Solent Growth and Prosperity Strategy Appendix C: Socio-Economic Baseline

Autumn 2024

Prepared for:
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Project/File:
Solent Growth and Prosperity Strategy (Lot 1)

Stantec

1 Introduction

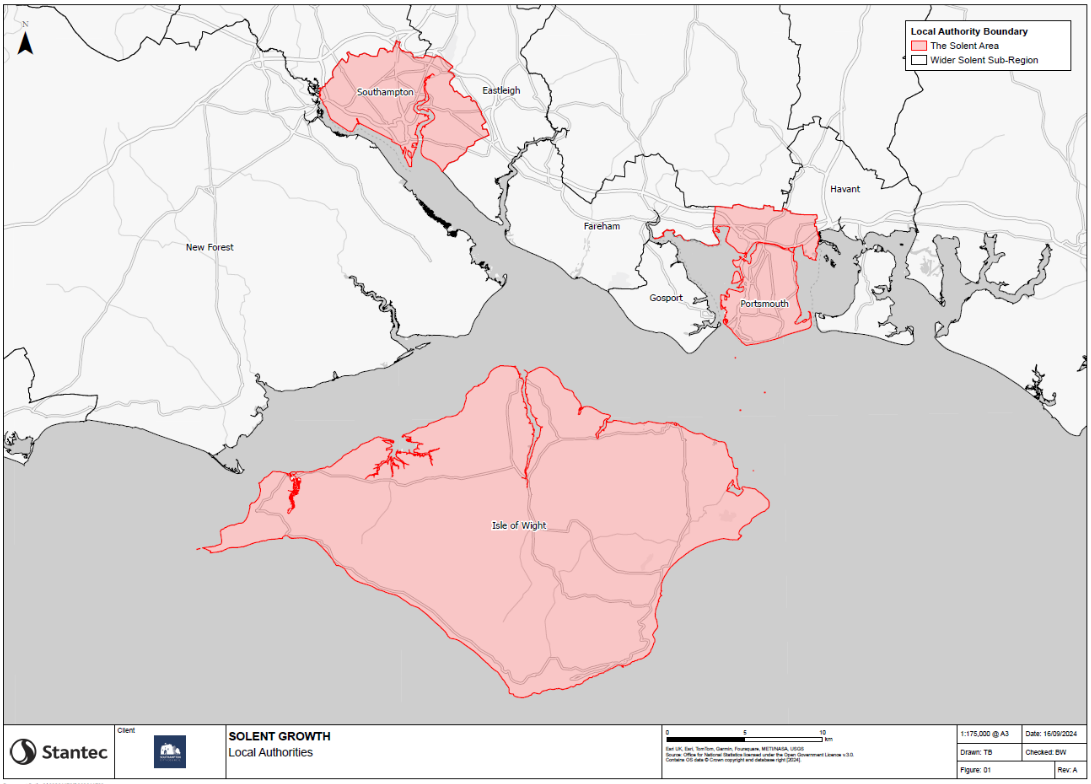
As part of the development of the Solent Growth and Prosperity Strategy Stantec has been commissioned to prepare a supporting technical note focusing on the socio-economic baseline for the Solent Sub-Region – defined as three Upper Tier Local Authorities of Isle of Wight Council, Portsmouth City Council and Southampton City Council. The purpose of the socio-economic baseline is to consider a range of demographic, labour market, business, and employment characteristics for the Solent and in doing so identify strengths, challenges and opportunities for future economic growth.

1.1 The Solent Sub-Region

In August 2023, the UK Government announced its decision to withdraw central government support for LEPs from April 2024. This impacts the Solent LEP, and a new partnership called Solent Partners – funded primarily by the three Unitary (i.e. Upper Tier) Authorities in the Solent – has been established to continue its collaboration with local industry, academia and civic leaders to promote the collective prosperity and sustainability of the Solent economy.

For the purposes of the following analysis, data is generally presented at the Solent level, and (where relevant) at the local authority level. In addition, regional and national comparisons are also provided to add further context to the analysis. Figure 1 below illustrates the local authority areas defined as forming the Solent Sub-Region.

Figure 1 – Map of the Solent Sub-Region



Source: Stantec, 2024

Further detail on regional and national comparisons made throughout the socio-economic baseline is provided in the table below.

Table 1 – Regional and national comparison areas

Regional and national comparator areas	Explanation of geography
Former Solent LEP Area	IoW Southampton Portsmouth New Forest DC Eastleigh BC Fareham BC Gosport Havant BC
Hampshire and the Solent	Hampshire County Council and the three Solent UTLAs – SCC, PCC and IWC
South East	South East region excluding Greater London area
England	England
UK	England Scotland Wales Northern Ireland

1.2 Caveats and limitations

This report draws on a variety of publicly-available data sources (i.e. such as the 2021 Census and other statistics from the Office for National Statistics (ONS), in addition to data from local authorities in the Solent.

It is important to note that this report represents a point-in-time assessment. The analysis incorporates the latest data and evidence available at the time of preparation in mid-2024, which naturally will be subject to change. Furthermore, the accuracy of data derived from third-party sources has not been independently checked or verified by Stantec.

1.3 Structure of the technical note

The remainder of the technical note comprises the following sections:

- **Section 2: Population and demographics** – considers population demographics and projections.
- **Section 3: Employment and business** - reviews the economy across the Solent by assessing the size of the economy, employment sectors, economic output, productivity and business
- demography.
- **Section 4: Labour market characteristics** – reviews key labour market characteristics including occupations, wages and qualifications.
- **Section 5: Housing and employment land** – analyses housing targets, stock and tenure across the Solent alongside employment land capacity.
- **Section 6: Connectivity** – focuses on both transport and digital connectivity within the Solent.
- **Section 7: Visitor economy** – analyses key visitor assets and sectors within the Solent.

- **Section 8: Higher Educational Institutions -** reviews the teaching and research specialisms of higher educational institutions in the Solent Sub-Region.

2 Population and demographics

2.1 Introduction

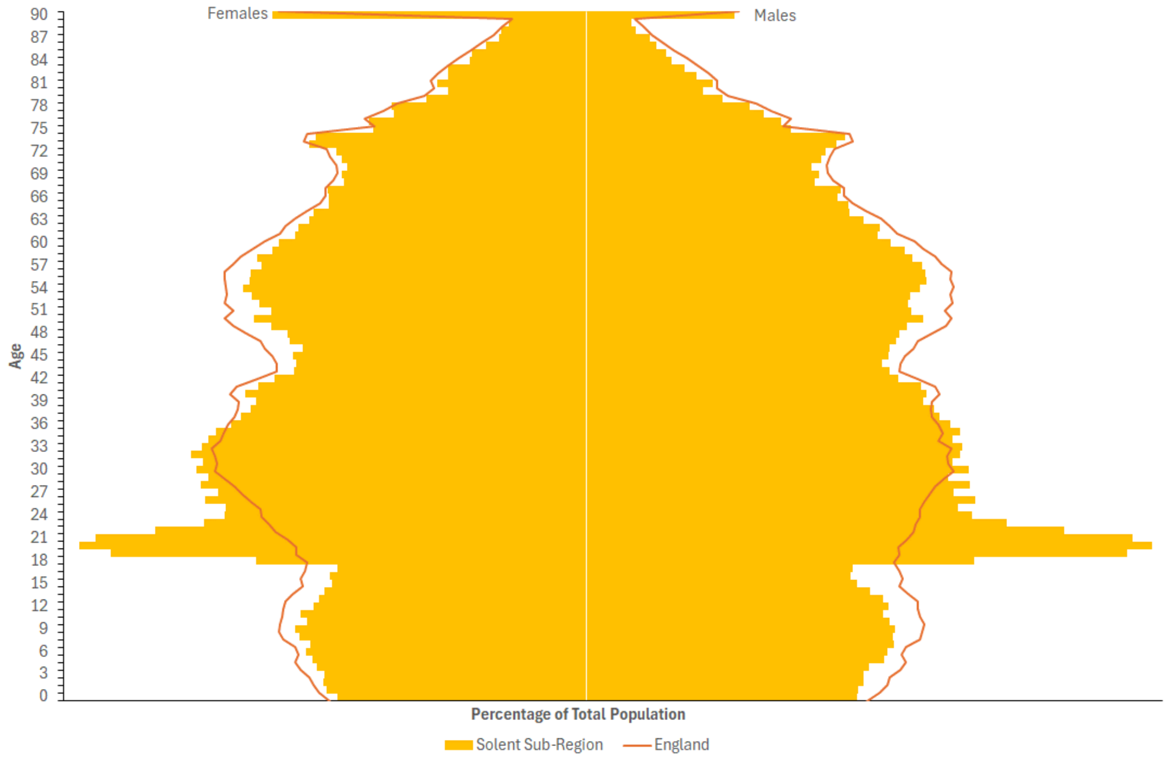
This section considers the Solent Sub-Region's population and demographic characteristics and provides comparison with wider regional and national comparators.

2.2 Demographic profile

According to ONS population data from 2021, the total population of the Solent Sub-Region is approximately 600,000 with Southampton and Portsmouth local authorities being the dominant centres of population. Overall, the total population of the Solent Sub-Region accounts for approximately 48.5% of the total population in the Former Solent LEP Area and 30% of the Hampshire and the Solent area, thus underlining the importance of the urban centres in the Solent Sub-Region.

Figure 2 presents the age profile of the Solent Sub-Region in comparison to the national level of England. The figure shows that the only age range for which the Solent Sub-Region has a greater proportion of the population relative to England for both men and women is between 18 and 35. The Solent Sub-Region exceeds the national levels for the 18-35 age group by approximately 5 percentage points. There are marginally less children under the age of 18 than at the national level, 2 percentage points lower, as well as fewer individuals between the ages of 40 and 65, 2 percentage points lower. The over 65 age group is broadly in line with the national level profile for England.

Figure 2 - Population Age Profile, 2021

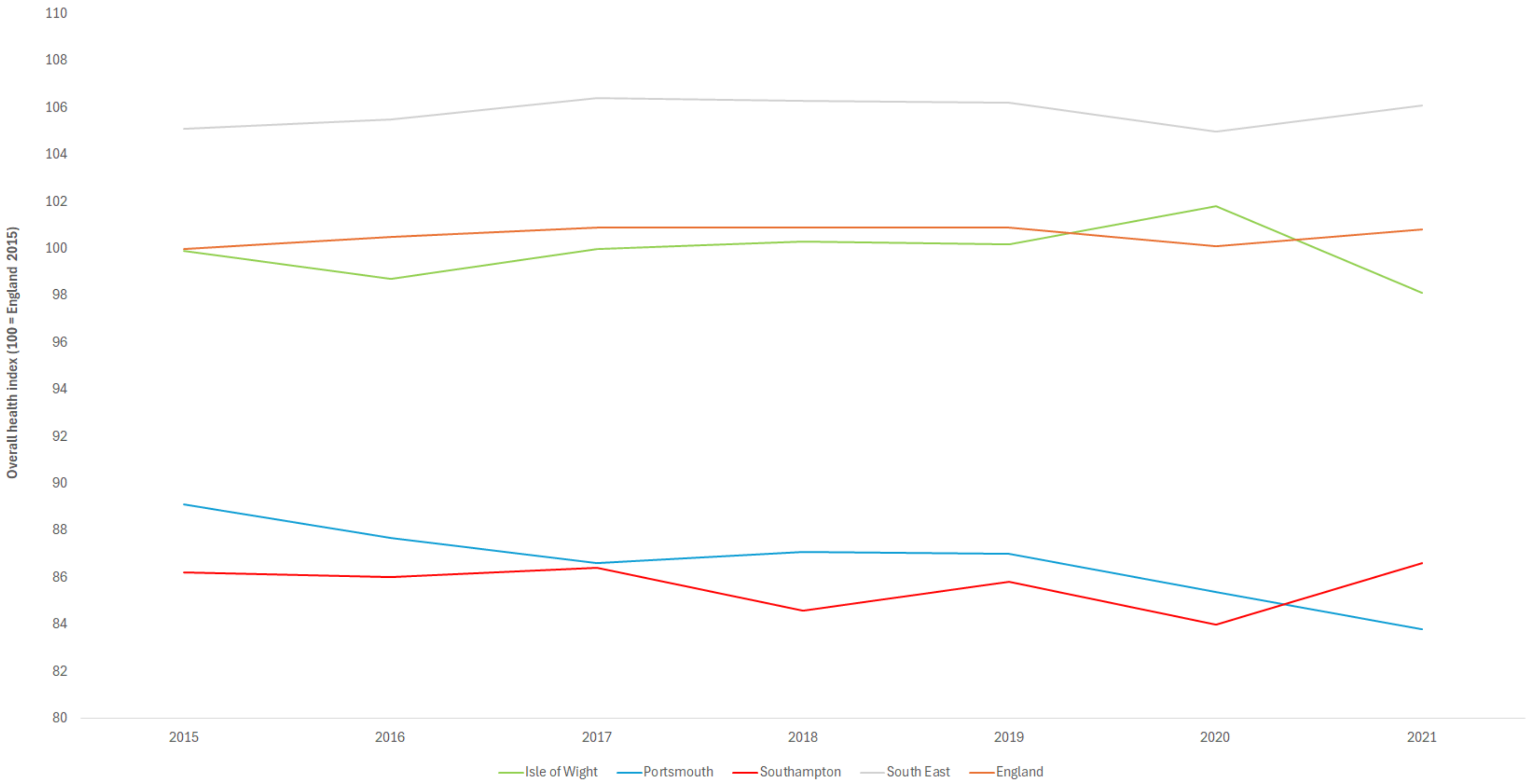


Source: Census, 2024

2.3 Health and Wellbeing

Figure 3 provides an independent view of health for the three UTLAs in the Solent Sub-Region, the South East and England, baselined to average results for England in 2015. The Health Index for England considers health outcomes, risk factors, and the social, economic and environmental drivers of health. The Isle of Wight remained relatively consistent with the average health for England between 2015 and 2021; there was a notable drop in 2021, during the COVID pandemic. Portsmouth and Southampton have been consistently lower than the national average during this period, this has been driven by a wide range of factors, including physical and mental health, and behavioural and environmental risk.

Figure 3 – Overall health index, 2015-2021



Source: ONS, 2023. Health- Index scores, England.

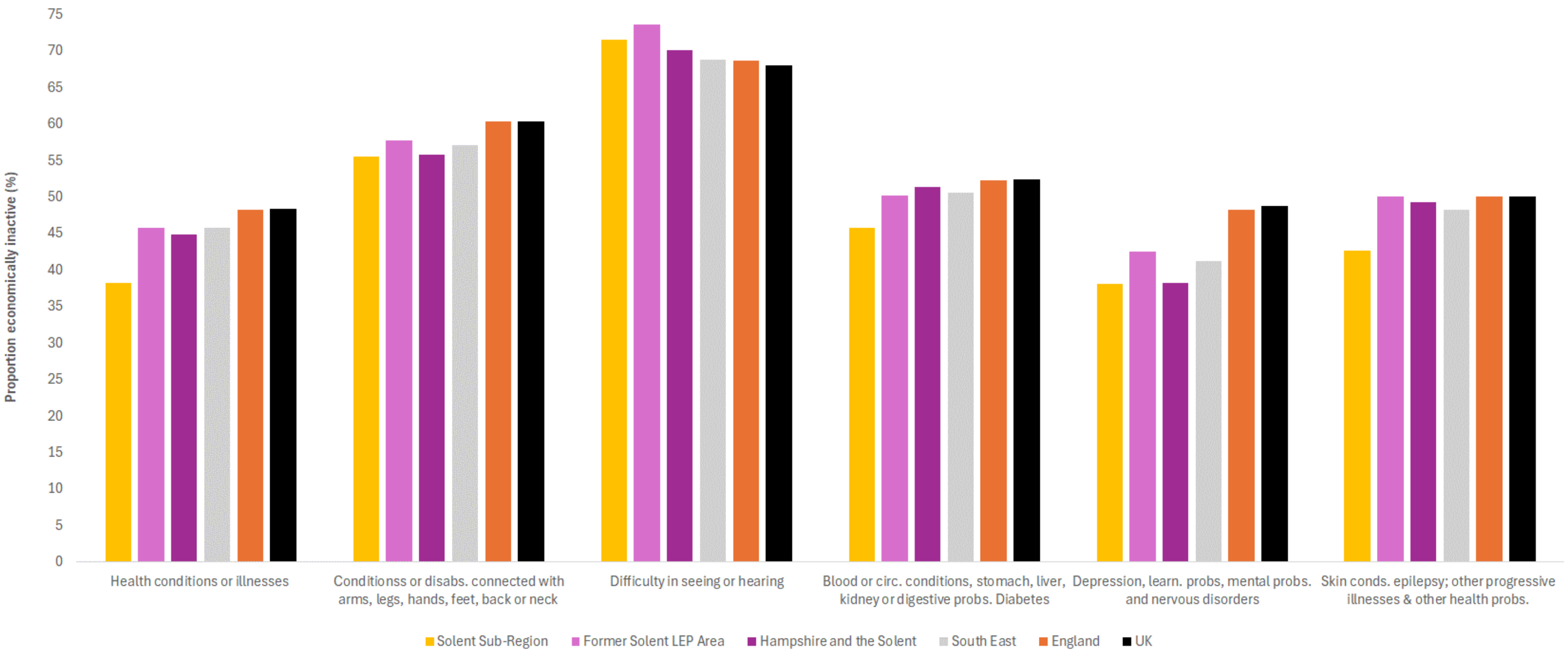
Figure 4 illustrates general health for the populations of the Solent Sub-Region and wider regions, based on recent Census records. Generally, the Solent Sub-Region reported a higher proportion of the population in bad-very bad health, and a smaller proportion in good-very good health, relative to the comparator geographies. However, Solent Sub-Region reported higher rates of fair health than the comparator geographies.

Figure 4 – General Health of Population, 2011-2021

Source: Census 2011-2021.

Figure 5 reports the economic inactivity rates for different types of long-term health conditions or illnesses. Generally, the Solent Sub-Region reported low economic inactivity rates for long term conditions/ illnesses relative to the comparator geographies, with rates consistently lower than the national average. The one exception was people with conditions and illnesses that impaired vision and hearing, which reported the highest economic inactivity rate at 71.2% in the Solent Sub-Region.

Figure 5 – Proportion economically inactive of those with long term health conditions or illnesses



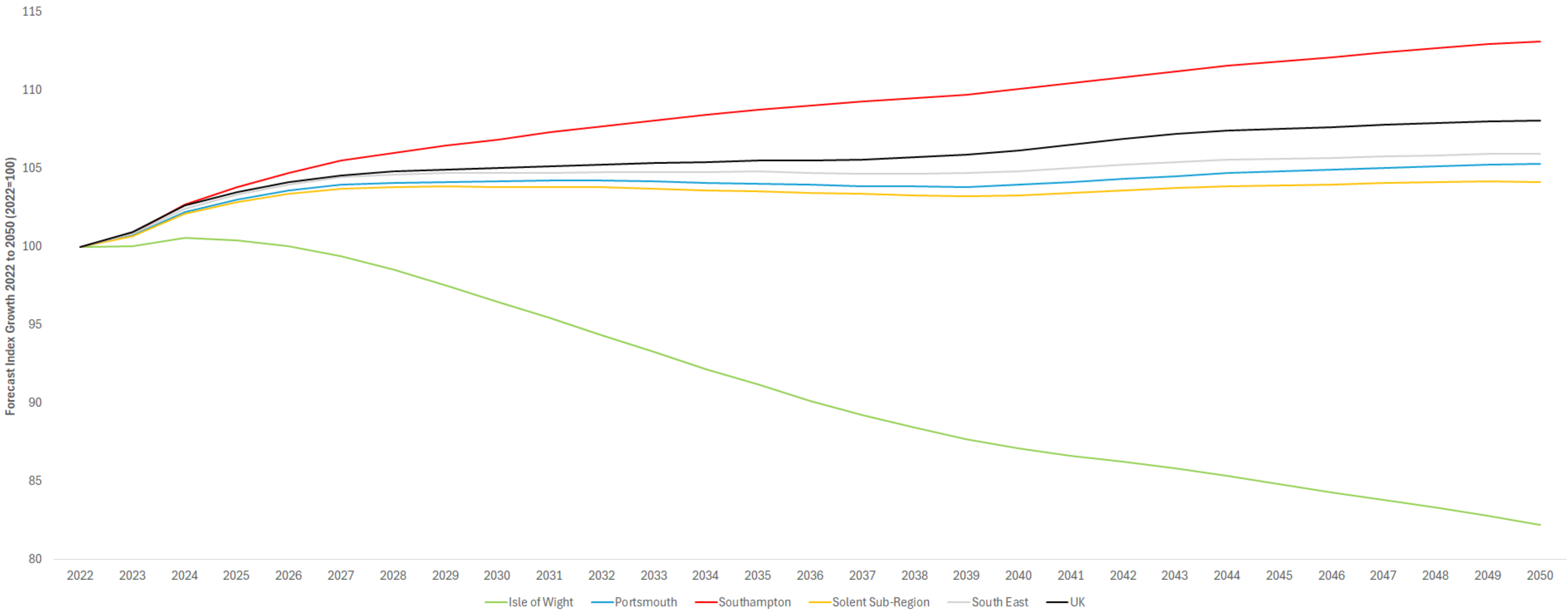
Source: Annual population survey, 12 months to March 2024.

2.4 Population projections

Figure 6 shows the forecast changes in population for the Solent Sub-Region alongside regional comparators including the South East and the UK, using 2022 as the base year. The long run projected trend indicates that the Solent Sub-Region will exhibit the lowest working age population growth rate relative to all regional comparator areas. By 2050, the Solent Sub-Region working age population will have grown by 4%, relative to 6% in the South East and 8% in the UK.

Looking within the Solent Sub-Region, this slow rate of growth is due to a projected 18% decline in the size of the working age population in the Isle of Wight. However, growth in the Solent Sub-Region is positive owing to significant expected working age population growth in Southampton, at 13%, and Portsmouth, at 5%.

Figure 6 – Forecast Index Working Age (16-64) Population Change, 2022-2050



Source: Oxford Economics, 2024 NOTE: 2022 values are actuals taken from ONS, 2023-2050 are forecasts from Oxford Economics.

Table 2 illustrates the projected rate of population growth for each age range from 2022 to 2050 in the Solent Sub-Region, relative to the South East and the UK. The table below illustrates the importance of urban regions to the growth of the Solent Sub-Region overall, with figures in red indicating a decline in population. By 2050, the total population will have grown by 14%, relative to 14.3% in the South East and 12.4% in the UK.

Despite a projected decline in the number of young and working-age people across all age categories in the Isle of Wight, the Solent Sub-Region exhibits positive and strong growth relative to the regional comparators. The Solent Sub-Region is projected to have stronger growth of younger members of the population relative to other comparator regions. The projected growth of the youngest children aged between 0 and 5 in the Solent is 27.2% relative to 18.9% in the South East, and 12.4% in the UK. Moreover, while the UK experiences a decline in young people between the ages of 5 and 10 and 10 and 15 years old, the Solent Sub-Region experiences growth of 10.4% and 3% respectively.

The table below also highlights the comparatively faster rate of growth of the oldest members of the population in the Solent Sub-Region relative to the South East and the UK in all age categories aside from those aged between 65 and 70 years old.

Table 22 – Population Growth Projections by 5 Year Age Bands (%), 2022-2050

5 Year Age Band	Isle of Wight	Portsmouth	Southampton	Solent Sub-Region	South East	UK
0-5	6.7	31.1	37.8	27.2	18.9	12.4
5-10	19.0	3.1	15.3	10.4	1.9	1.7
10-15	22.3	2.1	15.4	3.0	5.3	7.4
15-20	24.1	2.5	9.8	3.4	1.2	2.0
20-25	26.9	6.5	9.0	3.3	1.3	1.1
25-30	20.3	21.3	29.3	3.6	7.2	6.5
30-35	5.3	15.5	25.6	20.6	23.7	20.4
35-40	11.1	5.7	8.1	15.5	13.0	12.9
40-45	30.4	0.4	3.8	11.5	13.5	9.1
45-50	15.0	4.9	25.7	1.8	0.2	6.3
50-55	23.3	14.1	21.1	5.4	1.9	8.9
55-60	23.4	6.0	3.2	10.1	2.0	3.9
60-65	3.8	7.2	24.1	9.7	25.3	23.4
65-70	16.9	1.1	22.6	1.1	7.8	6.9
70-75	9.7	33.0	34.0	24.1	24.2	16.4

5 Year Age Band	Isle of Wight	Portsmouth	Southampton	Solent Sub-Region	South East	UK
75-80	47.9	65.8	73.6	60.8	56.5	50.1
80-85	111.7	148.8	136.5	130.2	115.2	102.1
85+	104.0	107.5	117.3	109.3	101.5	92.0
Total	**1.1**	**5.3**	**13.1**	**14.0**	**14.3**	**12.4**

Source: Oxford Economics, 2024 NOTE: Figures in red show a decrease over the period.

Table 3 presents the estimated net migration rates for the Solent Sub-Region relative to comparator geographies for the last two census periods. Across both periods, the Solent Sub-Region has received more inward than outward migration. While the rate of net migration has dropped since 2011, comparison with regional comparators reveals that the rate of net migration in the Solent is greater at 22.6, than is found in the South East at 13.5 and England at 9.7. This is in part attributed to the presence of nationally significant ports in Southampton and Portsmouth. Net migration on the Isle of Wight is more comparable with national levels and is reflective of outflows of young working-age people from the island to the mainland.

Table 3 – Net Migration Rate, 2011-2021

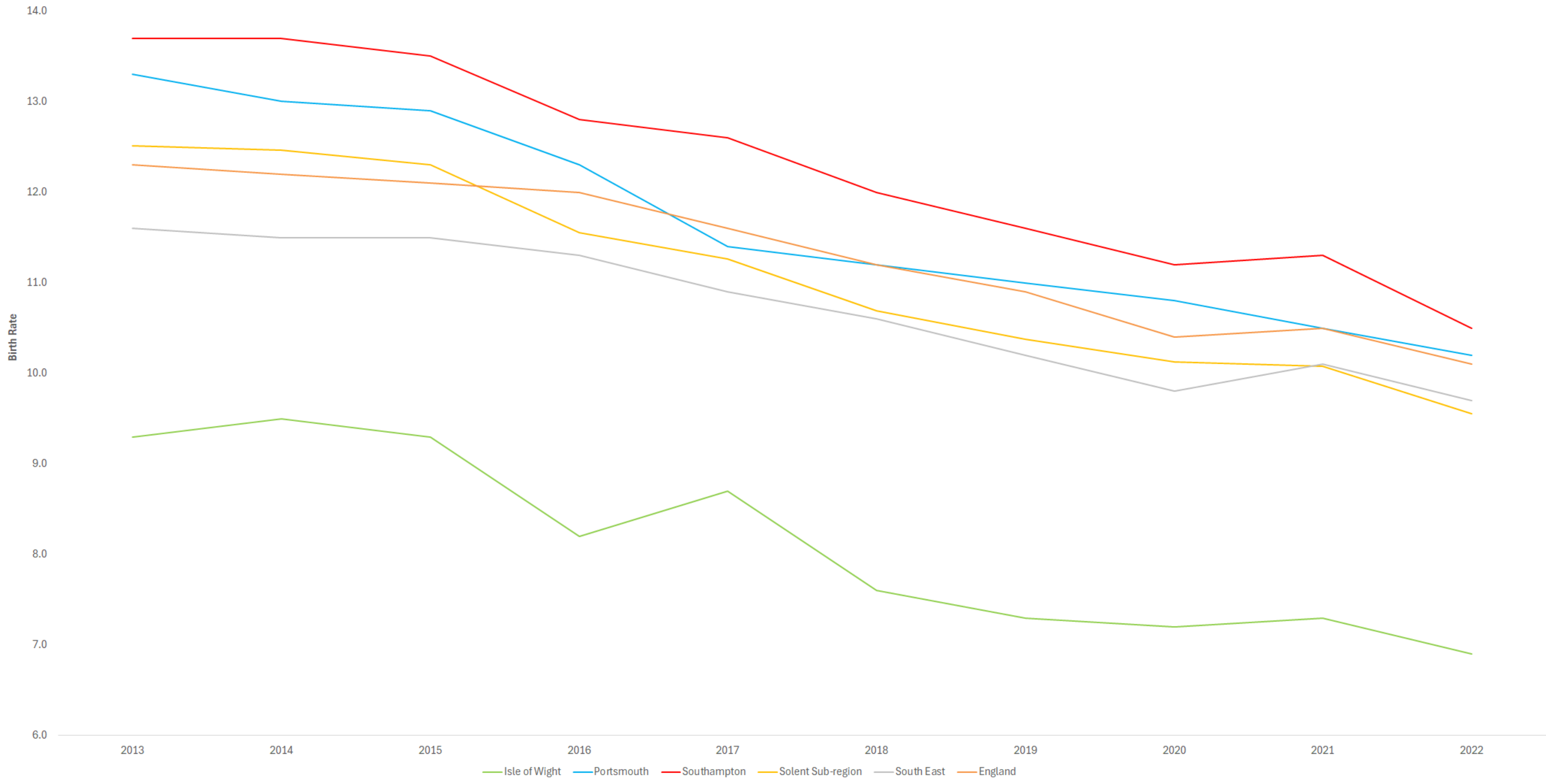
	Isle of Wight	Portsmouth	Southampton	Solent Sub-Region	South East	England
Net Migration Rate 2021	10.5	22.5	29.6	22.6	13.5	9.7
Net Migration Rate 2011	13.3	27.3	28.0	24.2	12.8	11.2

Source: Census 2011, 2021.

The figure below shows the declining birth rate in the Solent Sub-Region, relative to the other geographies. In 2022, there were 9.6 births per 1,000 population in the Solent Sub-Region, which was slightly lower than in the South East at 9.7, and England at 10.1. Table 2 indicated that the Solent Sub-Region would experience a faster rate of growth in infant population aged 0-5 years old by 2050, relative to national and regional comparators. The figure reveals that the Solent Sub-Region is starting from a comparable baseline with the South East, and a slightly lower baseline relative to the national level. This indicates that the region will garner a relatively more youthful population base over time.

The disparity between the Solent Sub-Region and the national level of births is due to the consistently lower rate of births found in the Isle of Wight. In 2014, there were 9.5 births per 1000 population on the island, which has dropped precipitously over time to 6.9 in 2022. By comparison, in Southampton and Portsmouth exhibit consistently higher rates of birth than are found at the national and regional level over time.

Figure 77 – Birth Rate, 2013-2022



Source: ONS, 2024

2.5 Key findings and trends

Summary

Population Estimates:

- The total population in the Solent Sub-Region is just under 600,000, with 41.7% of the population residing in Southampton, and 34.8% coming from Portsmouth.
- The Solent Sub-Region has a greater proportion of people aged 18-35 relative to the national level by 5 percentage points. However, currently, there are marginally less children and older people than at the national level by 2 percentage points respectively.

Health and Well-being:

- Whilst the Isle of Wight reported health index scores consistent with the national average, Portsmouth and Southampton have consistently reported low scores, this has been driven by a wide range of factors including physical and mental health, and behavioural and environmental risk.
- The Solent Sub-Region as a whole reported higher rates of bad-very bad health, and smaller rates of good-very good health compared to the national and regional averages. However, there were also higher rates of fair (average) health.
- The Solent Sub-Region generally reported low economic inactivity rates for the local population with long term conditions or illnesses, relative to the other regions and national average. The one exception was for people with conditions and illnesses that impaired vision and hearing.

Population Projections:

- The Solent Sub-Region is expected to exhibit the lowest working-age population growth rate by 2050 at 4% relative to the South East (6%) and the UK (8%). This is due to a projected 18% decline in the size of the working-age population on the Isle of Wight over the same period.
- In total, by 2050, the overall population in the Solent Sub-Region will have grown by 14%, relative to 14.3% in the South East and 12.4% in the UK.
- The Solent Sub-Region is projected to have stronger growth of younger members of the population relative to other comparator regions. The projected growth of the youngest children aged between 0 and 5 is 27.2%, relative to 18.9% in the South East and 12.4% in the UK.
- In 2022, there were 9.6 births per 1,000 population in the Solent Sub-Region, which was slightly lower than in the South East at 9.7, and England at 10.1.The disparity between the Solent Sub-Region and the national level of births is due to the consistently lower rate of births found in the Isle of Wight.
- While the rate of net migration has dropped since 2011, comparison with regional comparators reveals that the rate of net migration in the Solent Sub-Region is greater at 22.6, than is found in the South East at 13.5 and England at 9.7. This is in part attributed to the presence of nationally significant ports in Southampton and Portsmouth.

3 Employment and Business

3.1 Introduction

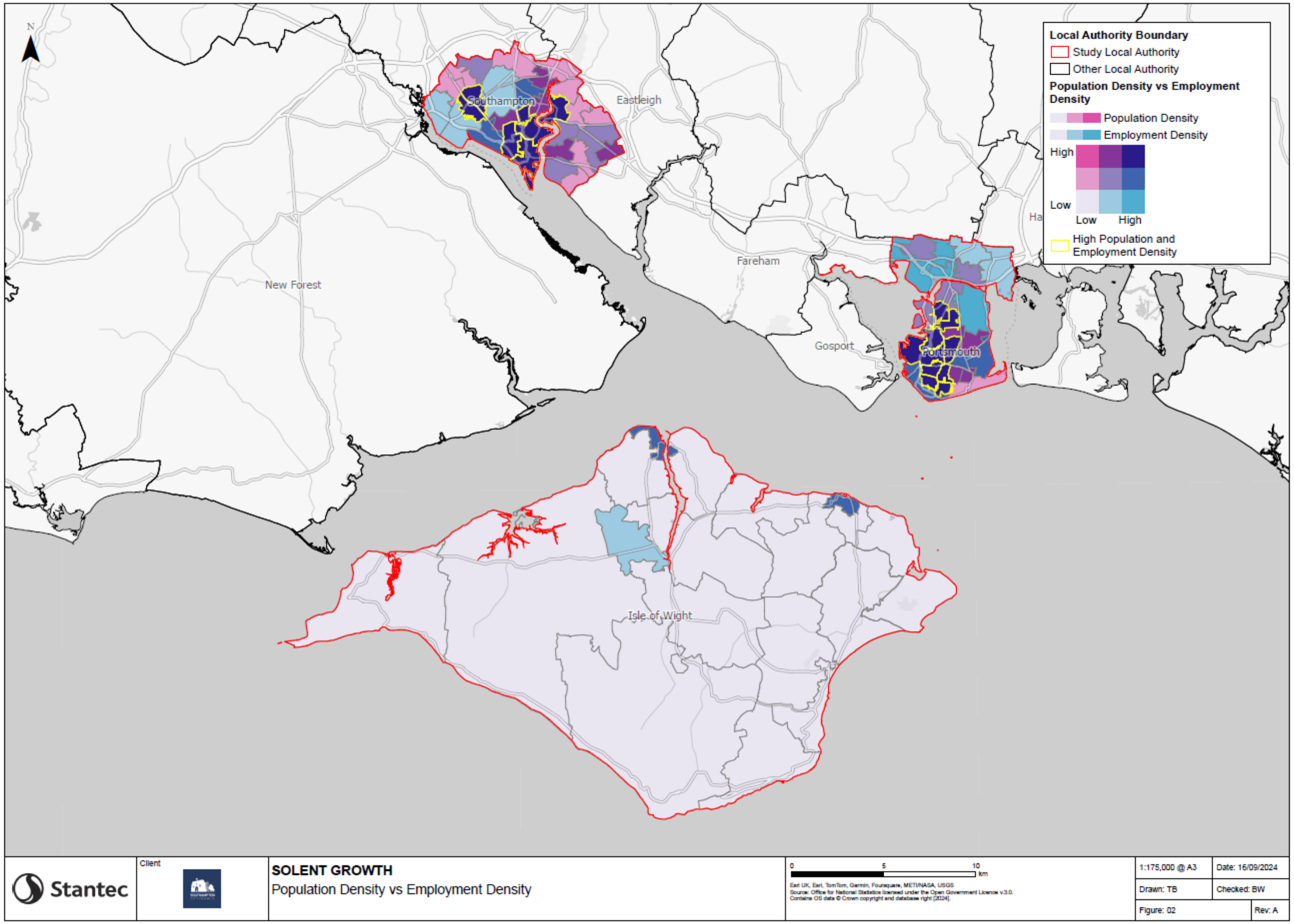
This section considers the Solent Sub-Region's employment and business characteristics and provides comparison with wider regional and national comparators.

3.2 Job density

Figure 8 maps population and employment density across the Solent Sub-Region. Southampton and Portsmouth both are shown to be areas of high employment and population density, indicated by the smaller areas outlined in yellow. These are mostly situated in the city centres of both local authorities; in Southampton these areas are near the port and train station in Portsmouth these areas run adjacent to the port. Both cities have similar characteristics in terms of population and employment density with Portsmouth marginally denser. However, both cities have clear areas where economic activity is focused based on high employment and population density.

In contrast, the Isle of Wight is shown to have no areas of high population or employment density. Only two locations, the urban centres of Cowes and Ryde, are shown to have medium population and employment density, this demonstrates the rural nature of the Isle of Wight and the lack of dense urban areas. Substantial areas with low employment density may result in a lack of output or job opportunities compared to similar sized but more dense geographies. The few urban centres with higher population and employment density present focal points for economic activity in the area.

Figure 88 –Map of Population and Employment Density Across the Solent, 2020

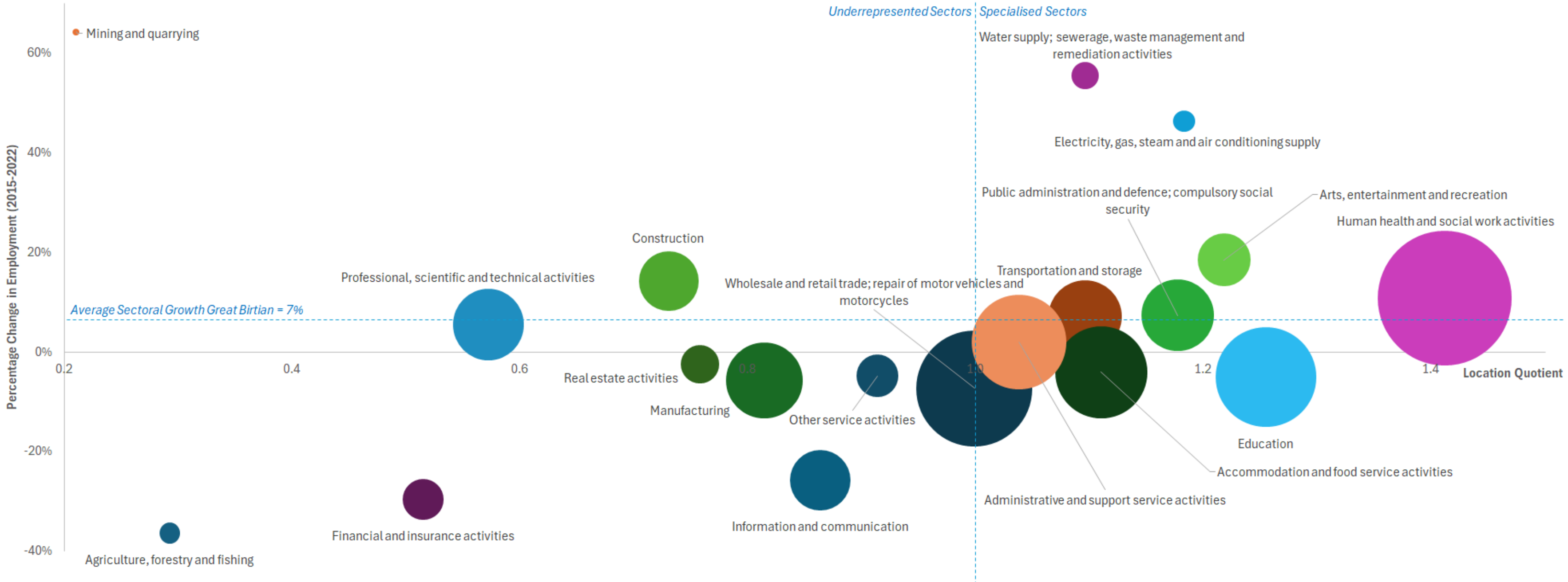


Source: Stantec, 2024

3.3 Sectoral profile

Location Quotient (LQ) analysis measures the relative specialisation of an area compared to the whole of Great Britian. It indicates the proportion of total employment by industry compared to the level expected by national averages, where a value greater than 1 indicates the share of total employee jobs in a sector exceeds the proportion measured nationally. The figure below shows the LQ analysis of the Solent Sub-Region alongside the growth of the industries between 2015 and 2022. The size of the bubbles shows the size of the industry.

Figure 99 – Location Quotient, 2015-2022



Source: BRES, 2024

The four quadrants of the graph show the degree of specialisation, relative to Great Britain, and the level of employment growth of the sectors. Key industries in each of the quadrants are as follows:

- **Specialised and High Growth** – Human Health and Social Work and Arts, Entertainment and Recreation.
- **Specialised and Contracting** – Accommodation and Food Services and Education.
- **Underrepresented and High Growth** – Construction.
- **Underrepresented and Contracting** – Manufacturing and Information and Communication.

Examining the dominant sub-sectors within the IoW will demonstrate the industrial specialisation of the region in greater detail. The table below shows the sub-sectors that contribute the greatest percentage to total employment.

Table 4 - Dominant Sub-Sectors in the Solent Sub-Region, 2022

Industry	Solent Sub-Region	Former Solent LEP Area	Hampshire and the Solent	South East	England	Great Britain
Hospital activities	9%	5%	4%	4%	5%	5%
First-degree level higher education	4%	2%	1%	2%	1%	1%
Retail sale in non-specialised stores with food, beverages or tobacco predominating	4%	4%	4%	3%	3%	3%
Temporary employment agency activities	3%	2%	2%	2%	2%	2%
Primary education	3%	4%	3%	3%	3%	3%
Other human health activities	3%	3%	3%	2%	2%	2%
General public administration activities	2%	3%	2%	2%	2%	2%
Licensed restaurants	2%	2%	1%	1%	2%	2%
Public houses and bars	2%	2%	2%	2%	2%	2%
General secondary education	2%	2%	2%	2%	2%	2%

Source: BRES, 2024

The 10 largest sub-sectors make up 34% of total employment with the Solent Sub-Region, with the remaining 66% coming from the other 461 employed in the area. Conversely these only account for 28% of employment in the Former Solent LEP Area and 24% in the other comparator geographies. Hospital activities are highly specialised making up approximately 4% more of total employment than is to be expected by national averages.

3.4 Output and productivity

Gross Value Added (GVA) is a measure of aggregate output of an economy or area. It is component of Gross Domestic Product (GDP) excluding intermediate consumption, it is the compensation of employees, gross operating surplus of firms and net taxes. Subtracting inter-firm purchases gives the most appropriate measure of net output of an economy[1].

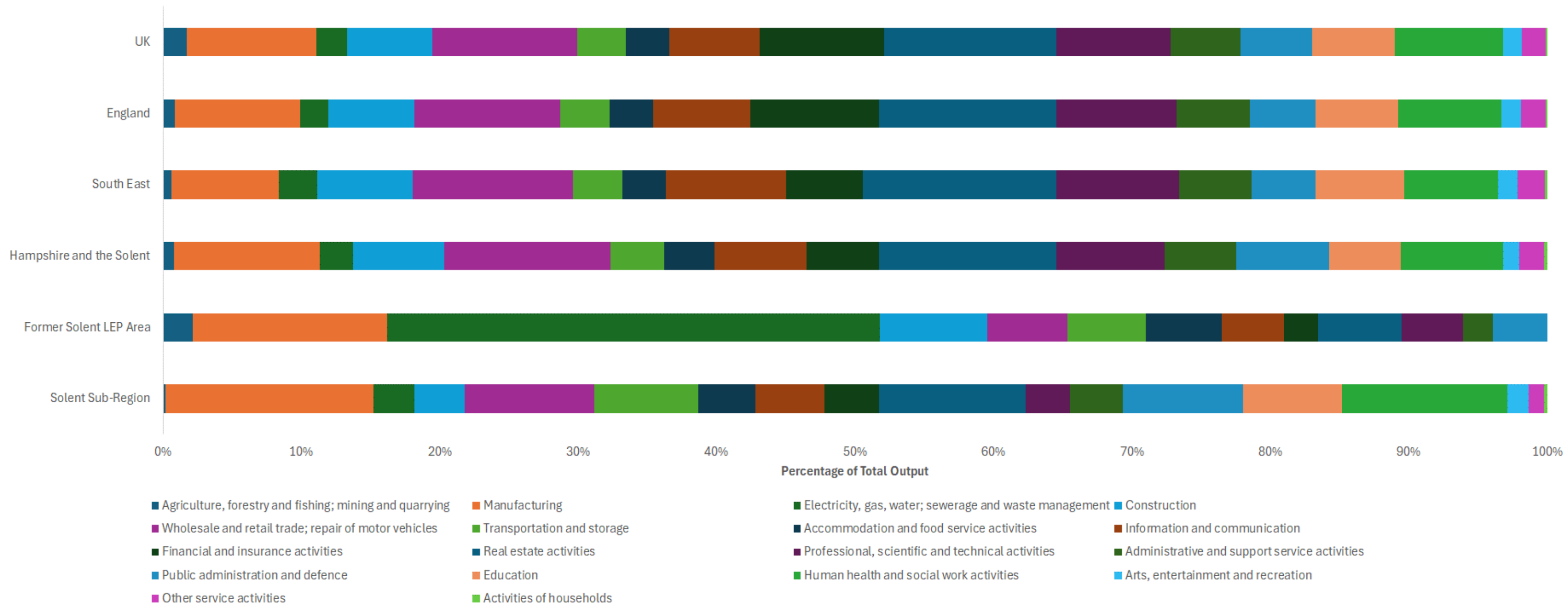
According to the ONS GVA Measures, Figure 10 below shows the breakdown of the proportion of total output provided by each sector. Compared to its wider regions, the Solent Sub-Region has the highest proportion of total output provided by the manufacturing sector (15%). To localise further, Southampton has an even greater proportion (21%), with Portsmouth and Isle of Wight matching the UK percentage (9%). As a major contributor to economic activity the manufacturing sector should be a key to focus on to promote economic growth, additionally the employment in the sector is not high so the significant GVA may be driven by high value manufacturing activities.

Compared to the Former Solent LEP Area (36%), the Solent Sub-Region relies much less on the Electricity, gas, water and wate management industry (3%), which is more in line with the national level (2%).

The Solent Sub-Region has a smaller proportion of output from professional, scientific and technical activities (3%), compared to that of the Former Solent LEP Area (4%), and indeed that of the national level (8%). Considering this is a high-value sector the lack of output contribution from the industry suggests the sector is comparable small to national averages.

[1] BEIS Appraisal Guidance Estimating Growth Impacts

Figure 1010 – Contributions to Total GVA by Sector, 2022

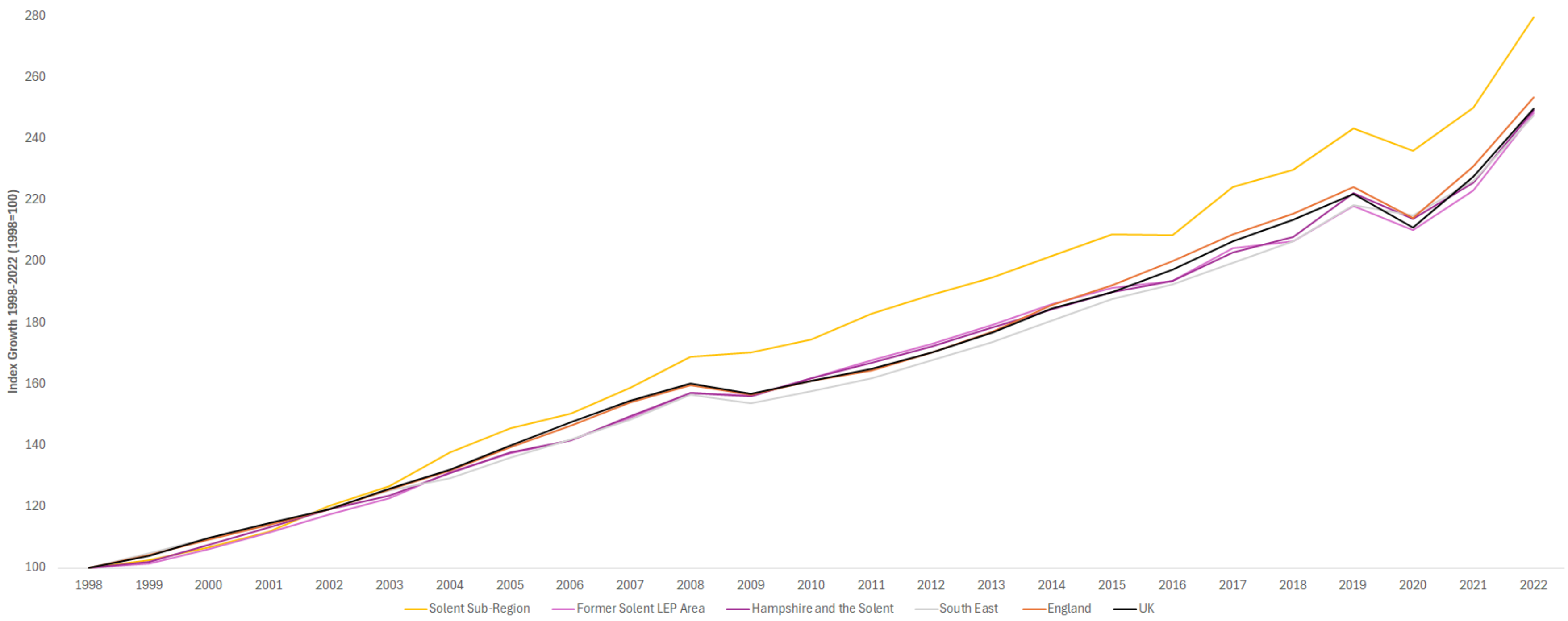


Source: ONS, 2024

Figure 11 highlights growth in output across the Solent Sub-Region compared with those of wider areas. From 2002, Solent Sub-Region has seen higher output growth compared to its wider regions, it has outgrown the wider geographies by approximately 30% over the period boosted by strong growth seen post the 2007 financial crisis. Growing stronger than the South East presents a positive picture for the region as the South East is seen as the economic powerhouse of the UK, ensuring the growth is equal and inclusive will enable economic prosperity in the Solent Sub-Region.

The Solent Sub-Region experienced a decline in output growth at the time of the COVID-19 Pandemic, as did the wider regions, but this returned to an upwards trajectory the following year. The decrease in growth due to the pandemic was less significant than the wider geographies, which is positive for the area. However, the gap in output growth in the most recent years has decreased.

Figure 1111 – Index Growth in GVA, 1998-2022

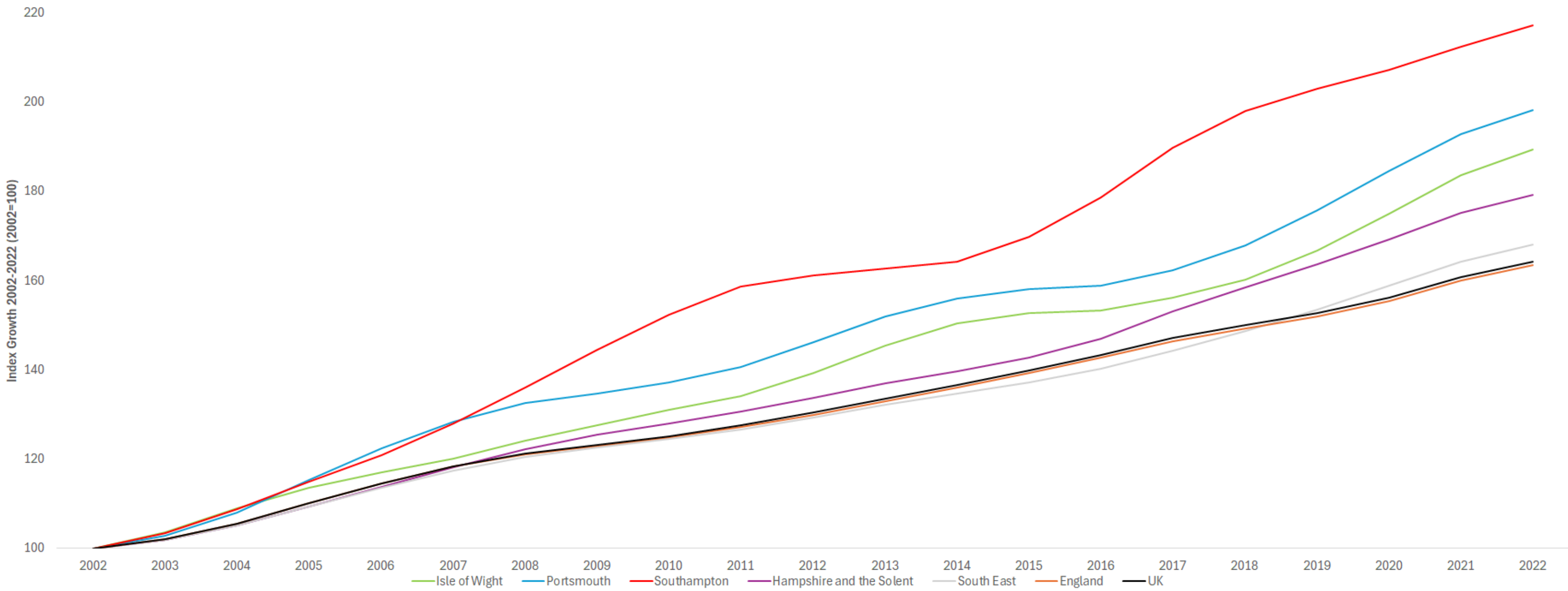


Source: ONS, 2024

Productivity is a measure of output per unit of input, ONS Productivity Measures include GVA per worker figures to show the output of an economy per employed workers. The figure below shows that Southampton has seen the highest level of growth in productivity since 2002, followed by Portsmouth and then the Isle of Wight. All three local authorities in the Solent Sub-Region have higher productivity growth than that of the wider region, South East and national levels, ranging from approximately 25% higher in the Isle of Wight to 40% in Southampton.

As all 3 Solent areas have outperformed other geographies in productivity growth this presents a positive picture for the area, high productivity growth driven by growth in high value sectors can drive improvements in socio-economic conditions for the area. Growth in some key sectors that began low in terms of output, employment and productivity alongside investment in innovation and high productivity activities within the two cities has driven the growth.

Figure 1212 – Index Growth in GVA per Worker, 2002-2022

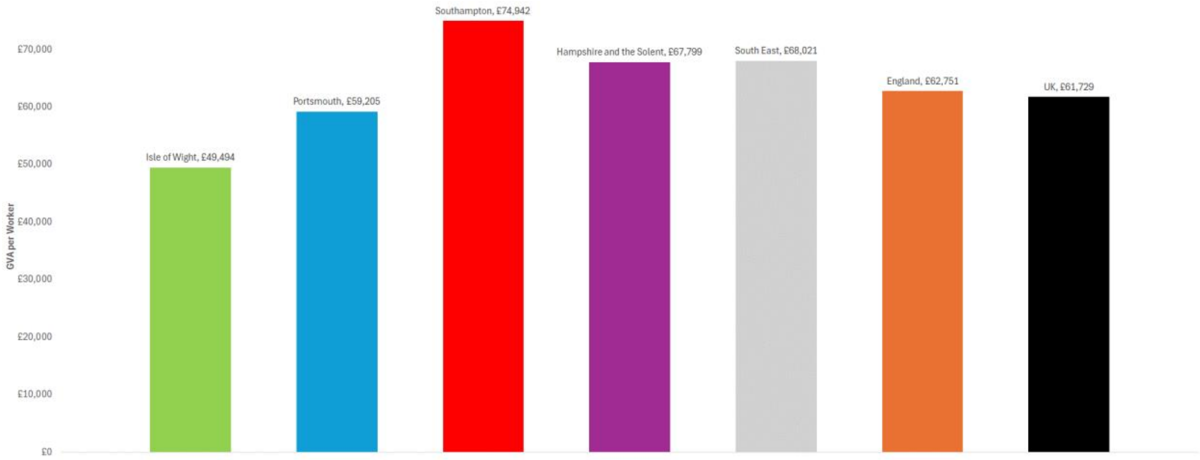


Source: ONS, 2024

Figure 13 highlights the GVA per worker by area, dividing the Solent Sub-Region into Isle of Wight, Portsmouth and Southampton. Southampton not only has the highest GVA per worker of the Solent areas (£74,942), but also a greater GVA per worker than the wider regions (Hampshire and the Solent £67,799 and South East £68,021) and national levels (England £62,751 and UK £61,729). In contrast, the Isle of Wight (£49,494) and Portsmouth (£59,205) are less than the national levels, and significantly lower than their neighbouring Southampton local authority.

Although all 3 Solent areas have grown positively in terms of productivity there is still a gap between two of the local authorities and regional and national averages, additionally there is a significant gap between the productivity in the Solent areas. This suggests a need to align productivity within the region and close the gap with wider geography averages.

Figure 1313 – GVA per Worker by Region, 2023



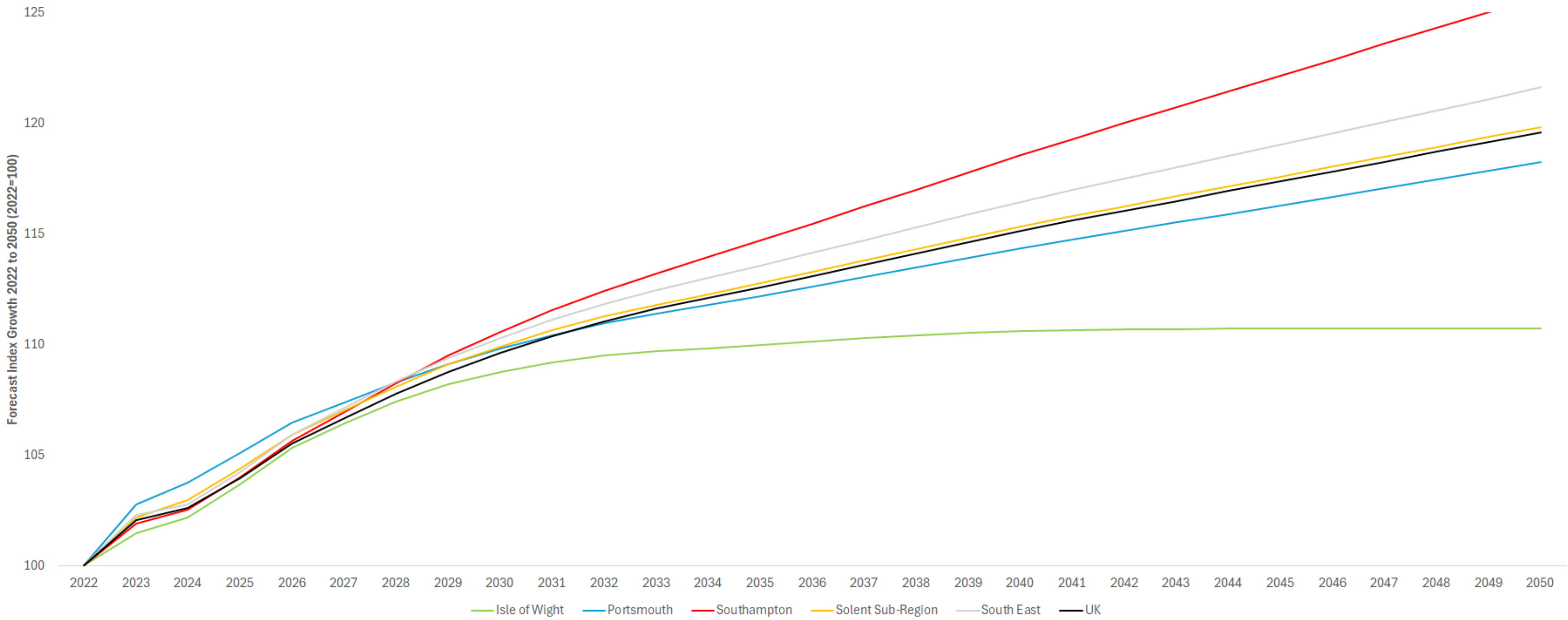
Source: ONS, 2024

3.5 Future growth potential

Figure 14 shows forecast changes to total employment numbers between 2022 and 2050. Southampton and the Solent Sub-Region are forecast to experience growth above the level forecast for the UK at average rates of 15% and 13% respectively. Conversely, Portsmouth is forecast to experience growth marginally below national levels (12% on average). The Isle of Wight growth is forecast to plateau after 2030 with initial growth expected to be in line with other comparator areas for the first 5 years, this may be linked to the decrease in the working age population that is forecast over the same time period.

The disparity in forecast growth seen between the 3 areas may present an issue for the Solent Sub-Region which may require intervention to align the lower growth observed in the Isle of Wight to the strong growth seen in Southampton. This would then improve the forecast observed for the Solent Sub-region as a whole towards the levels estimated in Southampton.

Figure 1414 – Forecast Index Growth of Employment, 2022-2050

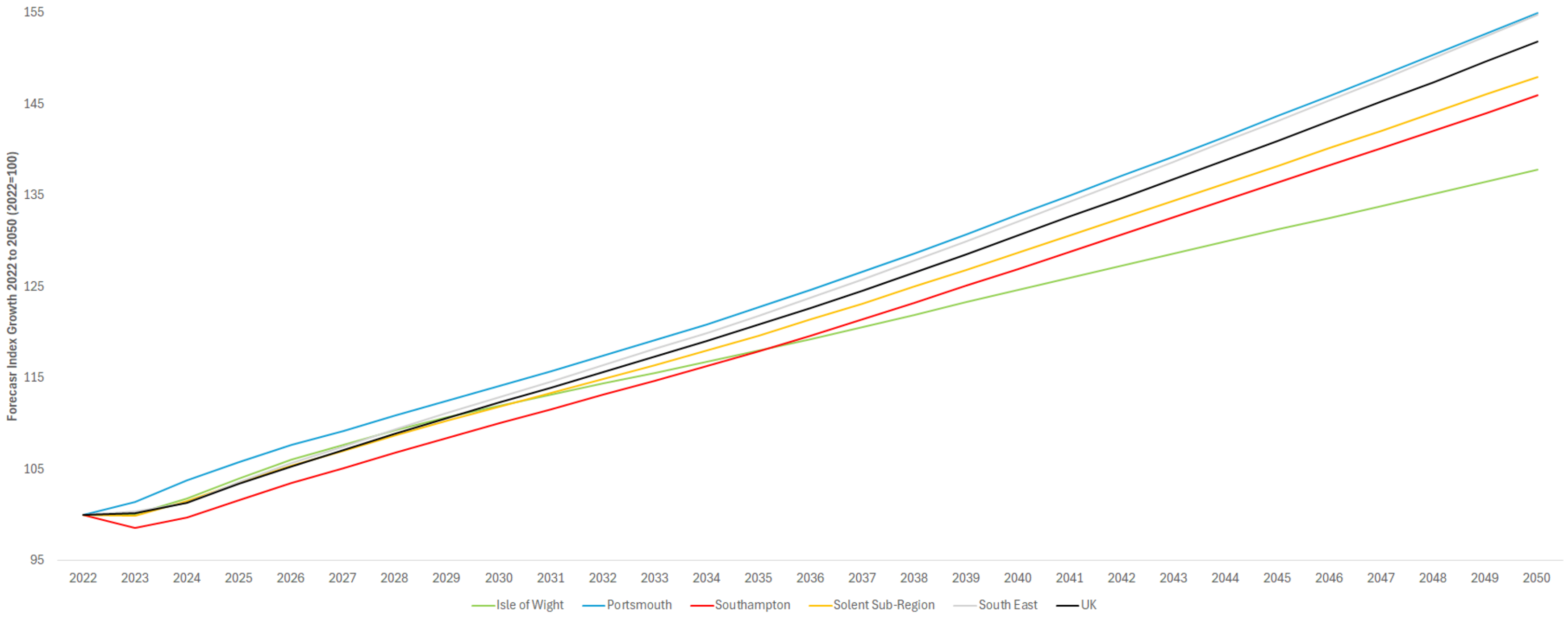


Source: Oxford Economics, 2024 NOTE: 2022 values are actuals taken from ONS, 2023-2050 are forecasts from Oxford Economics.

Figure 15 shows the forecast growth in output up to 2050. All areas are forecast experience stable growth across the period, growing between approximately 35% and 50% compared to the most recently reported values. Of the local authorities within the Solent Sub-Region, Portsmouth is forecast to experience the strongest growth and the Isle of Wight the weakest.

Conversely to the forecast changes to employment and working age population, where Southampton is estimated to grow the strongest, Portsmouth is forecast to grow the most in terms of output. This suggests there may be an increase in high value jobs in the area compared to the other two authorities which could increase output beyond the growth of employment.

Figure 1515 – Forecast Index Growth of GVA, 2022-2050



Source: Oxford Economics, 2024 NOTE: 2022 values are actuals taken from ONS, 2023-2050 are forecasts from Oxford Economics.

3.6 Key findings and trends

Summary

- Both Southampton and Portsmouth city centres have concentrations of high population and employment density, whereas the Isle of Wight has low density in terms of both population and employment across the area.
- The Solent Sub-Region is specialised in term of employment in Human Health and Social Work and Arts, Entertainment and Recreation. Accommodation and Food Services and Education are also specialised, but these are contracting in terms of employment numbers.
- Output and productivity growth has been positive in all three Solent local authorities over the past 20 years.
- Productivity in the Isle of Wight and Portsmouth is below national and regional averages whereas Southampton is above.
- GVA and employment numbers are forecast to grow strongly in the Solent Sub-Region up until 2050.

4 Labour market characteristics

4.1 Introduction

This section considers the Solent Sub-Region's labour market characteristics and provides comparison with wider regional and national comparators.

4.2 Economic activity

According to Figure 16, economic activity rate is lower in Solent Sub-Region (79%) compared to the Former Solent LEP Area (81%), the Hampshire and the Solent area (82%) and the South East (82%)[2].

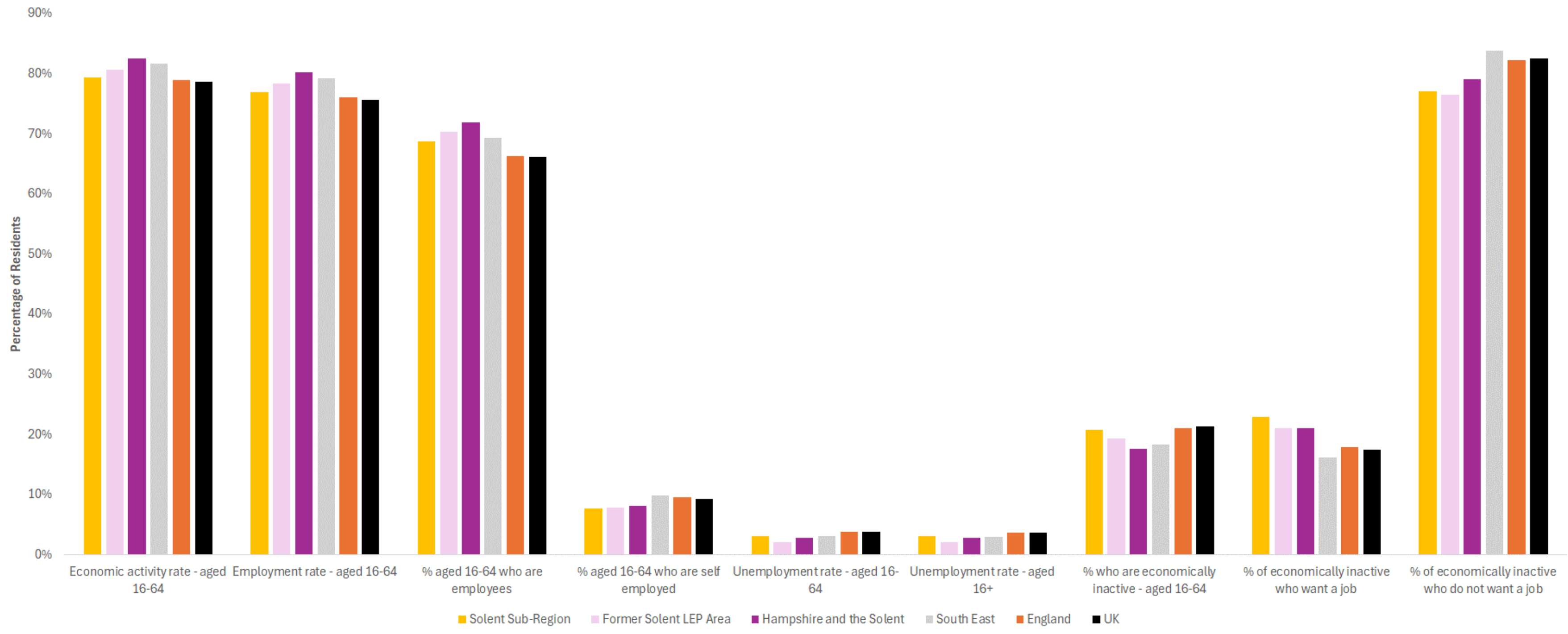
The Solent Sub-Region and its wider regions each have a smaller proportion (8%) of the working aged population who are self-employed in comparison to the South East and national levels (10%).

The Solent Sub-Region has a higher unemployment rate for the working aged population (3%) than that of its wider region (2%), however both are smaller than the national unemployment rate of 4%.

The Solent Sub-Region also has a higher proportion of the working population who are economically inactive (21%) than those of its wider regions, but it is in line with the national level. Almost a quarter of this group want to find employment, compared to the national proportion of 18%.

[2] ONS Annual Population Surbey (APS), 2023

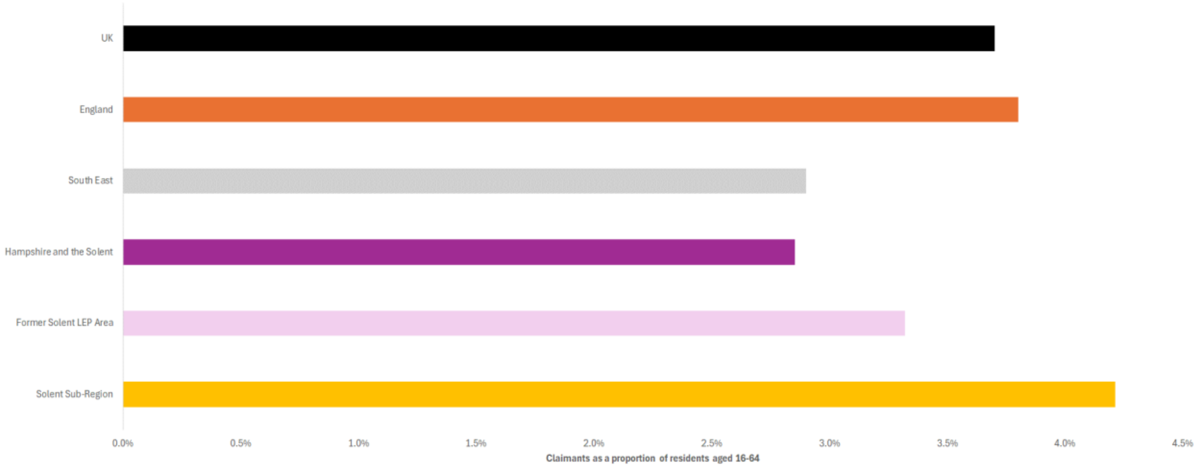
Figure 1616 - Economic Activity Rates, 2023



Source: APS, 2024

Figure 171717 below details the proportion of the working population who are claimants of Universal Credit. Notably, the Solent Sub-Region has a considerably higher proportion of claimants (4.2%) in comparison to the immediate wider regions. This could be indicative of a poor skills base, or a potential lack of employment opportunities for residents of the Solent Sub-Region. Whilst there are only 0.5% more Claimants in the Solent Sub-Region that nationally, the Solent Sub-Region is particularly underperforming in relation to its immediate wider geographies, including the Hampshire and the Solent area and South East as a whole.

Figure 1717 – Claimant Count as a Percentage of Working Age Population, 2023

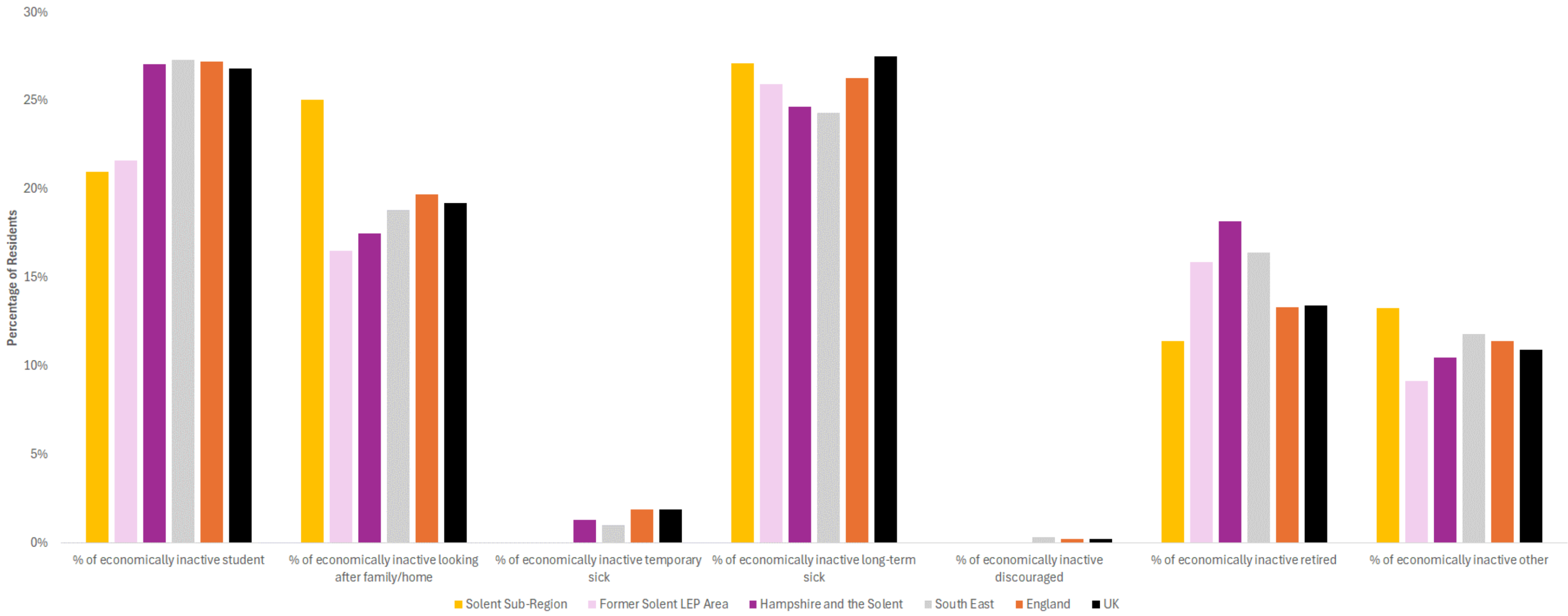


Source: Claimant Count, 2024

According to Figure 1818 , most economic inactivity in the Solent Sub-Region is due to long-term sickness. This is similar to the UK, where long term sickness is the most prominent region for inactivity by 1%. This is reflective of the events of the Covid-19 Pandemic and the effects of 'Long Covid' on the workforce.

Notably, there is a much larger proportion of economically inactive in Solent Subr-Region who look after the family or home compared to other geographical levels. Conversely, 8% less individuals who cite being a student as their reason for economic inactivity in Solent Sub-Region than the English proportion. Similarly, 2% less of the economically inactive in the Solent Sub-Region are retired in relation to the national levels.

Figure 1818 – Reasons for Economic Inactivity, 2023

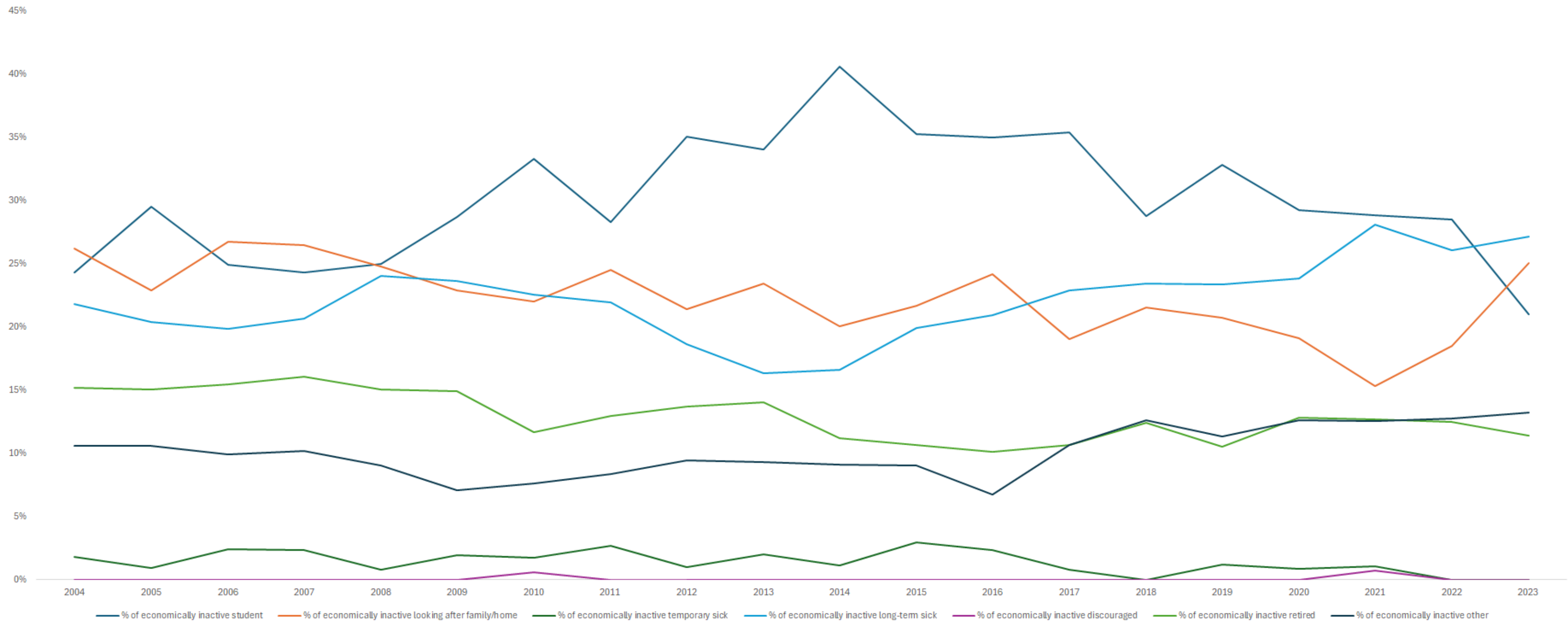


Source: APS, 2024

Changes in the causes of economic inactivity in Solent Sub-Region can be seen in Figure 191919, where it can be noted that since around 2015, there has been a steady increase in the rate of those on long term sick. This correlates to the recovery from the Covid-19 Pandemic and 'Long Covid' as discussed previously.

There was a trending decline in those looking after family, however a sharp increase in recent years brings it back up to its 2004 rate. Previously, the dominant reason for being economically inactive in the area was being a student, peaking in 2014. However, there has been a noticeable decline in residents citing being students as the reason for economic inactivity since then, where it is now below those who are looking after family or long-term sick in terms of the dominant reasons. The proportion of those who are economically discouraged has remained constantly low, indicating a motivated workforce.

Figure 1919 – Changes in Reasons for Economic Inactivity, 2004-2023



Source: APS, 2024

4.3 Occupations

The figure below shows the distribution of employment by occupational level for the Solent Sub-Region and wider regions. The percentage of total employment is given for all occupations ranging from elementary occupations up to managers and directors, lowered numbered occupations are higher levelled jobs typically requiring higher skilled workers and are usually higher paid.

Compared to all wider geographies considered the Solent Sub-Region has a smaller proportion of the total workforce as:

- Managers, directors and senior officials.
- Professional occupations.
- Associate professional and technical occupations.
- Administration and sectorial occupations.

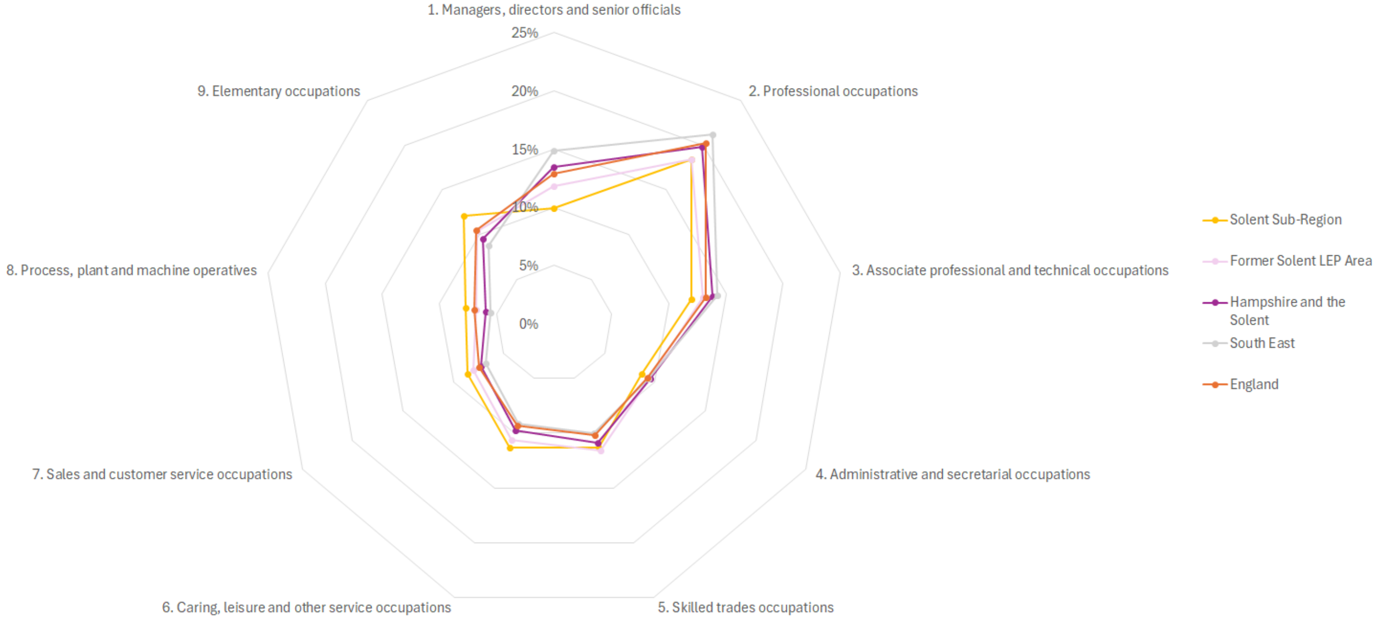
Compared to its wider geographies, the Solent Sub-Region has a larger proportion of the total workforce who are employed in:

- Elementary Occupations
- Process, Plant and Machine Operatives
- Sales and Customer Service Occupations
- Caring, Leisure and Other Service Occupations

It has a similar proportion of the workforce in skilled trade occupations to the South East and the Hampshire and the Solent area.

The sectoral breakdown for the Solent Sub-Region indicates its reliance on the foundational economy, where the foundational economy is defined as the part of the economy which creates and distributes goods and services which are relied upon for everyday life, including care and health services, other public services, and education. In the Solent Sub-Region, a larger proportion of the workforce is employed in elementary occupations, indicating its reliance on the foundational economy. The typical wages for foundational economy jobs are lower than those of professional occupations.

Figure 2020 – Occupation Distributions, 2021



Source: Census, 2024

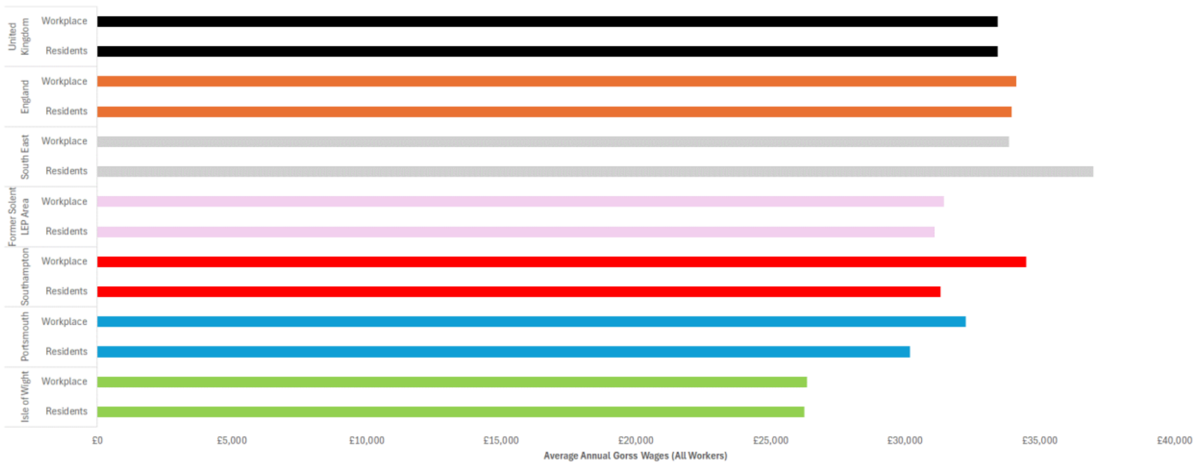
4.4 Wages

Figure 212121 highlights that the average wages of those who work on the Isle of Wight are very similar to that of those who live in the area. For both Southampton and Portsmouth, the average wages are higher in the workplace than for the residents. In the South East, the opposite effect is visible likely due to those who commute into London for work[3].

The largest difference between resident and workplace wages in the Solent Sub-Region is in Southampton. Where workplace wages are approximately £5,000 higher than residents wages, workers here also get paid approximately £10,000 more than workers in the Isle of Wight.

Overall, the wages of residents in the Solent Sub-Region are significantly lower than the national levels, again highlighting the prevalence of the foundational economy and elementary occupations in the region.

Figure 2121 – Average Gross Annual Workplace and Residents Wages by Region, 2023



Source: ASHE, 2024

Figure 222222 shows the average annual gross wages for residents only who are full-time workers. Excluding workplace wages and part-time workers makes the difference between the Solent Sub-Region and the wider geographies more notable.

The trends within the Solent Sub-Region have followed a similar pattern to compared to the South East and national trends. However, examining only full-time residents wages presents a worse picture for the region, highlighting the gap between the Solent areas and wider geographies at more than approximately £10,000 for all Solent areas. Also, it demonstrates the inability of the Solent to close the wage gap over the period.

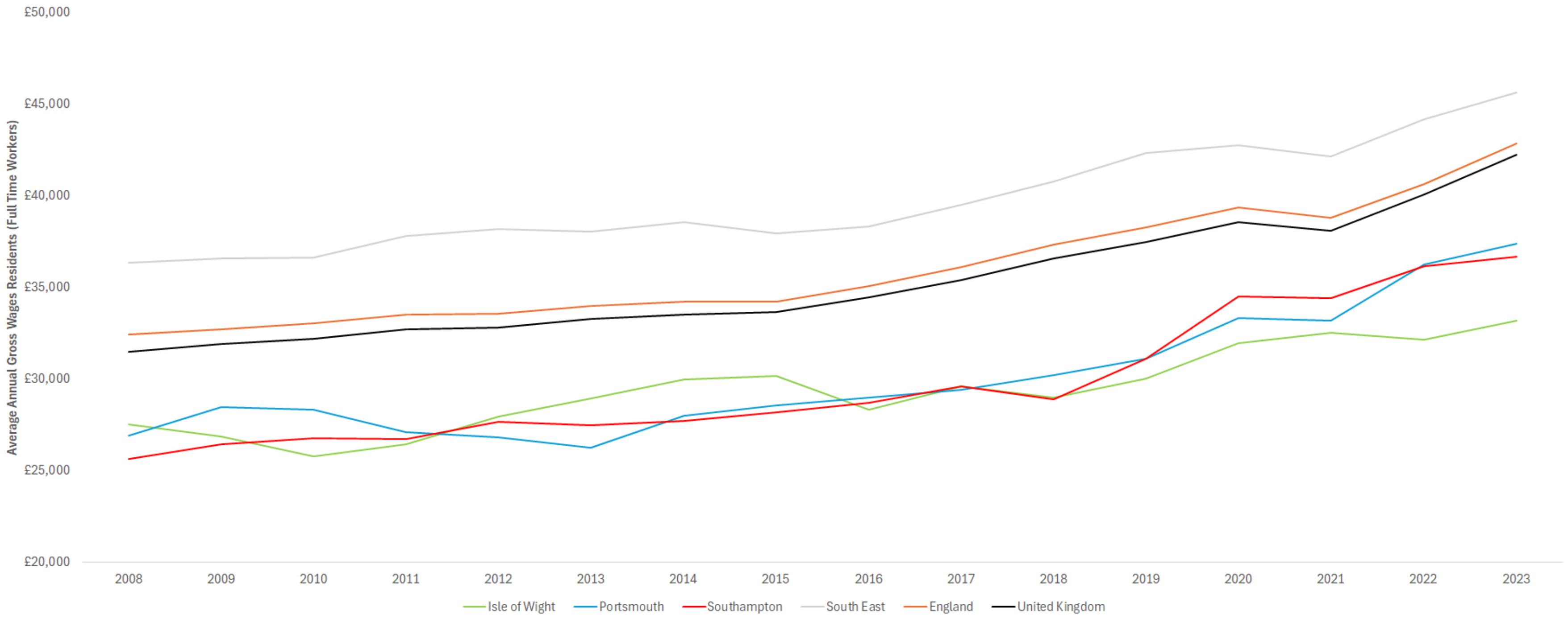
In particular, the Isle of Wight is particularly falling behind the national levels in terms of average annual gross wages and like with the other Solent areas of Southampton and Portsmouth, has a

[3] Annual Survey of Hours and Earning (ASHE), 2023

slower rate of growth, causing the difference in wages between the Solent Sub-Region and wider geographies to worsen, making a recovery of this gap more difficult to achieve.

The lower wages across the Solent Sub-Region over the period of 2008-2023 are indicative of a long-term reliance on the foundational economy, with no switch to higher paid sectors within the period. This again may be indicative of low skills base of residents of the Solent Sub-Region.

Figure 2222 – Changes to Average Gross Annual Full-Time Residents Wages, 2008-2023



Source: ASHE, 2024

4.5 Education and Qualifications

The following section details the educational attainment and qualification levels for residents of the Solent Sub-Region, focusing on primary, secondary and higher education, as well as National Vocational Qualifications (NVQ).

4.5.1 Educational Attainment

Below,

Figure 232323 displays the educational attainment for the 2022-2023 academic year across the Solent Sub-Region compared with all schools across England.

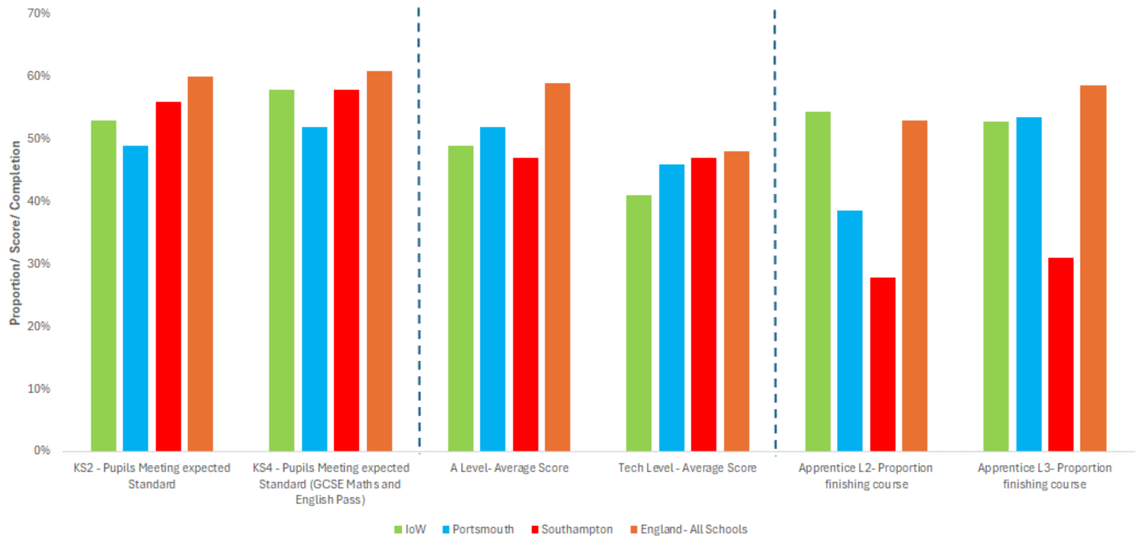
In terms of Key Stage 2 (KS2) and Key Stage 4 (KS4) school attainment, Southampton performed better than the other Solent areas with a higher proportion of pupils meeting the expected standard for their age group, however all areas of Solent Sub-Region including Southampton are underperforming in comparison to the national averages in terms of KS2 and KS4 attainment. On average between the three Solent areas, 44% of KS4 students did not pass GCSE Maths and English in 2022-2023, compared to only 39% who did not pass in England.

The average score for A-Levels and Tech Levels was lower across the Solent Sub-Region than the English average. Across the Solent Sub-Region, students achieved higher at A Level in Portsmouth compared to the other areas, whilst students performed best in Southampton in terms of Tech Levels compared to the other Solent areas.

In terms of apprenticeship achievement rates, students in Southampton particularly underperformed in terms of course completion. This contrasts with the Isle of Wight, where Level 2 apprentices had a higher completion rate than the national average.

Overall, the Solent Sub-Region fell behind the national levels in terms of educational attainment for the 2022-2023 academic year.

Figure 2323 - Educational Attainment, 2022-2023



Source: Compare School and college performance in England, HM Government, 2024[4]

In addition to educational attainment,

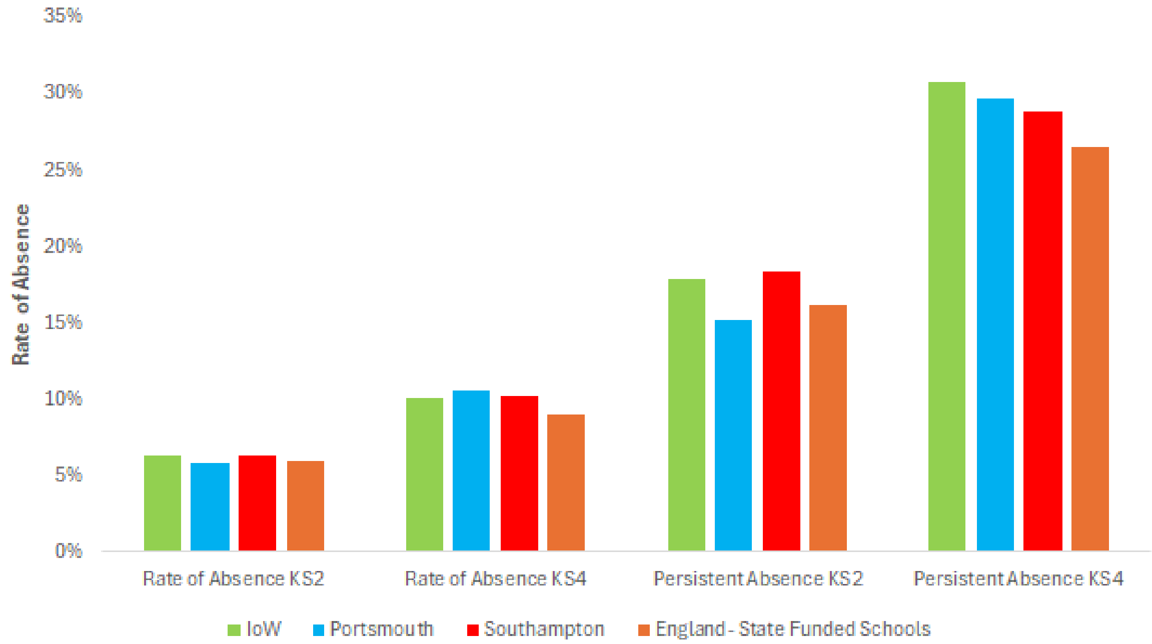
[4] [Search for schools, colleges and multi-academy trusts - Compare school and college performance data in England - GOV.UK (compare-school-performance.service.gov.uk)](https://www.compare-school-performance.service.gov.uk)

Figure 2324 displays school absence rates across KS2 and KS4, where the rate of absence is the average rate across all students in the area, and the rate of Persistent Absence is described as the percentage of pupils missing 10% or more of the mornings or afternoons they could attend, meaning that if a pupil's overall rate of absence is 10 % or higher across the full academic year they will be classified as persistently absent.

KS2 pupils across the Solent Sub-Region have approximately the same low average rate of absences as that of England, whilst the average rate of absences in KS4 is higher across the Solent Sub-Region than nationally.

The Isle of Wight and Southampton have higher rates of KS2 persistent absences than nationally, however, Portsmouth is performing better than the English rate of 27%. This highlights that in terms of KS4 persistent absences, the Solent Sub-Region is significantly above the English rate, which could be indicative of the lower levels of KS4 attainment seen across the Solent Sub-Region, as discussed previously.

Figure 2324 - Absence Rates, 2022-2023



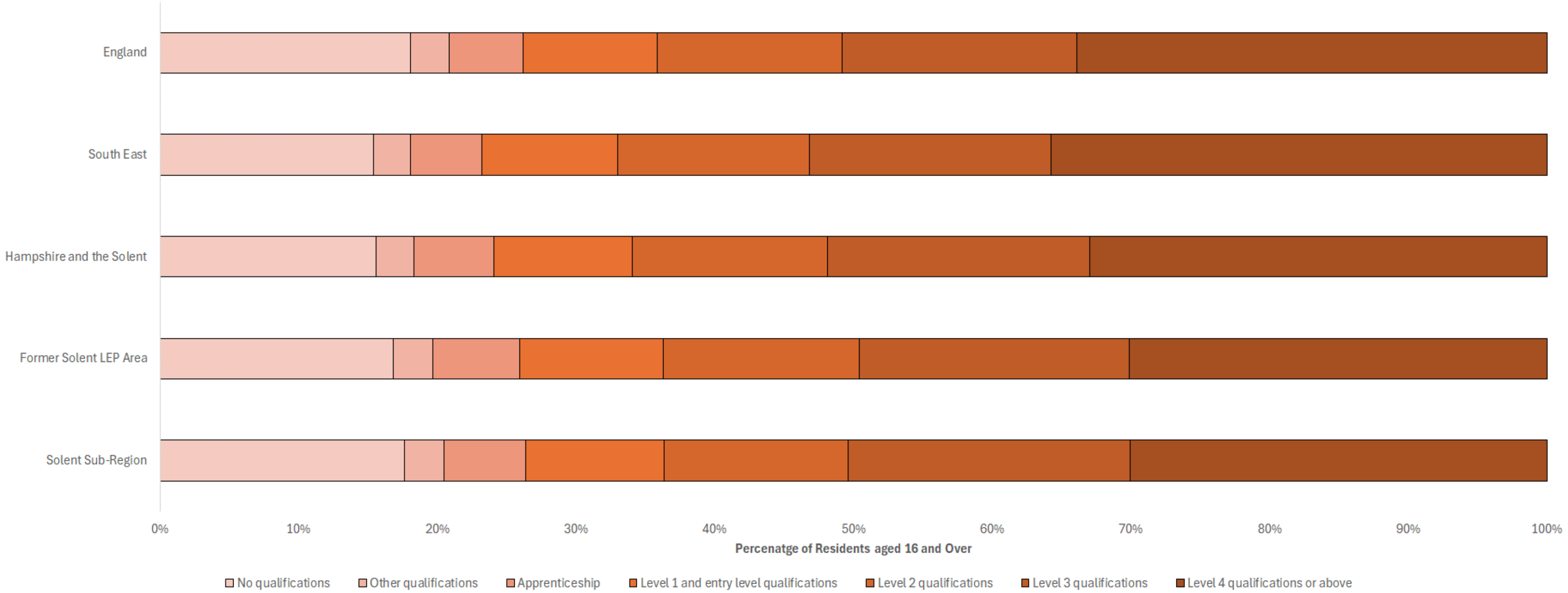
Source: Compare School and college performance in England, HM Government, 2024

4.5.2 Qualifications

According to data presented in Figure 24 25, a smaller proportion of the Solent Sub-Region population have Level 4 qualifications or above (30%) in comparison to the national rate (34%) and that of the South East (36%). It is, however, very similar to that of the Former Solent LEP Area. There is an equal proportion of the Solent Sub-Region population with no qualifications (18%) compared to that of the national level, but this is a greater proportion than that of the Former Solent LEP Area and the South East.

This lower proportion of high level qualifications is reflective of the reliance of the sub-region on the foundational economy and lower paid sectors in which such high proportions of the population are employed.

Figure 24 25– Highest Level of Qualification by Region, 2021

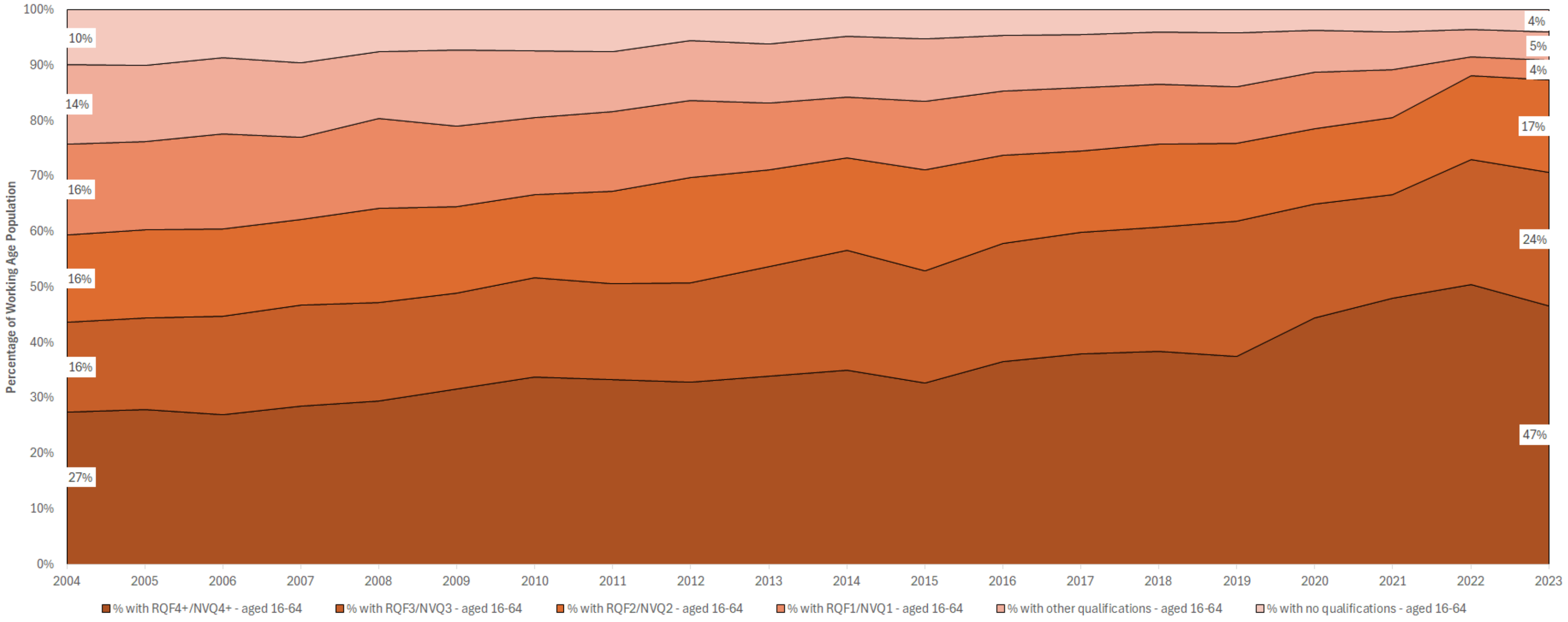


Source: Census, 2024

The figure below shows the changes to the proportions of the working age population with levels of qualification in the Solent Sub-Region. Between 2004 and 2023 the proportions with higher levels of qualifications (level 3 and 4+) increased from 43% to 71%, which is a very similar increase to that in England. This is matched by a 6% decrease in those with no qualifications, again in line with the national change.

However, since 2022, there has been a 3% decrease in those with level 4+ qualifications, whilst that in England continued to increase.

Figure 2526 – Changes to Level of Qualification in the Solent Sub-Region, 2004-2023



Source: APS, 2024 NOTE: Trade Apprenticeships are classified as other qualifications for all years.

4.6 Deprivation

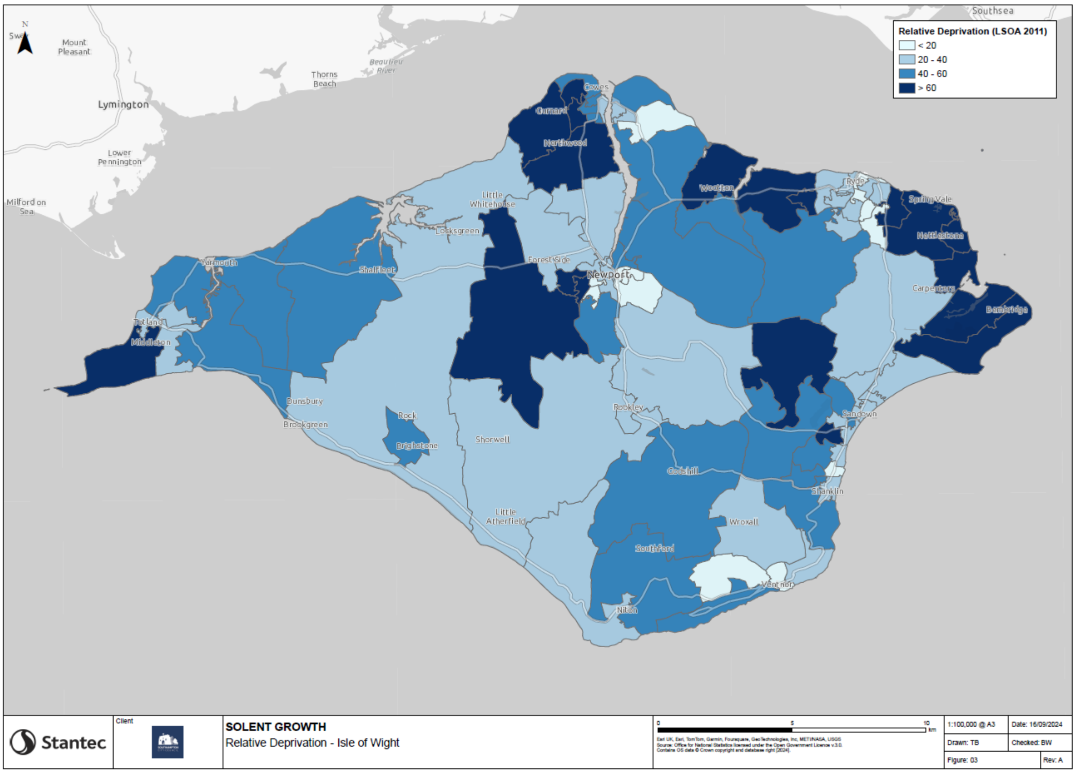
The figures below show the relative deprivation across the 3 local authorities that make up the Solent Sub-Region. The Index of Multiple Deprivation shows the rank of every output area across the UK in terms of deprivation, with 1 being the most deprived area in the UK to the least deprived. The maps show relative deprivation with the lightest shade indicating an area ranks in the top 20% most deprived areas in the UK.

There are relatively low levels of deprivation across the Isle of Wight with large portions of the island falling in the bottom 40% of deprived areas in the UK. However, areas surrounding the larger settlements of Newport, Cowes, Ryde and Ventnor fall into the top 20% most deprived areas in the UK.

Portsmouth has some clusters of deprivation; most notably around the port near the west of the local authority boundary, as well as in the North West of the region. There are multiple areas here where deprivation is in the top 20% nationally, however there are also prosperous areas, particularly in the North East, where relative deprivation is above 60%, indicating that the areas are ranked in the top 40% nationally.

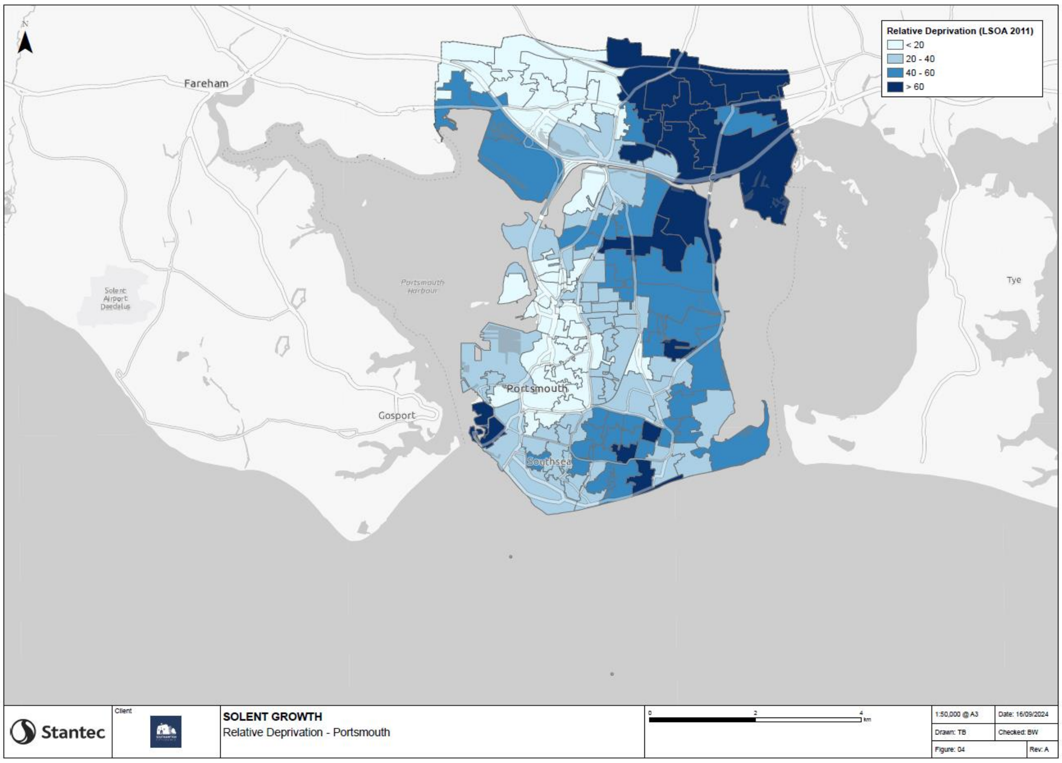
Similarly to Portsmouth, there are some clusters of deprivation in Southampton spread out across the region, with areas around the port and city centre falling into the top 20% most deprived in the UK. Southampton does have larger portions of the area with lower deprivation than seen in Portsmouth.

Figure 2627 – Isle of Wight Map of Deprivation, 2019



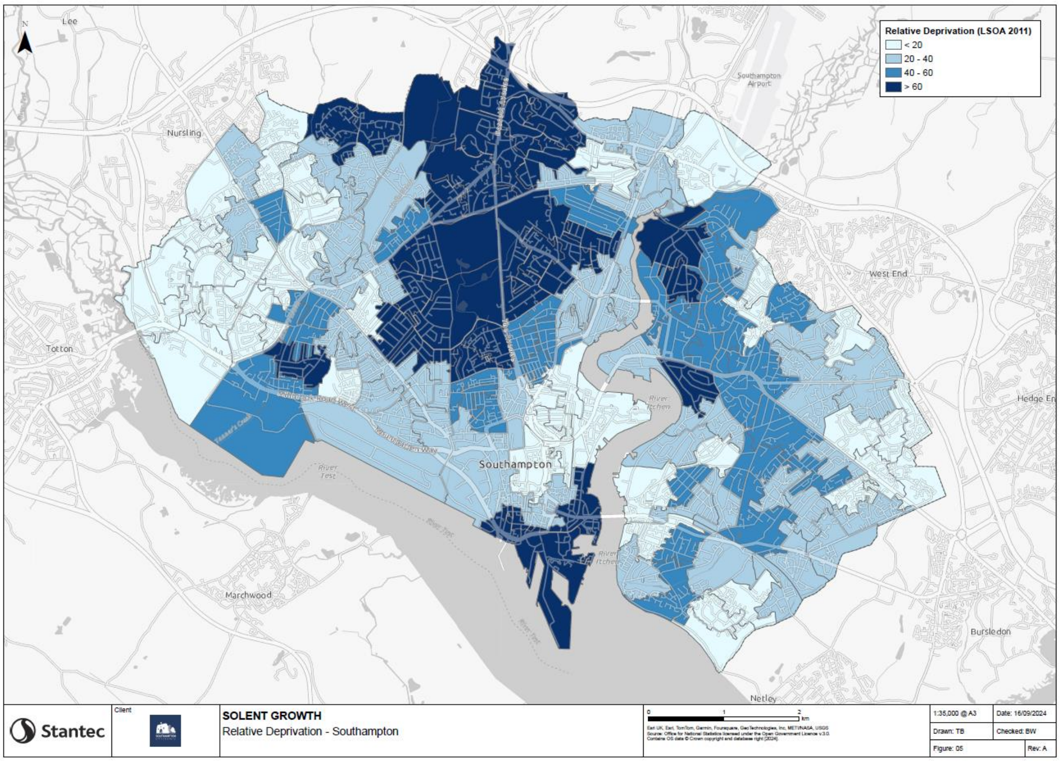
Source: IMD, 2024

Figure 2728 – Portsmouth Map of Deprivation, 2019



Source: IMD, 2024

Figure 2829 – Southampton Map of Deprivation, 2019



Source: IMD, 2024

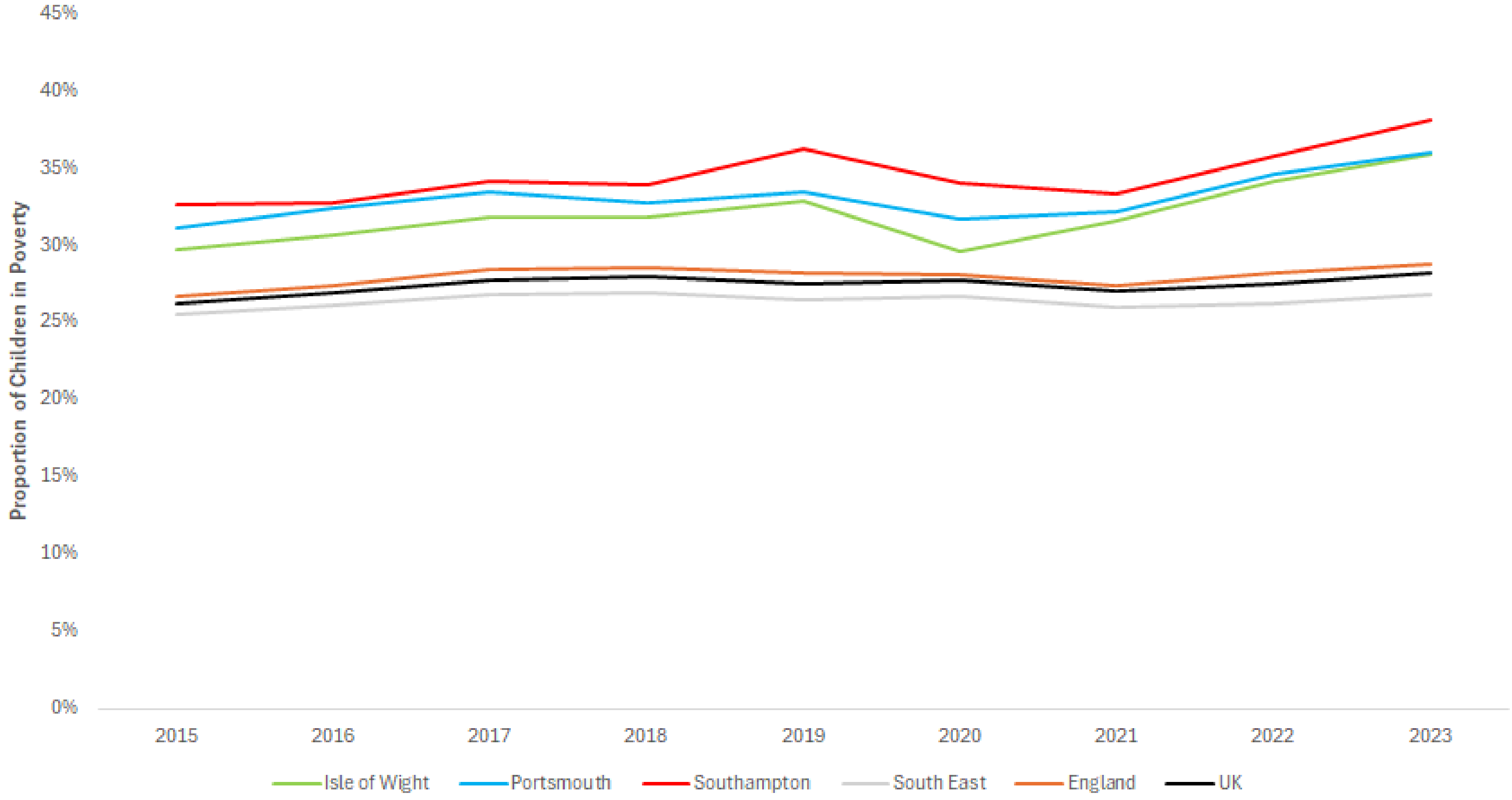
4.7 Child Poverty

Below, Figure 29 shows the child poverty rates across the Solent Sub-Region and wider geographies between 2015 and 2023. Notably, the proportion of children living in poverty has been higher across the Solent Sub-Region in comparison to the South East and national rates since 2015.

Since the beginning of this period in 2015, the proportion of children living in poverty has increased by 6% on the Isle of Wight, and 5% in Portsmouth and Southampton, compared to a 1% increase in the South East and a 2% increase nationally.

From 2021, the child poverty rates across the Solent Sub-Region have climbed significantly more than that of the wider geographies at an approximate rate of 4%, compared to no growth in the South East and UK over this same period. This difference in growth is causing the gap to widen between geographies, isolating the Solent Sub-Region further in terms of child poverty. If this trend were to continue, over half of children living in the Solent Sub-Region would be identified as living in poverty by the year 2030.

Figure 2930 – Child Poverty, 2015-2023



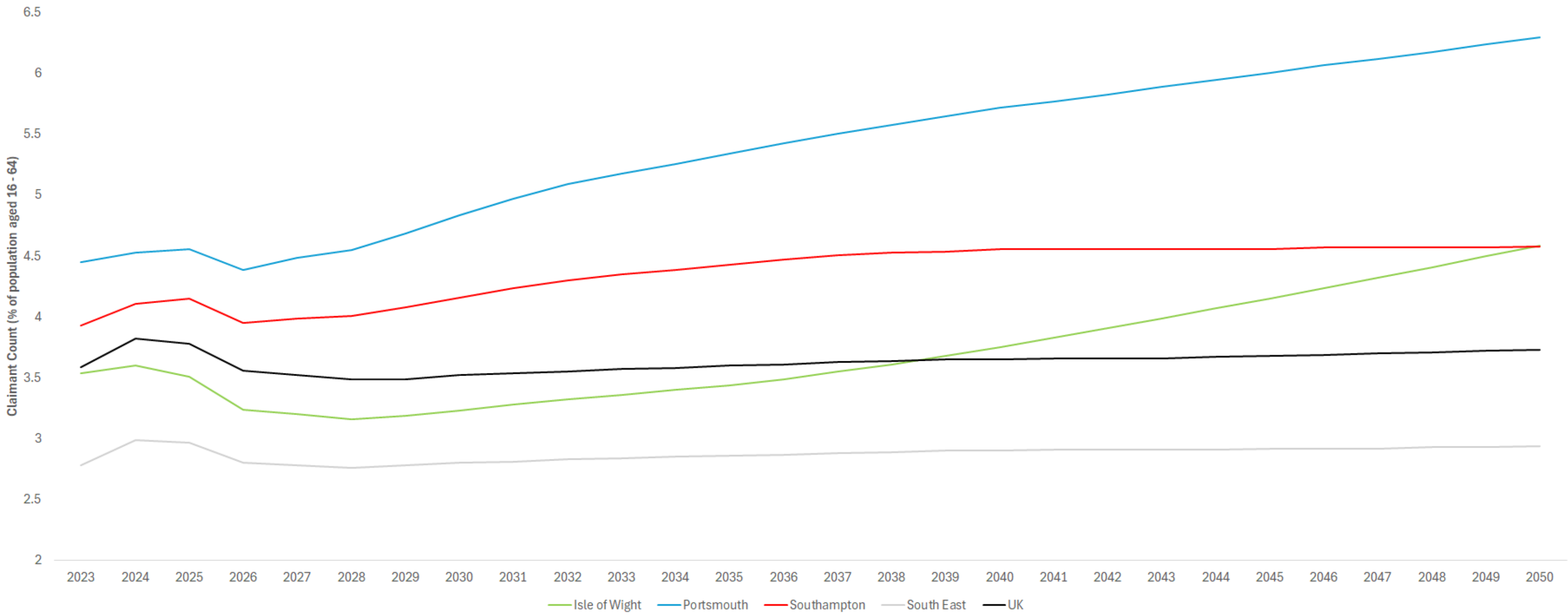
Source: Department for Work& Pensions, 2024

4.8 Forecast Labour Market Trends

The figure below shows all areas are forecast to have decreases in the unemployment rate as a percentage of economically active population up until 2026. The larger spatial levels of the South East and the UK are then forecast to continue to decrease steadily beyond 2026, with the areas that make up the Solent Sub-Region all beginning to increase at various points.

Following the initial rise and fall between 2023 and 2026, the unemployment in Southampton is forecast to increase steadily until 2037, where it is projected to plateau at 3.6%. Between 2026 and 2050, the unemployment rate in Portsmouth is forecast to increase steadily from 2.8% to 3.7%, which remains below the forecasted rate for the UK for 2050. However, the unemployment rate in the Isle of Wight is forecast to increase dramatically from approximately 2040, overtaking the rate of England in 2049, before reaching 3.8% in 2050.

Figure 3031 – Forecast Changes to the Unemployment Rate, 2023-2050

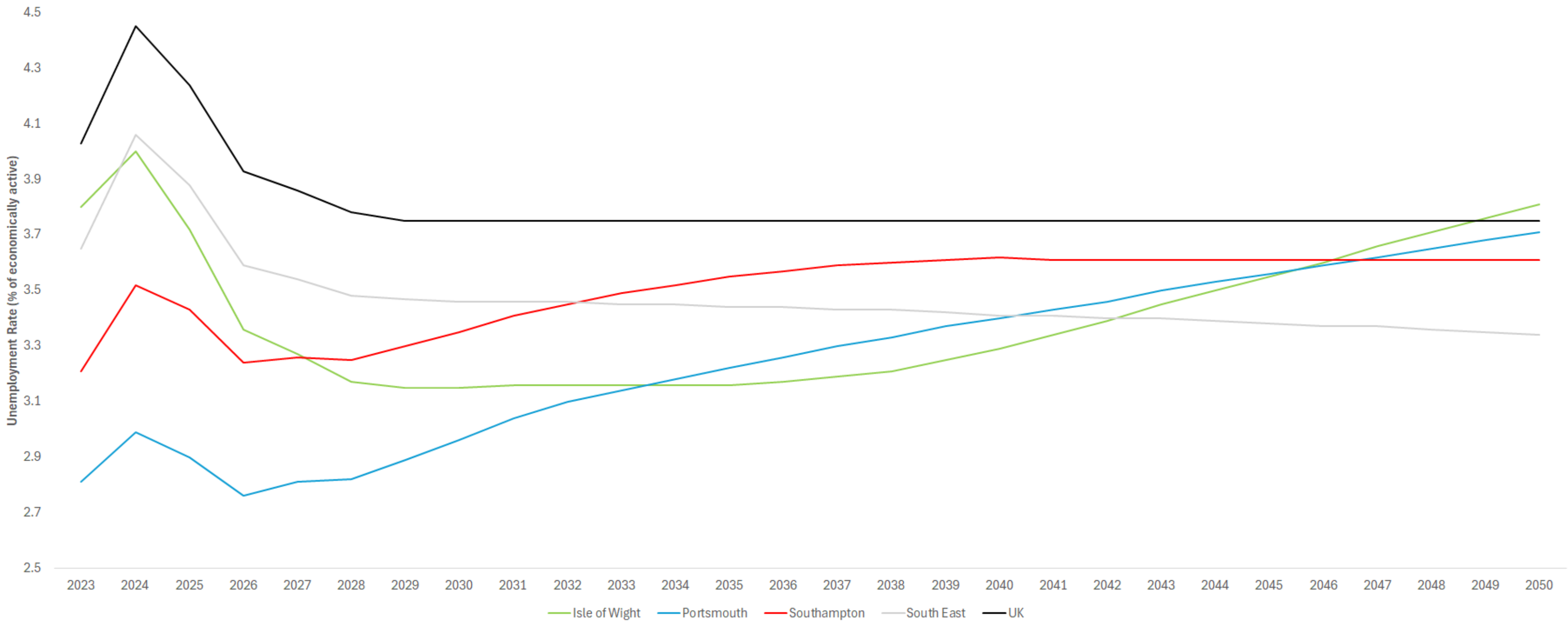


Source: Oxford Economics, 2024 NOTE: 2023 values are actuals taken from ONS, 2024-2050 are forecasts from Oxford Economics.

Below, Figure 313231 highlights the projected changes in the claimant count between 2023 and 2050. Claimant count levels in the South East and the UK are forecast to remain low and steady from 2026 onwards, following a small increase and decrease between 2023 and 2025.

Southampton is projected to see a slight increase in the claimant count rate before remaining stable at 4.6% until 2050. Both Portsmouth and the Isle of Wight are forecast rise considerably until 2050, with the rate in the Isle of Wight reaching 4.6% as per Southampton. In Portsmouth, the claimant count rate is forecast to climb significantly to 6.3% in 2050.

Figure 3132 – Forecast Changes to the Claimant Count, 2023-2050



Source: Oxford Economics, 2024 NOTE: 2023 values are actuals taken from ONS, 2024-2050 are forecasts from Oxford Economics.

4.9 Key findings and trends

Summary

- The Solent Sub-Region has a marginally higher claimant count (0.5%) as a percentage of the working age population than is to be expected based on regional and national levels.
- 21% of economically inactive in the Solent Sub-Region are students which is less than the national levels, whilst 25% look after the family or home, which is greater than the national levels.
- The percentage of economically inactive people that were cited as being students used to be as high as 40% but has decreased considerably in recent years.
- The Solent Sub-Region has 5% less manager, directors and senior officials than is to be expected based on national averages and more elementary occupations.
- All areas in the Solent Sub-Region have average wages lower than the South East, up to £10,000. The wage growth has also significantly lagged behind wider regions.
- The percentage of the workforce with the highest level qualification has increased by approximately 30% since 2004.
- In the Solent Sub-Region, there are 4% less with NVQ Level 4+ compared to nationally.
- There has been recent growth in the proportion of the Solent population who have level 3 or 4+ NVQ.
- Educational attainment is lower in the Solent Sub-Region compared to nationally, with an average of only 56% of students passing GCSE Maths and English.
- Deprivation is relatively low in the Ise of Wight but there are significantly more pockets of deprivation within Portsmouth and Southampton.
- Unemployment and the claimant count are both forecast to rise across the Solent Sub-Region.

5 Housing and employment land

5.1 Introduction

This section considers key characteristics of the Solent Sub-Region's housing and commercial markets and provides comparison with wider regional and national comparators.

5.2 Housing stock and tenure

Table 5 below shows the total stock of housing in the measured geographies. In 2021, there were 253,220 units of housing stock in the Solent Sub-Region.

Table 5 - Housing Stock by Region, 2021

	Solent Sub-Region	Former Solent LEP Area	Hampshire and the Solent	South East	England
Total: All households	253,220	525,859	840,913	3,807,966	23,436,085

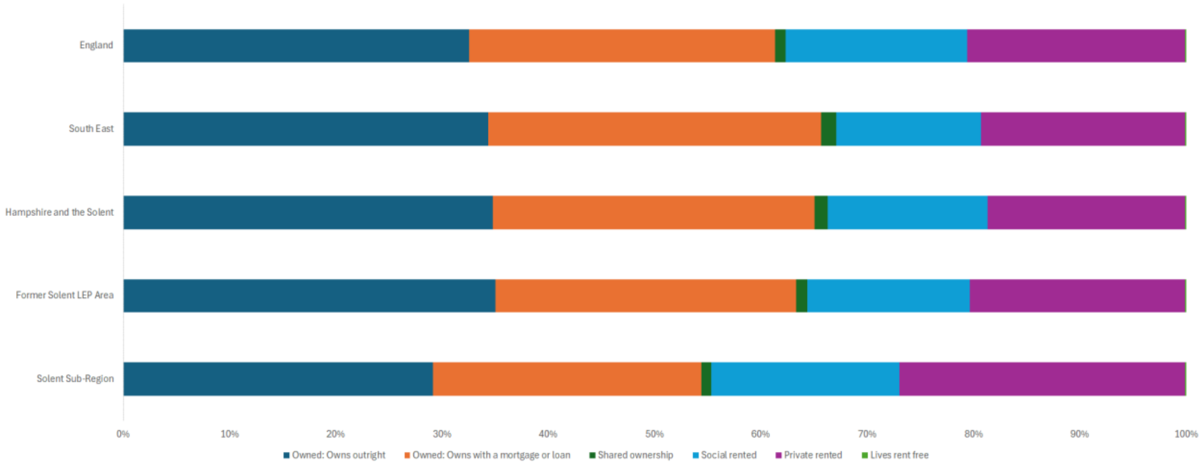
Source: Census, 2024

Figure 3233 below shows the proportions of housing tenure across Solent Sub-Region and the wider regions. The Solent Sub-Region falls significantly behind its wider geographies in terms of home ownership both outright and mortgaged (54%). This is largely driven by Southampton (52%) and Portsmouth (48%) as ownership in the Isle of Wight (67%) is significantly higher than is to be expected by national averages. The Former Solent LEP Area has a 63% home ownership rate, whilst the South East and England have rates of 65% and 62% respectively.

The proportion of individuals in private rented accommodation is significantly higher than national levels, with 27% of people across the Solent Sub-Region, compared to 14% in the Former Solent LEP Area, 14% across the South East and 17% across England. This is driven by high rates of 29% in Southampton and Portsmouth, likely due to their large student populations. The Isle of Wight also recorded a high rate of 21%.

Social rented is marginally larger across the Solent Sub-Region (18%) compared to the picture for the Former Solent LEP Area (15%), South East (14%) and nation (17%). This is driven by high rates of provision in both Portsmouth (18%) and particularly Southampton (22%), the Isle of Wight conversely reported relatively low rates of social rented tenure, at 11%.

Figure 3233 – Households by Tenure by Region, 2021



Source: Census, 2024

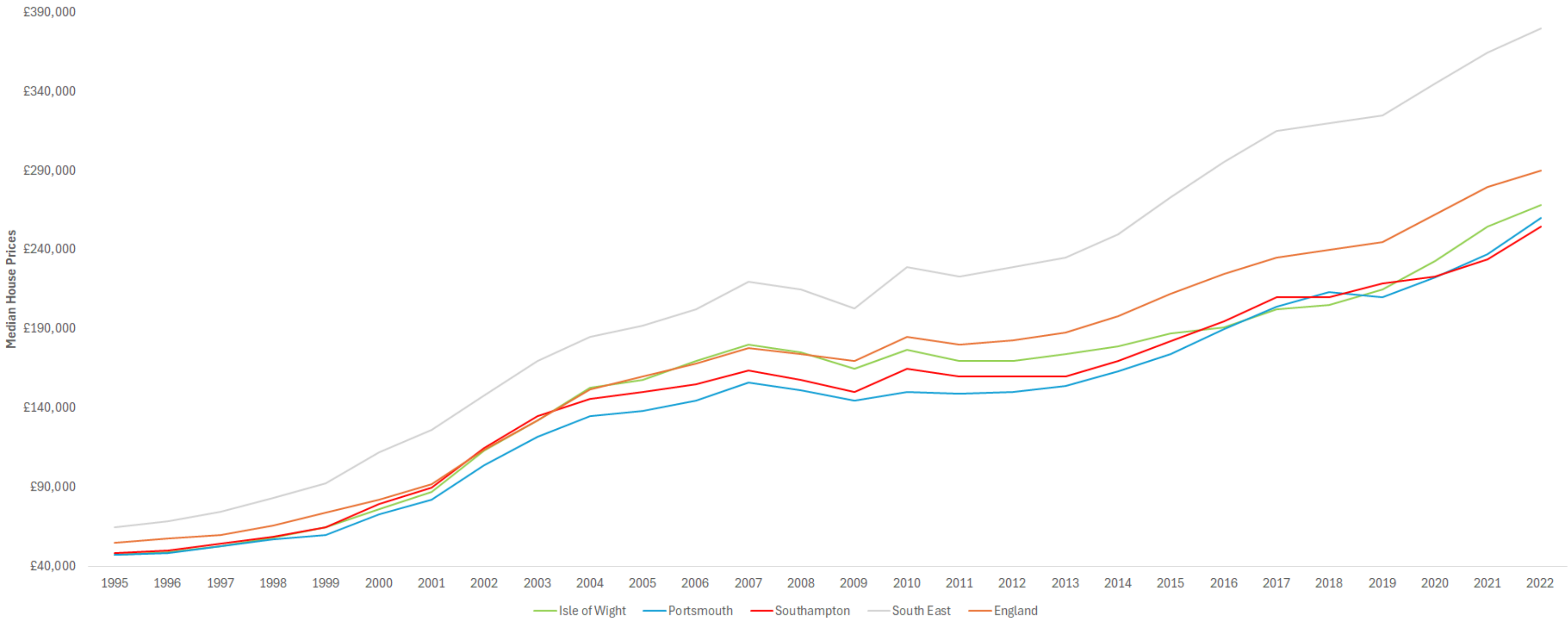
5.3 Housing price and affordability

In Figure 3334, it is highlighted immediately that house prices in the South East have increased most dramatically and continue to accelerate exponentially compared to those nationally.

The areas in the Solent Sub-Region follow the national trend, with a smooth increase from 1995 to 2022 beginning at approximately £48,000 and rising to approximately £260,000. More recently, housing in Portsmouth appears to be becoming more expensive than that in Southampton, whilst house prices on the Isle of Wight appear to remain above those of the other Solent areas, but still below the national average[5].

[5] House Price Statistics for Small Areas (HPSSA), 2023

Figure 3334 - Changes in House Prices, 1995-2023

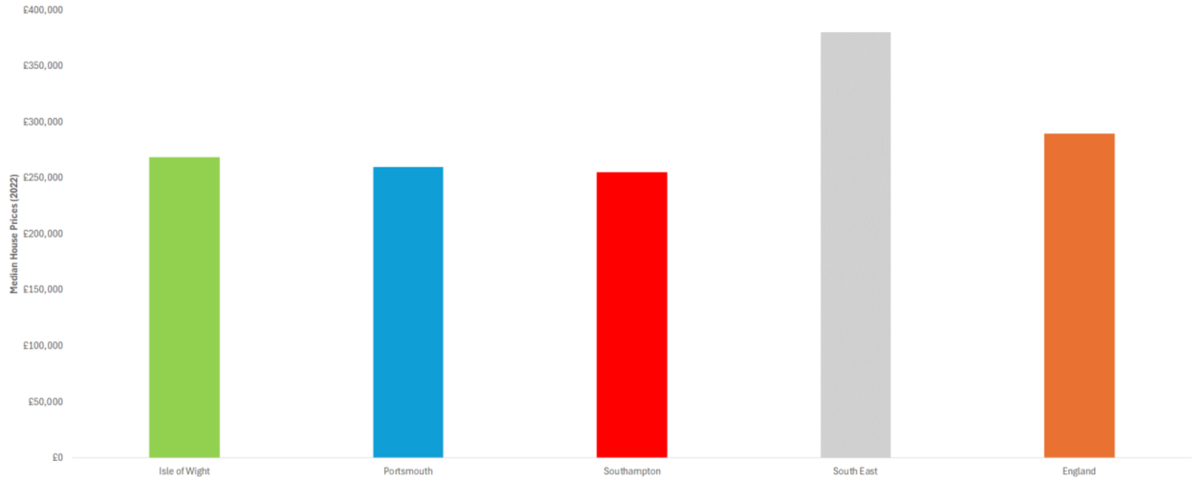


Source: HPSSA, 2024

Figure 3435 shows that the median house prices in the South East (£380,000) in 2022 are significantly higher than both the national average and those in the Solent areas.

Out of the Solent areas of interest, the Isle of Wight has the highest average house prices (£268,500), and Southampton with the lowest (£255,000). All Solent areas are below national average despite being located in the highly priced South East region.

Figure 3435 - Median House Prices by Region, 2023

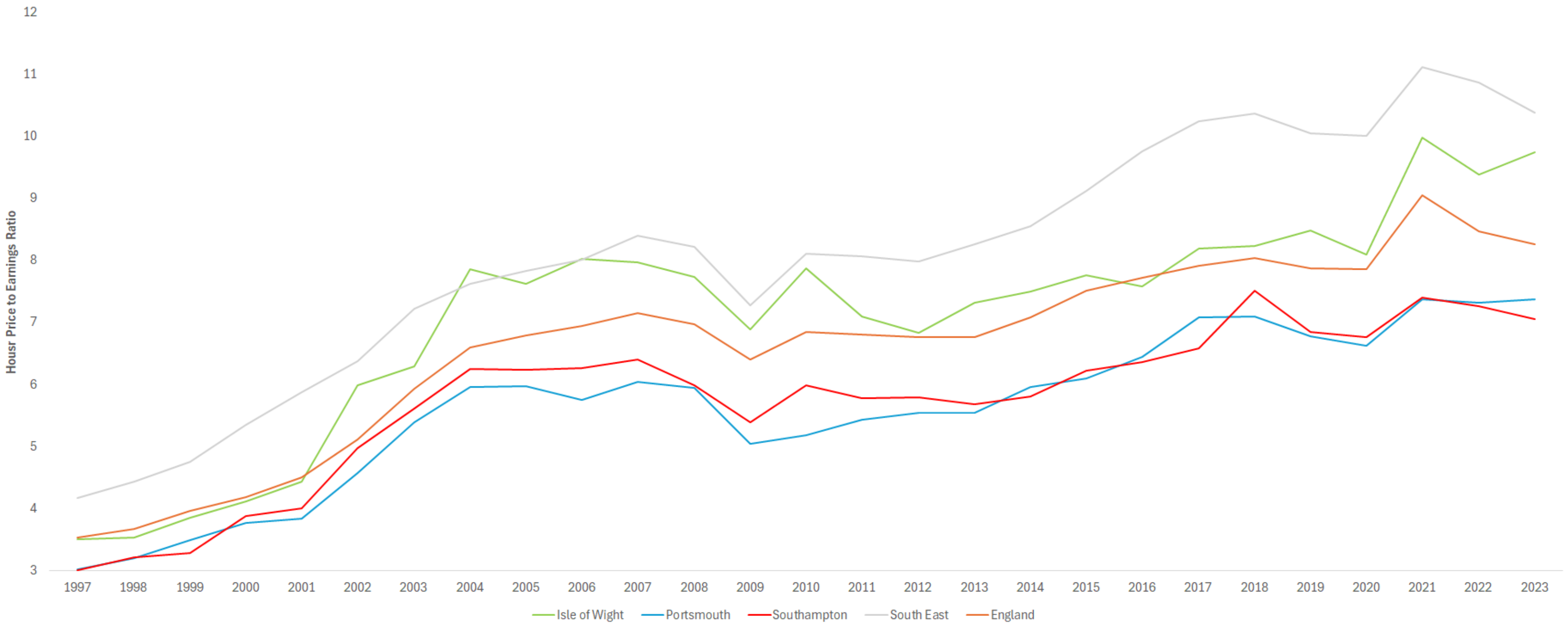


Source: HPSSA, 2024

House price to earnings ratio indicates the relative affordability of properties within an area. It is a strong socio-economic indicator that can show regions where affordable housing is in low supply or where wage growth has stagnated relative to other economic measures. According to Figure 3536, all Solent areas follow the national trend in ratio changes, however, in Southampton and Portsmouth, the house price to earnings ratio is significantly less than nationally, whilst the Isle of Wight is significantly greater.

Between 2022 and 2023, the South East, England and Southampton saw an initial decrease in the ratio, whilst Portsmouth and the Isle of Wight continued to increase.

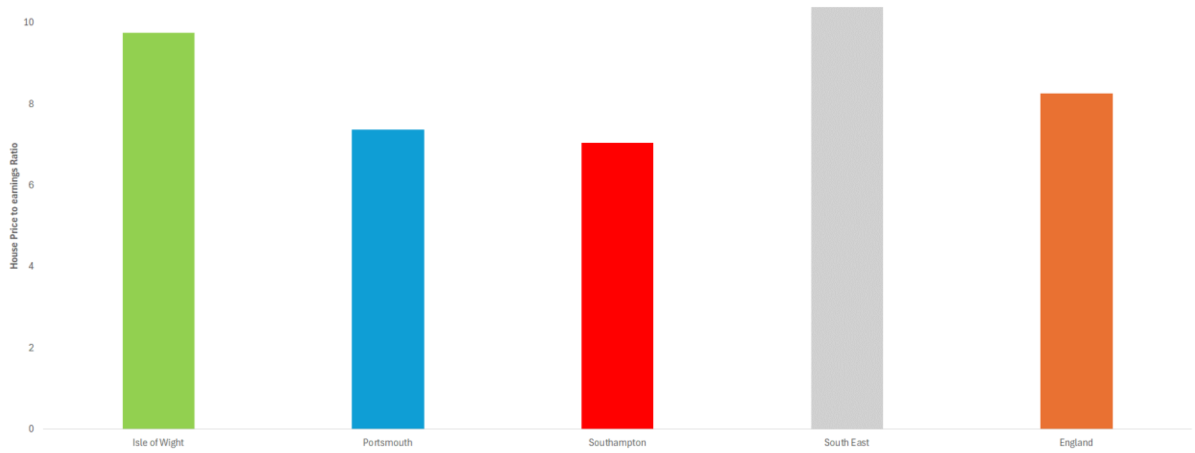
Figure 3536 – Changes to the Price to Earnings Ratio, 1997-2023



Source: ONS, 2024

It is highlighted in Figure 3637 that the Isle of Wight (9.75) has the highest ratio of the Solent areas which is marginally below the South East. Both areas are above the national ratio of 8.26. In the remaining Solent areas of interest, the ratio is significantly less than that of the South East, indicating more affordable living costs for Southampton and Portsmouth.

Figure 3637 - House Price to Earnings Ratio by Region, 2023

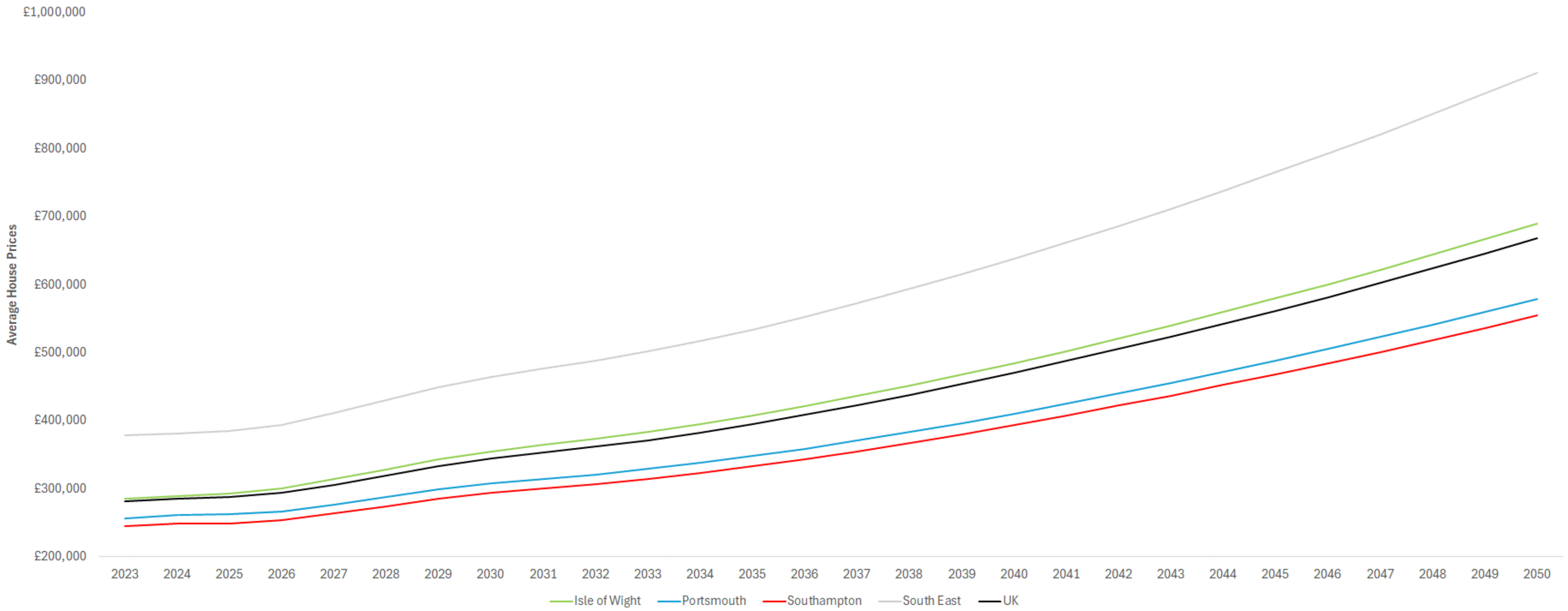


Source: ONS, 2024

5.4 Changes to the Housing Market

The house prices across all regions are forecast to follow similar trends with general increases between 2023 and 2050. The areas with higher current prices will remain more expensive in 2050 the gap between prices in the South East and other areas will increase.

Figure 3738 – Forecast Changes to House Prices, 2023 - 2050



Source: Oxford Economics, 2024 NOTE: 2023 values are actuals taken from ONS, 2024-2050 are forecasts from Oxford Economics.

5.5 Commercial property and employment land

This subsection summarises commercial property and employment land development /allocations across the Isle of Wight, Portsmouth and Southampton.

5.5.1 Isle of Wight

Policy SP3 of the 2012 Isle of Wight Core Strategy identified a series of targets for development of employment land to 2027 including:

- at least 42 hectares of employment development to be delivered within key regeneration areas of the Medina Valley and Ryde over the plan period; and,
- no more than 75,159m^2 of net retail floorspace.

The Monitoring Report 2022-2023 summarises the progress towards achieving the SP3 targets across the last monitoring year. In total permissions granted in 2022/23 resulted in a gain of 1,371m^2 towards the employment land target. This represents an increase on the net loss of 13,178m^2 in 2021/22. The 2022/23 net gain in employment land is summarised in Table 6 , and is underpinned by:

- a gain of 17m^2 of B2, 2,096 m^2 of B8, and a net gain of 3,112m^2 in mixed B2 and B8 development.
- a net loss of 2,504m^2 of B1(a) and 1,350m^2 of B1(c).

Table 6 – Changes to employment land

	Gained	Lost	Net Total
Employment land	6,914 m^2	5,543 m^2	1,371 m^2

Additionally, in 2022-23, there was a net gain of retail floorspace permitted of 6,894m^2. This net gain was largely located in the Newport area. An example being an application at St Georges Park, Newport Football Club, for a new retail park with 7,243m^2of new shop space.

In the Isle of Wight Local Planning Strategy (2024), the Council allocated the following sites for commercial development:

- 2.8 hectares at Pan Lane, Newport for Class E Offices and B2 uses.
- 14.7 hectares at Nicholson Road, Ryde for Class E offices, B2, B8 and community uses.
- 1.9 hectares at Somerton Farm, Cowes for Class E Offices, B2 and B8 uses.
- 6.2 hectares at Kingstone Marine Park, East Cowes for Class E Offices, B2 and B8 uses.
- 0.7 hectares at Lowtherville, Ventnor for Class E Offices, B2 and B8 uses.

The Council also identified the following strategic employment opportunity areas where they will support the intensification, diversification and expansion of existing employment use sites:

- Golden Hill Industrial Estate, Freshwater,
- Land at Afton Road, Freshwater,
- Cowes Industrial Estate, Cowes,
- College Close Industrial Estate, Sandown.

5.5.2 Portsmouth

Policy PCS11 of the Portsmouth Plan identified a delivery target of 243,000m^2 of new employment space over the plan period, 2010/11 to 2026/2027. The total gains, losses and net figures for employment land permissions up to March 2023 are summarised in Table 7 - . The local plan does not state whether the target is a net or gross figure. Assuming the target is gross, the gain of 183,648m^2 equates to over 75% delivery of the target for the plan period. However, assuming the target is net, the net gain is just under 10% of the plan period delivery target.

Table 7 - Portsmouth employment floorspace planning completions, April 2010-March 2023

Use Class	Gained	Lost	Net Total
E(g)(i)	21,078 m^2	107,538 m^2	-86,460 m^2
B1 – B8	162,570 m^2	52,321 m^2	110,249 m^2
Total	183,648 m^2	159,859 m^2	23,789 m^2

An employment land study published in 2016[6], built on the 2012 Core Strategy in recommending the following strategic sites for development:

- Tipner West - Mixed use development including 30,000 sqm of employment floorspace, providing 1,500 new jobs, to be delivered over 15 years+ from 2019.
- Portsmouth City Centre - A key site for delivering needs including a significant amount of office space, with no timeframe set for development as of 2019.
- Lakeside Business Park – Development could provide approx. 69,030 sqm of office floorspace and improved access. Key site for improving employment opportunities, to be delivered over 15 years from 2019.
- Port Solent & Horsea Island - Mixed use development of housing and employment, including 3.4 ha of marine related uses and 2,000 sqm of employment land to be delivered over 10-15 years from 2019. Further 25,000 sqm of employment floorspace at Horsea Island South.

The assessment also identified the following key potential new employment sites, all of which had varying timescales for delivery:

- P79 Tipner/Horsea Island – 57,000 SqM. B1, B2, B8 use.
- P27 Site West, Walton Road – 15,000 SqM. B1, B2, B8 use.
- P78 Portsdown Main – 9,290 SqM. B1 use.
- P83 Lynx House, Cosham. 10,000SqM. B1 or roadside.
- P81 Sidings, Goldsmith Avenue – 3,750 SqM. B1c, B2, B8 use.
- P85 Interchange Park – 2,300 SqM. B1, B2, B8 use.
- P86 53-55 Burrfields Road – 950 SqM. B1, B8 or roadside.
- P80 Teardrop Site, Portway – 7,000 SqM. B1 or roadside.
- P84 Rear of Broad Oak Works – 3,750 SqM. B1, B2, B8 use.
- P87 Hilsea Bus Deport – 1,500 SqM. B1c, B2, B8 use.
- P89 Former Saacke , Marshlands Spur – 2,500 SqM. B1, B2, B8 use.
- P92 PO Sorting Office, Slindon Street – 7,000 SqM. B1 or mixed.
- P91 Claybank Spur – 4,000 SqM. B1c, B2, B8 use.

[6] Business Needs, Site Assessments and Employment Land Study, 2016

5.5.3 Southampton

Southampton's development plan is formed by the City Centre Action Plan (2015) and the Core Strategy (2015), which contain a set of policies that guide development on employment land across three cross-cutting targets:

- provide an additional total 100,000m^2 of office floorspace in Southampton by 2026. This amounts to a target of 5,500m^2 per year,
- identify existing industrial areas to develop a total of 97,000m^2 of industrial floorspace in Southampton, with uses ranging from B1-B8 excluding B1A. This amounts to annual development of 4,850m^2 per year,
- improve and consolidate the main shopping area in the City Centre, and support the economic and social role of town, district and local centres through developing a total of 90,000m^2 of A1 retail floorspace by 2026, amounting to 4,500m^2 per year.

The most recent available data on monitoring completions in Southampton is from 2015/16. During 2015/16, 1,847m^2 of B1a office floorspace was developed in Southampton, with 351m^2 being developed within the city centre. Meanwhile, 13,722m^2 of industrial floorspace, and 770m^2 of retail floorspace was developed in the outskirts of the city.

Southampton City Council have since developed a draft Local Plan to provide an overarching framework that will guide development in the City to 2040 and beyond. The draft Local Plan sets out a series of policies to guide new development on employment land moving forward.

EC1 Office Development – sets a core objective to deliver a net gain in office development of between 61,000m^2 and 78,000m^2 of office floorspace between 2019 and 2040. Potential sites identified for development include:

- The Mayflower Quarter, Central Station Hub - up to 50% of development is to be office use.
- The Mayflower Quarter, other sites – office should amount to 29% of available space.
- City Centre, other sites - development to be supported as and when sites become available.

EC2 Industrial Sites – supporting activity that delivers new industrial/warehouse sites and increases existing warehouse/industrial site capacity. Development is to include light industrial, general industrial, storage and distribution land uses.

EC3 Marine Sites – supports development that safeguards specific sites within the city for marine uses, to support job creation in the marine, maritime, and advanced manufacturing sectors. Allocated sites will safeguard businesses that require access to the water, and encourage development:

- Centeneray Quay Marine Employment Quarter
- Saxon, Millbank, and Dibles Wharves, and Shamrock Quay
- Hazel Road South Wharves

The policy also allocates sites at Leamouth and Burnley Wharves, Princes Wharf and Drivers Wharf as sites that are important to the Riverside Quarter regeneration project.

EC4 The Port policy - encourages development that enhances the competitiveness of the Port of Southampton, which is integral to the Solent Freeport. To support the growth of the port, the City council will support development associated with operational port activities and the Freeport status.

5.6 Key findings and trends

Summary

- The Solent Sub-Region reported significantly lower rates of home ownership than the wider regional and national averages. This is driven by low reported rates in Portsmouth and Southampton (48% and 52% respectively).
- Conversely, the Solent Sub-Region reported a high amount of individuals in private rented accommodation; this again was driven by housing tenure in Portsmouth and Southampton (29%).
- The Solent Sub-Region reported marginally higher rates of social rented tenure despite the low rate reported in Isle of Wight (11%). This again was due to the high rates reported in Portsmouth and Southampton (18% and 22% respectively).
- House price growth has followed the national trend, and prices have remained below the national average. In 2022, the Isle of Wight had the most expensive prices in the Solent Sub-Region, followed by Portsmouth, and then Southampton.
- Median house prices in the South East are significantly greater than the national and Solent areas averages. Median house prices in the Solent areas are below national averages despite sitting within a highly priced region (South East).
- The house price to earnings ratio in the Solent areas has followed the national trend of growth, however, the ratio is significantly greater on the Isle of Wight. Conversely, the ratio is significantly less in both Portsmouth and Southampton.
- The house prices across all regions are forecast to follow similar trends of growth between 2023-2050.
- The Isle of Wight has seen growth in employment land, contributing to goals set in the 2012 core strategy. The Council has identified strategic employment opportunity areas in Golden Hill Industrial Estate, Land at Afton Road, Cowes Industrial Estate, and College Close Industrial Estate.
- Portsmouth has seen net growth in employment land in excess of 23,000m^2 between 2010/11 and 2022/23; this has largely been concentrated in B1-B8 use. The Council has identified the following sites as key strategic sites for development: Tipner West, Lakeside Business Park, Port Solent, Horsea Island, and land in Portsmouth City Centre (set to deliver office space).
- Southampton City Council have not published a monitoring report since 2016. Up until 2016, Southampton had seen development of approximately 1,800m^2 B1a office, 17,700m^2 industrial, and 800m^2 retail floorspace. The draft Local Plan has identified sites at the Mayflower Quarter (including the Central Station Hub), and the City Centre for development. The plan has also identified Centeneray Quay Marine Employment Quarter, Saxon, Millbank, & Dibles Wharves, Shamrock Quay, and Hazel Road South Wharves for development.

6 Connectivity

6.1 Introduction

This section considers both transport and digital connectivity in the Solent Sub-Region.

6.2 Transport connectivity

Southampton hosts Britain's largest cruise ship port and third largest container port, as well as an international airport. Portsmouth is home to Portsmouth International Port, which is Britain's biggest municipal port. The M27 Motorway connects Southampton and Portsmouth, with both local authorities also hosting multiple railway stations. The importance of cross-Solent transport is well established, with ferries connecting the two mainland ports with the Isle of Wight ports of East and West Cowes and Ryde. Here, road, rail and public transport allow for connectivity across the Island.

The table below provides a breakdown of the travel to work areas. It shows a high number of people on the Isle of Wight living and working in the area. Portsmouth and Southampton both have similar levels of people working and living in the area, and living outside of the area but working inside it, however Portsmouth has a significantly lower number of people living in the area but working outside of it.

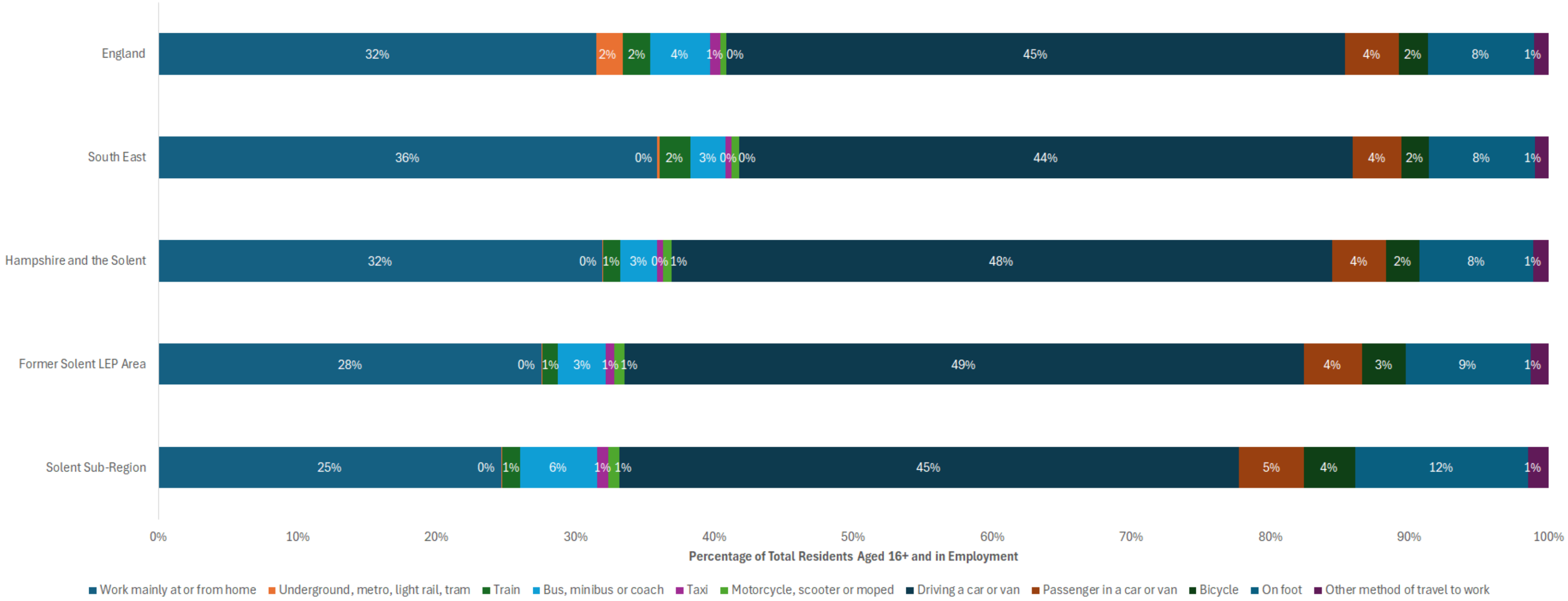
Table 8 - Travel to Work Data

	Isle of Wight	Portsmouth	Southampton
Total Working and Living in the Area	42139	52520	53597
Total Living in the Area but Working Outside of the Area	4544	27862	41234
Total Living Outside of the Area but Working Inside	2083	41272	41891

Source: 2011 Census Data

Figure 3839 shows the method of transport used to travel to work at the time of the 2021 Census. As the Census took place during the initial recovery from the COVID-19 Pandemic the number of residents working from home is likely to be higher than is usually observed, however the Solent Sub-Region has the smallest proportion of residents citing that they mainly work at or from home at 26% compared to 32% in England. The proportion of workers using a car of van to travel to work is mostly in line with national averages whereas those using a train, underground, metro, light rail or tram is marginally below. The proportion of the workforce using a bus to travel to work in the Solent Sub-Reion is 2% above national averages and 3% above regional average, showing the bus network as a major form of public transport in the area. Additionally, a larger than expected proportion of the workforce (12%) mainly travel to work on foot.

Figure 3839 – Method of Travel to Work, 2021

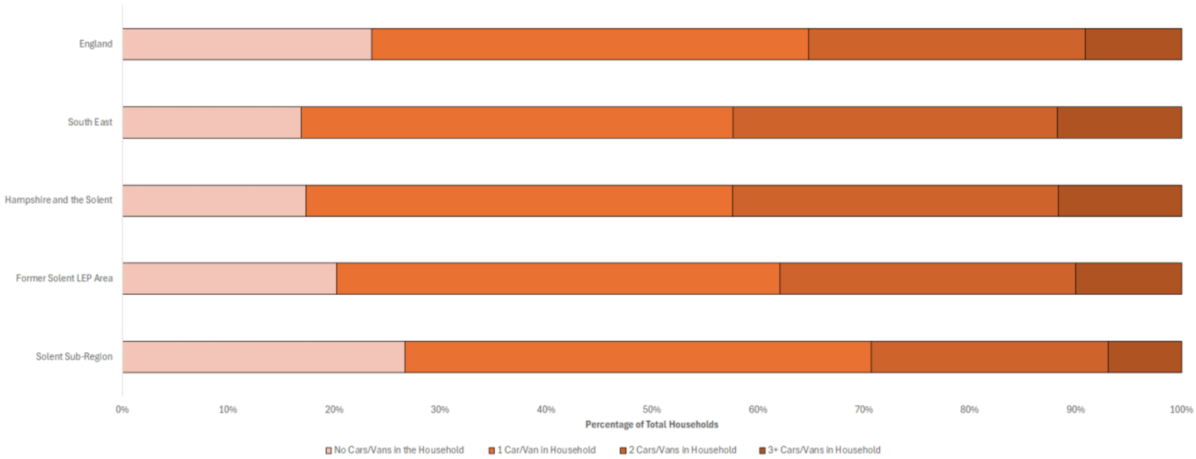


Source: Census 2021, 2024

6.2.1 Car Ownership

The figure below shows the percentage of households that own a car or van, broken down for households that own 1, 2 or 3+ cars or vans. The graph shows that the Solen Sub-Region has a larger proportion of households that do not own a car at all compared to national and regional averages, only 73% of household own at least 1 car or van in the sub-region compared to 83% in the South East and 76% in England. This implies the residents of the area are less geographically mobile compared to other parts of the UK and have a greater reliance on local public transport. However, it also suggests that local road networks are less likely to suffer from issues with traffic and congestion, this is also supported by the fact that there are a smaller proportion of household with more than one car in the Solent Sub-Region than expected by national and regional averages (by 6% and 13% respectively).

Figure 3940 – Car Ownership, 2021



Source: Census 2021, 2024

6.2.2 Congestion

Congestion on the M27 has been considerably improved by the implementation of the smart motorway, however this has not entirely eliminated the issue. Southampton and Portsmouth both experience multiple congestion hotspots on the arterial routes into the respective cities in peak hours travelling to and from the strategic links. The peninsula nature of the cities is a critical factor in the level of congestion, as access points are limited. Both support major movements linked to Ferry, Port and MOD related coastal locations that require movements to pass through the city centres, adding to localised congestion points. Both have imposed a “clean air zone” in an area of the city centre which is a material consideration in managing vehicle movements within these areas and generates additional challenges and criteria for the councils to meet in terms of not only local, but national policies. Each are subject to events that can cause additional localised congestion, and seasonal variation in traffic flows across the entire week.

The Isle of Wight also experiences congestion. Newport sees the highest levels of congestion, but congestion is also localised in the surrounding towns. The area also suffers from seasonal variation in traffic flows, and the highway network is heavily impacted around the ferry terminal at crossing arrivals and departures.

6.2.3 Public Transport

The main bus operator in the Solent Sub-Region is Bluestar, a part of the Go-Ahead Group. Bluestar operate a fleet of over 850 buses which run on over 140 bus routes across the South Coast of England.

Buses on the Isle of Wight are operated by Southern Vectis, a part of the Go-Ahead Group. The bus network connects the main towns of the island, with the majority of routes radiating out of Newport. Bus stations are located in Newport, Ryde and Yarmouth town centres. The Southern Vectis route map is shown below.

Table 9 indicates that Southampton had the third highest number of passenger journeys on local bus services per head, when compared to similar authorities in the south of England, behind only Brighton and Hove and Reading. Portsmouth is one of the areas with the fewest bus journeys per head, closely followed by the Isle of Wight, perhaps indicating poor bus services in the areas.

Table 9 – Local Authority Bus Journeys per Head, 2023

Local Authority	2023 Passenger journeys on local bus services per head
Isle of Wight	49.9
Portsmouth	45.5
Southampton	73.2
Bournemouth, Christchurch and Poole	51.5
Brighton and Hove	140.3
Bristol, City of	63.1
Plymouth	55.0
Reading	101.1
Swindon	40.5

Source: Bus Patronage Data, 2024

There are eight railway stations in the city of Southampton, with Southampton Airport Parkway located just outside of the city's boundaries in Eastleigh. In addition to Southampton Central, the main station serving the city, smaller suburban stations are located in Bitterne, Millbrook, Redbridge, St Denys, Sholing, Swaythling, and Woolston.

Portsmouth has only three railway stations: Portsmouth and Southsea; Portsmouth Harbour; and Fratton.

Island Line, operating under South West Trains, is the train network that connects the towns and villages of the Isle of Wight. The train line runs primarily down the East side of the Island, with stations located in Ryde, Smallbrook, Brading, Sandown, Lake, Shanklin and Merstone.

Below, the following tables display the most recent entries and exits, interchanges and most frequent origin or destination station for the Isle of Wight, Portsmouth and Southampton.

The table below discloses rail journeys for the Isle of Wight. There is only one railway line on the Island, routing along the East coast. The station at Ryde Pier Head is served by the Fastcat service, which routes to Portsmouth Harbour. Smallbrook Junction is an isolated station with no external access and is used to interchange with the Isle of Wight Steam Railway. The busiest station on the Isle of Wight is Shanklin on the East of the Island, which terminates the railway line.

Table 10 – Rail Journeys on the Isle of Wight, 2022/23

Station	Entries and exits	Main origin/destination	Percentage of trips to/from main origin/destination
Ryde Pier Head	92,786	Shanklin	23%
Ryde Esplanade	134,132	Shanklin	42%
Ryde St Johns Road	65,396	Shanklin	33%
Smallbrook Junction	8,024	Shanklin	38%
Brading	16,378	Ryde Esplanade	22%
Sandown	83,500	Ryde Esplanade	31%
Lake	21,000	Ryde Esplanade	36%
Shanklin	149,810	Ryde Esplanade	37%

Source: Office of Rail and Road, 2024

Table 11 – highlights that Fratton, Portsmouth and Southsea, and Portsmouth Harbour stations are the busiest stations, with main origin destinations of London Waterloo and Havant in the South East corner of Hampshire. Fratton hosts a high number of interchanges, indicating people are only passing through the station.

Table 11 – Rail Journeys in Portsmouth, 2022/2023

Station	Entries and exits	Interchanges	Main origin or destination station	Percentage of all entries/exits to main origin/destination station
Cosham	765,158	0	Portsmouth and Southsea	12%
Fratton	1,775,756	154,235	London Waterloo	14%
Portsmouth and Southsea	1,707,210	21,158	Havant	14%
Portsmouth Harbour	1,746,574	12,920	London Waterloo	11%

Source: Office of Rail and Road, 2024

Table 12 – indicates that the two busiest stations, Southampton Central and Southampton Airport Parkway, are mostly used for trips to London, with almost half of journeys to and from Southampton Airport Parkway originating or terminating there.

Table 12 – Rail Journeys in Southampton, 2022/2023

Station	Entries and exits	Interchanges	Main origin or destination station	Percentage of all entries/exits to main origin/destination station
Bitterne	65,298	0	Fareham	11%
Millbrook	25,429	0	Southampton Central	34%
Redbridge	28,894	1,389	Eastleigh	20%
Southampton Airport Parkway	1,079,070	95,308	London Waterloo	42%
Southampton Central	5,495,672	1,207,893	London Waterloo	16%
St Denys	175,824	34,969	Southampton Central	15%
Sholing	86,890	0	Hamble	14%
Swaythling	63,280	0	Winchester	18%
Woolston	104,868	0	Fareham	13%

Source: Office of Rail and Road, 2024

6.2.4 Southampton Airport

Southampton Airport is well served by both bus and rail, with all passenger services between Eastleigh and Southampton Central calling at Southampton Airport Parkway station. In 2022/23, 1.1 million passengers entered and exited Southampton Airport Parkway station. However, while the Fareham – Eastleigh line passes along the northern perimeter of the airport, there is no direct connection, meaning that rail passengers from the east of Southampton, Fareham, and Portsmouth are required to change at either Southampton Central or Eastleigh to access the airport.

6.2.5 Water Transport

There are two ferry operators that connect the Isle of Wight to Portsmouth and Southampton:

- Red Funnel operate vehicle ferries from East Cowes to Southampton and passenger services (under Red Jet) from West Cowes to Southampton. There are more than 35 crossings each day, with crossing times from 30 minutes for foot passengers and 60 minutes for vehicle crossings.
- Wightlink operate vehicle ferries from Fishbourne to Portsmouth and Yarmouth to Lymington, and passenger services from Ryde Pier to Portsmouth.

Below, Table 13 displays the ferry services which operate to and from the Isle of Wight, connecting the Island with the mainland ports of Southampton and Portsmouth.

Table 13 – Ferry Links to and from the Isle of Wight

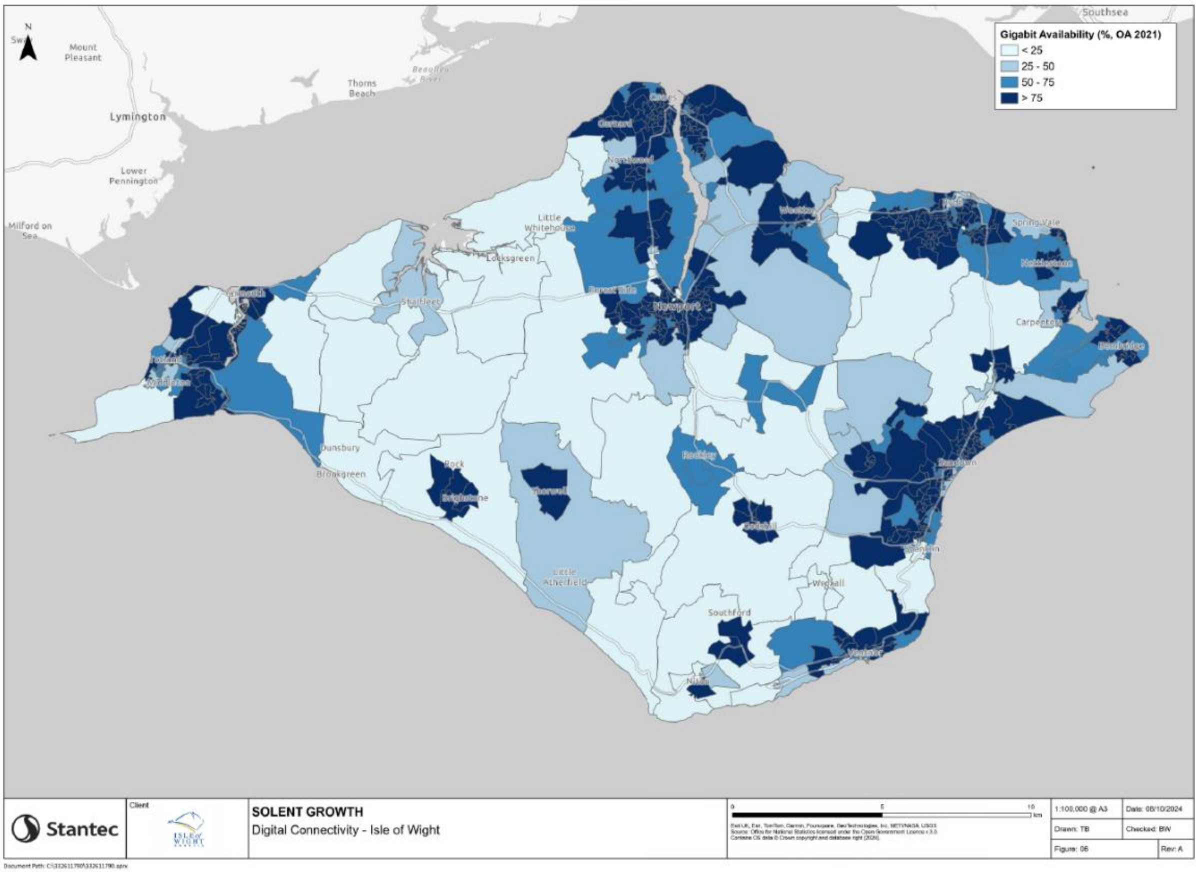
Origin	Destination	Operator	Service	Frequency	Cost per Adult Foot Passenger (single)
Southampton	East Cowes	Red Funnel	Vehicle Ferry	Every Hour	£12.60
Southampton	West Cowes	Red Jet	Passenger Ferry	Every Half Hour	£21.70
East Cowes	Southampton	Red Funnel	Vehicle Ferry	Every Hour	£12.60
West Cowes	Southampton	Red Jet	Passenger Ferry	Every Half Hour	£21.70
Portsmouth	Fishbourne	Wightlink	Vehicle Ferry	Every 40 Minutes	£17.40
Portsmouth	Ryde	Wightlink	Passenger Ferry	Every Half Hour	£21.00
Lymington	Yarmouth	Wightlink	Vehicle Ferry	Every Hour	£17.40
Fishbourne	Portsmouth	Wightlink	Vehicle Ferry	Every 40 Minutes	£17.40
Ryde	Portsmouth	Wightlink	Passenger Ferry	Every Hour	£21.00
Yarmouth	Lymington	Wightlink	Vehicle Ferry	Every Hour	£17.40

Source: Red Funnel and Wightlink, 2024

6.3 Digital Connectivity

The figures below illustrate the coverage of premises by fixed broadband networks from at least one operator for gigabit capable download speeds. Darker shaded areas are those where coverage is high, with a large proportion of premises having access to these download speeds, while lighter shaded areas show the opposite. Figure 40 shows that as of 2021, the Isle of Wight contained large areas with poorer rates of connectivity of less than 25% of properties. Therefore, while the recent roll-out of full fibre broadband since 2021 has improved coverage, this map illustrates that there remains a requirement for further investment. The areas with better connectivity are the urban centres of Cowes, Newport, Ryde, and Sandown.

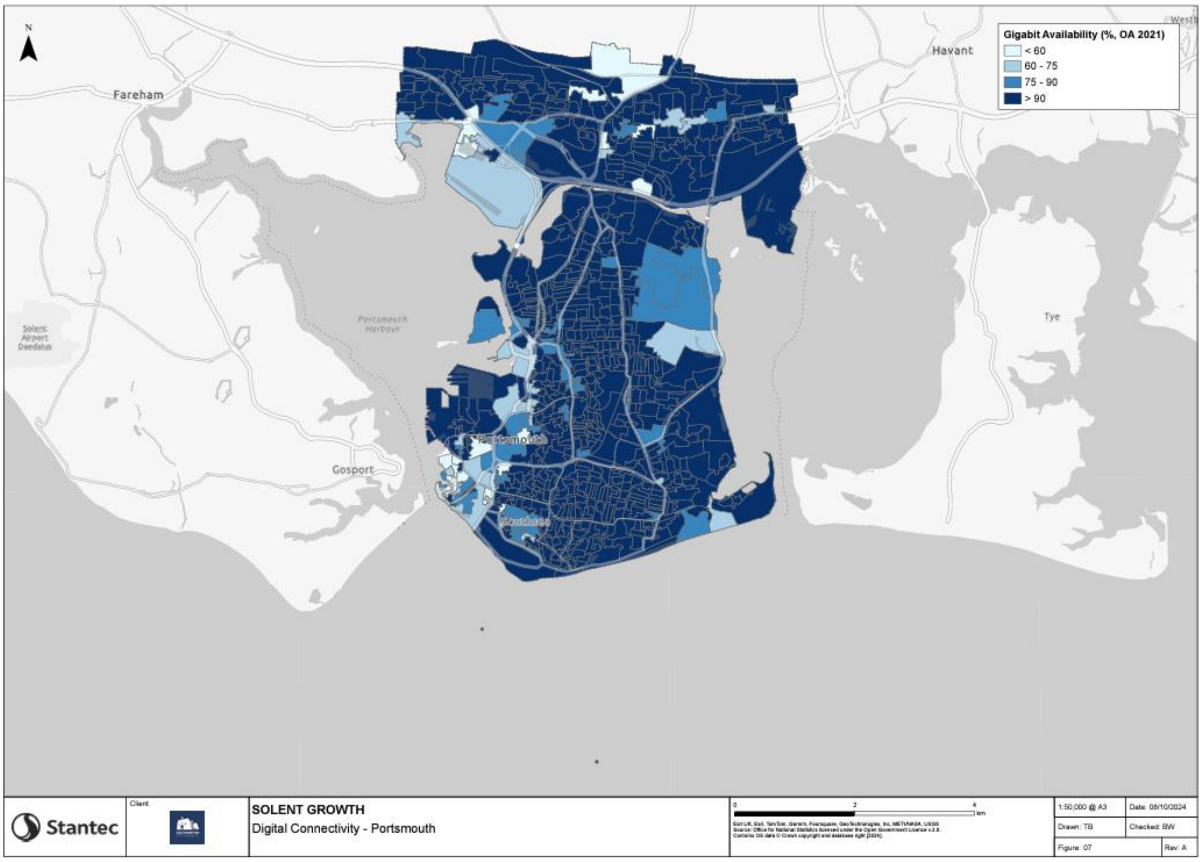
Figure 4041 – Map of Gigabit Availability on the Isle of Wight, 2021



Source: ONS, 2024

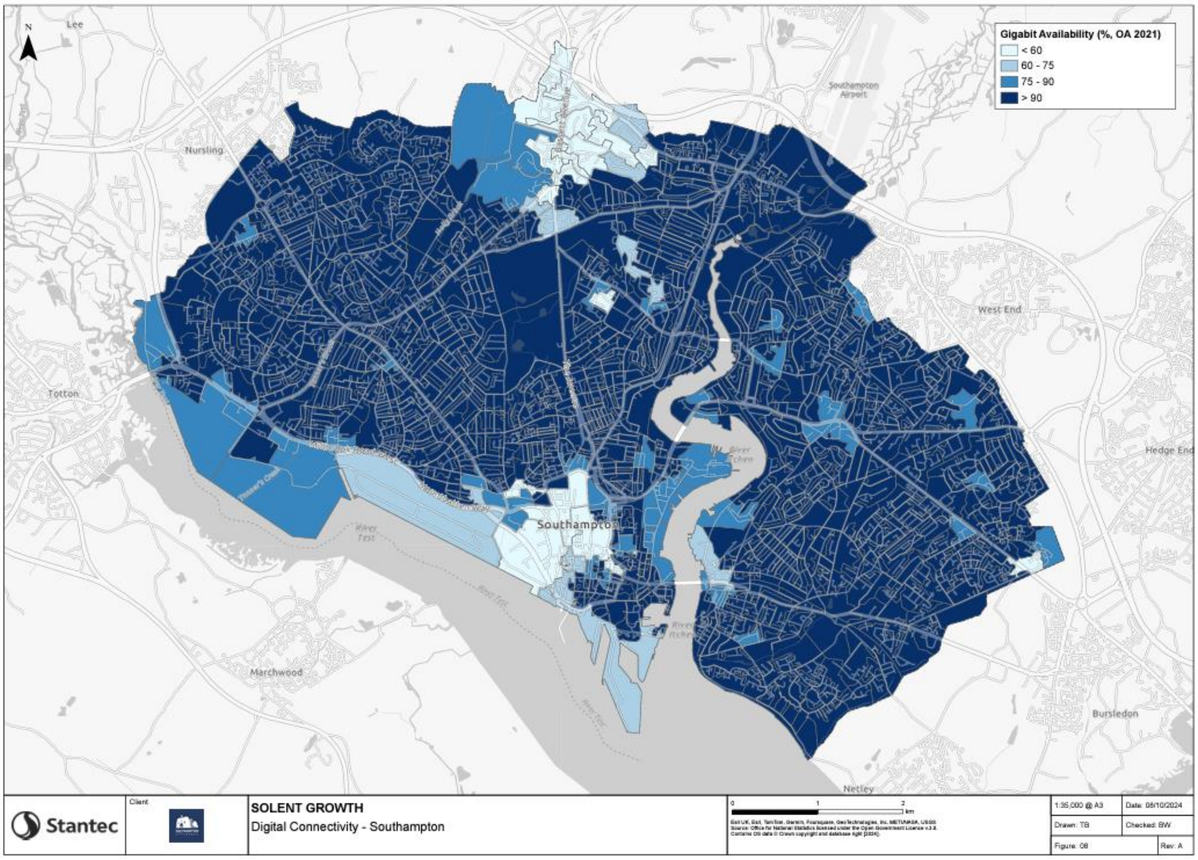
Figure 41 illustrates the excellent levels of coverage at gigabit capable speeds in Portsmouth, as of 2021. The lightest shaded areas have coverage rates below 60%, however, almost all areas of the city are found to have connectivity rates above 90% for gigabit capable speeds.

Figure 4142 – Map of Gigabit Availability in Portsmouth, 2021



Source: ONS, 2024

Figure 4243 – Map of Gigabit Availability in Southampton, 2021



Source: ONS, 2024

Figure 42 illustrates that most areas in the City of Southampton have 90% of properties with gigabit connectivity. Note that the lightest shaded areas represent having less than 60% of properties with gigabit connectivity.

Areas with relatively poorer connectivity are found along the Waterfront, from the Western Docks to the Red Funnel Ferry Terminal 1, and along to Ocean and Empress Dock. There are two pockets where less than 60% of premises have gigabit capable coverage, with one expanding along the length of Bassett Avenue to the north of the City, and another that expands northeast beyond Western Quays road in the City Centre.

Table 13 below provides greater detail on the coverage rates across commercial and residential premises located in urban and rural locations relative to those found in England. Rural locations have been included to illustrate the relative shortfall in coverage on the Isle of Wight, in comparison to the national level.

The table confirms that in 2023, Portsmouth had the highest rates of coverage across all premises in urban areas at 95%, relative to Southampton at 93%, and the Isle of Wight at 79%. As of 2023, this means that the cities had higher rates of coverage relative to those found in England overall at 82%, while the Isle of Wight had a slightly lower rate of coverage. This implies that although there has been investment on the Isle of Wight to roll out full fibre broadband since 2021, further work is required to ensure coverage is comparable with elsewhere in England.

Looking at urban commercial premises, areas within the Solent Sub-Region have much better rates of coverage than the national levels, with 78% in Portsmouth, relative to 74% in Southampton, 70% on the Isle of Wight and 58% in England.

Turning to urban residential coverage, 96% of residential premises in Portsmouth, 94% in Southampton and 79% in the Isle of Wight have gigabit capable broadband coverage. Therefore, while the cities have a higher level of coverage than England (83%), the Isle of Wight lags behind at 79% of premises.

Finally, while rural residential coverage on the Isle of Wight is narrowly greater than that available in England at 46% relative to 45%, commercial coverage is worse at 25% relative to 31%.

Table 14 - Gigabit coverage by type of premises and settlement classification, 2023.

	Urban			Rural		
Location	**Commercial**	**Residential**	**Total**	**Commercial**	**Residential**	**Total**
Isle of Wight	70%	79%	79%	25%	46%	44%
Portsmouth	78%	96%	95%	-	-	-
Southampton	74%	94%	93%	-	-	-
England	58%	83%	82%	31%	45%	44%

Source: Ofcom, 2024

6.4 Key finding and trends

Summary

Transport Connectivity

- The proportion of the workforce using a bus to travel to work in the Solent Sub-Reion is 2% above national averages and 3% above regional average, showing the bus network as a major form of public transport in the area.
- The Solen Sub-Region has a larger proportion of households that do not own a car at all compared to national and regional averages, only 73% of household own at least 1 car or van in the sub-region compared to 83% in the South East and 76% in England.
- Southampton had the third highest number of passenger journeys on local bus services per head, when compared to similar authorities in the south of England, behind only Brighton and Hove and Reading. Portsmouth is one of the areas with the fewest bus journeys per head, closely followed by the Isle of Wight, perhaps indicating poor bus services in the areas.

Digital Connectivity:

- In 2023, Portsmouth had the highest rates of gigabit capable broadband coverage across all premises in urban areas at 95%, relative to Southampton at 93%, and the Isle of Wight at 79%. This means that the cities had higher rates of coverage relative to those found in England at 82%, while the Isle of Wight had a slightly lower rate of coverage.
- Looking at urban commercial premises, areas within the Solent Sub-Region have much better rates of coverage than the national levels, with 78% in Portsmouth, relative to 74% in Southampton, 70% on the Isle of Wight and 58% in England.
- 96% of urban residential premises in Portsmouth, 94% in Southampton and 79% in the Isle of Wight have gigabit capable broadband coverage, relative to 83% in England.

- While rural residential coverage on the Isle of Wight is narrowly greater than that available in England at 46% relative to 45%, commercial coverage is worse at 25% relative to 31%.

7 Visitor economy

7.1 Introduction

This section considers key characteristics of the Solent Sub-Region's visitor economy and provides comparison with wider regional and national comparators.

7.2 Employment

Table 14 highlights that the Isle of Wight is most dependent on its visitor economy, with 19% of its total employment being made up by employment in the visitor economy. This is significantly higher than that of the national and regional proportions, as well as that of the Solent Sub-Region counterparts and Sub-Region as a whole.

Table 15 – Percentage of Total Employment in the Visitor Economy, 2022

	Isle of Wight	Portsmouth	Southampton	Solent Sub-Region	Former Solent LEP Area	Hampshire and the Solent	South East	England	Great Britain
Visitor Economy Percentage of Total	19%	13%	11%	13%	12%	11%	11%	11%	11%

Source: BRES, 2024

7.3 Visitor Numbers

The table below shows the number of day visitors to areas within the Solent Sub-Region and the Sub-Region as a total[7]. Portsmouth receives the highest total number of day visits across the region by approximately 2 million per year. All 3 local authorities rank with the 100 highest for domestic day visits each year, with Portsmouth in the top 50, demonstrating the importance of domestic tourism to the area.

Table 16 – Domestic Day Visits to the Solent, average 2017-2019

	Day Visits (millions)
Isle Of Wight	5.45
Portsmouth	7.63
Southampton	5.19

[7] Due to differences in data collection and reporting across local authorities the most recent data on visitor numbers and spend available for all 3 local authorities is 2019. This is based on Visit England data from:
https://www.visitbritain.org/research-insights/england-domestic-overnight-trips-and-day-visits-subnational-data

Solent Sub-Region	18.27

Source: Visit England, 2024

Table 16 – shows the overnight visits to the Solent Sub-Region and associated geographies, these include domestic overnight and international overnight visits to the area. Approximately 50% of the trips to the region are for holidays, which is contributed to by the significant number (600,000) of holidays to the Isle of Wight. Holidays are the dominant reason for overnight trips to the Isle of Wight whereas Visiting Friends and Relatives (VFR) is the main reason for trips to both Southampton and Portsmouth. In contrast to day visit the Isle of Wight is the most visited destination when measuring overnight trips in the Solent Sub-Region.

Overall, similar to day visits the Solent Sub-Region receives a significant number of overnight visits each year, with the entire region being visited approximately 2 million times per annum for overnight trips. This presents the significance of overnight tourism to the area and a sector that should be supported in order to develop economic prosperity.

Table 17 – Overnight Visits to the Solent, average 2017-2019

	Holidays (millions)		VFR (millions)		Business (millions)		Total Overnight (millions)	
	Trips	Nights	Trips	Nights	Trips	Nights	Trips	Nights
Isle Of Wight	0.61	2.55	0.16	0.72	0.03	0.06	0.80	3.34
Portsmouth	0.24	0.65	0.25	0.68	0.11	0.21	0.59	1.54
Southampton	0.21	0.82	0.27	0.96	0.20	0.40	0.67	2.17
Solent Sub-Region	1.05	4.02	0.68	2.36	0.33	0.67	2.06	7.05

Source: Visit England, 2024

7.4 Visitor Spend and Economic Impact

Examining the total expenditure per year of visitors to the Solent Sub-Region shows the value of the visitor economy to the areas within the region. Domestic day visitors contribute approximately £775 million to the local economy of the Solent Sub-Region, which reflecting the number of visitors previously outlined is driven by visitors to Portsmouth.

Table 18 – Domestic Day Visits to the Solent, average 2017-2019

	Total Expenditure (millions)
Isle Of Wight	£142
Portsmouth	£363
Southampton	£270
Solent Sub-Region	£775

Source: Visit England, 2024

The spend of overnight visitors is outlined below. Of total spend of overnight visitors within the entire Solen Sub-Region 41% is from holidays to the Isle of Wight, at approximately £172 million not only is this a significant impact to the Isle of Wight economy this has substantial impact on the region as a whole. Holiday expenditure is the largest spend for all 3 areas, indicating that the value of holiday tourism is the greatest across overnight visits. As the highest value type of tourism this shows the strategic importance to the local economy and an area of focus to deliver growth.

Table 19 – Total Overnight Visitors to the Solent, average 2017-2019

	Holidays (millions)	VFR (millions)	Business (millions)	Total Overnight (millions)
Isle Of Wight	£172	£26	£9	£206
Portsmouth	£47	£24	£26	£97
Southampton	£47	£28	£42	£116
Solent Sub-Region	£265	£78	£76	£419

Source: Visit England, 2024

The total numbers for visitors across day and overnight visits are presented below, including the per year expenditure in each of the areas. In total the value of the visitor economy in Portsmouth is the greatest in the Solent Sub-Region, driven by the number of day visits to the area. Even including the significant value of holiday tourism the value of visitor expenditure on the Isle of Wight is still the least by approximately £40 million.

Day visits currently contribute the most to the economic impact of tourism in the Solent Sub-Region. However, the value per visit of overnight tourism is far greater, therefore the most efficient way to increase the value of the visitor economy is through the promotion of overnight visits specifically holidays[8].

Table 20 – Total Impact of Tourism, average 2017-2019

	Visits (millions)	Expenditure (millions)
Isle Of Wight	6.2	£348
Portsmouth	8.2	£460
Southampton	5.9	£386
Solent Sub-Region	20.3	£1,194

Source: Visit England, 2024

7.5 Key findings and trends

Summary

- The Isle of Wight visitor economy is responsible for the greater percentage of total employment out of the Solent local authorities at 19%.
- Across the entire sub-region the visitor economy makes up approximately 13% of total employment.
- Visitor expenditure in the Solent Sub-Region is approximately £1.2 billion per annum.

[8] Due to the age of the data and the effects of the COVID-19 Pandemic on the visitor economy current values are likely to only marginally differ from 2019 values. This is due to the recovery patterns seen in the sector across the UK.

- Portsmouth is the largest contributor to the visitor economy.

8 Higher Education Institutions

8.1 Introduction

This section considers key characteristics of higher education institutions in the Solent Sub-Region.

8.2 Background

The Solent Sub-Region is home to three universities spread across Southampton and Portsmouth, with approximately 60,000 students across the region:

The University of Southampton is ranked 14th in the UK[9] and 115th globally[10] and is a founding member of the prestigious Russell Group. It hosts six campuses across the city of Southampton, as well as campuses in Winchester and Malaysia.

- The University of Portsmouth is ranked 45th in the UK, with campuses across the cities of Portsmouth and London. The University dates back to 1908 but gained its university status in 1992.
- Solent University has its campus in Southampton city centre and was named as a university in 2005 after being incorporated as an independent higher education institution in 1989. It did not receive a rank for 2025.

8.3 Teaching Strengths

Data collected from the Complete University Guide Subject League Tables, where UK universities are ranked per subject based on entry standards, student satisfaction, research quality, continuation and graduate prospects, is presented in the tables below for universities in the Solent Sub-Region.

The tables indicate the top 10 ranked subjects for each university, in relation to all other UK universities which deliver that subject.

Table 20 indicates that the top 10 subjects for teaching quality at the University of Southampton all fall within the top 10 ranked nationally, indicating a high quality of teaching across the board at the University. The University of Southampton shows particularly high quality in the Science, Technology, Engineering and Mathematics (STEM) branches, with 5 engineering subjects falling into its top 10 ranked subjects.

Table 21 – Highest scoring Teaching Areas at the University of Southampton

Subject	Ranking
Physiotherapy	2
Aeronautical & Aerospace Engineering	4

[9] UK university rankings are according to Times Higher Education, 2025 Ranking
[10] QS World University Rankings, 2025 Ranking

Counselling Psychotherapy and Occupational Therapy	4
Manufacturing & Production engineering	4
Civil Engineering	5
Complementary Medicine	6
Electrical & Electronic Engineering	6
Linguistics	6
Archaeology	8
Mechanical Engineering	8

Source: The Complete University Guide, 2024

From Table 21 we see that in comparison to the University of Southampton, the best taught subjects at the University of Portsmouth fall more lower in the national ranks, with only 2 of its best taught subjects falling into the top 10 nationally.

The University of Portsmouth again appears to have the highest quality teaching for its STEM subjects, rather than humanities or arts.

All of the University of Portsmouth's top 10 taught subjects fall within the top 30 ranked nationally, indicating a high quality of teaching, despite falling slightly behind that of the University of Southampton.

Table 22 – Highest scoring Teaching Areas at the University of Portsmouth

Subject	Ranking
Forensic Science	7
Information Technology & Systems	9
Paramedic Science	12
Child & Youth Studies	13
Sports Science	17
Building	18
Manufacturing & Production Engineering	24
Medical Technology & Bioengineering	24
Social Work	25
Geology	26

Source: The Complete University Guide, 2024

Solent University is ranked lower nationally on teaching quality in comparison to the Universities of Southampton and Portsmouth, with only one of its subjects falling into the top 50 nationally.

The table below does indicate more of a variety of subjects falling into its best taught, with a mix of STEM, art and humanities subjects.

Table 23 – Highest scoring Teaching Areas at Solent University

Subject	Ranking
Architecture	39
Sports Science	51
Music	64
Social Work	65
Drama Dance & Cinematics	71
Mechanical Engineering	71
Biomedical Sciences	73
Nursing & Midwifery	74
Sociology	76
Marketing	78

Source: The Complete University Guide, 2024

8.4 Research Strengths

The research strengths of the Universities can be analysed using data from the Research Excellence Framework (REF) 2021. The framework assessed the research output of 157 UK higher education institutions across a broad range of subject areas. The institutions submitted approximately 1,900 pieces of research for review by 34 sub-panels made up of over 900 academic members and 220 research users. Research strengths were scored and placed in 5 categories from unclassified to 4-star research, with the highest category signifying world-leading research.

Below, the tables indicate the highest scoring areas of research at each of the universities in the Solent Sub-Region, focusing on the 3- and 4-star ratings for research. The Units of Assessment (UOA) have been ranked based on the percentage of 3- and 4-star ratings. The tables include the top 10 UOAs for each university. Note that Solent University only ranked in 3 subjects, all of which are included below.

Table 23Table 2324 – highlights the strength of the research carried out at the University of Southampton, particularly in the STEM subjects, but also with high ratings in some humanities fields such as Economics and Social Work and Policy. For the University of Southampton's top 10 ranked subjects for research, all have over 95% of 3- or 4-star scores for submitted research, indicating a very strong research department at the University.

Table 2324 – Highest Scoring Research areas at the University of Southampton, 2021

Unit Of Assessment Name	Percentage of Submitted Research Scoring 4 Stars	Percentage of Submitted Research Scoring 3 Stars	Percentage of Submitted Research Scoring 3 or 4 Stars
Mathematical Sciences	49	50	99
Earth Systems and Environmental Sciences	62	36	98

Chemistry	50	47	97
Computer Science and Informatics	62	35	97
Engineering	61	36	97
English Language and Literature	60	37	97
Allied Health Professions, Dentistry, Nursing and Pharmacy	61	35	96
Archaeology	61	35	96
Economics and Econometrics	24	72	96
Social Work and Social Policy	57	39	96

Source: REF, 2024

Table 2425 – again highlights the high quality of research carried out at the University of Portsmouth, in a range of subjects including STEM, humanities, sports, and arts. In particular, the table indicates that all of the physics research submitted from the University of Portsmouth is scored 3 or 4 stars, and it the highest quality research. For all UOAs at both the University of Southampton and the University of Portsmouth, the majority of their top 10 rated subjects for research fall into the 3- and 4-star categories.

Table 2425 – Highest Scoring Research Areas at the University of Portsmouth, 2021

Unit Of Assessment Name	Percentage of Submitted Research Scoring 4 Stars	Percentage of Submitted Research Scoring 3 Stars	Percentage of Submitted Research Scoring 3 or 4 Stars
Physics	58	42	100
Mathematical Sciences	18	77	95
Sport and Exercise Sciences, Leisure and Tourism	45	50	95
Allied Health Professions, Dentistry, Nursing and Pharmacy	25	65	90
Area Studies	41	43	84
Earth Systems and Environmental Sciences	27	55	82
Business and Management Studies	24	55	79
Social Work and Social Policy	18	60	78
Art and Design: History, Practice and Theory	32	39	71

Psychology, Psychiatry and Neuroscience	31	39	70

Source: REF, 2024

Table 2526 – above only contains the results for the 3 available UOAs, all of which have a half or less of its submitted research scoring 4 or 5 stars. For these subjects at Solent University, much of its submitted research falls into a lower scored category, indicated poorer quality research in comparison to the Universities of Southampton and Portsmouth.

Table 2526 – Highest Scoring Research Areas at Solent University, 2021

Unit Of Assessment Name	Percentage of Submitted Research Scoring 4 Stars	Percentage of Submitted Research Scoring 3 Stars	Percentage of Submitted Research Scoring 3 or 4 Stars
Sport and Exercise Sciences, Leisure and Tourism	8	42	50
Social Work and Social Policy	3	26	29
Communication, Cultural and Media Studies, Library and Information Management	5	18	23

Source: REF, 2024

8.5 Innovation Facilities

Using the Universities' websites, plans of past and future investments in new innovation facilities can be analysed. A brief detailing of the intended plans for development, as well as an expected completion date, are visible in the tables below for all 3 universities in the Solent Sub-Region.

Below, Table 2627 – details a series of investments in new STEM buildings for research and development purposes. This is in line with the University of Southampton's high-quality research in such fields, as per Table 23.

Table 2627 – Innovation Facilities at the University of Southampton

Investment/Funding	Time opened
Recruitment of Academics: appointing up to more than 180 new academics by 2025, part of triple helix initiative, particular focus on four key impact themes - artificial intelligence, sustainability and resilience, decarbonisation and engineering better health	Exp. 2025
£1.4m funding from Cancer Research UK to provide PhD places and post-doctorate training	Apr-24
£32m to launch two research centres to develop quantum computing and boost UK defence expertise, £18million EPSRC-funded Centre for Doctoral Training in Quantum Technology Engineering	Mar-24
Plans to launch two new centres to boost the UK's research and production of new semiconductor technology microchips, which power electrical items worldwide: mobiles	Announced Feb 2024

and computers to healthcare equipment, transportation systems, and clean energy technology	
Seven British universities, including the University of Southampton, secured £7m in support from the UK Research and Innovation (UKRI) Infrastructure Fund. Universities of Birmingham, Cardiff, Glasgow, Portsmouth, Southampton, Strathclyde and the West of Scotland	Dec-23
Flight Simulator funded by Boeing	Nov-23
Chemical Engineering Facilities, investment of £5.3million	Nov-22
Jubilee Sport and Recreation Centre extension, Part of £40m investment in sport, recreation and wellbeing facilities	Sep-24
University of Southampton Science Park incl. Innovation Centre & Science Centre. New engineering centre completed 2023	1983
Recruitment of Academics: appointing up to more than 180 new academics by 2025, part of triple helix initiative, particular focus on four key impact themes - artificial intelligence, sustainability and resilience, decarbonisation and engineering better health	Exp. 2025

Source: University of Southampton

Table 2728 – below highlights the University of Portsmouth's focus on delivering a vibrant and sustainable campus to it students, which is apparent by the investment in sustainable parking facilities, technology building and student hub, as a part of its £250 million investment strategy. Its investment in new sports facilities also mirrors the University's high rank of both teaching and research in the sports and heath fields.

Table 2728 – Innovation Facilities at the University of Portsmouth

Investment/Funding	Time opened
Portsmouth Elite Athlete Centre, supports teaching in School of Sport, Health & Exercise science	Exp. 2024
Student Hub*	Exp. 2026
Technology Building*	Exp. 2028
Teaching Laboratory Building*	Exp. 2027
Multi-Storey Car Park* - A sustainable mobility hub, with EV charging stations and creating better spaces for e-scooters, e-bikes and bikes	Exp. Jan 2025
Ravelin Sports Centre*	Mar-23

Source: The University of Portsmouth NOTE: Facilities which are marked with an asterisk are a part of plans to invest £250 million on the Portsmouth City Campus over 10 years.

Below, Table 2829 – summarises the investments undertaken by Solent University. Its high level of investment in the Sports Complex reflects that the University's highest quality of research is in this field, as well as a high level of teaching.

Solent University is also due to invest £7 million in a new teaching facility specialising in engineering, which falls as one of the University's highest ranked subjects for teaching.

Table 2829 – Innovation Facilities at Solent University

Investment/Funding	Time opened
Sports Complex, £28m spend as well as level of social value delivered by the entire project team with Solent University and Southampton City Council. The team donated 1,842 hours to support wider community projects, equal to a total contribution of around £18m.	Mar-19
Plans approved to deliver £7m teaching facility, will include a welding workshop, marine labs, and towing and stability tanks	Exp. 2025
£154,000 funding for apprenticeship development in Chartered Management	March. 2024
Permanent shop opened on main campus	Jan. 2024

Source: Solent University

8.6 Key findings and trends

Summary

- There are approximately 60,000 students who study across the Solent Sub-Region.
- The University of Southampton has teaching and research strengths in STEM subjects, specifically engineering.
- The University of Portsmouth has teaching and research strengths in STEM subjects, specifically medicine and medical technology.
- Solent University has teaching and research strengths in sports science and social work.

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