

Is there a strategy for the central South?

Seminar One: The Economic Challenge

The analysis here draws on documents published by the LEPs and top-tier local authorities. It looks at the economic opportunities and challenges facing the study area, and for both explicit evidence of shared and joint working and of implied shared priorities and perspectives. More detailed analyses of housing, planning, infrastructure, assets and capacities will be presented in the next two seminars.

Executive summary

The key observations arising from this study are:

Neither the LEPs nor the top-tier authorities make any consistent attempt to promote a regional strategy for all or part of our area of study. The lack of a coherent, shared strategy means they fail to present a strong, distinctive regional identity. That in turn may be hampering the ability of all these bodies to attract funding and investment to the area.

However, this study suggests that the published strategies have the potential to form a coherent regional strategy for at least part of the study area.

The lack of an obvious regional perspective from LEPs and local authority strategies masks key synergies that might underlie a broader regional approach. These include:

- Existing areas of cooperation and collaboration between LEPs, and with local authorities

There are examples of well-developed cross-boundary partnerships between LEPs and between local authorities in support of key economic sectors, planning and transport, and in response to government initiatives.

- Synergies between the most important economic strengths and opportunities

Regional economic synergies mean that companies operating in these sectors are likely to encounter other companies with related business interests, a business support environment that understands their needs, a labour market geared towards their skill needs and a supportive research and higher education landscape. The inconsistent use of language between LEPs does not weaken individual strategies, but does work against a coherent regional message when the shared priorities suggest there should be one. It may also reduce the effectiveness on areas of common interest such as skills.

- Recurring economic challenges, including skills and sectors of low productivity

Dorset, the larger part of Hampshire, and the cities of Southampton and Portsmouth share challenges in improving productivity and economic growth rates. These challenges including growing and attracting high performance businesses and improving skill levels, as well as tackling place specific problems.

- A recognition of the region's 'gateway' role through airports and ports

The study area has a strong potential regional message about its gateway role and access to key airports and ports.

- A shared interest in critical infrastructure beyond the boundaries of individual organisations

The LEPS in our study area have a coherent overview of their own and strategic transport priorities, underpinned by a strong body of evidence. These would be given greater weight if LEPS endorsed shared priorities.

There is a significant ambition to become a leading exponent of 5G technology that could be extended throughout the region.

- A common interest in key critical assets, including higher education, the natural environment and heritage, and shared aspirations such as sustainability

Higher education, the natural environment, sustainability and renewable energy are identified as critical assets and ambitions across the region. There is potential to develop coordinated regional messages around these issues.

- Some common strategic planning approaches, including a focus on the coastal cities

The study area has three complementary waterfront cities with strong economic synergies and ambitions which, with improved transport, would have a large interconnected population. It is one of the distinct strengths of the region to emerge from this study.

Can we identify a region?

There is no single self-contained region with clearly defined boundaries. There are clearly three major centres of economic activity: east Dorset, southern Hampshire and north-east Hampshire/Surrey. These could be seen as a (1) a single economic region, (2) three separate but linked regions, or (3) a coastal region and a north-east Hampshire-Surrey region. An alternative approach that placed more emphasis on public recognition than economic activity would focus on local authority boundaries.

The paper makes an initial analysis of the strengths and weaknesses of different ways of defining a region.

No single 'region' performs better than others on all our criteria. However, if the lack of a regional approach leaves the area without a distinctive and authoritative voice with which to speak to government it will be important to seek consensus on the most effective regional approach. (See appended table 'Regional Assessment'.)

1.1 Current LEP and local authority strategies

LEPs

LEPs were established as voluntary partnerships in 2010 and became a vehicle for significant government funding after the Heseltine Review in 2012. The LEPs now take the lead role in economic development strategies. They are the main vehicle for the channelling of government capital resources. European funding, though distributed through MHCLG, also follows LEP boundaries for channelling resources. They are the focus for the development and implementation of new policy (for example, the current Local Industrial Strategies).

The close relationship between the demands of government and LEP priorities means that LEP strategies often emphasise centrally- rather than locally-determined objectives.

The current LEP *headline*¹ strategies refer almost exclusively to the economic opportunities and challenges within their own geographical area. They make little reference to the other LEPs, even where there appear to be similarities and synergies. Overall the casual reader would gain no sense that the LEPs regard themselves as being part (in full or in part) of a wider region.

'The Enterprise M3 area is a national asset. It is an economic powerhouse, a significant net contributor to the UK economy, a powerful incubator of future focused high growth sectors and an area that has attracted the highest number of foreign owned firms of any LEP outside of London, chosen as the ideal location for major employers including BAE, Gulfstream, BP, GAME, Fujitsu, British Gas, Eli Lilly and Company.' **EM3 LEP Strategic Economic Plan**

'Dorset is a county with tremendous opportunities; our 20-year ambition is to build a more productive, innovative, inclusive and sustainable economy. Together with our partners we have achieved a strong reputation and track record for effective delivery. However, to realise our 20-year vision we recognise the need for focus. We need to work hard to create a Dorset which competes on the domestic stage as well as internationally, while making the region attractive to new and existing residents, tourists and businesses.' **Dorset LEP Horizon 2030**

'An internationally-recognised economic hub, the Solent's economy has a significance that extends beyond the locality, making an important contribution to the national economy. Home to more than 1.3 million people and more than 50,000 businesses, our key cities of Southampton and Portsmouth are enjoying increased competitiveness as the economy recovers.' **Solent LEP: Transforming Solent Growth**

LEP documents occasionally recognise their wider context (see below from Dorset LEP, and EM3 LEP highlights accessibility to universities that lie outside the LEP boundaries), but these references rarely refer consistently to a particular region, are not given prominence, and are not repeated from document to document.

'A successful 21st century economy rests upon unimpeded communication and connectivity. We want. Dorset will be a hub for digital infrastructure, including 5G, and our residents will be in easy reach of our employment centres, natural assets and our economic partners such as Bristol and the

¹ 'Headline' strategies refer to the key messages promoted by these bodies. Their detailed strategy documents may well contain more regional references.

wider South West, the Solent area and the wider South Coast, London, and the Midland’. **Dorset LEP Statement of Intent**

Top-tier (county and unitary) council strategies

The published top-tier council strategies follow a similar pattern to the LEPs, focusing largely on their own geographical remit, without consistent reference to any wider region or sub region.

It is common, however, for these strategies to identify ‘border’ issues, particularly on transport.

Some Hampshire County Council materials include Southampton and Portsmouth in their description of the county.

Occasional strategy documents will refer to a wider region, as in this example from a Southampton City Council paper, describing its regional aspiration as a

‘Leading growth hub for advanced manufacturing, marine and aerospace at home and global.’
Southampton Connect, City Strategy 2015-25

Such examples are rare, and usually not repeated even in other documents from the same authorities.

The current strategies – initial observations

Neither the LEPs nor the top-tier authorities make any consistent attempt to promote a regional strategy for all or part of our area of study. The lack of a coherent, shared strategy means we fail to present a strong, distinctive regional identity. That in turn may be hampering the ability of all these bodies to attract funding and investment to the area.

Most LEP documents are produced in response to central government, and their language reflects changing government policies and priorities. They are often intended to support funding bids and applications in which they are competing with other LEPs. Local government understandably wishes to promote its own area and the interests of its own stakeholders and electors. All focus primarily on their own geographical remit, with only patchy and inconsistent references to a wider area.

However, this study suggests that the published strategies have the potential to form a coherent regional strategy for at least part of the study area.

1.2 A potential regional strategy?

The lack of an obvious regional perspective from LEPs and local authority strategies masks key synergies that might underlie a broader regional approach. These include:

- Existing areas of cooperation and collaboration between LEPs, and with local authorities
- Synergies between the most important economic strengths and opportunities
- Recurring economic challenges, including skills and sectors of low productivity
- A shared interest in critical infrastructure beyond the boundaries of individual organisations
- A common interest in key critical assets, including higher education, the natural environment and heritage
- Key shared aspirations such as sustainability
- Some common strategic planning approaches, including a focus on the coastal cities
- A recognition of the region’s ‘gateway’ role through airports and ports.

These are explored in more detail below (1.2.1 to 1.2.7).

1.2.1 Existing cooperation

The three LEPs are involved in a variety of areas of collaboration within and outside our study area.

They collaborate pragmatically in different sectoral organisations, such as the South Coast Marine Cluster (Marine South), which includes the Dorset and Solent LEPs.

Dorset LEP provides a list of partnerships beyond their LEP boundary:

- Energy: Nuclear SW, Joint Energy Strategy, SW Energy Hub
- Science and Innovation Audit: Innovation South
- Transport: A350 Corridor, West of England Line Group, Peninsular Rail Task Group, formation of sub-national transport bodies with a focus on Dorset
- Aerospace: SW Aerospace, iAERO
- Rural Economy: SW Agritech, Rural Productivity Commission
- Health: Dorset is a national leader in the 44 NHS STP footprints
- Others: Great SW, South Coast Marine Cluster, Life Sciences

Innovation South, a network led by EM3 LEP in response to the government's Science and Innovation Audit, is mentioned by all three local LEPs (although each of them give it different levels of prominence).

Several other areas of collaboration have also developed in direct response to central government initiatives. EM3 LEP and Solent LEP participated in the South East Regional Connectivity Study, part of the work of the South East Sub-National Transport Body. Dorset LEP is participating in the shadow Western Gateway shadow Sub-National Transport body. Unhelpfully for our area, these initiatives often reflect the standard Whitehall-imposed regional boundaries.

EM3 LEP has collaborated with two other LEPs (South East and Coast to Country) to develop a regional energy strategy in response to the department of Business, Enterprise, Innovation and Skills (BEIS) strategy to encourage regional energy hubs. Dorset is working with other South West LEPs on an equivalent strategy.

The Partnership for Urban South Hampshire (PUSH)

PUSH is a non-statutory collaboration, established in 2003, between Portsmouth, Southampton and Hampshire Councils and 11 districts councils, primarily covering shared interests in planning and transportation issues. Its work is closely aligned with that of the Solent LEP. It is the most developed inter-authority and LEP collaboration in our area of study. It is given prominence in strategy statements from Southampton and Portsmouth, but less so in Hampshire's documentation.

Analysis

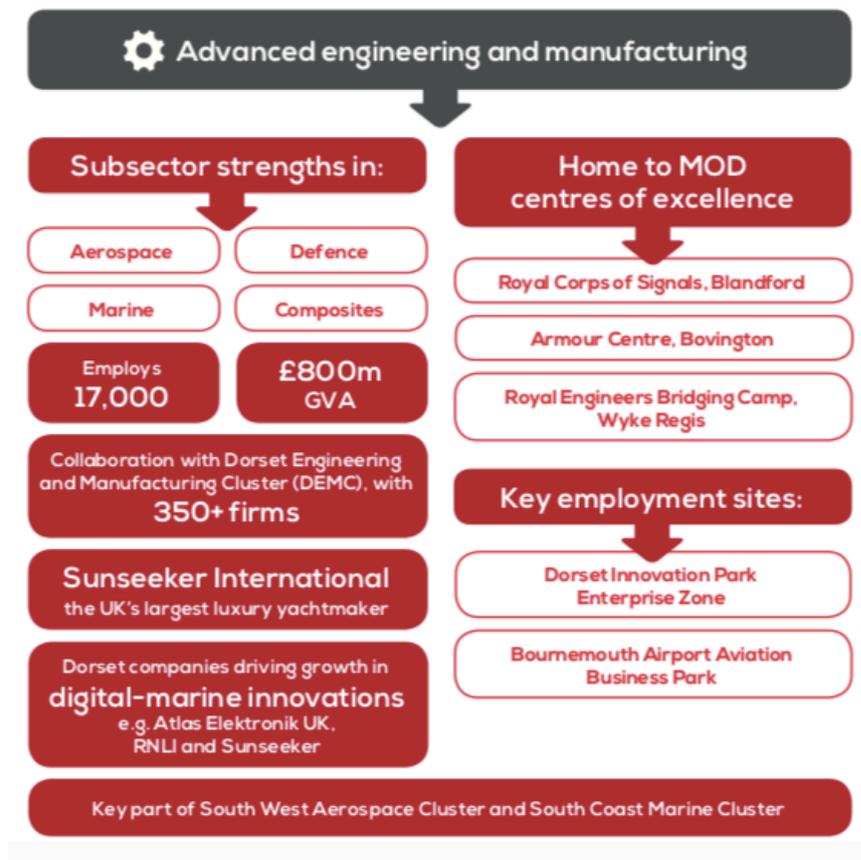
There are examples of well-developed cross-boundary partnerships between LEPs and between local authorities in support of key economic sectors, planning and transport, and in response to government initiatives.

1.2.2 Economic synergies

Comparing the published LEP strategies is not straightforward:

- Different LEPs use varying language to describe their local economies.² It is not always clear whether terms such ‘digital’, ‘aerospace’, ‘marine’ or ‘life sciences’ have the same meaning in each LEP area. Terms like ‘advanced engineering’ are used both to describe sectors and areas of capacity of expertise.
- LEPs do not always use a consistent description of their own economy from one document to another. LEP strategies, including Strategic Economic Plans, the Science and Innovation Audit and emerging Local Industrial Strategies, are produced in response to requirements of BEIS. They are also intended to support bids for central government funding. They reflect the changing language and interests of central government, rather than locally determined priorities.
- Strategies talk both of sectors and of enabling technologies. The more recent documents frequently emphasise the importance of key technologies in underpinning innovation across a range of different sectors.

This graphic shows how Dorset LEP presents these inter-relationships:



² See Excel spreadsheet: LEP economic priorities

Solent LEP identifies the marine and maritime sector as ‘a nationally recognised test-bed for a range of enabling and emerging technologies’ including advanced materials (composites) and digital technology and computer sciences.

Innovation South, which all three LEPs support, identifies five key ‘digital enabling technologies’ in which our study area has particular strengths: digital communications, cyber security, big data analytics, photonics, and quantum.

LEPs focus on key economic strengths and opportunities. Large parts of the local economy are not generally included in these strategies. These are often more significant sources of employment than the priority sectors, and can include public services, (covering all levels of health, social care and education), construction, transport, business services supporting the local economy, culture, tourism and agriculture. (Other analysis by the SPC³ found retail is the biggest employer in all three LEPs.)

The priorities of the three LEPs⁴ show significant synergies:

All three LEPs identify defence and aerospace as key sectors. Marine and maritime are of particular importance to the coastal LEPs.

The digital economy, which ranges from gaming to big data and from creative industries to 5G communications, is a strength in all three areas.

Health, life sciences, and medtech ranging from innovative service delivery, to pharmaceuticals and health data, are priorities across the study area.

Business financial services are priorities for both Dorset and EM3 LEP.

Advanced engineering and manufacturing, digital enabling technologies, and life sciences are seen as important areas of capacity and expertise.

Analysis

Regional economic synergies mean that companies operating in these sectors are likely to encounter companies with related business interests, a business support environment that understands their needs, a labour market geared towards their skill needs and a supportive research and higher education landscape. The inconsistent use of language between LEPs does not weaken individual strategies, but does work against a coherent regional message when the shared priorities suggest there should be one. It may also reduce the effectiveness on areas of common interest such as skills.

1.2.3 Common economic challenges

The South East is generally seen as a productive and well-performing region. However, large parts of our study area are lagging behind regional and even national economic performance.

This is measure in both slow growth and below-average productivity:

³ Report on graduate attraction and retention

⁴ See Excel spreadsheet: LEP economic priorities

'Economic growth was lower than anticipated in 2015, at 1.6%. This was lower than the outturn for the south east (1.8%) and the UK (2.2%). Average productivity in the Solent stood at £45,645 in 2015, this was 8.4% below the regional average and just under half a percent behind the UK average'.

Solent LEP

'While Dorset is making a £17 billion contribution to the UK economy, our economic productivity is £2.5 billion below the national average, and the productivity gap has widened in recent years'. **Dorset LEP**

This economic weakness is linked to the composition of the Solent and Dorset economies:

'The relatively high concentration of jobs in the Solent economy in lower productivity sectors such as human health and social work and a lower share of jobs in higher value sectors such as financial and insurance activities; and information and communications.' **Solent LEP**

'The productivity puzzle in Dorset is a result of having too many low-value jobs in a weak investment cycle'. **Dorset LEP**

Both LEPs aim to increase the proportion of high growth businesses within their areas and to address challenges of skills and business support.

Overall, the Enterprise M3 area enjoys high growth and productivity, but parts of Hampshire perform less strongly than neighbouring parts of Surrey.

'Surrey districts (closer to London) tend to perform better than districts in Hampshire. (Winchester, with the 3th highest GVA/head is the exception). The other districts with GVA/head above 35,000 in 2015 are Runnymede, Surrey Heath, Guildford and Woking.'

Growth towns and Step-up towns [as identified by the LEP] have not performed to their full potential. These towns, together with the city of Winchester, contain just over one-third of the LEP's population but have been stagnant in job growth (contrasting with high growth in EM3 overall). **EM3 LEP**

Analysis

Dorset, the larger part of Hampshire, and the cities of Southampton and Portsmouth share challenges in improving productivity and economic growth rates. These challenges including growing and attracting high-performance businesses and improving skill levels, as well as tackling place-specific problems.

1.2.4 A gateway region?

Our study area contains ports at Poole, Southampton and Portsmouth, airports in Bournemouth, Southampton and Farnborough, and is close to Heathrow. Both Solent and EM3 LEP stress the importance of the area's access to key global gateways:

'The port of Southampton provides a strategic hub and gateway to global markets for enterprises across southern and central England...the second largest and most efficient container port in the UK and the nation's busiest cruise port. Southampton port plays a critical role in enabling export-led growth in the UK...The two ports [Portsmouth and Southampton], alongside Southampton International Airport, are our three International Gateways, and represent significant economic assets and ensure that the Solent is globally connected.' **Solent LEP**

'Enterprise M3 sits at the heart of a transportation hub connecting UK business to the rest of the world. It is close to Heathrow, Gatwick and Southampton airports and its own Farnborough Airport is one of Europe's premier business aviation airports. The ports of Southampton and Portsmouth are linked via extensive road and rail connections...,' **EM3 LEP**

Dorset has acknowledged transport problems, but the Dorset LEP has identified *'Dorset's position at the centre of the dynamic economies of southern Britain and its connectivity with...neighbours in Hampshire, along the M3 corridor... [and to London], and the west of England, and the M4/M5 corridors.*

With this geography, and with the port of Poole and Bournemouth airport, Dorset also has a potentially strong message as both part of a gateway region and a place having good access to the gateways provided in the Solent and EM3 areas.

Analysis

The study area has a strong potential regional message about its gateway role and access to key airports and ports.

1.2.5 Critical infrastructure

Transport

All three LEPs prioritise investment in improved transport, and with broadly similar approaches:

- Investment in key road and rail routes
- Solutions to local congestion/access problems that obstruct economic growth
- Increased utilisation of new low carbon and digital technologies
- Improved public transport

The strategies reflect the priorities in each area:

EM3 supports Heathrow expansion, improvements to the South Western rail corridor, and tackling congestion in north-east Hampshire/Surrey.

Solent highlights movement within urban south Hampshire, and improved access to the ports, airport and the strategic routes to the Midlands and London.

Dorset prioritises movement within the east Dorset conurbation and links to the Hampshire and London, and towards the West of England.

The individual strategies can now be read in conjunction with Transport for the South East's Economic Connectivity Review. This study identifies key transport corridors for the South East. In our part of the region, these mirror LEPs' strategic priorities and would underpin their more local priorities. (The study only covers transport links to the east of BCP, so cannot reflect Dorset's priorities, which will be covered by an equivalent study for the West of England.)

Corridor	Rank (of 20)
A27-M27/West Coastway line	3
M3/South Western Mainline	4
A34/CrossCountry Manchester-Bournemouth	6
A3/Portsmouth Direct Line	8
A33/CrossCountry Manchester-Bournemouth	10

Many of the key corridors (for example A31-M27-M3/South Western mainline) benefit all our LEPs. Improved connectivity within LEP areas (for example, urban south Hampshire and BCP) would benefit businesses and employees in the neighbouring area. However, there is relatively little cross-referencing of regional priorities in the different LEP strategies.

Analysis

The LEPs in our study area have a coherent overview of both their own and strategic transport priorities, underpinned by a strong body of evidence. They would be given greater weight if LEPs endorsed shared priorities. For example, Enterprise M3's support for Heathrow could be mirrored in the other LEPs' strategies, as could Solent's priority of links to the port of Southampton.

Digital connectivity

Since the publication of the initial LEP strategies it appears that significant progress has been made on the delivery of ultrafast broadband and 4G coverage. Both do remain an issue in some rural communities.

Both Dorset and EM3 have plans to be early leaders in the development of 5G technology, utilising the world-leading position of Surrey University.

Dorset LEP aims to 'establish a 5G testbed environment in our city by the sea that could be further rolled out to other major centres and industrial areas in Poole, Christchurch and wider Dorset. Economic advantage can be gained from the early deployment of 5G technology. It will open up considerable new opportunities for Dorset's digital SMEs and enable our existing advanced manufacturing sectors and new businesses to exploit the opportunity in the new marketplace to lead on the manufacture of 5G and digitally enabled machines'.

Enterprise M3 aims to be 'a trail blazer in the adoption and commercial exploitation of 5G technology' and to 'become Europe's first 5G Region – a leader in wide access to 5G technology by building a world-class digital infrastructure linked to our 5G test beds.'

5G is not mentioned explicitly in Solent's strategy. There is, however, a heavy emphasis on the digital capabilities of business and higher education in the area and its ambitions on 5G need to be explored further.

Analysis

There is a significant ambition to become a leading exponent of 5G technology that could be extended throughout the region.

1.2.6 Critical assets

Critical assets are the institutions and physical attributes of the area that LEPs deploy to underpin their strategic economic plans. The importance of the region's 'gateway' role has already been identified. Two other critical assets feature strongly in LEP strategies: higher education and the outstanding quality of the natural environment.

Higher and further education

Dorset LEP makes frequent references to its 'two world-class universities' (Bournemouth and Arts University Bournemouth) in support of its economic vision and in attracting talent to the county. It includes both universities and its FE colleges amongst its list of assets.

Enterprise M3 has four (Surrey, Winchester, Royal Holloway and University of Creative Arts) universities within its own area, although Winchester is small (c. 7,000 undergraduates) and the University of Creative Arts is a specialist institution. However, the LEP also stresses its accessibility to nearby universities and its own FE colleges.



OUR EDUCATORS & INNOVATORS	
01 Royal Holloway - Uni. of London	10 Sparsholt College
02 Brooklands College	11 University of Winchester
03 Pirbright Institute	12 Southampton Science Park
04 Farnborough College of Tech.	13 University of Southampton
05 Basingstoke College of Tech.	14 Brockenhurst College
06 University of Surrey	15 Solent University
07 Surrey Research Park	16 University of Portsmouth
08 Guildford College	17 University of Reading
09 Uni. for the Creative Arts Farnham	

According to Solent LEP *'The three universities based in the Solent are places of transformation. They are major employers and major economic assets, generating new businesses, supporting existing businesses and bringing significant revenues to the local economy. Innovation and the exploitation of new knowledge by the private sector is fundamental to future growth and the Solent is fortunate that three of its HEIs have strength in strategic sectors'*.

And...*'we have a network of high-quality Further Education colleges'*.

Innovation South, which includes our three LEPs but also stretches to Kent, stresses the key role of universities in its innovation strategy:

'Innovation South has 16 universities - a powerful diversity including Southampton, the UK's number 1 for engineering, and Surrey's internationally renowned 5G Innovation Centre. High-profile research institutions include the Atomic Weapons Establishment and TRL, the Transport Research Laboratory in Berkshire.'

Innovation South also identifies those universities that are particularly strong in the key activities that support its strategy.

Although universities frequently have close links with business in their immediately hinterland, business-HE links are as likely be built upon the areas of knowledge transfer and research expertise most relevant to the individual company, rather than immediate geography. For that reason, those documents that stress the strength in depth offered by all the regions' universities make the most presentation of these critical assets.

The study area also has significant centres of private sector research, development and innovation. (See map 1, appended.)

The natural environment and heritage

The quality of the natural environment and heritage both form an important part of LEPs' descriptions of their areas.

'Surrey and Hampshire are known for their rich natural environment. They are characterised by many rural towns and villages, two national parks and sites of outstanding natural beauty and heritage. Rural landscapes represent almost 55% of the area'. Enterprise M3 LEP

'The Solent is anchored around the Isle of Wight, the two cities of Portsmouth and Southampton, the M27 corridor and the Solent waterway. Comprising 17% of the South East's land area, it is bordered by two national parks and with a natural geography comprising three islands and two peninsulas, it has renowned heritage, countryside and coastline'. Solent LEP

'The strategic importance and value of Dorset's natural environment and heritage is recognised internationally. When combined with South East Dorset's green belt, the area's environmental and historical designations cover more than 65% of Dorset's landscape'. Dorset LEP

Dorset LEP gives particular attention to the management of growth within such a sensitive environment.

To a large extent, these are overlapping descriptions of the same or similar environments. The whole of our study area enjoys superb natural environments, much with a protected status, and good access to attractive rural and coastal areas. It also holds many heritage sites and historic towns and buildings.

Sustainability

In launching its Industrial Strategy, the government identified Clean Growth - 'growing our national income while cutting greenhouse gas emissions' - as one of its four 'grand challenges' and will expect Local Industrial Strategies to reflect this priority.

Both Dorset and Enterprise M3 LEPs have already included Clean Growth within their most recent publications.

Dorset identifies Clean Growth as a one of six key 'sector opportunities' for the county:

'CLEAN GROWTH: To become a leading low-carbon energy economy, championing the efforts to deliver affordable energy which drives productivity and clean growth.'

Enterprise M3 makes Clean Growth one of five 'stimulants for growth in an advanced digital and low carbon economy. 'It is imperative our economy develops an energy supply which solves the trilemma of ensuring security, affordability and sustainability. We intend to improve our carbon emission profile further and contribute to the UK Government's 2015 target to reduce emissions by 80% of 1990 level and domestic emissions by 3% a year.'

Solent LEP has yet to incorporate Clean Growth into its strategy documents. However, its 2014-20 'Renewable energy' was identified as a key sector in its 2014-20 growth strategy but not in more recent papers.

EM3 and Dorset LEPs are participating in wider regional energy strategy studies (though for the South East and South West respectively). Solent commissioned its own energy strategy study in 2015.

Analysis

Higher education, the natural environment, sustainability and renewable energy are identified as critical assets and ambitions across the region. There is potential to develop coordinated regional messages around these issues.

1.2.7 Strategic planning – the coastal cities

The three coastal cities of Southampton, Portsmouth and the new Bournemouth, Christchurch and Poole have distinct characteristics. But they are given particular attention in LEP strategies, local authority strategic planning, and in their own aspirations.

Both Dorset and Solent LEPs, along with the relevant local authorities, want to focus as much growth as possible on the cities and neighbouring local areas, to relieve potential pressure on sensitive rural environments and smaller communities, to attract younger people and create an innovative business environment, and to enable the efficient and sustainable delivery of services and public transport.

All three cities focus on the natural advantages for business, living and leisure of their waterfront locations and stress their role as a focus for innovation and growth.

'By 2033 Dorset will be one of Britain's Core City-Regions, and the most sustainable of these. Its competitiveness will be driven by innovation' and.. 'a new city by the sea – Bournemouth, Christchurch and Poole – is being created that is comparative in size to Bristol.' **Dorset LEP**

'Make Portsmouth Britain's premier waterfront technology and innovation city – a great place to invest, learn, live, work and visit and the most attractive place to start, grow and move your business to.' **Portsmouth City Council**

'We want to build on Southampton's unique sea city location with exceptional transport links, its strong position nationally for economic growth, excellent reputation for teaching and learning, strong business community, good regional specialist hospital, varied retail offer and night time economy, vibrant voluntary and student communities with rich diversity and cultural mix'
Southampton City Council

These city visions are backed by the local LEPs and reflected in the policies of the top-tier authorities.

'At the heart of our economy are the two cities of Portsmouth and Southampton and their associated ports. Together these two cities provide over 37% of high-skilled jobs in the Solent and contribute 37% of our total economic output...we remain committed to realising the potential of our cities, where there is significant potential to develop the knowledge economy, and support areas that are economically vulnerable, reducing the high levels of welfare dependency and securing additional job opportunities for those not in work.' **Solent LEP**

'Cities/urban areas first – maximising housing delivery within existing urban areas as locations with existing infrastructure, and to minimise greenfield land take; and focusing office investment in city centres first, followed by town centres and key public transport corridors...Locating development in areas which can be served by high-quality rail and bus services to key destinations, particularly the two cities; and where local facilities can be provided. This can reduce car travel, congestion and pollution...' **Partnership for Urban South Hampshire**

Whilst there is an element of competition between the cities, there is also benefit in their close cooperation. Southampton and Portsmouth already participate in PUSH and developed, with neighbouring local authorities, an unsuccessful joint devolution bid.

Analysis

The study area has three complementary waterfront cities with strong economic synergies and ambitions which, with improved transport, would have a large inter-connected population. It is one of the distinct strengths of the region to emerge from this study.

2.1 Economic geography – can we identify a region?

There are significant synergies and similarities between the key economic challenges and opportunities outlined by the three LEPs and the top-tier local authorities in our study area. This project has asked whether these characteristics can or should be associated with an identifiable region or sub-region.

The boundaries of the existing LEPs and local authorities do not map neatly onto the economic geography. As would be expected, the data does not show a clear-cut 'region' of largely self-contained economic activity. Different 'regions' emerge according to the issue being studied.

Map 1, from Innovation South, shows the clusters of public and private sector assets across southern and south eastern England. Those in east Dorset/Bournemouth, Poole and Christchurch (BCP), and southern Hampshire/PUSH, are entirely within our study area. Those in north-east Hampshire and Surrey form part of a wider cluster with parts of the Thames Valley.

The analysis of the South East Connectivity Review (Map 2) shows marine, maritime and defence industries centred on southern Hampshire, the Isle of Wight and reaching up into north-east Hampshire, Surrey and the Thames valley. (The study did not cover Dorset, but we can assume it forms part of a large marine, maritime and defence area.) The PUSH area is highlighted for its importance to transport and logistics.

Within the EM3 study area, employment is heavily clustered towards north-east Hampshire and Surrey (Map 3).

The 2011 census implied several travel-to-work (TWA) areas (in which most, although not all, people live and work within the same area) in our study area, with TWAs centred on the PUSH conurbation, east Dorset, north-east Hampshire, north-west Hampshire and Surrey (Map 4).

Analysis

There is no single self-contained region with clearly defined boundaries. There are clearly three major centres of economic activity: east Dorset, southern Hampshire and north-east Hampshire/Surrey. These could be seen as (1) a single economic region, (2) three separate but linked regions, or (3) a

coastal region and a north-east Hampshire-Surrey region. An alternative approach that placed more emphasis on public recognition that economic activity would focus on local authority boundaries.

2.1.1 Assessing regional options

Based on our economic analysis it is possible to identify several different 'regions' that could be the basis of a regional strategy (N.B. future papers on planning, housing, infrastructure, assets and capacities will examine whether these follow similar or different geographical patterns). These 'regions' are **not** proposals for local authority or LEP reorganisation. It is simply assumed that the existing organisations would cooperate by describing and promoting the region in a consistent and coherent way. We have considered:

1. Small areas/sub-regions

A focus on smaller and discrete areas: for example, individual cities (BPC, Southampton, Portsmouth, Winchester and their hinterlands), and areas of high economic importance (such as north-east Hampshire and Surrey). A variation on this approach would focus Southampton and Portsmouth on the single PUSH area.

2. Coast and hinterland

A focus on the coastal strip (Poole to Portsmouth) and its surrounding strong TWAs (reaching into mid-Hampshire and mid-Dorset)

3. LEP boundaries

A focus on the existing LEP boundaries, with local authorities orientating their own material to reflect these boundaries

4. Local authority boundaries

A focus on upper-tier local authority boundaries, (Dorset & BCP; Hampshire, IoW, Southampton and Portsmouth) with LEPs reflecting this geography in their own material

5. The study area

A focus on the three LEPs and their associated local authorities as one region

6. The wider south/south east

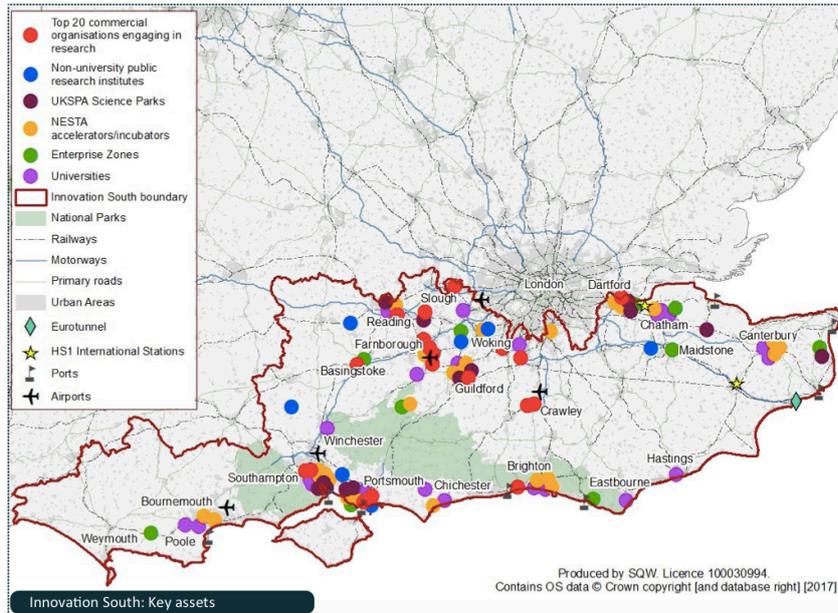
A focus on the larger region covered by Innovation South.

We have assessed these models against the criteria set out in para 1.2. This assessment is made in the attached charts, with a brief analysis. It is important to stress that, in the absence of hard data, these judgements are inevitably subjective. We expect them to form a key part of the consultative stage of this study.

Analysis

No single 'region' performs better than others on all our criteria. However, if the lack of a regional approach leaves the area without a distinctive and authoritative voice with which to speak to Government it will be important to seek consensus on the most effective regional approach.

Map 1



Map 2

