

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	13 December 2022
Title:	Economic Strategy
Report From:	Director of Economy, Transport and Environment

Contact name: Ian Gray

Tel:

Email: ian.gray4@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to provide an update on the Economic Development Strategy Consultation following the Cabinet approval on the 19th of July 2022. The report summarises the consultation responses, examines the suggestions and comments submitted and recommends proposed changes to the Economic Development strategy. The report also sets out the next steps and in particular the progression on to the development of an action plan to draw out specific actions and priorities for 2023/4.

Recommendation(s)

2. That Cabinet
 - I. Notes the responses to the consultation
 - II. Agrees the proposed changes to the draft Economic Strategy in response to the consultation.
 - III. Delegates authority to the Director of Economy, Transport and Environment, in consultation with the Leader, to finalise the text and to arrange the publication and dissemination of the Hampshire Economic Strategy
 - IV. Agrees that an action plan now be prepared to set out an initial programme of work for 2023/24 to support the aims and priorities of the Economic Strategy.

Executive Summary

3. This paper seeks to update the Cabinet on the outcomes of the consultation on the draft Economic Strategy which has been undertaken both internally within the County Council and externally with stakeholders and partners during September and October 2022.
4. As a result of the consultation, changes are now recommended to the strategy to take into consideration key themes raised, as well as development of an action plan to ensure that interventions within the strategy are delivered within both the short and long term, with measurable objectives and outcomes.

5. Responses to the strategy consultation demonstrates that stakeholders are positive about the strategy, identifying that the levers are appropriate, and that the interventions are appropriate.
6. However, it is also apparent that the key issues raised, as might be expected, result from the need for further detail and the opportunity to progress joint actions. The consultation document put forward a series of possible interventions for discussion with partners and key stakeholders to develop into action planning and project proposals. This requirement to undertake alignment of interventions across all partners promptly is essential to maintain momentum.

Contextual information

7. The economic strategy forms a further development of the Hampshire 2050 work, translating the broad economic aspects of this work and the recommendations of the Hampshire 2050 Commission into a policy framework and strategy. This aims to ensure that the economic objectives, contextualised within the wider Hampshire 2050 vision, are fully realised. The strategy also provides the context and framework for further, more focussed economic and related strategies and policies to be developed and implemented as well as setting the framework for devolution, which would be the key mechanism to accelerate wider economic growth and benefit realisation.
8. The central mission of the strategy is to improve productivity to drive growth and improved standards of living. A six capitals approach has been developed in line with current Government thinking to ensure the strategy is not just about increasing GVA/GDP but drives and shapes economic growth for the wider benefit of the people, businesses, institutions, and the environment of Hampshire. In particular the strategy seeks to support improved standards of living and sustainable growth rather than simply focusing only on an expansion of economic output.
9. The geographical scope of the strategy is the Hampshire County Council area, but it is imperative that the strategy also works across multiple scales and speaks to strategic initiatives, operating at different spatial levels. Key is to integrate actions and interventions where possible with the neighbouring areas particularly Southampton; Portsmouth; and the Isle of Wight. It is also important that the strategy frames the County Council's own contribution to the emerging design and development and future negotiation of a devolution arrangement, such as the current proposals for a County Deal.
10. The Strategy essentially seeks to support a place-based economic lens to enhance place leadership across the Hampshire area. It more specifically identifies the potential policy and operational levers including those that the County Council has direct control of, that can be integrated into service planning and used collaboratively between partners to embed within joint economic interventions.
11. The draft Economic Strategy was approved by the Cabinet on the 19th July 2022 as an interim policy and as a basis for stakeholder and partner engagement. A consultation period was formally conducted over four weeks and was undertaken both formally online and informally offline through conversations with partners.

12. Further, HCC (Hampshire County Council) has a strong ambition to prioritise economic growth and regeneration activity and to develop effective and purposeful partnerships across Hampshire. Following Cabinet approval in March 2022 for a new approach to Local Growth and Regeneration Partnerships, HCC commissioned the consultants PwC to undertake a piece of work to review current arrangements and to advise on how to develop effective partnerships across the area.
13. An important part of the PwC review has been to review the existing relationships between HCC and the Districts, Boroughs and Unitaries, and to identify ways to enhance collaborative working arrangements to enable the most efficient and effective ways of working. The development of this new approach for engagement provides single points of contact at the County Council from which to coordinate a multi-faceted approach, drawing broadly from the range of skills and expertise at HCC.
14. It is recognised that regeneration and growth is one contributing aspect to enabling the county council to achieve its strategic Hampshire 2050 ambition. Therefore, this new partnership model and ways of working cannot be delivered in isolation, but success will be achieved through aligning priorities and action planning as outlined in the next steps for the Economic Strategy.

Consultation and Proposed Amendments

15. The consultation of the strategy was undertaken with both internal and external stakeholders as some of the content of the strategy impacts and influences that of other policy areas within the County Council.
16. Twenty-six external responses were received and one internal response from the Skills & Participation team. External organisations included membership organisations, Borough and Districts and private companies. The consultees can be categorised as the following:
 - a. Six Local authorities
 - b. One Local Enterprise Partnership
 - c. Nine businesses
 - d. One university partnership
 - e. Two NHS Trusts
 - f. Two community groups
 - g. Two private citizens
 - h. One Government department
17. Seven questions were asked of the consultees, namely:
 - a. Are the objectives appropriate to create a more dynamic, prosperous, and inclusive economy in Hampshire?
 - b. Have we identified the right models and levers for Hampshire's Economic Strategy?
 - c. What is your view on the proposed interventions?

- d. Would your organisation be prepared to align its activity to help deliver these actions?
- e. Is there anything you do not like about the draft Strategy?
- f. Are there any gaps in the draft Strategy?
- g. Do you have any comments to make about future engagement or where you see your organisation contributing?

18. Key themes across all respondents

- a. There needs to be a broader reflection of the wider economy and the variances cross County, including, but not limited to, Heritage, Culture and digital in both infrastructure needs and the sector.

“There seems to be little, if anything, on Hampshire’s strong offers in culture, heritage and creative industries. These are important assets and play an important role in a successful innovation ecosystem and regeneration of underperforming places.” Enterprise M3

- b. Needs to align with national regional and local strategies and policies ensuring not just the Pan-Hampshire area is considered, but the Sub-Hampshire area

“The council would welcome a more detailed dialogue with the county on the proposed interventions and how we might work together on delivery.

We believe it is important for our residents and businesses that both councils work together to align priorities.” Rushmoor Borough Council

- c. The County Deal needs to be seen in the context of the wider discussions with partners going forward, acknowledging that any impact of a County Deal will support delivery across the area, and through devolved powers and funding, support realisation of better outcomes and greater delivery of the local ambitions developed through the Growth and Regeneration Partnerships

“it seems that a lot of the levers are reliant on a county deal or some sort of devolved arrangements. This might to delays in delivering some of the ambitions of the strategy and some plans may need to be revisited.” Basingstoke and Deane Borough Council

- d. The need to acknowledge the skills needed for a future workforce and acknowledge the change in jobs and jobs of the future

“more about digitalisation in terms of within communities and the business community. There is a vast disconnect between day-to-day digital skills and business needs” WSX Enterprise

- e. Consider infrastructure improvements in transport and digital as a main driver for growth

“A bolder / more radical focus on building digital industry / connectivity or knowledge based communities, independent of physical location, would provide a vehicle to support improved collaboration and therefore accelerated growth.

Strategically, physical infrastructure will ultimately be less relevant than good quality digital engagement/knowledge/infrastructure.

There is no real vision around the technology sector. You would expect much more emphasis on communities of practice, incubator units, technology clusters/hubs etc". TechSolent

f. The need for targeted, valuable partnerships

"HCC can look to set an example in many cases but others will need to be engaged, so partnerships, programmes and funding will drive this. It's important that HCC works with people that actually want to change things rather than tick some boxes" Root21

g. The 6 Capitals were welcomed, however clarity around ensuring they are not mutually exclusive would improve the strategy

"There is little read across within pillars of the strategy, and interventions are quite siloed, potentially missing the opportunity to have impact beyond the sum of their parts." Hampshire Hospitals NHS Foundations Trust

19. Business respondents focussed heavily on their sector within their responses. Highlighting the need for improved digital infrastructure and support for start-ups and innovation
20. NHS respondents both requested greater collaboration with the NHS Trusts as not only large employers, but to ensure that their own strategies around skills development and growth and investment are reflected within the strategy. Further the need to identify inequality and support for tackling poverty to support social mobility and create an inclusive Hampshire and the health of the workforce
21. Local Authorities all reflected on the lack of collaboration in developing the strategy, but all wanted to ensure that strategies from across Hampshire were reviewed so that the Hampshire strategy aligned appropriately, and that developments and actions are taken forward collaboratively.
22. Community groups all reflected on the need to consider the climate crisis, and consider the environment to be a golden thread across all interventions
23. Both LEP and membership organisations offer support in delivery of interventions, and highlighting the importance of partnerships and collaborative delivery
24. Skills and Partnerships highlighting that to support social mobility work needs to be undertaken to address the barriers, and supporting the most vulnerable, and that collaboration is key to delivery against all interventions.
25. Specific comments, and detailed feedback on specific areas, like skills for example, will be taken into consideration when drawing up the action plan.
26. Overall, that the strategy was welcomed by partners as well as the opportunity to respond to the consultation.

27. All respondents are keen to ensure partnership working is a core element of the strategy and its delivery.
28. The proposed updates and considerations based on the feedback and review of the draft strategy have either be addressed within the changes proposed to the strategy or taken forward within the action plan, these suggestions are as follows (further detail provided in appendix 2):
- a. To review measurements attributed to capital interventions to ensure they are suitable and meaningful, and that each capital has measurements as currently Social and Institutional Capital are without measurement suggestions.
 - b. To enhance a stronger brand for Hampshire, which can be aligned with the Place Story work and the Hampshire 2050 vision.
 - c. To clarify that Interventions are to complement and work together rather than be exclusively independent.
 - d. Physical capital
 - i. To emphasise the additional strength in the port's infrastructure and the development of a freeport within the Pan-Hampshire area and the impacts of the wider supply chain and employment which this infrastructure creates.
 - ii. Highlight significant areas of inward investment within the County, including that linked with the NHS's new hospitals programme which could see £0.7bn invested within the County.
 - iii. Ensure measurements will be a suitable measure for the suggested interventions
 - e. Natural Capital
 - i. To strengthen the use of the County's coastal assets and their impact on the economy
 - ii. Ensure measurements will be a suitable measure for the suggested interventions
 - f. Human Capital
 - i. To acknowledge the need for lower and middle-income employment opportunities within a balanced economy.
 - ii. To add a further weakness in identifying areas of deprivation in the sub-Hampshire geography as these areas may require more targeted support with regards to skills development and place-based interventions.
 - iii. To include average rental costs under the loss of young people issue to the Hampshire economy to reflect wider housing affordability issues, young people leaving education are more likely to move into a rented property than one which they purchase.

- iv. Identify some of the key employers within the Borough, highlighting for example the NHS as a significant employer both directly and indirectly linked to the demand for skills support.
 - v. Ensure measurements will be a suitable measure for the suggested interventions
- g. Knowledge Capital
- i. To draw out more partnership working with universities especially around innovation and enterprise and to examine if this type of model of innovation and support can be reflected elsewhere in the wider Hampshire area
 - ii. Ensure measurements will be a suitable measure for the suggested interventions
- h. Social Capital
- i. To remove part of the proposed intervention which suggests an asset review to identify gaps in the offer to the visitor economy. With many developments within the visitor economy being market led, any public sector intervention may have limited impact and therefore County Council focus and activity in this area of the economy will be reviewed alongside the outcomes of the Destination Management Organisation (DMO) review undertaken by Government. Once complete, this will provide better understanding of its impacts on the Pan-Hampshire area and how the County Council can most effectively support this sector going forward.
 - ii. To devise and propose measurements attributed to this capital
- i. Institutional Capital
- i. To devise and propose measurements attributed to this capital.

29. Further actions and next steps:

- a. In coordination with key partners and stakeholders to ensure that the Economic Strategy's action plan supports and reflects the policies and strategies of the Pan-Hampshire area.
- b. Develop an action plan, in collaboration with internal and external partners that has both policy and implementation alignment. This plan will establish the lead partners for the interventions
- c. A prioritised programme of focussed interventions will be developed for each Capital. It will ensure that partnerships, delivery ownership and stakeholders are identified to support each intervention which will be reviewed as projects under the interventions are developed and delivered.

Climate Change Impact Assessments

30. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.

Climate Change Adaptation

15. Insert text with reference to [guidance at the end of the template](#).

Carbon Mitigation

16. Insert text with reference to [guidance at the end of the template](#).

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	yes
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u> Insert minutes of July meeting	<u>Date</u>
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

2. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

3. Equalities Impact Assessment:

- 3.1. Following completion of an Equalities Impact Assessment, it is considered that the proposal will have a neutral impact on groups with protected characteristics. However, as the Strategy is developed further and subsequently implemented, it will address inequalities in Hampshire, not least through measures aimed at alleviating and tackling poverty and deprivation, which is linked to several protected characteristics.

Appendix 1 – Responses to the consultation

Do you believe the objectives in the Strategy are appropriate to create a more dynamic, prosperous and inclusive economy for Hampshire?

“Overall, we support the Economic Strategy outlined and welcome the interventions and actions identified. Furthermore, the Strategy notes the complexity and interconnectedness of the economy; something which Business South sees first hand through working with its champions. We also support the objectives of maintaining (we would argue improving) our national / global competitiveness. We believe we have much to offer for inward investment; and have worked hard over recent years to firstly understand and then tell the amazing story of what Central South (and Hampshire within it) has to offer to the outside world for inward investment.”

Business South

“To an extent the strategy supports growth across multiple scenarios, however there appears to be a lack of ambition or innovation. The strategy reads a little “old world”, with a significant focus on the physical High Street / “office based” working world.”

Tech Solent

“We are pleased that the strategy makes explicit and frequent reference to the climate crisis, the need to decarbonise, net zero targets, sustainable growth, natural capital etc. Also, that economic growth is defined to include sustainable growth as a fundamental tenet.”

Winchester City Council

“In the main yes, but many other counties might have similar objectives so we need to consider what Hampshire wants to be known for? What is its unique advantage or attraction? Having a menu of things doesn't always help, it needs to clear”

Root21

Have we identified the right models and levers for Hampshire's Economic Strategy?

"In part, but they need to be more focussed. We need transport and power (grid) infrastructure and to build up the freeport. Commercial premises will then look after themselves if planning permits it. We need housing of all types and without garden cities and small dispersed additions in all settlements we are never going to get enough. Building housing of itself provides employment and growth so this area is vital as the economy stutters."

Herriard Estates

"At a high level, yes, in the detail, there are more opportunities than are mentioned"

Fflow

"Yes. It is right to acknowledge in the "Six Capitals" approach the multiple values and their connectiveness that make an economic community successful.

The identification of four levers available to HCC to make interventions and achieve these objectives: Assets, Policies, Programmes and Funding, and Partnerships seem reasonable and necessary conditions of success.

However, they may not be sufficient given the wholly justified level of ambition and aspiration for Hampshire. Consideration should be given to how HCC and partners might use their collective assets to leverage extra private sector resources into the region."

Enterprise M3

"Yes. The "levers" identified allow HCC to develop a coherent set of interventions. Influence and partnership with other organisations will be key."

Setsquared

"Overall yes. However, it seems that a lot of the levers are reliant on a county deal or some sort of devolved arrangements. This might to delays in delivering some of the ambitions of the strategy and some plans may need to be revisited."

Basingstoke and Deane Borough Council

What is your view on the proposed interventions?

“Overall, very positive. Can they all be achieved within the timeframe of the strategy? I feel the Knowledge capital interventions are perhaps rather woolly compared to the specific interventions called for in the other capitals. The range of skills initiatives in Human Capital will be crucial to our economic and environmental success. This must be built through partnership creation. Talking of skills (and hence employment), I also noted little about the opportunities for eco-tourism locally in the Natural Capital interventions.”

360 integrated PR

“The interventions are logical based upon the strategy’s framework but at times given that many relate to how HCC services are delivered and assets managed it currently looks more like a HCC Corporate Strategy rather than an economic one for Hampshire. I can understand the reasons why e.g. HCC having direct influence over those services and assets but there are other major service providers and asset owners across the county that can help shape Hampshire’s economy.

Perhaps the detailed action plans along with the district based regeneration and growth partnerships that are proposed as next steps will see wider inputs into the strategy being considered and adopted. This will be important for the proposed project pipeline identification and place based regeneration.”

Gosport Borough Council

“As a top line initial attempt at setting out interventions then this works, recognising these need to be refined against changing macro drivers and influenced by partnerships. i think these fleshing out more and would suggest 'action groups' led by HCC are formed to bring together private and public sector representatives to refine these. Not a talking shop but focused on evolving the interventions”

WSX Enterprise

Is there anything you don’t like about the draft Strategy?

“The stated objectives have the potential to deliver. The development of a detailed action plan and a list of agreed interventions will be vital in order to realise the economic potential for the region and in support of the nation’s economy.”

Associated British Ports

“It is disappointing that the strategy has not been developed in partnership, with a more open dialogue about the particular challenges and opportunities in the Rushmoor economy. We would welcome the opportunity for a more meaningful conversation on the next steps.”

Rushmoor Borough Council

“There could be more exploration of the cross-pollination between pillars. Natural Capital and Human Capital for instance feed one another, the natural assets and capital of Hampshire can be huge drivers in the health and wellbeing of our human capital.

How Health is currently framed in the strategy does not include investment in health. The intervention of working with businesses to focus on good health is a good lever, but does not go far enough for the wider population who are not at work (schools, retired, unemployed), nor does it recognise the need to invest in ‘health creation’ with cost-benefit analysis to support.”

Hampshire Hospitals NHS Foundation Trust

“The Strategy identifies the need for affordable homes on several occasions. Whilst we support the provision of much needed affordable homes, we would suggest that the need extends far beyond this, to include all types of open market homes, provided in a planned, coordinated and sustainable way. Without these open market homes, the economic strategy is dependent on those with income levels at a level to qualify for affordable homes; when in fact, all types of homes are needed to support and drive the economy, including homes for business leaders, family housing, starter homes, houses, apartments etc, all in a variety of sustainable locations.

Construction is identified in the Strategy to become one of the largest sectors, but the Strategy identifies little that would support this important sector. Such support should include having sufficient land with planning permission to build on, a clear route to market, funding support, local sources of skills, supply chains etc.

Solutions to some of the biggest challenges facing Hampshire and Central South are not as evident or clear as they could be, eg. how will deprivation be addressed? How will we deal with commuting to / from economic hubs? What is the strategy for delivering the homes needed to support the Freeport and where will they be located? How will we attract / retain skills needed to support economic growth without the homes for them to live in? What infrastructure is needed to support the strategy? How will a carbon free economy be delivered? It is suggested that the Economic Strategy includes solutions to these important issues in order for it to be effective.”

Business South

Are there any gaps in the draft Strategy?

“Overall, the strategy covers the areas of focus and priorities I would have expected to see in such a document. As with all strategies, the important part will be its implementation and how well the County Council works in partnership across the patch.

Inward investment needs more consideration and a clearer direction on sector development plans.

The Physical Capital interventions also aren't ambitious enough. While the strategy acknowledges that there are major issues with the energy efficiency of Hampshire housing stock (p.29) it's proposed intervention describes a retrofit programme only, should there be an opportunity to influence future developments at planning stage as well?”

Basingstoke and Deane Borough Council

“Its Pan-Hampshire focus also means that a number of issues at a sub-Hampshire level are missed despite their significance. With regards to transport for example, whilst reference is made to weaknesses in rail connectivity between Hampshire and London there is no mention of the need to improve the train links within Hampshire e.g. between Portsmouth and Southampton.

There is also no reference to other connections beyond Hampshire such as those to Brighton and Bournemouth to create a more dynamic south coast economic area.

In addition although congestion issues are referenced for Hampshire's strategic road network none are below that level despite having a significant impact on local economies e.g. the congested connections to/from the M27 such as those along the Gosport and Hamble peninsulas, Hayling Island and the New Forest (Brockenhurst).

On a more detailed note more emphasis should also be given to Hampshire's built heritage and the opportunities that the re-use of these unused/underutilised assets provide in terms of regeneration and creating a sense of place i.e. not just a constraint on redevelopment.”

Gosport Borough Council

“The Strategy identifies the reducing size of the workforce and the need for in-migration as well as talent retention. In a global economy where skills are in short supply, it is essential that living and working environments are provided that will both attract and retain new talent. Without the right homes / living environments in the right place, such talent will continue to be lost elsewhere. The Strategy

therefore needs to include interventions for the creation of new communities and places that will be attractive to key identified growth sectors, supported by the marketing of those places, alongside our cities and region.”

Business South

Do you have any comments to make about future engagement or where you see your organisation contributing?

“As one of a number of anchor organisations across Hampshire and the Isle of Wight, Portsmouth Hospitals would be happy to explore how we may work together on appropriate interventions.”

Portsmouth Hospitals University NHS Trust

“Nothing specific, although I am keen to facilitate wide collaboration throughout the county. I may also be in a position to provide local case studies and examples of businesses thriving in alignment with the strategy.”

360 Intergrated PR

“We are doing what we can to raise awareness at a local level but in the end it is the policy makers that will make the biggest impact on emissions and safeguarding wildlife and the environment”

Private Citizen

“We are working with HM Treasury colleagues on our new hospital programme, we will conduct significant economic modelling as it enters the more complex stages of business case development, and this will provide rich information for the currently missing health elements of the strategy, and we would like to work more closely with HCC here.

We would like to invite HCC to be a part of our programme partner group, receiving output from our strategy work and upcoming public consultation.”

Hampshire Hospitals NHS Foundation Trust

Appendix 2 - Proposed changes

Appendix 2

Suggested draft changes, excluding minor changes and typos

Pg 3 Executive Summary

1. This strategy sets out ~~an overarching~~ a framework approach to economic development for Hampshire at a time of growing uncertainty, in which the County with its partners will need to assume greater responsibility for economic leadership
2. Local ~~Economic~~ Enterprise Partnerships (LEPs)
3. Hampshire is a closely interconnected economic geography as a County and with its neighbouring areas . Across Pan-Hampshire, boundaries for residents and businesses are porous, and in order to deliver economic growth at scale, and deliver better services, it is essential that Hampshire County Council works closely with its neighbours and partners . This Strategy sets out a framework within which Hampshire County Council can collaborate with neighbours and will also support the development of a County Deal for Pan-Hampshire .

A framework for Hampshire's development

4. The complexity and interconnectedness of the modern economy has become increasingly apparent over the last five years. A series of events, including ~~the vote to~~ The United Kingdom ~~leaving~~ the European Union, the Covid-19 pandemic, and the Russian war on Ukraine have each revealed connections between commodity markets, population patterns, trade movements and the prices faced by consumers. Increasingly, environmental crises around the world are a reminder of how much economic damage natural disasters can cause

Pg 4 ~~Agency and I~~ Levers

5. There is a direction of travel towards greater economic decision making at a local level, with devolution and the integration of LEPs, and Pan-Hampshire's own plans for the creation of an Investment Fund as part of a County Deal.

Pg 5 Six Capitals

6. We have applied a six capital framework to this Strategy, inspired by the model proposed by Benjamin Mitra-Kahn and Diane Coyle (Bennett Institute, Cambridge), and which has strong links to the six capital approach set out in White Paper on Levelling Up . This model proposes a

wider set of indicators than GDP for measuring wealth . Our framework incorporates physical, natural, human, knowledge, social, and institutional capital. Interventions created under these capitals will not necessarily be exclusive to that capital and will support cross cutting themes of the strategy.

Pg 5 Interventions

7. In each section of the Strategy that considers one of the six capitals a series of possible areas for intervention is set out looking at: how the Council can make better use of its assets to deliver change as well as policies levers which either can or should be used to achieve the strategic objectives. The Strategy identifies programmes and potential funding which will play an important role in relation to each capital and the partnerships important to delivering them-.The interventions proposed here are indicative and high level-. They will be tested and developed further through consultation with partners and the development of a detailed action plan that prioritises, sequences and resources a set of specific the refined interventions.

Pg 5 Next steps

8. As the immediate next steps, the County Council will now take the Economic Strategy forward in the following ways:
 - discuss the analysis and strategic framework across the Council and with partners

~~ensure that the framework is then reflected in how the County Council and partners take forward LEP integration and County Deal/devolution planning~~

- discuss and agree with partners and District Authorities who will be responsible for taking forward interventions
- develop a detailed action plan and list of agreed interventions, outputs and outcomes

~~discuss and agree with partners and District Authorities who will be responsible for taking forward interventions~~

Pg 30 Physical Capital

9. Comprehensive transport infrastructure, especially roads

Hampshire is a generally well-connected county, particularly by the road network . Most of Hampshire is within ten miles of a motorway . The M3 acts as a major spine bisecting the county, to which a comprehensive network of A roads connect, and the M27 connects the urban area along

the South Coast . Rail coverage is also fairly good, with direct links to London, the South West, and the Midlands . There are some challenges – for example, a rail bottleneck at Woking limits trips along the rail corridor connecting Hampshire to London .

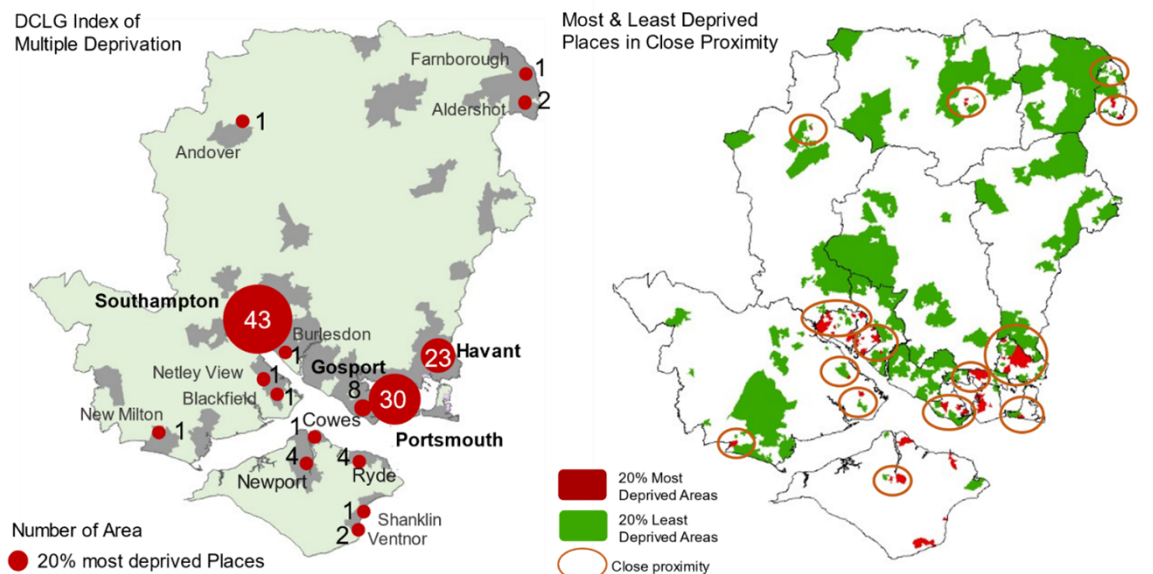
Although transport infrastructure is, broadly, a strength compared to other areas, road congestion is a problem, in part caused by an over dependence on the car for transport . The M27 is particularly bad for delays, though other major roads such as the M3 and A3 see problems as well .

The Pan-Hampshire area is home also to two ports in Portsmouth and Southampton which cater for tourism, commercial and defense movements connected directly to the worlds shipping lanes makes these ports strategic sites within the area for employment and trade.

Human Capital

10. Additional Weakness:

Areas of Deprivation; A review of the Vision for Hampshire Deprivation update for 2021, areas of deprivation clearly have an impact on the wider economy and community of Hampshire. Although Hampshire is one of the least deprived areas within England for upper tier authorities (MHCLG2019) there are still pockets of deprivation. Across the Hampshire and Isle of Wight, 125 places fall into Englands 20% most deprived areas of England, with 58% of those are within Southampton and Portsmouth, and within the County council area, the focus is on Havant and Gosport. Deprivation links with morbidity, lack of affordable housing, and skills attainment and social mobility.



Deprived neighbourhoods in Hampshire & Isle of Wight falling (within the 20% most deprived areas in England)

Pg 40

11. Another challenge facing young people and especially those looking to get on the property ladder is the increase in average house prices in Hampshire. The average house in September 2021 cost £342,426 which was an 8.4% increase from September 2020, and a 23% increase since September 2016 (Figure 29). This is almost 10 times higher than the average annual income (£34,756), meaning each year Hampshire is becoming less affordable for young people.

The rental market also impacts on young people's ability to become independent and can restrict employment choices post education.

The average rent within Hampshire in 2022 being £725 per month for a one bedroom property, up from £695 in 2020. Although the rise is lower than that of the purchasing market at 4.2%, £8,000 is a significant percentage of a graduate's salary, regionally earning £25,755 per annum.

12. There is a need to increase progression into Level 4 and 5 learning as well as raise uptake of apprenticeships to raise skills levels to meet the needs of the local labour market; whilst acknowledging that roles for all skill levels exist within the labour market of a balanced economy.

Pg 49

13. Work with district councils and other stakeholders to develop overarching tourism and cultural strategies that knit together the different priorities and demands on areas and cater to both local people and visitors. The strong

cultural and natural assets of the county are vital anchors for local and visitor markets . ~~The Council should undertake an asset review to better understand users and identify product gaps . This should be used to inform and underpin the tourism and cultural strategies with priorities and a programme for activities and investment.~~ Consideration should **also** be given to the promotion of Hampshire as a place to generate inward investment, sustainable growth and tourism . A review of the Destination Management Organisation review 2022 conducted by DCMS will need to be undertaken to understand the impacts on the Pan-Hampshire area in delivery of tourism services.