



Hampshire Prosperity Partnership Board

24 March 2025

Agenda Item 6 – Draft Economy and Growth Plan

The Hampshire Prosperity Partnership Board (HPPB) is asked to:

APPROVE the draft Economy and Growth Plan at Annex A

1. Context

- 1.1. In November 2024, we published the updated Economic Strategy for Hampshire – Committing to Prosperity 2025-27. In that document, we committed to producing an Economy and Growth Plan that would set out the key actions that we would take to implement the strategy.
- 1.2. We agreed the approach to the development of the Economy and Growth Plan with HPPB at its meeting on 24 March.

2. Draft Economy and Growth Plan

- 2.1. The main purpose of the Economy and Growth Plan is to provide our stakeholders with a clear understanding of what we are focusing on, and help us to work in partnership with them. It is intended to be a concise and user-friendly document.
- 2.2. It includes key information about the Hampshire Prosperity Partnership, and a concise overview of November's Economic Strategy. The rest of the document sets out key actions organised under five broad areas:
 - A. High potential sectors and clusters
 - B. Business support
 - C. Energy
 - D. Infrastructure
 - E. Skills, employment and careers
- 2.3. The plan includes the priority workstreams agreed by HPPB at its last meeting on 24 March, together with other key actions to which Hampshire County Council is already committed, such as delivering the Careers Hub, the Growth Hub, and Skills Bootcamps.

- 2.4. The plan is for the two-year period 2025-27. We expect to complete some of the actions during 2025-26, however, and we also expect that we will need to add some new actions – for example, arising from the development of a new Hampshire Skills Strategy, which is one of the actions in the plan. We will therefore update this plan at the end of 2025-26.
- 2.5. Note that action B4, “Online business support hub”, is still subject to a further discussion with HPPB at the Board’s next meeting on 9 June.

3. Next steps

- 3.1. We will incorporate any feedback from HPPB today into the draft Economy and Growth Plan. We will then work with Hampshire County Council communications colleagues to produce a designed version, with the same branding as November’s Economic Strategy, and extensive use of images, graphics, maps etc.
- 3.2. The Economy and Growth Plan will be formally approved by Hampshire County Council at an Executive Member Decision Day on 27 June, prior to publication.

Stephen Martin
Head of Economy and Skills

Annex A – Draft Economy and Growth Plan

ECONOMY AND GROWTH PLAN – COMMITTING TO PROSPERITY 2025-27

FOREWORD BY NICK ADAMS-KING

Last year we established the Hampshire Prosperity Partnership – bringing together Hampshire’s business community, local authorities, and the education and skills sector, to drive economic growth. We also published our updated Economic Strategy for Hampshire – Committing to Prosperity 2025-27.

This Economy and Growth Plan sets out the actions that we are now taking to put that strategy into effect. It was developed with the Hampshire Prosperity Partnership Board, and I am very grateful to my fellow board members for contributing their insights, experience and time.

Hampshire is a remarkable place with tremendous strengths – from outstanding research and innovation and a highly skilled workforce, to our wonderful green and blue spaces and our unique position as the UK’s global gateway. These and other assets offer huge potential for economic growth.

Our economic strategy aims to deliver not just growth, however, but good growth – growth that is environmentally sustainable, and also inclusive, offering opportunities to all of Hampshire’s communities.

Through the Hampshire Prosperity Partnership, we are committed to creating an environment where businesses can thrive, communities can prosper, and individuals can achieve their full potential. By working together, we can harness the collective power of our region to drive good economic growth and build a brighter future for Hampshire.

ABOUT THIS PLAN

In November 2023, Hampshire County Council published an updated Economic Strategy for Hampshire – Committing to Prosperity 2025-27: [Economic-Strategy-For-Hampshire-2025-27-FINAL.pdf](#)

This Economy and Growth Plan sets out the key actions that Hampshire County Council will take during 2025-27 to implement this strategy. Its main purpose is to provide our stakeholders with a clear understanding of what we are focusing on, and help us to work in partnership with them.

Many of the actions were agreed through a series of discussions about priorities by the Hampshire Prosperity Partnership Board, informed by evidence and analysis. All of the actions are aligned with the Economic Strategy for Hampshire.

The plan is for the two-year period 2025-27. We expect to complete some of the actions during 2025-26, however, and we also expect that we will need to add some new actions – for example, arising from the development of a new Hampshire Skills Strategy (see action E1 below). We will therefore update this plan at the end of 2025-26.

The rest of this document consists of:

- Some key information about the Hampshire Prosperity Partnership
- An overview of the Economic Strategy for Hampshire – Committing to Prosperity 2025-27
- Our action plan, with 21 key actions organised under five broad areas:
 - A. High potential sectors and clusters
 - B. Business support
 - C. Energy
 - D. Infrastructure
 - E. Skills, employment and careers

ABOUT THE HAMPSHIRE PROSPERITY PARTNERSHIP

The Hampshire Prosperity Partnership brings together partners across sectors and across the Hampshire region, to work together to drive economic growth in Hampshire. It was established following the transfer of responsibility for Local Enterprise Partnership functions to Hampshire County Council in April 2024.

The partnership is governed by the Hampshire Prosperity Partnership Board. The board was established through an open recruitment process and includes local authority leaders, business leaders, business representative organisations, and leaders from education. The majority of the board's members are from the business community. The board members are:

Local government

Cllr Nick Adams-King – Hampshire County Council (Chair)
Cllr Phil North – Test Valley Borough Council
Cllr Martin Tod – Winchester City Council
Cllr Gareth Williams – Rushmoor Borough Council

Higher education

Sarah Greer – University of Winchester

Further education

Mike Gaston – HSDC

Business representative organisations

Nicola Kildunne – Federation of Small Businesses
Ross McNally – Hampshire Chamber of Commerce

Business and enterprise

Joanna Butler – Frank Butler Farms Ltd.
Barney Ely – Hays Recruitment
Laura Read – Marwell Zoo
Mark Smith – University of Southampton
Fiona Stilwell – PETA
Simon Watson – Milestones Infrastructure
Alistair Welch – Associated British Ports
Paul West

Other representatives

James Hassett – Solent Freeport

The Hampshire Prosperity Partnership Board is supported and advised by the Hampshire Skills Partnership, which brings together a wider group of education and skills partners.

We are also establishing a forum that will bring together business organisations across Hampshire, to enable them to collaborate and speak with a powerful collective voice (see action A5, “Super Cluster”, below).

Hampshire's Districts and Boroughs have a powerful voice within the Hampshire Prosperity Partnership, through their representation on the Hampshire Prosperity Partnership Board, and regular meetings of the Joint Leaders Board.

THE ECONOMIC STRATEGY FOR HAMPSHIRE – COMMITTING TO PROSPERITY 2025-2027

OVERVIEW

The Hampshire region represents a major economic growth opportunity. To take that opportunity, we need to make the most of Hampshire's key assets, which include:

- **A coastal region.** From the ports of Southampton and Portsmouth and a thriving maritime industry, to prime coastal locations for tourism and leisure.
- **Rural places and national parks.** A diverse rural economy and outstanding opportunities for outdoor recreation.
- **Major industry clusters.** From aerospace and defence to the digital and creative industries – driving innovation and creating high-quality jobs.
- **Education and a skilled workforce.** Excellent educational and research institutions, and a highly skilled workforce.
- **The UK's global gateway.** A strategically crucial gateway for international trade and travellers, with connectivity by rail, road and air to the rest of the country.

We also need to address key challenges that we face as a region, including:

- **Health and wellbeing.** Improving the health of our residents can increase participation in the labour market and improve the productivity of our workforce.
- **Tackling deprivation.** There are pockets of multiple deprivation across Hampshire; we need to tackle these to extend economic opportunity to all.
- **Housing supply and affordability.** Affordability of housing in Hampshire is a challenge that can act as a barrier to the labour market and social mobility.
- **Unlocking the benefits of devolution.** Devolution of new functions and funding to Hampshire and the Solent offers a further opportunity to work together to drive economic growth.

We have identified 12 sectors that are of particular importance to the Hampshire economy:

- **Aerospace, space and defence**
- **Construction**
- **Creative**
- **Digital**
- **Farming and rural economy**
- **Health and care**
- **Life sciences**
- **Logistics**
- **Low carbon / green**
- **Marine and maritime**
- **Professional services**
- **Tourism**

The Hampshire region is a Functional Economic Area (FEA). For example:

- **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 Hampshire 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

We also recognise any region consists of multiple and overlapping economic geographies, and that the relationships between economic geographies are also crucial. For example, northern Hampshire has distinctive strengths and close links to Surrey, Berkshire and Wiltshire. Collaborating across these boundaries will be an important element of delivering this strategy.

This strategy aims to deliver good growth i.e. growth that is environmentally sustainable, inclusive, and improves the quality of Hampshire residents' lives. To do this, it recognises the vital role of six capitals:



Physical Capital – includes business-owned assets as well as shared assets such as roads, rail, digital, and energy infrastructure.

Natural Capital – refers to both the existence and quality of natural assets.



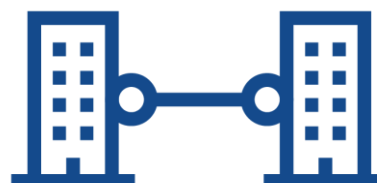
Human Capital – encompasses the health and skills of the population.

Knowledge Capital – the intangible value derived from knowledge, relationships, techniques, procedures, and innovations.



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

Institutional Capital – refers to the quality and reliability of governance and the relationships between institutions and organisations.



This economic strategy is aligned with and supported by several other Hampshire strategies. These include:

- **Hampshire 2050 Vision for the Future**
[Vision for Hampshire 2050 | About the Council | Hampshire County Council](#)
- **Climate Change Strategy and Action Plan**
[Climate change strategy and action plan | Environment | Hampshire County Council](#)
- **Local Transport Plan 4**
[Local Transport Plan | Transport and roads | Hampshire County Council](#)
- **Public Health Strategy**
[Public Health Strategy 2023 - 2026 | Health and social care | Hampshire County Council](#)

During the development of our updated Economic Strategy for Hampshire, we reviewed the economic strategies of the other local authorities in the Hampshire region (districts, boroughs and unitary authorities) and identified some key themes that are shared across all of the strategies:

- **Sustainable economic growth**
- **Infrastructure development**
- **Skills and employment**
- **Innovation and technology**
- **Collaboration and partnerships**

We are committed to working with our local authority partners and other stakeholders to drive sustainable and inclusive growth across Hampshire, for the benefit of our residents.

A. HIGH POTENTIAL SECTORS AND CLUSTERS

Hampshire's economy is driven by high potential sectors, particularly knowledge-intensive services, which are significantly more productive than the economy's average and account for a substantial proportion of the region's Gross Value Added (GVA).

Cluster development is a well-established approach to growing key sectors within a region or sub-region. It enables businesses to collaborate with each other and with academia, skills providers and other partners – increasing innovation, growth and supply chain resilience at a local level. Hampshire already benefits from mature clusters such as Space South Central and Maritime UK Solent, and Hampshire County Council recently led the establishment of the South Central Regional Defence and Security Cluster.

Over the next two years, we will build on this experience to develop clusters for three sectors in which Hampshire is at risk of falling behind neighbouring areas, and where existing cluster arrangements are less well-developed or fragmented: creative, digital and life sciences. All three sectors are strategically important and offer significant potential for innovation-led growth.

We are also bringing together a wide range of business groups to form a Hampshire “Super Cluster”, in order to strengthen the voice of the Hampshire business community on issues of common concern.

No.	Action	Description	Key partners	Delivery timetable
A1	South Central Regional Defence and Security Cluster	Growing a community – including the MOD, the Armed Forces, businesses, charities, academia, and other public bodies – dedicated to developing long-term advancements to the security and protection of our communities.	DASA, Airbus, MOD	Launched in December 2024, delivery is ongoing
A2	Creative Cluster	Bringing together existing creative sector initiatives across Hampshire, to increase recognition of the strength of our creative industries.	Businesses, academia, local authorities	April 2025 to March 2026
A3	Digital Cluster	Engaging with businesses and other partners to understand what kind of cluster approach would best meet the needs of the digital sector in Hampshire, and putting this in place.	Businesses, academia, local authorities	July 2025 to June 2026
A4	Life Sciences Cluster	Working with partners to support the delivery of a Life Sciences Cluster for Hampshire.	Wessex Health Partners, Health Innovation Wessex, The Institute for Life Sciences, UHS Health Research	April 2025 to March 2026
A5	Super Cluster	Bringing together clusters and other industry/business groups across Hampshire to form a “Super Cluster”, in order to engage a wider range of businesses in the work of the Hampshire Prosperity Partnership, and strengthen the voice of Hampshire’s business community.	Industry/business groups	Launch in June 2025

B. BUSINESS SUPPORT

Hampshire's business landscape is dynamic and diverse, but faces a number of challenges. Hampshire's net business stock has been declining, underperforming compared to neighbouring areas, with significant losses in sectors such as transport, storage, and retail. In high productivity knowledge-intensive services, Hampshire has fewer businesses compared with neighbours such as Berkshire and Surrey.

Businesses in rural Hampshire face particular issues, including limited digital infrastructure, difficulties in recruiting skilled labour, high house prices, and limited public transport.

Also, despite having a significant number of scale-up businesses, Hampshire's scale-up density is lower than some neighbouring areas, indicating potential for growth but also highlighting existing challenges.

Many of the partners in the Hampshire Prosperity Partnership play crucial roles within the system of support that is available to businesses – particularly SMEs – in Hampshire. This includes Hampshire County Council, which delivers the Hampshire Growth Hub, and also districts, business representative organisations, universities and colleges. During 2025/26, we will work with these partners to explore how we can join up Hampshire's business support system and make it more impactful. This will include looking in depth at the particular needs of businesses in rural areas, and also at how we can use online technology to enhance the support offer to our businesses.

No.	Action	Description	Key partners	Delivery timetable
B1	Hampshire Growth Hub	Continuing to deliver a successful Growth Hub service across Hampshire, providing advice and support to businesses.	Districts	Current funding agreement is for 2025/26
B2	Joining up the business support system	Increasing the impact of Hampshire's business support system, by bringing providers together to map provision, reduce duplication, and increase cross-referrals.	Districts, business representative organisations	April to September 2025
B3	Making the system work for rural businesses	Developing a clear understanding of the needs of rural businesses, and making improvements to the delivery of support services to rural businesses in Hampshire.	Districts, rural businesses and groups	July to December 2025
B4	Online business support hub	Establishing a self-service online platform to provide an offer that responds to less complex enquiries to the Growth Hub, and signposts businesses to other sources of support.	Other providers of online business support	July 2025 to March 2026

C. ENERGY

Electricity demand across Hampshire (and the UK) is expected to increase sharply in the years ahead, driven by the need to decarbonise heating, transport, and industry.

Renewable electricity generation in Hampshire remains low, with only 8% of electricity consumed being generated locally, primarily from photovoltaics, and with growth in renewable electricity generation falling behind the UK average. A recent study by the University of Southampton, however, suggests substantial potential for increasing renewable electricity supply through tidal stream, offshore wind, onshore wind, and solar PV technologies.

To realise this strategically vital opportunity, substantial investment will be needed. Also, our ability to achieve our clean energy potential is constrained by the capacity of the grid. Strategic projects can currently face significant delays due to grid connection times, negatively impacting on business investment and growth.

Community energy projects, clean energy hubs, local energy storage systems, and hydrogen production facilities present significant potential to enhance renewable energy utilisation and support economic growth in Hampshire. We will continue to support energy efficiency and renewable generation projects, as well as producing a new Hampshire Climate Change Strategy for 2026-31.

Also this year, we will work with partners to carry out a grid capacity review, to agree a shared approach to addressing grid constraints in Hampshire.

No.	Action	Description	Key partners	Delivery timetable
C1	Climate Change Strategy Review	Developing a new Climate Change Strategy for 2026-2031 that remains relevant, effective and aligned with Hampshire County Council's place-shaping role.	Expert Forum	New strategy by February 2026
C2	Energy efficiency and renewable generation projects	Enabling the net zero transition of Hampshire's energy landscape, by supporting projects to increase energy efficiency and renewable generation.	Business and communities, including community energy and retrofit initiatives	Multiple projects during 2025/26
C3	Grid capacity review	Working with partners to develop a clear understanding of the grid constraints on the delivery of energy infrastructure and other development, and making recommendations for how these can be addressed.	Local authorities, businesses, developers, network operators	July to December 2025

D. INFRASTRUCTURE

High quality infrastructure plays a critical role in underpinning Hampshire's competitiveness and growth.

Transport infrastructure such as roads, rail, and ports remain essential for trade, business operations, and for travelling to work, to learn and for other purposes. Hampshire's transport infrastructure faces significant issues. Urban areas such as South Hampshire and Basingstoke experience high levels of congestion and low public transport connectivity. Strategic routes such as the A34 and A31 are critical for freight and cargo transport but are affected by restricted connections and congestion. Rail infrastructure plays a vital role in longer-distance freight transport, commuting, and local journeys, with several strategic rail schemes identified as future improvements.

Digital infrastructure is increasingly important for economic success, providing a competitive edge in a globalised digital economy. While superfast broadband coverage in Hampshire is high, there are significant disparities between urban and rural areas, and Hampshire has a substantial digital infrastructure gap compared to neighbouring economies such as Berkshire and Bournemouth, Christchurch and Poole.

Also, the availability of high quality business space is crucial for Hampshire's competitiveness and business growth. Hampshire has experienced a decline in office floorspace, exacerbated by policies such as Permitted Development Rights, and the impact of COVID-19. The region needs more speculative office builds and high quality prime office space to attract knowledge-intensive service businesses and enable economic growth.

Hampshire's Local Transport Plan 4 already provides a strategic framework for taking forward a wide range of transport schemes and initiatives. Alongside this, during 2025/26 we will commission a study to identify Hampshire's highest priority infrastructure needs in three areas – transport, digital, and business space. This will enable the Hampshire Prosperity Partnership to make the case for the key strategic investments that will make the biggest difference for our economy.

No.	Action	Description	Key partners	Delivery timetable
D1	Local Transport Plan 4 schemes	LTP4 proposes transformational changes which: <ul style="list-style-type: none"> • shift away from planning for vehicles, towards planning for people and places • meet national priorities to decarbonise the transport system • reduce reliance on private car travel • give people a choice of high-quality travel options • support sustainable economic development and regeneration • and promote active lifestyles 	Districts and parishes, Transport for the South East	Ongoing throughout 2025-27
D2	Infrastructure gap and opportunity analysis	Commissioning a study to identify Hampshire's highest priority infrastructure needs in three areas – transport, digital, and business space – in order to make the case for investment in these priorities.	Local authorities, business organisations	July to December 2025

E. SKILLS, EMPLOYMENT AND CAREERS

Ensuring that businesses can recruit and retain people with the right skills is a crucial driver of Hampshire's economic competitiveness and growth. Hampshire's educational institutions, highly skilled workforce, and attractive lifestyle offer, are some of the region's key assets. Nevertheless, Hampshire's skills system needs to adapt continuously to employer's evolving needs, and to technological change.

Reducing economic inactivity also has the potential to contribute to Hampshire's economic growth, as well as enabling individuals to fulfil their potential. The largest single reason for economic inactivity in Hampshire is study, reflecting the presence of several universities and colleges. Our students represent a significant future labour resource, provided that graduates can be encouraged to remain in the region. Additionally, long-term illness and disability are major contributing factors to economic inactivity, with a notable increase in inactivity due to health issues since the pandemic.

Deprivation is another critical factor affecting employment in Hampshire, with pockets of multiple deprivation in urban areas and some smaller towns. These areas typically experience higher inactivity and unemployment rates, and should be a focus of efforts to reduce worklessness and increase economic opportunity.

During 2025/26, we will continue to deliver well-established skills programmes, such as Skills Bootcamps and the Hampshire Careers Hub. We will work with the Hampshire Skills Partnership to develop a new Hampshire Skills Strategy that is aligned with our updated Economic Strategy for Hampshire, and with new UK Government policy, such as the forthcoming Industrial Strategy.

We will deliver the new Connect to Work supported employment programme, and also work with partners to develop a Get Hampshire Working Plan, while ensuring that these new initiatives are aligned with Hampshire's approach to improving public health. This will substantially increase our ability to make a difference at a local level to reducing economic inactivity, tackling deprivation, and making Hampshire's economy more inclusive.

No.	Action	Description	Key partners	Delivery timetable
E1	Hampshire Skills Strategy	Developing a strategy to ensure that Hampshire has a workforce that meets employer needs and enables economic growth, while also promoting an inclusive and adaptable workforce.	Hampshire Skills Partnership	Strategy published in December 2025
E2	Skills Bootcamps	Skills Bootcamps empower individuals and employers to develop valuable, sector-specific skills. Based on local employer demand, they provide a direct path to employment upon completion, with a guaranteed job interview at the end of each course for unemployed individuals.	Employers, local authorities	Latest funding agreement is for 2025/26
E3	Supporting the implementation of Local Skills Improvement Plans	Ensuring that the new Hampshire Skills Strategy builds on and is aligned with these plans, which put employers at the heart of the skills agenda, and seek to build stronger and more dynamic partnerships between employers and skills providers.	Chambers of Commerce	Ongoing throughout 2025/26

E4	Get Hampshire Working Plan	Working in partnership to develop a plan to tackle economic inactivity, support individuals into good work, and create a more inclusive labour market.	Integrated Care Board, Jobcentre Plus, Hampshire Skills Partnership	April to September 2025
E5	Connect to Work	Commissioning a new supported employment programme aimed at people who are not working, face barriers to employment (such as disability and health conditions) or are at risk of losing their job. Connect to Work will integrate work, health, and skills support, enabling people to move into and sustain work.	Employers, skills providers	Launch in Autumn 2025
E6	Implementation of Hampshire Public Health Strategy	Hampshire's Public Health Strategy for 2023-2026 is a key enabler of the health and wellbeing of our population and workforces. The strategy recognises the relationship between work and health and the drivers of both economic inactivity and poor health outcomes. Investing in healthy places and people supports increased productivity and growth. The strategy also recognises the importance of healthy workplaces in supporting staff wellbeing and productivity.	NHS, employers	Ongoing throughout 2025/26
E7	Hampshire Careers Hub	Supporting schools and colleges across Hampshire to improve their careers programmes and create opportunities for young people.	Schools, colleges and employers	2024-26 academic years (annual funding agreement)