



Luton Borough Council

ECONOMIC GROWTH STRATEGY – EVIDENCE BASE REPORT





Luton Borough Council

ECONOMIC GROWTH STRATEGY - EVIDENCE BASE REPORT

TYPE OF DOCUMENT (VERSION) CONFIDENTIAL

PROJECT NO. 2024UK273126

DATE: JUNE 2025



Luton Borough Council

ECONOMIC GROWTH STRATEGY - EVIDENCE BASE REPORT

WSP

WSP House
70 Chancery Lane
London
WC2A 1AF

Phone: +44 20 7314 5000

Fax: +44 20 7314 5111

WSP.com



QUALITY CONTROL

| Issue/revision | First issue | Revision 1 | Final |
|----------------|----------------|--------------|--------------|
| Remarks | | | |
| Date | September 2024 | October 2024 | June 2025 |
| Prepared by | RS MP KMV | RS MP KMV | RS MP KMV |
| Checked by | KMV ST | KMV ST | KMV ST |
| Authorised by | JC | JC | JC |
| Project number | 2024UK273126 | 2024UK273126 | 2024UK273126 |
| Report number | 1 | 1.1 | 1.2 |

CONTENTS

| | |
|--|-----------|
| QUALITY CONTROL | 4 |
| CONTENTS | 5 |
| EXECUTIVE SUMMARY | 9 |
| 1 INTRODUCTION | 11 |
| 2 MACRO-ECONOMIC DRIVERS | 12 |
| <hr/> | |
| 2.1 INTRODUCTION | 12 |
| 2.2 KEY NATIONAL MACRO-ECONOMIC CONTEXT | 12 |
| 2.2.1 CHANGES IN NATIONAL GOVERNMENT | 12 |
| 2.2.2 PRODUCTIVITY AND DIGITAL INNOVATION | 13 |
| 2.3 TECHNOLOGY / AUTOMATION | 14 |
| 2.4 CHANGING RETAIL TRENDS | 14 |
| 2.5 COST OF LIVING CRISIS | 15 |
| 2.6 NET ZERO TARGETS AND THE GREEN ECONOMY | 15 |
| 2.7 WORKFORCE AND INCLUSION - AGEING POPULATION | 16 |
| 3 SOCIO-ECONOMIC BASELINE – SUPPLY SIDE | 17 |
| <hr/> | |
| 3.1 INTRODUCTION | 17 |
| 3.2 POPULATION | 17 |
| 3.2.1 HISTORIC POPULATION CHANGE | 17 |
| 3.2.2 AGE STRUCTURE AND PROJECTED CHANGE | 20 |
| 3.2.3 ETHNICITY | 24 |
| 3.3 ECONOMIC INACTIVITY | 26 |
| 3.4 SKILLS AND QUALIFICATIONS | 29 |
| 3.4.1 QUALIFICATIONS | 29 |
| 3.4.2 SCHOOL PERFORMANCE | 31 |

| | | |
|------------|--|-----------|
| 3.4.3 | OCCUPATIONS | 33 |
| 3.4.4 | VACANCIES, SKILLS GAPS AND TRAINING | 35 |
| 3.4.5 | RESIDENT-BASED & WORKPLACE-BASED EARNINGS | 36 |
| 3.5 | DEPRIVATION | 37 |
| 3.5.1 | INDICES OF DEPRIVATION | 37 |
| 3.5.2 | CLAIMANT COUNT | 41 |
| 3.6 | HEALTH INDICATORS | 42 |
| 3.6.1 | PERSONAL WELLBEING | 42 |
| 3.6.2 | LIFE EXPECTANCY & CAUSES OF DEATH | 43 |
| 3.6.3 | BEHAVIOURAL RISK FACTORS AND ILL HEALTH | 45 |
| 3.6.4 | SOCIAL MOBILITY, WIDER DETERMINANTS OF HEALTH AND INEQUALITIES | 46 |
| 3.7 | HOUSING | 48 |
| 3.7.1 | HOUSING STOCK AND HOUSE PRICES | 48 |
| 3.7.2 | HOUSING RENTAL PRICES | 49 |
| 3.8 | SUMMARY | 50 |
| 3.8.1 | POPULATION SUMMARY | 50 |
| 3.8.2 | SKILLS AND QUALIFICATIONS SUMMARY | 51 |
| 3.8.3 | DEPRIVATION SUMMARY | 51 |
| 3.8.4 | HEALTH SUMMARY | 52 |
| 3.8.1 | HOUSING SUMMARY | 52 |
| 4 | SOCIO-ECONOMIC BASELINE – DEMAND SIDE | 54 |
| 4.1 | INTRODUCTION | 54 |
| 4.2 | GVA | 54 |
| 4.2.1 | CHANGE IN GVA 2012-2022 | 54 |
| 4.2.2 | GVA PER SECTOR | 55 |
| 4.2.3 | GVA PER EMPLOYEE PER SECTOR | 57 |
| 4.2.4 | GVA PROJECTIONS | 60 |
| 4.3 | EMPLOYMENT | 60 |
| 4.3.1 | EMPLOYMENT STRUCTURE | 60 |
| 4.3.2 | LUTON’S LARGEST EMPLOYERS | 64 |



| | | |
|------------|---|-----------|
| 4.3.3 | EMPLOYMENT CHANGE 2015-2022 | 66 |
| 4.3.4 | LOCATION QUOTIENTS – BROAD SECTORS | 70 |
| 4.3.5 | EMPLOYMENT PROJECTION | 72 |
| 4.4 | BUSINESSES | 75 |
| 4.4.1 | BUSINESS COUNTS | 75 |
| 4.4.2 | BUSINESS SURVIVAL RATES | 77 |
| 4.5 | INWARD INVESTMENT | 79 |
| 4.6 | SUMMARY | 81 |
| 4.6.1 | GVA SUMMARY | 81 |
| 4.6.2 | EMPLOYMENT SUMMARY | 81 |
| 4.6.3 | BUSINESS SUMMARY | 82 |
| 4.6.4 | INWARD INVESTMENT SUMMARY | 82 |
| 4.7 | A FOCUS ON LUTON’S GROWTH SECTORS | 83 |
| 4.7.1 | INTRODUCTION | 83 |
| 4.7.2 | ANNUAL GROWTH VALUES OF COMPANIES | 83 |
| 4.7.3 | TOP 5 FASTEST GROWING SECTORS IN LUTON – EXISTING SECTORS | 84 |
| 4.7.4 | LUTON’S ALIGNMENT WITH THE UK GOVERNMENT’S ‘GROWTH DRIVING’ SECTORS | 87 |
| 4.8 | LUTON’S GREEN ECONOMY | 93 |
| 4.8.1 | LARGE GREEN ECONOMY EMPLOYERS | 94 |
| 4.8.2 | GREEN ECONOMY GROWTH | 96 |
| 4.8.3 | GREENHOUSE GASES BY INDUSTRY | 96 |
| 4.9 | SUMMARY | 97 |
| 5 | STAKEHOLDER ACTIVITY | 98 |
| 5.1 | INTRODUCTION | 98 |
| 5.1.1 | THE INCLUSIVE ECONOMY BOARD MEETING | 98 |
| 5.1.2 | STAKEHOLDER CALLS WITH LBC OFFICERS | 98 |
| 5.1.3 | STAKEHOLDER CALLS WITH KEY ORGANISATIONS AND BUSINESSES | 99 |
| 5.1.4 | INCLUSIVE ECONOMY BOARD AND WIDER STAKEHOLDERS WORKSHOP | 99 |
| 5.1.5 | LUTON MEMBERS WORKSHOP | 100 |



| | | |
|-------|---------------|-----|
| 5.1.6 | YOUTH SESSION | 100 |
|-------|---------------|-----|

6 STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS (SWOT) 102

| | | |
|-----|--------------|-----|
| 6.1 | INTRODUCTION | 102 |
|-----|--------------|-----|

| | | |
|-----|------------|-----|
| 6.2 | CONCLUSION | 107 |
|-----|------------|-----|

7 APPENDIX A – SECTOR DEEP DIVES 111

| | | |
|-----|----------------------------|-----|
| 7.1 | AVIATION AND AIR TRANSPORT | 111 |
|-----|----------------------------|-----|

| | | |
|-----|------------------------|-----|
| 7.2 | ADVANCED MANUFACTURING | 112 |
|-----|------------------------|-----|

| | | |
|-----|-----------|-----|
| 7.3 | LOGISTICS | 113 |
|-----|-----------|-----|

| | | |
|-----|--------------------|-----|
| 7.4 | DIGITAL INDUSTRIES | 114 |
|-----|--------------------|-----|

| | | |
|-----|---------------------|-----|
| 7.5 | CREATIVE INDUSTRIES | 114 |
|-----|---------------------|-----|

| | | |
|-----|-----------------------|-----|
| 7.6 | SPORTS AND HEALTHCARE | 115 |
|-----|-----------------------|-----|

| | | |
|-----|--------------|-----|
| 7.7 | CONSTRUCTION | 115 |
|-----|--------------|-----|

| | | |
|-----|-----------------------|-----|
| 7.8 | PROFESSIONAL SERVICES | 116 |
|-----|-----------------------|-----|

| | | |
|-----|-----------------|-----|
| 7.9 | VISITOR ECONOMY | 116 |
|-----|-----------------|-----|



EXECUTIVE SUMMARY

This evidence base sets out a comprehensive understanding of how Luton's economy has performed over the past 5 to 10 years, in comparison to both the East of England and nationally.

Luton has been one of the fastest growing economies in the country in the last five years. It has recorded the 6th fastest employment growth rate in England and the 2nd fastest of any local authority outside of London. Luton has an economy worth £6.6 billion, driven predominantly by activity within the transportation and logistics sector, administrative and support services sector, wholesale and retail trade sector and manufacturing sector. It has the UK's sixth largest international airport, with ambitions to grow passenger numbers to 32 million passenger per annum and connections to new destinations in Asia, Middle East and USA. It is also home to significant anchor businesses including Luton Airport, EasyJet, Tui, Wizz Air, Vauxhall, Carlisle Support Services Group and Churchill Contract Services.

The town has a fast-growing population, outpacing both regional and national averages. It is the 3rd youngest local authority area in England, with over a quarter of residents aged 18 years or below. It is also an ethnically diverse town, with over half of the population recorded as not being white British and there are an estimated 150 languages and dialects spoken.

Despite these strong foundations, the town experiences concentrated pockets of deprivation in certain communities, leading to inequality of life outcomes and economic participation rates. Healthy life expectancy is lower than regional and national averages and the borough records higher than average levels of child poverty. Skills are also a barrier to residents accessing good jobs, and whilst attainment rates are improving, unemployment rates are increasing.

The structure of Luton's resident labour force is concentrated in lower skilled occupations and wages. This is mirrored by the quality of jobs which Luton is generating, with strong growth in temporary employment agency activities and commercial cleaning activities and a contraction in highly productive sectors such as manufacturing and professional services.

Luton is also becoming increasingly unaffordable for residents, driven by rapid population growth and low residential completions in recent years. In terms of deprivation, Luton performs particularly poorly with regards to barriers to housing and services.

Whilst the town has one of the highest business start up rates in the country, fewer businesses are scaling relative to other UK cities and it has seen a fall in medium to large employers. The town will however see approximately £5bn of investment in new developments including a £1.7bn town centre regeneration programme which will provide high quality new employment floorspace.

This evidence will directly inform the development of Luton's economic growth strategy, and how it can respond to wider macro-economic trends and policy directions within the UK economy. This will include the need to transition towards a net zero economy, both a key challenge and opportunity for Luton given the presence of the airport and high emitting transportation sectors.



1

INTRODUCTION



1 INTRODUCTION

WSP on behalf of Luton Borough Council (LBC), are developing a new Economic Growth Strategy (EGS) for the borough. The EGS will provide a framework for economic growth over the next seven years to 2031.

A key part of the development of a new EGS is to undertake a comprehensive review of the existing economic baseline to provide a snapshot of the current economic conditions within the borough. This evidence base review will highlight existing and emerging issues and opportunities as well as areas of strength and weakness within Luton's economy. Historical analysis of previous data and future data projections will also help to provide a better understanding of Luton's economic performance and key drivers of historic and future growth.

This comprehensive evidence base will provide the foundations for the development of the new EGS, based on a robust presentation of Luton's economy today and in the future.

The remainder of this report is structured as follows:

1. Macro-economic drivers of growth;
2. Socio-economic baseline – supply side indicators;
3. Socio-economic baseline – demand-side indicators;
4. Stakeholder engagement findings;
5. SWOT; and
6. Conclusions.

2 MACRO-ECONOMIC DRIVERS

2.1 INTRODUCTION

Similar to all local authority areas in the UK, Luton is subject to a rapidly evolving macro-economic context, which continually influences the local economy and determines the future success of economic development within its boundaries. As such, it is imperative that the macro-economic context is considered when determining the future strategies for realising economic growth within Luton.

This chapter highlights some of the key macro-economic drivers which are likely to influence economic conditions within Luton, either at present or in the future. It also considers the development aspirations of the borough. The chapter provides an understanding of the wider trends and parameters that will have some bearing on Luton's medium-term development and which may influence the nature of both opportunities and constraints or threats to economic growth.

2.2 KEY NATIONAL MACRO-ECONOMIC CONTEXT

There are several key trends that will shape the direction of the borough's future and subsequently its EGS.

2.2.1 CHANGES IN NATIONAL GOVERNMENT

On 4th July 2024, a new Labour Government was formed in UK parliament. On 14th October 2024 Labour released their new industrial strategy¹ for consultation. The strategy aims to “*create long-term, inclusive, secure and sustainable growth*”, with the strategy focused on stimulating investment and activity in high growth sectors such as advanced manufacturing, clean energy industries, creative industries, defence, digital and technologies, financial services, life sciences and professional and business services. The strategy also sets out that devolved governments will be given the tools to establish Local Growth Plans, working with the private sector, education and skills providers and trade bodies to support growth sectors, unlock private investment and identify wider business environment priorities.

Luton, along with Bedford, Central Bedfordshire, Milton Keynes, and North and West Northamptonshire have submitted an expression of interest in devolution to the government. This builds on the existing partnerships formed through the Central Area Growth Board and the South Midlands Authorities (SMA).

¹ Invest 2035: the UK's modern industrial strategy. Available from: <https://www.gov.uk/government/consultations/invest-2035-the-uks-modern-industrial-strategy>



2.2.2 PRODUCTIVITY AND DIGITAL INNOVATION

The UK has seen stagnant productivity growth since 2010, leading to minimal improvements in growth or wages. It is apparent that the next wave of productivity growth in the UK will derive from the adoption of advanced technology like AI and robotics. This will transform local and national economies, with those who are quicker to adapt to, and adopt advanced technologies seeing the greatest rewards.

There are however threats from the adoption of automation and AI. A report from the Centre for Cities estimated that by 2030, approximately 20% of Luton's occupations were likely to shrink as a result of technological changes. Occupational groups most likely to see a risk of displacement included retail, administrative, and elementary storage occupations. As demonstrated later in this report, a significant proportion of Luton's employment base is in lower skilled, lower occupational level jobs within the administrative and logistics sectors, presenting a particularly significant challenge to the future of Luton's economy.

Luton Council's COVID-19 Economic Recovery Plan 2020 to 2022 however recognised the importance of responding to this trend and particularly the opportunities that automation can play in improving productivity and innovation in key sectors. With respect to Luton, the aviation sector is responding positively to automation and AI to manage and automate complex processes. EasyJet, who are headquartered in Luton, are already using AI to enhance operations. Their new (as of 2024) integrated control centre (ICC) near the airport will manage the safe and efficient operation of 2,000 mostly European flights a day². This model could be expanded to other logistics and transportation companies in Luton.

Other key sectors in Luton that can benefit from AI include:

- Healthcare: through improving diagnostics, personalising treatment plans and streamlining administrative tasks; and
- Education: through providing personalised learning, enhancing teacher support with regards to lesson planning and improved administrative efficiency.

That being said, it is imperative that Luton creates an environment that encourages inward investment into high-growth sectors to support high-skilled and well-paid job creation. This involves providing high growth businesses with the labour force, infrastructure and confidence to grow and expand.

² [easyJet opens new AI-equipped control centre in Luton to better manage flights | Engineering and Technology Magazine \(theiet.org\)](https://www.theiet.org/news/easyjet-opens-new-ai-equipped-control-centre-in-luton-to-better-manage-flights)



2.3 TECHNOLOGY / AUTOMATION

Hybrid Working Patterns

As a consequence of the COVID-19 pandemic, there has been a shift in the working and commuting patterns for many office workers. Developments in digital connectivity has allowed many industries to transition to fully remote or a hybrid working model. Across the UK, working from home has increased from 12% of working adults before the pandemic to a stable rate between 25% and 40%³. A tight labour market, where many skills across the economy are in short supply, is further encouraging employers to think creatively about how work is arranged and skills deployed across an organisation. Attractive working conditions include not only remuneration, but the ability to choose the most rewarding and productive work patterns.

These trends present an opportunity for Luton to retain and attract a greater share of high-skilled workers who are benefiting from more flexible home-work arrangements since the pandemic.

Luton is in a unique position of having excellent transportation times to London and the Midlands, relatively affordable housing and desirable assets such as London Luton Airport, enabling travel to 150 global destinations. To fully capitalise on changing labour market trends, Luton must ensure a strong supply of high-quality, affordable housing to maintain its young and diverse population, whilst providing appropriate training and skills provision is available to residents.

2.4 CHANGING RETAIL TRENDS

The expansion of online shopping and out-of-town retail parks has noticeably changed traditional retail behaviours. As a result, town centres have suffered from lower footfall and spend, which subsequently creates negative economic effects on the rest of the city, including jobs and living standards.

Evidence gathered by LBC in the 2023 residents survey and the 2021 town centre masterplan, indicated that Luton's residents wanted a more modern, up-to-date Town Centre that is somewhere people want to visit, stay and spend time. In response to this, the new Luton Town Centre Masterplan has been designed to guide the £1.7 billion regeneration programme, transforming the area in the short, medium and long term.

The plan aims to create a welcoming environment, support new jobs growth and foster a sense of pride among residents. Through developments highlighted in the plan such as the Stage, Power Court, refurbishment of the Hat District, and the repurposing of old retail units to provide new space for leisure and independent retail, Luton will be able to diversify its offering, boosting its resilience to changing retail trends. A key part of the town centre masterplan is the re-introduction of the River Lea as a key asset in the town centre. Establishing waterside spaces and maximising the greening of the river

³ [Public opinions and social trends, Great Britain: working arrangements - Office for National Statistics](#)



area will serve to further enhance the attraction of the town centre as key meeting and retail hub for the community.

2.5 COST OF LIVING CRISIS

The cost of living in the UK has risen sharply since 2021. Despite the Consumer Price index (CPI) cooling to the Bank of England Target of 2.0% in the 12 months to June 2024, it peaked at 11.1% in the period from November 2021 to November 2022.

This situation had a significant impact on both households and businesses within Luton. It resulted in a fall in real household disposable incomes, disproportionately affecting poorer households and exacerbating incidences of poverty, whilst having a particularly significant impact on households in deprived areas of the town.

In addition, as indicated by stakeholder engagement, it has also had a profound impact on businesses due to rising energy costs, with a particular impact on the cost of inputs and materials as well as labour costs. The composition of Luton's economy, with above an average concentration of economic activity in transportation and warehousing, means that Luton's business community was likely to be one of the most affected areas in the country. From 2022 to 2023, Luton's business count fell by 3.6%, compared to a national decline of 1.4% over the same period. Sectors that were particularly impacted were Wholesale & Retail, Information & Communication, Administrative & Support Services and notably Transport & Storage, which accounted for approximately 48% of all the businesses that closed in 2023 in Luton. Although these closures cannot be entirely attributed to the cost-of-living crisis, it likely had a contributing effect.

Inflation is expected to stabilise around the 2% mark within the course of 2025, indicating that the inflationary pressures felt by residents and businesses are likely to soften going forward.

2.6 NET ZERO TARGETS AND THE GREEN ECONOMY

In 2019, the UK government passed legislation requiring the UK to achieve net zero emissions by 2050. This target impacts all aspects of society and specifically the built environment such as the way buildings and the public realm are designed to ensure alignment with net zero goals and decarbonisation.

As part of Luton's 2040 vision, the Council has set out its roadmap to 2040 to enable the town to become net zero. The strategy is underpinned by sustainable growth, encouraging elements such as the decarbonisation of homes, non-residential buildings, transport and the airport, as well as developing the landscape to improve access to green space for residents and boost climate resilience.

These commitments at both a national and local level will have significant impacts on Luton's economy and infrastructure required to support the transition towards a decarbonised future. Multiple business and job opportunities will arise over the next decade including within decarbonised energy systems and storage, zero carbon transportation including new sustainable fuel sources (such as hydrogen) and retrofit of building stocks. Energy security and the increase in localised energy generation, distribution and storage is likely to become increasingly important in the context of increased global instability and fluctuating energy prices.



Luton has a significant opportunity to benefit from the decarbonisation of the aviation sector by working with Luton airport operators to achieve net zero ground operations by 2040. Luton Rising's proposals for the airport and the associated Development Consent Order (DCO) demonstrate the airport's commitment to addressing environment impacts. As part of the DCO, Luton Airport are proposing to introduce Green Controlled Growth (GCG) as a unique way to monitor, measure and use environmental factors to manage airport growth. GCG will introduce legally binding limits for the airport's noise, carbon, air quality and surface access impacts, with mitigation required if limits were to be breached.

Furthermore, supporting airlines in adopting sustainable aviation fuels and electric aircraft will contribute to the Government's net zero aviation goals. Investment in decarbonisation of the airport can bring new local jobs, and economic growth related to new aviation technology.

Luton also has a significant opportunity to benefit from the decarbonisation of the automotive sector by promoting walking and cycling for shorter trips and enhancing public transport for longer journeys. The presence of Vauxhall car company within the borough can drive innovation and investment in electric vehicle infrastructure, benefiting both public and private transport. Increasing the electric vehicle charging network and using biofuels where electric vehicles are not yet available will further reduce emissions and support the town's net zero vision⁴.

2.7 WORKFORCE AND INCLUSION - AGEING POPULATION

The UK is undergoing an ongoing demographic shift as its population gradually ages. Unlike most other areas in the UK however, Luton's population is relatively young, with almost 36% of the population aged under 25. It is expected to age at a slower rate than that observed regionally and nationally until 2043. Nationally only 29% and regionally only 28% of the population are aged under 25. In the East of England, Luton has the second highest proportion of its population aged under 25, second only to Cambridge which has a significant student population.

Another notable and related feature of Luton's demographics is the transient nature of the town, recording high levels of internal migration. Analysis shows a significant number of residents relocate to other parts of the country, while the town simultaneously attracts a high number of international migrants. A growing young and diverse population in a transient town, invigorates the labour force by introducing fresh talent, fostering innovation, and ensuring a steady supply of workers to support economic growth.

To maintain its relatively young population, Luton will need to ensure a broad offering for all residents, offering different types of goods and services as well as high-skilled employment and high-quality housing opportunities. Broadening its offering will help to attract more visitors and residents to live and work in Luton.

⁴ [Luton Net Zero Roadmap – A town-wide vision for Luton 2040 a net zero town](#)

3 SOCIO-ECONOMIC BASELINE – SUPPLY SIDE

3.1 INTRODUCTION

This section presents and analyses local supply side data on demographics and skills levels relating to Luton borough. This section presents data on:

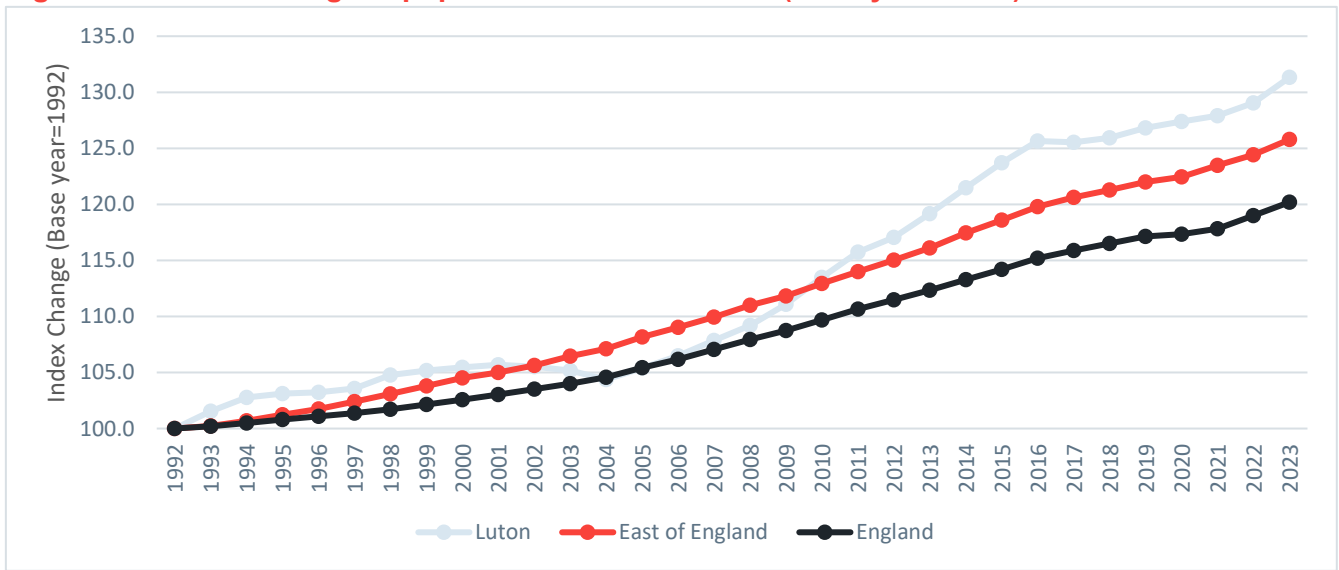
- Population;
- Skills & qualifications;
- Deprivation;
- Health; and
- Housing supply, availability and quality.

For comparative purposes, key economic data for Luton is also provided for the East of England and England or United Kingdom/Great Britain. Where relevant, data is also presented over time to illustrate the extent to which Luton’s supply side economy has performed and analysis drawn out on any historic or projected trends.

3.2 POPULATION

3.2.1 HISTORIC POPULATION CHANGE

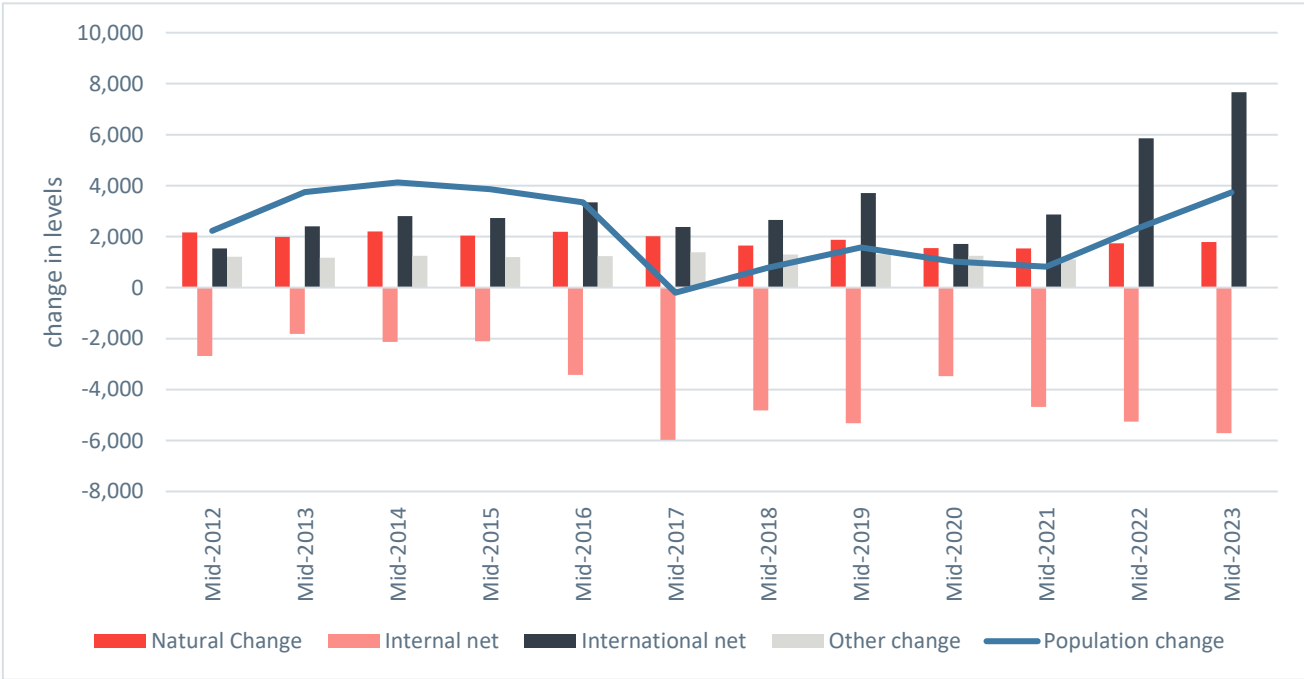
Figure 3-1 - Index change in population from 1992-2023 (Base year=1992)



Source: ONS – Estimates of the population for England and Wales (2024)

| Key Findings | Relevance to the Economic Growth Strategy |
|---|--|
| <p>There were approximately 231,000 people residing in Luton in 2023.</p> | <p>A higher-than-average population growth rate presents opportunities for economic expansion through an expanded labour force and consumer market, contributing to the overall economic vitality of the borough. This population growth however needs to be matched with investment in skills and training to ensure that Luton residents can fully participate in Luton’s future economy.</p> <p>Population growth also needs to be aligned with investment in physical and social infrastructure to alleviate potential strains on existing local resources and infrastructure.</p> |
| <p>Over the period of 1992-2023, the population of Luton grew by 31.3% (an increase in over 50,000 people), this was faster than the East of England region which grew by 25.8%, and England which grew by 20.2% in the same period. This is illustrated in Figure 3-1.</p> | |
| <p>The average annual population growth rate from 1992-2023 in the borough was somewhat higher at 0.9% Compound Annual Growth Rate (CAGR), than that of the East of England at 0.7% CAGR and England at 0.6% CAGR, respectively.</p> | |

Figure 3-2 - Change in net population, 2011-2023



Source: ONS – Estimates of the population for England and Wales (2024)

| Key Findings | Relevance to the Economic Growth Strategy |
|--|--|
| <p>As shown in Figure 3-2 Luton’s historic population growth has been largely driven by net long-term international migration and natural increases in population.</p> <p>From mid-2011 to mid-2023, natural population increase increased Luton’s population by approximately 22,700 people and long-term international migration by approximately 39,700 people.</p> | <p>Luton’s relatively high population growth is being driven by a high birth rate and high international migration, outweighing the high level of residents relocating from Luton to elsewhere in the UK.</p> <p>Census 2021 data indicates that 38.4% of Luton’s population were born outside of the UK. The top five non-UK countries of birth in Luton are Pakistan, Poland, Bangladesh, Romania and India. Interestingly, between 2011 and 2021, the number of residents who listed Romania as their country of birth increased by 2061% to 8,666.</p> |
| <p>Luton has had a high level of internal migration out of Luton to elsewhere in the UK, with approximately 47,400 residents leaving Luton to other areas of the UK from mid-2011 to mid-2023. This is in contrast to the pattern seen in the East of England with positive net internal migration from elsewhere in the UK.</p> <p>Luton residents migrating to other areas of the UK did not move far from Luton however. The largest outflow of Luton residents to another local authority in 2020 was to Central Bedfordshire, which borders Luton. In total, 21% of Luton residents who migrated within the UK in 2020 moved to Central Bedfordshire.</p> <p>Additionally, 42% of Luton residents who migrated to elsewhere in the UK in 2020 migrated to Local Authorities within the East of England. Approximately 15% migrated to London, 12% within the South East, and 10% to the East Midlands. The remaining regions make up a smaller proportion. This suggests that the significant flows of UK internal migration seen in Luton are largely to other areas of the East of England.</p> | <p>Anecdotal evidence gathered through stakeholder engagement indicated that Luton’s proximity to London and strong transport links is a key reason behind the high level of international migration realised over the past decade.</p> <p>Given the large proportion of residents born outside the UK, as of 2021, Luton had a higher percentage of residents whose first language was not English, with 23.1% of the population having an alternative first language. This compares to only 9.2% nationally. There is a greater share of residents whose first languages are Polish, Romanian, and South Asian languages such as Urdu, Punjabi, and Bengali (with Sylheti and Chatgaya). Furthermore 5.5% of residents aged over 3 years old could not speak English well or at all, compared to only 1.9% nationally.</p> <p>Language barriers can cause potential constraints to both job and social opportunities, and may be attributable to levels of underemployment and other related socio-economic problems observed within the town.</p> |

3.2.2 AGE STRUCTURE AND PROJECTED CHANGE

Table 3-1 - Population by age group (2023)

| Age group | Luton | East of England | England |
|-----------|-------|-----------------|---------|
| Under 20 | 29% | 23% | 23% |
| 20-34 | 23% | 18% | 19% |
| 35-49 | 21% | 20% | 19% |
| 50-64 | 16% | 20% | 19% |
| 65+ | 12% | 20% | 19% |

Source: ONS – Estimates of the population for England and Wales (2024)

Table 3-2 - Percentage change in share of total population by age groups, 1992-2023

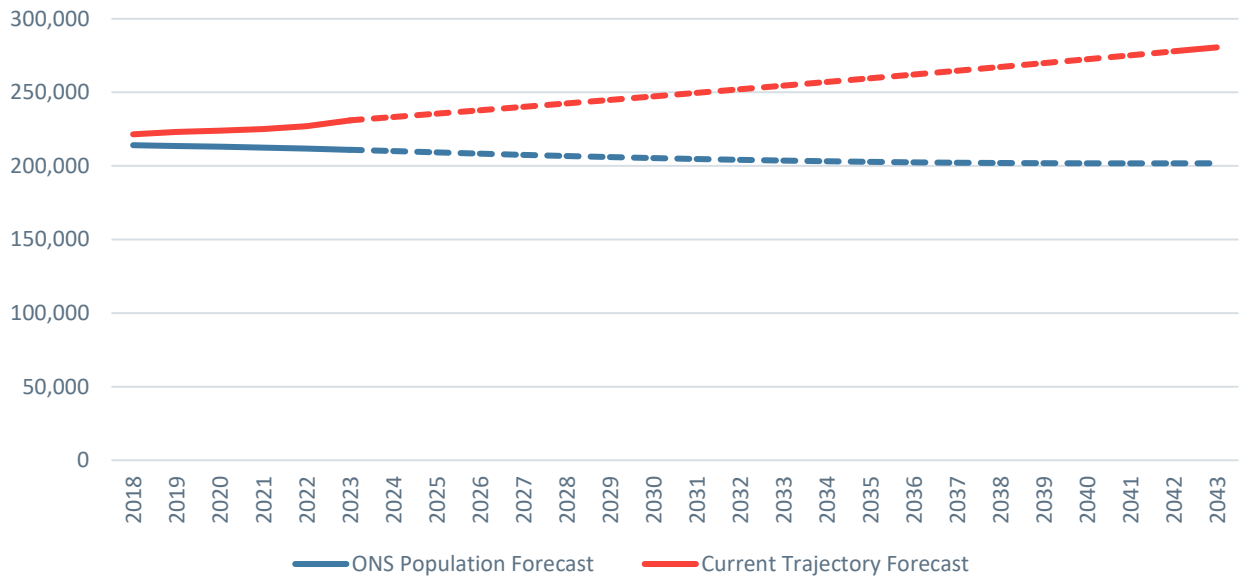
| Age range | Luton | East of England | England |
|-----------|-------|-----------------|---------|
| Under 20 | -1% | -2% | -2% |
| 20-34 | -4% | -5% | -4% |
| 35-49 | 3% | -1% | -1% |
| 50-64 | 2% | 4% | 4% |
| 65+ | 0% | 4% | 3% |

Source: ONS – Estimates of the population for England and Wales (2024)

| Key Findings | Relevance to the Economic Growth Strategy |
|--|--|
| <p>Luton’s age structure differs significantly from regional and national comparators. As of 2023, Luton had a relatively younger population, with 29% of its population aged 0 to 19, compared to the East of England with 23% and England average at 23%.</p> | <p>Luton’s young population, coupled with a high growth rate in its under-20 age band, presents a significant platform from which to realise inclusive economic growth. Luton’s emerging labour force should be equipped with the skills and qualifications to participate in Luton’s future economy.</p> <p>To do so, curriculums will need to be aligned to future skill needs in order to equip Luton residents respond to future employment opportunities and help reduce levels of inactivity/unemployment and raise resident wages among other positive outcomes. This will require strong alignment between Luton’s educational institutions (including the university) and Luton’s key employers.</p> <p>Luton’s ambition to be a ‘child-friendly’ town, as outlined in Luton 2040, recognises the potential to influence the future of Luton and tackle child</p> |
| <p>The proportion of under 20’s in Luton showed a slight decrease from 30% to 29%, over the period 1992-2023. Despite this, the under 20 age band has grown significantly faster than comparators over the period 1992-2023, growing by 27%, compared to 15% in the East of England, and 10% in England.</p> | |

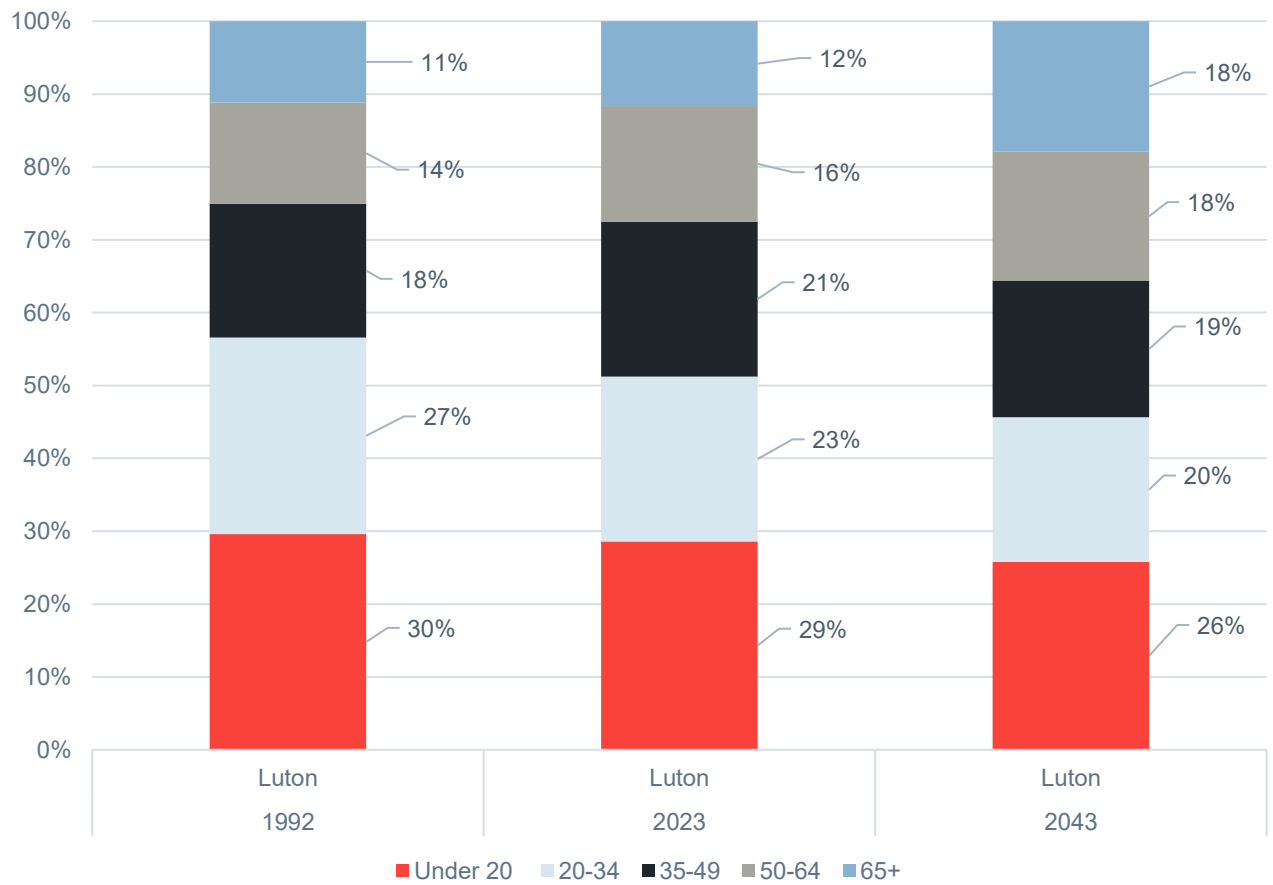
| | |
|---|---|
| | <p>poverty. This strategic priority aims to ensure that children and young people grow up feeling happy, healthy, and secure. It will ensure young people can access services, address health and educational inequalities, including those with Special Educational Needs and Disabilities (SEND), and feel heard and that their voices matter.</p> |
| <p>As of 2023, Luton has a larger share of its population of working age (aged 16 to 64), with 65% of the population in this age group, compared to 61% in the East of England and 63% nationally.</p> | <p>Luton's large working-age population indicates a large potential labour force, a key attribute for attracting and retaining businesses, however it is key for the labour force to have the skills that are in demand.</p> |
| <p>The 35-49 age group experienced the highest growth among the age group in Luton between 1992-2023. This age group grew by 53% or 17,000 individuals. This was significantly faster than the change recorded in East of England and England as a whole for this age group, at 17% and 15% respectively.</p> | |
| <p>Luton therefore only has 12% of its population within the older age group (aged 65+). This is lower than that of East of England at 20% and 19% nationally.</p> | <p>Luton's lower proportion of older residents will place less strain on healthcare and social care services compared to other regions. However, Luton as with other areas in the UK does have a gradual increase in older age groups, so even though slower than the regional and national average, there may still be a future need for increased healthcare and retirement services.</p> |
| <p>As with the national population share, Luton has seen increases in the proportion of its population aged 50-64, and 65+ from 1992-2023. This increased from 14% to 16%, and 11% to 12% respectively. Yet this is lower than the East of England and UK increases in these age groups.</p> | |

Figure 3-3 - Luton Population Projections to 2043



Source: ONS – Estimates of the population for England and Wales (2024), ONS – National Population Projections 2018 based (2019)

Figure 3-4 - Proportion of total population by age in Luton, 1992, 2023 and 2043



Source: ONS – Estimates of the population for England and Wales (2024), ONS – National Population Projections 2018 based (2019)

Table 3-3 - Population by age, 2043

| Age | Luton | East of England | England |
|-----------------|-------|-----------------|---------|
| under 20 | 26% | 22% | 22% |
| 20-34 | 20% | 17% | 19% |
| 35-49 | 19% | 17% | 18% |
| 50-64 | 18% | 19% | 18% |
| 65+ | 18% | 26% | 24% |

Source: ONS – National Population Projections: 2018-based (2019)

| Key Findings | Relevance to the Economic Growth Strategy |
|--|---|
| <p>According to the ONS’ latest population projections, Luton’s population is expected to fall to approximately 201,800 in 2043 (a fall of 29,200 from 2023 figures). This largely due to expectations of Luton not maintaining its growth in younger age groups, with the 50-64 and 65+ age groups expected to increase from 2023.</p> <p>ONS population projections were conducted in 2018. From 2018 to 2024, Luton has seen an increase in net international migration and a stabilisation of growth in net internal migration to elsewhere in the UK. These are recent changes so may not have been accounted for in ONS population projections. To account for this, an alternative population projection scenario utilising historic growth rates is presented in Figure 3-3. This projects there will be approximately 280,500 residents in Luton in 2043 (an increase of 49,500 from 2023 figures).</p> <p>Luton’s population is expected to age with increases in its share of the population in the older age groups, 50-64 and 65+. The share of those aged 65+ is expected to increase from 12% in 2023 to 18% in 2043, representing an increase of over 17,100 Luton residents aged 65+.</p> | <p>While the overall UK trend of an ageing population is also mirrored in Luton, the population remains largely more youthful, with 46% of its population aged 34 and under. This is significantly higher than the East of England average (38%), and 40% in England. While the working age population isn’t forecast to expand, the population is expected to age at a slower rate than both the regional and national average.</p> <p>Luton needs to harness the opportunity of its young population through investment in skills and employment to unlock the potential of this future labour force.</p> |

3.2.3 ETHNICITY

Table 3-4 - Population by ethnic group, 2021

| Ethnic group | Luton | East of England | England |
|---|--------------|------------------------|----------------|
| Asian or Asian British | 37% | 6% | 10% |
| Black, Black British, Caribbean or African | 10% | 3% | 4% |
| Mixed or Multiple ethnic groups | 4% | 3% | 3% |
| White | 45% | 86% | 81% |
| Other ethnic group | 3% | 1% | 2% |
| Non-white population | 55% | 14% | 19% |

Source: ONS – Census (2021)

Table 3-5 – Ethnic group by age in Luton

| | Total | Asian, or Asian British | Black, Black British, Caribbean or African | Mixed or Multiple ethnic groups | White | Other ethnic group |
|--------------------|--------------|--------------------------------|---|--|--------------|---------------------------|
| Total | 100% | 100% | 100% | 100% | 100% | 100% |
| 24 and under | 36% | 44% | 36% | 67% | 25% | 40% |
| 25-34 | 15% | 16% | 13% | 14% | 15% | 19% |
| 35-49 | 21% | 24% | 21% | 10% | 20% | 25% |
| 50-64 | 16% | 10% | 22% | 7% | 20% | 12% |
| 65+ | 12% | 6% | 7% | 2% | 19% | 5% |
| Average age | 35.5 | 29.8 | 35.5 | 20.4 | 41.9 | 30.5 |

Source: ONS – Census, (2021)

| Key Findings | Relevance to the Economic Growth Strategy |
|--|---|
| <p>According to Census 2021, Luton has a very diverse population with 55% of the population identifying as non-white, in comparison only 14% of the population in the East of England, and 19% in England.</p> | <p>Luton has a very diverse population likely due to its close proximity to London, the presence of the airport and its comparatively affordable house and rental prices.</p> <p>In recent years, Luton has shown its commitment to supporting the wellbeing of its diverse population and addressing inequalities among all ethnic backgrounds through initiatives like becoming a Marmot Town⁵, the creation of a Fairness Taskforce and its 2040 vision.</p> <p>A diverse population brings numerous economic benefits by fostering innovation and creativity through a variety of perspectives and ideas. It expands the talent pool, enhancing productivity and driving economic development. Fostering Luton’s diversity, therefore, is a powerful driver for economic prosperity and social cohesion.</p> |
| <p>The largest proportion of non-white residents in Luton are those identifying as Asian or Asian British, representing 37% of the population.</p> | |
| <p>The proportion of Luton’s population identifying as non-white has increased from 45% in 2011 to 55% in 2021. This is largely driven by increases in the proportion of residents identifying as Asian or Asian British and Other ethnic group.</p> | |
| <p>The average age of white residents in Luton is 41.9 years, which is notably higher than the overall average age of 35.5 years. This is also significantly older than the average age of the Asian population, which is 29.8 years</p> | |

⁵ A Marmot place is one which has a significant commitment to tackle health inequalities through action on the social determinants of health

3.3 ECONOMIC INACTIVITY

Table 3-6 - Economic Inactivity across Luton and Comparators of those aged 16 to 64

| Qualification | Luton | Change from 2013 to 2023 | East of England | Change from 2013 to 2023 | United Kingdom | Change from 2013 to 2023 |
|---|-------|--------------------------|-----------------|--------------------------|----------------|--------------------------|
| % who are economically inactive (aged 16-64) | 25% | +1% | 19% | 0% | 21% | -2% |
| % of economically inactive who do not want a job | 92% | +12% | 81% | +6% | 83% | +6% |
| % of males who are economically inactive (aged 16-64) | 15% | -4% | 15% | +2% | 17% | 0% |
| % of economically inactive males who do not want a job | 93% | +13% | 79% | +8% | 81% | +8% |
| % of females who are economically inactive (aged 16-64) | 36% | +5% | 24% | -2% | 25% | -4% |
| % of economically inactive females who do not want a job | 92% | +12% | 83% | +5% | 83% | +6% |
| % of ethnic minority who are economically inactive (aged 16-64) | 29% | -4% | 19% | -7% | 26% | -6% |

Source: ONS – Annual Population Survey (2023)

Table 3-7 - Economic Activity Status

| | Luton | East | England |
|---|-------|------|---------|
| Economically inactive: Retired | 37% | 60% | 55% |
| Economically inactive: Student | 18% | 12% | 14% |
| Economically inactive: Looking after home or family | 22% | 12% | 12% |
| Economically inactive: Long-term sick or disabled | 10% | 9% | 10% |
| Economically inactive: Other | 12% | 7% | 8% |

Source: ONS – Census (2021)

Table 3-8 – Reasons for Economic Inactivity by ethnic group

| | Asian | Black | Mixed or Multiple ethnic groups | Other ethnic group | White | Total |
|-------------------------------------|-------|-------|---------------------------------|--------------------|-------|-------|
| Long-term sick or disabled | 3.1% | 0.9% | 0.3% | 0.2% | 5.9% | 10.4% |
| Looking after home or family | 13.4% | 1.2% | 0.4% | 1.1% | 6.3% | 22.4% |
| Other | 5.1% | 1.3% | 0.4% | 0.6% | 4.6% | 11.9% |
| Retired | 6.3% | 2.3% | 0.3% | 0.5% | 28.0% | 37.4% |
| Student | 9.2% | 2.5% | 1.0% | 0.8% | 4.4% | 17.9% |

Source: ONS – Census (2021)

| Key Findings | Relevance to the Economic Growth Strategy |
|---|---|
| <p>In 2023, Luton had a greater inactivity rate, with 25% of those aged 16 to 64 economically inactive, compared to the regional rate of 19% and the national rate of 21%. Luton’s inactivity rate was particularly high for females. In the East of England and nationally, the inactivity rate of those aged 16 to 64 from 2013 to 2023 decreased by 0.3% and 2%, respectively. This is not the case for Luton, where the inactivity rate increased by 1%.</p> <p>According to the 2021 census, beyond the working-age population, the inactivity rate of individuals aged 65 and over, which will have increasing relevance given the rising state pension age, is on par with the East of England and England at 89%.</p> | |
| <p>Luton has a larger proportion of the economically inactive 16- to 64-year-olds (92%) who state they do not want a job, compared to the East (81%) and England (83%). This is consistent across both genders, though the proportion (93%) of economically inactive males in Luton who report not wanting a job is significantly higher than the East (79%) and England (81%) proportions. In contrast, given Luton’s relatively younger population, a relatively small proportion of inactivity is due to retirement.</p> | |
| <p>Census 2021 data indicates further reasons for being economically inactive beyond not wanting a job. A significantly lower proportion of those economically inactive (aged 16+) in</p> | |

| | |
|--|---|
| <p>Luton are retired (37%) in Luton compared to 60% in the East and 55% in England. A greater proportion of those inactive are due to looking after home or family or being a student. This is likely due to the younger population in Luton, with a greater number of young children who require care and a significant student population. There may also be socio-cultural dimensions driving the prevalence of high than average childcare reasons for economic inactivity.</p> | <p>Anecdotal evidence provided as part of the workshops indicated that more needs to be done to support carers, particularly women, back into the workforce. As indicated by Table 3-7, a significantly greater proportion of individuals are economically inactive in Luton as a result of looking after their home or family (22%, of which 87% are female) compared to the East of England (12%) and England (12%) as a whole.</p> |
| <p>Approximately 87% of individuals who are economic inactivity as a result of looking after their home or family are female. All other reasons for economic inactivity have a relatively even gender split.</p> | <p>It is worth noting that the majority of individuals (60.1%) who are considered economically inactive as a result of looking after their home or family are of Asian ethnicity, suggesting socio-cultural reasons and behaviours may be responsible for the figures recorded.</p> |
| <p>It is worth noting that a number of strategies and initiatives have recently been implemented to combat the town's relatively high inactivity rate, with a focus on aligning skills training with employer needs and upskilling residents to boost living standards and progression. These include:</p> <ul style="list-style-type: none"> • Strategic plans such as Luton's Skills and Employability Strategy 2022-2027⁶ and the South East Midlands Local Skills Improvement Plan⁷ • Developments such as Morton House, with areas dedicated for start-ups in key sectors and for learning in technical and social skills⁸ • Employment programmes such as "Passport to employability,"⁹ which aim to equip individuals with the right skills to enter in the world of work. | <p>In total, 75% of Luton's retired population is white. This is somewhat reflective of the town's age structure, given that 73% of all residents aged 65 and older are white.</p> <p>If Luton were to bring its economic inactivity in line with regional averages (excluding those who are studying or retired) through relevant strategies and initiatives, an additional 10,700 people could be brought back into the workforce. This is a strategic priority within Luton's 2022-2027 Skills and Employability Strategy which aims to tackle long-term inequality and inactivity. There are particular interventions which could be built upon to meet this strategic priority including Community Led Programmes, the Access to Work programme delivered by DWP and Luton's Virtual School. Helping to address inactivity rates amongst Luton's unemployed would have significant benefits in terms of improving physical and mental health as well as helping those furthest from the labour market such as care leavers and NEETs into meaningful employment.</p> |

⁶ [Luton Employment and Skills Strategy 2022 to 2027](#)

⁷ [LSIP Progress Report 2024 - SEM region.pdf \(chamber-business.com\)](#)

⁸ [Morton House – Luton Rising](#)

⁹ [Passport to employment \(luton.gov.uk\)](#)

3.4 SKILLS AND QUALIFICATIONS

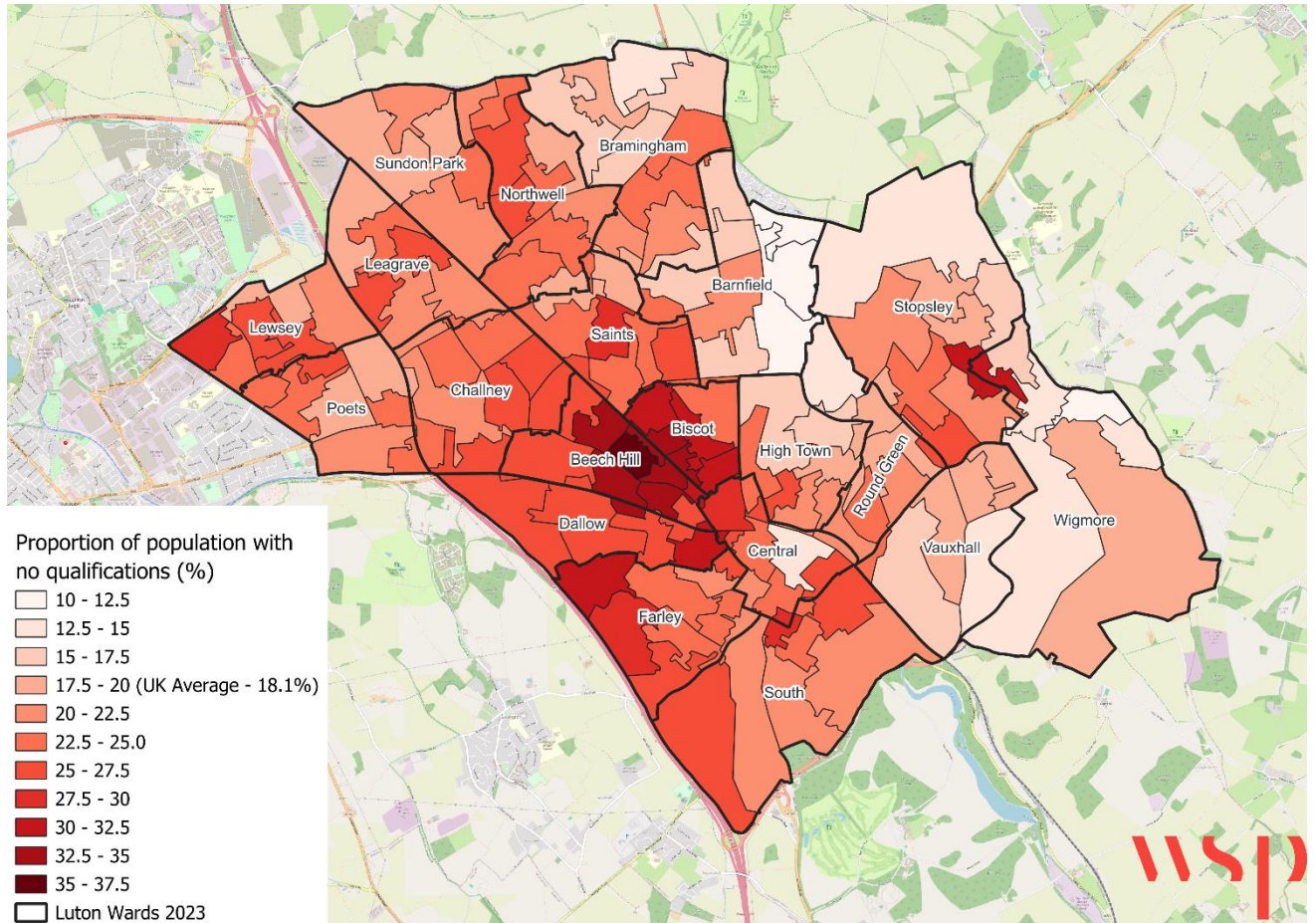
3.4.1 QUALIFICATIONS

Table 3-9 - Qualification attainment rates, 2021

| Qualification | Luton | Change from 2011 to 2021 | East of England | Change from 2011 to 2021 | United Kingdom | Change from 2011 to 2021 |
|--|-------|--------------------------|-----------------|--------------------------|----------------|--------------------------|
| No qualifications | 23% | -1% | 18% | -4% | 18% | -4% |
| Level 1 and entry level qualifications | 11% | -3% | 10% | -4% | 11% | -4% |
| Level 2 qualifications | 13% | -2% | 13% | -2% | 14% | -2% |
| Apprenticeships | 5% | +2% | 5% | +2% | 6% | +2% |
| Level 3 qualifications | 14% | +3% | 17% | +5% | 17% | +5% |
| Level 4 qualifications and above | 30% | +8% | 34% | +7% | 32% | +6% |
| Other qualifications | 4% | -7% | 3% | -3% | 3% | -3% |

Source: ONS – Census 2021 and 2011

Figure 3-5 - Proportion of Luton's population with no qualifications, 2021



Source: ONS – Census (2021) ¹⁰

| Key Findings | Relevance to the Economic Growth Strategy |
|--|---|
| <p>In 2021, residents aged 16+ in Luton are estimated to have significantly lower qualification attainment levels than the East of England, and the UK population. This is apparent through qualification attainment Levels 1 to 4+, as seen in Table 2-5 above.</p> | |
| <p>Luton has a higher proportion of residents with no qualifications, with 23% of residents aged 16+, compared to the East of England and UK, with 18%.</p> | |
| <p>Luton’s proportion of residents that have no qualifications or qualifications within the lower</p> | |

¹⁰ Those with “Other” qualifications are not included within figures.

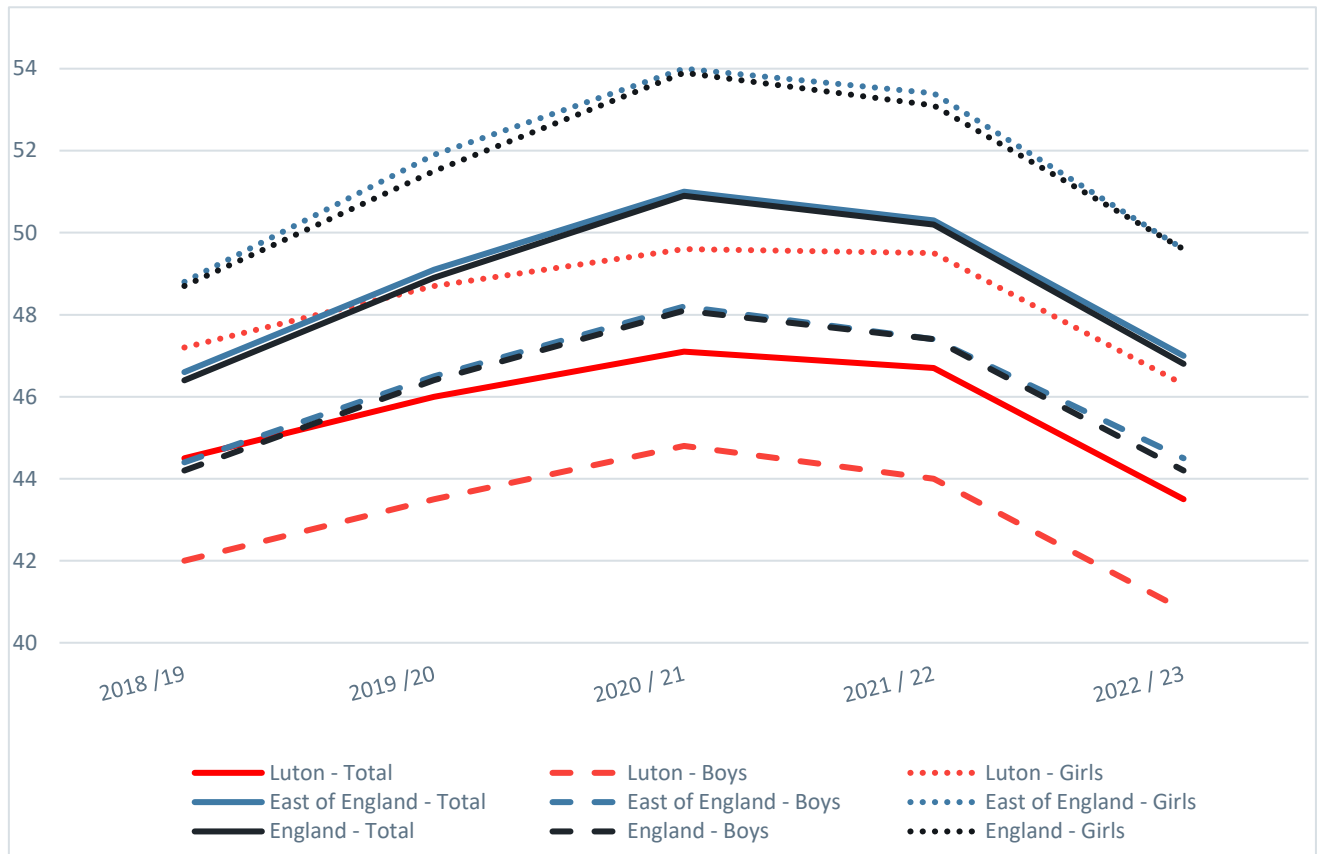
| | |
|---|--|
| <p>bands has fallen from 2011 to 2021, with the proportion of residents with no qualifications falling from 23.6% to 22.9%. However, this decrease has been significantly slower than that observed regionally in the East of England and nationally.</p> | <p>On the whole, Luton’s population is less qualified than at the regional and national levels. This could suggest that a significant proportion of residents in the borough are less able to access high-skill, more secure and well-paid occupations</p> |
| <p>Figure 3-5 depicts the distribution of residents without qualifications across LSOAs in Luton. Central Luton exhibits a higher proportion of individuals lacking qualifications, whereas East Luton generally shows a lower proportion.</p> | <p>It is worth noting that “Other Qualifications” relate to vocational work- or work-related qualifications, other qualifications achieved in England or Wales and qualifications achieved outside of England or Wales.</p> <p>Of those in Luton with “Other Qualifications” according to the Census 2021, 71% were born outside of the United Kingdom, with a significant number of individuals born in either areas in Europe outside of the UK and Ireland, or the Middle East and Asia. Therefore, their qualifications have likely not been converted to English and Welsh equivalents. This may represent an opportunity to take advantage of the experience and skillset of individuals from other parts of the world if any barriers to English language can be addressed.</p> |

3.4.2 SCHOOL PERFORMANCE

Attainment 8 score measures the average achievement of pupils in up to 8 qualifications. This includes: English language; English literature (if only one GCSE in English is taken then it is double weighted); maths (double weighted); three further qualifications that count in the English Baccalaureate (EBacc); and three further qualifications that can be GCSE qualifications (including EBacc subjects) or any other non-GCSE qualifications on the DfE approved list ¹¹.

¹¹ [Key stage 4 qualifications, discount codes and point scores](#)

Figure 3-6 - Average Attainment 8 score of all pupils and by gender, 2018/19 to 2022/23



Source: DfE – Key Stage 4 Performance (2024)

Table 3-10 - Percentage of pupils achieving grade 4 (pass level) or above in English and Maths GCSEs by Gender

| Luton | % of Grade 4 or above in English and Maths GCSE 2022/23 | Change from 2018/19 to 2022/23 |
|-------------------------|---|--------------------------------|
| Luton - Total | 62% | +3% |
| Luton - Boys | 59% | +3% |
| Luton - Girls | 65% | +3% |
| East of England - Total | 66% | +1% |
| East of England - Boys | 64% | +2% |
| East of England - Girls | 69% | -1% |
| England - Total | 65% | +1% |
| England - Boys | 63% | +2% |
| England - Girls | 68% | -1% |

Source: DfE – Key Stage 4 Performance (2024)

| Key Findings | Relevance to the Economic Growth Strategy |
|---|--|
| <p>In 2022/23, Luton’s average Attainment 8 score for all pupils stood at 43.5, which is substantially below that of the East of England at 47 and England at 46.8. Boys’ and girls’ scores reflect the national picture, with males performing more poorly than females compared to their equivalents in the East of England and England.</p> | <p>Luton’s lower Attainment 8 scores and GCSE pass rates compared to regional and national averages could limit the local workforce’s skill level, potentially restricting future educational and job opportunities. Lower attainment also contributes a lower skilled labour market, which large companies look for when relocating to new markets.</p> <p>The higher school absence rates may indicate underlying social issues, further impacting educational outcomes and long-term economic prospects. However, the faster improvement in GCSE pass rates suggests potential for future growth if educational support continues to improve.</p> |
| <p>Luton’s Maths and English GCSE pass rate of 62% in 2022/23 stood below the East of England and England rates of 66% and 65%, respectively. Luton’s Maths and English GCSE pass rate has increased at a faster rate than the East of England and England rates from 2018/19 to 2022/23. This trend is consistent across both genders.</p> | |
| <p>Luton’s school absence rate has historically been slightly higher than the East of England and England averages. Luton’s trend has followed the national picture, with the absence rate falling from 2006/07 to 2014/15 and then remaining largely stable until 2021/22, when absence rates increased. From 2021/22 to 2022/23, absence rates nationally and in the East of England fell by 0.2% and 0.4%, respectively. However, Luton’s increased by 0.1%.</p> | |

3.4.3 OCCUPATIONS

Table 3-11 - Occupations of employees by major group, 2023

| Skill Level | Major group | Luton | East of England | United Kingdom |
|----------------------|--|------------|-----------------|----------------|
| High Skilled | Manager, directors and senior officials | 7% | 12% | 11% |
| | Professional | 21% | 26% | 27% |
| | Associate professional and technical | 13% | 15% | 15% |
| | High skilled total | 41% | 53% | 53% |
| Intermediate Skilled | Administrative and secretarial | 8% | 11% | 10% |
| | Skilled trades | 13% | 9% | 9% |
| | Caring, leisure and other service | 9% | 8% | 8% |

| | | | | |
|----------------------|--|------------|------------|------------|
| | Sales and customer service | 6% | 6% | 6% |
| | Intermediate skilled total | 37% | 33% | 33% |
| Lower Skilled | Process, plant and machine operatives | 7% | 5% | 5% |
| | Elementary | 15% | 8% | 9% |
| | Lower skilled total | 21% | 13% | 15% |

Source: ONS – Annual Population Survey (2023)

| Key Findings | Relevance to the Economic Growth Strategy |
|---|---|
| <p>In 2023, Luton had a significantly lower proportion of individuals employed in high skilled occupations (major groups 1 to 3), at 41% compared to 53% for the East of England and the UK as a whole.</p> | <p>Likely due to lower levels of skills attainment, Luton has a relatively higher proportion of employees in intermediate and lower skilled occupations when compared to the East of England and England as a whole. Lower skilled occupations are less likely to be secure and generally result in lower wages. Stakeholder interviews have raised the challenges in Luton of a ‘low wage’, contract-based economy. This is also reflected in the economic structure of the borough.</p> |
| <p>Luton has a higher proportion of employees in intermediate and lower skilled occupations. This is particularly true for lower skilled occupations with 21% of Luton’s employees in this group in 2023, compared to 13% in the East of England and 15% in the UK.</p> | |
| <p>Luton had a significantly greater proportion of employees within elementary occupations, with 15%, compared to 8% in the East of England and 9% nationally.</p> | |
| <p>The Census 2021 resident-based outputs present a similar picture, with 12% fewer over 16 year olds in Luton falling within the high-skilled group and an additional 11% of the population in the low-skilled group.</p> | |

3.4.4 VACANCIES, SKILLS GAPS AND TRAINING

Figure 3-7 - proportion of establishments that have a skills shortage vacancy



Source: Department for Education - Employer skills survey 2019 (2020) and Department for Education – Employer skill survey 2022 (2023)

| Key Findings | Relevance to the Economic Growth Strategy |
|---|--|
| <p>According to the 2022 Employer Skills Survey, Luton has a greater proportion of establishments with at least one vacancy, (at 25%) compared to the regional (22%) and national (23%) level.</p> | <p>Compared to regionally and nationally, Luton has a larger proportion of employers indicating that they are unable to fill job positions due to skills shortages. This is may be due to the local population achieving, on the whole, lower levels of educational attainment.</p> <p>Anecdotal evidence provided through stakeholder engagement highlights that some large employers, , choose to advertise high skilled opportunities outside of Luton due to evident skill shortages at the local level.</p> |
| <p>Approximately 14% of establishments in Luton in 2022 had a vacancy because of skill shortages. This rate is greater than reported for the East of England (10%) and England (10%) as a whole.</p> | |
| <p>Compared to the 2019 Employer Skills Survey, as shown by Figure 3-7, the proportion of skill shortage vacancies has increased across all geography levels. That said, it is important to note that the increase is greater for Luton (from 8% to 14%) than elsewhere</p> | |
| <p>Furthermore, the 2022 survey highlights that the number of training days received per staff member in Luton over a 12-month period was equal to 2.9. This is lower than that reported for the East of England (3.5) and England as a whole (3.5) .</p> | |

3.4.5 RESIDENT-BASED & WORKPLACE-BASED EARNINGS

Table 3-12 - Resident earnings growth, 2013-2023

| Area | 2013 | 2023 | % change |
|-----------------|---------|---------|----------|
| Luton | £25,158 | £33,033 | 31% |
| East of England | £28,369 | £36,355 | 28% |
| United Kingdom | £27,011 | £34,963 | 29% |

Source: ONS – Annual Survey Hours and Earnings – Resident Analysis (2023)

Table 3-13 - Workplace earnings growth, 2013-2023

| Area | 2013 | 2023 | % change |
|-----------------|---------|---------|----------|
| Luton | £25,814 | £33,697 | 31% |
| East of England | £26,514 | £34,833 | 31% |
| United Kingdom | £27,011 | £34,963 | 29% |

Source: ONS – Annual Survey Hours and Earnings – Resident Analysis (2023)

| Key Findings | Relevance to the Economic Growth Strategy |
|--|--|
| <p>In 2023, the median annual salary for residents of Luton was £33,033. This figure is lower than both the East of England average of £36,355 and the UK average of £34,963. While earnings were only slightly lower than regional and national averages, they were significantly lower than those in the neighbouring authority of Central Bedfordshire, by 23%.</p> | <p>Luton’s workplace earnings were slightly below that of the median resident earnings. This could suggest that the types of jobs available within the area are relatively lower skilled and as such offering lower pay. Anecdotal evidence from stakeholder engagement indicates that employers in Luton hold a perception that local residents are only suited for entry-level or lower-skilled positions. As a result, higher-skilled job postings are frequently advertised outside of Luton. This misconception significantly limits the opportunities available to Luton residents.</p> <p>Higher resident earnings may be driven by residents in Luton commuting into London where there are more highly skilled jobs and average pay is typically higher.</p> <p>Luton has a high level of internal migration to Central Bedfordshire. Higher workplace earnings within Central Bedfordshire may be a key determinant in attracting individuals to relocate.</p> |
| <p>Despite lower earnings, Luton’s resident-based earnings has grown at a faster rate in the past 10-years from 2013 to 2023 than the East of England and the UK, as seen in Table 3-12. However, salaries have not grown as fast as in neighbouring authority Central Bedfordshire.</p> | |
| <p>As of 2023, Luton’s median annual workplace-based salary was at £33,697. This was also below the average for the East of England at £34,833 and below the UK average at £34,963.</p> | |
| <p>Despite this median annual workplace-based earnings in Luton have grown by 31% from 2013 to 2023, mirroring the East of England. However, the growth in workplace-based earnings lags behind that of Central Bedfordshire.</p> | |

3.5 DEPRIVATION

3.5.1 INDICES OF DEPRIVATION

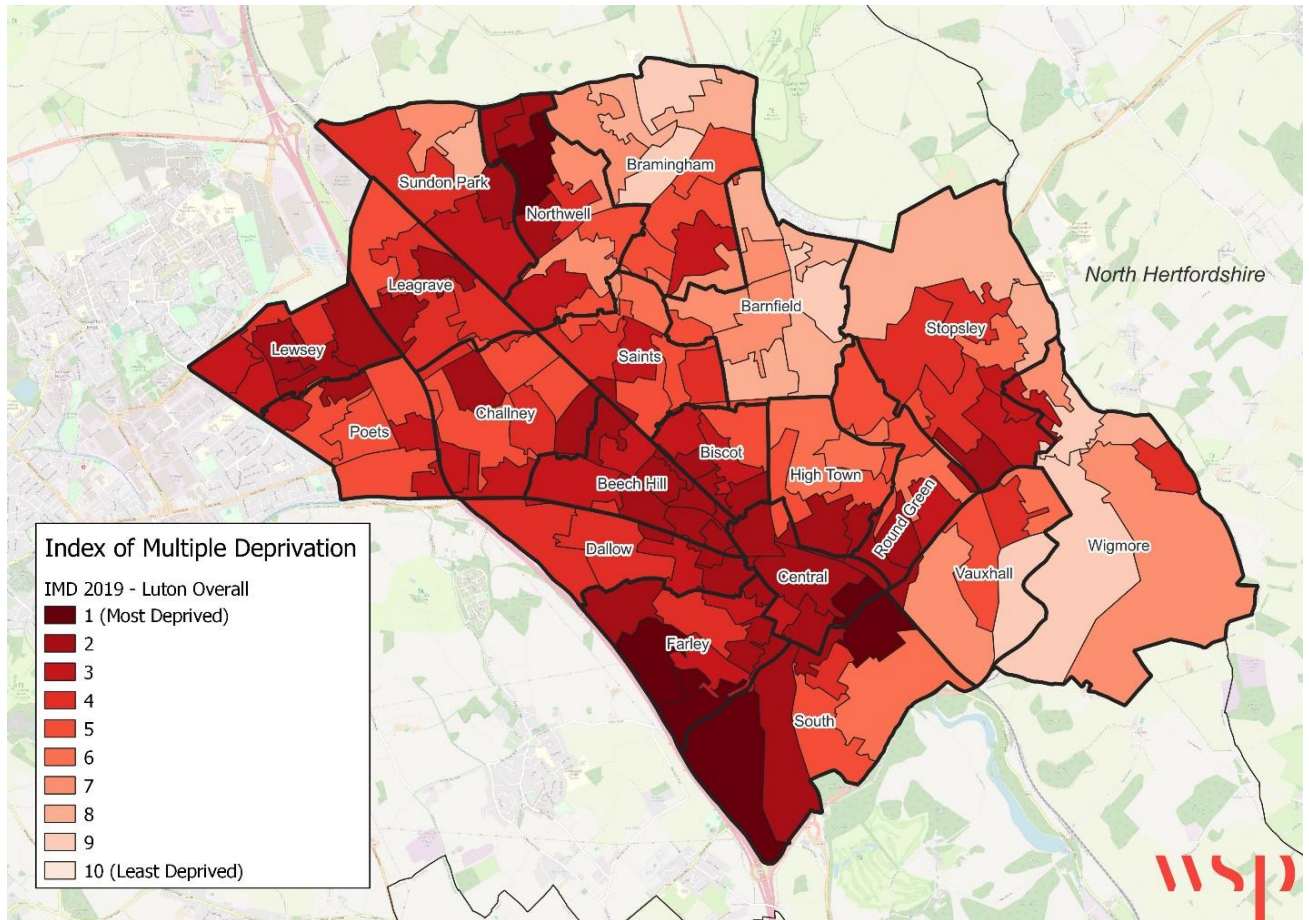
The table below indicates the ranking of the borough, based on the average performance of each of Luton's LSOAs, for each of the seven domains. The closer the ranking to 1, the more deprived the borough is, while the closer the ranking to 317 the less deprived the borough is.

Table 3-14 - Deprivation in Luton, 2019

| Rank of average rank | Luton |
|--|-------|
| IMD - Rank of average rank | 52 |
| Income - Rank of average rank | 49 |
| Employment - Rank of average rank | 98 |
| Education, Skills and Training - Rank of average rank | 45 |
| Health Deprivation and Disability - Rank of average rank | 83 |
| Crime - Rank of average rank | 53 |
| Barriers to Housing and Services - Rank of average rank | 22 |
| Living Environment - Rank of average rank | 102 |

Source: Ministry of Housing, Communities & Local Government (2019)

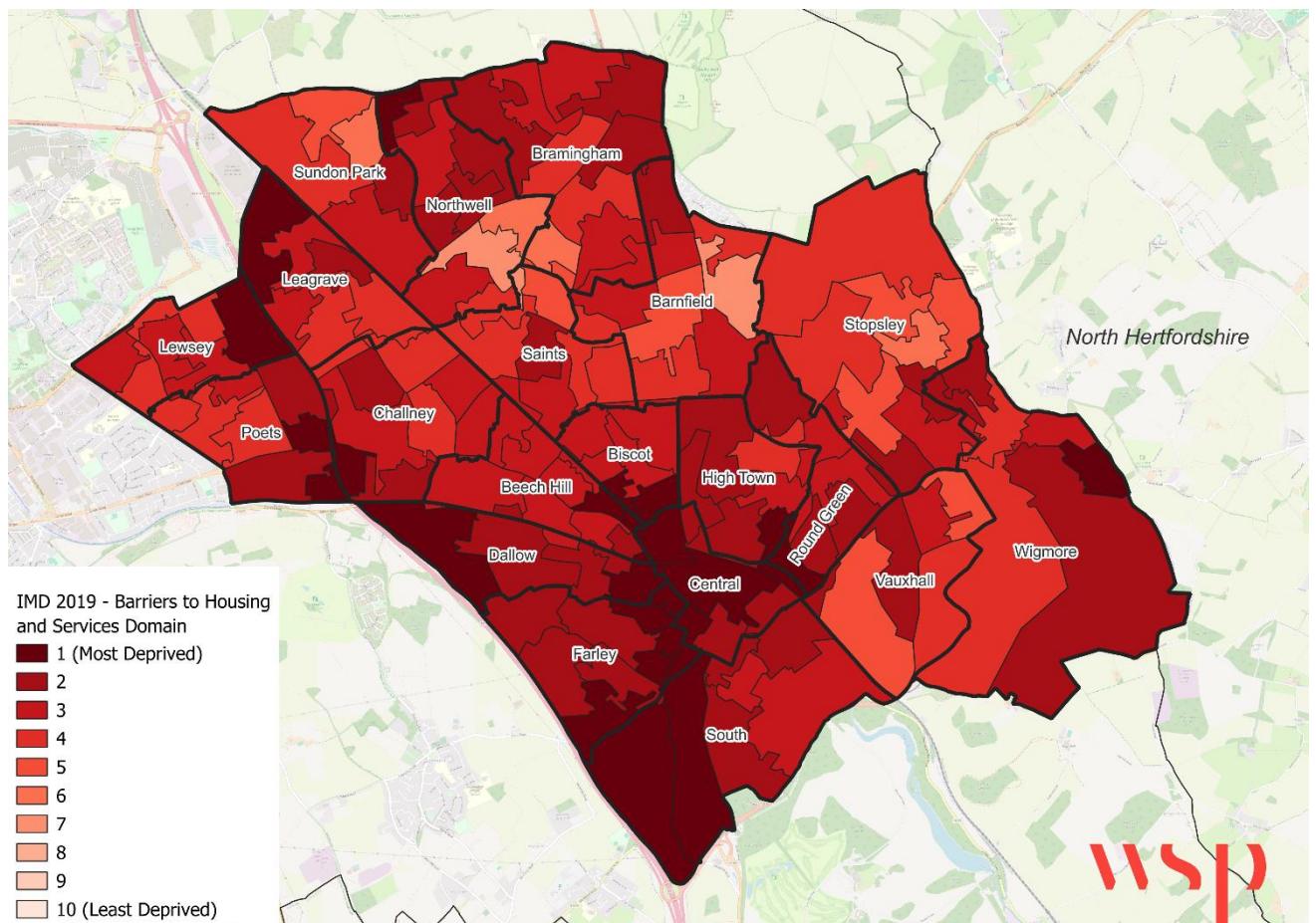
Figure 3-8 - Map of deprivation in Luton, 2019¹²



Source: WSP, Ministry of Housing, Communities & Local Government (2019)

¹² Note that the Indices of Multiple Deprivation (IMD) present data for 2011 LSOA boundaries. As such the map displays IMD data in terms of Luton's 2011 LSOA rather than its updated 2021 LSOA boundaries.

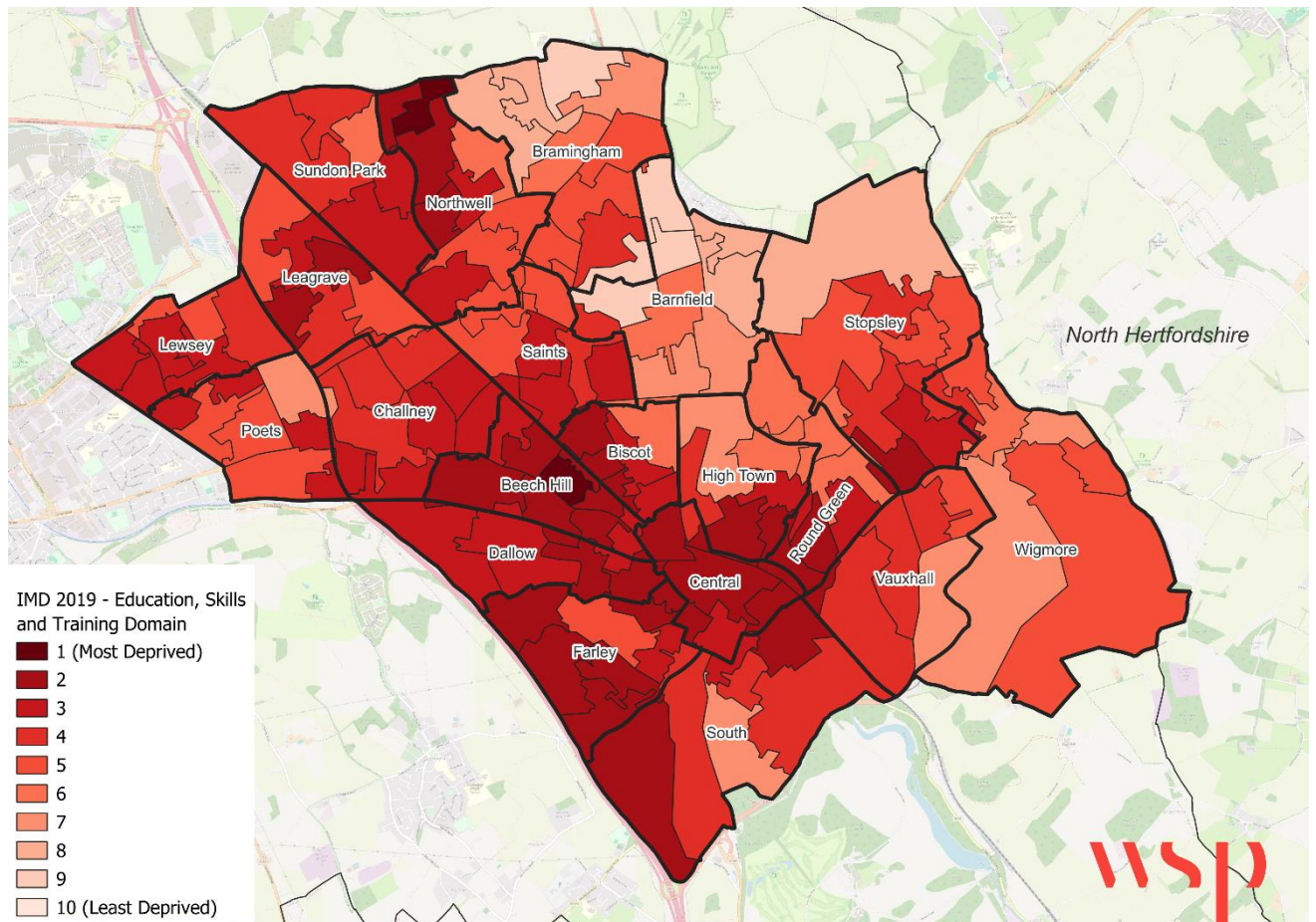
Figure 3-9 - Indices of multiple deprivation, Barriers to Housing and Services domain ¹³, 2019



Source: WSP, Ministry of Housing, Communities & Local Government (2019)

¹³ The Barriers to Housing and Services Domain measures the physical and financial accessibility of housing and local services. This indicators fall into two sub-domains: 'geographical barriers', which relate to the physical proximity of local services, and 'wider barriers' which includes issues relating to access to housing such as affordability.

Figure 3-10 - Indices of multiple deprivation, Education, Skills and Training Domain, 2019¹⁴

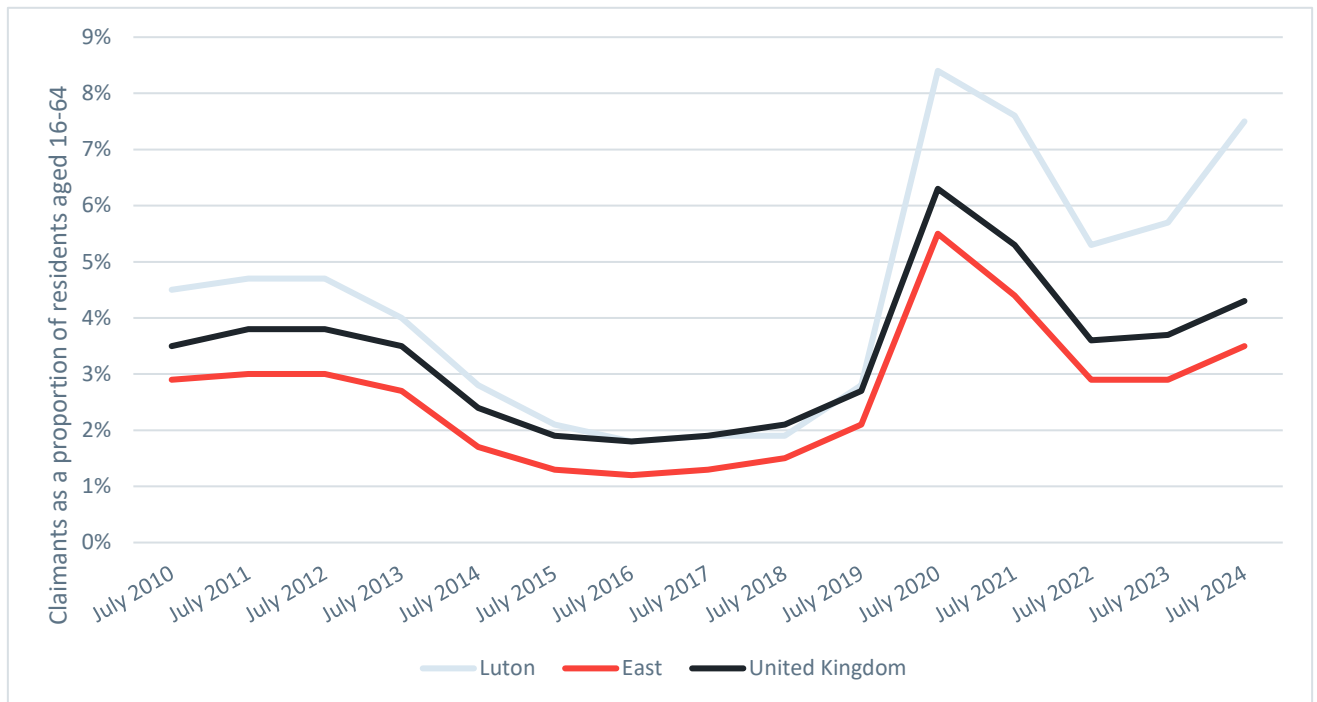


Source: WSP, Ministry of Housing, Communities & Local Government (2019)

¹⁴ The Education, Skills and Training Deprivation Domain measures the lack of attainment and skills in the local population.

3.5.2 CLAIMANT COUNT

Figure 3-11 - Claimants as a proportion of residents aged 16-64



Source: ONS - Claimant Count experimental series (2024)

| Key Findings | Relevance to the Economic Growth Strategy |
|--|--|
| <p>The 2019 Indices of Multiple Deprivation (IMD) indicate that Luton has relatively high levels of deprivation, with 33 of its 121 LSOA's within the top 20% most deprived LSOA's in the country. The LSOAs perform badly across all domains, with exception to Living Environment.</p> | <p>Luton faces significant levels of deprivation in relation to the IMD Barriers to Housing and Services domain, with 16 LSOAs within the top 10% most deprived in the country in respect to the domain.</p> <p>This indicates that there is a strong need for greater levels of affordable housing and additional local services in Luton, in and around the Central, Farley, South and Northwell wards in particular as highlighted by Figure 3-9.</p> |
| <p>As shown by Table 3-14, Luton performs relatively poorly across all domains, performing worst in relation to Barriers to Housing and Services (ranking the 22nd most deprived local authority in the country) and Education, Training and Skills (ranking the 45th most deprived local authority in the country) domains.</p> | |
| <p>There are differing levels of deprivation across Luton as indicated by the map in Figure 3-8. The darker reds indicate the more deprived areas. There are 4 LSOAs (Luton 020A in Farley and South, Luton 020E in Farley, Luton 003B in</p> | |

| | |
|--|---|
| <p>Northwell and Luton 018E in Central and South¹⁵) which rank within the top 10% most deprived in the country.</p> | |
| <p>Despite Luton having relatively high levels of deprivation, the North-East and South-East of Luton are significantly less deprived.</p> | |
| <p>Luton has historically had a higher proportion of residents aged 16 to 64 claiming unemployment benefits compared to that seen regionally and nationally, as seen in Figure 3-11. This remains the same as of July 2024 in which 7.5% of working age residents were estimated to be claiming unemployment benefits in Luton, this is compared to 3.5% in the East of England, and 4.3% in the UK.</p> | <p>The higher proportion of residents in Luton claiming unemployment benefits (7.5%) compared to the East of England (3.5%) and the UK (4.3%) indicates higher levels of economic deprivation. Unemployment benefits are often a marker of deprivation because they reflect a lack of employment opportunities and financial instability among residents. The Council is working with the Department of Work and Pensions as well as large current and future employers such as Universal Studios to try to alleviate unemployment and claimant count levels, ultimately seeking to provide pathways for residents into employment.</p> |
| <p>The recent uptick in claimant counts in Luton from July 2022 onwards, as shown in Figure 3-11, is largely due to increases in claimants aged 35 to 54. The 45–49 age group has experienced the largest increase in claimant counts from July 2022 to July 2024, with an 86% rise.</p> | |

3.6 HEALTH INDICATORS

3.6.1 PERSONAL WELLBEING

Personal wellbeing is assessed through four measures, life satisfaction, feeling the things done in life are worthwhile, happiness and anxiety. Presented below in Table 3-15 illustrates the average (mean) score of self-reported wellbeing. The maximum score is 10, illustrating respondents are completely satisfied with their life, feel completely worthwhile, feel completely happy, or feel completely anxious. The lowest score is 0, in contrast suggesting respondents feel not at all satisfied with their life, not at all worthwhile, not at all happy, or not at all anxious.

¹⁵ According to newly updated May 2023 Ward boundaries

Table 3-15 - Measures of Wellbeing

| | Anxiety | | Happiness | | Life Satisfaction | | Worthwhile | |
|------------------------|-----------------|-----------------------|-----------------|-----------------------|-------------------|-----------------------|-----------------|-----------------------|
| | 2022/23 Average | Change 11/12 to 22/23 | 2022/23 Average | Change 11/12 to 22/23 | 2022/23 Average | Change 11/12 to 22/23 | 2022/23 Average | Change 11/12 to 22/23 |
| Luton | 2.6 | -15% | 7.6 | +6% | 7.3 | +3% | 8.0 | +6% |
| East of England | 3.2 | +4% | 7.4 | +1% | 7.5 | +1% | 7.8 | +1% |
| United Kingdom | 3.2 | +3% | 7.4 | +3% | 7.5 | 0% | 7.7 | +1% |

Source: ONS – Personal well-being estimates by local authority (2023)

| Key Findings | Relevance to the Economic Growth Strategy |
|---|---|
| <p>Luton’s residents in 2022/23 reported lower levels of anxiety, higher levels of happiness and feelings of worth than the national and regional average. Luton falls slightly behind in self-reported life satisfaction, though growth in this metric in Luton from 2011/12 to 2022/23 has outpaced the national average.</p> | <p>Luton’s improved wellbeing metrics indicate a healthier and more content population, which can lead to a stronger community and better quality of life. Furthermore, Luton’s Population Wellbeing Strategy (as part of the 2040 vision) and its decision to become a Marmot Town demonstrates its commitment to reducing inequalities in health, with a focus on early years, children and young people, prevention and early intervention, environmental sustainability, good work and the elimination of poverty.</p> <p>Happier residents are more likely to engage in community activities, support local businesses, and contribute positively to society. This progress can attract new residents and businesses, enhancing the town’s appeal.</p> |
| <p>Luton’s measures of wellbeing metrics have been growing faster in the right direction from 2011/12 to 2022/23 than the national and regional average. Luton’s self-reported anxiety levels have fallen by 15%, while the regional and national average has grown over the same time period.</p> | |

3.6.2 LIFE EXPECTANCY & CAUSES OF DEATH

As of 2022, Luton’s male population and female population, at 78.4 years and 81 years, respectively, has a lower life expectancy compared to the East of England and England as a whole. The female population performs particularly badly with life expectancy falling within the worst 25th percentile in England.

Table 3-16 - Life expectancy at birth for both males and females, 2022

| | Luton | East of England | England |
|-----------------------------------|-------|-----------------|---------|
| Life expectancy at birth (male) | 78.5 | 80.1 | 79.3 |
| Life expectancy at birth (female) | 81.0 | 83.8 | 83.2 |

Source: Office for Health Improvement & Disparities (2022)

Table 3-17 – Causes of death, 2022

| | Luton | East of England | England |
|--|-------|-----------------|---------|
| Under 75 mortality rate from all causes (per 100,000) | 400.1 | 311.1 | 342.3 |
| Under 75 mortality rate from all cardiovascular diseases (per 100,000) | 94.5 | 69.0 | 77.8 |
| Under 75 mortality rate from cancer (per 100,000) | 129.0 | 117.6 | 122.4 |
| Suicide rate (per 100,000) | 7.7 | 9.0 | 10.3 |

Source: Office for Health Improvement & Disparities (2022)

| Key Findings | Relevance to the Economic Growth Strategy |
|---|---|
| <p>In 2022, Luton had a worse under 75 mortality rate (400.1 per 100,000 persons), under 75 mortality rate from all circulatory diseases (94.5 per 100,000 persons), and under 75 mortality rate from cancer (129 per 100,000 persons) than comparator areas.</p> | <p>Luton’s under 75 mortality rates from all causes (per 100,000 persons), cardiovascular diseases and cancer are significantly greater than the regional and national comparators, potentially due to the significant levels of deprivation experience by residents.</p> |
| <p>From 2020-2022, Luton has a lower suicide rate at 7.7 per 100,000 persons compared to the East of England and England rate, at 9 and 10.3 per 100,000 persons, respectively.</p> | |

3.6.3 BEHAVIOURAL RISK FACTORS AND ILL HEALTH

Table 3-18 – Behavioural risk factors and ill health

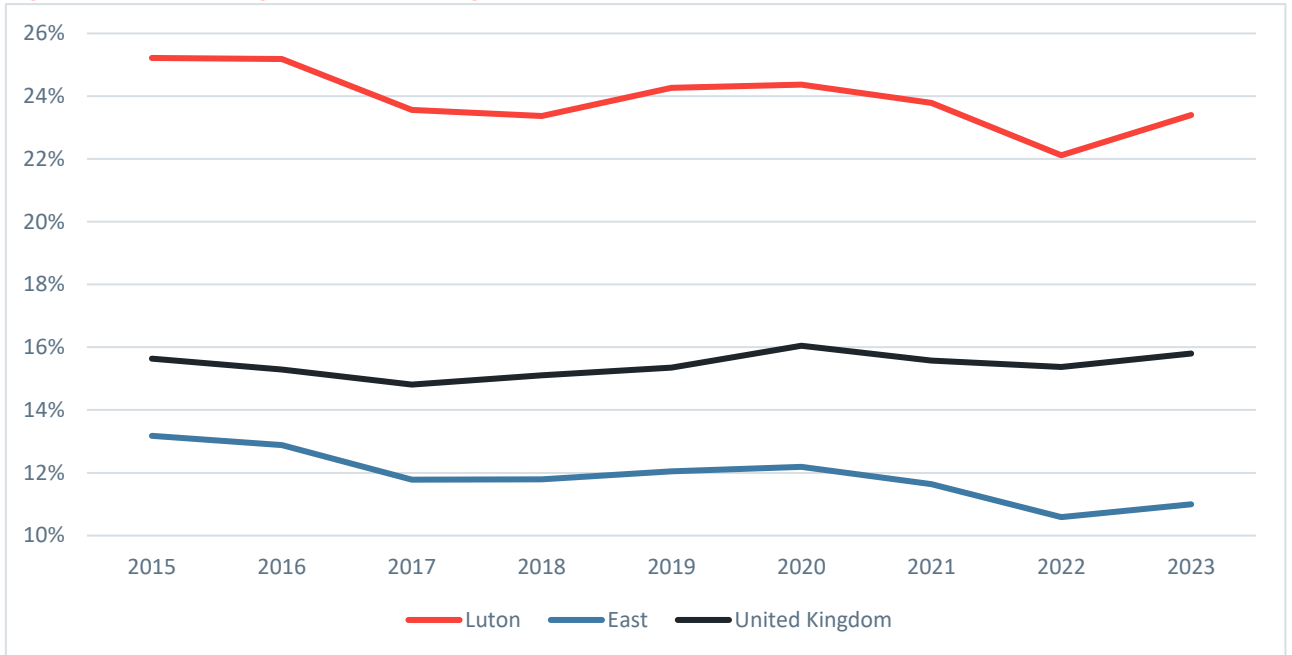
| | Luton | East of England | England |
|--|-------|-----------------|---------|
| Smoking Prevalence in adults (18+) - current smokers (APS) | 21.1% | 13.2% | 12.7% |
| Percentage of physically active adults | 57.6% | 67.7% | 67.1% |
| Overweight (including obesity) prevalence in adults | 63.4% | 64.8% | 64% |
| Year 6 prevalence of obesity (including severe obesity) | 28.2% | 20.6% | 22.7% |
| Smoking prevalence in adults in routine and manual occupations (18-64) - current smokers (APS) | 32.3% | 23.9% | 22.5% |

Source: Office for Health Improvement & Disparities (2022)

| Key Findings | Relevance to the Economic Growth Strategy |
|---|---|
| <p>In 2022, Luton had a significantly larger proportion of its adult population aged 18+ who are self-reported smokers, the third highest local authority in England. 21.1% of Luton’s population are estimated to be current smokers, this is larger than the regional and national proportions at 13.2% and 12.7%, respectively. This is coupled with a large proportion of adults in Luton, 32.3% of those who work in routine manual and occupations reporting that they are smokers. This is significantly higher than the East of England and England proportions at 23.9% and 22.5%, respectively.</p> | <p>Luton has a significant smoker population, as well as a substantial proportion of individuals considered not physically active. It is probable that these unhealthy lifestyle choices are a contributing factor to the relatively high under 75 mortality rates from all causes, cardiovascular diseases and cancer in Luton.</p> <p>Despite a smaller proportion of obese adults compared to the regional and national averages, it is important that interventions are identified to address childhood obesity rates in the town. This, in turn, will contribute towards reducing the under 75 mortality rate.</p> |
| <p>In total, 57.6% of adults in Luton were physically active in 2022/23, this is lower than the East of England at 67.7%, and England population at 67.1%.</p> | |
| <p>Luton had slightly less of its adult population deemed as overweight (including obesity) (63.4%) in 2022/23 than the East of England (64.8%), and national population (64.0%). However, prevalence of childhood obesity, in terms of those in year 6 at school, was significantly higher in Luton in 2022/23 at 28.2% than the regional population and national population, at 20.6% and 22.7%, respectively.</p> | |

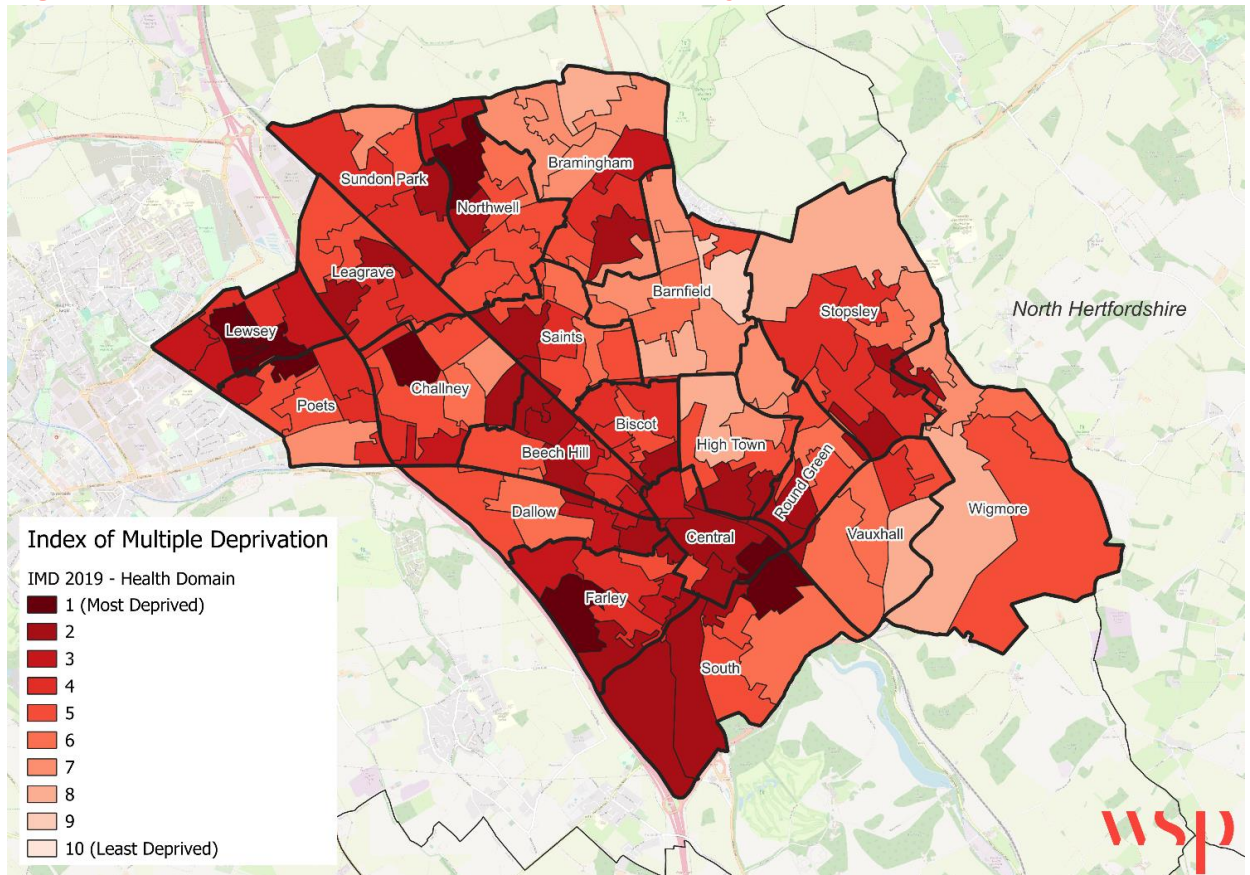
3.6.4 SOCIAL MOBILITY, WIDER DETERMINANTS OF HEALTH AND INEQUALITIES

Figure 3-12 - Percentage of children living in absolute low-income families



Source: Stat-Xplore (2024), ONS (2024)

Figure 3-13 - Map of health deprivation and disability in Luton, 2019



Source: Ministry of Housing, Communities & Local Government (2019)

The Social Mobility Commission¹⁶ combines data from multiple indicators to produce a single ‘composite’ score for four measures of social mobility. These measures are:

- **Promising prospects (PP)** – measures how well young people from similar socio-economic backgrounds do in education and the labour market
- **Conditions of childhood (CoC)** – captures whether the conditions children grow up in are good for promoting social mobility
- **Labour market opportunities for young people (LMO)** – highlights which areas offer more or less favourable employment opportunities for young people
- **Innovation and growth (I&G)** – shows which local authorities in the UK offer more or less favourable conditions to help promote innovation and economic growth.

| Key Findings | Relevance to the Economic Growth Strategy |
|---|--|
| <p>While Luton ranks in the second highest group, (Favourable), for PP and in the Middle Group for LMO and I&G, it ranks in the second lowest (Unfavourable) for CoC.</p> <p>The CoC measure brings together data focusing on child poverty, the distribution of parental education and the distribution of parental occupation.</p> <p>Figure 3-12 illustrates that the proportion of children living in absolute low-income families in Luton has consistently exceeded the averages for both the East of England and England overall. In 2023, 23.4% of children aged 15 and under in Luton were in absolute low-income families, ranking the 28th highest in the UK.</p> | <p>Luton has a significant proportion of under 16s in absolute low-income families. Childhood poverty is associated with premature mortality and poor health outcomes for adults. It can also result in poor educational attainment which limits the ability to access high-skilled, well-paid occupations and ultimately, social mobility.</p> <p>As noted in Luton’s 2040 Vision and its commitment to being a Marmot Town, Luton has made it a priority to address poverty and inequality. Luton’s Fairness Taskforce¹⁷ is an example of the initiatives that have been launched to bring together members of the community to create the force for change to reduce inequality, achieve net zero and enable social inclusion.</p> |
| <p>Figure 3-13 illustrates the differing levels of health deprivation, with the darker red showing the most deprived LSOA’s in the health domain. The health deprivation and disability domain suggest that Luton has relatively high levels of health and disability deprivation, ranking in the top 83 of 317 Local Authorities, with 39 of its 121 LSOA’s within the top 30% most deprived LSOA’s in the country.</p> | <p>Given Luton’s relatively poor performance in regard to the Health domain of the 2019 IMD, it is evident that more needs to be done to address the risk of premature death and the impairment of quality of life through poor physical and mental health, in particular around the Central ward¹⁸.</p> |

¹⁶ [Luton - Social Mobility Commission State of the Nation - GOV.UK \(data.gov.uk\)](https://data.gov.uk/dataset/social-mobility-commission-state-of-the-nation)

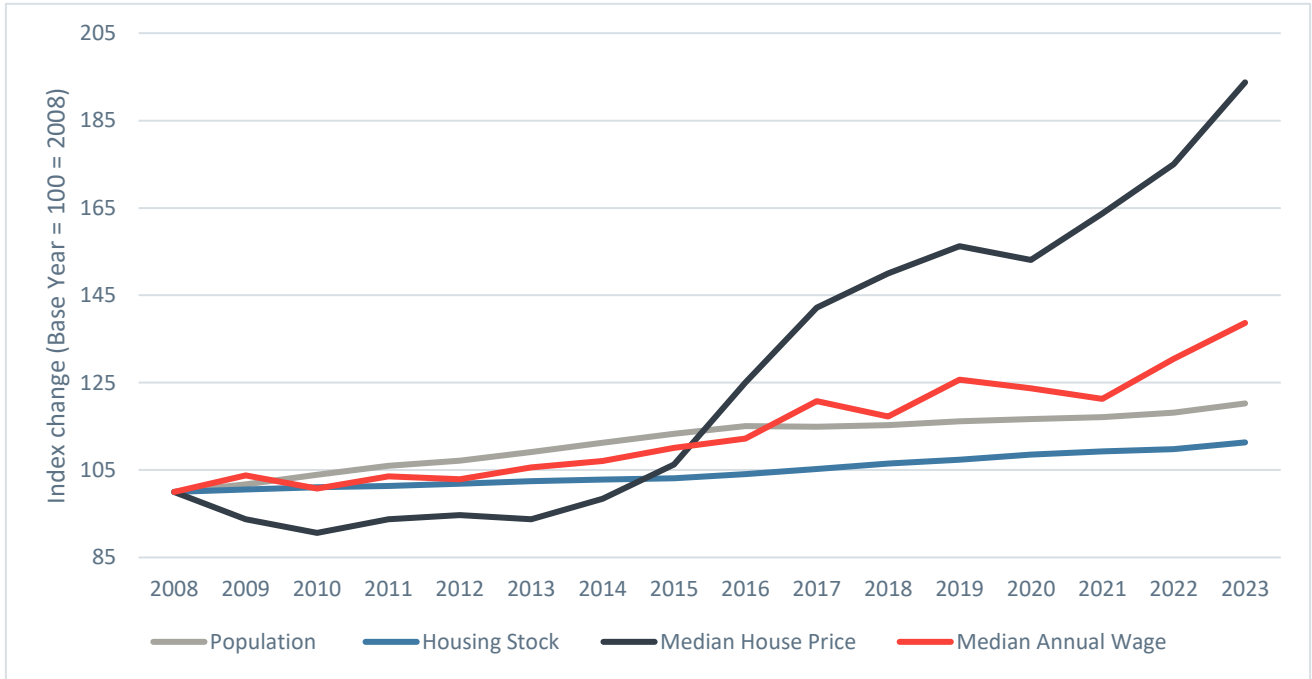
¹⁷ [Fairness strategy - a town built on fairness and social justice \(luton.gov.uk\)](https://luton.gov.uk/fairness-strategy-a-town-built-on-fairness-and-social-justice)

¹⁸ [English indices of deprivation 2019 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/english-indices-of-deprivation-2019)

3.7 HOUSING

3.7.1 HOUSING STOCK AND HOUSE PRICES

Figure 3-14 - Change in population, housing stock, house prices and wages, 2008-2023

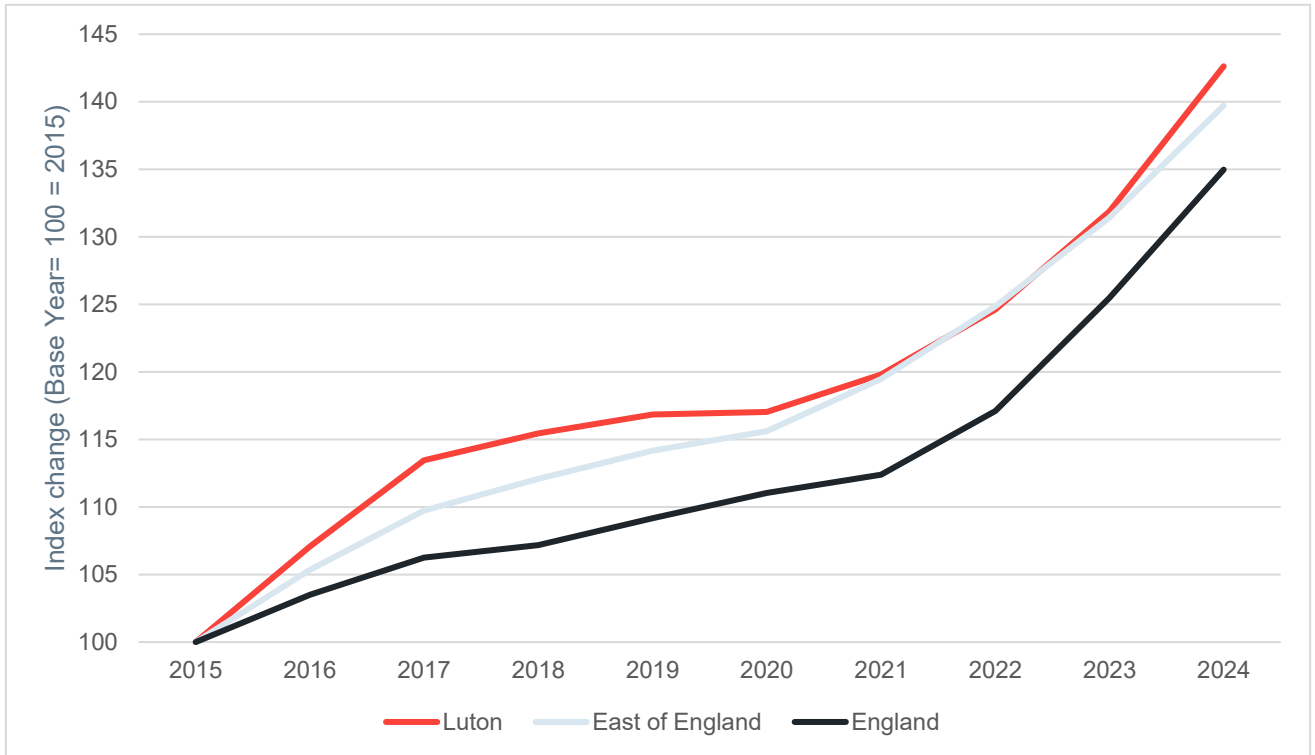


Source: ONS – Estimates of the population for England and Wales (2024), Ministry of Housing, Communities & Local Government – Live tables on dwelling stock (2024), ONS – Median house prices for administrative geographies, and ONS- Annual survey for hours and earnings – resident analysis (2023)

| Key Findings | Relevance to the Economic Growth Strategy |
|---|---|
| <p>The median house price in Luton in 2023 was approximately £310,000, this is below the East of England median price at £342,500 but above the UK average at £290,000 in the same year.</p> <p>However as shown in Figure 3-14 housing supply in Luton has failed to meet demand causing price rises. Error! Reference source not found. illustrates how the population has grown by 20% since 2008, yet housing stock in Luton has grown by just 11% over the same time period. This is met with house prices increasing (+94%) by more than double that of resident wages increases (+39%) from 2008 to 2023.</p> | <p>Luton’s Housing Strategy 2022-2027 indicates that there is a strong need for larger three-bed and four-bed properties in the town to accommodate multi-generational households. However, stakeholder consultations suggest that low land values, rising construction costs, and limited land availability make it increasingly challenging to deliver new housing developments.</p> <p>Slow growth in housing supply and a lack of larger properties in the town will limit Luton’s ability to attract a diverse labour force, including young professionals and skilled labour.</p> |

3.7.2 HOUSING RENTAL PRICES

Figure 3-15 – Index change in rent prices, 2015-2024 ¹⁹



Source: ONS – Price Index of Private Rents, UK: monthly price statistics (2024)

| Key Findings | Relevance to the Economic Growth Strategy |
|---|---|
| <p>The average monthly rent price in Luton as of September 2024 was £1,118. This is the average across all house types and bedroom numbers. This figure is below the average for the East of England, which is £1,177, and the England average of £1,336. ²⁰</p> | |
| <p>As shown in Figure 3-15, average monthly rent has grown faster in Luton from 2015 to 2024 than both the East of England and England averages, growing by 43%, compared to 40% in the East of England and 35% in England.</p> | |

¹⁹ Figure 3-15 illustrates yearly average of monthly rent prices. The year 2024 only includes data from January to September, the most recent data at the time.

²⁰ These values represent the mean, not the median; therefore, outliers may be influencing the results. However, the data represents the timeliest information available which is important given recent cost-of-living crisis associated rental price increases.

| | |
|---|--|
| <p>In 2021, 12% of homes in Luton were deemed overcrowded with fewer bedrooms than required. This is substantially higher than the East of England with 3% of homes and national with 4% of homes. In 2021, Luton ranked as the 16th highest Local Authority in the UK for the percentage of homes considered overcrowded.</p> | <p>Despite relatively cheaper rental prices, evidence gathered via stakeholder engagement highlighted that some homes in the private rented sector are of poor quality. Poor quality housing, which can be seen in Luton's high share of overcrowded homes, can impact on health outcomes and increase the risk of long-term illness or disability.</p> |
| <p>As of March 2024, Luton had nearly 1,000 households in temporary accommodation, of which 921 contained children. Luton has the 18th highest temporary accommodation rate per thousand households in England, of all local authorities with a rate of 13.91 compared to 3.16 in the East of England and 4.87 for England as a whole.</p> | <p>In addition, LBC has indicated that number of people on their housing waiting list has grown significantly in the past year. Coupling this with private landlords choosing to withdraw their property from the Council's supply in recent years has resulted in increased costs for the Council.</p> <p>These trends are reflected in the high rate of households in temporary accommodation within the borough.</p> <p>This suggests that there is a clear need for additional high-quality affordable homes in Luton, which in turn will reduce pressures on the private rented sector and the council to provide housing for those currently unable to access it without support.</p> <p>Luton's current Local Plan, adopted in 2017, requires 20% affordable housing on sites with more than 11 homes, compared to 30% in neighbouring local plans. Furthermore, Luton's Local Plan only provides for the delivery of 8,500 homes (compared to the need for 17,800 homes) over the plan period.. In recognition of the shortfall of provision, Luton's Housing Strategy 2022-2027 outlines targets and priority actions aimed at increasing the provision of affordable and family-sized homes.</p> |

3.8 SUMMARY

3.8.1 POPULATION SUMMARY

Luton, with a population of approximately 231,000 in 2023, has experienced a growth rate of 31.3% from 1992-2023, outpacing both the East of England and the UK. This growth, coupled with a higher average annual growth rate, indicates an expanding consumer market and labour force. However, this accelerated growth could also strain local resources and infrastructure.

Luton's age structure is significantly different from its comparators, with a relatively younger population and a larger share of its population of working age. Looking ahead, ONS population projections suggest that Luton's population will fall to approximately 201,800 in 2043, largely due to expectations of Luton not maintaining its growth in



younger age groups. However, Luton is still expected to remain largely younger compared to the East of England and the UK, with 46% of its population aged 34 and under. If Luton's population projection were to reflect recent trends and increase to 280,500 by 2043, it is assumed that the area would continue to see growth in younger age groups. In terms of diversity, Luton stands out with 55% of the population identifying as non-white, a figure that has increased from 45% in 2011 to 55% in 2021.

This increasing diversity, coupled with a relatively young and growing population, presents unique opportunities for economic and social development in Luton. However, the projected decrease in population and the ageing trend may pose future challenges. Despite this, Luton's diversity and relatively young population could continue to offer unique advantages for economic and social development.

3.8.2 SKILLS AND QUALIFICATIONS SUMMARY

In 2023, Luton's working-age population had lower qualification levels and a higher proportion in lower-skilled jobs compared to the East of England and the UK. Specifically, 11% had no qualifications, and 21% were in lower-skilled occupations. Conversely, only 41% were in high-skilled occupations. Luton's workplace earnings are slightly below the median resident earnings. This may indicate that the local job market consists of relatively lower-skilled positions, which tend to offer lower pay. In contrast, the higher earnings of residents could be attributed to those commuting to London, where it is likely there are more highly skilled and better-paying jobs available.

The lower qualification levels may limit the types of industries that can thrive in Luton, due to skilled workforce availability, impacting inflows of private sector investment into the local economy. The skills gap increases the challenge of attracting new businesses, particularly those in high-tech or specialised industries that require a highly skilled workforce. Addressing this skills gap needs to be a key priority.

While the current landscape and skills landscape of residents is below average, it is important to note that several initiatives and strategic plans have been launched in recent years to address key challenges in Luton such as the skills shortage, lack of career pathways and the barriers to learning/employment. These initiatives and strategic plans include but are not limited to, Luton's 2022 – 2027 Employment and Skills Strategy (as part of Vision 2040), the South East Midlands Local Skills Improvement Plan, the expansion of Morton House and employability programmes such as 'Passport to Employability'.

3.8.3 DEPRIVATION SUMMARY

Luton has a relatively high level of deprivation, with 33 of its 121 Lower-layer Super Output Areas (LSOAs) ranking within the top 20% most deprived areas in the country. Deprivation is particularly evident in relation to barriers to housing and services, where Luton ranks as the 22nd most deprived area in the country.

There are, however, disparities within Luton itself. Four LSOAs (Luton 020A, Luton 020E, Luton 003B, and Luton 018E) rank within the top 10% most deprived in the country, performing poorly across all domains except the living environment. In contrast, the North-East and South-East of Luton are significantly less deprived.

Areas with high deprivation often struggle with issues such as unemployment, low income, and poor health, which can limit economic growth, all factors which adversely



impact Luton. The lack of access to housing and services can also deter investment and make it difficult for businesses to attract and retain skilled workers.

3.8.4 HEALTH SUMMARY

Overall, Luton's health indicators are concerning. In 2022, life expectancy of both males and females was lower than the averages for the East of England and England, with the female population falling into the worst 25th percentile in England. Additionally, mortality rates were higher, particularly for those under 75.

Luton also had a significantly large proportion of adult smokers, the third highest in England. This, coupled with lower physical activity levels and high childhood obesity rates, indicates a potential future burden on health services. Furthermore, the high proportion of children in relative low-income families, associated with poor health outcomes, could exacerbate these health challenges.

There were however encouraging signs regarding wellbeing. In 2022/23, Luton's residents experienced lower levels of anxiety and reported higher levels of happiness and feelings of worth compared to the national and regional averages. Happier residents are more inclined to participate in community activities, support local businesses, and contribute positively to society. This progress can attract new residents and businesses, enhancing the town's appeal.

Health issues have implications for Luton's economy. They can lead to increased healthcare costs, reduced productivity due to ill health, and potential future economic challenges due to the impact on children's education and future earning potential. Addressing these health issues could lead to improved economic outcomes for Luton.

In recognition of the inequalities present in Luton, the town has showcased its commitment to improving health and wellbeing through its Population Wellbeing Strategy (as part of Vision 2040), being a Marmot Town and implementing initiatives such as the Fairness Taskforce.

3.8.1 HOUSING SUMMARY

In 2023, Luton's median house price was £310,000, lower than the East of England's £342,500 but higher than the UK average of £290,000. With rising demand, housing supply has increased but not quickly enough, especially to meet the need for family homes. Developers are not building sufficient consents for family accommodation. This contributed to prices soaring by 94% since 2008, while wages only increased by 39%. The town faces challenges in providing larger homes, such as three- and four-bedroom properties, due to low land values, rising construction costs and limited land availability.

Rent in Luton averaged £850 per month between October 2022 and September 2023, matching the national median but below the East of England's £925. Rent growth in Luton has been slower compared to the region and the country. However, poor-quality rental housing and a growing council housing waiting list highlight the need for more high-quality, affordable homes to ease pressure on the private rental market and support those in need.

Luton's current Local Plan, adopted in 2017, identifies a need for 17,800 homes over the 2011-2031 period but only plans for the delivery of 8,500 homes within the town, 20% of which will be affordable. The remaining homes are expected to be provided in neighbouring boroughs such as Central Bedfordshire and North Hertfordshire,



indicating that Luton's housing shortage is likely to remain a longstanding issue. Nevertheless, Luton's Housing Strategy 2022-2027, aligned with Vision 2040, underscores the critical role of quality housing in achieving the town's goal of becoming a fair and child-friendly community. It also outlines priority actions to increase the provision of affordable and family-sized housing.

Both the housing shortage and quality of housing are two critical issues for Luton. The housing shortage and rising prices in Luton could limit the town's attractiveness to new residents and strain existing resources. At the same time, more high-quality, affordable homes are needed to support the future population and improve living conditions of residents.

4 SOCIO-ECONOMIC BASELINE – DEMAND SIDE

4.1 INTRODUCTION

This section presents and analyses local demand side data on economic activity and business indicators relating to Luton. Data is presented on:

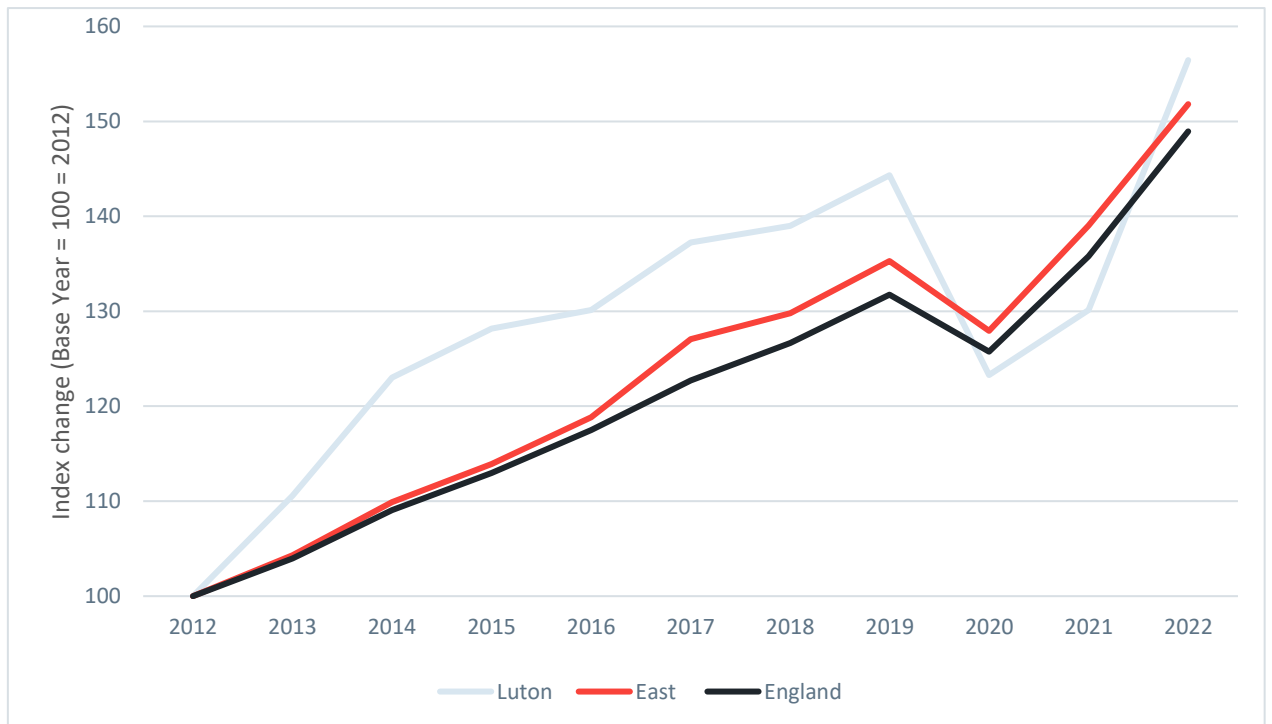
- Gross value added (GVA);
- Employment by sector;
- Employment opportunities;
- Business counts and growth rates; and
- Luton’s fastest growing sectors and Luton’s Green Economy.

To provide greater context to Luton’s overall economic performance, data is also compared to the East of England, and England or the United Kingdom or Great Britain where appropriate.

4.2 GVA

4.2.1 CHANGE IN GVA 2012-2022

Figure 4-1 - Change in Luton's GVA, 2012-2022



Source: Office for National Statistics – Regional gross value added (balanced) by industry (2024)

| Key Findings | Relevance to the Economic Growth Strategy |
|---|--|
| <p>In 2022 Luton's GVA was approximately £6.6 billion.</p> | <p>Luton's economy has grown significantly over the past decade. However, due to high concentrations of residents employed in intermediate to low-skilled occupations, particularly within transportation and storage and retail activities, the economy was disproportionately impacted by the COVID-19 Pandemic, contracting at a greater rate than that observed regionally and nationally.</p> <p>Despite this lack of resilience during the pandemic, Luton's economy has bounced back, with output levels in 2022 considerably surpassing pre-pandemic levels.</p> |
| <p>Over the period 2012 to 2022 Luton's economy grew by 56.4%; a faster growth rate than that in East of England and England, which grew by 51.8% and 48.9%, respectively, over the same time period.</p> | |
| <p>Luton's average annual growth rate from 2012 to 2022, was 4.6% CAGR, this compared to the East of England and England, at 4.3% and 4.1%, respectively.</p> | |

4.2.2 GVA PER SECTOR

Table 4-1 - Luton GVA, 2022

| Industry | Share of total GVA |
|--|--------------------|
| Transportation and storage | 19% |
| Administrative and support service activities | 16% |
| Wholesale and retail trade; repair of motor vehicles | 12% |
| Manufacturing | 12% |
| Real estate activities | 10% |
| Human health and social work activities | 7% |
| Education | 6% |
| Professional, scientific and technical activities | 4% |
| Public administration and defence | 4% |
| Construction | 4% |
| Accommodation and food service activities | 2% |
| Information and communication | 2% |
| Other service activities | 1% |
| Financial and insurance activities | 1% |
| Arts, entertainment and recreation | 0% |
| Activities of households | 0% |
| Electricity, gas, water; sewerage and waste management | 0% |

| | |
|--|----|
| Agriculture, forestry and fishing; mining and quarrying | 0% |
|--|----|

Source: ONS – Regional gross value added (balanced) by industry (2024)

| Key Findings | Relevance to the Economic Growth Strategy |
|--|--|
| <p>The largest contributing sector to Luton’s economy in 2022 was the Transportation and Storage sector, particularly within the Land, Water and Air Transport sub-sector, accounting for 19% of total GVA.</p> | <p>Luton’s GVA is focused primarily in two sectors: Transport and Storage and Administrative and Support Service Activities. This is relatively unique to Luton, with only 4% of the East of England’s GVA within the Transportation and Storage sector, and only 6% of the East of England’s GVA within the Administrative and Support Service Activities sector.</p> <p>In addition, the Wholesale and Retail Trade (12%), Manufacturing (12%) and Real Estate Activities (10%) sectors make up over a third of Luton’s gross output. However, it is worth noting that the Manufacturing sector has contracted substantially since 2015, by 23%, falling from Luton’s largest contributor to total gross output to its fourth.</p> |
| <p>The second largest contributor to Luton’s GVA is the Administrative and Support Service Activities sector, accounting for 16% of Luton’s GVA.</p> | |
| <p>The Transportation and Storage sector in Luton, in terms of GVA, has grown nearly four times faster from 2010 to 2022 than the East of England and England average growth rate for this sector. The sector has grown at 11.5% CAGR in Luton, meanwhile the East of England and England CAGR for the Transport sector is lower at 3.3% and 2.6%, respectively.</p> | |
| <p>The Financial and Insurance sector and the Electricity, Gas, Water and Waste sector in Luton has experienced negative average growth rates from 2010 to 2022.</p> | |

4.2.3 GVA PER EMPLOYEE PER SECTOR

Table 4-2 - GVA per employee in Luton, 2022

| Sector | GVA per employee for Luton ²¹ | GVA per employee – East of England average | GVA per employee – England average |
|--|--|--|------------------------------------|
| Total | £60,400 (average) | £64,800 (average) | £69,400 (average) |
| Agriculture, forestry and fishing; mining and quarrying | N/A ²² | £48,600 | £42,700 |
| Manufacturing | £128,700 | £92,900 | £85,600 |
| Electricity, gas, water; sewerage and waste management | £52,400 | £130,600 | £135,800 |
| Construction | £57,800 | £83,200 | £87,400 |
| Wholesale and retail trade; repair of motor vehicles | £72,700 | £54,000 | £52,300 |
| Transportation and storage | £126,000 | £49,100 | £48,800 |
| Accommodation and food service activities | £25,800 | £25,400 | £27,700 |
| Information and communication | £57,000 | £81,400 | £104,300 |
| Financial and insurance activities | £78,000 | £140,400 | £196,600 |
| Real estate activities | £283,600 | £460,600 | £434,600 |
| Professional, scientific and technical activities | £42,700 | £59,695 | £63,800 |
| Administrative and support service activities | £30,000 | £35,200 | £40,400 |
| Public administration and defence | £75,100 | £80,500 | £79,200 |
| Education | £49,800 | £46,500 | £49,900 |
| Human health and social work activities | £44,500 | £39,600 | £40,000 |
| Arts, entertainment and recreation | £17,700 | £32,700 | £41,400 |
| Other service activities | £48,800 | £68,600 | £59,200 |

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

²¹ Cells are shaded green or red to indicate whether Luton's GVA per sector is greater or less than the England average.

²² Agriculture sector GVA in Luton in 2022 was less than £1 million so has been rounded down to zero in reported figures. Therefore, it is not possible to calculate GVA per employee in this sector.

| Key Findings | Relevance to the Economic Strategy |
|---|---|
| <p>GVA per employee provides a measure of productivity. Luton's GVA per employee stood at approximately £60,400 in 2022. This is approximately 7% lower than the East of England at £64,700, and 15% lower than the England level at £69,400.</p> | <p>Luton's productivity has declined in recent years and is, on the whole, lower than at the regional and national level. Declining levels of productivity are linked to reduced competitiveness and disincentivises inward investment.</p> |
| <p>Luton's productivity levels, measured by the average annual growth rate of GVA per employee from 2015 to 2022 was negative at -0.1% CAGR. This contrasts to the East of England (3.1% CAGR) and England as a whole (2.9% CAGR) which have seen productivity levels increase on a year-on-year basis over the same period.</p> | <p>Despite this, the sectors of Manufacturing, Wholesale and Retail Trade, Transportation and Storage were significantly more productive in Luton compared to the East of England and England as a whole. This is reflective of the town's traditional strengths in these sectors.</p> |
| <p>GVA per employee in Luton fell at a greater rate than comparator areas in 2020. From 2019 to 2020, Luton's GVA per employee fell by -16%, compared to -5% in the East of England and -3% in England.</p> | <p>The SEMLEP²³ Strategic Economic Plan highlights that the region has strengths in the following sectors:</p> |
| <p>The sector with the highest GVA per employee in Luton is the Real Estate sector at £283,600, however this sector in Luton is significantly less productive than the average in the East of England and England. The Financial and Insurance sector is Luton's fourth most productive sector, however like the Real Estate Sector, this typically highly productive sector is performing significantly worse in terms of productivity in Luton.</p> | <ul style="list-style-type: none"> • High Performance Technology – aerospace, automotive, electronics, low emissions technologies, motor sports, Next Generation Transport (NGT) and precision engineering • Manufacturing & Advanced Technology – food & drink, footwear, material and prototype testing |
| <p>The second and third most productive sectors in Luton are the Manufacturing sector at £128,700, and the Transportation Sector at £126,000. These sectors in Luton are also significantly more productive than the East of England and England average.</p> | <ul style="list-style-type: none"> • Logistics – freight transport, warehousing & storage and wholesale of goods • Creative & Cultural – advertising and marketing, arts, design, digital, film, publishing, sport and tourism/visitor economy |
| <p>Only the Manufacturing, Wholesale and Retail, Transportation and Storage and Health sectors in Luton are more productive than the average for England as a whole.</p> | <ul style="list-style-type: none"> • <p>There is an opportunity for Luton to benefit from its comparative advantages in sectors such as aviation by aligning with the SEMLEP strategy. The aviation sector's supply chain relies heavily on key SEMLEP target sectors, including performance</p> |

²³ The South East Midlands Local Enterprise Partnership (SEMLEP), which formally closed as a registered limited company in 2024, covered the areas of Bedford Borough, Central Bedfordshire, Luton, Milton Keynes, North Northamptonshire and West Northamptonshire.

technology, advanced manufacturing, logistics, and increasingly, clean aviation technology to support the sector's green transition.

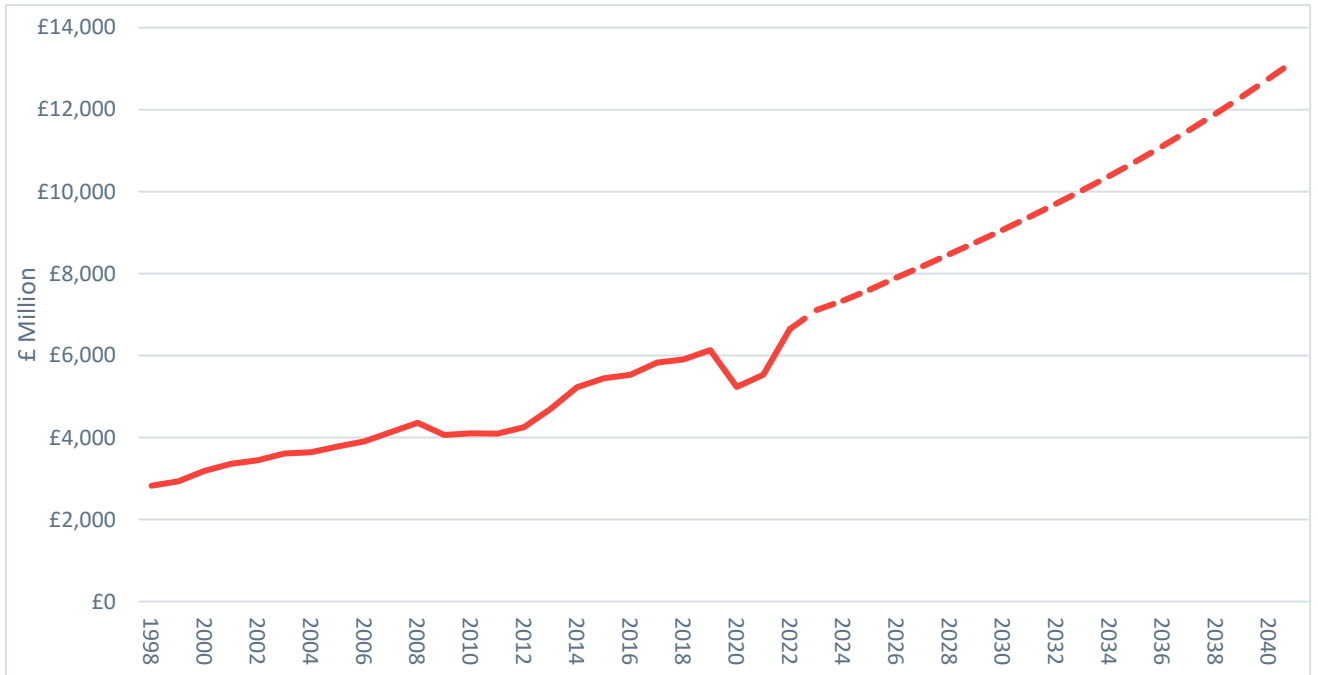
It is worth noting that Luton's development pipeline offers a significant opportunity to enhance key sectors. An example of this is the Green Horizon's development, which aims to be the first science and innovation park designed to be climate positive. The draft concept review for the park, published in September 2023, identifies that the focus of Green Horizons should be Future Mobility, given that it would strongly support existing clusters in Luton, link to core assets and still allows for connections to emerging technologies such as fuels.



4.2.4 GVA PROJECTIONS

As previously presented, GVA in Luton has been on an upward trend. Utilising Oxford Economic GVA forecasts, assuming *ceteris paribus*, GVA in Luton could be approximately £13.2 billion in 2041. This would represent an increase of 98.6% from 2022 figures.²⁴

Figure 4-2 - Historic and forecast GVA Luton



Source: WSP, Oxford Economics and ONS – Regional gross value added (balanced) by industry (2024)

4.3 EMPLOYMENT

4.3.1 EMPLOYMENT STRUCTURE

As of 2022, approximately 109,995 people worked in Luton. Table 4-3 presents the employment structure of Luton.

Table 4-3 - Employment structure, 2022

| Broad Sector | Luton Employment | % of Total Employment in Luton | % of total Employment in East of England | % of total Employment in Great Britain |
|---------------------------------|------------------|--------------------------------|--|--|
| Agriculture, forestry & fishing | 35 | 0% | 2% | 2% |
| Mining, quarrying & utilities | 0 | 0% | 0% | 0% |
| Manufacturing | 6,000 | 5% | 7% | 7% |

²⁴ The GVA projections were derived by comparing historical UK trend GVA data with Luton's historical GVA. The variance between the UK trends and Luton's data was then applied to the Oxford Economic UK trend forecast, resulting in a Luton-specific projection.

| | | | | |
|---|----------------|-------------|-------------|-------------|
| Electricity, gas, steam and air conditioning supply | 35 | 0% | 0% | 0% |
| Water supply; sewerage, waste management and remediation activities | 175 | 0% | 1% | 1% |
| Construction | 4,500 | 4% | 7% | 5% |
| Wholesale and retail trade; repair of motor vehicles and motorcycles | 11,000 | 10% | 15% | 14% |
| Transport & storage | 10,000 | 9% | 6% | 5% |
| Accommodation & food services | 6,000 | 5% | 8% | 8% |
| Information & communication | 2,000 | 2% | 4% | 4% |
| Financial & insurance | 500 | 0% | 2% | 3% |
| Real estate activities | 2,250 | 2% | 2% | 2% |
| Professional, scientific & technical | 7,000 | 6% | 8% | 9% |
| Administration & support services | 35,000 | 32% | 11% | 9% |
| Public administration & defence | 3,500 | 3% | 3% | 5% |
| Education | 8,000 | 7% | 8% | 8% |
| Health | 11,000 | 10% | 12% | 13% |
| Arts, entertainment & recreation | 1,750 | 2% | 2% | 2% |
| Other service activities | 1,250 | 1% | 2% | 2% |
| Total people in employment | 109,995 | 100% | 100% | 100% |

Source: ONS - Business Register and Employment Survey (2023)

| Key Findings | Relevance to the Economic Growth Strategy |
|--|--|
| A significant proportion of the workforce is concentrated in the Administrative and Support Service Activities sector, with approximately 35,000 workers or 32% of employees within this sector. Employees in this sector are largely working in | Luton's employment structure is dominated by the sectors of Administration & Support Services, Wholesale & Retail Trade and Health, which together account for over 50% of |

| | |
|--|--|
| <p>Cleaning Activities with 14,000 workers, or 13% of Luton's total employees in this sector alone. Temporary Employment Agency Activities, also within the wider Administrative and Support Service sector also employ a large proportion, with 11,000 or 10% of Luton's employees within the sector.</p> | <p>the town's total employment. In particular the administration and support services sector is almost three times larger than that observed at the regional and national level. Any disruption to these sectors will likely have a significant impact on Luton's economy.</p> |
| <p>The Wholesale and Retail sector and the Health sector are the second largest employers, both employing 10% of Luton's total employees. However, both of these sectors employ proportionately less people than the East of England and England average.</p> | <p>Luton's relatively high number of individuals in lower-skilled roles within the Administration & Support Services sector, compared to regional and national levels, likely reflects the educational attainment of its residents.</p> |

Table 4-4 below presents Luton's top ten sectors in terms of employment at a more granular level by the two-digit Standard Industrial Classification (SIC) code. The table provides a more granular breakdown of the key industries shown in Table 4-3 to understand more specifically which employment activities represent the greatest share of total employment.

Table 4-4 - Employment structure of Luton, 2022

| Industry – 2 digit SIC | Luton | Percentage of Total Employment |
|--|---------------|--------------------------------|
| 81 : Services to buildings and landscape activities | 15,000 | 14% |
| 78 : Employment activities | 12,000 | 11% |
| 85 : Education | 8,000 | 7% |
| 86 : Human health activities | 8,000 | 7% |
| 47 : Retail trade, except of motor vehicles and motorcycles | 6,000 | 6% |
| 56 : Food and beverage service activities | 5,000 | 5% |
| 46 : Wholesale trade, except of motor vehicles and motorcycles | 3,500 | 3% |
| 51 : Air transport | 3,500 | 3% |
| 84 : Public administration and defence; compulsory social security | 3,500 | 3% |
| 80 : Security and investigation activities | 3,000 | 3% |
| Total | 67,500 | 62% |

Source: ONS - Business Register and Employment Survey (2023)

| | |
|---------------------|--|
| Key Findings | Relevance to the Economic Growth Strategy |
|---------------------|--|

| | |
|---|---|
| <p>The top 10 two-digit Standard Industrial Classification (SIC) sectors ²⁵ account for approximately 62% of total employment in Luton.</p> | |
| <p>As noted above, the top two sectors, Services to Buildings and Landscape Activities (employing 15,000) and Employment Activities (12,000) fall within the Administrative and Support sector. The majority of employees in these sectors are working within Cleaning and Temporary Employment sectors. There is also a significant proportion of the Administrative and Support sector working within Security and Investigation Activities, with this two-digit SIC code ranked 10th highest and employing 3,000 individuals in 2022.</p> | <p>Education (8,000 jobs), Human Health (8,000 jobs), Retail trade (6,000 jobs), Food and Beverage (5,000 jobs), and Wholesale (3,500 jobs) all feature in the top 10 industries, reflecting the importance of the foundational economy within Luton. This is employment which is concentrated in industries and sectors that provide goods and services essential for everyday life including social infrastructure.</p> |
| <p>The Air Transport industry employed 3,500 individuals in 2022, illustrating the importance of Luton Airport to the local economy. Employment in this industry has grown by 16.7% from 2018 to 2022. The Air Transport sector's relative strength in Luton is demonstrated by a location quotient in this industry of 3.2 in 2022. A study undertaken by Oxford Economics in 2015, estimated that the airport supported a total of 9,400 direct jobs, equating to 10% of all jobs in Luton.</p> <p>While employment in the Air Transport industry including employees directly involved in air-passenger travel activities, has grown since 2018, employment in the service activities sector that supports air transportation has fallen.</p> <p>Employment in the Service Activities Incidental to Air Transportation sector, which includes operation of terminals, air-traffic-control and ground service activities, fell by -25% from 2018 to 2022.</p> | <p>London Luton Airport is the UK's fifth largest airport, in terms of passengers. In 2019, economic activity supported by the airport contributed approximately £1.8 billion to the UK's GDP and sustained a total of 28,400 jobs²⁶. At a more local level, the airport supported a £831 million contribution to GDP and 11,800 jobs in Luton in the same year.</p> <p>Passenger numbers post COVID-19 have returned to approximately 81% of pre-pandemic levels, however the period between 2020 and 2024 had a significant financial impact on Luton Airport, with cumulative financial losses of approximately £550m.</p> <p>However, as demonstrated, the importance of Luton Airport to the vitality of the borough's economy cannot be overstated; the airport remains a significant Council owned asset.</p> <p>With substantial changes to the capacity of London Luton Airport planned, should the Development Consent Order be granted, the capacity of the airport will grow to 32 million passengers. Taking this in account, Oxford Economics estimates that airport's contribution to the UK's total GDP could grow to £3.4 billion</p> |

²⁵ Each broad sector is broken down into a number of two-digit Standard Industrial Classification (SIC) employment sectors to provide more detail on the types of activity taking place within an economy.

²⁶ [The Economic Impact of London Luton Airport \(arup.com\)](https://www.arup.com)

in 2043 and sustain 40,500 jobs. At the Luton level, this translates to £1.6 billion and a total employment contribution of 16,600.

4.3.2 LUTON'S LARGEST EMPLOYERS

Using operating address postcodes identified by The Data City platform,

Figure 4-3 below presents the location of 14 significant employers in Luton.²⁷ These companies include:

- **Amulet** – part of the Churchill group employing over 1,000 employees, specialising in providing security services. Established in Luton in 2010.
- **Carlisle Support Services Group** – Providing support services such as cleaning, security, event staff, and retail facilities support. Established in 2011 with offices in Luton and Leeds, employing approximately 2,000 employees in Luton and surrounding areas.
- **Chiltern Learning Trust** – A multi-academy trust with primary and secondary schools across Luton, Leighton Buzzard and Bedford, established in 2011 and employing over 1,100 employees.
- **Churchill Contract Services** – Facilities management company primarily providing cleaning services. Established in 2010, moving their headquarters to Luton in 2022 and employing approximately over 3,000 employees in Luton.
- **EasyJet** - a British low-cost airline with headquarters at London Luton Airport. EasyJet flights include national and international destinations and employ approximately 16,200 people nationally.
- **Ernst & Young** – A global leader in assurance, consulting, strategy and tax services, incorporated in 2001. Employing approximately 20,100 employees in the UK and circa 200 employees in Luton.
- **Fair Pay Services** – An umbrella company used by recruitment agencies who provide business support services in Northamptonshire and Luton, employing approximately 1,000 employees.
- **Hays** – A recruitment agency providing short-term and long-term placements, established in 1987 with approximately 3,500 agency workers.
- **IBC Vehicles** – Automotive manufacturing subsidiary of Vauxhall. Established in 1987 with a production plant in Luton employing approximately 1,100 employees.
- **Impellam Group** – Employment agency recruiter with its headquarters in Luton. The firm established in 2008, employing approximately 2,000 employees.

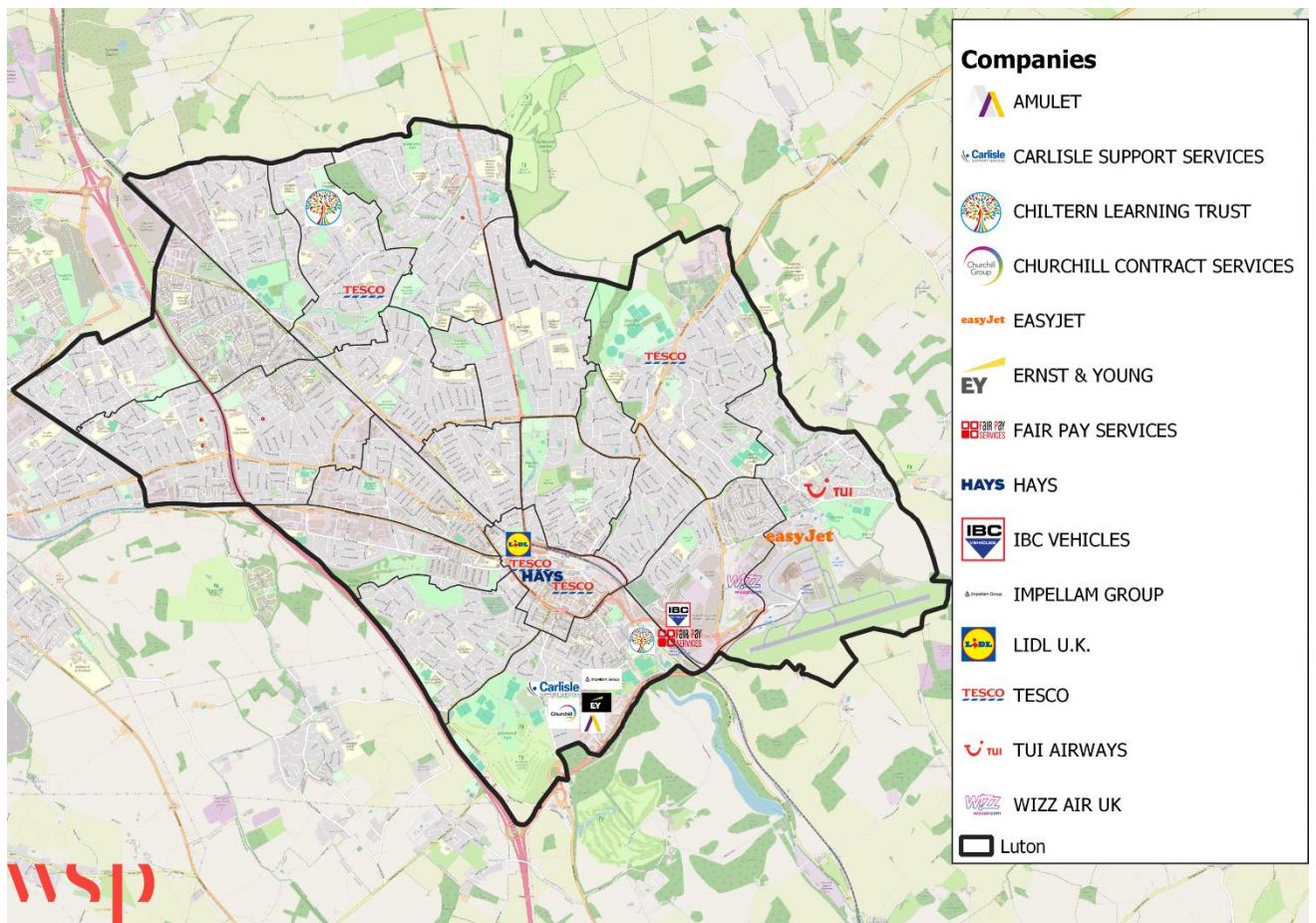
²⁷ Note that Tesco, Impellam Group and the Chiltern Learning Trust have multiple sites across Luton

- **Lidl** – Retail chain specialising in groceries with multiple stores in Luton, and in 2023 the firm opened its biggest distribution warehouse in the world in Luton (1.2 million sq. ft) which was also the first of Lidl’s distribution centres within Great Britain to feature automation. The centre services 150 stores and supports approximately 1,500 jobs.
- **Tesco** – Retail chain specialising in groceries with numerous stores in Luton, employing circa 250 employees.
- **TUI** – Airline operating from Luton airport and with headquarters located in Luton, employing circa 2,000 employees.
- **Wizz Air** – Low-cost airline operating from Luton airport and with headquarters located in Luton, employing circa 1,000 employees.

In terms of spatial distribution, a significant number of these employers are located:

- In the Capability Green business park in the ward of South;
- On Kimpton Road in the ward of Vauxhall; and
- In close proximity to London Luton Airport in the ward of Wigmore.

Figure 4-3 - Luton's largest employers



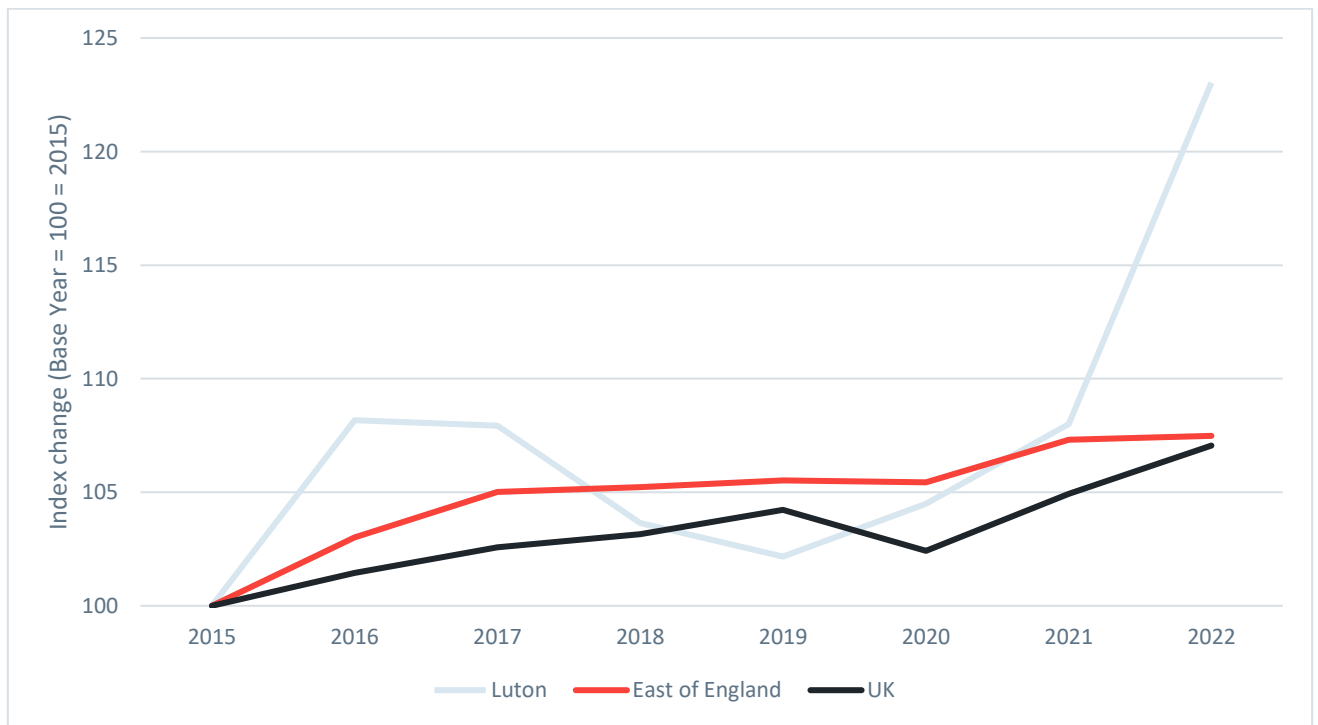
Source: Data City (extracted July 2024), WSP



4.3.3 EMPLOYMENT CHANGE 2015-2022

Total employment in Luton grew by 23% between 2015 and 2022, adding over 20,000 new jobs to the Luton economy. This is significantly faster (nearly three times) than the growth rate observed in East of England at 7.5% and Great Britain at 7.1% over the same time period. Luton's high growth rate is largely driven by a significant increase in employment between 2021 to 2022, where annual employment growth was recorded at 14%. This was largely driven by increases in the Administrative and Support Service Activities sector.

Figure 4-4 - Employment index change from 2015 to 2022, Luton and comparators



Source: ONS - Business Register and Employment Survey (2023)

Table 4-5 - Employment structure change in Luton, 2015-2022

| Industry | 2015 | 2022 | Total Change | % change |
|--|---------------|----------------|---------------------|-----------------|
| Agriculture, forestry & fishing | 15 | 35 | 20 | 133% |
| Mining, quarrying & utilities | 0 | 0 | 0 | 0% |
| Manufacturing | 9,000 | 6,000 | -3,000 | -33% |
| Electricity, gas, steam and air conditioning supply | 10 | 35 | 25 | 250% |
| Water supply; sewerage, waste management and remediation activities | 225 | 175 | -50 | -22% |
| Construction | 5,000 | 4,500 | -500 | -10% |
| Wholesale and retail trade; repair of motor vehicles and motorcycles | 13,000 | 11,000 | -2,000 | -15% |
| Transport & storage | 7,000 | 10,000 | 3,000 | 43% |
| Accommodation & food services | 4,500 | 6,000 | 1,500 | 33% |
| Information & communication | 2,000 | 2,000 | 0 | 0% |
| Financial & insurance | 1,250 | 500 | -750 | -60% |
| Real estate activities | 900 | 2,250 | 1,350 | 150% |
| Professional, scientific & technical | 6,000 | 7,000 | 1,000 | 17% |
| Administration & support services | 15,000 | 35,000 | 20,000 | 133% |
| Public administration & defence | 3,000 | 3,500 | 500 | 17% |
| Education | 9,000 | 8,000 | -1,000 | -11% |
| Health | 10,000 | 11,000 | 1,000 | 10% |
| Arts, entertainment & recreation | 1,750 | 1,750 | 0 | 0% |
| Other service activities | 1,750 | 1,250 | -500 | -29% |
| Total people in employment | 89,400 | 109,995 | 20,595 | 23% |

Source: ONS - Business Register and Employment Survey (2023)

| Key Findings | Relevance to the Economic Growth Strategy |
|---|---|
| <p>Luton's average annual growth rate from 2015 to 2022 was 3% CAGR, this is significantly faster than the East of England and Great Britain both at 1% CAGR.</p> | |
| <p>Luton's growth rate increased significantly between 2021 to 2022, where employment recorded almost 14% growth. As seen in Figure 4-4 above, this was largely driven by increases in the Administrative and Support Service Activities sector.</p> | |
| <p>Between 2015 and 2022, the broad sectors which have experienced the greatest growth in employment are the Real Estate sector (150% increase), Administrative and Support Services sector (133% increase), Transport sector (43% increase), and Accommodation and Food Service sector (33% increase) ²⁹.</p> | |

²⁹ Employment in the Agriculture, Forestry and Fishing sector and the Electricity, Gas, Steam and Air Conditioning Supply sector has also grown significantly from 2015 to 2022, by 133% and 250% respectively. However, these are relatively small sectors in Luton in terms of total employment so have not been mentioned here.

Over the same period there has been a decline in employment in some sectors. These include the Financial and Insurance sector (60% decrease), Manufacturing (33% decrease), Other Services sector (29% decrease), Wholesale and Retail (15% decrease), Education (11% decrease), and the Construction sector (10% decrease).³⁰

Increases in employment were seen throughout different sectors. The most significant increase in employment was seen in the Administrative and Support Services Activities sector. The increase in this sector was furthered in 2022 by the relocation to Luton of company Churchill Group, a company specialising in facilities cleaning. It must be noted Churchill Group's employees are likely to live and work both within and outside of Luton given the diversity of locations for their online vacancies.

Since 2015, the manufacturing sector in Luton has experienced a significant contraction, losing 3,000 jobs (33%). This decline is even more pronounced when compared to the sector's peak over the last nine years, which was 10,000 jobs in 2016, representing a greater contraction of 40%.²⁸ Luton used to have a higher share of its workforce employed in manufacturing than both Great Britain and the East of England, indicating a relative specialism. However, by 2019, it had fallen behind Great Britain, and by 2020, it had also fallen behind the East of England.

In line with trends observed nationally, further contractions are expected as the manufacturing sector continues to shrink. SKF, for example, recently announced the closure of their factory within Luton, with the loss of up to 300 manufacturing jobs in the town by the end of 2024.

Manufacturing is however a significant high value and highly productive sector in Luton and as a consequence, further contraction could have a significant impact on Luton's economy and the skills which exist within Luton labour force.

However, as noted above, the manufacturing sector has recorded increased productivity levels (measured by GVA per worker), which may indicate that the sector is, in fact, growing in efficiency, possibly through gains from automation. This is a relatively new trend in Luton, so conclusions cannot be fully drawn on whether the trend reflects productivity gains or short-term market forces.

The Government's draft Industrial Strategy identifies advanced manufacturing as a high growth sector, and Luton should look to explore how it can attract investment in this sector to continue to growth the contribution

manufacturing makes to its economy. It is important to build on the presence of key anchors such as Stellantis (Vauxhall) and Leonardo, its location within the OxCam Arc and the 'golden triangle' and the strength of its key educational assets such as the University of Bedfordshire's Science, Technology, Engineering and Mathematics building.

4.3.4 LOCATION QUOTIENTS – BROAD SECTORS

Location quotients analysis provides an understanding of an area's specialisms compared to a wider area. More specifically, it compares the share of employment in a sector within a geography to the share of employment within the same sector of a different geography.

Table 4-6 - Broad Sector Location Quotient, 2022

| Sector | Luton's Employment Structure Compared to the UK |
|--|---|
| A : Agriculture, forestry and fishing | 0.0 |
| B : Mining and quarrying | 0.0 |
| C : Manufacturing | 0.7 |
| D : Electricity, gas, steam and air conditioning supply | 0.1 |
| E : Water supply; sewerage, waste management and remediation activities | 0.2 |
| F : Construction | 0.8 |
| G : Wholesale and retail trade; repair of motor vehicles and motorcycles | 0.7 |
| H : Transportation and storage | 1.8 |
| I : Accommodation and food service activities | 0.7 |
| J : Information and communication | 0.4 |
| K : Financial and insurance activities | 0.1 |
| L : Real estate activities | 1.0 |
| M : Professional, scientific and technical activities | 0.7 |
| N : Administrative and support service activities | 3.6 |
| O : Public administration and defence; compulsory social security | 0.7 |

³⁰ The Water Supply; Sewerage, Waste Management and Remediation Activities sector has also experienced declines in employment from 2015 to 2022, by -22%. However, this a relatively small sector in Luton in terms of total employment so have not been mentioned here.

²⁸ Employment by industry values for Luton pre-2015 are not comparable to recent estimates due to methodological changes.

| | |
|---|-----|
| P : Education | 0.9 |
| Q : Human health and social work activities | 0.8 |
| R : Arts, entertainment and recreation | 0.7 |
| S : Other service activities | 0.6 |

Source: ONS - Business Register and Employment Survey (2023)

Assessing LQs at a 2-digit SIC code level highlights the importance of Luton airport as an employer, with Luton having significantly higher LQs, and therefore specialisms in the workforce, in the sub-sectors Air Transport (13.0) and Travel Agency, Tour Operator and Other Reservation Services (9.4).

Table 4-7 - Two-digit sector location quotient, 2022

| Two-digit sector | Luton's employment structure compared to the UK |
|---|--|
| 51 : Air transport | 13.0 |
| 79 : Travel agency, tour operator and other reservation service and related activities | 9.4 |
| 81 : Services to buildings and landscape activities (includes general support services such as landscaping and cleaning activities) | 5.8 |
| 80 : Security and investigation activities | 3.8 |
| 78 : Employment activities | 3.6 |
| 21 : Manufacture of basic pharmaceutical products and pharmaceutical preparations | 3.4 |
| 29 : Manufacture of motor vehicles, trailers and semi-trailers | 3.2 |
| 77 : Rental and leasing activities | 2.1 |
| 26 : Manufacture of computer, electronic and optical products | 1.7 |
| 49 : Land transport and transport via pipelines | 1.2 |
| 92 : Gambling and betting activities | 1.2 |
| 52 : Warehousing and support activities for transportation | 1.1 |
| 68 : Real estate activities | 1.1 |

Source: ONS - Business Register and Employment Survey (2023)

| Key Findings | Relevance to the Economic Growth Strategy |
|--|---|
| Table 4-6 illustrates that Luton has a significant presence in Administrative and Support Service Activities sector with a | Luton has labour supply specialisms in just two broad sectors, namely Administrative & Support Services and Transportation & Storage. Any |

| | |
|--|--|
| <p>location quotient of 3.6. This sector accounted for 32% of total employment in Luton in 2022, while only 11% in the East of England and only 9% in Great Britain.</p> | <p>disruptions to these sectors will likely have a substantial impact on Luton’s labour force and in turn, the town’s economic performance. It also demonstrates an imbalance in Luton’s economy, with many occupational roles within these sectors being lower skilled and lower paid.</p> |
| <p>Luton has a relatively strong presence in the Transportation and Storage sector with a location quotient greater than 1 at 1.8.</p> | <p>Globally, airlines downsized during COVID-19, and now post-pandemic, air travel demand has outpaced fleet capacity development. This has also impacted important airlines in Luton, such as EasyJet, though less severely than their competitors.³¹ The complex aircraft and supporting infrastructure supply chain involves highly specialised players and is therefore generally deemed “high-value,” offering highly skilled opportunities to individuals and making large contributions to local GVA. Growing Luton’s role in the supply chain, taking advantage of its strategic location, can offer further opportunities for the sector to contribute to Luton’s economy.</p> |
| <p>However, the rest of Luton’s sectors, with the exception of the Real Estate sector, location quotients fall below 1 indicating that Luton is underrepresented within these sectors compared to nationally.</p> | <p>Luton’s specialisms, particularly Administrative & Support Services, are in lower paid and lower skilled sectors. Employment in higher value sectors such as the Manufacturing and Financial & Insurance sector has declined. The decline in Luton’s manufacturing and financial sectors is a concern as it increases reliance on lower paid, lower skilled jobs. The fall in share of highly productive sectors may lead to lower average incomes contributing to broader social and economic challenges. To secure a sustainable future, Luton must invest in education, skills training, and initiatives to attract high-value industries.</p> |
| <p>Notable sectors that have high location quotients (other than Air Transport and Travel Agency, Tour Operator and Other Reservation Services) include sectors that fall within the Administrative and Support Service sector, such as the Services to Buildings and Landscape Activities sector (5.8), Security and investigation activities (3.8), Employment activities (3.6) and Rental and leasing activities (2.1).</p> | |

4.3.5 EMPLOYMENT PROJECTION

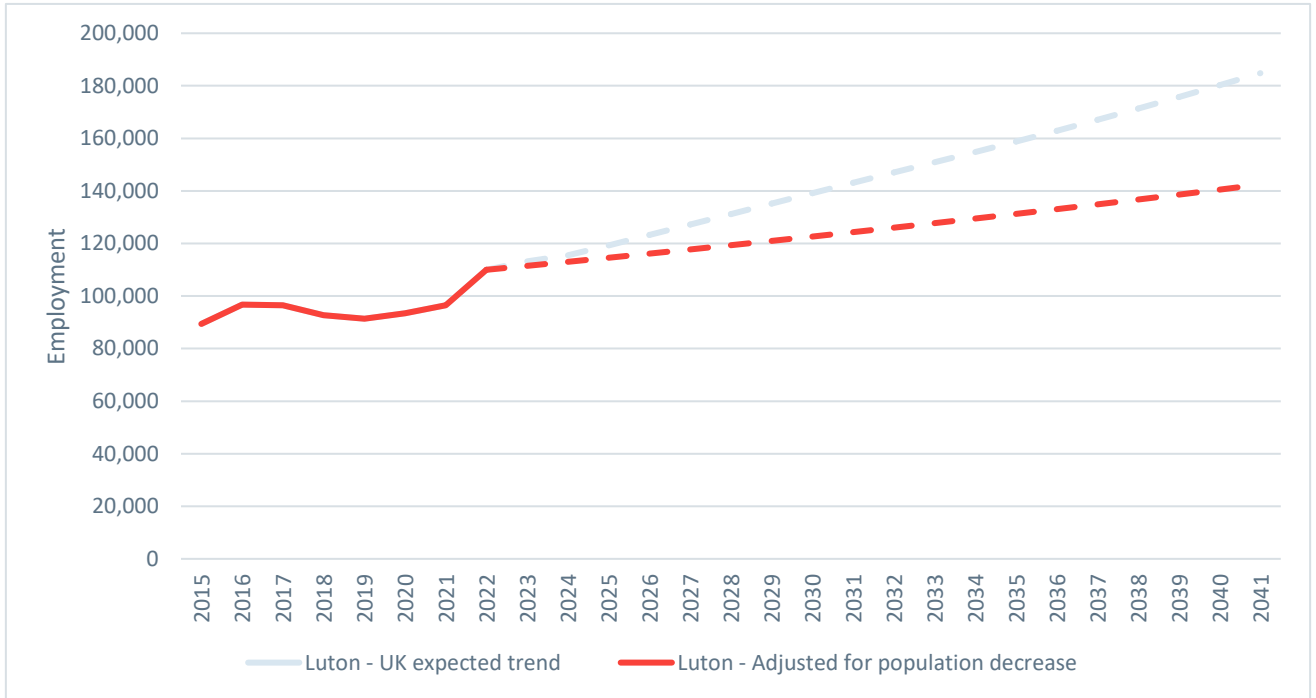
As previously discussed, employment in Luton has been on the upward trend. Utilising Oxford Economic employment forecasts at the UK level, assuming *ceteris paribus*, employment in Luton could be approximately at 184,800 in 2041. This would represent an increase of 68% from 2022 figures.³²

³¹ [EasyJet Market outlook – Fortune \(2024\)](#)

³² The employment projections were derived by comparing historical UK trend employment data with Luton’s historical employment. The variance between the UK trends and Luton’s data was then applied to the Oxford Economic UK trend forecast, resulting in a Luton-specific projection.

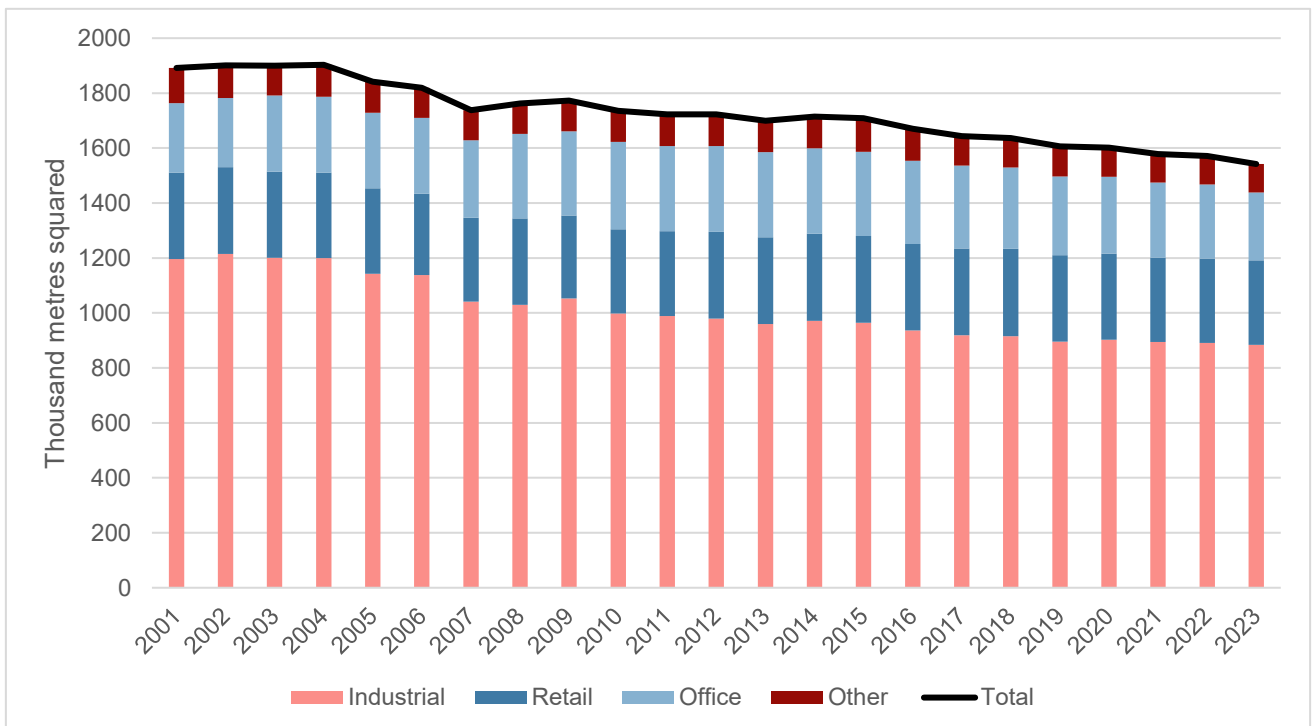
However, as noted in section 3.2.2, ONS population projections project Luton’s population to fall over the period to 2041. To account for this possible decrease in population Figure 4-5 below includes a revised employment projection.

Figure 4-5 - Historic and projected employment Luton



Source: WSP, Oxford Economics and ONS – Business Register and Employment Survey (2023)

Figure 4-6 - Business Floor Space by Sector, 2001-2023



Source: Valuation Office Agency - Non-domestic rating: stock of properties including business floorspace (2023)

| Key Findings | Relevance to the Economic Growth Strategy |
|---|---|
| <p>Figure 4-5 illustrates projected employment levels in Luton. Employment is expected to reach approximately 184,800 in 2041. This would represent an increase of 68% from 2022 figures.</p> <p>Total future employment may be reduced if ONS forecasted total and working-age population falls as noted in section 3.2.2. This revised forecast is shown in Figure 4-5 above and equates to approximately 142,400 employees in Luton by 2041. Representing an increase of 29.5% from 2022 levels.</p> | <p>The anticipated increase in employment levels in Luton by 2041 could significantly boost the local economy by attracting new businesses and investments. A larger workforce can foster innovation and productivity, making Luton a more competitive and vibrant economic hub. However, it will be crucial to ensure that the local infrastructure, commercial and housing market can support this growth to avoid potential strains on resources.</p> <p>In terms of Luton’s commercial real estate market, accommodating employment growth in key sectors such as aviation will be important going forward. Luton’s office market experienced a significant boost in 2023, with office take-up reaching a five-year high of 110,000 sq. Ft. Growth was largely driven by the expansion of London Luton Airport and increased passenger numbers. Despite rising office vacancy rates and falling rents, the potential expansion of the airport to increase its capacity presents an upside risk, likely generating further demand for office space from airlines and related supply chain businesses.³³</p> <p>In the wider East of England region, demand for logistics space surged in Q2 2024, with the best vacant spaces being quickly acquired. Luton must ensure there is an adequate supply of office and industrial space to support further demand from business growth.³⁴</p> |
| <p>As shown in Figure 4-6 from 2001 to 2023 non-domestic floor space fell in Luton by -18% or 350 thousand metres squared. This fall in floorspace is largely the cause of a decrease in Industrial floorspace, which fell by 26% or 312 thousand metres squared over the time period.</p> | <p>Anecdotal evidence from stakeholders suggests that many office spaces have been converted into one- or two-bedroom flats, which may explain some of the decline in non-domestic floorspace.</p> <p>Ensuring there is both sufficient and appropriately employment space is essential for businesses to establish themselves and remain in Luton as they grow. Affordable workspace is crucial for supporting the scale-up of small and medium enterprises in Luton.</p> |

³³ [CoStar \(2024\) – Luton Office Market Takes Flight as Airport Eyes Growth](#)

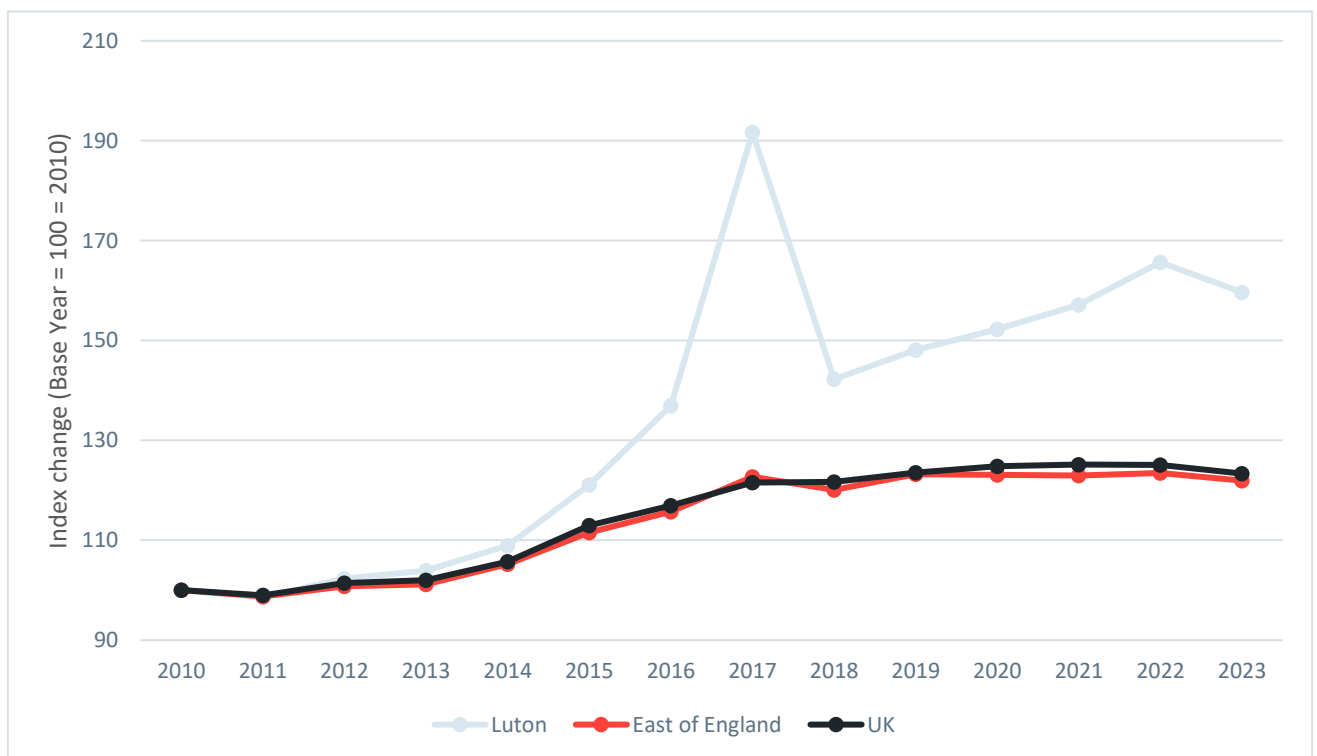
³⁴ [Savills \(2024\) – The Logistics Market in the East of England](#)

4.4 BUSINESSES

4.4.1 BUSINESS COUNTS

Figure 4-7 below illustrates business growth from 2010 to 2023. There is a large increase in businesses seen in 2017, which then returns to typical levels in 2018. This anomaly has been confirmed by the Office for National Statistics as being correct and may be due to a large increase in business registrations at a singular postcode, sometimes related to a virtual office ³⁵. Also, in 2016/2017 HMRC introduced new legislation for overseas sellers using online marketplaces meaning they had to register for VAT by a UK management company using their UK address, ONS data then scopes these establishments out in future publications ³⁶. The combination of these elements may have caused this discrepancy in Luton’s business count data.

Figure 4-7 - Index change of businesses from 2010 to 2023



Source: ONS - Business Register and Employment Survey (2023)

³⁵ Business demography explainer covering additional information on the impact of multiple registrations at a single postcode - <https://www.ons.gov.uk/businessindustryandtrade/business/activitiesizeandlocation/methodologies/multiplebusinessregistrationsatasinglepostcodeuk2021>

³⁶ Legislation change relating to overseas online marketplaces <https://www.gov.uk/guidance/vat-and-overseas-goods-sold-to-customers-in-the-uk-using-online-marketplaces>

| Key Findings | Relevance to the Economic Growth Strategy |
|---|--|
| <p>Over the period of 2013 to 2023, the number of businesses in Luton grew by 54% to 8,995 businesses in 2023. This growth rate is faster than that of East of England and United Kingdom at 21% over the same time period.</p> <p>This growth was mainly driven by a 340% expansion in the transportation and storage sector, particularly from new freight transport and micro-parcel delivery businesses. The construction sector also significantly contributed, especially through micro-businesses in commercial and residential building construction.</p> | <p>Over the past decade, Luton has experienced significant growth in its business counts, outstripping both the East and the UK as a whole.</p> <p>All of this growth can be attributed to micro and small businesses, that employ between 0 to 49 people, suggesting that Luton is a hub for start-ups and entrepreneurial activities.</p> <p>Whilst the presence of smaller businesses is beneficial, the relatively large contraction in businesses in Luton between 2022 and 2023 was due to a decline in micro businesses (that employ 0 to 9 employees) and highlights the vulnerability of these businesses to economic shocks.</p> |
| <p>The average annual growth rate of businesses in Luton from 2013 to 2023, has also been higher at 4.4% CAGR than the East of England and United Kingdom at 1.9%.</p> | <p>It is worth noting that the number of medium to large businesses (that employ above 50 people) has contracted by 16.1% between 2010-2023. This could suggest that Luton lacks adequate infrastructure to support larger businesses.</p> |
| <p>Luton did record a slight fall in the number of businesses from 2022 to 2023, this was a pattern seen both in the East of England and the United Kingdom. However, Luton did have a slightly higher fall in businesses at -3.6%, compared to -1.2% in the East of England and -1.4% in the UK.</p> | <p>Despite this, there are a number of developments expected to come forward in and around the town such as The Stage, as part of the redevelopment of the town centre. These developments will provide significant space for new businesses and should provide adequate infrastructure for larger businesses.</p> |
| <p>The Creative sector comprises approximately 0.7% of all businesses in Luton and generally consists of small companies with 1-3 employees.</p> | <p>The Digital, Creative, and Advanced Manufacturing sectors are crucial for diversifying Luton's economy, as highlighted in the Luton 2020-2040 vision. These sectors typically provide high-value, well-paid jobs that equip workers with future-ready skills. Supporting these industries is essential for achieving economic diversification.</p> |
| <p>The Digital sector, employs approximately 2.8% of Luton's total workforce, with large companies primarily located in the Wigmore, Central, and South wards. According to The Data City's growth projections, the sector is expected to grow annually by 2.1%.</p> | <p>Building on established sectors in Luton, such as transport and aviation, and leveraging their close supply links to</p> |

| | |
|---|---|
| <p>The Advanced Manufacturing sector in Luton comprises approximately 0.4% of all businesses and 0.4% of the total workforce. The sector is projected to grow by 5.5% annually. Many companies in this sector specialise in computer-aided manufacturing utilising CNC milling, and also specialise in forming techniques to shape materials, often metal, into precise, high-performance components.</p> | <p>advanced manufacturing can further bolster key sectors. Many advanced manufacturing firms in Luton are part of the aviation and transport sectors' supply chains.</p> |
| <p>There are approximately 124 social enterprises in Luton. Luton has a higher density of social enterprises, with 13.8 social enterprises per 1,000 companies, compared to 8.5 per 1,000 companies in the East of England and 10.7 per 1,000 companies in the UK.</p> <p>The highest proportion of social enterprises in Luton are within the education sector (28%), particularly in cultural education, which includes the provision of creative outlets, and other educational services, such as supporting alternative education, CV writing support, and support to ethnic minorities.</p> <p>There is also a significant proportion of social enterprises in the health sector (23%), providing social work activities such as support for abuse victims, equality and diversity services, and family support. Additionally, 20% of social enterprises are within the arts, entertainment, and recreation sector, offering services such as community-based arts programmes.</p> | <p>Social enterprises are businesses with a mission to benefit society and the environment. They prioritise people and the planet, reinvesting profits to further their goals. These enterprises help reduce economic inequality, improve social justice, and promote sustainability.</p> <p>In Luton, social enterprises play a crucial role in the local economy by addressing social issues, as well as creating jobs. These enterprises enhance educational services, health support, and community arts programs, fostering community cohesion and economic resilience. These institutions are vital in making Luton a more inclusive and supportive place to live and work. It's important for Luton to support, foster collaborations, and raise awareness of social enterprises to maximise their positive impact.</p> <p>It will be important for the economic strategy to consider how Luton can build on the strong foundations provided by the social enterprise sector to realise inclusive economic growth and promote a fairer economy within Luton.</p> |

4.4.2 BUSINESS SURVIVAL RATES

Table 4-8 - Business Survival Rates registered in 2019

| Geography | 1-year survival % | 2-year survival % | 3-year survival % |
|------------------------|--------------------------|--------------------------|--------------------------|
| Luton | 94.3% | 73.4% | 57.1% |
| East of England | 95.2% | 76.6% | 57.7% |
| United Kingdom | 94.6% | 74.6% | 55.9% |

Source: ONS, *Business demography* (2023)

| Key Findings | Relevance to the Economic Growth Strategy |
|---|--|
| <p>Overall businesses in Luton have a slightly lower 1 year survival rate than the East of England and United Kingdom average. Table 4-8 below shows the 1-3 year survival rate of enterprises across Luton, East of England, and UK.</p> | <p>Despite significant micro and small business growth over the last decade, Luton has a lower survival rate compared to regional and national averages. This highlights a greater need to understand the reasons businesses are failing and the challenges businesses face operating in Luton. Working with the Chamber and other organisations with strong ties may be required to understand where the gaps are in the current level of support. There is a clear need to ensure that new businesses are able compete in the market and grow.</p> |
| <p>94.3% of Luton’s businesses remain open after their first year. This is 0.9 and 0.3 percentage points lower than the East of England and UK, respectively.</p> | <p>Luton’s 2040 ambitions aim to eradicate poverty and promote inclusive growth. Anchor institutions like London Luton Airport, with its Responsible Business Strategy, support the local economy and reduce poverty. Initiatives such as the Real Living Wage and Love Luton campaigns, backed by businesses, voluntary groups, and the Council, foster community engagement. By leveraging these institutions, Luton builds community wealth, ensuring future growth benefits everyone.</p> |
| <p>This trend is the same in terms of second year survival, but slightly worse. 73.4% of businesses in Luton remain open after their second year. This is 3.2 and 1.2 percentage points lower than the East of England and UK, respectively. Luton trails behind the East of England in terms of business survival in the third-year of opening at 57.1% compared to 57.7%, yet outperform the national average by 1.2 percentage points.</p> | <p>Social enterprises, trading for social or environmental purposes, also play a significant role. They combine business principles with social goals, creating sustainable solutions to societal challenges while generating economic value. In the East of England, social enterprises outperform the UK average financially and often operate regionally.³⁷ Together, anchor institutions and social enterprises drive inclusive growth and community wealth in Luton.</p> |

³⁷ Social Enterprise UK (2021) – [State of Social Enterprise in the East of England](#)

4.5 INWARD INVESTMENT

There are several developments and proposals that have come forward or may take place in Luton and the surrounding area in the near future. These developments will result in a number of economic benefits, providing significant job opportunities for Luton's residents and creating an environment that boosts investor confidence to draw in greater levels of inward investment.

Some of these projects are:

- **The Stage** – Replacing the Bute Street Shoppers' car park, The Stage is expected to be a landmark mixed-use development with over 400 homes, multi-use performance and community space (including commercial office space), retail, a new cycle hub and improved public realm³⁸. The development will provide job opportunities for local residents and will look to promote local talent.
- **Green Horizons Science and Innovation Park** – Aiming to be the first science and innovation park designed to be carbon negative, the Green Horizons Science and Innovation Park will provide a mix of accommodation and support services to accelerate the growth of businesses in their scale-up phase³⁹. Green Horizons Park has a significant focus on future mobility, leveraging Luton's strengths in aviation, aerospace, commercial vehicles, and precision engineering. The park will need to build on regional clusters, such as Milton Keynes for electric vehicles and Cranfield for aviation research and underscore the need for sustainable technologies like future fuels. Strategic partnerships, particularly with Cranfield University, are deemed crucial for success. The park can attract significant investment, create high-skilled jobs, and drive long-term economic growth, positioning Luton as a key player in the future mobility market while contributing to net zero emissions goals.
- **The expansion of London Luton Airport** – Growing the airport's passenger handling capacity from 18 million passengers to 32 million by 2040 is expected to bring with it significant benefits. This includes supporting the delivery of almost 11,000 new jobs, providing an additional economic benefit of £1.5 billion per annum and delivering new connectivity in the local area which in turn will attract new businesses and improve productivity⁴⁰.
- **Luton Town Centre Masterplan** – The Town Centre Masterplan is a comprehensive vision for transforming the town centre over the next 20 to 30 years. In alignment with Luton 2040, the plan aims to reimagine the town centre through:
 - Achieving greater town centre resilience by accommodating a greater mix of uses,

³⁸ Luton Borough Council (2024) – [The Stage Public Consultation Report](#)

³⁹ Luton Rising – [Green Horizons Science and Innovation Park](#)

⁴⁰ Luton Rising – [Outline need case: Future Luton](#)

- Ensuring the masterplan works for the local population, particularly those on low incomes
 - Making the best use of Luton’s existing heritage, assets and built resources
 - Developing a transport, access and movement system that promotes a step-change in active and sustainable living
 - Significantly improving the environment and its resilience to climate change⁴¹.
- **Power Court** – Development plans for Luton Town Football Club’s new stadium at the Power Court site are underway, with the club planning to move from Kenilworth Road in the near future. The latest outline consents for the Power Court site indicate that it will provide a 23,000-capacity stadium, 1,200 residential units, up to 10,800sqm of retail and food beverage floorspace, a new public plaza (Power Court Square), a health and community space, and various other commercial developments⁴².
 - **Capability Green** – This established business park is home to a wide range of occupiers, including EY, Astra Zeneca and Leonardo. The refurbishment and redevelopment of Buildings 400 and 450, completed by Q1 2024, provided additional high quality grade A office space for potential tenants.
 - **Junction Gateway** - Strategically located adjacent to the J10 of the M1, Junction is a 37-acre gateway logistics park being delivered by Wrenbridge in conjunction with Morgan Stanley. Expected to be completed by Q1 2025, the development will result in four warehouses ranging from 42,550 to 309,794 square feet.
 - **Prologis Park** – Having been granted hybrid planning permission in May 2023, Prologis is redeveloping the former Vauxhall Motors headquarters, Griffin House, and BWI Group site on Windmill Road to create a high-quality logistics and business park. The development will result in the creation of employment floor space providing new job opportunities, contributing to building a strong, competitive and sustainable local economy⁴³.
 - **Universal Studios Bedford** – the leaders and chief executives of six local authorities, including LBC, have endorsed Universal Destinations & Experiences’ potential theme park and resort project in Bedford. The project is expected to create 20,000 jobs during construction and an additional 20,000 jobs during its operational phase, some of which will be taken up by residents of Luton. Furthermore, it is expected that the theme park could deliver up to £50

⁴¹ Luton Borough Council (2023) – [Luton Town Centre Masterplan Framework](#)

⁴² Luton Borough Council (2024) - [Development Management Meeting](#)

⁴³ [DAS-Phase-2.pdf \(prologisgriffinhouseconsultation.co.uk\)](#)



billion of economic benefit to the UK during the construction phase and first 20 years of operation⁴⁴.

4.6 SUMMARY

4.6.1 GVA SUMMARY

In 2022, Luton's Gross Value Added (GVA) was approximately £6.6 billion, with a significant growth of 56.4% from 2012 to 2022, outpacing the growth in the East of England and England. The largest contributing sectors to Luton's GVA were the Transportation and Storage sector, specifically the provision of land, water and air transport and warehousing, and the Administrative and Support Service Activities sector, including activities that support general business operations such as employment agencies, services to buildings and office support, which are unique to Luton's economic structure compared to the East of England and England. The Retail and Wholesale sector, along with the Manufacturing sector, were also significant contributors, each constituting 12% of GVA in Luton in 2022.

However, Luton's GVA per employee, a measure of productivity, was lower than the regional and national levels. Despite this, sectors such as Manufacturing, Wholesale and Retail, Transportation and Storage, and Health in Luton were more productive than the England average.

Looking ahead, if current trends continue, Luton's GVA could reach approximately £10.2 billion by 2034, representing a significant increase from 2022 figures. This positive trajectory underscores the need for strategic planning and coordination to ensure sustainable and inclusive growth.

4.6.2 EMPLOYMENT SUMMARY

In 2022, Luton had a workforce of approximately 109,995 people, with a significant proportion employed in the Administrative and Support Service Activities sector, particularly in Cleaning Activities and Temporary Employment Agency Activities. The Wholesale and Retail sector and the health sector were also major employers. Notably, the Air Transport industry, reflecting the importance of Luton Airport to the local economy, employed 3,500 individuals. Employment in the Air Transport industry grew by 16.7% from 2018 to 2022. However, the Service Activities Incidental to Air Transportation sector saw a 25% decline in employment, potentially linked to automation within the industry.

From 2015 to 2022, total employment in Luton grew by 23%, significantly outpacing the growth in the East of England and Great Britain. This increase was largely driven by the Administrative and Support Service Activities sector, which saw substantial growth in business count over the same period. This sector was the third fastest growing in terms of business count, following the Transportation and Storage sector and the Construction sector. However, some sectors experienced declines in employment, including the Financial and Insurance sector and the Manufacturing sector.

⁴⁴ [Local government leaders unite in support of Universal's transformative theme park and resort project | Bedford Borough Council](#)



Based on the location quotients analysis, Luton has a significant presence in the Administrative and Support Service Activities sector and the Transportation and Storage sector, suggesting labour supply specialisms in these areas. This concentration of employment in specific sectors could have implications for Luton's economy, including its resilience to sector-specific shocks and its ability to attract diverse investment. Luton's employment being concentrated in the Administrative and Support Services sector poses future risk as this sector is a relatively low value sector, in terms of GVA per employee. Evidence from the 2011 Census, suggests historically that workers in high-value sectors such as Transport, Information and Communication, and Finance are more likely to travel over 30 km, potentially commuting from outside of Luton to their jobs. ⁴⁵ The lack of high value sectors in an economy could potentially stifle future GVA growth, productivity gains and limit local skills development.

4.6.3 BUSINESS SUMMARY

From 2013 to 2023, the number of businesses in Luton grew by 54% to 8,995, outpacing the growth rate in both the East of England and the United Kingdom. This growth was largely driven by the transportation and storage sector, which expanded by 340%, particularly due to new businesses focusing on freight transport by road and micro-parcel delivery companies. Additionally, the construction sector significantly contributed to this growth in business count, especially through micro-businesses involved in the construction of commercial and residential buildings. This rapid growth, however, was accompanied by a slight fall in the number of businesses from 2022 to 2023, a trend also observed in the wider region and the UK. Despite this, Luton's average annual growth rate of businesses during this period remained higher at 4.4% CAGR.

However, businesses in Luton have a slightly lower survival rate compared to the East of England and the United Kingdom average. While 94.3% of Luton's businesses remain open after their first year, this figure drops to 73.4% in the second year and 57.1% in the third year. These survival rates, although trailing behind the East of England, outperform the national average by the third year. This pattern of business growth and survival has implications for Luton's economy, potentially affecting job creation, economic stability, and the diversity of the local business ecosystem.

4.6.4 INWARD INVESTMENT SUMMARY

Luton is set to benefit from several major developments over the near future, totalling £5 billion of inward investment, bringing significant economic opportunities and job opportunities for the local economy. Developments, such as the expansion of the London Luton Airport and The Stage, will build on and create the right infrastructure that will enhance the competitiveness of the town and its attractiveness to potential investors.

⁴⁵ Census 2011 data is used for travel-to-work statistics because the Census 2021 data was significantly affected by COVID-19 and the potential temporary increase in employees working from home.



4.7 A FOCUS ON LUTON'S GROWTH SECTORS

4.7.1 INTRODUCTION

The Standard Industry Classification (SIC) code system⁴⁶ hasn't been updated since 2007. This means that traditional SIC codes no longer fully capture the evolving activities within an economy. As a solution The Data City created Real Time Industrial Classifications (RTICs) to complement SIC codes.

Analysis of The Data City platform provides insight into Luton's emerging and fastest growing sectors and companies. The Data City platform uses both SIC code system and RTICs to identify the fastest growing companies and their primary economic activities. This approach provides a more complete picture of the fastest growing sectors in Luton.

Understanding Luton's fastest-growing sectors enables foresight into potential employment land needs, ensuring businesses have space to establish and thrive. Balancing land needs between fast-growing sectors and important sectors for diversifying Luton's economy, as outlined in Luton's 2020-2040 vision, such as the green economy, digital, and creative industries, is crucial. Adequate and suitable space will support Luton's ambitions to help scale up small and emerging businesses and allow for the clustering of medium and larger businesses.

4.7.2 ANNUAL GROWTH VALUES OF COMPANIES

On the Data City platform, the projected growth rate of companies in each geographical area is determined by extrapolating from both current and past **employee** and **turnover** records. Specifically, the Platform adopts the concept of "Compound Annual Growth Rate (CAGR)". As quoted from the Data City website:

"Where a given company has at least three years of Turnover and Number of Employees, we create two CAGR values retrospectively. We average the result to create a single estimated company growth %. We determine a trend growth rate using linear regression to support with the changing growth rate between each year and to support with missing data."(Data City, 2023⁴⁷)

Where a company does not report turnover figures on their websites or reports, the Platform will estimate turnovers and its growth rates by assuming that similar companies have similar turnover to employee ratios (Data City, 2023⁴⁸). These company annual projected growth values can then be utilised to form a picture of expected growth for the sector.

Figure 4-8 below shows that the expected growth of companies in Luton is largely the same as the wider East of England region and the UK.⁴⁹ Luton has a slight increase in companies expected to "shrink fast", defined as having an expected annual growth rate of -20% or less. However, this is marginal with only 5% of companies in this category in Luton, compared to 4% in the East of England and the UK.

⁴⁶ ONS - https://onsdigital.github.io/dp-classification-tools/standard-industrial-classification/ONS_SIC_hierarchy_view.html

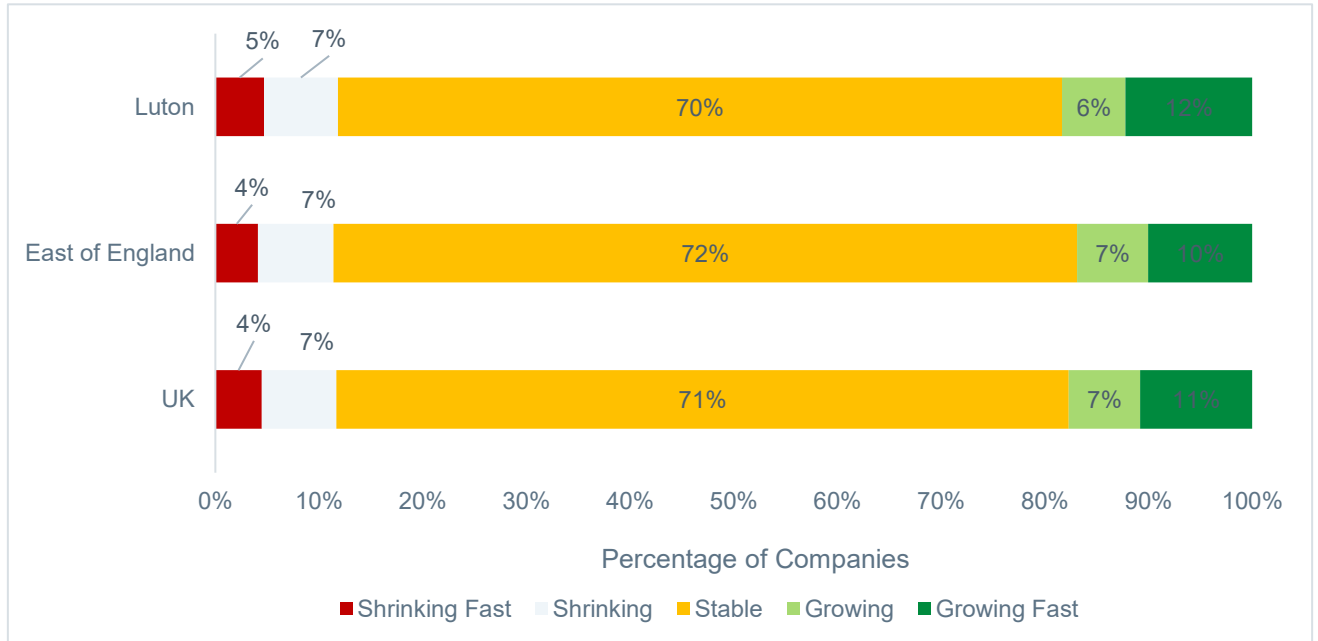
⁴⁷ The Data City – Identifying high-growth companies - <https://thedatacity.com/blog/identifying-high-growth-companies-in-data-explorer/>

⁴⁸ The Data City – Focusing on company growth - <https://thedatacity.com/blog/focusing-on-company-growth/>

⁴⁹ Contains only companies that have growth rates available.

Luton has a slightly higher number of companies expected to “grow fast,” defined as having an annual growth rate of 20% or more. Companies in this category in Luton include social care providers Join Hands Care and Flourish Advanced Care, private security provider 168 Security, and construction firm Highways Utilities, which focuses on water infrastructure. In Luton, 12% of all companies fall into the “grow fast” category, compared to 10% in the East of England and 11% in the UK.

Figure 4-8 - Annual expected growth of all companies, 2024



Source: The Data City, extracted July 2024

4.7.3 TOP 5 FASTEST GROWING SECTORS IN LUTON – EXISTING SECTORS

Figure 4-9 below illustrates the top 5 annual expected growth sectors in Luton. In three of Luton’s top expected growth sectors, Security and Investigation Activities, Employment Activities and Air Transport sector, Luton is expected to outstrip growth in the East of England and the UK. These three sectors are already relative specialisms in Luton, suggesting continued expansion in these areas.

While sectors such as Security and Investigation Activities and Employment Activities fall within the Administrative and Support Services sector, which typically offers lower-than-average pay in the UK, their growth can still be beneficial. Growth in these sectors can create a stable economic base and provide numerous job opportunities. Additionally, investing in training and development to enhance skills within these sectors can lead to greater job opportunities and higher pay overtime.

The highest expected annual growth sector in Luton is the Security and Investigation sector, which includes private security, security systems service, and investigation activities. This industry is expected to also grow nationally and in the East of England, however the growth in Luton is expected to be significant. Of the fastest growing companies, defined as having an expected growth rate 10% or above, in the Security and Investigation sector in Luton, 84.2% operate within the private security sector. These fast-growing firms are moderate in size with all but two businesses having under approximately 80 employees. The two large fast-growing firms include Amulet, part of



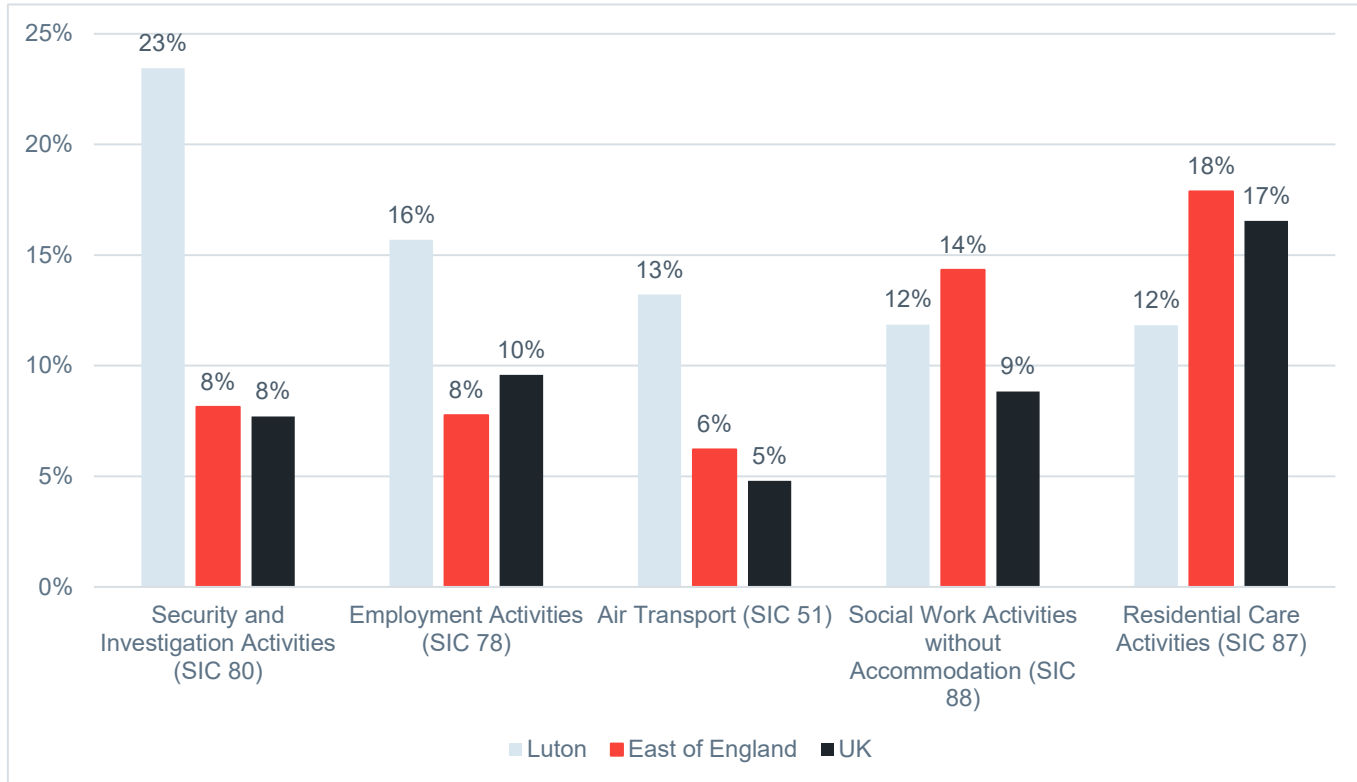
the Churchill group that has recently located to Cedar House in Capability Green, and 168 Security operating in the event security industry also located in Capability Green. It must be noted however that Churchill Group's employees are likely to live and work both within and outside of Luton.

The Employment Activities sector is also expected to be a fast-growing sector within Luton. Of the fastest growing firms in this industry 69.2% are operating in the temporary employment agent activities sector. These fast-growing businesses are relatively small with two companies with over 250 employees. These companies are human resource and recruitment consultant Impellam Group, headquarters located in Capability Green, and healthcare recruitment firm A24 Group within an office in Luton centre.

The expected rapid growth in the air transport sector is largely driven by major companies like Wizz Air and EasyJet, both based at Luton Airport. Additionally, smaller fast-growing companies such as Air Charter Scotland, a private jet hire service operating from Luton Airport, are contributing to this expansion. The significance of Luton Airport to the local economy cannot be overstated, as it is the fifth largest airport in the UK. Substantial capacity changes are planned for the airport, pending the approval of the Development Consent Order (DCO). According to Oxford Economic estimates, these changes could add £1.6 billion and 16,600 jobs to Luton's economy. This increase in airport capacity will further boost these already rapidly growing industries.

Luton is expected to have high annual growth in the Social Work Activities without Accommodation and Residential Care Activities sector, however not as fast as the East of England.

Figure 4-9 - Top 5 annual expected growth sectors in Luton, 2024



Source: The Data City, extracted July 2024

The Data City’s innovation score has been used to gain insight into the more innovative companies in Luton. The metric works by using their machine learning model to estimate how likely a company is to be engaging in R&D expenditure based on already known R&D spending companies and is used as a proxy for identifying an innovative company given the difficulty of both the definition and measuring of “innovation”. Further methodological information is available from The Data City’s knowledge base.⁵⁰ 155 innovative companies, likely to be investing in R&D, were identified. These companies were spread throughout many different industries. With the most represented sectors being software development, specifically security system/cybersecurity process development, and the development of applications for smartphone. Additionally, within the data infrastructure sector, companies predominantly providing hardware and components that make data transfer possible, as well as developing and commercialising software that contributes to efficient data management and transfer. Though these industries are relatively small in terms of their contribution to Luton’s total economy, they represent the more innovative firms.

⁵⁰ [The Data City Knowledge Base – Innovation Score](#)



4.7.4 LUTON'S ALIGNMENT WITH THE UK GOVERNMENT'S 'GROWTH DRIVING' SECTORS

On 14th October 2024, the UK Government released its draft Industrial Strategy, within which it identified a number of 'growth-driving sectors'. A number of these sectors have been analysed below to provide a sector 'snapshot' of Luton's current baseline and projected growth prospects within these sectors.

4.7.4.1 Advanced Manufacturing

The Advanced Manufacturing sector includes companies using the most innovative technologies and processes to increase productivity, often in the highest value-add parts of manufacturing sectors. This sector has been mapped for Luton utilising the definition set out by the Centre for Cities⁵¹ and The Data City Real-Time-Industrial-Classification (RTIC) "Advanced Manufacturing".

The sector within Luton records an above average concentration of employment compared to nationally with a location quotient of 1.5, however employment has fallen by 1,700 jobs since 2015 in Luton, driven by losses within the aerospace manufacturing sector (- 1,100 jobs), manufacture of computer, electrical and optical products (- 400 jobs) and automotive manufacturing (-250 jobs). These losses have however been offset to some degree by increases in pharmaceutical production (+250 jobs).

Table 4-9 - Advanced Manufacturing Sector in Luton

| | |
|---|---|
| Number of Companies (2024): 85 | Total Employment (2022): 3,810 |
| Growth Projection per year (Employment): +5.5% | Notable sub-sector activity: Automotive manufacturing, Computer-aided manufacturing utilising CNC milling, and forming techniques to shape materials, often metal, into precise, high-performance components. |
| Location: No clear clustering with businesses located across Luton in areas such as Suddon Park and close to the M1 | Business size: Mostly small businesses with less than 50 employees with the exception of anchors such as Stellantis (Vauxhall). |
| Significant Businesses: Stellantis (Vauxhall) who manufacture vans at its plant in Luton employing approximately 1,500 staff on-site. G.R.F Engineering is a precision engineering manufacturer utilising CNC milling and turning, employing approximately 33 individuals. Islebest specialise in metalworking solutions, manufacturing diverse products to a wide range of industries, employing approximately 25 individuals. | |

⁵¹ <https://www.centreforcities.org/reader/small-business-outlook-2015/appendix-a-note-on-sources-and-methodology/>

4.7.4.2 Clean Energy

The Clean Energy sector includes companies providing energy from low carbon and renewable sources, companies providing services/technology to capture energy for use at a later time, and organisations dedicated to energy management and energy infrastructure development / maintenance. This sector has been mapped for Luton utilising The Data City RTIC’s “Energy Generation” (excluding fossil fuels), “Net Zero: Energy Storage”, “Net Zero: Grid”, “Net Zero: Low Carbon Energy Generation” and “Net Zero: Renewables”.

Table 4-10 - Clean Energy Sector in Luton

| | |
|---|---|
| Number of Companies: 9 | Total Employment: 61 |
| Growth Projection per year (Employment): +0.2% | Notable sub-sector activity: Companies specialising in Solar PV panel design, installation and maintenance. |
| Location: No clear clustering | Business size: Mostly small and micro businesses with 10 or less employees. |
| Significant Businesses: SSU-Renewables are a solar PV panel installation and maintenance specialist, employing approximately 4 employees. A & M Heating are a Solar PV panel and heat pump installation specialist, employing approximately 2 employees. | |

Source: The Data City, extracted July 2024

4.7.4.3 Creative Industries

The Creative Industries sector includes digital creative companies using new technologies in creative markets such as advertising, film and music, media and publishing companies involved with the distribution of information in any form or medium, advertising companies providing marketing, advertising and product promotion and sales services, and gaming companies focused on the development, commercialisation, and advertising of video games and allied industries such as gaming events. This sector has been mapped for Luton utilising the DCMS Creative Industries definition by SIC code⁵².

52

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/499683/CIEE_Methodology.pdf

Of particular note within this sector is the growth of:

- 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;
- Computing programming and consultancy activities comprise just under half (45%) of all creative industry jobs in the town, employing over 800 people but have seen a year on year decline of approximately 4% per annum since 2015;
- 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 employing a total of 145 people in 2022; and
- Publishing of journals and periodicals represents 12% of total creative employment and has been growing at a rate of 8% per annum.

Table 4-11 - Creative Industries Sector in Luton

| | |
|---|--|
| Number of Companies: 550 (2024) | Total Employment: 1,800 (2022) |
| Growth Projection per year (Employment): -2.9% | Notable sub-sector activity: Companies providing printing services, companies involved in digital services such as animation or vfx for film and tv sector, and companies specialising in the design of strategies and resources (i.e. imagery or video) to attract audiences such as marketing consultancies. |
| Location: No identifiable cluster with small companies spread throughout Luton. | Business size: Mostly micro-companies with 1-9 employees. |
| Significant Businesses: WK360 are a creative design agency within the marketing sector specialising in imagery and packaging, employing approximately 20 employees. Clearhead Media are a film and video production agency specialising in video advertising located in Hat Works coworking space, employing approximately 10 employees. | |

Source: Source: The Data City, extracted July 2024, ONS (2022) Business Register and Employment Survey, ONS (2024) UK Business Counts

4.7.4.4 Digital and Technologies

The Digital and Technologies sector is based on the definition of the sector by the Department for Science, Innovation and Technology (DSIT), which follows the Organisation for Economic Co-operation and Development (OECD) definition of the “information society” and outlines SIC codes in the sector. The Data City digital-focussed RTICs have also been included to capture elements of the digital sector which 2007 SIC codes cannot capture and address the methodology limitations as highlighted by DSIT: “As the balance and make-up of the economy changes, the SIC is

less able to provide the detail for important elements of the UK economy related to the Digital Sector”.

Figure 4-10 - Digital and Technologies Sector in Luton

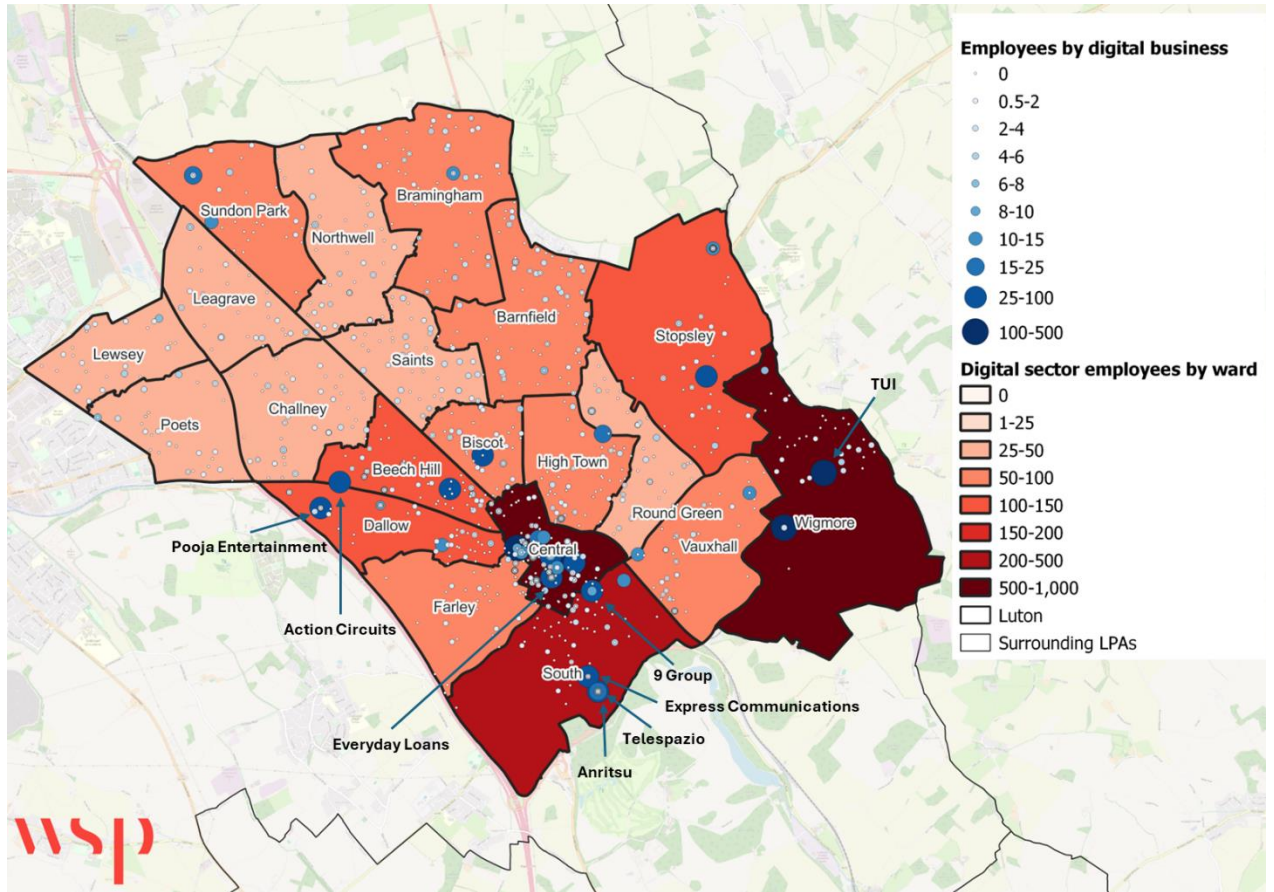
| | |
|--|---|
| Number of Companies: 1,587 | Total Employment: 3,032 |
| Growth Projection per year (Employment): +2.1% | Notable sub-sector activity: Companies specialising in planning and designing of computer systems which integrate hardware, software and communication technologies, and software development |
| Location: Larger companies located in Wigmore, Central and South. | Business size: Mostly small and medium sized companies, with a few 100+ employee companies |

Source: *The Data City*, extracted July 2024

Figure 4-11 illustrates the Digital Sector in Luton and shows the wards with the highest employee counts in darker red. Key companies are illustrated, such as:

- Telecom service provider 9Group
- IT solutions company Express Communications
- Satellite communication service provider Telespazio
- Telecommunications specialist Anritsu
- FinTech firm specialising in digital lending Everyday Loans
- Electronics company Action Circuits
- Film production company Pooja Studios

Figure 4-11 - Map of the Digital Sector in Luton, by wards



Source: The Data City, extracted July 2024



4.7.4.5 Life Sciences

4.7.4.6 The Life Sciences sector includes companies and organisations involved in research, manufacturing, human health, biology, biotechnology, and chemistry, as well as companies providing new technologies and services to the pharmaceutical industry. This sector has been mapped for Luton utilising The Data City RTIC's "Life Sciences", "Pharma" and "Biopharmaceutical".

Table 4-12 - Life Sciences Sector in Luton

| | |
|---|---|
| Number of Companies: 10 | Total Employment: 1,122 |
| Growth Projection per year (Employment): +9.1% | Notable sub-sector activity: companies specialising in life sciences manufacturing providing technologies, products and services that enable manufacturing specialised in life sciences material, particularly manufacture of medicines and medical devices. Large company AstraZeneca specialising in the production of pharmaceutical products and biotechnology research located in Capability Green. |
| Location: No clear clustering, but with a large employer located in Capability Green | Business size: Mostly small and micro businesses with 10 or less employees with one medium business (Smiths Medical), and one large business (AstraZeneca) accounting for a substantial amount of total employment in Luton in this sector. |
| Significant Businesses: AstraZeneca is one of the UK's leading biopharmaceutical companies specialising in the production of pharmaceutical products, with their corporate function office in Luton employing approximately 1,000 employees. Smiths Medical International are part of the wider Smiths Group, specialising in medical device manufacturing, with a site located in Luton employing approximately 80 employees. Opes International are a chemical manufacturer and supplier, with a specialism in acrylates, methacrylate and monomers, with a site in Luton employing approximately 15 employees. | |

Source: The Data City, extracted July 2024

4.8 LUTON'S GREEN ECONOMY

The Data City's data platform has also been used to measure the size and composition of Luton's Green Economy⁵³. The Data City's platform is able to measure Green Economy activity that falls outside of ONS categories. The ONS produces experimental estimates of green jobs utilising the Environmental Goods and Services Sector (EGSS) dataset and Low Carbon and Renewable Energy Economy (LCREE) survey; however, this data is not yet broken down and available below the national level.⁵⁴

Luton's Green Economy is defined by two interlinked components: the Enablers and the Engagers.

- **Enablers** in Luton's green economy contribute to the green economy and provide the infrastructure, technology, and key services in sectors such as Waste Management and Recycling, Diversion of Biodegradable Waste from Landfill, Renewable Energy Generation, Energy Storage, Low Emission Vehicles Infrastructure, and Clean Tech.
- **Engagers** play a crucial role in transitioning to a green economy. All sectors, from retail and hospitality to professional services, will need to reduce emissions. Supporting these sectors in their transition is key to ensuring Luton can contribute to the national net zero target. Companies are working to reduce their carbon impact by insulating buildings, reducing business travel, and implementing paper-free offices. These efforts are found across all sectors in Luton, even those not typically associated with the green economy.

This report explores the enablers and core green economy firms. It is also important to consider the role of engagers in the green economy and achieving net zero, as their participation is essential for meeting net zero goals. Diving deeper into the core green economy within Luton, the enablers, there are approximately 23 businesses operating in Luton, equivalent to 0.3% of businesses in Luton. This is a smaller proportion than that of the East of England region shown in Table 4-13. These companies account for approximately 417 direct jobs, equivalent to 0.4% of total employment in Luton, also smaller than the East of England.

⁵³ There are many different definitions of the green economy and what economic activity constitutes as green. The ONS Low Carbon and Renewable Energy Economy (LCREE) defines this as "Economic activities that deliver goods and services that are likely to help the UK generate lower emissions of greenhouse gases, predominantly carbon dioxide". The Data City's mapping of the green economy in the report [Mapping The Net Zero Economy](#) utilises this definition but expands on the taxonomy associated with green business, identifying almost 20,000 businesses operating in the green economy, compared to around 2,300 businesses sampled by the ONS Low-carbon and renewable energy economy database.

⁵⁴ [Experimental estimates of green jobs, UK 2024](#)

Table 4-13 - The Proportion of the Green Economy of the Total Economy

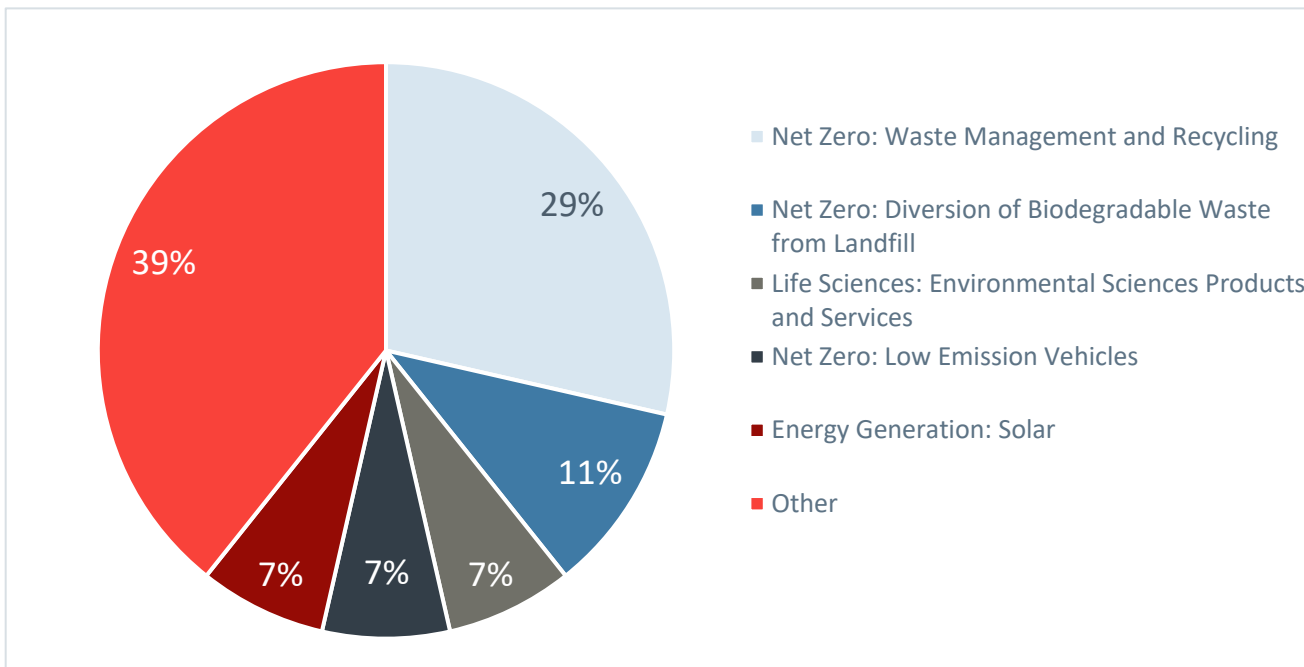
| | Luton | | East of England | |
|-----------------|-------|------------|-----------------|------------|
| | Jobs | Businesses | Jobs | Businesses |
| Enablers | 0.4% | 0.3% | 2.2% | 0.8% |

Source: The Data City, extracted July 2024 ⁵⁵

Luton’s businesses in the green economy are primarily involved in waste management and recycling. Figure 4-12 presents the economic activities of the Luton’s green economy. In total, 29% of businesses are operating in the Net Zero: Waste Management and Recycling sector, the largest proportion of all sectors, including activities relating to solid waste removal, management and processing.

The range of activities green economy businesses are engaged in in Luton is vast, demonstrated by the large other category.

Figure 4-12 - Green Economy Businesses in Luton by Economic Activity



Source: The Data City, extracted July 2024

4.8.1 LARGE GREEN ECONOMY EMPLOYERS






The top five employers of Luton’s green economy are companies operating in Environmental science products & services, Waste management & recycling, Agri-tech, Low Emission Vehicles, and Adapted Goods.

⁵⁵ May not sum due to rounding

Table 4-14 presents data on the top five Enablers by employment, with the biggest employers listed below:

- AllTask – Scaffolding contractor specialising in thermal insulation and environmental services
- X-Bert Haulage (known as Glynn’s Skip Hire) – Waste management company focussing on recycling from wood to a wide range of materials
- Crop’s Food – Combined food retail and manufacturer developing technologies and providing services transforming dominant/traditional agricultural practices.
- FPM Facilities Services – Electrical contracting and maintenance company specialising in EV charge point installation with staff Office for Zero Emission Vehicles (OZEV) approved
- Bell Packaging – Custom eco-friendly packaging manufacturer, supplier and exporter

Table 4-14 - The top five Enablers by employment in Luton

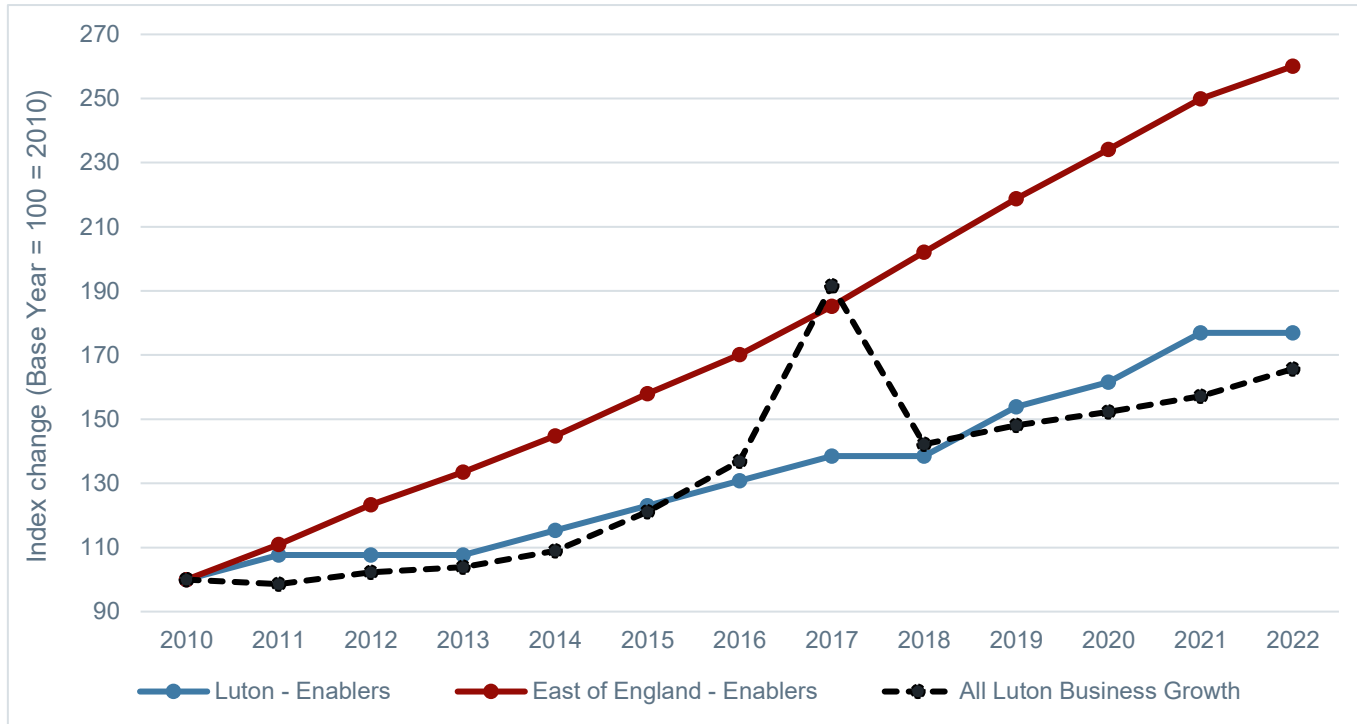
| | Business Name | Incorporation Year | Description | Employees Attributed to Luton | Annual Expected Growth of Employees | Turnover Attributed to Luton | Annual Company Expected Growth |
|---|---|---------------------------|---|--------------------------------------|--|-------------------------------------|---------------------------------------|
|  | AllTask | 1992 | Scaffolding contractor specialising in thermal, insulation and environmental services. Located in North Luton Industrial Estate | 177 | +11.8% | £20.2 Million | +9.8% |
|  | X-Bert Haulage (known as Glynn’s Skip Hire) | 2001 | Waste management and skip hire company focussing on recycling wood to a wide range of materials. Located on Toddington Road. | 56 | +6.1% | £9.3 Million | +4.0% |
|  | Crop’s Food | 1989 | Combined food retail and manufacturer developing technologies and providing services transforming dominant/traditional agricultural practices. Located in Capability Green. | 22 | +5.0% | £56.3 Million | +5.6% |
|  | FPM Facilities Services | 2002 | Provides facilities services, specialising in EV charge point installation. Located in Capability Green. | 18 | +0.8% | £1.1 Million | +0.8% |
|  | Bell Packaging | 1974 | Packaging supplier and manufacturer specialising in eco-friendly packaging solutions. Located on Airport Way near Luton Airport. | 8 | -9.0% | £1.9 Million | -9.0% |

Source: The Data City, extracted July 2024

4.8.2 GREEN ECONOMY GROWTH

Luton’s green economy, in terms of number of businesses, has grown by 77% since 2010. However, this is slower than the East of England over the same period with 160% growth in the number of green economy businesses.

Figure 4-13 - Indexation of growth rate of number of Green Economy businesses, 2010-2022

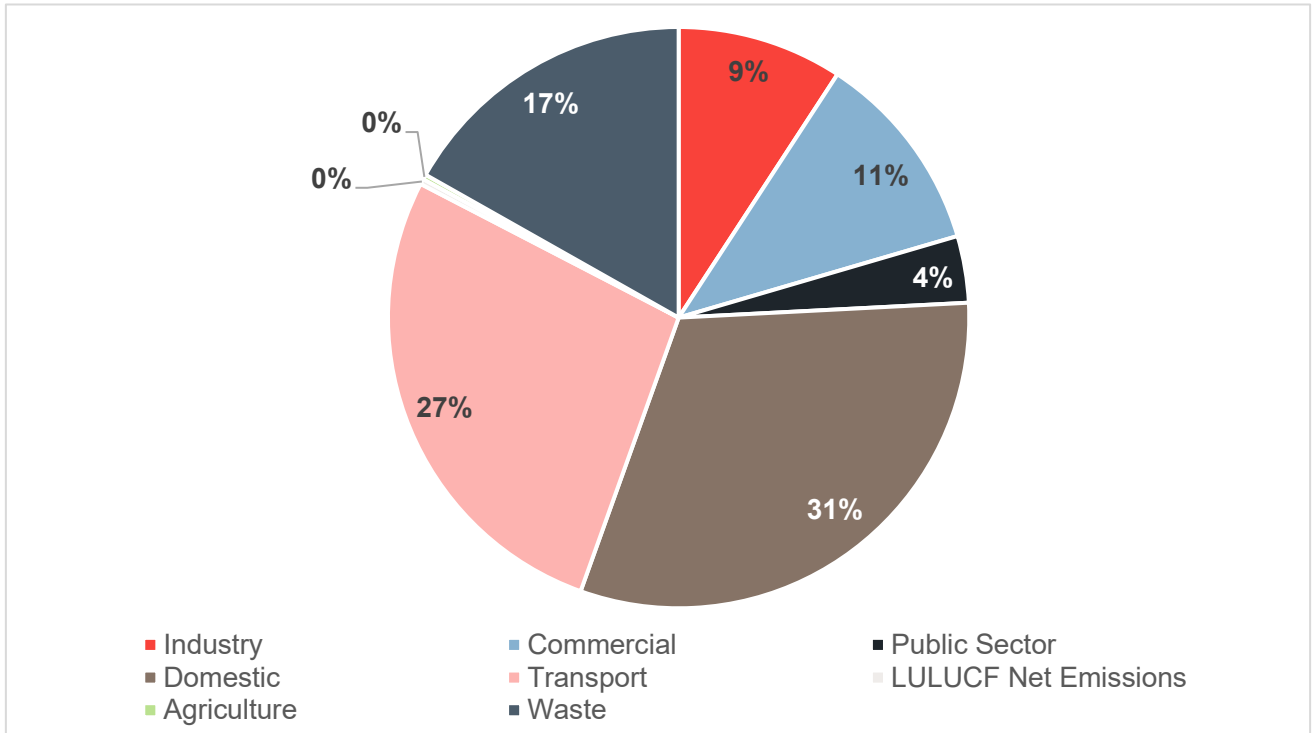


Source: The Data City, extracted July 2024

4.8.3 GREENHOUSE GASES BY INDUSTRY

The economy and the businesses within it currently emit greenhouse gases as a necessary part of their operations. However, to achieve net zero, industries must be supported in their transition to green technology. Without this support, the goal of net zero emissions will remain unattainable. Figure 4-14 illustrates the split of greenhouse gas emission estimates in 2022 by industry. As shown, a large proportion—27%—was from the transport sector. The transport industry is both a key asset to Luton’s economy and is expected to continue growing. To enable this industry to flourish and provide its benefits to Luton’s economy while making strides towards achieving net zero, support must be given to the growing investment in sustainable aviation fuels. Initiatives such as the partnership between London Luton Airport (LLA) and Cranfield University will provide a framework for environmental, operational, and educational collaboration, joint project activities, and combined research opportunities. Supporting industry in their net zero transition will be crucial to ensuring future stability and growth in Luton’s economy.

Figure 4-14 - Luton's Greenhouse Gas Emission Estimates, 2022



Source: Department for Energy Security and Net Zero

4.9 SUMMARY

The Data City analysis suggests Luton is expected to see significant growth in several key sectors, notably Security and Investigation Activities, Employment Activities, and Air Transport. This reflects the historic trends in employment growth in typically low wage employment sectors within the borough. These sectors are however already well-established and are projected to grow faster than in the East of England and the UK overall.

Additionally, Luton is forecast to experience continued growth of some key high productivity sectors including advanced manufacturing and the digital and technologies sectors. Whilst the creative sector is forecast to experience negative growth, it is likely that recent completions of developments in the Hat District and future developments within the town centre will have further positive impacts on attracting these types of firms to the Town. Luton also has emerging strengths in computer programming and design, media and communications activities, publishing and motion picture, tv and sound production and recording.

Luton's Green Economy is characterised by two main components: Enablers and Engagers. The green economy, defined by the core enablers, is relatively small with 23 businesses operating in Luton, accounting for approximately 417 direct jobs. Though few in number, they play a crucial role in sectors such as waste management and recycling. Since 2010, the number of green economy businesses has grown by 77%, which falls behind the growth seen in the East of England suggesting there is an opportunity for Luton to further develop its green economy, particularly within the advanced manufacturing sector.

5 STAKEHOLDER ACTIVITY

5.1 INTRODUCTION

This chapter provides an overview of the stakeholder activity carried out to inform and shape this economic strategy. LBC recognise engagement with key stakeholders forms an integral part of data gathering, providing further contextual intelligence on Luton's current socio-economic setting and on Luton's built environment.

Over 50 stakeholders have been consulted and involved in the stakeholder activity to provide key input and insights into the content and output of the economic strategy.

The stakeholder activity consisted of the following formats:

- 1) The Inclusive Economy Board Meeting
- 2) Stakeholder calls with LBC officers from several regeneration related service lines and LBC Chief Executive, Robin Porter.
- 3) Stakeholder calls with key organisations and businesses across Luton.
- 4) Luton Leaders Meeting
- 5) The Inclusive Economy Board and Wider Stakeholders Workshop
- 6) Luton Members Workshop; and
- 7) A session with young people from Luton Sixth Form College and Barnfield College

5.1.1 THE INCLUSIVE ECONOMY BOARD MEETING

The inclusive Economy Board Meeting took place on 17th July. The purpose of the meeting was for WSP to introduce the project to key stakeholder groups and provide an overview of the methodology, programme timeline and structure of key deliverables. The latter part of the meeting included a discussion which sought to provide high level insights on Luton's grand challenges and strategic opportunities for inclusive economic growth.

5.1.2 STAKEHOLDER CALLS WITH LBC OFFICERS

Each scoping call comprised a 30- to 45 minute consultation with council officers from various service lines within the LBC, namely:

- Economic Growth and Skills;
- Education;
- Planning; and
- Housing.

In addition, there were also a stakeholder call with LBC Chief Executive, Robin Porter, and the Portfolio holder for regeneration and inclusive growth, James Taylor.

The purpose of the stakeholder calls was to identify how each service line fits into economic growth for Luton, as well as identify the main constraints and barriers for



achieving inclusive economic growth outcomes within the town. In addition, the scoping calls sought to supplement the quantitative evidence gathered and understand Luton's main competitive advantages and strategic opportunities over the next 10 years. The themes covered during the scoping calls were:

- Inclusive economic growth priorities;
- Luton's key tangible assets and strategic geographical locations;
- Role of local government/public sector;
- Luton's main challenges, constraints and barriers to inclusive economic growth;
- Luton's competitive advantages/unique selling points;
- Luton's strategic opportunities and forthcoming developments
- Development viability; and
- Strategy output;

5.1.3 STAKEHOLDER CALLS WITH KEY ORGANISATIONS AND BUSINESSES

The stakeholder calls with organisations and businesses were conducted with the same purpose as the stakeholder calls with the Council and covered similar themes. Consultees included:

- Luton Rising
- London Luton Airport
- The University of Bedfordshire
- Luton Sixth Form College and Barnfield College
- NHS Bedfordshire
- Prologis
- Wizz Air
- Culture Trust Luton.

5.1.4 INCLUSIVE ECONOMY BOARD AND WIDER STAKEHOLDERS WORKSHOP

5.1.4.1 Context

The workshop took place on 25th September at LBC's offices. Its purpose was to set the scene of Luton's economic performance, focusing on its strengths, challenges and areas of opportunity. Another key element of the workshop was to bring together ideas concerning Luton's future vision and priorities. Furthermore, the session sought to understand initial ideas around desired objectives for inclusive growth across Luton.

5.1.4.2 Programme

The workshop was split into three sessions; for session one, the WSP Economics team presented the following:

1. An overview of the project aims and objectives;
2. A summary of key economic performance indicators related to Luton, highlighting key findings related to strengths and opportunities and macro-economic drivers; and
3. Key findings from the stakeholder calls to identify Luton's current offering and areas in need of improvement;



Session one concluded with a with a discussion in which participants provided additional insights into the strengths and weaknesses of the town. Participants were also given the opportunity to suggest the key outcomes and objectives of the strategy for Luton.

Session two was focused on Luton’s vision development and the prioritisation of grand challenges and strategic opportunities.

Session three was centred on priority objectives and economic ambitions for Luton. It also sought to define measures of success to ensure that Luton’s growth strategy is both reasonable and achievable.

5.1.5 LUTON MEMBERS WORKSHOP

5.1.5.1 Context

On 30th September, a workshop was held with members of Luton Council at the Town Hall. The workshop had similar aims to the Inclusive Economy Board and Wider Stakeholder workshop on the 25th September. The main aims of this workshop was to present the emerging evidence of Luton’s economic performance, focusing on its strengths, challenges, and areas of opportunity and to gather views on Luton’s future vision and priorities from Luton Council members.

5.1.5.2 Programme

The member’s workshop was also split into three sessions covering an overview of the project, a summary of key economy performance indicators and key findings from stakeholder engagement, as detailed above in section 5.1.4.2.

Session one concluded with a discussion allowing Luton council members to share further insights into the town’s strengths and weaknesses. Members also had the chance to suggest key outcomes and objectives for Luton’s strategy.

The workshop ended with an in-depth discussion with council members on developing Luton’s vision. This included prioritising grand challenges and strategic opportunities, defining key missions, and outlining specific interventions and actions to achieve these missions.

5.1.6 YOUTH SESSION

5.1.6.1 Context

There were three youth workshops held in November 2024 and led by WSP and Luton Council. The primary aim of the workshop was to ensure that young people from several further education institutions and organisations⁵⁶ across Luton Borough were able to provide their perspectives, contributing to the development of this strategy.

5.1.6.1 Programme

The attendees of the sessions were presented with two distinct activities following a short quiz on Luton. Activity One comprised of images that were used to represent

⁵⁶ Barnfield College, Luton Sixth Form College, Luton Youth Council



either key positive or negative characteristics related to Luton. Attendees were asked to discuss and decide which images best reflected either positive or negative aspects of Luton, to reflect on why and to provide solutions to any negative characteristics identified. If the images were not deemed to be suitable representations of their viewpoints, attendees were encouraged and given the opportunity to draw or design images that they believed best represented Luton. The following were common themes across their responses:

Positive – Good levels of connectivity, particularly to London and a young and diverse population coupled with a strong sense of community.

Negative – While Luton is diverse, there isn't always cohesion with diversity, specifically there are strong levels of community within communities however there is less across the town.

Activity Two focused on the present and the future of Luton. Attendees were asked to respond to the extent they either agreed or disagreed with four statements and to provide a reason for their choice. The statements were:

1. Do you think Luton offers enough job opportunities for young people? Why?
2. Would you want to live in Luton after completing your studies? Why or why not?
3. Will Luton be a better place to live in the next 10 years? What changes do you think are needed?
4. What one change would you suggest to make Luton a better place for young people?

The following represent a range of themes identified from attendees' responses:

- Job opportunities are fewer in Luton than surrounding areas, particularly for under 18's. More guidance and support are needed with regards to accessing opportunities. Where jobs are available, these tend to be in the town centre, which can present accessibility problems for younger people without cars and without good public transportation options to the town centre.
- While there are prospects to stay in Luton such as relatively affordable housing and strong communities, the town lacks good quality housing and quality events. A key part of improving Luton will be enhancing the look and feel (aesthetics) of the place.
- Positively, while Luton have been heading in the right direction such as improved job opportunities and new large projects such as Power Court that will increase facilities, key changes required are a reduction in crime & anti-social behaviour as well as an expansion of the airport.
- Green, open spaces and sustainable infrastructure are key themes for change coupled with increased leisure and recreation facilities, particularly for young people. Implementing changes associated with these factors as well as educating young people in general will help lower crime and anti-social behaviour and ultimately make residents feel safer.

6 STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS (SWOT)

6.1 INTRODUCTION

The following Strengths Weaknesses Opportunities and Threats (SWOT) analysis provides an in-depth summary of Luton. The evidence that informs the SWOT comes from

- The quantitative evidence presented in this report (D);
- Stakeholder calls with Council members, key organisations and businesses that took place between August and September (ST);
- The Luton Leaders Meeting held on 23rd September (LL);
- The Inclusive Economy Board and Wider Stakeholders Workshop held on 25th September (IEBW);
- Luton Members Workshop held on 30th September (LMW); and
- The Youth Sessions held on the 19th, 21st and 28th November.

STRENGTHS

- Luton has a young and diverse population, with 29% of the population currently aged under 20, compared to 23% at the national and regional level. These young people will be the future economic drivers of growth within the borough, with Luton's working age population forecast to be 4% higher than the regional average by 2040 (all)
- Luton Airport is the UK's fifth largest airport, and carried over 16.2m passengers in 2023 to over 150 international destinations delivering £1.8bn in economic output for the UK economy and supporting 28,400 jobs, of which 10,900 are in Luton. Additionally, the airport is owned by Luton Council with a unique mandate to support and improve people's lives, and drive economic and employment growth within the borough. In 2023, the airport provided £7.4m to community investment projects through its community investment programme (ST).
- Luton is in a unique position of having excellent transportation times to London and the Midlands, including good connectivity into major centres within the Ox-Cam Arc such as Milton Keynes (all)
- A £5bn investment programme scheduled to come forward within the borough including strategic developments within the town centre (The Stage, Power Court) as well as major industrial and warehousing/logistics developments at Junction, Prologis Park and Butterfield Business Park providing significant new employment space (ST).
- Median house prices are £32,500 below the regional average, and rental prices fall short of the national average providing strong pull factors to attracting people to live within the borough (D)
- Luton's economy has grown nearly three times faster than the regional and national economy in employment terms since 2015 (D)



- Luton performs significantly higher productively with respect to the **Manufacturing, Wholesale & Retail and Transportation & Storage** sectors compared to the east of England and England as a whole, indicating a strong basis for growth within its core sectors (D)
- Luton has a strong tradition in specialised high-value engineering and manufacturing, including the location of Stellantis (Vauxhall) within the town. Despite a reduction in employment, this sector remains an important driver of economic output within the borough (ST).
- The town has witnessed significant growth in micro-to-medium sized businesses over the past decade, suggesting it is a hub for small businesses and entrepreneurial activities. Growth in the number of businesses has been double that of regional and national averages, largely driven by growth in the transport and storage and construction sectors (D)
- Luton has a sense of community and strong volunteer/support activity (ST)
- The town has a University with strong ties into the NHS, especially with training specialist staff, and with other health partners (ST)
- Luton is a town of rich arts, culture and heritage. The town's Cultural Quarter is centred on the Hat District which provides a unique space for creative, cultural and digital businesses and start-ups (ST)
- Luton's refreshed Anchor Network and Framework, which brings together the major employers in Luton, so they can work together and share best practices on generating and tracking social value (ST)
- Providing programmes for local supply chain businesses to support them in their bidding for anchor business contracts (ST)
- Making opportunities from the council available via procurement (ST)

WEAKNESSES

- There are significant differences between the qualification attainment rates of Luton's working age population and regional and national averages. In total 23% of residents have no qualifications, 5% higher than both East of England and England as a whole. Furthermore, a substantially smaller proportion of residents in Luton are employed in high skilled occupations (41%) compared to the East of England and the UK (53% respectively) (D)
- High paying job positions are not being filled by local people as they lack the required skills (ST).
- Despite increases in resident and workplace earnings in Luton, they are still below regional and national averages (D)
- Despite significant business growth in recent years, Luton's businesses have a relatively lower survival rate compared to the East of England the United Kingdom average. (D)
- Luton has a relatively high level of deprivation, particularly evident in relation to the IMD barriers to housing and services domains where it ranks 25th from a total of 317 local authorities. There are concentrations of deprivation within the wards of Northwell, South and Farley (D) (ST)
- Health and wellbeing outcomes are poor for many residents. Luton has higher mortality rates than comparators, particularly for those under 75 where it has a 28% higher mortality rate than the regional average (ST) (D)

- House prices are relatively more affordable in Luton, however housing supply since 2001 has grown at a rate (15.8%) that trails behind the regional (22.2%) and national (19.8%) averages. This is resulting in an affordability issue with house prices recording an increase of 90% over the last 10 years, compared to 68% regionally and 51% nationally (D)
- A substantial proportion (32%) of Luton's workforce is concentrated in the Administrative and Support Services sector which is characterised by lower wages, temporary employment contracts and lower productivity per capita (D)
- Luton has high levels of child poverty with more than 30 per cent of children in Biscot, Dallow and Saints wards estimated to be living in poverty (D)
- Luton has a higher than average economic inactivity rate, with 25% of those aged 16 to 64 economically inactive, compared to the regional rate of 19% and the national rate of 21%. Approximately 87% of individuals who are economic inactivity as a result of looking after their home or family are female. Ensuring these inactive residents are able to rejoin the workforce after the caring responsibilities have ended is key (D)
- Luton BC currently has constrained resources to support this area, so they need to be carefully directed and we need to think about where there are opportunities for funding and partner roles to unlock funding and financing to deliver investment in Luton (ST).
- Bedfordshire University doesn't have a strong connection with the airport, and is primarily a teaching university (ST).

OPPORTUNITIES

- The expansion of Luton airport, through the DCO process, will enable it to accommodate up to 32 million passengers per annum. This will increase the importance of the airport as a gateway to London and increasing the number of visitors which currently pass through Luton each year. There is an opportunity, alongside the delivery of major new developments in the town, such as Power Court, to grow the contribution of the visitor economy to Luton (ST,Y).
- The growth of the airport can help support growth in high-value subsectors that Luton already has specialisms in such as aviation and logistics and can help to unlock development sites within the vicinity of the Airport (including 60 hectares of land previously known as Green Horizons Park and Bartlett Square) (ST)
- There is potential to consider development of an Airport Economic Zone (AEZ) which builds on existing partnerships between Cranfield and Luton airport to attract innovation businesses within advanced manufacturing, precision engineering and aviation.
- The Town is set to benefit from the delivery of a £1.7bn town centre regeneration project, bringing significant economic opportunities and job opportunities for the local economy through the provision of new employment space to accommodate emerging sectors such as creative, cultural and digital.
- Building on the transformation of the town centre and its proximity and connectivity to London, there is potential for Luton to both retain a greater share of its young people but also attract people to live within the borough. A diverse range of housing must be provided to ensure that demand from all markets is met and can meet the needs of Luton's future residents. The regeneration of the town centre presents an opportunity for it to become a CBD, building on delivery of the Stage to provide new high quality town centre living.

- Based on historic trends, there could be another 50,000 residents residing within the borough by 2043, an increase of over 20%, with a significantly higher proportion of younger people compared to the average for the East of England. Luton's future labour force can be activated by establishing a clear pathways that ensure residents have the correct skills to access good jobs. A training and skills hub will be based on the lower ground floor of Morton House, providing both technical and social skills to residents. (ST).
- Luton's has one of the fastest internet speeds in the country and can utilise its digital infrastructure to support business growth within the borough (ST)
- To build on the success of Step Forward Luton Invest, to develop closer relationships between LBC and the town's businesses and entrepreneurs to better understand their needs and address any structural weaknesses within the business environment including the provision of affordable workspace (ST).
- Luton has a unique concentration of anchor businesses within the borough including Luton Airport, airlines (including EasyJet and Wizz Air), Stellantis (Vauxhall), University of Bedfordshire, NHS and Luton Council itself. The development of Luton's anchors framework presents an opportunity to drive community wealth building within the borough through collective spending in Luton's supply chains (ST).
- Bedfordshire University becoming a Health Hub – already training staff IC units and doing deals with J&J, Power Court stadium will bring a Sports connection, to strengthen sports medicine offer (ST).
- Luton has entered into devolution discussions with South Midlands Councils opening up new opportunities to access funding for strategic investments within the borough, and greater control over spending (LL).
- Luton has a higher percentage of residents whose first language is not English, with 23.1% of the population having an alternative first language. This compares to only 9.2% nationally. If language barriers can be addressed, there is an opportunity to unlock the latent economic potential of these residents and help them in higher paid and more secure jobs (D).

THREATS

- Stakeholder consultation indicated that Luton faces challenges in meeting its housing demand, as a result of low land values, rising construction and material costs and limited land availability. At present the poor quality and availability of housing is having an impact on Luton's attractiveness as a place to live and work (ST)
- Luton faces entrenched levels of deprivation within certain neighbourhoods, with particular impacts on young people and children which is limiting social mobility and quality of life indicators including health and wellbeing. If barriers to employment are not addressed then there is a risk that certain parts of the borough will be left behind and excluded from Luton future economic prosperity
- There is the potential that the DCO for the expansion of Luton Airport is not granted and future growth of the airport is constrained through limits on passenger numbers (ST).
- There are significant funding constraints within the council which is going to impact its ability to deliver key investments to stimulate economic growth. The Council will need to work in partnership with national government and the private sector to unlock funding and financing to deliver investment in Luton (ST).



- The devolution framework from National Government is still being finalised. There is a risk that in the subsequent discussions that Luton does not get enough benefit from the process, either through its strategic positioning within the South Midlands, or the possibility of the whole structure not proceeding as intended (LL).
- Council owns very limited social housing units, and a lot of private landlords are withdrawing their supply to the Council. This means that there is an increasing number of people being temporarily housed (ST).
- People on high salaries are choosing to leave Luton and live elsewhere (ST)
- The concentration of Luton's employment in logistics and transportation, administrative and support services and retail activities, places the town at a greater risk from the impacts of automation and AI. A report from the Centre for Cities estimated that by 2030, approximately 20% of Luton's occupations were likely to shrink as a result of technological advancements (D).
- Luton faces challenges with respect to its image and attracts negative perceptions of the town (Y).
- From 2001 to 2023 non-domestic floor space fell in Luton by -18% placing further constraints on the availability of employment floorspace for businesses within the borough (D).
- Implications of increase in Employer's NI on businesses with low profit margins unable to increase prices (e.g. cleaning, security, admin).(ST)

6.2 CONCLUSION

This evidence-based document provides an extensive overview of the Luton Economy. Presented throughout the document, are a broad range of socio-economic data and analysis which detail the structure and make-up of the local economy and its performance in relation to the region and country. This analysis alongside stakeholder consultations has enabled the formulation of a several key themes and messages specific to Luton's economy and growth trajectory. There are six key themes which are born out of the borough's identified challenges and opportunities. These themes, key messages and supporting evidence are presented in the table below.

| Theme 1 | Population Structure |
|-------------|---|
| Key Message | Luton has and is expected to remain relatively younger (in terms of population age) compared to the East of England and the UK over the next 20 years. There are however issues around the net outflow of residents to other places |
| Evidence | <ul style="list-style-type: none"> • Positively, rental growth has been slower than the rental growth across the region; however median annual wage growth hasn't been as strong • Supply/Demand Imbalance: population has grown since 2008 (+18%), yet housing stock in Luton has fallen (-4%) over the same time period • The median house price in Luton in 2022 was approximately £280,000, this is below the East of England median price at £315,000 but above the UK average at £260,000 • The typology of housing doesn't meet the needs of the residents: need for larger three-bed but issues with viability and land availability • Deprivation is particularly evident in relation to barriers to housing and services, where Luton ranks as the 22nd most deprived area in the country. |
| Theme 2 | Labour Market Structure |
| Key Message | The structure of Luton's resident labour force, which is concentrated in lower skilled occupations and wages, stems from lower qualification levels which inhibit access to higher skilled jobs |

| | |
|----------------|---|
| Evidence | <ul style="list-style-type: none"> • 11% of residents had no qualifications, and 21% were in lower-skilled occupations. The proportion of residents with no qualifications has remained stable in the period 2011-2021, but promisingly the proportion of residents with level 4+ has increased by 8% over the same period, faster than the regional and national average. The challenge is how to retain these highly skilled young people in Luton. • More than 10% lower than the regional average and England in highly skilled occupations while almost 8% higher in lower skilled occupations • Skills attainment and school performance is increasing but the unemployment rate is not changing suggesting an outflow of skilled residents. Luton has added 20,000 jobs to its economy in the period 2015-2022 (+22%) but unemployment has increased by 700 people over the same period (+10 increase in unemployment rate). The economic activity rate has not changed over the same period. In comparison, the East of England has added 202,000 new jobs to the regional economy (+7%) and unemployment has fallen by 34,000 people (-28% in unemployment rate). • Resident wages are growing faster than regional & national averages but in absolute terms are still lower than regional and national averages – likely connected to the structure of Luton’s economy and the types of jobs available |
| Theme 3 | Productivity |
| Key Message | Luton’s economy is growing at a faster rate than the region and country, but the quality of jobs remains an issue, hindering economic productivity |
| Evidence | <ul style="list-style-type: none"> • The Transportation and Storage sector (the largest contributing sector to Luton’s economy) in Luton, in terms of GVA, has grown nearly four times faster from 2010 to 2022 than the East of England and England average growth rate for this sector • The second largest contributor to Luton’s GVA is the Administrative and Support Service Activities sector, accounting for 16% of Luton’s GVA • The Manufacturing sector has contracted substantially since 2015, by 23% of GVA and 33% of total employment (loss of 3,000 jobs), falling from Luton’s largest contributor to total gross output to 4th, however manufacturing is still a highly productive sector for Luton • Luton’s employment structure is dominated by the sectors of Administration & Support Services, Wholesale & Retail Trade and Health, which together account for over 50% of the town’s total employment. • The business administration and support services sector has grown by 20,500 jobs since 2015, 10x faster than the second fastest growing sector (transport and storage 2,000+ jobs). |

| | |
|----------------|---|
| | <ul style="list-style-type: none"> The growth of the business administration and support services sector has predominantly been driven by growth in temporary employment agency activities (+6,500 jobs) and general cleaning of buildings activities (+10,750). Annual median gross wages in these sectors (in the East of England) in 2023 were £9,600 and £16,575, -66% and 42% lower than the regional average. These sectors are also characterised by part time temporary contracts, vulnerable working conditions and poor working conditions. Employment in higher value sectors such as the Manufacturing and Financial & Insurance sector has declined since 2015. There is forecast to be growth in the advanced manufacturing and digital and information technologies sectors which should be built upon to capture further inward investment. |
| Theme 4 | Deprivation and Health |
| Key Message | Luton has high deprivation levels across the borough impacting all aspects of society and contributing to the lower health outcomes. High deprivation and poor health subsequently impact the availability and quality of the workforce |
| Evidence | <ul style="list-style-type: none"> 33 of its 121 Lower-layer Super Output Areas (LSOAs) ranking within the top 20% most deprived areas in the country Central, South, Farley and Northwell among the most deprived areas Wigmore, Bramingham, Vauxhall & Barnfield are among the least deprived areas The life expectancy of both males and females was lower than the East of England and England averages, with the female population falling in the worst 25th percentile in England Educating population on importance of health particularly among children Luton also had a significantly large proportion of adult smokers, the third highest in England. Lower physical activity levels and high childhood obesity rates Luton's under 75 mortality rates from all causes (per 100,000 persons), cardiovascular diseases and cancer are significantly greater than the regional and national comparators Proportion of Claimants has not reduced to the levels seen pre-COVID – now double UK – indicates impact on COVID still playing out – possibly, long term sickness could be one of the causes. |
| Theme 5 | Housing Stock |
| Key Message | Relatively slow growth in Luton's housing stock coupled with steady population growth and increasing house prices have led to significant affordability issues and associated socio-economic impacts. |

| | |
|----------------|--|
| Evidence | <ul style="list-style-type: none"> • Positively rental growth has been slower than the rental growth across the region, however median annual wage growth hasn't been as strong • Supply/Demand Imbalance: population has grown since 2008 (+20%), yet housing stock in Luton has grown slowly (11%) over the same time period • The median house price in Luton in 2023 was approximately £310,000, this is below the East of England median price at £342,500 but above the UK average at £290,000 • The typology of housing doesn't meet the needs of the residents: need for larger three-bed but issues with viability and land availability • Deprivation is particularly evident in relation to barriers to housing and services, where Luton ranks as the 22nd most deprived area in the country. |
| Theme 6 | Economic Resilience |
| Key Message | Luton has had difficulties growing its business base among large firms; however, the borough continues to have several key assets and employers which will help to build its long-term resilience and attract higher productivity sectors/jobs/inward investment |
| Evidence | <ul style="list-style-type: none"> • All of business count growth can be attributed to micro and small businesses, that employ between 0 to 49 people • Medium to large businesses (that employ above 50 people) has contracted by 16.1% between 2010-2023 • There are a number of developments expected to come forward in and around the town such as The Stage, as part of the redevelopment of the town centre. These developments will provide significant space for new businesses and should provide adequate infrastructure for larger businesses. • In three of Luton's top expected growth sectors, Security and Investigation Activities, Employment Activities and Air Transport sector, Luton is expected to outstrip growth in the East of England and the UK. These three sectors are already relative specialisms in Luton, suggesting continued expansion in these areas • The Air transport sector expected fast growth is largely being driven by air transport companies Wizz Air and Easy Jet located at Luton Airport. However, there are a few fast growing smaller companies such as Air Charter Scotland, a private jet hire company operating from Luton airport. |

7 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)
- Digital industry (Core Growth Sector)
- Creative 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).

7.1 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. Subject to the approval of the DCO, the airport could 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. Part of the Airport’s Strategy includes using renewable energy sources such as solar power and other energy off-grid systems. Working with local partners such as Cranfield University, they will be able to explore new and emerging technologies, which will help derive renewable energy from nearby locations, supporting local supply chains.

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.

7.2 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 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.

7.3 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.⁵⁷

⁵⁷ This will depend to a large extent however on the outcome of the London Luton Airport DCO and the availability of strategic sites within Luton to accommodate new logistics floorspace.

7.4 DIGITAL INDUSTRIES

Luton supports approximately 3,000 jobs within the digital sector, across over 1,500 businesses. The town is now one of the best connected and affordable digital clusters within the UK, accommodating highly innovative businesses within the Artificial Intelligence, Extended Reality (XR) and computer consultancy, and design. The sector employs approximately 2.8% of Luton's total workforce with the largest companies primarily located in the Wigmore, Central, and South wards.

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.

Strategic Growth Opportunities:

- Growth of the film and digital sector in the South Midlands.
- Focus on supporting the growth of technology companies, including those working with AI.

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.

7.5 CREATIVE INDUSTRIES

Luton supports 1,800 jobs within its creative industries sectors, across approximately 550 businesses. The creative sector encompasses various subsectors such as animation, printing services, media and product design, including the long-established Hat District.

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.

Of particular note within the creative subsectors:

- Motion picture, video, television and sound production activities account for 8% of total creative.
- 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.

Computing programming and consultancy activities comprise just under half (45%) of all creative industry jobs in the town, employing over 800 people.

Strategic Growth Opportunities:

- Strengthen Luton town centre as a Creative hub: Building on the well-established and growing Hat District in the town centre.
- 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:

- Despite existing projections indicating a decline in the creative industries, the recent confirmation of investment by Universal Studios' in Bedfordshire is anticipated to create a number of growth opportunities for Luton and the surrounding areas.

7.6 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.

7.7 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.

7.8 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.

7.9 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:

- If DCO for London Luton Airport is approved, then by 2032 the airport is forecast to accommodate 21.5 million passenger per annum, 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.



WSP House
70 Chancery Lane
London
WC2A 1AF

wsp.com

CONFIDENTIAL