

# Solent Growth & Prosperity Strategy

Driving Productivity, Fuelling Prosperity, in Harmony with Nature



# Foreword

## **We are pleased to present our Solent Growth and Prosperity Strategy covering the three upper-tier local authorities of the Isle of Wight, Portsmouth and Southampton.**

This document sets out our ambitions, priorities and approaches to facilitating the growth of our local economy to create stability and prosperity. This is a joint strategy, which embodies the strategic alliance across our three upper-tier local authorities. In partnership we can better meet the pressing, Solent-specific challenges that we face - to secure a more productive, fairer, sustainable, inclusive and modern economy for the Solent sub-region and its residents. We have, together with our partners across all sectors, developed a strong and diverse evidence base of associated strategies and plans that contribute towards our vision for the future:

***The Solent's Economic Vision for 2050 - the vibrant coastal cities and picturesque landscapes of the Solent will be the most exciting maritime place to live, work, invest in and visit in Europe.***

This strategy articulates our ambition to improve collaboration and to maximise our collective leverage - to further develop a sustainable, high performing economy. We have established priorities around what we need to do to achieve those ambitions, which focus on unlocking our potential to deliver growth. The ten priorities identified in this document are considered of equal and matched importance to us - all are intrinsically linked and, fundamentally, are crucial to the success of each other.

This strategy is a framework for our future policy and investment decisions. It seeks to build upon our distinctive strengths and recognise our key challenges around the Solent. It will inform our conversations with government about how we work together to deliver the transformational change we need and create an environment that works for all our people, places and businesses - where no-one is left behind.



*Phil Jordan*

**Cllr Phil Jordan**

Leader, Isle of Wight Council



*Steve Pitt*

**Cllr Steve Pitt**

Leader, Portsmouth City Council



*Lorna Fielker*

**Cllr Lorna Fielker**

Leader, Southampton City Council

# Contents

<b>Executive Summary</b>	<b>4</b>
<b>1. Introduction</b>	<b>8</b>
1.1 Building on strategic momentum	10
1.2 Devolution	11
1.3 How was the SGPS developed?	11
<b>2. The Solent's Economy</b>	<b>12</b>
The Solent: Overview	13
The Solent has significant economic assets	13
And huge untapped economic potential	13
2.1 Growth forecasts	17
2.2 Key distinctiveness	18
2.3 Key challenges	19
<b>3. Vision for Growth</b>	<b>20</b>
3.1 The Solent in 2050	20
3.2 Enablers of Growth	20
3.3 Growth objectives	21
3.4 The Solent's priority sectors	22
3.5 Strategic framework for growth	22
<b>4. Priorities for Action</b>	<b>24</b>
4.1 Place	25
4.2 Our Place priorities	25
4.3 People	30
4.4 Our People priorities	30
4.5 Business	33
4.6 Our Business priorities	33
4.7 Collaboration priorities	35
4.8 Summary – Driving Productivity, Fuelling Prosperity, in Harmony with Nature	36
<b>5. Work with Investors</b>	<b>40</b>
5.1 Our focus of investment	40
5.2 Our approach	40
<b>6. The Solent's Asks</b>	<b>42</b>
6.1 The scale of the challenge cannot be underestimated	42
6.2 Opportunity for transformation and a future economy for all	42
6.3 Our asks of Government	43
6.4 Our offer – a positive Solent future	43

Autumn 2024

Prepared for:  
Isle of Wight Council,  
Portsmouth City  
Council and  
Southampton City  
Council

Prepared by:  
Stantec

Project/File:  
Solent Growth and  
Prosperity Strategy  
(Lot 1) 332611790

Revision:  
006

Description:  
6th Draft for Solent  
Growth Board

Author:  
DA - 27.11.24

Quality Check:  
GW - 27.11.24

Independant Review:  
SC - 27.11.24



# Executive Summary



## A distinctive Solent Growth and Prosperity Strategy (SGPS)

This SGPS has been developed by the three Solent UTLAs (Isle of Wight (IoW), Portsmouth City Council and Southampton City Council) to provide a positive future roadmap for economic growth and prosperity in the sub-region. The SGPS strongly aligns with the UK Industrial Strategy: UK Invest and it will support the UK Government's number one mission of 'kick-starting economic growth' as well as the other four missions.

## The Solent: A unique place with huge potential but some challenges

The Solent includes the unique island economy of the Isle of Wight and two urban hubs of Portsmouth and Southampton. The Solent has a range of distinctive strengths that can be built on to deliver significant economic growth and prosperity but also some challenges that need to be addressed to fully realise this potential:

### Solent's distinctive strengths

-  Strong economic sectors marine, technology and defence:
-  International gateway:
-  Universities and research:
-  Natural capital and great quality of life:
-  Culture and heritage:

### Solent's key challenges

-  Lack of good quality employment space and talent retention
-  Poor connectivity (ferries and public transport):
-  Climate change and biodiversity crisis:
-  Deprivation and Housing:
-  IoW Island challenges:

## The Solent's Economic Vision for 2050

*In 2050, the vibrant coastal cities and picturesque landscapes of the Solent will be the most exciting maritime place to live, work, invest in and visit in Europe.*

The Solent will be a modern, dynamic and well-connected place, it will be a confident, globally competitive, low-carbon and nature-positive economy, with a cluster of world leading firms and an ecosystem that supports innovation and attracts investment. It will be a highly sustainable, well-functioning and attractive place, with a fantastic quality of life, prosperous and skilled people ready to seize the economic opportunities of the future and drive productive growth.

## Key enablers of growth - Place, People and Business

The SGPS is a holistic economic strategy that seeks to directly address the key underlying enablers of productivity growth. These enablers of growth are:

### Place

The Solent's natural environment, infrastructure and built areas are critical ingredients in the area's future growth and prosperity.

### People

The Solent's people are central to achieving the economic Vision.

### Business

The Solent is a key global gateway and its business ecosystem will continue to be a strategically important economic engine of growth for the UK and the country's pre-eminent export port.



# A positive and specific strategic growth framework that addresses the Solent's distinctive opportunities and challenges



## SGPS 10 Priorities

-  **Housing and Regeneration**
-  **A 21st Century Transport System**
-  **Environment and Infrastructure**
-  **Innovation, Education and Skills**
-  **Reducing Health Inequalities**
-  **Innovation, Inward Investment and Business Support**
-  **Community Wealth Building**
-  **New Business Space**
-  **Brand and Marketing Strategy**
-  **Devolution Agenda opportunities**

## A successful SGPS will help deliver



**Increased productivity** – GVA increased by an estimated £9.9billion + and over 60,000 new jobs created by 2050



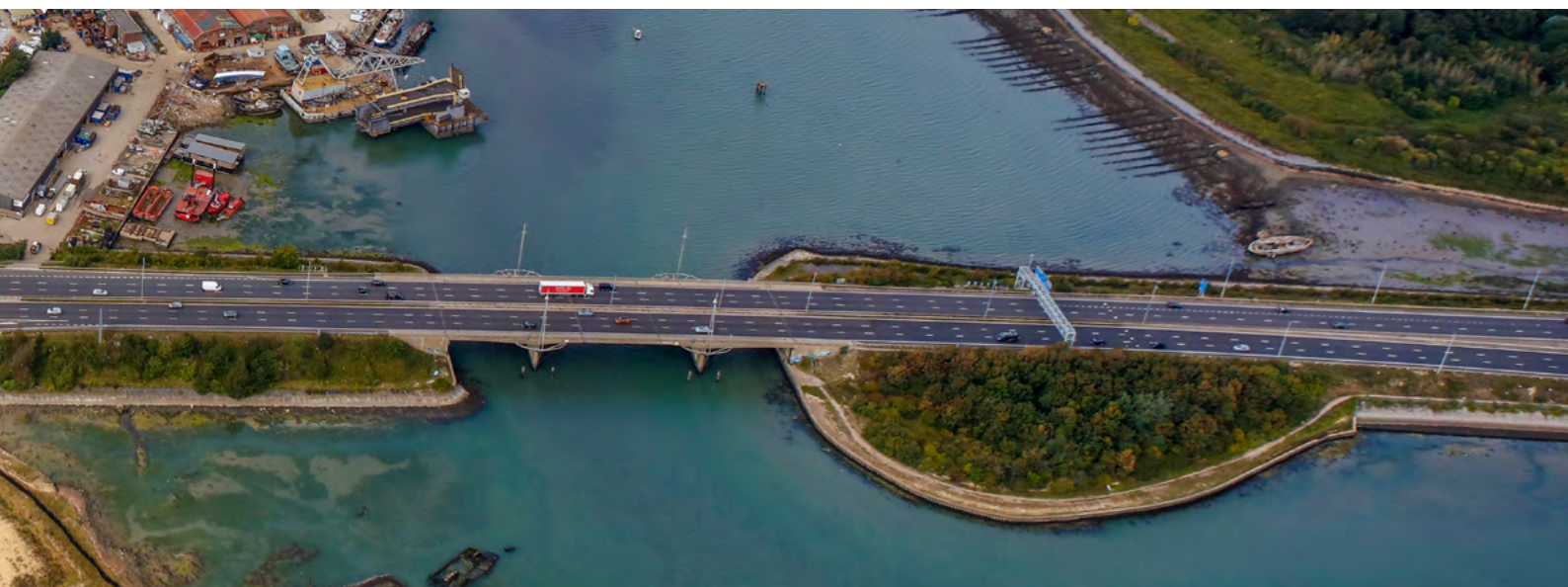
**Boosted priority sectors** such as advanced manufacturing, clean energy, creative industries, defence, digital and technologies and life sciences.



**Major regeneration and attractive and affordable housing** to help reduce deprivation and make a stronger more cohesive society



**Accelerated transition of the Solent economy to net-zero** and positively addressing the biodiversity emergency.





# 1. Introduction

*The Solent Growth and Prosperity Strategy (SGPS) represents a commitment from the three Upper Tier Local Authorities (UTLAs) of the Isle of Wight, Portsmouth and Southampton to harness the potential of the Solent sub-region to foster an environment where creativity and enterprise flourish, and where every resident can thrive. It is about building on our achievements and learning from our experiences to shape a strong sub-regional identity and economy that is dynamic, innovative, sustainable, and forward-looking.*

Growth in the Solent is good for the national economy and higher levels of investment and support from national government and agencies is overdue. Previous levels of investment do not match the scale of opportunity in the Solent, England's sixth largest conurbation and one with higher levels of productive output than equivalent sized conurbations. With its attractive coastal setting and scale of urban market, the Solent has potential to position itself as a dynamic and unique place to live, work, visit and invest along similar lines to the way cities like Edinburgh, Vancouver, Copenhagen, Seattle, Sydney and Barcelona have done over recent decades. The journey to becoming a globally-significant coastal conurbation able to attract residents, workers, visitors and investors has already begun, this revitalised growth ambition is designed to accelerate it.



Substantial economic and industrial restructuring has occurred throughout the UK in recent decades resulting in strong growth in some areas of the country and sectors of the economy while other areas have struggled with these changes. In London and the South East there has been widespread growth in the financial and business services sectors making these regions the prime economic drivers of the UK economy. Other regions in the Midlands, North and Southwest have not experienced the same degree of positive economic shift with many sub-regions still grappling with structural economic change. Although an integral part of the South East region, the Solent sub-region has an economic structure similar to counterpart areas in the Midlands and North with a larger manufacturing sector, smaller business services and financial sectors and a strong reliance on port and other marine-based activity. Processes of deindustrialisation have affected the Solent and the strength of some of its core sectors with higher-than-average productivity, mask underlying issues of sectors with lower productivity, weaker business dynamism and more sluggish labour market performance and issues related to areas of deprivation across the Solent. Recognising these underlying issues and tackling them as part of a new approach to Growth and Prosperity is critical to developing a new approach to inclusive economic growth in the Solent.

With so many vital ingredients for success the Solent sub-region is looking to build on its strengths and advantages, use public funding to create opportunities for investment, innovation, entrepreneurship and development so that the productive output of the sub-region increases year-on-year at a faster rate than the national average. This mission aligns strongly with the UK Government's 'Invest 2035: the UK's modern industrial strategy' which is looking to invest in cities and regions with growth potential. Delivering this level of growth will demonstrate ambition and encourage businesses and residents to move to the area and be part of the Solent's future growth. The attractive landscape and coastal environment provide the setting for a modern, advanced economy to flourish, delivering sustained levels of prosperity.



The SGPS aligns closely with all five of the Governments five missions for a better Britain:

### **Mission 1: Securing the Highest sustained growth in the G7**

The SGPS will help to kickstart economic and productivity growth across the Solent.

### **Mission 2: Making Britain a clean energy superpower**

The SGPS provides interventions that will nurture and grow the green energy sector in the Solent.

### **Mission 3: Building an NHS and Care System fit for the future**

The SGPS provides interventions that support the care sector in the Solent.

### **Mission 4: Making Britain's streets safe**

The SGPS provides interventions that help to address deprivation and make attractive places which will help reduce crime.

### **Mission 5: Break down barriers to opportunity**

The SGPS provides interventions that address inequality, boost social capital and enhance skills.

We believe that, in partnership, we can meet the pressing challenges of economic recovery and the Climate Emergency, to secure a more productive, fairer, sustainable, inclusive modern economy for the Solent sub-region and its citizens.

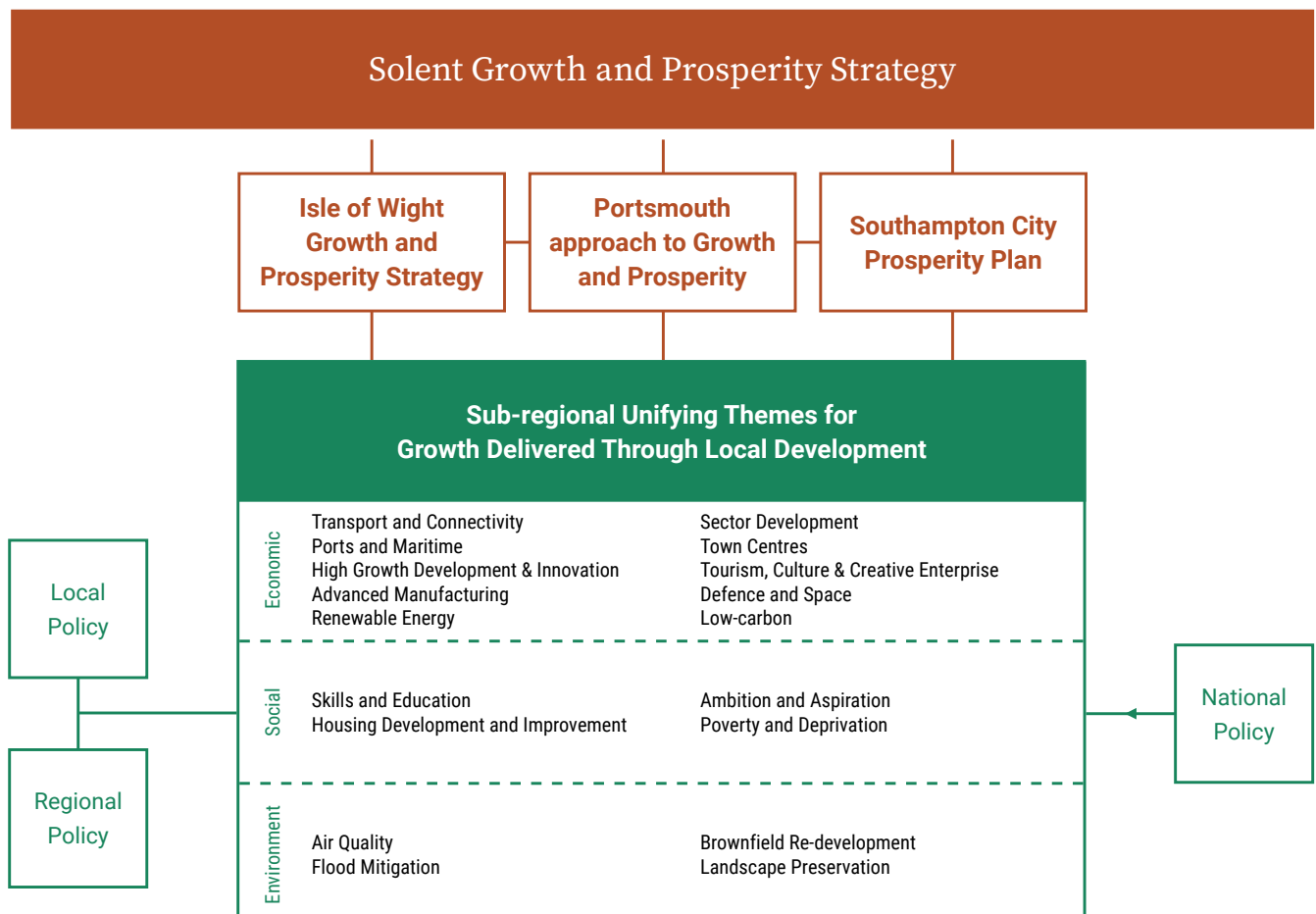


# 1.1 Building on strategic momentum

The three UTLAs of the Solent sub-region, and many of our vital partners across all sectors, have developed a strong and diverse evidence base of strategies and plans that contribute towards the vision for the future.



The SGPS is building upon, not replacing, these strategies and plans and sets out the future roadmap for economic growth and prosperity in the sub-region. The SGPS also has strong synergy with the associated Isle of Wight Growth and Prosperity Strategy and Southampton City Prosperity Plan. Portsmouth City Council will develop a local growth plan when further guidance is provided and this will integrate with the SGPS. This synergy creates an alignment between sub-regional objectives and priorities and delivery at the district level as shown in the following figure which sets out some of the sub-region’s unifying themes for growth that are threaded through this strategy and have been noted through the engagement work.



## 1.2 Devolution

Building on preceding strategy and policy work at the Solent level but having a sharper focus on the three UTLAs, this Strategy is produced at a time of political change in the UK. With devolution on the political agenda there is an opportunity for a greater amount of public investment decisions to be made locally in future and this Strategy provides a framework and pipeline of project proposals that can be implemented to support growth.

Located within the wider geography of Hampshire, the SGPS focuses on the three UTLAs at the heart of the Solent. Growth in these local authorities will be beneficial for the wider Solent, Hampshire and the South East due to trade and supply chains, labour market movements and housing market growth. With the Local Enterprise Partnership ceasing to exist from 1st April 2024 the time is right for a new Strategy to be produced building on existing work to steer the next phase of the area's economic growth. Given the complexity of the area's geography it is inevitable that some of the interventions, and their benefits, will be located outside the boundary of the three UTLAs.

The new Labour Government has stated its intention to push for more devolution across the country. In June 2024, it was noted<sup>1</sup> that devolution 'currently covers 48% of England's population, 54% of its economic output and 26% of the land area', a position that the new government is looking to increase in this parliament and a point reinforced in the UK Industrial Strategy Green Paper. With deals currently looking to be implemented in 2025 the scale of coverage could increase to 64% of population, 67% of economic output and 54% of land area.

Whilst the exact mechanics of devolution will likely be forthcoming in legislation following the English Devolution White Paper, it is certain to offer the opportunity of a new era of partnership working across the wider sub-region, with resources and powers to take decisions and deliver interventions locally. This Growth and Prosperity Strategy is a step towards strengthening the economy of the area and delivering prosperity for all.

## 1.3 How was the SGPS developed?

The SGPS has been developed through a combination of the following steps which has developed a locally nuanced approach to growth and prosperity for the sub-region.



### 1. Data Analysis

A wide range of socio-economic data was analysed  
(See separate Solent Socio-economic Baseline for further information)



### 2. Literature Review

Review of policies, strategies and evidence base documents  
(See separate Solent Literature Review for further information)



### 3. Extensive stakeholder engagement

A broad range of individual stakeholders at 50 different organisations were engaged  
(See Annex B for the stakeholder engagement process)

<sup>1</sup> Institute for Government, 21.06.24, [English devolution | Institute for Government](https://www.instituteforgovernment.org.uk/news/english-devolution)



## 2. The Solent's Economy



## National Context

The UK has experienced a period of economic stagnation in recent years. However, recent economic trends suggest that the UK economy is at a turning point, benefiting from the natural swings of the economic cycle as the worst of the current crisis is behind us.

Coinciding with this renewed sense of economic hope, the election of a new Labour Government in 2024 has placed **economic growth at the heart of the political agenda for the next five years**, which is reinforced in the Industrial Strategy Green Paper. One of the new government's top priorities is to kickstart economic growth with an aspirational goal of achieving the 'highest sustained growth in the G7'. To stimulate the national economy, all areas of the UK will need to contribute, and the Solent sub-region is ready to play its part.

## The Solent: Overview

Strategically located at the centre of the UK's south coast the Solent sub-region has a natural coastal geography that has drawn people, international commerce and innovation throughout history. Its connectivity, proximity to London, motorway networks, the Midlands and, via its ports, the rest of the world, are qualities that have helped shape the Solent sub-region as the UK's coastal powerhouse today. The blend of coastal and urban environments close to National Parks and National Landscape Areas is unique in the UK. At the urban core of the area is a highly productive, technology-focused economy wanting to grow and with great potential. The modern Solent is ready to deliver above national trend growth into the future and be a catalyst for coastal renaissance and economic dynamism unrivalled in the UK.

## The Solent has significant economic assets

The Solent sub-region is comprised of the unique island economy of the Isle of Wight and two urban hubs of Portsmouth and Southampton. This unique and contrasting geography of coastline, intensely urbanised and industrial land-use alongside world-class natural environments and landscapes (including the UNESCO designated Isle of Wight Biosphere) shape so much of the character of the economy, heritage and people, and sets the Solent apart from other areas in the UK.

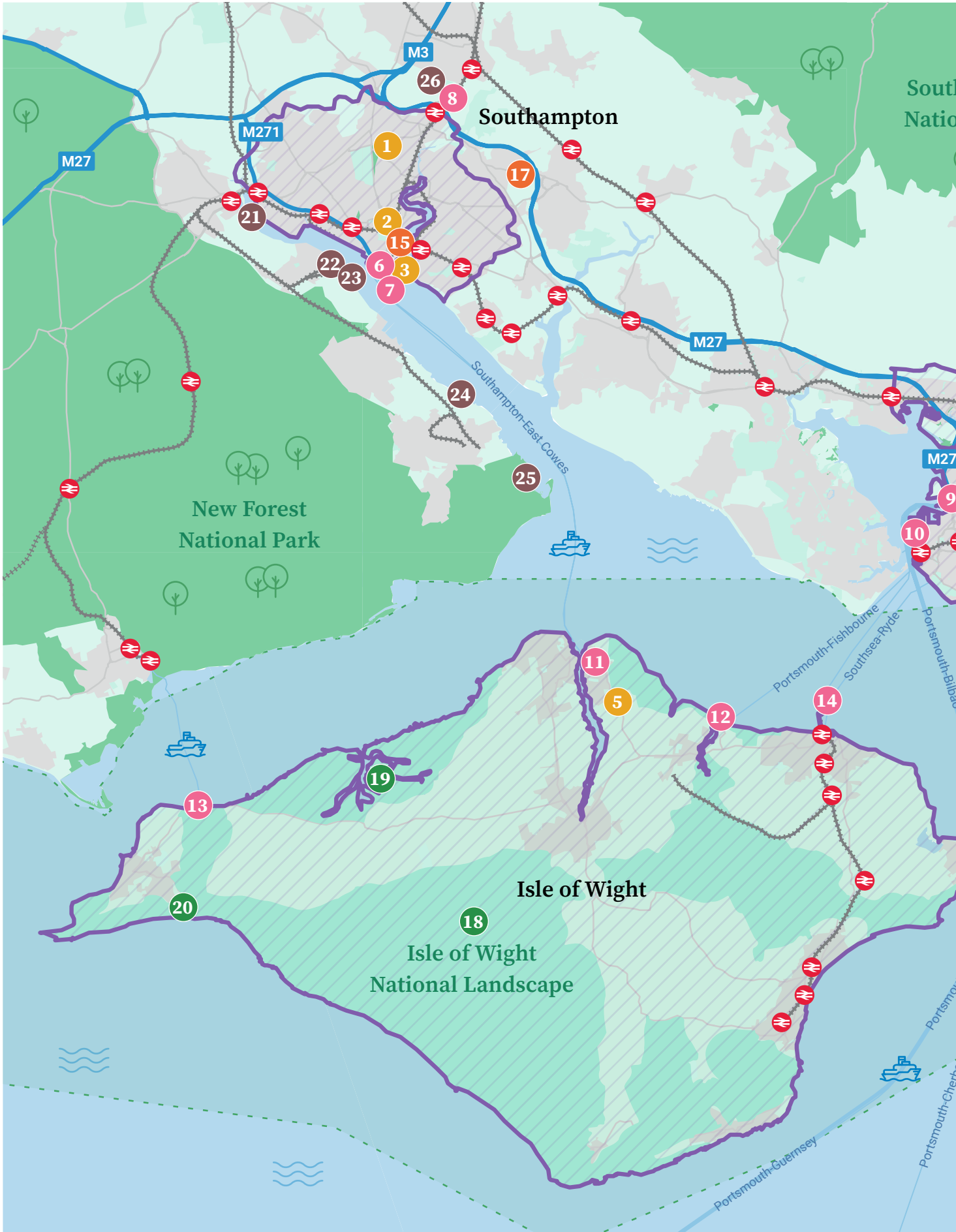
## And huge untapped economic potential

The sub-region's potential for further growth is huge. Its untapped opportunities and prospects provide a golden opportunity for continued growth and development to build on our existing strengths.

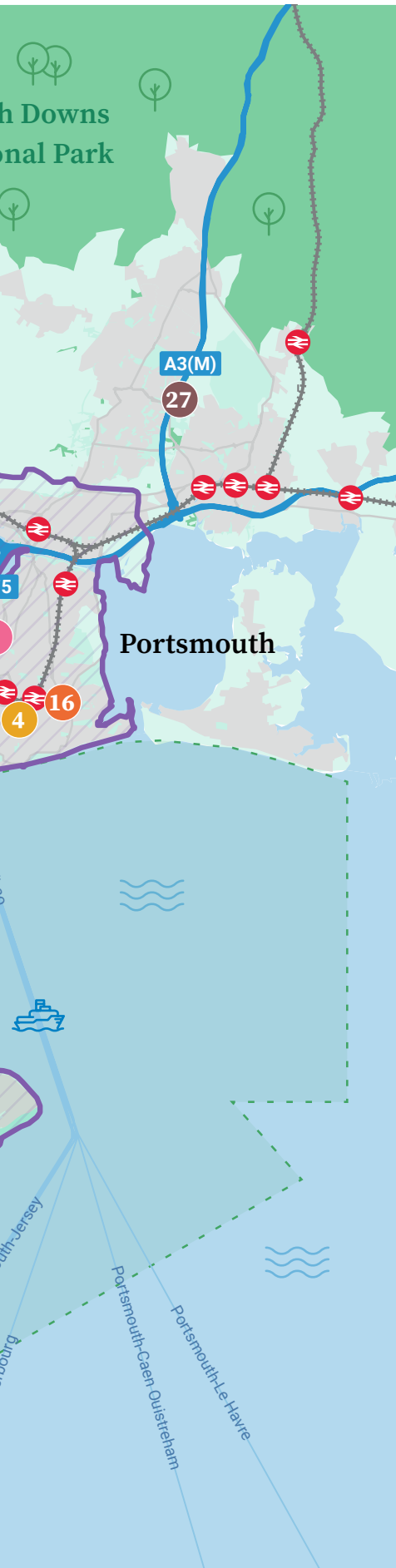
With strategic connectivity as a global trade gateway, the Solent's nationally significant ports positions it as a crucial hub for international commerce.

The area's appeal as a visitor destination, bolstered by the Isle of Wight's UNESCO Biosphere designation and the rich cultural heritage of Portsmouth and Southampton, enhances its attractiveness. These factors, combined with the presence of leading universities and centres of green industry and research, create a robust foundation for economic expansion.

We see the opportunity for growth as a catalyst, to boost sub-regional economic performance and to close the productivity gap with the rest of the high-performing South East. The key socio-economic and geographical features of the Solent are shown in the map and infographic below.







## Key

- UTLA Area
- Urban Areas
- National Landscape
- National Park
- Parks and Woodland
- Motorway
- Railway
- Ⓡ Railway Stations
- Isle of Wight Biosphere

## Innovation & Skills Assets

- 1 University of Southampton
- 2 Solent University
- 3 National Oceanography Centre
- 4 University of Portsmouth
- X Centre of Excellence for Composites, Advanced Manufacturing and Marine (CECMM)

## Transport & Infrastructure Assets

- 6 Port of Southampton
- 7 Queen Elizabeth II Cruise Terminal
- 8 Southampton Airport
- 9 Portsmouth International Port (Freeport Site)

- 10 Portsmouth Historic Dockyard
- 11 East Cowes Port
- 12 Fishbourne Terminal
- 13 Yarmouth Harbour
- 14 Ryde Pier Head

## Sports Venues

- 15 St Mary's Stadium
- 16 Fratton Park Stadium
- 17 Utilita Bowl

## Environmental Assets

- 18 National Landscape
- 19 National Trust – Newtown National Nature Reserve
- 20 National Trust – The Needles Headland

## Freeport Sites

- 21 Port of Southampton ABP-Redbridge
- 22 Southampton Water Solent Gateway
- 23 Port of Southampton ABP-Strategic Land Reserve
- 24 Southampton Water Exxonmobil
- 25 Southampton Fawley Waterside
- 26 Navigator Quarter
- 27 Dunsbury Park


## Place



**£370 million**  
Investment in facilities and innovation at Southampton, Portsmouth and Solent universities (2019-2035)

The 3 universities support 52,300 jobs (2018)


There are approximately 60,000 students in the Solent Sub-Region (2024)



**54%**  
Of resident's own their own homes as of 2021 (England 61%)

29% of these homes are owned outright (England 33%)

Average house price to earnings ratio range between 7.05 and 9.75 (2023)



**21**  
Railway stations across the Solent sub-region

13.7 million entries and exits at the stations per year (2022-2023)

The sub-region contains an AONB and a recognised UNESCO Biosphere


## People



**600,000**  
Residents in 2021

81% of the population are regarded as healthy (England 82%)

Proportion of people aged 18-35 exceeds the national average by 5%



**50%**  
Of residents 16+ Level 3 or 4 qualification (2023) (England 51%)

The percentage of the working age population with RQF4+ / NVQ4+ has increased by 20% since 2004

A decrease of 6% in the working age population with no qualifications



**274,000**  
People in Employment in 2022

Human health sector is the most specialised in terms of employment numbers

Economic activity rate of 79% 2023 (England 79%)

## Business



**£20.60 billion**  
Solent GVA in 2022

£4.4 billion worth of GVA generated by the 3 universities (2018)

GVA driven by output in the manufacturing and human health sectors (27% of total)



**£77.5 billion**  
Value of goods moving through the Ports in 2022

6.9 million ferry passengers passed through Portsmouth in 2022

1.5 million shipping containers are handled annual in the Port of Southampton



**16,000**  
Businesses classified as micro enterprises (2023)

17% of all businesses are in the wholesale and retail trade sector

98% of all businesses are micro or small in the Solent Sub-Region (England 98%)

## 2.1 Growth forecasts

Looking to the future, the Solent is expected to undergo substantial change based on local catalysts for growth and prosperity as well as wider regional, national and international events. Using Oxford Economics' forecasts<sup>2</sup>, **the total number of additional jobs in the Solent by 2050 is forecast to be 60,000.**

### Percentage Growth in the Working Age Population (2022-2050)



Solent Sub-Region = 4.1%  
South East = 5.9%  
UK = 8.1%

### Percentage Growth in Employment (2022-2050)



Solent Sub-Region = 19.8%  
South East = 21.6%  
UK = 19.6%

### Percentage Growth in GVA (2022-2050)



Solent Sub-Region = 48.0%  
South East = 54.7%  
UK = 51.8%



<sup>2</sup> Source: Oxford Economics databank for UK Local Authority Indicators. Note: 'Policy-off' so SGPS priorities not factored in.



## 2.2 Key distinctiveness

One of the Solent's key strengths is its distinctive and diverse economic base and strategically important role in international trade. Paired with strong national connections, it has an enviable location at the heart of the south coast in England's most productive region (South East) and has a unique twin city and island offer, serving as potential fuel for economic growth<sup>3</sup>.



### Marine, Maritime and Defence

The Solent supports a wide range of marine and maritime activities including sailing, port suppliers, specialised ship building, marine tech, events such as the International Boat Show, amongst many others. It also has a rich marine biodiversity and ecosystem. The region is also a front runner in marine research across the universities and hosts UK Navy bases and associated cluster of private sector defence firms. Key global Maritime institutions include Lloyds Register, Marine Coastguard Agency (MCA), National Oceanography Centre and major multi-national defence organisations like BAE Systems, Northrup Grumman and QinetiQ connected to the Naval Base at Portsmouth. Defence is a priority sector within the UK Government's Industrial Strategy 'Invest 2035'.



### International Gateway

The Solent sub-region is internationally connected through its ports, with Southampton's managing over 800,000 vehicles and over 700,000 cruise passengers annually, and Portsmouth's being the second busiest cross-channel passenger port after Dover. Alongside Southampton International Airport which offers flights to 17 locations domestically and overseas, these assets promote both trade and tourism for the Solent.



### Academic research

The Solent sub-region is home to three world class universities with c. 60,000 students, producing world-leading R&D and specialising in Maritime, Technology, and Engineering subjects.



### Natural capital

An Area of Outstanding Natural Beauty (AONB) and the designated UNESCO Biosphere on the Isle of Wight promotes sustainability, as well as National Parks nearby, including South Downs and New Forest.



### Culture and heritage

Southampton has a rich Roman heritage and thriving arts and music scene including the annual Southampton International Film Festival as well as hosting the International Boat Show, Britain's biggest boating festival. The Isle of Wight has renowned festivals such as the Isle of Wight Festival and Cowes Week held each summer since 1826, as well as stunning natural beauty. Portsmouth's Historic Dockyard, home to iconic ships like HMS Victory, has 500 years of naval history.

<sup>3</sup> All statistics and data referenced in this section is sourced from Appendix C: Baseline.

## 2.3 Key challenges

Despite its many unique attributes and strengths, the Solent sub-region also faces several key challenges to continued economic prosperity and productivity growth<sup>3</sup>.



### Lack of good quality, modern employment space in city centres

In particular, lack of office space and commercial property investment (relative to comparable cities) in the city centres prevents high value sectors, including professional and other future high-value occupations, from thriving within these areas.



### Talent retention

Many students choose not to remain in the region after graduation (88% are not retained from Portsmouth and Southampton Universities). Also, many skilled workers and small business owners in the Solent's specialised industrial sectors are approaching retirement age.



### Physical connectivity including ferries and public transport

The Solent sub-region's coastal geography, has faced significant urbanisation, with many developments over the past decades located poorly for access by any mode other than car. This can create barriers to efficient connectivity, resulting in high transport costs and lengthy journeys e.g. Isle of Wight ferries.



### Isle of Wight - Island challenges

Being an island not directly connected to the mainland means transport is expensive. This can affect GVA, create more limited employment opportunities and lead to low pay. Also, an aging population, deprivation and increasing unaffordable housing creates challenges.



### Climate change

Coastal erosion and flooding is the number one risk that the Solent sub-region faces, particularly when paired with the global challenge of climate change and rising sea levels. Also, the urbanised areas must tackle air quality through a process of decarbonisation.



### Deprivation

In Portsmouth, there are particular areas of deprivation in areas surrounding the city centre, as well as significant levels further north around the Cosham area. In Southampton, there are significant areas of deprivation around the Port area, as well as in the Redbridge and Millbrook neighbourhoods and in Harefield to the east of the city. On the Isle of Wight some of the settlements also have concentrations of deprivation.



### Housing

Affordable housing / housing delivery is a challenge both in terms of major schemes coming forward in the cities and on the Isle of Wight, and in some areas in terms of social housing / affordability. Housing affordability and delivery is an important factor in terms of talent retention, particularly in terms of good quality housing aligned with good quality jobs in urban areas to encourage city centre living.



### Trade reliance

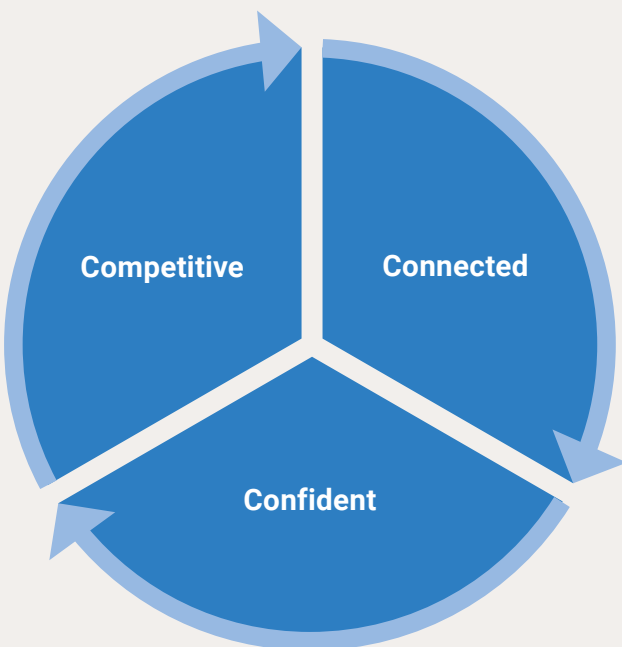
As both the home of major ports and exporting industries, the economy of Solent is susceptible to external shocks which impact international trade, such as potential tariffs imposed by the forthcoming US government.

# 3. Vision for Growth

## 3.1 The Solent in 2050

*In 2050, the vibrant coastal cities and picturesque landscapes of the Solent will be the most exciting maritime place to live, work, invest in and visit in Europe.*

*A modern, dynamic and well-connected place, it will be a confident, globally competitive, low-carbon and nature-positive economy, with a cluster of world leading Maritime, Technology and Green Economy firms and an ecosystem that supports innovation and attracts investment. It will be a highly sustainable, well-functioning and attractive place, with a fantastic quality of life, prosperous and skilled people ready to seize the economic opportunities of the future and drive productive growth.*



## 3.2 Enablers of Growth

Place

People

Business

The fundamental enablers of growth and productivity in the Solent are **Place, People and Business**. These three core factors provide a strategic framework to encourage and enable growth through a programme of targeted interventions that in combination will enable a **step-change in sustainable economic growth** across the Solent.

### Place

The Solent's natural environment, infrastructure and built areas are critical ingredients in the area's future growth and prosperity. The Solent's reinvigorated, energetic cities will be pioneers and engines of growth for the sub-region and home to a growing population in a mix of new and existing residential areas. These areas will be hotbeds of economic activity and innovation, helping to draw in investment and driving emerging sectors such as creative industries and new technology businesses, as well as drawing new visitors to grow already established foundational sectors such as the visitor economy. New rail, bus and active travel schemes will create a world-class transport system, connecting urban areas to surrounding towns and rural areas, expanding the labour market catchment for each city whilst reducing journey times, encouraging healthier lifestyles, reducing congestion and pollution, and addressing the climate emergency. The Solent's natural environment will be restored to boost productivity, deliver on our nature commitments, create jobs, improve quality of life and reduce nature-based risks.



## People

The Solent's people are central to achieving the Vision. The workforce will need to be fit, healthy, motivated and appropriately skilled to capitalise on the significant economic opportunities in the Solent by 2050. This will involve investment in workforce planning, skills development, learning and retraining, so our residents have the ability to adapt to rapid technological changes such as AI. It will involve ensuring all sections of society feel able to contribute and participate by tackling barriers to accessing employment and promoting inclusive growth throughout the sub-region.

## Business

The Solent is a key global gateway and will continue to be a strategically important economic engine of growth for the UK and the country's pre-eminent export port. The Solent economy and business environment will be supported by a range of interventions to help it grow stronger and more resilient. It will be diverse, connected, collaborative and innovative - conditions attractive for investors in a wide range of economic sectors including the Solent's traditionally strong maritime and marine, advanced manufacturing, space, defence and technology sectors – several of which feature in the Government's 'Invest 2035' Industrial Strategy - ensuring further agglomeration benefits among these business clusters are realised. The burgeoning cultural and creative sector, which is also referenced in the Industrial Strategy, will be given a strong 'helping hand' to allow it to continue to expand, attract and retain young people and provide a good complement to the more traditional technical specialisms of the Solent. The economic foundations in retail and neighbourhood services will also be supported so they continue to be strong and healthy. Traditional sectors such as transport and logistics, retail, visitor economy and health sectors will provide a solid bedrock and thousands of good quality jobs and services to the Solent's communities and economy.

Vision & Outcome	Place	People	Business
Better Housing	✓	✓	✓
Improved transport	✓	✓	✓
Resilient Infrastructure	✓	✓	✓
Enhanced Environment	✓	✓	✓
Business Support		✓	✓
Innovation & R&D		✓	✓
Skills and Retraining		✓	✓

## 3.3 Growth objectives

To achieve the Solent vision for 2050 the key objectives under each enabler of growth are:

### Place

The Solent will have a diverse range of housing and be well-connected, nature-rich, attractive and inclusive.

### People

The Solent's population will be prosperous, healthy and empowered to contribute to sustainable economic growth.

### Business

The Solent's economy will be internationally competitive, highly productive and innovative. Economic growth will match or exceed national levels. Public services and investment will be positioned to support growth and development so that prosperity can be secured.

### 3.4 The Solent's priority sectors

The SGPS targets the following economic sectors. Some of these sectors have a strong existing presence in the Solent economy, while others are emerging or have good potential to grow and support national and local policy objectives. These sectors have the best chance for enabling sustainable economic growth and productivity by building on existing strengths to build a stronger economic proposition. This does not mean other important employment sectors will be overlooked e.g. professional services such as financial services, legal and marketing. Specific interventions under the People, Place and Business enablers of growth in these core existing and emerging priority sectors, which have close alignment to the UK Government's Industrial Strategy 'Invest 2035':



**Marine and Maritime:** cross over into green economy, technology and international logistics sectors



**Green Energy:** Renewable Energy, Decarbonisation and Green-tech and Retro-fit.



**Technology:** Advanced Manufacturing, Marine-technology, Life sciences, Defence, Space, IT, AI



**Cultural, Creative and Visitor Economy:** Creative industries, Film, Heritage and Tourism



**Natural Capital and Nature Based Solutions:** Biosphere, SUDs



**Foundational Economy:** Transport, Logistics, Retail, Health and Social Care



### 3.5 Strategic framework for growth

The overarching strategic framework for growth and prosperity in the Solent is summarised in the diagram below. The strategic framework represents opportunities to build on the existing strengths of the Solent and create specialisms that can drive growth into the future and provide a flexible approach that is adaptable to opportunities and shifts in demand.





# 4. Priorities for Action



Image Credit: Portsmouth City Council

## 4.1 Place

### **Objective:** Connected, Nature-rich, attractive and inclusive

High quality infrastructure, environment and settlements are essential for supporting businesses, attracting new investment and visitors, maintaining a productive workforce and ensuring community cohesion and inclusiveness. Ensuring all these ingredients are in place will allow the Solent to continue to be an attractive place to live, work, study and visit.

The Solent is starting from a good position. It has many high-quality assets including a beautiful natural environment, vibrant and historic urban areas and a range of significant infrastructure assets including ports, ferries, strategic roads and motorways (e.g. M3, M27, M271 and M275), rail network, an international airport and power generation infrastructure (e.g. Marchwood Power Station).

However, there are also opportunities which will help to address some key challenges in the Solent, such as high deprivation experienced in some areas. If these are addressed, the Solent's full economic potential can be unlocked. These include a need to improve the Solent's housing stock, as well as scope to enhance the area's unique and attractive natural environment and biodiversity. Ensuring flood mitigation and coastal erosion schemes are brought forward will make communities more resilient. There is a need to increase use of public transport (rail and bus) by making it more effective and efficient and encourage more active travel to help reduce pressure on the Solent's road network and to improve public health and wellbeing. Investment in transport infrastructure is also required to unlock major development sites and there is a need to upgrade utilities infrastructure to ensure there is sufficient energy and water for occupiers.

## 4.2 Our Place priorities

The SGPS will prioritise the following interventions and actions to support future economic growth and prosperity in the Solent:



### **Good quality housing and regeneration**

To support the Solent's ambition to be one of the UK's most productive economies, attract new business investment and meet the needs of the area's growing population, the Solent needs a supply of good quality, well located, attractive, sustainable and affordable housing. It also needs urban environments that are attractive and function well. There is also an urgent need to address the significant deprivation that occurs in many of the Solent's core urban areas which is a drag on productivity.





## How will we achieve this?

**Regeneration of the Solent's cities and town centres.** This will provide a high-quality built environment, public realm, amenities and a suitable mix of sustainable, low-carbon, attractive housing developments in Southampton City Centre, Portsmouth City Centre and coastal towns on the Isle of Wight. The specific, detailed proposals are being developed in the evolving Southampton City Masterplan, Portsmouth City Centre Masterplan and the Isle of Wight Coastal Regeneration Programme.

**Provide higher levels of good quality, sustainable and reasonably priced housing for residents and workers and older persons extra care housing.**

Better quality and more affordable housing is proven to make workers and residents happier, more productive and gives them greater amounts of disposable income that can be reinvested in the local economy<sup>4</sup>. To help enable this, increased levels of partnership working, including setting up a new delivery forum – Solent Housing, will be explored between the Solent's housing associations, health and social care partnerships, developers and local authorities (equivalent examples include Greater Manchester Housing Providers [Home - GMHP \(gmhousing.co.uk\)](http://Home-GMHP(gmhousing.co.uk))). This will help to identify needs, signpost home seekers and investors, align local planning policies, Council and Housing Association capital investment programmes, coordinate future funding applications and direct Central Government/ Homes England grants. Economies of scale can be achieved by acting at a Solent-wide scale and this could help reduce costs and drive-up the quality and quantity of affordable housing delivery e.g. through procuring and delivering innovative solutions such as modular housing and collective negotiating of mitigation measures. Also, to deal with an ageing and shrinking population (particularly issues on the Isle of Wight), investment in innovative technologies such as SMART care homes which might include elements like service robots, integrated AI applications and remote healthcare monitoring.

## Our Asks of Government

Aligning with the draft evolving Hampshire and Solent Devolution Deal proposals for a Single Pot Investment Fund & Housing Delivery Fund, alongside a strategic partnership with MHCLG & Homes England. Also increased business rate retention and precept powers to enable the raising of levies that would help fund the following elements:

- Approximately £50m funding for enabling infrastructure and remediation work at Tipner West.
- Funding and support for enabling infrastructure and land as required to enable delivery of development proposals in the Southampton Masterplan, Portsmouth Masterplan and IOW Regeneration Programme.
- Funding and support to explore setting up Solent Housing. The joint venture would act as a Limited Liability Partnership (LLP) with a defined investment from each housing association and defined contribution from the Government in return for an equity stake in the joint venture. The housing associations would own the remaining equity stake. The partnership would act as a commercial developer, buying land and securing planning permission to build and sell land on the open market. Affordable housing built through s106 would be handed over to registered providers. Any profits would be reinvested or distributed among the housing associations.

<sup>4</sup> [How does the housing market affect UK productivity? - Economics Observatory: https://www.economicsobservatory.com/how-does-the-housing-market-affect-uk-productivity](https://www.economicsobservatory.com/how-does-the-housing-market-affect-uk-productivity)





## Transport: A 21st Century Sustainable Transport System

The Solent needs a good quality transport system bringing it into line with other conurbations. It is essential for making the local economy more productive and for attracting investment. Environmental factors, cost constraints and net-zero commitments mean that expanding capacity on the Solent's road network is not a realistic long-term solution. Most of the biggest opportunities to expand capacity on the strategic road network, such as the M27 Smart Motorway, have already been taken up. By some measures, Southampton and Portsmouth are two of the most congested in the country, and based on current growth assumptions, capacity on the strategic road network (i.e. M27 etc.) will be breached in the next 10-15 years, making it critical to increase public transport use and modal shift. The SGPS therefore sets out a plan for a more sustainable transport system in the Solent. This will help to connect workers to jobs, businesses to customers and supply chains and will have positive health and environmental benefits through reduced congestion, lower journey times and reduced carbon impacts.

### How will we achieve this?

#### **Rail: Increase the frequency of local rail services between Portsmouth and Southampton and at intermediate stations between the cities and provide additional Rail Freight Capacity.**

Passenger rail frequency within the Solent will be improved from approximately 1 train an hour to 2 trains an hour at all stations in the short term (2040), with a longer-term aspiration to increase frequency to a 'metro-like' level of 4 trains an hour if practical (2050). Also, additional rail freight capacity will be provided. This is essential to take pressure off the road network and will spur further economies of agglomeration. To help achieve this a range of rail network enhancement projects are required including platform alterations, passing loops and timetabling changes. The specific proposals are set out in Transport for the South East Strategic Investment Plan (TFSE SIP) (2023) and Solent Transport Prospectus (2024) and have been discussed with Network Rail. Through the SGPS we request that improvements are expedited more quickly – by 2030 or earlier – to support growth and development.

**Ferries: Reduce costs and improve Isle of Wight ferry service reliability:** Stakeholders have identified significant issues with the current ferry service between the Isle of Wight, Portsmouth and Southampton that if addressed could have positive economic effects for the Solent. The services are increasingly unaffordable to many users and there are issues of poor service reliability. The first step is to conduct an objective feasibility study that explores options with UK Government departments and local stakeholders.

**Mass Transit/Buses: A range of mass transit (i.e. bus) interventions for shorter journeys of 1 to 5 miles journeys will be delivered** to help take pressure off roads, connect new developments and reduce the local transport network's carbon footprint. A range of mass transit projects are set out in the TFSE SIP and Solent Transport Prospectus. These include development of Strategic Mobility Hub (including airport, rail, park and ride, bus service and active travel) to enable multi-modal journeys between a range of locations across the Solent. Also, enhancements to better connect Portsmouth with its travel to work area are being promoted through the South East Hants Rapid Transit (SEHRT) scheme, which aims to build on enhancements delivered in recent years through increases in bus priority, service frequencies, operation hours etc, to reduce journey and wait times.

**Active Travel (Walking and Cycling): A range of new safe and attractive active travel routes across the Solent will be provided and encouraged.** This will encourage people to avoid car travel for short journeys and help sustainability objectives and increase the health and wellbeing of the Solent's population. The package of specific projects is set out in the TFSE SIP and respective Council's Local Cycling and Walking Infrastructure Plans (LCWIPs).

**Innovative Transport Solutions: Expand the existing Solent Future Transport Zone (FTZ pilot),** funded by a £28.8m grant from the Department for Transport (DfT) is providing innovative solutions for more efficient and sustainable logistics and public transport journeys. For example, rental e-bikes and e-scooters, demand responsive travel, drones for medical deliveries and mobility credits for people on low income. The Breeze App, one of the most developed "mobility as a service" apps in existence in the UK at present, was an innovation delivered through the FTZ. The SGPS will build on this momentum and scale up the FTZ to enhance and spread these benefits which will help to boost Solent-wide economic growth, productivity, reduce carbon footprint and increase health and wellbeing.

**Road: Support road infrastructure required to unlock key Freeport sites and Solent-wide strategic economic growth.** While the key SGPS transport priorities relate to sustainable transport modal shift, there is still a need to ensure the Solent's roads are fit for purpose and support the area's economy. An example of a key road infrastructure project required to unlock the Solent Freeport sites on Southampton Water such as Fawley Waterside, is capacity enhancements including dualling in certain locations of the A326 in New Forest District Council's area. This project is critical to unlocking an estimated 6,700 new jobs and c£3billion of private sector investment at the Freeport site.

## Our Asks of Government

- **Multiyear consolidated settlements & Strategic Partnership with DfT & National Highways to provide funding and support for the following rail projects as set out in the Solent Transport Prospectus and TFSE SIP: Southampton Central Station redevelopment and associated works, improvements to infrastructure and service on the Netley and Botley lines identified through the Solent Rail Connectivity business case, improved rail connectivity to London and other key destinations, and additional freight capacity.**
- **Funding and support for the Strategic Mobility Hub and bus rapid transit network enhancements to connect Portsmouth and Southampton to their travel-to-work areas including by increased bus service frequency.**
- **National Government to continue supporting the A326 capacity enhancements as this is critical to unlock the Solent Freeport sites.**
- **A more consistent pipeline of, and greater quantities of, capital funding to deliver local walking and cycling network improvements, to support digital and innovation projects on the transport network such as more integrated ticketing, emerging transport modes and EV infrastructure.**



## Natural Environment and Resilient Infrastructure

Productive and growing economies of the future will need appropriate and fit-for-purpose utilities and services such as power, water and digital infrastructure. They also need an enhanced and resilient natural environment and infrastructure such as flood defences, waste/circular economy and green infrastructure to address the climate and biodiversity emergencies and help the Solent comply with Environment Act Targets and commitments to the Global Biodiversity Framework. The SGPS sets out proposals that will help to ensure the Solent's economy is supported by adequate infrastructure.

### How will we achieve this?

**Infrastructure: Fast-track the delivery of critical enabling infrastructure to underpin productivity growth and resilience:** Including the following critical infrastructure:

- **Energy: Fast-tracking electrical grid reinforcements to unlock key economic growth sites, help in decarbonising the Solent including its bus fleet and improving air quality in Clean Air Zones (CAZ):** It is essential the Solent's electrical grid is reinforced to ensure the correct capacity is provided in the right places to meet the Solent's future economic needs. This will involve investigating ways of working with District Network Operators (DNOs), Developers, National Grid, The UK Government and Great British Energy to deliver strategic network reinforcement projects and fast-track high priority schemes. This could also include providing electrical capacity to Portsmouth and Southampton Ports to enable electrification of shipping to improve air quality in the CAZs. Also, renewable energy projects to provide clean energy generation and new Green Energy sector jobs, for instance, the Solent Cluster projects e.g. Carbon Capture/Green Hydrogen and Sustainable Aviation Fuel (SAF) schemes and a fund for assessing and advancing innovative schemes such as the Perpetuus Tidal Energy Centre (PTEC) and a public call for other similar innovative renewable energy schemes.

- **Digital: Mobile and data (gigabit) connectivity:** We will work towards ensuring that new developments have the best possible full-fibre digital infrastructure. Also, currently badly connected rural areas will aim to be provided with full-fibre digital infrastructure. New data centres supported, through future funding bids and a streamlined planning process, where they are required to underpin the priority growth sectors.
- **Waste/Circular economy:** The Solent will assess ways of ensuring the area has a state of the art 'circular economy' infrastructure to provide new energy sources, help the region decarbonise, reduce waste, create new jobs and reduce public spending. This includes delivery of the Materials Recovery Facility (MRF) at Eastleigh (The MRF is estimated to save £2.3m p.a. in Council waste and recycling bills).
- **Flood Defence and Resilience:** Delivery of new flood mitigation schemes will be explored to help provide protection and resilience from tidal flooding to the Solent's coastline. This includes the River Itchen Flood Alleviation Schemes in Southampton, the Southsea and North Portsea Coastal Schemes in Portsmouth and the Isle of Wight Coastal Defence Schemes.

**Environment: Protect and enhance the Solent's beautiful natural environment to benefit its residents, visitors, businesses and workers:** The Solent partners will work to ensure the area has an effective, strategic green growth framework by setting up a key strategic body unifying and integrating the work of the Hampshire and Isle of Wight Local Nature Recovery Strategy (LNRS) areas, or adding responsibilities to existing Solent-wide strategic organisations, to oversee and deliver key green growth projects and initiatives. This could include working with the responsible bodies to help deliver LNRS actions and integrate with initiatives to attract private sector investment in nature-based solutions. This body would also promote investment in new green infrastructure to help ensure local economic resilience, health and improve productivity, such as new parks. To assess the potential location and scope of new green infrastructure (such as parks) a comprehensive climate and nature risk study, spatial dataset and investment planning tool will be created. This will help quantify areas of the Solent natural environment most at risk, including the predicted exposure and risks to businesses in the region, and the quantum and location of land needed to meet mitigation requirements.

**Nature Based Solutions (NbS) and Green Infrastructure:** To help reverse the erosion of the Solent's biodiversity and natural capital, improve the quality of life for residents and visitors and create economic opportunities by mitigating development, innovative NbS projects will be delivered. These NbS projects build on the Solent's national reputation and extensive experience delivering pioneering biodiversity mitigation and enhancement projects e.g. Solent Nutrient Market Pilot and Hampshire and Isle of Wight Wildlife Trust strategic mitigation projects. The NbS schemes include:

- Utilising the appetite for ESG based Taskforce on Nature-related Financial Disclosures (TNFD) and increasing corporate investment in nature, and the opportunities for the Solent and to be a regional leader in delivery.
- Investigate opportunities to introduce a Strategic Environmental Mitigation and Recovery Fund and Delivery Scheme (SEMARF) for the Solent area, piloting an environmental net gain approach at scale, in order to deliver multiple environmental benefits and vital improvement to the region's natural capital stocks. This could include enhancements to the coastal and marine environment. Governance of the fund and scheme should be run through a partnership approach between NGOs, local agencies and authorities, building on examples of successful green growth partnerships across the UK.

## Our Asks of Government

- Approve and enable approximately £45m of borrowing required to deliver the MRV recycling centre at Eastleigh.
- Provide funding and support for Strategic Flood Schemes.
- Approximately £20m long-term loan finance for a Strategic Environmental Mitigation and Recovery Fund and Delivery Scheme (SEMARF). This will be repaid by crowding in private sector investment over c20 years.



## 4.3 People

### Objective: Confident, Prosperous and Healthy

The Solent's people are central to achieving the aspiration of delivering a globally competitive region. Economic forecasts identify that the Solent region will generate 60,000 new jobs by 2050. It is essential that the region's people can provide the labour force and skills needed by these jobs to drive the economy forward supported by the Solent's schools, education providers and the globally competitive teaching and research strengths within its universities. There is an opportunity to build on recent investments such as the Solent Institute of Technology and the CECAMM Centre at Isle of Wight College to allow the Solent's people to gain the skills and qualifications demanded by the priority sectors identified in this strategy and close the attainment gap for high levels skills with the South East region and England.

Compared to regional averages, the Solent's unemployment rate is relatively high, additionally, the economic activity rate also lags behind. This emphasises the need for a renewed focus on the challenges people face in taking advantage of the opportunities available within Solent's growth and foundational sectors. These include increasing awareness of future opportunities generated within the Solent economy; the need to raise aspirations amongst young people and support adults who are outside of the labour market to improve their employability skills; and overcome often complex barriers to entering work such as poor physical and mental health – the largest cause of economic inactivity within the Solent's working age population.

## 4.4 Our People priorities

The SGPS will prioritise the following people-based interventions to allow the Solent's people to harness opportunities in the future economy:



### Education, innovation and skills investment

The SGPS sets out a range of interventions to enable the up-skilling, retraining and capacity raising of the Solent's population, so it is equipped to capitalise on the significant economic opportunities in priority growth sectors and wider foundational economy. This will build on Solent's existing thriving higher and further education environment in its three modern universities, centres of excellence and outstanding colleges.

### How will we achieve this?

**Expand and strengthen higher education provision across the Solent:** The Solent region benefits from strengths across three higher education institutions as well as a University Centre at the Isle of Wight College. There are opportunities to strengthen the Solent's higher education offer through the following interventions. These opportunities will be investigated:

- **An enhanced university offer on the Isle of Wight** - An expansion of the Isle of Wight University Centre which offers higher education teaching facilitated through the University of Portsmouth by developing a multiversity including a dedicated student accommodation offer and the presence of research expertise on the island. Strengthening the higher education offer will raise aspirations; attract and retain young people to the Solent; and increase qualifications and skills required by the Solent's key sectors.

- **Centre for Maritime Innovation** – Building on the Solent’s sectoral strengths a Centre for Maritime Innovation will support aspirations to develop a globally leading maritime sector. The Centre could provide a test bed facility to drive, prove and evaluate zero carbon tech green maritime technologies and operations, linked to existing academic research strengths. The centre would drive the economy and create jobs including providing a skills programme at all levels from apprenticeships through to PhDs.
- **Expand the UKRI AI Trustworthy Autonomous Systems Hub (tas.ac.uk)** – Providing the local business environment with the infrastructure (power and connectivity) to adopt emerging AI applications will offer productivity benefits to industry and attract more high value businesses and jobs to the Solent. There is a link to an opportunity to develop data centres in the sub-region to build on the existing foothold that Solent has in AI.
- **A strategic approach to labour and workforce planning** – The demand for skills and qualifications within the Solent economy will inevitably change during the lifetime of this strategy. Keeping ahead of these changes will mean that Solent residents have access to skills provision that provides a pathway into areas of employment demand across all areas of the economy including high growth and foundational sectors. A strategic approach to workforce planning, building on the Solent Local Skills Improvement Plan (LSIP), involves an ongoing review of supply and demand mapping of the future demand for skills within the Solent’s priority sectors. It would assess demand for skills against skills supply. This strategic workforce planning could be led by SSAB to inform co-ordination of the skills system, employer engagement and careers advice across the Solent.

**Strategic Solent wide approach to skills planning and investment** – The Solent region has an opportunity to deliver nationally significant levels of economic and productivity growth that will provide opportunities to drive up employment and increase prosperity for the Solent’s people, driven by a co-ordinated approach to the planning and commissioning of employment and skills provision. Specific proposals include:

- **Investigate establishing a Solent Skills Advisory Board (SSAB)** – Building on the success of the previous Solent LEP Skills Advisory Panel, this pan Solent Advisory Board will be instrumental in the strategic co-ordination and planning of skills interventions across the Solent that meet the future skills needs of priority sectors and provide the support needed to ensure local residents can access opportunities within the economy. The SSAB would be employer led and strengthen the link between employers, colleges, universities and the public sector. It would lead on supply and demand matching, co-ordinate strategic planning and secure investment in the Solent’s skills system.

**Investigate developing an Adult Education strategy for the Solent** – Engaging adults in education will support retraining of working age adults to secure employment and provide positive role models for young people. A strategic approach to adult education is timely given budget constraints mean a co-ordinated and efficient approach to adult education is essential. An agreed Adult Education strategy would also support potential opportunities to take greater control of the adult skills agenda locally by designing provision that meets the needs of Solent’s people and employers.

**A Solent Good Employment Charter** – Good employment boosts worker morale, motivation and improves retention rates. It is essential for economic and productivity growth. A Solent Good Employment Charter is a key tool to promote a Solent economy that is both inclusive and diverse. Equivalents have been set up and perceived to be successful in Greater Manchester and West of England<sup>56</sup>. The charter will be open to all employers across the region on a voluntary basis to support recruitment and retention and raise the standards of employment across the Solent. Such standards would include areas such as pay, security, wellbeing and management. It will be led by the region’s anchor institutions with a particular focus on the foundational economic sectors.

<sup>5</sup> [The Charter | GM Good Employment Charter](#)

<sup>6</sup> [The West of England Good Employment Charter | Home](#)

### Explore innovative solutions to reverse the trend of declining numbers of young people in the Isle of Wight:

Population forecast data shows a concerning trend of declining numbers of young people on the Isle of Wight. A strategy will be developed to explore options to reverse this trend. The elements set out at Priority 1: Housing will help to address this issue. In addition, it could include initiatives such as investing in subsidised childcare and incentivising young families working in the healthcare sector to locate to the Isle of Wight.

#### Our Asks of Government

- Provide funding and support for the Solent Skills Advisory Board, to develop an adult education strategy and explore innovative options for reversing decline of young people on the Isle of Wight.
- Provide funding and support for the Centre for Maritime Innovation.



### Reducing health inequalities - getting people back to work

Reducing health inequalities and improving public health will not only help the people affected, it will also help the wider Solent economy by empowering people to get back to work thereby increasing regional prosperity. Raising the general health, wellbeing and life expectancy of an area has been linked in numerous health studies to improved economic productivity<sup>7</sup>. The SGPS contains a range of priorities that will help to improve health outcomes for the Solent's population, particularly those suffering from health inequalities, many of whom live in the Solent's most deprived areas. These initiatives include placemaking projects, job creation and upskilling.

### How will we achieve this?

**Expand and strengthen higher education provision across the Solent:** The Solent region benefits from strengths across three higher education institutions as well as a University Centre at the Isle of Wight College. There are opportunities to strengthen the Solent's higher education offer through the following interventions. These opportunities will be investigated:

- **Reducing health inequalities through delivery of the Solent Fairer Action Plan:** This would set out a strategy for how to target resources and interventions that will improve health and inclusive outcomes for deprived communities and reduce inequalities. Comparable action plans have been produced and implemented by the Scottish Government<sup>8</sup> and Manchester City Council<sup>9</sup>.
- **Explore innovative solutions that address health related barriers to employment and support young people:** Embedding lessons learnt into all future delivery including innovative solutions in the local commissioning of employment support services supporting residents to overcome poor health, particularly mental health and anxiety, via any future devolution deal to support.
- **Promoting sustainable, inclusive economic growth, job creation and improvements to built and natural environment and infrastructure through the SGPS:** Delivery of the SGPS itself is a key vehicle for improving health outcomes for the Solent's population by getting people back to work and improving the health and wellbeing of the Solent's population.
- **Funding to support upskilling and unemployment support** to work with the long-term unemployed across the Solent to help them back to work.

#### Our Asks of Government

- Funding to support upskilling and unemployment support to get long-term unemployed back to work

<sup>7</sup> [bma-valeting-health-report-final-web-oct-2022.pdf](https://www.bma-valeting-health-report-final-web-oct-2022.pdf)

<sup>8</sup> <https://www.gov.scot/publications/fairer-scotland-action-plan/>

<sup>9</sup> [https://www.manchester.gov.uk/downloads/download/7496/making\\_manchester\\_fairer\\_plan](https://www.manchester.gov.uk/downloads/download/7496/making_manchester_fairer_plan)



## 4.5 Business

### Objective: Competitive, Productive and Innovative

Businesses can drive job creation, generate significant revenue through taxes, and foster innovation, competitiveness and productivity growth. A thriving business base contributes to community development and economic resilience, making the local economy more robust against downturns.

The Solent has a number of strong industries including marine/maritime, defence, technology, cultural and creative as well as businesses within the foundational economy sectors such as health and social care and the visitor economy. These businesses make a valuable contribution to the wider South East and UK economy, but there are opportunities to increase productivity and business development further to increase economic opportunities and living standards. This requires adequate support that is easily accessible for businesses that align with the future of the Solent economy to form and grow. Building on successful existing inward investment initiatives to attract significant levels of new investment both from UK and global investors to set up businesses in the Solent is another important way to boost the local business base and increase productivity. Finally, it also requires physical space (of the right type, size and quality) to enable businesses to thrive and expand in the Solent. By enabling local businesses to start and scale-up, whilst also attracting further investment, the Solent partners can assist business to create a cycle of growth, productivity enhancements and prosperity that benefits communities across the sub-region.

## 4.6 Our Business priorities

The SGPS will prioritise the following interventions and actions to support future economic growth and prosperity in the Solent:



### **Innovation, research and development (R&D) investment, inward investment and business support**

It is well known that there are significant economic benefits to stimulating innovative activity. It is seen as a pre-requisite to long term economic development and underpins a large proportion of productivity growth. In order to fully embrace innovation, close collaboration is necessary within the Solent as well as building close relationships between the public and private sector whilst embracing the academic assets Solent has in

furthering knowledge transfer and technology development. This can help the Solent's technology sectors such as advanced manufacturing, life sciences, marine and space. The first two of these are specifically referenced as priority sectors in the UK Government's Industrial Strategy.

### **How will we achieve this?**

**Support innovation-led business growth** – Explore opportunities to work with Universities in the Solent sub-region to explore ways to encourage innovation-led business growth, for example by setting up technology test beds or innovation districts, enabling projects and opportunities for innovation and knowledge exchange within key growth sectors such as space, marine, advanced manufacturing and green energy, for example the Centre for Green Maritime Innovation.

**Maximise Solent Freeport opportunities** - By providing tax incentives and simplified regulations, the Solent Freeport has the opportunity to boost export led growth, building on the Solent's current and historic role as the UK's gateway to the world. The Freeport can attract investment in new technologies and innovative businesses, leading to the creation of high value direct and supply chain jobs and the development of new industries across the Solent sub-region. There are several investment sites available in the freeport zone, such as the Fawley Waterside employment area and the Navigator Quarter adjacent to Southampton Airport which can deliver job growth but may need additional investment to bring the sites forward. The priorities set out in the SGPS will help to bring forward

**A Solent wide coordinated approach to promote Inward Investment, including Foreign Direct Investment (FDI):** This could include updating the Solent Inward Investment Strategy, aligning with the evolving UK Industrial Strategy. Setting up a dedicated Solent Inward Investment team that could attend trade shows, run exhibitions and events to attract investors and network globally through established British networks and trade missions will be explored. A good equivalent example overseas could be BremenInvest in Germany<sup>10</sup>.

**Providing excellent business support:** By offering resources such as financial assistance, mentorship, training, and networking opportunities, partners can help businesses overcome challenges, innovate, and expand, ultimately empowering them to thrive and contribute to the economy. Building on the good work currently undertaken by the likes of Shaping Portsmouth, Solent Business and Skills Solutions among others, support can be amended to suit particular policy objectives, for example reviewing how to best support businesses in their transition to net-zero, addressing biodiversity risks and ESG objectives or amending programmes to reflect the specific needs of certain types of firms such as social businesses.

## Our Asks of Government

- Provide funding and support e.g. UKSPF or equivalent – to support business support activities as current levels of council core funding cannot support these activities.



## Partnerships to increase Community Wealth Building

The Solent also has a wide number of anchor institutions (organisations deeply rooted in place such as organisations in local government, further/higher education and health) that between them will spend hundreds of millions of pounds each year within their supply chains. Good work is being done to encourage more local and social small businesses to bid for public sector contracts, but this work can be expanded by being applied across the whole of the Solent. This will expand opportunities for these businesses and maximise employment opportunities, ensuring this spend and the growth it creates benefits in the communities across the Solent that have the highest need, such as deprived areas east of Portsmouth Naval Base and north of the Port of Southampton.

### How will we achieve this?

**Explore the development of anchor institution networks** - Across the country anchor institutions networks are achieving change by working collaboratively to provide innovative solutions to address long standing inequalities and create tangible opportunities for local people and businesses. Anchors across the Solent can build upon the good foundations of networks such as the Southampton Renaissance Board to act collectively in areas such as procurement, workforce, land or pension investments to maximise the opportunities for local and social businesses. Initiatives such as the 'Solent Pound' scheme could also be explored.

**Explore Solent-wide approaches to social value** - Social value within public procurement enables disadvantaged communities to benefit from economic growth. Yet this process is often cited by businesses as complex, varying between neighbouring local authorities, and especially inaccessible for small, local and/or social businesses. Maximising the social benefits of the sizeable economic opportunities across the Solent, especially among its most disadvantaged communities, requires the process to be enacted (and where it exists, simplified) across the sub-region. Solent anchor institutions could follow the approach taken by several other sub-regions across the country by pursuing a collective approach to defining, measuring, evaluating social value, for example through a Solent-wide Social Value Framework.

<sup>10</sup> <https://www.wfb-bremen.de/en/page/bremeninvest-start>

## Our Asks of Government

- Provide funding and support to set up Anchor Institution Network / Network Co-ordinator (i.e. Network Co-ordinator, as per the Birmingham Anchor Network model).



## Business Space

Having enough business space, of the right quality and quantity in the right locations is a pre-requisite of long-term growth. This encompasses a huge variety of different spaces and developments, including but not exclusive to spaces for local office-based and industrial-based start-ups (including incubator spaces), spaces for these firms to scale up their operations, as well as 'grade A' offices and industrial sites suited to firms external to the Solent looking to invest in the sub-region.

### How will we achieve this?

**Explore development of a Solent-wide business space analysis** – Understanding the exact requirements for the types of business space across the sub-region is the first step in delivering the business space that will enable growth and prosperity. This should be done at a sub-regional scale to reflect the economic linkages of the sub-region.

**Support key business space developments** – Support will be provided to high-profile developments (such as Tipner West), Freeport opportunities (such as Navigator Quarter) and Medina Studios on the Isle of Wight, that have employment space at their core, to help ensure these developments come to realisation and underpin long term growth in the sub-region.

**New Grade A Office and flexible employment space provided in Solent city centres and towns:** New high quality office space and flexible employment space will aim to be provided in the Isle of Wight, Portsmouth and Southampton City and Town Centres to meet business needs. The type, scale and locations of this new employment space will be set out in the Portsmouth and Southampton City Centre Masterplans. Also, Isle of Wight planning and regeneration frameworks.

## Our Asks of Government

- Provide funding and support to enable delivery of Innovation Districts across the Solent.
- Provide funding and support to set up a Solent-wide Inward Investment organisation to allow them to set up events and attend trade conferences.

## 4.7 Collaboration priorities

### Objective: A Clear Solent Identity and One Team Promoting It

A wide range of stakeholders have suggested that a relative lack of collaboration and a strong unified voice in the Solent has historically held back the area from effectively leveraging its highly valuable assets and receiving public funding to address its challenges. Stakeholders commented that this has deterred private sector investment and has meant the Solent's has ultimately failed to achieve its full potential. However, the SGPS marks a turning point with significant measures to create and market a strong Solent brand to the world spoken with a single unified voice.



### Enhancing and Marketing the Solent Brand

The Solent is a complex, highly interesting and historic place but to help attract investment it could benefit from defining a distinctive, easy to understand Solent brand that is recognised around the world.

### How will we achieve this?

**Marketing and Brand Strategy:** Assess options to develop a distinctive Solent brand and marketing strategy and integrate with wider strategies and partnerships so everyone is 'playing for the same team'. Part of this is ensuring employment sites are brought forward with FDI and indigenous investment considered and able to influence how the site is marketed and promoted to.

Explore opportunities to work with Visit England to develop a unified Local Visitor Economy Partnership (LVEP) and data collection process to ensure the Solent and Isle of Wight area is covered by a LVEP and is collecting data consistently and using that data to market the Solent effectively and be eligible for funding from Visit England.

## Maximise opportunities for the Solent from the Government's Devolution Agenda

Considering options for a Combined Authority as part of the Government's devolution agenda could introduce devolved powers and decision making at the local level as well as increasing the allocation of resources from the national level to the Combined Authority. This could unify the area around its core economic strengths and areas of potential while providing a focus for concerted marketing, branding, place promotion and investment programmes around infrastructure, skills, economic growth and future funding bids.

### Our Asks of Government

- Provide funding and support for setting up a Solent Local Visitor Economy Partnership (LVEP) to coordinate visitor economy improvement and promotion activities.
- Engage in dialogue with the Solent UTLAs to discuss positive devolution options that will help to maximise the economic opportunities for the Solent and wider UK's benefit.

## 4.8 Summary – Driving Productivity, Fuelling Prosperity, in Harmony with Nature

In summary, the 10 key SGPS priorities that will help **enable a 'Step-Change' growth and prosperity in the Solent** are as follows:

### Place

- Quality Housing and Regeneration
- A 21st Century Transport System
- Enhanced Natural Environment and Resilient Infrastructure

### People

- Major Innovation, Education and Skills Investment
- Reducing Health Inequalities: Getting People Back to Work

### Business

- Innovation, R&D, Inward Investment and Business Support
- Business and Community Wealth Building Partnerships
- New Fit for Purpose Business Space

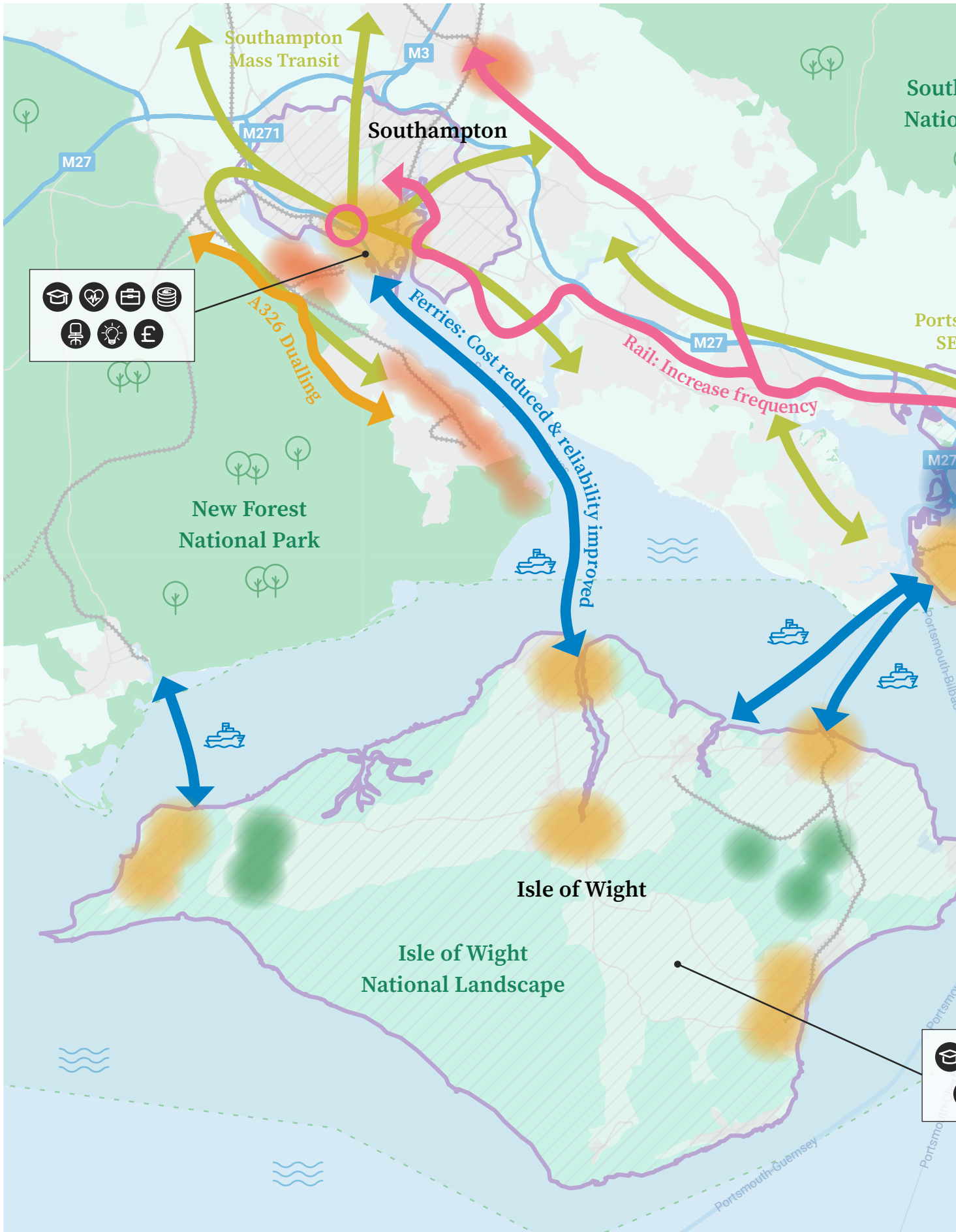
### Collaboration

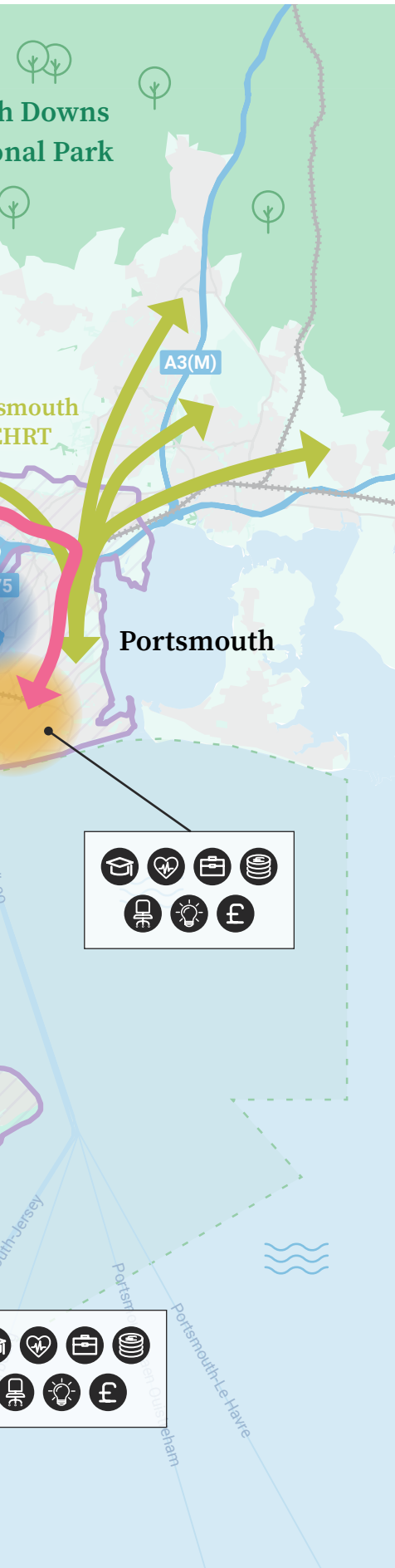
- Unified Solent Brand and Marketing Strategy
- Maximise opportunities from the Government's Devolution Agenda





Image Credit: Sea Dog Print Shop





**Key**

- UTLA Area
- Urban Areas
- National Landscape
- National Park
- Parks and Woodland
- Motorway
- Railway
- ⚓ Railway Stations
- Isle of Wight Biosphere

**Housing and Regeneration**

- Regeneration Areas
- Tipner West Major Site

**A 21st Century Transport System**

- Southampton Station Improvements
- ➔ Mass Transit
- ➔ Ferry Service Improvements
- ➔ Increased Frequency Rail Services

**Environment and Infrastructure**

- Nature Based Solutions Projects (indicative locations)

**Innovation, Education and Skills** 🎓

**Reducing Health Inequalities** ❤️

**Innovation and Business Support** 💼

**Community Wealth Building** 💰

**New Business Space** 🏢

**Unified Solent Brand** 💡

**Devolution Agenda** £



# 5. Work with Investors

## 5.1 Our focus of investment

Meeting the core challenges impacting the Solent sub-region will require considerable effort and new ways of working. It will also require significant and new investment. This investment will be a mix of public and private, covering three broad areas:

### Our People:

- Focusing on improving health and raising skills so that people can realise their potential and live productive lives.
- Supporting entrepreneurs to allow them to develop their businesses and establish new ones, creating employment opportunities as they do.
- Working with businesses to encourage them to grow and develop their labour force to support the business as well as the individual.

### Our Communities:

- Enhancing the social, economic and physical infrastructure of our most deprived communities.
- Reactivating our unrealised assets.
- Decarbonising our infrastructure and building the climate resilience of our places.
- Delivering new homes for families to grow and be part of our community.

### Our Business Base:

- Supporting businesses to invest in R&D.
- Working with partners on a programme that focuses on expanding our High Growth sectors to support innovation-led growth.
- Attracting Inward Investment including FDI
- Establishing a fund for investing in the foundational economy.

## 5.2 Our approach

### 5.2.1 Making the case

We will take a rigorous data based and evidence-led approach to making the case for all forms of investment and change by identifying the economic, financial, environmental and social opportunities within our emerging programmes and projects. The SGPS is a live document and will be updated periodically. The SGPS sits alongside the suite of sub-regional documents designed to deliver change and complements them by bringing economic growth to the fore as part of an approach that delivers prosperity for all in the sub-region. There is a lot to do, and strong case-making is essential to secure the scale of resources required to deliver the change that is needed.

### 5.2.2 Reviewing and refining our investment eco-system

Working with partners, we will review the investment eco-system across the Solent sub-region. This will include a review of our institutional investment networks to find opportunities to increase the value of private sector led investments in our business base. Enhanced clarity on the role of the public sector and the private sector in delivering growth in the future is an important first step in creating more attractive conditions for investment in the sub-region.

To achieve ambitious growth and support a range of projects the Solent sub-region requires substantive support from national government. This public investment will be used to provide the infrastructure, buildings and support services that are essential for the private sector to deliver growth in terms of new housing, new business premises and, importantly, new jobs and opportunities for skills development. An important aspect to consider moving forwards which differs from previous strategies and plans of this nature is the requirement for growth and development to



support creation of revenue streams that can bolster local authority resources enabling them to drive further growth in the future. For example, this includes additional revenue from Council Tax receipts as housing growth is delivered and could include a future bedroom tax to generate revenue from the millions of visitors to the area each year. Other innovative ways of generating revenue will be considered and best practice drawn upon from other places as this strategy is delivered. The public sector is keen to invest in projects throughout the Solent to:

- Enhance economic development and productivity growth through new business formation, foreign direct investment, business inter-trading, new jobs and a more diverse economy.
- Deliver schemes that cannot be supported by the market including public transport, libraries, green and blue infrastructure improvements; active travel routes and work to enhance natural capital and air quality.
- Support achievement of sustainability and environmental goals.
- Create conditions where the private sector is attracted to invest and continue investing over the longer term to support growth and development for example by improving electricity supply or delivering access roads for key sites.

Private sector investment will only be attracted where there is confidence in the scope to:

- Diversify a portfolio and enhance resilience in investments without taking unnecessary risks with investor funds.
- Enhance income streams by maximising the value achieved from assets.
- Capitalise on rising property values and sustained market interest in an area.

Working together the public and private sectors can share risks, accelerate scheme development, deliver a more sustainable outcome and deliver social benefit to communities through the provision of new homes and jobs in a pleasant environment. The public sector needs to clearly show where investment opportunities are proposed and provide confidence that the vision set out in the strategy will be supported by a proactive and responsive approach from public agencies. This strategy is an important step in demonstrating the potential in the Solent sub-region for the public and private sector to work together delivering growth locally, sub-regionally, regionally and nationally.

### 5.2.3 Working with funders

Delivering all our sub-regional ambitions will require billions of pounds of investment in infrastructure. This will require new and innovative funding and delivery mechanisms to deliver at the scale required. We will facilitate and steer broader inward investment, as well as seeking private sector partners to find the right investment and delivery mechanisms to meet the Solent sub-region's vision and key priorities. Our strategy reflects the need for funding and investment across a spectrum of activities from skills and training and business support, through to land and property, new business floorspace and infrastructure upgrades to ensure our modern sub-region is well connected and open for business. We will require funding from multiple agencies and funding programmes for which we are determined to make strong cases for investment. We want to deliver against the objectives of our government partners to support growth that benefits the nation.

To get to the position where the Solent sub-region is delivering growth above the national average for a sustained period is our fundamental objective. To do this, we require partnerships with the private sector so that housing can be delivered along with space for innovation and business. We want to work in unison with private sector partners and will be hosting events to present our opportunities and generate interest. We want open dialogue with the private sector so that we can jointly shape opportunities that lead to mutually beneficial schemes being brought forward. As part of the reinvigorated approach to growth and prosperity in the sub-region we will transform our public services that support the development sector so they are more responsive and can deliver advice, guidance and permits quickly so that schemes can progress and growth arise quicker to the benefit of everyone.

### 5.2.4 Action Plan

Given the size of the Solent, its challenges, opportunities and the ambition of the SGPS, delivering the strategy will be complicated. Because of that, an Action Plan has been developed, which contains major activities to deliver each of the key priority projects and interventions listed in the SGPS. The SGPS action plan is provided at Annex A.

## 6. The Solent's Asks

---

### 6.1 The scale of the challenge cannot be underestimated











Addressing the core challenges impacting the Solent will, by their nature, be difficult. Despite being the key maritime gateway to the UK, the sub-region has some of the most deprived communities in the country. It is for this reason that the sub-region has set up such an ambitious vision and key priorities to ensure future growth and prosperity. It is also why the sub-region will be taking such innovative approaches to programme delivery.

### 6.2 Opportunity for transformation and a future economy for all

The Solent sub-region has the attributes to allow it to address its challenges. Whether it is the resilience of its residents, the scale of its further and higher education services, or its emerging start up community, the human, economic, social, and environmental assets are there. But help is needed to bring the Solent sub-region's attributes together to work for all. The levers to deliver this do not all sit at the local and regional levels. With the right support (organisational and financial) the Solent sub-region can forge a new economy. One that is truly inclusive, one that innovates to achieve its productivity potential, and one that has embraced the need to reach net-zero. In doing so, the Solent can level up internally and externally, so it takes its place amongst the UK's most prosperous sub-regions.

## 6.3 Our asks of Government

The indicative asks of Government are as follows:

Priority	Short Term (0-5y)	Med-Long Term (6-30y)	Total
 Housing and Regeneration	c.£30m	c.£50m	c.£80m
 Transport	c.£200m	c.£250m	c.£450m
 Nature-Positive Infrastructure	c.£25m	c.£40m	c.£65m
 Skills and Innovation Investment	c.£20m	c.£20m	c.£40m
 Reducing Health Inequalities	c.£5m	c.£5m	c.£10m
 R&D and Business Support	c.£10m	c.£10m	c.£20m
 Community Wealth Building	c.£5m	c.£5m	c.£10m
 New Business Space	c.£25m	c.£25m	c.£50m
 Solent Brand and Marketing	c.£2m	c.£3m	c.£5m
 Devolution Opportunities	c.£2m	c.£3m	c.£5m
<b>Total (indicative estimates)</b>	<b>c.£324m</b>	<b>c.£411m</b>	<b>c.£735m</b>

## 6.4 Our offer – a positive Solent future

This SGPS has set out a comprehensive range of priorities that if delivered successfully will help to transform the Solent's economy and society for the better. This will support the UK Government's number one mission of 'kick-starting economic growth' as well as supporting the other four missions. The SGPS also aligns with the Economic Strategy for Hampshire (2025-27). In summary, a successful SGPS will offer the following major benefits:

- Productivity increased – GVA increased by an estimated £9.9billion + and over 60,000 new jobs created by 2050.
- Growth of nationally important priority sectors such as advanced manufacturing, clean energy, creative industries, defence, digital and technologies and life sciences. This aligns strongly with the objectives of the UK Industrial Strategy Invest 2035.
- Major regeneration of the Solent's city and town centres, and significant levels of new attractive and affordable housing provided. This will help reduce deprivation and make a stronger, more resilient and cohesive society across the Solent.
- Accelerated transition of the Solent economy to net-zero and positively addressing the biodiversity emergency with a range of new nature-based solution and habitat restoration schemes.



---

Stantec is a global leader in sustainable architecture, engineering, and environmental consulting. The diverse perspectives of our partners and interested parties drive us to think beyond what's previously been done on critical issues like climate change, digital transformation, and future-proofing our cities and infrastructure. We innovate at the intersection of community, creativity, and client relationships to advance communities everywhere, so that together we can redefine what's possible.