

## **Economic Development Strategy**

PUSH is The Partnership for Urban South Hampshire. It is made up of 11 local government councils from the South Hampshire region and covers the cities of Southampton and Portsmouth; the boroughs of Eastleigh, Fareham, Gosport and Havant; and parts of East Hampshire, New Forest, Test Valley and Winchester and Hampshire County Council.

These councils are working closely with other public organisations and the private sector to make South Hampshire more prosperous and attractive with a better standard of living and quality of life for those living and working in the region. Making South Hampshire's economy stronger is central to achieving this objective. This document highlights the key points in PUSH's *Economic Development Strategy*. The strategy details how the organisation's policies will help create the right conditions so that the region's economy can grow significantly over the next twenty years.

### **Recent economic performance**

Between 2000 and 2006, South Hampshire's economy grew at a slower rate than that of the South East region as a whole, although it was still ahead of the national growth rate. PUSH intends to introduce policies that can help create the right conditions for boosting the region's employment rate, levels of enterprise and innovative drive. In this way, the region's economy can be stimulated to grow at a greater rate than it has done traditionally.

PUSH's strategy adopts ambitious economic growth rate targets, and the government has given it extra money to help the region achieve them. PUSH is also looking for further complementary funding and investment from the public and private sectors. Whilst the targets are ambitious, they are not detrimental to either the environment or the population's standard of living. PUSH's strategy covers the next twenty years and is designed to be flexible so that it can respond to new opportunities and challenges whether in technologies, market drivers or product developments.

### **A co-ordinated response**

The strategy co-ordinates the work being done by public sector organisations in the region. Such a policy reduces duplication of efforts by different organisations and increases the policy's potential impact.

There are key industries in the region that are central to the strategy's success. These are business services, distribution (including retail and tourism), creative and media, marine and advanced manufacturing (including defence and aerospace, and environmental technologies). All points in the strategy incorporate the need to support these industries so that they can continue to be productive and employ large numbers of the region's population.

### **Targeting those most in need**

Creating new job opportunities and reducing the number of unemployed is at the heart of the strategy. The most deprived communities in the region will be targeted with the specific support they need to get their residents trained and employed. Just as important is making sure that those in work remain competitive by having the up-to-date skills demanded by employers.

### **Key factors**

The strategy highlights four factors that are vital to meeting the economic targets.

These are:

1. The skills and labour market
2. Enterprise, innovation and business support
3. Inward investment and business retention
4. Sites and premises

Each factor is discussed in more detail below.

#### **1. The skills and labour market**

The region's workforce has to be sufficiently trained and have the skills necessary to keep pace of technological developments. Consequently, the strategy addresses how the region's schools, colleges and universities can raise academic achievements and the level of skills in industries requiring specialist knowledge such as that required in defence and aerospace advanced manufacturing.

The strategy tackles how those out of work can be trained and supported so they are employable and able to work. This is preferable to encouraging a skilled workforce from outside the region to commute or move into South Hampshire as the demand for a skilled workforce increases as the economy prospers.

Strategies for raising the skill levels in specific industries are being developed by PUSH, and these include looking at ways of persuading graduates from the region's three universities to stay in South Hampshire when they finish their studies.

## 2. Enterprise, innovation and business support

The number of new businesses formed each year in South Hampshire is low compared to the rest of the South East. Similarly, levels of productivity are also comparatively low. However, whilst traditional manufacturing has declined, marine engineering, defence and aerospace, and environmental technology industries are growing. In the region's cities, employment in advanced business services such as financial services and ICT is also rising.

The strategy outlines how PUSH can support these growing industries and contribute to creating an innovative and enterprising business culture that enables new businesses to flourish. This includes improving support with easy access to information and advice, and maximising the value of the region's three universities.

Through working directly with the business sector and consulting key industries on their particular needs, PUSH has been able to instigate timely and effective initiatives such as simplifying public sector procurement procedures.

## 3. Inward investment and business retention

Inward investment raises productivity by, for instance, bringing capital into a region and introducing new and more efficient working practices. The region has much to offer investors but this has not been effectively marketed, although the universities have had some success at doing this. PUSH has investigated ways of making South Hampshire more successful at attracting investment from either elsewhere in the UK or other countries.

PUSH has developed a co-ordinated approach with other public sector organisations to promote South Hampshire as somewhere investors may be interested in. Schemes include The Southampton Ambassadors' Programme that is using business leaders to promote the region. A special body has been created within PUSH that will work with business representative agencies such as Business Southampton and the Portsmouth Partnership.

PUSH has also looked at how new companies can be best supported once they have established themselves in the region. An example initiative is developing relationships with business intermediaries such as lawyers, accountants and bankers so that together they offer a complete package of support for inward investors.

#### 5. Sites and premises

Public sector organisations can help economic growth by making sure appropriate infrastructure is in place. New businesses will only be able to thrive in the region if they have the right buildings, sites and locations suitable for their industries.

Understanding businesses' requirements, and making sure appropriate sites and premises are available, is a key component of PUSH's approach. Eastleigh River Side will be a key site for employers. PUSH is also investigating how the two strategic development areas can contribute to the region's economy.

PUSH will be estimating future demand for business sites and determining in advance how the region can best accommodate predicted levels of demand.

#### **Conclusion**

A strong economy is essential for strengthening South Hampshire's communities and conserving the region's natural and historical environments. PUSH's *Economic Development Strategy* details the positive steps South Hampshire's public organisations are making working together with the private sector to underpin the region's future economic and social success.