Economic Growth Strategy for Luton (2025-2032)

A more productive, inclusive and resilient economy

Executive summary

LUTON 2040

Luton

Foreword

As local government navigates a period of profound transformation, marked by financial pressures, shifting national priorities, and the evolving dynamics of devolution and reform - these are truly pivotal times. For Luton, these challenges are real, but they do not define or deter us; instead, they strengthen our resolve to lead with ambition, resilience, and a clear vision for a fairer, more inclusive future.

Our vision for Luton is a thriving, inclusive town where everyone can live well, with access to opportunity, prosperity, and a high quality of life driven by inclusive and sustainable growth.

I am proud to introduce our Economic Growth Strategy for 2025–2032 - a bold and forward-looking blueprint to help realise that vision. It sets out how we will unlock Luton's full potential - driving innovation, attracting investment, and creating high-quality jobs that benefit every resident and business.

Luton is a town of energy, ambition, and resilience. Strategically located and globally connected through London Luton Airport, we are home to a vibrant business community and one of the youngest, most diverse workforces in the country. This is not just our strength - it is our future. Everything we do is focused on enabling our residents, and especially our young people, to flourish. From early years and school, through learning and into work, upskilling and reskilling - we are building pathways to success.

Our strategy is grounded in action, shaped by evidence, and co-designed and co-produced by the aspirations of our communities. This plan is unapologetically ambitious. It harnesses our unique assets – our connectivity, our entrepreneurial ecosystem, our skilled and diverse workforce – to position Luton as a catalyst for regional growth, a leading centre of inclusive and sustainable growth in the South Midlands and a key player in the Oxford-Cambridge Growth Corridor. It aligns with national priorities while asserting Luton's leadership in shaping the future economy.

The strategy is more than a document - it is a call to action. Built through collaboration with residents, businesses, anchor institutions and partners, it reflects a shared commitment to building a fairer, greener, and more prosperous Luton. Growth here is intentional, inclusive, and transformative.

I invite you to join us on this journey.

Cllr James Taylor
Portfolio Holder for Regeneration and Inclusive Growth
for Luton Council

Luton

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 third 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
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 growth corridor

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
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 and support the transition to a green economy

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 sustainable transport infrastructure, including walking, cycling and public transport as an enabler of inclusive economic growth, providing 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.

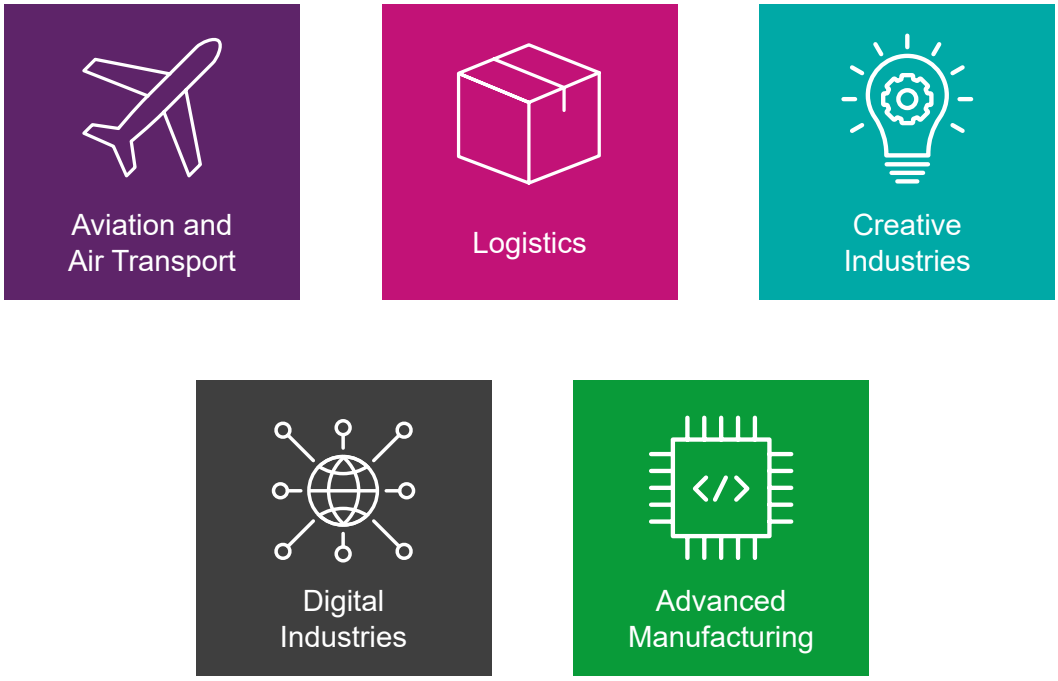
Established and emerging growth-driving sectors

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



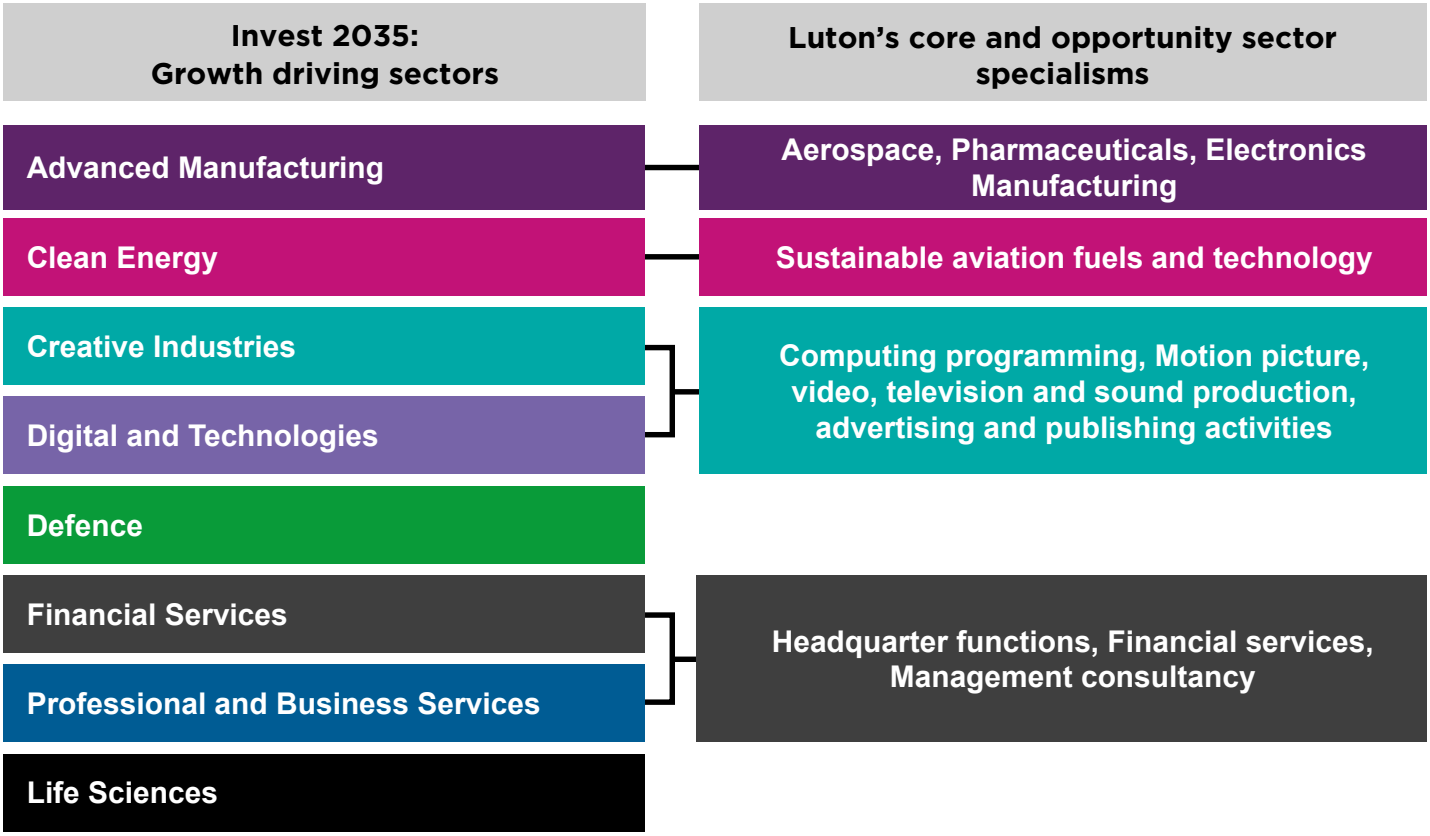
Opportunity growth sectors

A sector deep dive is presented in the accompanying evidence base report.

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.



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.

Delivering Luton 2040

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 delivers 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 through 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.

Visions and missions

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 for 2025 - 2032.

"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."

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.

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.

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 economic 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
- AA5: Addressing Economic Inactivity
- AA6: In-work Poverty
- AA7: Workforce of the Future
- AA8: Luton's Anchor Networks
- AA9: Visitor & Night time Economy
- AA10: Providing High Quality Employment Space
- AA11: Meeting Luton's Housing Demand
- AA12: Investment in Infrastructure
- AA13: Net Zero Businesses
- AA14: Luton's Green Skills
- AA15: Low Carbon Infrastructure & Housing

Luton tomorrow – our impact by 2032

Implementation of these actions will deliver key outcomes for Luton:

1. **Luton will be a dynamic, place of choice in the regional economy for investment and innovation within aviation, high-tech, engineering and manufacturing industries**
   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 Oxford-Cambridge Growth Corridor 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 investmentlocally. 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 ineconomic 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's strategic targets to 2032

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

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

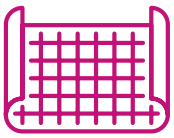
+120 additional young people achieving level 4 GCSE in Maths and English per annum

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**

Strategy delivery

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

Further details

To fully understand the evidence, ambition, and delivery behind Luton's Economic Growth Strategy (2025–2032), we encourage you to explore the full suite of documents available online:

The Evidence Base Report provides a comprehensive analysis of Luton's economic landscape, including data on demographics, employment, business sectors, infrastructure, and future growth potential. It underpins the strategic direction with robust insight and evidence.

The strategy document sets out Luton's long-term vision for economic growth, detailing the strategic priorities, guiding principles, and the framework for achieving inclusive and sustainable prosperity across the borough and wider region.

The Action Plan sets out the practical steps, timelines, and partnerships that will bring the strategy to life - turning vision into measurable impact.

Visit **https://invest.stepforwardluton.co.uk/place-brand-partnership/economic-growth-strategy/** to access all three documents and discover how Luton is shaping the future of inclusive and sustainable economic growth across the region.

London Luton Airport Aerial, Source: London Luton Airport

LUTON 2040

A Place to Thrive

Luton