

10 September 2018

Jude Robinson
Head of Strategic Commissioning
Hampshire Futures
Hampshire County Council

Dear Jude,

Re: Hampshire Commission of Inquiry 2050

Further to your email, we would like to take the opportunity to thank you for the invitation to submit evidence to help inform the development of a Vision for Hampshire 2050. This is timely and coincides with the publication of the LEP review and is therefore set within the context of responding to HM Governments requirement that all LEPs should focus on the following four activities to support the development and delivery of their Local Industrial Strategy:

- **Strategy:** Developing an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area.
- **Allocation of funds:** Identifying and developing investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy.
- **Co-ordination:** Using their convening power, for example to co-ordinate responses to economic shocks; and bringing together partners from the private, public and third sectors.
- **Advocacy:** Collaborating with a wide-range of local partners to act as an informed and independent voice for their area.

Solent LEP is currently in the process of developing the strategy work and the evidence base which will inform the development of the Local Industrial Strategy is broadly complete. This has been developed in collaboration with our key partners and links to the published work are included in this response. We are expecting a further statement on Local Industrial Strategies to be published shortly and this will inform the consultation and development on the strategy which we expect to move forward in Autumn 2018.

Ahead of this work we would like the commission to recognise the importance of the Solent area as an internationally-recognised key economic hub comprising the Isle of Wight, the two cities of Portsmouth and Southampton, the M27 corridor and the Solent waterway. The Solent's position also means it is one of the UK's most important gateways to European and global markets, with direct highway and rail links to London and the strategic national corridor, and international connections through an airport and two ports, which lie just 20 nautical miles from the world's busiest shipping route from Shanghai to Rotterdam.

The Solent's role as a gateway economy provides a uniquely outwardly facing perspective and inevitably influences the nature of economic activity that takes place across the LEP area. This means that the Solent shares economic relationships with places beyond its 'core' functional economic area and has a

relatively wide economic sphere of influence. The area's economy therefore has a significance or 'footprint' that extends beyond the locality, making an important contribution to national economic growth. This is supported by direct highway and rail links to London and the strategic road network. The economic and communications inter-dependencies between the two cities of Portsmouth and Southampton and the wider Solent area are critical to the Solent's continued success and there are strong strategic links and common interests with the Enterprise M3 and Dorset LEPs, most notably with regard to connectivity, the aerospace, digital, marine and maritime sectors, and the visitor economy. A combination of relatively high levels of urbanisation, the presence of two large cities, the role of the three International Gateways in connecting the UK with global markets, and the challenges imposed by the Solent's unique geography come together to result in complex and exceptional demands on the area's transport networks.

The issue of congestion represents a common theme affecting different parts of the Solent, and an overriding challenge to future growth. This has been independently recognized in the National Infrastructure Assessment, published in July 2018 which identifies that:

- developing integrated strategies for housing, employment and transport, to allow cities to grow and people to live and work where they want is vitally important; and
- the two Cities (Portsmouth and Southampton) in the Solent region have been identified as growth priority cities. This is critically important given the economic linkages between the two cities and their urban neighbours.

The overriding connectivity constraint within the area exists between Portsmouth and Southampton, due in part to the geography and demography of the area, coupled with a dysfunctional transport network. Other connectivity constraints include existing linkages between the Isle of Wight and the mainland. Whilst recognising that the Solent effectively forms its own broad functional economic area, a combination of factors – mainly relating to infrastructure and connectivity – have limited the benefits of agglomeration, most notably between the key economic hubs of Portsmouth and Southampton, but also with regard to the Isle of Wight and key peninsulas such as Fareham and Gosport, the Waterside and Hamble. The imperative therefore, is to challenge barriers to productivity and efficiency by addressing key gaps in infrastructure in order to realise the benefits associated with agglomeration and strong industrial clusters, particularly as the Solent strives to build on its existing reputation as a worldwide maritime gateway. In other words, the economic dividend that could come through enhanced connectivity across the Solent and a related boost in productivity is significant and represents an overriding area of latent growth potential going forward.

We also recognise that skills, in particular, are vital to our Industrial Strategy. The Department for Education is leading ambitious reforms, including to technical education, to ensure businesses can access the skills they need to be productive and grow. This is an important issue for LEPs and there is an opportunity through the establishment of Skills Advisory Panels, to develop how LEPs engage with the Government and local providers to ensure that the local area can develop the skills we need. Central to that is the development of T-Levels as they strengthen the college-based training route. Government are also leading significant reforms on apprenticeships, which LEPs can support by using their local experience and building links between businesses, schools, academic institutions, technical colleges and

other partners. Solent LEP will support the supply of skills to an area as we respond to the Skills Advisory Panels programme, and will develop even stronger local labour markets and skills governance through the development of a Skills Advisory Panels (drawing on the existing infrastructure of the Employment and Skills Board). The ESB already convenes local employers, learning providers and other partners, to achieve a better alignment of the local employment and skills offer and initial work has been undertaken on a new workforce futures strategy. This analysis will feed into the development of Local Industrial Strategies.

In relation to the LEPs priorities regarding both improved connectivity within the Solent area and developing the future skills that businesses need, we hope to continue to work closely with Hampshire County Council as you complete your commission work and we undertake and publish our Local Industrial Strategy. We also look forward to providing a further update on our work at your Business Engagement Forum in November 2018.

I hope that the above summary provides a helpful reference point in relation to our emerging economic evidence base and, ahead of publication of a new Strategic Economic Plan for the Solent, as previously referenced that there are a range of evidence bases which have already been published (either by the Solent LEP or HM Government) which we would believe should be considered within the context of this work. I include links to key documents as follows:

- Maritime Futures - Solent Waterfront Sites (2015):
https://solentlep.org.uk/media/1341/maritime_futures_-_solent_waterfront_sites_-_169_15_.pdf
- Solent LEP Annual Report (2016):
https://solentlep.org.uk/media/1962/0838_slep_annual_review_2016_aw_web.pdf
- Solent Strategic Transport Investment Plan (2016):
<https://solentlep.org.uk/media/1514/tip-final-web-version.pdf>
- Solent Area Review (2016):
http://dera.ioe.ac.uk/28048/1/Solent_Report.pdf
- Solent LEP Innovation Strategy (2016):
<https://solentlep.org.uk/media/2052/pacec-solent-phase-i-executive-summary.pdf>
- Solent LEP response to Industrial Strategy Green Paper (2017):
<https://solentlep.org.uk/media/1993/solent-lep-response-to-industrial-strategy-green-paper-13042017.pdf>
- Solent LEP Baseline Forecasts and Implications of Brexit (2017):
<https://solentlep.org.uk/media/1887/solent-lep-baseline-forecasts-and-the-implications-of-brexit.pdf>
- Productivity and Growth Supplement (2017):
<https://solentlep.org.uk/media/1860/productivity-and-growth-strategy-update-february-2017.pdf>
- Innovation South Science and Innovation Audit (2017):
<https://www.enterprisem3.org.uk/innovation-south-sia>

- Solent LEP Annual Report (2017):
<https://solentlep.org.uk/media/2274/solent-lep-annual-review.pdf>
- Industrial Strategy White Paper (2017):
<https://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future>
- Careers Strategy (2017):
<https://www.gov.uk/government/publications/careers-strategy-making-the-most-of-everyones-skills-and-talents>
- Isle of Wight Infrastructure Investment Plan (2018):
<https://solentlep.org.uk/media/2324/15735-iiip-final-report-300518.pdf>
- The economic role and contributions of the maritime sector in the Solent LEP area (2018):
https://solentlep.org.uk/media/2319/cebr_solent_lep_report_may-2018.pdf
- Economic impact of the Solent area Universities (2018):
<https://solentlep.org.uk/media/2275/economic-impact-of-the-solent-area-universities-report-final-1mar18.pdf>

In addition to the above, the evidence base that the Solent LEP is currently updating includes:

- Solent Strategic Economic Plan (2014):
https://solentlep.org.uk/media/1332/solent_strategic_economic_plan.pdf
- Solent LEP European Structural & Investment Fund Strategy (updated 2016):
<https://solentlep.org.uk/media/1613/solent-eu-sif-strategy-april-2016.pdf>

Should you require any further information or wish to discuss any of the above further as you develop this work, please do not hesitate to contact me.

Yours sincerely,



Gary Jeffries,
Chairman
Solent Local Enterprise Partnership