

**Key Discussion Points: High Growth SME Roundtable on Vision for the Hampshire Economy 2050**

David Fletcher, Assistant Director for Economic Development, provided an overview of the Commission of Inquiry, and how County Council members needed a clearer vision of the future of Hampshire, with a formal hearing in September to cover the region's economy elements.

**Infrastructure and Capacity:**

- All of the various public sector bodies make the landscape extremely complex for businesses. Nationally we have had so many phases of government national support, we need to ask the questions; are they relevant and does it matter? Government puts spot solutions in place to fill a gap and it doesn't work well, and they need to be more systemic. . Too many initiatives and too many entry points. All agreed – in terms of business support it would be better if there was a single place to go.
- Current support tends to be service support, and not infrastructure based. Look for example at the Marine industry in the region: Hampshire is considered by many as the epicentre of the marine industry; however space with waterside access is very limited and this is a big problem. Over the next two decades, if suitable space is either unavailable or at too high a premium, this may affect the industry long-term. The marine businesses locally that are dependent on a coastal base will move from the UK, if local space is unavailable.
- Finding commercial property to buy as opposed to rent is a huge problem. The issue often arises with Fund Managers buying up available property to gain a long term return – this is stifling growth. A solution would be for the county, district and unitary authorities to allocate more suitable land for development for business use that cannot be purchased for the sake of fund management/institutional investment They should ensure this land available for SMEs to purchase in the first instance.
- In this digital age there are still some issues around slow broadband connectivity and unreliable mobile phone coverage. If the county had more flexibility outside of the national broadband roll-out, there are other solutions that the county could implement to improve coverage, connectivity, capacity and speed.
- Develop more Centres of Excellence and business incubation hubs around the county's industry specialisms, this will allow for more collaboration with start-ups and local businesses. Centres with high end test facilities and the social infrastructure alongside would retain and attract talent, and then we can grow skills organically, and access young, bright people. Physical hubs are still needed, no matter how much homeworking increases. The recent discussions with the aerospace sector, led by Hampshire County Council, also concluded that having both shared testing facilities and a physical hub for the sector would be of great value. Could this approach be extended to other sectors?

- There is a desire to develop a more supportive business landscape where company growth is encouraged by a supportive regulatory framework, specialist advice, and a range of finance options. Enable the delivery of an appropriate pipeline of suitable business premises and upgrading existing premises.
- Help businesses more through the development of supply chains; signposting to business support and advice available nationally; tailoring skills provision and raising awareness of employment opportunities and; ensuring an adequate supply of industrial sites and commercial premises in good locations.
- The plethora of business support available can be confusing to businesses. There is a wealth of information out there, but people don't simply know about it – Oxford Innovation, Setsquared, Growth Hubs, etc. Make people aware of this, it's currently so well hidden. We need to become more simplistic to allow start-ups and businesses to capture these funds. We need a Citizens Advice Bureau for entrepreneurs. In the future, can there be a system in place to flag to new start-ups? We need to “hide the wiring”, as businesses accessing support don't need to know the various public sector structures.
- Infrastructure is not designed for purpose. There is no strategy to align road and rail transport for example. The public sector should drive alignment so that the provision, the connections, the ease of use all make sense and reduce the overall cost of providing infrastructure. It should be much better coordinated both re: capital expenditure and operational expenditure.
- Lower numbers of young people are learning to drive, and our current transport system is not good enough compared to other locations - communications and services are poor. We need to join up strategies with road, rail, etc. and all the relevant governing bodies. (See above). Young people are increasingly drawn to live/work in places with really good transport services, so if we want to retain talented young people we need to ensure future service provision and infrastructure is easy and cost-effective to use.
- As a county we tend to be much more city oriented, we also need to address rural needs. In 100 years time shall we still have boundaries? One view is Localism is becoming a big thing, for example environmental ecosystem, sustainability. Another view is that Localism is not a big thing but governance will have to be structured in some form whether at a county level or more locally. We need to think of future demographics, plus the attraction has in terms of quality of life for people/families migrating out of London.

**Talent and Productivity:**

- Hampshire is a dynamic, vibrant and growing county, and we must aim to continue to be aspirational and forward thinking, to look beyond what is currently planned, identify new opportunities and build a bigger picture for the future of our economy.
- To improve productivity we must aim to become a higher value economy with a focus on knowledge intensive employment and businesses, particularly in the two cities of Portsmouth and Southampton. These two cities underperform in relation to our ability to compete with London. Should we overtly embrace our easy connectivity into and out of London?
- The education system in Hampshire must aim to become more collaborative to improve education outcomes. Further improvement is needed in developing the right match of skilled employees for current and future business needs.
- Improve work readiness, including soft and basic skills. Apprenticeships, rather than graduates are often a better route for businesses to recruit people with the attitude they are looking for. Many companies like to mould their employees.
- We need to ensure that accessing the right university-led business support offer is easy and transparent and fits with local innovation needs. Colleges are not teaching students the latest tech; graduates have the right credentials but not the up-to-date experience. Everything is going “Cloud” and current college and university students are not being taught the technology of now, let alone the future. We will need people able to build cloud type and next generation technology long before 2050. People who are teaching/lecturing are not up to speed on latest technology – bring in people who are and get Government to really invest in technology learning in colleges and universities. Hard engineering skills are non-existent, softer skills like marketing are fine. People with skills will go where the opportunities are – if they get used to the London commute they will move around that location.
- The University of Portsmouth and Southampton Solent University are developing skills hubs for recent graduates to approach businesses and offer their help; this provides graduates with phenomenally valuable experience. However again this information is hidden and the universities are not promoting this well enough. Apprenticeships are now of such high value.
- A generation is now coming through with a lack of human engagement – they don’t want to speak to people, like to wear headphones, they are used to communicating via tech – we cannot forget to keep that physical engagement too. Local newspapers have gone, and there is a generation who do not understand how councils operate for example.
- The Swedish and Norway economies are doing well – look at this as a Localism model. Alignment is key – align education to the strategies. Businesses need to get together and trail blaze what vocational skills are needed. Businesses should become partners, not competitors to drive this forward. Develop some proper metrics

to ensure we are getting the best talent coming through. A point made was we should ask ourselves “what does the ecosystem look like?” and what should the ecosystem look like?”

- Online courses are becoming more popular – gaming sectors – unity and unreal. Unity – training online – universities can help to do this however it falls outside of making an income. Degree apprenticeships – not taking off as they should be, and yet SMEs get these fully funded. Sparsholt is a good example of an aligned college. Intermediaries are formed when there are inefficiencies – eg. Apprenticeship levy. What underlying foundations can HCC put in place for the future – influence together?
- Integration with business from universities from the offset. Make it part of modules, making them compulsory, and students are graded on them. With degree sandwich students you can shape them. Build skills centres linked to universities to keep talent here. Bordon as an example – two great buildings here, but no real connections as yet. It can be complex to get the alignment there. CEMAST working with Gulfstream is a good example of a college acting more like a business and offering to take care of all aspects of the company’s apprenticeship requirements.
- Should the governance of our universities and colleges encompass a greater role for the private sector and employers?
- We need to understand what the younger generation are saying now, and is Hampshire County Council interacting with them at this time? The council needs to find a mechanism before the end of this Commission of Inquiry.
- Primary school age children are learning coding and design now– how are we putting these in to the curriculum? Also which countries are doing this well – what models can we use beyond the UK? The University of Sheffield’s Advanced Manufacturing Research Centre has an excellent vision, and this is now a hugely positive asset for new companies investing in this region. Bristol and Birmingham are vibrant cities for young people, and you simply don’t get that feeling with Southampton or Portsmouth.
- We should look to develop playgrounds filled with potential apparatus and activities where children can learn through play, rather than in a classroom environment.

#### **Summary final points made/reiterated:**

- You need to talk to young people as part of the inquiry.
- Help people get into coding and design at a very young age.
- Take ideas from places that do the above really well.
- Use fun environments, not just classrooms to help young people experience learning and skills development.
- Alignment!!!! (between universities, local industry, local authorities and communities)

- Use solutions available for superfast broadband and mobile coverage without relying on BT
- Councils could assist in ensuring there is designated business space that cannot be bought by fund managers. Encourage/give preference to owners/developers who will sell to SMEs and enhance communities in the area.
- Councils could take more of a lead on development and alignment of infrastructure and be a reliable source for providing quality information to businesses. Bit like a Citizens Advice Bureau for business.
- Being university cities should not define Portsmouth and Southampton as the universities are buying up lots of property leaving it unavailable to business. We should do more to promote them as London's waterside cities.
- Efficiencies, for example, just improving traffic light phasing as key junctions can improve your experience of a place
- Vibrancy and good job opportunities are very important to retain and attract talented people who will drive economic growth.

The guiding discussion points were:

1. What do you think are the opportunities and challenges associated with future business growth in Hampshire?
2. Is the landscape of business support complex and confusing? And if so could the public sector do anything to make this landscape more business friendly?
3. What might be the best use of public sector investment to enable business success? Supporting individual businesses or macro infrastructure?
4. Wider drivers of growth are seen as the likes of infrastructure (transport, digital, etc.), housing, planning, and skills – should we focus on these?
5. How critical is it for individual businesses to grow overseas markets?
6. Are programmes which enable more effective engagement between the research assets of universities and small businesses a good investment?
7. Now and in the future how will businesses in Hampshire need to evolve to attract and retain talent and can the public sector do anything to help?
8. Is our education and skills ecosystem fit for purpose? Is there a need for more effective brokerage of skills support to businesses?
9. Is the way to improve the productivity of the Hampshire economy to disproportionately focus support on businesses which are in knowledge intensive sectors?
10. Would it be more meaningful for business support to be focused around supporting emerging technologies than sectors? Or both?