



# Economic Strategy for Hampshire

Committing to Prosperity | 2025-2027

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[PLEASE NOTE, THIS TEXT IS FOR MARKETING & COMMS NOTES & WILL BE REMOVED PRIOR TO SHARING FOR APPROVAL – ALSO, THIS IS NOT THE FINAL FORMAT]

## About this document

Hampshire County Council published an economic strategy for Hampshire in 2023. Since then, there have been important changes to how we are organised to drive economic growth in Hampshire. Also, a new Government has been elected, and one of its top priorities is to work with local areas to boost growth and prosperity. This document sets out the growth opportunity that Hampshire represents, revisits the 2023 economy strategy, describes what has changed since, and outlines how Hampshire County Council and our partners are responding.

Throughout this document Hampshire is referred to as the whole geographical area, rather than the various and overlapping administrative boundaries. The flow of people, supply chains, education and opportunities cross boundaries which businesses and communities do not see, and it is therefore important to us that Hampshire is seen as an inclusive economy, one which is open for business,

## Overview

In Part One, we set out why **Hampshire's unique blend** of dynamic business sectors, innovation assets, a highly skilled workforce, global connectivity and natural capital means that we are **ideally placed to help boost the UK's economic growth** – but also why we need to invest, in order to achieve that potential.

**The current Hampshire economic strategy was** published last year and remains valid. In Part Two, we summarise three key aspects of the strategy that will continue to shape our approach:

- The evidence that area of Hampshire represents a coherent **Functional Economic Area**
- The **six capitals framework** and its strategic implications
- How it is aligned with and complements **other key strategies**, including the economic strategies of other local authorities in the region

Part Three explains some of the **key changes** that have taken place since, and what we have done to ensure that **we have the right partnership structure in place to drive economic growth in Hampshire**. Those changes are:

- The **integration of Local Enterprise Partnership functions** into upper tier local authorities
- The establishment in 2024 of the **Hampshire Prosperity Partnership**, led by the Hampshire Prosperity Partnership Board, and working in an integrated way with other partnership structures
- A **new Government** with new priorities.
- A focus on **'good growth'** which supports the wider ecosystems of life, ensuring that with economic growth there is the appropriate infrastructure, such as roads,

homes, schools, and health services to support job growth, alongside a focus on sustainable growth, looking after our green ecosystems and supporting Hampshire's incredible green infrastructure

Finally, Part Four sets out what we are going to do next.

These **key next steps** include:

- **Updating our evidence base.** This includes producing four economic evidence think pieces; key findings from these think pieces are summarised below, and further details published alongside this document.
- **Making the case for an ambitious devolution deal for this region,** with a focus on driving economic growth, boosting skills, tackling deprivation, and ensuring that all of Hampshire's communities and businesses benefit from devolution
- **Developing a Hampshire Growth and Skills Plan** – building on the 2023 economic strategy, to define specific actions that the Hampshire Prosperity Partnership will drive forward during the next year

# Foreword – Committing to Prosperity

[INSERT PICTURE OF LEADER]

Since the publication of the original Strategy in January 2023, a lot has happened which has impacted on economies and communities both in the UK and globally.

Taking the key aspects from the Hampshire Economic Strategy 2023, **We Will** use the new partnerships, governance and new opportunities to support the **economic ecosystem** of Hampshire targeting delivery where it is needed, support the creation of a **resilient, sustainable** economy which supports our communities through provision of **Good Jobs**.

Hampshire's coastal regions, rural landscapes, national parks, and industry clusters offer immense potential for economic development. By strategically exploiting these assets, **Hampshire can play a pivotal role in the UK's economic future**.

Adopting the current Economic Strategy for Hampshire is the first step towards initiating the steps needed to move forward and deliver for Hampshire creating good growth.

[INCLUDE A MAP]

# Hampshire – An Economic Growth Opportunity

Hampshire is a region of unparalleled economic and geographical diversity, offering a wealth of opportunities for economic growth and development. By leveraging its coastal spaces, rural landscapes, national parks, and major industry clusters, Hampshire can contribute significantly to the UK economy, and continue to do so by tackling our areas of opportunity including infrastructure, supporting and developing a healthy workforce, supporting the communities in areas of deprivation to reach their potential and driving positive change through sustainable and environmental means.

## Hampshire – A County delivering Good Growth

Delivering good growth means recognising economic growth beyond standard economic indicators such as GDP. In Hampshire, utilisation of a capital's framework commits us to look beyond business activity as an indicator of prosperity. Taking into consideration environment, social equality, health, opportunities and quality of life as measures which reflect the values we have for our people and place.

## Hampshire – An Asset Rich Landscape

### Coastal Region

Hampshire's coastline, stretching over 230 miles, is a vital asset. The ports of Southampton and Portsmouth are among the busiest in the UK, facilitating international trade and boosting the local economy. The maritime industry, including shipping, logistics, and marine engineering, thrives here, creating numerous jobs and attracting global businesses<sup>1</sup>. Additionally, the coastal areas are prime locations for tourism, with attractions like the Isle of Wight and the New Forest drawing millions of visitors annually<sup>2</sup>.

### Rural Places and National Parks

Rural Hampshire, encompassing approximately 75% of the county and home to 300,000 people (21.8% of the total population), plays a vital role in the region's overall economic and social fabric. Given the significant changes in the wider economy since 2016, it is crucial to specifically review the impacts on the rural economy and the delivery of services in these areas. The County supports agriculture, forestry, and outdoor recreation industries as the natural beauty of the area also attracts tourists,

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<sup>1</sup> [Coastal towns as 'left-behind places': economy, environment and planning | Cambridge Journal of Regions, Economy and Society | Oxford Academic \(oup.com\)](#)

<sup>2</sup> [Coastal communities, characteristics of built-up areas - GOV.UK \(www.gov.uk\)](#)

contributing to the hospitality and service sectors. Sustainable farming practices and local produce markets enhance the rural economy<sup>3</sup>.

The Connected Places Catapult report, “Beyond City Limits – Realising the Opportunities of Non-Urban Innovation,<sup>4</sup>” underscores that rural areas face similar economic challenges as urban areas. However, issues such as digital infrastructure, access to talent, and an aging population are often more pronounced in rural settings. Addressing these challenges is essential for ensuring the sustainability and growth of Rural Hampshire.

## Major Industry Clusters

Hampshire is home to several major industry clusters which drive innovation and economic opportunity. The aerospace and defence sectors, centred around Farnborough and Basingstoke, are globally recognised for their technological advancements. The region also boasts a strong presence in the digital and creative industries, with numerous tech startups and established companies operating in cities like Winchester and Southampton, and the coastal landscape, supports a thriving Maritime sector, with 682 businesses working in the sector across the whole County<sup>5</sup>. These clusters not only provide high-quality, and diverse jobs but also foster a culture of innovation and entrepreneurship, supported by strong links with local universities and colleges.

## Education and a skilled workforce

Educational institutions play a crucial role in providing a skilled workforce and fostering research and development, further enhancing Hampshire’s economic landscape. One in 46 students in England are educated within Hampshire’s schools and colleges. High quality and Russell Group Universities make up the Higher education landscape providing excellent levels of education and research across a wide range of subjects, supporting the skills needed both locally and nationally<sup>6</sup>.

In 2023, Hampshire had 372,900 residents in occupations associated with high skills/qualifications, representing just over one third (36.2%) of working age residents in employment (Figure 6a). The County area had 270,300 workers in high-skilled occupations, or close to three quarters of the Pan-Hampshire total, whilst accounting for 37.9% of County area residents in employment.

## Contribution to UK PLC

Hampshire’s diverse economy significantly contributes to the UK’s overall economic performance GDP of £79.1bn (£67.2bn in GVA) and over 1.1 million jobs.

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<sup>3</sup> [Coastal towns in England and Wales - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

<sup>4</sup> [Beyond City Limits: Realising the Opportunities of Non-Urban Innovation - Connected Places Catapult](#)

<sup>5</sup> Beauhurst 2024

<sup>6</sup> [Education | Business and economy | Hampshire County Council \(hants.gov.uk\)](https://hants.gov.uk)

The region's strategic location, skilled workforce, and robust infrastructure make it an attractive destination for investment. By capitalising on its unique geographical features and industry strengths, Hampshire can continue to drive economic growth, create jobs, and enhance the quality of life for its residents<sup>7</sup>.

## Hampshire – An Economic Opportunity

Investing in Hampshire will support opportunities, speed up the return to productivity growth to beyond pre-pandemic levels and would unlock economic growth, increasing the output by £5bn more by 2030, and £25bn by 2050 in figures produced by the ONS and Metro Dynamics in 2022. Continued growth will also mean that returns to the exchequer could triple by 2030.

Increasing Health and Wellbeing of our residents is an important factor in establishing growth, across the County there are significant differences between healthy life expectancies<sup>8</sup>. Ageing well and the disparities across Hampshire of good health expectancies vary significantly, people living in more prosperous areas are predicted to have 19 healthier years than those in the most deprived areas.<sup>9</sup>

There are multiple areas of deprivation across Hampshire, in pockets across the geography. 10% of children aged 0-15 in the county are living in income deprived families, with 9% of residents aged 60 and over experiencing income deprivation.

Increased housing provision and affordability of housing is a significant area requiring investment. Affordability is a challenge in Hampshire that can act as a barrier to labour market and social mobility. There are distributional aspects to housing affordability, with affordability ratios widening in most parts of Hampshire for home ownership and the rental market is in crisis. The average age of renters is increasing, and the cost consuming over 1/3 of household income.

There are large, proposed housing sites around the County's major towns and cities, there is significant opportunity to live and work in a thriving and prosperous place. Certainty of housing also supports improved health and wellbeing.

Opportunities also would emerge through a devolution deal. Devolution across the Hampshire County Council administrative area, Portsmouth, Southampton and the Isle of Wight would be comparable to approved deals across England with regards to the demographic scale and economic assets. The East Midlands Combined Authority and the Northeast Combined Authority provide comparators where successful deals have united smaller economic areas under one umbrella.

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<sup>7</sup> [Coastal communities, characteristics of built-up areas, England and Wales: Census 2021 - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/peoplepopulationandcommunity/communitiesandlocalareas/census/census2021/characteristicsofbuilt-upareas)

<sup>8</sup> [Ageing well 2016 to 2020 | Health and social care | Hampshire County Council \(hants.gov.uk\)](https://www.hants.gov.uk/health-and-social-care/ageing-well-2016-to-2020)

<sup>9</sup> Inequality in life expectancy and healthy life expectancy at birth for females in the most and least deprived areas in England, 2018 to 2020 (ONS)

	<b>East Midlands</b>	<b>North East</b>	<b>Hampshire, Portsmouth, Southampton &amp; Isle of Wight</b>
<b>Population</b>	2,252,000	2,013,000	2,036,000
<b>GVA</b>	£56.3bn	£24.6bn	£69.5bn
<b>Job density</b>	0.80	0.74	0.83
<b>Enterprises</b>	75,700	55,100	77,200 <sup>10</sup>

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<sup>10</sup> Data ONS 2024

# The Strategic Approach

The fundamental elements of the Economic Strategy in 2023 recognises that the prosperity of Hampshire cannot be defined through GDP alone. Taking into consideration the flow of people, goods and services within a functional Economic Area, the impact a places assets, strengths and weaknesses need to be measured across multiple factors, and that we must consider more than just pounds and pence spent and earned, but the quality of people’s lives, our impact on the environment and the breadth and depth of opportunity, delivering good growth.

## Hampshire as a Functional Economic Area

[INSERT MAP OF HAMPSHIRE (WHOLE) AND NEIGHBOURING COUNTIES]

Acknowledging Functional Economic Areas across a geography helps to identify and priorities for different areas across Hampshire. Skills delivery as an example, can be tailored to those places which feed directly into local businesses where there are skills gaps and needs.

**Functional Economic Areas (FEAs)** are defined by using data from multiple market areas such as labour market self-containment, industry supply chains, sector concentrations, housing and commercial markets, administrative boundaries, and Hampshire’s common identity.

- **Labour Market Self-Containment:** 86% of Hampshire residents live and work within the Hampshire FEA.
- **Housing Market Areas:** House prices have moved in tandem within the county over the past 25 years, indicating an inter-linked housing market.
- **Supply Chains:** Hampshire sources close to 40% of sectoral inputs from within the FEA, ranking 5th out of 33 local economies.
- **Administrative Areas:** The importance of aligning FEA boundaries with local authority administrative areas.

## Hampshire

- **Labour Market Flows:**
  - There is a high degree of labour market self-containment in Hampshire FEA with 86% of Hampshire residents living and working in the area. This level of self-containment is the main indicator which suggests that Hampshire is a Functional Economic Area.
  - Economic and labour market links across Hampshire have strengthened over time. For example, out-commuting from Solent into the rest of Hampshire had increased between 2001 and 2011 and labour market

flows between North Hampshire and the rest of Hampshire had also strengthened over this time<sup>11</sup>.

- The strengthening of economic and labour market links across Hampshire has boosted the headline labour market outcomes of Hampshire residents relative to the South East average.
  - For example, headline labour market outcomes in Hampshire used to be weaker than the regional average however by 2023 Hampshire's economic activity and employment rates stood above the regional and national average with its unemployment rate below the regional and national average.
  - Smaller TTWAs exist within the Hampshire-wide FEA which is common to other large FEAs in England
- **Supply Chains and Industry Clusters:**
    - Hampshire sources a significant portion of sectoral inputs locally. For example, research by Metro Dynamics suggests that Hampshire sources close to 40% of sectoral inputs from within the Hampshire FEA, with over half of inputs in many key sectors being sourced locally. This is above the national average and ranks Hampshire FEA 5th out of 33 local economies in the country.
    - Shared economic composition and sectoral concentrations are found in areas like aerospace, defence & space, advanced manufacturing, marine & maritime and knowledge intensive services.
    - There are multiple business clusters across Hampshire which also spill out across local boundaries including aerospace & defence, gaming and cyber and several knowledge intensive professional services such as professional business services, creative & cultural industries and life sciences.
- **Housing and Commercial Property Markets:**
    - There is an inter-linked housing market with house prices moving in tandem across Hampshire.
    - There are strong correlations in commercial property and rental rates across Hampshire.
- **Service Markets and Administrative Areas:**

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<sup>11</sup> [EBIS reports | Business and economy | Hampshire County Council \(hants.gov.uk\)](#)

- Hampshire is home to several service market areas which have a wider catchment like major shopping centres, two major airports and hospitals that also help to define FEAs.
- Administrative boundaries are important for applying services and strategies.

Using these indicators, along with the Think Pieces which support this document we can begin to fully understand the smaller FEA's within Hampshire and ones which reach beyond the County boundaries, to develop infrastructure to further exploit these economic relationships

## Capital Framework

The strategy outlines a comprehensive approach to economic development in Hampshire, focusing on sustainable outcomes beyond traditional metrics like GDP and jobs. The Capitals' framework will ensure that growth is considered as part of but not the sole factor for success.

### ***Physical Capital***

Physical capital includes business-owned assets such as factories, machinery, and offices, as well as shared assets like roads, rail, digital, and energy infrastructure.

#### *What it means for Hampshire*

- The importance of improved transport connectivity and infrastructure as part of economic recovery and growth.
- Emphasis on the need for regeneration and business competitiveness to enhance physical capital.
- Need for affordable, quality, environmentally sustainable housing.

### ***Natural Capital***

Natural capital refers to the quality and existence of natural assets, indicating the health of the environment and biodiversity, including land, air, water, and living organisms.

#### *What it means for Hampshire*

- Focus on environmental indicators such as pollution, renewable energy production, and land sustainability and Biodiversity Net Gain.
- Highlight the importance of reducing emissions, improving household waste management, and increasing renewable energy use.
- Address the need for green jobs and the Green Transition<sup>12</sup>.

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<sup>12</sup> [BCC-Green-Innovation-Challenge-Report.pdf \(britishchambers.org.uk\)](#)

### ***Human Capital***

Human capital encompasses the health and skills of the population, enabling personal, social, and economic wellbeing and determining labour productivity.

#### *What it means for Hampshire*

- Emphasis on the importance of education and skills, health and well-being, and employment and income.
- Highlights indicators such as life expectancy, school attainment, and personal well-being.
- Valuing our workforce and making work accessible for all.
- Addresses issues like obesity, inactivity, and healthy living age disparity across the County.

### ***Knowledge Capital***

Knowledge capital is the intangible value derived from knowledge, relationships, techniques, procedures, and innovations. It enables innovation in management and business processes and strengthens strategic links between businesses and universities.

#### *What it means for Hampshire*

- Cements the role of education and skills in fostering innovation and economic prosperity.
- Highlight the importance of higher education and school attainment in building knowledge capital.
- Emphasis on the need for business competitiveness and connectedness in supporting economic growth.

### ***Social Capital***

Social capital is defined by interpersonal trust, shared social norms, neighbourhood belonging, and community cohesiveness, enabling collective action.

#### *What it means for Hampshire*

- Focus on societal indicators such as quality and affordable housing, digital infrastructure, areas of deprivation, and social mobility.
- Highlight the importance of creating cohesive communities and reducing social inequalities.
- Emphasis on the role of civic engagement and personal well-being in strengthening social capital.

### ***Institutional Capital***

Institutional capital refers to the quality and reliability of governance and relationships between institutions and organisations in a local area.

### *What it means for Hampshire*

- The importance of the role of local authorities and anchor institutions in driving sustainable development, including the role of the Hampshire Prosperity Partnership Board.
- Highlight the importance of collaboration across industry sectors, including government, businesses, and educational institutions.
- Emphasis on the need for reliable governance and effective institutional frameworks to support economic and social goals.
- Acknowledging the cross-cutting themes including environment, health, digital and mobility across all our programmes.

The next steps will be to establish how these capitals are integrated into the priorities and Economic Plan.

### **Strategic Alignment**

There are multiple strategies delivered by Hampshire County Council which align with and support the Economic Strategy. Collectively, the strategies aim to deliver **Good Growth** for Hampshire, taking into consideration business, infrastructure, communities, health and wellbeing, skills and education and the environment.

The strategies include

- Hampshire 2050 Vision [VISION FOR HAMPSHIRE 2050 | ABOUT THE COUNCIL | HAMPSHIRE COUNTY COUNCIL \(HANTS.GOV.UK\)](#)  
Aligning these strategies will support organisations and Hampshire County Council to create a balanced and prosperous future that benefits all its residents. The vision is built around six strategic themes, including economic growth, health and wellbeing, and transport.
- Local Transport Plan 4 [LOCAL TRANSPORT PLAN | TRANSPORT AND ROADS | HAMPSHIRE COUNTY COUNCIL \(HANTS.GOV.UK\)](#)

The Economic Strategy and the Hampshire Local Transport Plan 4 (LTP4) are closely linked, working together to support economic development in the region. LTP4 focuses on creating a carbon-neutral, resilient, and inclusive transport system reducing reliance on private cars, promoting active travel and public transport.

Efficient transport networks are crucial for connecting businesses, provides access to education and employment opportunities, supporting workforce development and economic participation, reducing travel times, and improving access to markets. Promoting active lifestyles and improved health outcomes through better transport options aims to enhance the quality of life for residents.

The Public Health Strategy puts emphasis on improving quality of life, health outcomes and reducing health inequalities. One key focus is on the building blocks of health, such as ensuring a supply of quality housing, access to green spaces, and active travel options.

Healthier populations are more productive, which directly supports the Economic Strategy's goal of improving productivity, and through addressing health issues, the Public Health Strategy helps create a workforce that is better able to contribute to the economy and for longer.

- Skills Strategy

The Skills Strategy focuses on creating a future-proofed, demand-led employment and skills system that reflects current and future needs enhancing productivity and driving economic growth by ensuring that the workforce has the skills required by businesses and industries.

Inclusivity and the importance of collaboration amongst stakeholders ensures that efforts are coordinated supporting both business need and the aspirations of the labour market and the future workforce. Further, the creation of a skilled and adaptable workforce not only supports growth but builds resilience.

- Climate Change Framework [CLIMATE CHANGE STRATEGY AND ACTION PLAN | HAMPSHIRE COUNTY COUNCIL \(HANTS.GOV.UK\)](#)

The counties Climate Change Framework brings together all of the county councils' opportunities and undertakings which support environmental improvements, whether that be what we do as a Local Authority, or what it is we are doing to support our communities, across the place of Hampshire or businesses to support environmental improvements.

Delivering economic growth needs to be done well, with a key theme of the environment running through all interventions.

Together, these strategies emphasise the importance of key themes in the sustainable development of Hampshire. Good growth, Health and wellbeing, Innovation, Skills development, Environment and infrastructure.

A review of all Economic Development Strategies from all Hampshire local Districts and Boroughs, and the south Hampshire Unitary Authorities has also been undertaken to ensure that there is strong alignment. These strategies all align in the following ways:

- Sustainable Economic Growth

The strategies all aim to balance economic development with environmental sustainability, ensuring that growth does not come at the expense of the environment. This includes promoting green technologies, skills, renewable energy, and sustainable business practices.

- Infrastructure Development

Improving infrastructure is a common priority. Enhancements to transport networks, digital connectivity, and utilities to support business growth and attract investment. Efficient infrastructure is seen as crucial for connecting businesses, reducing travel times, and improving access to markets.

- Skills and Employment

Developing a skilled workforce that meets the needs of local businesses and industries is another cross-cutting theme. These strategies highlight the importance of education, training, and skills development to ensure that the local labour market can adapt to changing economic conditions and technological advancements.

- Innovation and Technology

Promoting innovation and the adoption of new technologies is a shared goal. Encourage investment in research and development, support for startups and tech companies, and the creation of innovation hubs to drive growth and competitiveness.

- Collaboration and Partnerships

Collaboration among various stakeholders, including local authorities, businesses, educational institutions, and community groups is an important factor across all of the strategies. By working together, organisations create a cohesive approach to supporting the economy that leverages the strengths and resources of each area.

HCC also continues to support district and unitary authorities with developing any new economic development strategies as a key stakeholder through the strategic economy function.

All these strategies will support and influence the measurement framework which will be developed alongside the Economic Plan.

# New Strategic Drivers

Since the publication of the Economic Strategy, much has changed regarding some of the drivers in place at the time. Lessened now are the impacts of Covid, however, this shift is now ensuring our businesses are becoming resilient.

Brexit is still impacting on international trade, and the Office of Budget Responsibility (OBR) estimates that as well as impacting on the UK's trade openness, but also that the full extent of the impact will not be known for years to come, therefore there is still a need to recognise this.

## ***Integration of Local Enterprise partnerships***

In August 2023, the Government announced that Local Enterprise Partnership (LEP) functions needed to be more integrated with democratic organisations to be more accountable.

The LEP integrations play a crucial role in enhancing the delivery of functions and meeting the needs within local authority areas. By integrating LEP functions into local democratic institutions, local authorities can streamline strategic economic planning, business representation, and the delivery of government programs<sup>13</sup>. This integration fosters greater collaboration between public and private sectors, ensuring that local economic strategies are more aligned with community needs and priorities. Additionally, it enhances efficiency by reducing overlap and creating clearer pathways for businesses to engage with local government<sup>14</sup>. The integration also supports local authorities in leveraging additional resources and expertise, ultimately driving regional economic growth and improving service delivery for residents<sup>15</sup>

## ***Commitment through Leadership***

A new Governance approach has been put in place following the integration of Local Enterprise Partnerships in April 2024.

The Governance purpose is to ensure that delivery of economic development is driven by the needs of business in local areas within democratically accountable organisations.

The **Hampshire Prosperity Partnerships Board (HPPB)**<sup>16</sup> is in place to support the ever-changing economy of Hampshire. Through this partnership, we will work collectively across sectors and geography to the benefit of the regional economy.

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<sup>13</sup> [Guidance for Local Enterprise Partnerships \(LEPs\) and local and combined authorities: integration of LEP functions into local democratic institutions - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/guidance-for-local-enterprise-partnerships-leps-and-local-and-combined-authorities-integration-of-lep-functions-into-local-democratic-institutions)

<sup>14</sup> [Supporting the integration of Local Enterprise Partnerships | Local Government Association](https://www.local.gov.uk/supporting-the-integration-of-local-enterprise-partnerships)

<sup>15</sup> [Supporting the integration of Local Enterprise Partnerships | Local Government Association](https://www.local.gov.uk/supporting-the-integration-of-local-enterprise-partnerships)

<sup>16</sup> [Hampshire Prosperity Partnership | Business and economy | Hampshire County Council \(hants.gov.uk\)](https://www.hants.gov.uk/business-and-economy/hampshire-prosperity-partnership)

The Board brings together senior leaders from the Hampshire business community, local government (with representatives from the Joint leader’s board), universities and colleges, and providing the right governance to drive growth going forward.

The Boards vision is:

*To create an environment that enables sustainable and long-term economic success which in-turn increases the prosperity and opportunity for the people of Hampshire now and in the future.*

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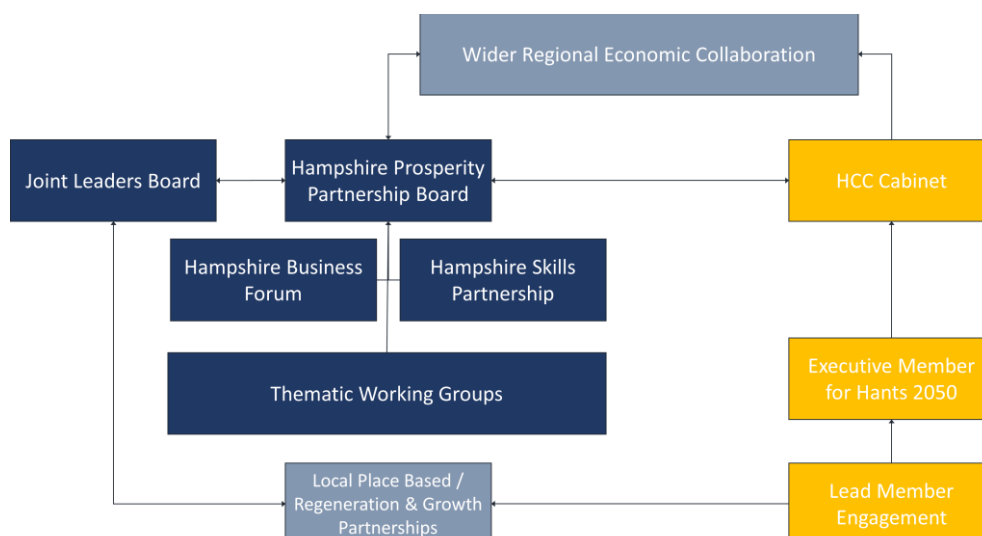
The purpose of the **Joint Leaders Board** (JLB) is to provide democratic challenge to the HPPB to ensure that it incorporates a community led perspective in developing strategic guidance on driving a sustainable and resilient economy for Hampshire

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The **Business Forum** will be formed once the board priorities are clear, however the forum will be a place for businesses to connect, collaborate and have regular opportunities to discuss their needs which will feed back to the Board. It is envisaged that thematic groups, task and finish groups and networks can be formed and enhanced from this.

The **Skills Partnership** is a collective of educational providers across Hampshire, comprising of the **Hampshire Skills Partnership Steering Group**, made up of businesses, educators, training providers and Local Government, which will act as the leadership groups ensuring agencies are working together to support and inclusive and prosperous regional economy; and the Partnership, which is a wider open group of education practitioners and partners with networking opportunities which can impact on the skills agenda for Hampshire.

[INSERT LINK TO TOR]



## ***New Government***

The UK government's principles around economic growth focus on several key areas:

- **Enterprise:** Improving access to capital and rewarding risk-taking in the UK's most productive growth industries.
- **Education:** Enhancing skills training to ensure a well-prepared workforce.
- **Employment:** Reducing barriers to work to maximize participation in the economy.
- **Everywhere:** Ensuring that the benefits of economic development are distributed across the entire country.

Additionally, the government emphasises:

- **Stability and Investment:** Building economic growth on strong and secure foundations, including stability, investment, and reform.
- **Sustainable Development:** Promoting sustainable growth that leads to higher wages, greater opportunities, and sustainable funding for public services.
- **Private Sector Partnership:** Forging new partnerships with the private sector to drive growth.

Below are three of the announcements made by the Government will impact on Hampshire and need to be considered when developing the priorities and action plan

## ***Devolution***

The Government's approach to devolution in 2024 is ambitious and comprehensive.

Turbocharging the ambition to transfer power from Westminster to local communities across the UK, including giving new powers to local areas and creating a statutory requirement for the development of local growth plans.

These plans will identify economic clusters and outline strategies to build on local advantages through devolved powers.

## ***Industrial Strategy***

The UK government have committed to delivery of a new Industrial Strategy for the UK, through establishing an Industrial Strategy Council, the Government is committed to delivering a new strategy which unlocks growth potential and supports growth in the economy.

[report due on industrial strategy by close October 2024 so will update text here if necessary]

## ***Planning Policy Framework***

The UK Government has proposed reform to the National Planning Policy Framework for England, focusing on the need to deliver new homes to support economic growth, boost affordable housing and home ownership, improved infrastructure, energy efficiency and protection for green spaces.

# Next Steps

It is important that all this information is consolidated to produce practical steps to enable the development of priorities and aligned actions.

## **Partnerships & Clusters**

Working and delivery with others is important to create a cohesive and reliable business support network. Businesses need to know that wherever they go to access information, they will be supported and signposted to the right information or opportunity for their needs.

The Local Authority **Economic Development Officers network** across Hampshire, Portsmouth, Southampton and the Isle of Wight is very active and supportive. This includes geographies such as the Enterprise Zones and the Solent Freeport. All recognise the interconnectedness of places, sectors and opportunities cross boundaries, and seek to work collectively to ensure strategies and programmes suit the needs of businesses and the wider economy, reflecting also the multi-functional economic areas across the geography.

**Regeneration and Growth Partnerships** are a further way in which economic development can be delivered through partnership working, and as these progress across the county

**Businesses and Business representative organisations** are also an important part of the delivery network. Harnessing this collective ambition means that delivery of support, initiatives and interventions can provide a positive impact for more businesses across supply chains, sectors and clusters.

**Engagement with education partners** at all levels means that interactivity and partnership opportunities emerge, drive innovation and advance business growth. Presence within the HPPB, as well as representation across all sector groups and clusters reinforces this commitment.

Supporting the development of **industry clusters** and working with those which are established is an important part of supporting local growth, supply chains and exchanging of information and working with others empowers business and supports innovation and growth. These networks of businesses, universities, government agencies and support organisations are opportunities for information exchange, access to industry primes, funding opportunities.

Clusters currently within the “South Central” region include

- Farnborough Aerospace Consortium
- Jet Zero
- Maritime UK Solent
- Solent Cluster
- South Central Regional Security and Defence

- Space South Central

Working in partnership with businesses and other organisations, Economic Development teams across the County, aim to curate and mobilise these collectives, drawing from local industry, and other clusters around the UK to make sure that the local economy benefits from innovation, funding and collaboration.

### **Data**

4 key Think Pieces have been produced to support the development of an Economic Plan and to guide prioritisation.

The think pieces cover:

- **Enterprise & Sectors**
  - The focus of the Think Piece on Enterprise and Sectors is on gaining insight of Hampshire businesses (enterprise), their concentration and sectoral spatial distribution, and their contribution that enterprise makes to the Hampshire economy.
- **Employment and Skills**
  - The focus of the Think Piece on Employment and Skills is on gaining insight of Pan-Hampshire's<sup>17</sup> labour market and skills base, how they operate within self-contained functional economic areas (FEAs), explore the convergence in labour market outcomes over time, and the contribution that skills, especially advanced skills (top two occupations) plays in long-term economic growth and prosperity through well paid, good quality jobs, and also wider factors that can impact on employment.
- **Productivity and Growth**
  - The focus of this Think Piece on Productivity and Growth is to reinforce the importance of achieving and maintaining high levels of economic productivity within Hampshire (and how these can be attained), as well as investigating the current spatial distribution of productivity levels and development of productivity growth over time in the county.
- **Investment and Innovation**
  - Investment lies at the root of economic growth and prosperity. When an economy channels funds into physical and human capital, it creates the building blocks for higher levels of productivity. Investment also fosters greater diffusion of the ideas and innovation that underpin technological progress, higher wages and higher levels of economic prosperity.

Each of the research areas considers the national, regional and Hampshire data, providing also guidance for interventions which will be developed into opportunities, priorities or actions within the Economic Plan.

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<sup>17</sup> Geography covering the four upper tier authorities of Hampshire (CC), Isle of Wight (UA), Portsmouth (UA) and Southampton (UA)

Utilisation of these data sets will aide in prioritising where and what needs to be done to support the economy either for the whole of Hampshire or within pockets which require enhanced or dedicated support.

### ***Devolution***

As local discussion progress with regards to devolution, so the work around prioritisation and action planning becomes increasingly important as it has dual purpose and impact.

Local leaders need to collaborate with major employers, universities, colleges, and industry bodies to develop long-term plans that align with the national industrial strategy, focusing on place-based economic development, aligning this strategy with national policy indicators to put Hampshire in the best position should a devolution agreement be reached.

### ***Hampshire Growth and Skills Plan***

One of the most significant next steps is to deliver a Growth and Skills Plan for Hampshire. This integrated plan, taking into consideration both the economy and skills provision in the County will ensure that we are working to deliver the right skills in the right place for the businesses which need them, but also taking into account the HPPB's priorities and how these are aligned with the 6 capitals, our FEAs, local strategies and Government's priority areas.