, which is 73% larger than it was in 2019, contributing £1.3bn to the Luton economy. Luton has increased its overall dependence on Transport as an economic lynchpin and a degree of economic diversification is therefore needed to achieve more balance and resilience in the economy.

Luton is one of the fastest growing urban economies in the country and the fastest within the South Midlands sub-region. Since 2015, the borough has added 24,000 new jobs to the economy, however, nearly two thirds (64%) of these jobs are in temporary employment activities and commercial cleaning activities. In contrast, some of Luton's most productive sectors, such as manufacturing, have seen a contraction in employment of nearly 40%.

Figure 1 - Luton's Most and Least Productive Sectors (2015-2023)



Source: ONS – Regional gross value added (balanced) by industry (2024) and ONS - Business Register and Employment Survey (2023)

It is evident, therefore, that to date, Luton has not been maximising the growth potential of its economic drivers and strategic assets.

We need to ensure that we diversify our economy away from low wage, low productivity sectors, attracting private sector investment in knowledge-intensive sectors that leverage technology and innovation. A more productive economy is a more prosperous one, and ultimately higher value, higher paid jobs will translate into better economic outcomes for Luton residents.

It will be vital to support the growth of Luton's core sectors by enabling them to adapt to changes in technology and digitisation as well as creating pathways towards net zero objectives, and to drive increases in productivity. This will include supporting major employers to continue investing in their operations in Luton, helping them to move into higher-value industry segments and specialisms. Facilitating physical expansion and land availability, access to enabling infrastructure and housing, as well as ensuring the local workforce has the skills and aptitudes these employers need, will also be key to success.

To position Luton globally as an attractive place for investment will require the crafting and communication of effective and compelling investment propositions. Alongside the existing range of industry specialisms, particularly our airport cluster and associated supply chains, the town's ease of access to London, and the provision of more cost-effective sites and premises will be one of our key differentiators in investment promotion and marketing activities.

8.2 OUR ACTION AREAS

To achieve a more **productive** economy, we will focus on the following strategic ambitions:

Action Area 1

Work with our public and private partners to bring forward key strategic investment sites across Luton, with a focus on those sites within the vicinity of the Airport

Following the expansion of the airport, we recognise the importance of bringing together partners from across the public and private sectors to capitalise on the opportunity sites located within the vicinity of the airport. This includes Green Horizons Science and Innovation Park and the future repurposing of the former Stellantis site. Together, these sites represent one of the UK's largest airport-adjacent development opportunities. We will work with key partners to ensure that investment proposals for these sites serve to strengthen our existing high value industries while also enabling the development of new industries within Luton. We will have a focus on green and low carbon technologies, including sustainable aviation, aerospace, advanced logistics, AI technologies and digital health.

Action Area 2

Support growth in Luton's growth driving sectors through development of sectoral growth strategies and targeted initiatives

We will support with the growth of businesses within high value sectors in which Luton has a competitive advantage. We will diversify the economy, attract private sector investment and create a more productive economy. The borough already holds a number of sector specialisms and areas of growth which need to be nurtured to deliver on their growth potential. This includes specialisms in advanced manufacturing, including aerospace, pharmaceuticals, food and drink and electronics and instruments.

Working alongside key public and private sector stakeholders, we will ensure that targeted interventions are developed and growth enabling initiatives are in place to position Luton as a location for investment. This includes working with businesses and other relevant parties to address current skills gaps, business support, access to funding, provision of high-quality sites and infrastructure and supporting R&D and innovation activities.

**Action
Area 3**

Work with partners, including London Luton Airport, to develop international trade links with new markets, promoting trade opportunities through Step Forward Luton

London Luton Airport provides global connectivity for the region, being the largest airport in the South Midlands and Ox-Cam region and the 5th largest in the UK. We will work with partners to enhance the airport's role as a catalyst for global trade and an economic engine within the local economy and region.

The growth of London Luton Airport, and the town's connectivity to over 130 international destinations will be capitalised on to raise Luton's profile as a destination for investment. The approval of the DCO for the expansion of the airport will further improve this connectivity to new markets in the Middle East, Asia and the east coast USA. We will promote our strategic location and unique sector strengths to unlock the potential of our growth driving sectors within new markets.

**Action
Area 4**

Support all Luton businesses to be more productive, through the adoption of new technologies, including AI and harnessing opportunities for innovation

Increasing research and development activity amongst Luton's businesses and key sectors will be fundamental to driving innovation, productivity and growth within the borough. Luton businesses will need to rapidly adopt new technologies and processes to remain resilient to changes in technology and become more competitive.

We need to create the right conditions for businesses of all sizes to benefit from partnerships between our innovation assets and industry. This includes ensuring that start-up and scale up support is in place to ensure our most innovative businesses have the capacity to adopt new technologies and processes.

We will have a key focus on fostering innovation ecosystems, developing partnerships and connections between businesses, academic and research institutions and strategic local assets to foster AI adoption and the commercialisation of R&D opportunities.

9.1 MISSION RATIONALE

Luton's economy has a foundation of great strengths: a young and diverse population; an entrepreneurial spirit and proximity to some of the UK's most dynamic economic hubs. However, significant challenges remain. Over a quarter of neighbourhoods are amongst the most deprived in the UK, and many residents face systemic barriers to accessing good jobs, skills training, and opportunities for social mobility.

Poverty and inequality doesn't just generate poor social outcomes, but also holds back growth. When parts of the community are excluded, the entire economy suffers—from underutilised talent and higher welfare costs to reduced consumer spending. By addressing these challenges, Luton can build a stronger, more resilient economy where the benefits of growth are shared widely, ensuring that no one is left behind.

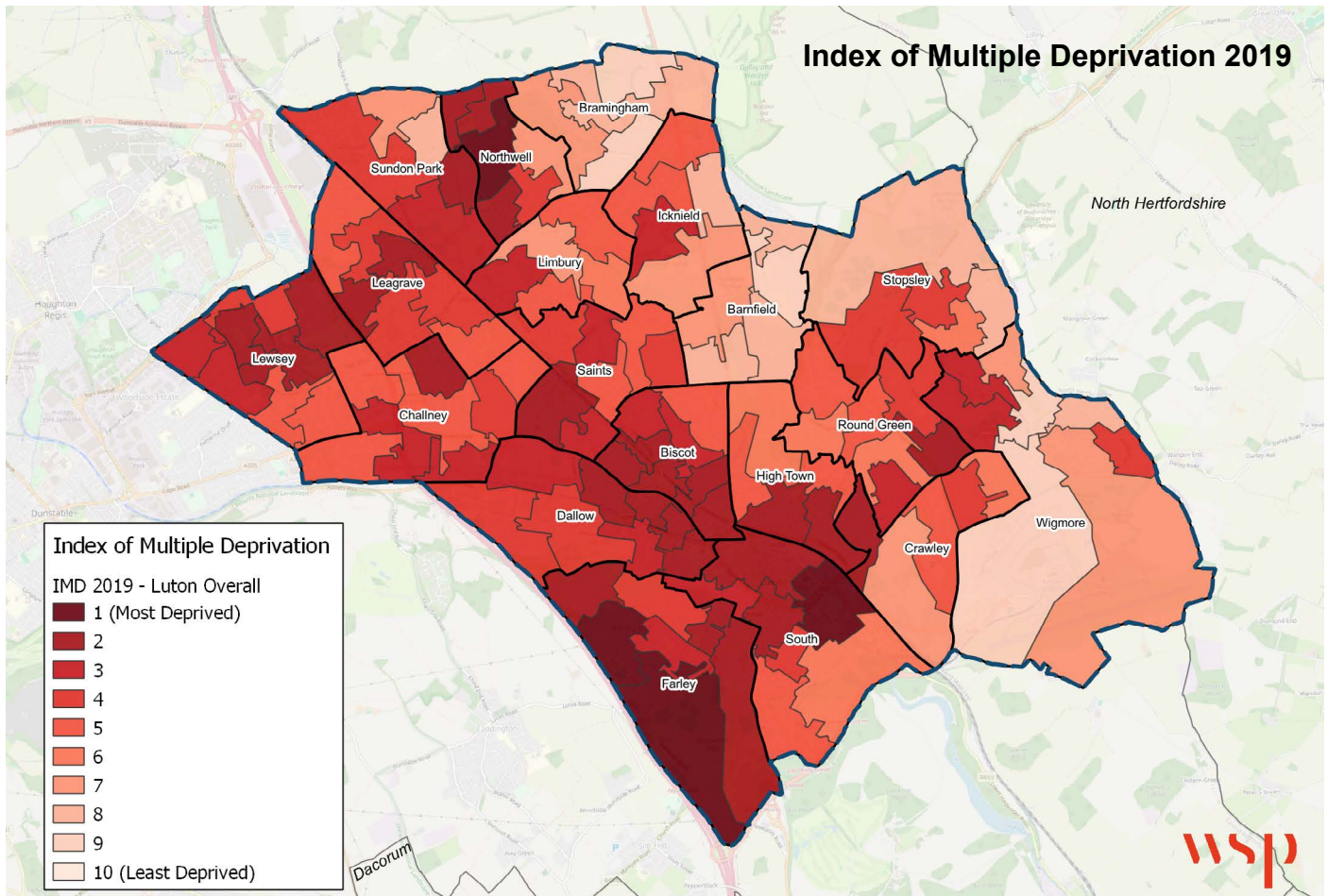
Inclusive growth is also not just about equity; it is a driver of innovation and sustainability. When everyone has a fair shot, businesses gain from a broader talent pool, creativity flourishes, and communities become more cohesive and vibrant. Luton's large number of residents born outside the UK provides unique opportunities for cultural and commercial exchange, yet language barriers and qualification mismatches often prevent many from fully participating in the economy. This mission focuses on unlocking this potential.

Luton's ambition to create a 'town free of poverty' relies on delivering tangible, place-based benefits through its economy. Investing in skills, employment, and enterprise is fundamental to breaking the cycle of deprivation while creating pathways to sustainable prosperity. An inclusive economy requires intentionality: public, private, and voluntary sectors must work together to align investments and interventions to uplift those who need it most.

This mission builds on the strengths of Luton's strategic location, infrastructure, and anchor institutions to prioritise inclusivity at every level. Luton Sixth Form College has a reputation as one of the top performing colleges in the UK, with over 90% of leavers going on to higher education or employment. In addition, Barnfield College has invested over £60 million in two state of the art facilities, including a new campus and a Construction & Engineering Centre. These institutions will help us deliver the workforce and talent of the future, inspiring and enabling lifelong learning and workforce development in partnership with our business communities.

Building an inclusive economy is not just the right thing to do—it is the smart thing to do for Lutonians and for the town's long-term prosperity. Through bold action, Luton will set a benchmark for other towns and cities across the UK, proving that economic growth and social justice are mutually reinforcing goals.

Figure 2 - Luton Deprivation (2019)



9.3 OUR ACTION AREAS

The following strategic ambitions are designed to drive forward an inclusive economy where all Lutonians have the opportunity to thrive. By focusing on skills, employment, community wealth building and fair practices, these priorities aim to dismantle systemic barriers and ensure that the benefits of economic growth are equitably distributed.

Action Area 5	Develop programmes and training pathways with businesses and learning providers to support economically inactive residents to enter/re-enter the workforce
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We will focus on the critical role that skills development and accessible pathways to employment play in breaking cycles of poverty and driving inclusive growth. We will address key barriers such as low qualifications, language barriers, and limited access to higher-value jobs. We will bridge these gaps, ensuring that all residents can access meaningful opportunities and contribute to Luton’s economy.

The aim is to create a virtuous cycle where residents feel empowered to contribute to and benefit from Luton’s economic growth ensuring that local policies and initiatives actively remove obstacles to participation.

**Action
Area 6**

Engage with residents and businesses to identify common barriers associated with in-work poverty impacting residents across Luton

Many residents face challenges such as limited skills, health inequalities, and inadequate access to care support or transport, all of which hinder their ability to access good quality and higher paid jobs. We will focus on addressing systemic barriers that prevent Lutonians from accessing good and well-paid jobs, participating fully in the local economy, and achieving a high quality of life.

**Action
Area 7**

Work with education and learning providers to upskill Luton residents, inspire lifelong learning and create the workforce of the future

Equipping our residents with the skills they need for fulfilling careers within the town is fundamental to our economic growth. Better education and training are key but requires a cultural shift where people see Luton as a place to build their future.

Many of Luton's young people feel uninspired by or disconnected from the opportunities available within the town, while a significant portion of residents are new or recent arrivals whose skills and qualifications may not align easily with local economic needs. We will work to connect our residents with local role models, businesses, and anchor institutions to showcase the possibilities available to them in Luton. We will empower our residents to fulfil their potential, contributing to and thriving within a vibrant local economy.

**Action
Area 8**

Support Luton's anchor businesses to generate high-quality jobs and working conditions and strengthen local supply chains

Anchor institutions play a pivotal role in shaping Luton's economy and community. These organisations, including hospitals, universities, local authorities and established private businesses, have a unique capacity to drive meaningful change through their employment practices, procurement decisions, and community engagement.

We will work with anchor institutions, ensuring they lead by example, adopting practices that maximise their impact within Luton. Local suppliers should be prioritised, creating opportunities for small businesses, whilst embedding social value in their operations will help retain wealth within the town, foster economic resilience, and inspire others to follow suit. This collaborative approach will ensure that the economic benefits generated by these organisations ripple through the community, supporting residents and businesses alike.

10.1 MISSION RATIONALE

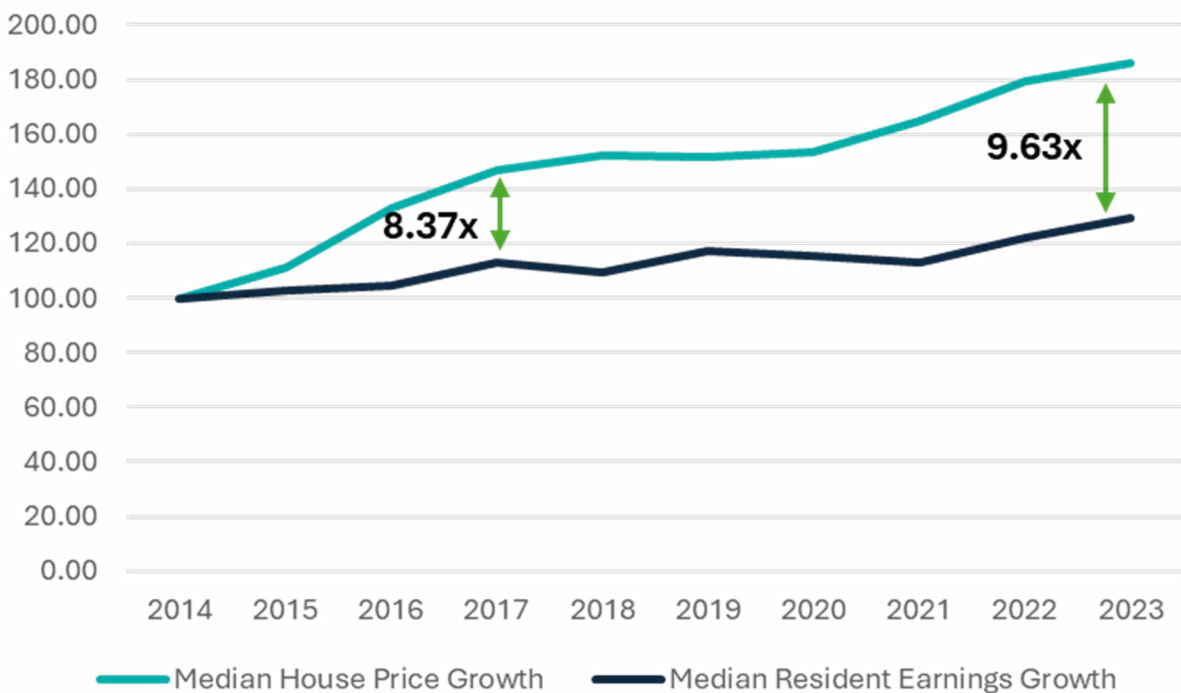
A resilient economy is one that provides the strong foundations for growth for its people, businesses and places to thrive. This mission focuses on the place-based components of economic development, ensuring that Luton is able to meet the needs of its residents by creating high quality and affordable places to live, and supporting businesses to flourish through the provision of sites and employment that can support new investment. The regeneration of the town centre will create a well-connected and vibrant place for people to live, visit, stay and experience the diversity and culture of Luton.

At present, however, Luton is not meeting some of the basic needs of its residents, particularly with respect to the provision of adequate housing. The borough has one of the highest temporary accommodation rates in the country, and the lack of safe and affordable housing is having an acute impact on the lives and wellbeing of our children and young people. There is a particular shortage of affordable and family sized homes within the town.

The latest local housing targets, set by the new Labour Government, are to deliver 1,144 new homes per year, with Luton currently delivering an average 700 dwelling per annum over the last three years. Limited supply of new housing has translated into house price rises and increases in private rental rates over and above regional averages.

The current house price to earnings ratio in Luton is 9.63, a gap which has widened by over 80% since 2014. This is impacting the ability of Luton residents to access suitable, good quality housing and create a long-term future within the town.

Figure 3: Housing Affordability Ratio (Index 2014-2023, 2014=100)



Source: ONS (2024)

A resilient economy also needs to ensure it provides an adequate supply of employment space of the right type and in the right locations to meet investor and private sector demand. The town has a number of strategic employment sites coming forward for development, which will provide significant new employment floorspace for investment. The provision of the right kinds and typologies of employment spaces within these sites will be critical to strengthening the local economy and ensuring that our growth driving sectors have room to grow.

Figure 4 - Green Horizons Science and Innovation Park



Source: Luton Rising (2022)

We will focus on the fundamental components of what makes a successful place, for the people who live there but also the business and employees who work in the town. This includes ensuring the adequate supply of housing, employment space and economic infrastructure to enable our residents and businesses to thrive.

10.3 OUR ACTION AREAS

To achieve a more **resilient economy**, we will focus on the following strategic ambitions:

Action Area 9

Support a vibrant visitor and night-time economy through shaping a distinctive and high-quality offer for visitors, working with partners and developers to deliver the £1.7bn town centre investment

Our vision is for our town centre to reinstate itself as a focal point for community and commercial life in the town. We will focus on increasing the number of people who live, work, study and have fun in the town centre, by creating a more vibrant offering centred on the provision of new employment spaces, creative workspace and leisure and retail amenities. The Power Court development will help transform some of these ambitions into reality.

We will continue to promote the diversity and culture of Luton through investments in placemaking, art and events, ensuring that the regeneration of the town centre contributes to a strong visitor economy offer. Our investments in a more diverse town centre will support the establishment of a nighttime and evening economy which caters for all.

Action Area 10

Deliver a range of employment spaces suitable for new businesses, including start-up and grow on units and affordable workspace

The growth of our economy, and the success of the town in attracting investment in our identified growth driving sectors, will be driven by the availability of new employment sites and workspace. We will work together to ensure that Luton's medium and large businesses have the large parcels of land required to operate and make sure that entrepreneurs have spaces in which to start, grow and scale their businesses.

Investment in our high value sectors will require the provision of a higher quality of employment space, and we will need to ensure that we maintain a pipeline of investment opportunities creating attractive and dynamic working environments where companies want to invest and people want to work.

Action Area 11

Take a whole Council approach to meeting the demand for housing of the right tenure, typology and location, including high-quality affordable housing

Good quality, affordable and sustainable housing is critical to achieving the ambitions of the Luton 2040 vision and improving the quality of life and wellbeing of our residents as well as supporting the inclusive growth of our economy. The council, in partnership with developers, landlords and registered providers will focus on increasing the delivery of housing within the borough and ensuring that we provide the right types of housing for our residents, including family sized housing. We will explore new models for housing delivery, including affordable housing through the development of a corporately led affordable housing delivery plan and explore the development of a 'Luton Living Rent'. We will maximise the opportunities to deliver new homes through Foxhall Homes.

There will be a particular focus on our strategic development sites, including our town centre regeneration programme. It is also recognised, however, that to meet our housing needs we will need to work with neighbouring authorities, including Central Bedfordshire and North Hertfordshire to secure additional housing supply that underpins a growing, and resilient Luton economy.

**Action
Area 12**

Work with key partners to secure investment in public transport and digital connectivity, particularly within Luton's most deprived communities and areas of poor connectivity with key centres of employment

The promotion of our physical and digital connectivity is one of our strongest investment propositions and will allow us to compete for investment at the regional level.

We also recognise, however, that there is more to do in terms of connecting people to places of work and businesses and ensuring that transport is not a barrier to employment for Luton residents. This will include identifying opportunities to create a step-change in travel behaviours, including adoptions of greener and more active travel modes.



11.1 CROSS CUTTING THEME

Luton's future economy will need to decarbonise, in line with the UK Government's Net Zero ambitions and Luton's target to be a net zero town by 2040. This strategy recognises, however, that this transition will need to be inclusive and fair, with all residents and businesses brought along on the journey.

This cross-cutting theme has strong alignment with the vision to create a more productive, more inclusive and more resilient economy within Luton.

A More Productive Economy

Businesses can accrue several benefits by proactively assessing and reducing their carbon footprint. The success of Luton's future economy will depend in part, on the ability of its existing businesses to respond to the net zero agenda and adopt new technologies and processes. Non-residential buildings comprise nearly 25% of total carbon emissions within the town, and decarbonisation of both heating and energy supply but also industrial processes will be critical to meet Luton's net zero targets, as outlined in the Luton Net Zero Roadmap.

There are also opportunities to grow the green and low carbon economy within Luton, increasing the contribution it makes to the creation of high-quality jobs within the town.

Action Area 13

Supporting our businesses to transition to Net Zero

Our town has committed to become a net zero town by 2040 and key to our transition will be how businesses are supported towards adopting lower carbon practices over the next 15 years. We have developed a Net Zero Programme in partnership with the University of Bedfordshire to support businesses to reduce their environmental impact. This includes workshops to help businesses embrace sustainability. Given our business demography, there is a focus on empowering SMEs, especially micro-businesses, to transition towards net zero.

We will continue to support businesses from a sustainability standpoint, to reduce costs and comply with current and upcoming regulations. This includes supporting businesses in switching to renewable energy sources and also to decarbonising overall. Programmes such as an Energy Doctor Programme will be key in identifying and addressing the key challenges our business sector faces.

A key part of transitioning businesses will be tackling the carbon footprint of Luton's vitally important aviation sector. We are committed to sustainable aviation in our town with an ambition to have the most sustainable airport in the UK.

A More Inclusive Economy

A fair transition to a green economy will require Luton residents to acquire green skills which enable them to have access to green jobs. This will be particularly pertinent for Luton's young people and ensuring that there is a stable pipeline between education and employment within the green economy. A key component of the co-benefits of our net zero ambitions, will be helping to grow skills and training to maximise the opportunities created by the growing green sector, will be key to Luton 2040.

The Bedfordshire Local Skills Improvement Plan (LSIP) identified that there is a growing demand for skills in renewable energy, energy efficiency, sustainable construction, and environmental conservation. At present, a number of skills gaps exist locally, hindering the ability of residents to access green jobs.

Action Area 14

Green Skills

Skills and qualification form a core part of our focus in this economic strategy. It is essential for our town to raise skills and qualifications levels across our communities, as they currently sit well below national and regional averages. We will focus on the town's overall skill levels but highlight the importance of equipping our residents with green skills which will enable our residents to work in the green economy, but also the importance of wider sustainability skills which will be required to support the continued decarbonisation of our whole economy.

We must prepare for the net zero transition and as our industries, businesses and organisations transition to more sustainable operations, they will require employees who have obtained the appropriate skills and qualifications in areas that help them achieve their net zero ambitions.

A More Resilient Economy

Luton's target to be a net zero town by 2040 will depend on its ability to decarbonise its buildings, including retrofit of its existing housing stock and its ability to deliver low carbon infrastructure, including promotion of active travel.

Over 50% of Luton's carbon emissions are generated by residential and non-residential buildings. Improving the energy efficiency of these buildings and ensuring that our current and future building stock maximises its energy production will help to reduce CO2 emissions. The retrofit of Luton's buildings can also stimulate the creation of new green economy jobs and investment.

At present, approximately 25% of the town's carbon emissions arise from surface transport and therefore developing places and streets that encourage cycling and walking will significantly reduce our carbon footprint. In addition, encouragement of walking and cycling will have significant benefits on health and wellbeing.

Action Area 15

Low Carbon Infrastructure and Housing

The regeneration of the town centre creates opportunities to ensure that the energy powering and heating our buildings comes from sustainable sources. Given the scale of development within the town centre, there is an opportunity to decarbonise the supply of heat, through creation of a low-to-zero carbon district heat network. There will also be opportunities to implement micro-generation infrastructure such as rooftop PV (solar) across commercial, logistics and manufacturing sites, as well as new housing.

We will also maximise the opportunities for increasing blue and green infrastructure into the town centre, through the regeneration of the public realm. This will include the creation of new riverside walking routes, pocket parks, rain gardens, landscaped areas and green walls and roofs. These investments will have wider benefits in terms of attractive placemaking and creating healthier environments for our residents and visitors.

The successful delivery of this economic growth strategy will be dependent on the partnerships and commitments of Luton's public sector organisations, its businesses, its third sector and its residents.

This strategy sets out a number of key missions to achieving a more productive, inclusive and resilient economy within Luton. Delivery of these missions by 2032 will yield significant economic benefits for the town and make a material difference to Luton as a place to work, live and invest.

12.1 OUR STRATEGIC TARGETS TO 2032



Productive

Increase of **£500 million** in additional GVA per annum to the Luton economy



Productive

Attraction of **1 to 2** additional large, international companies to Luton



Productive

Creation of **23,000** additional jobs in Luton's growth driving sectors



Inclusive

+120 additional young people achieving level 4 GCSE in Maths and English per annum



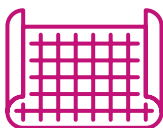
Inclusive

Lower unemployment rate, resulting in **5,000 fewer** 16-64-year-olds claiming unemployment benefits



Inclusive

Reduce the number of residents with no qualifications, resulting in **7,500 more** residents with qualifications



Inclusive

Reduce the number of LSOA's within the top 10% most deprived LSOA's in the country **by half**



Resilient

At least **425 new homes** and **85 new affordable homes** each year



Resilient

Delivery of **150,000 sqm** of new employment floorspace from key regeneration projects



Green

Increase the size of the Green Economy within Luton to the regional average, creating an additional **2,000 green jobs**

Luton's economic growth strategy can only be delivered through effective partnership and a collective responsibility across key stakeholders to deliver the missions and monitor progress.

This strategy is owned by the Luton Inclusive Economy Board (IEB), a strategic partnership with representatives from private sector businesses and public, voluntary and community organisations. The IEB will oversee delivery of the strategy and overall governance will be led by the Council who will ensure alignment of the strategy with other Council priorities and resources. Overall management and responsibility for the strategy within the Council will be with the Inclusive Economy directorate.

As the lead sponsor for the strategy, the Council and the IEB recognise that they will have to play a proactive role in delivering the strategy, including:

- **Leadership:** Demonstrating a shared commitment to tackling the grand challenges identified within the strategy and playing an active role in capitalising on Luton's strategic opportunities.
- **Advocates:** for Luton residents ensuring that no one is left behind and that the delivery of the strategy makes a material difference to people's lived experiences within the town.
- **Coordinators:** building on existing partnerships and fostering new ones to create more effective and innovative delivery mechanisms and new ways of working. This will include coordination with South Midlands authorities on strategic regional priorities which Luton can play a role in delivering.
- **Asset Owners:** Maximising the role that the Council and other public sector partners can play in stimulating economic growth through more effective use of land, assets and buildings. This will include new ways of working with the private sector to leverage investment and ensure the successful delivery of key projects.
- **Funders and Commissioners:** Recognising that despite constrained fiscal resources, the Council and its partners still have a significant role to play in accessing public funding and investment to deliver interventions.

Appendix A

SECTOR DEEP DIVES

This strategy recognises that to drive economic growth and prosperity within the borough, we need to build on and maximise the potential of the town's core economic strengths. We will focus on those sectors that demonstrate the greatest potential for growth in employment and productivity. We will scale and diversify our existing, most productive sectors, as well as explore opportunities to draw in new investment and create jobs in innovative sectors which leverage the strengths of our location, connectivity and key assets, including London Luton Airport.

Our growth driving sectors are:

- Aviation and Air Transport (Core Growth Sector)
- Advanced manufacturing and engineering (Core Growth Sector)
- Logistics (Core Growth Sector)
- Creative and digital industries (Core Growth Sector)
- Construction (Opportunity Growth Sector)
- Healthcare and Sports (Opportunity Growth Sector)
- Professional services (Opportunity Growth Sector); and
- Visitor economy (Opportunity Growth Sector).

14.1 AVIATION AND AIR TRANSPORT

London Luton Airport is the UK's fifth largest airport and is at the heart of an aviation cluster which contributes more than £1.8bn to the UK economy. Following the approval of the DCO on the 3rd April 2025, the airport will contribute a further £1.5bn to the UK economy and see an increase in passenger numbers to 32 million per annum. Luton is home to some of the UK's largest airlines and travel operators, including the headquarters of TUI, easyJet and Wizz Air's UK presence as well as two dedicated private jet terminals.

The airport is contributing to the advancement of the aerospace, advanced manufacturing and digital sectors within the borough. The airport recently signed a memorandum of understanding with Cranfield University to collaborate on net zero, operational innovation and education. London Luton Airport published their Responsible Business Strategy in 2024, which sets out the airport's pathway to becoming net zero by 2040.

The airport is also an important driver of skills development within the town, particularly in STEM and technical areas. The airport is home to the Avion flight training centre, which is providing training solutions to the aviation sector in Luton.

Strategic Growth Opportunities:

- **Expansion of London Luton Airport through approval of the DCO:** the creation of new direct jobs and supply chain opportunities.
- **Connections with Universities and R&D Activities:** with a focus on sustainable aviation, including future fuels, operational innovation and net zero.
- **Creation of new trade routes:** which will open up new markets for both the export of goods and services but also inward investment flows.

Size of the Opportunity

- The expansion of the airport could see a net increase of 4,400 new jobs in Luton and an increase in GVA of £670 million per annum in the town.

14.2 ADVANCED MANUFACTURING

This sector includes companies using the most innovative technologies and processes to increase productivity, often in the highest value-added parts of manufacturing sectors. The sector employs approximately 3,300 people within Luton, with 85 companies operating in the design and manufacture of innovative technologies applied to engines, including clusters of businesses within the automotive, aerospace, pharmaceuticals and electronics and instruments as well as world leading research centres at the University Bedfordshire.

The town has a rich history in manufacturing, and is home to a number of high growth, high performance, technology driven advanced manufacturing sectors including:

- **Aerospace:** which includes the presence of large multi-nationals such as Leonardo, and GKN Aerospace. The sector employs approximately 600 people, with Luton accounting for nearly half of total employment in this sector within the South Midlands. There is also an established aviation maintenance and servicing cluster within London Luton Airport.
- **Pharmaceuticals:** an emerging specialism within Luton, recording growth of 50% since 2015, and accounting for 300 jobs within the town. Luton represents nearly three quarters of pharmaceutical manufacturing activity within the South Midlands. Established firms within the town include Bristol Laboratories and Tillomed Laboratories. AstraZeneca is also based in Luton, with the focus of the site on UK and international marketing. Luton has the potential to capitalise on its position within the Ox-Cam Arc's life science innovation and R&D cluster to manufacture the medicines and technologies of the future.
- **Electronics and Instruments:** There is a small but important cluster of electronics and equipment manufacturing firms within Luton, including those such as Eaton MTL and Jaltek, a leading electronics technology solutions provider to a range of sectors, including automotive, clean energy, defence, aerospace, oil and gas and space technology.

Strategic Growth Opportunities:

- **Life sciences manufacturing:** including medicine manufacturing and advanced therapies manufacturing as well as medical technology manufacturing.
- **Maintenance, Repair, Overhaul and Logistics (MROL) activities:** related to expansion of London Luton Airport and associated supply chain networks.
- **Technology applications in manufacturing:** establishing a centre for technology innovation in manufacturing.

Size of the Opportunity:

- The advanced manufacturing sector is forecast to grow by 5.5% per annum within Luton, by 2032, the sector could comprise 5,300, an increase of 2,000 jobs.

14.3 LOGISTICS

Luton has a strong and growing logistics sector, with the sector employing 7,900 people and recording employment growth of 28% since 2015. The sector's growth is driven by the borough's position between London, Cambridge and Oxford and its role as a global gateway to the South Midlands and beyond. Strategic road and rail connectivity enables easy access to cities and economic centres across the UK, including onward connections to seaports, such as Dover, Southampton and Felixstowe. The airport connects the town to over 130 global destinations across Europe, Africa and the Middle East.

A number of strategic logistics developments are coming forward within the borough, including Prologis Park, which will provide 19.75 acres of prime logistics and distribution space, creating 600 jobs, as well as providing a dedicated on-site training facility to upskill employees. Junction will also provide over 600,000 sq.ft of Grade A logistics and warehouse space.

Strategic Growth Opportunities:

- **Green Freight:** development of green supply chains and the decarbonisation of the road fleet including alternative energy sources such as hydrogen and battery electric vehicles (BEVs).
- **Digital Logistics:** adoption of digital technologies to automate warehouse and logistics operations including the use of AI, internet of thing (IoT), advanced analytics and Big Data.
- **Hybrid location for Headquarter Operations:** where logistics centres can combine HQ functions (leveraging Luton's national and international connectivity) and logistics facilities.

Size of the Opportunity:

- The logistics sector in Luton is growing at an average of 2.7% per annum and based on historic growth trends could comprise 10,000 jobs by 2032, an increase of 2,200 jobs⁽⁵⁾.

14.4 DIGITAL AND CREATIVE INDUSTRIES

Luton supports 4,800 jobs within the digital and creative industries sectors, across approximately 2,100 businesses. The town is now one of the best connected and affordable creative and digital clusters within the UK, accommodating highly innovative businesses within the Artificial Intelligence, Extended Reality (XR) and computer consultancy, and design.

This includes businesses such as I3 Simulations which are leading the way in providing immersive XR software training for medical industries across the world. In 2024, easyJet also opened their Integrated Control Centre at London Luton Airport which utilises advances in AI to manage the firm's daily flight programme. Of particular note within this sector:

- Computing programming and consultancy activities comprise just under half (45%) of all creative industry jobs in the town, employing over 800 people;
- Motion picture, video, television and sound production activities account for 8% of total creative employment and have been growing at approximately 4% per annum since 2015;
- Advertising agencies – employment has increased by an average of 19% per annum since 2015 and now equates to 10% of the total creative industries sector in Luton; and
- Publishing of journals and periodicals represents 12% of total creative employment and has been growing at a rate of 8% per annum.

<> This will depend on the availability of strategic sites within Luton to accommodate new logistics floorspace.

The Hat District is home to a growing cluster of creative businesses, arts and venues and performance space in the heart of the town centre, forming Luton's Cultural Quarter. The quarter provides a diverse range of creative space for start-ups, micro businesses and artist and maker spaces. The future phases of the Hat District development, particularly the renovation and revitalisation of derelict and underutilised buildings, will further strengthen the contribution this cluster is making to the Luton economy.

Strategic Growth Opportunities:

- **Development of Universal Studios** in Bedfordshire and growth of the film and digital sector in the South Midlands.
- **Strengthen Luton town centre as a Creative and Digital Industries hub:** Building on the well-established and growing Hat District in the town centre, with an additional focus on supporting the growth of technology companies, including those working with AI.
- **Supporting Grassroots Creatives:** providing support for local artists to make the transition into businesses that are ready to capitalise on business opportunities.

Size of the Opportunity:

- The digital sector is forecast to grow by 2.1% per annum within Luton, by 2032 the sector could comprise 4,900, an increase of 1,900 jobs.

14.5 SPORTS AND HEALTHCARE

The University of Bedfordshire has existing and expanding research strengths in health research, centred around the Institute of Health Research (IHR) which has a strategic focus on the factors that determine health and healthy behaviour and those aspects of local contexts, health systems and political economies that influence the successful implementation of health interventions and technologies. It also has teaching strengths in healthcare, including its Healthcare Simulation Suites which have attracted partnerships with organisations such as Johnson and Johnson to deliver surgical skills training.

Building on the relocation of Luton Town FC into the town centre in 2027, Luton has the opportunity to develop a sports and health cluster, aimed at improving resident's health and supporting innovation in the health tech sector.

Strategic Growth Opportunities:

- **Health Training Hub:** building on the success of the University of Bedfordshire's Clinical and Social Care Simulation Suites; and
- **Aspiring University Hospital:** providing NHS services from the University of Bedfordshire campus, with students integrated into service provision. (this might be too sensitive/confidential to include).

14.6 CONSTRUCTION

The construction sector within Luton employs 4,000 people and contributes approximately £260m in GVA per annum. The sector has, however been declining over the period 2015-2023, at an annual rate of 2%, and since 2020 the sector has shrunk by 20% in employment terms.

However, more than £5bn of inward investment is planned or underway in the town. The £1.7bn investment in Luton town centre, including a new football stadium, as well as growth at London Luton Airport presents a significant opportunity to grow the contribution this sector makes to the Luton economy. The Government has also set ambitious new housing targets and growth of our economy will require new employment and commercial space to support key growth sectors.

Strategic Growth Opportunities:

- **Major capital projects and engineering:** In order for Luton's businesses to capitalise on the investment programmes planned, or underway for Luton, local supply chains will need to be developed.
- **Green construction skills:** There is an opportunity for Luton's construction workforce to play a significant role in the route to Net Zero, meeting demand for retrofit of buildings, as well as advanced materials and modular construction.

Size of the Opportunity:

- The construction sector in Luton has experienced no growth since 2017, and future growth is anticipated to be low, in line with national average (+0.6% between 2024-2028). However, significant capital programmes at London Luton Airport and Luton town centre could provide an impetus for local employment growth. An increase in the construction sector of 25% would yield an additional 1,000 jobs.

14.7 PROFESSIONAL SERVICES

Global companies are choosing Luton for a UK base thanks to its proximity to London, the rest of the UK and Europe. The town boasts a number of headquarter functions including easyJet Holidays, Churchill Group, TUI, and Wizz Air. There are also professional and financial services firms located within the borough, including Ernst & Young and Orchard Funding.

This is an opportunity to have a large employer in the town centre, where employees can enjoy a series of evolving amenities, thanks to the major planned regeneration initiatives.

Strategic Growth Opportunities:

- **Headquarter Activities:** growth of Luton as a base for UK and international headquarter activities. There is an opportunity to attract a large professional services employer into the town centre through the provision of new Grade A office space within the town centre.

Size of the Opportunity:

- The professional services sector in Luton is growing at an average of 3.9% per annum and based on historic growth trends could comprise 26,700 jobs by 2032, an increase of 7,800 jobs.

14.8 VISITOR ECONOMY

Luton is home to two museums, as well as six green flag parks and hidden gems such as the River Lea Walk. The town's diversity is also reflected in its food offering, with cuisines, including South Asian, African-Caribbean and Mediterranean, as well as a vibrant cultural calendar, including Desi Fest, Diwali, EastFest, Lighting Up Luton, Luton Pride, St George's Day, St Patrick's Day and Turkfest. The town is home to five national portfolio organisations, including the UK Centre for Carnival Arts. The town holds the Luton International Carnival, the largest one-day carnival in Europe, and in 2024 hosted Radio 1's Big Weekend which generated over £6.7m in economic impact, including £1.5m directly for the hospitality sector and attracted over 50,000 unique visitors to the borough.

The presence of the Culture Trust across our four inspiring sites within Luton, Stockwood Discovery Centre, Wardown House, Museum and Gallery, the Hat Factory Arts Centre within the Hat District, also provides a unique offering in community focused arts and engagement programmes.

Our visitor economy offer is set to be elevated over the next five years with the development of The Stage, which will bring a new multi-use performance space and food court to the town, as well as Power Court, the new home of Luton Town FC which will bring a new music venue and hotel to the town and attract over 25,000 fans each matchday along with other events happening throughout the year. Luton Point is also attracting new retailers and the town centre is diversifying its visitor offer, including its nighttime economy.

The Luton Place Partnership programme is also investing £1.2m in growing creative programming in Luton over the next three years, with support from the Arts Council England and Luton Rising. Combined with high quality placemaking through the town centre regeneration programme, Luton has a unique opportunity to grow the contribution of its visitor and cultural economy.

Strategic Growth Opportunities:

- **International:** attraction of more international visitors through repositioning Luton town centre and the growth of London Luton Airport and increased connectivity with global destinations.
- **Sports:** Capitalise on the growth of sports tourism in the town with the arrival of Power Court.
- **Cultural:** Create a unique cultural offering within the town centre, with a strong food offering, which celebrates the diversity of Luton's population and provides an experiential modern town centre; and
- **Attracting events:** a priority area for Luton, building on the success of the Radio 1 event

Size of the Opportunity:

- Following approval of the DCO on the 3rd April 2025, London Luton Airport is forecast to accommodate 21.5 million passengers per annum by 2032, an additional 4.8 million passengers compared to 2024.
- The visitor economy sector in Luton is growing at an average of 4.8% per annum and based on historic growth trends could comprise 10,600 jobs by 2032, an increase of 3,600 jobs.

Appendix B

ACTION PLAN TO BE INSERTED

