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Economic Development, Regeneration & Sustainability

Appendix 1: Defining the FEMA

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1 Introduction

Hardisty Jones Associates Ltd is part of a team led by ORS delivering both a Strategic Housing Market Assessment (SHMA) and Functional Economic Market Area (FEMA) Assessment for Wiltshire Council and Swindon Borough Council.

The FEMA Assessment will comprise three stages:

Stage 1: Defining the Functional Economic Market Area and Baseline Assessment

Stage 2: Agreeing Economic Forecasts and Scenarios

Stage 3: Assessing Future Land Needs and Implications to Deliver Growth

This document forms Appendix 1 to the main summary report and focuses on the definition of the functional economic market area or areas as part of Stage 1.

2 Defining a Functional Economic Market Area

2.1 What is a Functional Economic Market Area

The patterns observed in the actual ‘functional’ workings of economies do not necessarily map to the administrative boundaries under which areas are governed. For example, people may live in one local authority area and work in another, and businesses may serve customers and clients from a wide geography from a single location. For the purposes of spatial planning it is helpful to have an appreciation of how local economies function, and the geographical areas over which there is influence. A FEMA is therefore more readily defined by ‘flows’ and activities rather than ‘stocks’ e.g. the flow of workers, the catchment areas for retail or the markets serviced by businesses¹.

Not only do FEMAs not necessarily map to administrative boundaries, they generally do not have hard and fast boundaries at all. Whilst, when shaping policy, it would often be nice to have very clear boundaries, that is not how the real world functions. Defining a FEMA is therefore not a precise science. It is about assessing the evidence and devising an area of best fit, appreciating that the boundaries are fuzzy. It is about seeking to appreciate where influence is stronger or weaker. It will also vary depending on the indicator that is being assessed e.g. travel to work or travel to learn.

The picture is also becoming ever more complex with the growth of internet based communications and transactions as well as improved transportation leading to global relationships, rather than local, sub-regional or national, as well as diverse patterns of physical activity across multiple locations (e.g. living, working, shopping and taking leisure in very different locations). It also represents a shift from transport infrastructure being a primary determinant, to an increasing role of other networks (e.g. digital telecommunications and knowledge networks).

Seeking to define a FEMA enables a fuller assessment of the potential effects of policy to be considered. For example, if one only assesses a single administrative area and excludes a major part of the FEMA within which that area sits one might draw false conclusions. One might consider there to be the potential for a major shortage of labour supply, whilst failing to recognise major planned housing development nearby. FEMA definition is therefore the start of a process and not an end in itself. It creates a tool to inform policy development.

2.2 Guidance

2.2.1 National Planning Policy Framework (NPPF)

Paragraph 160 of the NPPF states that *Local planning authorities should have a clear understanding of business needs within the economic markets operating in and across their area* (emphasis added). No detail on this defining such markets is set out within NPPF although paragraph 180 states that *local planning authorities should take account of different geographic areas, including travel-to-work areas* and is clear on the need for local planning authorities to work together on issues with cross boundary impacts.

¹ Although stocks play a clear part in economic geography, for example the level of urbanisation of an area.

2.2.2 Planning Practice Guidance (PPG)

Section 2a of Planning Practice Guidance relates to *housing and economic development needs assessments*. Paragraph 007² states that *Local planning authorities should assess their development needs working with the other local authorities in the relevant...functional economic market area in line with the duty to cooperate* (emphasis added). Paragraph 009³ relates to identifying the assessment area and states that *no single source of information on needs will be comprehensive in identifying the appropriate assessment area; consideration should be given to the appropriateness of each source of information and how they relate to one another*. Paragraph 012⁴ is titled *how can functional economic market areas be defined?* This paragraph is set out below:

“The geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply – often referred to as the functional economic market area. Since patterns of economic activity vary from place to place, there is no standard approach to defining a functional economic market area, however, it is possible to define them taking account of factors including:

- *extent of any Local Enterprise Partnership within the area;*
- *travel to work areas;*
- *housing market area;*
- *flow of goods, services and information within the local economy;*
- *service market for consumers;*
- *administrative area;*
- *Catchment areas of facilities providing cultural and social well-being;*
- *transport network.”*

2.2.3 CLG FEMA note⁵

CLG published its own note on functional economic market areas in 2010. In its first paragraph it states that:

“This economic note is aimed at local authorities and provides a succinct overview of the types of issues partners may wish to consider when seeking to identify these areas. It does not represent Government policy.”

In keeping with PPG it acknowledges that there is no universal approach to defining FEMAs but does indicate that Census commuting or migration data is perhaps the most reliable flow data which can be supplemented with other datasets. The overlay of other datasets is important, within section two it states that:

“Ideally, FEMAs would be defined on the basis of several markets or catchment areas which best reflect the drivers of the local economy”

Sources of information which can be used to define FEMAs set out within the note include labour markets, housing markets, supply chains in industry and commerce, service markets for consumers,

² ID:2a-007-20150320

³ ID:2a-009-20140306

⁴ ID:2a-012-20140306

⁵ Functional Economic Market Areas, An economic note, Communities and Local Government, February 2010

administrative areas and transport networks. However, it is noted that some information which may be useful for identifying FEMAs is just not available e.g. supply chain mapping.

2.3 Summary

Policy guidance is clear on the need to, and value of, preparing evidence at the appropriate functional geographical area. This ensures policy is based on evidence that better reflects the real world, rather than being necessarily constrained by administrative boundaries.

The guidance is also clear that there is no definitive approach to assessing FEMAs, and as a result there is no definitive map of FEMAs. However, there is broad consistency about the nature of evidence that should be considered where available and the need for multiple datasets to be assessed wherever possible. It is also consistent that there is a need for a mix of quantitative and qualitative assessment when assessing FEMA definitions. This particularly reflects the fact that much of the data that may be helpful to assess FEMAs does not exist or is not readily available.

The approach used to inform this analysis draws on both these approaches, considering existing FEMA research, analysing available relevant data and testing the emerging findings through consultations with stakeholders.

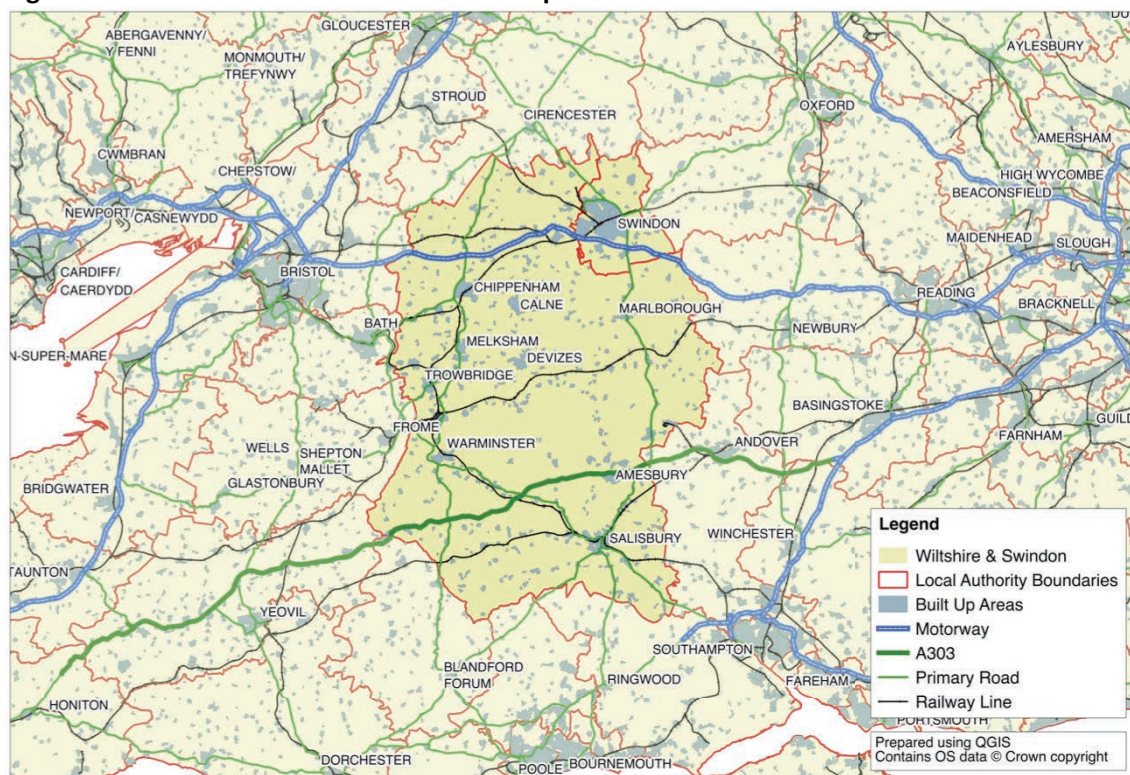
3 Basic Geography of Wiltshire & Swindon

This study is focused on identifying FEMAs relevant to the administrative areas of Wiltshire and Swindon. These two administrative areas also align to the coverage of the Swindon & Wiltshire LEP.

As FEMAs are primarily the product of ‘flows’ the transport and communications infrastructure, as well as the settlement structure are often important determinants. Figure 3.1 shows a basic map of the area with the primary settlements and infrastructure highlighted. It is also set within the context of its surrounding area. This shows:

- Two primary east-west road routes – the M4 motorway and A303
- Two north-south road routes, the A350 in west and the A338 in the east
- Rail routes that mirror many of the road routes with the addition of an additional east-west line bisecting Wiltshire and no north-south route in the east of the area.

Figure 3.1 Infrastructure and Settlement Map



Most of the large settlements within the Wiltshire and Swindon area are located along the major road routes with the exception of Calne and Devizes. There is a cluster of settlements in the west of Wiltshire along the A350.

In terms of the area beyond the Wiltshire and Swindon boundary there are major urban areas to the west (Bristol and Bath), north (Gloucester and Cheltenham), south (Bournemouth & Poole and Southampton) and east (Reading and London although more distant). There are also other settlements outside the administrative area but in close proximity e.g. Frome, Cirencester, Andover and Newbury.

4 Existing and Historic FEMA Definitions

This chapter considers previous work to consider FEMAs relevant to Wiltshire and Swindon. In particular this focuses on two pieces of regional research considering FEMAs across the south west of England region.

4.1 DTZ (2004) Spatial Dynamics of the South West Region

Research was undertaken to inform the South West Regional Economic Strategy which considered the functional economic geography of the whole South West region. The research was undertaken by DTZ⁶ on behalf of the South West of England Regional Development Agency and updated an earlier study⁷ also by DTZ to assess the functional economic geography of the South West. This identified seven broad functional economic zones across the region, which are illustrated in Figure 4.1. These were primarily drawn up based on commuting and travel to work data from 1991 and 1997⁸. This shows the vast majority of Wiltshire and Swindon falling within two of the zones:

- The North East Triangle – which covers Gloucestershire, the West of England (former county of Avon area), Swindon and parts of Wiltshire and Somerset. This is a large functional area including a number of major settlements such as Bristol, Bath, Cheltenham, Gloucester and Swindon. The M4 and M5 motorways provide major road infrastructure routes that also connect the zone north, south, east and west.
- The A303 Corridor – which, unsurprisingly given its name, runs broadly east-west following the A303 and includes the settlements of Salisbury, Yeovil and Taunton as well as other parts of Wiltshire, Swindon and east Devon.

There is also a South East Coastal zone which is primarily focused on Dorset but which may impact on the southern parts of Wiltshire.

In addition to the functional zones, the 2004 research identified areas of common characteristics. This was less about flows, but designed as a tool to inform policy response. Figure 4.2 shows this map which for Wiltshire and Swindon again shows something of a north-south divide albeit with the A303 Corridor and South East Coastal zones expressed as a single character area.

⁶ DTZ Pidea Consulting (2004) for South West RDA, Spatial Dynamics of the South West Region

⁷ DTZ Pidea Consulting (2001) for South West RDA, Spatial Prioritisation, Review of Economic Activity Zones

⁸ The original 2001 research also accessed data on business telephony in order to assess patterns of interaction.

Figure 4.1 South West Functional Zones (2004)

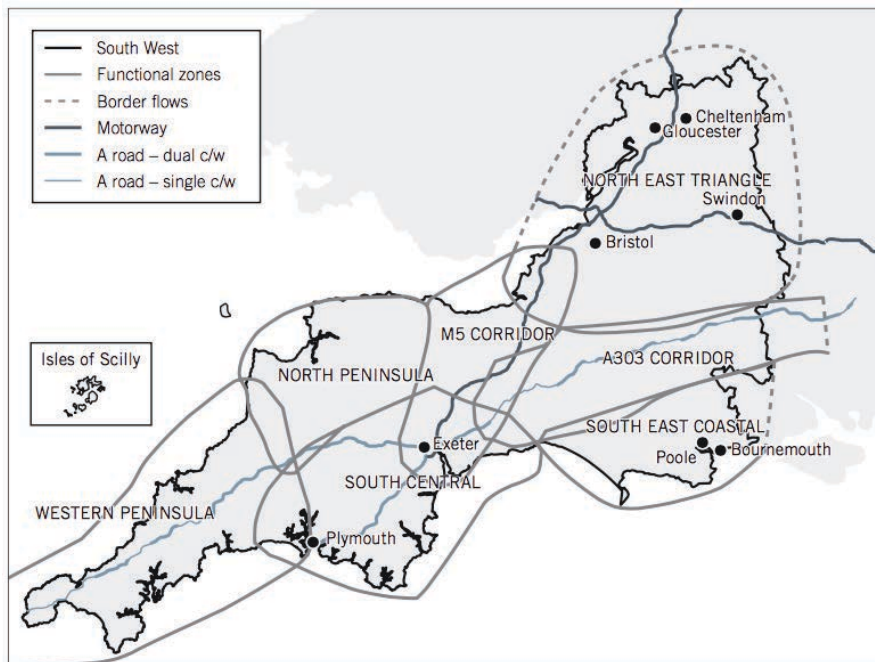
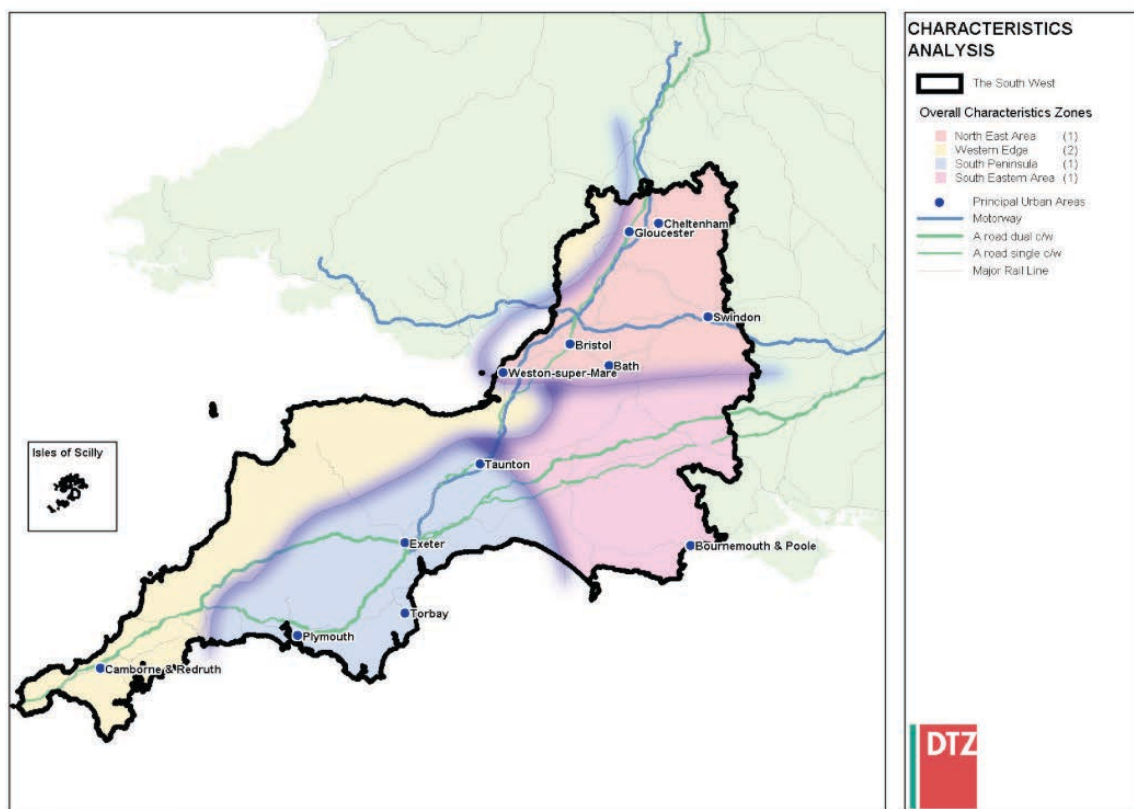


Image sourced from South West Regional Economic Strategy 2006

Figure 4.2 South West Character Areas (2004)



4.2 SQW (2010)

SQW undertook research in 2010 for a broad partnership of public bodies via the South West Observatory to *develop a shared evidence base to help identify FEMAs and other spatial economic linkages in the South West, to support partners responsible for developing LEAs and those involved in policy and strategy making at other geographic levels*. This did not generate a single definitive map but considered different themes and developed an interactive Spatial Economic Analysis Tool. It also considered broader issues of commonality and characteristics beyond the ‘flows’ data relevant to functional economic market areas.

As part of the SQW work, consultation involved testing the continued currency of the map as shown in Figure 4.1. It was noted that *stakeholders generally agreed with the zones*. However, it was also noted that there was a need to consider intra-zone relationships in more detail.

The interactive tool that was developed (based on data which has now been superseded) included many layers of data across a broad range of topics. The SQW study also identified areas for further development, in particular this highlighted a desire from stakeholders to incorporate business supply chain data as a key requirement, but this would require primary data to be collected, which was not available at the time. The tool also omitted commuting data for reasons of data and resource requirements. It therefore had limited detail on flows.

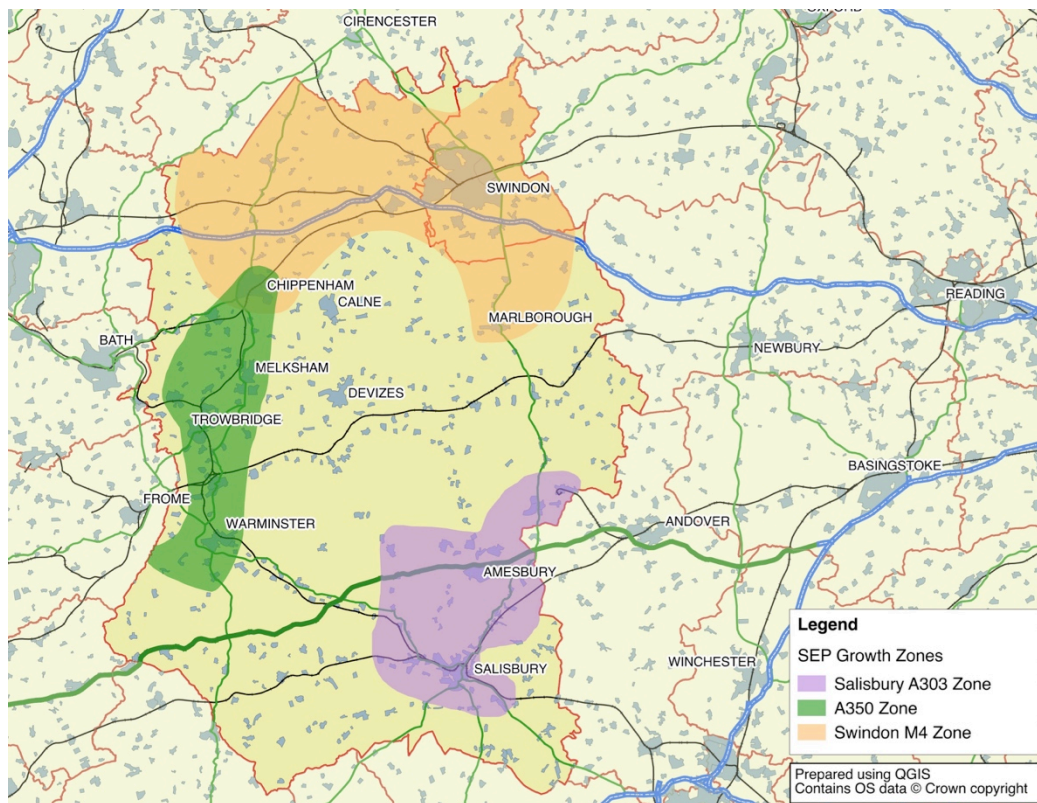
Of interest, the research considered some of the factors that may influence the change in FEMA geographies. These include:

- The growth of the knowledge economy
- Structural changes to the economy e.g. decline in manufacturing and growth in services.
- Improved ICT infrastructure and connectivity – with uncertainty as to whether greater knowledge intensity and greater ICT connectivity will reduce or increase the need for face-to-face contact.
- Increasing congestion
- Climate change
- Increased energy costs
- Changing demographics with an ageing population

4.3 Swindon and Wiltshire LEP

The Swindon and Wiltshire LEP has identified three ‘growth zones’ within its Strategic Economic Plan (SEP). These are Swindon M4 Zone, Salisbury A303 Zone and the A350 Zone. The illustration from the SEP is shown at figure 4.3 below. Of note, Chippenham is classified within both the Swindon M4 and A350 zones. The growth zones do not cover the full extent of the LEP area and do not contain any areas outside the LEP administrative boundaries.

Figure 4.3 Strategic Economic Plan Growth Zones



4.4 Analysis by Adjacent Areas

FEMA definition work for all adjacent LEP areas has been reviewed, where it has been undertaken. It is clear from all documents reviewed that whilst there are linkages, particularly in terms of travel to work, which create some overlaps, no other LEP area considers Swindon or Wiltshire to be within its FEMA. This aligns with HJA understanding that FEMA boundaries are generally porous, potentially overlapping and fuzzy.

Work to define FEMAs for Somerset notes some overlap at the fringes of Wiltshire but accepts that when identifying best-fit definitions there is no case for the inclusion of Wiltshire. The same is true for the West of England, relating to the overlap of Bath and the western Wiltshire area. Thames Valley Berkshire LEP note some relationship between Swindon and Newbury as part of a western Thames Valley area, but again note that in terms of best fit to administrative boundaries Swindon would not form part of its FEMA. Dorset LEP notes relationships beyond the county towards Hampshire and Wiltshire but does not suggest a combined FEMA. Further detail is set out at Annex 3 to this report.

There is therefore no external evidence suggesting a strong case for FEMAs that extend beyond the administrative boundaries of Swindon and Wiltshire, particularly not at the stage where 'best fit' definitions are adopted.

4.5 Summary

There have been two regional studies that have considered functional economic market areas. The first, which comprises a number of studies undertaken by DTZ Peda Consulting for the South West RDA led to a map of functional zones that has been referenced widely in subsequent research and policy. Whilst the zones were developed using data which might now be considered substantially out of date, when tested with stakeholders in 2010 the zones were thought to still be generally appropriate.

Research in 2010 by SQW to inform the development of Local Economic Assessments did not generate an update or alternative assessment of functional economic market areas, although it did provide some validation of the earlier DTZ work as noted above.

The output of these historic studies suggests that the Wiltshire and Swindon area falls within two broad functional economic market zones, and there is something of a north-south divide. Swindon and the northern parts of Wiltshire fall within a large functional zone that extends west to Bristol and north to Gloucester and Cheltenham. It is also shown to have porous boundaries into south Wales, the West Midlands and the south east of England. The southern parts of Wiltshire are shown within a separate functional zone that is characterised by the A303 corridor running east-west. This includes Salisbury as well as Yeovil and Taunton and is shown to have porous boundaries to the east stretching towards Andover.

The SQW study pointed to some factors that may change FEMA boundaries. Since the publication of these research reports, the 2011 Census has been published allowing analysis of more recent travel to work data. Given the passage of time it is appropriate to consider whether the FEMAs are still relevant, and from a Swindon and Wiltshire perspective, whether there are finer grain relationships that need to be understood.

The Swindon and Wiltshire LEP has identified three growth zones within the LEP area. These do not cover the entirety of the two local authority districts and are not described as FEMAs.

Research into FEMAs within adjacent LEP areas does not suggest any best-fit FEMAs which incorporate Swindon or Wiltshire administrative areas.

5 Other Functional Market Indicators

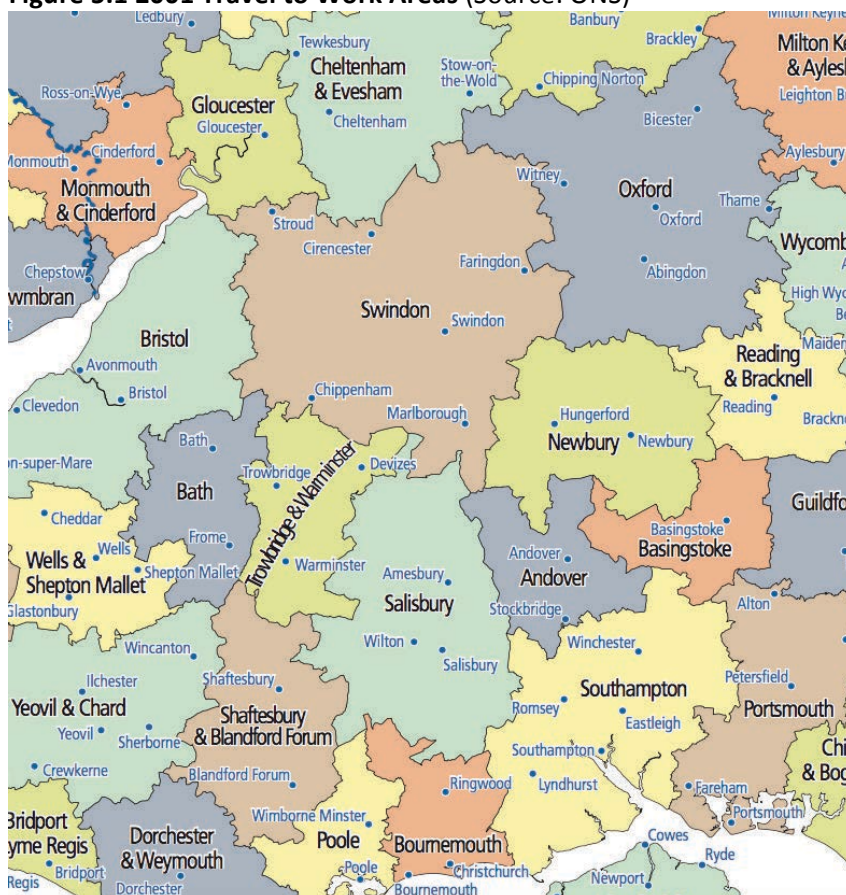
This chapter considers other research that considers some of the relevant datasets identified in the guidance.

5.1 Travel to Work Areas (TTWAs)

TTWAs have recently been updated as a result of the 2011 Census data release. These can be compared with the TTWAs published based on the 2001 Census.

In 2001 there were three main TTWAs covering the study area, one focused on Swindon, one on Trowbridge and Warminster and a third on Salisbury. Figure 5.1 shows an extract from the full UK map of TTWAs.

Figure 5.1 2001 Travel to Work Areas (Source: ONS)



The 2011 update retains three TTWAs as shown in Figure 5.2.

- The Swindon TTWA is slightly reduced to the south (losing Chippenham) and north west (losing Stroud) but extended to the north east to encompass Faringdon and towards Witney and to the east to encompass Hungerford.
- The Trowbridge TTWA is extended to the west taking in Frome and to the north taking in Chippenham.
- The Salisbury TTWA is extended slightly but does not cover any additional major settlements.

Figure 5.2 2011 Travel to Work Areas (Source: ONS)



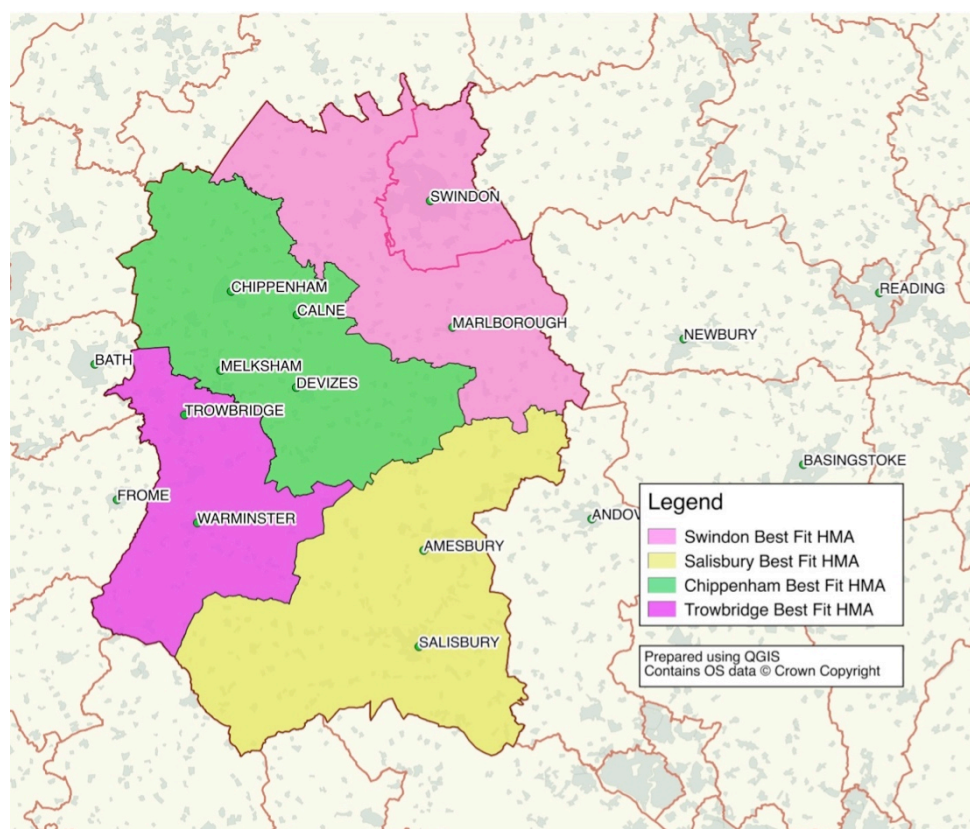
The issue with official TTWA definitions is that they have fixed and non-overlapping boundaries. In reality (shown in analysis of commuting patterns in following section) travel to work relationships are more complex than this.

However, what the official TTWA analysis does indicate is three distinct functional areas within the study area. One in the south, one clustered around the west Wiltshire towns/A350 and one focused around Swindon. The main extensions beyond the Wiltshire and Swindon administrative boundaries are to the north and west, beyond Swindon into Gloucestershire and the reach towards Frome from west Wiltshire.

5.2 HMA

An updated assessment of Housing Market Areas (HMAs) has been undertaken by ORS alongside this FEMA analysis. This has found evidence to support four HMAs across the Wiltshire and Swindon area as shown in the figure below. These four areas comprise a northern HMA focused on Swindon, a southern HMA focused on Salisbury and two HMAs covering west and central Wiltshire.

Figure 5.3 Housing Market Areas 2016



5.3 Retail Catchment

The assessment of retail catchments is quite often undertaken as part of the development of retail evidence to underpin development plan preparation. A variety of studies are therefore available which consider retail catchments.

The most comprehensive and recent study is the Wiltshire Council Town Centre and Retail Study, undertaken by GVA and published March 2011. This presents detailed catchment mapping for major retail locations within and outside Wiltshire. A series of the most relevant maps are attached as A 3 to this report.

These maps show:

- The Swindon catchment is shown to cover much of north and west Wiltshire
- Catchments for Chippenham and Trowbridge are fairly localised – stretching towards Bath and Frome, but predominantly local. They also overlap. Neither extends to Swindon.
- Salisbury shows a catchment that is largely focused on the city and its hinterland to the north and west with some reach further afield potentially as far north as Devizes and Trowbridge but not as far as Chippenham. The effects are relatively weak north of Warminster. There is some draw from Andover and into the New Forest and north Dorset.

Other analysis within the study indicates that:

- The reach of Bath as a comparison retail centre is shown to have a modest effect across much of Swindon and Wiltshire, although it is more notable on the west Wiltshire towns. The Bristol effect is very muted.
- There is a Cirencester effect into northern Wiltshire and Swindon but this is fairly modest.
- There is some reach from Andover into rural mid Wiltshire, but not extensively.
- There is some effect from Bournemouth and Poole into southern Wiltshire, but again fairly muted.
- The same for Newbury into eastern Wiltshire.
- The Southampton effect is more far reaching into Wiltshire, reaching as far as Warminster, although market shares are generally less than 10% for much of the relevant areas.

This analysis shows that larger retail centres can have a broad reach, most notably Bath and Southampton. However, there is evidence of three real hubs within the study area: Swindon, Chippenham/Trowbridge and Salisbury, which reflects the settlement pattern.

These conclusions are largely supported by other studies that have been reviewed.

- The Swindon Retail and Leisure Study Update, 2007, was primarily focused on Swindon and its catchment rather than the entire Swindon and Wiltshire area. Data relating to a subsequent 2009 update has also been reviewed. Analysis of market share data by the zones analysed shows a strong pull across zones in and around Swindon with a marked weakening of draw from more peripheral areas including Cirencester and some of the west and central Wiltshire towns. The analysis area did not extend as far as Trowbridge, Westbury or Warminster. A similar effect was found for a range of leisure uses, which were also considered as part of the survey work, with each of the Wiltshire settlements drawing on its own localised market.
- The Bath and North East Somerset Retail Strategy, 2008, also shows the influence of Bath reaching into much of western Wiltshire including Chippenham, Melksham, Trowbridge, Bradford-on-Avon and Westbury (plus Frome within Mendip District). The reach is not shown as far as Warminster, Calne or Devizes.
- Bristol focused analysis does not show substantial catchment reach into the Swindon and Wiltshire area.
- Reading focused analysis does not suggest a substantial catchment reach into the Swindon and Wiltshire area.
- Southampton focused analysis makes reference to Salisbury, acknowledging its retail catchment, which extends into part of Test Valley.

5.4 Summary

The three types of catchment mapping that are often undertaken are travel to work areas, housing market areas and retail catchments.

TTWA analysis has some limitations in that the approach adopted by ONS does not allow for overlapping areas. Whilst there are some benefits to this approach, it does also mean the reality of complex overlapping commuting patterns are not fully captured in the final map. Both 2001 and 2011 TTWA analysis suggests three distinct zones in Swindon and Wiltshire. One focused on Swindon, one on the west Wiltshire towns and one on Salisbury.

Housing Market Area analysis has recently been updated and indicates four HMAs, Swindon, Salisbury and two in covering west and central Wiltshire along the A350.

Retail catchment analysis shows a complex picture. This broadly supports the three area approach as suggested by TTWA analysis, with clear external influences from Bath and Southampton and quite localised catchments for the west Wiltshire towns.

There is some draw in to the Swindon and Wiltshire area from beyond the administrative boundaries, most notably the relationship of Cirencester to Swindon and Frome to the west Wiltshire towns. This features in both the TTWA and retail analysis.

On the basis of the above, the evidence suggests that there are not extensive or wide areas outside the administrative boundaries of Wiltshire and Swindon that comprise part of the Swindon and Wiltshire FEMAs. However, there are external connections and linkages with larger urban areas that lie around the fringes. The data also points towards three broad areas focused on Swindon in the north, Salisbury in the South and the west Wiltshire towns/A350. The west Wiltshire towns/A350 area is the least coherent, with retail and HMA evidence pointing to more localised activity.

These three broad areas correlate well with the three growth zones identified by the Swindon and Wiltshire LEP.

6 New Data and Evidence

The two preceding chapters have considered existing research and analysis. This chapter considers new data or information.

6.1 2011 Commuting Data

Commuting data from the 2011 Census of Population is now available. Whilst this has formed the basis of the update to TTWAs considered in the previous chapter, the TTWA method does not allow overlapping areas and so it can be helpful to consider the raw data to understand whether there are more complex and nuanced patterns.

HJA has analysed data based on data at Middle Layer Super Output Areas (MSOAs)⁹. 2011 Census data provides information on the flow of people from each MSOA to every other MSOA based on their normal place of residence and workplace. Across the UK this creates a vast dataset. In order to aid clarity and manageability of analysis we have set a threshold of 15 persons for all the following analysis i.e. a minimum of 15 persons must commute from one MSOA to another to be recognised. The data is also banded to interpret the strength of flows:

- 15 – 49 persons
- 50 – 99 persons
- 100 – 199 persons
- 200 – 499 persons
- 500+ persons

This is used consistently in the mapping. Four primary analysis sets have been considered:

- Swindon workplace analysis
- Swindon residence analysis
- Wiltshire workplace analysis
- Wiltshire residence analysis

Workplace analysis captures the flows to a workplace in that area, from wherever the workers live. Residence analysis captures the flows from residential addresses to wherever the workers work. We can therefore build a picture of the in and out commuting flows and the networks of travel to work patterns across the study area. Both these datasets are helpful for understanding the nature of FEMAs.

Some anomalies in the data have been identified. Most notably, the strength of connections from Swindon based MSOAs to New Alresford (a small settlement to the east of Winchester) and to Plymouth. It is thought that these are a result of a coding error.

The table below provides a brief commentary on the travel to work flows data from the 2011 Census, which are shown on two maps (Figures 6.1 and 6.2). Both figures filter for only a minimum of 50 person flows. Maps detailing flows of 15 persons and above are included at Annex 4.

⁹ MSOAs are a statistical designation used in the UK. MSOAs have a population of 5,000 – 15,000 persons and 2,000 – 6,000 households.

Table 6.1 Summary of Travel to Work Patterns

	In Commuting (Workplace Based)	Out Commuting (Residence Based)
Swindon	<ul style="list-style-type: none"> • In commuting networks show flows from across north and west Wiltshire and the immediate outlying areas e.g. Cirencester. • There are some flows from Bristol and Bath but these are generally weak. • There are no substantive flows from southern parts of Wiltshire. • Filtering out the weakest flows indicates a generally localised pattern. 	<ul style="list-style-type: none"> • Largely localised relationships with flows into northern Wiltshire area (Marlborough) • External links to Cirencester in the north and to the east to Oxford, Reading, Newbury. • Weak links to the west toward Bristol and Bath • Filtering out the weakest flows creates a very localised commuting pattern focused on Swindon and its immediate environs. • Two data anomalies show flows to an area west of Winchester and to Plymouth. These are being investigated.
Wiltshire	<ul style="list-style-type: none"> • Two strong networks – one focused on Salisbury/Amesbury and a second around Chippenham, Calne, Melksham, Trowbridge, Devizes and Warminster. • There is an area between the two where there are relationships in both directions. The boundaries are therefore fuzzy. • There is also a clear relationship from Swindon into the northern parts of Wiltshire • The southern ‘Salisbury Cluster’ has an external link to Andover and some more modest external relationships with other settlements in Test Valley, Southampton, New Forest and north and east Dorset. • The north western cluster has external relationships to Bath and Frome. • When the lightest flows are filtered out the two zones are very pronounced with relatively limited external flows, mainly from Frome and to a lesser extent Andover. • Marlborough has connections into the three major zones. 	<ul style="list-style-type: none"> • Evidence of two strong networks as with in-commuting. One focused in the southern part of Wiltshire around Salisbury and Amesbury and a second in the north and west of the area with very strong links to Swindon and Bath as well as to Cirencester. • External links are more pronounced when looking at out-commuting including flows to Bristol/South Gloucestershire and Bath in the west as well as easterly to Newbury and Andover and southerly to Southampton. There is also evidence of flows to central London. • When filtering results to remove the lightest flows the relationship to Bath is clearly the most pronounced external flow from the west Wiltshire settlements.

Figure 6.1 2011 Travel to Work data – Workplace Based

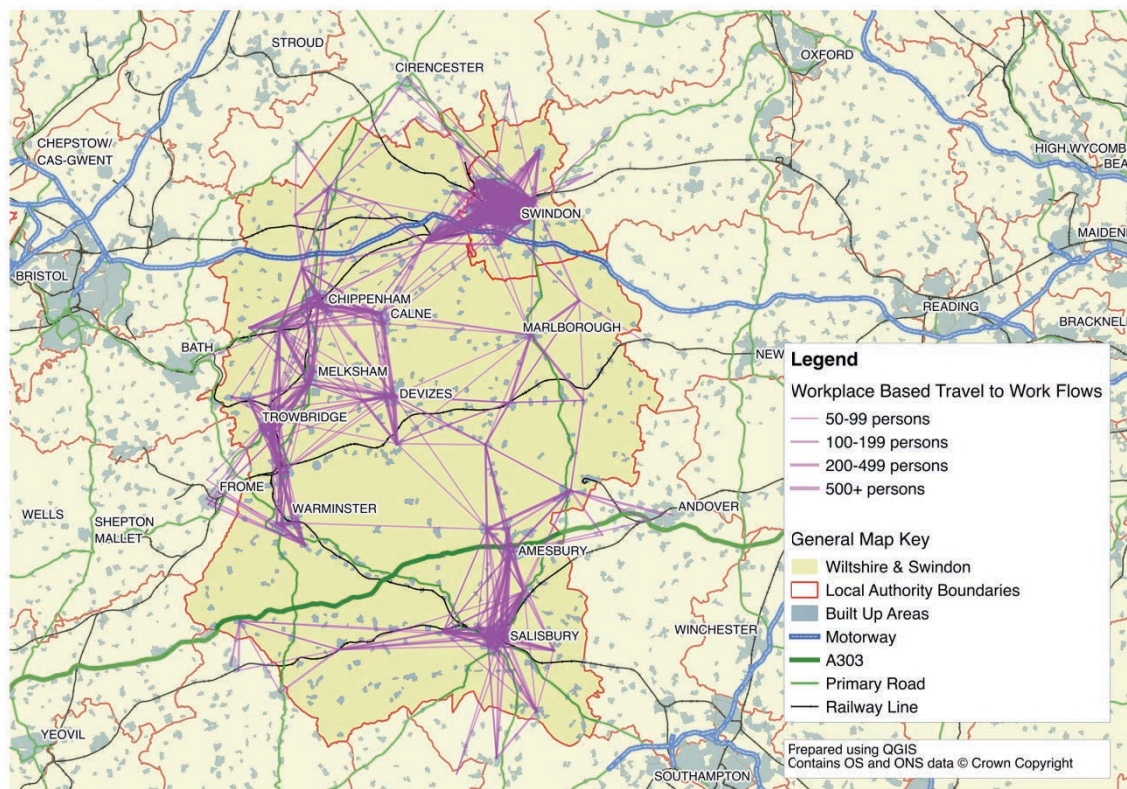
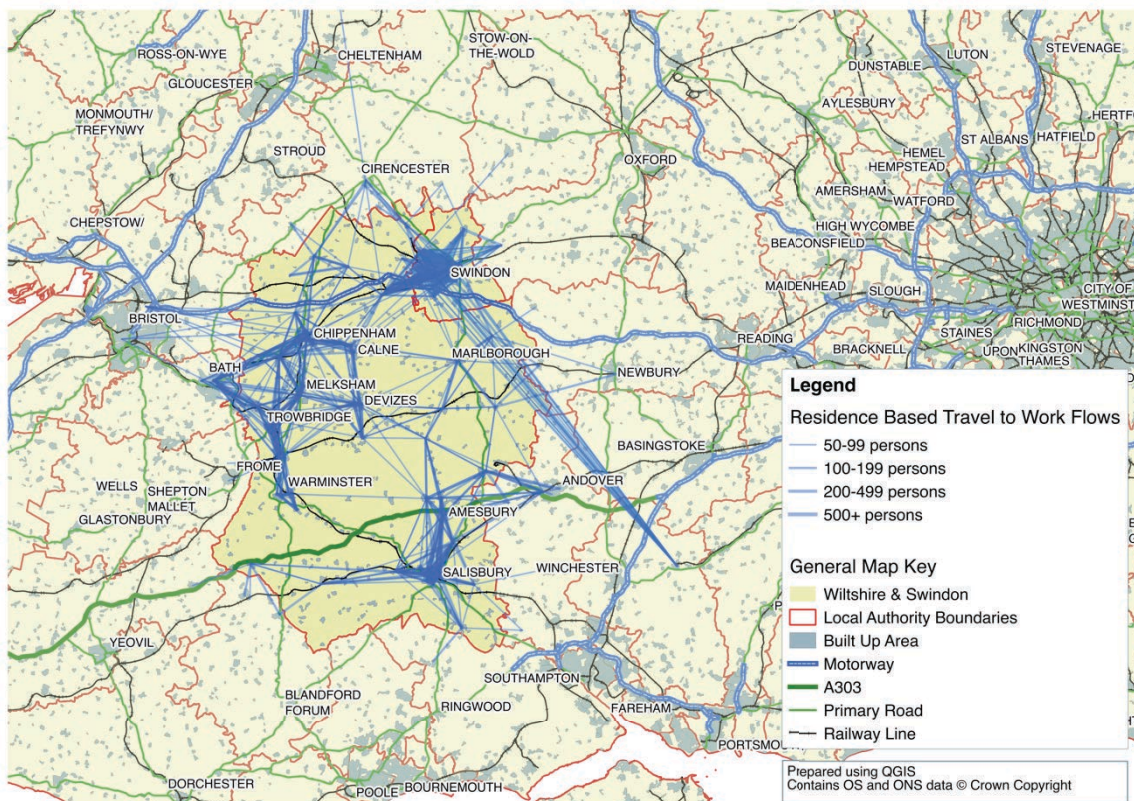


Figure 6.2 2011 Travel to Work data – Residence Based



In combination, these indicate:

- Evidence of three functional zones, albeit with overlapping boundaries.
 - Swindon zone that extends into north Wiltshire and Cotswold
 - West Wiltshire with Bath and Frome zone
 - Southern Wiltshire (Salisbury/Amesbury) zone
- External linkages are stronger in terms of out-flows of commuters rather than in-flows.
- External relationships and areas which might need to be considered as part of FEMAs are with:
 - Andover
 - Bath
 - Frome
 - Cirencester
- The primary linkage with Bath is in terms of out-commuting from west Wiltshire towns, although there is some inflow of workers, but much more muted.
- There are other linkages to Southampton, London and Berkshire/Oxfordshire towns although these relationships are not as strong as those considered in more detail above.

6.2 Supply chains and business interactions

It would be helpful to be able to assess the nature of business-to-business interactions. However, data on which to undertake such analysis is not readily available. Any consideration is therefore reliant on detailed local surveys which can be extremely costly. Rather than undertake such survey work consultations have been undertaken to capture local market knowledge of the patterns of business interaction. However, this is a qualitative rather than quantitative assessment and is set out in the chapter on consultation findings.

6.3 Service markets

Guidance documentation makes reference to a number of potential indicators of service markets to be considered. A range of evidence has been considered. For some indicators there is little evidence that gives insight into functional markets (e.g. airports).

6.3.1 Health Services

Data is available on the structure of health services. Two Clinical Commissioning Groups (CCGs), which deal with primary care services, cover the Wiltshire & Swindon area - one each for Wiltshire and Swindon. These largely map to the local authority boundaries, with the one exception being a small area of Vale of White Horse district which is included within the Swindon CCG area. These comprise part of a wider England South (South Central) NHS England region which also includes Gloucestershire, Oxfordshire, Berkshire and Bath & North East Somerset.

There are also two NHS Foundation Trusts which provide hospital based services. The Salisbury NHS Foundation Trust covers the southern part of Wiltshire, centred on Salisbury District Hospital. The following map is taken from Operational Plan Document for 2014-16. Specialist services are delivered to a much wider catchment, particularly spinal services.

Figure 6.3 Salisbury NHS Foundation Trust Catchment Area



The Great Western Hospitals NHS Foundation Trust covers *Swindon, North East Wiltshire and the borders of neighbouring counties – Gloucestershire, Oxfordshire and West Berkshire* (Strategic Plan Summary 2014/19). This Trust includes the following hospitals:

- Great Western Hospital, Swindon
- Chippenham Community Hospital
- Devizes Community Hospital
- Melksham Community Hospital
- Savernake Hospital, Marlborough
- Trowbridge Community Hospital
- Warminster Community Hospital

The Royal United Hospitals Bath Foundation Trust also provides services to residents of Wiltshire.

There is also an Avon and Wiltshire Mental Health Partnership NHS Trust which covers the entire study area and former county of Avon.

Overall there is no clear pattern within the administrative structures of health services.

6.3.2 Media Regions

Local media coverage can be an influencer of activity and local area affiliation. Data is available on local TV, radio and newspaper coverage.

6.3.2.1 TV

BBC Regions show the southern part of Wiltshire in South and rest of Wiltshire and Swindon within West. The ITV regional map is very similar. With Salisbury and south and eastern Wiltshire as well as Swindon part of the Meridian area with the remainder in the West region.

Figure 6.4 BBC TV Regions

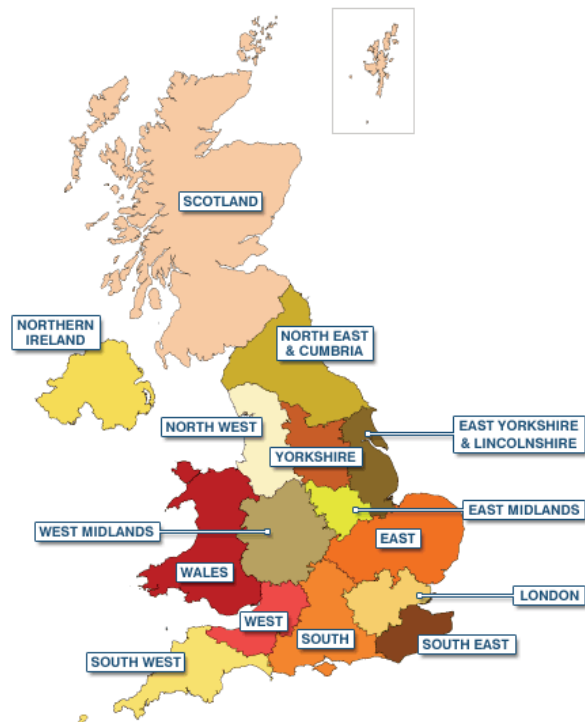


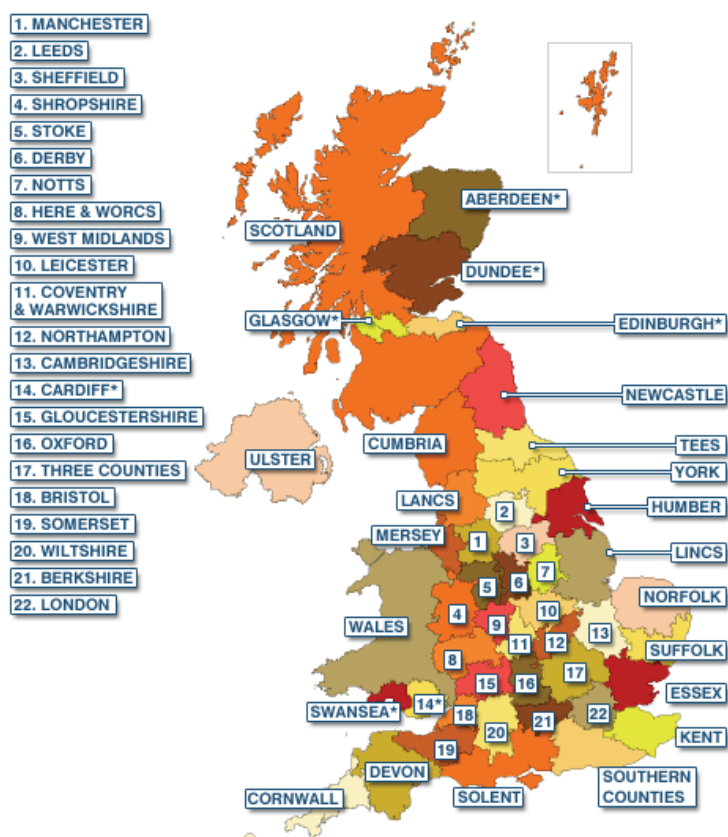
Figure 6.5 ITV Regions



6.3.2.2 Radio

BBC Local Radio has many more regions typically based on the old county structures. The Wiltshire area covers both Swindon and Wiltshire.

Figure 6.6 BBC Local Radio Regions



6.3.2.3 Newspaper

Circulation data (Local Media Works Ltd¹⁰) shows 22 local newspapers with some penetration into Wiltshire, although some of these are out of area papers with very limited readership in Wiltshire. Those with the largest coverage are (figures in parentheses: circulation within Wiltshire – free/paid – household penetration):

- Wiltshire Star (22,400 – free – 11%)
- Salisbury Journal (14,400 – paid – 7%)
- Wiltshire Gazette & Herald (13,800 – paid – 7%)
- Salisbury Avon Advertiser (9,500 – free – 5%)
- Wiltshire Times (9,000 – paid – 4%)

Nine local newspapers are listed as having some penetration into the Swindon borough. Only two with penetration above 1% of households:

- Swindon Star (22,800 – free – 25%)
- Swindon Advertiser (9,700 – paid – 10%)

Annex 6 contains circulation maps for these papers. Detailed data on household penetration provides insight on the core readership areas. This suggests three broad zones for local newspaper

¹⁰ All data courtesy of LMW Ltd accessed via www.nsdatabase.co.uk

readership focused on Salisbury/Amesbury, Swindon, and the north and central Wiltshire towns. The latter zone extending to Frome.

- Wiltshire Star – core coverage across west Wiltshire towns of Bradford on Avon, Chippenham, Corsham, Frome, Melksham, Trowbridge, Warminster and Westbury along the A350
- Salisbury Journal – core coverage areas are Salisbury, its rural hinterland, Amesbury and Tidworth. There is also reach into north Dorset (Shaftesbury) and New Forest (Fordingbridge) as well as limited reach to Warminster.
- Wiltshire Gazette and Herald – core coverage areas are north Wiltshire towns: Calne, Chippenham, Devizes, Malmesbury, Marlborough, Pewsey – all above 10% penetration. There is some reach to Swindon and Wootton Bassett but not substantial.
- Salisbury Avon Advertiser – core coverage areas are Salisbury, its rural hinterland, Amesbury and Tidworth.
- Wiltshire Times – core coverage areas are Trowbridge, Bradford on Avon, Westbury and Melksham. There are lower penetration rates into Warminster and Corsham.
- Swindon Star and Swindon Advertiser – both focused on Swindon with penetration into Highworth (Vale of White Horse), Wootton Bassett and Shrivenham but very limited reach into Wiltshire.

6.4 Summary

2011 Census travel to work data is potentially the best available flow data on which to define functional economic market areas. The latest available travel to work data suggests three functional zones centred on Swindon, the west Wiltshire towns and Salisbury/Amesbury. There are some connections to areas outside the administrative areas of Wiltshire and Swindon, primarily Cirencester (Cotswold), Frome (Mendip) and Andover (Test Valley). There is also a clear out-flow relationship to Bath.

There is limited data on service markets and supply chains. Health service structures use a range of geographical areas. NHS Foundation Trusts give support to the concept of Swindon/north Wiltshire and Salisbury centred functional zones. CCG structures also separate Swindon from Wiltshire and broadly align to local authority administrative boundaries.

Media regions give a complex picture. Local newspaper coverage suggests three broad areas which align to the travel to work data, centred on Swindon, west Wiltshire towns and Salisbury/Amesbury. There is evidence of more complex patterns in west Wiltshire, with some papers covering more localised catchments, which is in keeping with the retail evidence presented previously. TV coverage areas show separation of Salisbury/Amesbury from the west Wiltshire area, with west Wiltshire the region extends west towards the West of England and in the south it looks south and east. It also shows much of Swindon as part of a region which extends eastwards, rather than to the west.

7 Consultations

Consultations were completed with a range of stakeholders listed at Annex 2. This included those active or with specific roles within different parts of the geographical study area. It also included those within the public and private sectors. These consultations informed the entirety of the FEMA assessment, including detailed consideration of functional economic relationships. The consultations followed the completion of much of the desk research so emerging conclusions were shared as part of the discussions to test whether the findings were valid and resonated with local knowledge and understanding.

7.1 General Comments

A number of consultees noted that many businesses in both Swindon and Wiltshire have supply chains and customer markets that are global rather than local. The functional zones are therefore particularly relevant to workforce. However, it was also acknowledged that even in workforce terms there remain important linkages to London, Bristol, Bath, Reading and Newbury.

7.2 Broad Zones

There was general agreement about the three broad zones identified from the desk research. The role of Salisbury Plain in creating separation between the southern zone focused on Salisbury/Amesbury/A303 and the A350/west Wiltshire towns zone was noted.

7.3 Scope and Focus of Zones

There was more focused discussion of the scope and nature of each of the three zones.

7.3.1 Swindon

It was noted by several consultees that Swindon ‘looks east’ towards Reading and the South East of England rather than to the west towards Bath and Bristol.

There was consensus that the influence of Swindon goes beyond its administrative boundary in to parts of northern Wiltshire in particular, e.g. Royal Wootton Bassett. In particular this was driven by the housing offer of Swindon, which was not particularly well suited to higher earning staff.

There was no consensus in respect of how strong linkages were between Swindon and Cirencester and Swindon and Chippenham. It was suggested that Cirencester is very much influenced by both Swindon and Gloucester/Cheltenham, and it certainly wasn’t a simple case of classifying the town within a Swindon centred FEMA. For Chippenham, complex relationships were described noting its role within the A350 corridor, as part of an M4/east-west corridor and to some extent linking with Swindon. However, these links to Swindon were expressed more as part of a common east-west axis than as a strong functional relationship between the settlements.

The role of commuting using the Great Western Mainline was noted – from both Swindon and Chippenham. This reflects the east-west axis issue.

7.3.2 A350 Corridor/West Wiltshire towns

It was clearly expressed by several consultees that this is a corridor of inter-related towns rather than a mono-centric functional zone. Each town has relationships with its neighbouring settlements, but the connections between the extreme north and south of the corridor are more muted. It was also noted that there are different economic offers and drivers in different parts of the zone e.g. access is best in the north around Chippenham in proximity to the M4.

There was consensus that the zone has a westward focus towards Bath. There was no strongly expressed views as to the role of Frome in the FEMA.

Development and growth within the corridor in recent years, with a greater range of locally available retail, leisure and other services, has reduced the need to travel outside the corridor and is evidence of agglomeration at work.

7.3.3 Salisbury/Amesbury

Salisbury Plain was described as a clear barrier that separates southern Wiltshire from the A350 zone. However, the role of military activity around the fringes of the Plain creates some connections with the southern part of the A350 zone.

Consultees suggested links to north Dorset were relatively weak. There was no strong view as to whether Andover was part of the functional zone. Some expressed the view that Andover looked more eastward, others noted the military link, others felt there was some A303 related connection and businesses may look at Andover and other A303 locations within a common area of search.

Views were expressed that the direction of focus was certainly south and east, as well as a strong commuting relationship to London from Salisbury.

Whilst Salisbury functions as an important service centre, with a strong tourism focus and its own economic base, some of the views expressed suggested this was quite separate to other parts of the zone including the military focus and the emerging focus around Solstice Park on the A303.

7.4 Future Changes to the Zones

The major infrastructure development which could change the scale and function of the FEMAs was electrification of the Great Western Mainline. Coupled with Crossrail it was noted that journey times from Chippenham and Swindon to London destinations would be reduced. This had the potential to make Swindon and Chippenham even more attractive as London commuter belt locations given the lower cost of housing than in more traditional commuter zone locations.

The plans for the major redevelopment of Swindon town centre, and a desire to increase the delivery of executive style housing in Swindon were also cited as potential drivers of change.

Improvements to the A303 and A350 were cited, but neither were suggested as drivers of changes to FEMA geographies, but more so as drivers of potential growth in the areas.

8 Conclusion on FEMA Geography

This technical report has set out a review of a host of evidence in order to consider the FEMAs relevant to the Swindon and Wiltshire areas. This is based on the guidance set out within NPPF and PPG.

It is important to preface the conclusions of this analysis with the following:

- There is no definitive approach to defining FEMAs
- Some of the data that might be helpful to fully consider FEMAs is not available
- FEMAs will vary depending on the indicators considered
- FEMAs do not have hard and fast boundaries and can overlap
- The boundaries are porous with many external linkages in terms of travel to work, leisure, learn and other services as well as business interactions with customers and suppliers.

Accepting those caveats, the evidence collated as part of this research suggests three broad FEMAs:

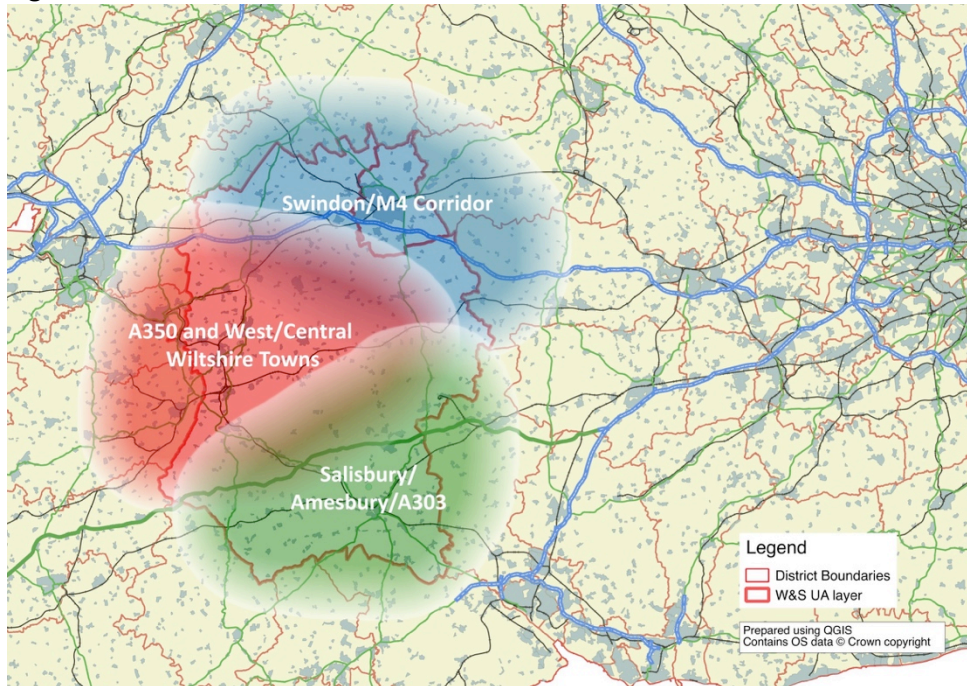
- Swindon
- A350 and west/central Wiltshire towns
- Salisbury/Amesbury/A303

These are illustrated in figure 8.1. The boundaries of the areas should not be considered exact, but are intended to outline broad FEMAs. The zones overlap. The rural area in the east of Wiltshire is not clearly within any of the three FEMAs but has relationships with each. The zones are shown including the settlements of Frome, Bath, Cirencester and Andover which lie outside the Wiltshire and Swindon administrative boundaries.

The nature and focus of the three FEMAs is different. The Swindon zone has a strong eastward focus, into the Thames Valley and towards Oxfordshire, and it is dominated by the largest urban centre in the Swindon and Wiltshire area. The A350 corridor has a greater westward focus towards Bath and the West of England, it is a polycentric FEMA of market towns that is very much a corridor with interactions between adjacent settlements. The Salisbury/Amesbury/A303 corridor has different elements with some linkages towards Southampton and into the south-east.

For pragmatic reasons it is helpful to constrain FEMAs to 'best-fit' areas. As is clear from the analysis and the research undertaken by adjacent LEP areas, the three FEMAs identified best fit within the administrative areas of Swindon and Wiltshire. This conclusion was tested through a Duty to Cooperate workshop with officers from all adjacent local authority areas. It was agreed that this approach was appropriate and that none of the adjacent areas considered either Swindon or Wiltshire to form part of their FEMAs.

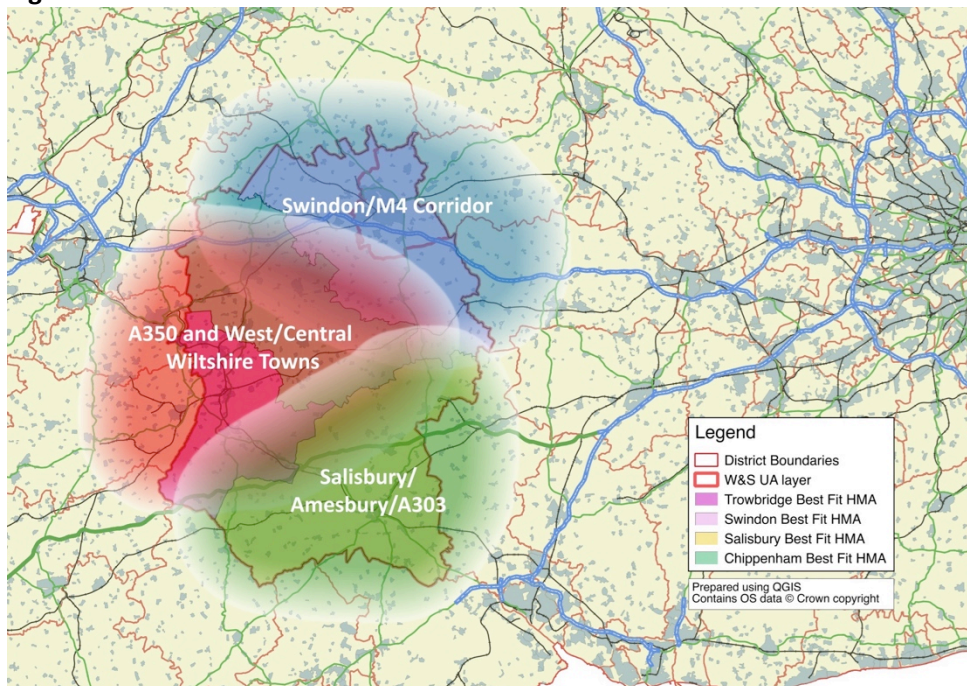
Figure 8.1 FEMAs for Swindon and Wiltshire



8.1 Fit with HMAs

This analysis has identified three FEMAs. Concurrent analysis has identified four HMAs. There is very strong fit between the Swindon and Salisbury/Amesbury/A303 FEMAs and the associated HMAs. The A350 Corridor FEMA incorporates two HMAs. However, the coverage of the two HMAs has good fit with the FEMA. These are shown in figure 8.2.

Figure 8.2 FEMAs and Best Fit HMAs



8.2 Best Fit FEMA Definitions for Detailed Analysis

Working definitions to allow statistical analysis of FEMAs is required for the purposes of the study. This will include ensuring alignment of jobs and workers at the HMA level.

Given the good correlation between HMAs and the broad FEMAs, the best fit HMAs are used as building blocks to inform detailed statistical analysis. The two HMAs that cover the A350 Corridor zone are combined when presenting FEMA level analysis. This approach ensures 100% coverage of the Swindon and Wiltshire administrative areas with no overlap.

Annex 1: References

2013 Bristol City Centre Retail Study, DTZ

Bath and North East Somerset Retail Strategy, Retail Review and Customer Profile Report, The Retail Group (Annex B to BANES Retail Strategy December 2008, Urban Practitioners, DTZ and The Retail Group)

Bristol Citywide Retail Study, DTZ, June 2007

Civil Aviation Authority – Airport market power assessments Catchment area analysis Working Paper October 2011

Communities and Local Government (2010) Functional Economic Market Areas, An economic note

Communities and Local Government (2012) National Planning Policy Framework

Communities and Local Government (live) Planning Practice Guidance

DTZ Pida Consulting (2001) Spatial Prioritisation, Review of Economic Activity Zones

DTZ Pida Consulting (2004) Spatial Dynamics of the South West Region

Reading Borough Council, Retail and Leisure Study 2005, Colliers CRE

South West of England RDA (2006) Regional Economic Strategy

Southampton & Eastleigh Retail Study, GVA for Southampton City Council and Eastleigh Borough Council, July 2011

SQW (2010) Functional Economic Market Areas and Economic Linkages in the South West

Test Valley Borough Council, Retail Update 2012, NLP

The Swindon Retail and Leisure Study Update, 2007 and 2009 Update. Donaldsons/DTZ for Swindon Borough Council

West Berks Council, Retail Study Update 2010, Strategic Perspectives

Wiltshire Council Town Centre and Retail Study, undertaken by GVA and published March 2011

Annex 2: Consultation

The following individuals and organisations were consulted as part of our work to define FEMAs:

- Ian Larrard, GWE Business West
- Jan De Jonge, FSB
- Less Durrant, Swindon and Thames Valley Chambers of Commerce
- Mary Webb, FSB
- Tim Martienssen, Wiltshire Council
- Tom Jaques, Enterprise Wiltshire
- Trudy Godfrey, Swindon Borough Council
- Simon Smith, Wiltshire Council (Army Rebasing)
- Richard Walters, Wiltshire Council
- Paddy Bradley, Swindon Borough Council/Swindon & Wiltshire LEP
- Nicky Alberry, Swindon Influence
- Robin McGowan, Salisbury BID
- Rob Perks, Inspire (Wiltshire Chamber of Commerce)
- Scott Anderson, Wiltshire Council

The following topics were covered using semi-structured interviews:

- Awareness of existing FEMA definitions or research
- Professional opinions on FEMA definitions and economic linkages within and without Swindon & Wiltshire and any evidence for such
- Specific opinions and evidence which may relate to
 - Business market areas – supply and customer linkages
 - Clusters and sectors
 - Impact of military/MOD activity
 - FEMA for Salisbury and impact of A303
 - Links to Andover, Southampton, New Forest, Dorset
 - Influence of London
 - Linkages from Swindon/north Wiltshire to
 - Bristol
 - Bath
 - Gloucestershire
 - Oxford
 - Reading
 - Newbury
- Potential changes to FEMAs recently or as a result of planned infrastructure
 - Implications of improved digital connectivity on patterns of activity
- Degree of economic integration and separation between rural and urban areas
- Future potential
 - Barriers to growth - weaknesses
 - Opportunities for growth - strengths
 - Risks and threats

- Quality of employment sites and premises stock
 - Constraints
 - Need for replacement and upgrading
 - Market situation, viability, levels of commercial activity

Annex 3: Adjacent Area FEMA Analysis

GFirst (Gloucestershire)

- The Local Economic Assessment (2011) for Gloucestershire considers functional economic market areas.
- The study concludes that the LEP/county boundary is a FEMA.

OxLep (Oxfordshire)

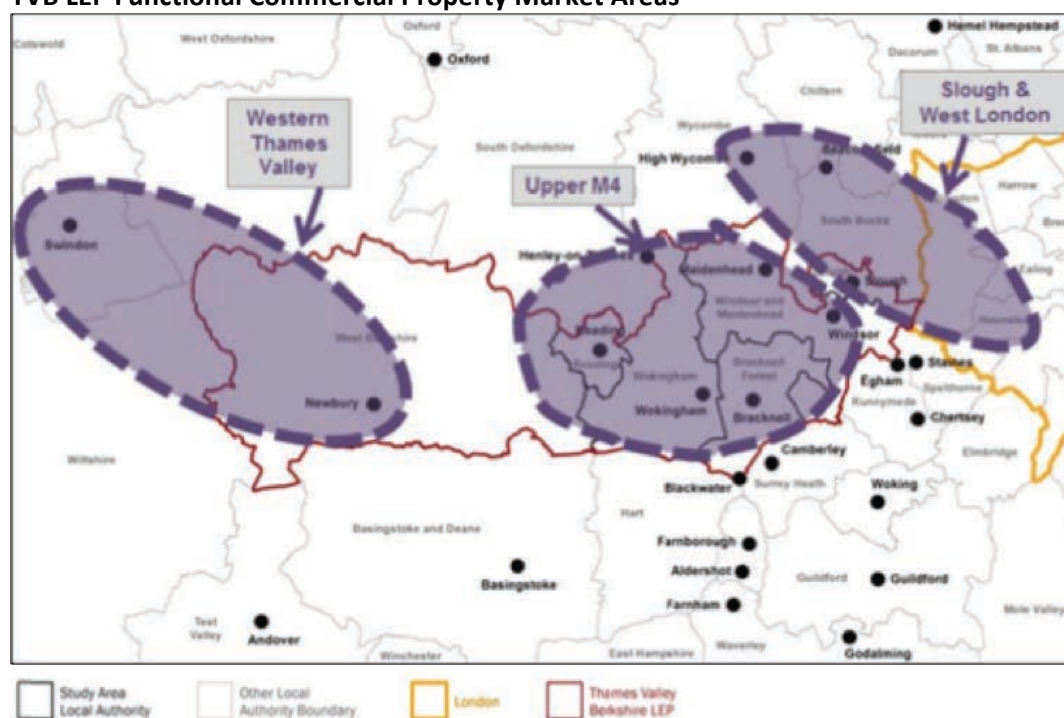
No evidence of FEMA definition has been found.

Thames Valley Berkshire LEP

TVBLEP has published a FEMA study of its own (Berkshire FEMA Study, 2016) – excerpts relevant to Swindon and Wiltshire are included below.

- It is important to note that the final FEMA definition for TVBLEP does not include Swindon – it is constrained to the local authority boundaries of the LEP as per Planning Advisory Service guidance. However, Swindon is included in the proposed functional commercial property market areas:
- *The Thames Valley West area combines the Newbury and Swindon markets, which constitute the key nodes at the western end of the M4 corridor. The distinction of this area from the western corridor sub-region reflects the lower value profile in both office and industrial markets than the M4 markets closer to London, the quasi- industrial character of much of demand, and the linkages that exist with areas beyond the western boundary of the South East region towards the Bristol area:*

TVB LEP Functional Commercial Property Market Areas



Source: Berkshire FEMA Study, NLP

- *The [West Berkshire] District benefits from good strategic road connections to larger centres such as Reading, Oxford, Swindon*
- *Swindon benefits from excellent transport access at the western end of the Thames Valley and has attracted significant inward investment because of this and available land.*
- *The [Swindon] Borough is seen as having strong locational advantages to accommodate new investment and relocating firms from the South East region due to its lower costs, excellent transport accessibility and reasonable proximity to London and Heathrow Airport. Its diverse economy is a key strength to be maintained in future.*
- The TTWAs proposed in the report suggest that there is some overlap with between the West Berkshire District and its shared boundary with East Wiltshire, but it is minimal (Note: map can be found on p.87 of the document).

Dorset LEP

There is no evidence of a FEMA definition for Dorset LEP, although there is some supplementary information to be found in the following documents:

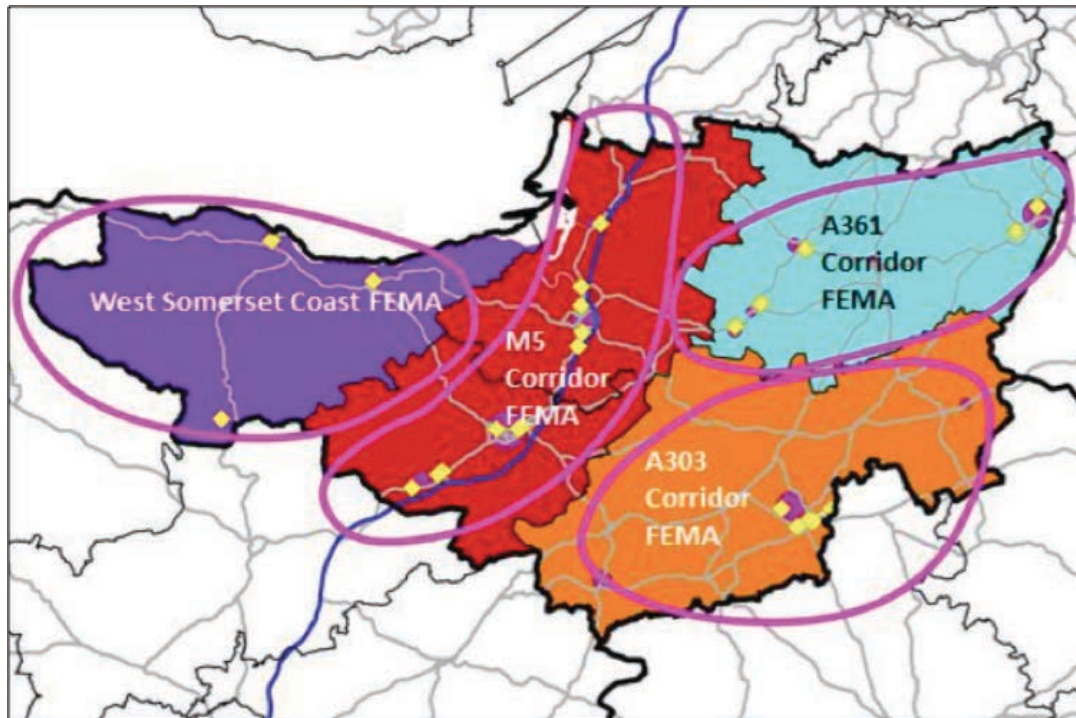
- Dorset SEP (2014): *“The peripheral nature of Dorset for many of its smaller towns and villages is exacerbated by the larger towns over the Somerset, Wiltshire and Hampshire borders attracting employment and housing investment out of the area.”*
- Review of Economic Evidence (Dorset Leaders’ Growth Board, 2015) – *“Although Dorset is relatively self-contained in terms of jobs and residence, which has clear sustainability benefits, nonetheless the conurbation in particular looks both eastwards towards the Southampton/Portsmouth conurbation, as well as to the northeast, towards Salisbury and Wiltshire in respect of rail links, colleges and health facilities.”*

Heart of the South West

No evidence of FEMA definition for the whole LEP area. However, the five district councils in Somerset (Mendip, Sedgemoor, South Somerset, Taunton Deane and West Somerset) commissioned a joint HMA and FEMA assessment. Excerpts relevant to Swindon and Wiltshire are included below.

- The findings in the report take into account the same functional economic zones for the South West region as shown in Fig. 41.1, of the main report, but does go on to propose four defined FEMAs within Somerset.
- There is minimal overlap between one of the suggested FEMAs (A361 corridor) and Wiltshire, as seen below, but this has more to do with an imprecise delineation of the boundary as opposed to an intentional overlapping of the boundary into Wiltshire.

Proposed local FEMAs in Somerset



Source: Housing Market Areas and Functional Economic Market Areas in Somerset, ORS

West of England

There is an Economic Development Needs Assessment (2015) (provides a HMA and a FEMA assessment) available for the LEP area, which was commissioned by the four unitary authorities in the WoE - Bristol City Council, South Gloucestershire, North Somerset and Bath and North East Somerset. Excerpts relevant to Swindon and Wiltshire are included below.

- *Although there were clear linkages between the West of England and surrounding economic centres such as Swindon... these areas are their own FEMAs and so it was concluded that they should not be included in the WoE FEMA.*
- *...there are areas of Wiltshire... that are part of the Bath travel to work area but these areas are also excluded from the Bath HMA for the reason that they would not form the 'best fit' to existing administrative boundary.*
- The EDNA chooses to closely follow the HMA boundaries when defining their FEMA for WoE, so areas of Wiltshire that fall within the TTWA of Bath are not included in the FEMA definition.

Solent LEP

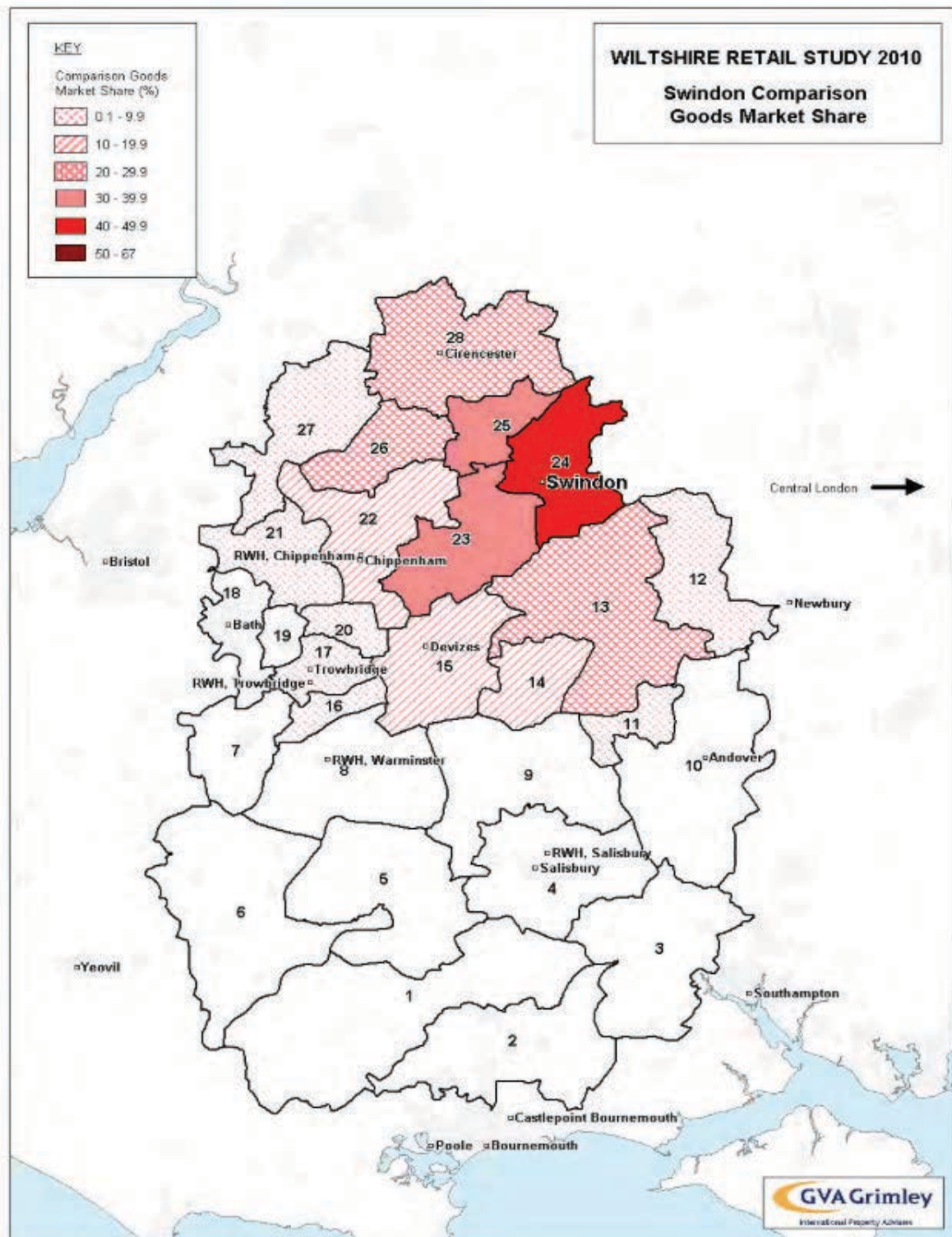
No evidence of FEMA definition found.

- The Hampshire Economic Assessment (2011) does provide in and out-commuter flows, but these are based on 2001 Census data.

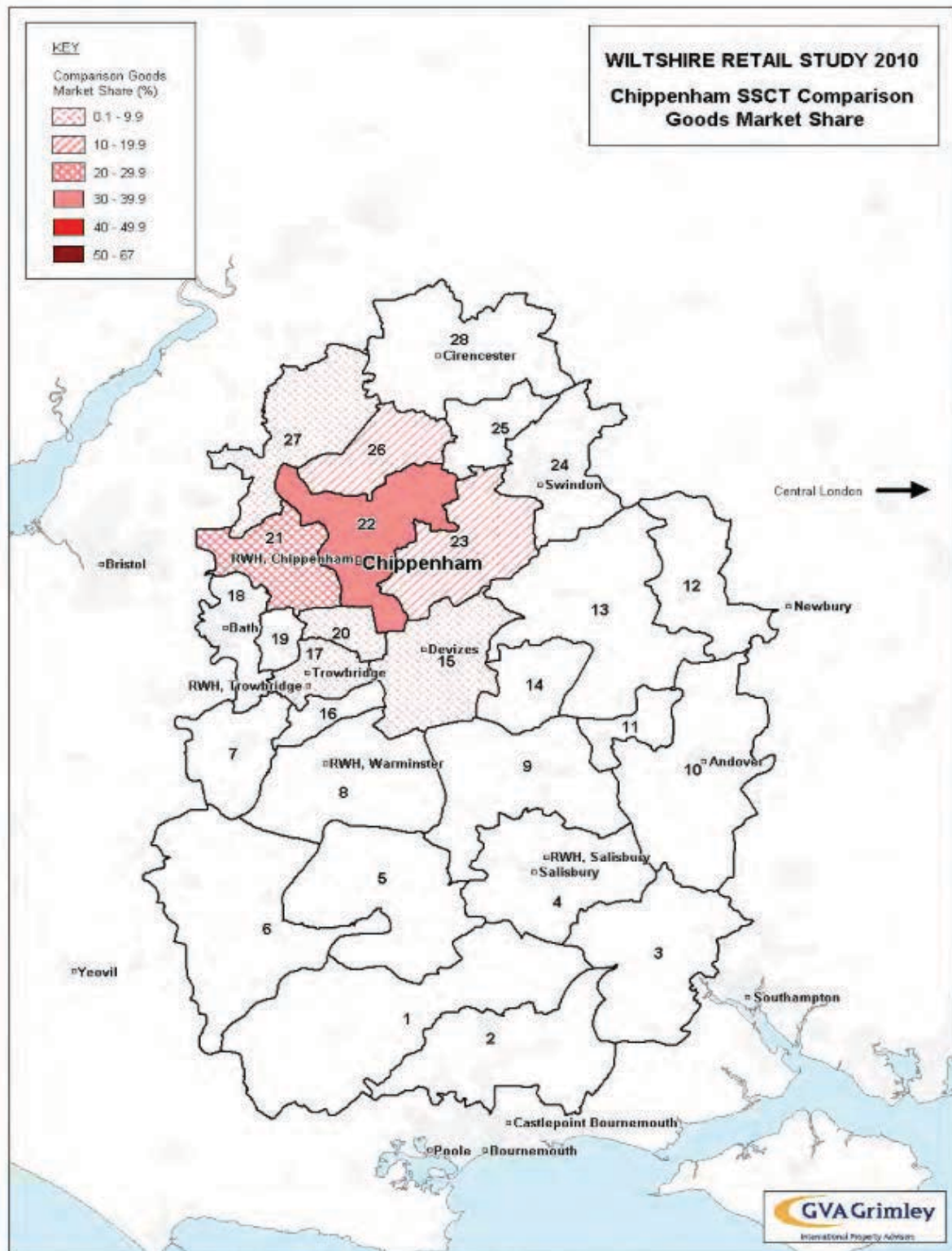
Annex 4: Retail Catchment Maps

The following maps are taken from the Wiltshire Town Centre and Retail Study, prepared by GVA on behalf of Wiltshire Council. This was published in 2011.

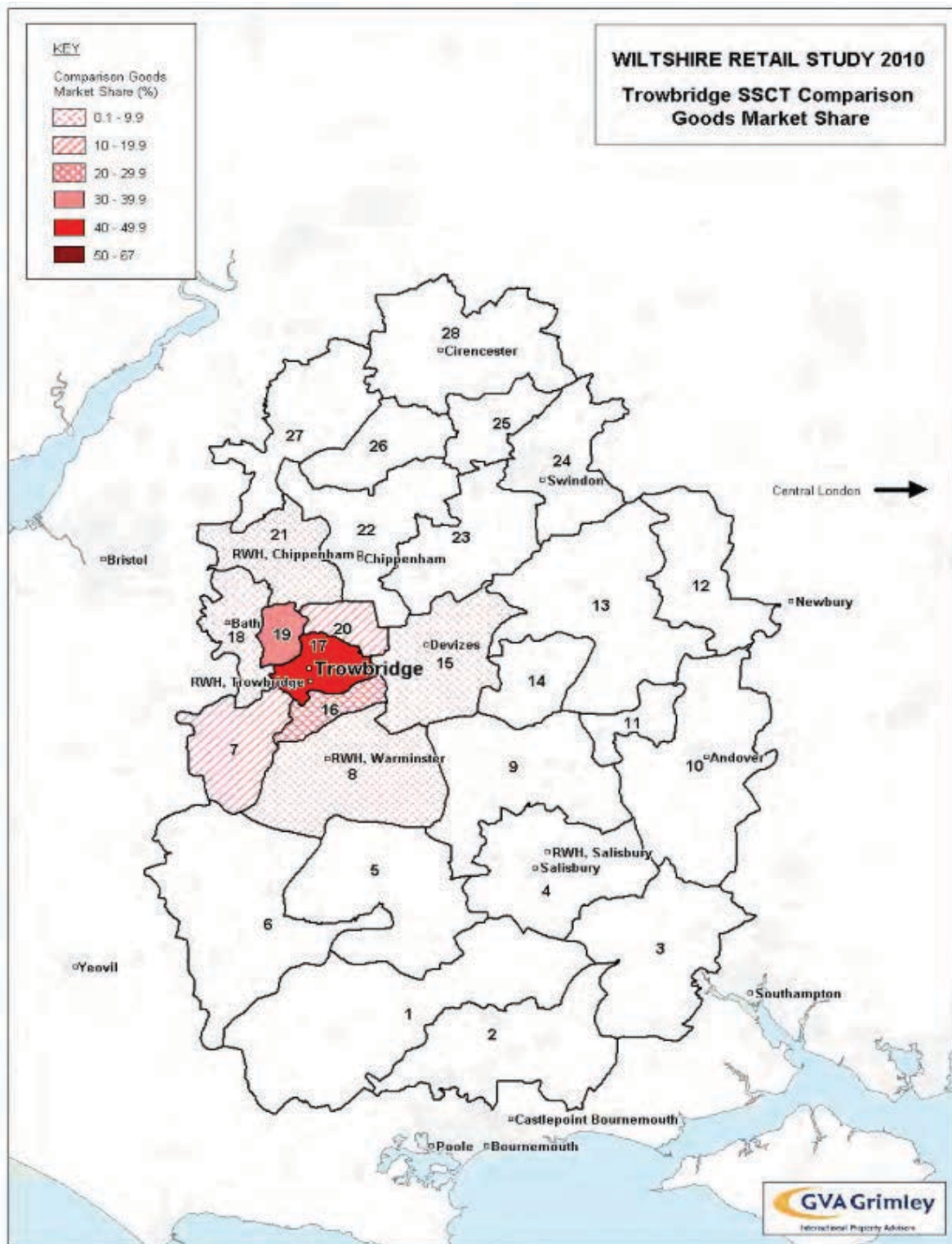
Swindon



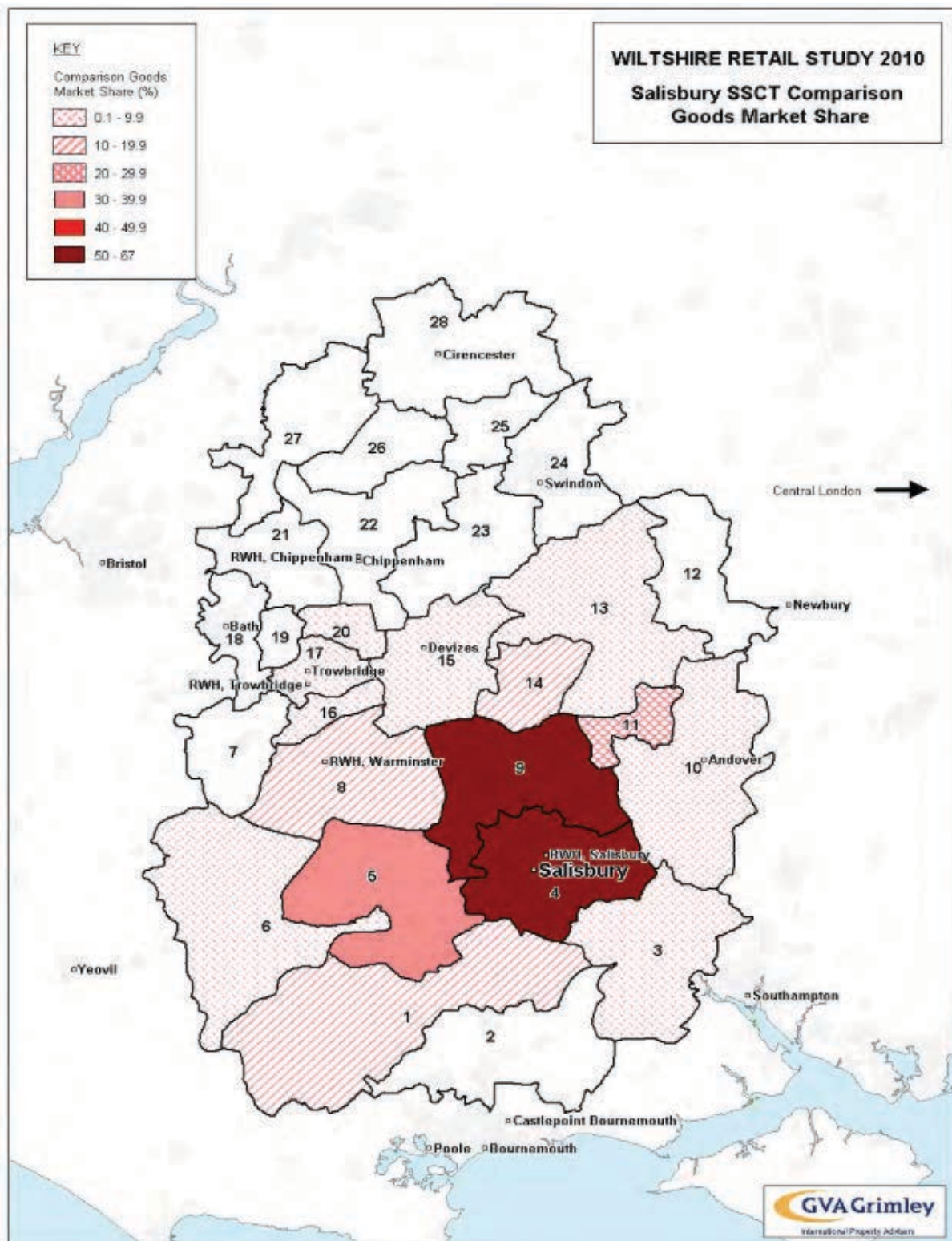
Chippenham



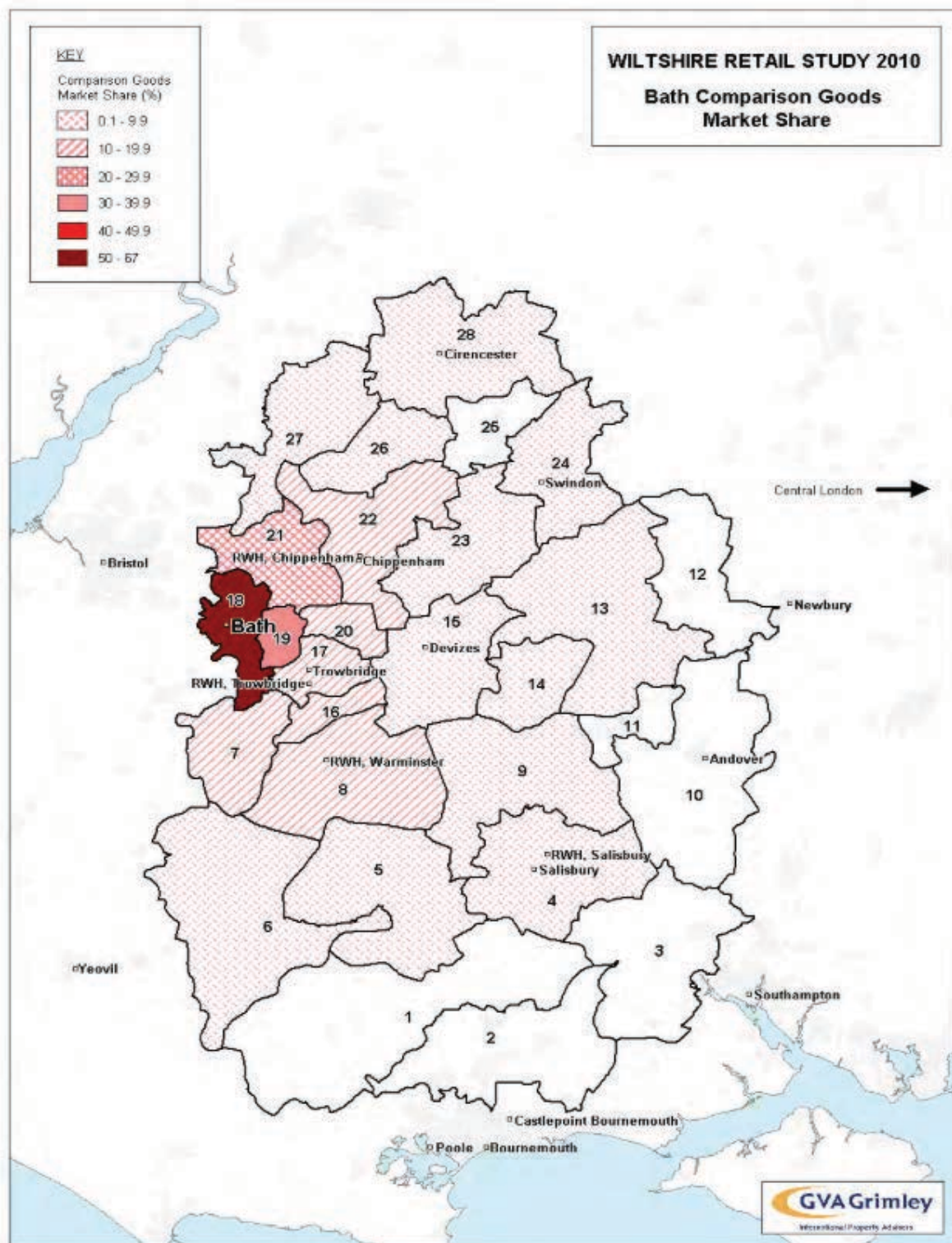
Trowbridge



Salisbury

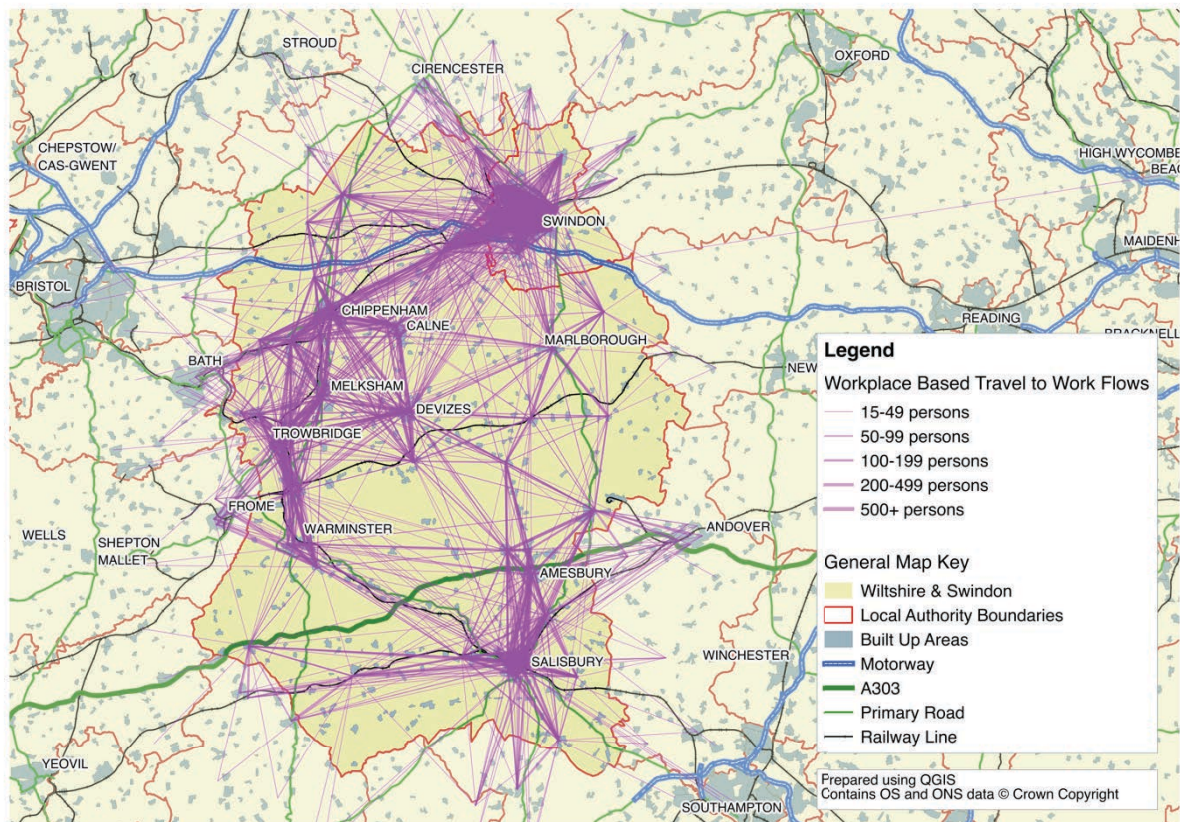


Bath

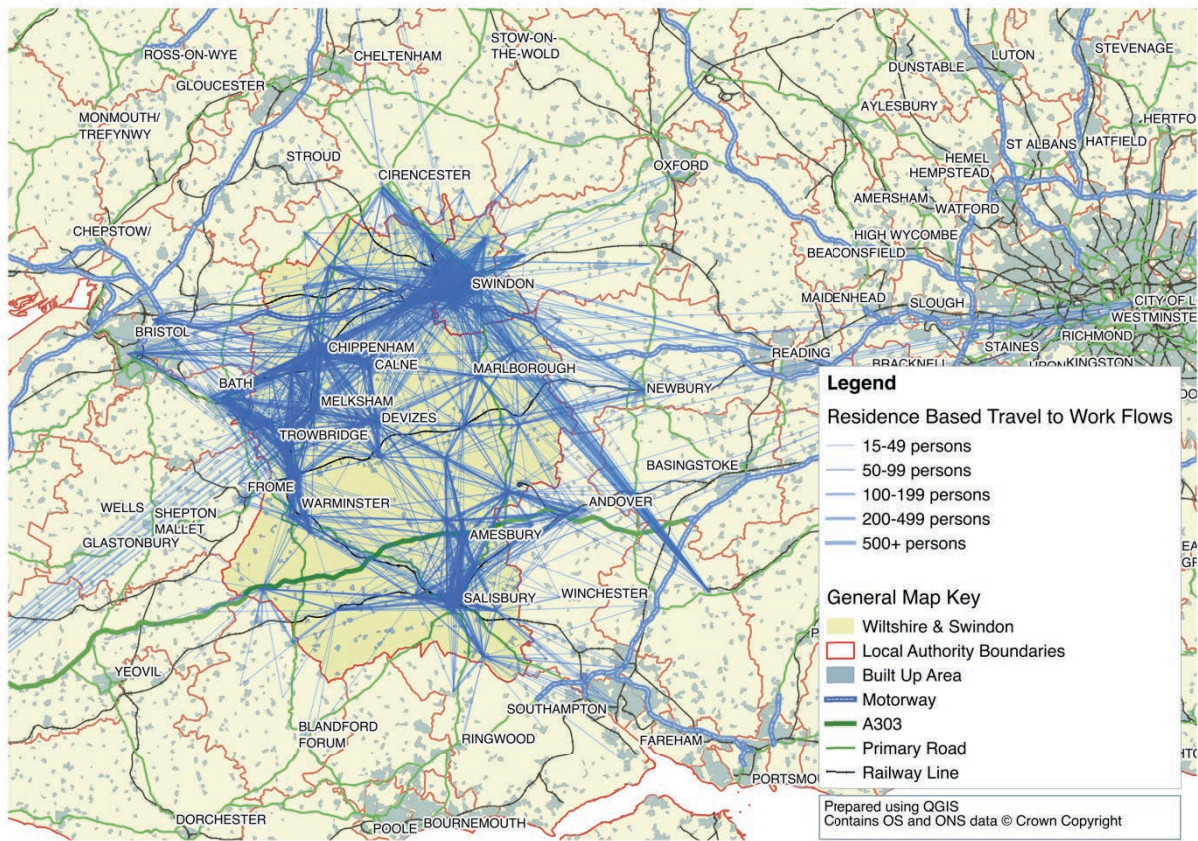


Annex 5: Detailed Travel To Work Flow Maps

Workplace Based



Residence Based



Annex 6: Newspaper Coverage Maps

This annex sets out local newspaper circulation maps sourced from www.nsdatabase.co.uk. All maps courtesy of LMW Ltd.

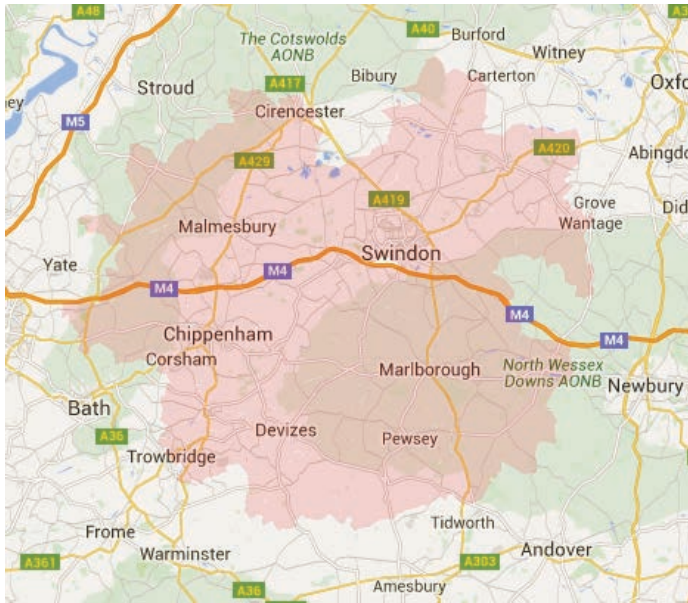
Wiltshire Star



Salisbury Journal



Wiltshire Gazette & Herald



Salisbury Avon Advertiser

No map available

Wiltshire Times



Swindon Star



Swindon Advertiser

