

CABINET: 5 APRIL 2006

CONSULTANTS REPORT ON ECONOMIC DEVELOPMENT

1. BACKGROUND

- 1.1 The Council has commissioned Roger Tym and Partners to review and revise the current Economic Development Strategy for the District. The consultant's have produced their report and it is attached as Appendix 1.
- 1.2 The purpose of this paper is to seek Cabinet's agreement that the consultant's report be made available for consultation, from which the Council's Economic Development Strategy can then be drawn.

2. THE ROLE OF THE CONSULTANT'S REPORT

- 2.1 The consultant's report is recommended for approval for consultation amongst the range of partners that it will affect. This will test the main themes and actions that are proposed. The resulting commentary can be used to create the strategy for the district.
- 2.2 The report is a substantial one, which exhibits the broad scope of this subject. Stylistically it does not perhaps match the presentation of Council papers and there may be ways to improve how it reads. However, officers would suggest it is a good basis for consultation and it is recommended as such.

3. THE NEXT STEPS

- 3.1 The timeline set out below reflects a number of factors. Firstly, as a major document leading to policy questions, it should be open to consultation for three months under the "Compact" arrangements. When comments are considered, the process of agreeing the Strategy can begin. The Council's Constitution requires that the Economic Development Strategy is devised with the input of the Economy and Planning Panel and is submitted via Cabinet to Full Council.

April	Cabinet approve for consultation
May – July inclusive	Consultation with partner agencies, for example: National Park Authority New Forest Business Partnership Hampshire County Council Town and Parish Councils Education sector
August	Lead Scrutiny members, CMT and Portfolio Holder discussions
September	Economy and Planning Review Panel
November	Cabinet
December	Full Council

4. REPORT CONTENT

- 4.1 Officers suggest that the content of the report can stand as the comments of the consultants review. However, members may feel otherwise, so a brief introduction is included at this point. The report recognises that the Council has an influential role to play but that it does so within some issues that are of a national, if not global, scale. This is not a new message in this field (and the same may be said to apply to other Council services, to some degree or another). The strategy identifies action for the authority and its partners and notes, of course, that it will need resolve to see them through. In that regard, the strategy will ultimately have a direct lead into the Economic Development Service Plan and the Local Development Framework but will also expect to influence other services and practice in the authority – for example, home working, workforce planning and procurement.
- 4.2 To provide a summary of some principal themes for the way ahead, the table below lists the five “drivers” of improved performance and a selection of some actions from the full action plan:

“FIVE DRIVERS”	EXAMPLE KEY ACTIONS
Skills and human capital	Facilitate relations between business and education sectors
Investment	Produce the Land Study and feed into the LDF; investigate re- use of agricultural buildings and the potential of Junction 2. Act as advocates for development.
Enterprise	Development of the New Forest “Brand”; signposting of information / advice sources; fostering the role and impact of the NFBP
Competition	Advocacy of business needs in LDF / town developments; development of procurement strategy.
Innovation	Attract more knowledge based start ups.

- 4.3 For this to be carried out, the current skills and resources of the Economic Development Unit need to be applied both directly and indirectly to the 46 actions identified. The organisation of this will be via the Service Plan.
- 4.4 These directions match those contained in the appropriate sections of LPSA2 and LAA. This means that those agencies concerned will be working to common agendas and putting time and effort in the same direction.
- 4.5 The greater involvement of senior officers and in particular members, has been recognised as a benefit in recent times. The action plan calls for this to continue and indeed be developed, particularly in local networks and beyond to the regional level.
- 4.6 The strategy has a note of realism in its visions in recognising that the aim of people living and working in or close to the same settlement is laudable. These would truly be the sustainable communities that so much of policy seeks to achieve. However, realistically it must be

regarded as an aim, toward which policy and action can influence travel but it is an unlikely destination. Our dispersed populations, the presence of the major conurbations and the structure of current economy are three among a number of reasons that mitigate against its full achievement. This does not preclude a direction of travel that does what it can to promote it, rather than provide an obstacle to it.

5. BASIS BEHIND THE ACTION PLAN

5.1 These way forward arises as the above themes because of a range of factors: District residents earn less than the regional average but the nature of the District means that attempting to grow the overall scale of economic activity to resolve this, is not appropriate. Some key characteristics are:

- Residents (wherever they work) earn substantially less than the regional average.
- Jobs provided in the District (no matter where the workers live) pay significantly less than the regional average.
- Environmental constraints and objectives mean that growing a way to greater prosperity is inappropriate
- There is local opposition to large scale re-development in town centres as well as green field

6. FINANCIAL IMPLICATIONS

6.1 There are no immediate implications or commitments. However there are proposals in the action plan that are likely to lead to future expenditure plan bids.

7. CONSULTATION

7.1 There has been extensive consultation with the business community and seminars held involving members. This has helped the consultants develop their proposals and it is now time to test these with a fuller consultation exercise.

8. ENVIRONMENTAL IMPLICATIONS

8.1 The approach of the paper is to seek to minimise impact within the context of achieving sustainable economic growth. This is best assessed on the basis of individual projects.

9. CRIME AND DISORDER IMPLICATIONS

9.1 There are no direct implications arising from the report.

10. PORTFOLIO HOLDERS COMMENTS

10.1 The Portfolio Holder for Environment and Planning has seen the consultants report and supports the recommendations.

11. RECOMMENDATIONS

11.1 It is recommended that:

- a) The report submitted by Roger Tym and Partners be approved as the basis for consultation.
- b) A proposed Economic Development Strategy be developed in line with the consultation process outlined in section 3.1 of the report.

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Background Papers:
Published report.

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New Forest District Council AN ECONOMIC STRATEGY FOR



ROGER TYM & PARTNERS
Planners and Development Economists

THE NEW FOREST

Draft Report

March 200

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1 INTRODUCTION

- 1.1 Roger Tym and Partners were commissioned by New Forest District Council (NFDC) to produce an advisory document setting out a potential strategic economic role for the Council in the period 2006-2010. Its purpose is to present a clear vision of a desirable and achievable future together with action plans for the delivery of this vision.

Our approach

- 1.2 New Forest District has a complex and diverse economy comprising over 6,000 businesses. It is home to over 170,000 people (of who some 82,000 are economically active) and provides employment for some 61,000 people. There are a large number of economic issues which we could pick up in a strategy such as this, many of which have been discussed with business as part of our consultations. Sometimes individuals and organisations who engage in the process have been understandably keen to see their own objectives and private interests delivered by the strategy, rather than taking a more dispassionate view. But developing strategies requires us to be focused on the bigger issues, rather than being buffeted by events or short term distractions.
- 1.3 The first step in our approach has been to understand the issues in the local economy. Fundamentally, stakeholders in the New Forest want to see earnings in the New Forest rise. Stakeholders recognise that, while the area has high housing costs:
- the earnings of workers resident in the New Forest (no matter where they work) are substantially lower than the regional average; and
 - the jobs that are provided in the New Forest (no matter where workers live) pay significantly less than the regional average.
- 1.4 To resolve this problem, we need to ensure that, in the longer term, local jobs can deliver prosperity to residents. In economic terms, this means that output, or Gross Value Added (GVA) per head, needs to be higher for jobs located in the District.¹ Better paying jobs will mean that New Forest residents working locally will have higher incomes, and fewer local people will need to commute outside the area.
- 1.5 But how do we achieve this? Traditional growth strategies have historically depended on greater resource inputs to support growth – more employment land, more transport provision, more housing, more jobs and more people. This model is still in active use – see, for example, the growth plans for the East of England and the Thames Gateway - but it will clearly not work in the New Forest. We cannot pursue the objective of increasing wealth to the exclusion of other objectives: environmental parameters have effectively been set by the recent designation of the Forest itself as a National Park, and this has impacted on perceptions of the District as a whole. At the same time, there are landscape designations applying to other parts of the District. While there is some scope to expand the environmental 'footprint' of economic development within the six towns in the District, the achievement of 'smart' economic growth, without significant new development or infrastructure, must be central to the strategy.

¹ GVA (Gross Value Added) is the contribution to the economy of each individual producer, industry or sector in the United Kingdom. It is standardised to a per capita value by dividing GVA by the number of residents or workers.

- 1.6 We say more about these constraints below. In the vision, we go on to respond to the apparent contradiction between the desire to grow the economy on the one hand, and the need to protect the environment on the other.

The constraints

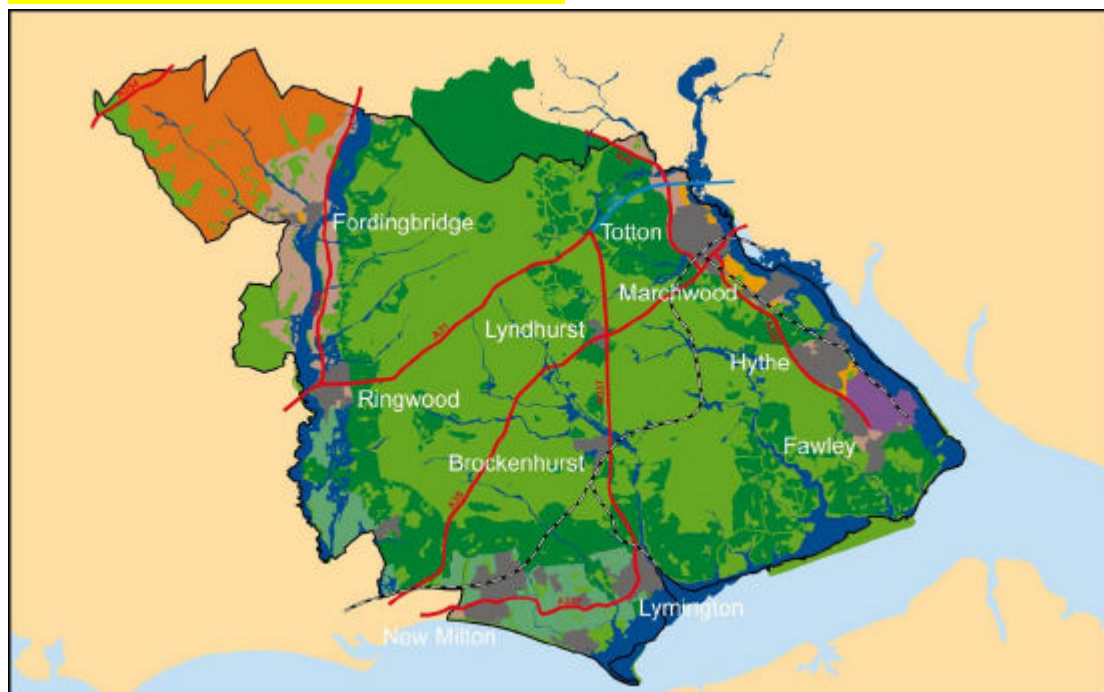
Growth is constrained by both local and national recognition of the importance of the natural environment of the New Forest

- 1.7 The formal status of the New Forest National Park indicates that there are now very strong conservation policies in place.
- 1.8 Outside the national park boundary, environmental considerations remain strong. Areas of Outstanding Natural Beauty (AONB) and other environmental designations are taken very seriously by local people and by their representatives on the Council.

Development is constrained – both by policy and a lack of developer interest

- 1.9 It has been made clear to us by a number of parties that greenfield development in general is to be resisted wherever possible, even in areas outside the National Park boundary. As a result of the various environmental designations (e.g. greenbelt, strategic gaps and floodplains), the scope for identifying further development sites is very limited. However, the possibility of adding additional sites is available through the current LDF review, and some additional floorspace capacity can be achieved through the conversion of redundant farm buildings.

Figure 1.1 New Forest DOES THIS SHOW THE ENVIRONMENTAL DESIGNATIONS? IF SO WE NEED A KEY



Source: NFDC

- 1.10 Likewise, there is little expectation of large scale redevelopment in town centres amongst local communities. Although limited expansion might be acceptable, there was, for example, considerable opposition to proposals for relatively large scale development in Ringwood town centre.

Institutional change means that the Council has lost planning control over some areas

- 1.11 The New Forest National Park Authority (NPA) will have planning responsibility for the area within its boundary as from 1st April 2006. There is an expectation that the NPA will work with the Council (especially through LEADER+) on key elements relating to commoning, farming, tourism and business activities and related issues, and that a common agenda might be developed on sustainable development as a whole. This process is expected to develop during 2006.
- 1.12 There is also the possibility that transport policy may tighten in the national park.

Funding constraints

- 1.13 External funding to support economic development initiatives within the District is likely to be limited.
- There will be only limited funding of infrastructure schemes. It is unlikely, therefore, that there will be any significant improvements to transport networks other than those achieved through traffic management.
 - While car parking needs in town centres can be addressed both through capacity provision and management changes, there are clear resource constraints on the provision of additional car parking.
- 1.14 However, some funding is available.
- SEEDA Market Towns money is available for town improvements, and New Milton has already received the first grant from the fund. There is scope for further funding bids from other towns in the District.
 - LEADER+ funding, while narrowly targeted at a specific sector, is available throughout much of the New Forest itself.
 - Some business support funding will become available to NFDC in 2006 through the second round of Local Public Service Agreements (LPSA2).
 - Some ESF funding is feeding into local business training through the Southern Entrepreneurs project. It is expected that some 35 businesses in the District will have benefited from this by the end of 2006.

The geographical focus of the strategy

- 1.15 While there are rural activities contained in this strategy, the focus is on the three sub-areas of Totton/Waterside, Lymington/New Milton and Ringwood/Fordingbridge. The validity of the three sub-areas of the District in terms of commercial property and coherence of communities is recognised in the ongoing work of the LDF.
- 1.16 While it would be unrealistic to expect these areas to be self contained, it is necessary to make appropriate provision for companies and their associated workforce in each of these three areas. This is being taken forward as a key element of LDF site provision.

Progress since the last strategy

- 1.17 There has been significant progress since the publication of the last strategy. In addition to the ongoing 'core' activities of economic development carried out by the Council, new initiatives have included:
- The New Forest Business Partnership was formed four years ago and continues to function as a conduit between NFDC and the local business community. In line with a best practice report to Government² and experience from elsewhere, the NFBP brings business interests together, engages business in influencing Council work, and runs a programme of seminars, networking events and meetings on topics of real business interest. This work is clearly focused at productivity related issues (for example, events covering IT/broadband, intensifying local business networks, and transport issues). Good linkages have been formed between businesses, NFDC and other support agencies.
 - A Business Support Officer has been appointed and an annual programme of business support events and measures delivered in conjunction with other agencies.
 - A bid for £1.2m of European LEADER+ was successful, including £0.5m of SEEDA match funding.
 - Over 40 projects have been approved in the District for European LEADER+ funding.
 - NFDC-run projects within the area are supporting the development of the New Forest Marque®, together with a number of other supply chain initiatives. Likewise, new weekly markets have been established as outlets for small scale local producers.
 - The Council has been involved in the partnership delivery of the Southern Entrepreneurs project (ESF funding of small business management training).
 - Town Partnerships have been supported, and SEEDA funding for improvements in New Milton town centre secured.

² ODPM (2001) Towns and Cities: Partners in Urban Renaissance
odpm.gov.uk/index.asp?id=1127621

2 ECONOMIC CONTEXT

Introduction

- 2.1 This section summarises the economic context and key issues facing the District. We sketch out the policy background, showing the wider objectives which the Council needs to consider in the economic strategy.
- 2.2 We then move on to assess the economic well-being of the area's residents and businesses. Throughout, we aim to benchmark the local economy against norms or expectations based on the performance of larger areas, such as Hampshire County and the south-east.
- 2.3 When looking at the statistical performance of the area, we have described the general context and then organised the review using headings which Government research suggest determine the economy's overall ability to create wealth (also known as its "productivity"). These drivers of economic performance are skills and labour, investment, enterprise, competition and innovation.
- 2.4 This analysis, together with the wider strategic perspective, will help set objectives for the economic strategy. A fuller analysis is provided in the Issues Paper, which is available under separate cover.

Strategic context

- 2.5 New Forest District is subject to a number of higher level strategic studies in terms of both economic strategy and spatial planning.
- 2.6 The Regional Economic Strategy, currently the subject of consultation and due to be adopted in autumn 2006, sets a broad context for economic development within the South East. A series of non-geographic key actions are proposed. In geographic terms, the Totton & Waterside area forms a part of the Coastal SE area of the strategy, while the rest of the District forms a part of the Outer SE. The key actions proposed are, in the main, non-controversial and support the various aspects of the local economy. At present SEEDA supports two current programmes within the District (LEADER + and Hampshire Market Towns).
- 2.7 Spatial planning policy is set out in the Regional Spatial Strategy, prepared by SEERA. The Strategy points towards a number of measures supporting a range of provision in land based and rural small businesses; natural environment and heritage assets; entrepreneurship; seasonal work; affordable workspace; business to business networking; increasing the diversity of services and business activities; and maintaining service delivery in rural areas. Further detailed work on the Partnership for Urban South Hampshire ("PUSH") area, and the Central Hants and New Forest area, are at varying points in their development processes.
- 2.8 The Local Development Framework (LDF) will replace the New Forest District Local Plan. The LDF will control physical development and land use within the District. Employment sites and town centres are two parts of the LDF which have been prioritised and for which proposals are currently being developed. While work on all these documents is either ongoing or the subject of consultation on proposals, it is likely that some parameters for an economic strategy can already be identified.
- 2.9 From these various policy developments, it is unlikely that there will be any:

- Sub-regional requirement for large scale release of land for business development.
 - Large scale requirement for new retail floorspace within any of the District's six towns.
 - Significant investment in new or improved infrastructure provision in the foreseeable future either in the District or immediately adjacent to it.
- 2.10 While from a strategic point of view it is unlikely that there will be any major, new external factors which could materially influence or induce any step-change in the nature or scale of economic activity in the District, it will continue to be heavily influenced by economic activity in the adjacent conurbations.

General economic context

The New Forest district has low unemployment...

- 2.11 Unemployment rates are particularly low in the District – lower even than the Hampshire and South East averages, and a third of the rate of the national average. These levels are likely to be even lower than the frictional level³. This generally indicates a healthy economy and labour market.

...but the jobs that do exist tend to be in lower productivity sectors

- 2.12 Whilst employment levels are high, the jobs that do exist tend to be in poorer paying sectors. The New Forest is generally poorly represented in banking, finance and insurance sector employment compared to the regional and national average. This sector tends to be one of the higher value sectors in the economy. Again, the proportion of people working in knowledge based industries⁴ is much lower than for Hampshire, the South East and Great Britain.
- 2.13 The District generally has high proportions of people employed in distribution, hotels and restaurants compared to the regional and national average; this broad sector also includes retail, which is a major employment sector in the District. Although generally considered to be low-value jobs, hotel and some restaurant employment can be beneficial in bringing extra expenditure into the area, with visitors spending locally and in turn supporting additional jobs.
- 2.14 The visitor strategy, recognises the low pay associated with the tourism industry and attempts to move the local industry up-market with consequent effects on quality, skills, and income. However, it will remain important to create jobs in other, high value sectors.

³ Frictional unemployment is the level of unemployment that occurs 'naturally' in the economy, ie, some people will be between jobs so not looking for work, but not currently working.

⁴ As defined by the OECD.

Total jobs growth has been quite significant, but below the regional average

- 2.15 Jobs have grown in line with the national economy, rising by 12,000 between 1995 and 2004. The largest growth in absolute terms was in banking, finance and insurance (2,300 jobs), distribution, hotels and restaurants (3,800 jobs), construction (1,000 jobs) and agriculture and fishing (1,100 jobs)⁵. Manufacturing employment declined by some 1,900 jobs.
- 2.16 The District rate of growth was lower than both Hampshire and the South East.

Out-commuters work in higher level occupations than local workers

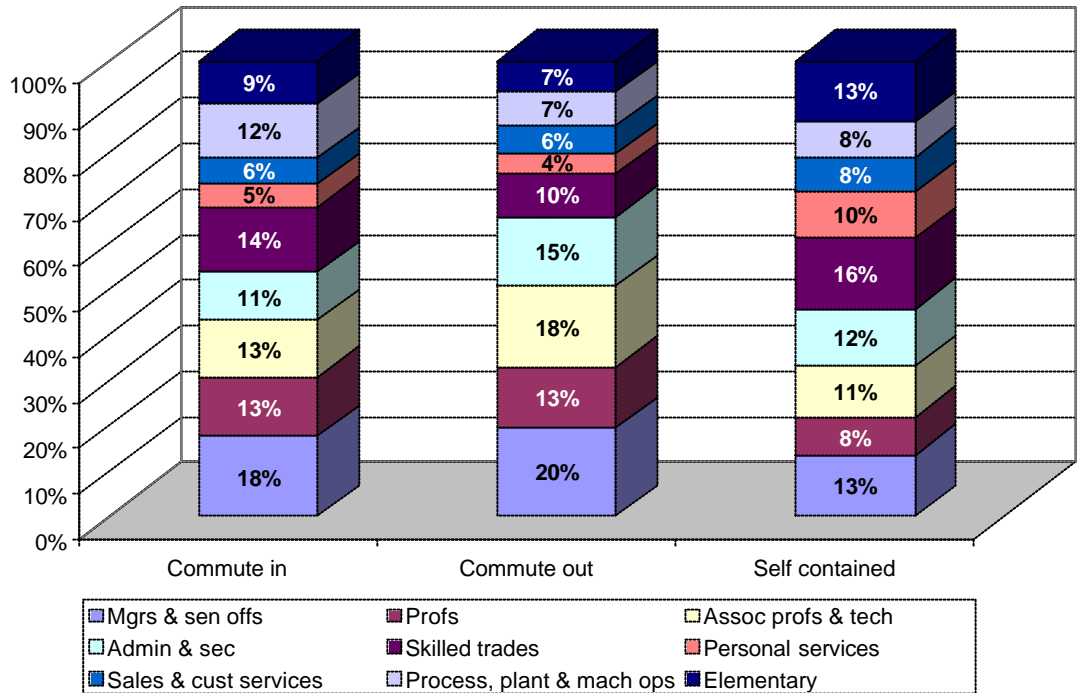
- 2.17 The chart below shows the occupations of people who commute into the New Forest, the occupations of out-commuters, and the occupations of people who both live and work in the District (the 'self contained').
- 2.18 The chart shows that
- People who live and work in the District are more likely to be in lower level occupations than out-commuters and in-commuters.
 - People who live in the District but commute out to work tend to work in the higher level occupations. There are larger proportions of out-commuters working in administrative and secretarial occupations, and associated professional and technical occupations than in-commuters.

Jobs in the New Forest often pay badly

- 2.19 The average pay of *employees* in the District ('workplace earnings') is very low compared to GB, the South East and Hampshire - with the average approximately £100 per week less than the South East and Hampshire
- 2.20 *Residents* of the District also earn less than the national average, which in turn is lower than Hampshire and the South East. The pay of residents is the average pay for people who live in the New Forest, but who do not necessarily work there. District residents' earnings are on average higher than those working in the District.

⁵ These increases are for 1995-2002 since data broken down by sector after 2002 is not comparable because of changes to the Standard Industrial Classification.

Figure 2.1 Occupation of in-commuters, out-commuters and the self-contained



Source: Census 2001

The poor are very poor: the lowest earners in the New Forest are paid less than low earners elsewhere...

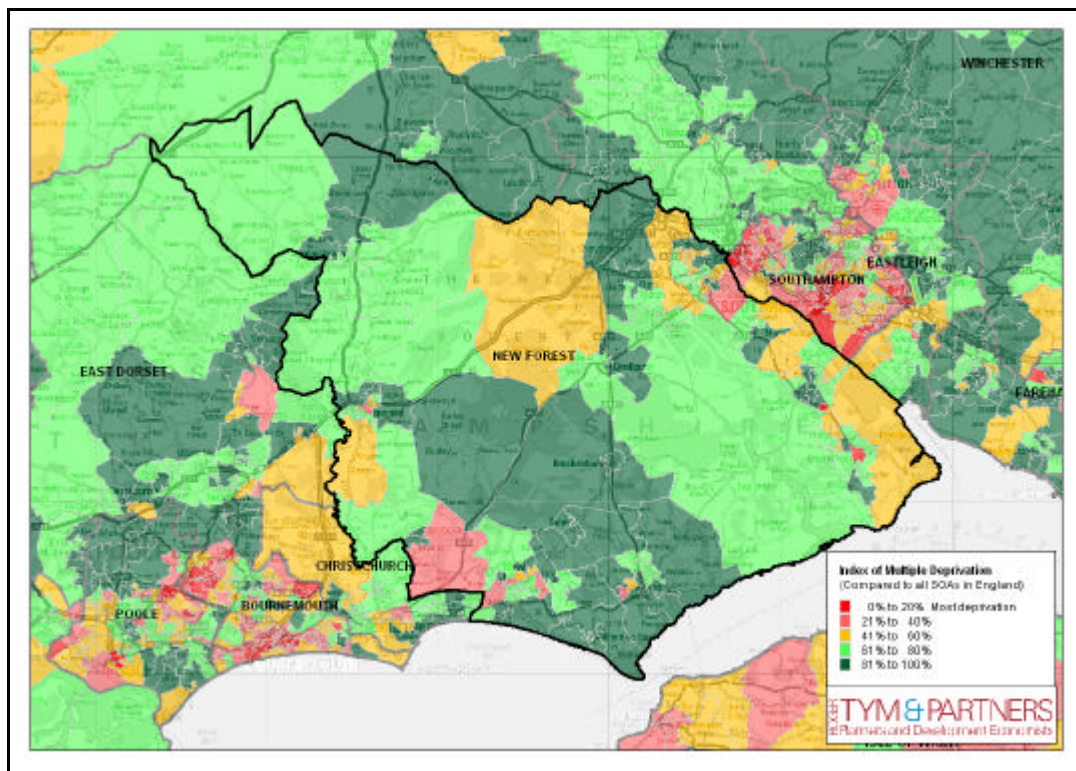
2.21 Earnings data shows that when both workplace and residents' earnings are split into percentiles, the lowest decile (i.e. the average earnings for the 10 per cent of lowest earners) is far lower than the South East, and even national comparators. This shows that those at the lower end of the earnings scale may be particularly disadvantaged. This is true of both workplace and residents' earnings.

...but even so, deprivation is not a significant problem compared to other parts of the country

2.22 At the district level, deprivation is not a problem in the New Forest. The New Forest is ranked 286 out of 354 local authorities nationally, meaning that it is in the least deprived quartile of local authorities.

2.23 However, district level data mask pockets of real deprivation in some neighbourhood areas. We have therefore put together a deprivation map at neighbourhood levels (known as Super Output Area level) in order to determine if this is the case.

Figure 2.2 Index of Deprivation, 2004



Source: ODPM/RTP

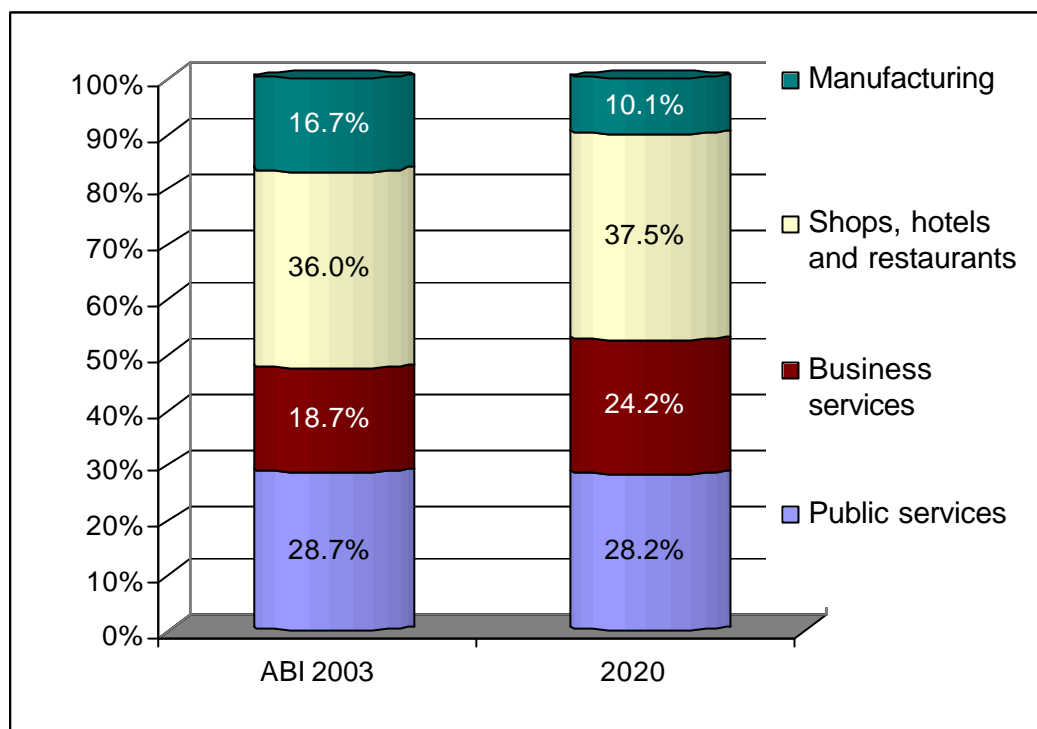
- 2.24 The map indicates that while deprivation in the New Forest is low overall, there are small pockets of deprivation in Totton, Blackfield, Hardley and to the north-east of New Milton. The Community Strategy points out that on some of the deprivation domains, such as access to services, the New Forest performs less well.

Strong jobs growth is forecast...

- 2.25 Employment growth forecasts provided by Hampshire County Council⁶, predict jobs in the New Forest could increase by around 5,000 to 8,000 between 2003 and 2020. This is lower than the past rates of employment growth noted in paragraph 2.15.
- 2.26 Within this change there is an expected structural shift from manufacturing to business services, which is shown in Figure 2.3. This will have implications for the types of business space that will be needed in the future, implying a need for additional office space on existing industrial sites.

⁶ Based on DTZ forecasts for PUSH and Experian data.

Figure 2.3 Structural change in New Forest employment, 2003 to 2020



Source: HCC, based on DTZ and Experian forecasts

Productivity drivers: skills, human capital and labour

- 2.27 A government review has found that the key factor explaining the UK's low productivity compared to countries such as the US and France is the lack of skills.⁷

New Forest economic activity rates are in line with the national average but lower than the regional average

- 2.28 Economic activity rates⁸ in the District are generally similar to those of the UK, although lower than the South East and Hampshire. This comparison with the regional average is the more meaningful, as the District functions within the South East labour market. Within the District, only Totton has higher economic activity rates than the South East region; this is unsurprising given its proximity to Southampton.

New Forest has a relatively large proportion of retired people

- 2.29 New Forest has a relatively large proportion of retired people compared with County, regional and national averages.

Retirees dominate the economically inactive sector

- 2.30 Of the economically inactive – of which the New Forest has roughly the same proportions as the national average – the New Forest has a disproportionate number of retirees (i.e. the government definition of working age is now 16 to 74 years of

⁷ Treasury, DTI (2001) *Productivity in the UK 3 – The Regional Dimension*

⁸ Economic activity rates measure the proportion of the working age population who are employed, unemployed and seeking work, students, and self employed.

age). Within the District, Milton ward has by far the highest proportion of retirees in the economically inactive population.

Table 2.1 Proportion of economically inactive who are retired

	Retired
New Milton	66%
Lymington	59%
Fordingbridge	57%
Rest of New Forest	56%
Hythe	56%
Ringwood	52%
Totton	49%
New Forest	57%
Hampshire	50%
South East	45%
England and Wales	41%

The New Forest has above average rates of part time employment

- 2.31 The District has a relatively high proportion of people in part-time employment compared with the region. Additionally, the percentage share of part-time employees who are female is higher than either the regional or national average. Lymington and Hythe both have particularly high proportions of female part time employment.
- 2.32 Whilst part time employment will tend to reduce the GVA per capita (measured either on a per worker and per resident basis), we would caution against concluding that part time employment is a sign of economic weakness. This can often be a result of either demographics (an older population tends to have higher rates of part time work) or individual choice.

Skill levels are in line with national rates, but poor compared with the South East

- 2.33 There is a similar proportion of residents with high levels of qualifications as the national profile. However, the New Forest compares poorly to the South East, with notably lower proportions of residents with high levels of qualifications in Ringwood, Hythe, New Milton and Totton.

The Business Needs Survey highlights skills shortages

- 2.34 Forty per cent of respondents to the Business Needs Survey stated that the quality of the skilled workforce locally was a negative aspect of the area for business.
- 2.35 Of the existing workforce, general IT, customer handling, communications and management skills were noted as being the areas in most need of improvement. These are especially important in the service sector.
- 2.36 Management, numeracy and communication skills were the most frequently mentioned problems when asked about recruitment by the Business Needs Survey. These factors appear particularly important given the Treasury's finding that:

"...external support has an important role in helping small firms to achieve their potential, by improving their access to advice and information. There is good evidence that a key constraint on small firms' ability to grow successfully is the need for internal

management development, for example as they start to require more specialised skills.”⁹

Productivity drivers: Investment

- 2.37 Investment in physical plant, machinery and buildings helps make workers more productive and is a way of embodying new technology in the production process.

Sites are generally perceived to be good in the area...

- 2.38 The Business Needs Survey, 2005, found that the quality of sites and premises was the most-cited positive aspect of the New Forest with over 60 per cent mentioning it. But with one in five indicating existing sites and premises to be a negative aspect, current provision is not obviously meeting the needs of all businesses in the District.

..but there is little capability for future expansion

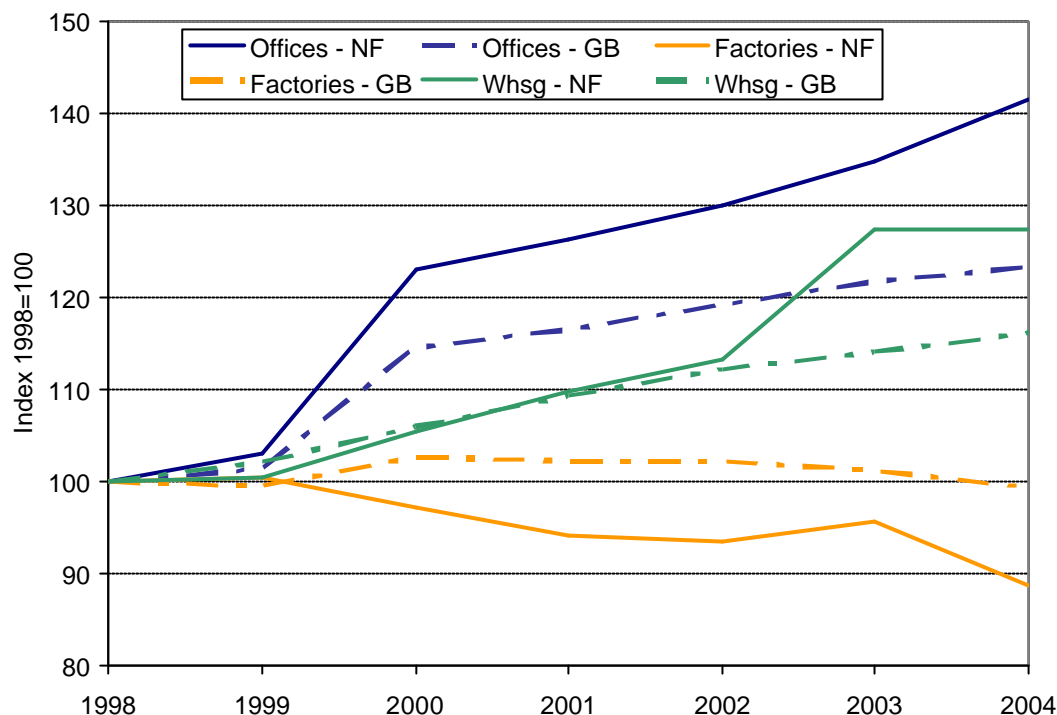
- 2.39 The Business Needs Survey found that a shortage of space for future expansion is the most frequently mentioned negative aspect of the area, with over 60 per cent of respondents citing this. Suitable land or premises are difficult to find (although, once secured are very satisfactory). Roughly equal proportions of people mentioned the availability of land and premises either as a positive or negative aspect. This suggests that some people have looked and failed to find suitable premises (or space to move into). However, the type of site or premises needed is unclear from the survey.

There has recently been growth of both office and warehousing floorspace

- 2.40 Office floorspace has increased by over 40 per cent since 1998, amounting to 54,000 square metres. This exceeds growth rates for the UK overall. Warehousing floorspace has also grown strongly. Manufacturing floorspace has declined in line with national trends. This results in a total increase in floorspace of 23 per cent.
- 2.41 These increases are in line with the increases in employment. However, they do suggest that the District has not been particularly successful at creating ‘spaceless growth’, ie significant increases in GVA without significant increases in new commercial floorspace.

⁹ p39 Treasury (2000) *Productivity in the UK - the Evidence and the Government's Approach*

Figure 2.4 Employment floorspace change, 1998-2004



Source: ODPM, RTP

Requirements for employment land are based on local demand

2.42 Commercial property agents, Vail Williams, were asked by NFDC to provide a 'commercial viewpoint' on employment land in the New Forest. The following is a summary of their report.

- Demand tends to be 'local' rather than 'strategic'. The New Forest has a series of local markets where demand for employment land and premises will be determined by the needs of local communities.
- Junction 2 of the M27 has much wider significance – with the perception of 'huge economic potential' for the District.
- The 'gravitational pull' of the regional centres is a fact of the market.
- Agents note the importance of road infrastructure (east-west links are superior to north-south links) which affects property demand and viability of development.
- Recent construction has catered for 'latent demand' from mainly local companies seeking modern and practical space (e.g. Lymington has benefited from Ampress Park in this way).
- The importance of the marine and maritime sector (port activity and yachting related markets) was noted.
- There is perceived to be demand for rural business units – and a resulting need to convert redundant farm buildings.
- Further development opportunities are available at Marchwood and Ampress Park, Lymington.

Productivity drivers: Enterprise

- 2.43 Enterprise involves seizing new business opportunities. The importance of a vibrant enterprise culture has long been recognised as essential for growth.

New Forest District is poorly represented in knowledge-based industries compared with the South East

- 2.44 In 2003, the New Forest ranked 128th (out of 408 Districts) in terms of the proportion of its firms that are in knowledge based industries. This has fallen from 111th in 1997. New Forest has more small and medium sized enterprises than the national norm.
- 2.45 The average size of businesses in the District is smaller than the national average. The exception to this is Totton, where the spread of large and small business is similar to the GB average.

Home-based working is an increasingly important part of the New Forest economy

- 2.46 Home based working is a significant, and quickly growing, part of the economy. Around one in nine economically active people in rural areas in the UK work mainly from home.¹⁰ Home based working is significantly more common in rural than urban areas. Table 2.2 shows that numbers working from home in the New Forest have nearly doubled in the ten years from 1991, with around 8,600 people working mainly from home in the New Forest in 2001. Growth in this area in the New Forest is faster than in Great Britain as a whole.
- 2.47 Research for the Commission for Rural Communities argues that this trend is driven by advances in technology, high property costs and a growing preference to avoid stressful and time-consuming travel to work. It reports anecdotal evidence from agencies and business advice professions of a “sea change in the nature of home based working in rural areas. The decline of agriculture, coupled with the advent of broadband and many other factors have led, many say, to a growth in service, ICT and craft businesses.” Service and ICT sectors tend to be higher value added in nature.

Table 2.2 Homeworking

	2001 Working from Home	2001 % of All Working Age Residents	1991 Working from Home	1991 % of All Working Age Residents
New Forest	8,607	11%	4,400	6%
Hampshire	60,879	10%	28,210	5%
SE	386,302	10%	184,500	5%
GB	2,170,547	9%	1,057,150	5%

Source: Census 2001

¹⁰ p6 Commission for Rural Communities (2005) *Under the Radar – Tracking and supporting rural home based business*

Productivity drivers: Competition

- 2.48 The Government believes that competition plays a central role in driving productivity growth. It encourages firms to innovate by reducing surplus capacity, putting downward pressure on costs and providing incentives for the efficient organisation of production. Work reviewed by the Treasury has shown that entrepreneurial ability in creating new businesses is an important source of competitive pressure.

Business start-up rates compare poorly against the South East

- 2.49 There are more start-ups per 1,000 inhabitants in the New Forest than the national average, but, more importantly, fewer than the average for the South East.

The level of environmental protection required in the New Forest means that competitive pressures are likely to be reduced

- 2.50 An analysis of written responses to the NFDC's business survey suggests that there is a perception that planning regimes are over-restrictive, and that environmental sensitivities are restricting business growth. Perhaps this can be summarised by one respondent, who said that there was

"too much bias on environmental protection versus peoples' needs and real life".¹¹

...but the environment is a source of competitive advantage for significant sectors of the local economy

- 2.51 It is likely that for some individuals and businesses, planning regulations will constrain economic activity. At a macro level this may curtail competitive pressure and so reduce productivity growth. However, while planning and environmental regulation does have some adverse effects on competitiveness, the quality of the environment is a key source of competitive advantage for the District, both in terms of the well-developed tourism industry, and in retaining footloose service businesses that might be persuaded to move elsewhere.

Productivity drivers: Innovation

- 2.52 Innovation is the successful exploitation of new ideas. Innovation leads to new products, processes and services, and to novel forms of delivery, leading to higher value added.
- 2.53 Some of the factors assisting levels of innovation in District are as follows.
- Networks and collaboration – whether firms rely on a variety of types of collaboration and relationships with many partners. The New Forest has a dense network of local business organisations, including the New Forest Business Partnership, which has an active programme of events, and some effective local Chambers of Commerce.
 - Capacity to absorb and exploit new knowledge – whether firms have to build the capability to make the most of external sources of knowledge, such as knowledge transfer from universities. SEEDA and Business Links funding is seeking to expand the rate of this type of knowledge transfer from the university sector.

¹¹ NFDC Business Survey written responses

3 VISION, AIMS, OBJECTIVES AND ACTIONS

Introduction

- 3.1 This strategy needs to give a clear sense of direction. Here we provide this by explaining our vision, aims and objectives for the area.
- A vision is a statement of aspirations describing a desired future;
 - Aims are the outcomes needed to bring about that desired future;
 - Objectives are those things that need to be achieved in order to realise these desired outcomes.
- 3.2 Together, these provide a coherent and consistent framework for co-ordinating activity.

Vision

- 3.3 While the prosperity of the District will to a large extent be dependent on growth in the national and regional economies, the Council has a significant role to play in the development of the local economy. Local decision-making affects individual companies and collectively the broader economy of the area. The Council also has an important role to play in developing relationships and partnerships with business organisations, business support organisations, development agencies and the wider public sector so as to allow the development of effective policy responses to local conditions.
- 3.4 *The Heart of the Forest*, the Council's Corporate Plan 2003-2007, acknowledges that the Council and its partners should seek to support the local economy in delivering prosperity to its residents. It recognises the interdependency of economic, social and environmental well being, and the Council's role with partners in helping to create and maintain a local economy that brings opportunities for jobs and economic benefits for the area.
- 3.5 Only when these policies, relationships and interdependencies are working effectively will local businesses be able to drive forward growth.
- 3.6 We have already highlighted the central problem of the New Forest's economy. This is that:
- Earnings of workers resident in the New Forest (no matter where they work) are substantially lower than the regional average; and
 - Jobs that are provided in the New Forest (no matter where the workers live) pay significantly less than the regional average.
- 3.7 Incomes therefore need to rise. However, as we suggest above, the objective of increasing prosperity cannot be pursued to the exclusion of all other objectives. There are clear constraints:
- Any new development must not adversely affect the natural environment. There is little prospect of major new transport investments. There is little appetite for significant change to the market town/urban character of the six towns.
 - There is little external funding available to effect significant economic change.

- 3.8 Therefore, across most of the District, rather than increase the *gross output* of the economy (by, for example, importing more labour and using more employment land) the strategy should aim to increase the *per capita output* of each worker. In short, if the economy is to grow, each worker needs to be more productive. There is a need to be more efficient with the resources which are available. Consequently, the New Forest economy will become more *resource productive, labour productive and capital productive* – without requiring significantly more resources which in turn would degrade the environment.
- 3.9 How then do we achieve this productivity growth? As we stated in section two, there are a number of factors that underlie any economy's productivity. Five key drivers of growth were set out in '*Productivity in the UK: The evidence and the Government's approach*', published alongside the 2000 Pre-Budget Report, which describes the UK's productivity performance in a national context. These are:
- Skills and human capital. These factors drive productivity growth through higher skilled workers tend to have a higher per capita output.
 - Investment. This drives productivity growth through businesses constructing new plant and premises and purchasing machinery leading to higher output per worker.
 - Enterprise. The process of seizing new business opportunities with a view to making a profit is a basic building block of an economy. Economies with higher levels of enterprise consequently tend to have a higher output per worker.
 - Competition. This encourages firms to innovate by reducing surplus capacity, putting downward pressure on costs and providing incentives for the efficient organisation of production. It also reorganises market structures, by reallocating resources away from inefficient firms to more productive competitors and new entrants. (It is worth noting that this is not the same as ensuring that businesses are competitive.)
 - Innovation. This drives productivity growth through the development of innovative products and new services with higher profit margins. Innovative businesses consequently tend to have a higher output per worker.
- 3.10 This strategy will work to assist in delivering improvements to these productivity drivers, subject to the important proviso that significant environmental impacts will be avoided. The central emphasis is on working *more efficiently* with the resources we have – rather than simply consuming more of those valuable resources.
- 3.11 We therefore suggest the following vision:

***Our vision is to increase productivity whilst
protecting what is valuable about the New Forest.***

The Action Plan

Aims, objectives and actions

- 3.12 As we set out above, the aims of this strategy are to improve the delivery of the key productivity drivers in the New Forest economy, with minimal environmental harm.
- 3.13 These broad aims are supported by a range of more specific objectives defined over the short and medium term (up to four years). We have set objectives that are:
- Appropriate - addressing key issues and able to deliver desired outcomes;

- Feasible - achievable with current resources;
- Acceptable - with the support of those with the authority and influence to initiate and legitimise action.

The central themes in the Action Plan

3.14 The Action Plan has a number of central themes. These are as follows.

- Skills are of central importance to the future prosperity of the District. The issues section in this paper highlighted the research finding that skills levels have been found to be of central importance in explaining the productivity gap between the UK and its competitors. In a globalising environment where lower value added goods and services will be produced abroad, skills levels are of critical importance. NFDC and its partners should do all in their power to assist skills providers do their jobs effectively.
- NFDC must provide for jobs growth but minimise pressure for future housing development. In the issues section, we noted Hampshire County Council projections which suggest that there could be a rise of 5,000 to 8,000 jobs in the New Forest between 2003 and 2020. Clearly, this is far beyond the capacity of the labour market to provide for this growth. If some of this potential growth is to be accommodated, then rates of employment in the older age range (which is over-represented in the area) should rise. We believe that growth in this area will run with the grain of social change. In the short term, baby boomers (defined as those born between 1945 and 1965) will begin to retire. This group has been at the forefront of great social change, and it has been argued that we can expect that this group's expectations of their later years will be very different to those of their forebears. In the medium term, recent changes in pension provision mean that some will have no choice but to work for longer. Employing this age group will have important implications for protecting the New Forest environment. By providing for jobs growth *from within the current population*, we will reduce the pressure for new housing development within the New Forest. This area needs to be looked at in detail, and a specific piece of strategy work produced.
- The District must cope with jobs growth but minimise the environmental impact of future business space development. In the issues section, we noted the policy constraints on the provision of new employment space, and the business sector's impression that finding good quality expansion space in the New Forest was very difficult. We believe that at least part of the answer here can be provided by the encouragement of home working. Home working is a highly sustainable response to jobs growth. It often accommodates high value sectors, but can also reduce development pressure and congestion on road and rail infrastructure. Clearly, there has already been a dramatic rise in homeworking in the New Forest, but this trend needs to be reinforced by positive action from the Council and its partners. Again, this area needs looking at in detail, and a specific piece of strategy work produced.

Minimisation of impacts from business space development could be reinforced by ensuring that employment land is reused wherever possible. Careful development of existing space (such as redundant farm buildings) will reduce pressure for the provision of entirely new space, and potentially generate social benefits by ensuring that vibrant working communities are retained in the District.

- A way also needs to be found to increase competitive pressures in the local economy without the environmental impacts of additional business development. Treasury work concentrates on the positive effects of competition on an economy. Competition encourages firms to innovate by reducing surplus capacity, putting downward pressure on costs and providing incentives for the efficient organisation of production. One example is retail competition: however, this is often minimised by current planning policy, which can reduce the competitive pressures on retailers, particularly in areas where land is at a premium. The emergence of the internet as a facilitator of retail and supply chain relationships provides a potential source of advantage for an area such as the New Forest where development land is in shortage. It is therefore important that as many New Forest residents as possible are able to use the internet in order to ensure that this productivity driver works as effectively as possible. NFDC could assist in a major push on internet skills work with training providers.

About the action plan

- 3.15 Each of the objectives we put forward has a list of actions. These actions are intended to achieve our objectives, and should be undertaken over the lifetime of the strategy.
- 3.16 Not all actions can (or should) be carried out by the Council. Under the Local Government Act 2000, local authorities have a power to promote or improve “the economic well being of their area”. However, the Government is clear that not all of the required actions can be delivered by local authorities. Instead, it is New Forest District Council’s role to “develop partnerships and networks particularly with business organisations and individual businesses [and] with the public sector and individuals to create meaningful and achievable strategies”.¹²
- 3.17 Each action point has an identified partnership input with named partners and lead, together with a timescale for delivery.
- 3.18 Clearly, the action plan will need to remain under review during the plan period. When specific actions are achieved the Economic Development Unit will move on to address newly relevant issues in order to ensure that the overall aims of the plan continue to be delivered.
- 3.19 The following Action Plan has around fifty actions for NFDC and its partners to undertake. Given the potential demands on time, some sense of priorities needs to be established. We have therefore marked certain particularly important actions as “Priority Actions” in the following plan.

¹² p5 Treasury (2000) *Productivity in the UK - the Evidence and the Government's Approach*

AIM: Improve skills and human capital

To ensure that the supply of skills and human capital to businesses is maximised

Objectives	Rationale	Actions	Responsibility	Timetable
<p>OBJECTIVE: Support efforts to improve management skills in small businesses, and to deliver those needs identified through the business needs survey.</p>	<p>Treasury research indicates that management skills would have a particular impact on growth rates.</p>	<p>1. PRIORITY ACTION NFDC to continue work with the Southern Entrepreneurs project. To also support the work of Business Link and development of peer to peer business groups within the District through business clubs and the Hampshire Rural Enterprise Gateway</p>	<p>Lead: NFDC EDU Partners: Eastleigh BC and training providers</p>	<p>March 2007</p>
<p>OBJECTIVE: Relationships between local colleges and local businesses need continued development</p>	<p>Consultation with business suggests that links between local business and colleges are strong but that this relationship needs ongoing development and maintenance. The New Forest Business Needs Survey indicated that general IT, customer handling, communications and management skills were in short supply.</p>	<p>2. NFDC should use its networks to publicise Brockenhurst and Totton FE Colleges status as Centres for Vocational Excellence and openness to dialogue with business on training needs. It should also work with others, especially in education, to help access opportunities for the development of enterprise and entrepreneurial skills.</p>	<p>Lead: LSP,NFDC Partners: NFBP, Brockenhurst and Totton FE Colleges</p>	<p>March 07</p>

New Forest Economic Strategy

Objectives	Rationale	Actions	Responsibility	Timetable
<p>OBJECTIVE: Develop opportunities for older people to become involved in the labour market</p>	<p>The New Forest has a higher than average number of retirees. The ageing population is both a problem and an opportunity. To gain more from existing resources in the district, retirees aged both below and above the retirement age should be encouraged to transfer their knowledge or re-join the local workforce.</p>	<p>3. All partners should seek to encourage more retirees back into the labour market or into training and transferring their knowledge and skills, exploring this through training and business networks. NFDC should produce a topic paper for member discussion/ sub strategy, perhaps utilising expertise from University of Surrey Centre for Research into the Older Workforce (CROW). Such a paper may include the following actions:</p> <ul style="list-style-type: none"> ▪ Review NFDC's own practices re older employees. ▪ Run workshop days and awareness raising with employers – working through Chambers of Commerce and Business Partnership. ▪ Lobby for exploratory work with the PCT and Social Services on a) the possibilities of Social Service intervention with those likely to retire on health grounds, b) development of older peoples' employment in service provision, with a higher proportion of older people delivering health and social care. 	<p>Lead: NFDC LSP Partners: NFBP, Chambers, PCT, Local Strategic Partnership</p>	<p>March 08</p>
<p>OBJECTIVE: Support efforts to raise levels of achievement in basic skills to the national average</p>	<p>Basic skills remain a problem in parts of the New Forest. Skills levels in particular parts of the New Forest should be targeted.</p>	<p>4. Targets for basic skills provision have been set under the Local Public Service Agreements Round 2 and Local Area Agreements. NFDC will work with the LSC, schools and local colleges to ensure that Council support (including publications, community linkages and physical locations) is used as efficiently as possible for community delivery of basic skills / adult learning provision.</p>	<p>Lead: FE Colleges, HCC Partners: NFDC</p>	<p>Annual</p>

New Forest Economic Strategy

Objectives	Rationale	Actions	Responsibility	Timetable
OBJECTIVE: Support vocational training initiatives	<p>The only significant providers of vocational training in the New Forest are Brockenhurst and Totton Colleges. However, these are difficult to access from many parts of the District, and Level 1 and 2 learners can be poorly motivated to attend.</p> <p>As a response, four skills centres have been developed in New Forest 14-19 Pathfinders: Applemore, New Milton, Longdown Dairy Farm and Hardley. (A number of specialisms are delivered through these sites.)</p>	<p>5. NFDC to ensure a positive land use planning stance for any future site development required for vocational skills.</p> <p>NFDC to use its networks in order to both foster business support for vocational training and to help publicise availability of opportunities.</p>	<p>Lead: LSC, NFDC EDU, FE colleges, schools</p>	<p>Ongoing</p> <p>March 08</p>
	<p>There is a shortage of Work Based Learning providers in the District. (companies and organisations providing apprenticeship placements for those in vocational education.</p>	<p>6. NFDC is itself an important employer in the district. The Council should set an example by providing apprenticeship or equivalent placements.</p>	<p>Lead: NFDC Partners: N/A</p>	<p>Ongoing</p>
		<p>7. NFDC to use networks to publicise importance of taking on young people from vocational courses to provide training opportunities.</p>	<p>Lead: NFDC, Partners: Brockenhurst and Totton FE colleges, LSC</p>	<p>March 07</p>
OBJECTIVE: Improve responsiveness of training provision to local labour market	<p>Work on labour market needs is undertaken at Hampshire/ IoW level but these can miss particular issues within the New Forest</p>	<p>8. New Forest District Council to lobby for provision of high quality local labour market data, with a specific focus on the New Forest, by the Learning and Skills Council</p>	<p>Lead: NFDC (lobbying) Brockenhurst and Totton FE Colleges</p> <p>Lead: Learning and Skills Council (provision)</p>	<p>March 07</p>

AIM: Increase investment

To ensure that businesses are assisted to invest in their future, and that public sector investment facilitates growth

Objectives	Rationale	Actions	Responsibility	Timetable
<p>PRIORITY OBJECTIVE: Ensure that businesses are helped to invest in the buildings and premises they need to ensure operational efficiency.</p>	<p>A major problem identified in the Business Needs Survey was the shortage of land and premises for future expansion in the area.</p> <p>The retention of existing companies through identifying their needs and making appropriate provision is currently being pursued through the LDF. A mismatch exists between the essentially short term views of business and the longer term provision of the land use planning system. Making appropriate allocations for business development is one of the most important factors affecting the future of business in the area.</p>	<p>9. PRIORITY ACTION</p> <p>A review of employment land is currently under way as a separate exercise. The findings of this review are being integrated with the New Forest Economic Strategy through the overarching Local Development Framework (LDF), especially issues relating to</p> <ul style="list-style-type: none"> ▪ Retention of adequate employment sites, esp. for small business. ▪ Ensuring a supply of development sites within the sub areas of the district that meet local demand. ▪ A proper examination of the case for development at M27 J2. The site is potentially a very important project of sub-regional significance. It would attract interest at a regional level. If allocated for employment it would be important to maximise benefits to the local economy by restricting development to knowledge-based, high value added business on the site. ▪ Making provision for specific sectors, eg marine or knowledge-based industries. ▪ Linking the analysis of needs to availability of sites within adjacent areas and provision throughout the sub-region. ▪ An appropriate relationship to business needs and provision in adjacent areas. 	<p>Lead: NFDC</p> <p>Partners: Businesses through consultation</p>	<p>As LDF timetable aside from M27 J2 work – June 06</p>

Objectives	Rationale	Actions	Responsibility	Timetable
	The short term nature of identifiable business needs means that assessment of their needs should be more regularly updated	10. PRIORITY ACTION Improve contacts, especially with major employers, and periodically monitor company needs in order to improve awareness of needs and necessary provision.	Lead: NFDC EDU Partners: NFBP and businesses	March 07
	The District is increasingly dependent on the growth of small businesses. Re-used farm buildings can help to meet this need, and help make provision in rural areas without new greenfield allocations. Recent greenhouse conversion schemes in the Fordingbridge area provide examples of what can be achieved.	11. PRIORITY ACTION Examine and guide potential for the re-use and re-development of agricultural buildings for employment uses. The Council should look to a detailed examination of the issues and subsequent action by: <ul style="list-style-type: none"> • Producing a topic paper for member discussion • Taking decision making members on a tour of sites illustrating both issues and successes • Using these to inform inputs into LDF policies 	Lead: NFDC EDU Partners: n/a	March 07
	The District has lost a number of larger employers over the past ten years and is increasingly reliant on new and small companies. Business incubators are effective in ensuring higher growth and survival rates in resident firms. However, no funding exists for subsidising start-up schemes. The Council has already set up one successful managed workspace scheme at Totton, but this has not as yet been replicated in other towns in the District.	12. PRIORITY ACTION Provide further managed workspace within the District. Identify the potential for creating further managed workspace, and explore partnership arrangements with developers for delivery, possibly through Section 106 agreements. Opportunities for this type of development are restricted and, where they occur, should be pursued actively. NFDC's EDU to work with specialist providers in bringing forward provision	Lead: NFDC EDU Partners: managed workspace developers / operators	Ongoing

Objectives	Rationale	Actions	Responsibility	Timetable
	<p>The interpretation of planning policy restraint is perceived to be unnecessarily rigorous.</p> <p>Analysis of deprivation indicators and the general urban fabric indicates that Totton and Waterside require investment and growth. However, investment is footloose. Areas compete for investment. Given the importance of driving up local incomes, there needs to be a pro-investment approach from the local authority. Such an approach need not be at the expense of the environment.</p>	<p>13. PRIORITY ACTION</p> <p>Economic development unit to act as advocates for appropriate development, through the LDF, development control and community planning processes.</p>	<p>Lead: NFDC Partners: n/a</p>	<p>As LDF timetable</p>
	<p>Often businesses within individual communities are dependent upon the availability of one large site where the owners are pursuing higher value from other forms of development. There is widespread concern at this restricted availability of development sites for industry and business within the district, and from meetings with business it is apparent that there would be local support for intervention by the Council using CPO powers to increase the supply of sites. While such action would be relatively controversial and would only be appropriate as a last resort, the Council should give serious consideration to the use of such powers where it is apparent that business development has been unnecessarily restricted over a long period of time</p>	<p>14. Investigate use of CPO powers to make allocated employment sites available to the market.</p>	<p>Lead: NFDC EDU, Planning, Legal Partners: n/a</p>	<p>March 07</p>

Objectives	Rationale	Actions	Responsibility	Timetable
<p>OBJECTIVE: Ensure that the provision of public space, especially in town centres, assists business development</p>	<p>The Vail Williams assessment of employment land in the New Forest confirmed NFDC practice of monitoring development in three distinct geographic sub-areas. Appropriate provision needs to be made in each of these 3 areas. Use research and the DTZ assessment of business space requirements in town centres to inform the planning of space to meet local demand.</p>	<p>15. PRIORITY ACTION Complete research into business requirements in the three sub-areas to help tailor investment and associated business growth. Make a level of employment site provision within the LDF which recognises both needs in terms of employment and realistic market demand in terms of business. In addition to the monitoring of land supply through the LDF, NFDC should periodically monitor the floorspace needs of business.</p>	<p>Lead: NFDC Planning /NFBP</p>	<p>As LDF timetable</p>
	<p>Car parking has been said to affect the retail viability of town centres</p>	<p>16. Ensure that the review of town centres undertaken to comply with PPS6 includes adequate coverage of this issue. Contact with businesses shows a perception that a shortage of car parking is noted to be particularly acute in Lymington. Ongoing dialogue with Chambers needs to be established.</p>	<p>Lead: NFDC Planning Partners: Local chambers and businesses</p>	<p>LDF</p>
<p>OBJECTIVE: Seek external funding to increase investment in areas of greatest need in the District.</p>	<p>The bulk of SEEDA investment is directed through the Area Investment Framework (AIF). Totton and Waterside could be included in the Southampton AIF. There may, however, be potential disbenefits to this approach which should be properly assessed.</p>	<p>17. PRIORITY ACTION Review the case for seeking to include the Totton and Waterside area within the Southampton or S Hampshire Area Investment Framework.</p>	<p>Lead: NFDC Economic Development Unit Partners: n/a</p>	<p>Ongoing</p>
<p>OBJECTIVE: Improve the workings of the business property market</p>	<p>Markets work most efficiently when information flows effectively. The workings of the business property market could be improved through the wider awareness of available information</p>	<p>18. Additional publicity should be provided for the existing NFDC/ SW Hants web-based database of available business property.</p>	<p>Lead: NFDC EDU</p>	<p>March 07</p>

New Forest Economic Strategy

Objectives	Rationale	Actions	Responsibility	Timetable
<p>OBJECTIVE: Review of coastal defence project for Lymington.</p>	<p>Studies suggest that in 40 years, the Lymington salt marshes will be eroded, and most of Lymington marina flooded. This could have a significant economic impact on tourism, with a loss of £30m or 281 jobs if marina is lost. The Environment Agency and English Nature have withdrawn coastal defence funding</p>	<p>19. Ensure that economic impacts are fully taken into account in efforts to fund engineering solutions to this problem.</p>	<p>Lead: NFDC Coastal Team Partners: n/a</p>	<p>Ongoing</p>
<p>OBJECTIVE: Maximise the effectiveness of the District's transport infrastructure</p>	<p>There is no funding available for significant transport expansion. However, it is possible that the current system could be run or managed better with little or no extra funding.</p>	<p>20. Run conference / workshop to establish issues, link businesses with public and private transport providers /regulators to take a comprehensive view of current transport management issues in the District and identify actions.</p>	<p>Lead: NFBP Partners: NFDC</p>	<p>March 07</p>

AIM: Increase levels of enterprise

To assist in the development of new enterprises and the survival and prosperity of existing enterprises

Objectives	Rationale	Actions	Responsibility	Timetable
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Objectives	Rationale	Actions	Responsibility	Timetable
<p>OBJECTIVE: Increase homeworking</p>	<p>Homeworking will allow a higher level of economic activity without the negative implications of land and transport development. Evidence suggests that they are in higher value added sectors of the economy.</p> <p>The limited availability of business premises will constrain prospects for economic growth especially in such a constrained area as the New Forest.</p> <p>Homeworking is an ideal solution to the shortage of business space in the New Forest. It is sustainable and reduces commuting, so reducing load on transport infrastructure and cutting greenhouse gas emissions. It should be strongly encouraged wherever possible.</p> <p>The Commission for Rural Communities (<i>Under the Radar, 2005</i>) argues convincingly that rural home workers are a sector of very significant potential, but are under-supported.</p>	<p>21. PRIORITY ACTION</p> <p>NFDC will undertake the following steps to assist home-based working.</p> <ul style="list-style-type: none"> • Creating an evidence based approach to identifying homeworkers and their needs. This may be based on either primary or secondary research. • A strategic commitment - with goals against which the performance of those responsible for providing support can be measured. • Advocacy and delivery of appropriate means of support, tailored to the realities of home-based working. <p>Advocating homeworking growth might include:</p> <ul style="list-style-type: none"> • Information produced encouraging a growth in home working within the District, and clarifying the likely permissible limits to the types of activity that can be pursued from home. (Eg planning regs and business rates). • Policy issues taken into account in the employment Development Plan Documents. • running items in the local press announcing support for home business and publicising fact of any council workers teleworking. • ensuring district websites feature a welcoming stance on home based businesses, with answers to frequently asked questions and key contact details. • providing information about support to home business in libraries and other information points used in the district. 	<p>Lead: NFDC Partners: n/a</p>	<p>March 09</p>

Objectives	Rationale	Actions	Responsibility	Timetable
	Linking home based workers into local networks can reduce isolation and generate a dense network of local relationships which can increase the income and resilience of small businesses.	22. NFBP should examine ways to boost the membership of the Partnership from home based businesses, and run events of particular interest to these groups.		
<p>OBJECTIVE:</p> <p>The New Forest is a powerful brand, with the potential to provide an innovative new source of value for New Forest businesses</p>	<p>The development of the New Forest Marque indicates that local partners understand the potential importance of the New Forest brand</p>	<p>23. PRIORITY ACTION</p> <p>The New Forest Marque project is supported using LEADER+ and SEEDA funding. The intention is to develop the Marque to support local producers and the perception of local distinctiveness. Funding for the project ends in 2007. New funding streams must be identified and secured before that time.</p>	<p>Lead: NFDC EDU</p> <p>Partners: NPA</p>	<p>March 07</p>
	<p>It has been suggested that branding can attach important additional value to products or services originating from a particular area,. The New Forest brand is already very successful as a visitor destination..</p>	<p>24. EDU to examine the possibility of using the New Forest identity as a marketing tool in the promotion of the district as a business location.</p>	<p>Lead: NFDC EDU</p> <p>Partners: NFBP</p>	<p>June 06</p>
<p>OBJECTIVE:</p> <p>To increase the number of business start ups and growth businesses.</p>	<p>Work reviewed by the Treasury has shown that entrepreneurial ability in creating new businesses is an important source of competitive pressure. Studies have shown that measures of enterprise and entrepreneurship, such as the numbers of people starting a business in a country or the rate at which individuals invest in start-up companies that are not their own, are highly correlated with growth.</p>	<p>25. PRIORITY ACTION</p> <p>With Business Link Wessex leading, achieve the agreed DTI targets for new business formation and growth businesses as agreed in LPSA2, i.e. by increasing the number of V.A.T. registered businesses above a rolling average.</p>	<p>Lead: BLW</p> <p>Partners: NFDC, Hants Districts</p>	<p>2006 - 2009</p>

Objectives	Rationale	Actions	Responsibility	Timetable
<p>OBJECTIVE: The District's strengths as an attractive area for small business growth need to be exploited</p>	<p>Our analysis shows that small and medium sized enterprises are strongly represented in the New Forest compared to the regional and national average. This is a potential source of competitive advantage.</p>	<p>26. Actively support and publicise the Business Link and SEEDA agendas of streamlining business support functions and simplification of the complex business support environment.</p>	<p>Lead: NFDC Partners: SEEDA, Business Link</p>	<p>March 07?</p>
	<p>The New Forest Business Partnership functions as a conduit between NFDC and businesses. In line with a best practice report to Government¹³ and experience from elsewhere, the NFBP brings business interests together, engages business in influencing Council work, and runs a programme of seminars, networking events and meetings on topics of real business interest. The work is clearly focused on productivity related issues (e.g. events including IT/broadband, intensifying local business networks and transport). This work deserves the continued strong support of NFDC.</p>	<p>27. PRIORITY ACTION Continued active support for the New Forest Business Partnership, providing support to NFBP in both its roles as a) providing a conduit for information flows between the business community and NFDC and b) provider of business support activities</p>	<p>Lead: NFBP Partners: NFDC</p>	<p>2006-2010</p>
		<p>28. Establish category based annual business awards to raise the profile of entrepreneurship and achievement.</p>	<p>Lead: NFDC Partners: NFDC</p>	<p>2006</p>
<p>OBJECTIVE: Ensure that business interests and needs are properly understood by the National Park</p>	<p>The National Park Authority has clear environmental goals to deliver. However, these are to be set against the legitimate economic needs of the local community.</p>	<p>29. With other well organised local interest groups such as farming and tourism, NFDC should lobby to ensure that the correct balance is reached. NFBP and NFDC's Economic Development Unit to act as advocates for appropriate economic activity within the National Park and to liaise with the NPA on sustainable business development.</p>	<p>Lead: NFDC EDU and tourism/ NFBP Partners: NPA</p>	<p>Ongoing</p>

¹³ ODPM (2001) *Towns and Cities: Partners in Urban Renaissance* odpm.gov.uk/index.asp?id=1127621 Roger

Objectives	Rationale	Actions	Responsibility	Timetable
		30. Ensure that policy work on local economies and National Park policies are properly aligned	Lead: NFDC Partners: NFBP	Ongoing

AIM: Increase competition

To assist in the creation of a competitive environment to drive up levels of innovation and to maximise economic efficiency

Objectives	Rationale	Actions	Responsibility	Timetable
OBJECTIVE: Ensure that procurement maximises local competition	Treasury work makes it clear that "...local authorities can have an impact on local competition through procurement policy. It is important, for example, that the approach that local authorities take to procurement encourages local and small business." ¹⁴	31. PRIORITY ACTION Conclude the comprehensive review of the Council's purchasing of goods and services, and sign up to the Small Business Concordat with the Federation of Small Businesses, which seeks to establish a code of best practice for Councils purchasing from small businesses.	Lead: NFDC Partners: FSB	2006

¹⁴ p41 HM Treasury (2003) *Productivity in the UK – the Local Dimension*

Objectives	Rationale	Actions	Responsibility	Timetable
		32. Undertake purchasing awareness seminars or Meet the Buyer events to improve the awareness and ability of local businesses to compete for NFDC contracts	Lead: NFDC purchasing Partners: FSB/NFBP	2007
OBJECTIVE: Encourage business competition	<p>Work for HM Treasury suggests that Councils can encourage competition in town centres – for example by ensuring that there is competition between retailers. There is a strong evidence base backing this type of approach.</p> <p>Work by NEF¹⁵ argues that there has been an appearance of 'Clone Town Britain' – where town centres are populated by a small number of retail giants. Town centre issues are currently being investigated through the LDF. This problem is likely to be less acute given the smaller size of towns in this District.</p> <p>New Forest's role as a visitor destination makes these particularly important.</p>	<p>33. Active consideration needs to be given through the LDF to striking the right balance between an open market economy and protection for local small businesses. The issue is particularly acute for local retail businesses which provide important local landmarks and individuality to an area but which may be less productive than their chain store competitors.</p> <p>It is understood that NLP Planning, the Council's consultants, will shortly produce proposals which recognise this importance of local distinctiveness as part of their work on the LDF.</p>	Lead: NFDC Partners: n/a	LDF
	Treasury work suggests that retail competition is a powerful driver of improved retail productivity. However, retail space is limited and likely to remain so. It is important to utilise the internet in order to bring the benefits of competition to the New Forest economy without requiring new retail space to be actually provided within the district.	34. Brockenhurst College and other local providers already run a number of internet familiarisation courses. NFDC to lobby for these courses to be given a strong marketing push in order that all age groups benefit from the retail and other opportunities which the internet brings.	Lead: NFDC (lobbying) Brockenhurst and Totton FE Colleges (provision)	LDF

¹⁵ neweconomics.org/gen/news_clonetown.aspx Roger

New Forest Economic Strategy

Objectives	Rationale	Actions	Responsibility	Timetable
<p>OBJECTIVE: Ensure continued protection of the environment</p>	<p>Protection of the natural heritage of the District is central to any economic development strategy. This unique environment is an economic asset which is central to the viability of many local businesses.</p>	<p>35. Acknowledge the importance of the natural environment and ensure that this informs economic development and associated promotion</p>	<p>Lead: NFDC Partners: n/a</p>	<p>Ongoing</p>
	<p>The Council has objectives seeking sustainable development. The operation of businesses has a substantial effect on this agenda</p>	<p>36. Achieve a stronger engagement with business in adopting best practice in sustainable development, including issues such as energy use, recycling, use of materials and Environmental Management Systems</p>	<p>Lead: NFDC EDU</p>	<p>March 07 and ongoing</p>

AIM: Increase innovation

To assist in the creation of innovative economy, leading to new products, processes and services, leading to higher value added

Objectives	Rationale	Actions	Responsibility	Timetable
<p>OBJECTIVE: Conditions for the development of knowledge based industry should be developed</p>	<p>Knowledge based industries will be a key source of competitive advantage in a globalising marketplace. Lower value services and manufacturing will increasingly take place abroad.</p>	<p>37. Provide suitable quality sites for businesses in these sectors. Recognise the changing requirements for business space through the LDF process.</p>	<p>Lead: NFDC EDU and Planning Partners: n/a</p>	<p>March 08</p>
	<p>Factors assisting levels of innovation and knowledge-based activity in any economy include: the development of networks, collaboration and increasing capacities to absorb and exploit new knowledge</p> <p>The policy focus for innovation growth is increasingly transferring to the universities. Universities will be in receipt of very significant funding to interact both with businesses and with graduates.</p>	<p>38. NFDC should work to develop linkages with the university sector in order to ensure that the New Forest is able to take advantage of this new policy direction. Outcomes would be the attraction of new knowledge-based start-ups to the District, and developing existing knowledge-based businesses.</p>	<p>Lead: NFDC Partners: BLW, Universities</p>	<p>March 2007</p>
<p>OBJECTIVE: The development of yacht design cluster/activities should be supported</p>	<p>Yacht design is an important high value component of the Lymington economy. This has been recognised by SEEDA. Through the Marenet project, Business Link Wessex are reviewing the needs of the industry.</p>	<p>39. Maintain links with the Business Link's Marenet work and continue to promote the project to companies in the local marine industries.</p>	<p>Lead: NFDC EDU Partners: BLW, SEEDA</p>	<p>Ongoing</p>

Implementation of the strategy

Objectives	Rationale	Actions	Responsibility	Timetable
OBJECTIVE: Seek external funding to support initiatives	There is the possibility of successor funding to the current LEADER+ and other sources in addition to other possibilities	40. PRIORITY ACTION Bid for funding from future rural development programmes, especially any further round of LEADER.	Lead: NFDC/NPA Partners:	2006-2007
OBJECTIVE: Track statistical outcomes	Overall area performance to be tracked using a selection of statistical measures in order to provide an ongoing view of New Forest's relative performance.	41. PRIORITY ACTION Adoption of appropriate performance indicators for economic development from the comprehensive listing produced recently by the Audit Commission. These should be included in the annual service plan. Appendix 1 sets out a summary from the Audit Commission 'Economic Regeneration Performance Indicators' 2005, and a recommended list of PIs for monitoring NFDC's economic development services.	Lead: NFDC EDU Partners: n/a	June 06
OBJECTIVE: Clear goals for the Economic Development Unit should be developed	A method of tracking the outcomes of the strategy/Action Plan is required to assess progress and future priorities	42. Appropriate SMART (Specific, Measurable, Achievable, Result-oriented, Time-limited) objectives should be included in the annual service plan.	Lead: NFDC EDU Partners: n/a	Annual
OBJECTIVE: Integration of Town Centre Studies and Employment Land Studies	Concurrent work is being carried out on both issues for the Council by consultants	43. Integration of Town Centre Studies and Employment Land Studies and the Economic Development Strategy through the overarching Local Development Framework.	Lead: NFDC Planning and EDU Partners: n/a	Ongoing

New Forest Economic Strategy

Objectives	Rationale	Actions	Responsibility	Timetable
OBJECTIVE: Develop exit strategy /contingency for LEADER+ funding	LEADER + funding will run for another two years. New Forest may be successful in any follow-on programme, but a) this process may fail, or b) funding may be at a reduced level. Choices may therefore have to be made about which projects continue. It will be prudent to develop an exit strategy in parallel with the bidding process. This should develop alternative sources of funding if projects are to continue.	44. Develop an exit strategy both for the two local produce projects currently run by NFDC and funded to Dec 2007, and for the programme as a whole.	Lead: NFDC EDU Partners: NPA	2007
OBJECTIVE: Continue to bid for Market Town Initiative funding	A number of New Forest settlements are bidding for Market Towns Initiative funding from SEEDA. Health checks have/are being carried out by New Milton, Hythe, Fordingbridge and Ringwood. Funding from SEEDA's market towns programme has already been awarded to New Milton. NFDC now employs an officer to work with individual communities in developing Parish plans/health checks/partnership plans.	45. Continue to encourage local town partnerships to bid for Market Town Initiative funding during the remaining life of the project.	Lead: NFDC Partners: Town Partnerships	2006-2009
OBJECTIVE: Seek better alignment of different Council functions	The Council will be most effective as an organisation if all policies work consistently and are applied consistently	46. Ensure that Council is consistent in its role as regulator and promoter of economic activity. Close links need to develop between the Planning department, local town partnerships, Health check/Parish Plans/ Partnership Plans and the Economic Development Team. Develop mechanisms both internally and externally to facilitate better alignment.	Lead: NFDC Partners: n/a	Ongoing March 07

Objectives	Rationale	Actions	Responsibility	Timetable
<p>OBJECTIVE: Better understanding within NFDC of the needs of businesses</p>	<p>Work by the Government's Better Regulation Taskforce points out that regulation should ensure that regulatory functions of Government should not be unnecessarily onerous for the business sector.</p> <p>There are anecdotal suggestions that there is less than full understanding within parts the Council of the effects of regulatory change on the businesses community.</p>	<p>47. The Council should actively investigate how to achieve a wider process of internal cultural change so that the organisation understands the pressures on the small business sector which makes up the bulk of the New Forest economy.</p> <p>Ways of making this cultural changes would be to</p> <ul style="list-style-type: none"> ▪ Ensure that Committee Papers have a statement on business or economic impacts of proposed regulatory changes (balancing the current requirement to make a statement of environmental effects) ▪ Run ex-poste evaluations of changes in key regulations in order to better understand their economic and business impacts. This information would mean that the consequences of decision-making were better understood by the Council, leading to better policy-making in future. <p>The outcome would be that the business regulation and business promotion functions of the Council work together more effectively.</p>	<p>Lead: NFDC Partners: NFBP / Chambers etc</p>	<p>Ongoing</p>
	<p>It is important that public and private sectors engage constructively around shared objectives to improve local economic performance.</p>	<p>48. There needs to be continued involvement of NFDC senior management in local business networks.</p>		<p>Ongoing</p>
		<p>49. The Local Strategic Partnership needs to ensure that it attracts business representation and takes care to understand local business concerns.</p>	<p>Lead: LSP Partners: NFBP</p>	<p>Ongoing</p>

New Forest Economic Strategy

Objectives	Rationale	Actions	Responsibility	Timetable
<p>OBJECTIVE: Ensure that New Forest's needs are recognised at a regional level</p>	<p>The Council's Comprehensive Performance Assessment found that NFDC did not "punch its weight" at a regional level. Outcomes could be an improved focus by SEEDA on knowledge based industries in the New Forest and an increase in SEEDA awareness and support for local business incubation initiatives and local business clusters.</p>	<p>50. Better networking between senior NFDC members and staff and regional bodies such as SEEDA .</p>	<p>Lead: NFDC EDU, PFH. E&P Partners: n/a</p>	<p>Ongoing</p>

APPENDIX 1

Economic Regeneration Performance Indicators

Economic Regeneration – Performance Indicators

A recent Audit Commission studies on economic regeneration functions carried out by local authorities found that¹⁶

- there is only limited monitoring of the effectiveness of the extensive partnership activity on which the Council economic development service depends
- performance management of regeneration services was weak
- it is difficult for both customers and staff to be clear about what the service is trying to achieve
- there were few robust indicators for providing a context for their work and evidencing performance of economic services
- measures on performance and targets should be regularly monitored

In response to these findings, the Commission compiled a list of performance indicators to identify priorities, agree objectives and targets for economic and community development and monitor performance in achieving outcomes. Local authorities are encouraged to choose indicators which are relevant to them and if they want to benchmark performance with similar authorities. However, they are not targets for performance and will not be used in performance league tables.

From the Audit Commissions list of 62 indicators we have identified 32 for the NFDC to consider using for monitoring progress in meeting the Council's economic strategy aims and objectives and for informing service delivery. These indicators have been selected based on the SMART criteria (Specific, Measurable, Achievable, Result-oriented and Time-limited).

¹⁶ Audit Commission, 'Economic Regeneration Performance Indicators', November 2005

Economic Indicators for New Forest District Council:

Theme	Indicator Number	Performance Indicator	Data source	Frequency of update
Employment This subset of indicators provides context information and for measuring change over time, on the local labour and jobs market	ECR1	The percentage of people working in employment	Annual Population Survey nomisweb.co.uk)	Updated quarterly
	ECR2a	Proportion of the working age population who are claiming Job Seekers Allowance (JSA)	Claimant Count data (nomisweb.co.uk)	Updated monthly
	ECR2b	Proportion of (i) all unemployed people, (ii) males and (iii) females claiming JSA who have been out of work for more than one year	Claimant Count data (nomisweb.co.uk)	Updated monthly
	ECR3a	The percentage of local jobs in each sector	Annual Business Inquiry (nomisweb.co.uk)	Updated annually
	ECR3b	The percentage of these that are full time	Annual Business Inquiry (nomisweb.co.uk)	Updated annually
	ECR3c	Annual change in number of local jobs	Annual Business Inquiry (nomisweb.co.uk)	Updated annually

Theme	Indicator	Performance Indicator Number	Data source	Frequency of update
Economic Vitality These indicators provide a picture of local productivity, new business formation and business confidence	ECR6a	Gross Value Added (GVA) per head of local population	Huggins Competitiveness Report (hugginsassociates.com)	Unclear - most recent is 2005
			Region in Figures (statistics.gov.uk)	Updated biannually, summer and winter
	ECR6b	Growth in GVA per head of local population	Huggins Competitiveness Report (hugginsassociates.com)	Unclear - most recent is 2005
			Region in Figures (statistics.gov.uk)	Updated biannually, summer and winter
	ECR6d	Percentage of the local working age population who are economically inactive	Annual Population Survey (nomisweb.co.uk)	Updated quarterly
	ECR7a	The number of VAT (i) registrations (ii) deregistrations in the area per 10,000 economically active population	VAT registration (nomisweb.co.uk)	Updated annually
	ECR7b	The percentage change in number of VAT registered businesses in the area over the year	VAT registration (nomisweb.co.uk)	Updated annually
	ECR9b	Satisfaction with the local area as a business location	Business Needs Surveys	Every every four years?

Theme	Indicator Performance Indicator Number	Data source	Frequency of update	
Demography and deprivation This subset of indicators provides a profile of the population particularly the disadvantaged, towards who strategic interventions are targeted	ECR11b	The percentage of population of working age who are claiming key benefits	DWP benefits (nomisweb.co.uk)	Updated quarterly
	ECR12	Proportion of Super Output Areas (SOAs) in the local authority area that rank within the most deprived 20 per cent of SOAs in the country	Index of Multiple Deprivation	Unclear - most recent is 2004
Town Centres This indicator concerns two specific sectors of economic activity which are of particular significance in many localities	ECR14c	Prime retail rent per square metre	focusnet.co.uk	Unclear - database sources from a number of places
			Local estate agents	Should be current

Theme	Indicator Number	Performance Indicator	Data source	Frequency of update
Workforce development and employability This aims to assess efforts to increase the skills of employees and the extent local employers and institutions provide job-related	ECR16	The percentage of employees and self-employed that have received job-related training in the last 13 weeks	Annual Population Survey (nomisweb.co.uk)	
Investment These indicators are intended to measure the effectiveness of economic development promotion activity in authorities	ECR18a	Total number of re-investment per 10,000 economically active population	Invest in Southampton - Southampton City Council? Hampshire Economic Partnership?	
	ECR19b	Brownfield land reclaimed as a percentage of all land made available for industrial, commercial and leisure purposes	ODPM hold data which could be requested. However, the smaller the geographical area, the less reliable the statistics.	Updated annually

Theme	Indicator Number	Performance Indicator	Data source
Business and social enterprise support These indicators cover a range of support activities including assistance to new businesses, provision of units and advice and information	ECR20a	Number of new business start-ups supported in the local area per 1,000 VAT registered businesses	Rushington Business
	ECR20b	Percentage of these start-ups which are located in wards that contain a Super Output Area (SOA) in the 20 per cent most deprived SOAs in the country	As above and using Deprivation 2004
	ECR20c	Average cost of local authority business support per new business start up supported	NFDC audit?
	ECR20d	User satisfaction with business start-up support	Business Needs Survey
	ECR21a	Number of persons employed by businesses occupying managed workspace provided by (or funded by) the local authority	Rushington Business
Theme	Indicator Number	Performance Indicator	Data source
	ECR22a	Number of business enquiries for advice and information received in financial year per 10,000 economically active population	Invest in Southampton City (only covers east of NFDC's area)
	ECR22e	The number of businesses assisted through business support initiatives and services during the financial year	