
New Forest Economic Development Strategy

2018 – 2023



New Forest
DISTRICT COUNCIL

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Executive Summary

The District Council's motto is 'Old Yet Ever New' and in developing a new Economic Development Strategy this is a practical place to start. The New Forest economy is hugely diverse; diverse in terms of the businesses located within, the geographical landscape of the district and the workforce which shapes the local economy.

This diversity in many respects is an asset; it means that the district's economy is not reliant upon a single industry, but in other respects it presents a variety of challenges. The overarching challenge is that of the need to balance the district's environmental assets with the ambition for a vibrant and growing local economy.

Whilst the New Forest economy is amongst the largest in Hampshire, its overall growth does not reflect this for a variety of reasons. An ageing workforce, an underrepresentation of high value added sectors and a high proportion of unskilled residents are all limiting factors.

Although the New Forest is predominantly rural, it doesn't mean that it cannot be ambitious in striving for higher value jobs, ensuring a skilled workforce and benefit from greater connectivity. Through this strategy, the District Council seeks to create an environment which offers opportunities for young people, poses an attractive option for business investment and delivers a culture in which indigenous businesses can thrive. These objectives are not delivered at the expense of the traditional local economy but if achieved in the correct manner, will add value to them.

This strategy sets out a vision to tackle the identified barriers to growth in five key themes. These are as follows:

- Developing a Skilled Workforce
- Increasing Growth and Productivity
- Developing Local Infrastructure
- Facilitating Vibrant Towns and Villages
- Promoting the Unique New Forest Offer

Within each of these themes, a series of specific actions have been identified to address the issues set out.

Whilst the District Council are the authors of this strategy, the authority will not be alone in terms of the delivery of its actions. The District Council is committed to working in partnership with other organisations to ensure the successful and efficient delivery of the objectives.

The strategy sets out a five year vision with individual work programmes extending across this time period. It is accepted however that during the life of this strategy there is a degree of uncertainty about the economy at a number of levels. Therefore this strategy will be subject to review and revision throughout its life although the overall themes will remain.

Key Actions

The Strategy identifies 10 Key Actions as identified by the Task and Finish Group which sit within the 23 wider actions across the five themes. Whilst each of these actions will contribute toward economic growth across the lifespan of the strategy, there are actions which are seen as key in delivering the overall corporate objective of 'Helping Local Business Grow'.

These will be focussed as priorities at the front end of the five year strategy as their outcomes are considered to deliver particularly high levels of economic impact. These key actions seek to strike a balance between supporting indigenous economic growth and seeking to attract new investment into the district each of which need to be carefully balanced to deliver sustainable growth.

Developing a Skilled Workforce	
Key Action	Area of Focus
Work to raise awareness and promote the broad spectrum of career opportunities which exist locally	<ul style="list-style-type: none"> Identify prospects within key sectors which can be promoted to those seeking career opportunities Facilitate links with schools and colleges to promote local opportunities to students
Work with colleges, schools and businesses to increase the uptake of apprenticeships within the district	<ul style="list-style-type: none"> Overcome the perceived barrier of the levy Encouraging businesses to use apprenticeships as a means to training existing adult workforce Promoting apprenticeships as a career route to those leaving full time education
Work with education establishments to ensure high growth business has access to a skilled workforce	<ul style="list-style-type: none"> Understand the recruitment gaps in business both presently and as perceived in the future Identifying partners to ensure that the local talent is engaged with Science, Technology, Engineering and Maths (STEM) subjects and local high skilled employment opportunities
Increasing Growth and Productivity	
Key Action	Area of Focus
Continue and further develop a programme to facilitate growth of indigenous business	<ul style="list-style-type: none"> Develop programmes of tailored support to suit the needs of new and growing local business Work with New Forest Business Partnership to deliver a range of events and support to meet local training needs
Work closely with Local Enterprise Partnerships (LEPs) to develop growth of high value business	<ul style="list-style-type: none"> Ensure that New Forest is aligned with funding opportunities presented by the two Local Enterprise Partnerships Continue to develop links with the Growth Hubs to ensure businesses have access to the important support available to them
Oversee development of 'Helping Local Business Grow' initiative ensuring coordinating business support offer	<ul style="list-style-type: none"> Ensure that all business facing Council services are coordinated in their approach to working with local business Work to streamline and simplify the multiple business support organisations operating in the District

Developing Local Infrastructure	
Key Action	Area of Focus
Work with stakeholders to increase digital coverage and quality in underprovided areas	<ul style="list-style-type: none"> • Ensuring thorough coverage of fixed line broadband to New Forest premises • Facilitation of further coverage of 4G cellular and ensuring engagement with future 5G rollout • Development of alternative connectivity including Internet of Things
Work to facilitate the increased number of flexible/incubator business units and/or those suitable for business expansion	<ul style="list-style-type: none"> • Ensure delivery of new and proposed business sites whilst identifying opportunities for additional development • Identify partners to deliver viable business units on suitable sites
Facilitating Vibrant Towns & Villages	
Key Action	Area of Focus
Work with retailers, landlords and Town Centre Managers to reduce number of high street vacancies	<ul style="list-style-type: none"> • Develop a programme of mystery shopper visits allowing independent High Street businesses to improve their offer • Assist with the delivery of Neighbourhood Plans to ensure support for High Street businesses
Key Action	Area of Focus
Promoting the Unique New Forest Offer	
Work to encourage appropriate inward investment	<ul style="list-style-type: none"> • Promote the New Forest as 'Open for Business' at identified business events • Ensure a coordinated approach to key development sites to maximise the opportunity

1. Methodology

1.1 In developing a new Economic Development Strategy for the New Forest, it's important that the document is not written in isolation by the District Council but that a broad range of evidence is gathered to support the themes, policies and actions which emerge. This process of evidence gathering has taken a number of forms to ensure that the barriers to local growth are fully understood but of equal importance, how these can be overcome by working in partnership and collaboration.

Partner Consultation

1.2 An important element of a joined up approach is consultation with key partners. Whilst the District Council is the author and key enabler of this strategy, there are partner organisations who are ideally placed to identify specific issues relating to, for example, skills, start-ups and particular sectors.

1.3 To ensure that a broad range of economic issues are identified, a series of one to one meetings have taken place with partner organisations to not only identify issues from their perspective, but to identify how the council can intervene through partnership working to tackle these. A full list of partners consulted can be found in the annex.

Business Needs Survey

1.4 Consulting with partner organisations is a crucial element in understanding local economic issues and whilst these partner organisations are specialists within their field, the individual businesses operating within the district are themselves directly dealing with barriers to growth and therefore are a crucial element of any consultation.

1.5 To ensure that these views were captured, a Business Needs Survey was undertaken and sent to all 5000 businesses on the Economic Development Office's email list. These responses sought to identify the perceived barriers to growth but also the view of businesses as to their growth expectations and business confidence.

1.6 This, along with the previous survey of a similar nature from 2014, has been used to identify any changes in the local economy and where attention for intervention should be focussed.

Economic Profiling

1.7 In addition to understanding the economy through dialogue, there is a need to do so from a statistical analysis perspective. As such, an economic profiling exercise was commissioned from Hampshire County Council to establish data and trends on themes including the labour market, skills and business sectors. This data is important in providing baseline information, identifying local economic trends and stating in tangible form, the issues impacting the local economy. The final economic profile report is attached as an appendix to this strategy.

Existing and Emerging Policy

1.8 In developing a new Economic Development Strategy, there is a need to recognise the wider context in which both economic development and New Forest District Council exist. Therefore it is important to acknowledge existing and emerging strategies, plans and policies both internally within the District Council but also within the wider context of partner bodies and organisations.

1.9 In developing the strategy, a range of documents have been examined to ensure that this strategy considers the content and context of these, ensuring a collaborative approach wherever possible.

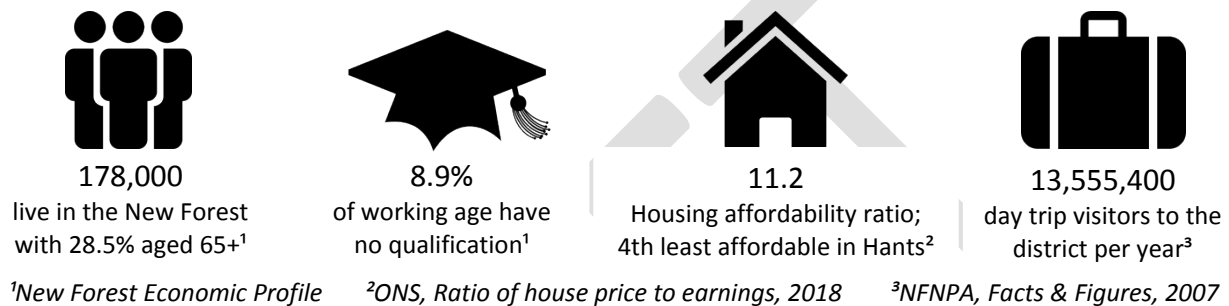
2. Understanding the Local Economy

2.1 In order to set the economic objectives of the New Forest for the next five years, first the position from which we are starting from must be fully understood. The numbers and trends of the local economy have highlighted the areas to focus upon and the aspects of the New Forest economy that require action. Much of the data utilised in this section has been sourced from the New Forest Economic Profile 2018.

Baseline Information Report

Summary

Figure 1 – New Forest economy key statistics



2.2 The New Forest economy presently has numerous positive features. It's the third largest economy in Hampshire, with a GVA of £4.4 billion, ranking it within the top 30% of UK local authorities; the district has 9,075 businesses more than either Southampton or Portsmouth; there is a significant local supply of young skilled labour with 84,805 students studying within a 25 miles radius of the district; the New Forest is ideally located close to key markets, such as Southampton, Bournemouth and London; and finally the region has close access to significant transport infrastructure, be that land, sea or air.

2.3 Yet, sizeable challenges do exist for the local economy at the time of writing. The data has highlighted seven key issues for the New Forest economy:

1. Elderly & ageing population
2. Large and growing skills deficit
3. Lack of high-skilled, high value jobs
4. Net outflow of workers, especially high-skilled
5. Unaffordable housing
6. Sluggish business growth
7. Variation across sub-areas of district

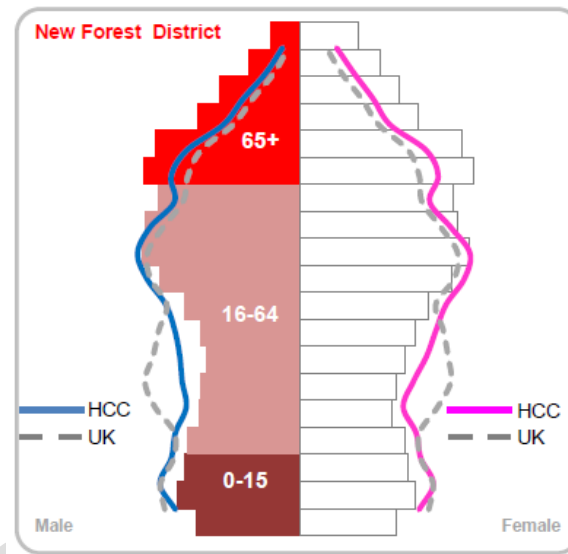
2.4 The majority of these issues are interlinking and in many cases self-reinforcing of one another. For example, the large and growing skills deficit is partly fuelled by the lack of market incentives from a low number of high-skilled jobs in the district, which in turn brings about issue 4, and the unaffordable housing market is stopping young skilled people from entering the local workforce and their ability to drive up the average skill level. This lack of skills and young people entering the New Forest economy is one reason why sluggish business growth has been seen and the mean age of the New Forest continues to rise.

2.5 These are just a few linking strands with far more present and ever more apparent as this strategy continues and the actions are set under the five key themes.

Population

2.6 The 2011 Census showed New Forest district had a population of 176,462 with this figure estimated to have grown to around 178,000 by the close of 2017. Of this number a significant proportion are in the older age groups. This is highlighted in figure 2 where the shape of the districts population pyramid can be described as unimodal, or in other words it has one distinct bulge in the older age groups from approximately 45 years. In comparison to Hampshire & the UK, the New Forest has fewer children, fewer working age residents, yet far more in 65+ category.

Figure 2 – New Forest population pyramid



2.7 The proportion of working age residents in the New Forest stands at 55%, a figure below both the county (60%) and national level (63%). The latest population forecasts for the New Forest predict that the working-age population will decline by 0.4% per annum from 2017 to 2023.

2.8 This low and decreasing proportion of working age residents in the district is why the New Forest district old age dependency ratio is high and rising. There are approximately 55 elderly dependents aged 65 years and over for every 100 individuals of working age. This level is set to increase to 57 by 2023. In the UK it is 28 rising to 31 and in Hampshire 36 rising to 39.

2.9 Certainly many of the retired, elderly residents of the New Forest inject into the local economy with their spending, but due to their lack of contribution to output a rising dependency ratio does tend to constrain growth in GVA per head, and also has implications on investment, housing and demand for local services.

Skills

2.10 There is a large and growing skills deficit in New Forest district, notably at the top of the skills distribution. Less than a third of residents in the New Forest (30.9%) held a Level 4+ Qualification (a degree or higher qualification) in 2016 compared to 38% in Hampshire and the UK. This gap has only increased over time as the proportion of highly skilled residents with NVQ4+ in Hampshire and the UK increased twice as fast as in the New Forest between 2010 and 2016.

2.11 Some 8.9% of people of working age in New Forest have no qualification which is close to double the Hampshire average (4.6%) and slightly above the national average (8.3%). The New Forest saw an increase in the proportion of its working age residents with no qualification since 2010 while Hampshire and the UK saw decreases.

2.12 Given the large skills deficit at the top of the skills distribution it is perhaps not surprising that the New Forest has a large occupational deficit among higher skilled occupations with its comparator areas. Some 34.8% of New Forest residents were employed in one of the top three occupational categories, compared to 48.2% in Hampshire and 45.2% in the UK. Around a quarter of New Forest residents were in lower skilled occupations compared with one in seven in Hampshire.

2.13 Hampshire and the UK saw the proportion of resident workers in higher skilled occupations increase between 2010 and 2016. In contrast, the New Forest saw a decrease (-0.4 percentage points). In addition, the proportion of resident workers in lower skilled occupations in the New Forest increased by +1.2 percentage points whereas in Hampshire and the country it decreased by -2.2 and -0.3 percentage points respectively.

2.14 Yet, although the figures for skills are concerning the New Forest labour market on the face of it appears to be performing well. In 2016 the New Forest unemployment rate was 2.0% compared to 3.6% in Hampshire and 5.0% for the UK, and the claimant count of the district has been consistently lower than the national average. But, as the statistics on skills show these low rates are masking that a large proportion of workers in the district are in low paid, lower skilled, sometimes seasonal jobs.

2.15 Despite the presence of few high skilled workers in the area though, there does exist a strong supply of young skilled labour in the district and the local vicinity. Two further education colleges are located in the New Forest and five Universities within 25 miles. In addition, examining the education, skills and training index of deprivation the New Forest ranks among the top 35% best performing local authorities.

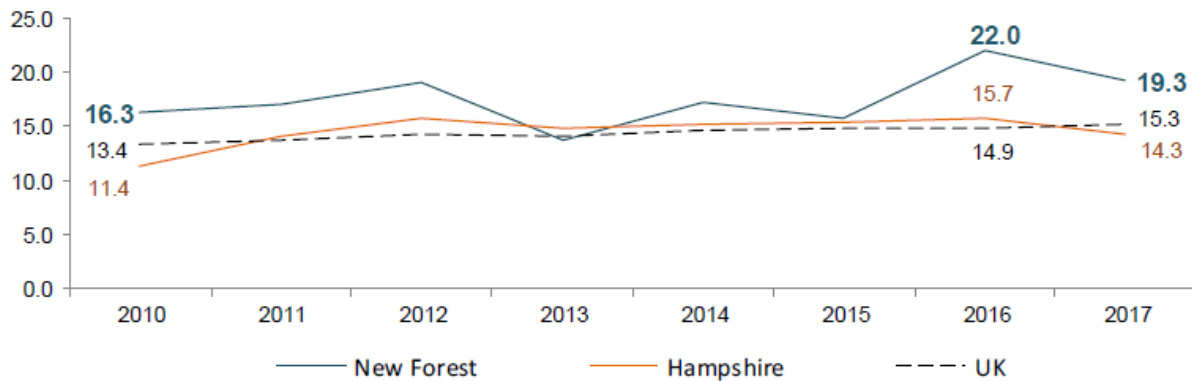
2.16 This would suggest that the source of the problem for New Forest's lack of skilled labour is the lack of opportunities. Yet, results from the 2017 Business Needs Survey show demand exists within the district. The ability to recruit suitably skilled employees was ranked as the most significant barrier to growth in the New Forest, and 62% of respondents classed the level of access to skilled labour as a disadvantage of being in the New Forest. Thus, also exacerbating the lack of skilled employees in the district is that young skilled students/ graduates are unaware of the opportunities available in the New Forest and/or the skills of young people is not matching local business needs.

Business & the Economy

2.17 The New Forest is the third largest economy in Hampshire with a total economic output of approximately £4.4bn in 2015, ranking the area within the top 30% of local authorities. The Gross Disposable Household Income (GDHI) per head of the district suggests a relatively prosperous population with the New Forest figure 13% higher than the UK average. However, the gross value added (GVA) per head of the district, which gives an indication of productivity, has consistently been below the county and national level. In 2015 New Forest GVA per head was £24,416, compared to £27,007 and £25,593 in Hampshire and UK respectively. That being said New Forest GVA per head figures are dampened by the low proportion of working age residents.

2.18 The total number of businesses in the New Forest was 9,075 in 2017. This is a significant business base with the district accounting for over one in eight of all businesses in the Hampshire County Council area; more than either Southampton or Portsmouth. But, recent business growth has been sluggish. From 2010 to 2017 business growth was on average 1.3% per annum, slower than the average annual growth rate in Hampshire and the UK (+2.3% & +2.8% p.a. respectively).

Figure 3 – New Forest % employed in self-employment (aged 16+)



2.19 Of this business stock a significant proportion are small and medium-sized enterprises (SMEs), or in other words employ between 0 and 249 people. The exact figure in 2016 was 99.8%, a level marginally above that in Hampshire and the UK. This feeds into the relatively high percentage of the economically active who are self-employed in the area, with this figure for the New Forest exceeding that in Hampshire and the UK for the past four years. However, the business birth rate in the New Forest stood at 9.7% of active business stock in 2016, well below the Hampshire and UK average of 12.7% and 14.6% respectively. These figures appear to show that the New Forest has a strong existing base of entrepreneurs, but a low number of new business owners coming through.

2.20 The largest broad sector employer in the New Forest is distribution, transport, accommodation and food with over 20,000 employees, or approaching one in every three New Forest workers (30%). This is followed by the public sector with over 16,000 employees (24%), and then in third is business services with 9,000 employees (13%). Thus, just over two thirds of all New Forest employees work in these three broad sectors, which roughly follows the county and national trend.

2.21 Where New Forest district is above the county and national levels in terms of employment concentration is manufacturing, construction and 'other services', which predominantly relates to tourism. Where the New Forest most significantly lags behind Hampshire and the UK is employment in higher value added services such as information & communications, real estate, and finance & insurance. This is a problem as these sectors are major drivers of competitiveness, economic growth and prosperity. Knowledge-intensive employment is also underrepresented in the area as the sectors under this category only make up 11.8% of all employees, compared to 20.4% in Hampshire and 20% in the UK. This relates back to the previous section on skills and lack thereof.

2.22 Location Quotients (LQ) can provide a clearer signal on what drives local economic growth. By dividing the local job share of a cluster (industries grouped together that tend to co-locate) by the national average job share, LQs highlight relative specialisms in local economies. Typically, a Location Quotient above 1.2 is taken to indicate a significant concentration in employment in that cluster. Oil and gas is New Forest's most specialised cluster with a Location Quotient in 2016 of 8.8. This is of no surprise considering the presence of Fawley refinery, the largest refinery in the UK that provides 20% of UK refinery

capacity. Upstream chemical is second (LQ 7.3), forestry is third (LQ 5.5), Maritime fourth (LQ 4.4), and visitor economy completes the top five (LQ 2.9)¹.

2.23 Focussing on the district when broken down into three sub-areas; a large degree of variation can be seen. Avon Valley contributes the lowest to GVA of the three sub-areas, but this is down to its relatively low number of businesses and people. With its size taken into account Avon Valley appears to be the best performing of the three sub-areas with the highest productivity and growth rates in recent years. The sub-area has the most skilled resident population and this explains why the sub-area has the highest concentration of knowledge-intensive employment and is likely the main factor behind its strong GVA growth.

2.24 Core Forest & Coastal is the biggest contributor to GVA in the district. However, this is down to it being the largest of the sub-areas, with the highest number of businesses and a large workplace population, rather than strong performance. The most distinguishing features of this sub-area are its elderly resident population, high relative concentration in tourism, and poor growth in GVA in recent years. The latter is predominately down to the lack of growth in tourism, with just five additional businesses in this sector from 2010-17, and a diminishing working age population.

2.25 Totton & Waterside on the face of it this appears to be the most underperforming sub-area. The area has the highest resident population and largest working age population, but does not contribute the most to GVA mainly because it displays poor productivity, a low-skilled population and has significant levels of out-commuting. Nevertheless, GVA has shown signs of strong growth in the last couple of years and this is the sub-area with the highest recent business growth rates. Furthermore, there is a wealth of opportunities in the near future for Totton & Waterside, such as Fawley Power Station area and Solent Gateway at Marchwood Military Port.

Figure 4 – New Forest sub-area comparisons

	Avon Valley	Core Forest & Coastal	Totton & Waterside
Population (%)	18.6	38.9	42.5
Business (%)	25.8	43.1	31.1
GVA Contribution (%)	25	40	35
GVA per head (£)	32,818	25,425	19,837
GVA growth 2010-15 (% p.a.)	6.2	0.3	1.9
NVQ4+ (%)	34.5	32.4	25.3

Infrastructure

2.26 The number of households recorded in the 2011 census was 76,839 and is estimated to have increased to 80,000 in 2016. Initial proposals for the local plan review 2016-36

¹ Emsi, (November, 2017), What's Driving your Local Economy: A brief analysis of the key local industry clusters in the New Forest, Retrieved from www.economicmodelling.co.uk

suggested there could be up to 10,500 new homes built over the 20 year period, a 2,700 shortfall of the estimated number of homes needed to meet forecasted population growth².

2.27 Certainly the availability of housing is an issue in the district, especially affordable housing for the lower paid and/or young population. In 2017 the housing affordability ratio of the New Forest stood at 11.2, indicating this is how much greater the average local house price is to average annual workplace earning. The same ratio for England was lower at 7.8, indicating greater affordability³.

2.28 The 2011 Census showed that 30,165 people out-commute from the New Forest and 22,778 in-commute, resulting in a net commuter out flow of 7,387. Of those New Forest residents that do out-commute there is evidence to suggest a significant number are higher skilled; the percentage of the resident population employed in higher skilled occupations is far higher than that of the workplace population. Therefore, these leads to the over-simplified, but somewhat truthful summary, that those employed in higher-skilled, higher-paid jobs who can afford to live in the New Forest do but out-commute for work due to the lack of suitable jobs in the New Forest, while those that do work in the New Forest are often employed in lower skilled and thus lower-paid jobs consequently meaning they cannot afford to live in the district and must in-commute.

2.29 High speed broadband has become a crucial tool for most businesses. The Business Needs Survey 2017 found 61% of respondent's see IT infrastructure as a disadvantage of being located in the New Forest⁴. The aim of Hampshire County Council is to provide superfast speeds to up to 95% of all premises across the county by 2019, and at least 2Mbs speeds to the remaining percentage⁵. The New Forest presents several additional problems in the goal of improving broadband coverage though. Special circumstances, environmental constraints and the involvement of a number of local additional stakeholders means the rollout of high speed internet coverage has been delayed.

2.30 In addition to communications infrastructure being a key component for business success and growth so too is transport infrastructure. The New Forest on the face of it has good transport access with proximity to two international airports, the M3 in close vicinity meaning travel to London takes 90 minutes, and one of the UK's leading ports being just the other side of Southampton Water. Yet, within the district itself problems with transport links exist. The 2017 Business Needs Survey found that 52% of respondents see access to transport links as a disadvantage of being located in the New Forest, and transport infrastructure was ranked as the third biggest barrier to growth, higher than communication infrastructure⁶. Naturally much of the problems stem from the need to protect the natural capital and landscapes of the New Forest, but nevertheless there is room for improvement.

² New Forest District Council, (July 2016), Local Plan Review 2016-2036 Part One: Planning Strategy Initial proposals for public consultation, Retrieved from <http://www.newforest.gov.uk/article/16541>

³ Office of National Statistics, (January 2017), Ratio of house price to earnings (lower quartile and median) by local authority district, England & Wales, 1997-2015, Retrieved from <https://www.ons.gov.uk/>

⁴ Hampshire Business Intelligence Service, (2017), New Forest Business Needs Survey 2017, See Appendix

⁵ Hampshire Superfast Broadband, (2017), Current Timetable, See www.hampshiresuperfastbroadband.com

⁶ Hampshire Business Intelligence Service, (2017), New Forest Business Needs Survey 2017, See Appendix

Figure 5 – New Forest SWOT Analysis

New Forest District Economy – SWOT Analysis

S

Strengths

- Attractive place to do business and work
- Ideal location with proximity to large cities, airports, ports and short journey time to London
- Affluent local market (GDHI per head higher than national average)
- Strong relationship with internal and external partners
- Estimated 13,555,400 day trip visitors to the New Forest National Park per year

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Weaknesses

- Large and growing skills deficit, especially at the top of the skills distribution
- Elderly population
- High house prices / low affordability
- Areas of weak digital connectivity
- Lack of flexible commercial accommodation for micro businesses to expand
- Net-outflow of workers, especially high-skilled
- Low number of higher value added services/jobs

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Opportunities

- Strong local supply of skilled young labour from Further Education Colleges and nearby Universities
- Partnership and possible funding with Enterprise M3 and Solent LEP
- Predicted depreciation of sterling from Brexit likely to increase staycations in UK
- Significant developments along Waterside, such as Fawley Power Station and Solent Gateway, Marchwood

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Threats

- Ageing population
- High number of workforce close to retirement
- Balancing need for economic development and protection of natural capital
- Loss of traditional sectors, notably forestry
- Young people being priced out of local housing market
- Continued delay of high speed broadband roll out
- Lack of talent retention

3. Policy Context

3.1 In producing this strategy the forecasted policy changes of the next five years have been considered to ensure the objectives are responsive in the face of a shifting future. In addition, the policy objectives of other New Forest District Council departments and external partner organisations have been identified to minimise conflicting actions and allow for collaboration opportunities to be seized.

Local Policy Context

3.2 The New Forest District Council's Local Plan was under review at the time of writing this strategy. The parallel timing of the production of these two documents allowed for collaboration and alignment. The specific areas of cross-over between the Local Plan and the Economic Development Strategy are within provision of commercial accommodation and housing for those of working age.

3.3 As set out in the 'Local Plan Review 2016-2036: Initial proposals for public consultation'⁷ there is an acknowledgment of the lack of office floorspace in the district, which only stands at 10% of total commercial floorspace, and the undersupply of short-term/light industrial accommodation to support the growth of New Forest micro businesses. This recognition will assist in the delivery of certain objectives in this strategy.

3.4 New Forest District Council's Corporate Plan (2016-36)⁸ established six priorities. One priority is to help local business grow; another is to provide more homes for local people. Both fall in line with the objectives set out in this strategy. A further priority of the corporate plan is to protect the local character of the New Forest, so while the main aim of this strategy is to foster economic growth a fine balance must be struck with objectives on environmental and community conservation.

3.5 The need to be wary of the environmental impact the actions stipulated in this strategy will have is a detail not lost by the Economic Development Team, especially as the Business Needs Survey 2017⁹ found the attractiveness of the area is considered the primary benefit of being located in the New Forest.

3.6 The New Forest National Park Authority (NFNPA) is a key body in the environmental conservation of the area, but in recent years the organisation has given much greater credence to supporting local economic and business growth. NFNPA's increasing openness to business is highlighted within their Business Plan 2015-18¹⁰ and Partnership Plan 2015-20¹¹ which assign supporting a prosperous local economy and fostering economic well-being as a priority respectively. Aims within these include identifying sites for affordable housing, improving broadband coverage, and increasing access to local training. This underlines the large extent to which the priorities of this strategy align with those of the NFNPA.

⁷ New Forest District Council, (July 2016), Local Plan Review 2016-2036 Part One: Planning Strategy Initial proposals for public consultation, Retrieved from <http://www.newforest.gov.uk/article/16541>

⁸ New Forest District Council, (September 2017), Corporate Plan 2016 – 2020, Retrieved from <http://www.newforest.gov.uk/corporateplan>

⁹ Hampshire Business Intelligence Service, (2017), New Forest Business Needs Survey 2017, See Appendix

¹⁰ New Forest National Park Authority, (July 2015), Business Plan 2015-2018, Retrieved from http://www.newforestnpa.gov.uk/info/20016/our_work/56/business_plan

¹¹ New Forest National Park Authority, (November 2015), Partnership Plan for the New Forest National Park, Retrieved from http://www.newforestnpa.gov.uk/downloads/file/1264/partnership_plan_2015_-_2020

Regional Policy Context

3.7 The first of Hampshire County Council's four aims from its Strategic Plan 2017-2021¹² is to maintain strong and sustainable economic growth and prosperity. Specified actions to achieve this revolve around attracting inward investment, supporting business, developing skills, and delivering infrastructure. These certainly echo the priorities and objectives of this strategy and opens opportunity for significant collaboration in the future.

3.8 Enterprise M3 (EM3) has funded one significant project in New Forest, the £3.7 million investment into the Brockenhurst College STEM (Science, Technology, Engineering and Mathematics) centre which officially opened in October 2017. There is certainly appetite for further investment, especially as New Forest District accounts for 10% of businesses in the EM3 LEP area. Infrastructure could be one area as the Enterprise M3 Commercial Property Market Study¹³ states the need to support the further roll-out of superfast broadband in rural districts, and this action will feed into their desire to have the EM3 area as the primary Sci:Tech Corridor in the UK¹⁴.

3.9 With significant developments along the Waterside on the horizon, such as Fawley Power Station and Marchwood Solent Gateway, increased collaboration with Solent LEP will be important. The broad priorities of this LEP, as specified in their Strategic Economic Plan 2014-20¹⁵, align with those of this strategy, as do many of their objectives such as helping young people to work locally and providing support for business start-ups.

National Policy Context

3.10 On the eve of the EU referendum the UK had the fastest growing economy of the G7 nations. A year later the UK economy had dropped to the bottom of the G7 league table. The decision to leave the European Union is certainly going to have far reaching effects on businesses across the country for many years, but the viewpoint adopted when approaching this strategy is Brexit should not be seen as a barrier to growth but a great opportunity.

3.11 Needless to say a great deal of uncertainty lies ahead for the UK economy, but from initial proposals made by the government for future targets, the objectives postulated in this document certainly fall in line. For instance, several of the priorities set out in this strategy are similar to the five foundations of productivity detailed in the Industrial Strategy including creating an innovative economy, creating higher value jobs and creating an improving infrastructure.¹⁶

3.12 By 2020 the government has set the aim of full business rate retention by local authorities. Alongside this the Uniform Business Rate will be abolished paving the way for greater local control over economic activity and investment. These changes create a number of opportunities for councils, and will aid in the implementation of many of the actions set out in this strategy.

¹² Hampshire County Council, (2017), Serving Hampshire - Strategic Plan for 2017 – 2021, Retrieved from <https://www.hants.gov.uk/aboutthecouncil/strategiesplansandpolicies/corporatestrategy>

¹³ Enterprise M3, (July 2016), Enterprise M3 Commercial Property Market Study, Retrieved from <https://www.enterprisem3.org.uk/commercial-property-market-study>

¹⁴ Enterprise M3, (March 2014), Enterprise M3 Strategic Economic Plan, Retrieved from <https://www.enterprisem3.org.uk/strategic-economic-plan/>

¹⁵ Solent LEP, (January 2014), Solent Strategic Economic Plan, Retrieved from <https://solentlep.org.uk/what-we-do/transforming-solent-growth-strategy/>

¹⁶ Department for Business, Energy & Industrial Strategy, (November 2017), Industrial Strategy: building a Britain fit for the future, Retrieved from <https://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future>

4. Developing a Skilled Workforce

Background

4.1 In order to add value to the economy through higher value jobs and business, there is first the need to ensure that the local workforce is adequately skilled to facilitate this. The New Forest suffers from a skills deficit at the higher end, with less than a third of the population at degree level or higher compared to 38% in Hampshire and the UK. Furthermore, the New Forest is falling further behind with the degree level population growing at less than half the rate of Hampshire and the UK¹⁷.

4.2 In addition to ensuring that high growth businesses are provided with a suitably skilled workforce, there is also the need to provide support to lower skilled jobs which evidence shows make up a relatively high proportion of occupations in the district.

Increase the skills base in line with business needs

4.3 To overcome the skills gap within the New Forest, there first needs to be an evidence base to support this. The District is home to two further education colleges offering a range of specialisms including care, marine and hospitality. Along with the local schools that feed into the colleges and the surrounding universities, the workforce of tomorrow is being trained and educated.

4.4 Yet, results of the 2017 Business Needs Survey show a number of enterprises struggle to recruit suitably skilled employees, with this issue being ranked as the most significant barrier to growth in the New Forest¹⁸. This underlines the need for the council to act as the facilitator in developing the level of synergy between the local education and business community to ensure business needs of the future are met. Beyond this there is a need to understand from a business perspective how they can be better supported in accessing and understanding the training options available to them.

Action: Develop an evidence base to identify specific issues contributing to the local skills gap

4.5 Businesses which employ staff in lower skilled roles often face challenges in terms of provision of adequate training. This is a particular challenge in sectors with regulation attached such as care and catering where the consequences of non-compliance can be significant. In many cases shift patterns, high turnover of staff and seasonal employment can make delivering training economically and logistically challenging. Many of these challenges however exist regardless of specific sectors, particularly around matters such as food hygiene and manual handling. By bringing together these common barriers, training can be delivered more efficiently whilst ensuring that the associated businesses are delivering the highest quality levels of service at the same time as being regulation compliant.

4.6 The New Forest has 8.9% of its working age population with no qualifications, a figure around double that of Hampshire's average¹⁹. These individuals are by definition more likely to be NEETs (Not in Education, Employment or Training) and subsequently less employable. Provision of training and/or routes into work for these individuals will improve their prospects throughout the duration of their working life.

Action: Work with partners to improve provision of training for low skilled roles and individuals

¹⁷ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

¹⁸ Hampshire Business Intelligence Service, (2017), New Forest Business Needs Survey 2017, See Appendix

¹⁹ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

Provide young people with the opportunity to work in the district

4.7 The working age population of the New Forest is decreasing. It is forecasted that from 2017-23 the New Forest will have 2,600 fewer people of working age, yet 4,100 more citizens above the age of 65. Implications of this could include restrained growth, reduced GVA per head, and a diminished number that live and work locally. To reverse or at least slow down this trend its essential young people are given greater opportunity to find employment within the district.

4.8 To ensure a sustainable economy, there is a need to promote the wide range of career opportunities which exist locally across a spectrum of sectors. Whilst it is important and right that skilled, technical sectors such as those within marine or engineering are promoted; it is equally important that the broad array of career paths which exist within for example care, hospitality and land based industries are also championed. Despite the perception, there are high value and diverse opportunities which should be promoted within these. The New Forest economy can offer a broad range of careers; those which can provide routes for young people and those seeking employment to remain in the district but these need to be promoted and awareness needs to be increased.

Action: Work to raise awareness and promote the broad spectrum of career opportunities which exist locally

4.9 One specific route to employment and training, particularly amongst young people where the financial incentives are greater, is through apprenticeships. These not only provide individuals with the skills required to work within a particular field, but they very often provide permanent employment upon completion. Additionally, in an age where university education is becoming increasingly expensive, apprenticeships offer a lower cost option to training.

4.10 Many businesses are unaware of the benefits of recruiting through apprenticeships and/or are confused or intimidated by the process involved in taking this route²⁰. In the New Forest, the number of apprenticeship schemes undertaken remains static²¹, with only 20% of respondents from the Business Needs Survey stating they'd taken on apprentices in the past 12 months²². In seeking to engage local people in skills and employment opportunities apprenticeships are a key tool and as such the uptake amongst local businesses should be encouraged.

Action: Work with colleges, schools and businesses to increase the uptake of apprenticeships within the district.

Increase Skills in line with New Development

4.11 Development of new housing or employment premises by definition creates employment opportunities during construction phase. With increased pressure to deliver new houses during the next 20 years and the potentially diminishing labour supply following Brexit, the district needs to ensure it's in a position to deliver through a skilled local labour force.

²⁰ British Chamber of Commerce & Middlesex University, (August, 2017), Workforce Survey 2017, Retrieved from www.britishchambers.org.uk

²¹ Department for Education, (March, 2014), Local Education Authority/Local Authority data on Apprenticeship Starts, Retrieved from <https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships>

²² Hampshire Business Intelligence Service, (2017), New Forest Business Needs Survey 2017, See Appendix

4.12 In delivering opportunities for those employed within construction, any new development of sufficient scale also provides new career, training and development prospects; particularly amongst under-skilled, unemployed or NEETs.

4.13 The District can take a lead in creating career opportunities within the construction sector through Section 106 agreements to create Employment and Skills Plans. Specifically these will place a requirement upon developers to offer skilled employment positions either through direct employment and/or apprenticeships.

Action: Develop Section 106 and Employment & Skills Plans to aid skills development within construction sector

Facilitate delivery of skills to support development of high growth business

4.14 As the district seeks to encourage high skilled business and jobs within, there is a need to ensure that any such development is supported by a suitably skilled workforce. In many cases these skills will be specialist and/or technical in nature.

4.15 Irrespective of any specific site developments, the demand on higher skilled occupations is set to increase²³ and with potential development of key sites such as those on the Waterside, this is likely to be amplified in the New Forest District. The growth of knowledge intensive business in the New Forest is 3.1% per annum, behind that of Hampshire (4.0%) and UK (5.2%)²⁴. If the District is to realise its ambition of encouraging more high growth business and increase its proportion of knowledge intensive companies in which it currently lags²⁵, it is vital that there is a skills base to support this.

4.16 Facilities such as the STEM Centre at Brockenhurst College provide an excellent platform to facilitate this anticipated growth and beyond this, stronger links with neighbouring universities need to be developed. Engaging with students solely at post-16 stage is however not enough; promotion of STEM related subject matter should be promoted at a younger age to ensure that subsequent career choices are considered on this basis.

4.17 Looking ahead, there is a need to ensure that the skills base of the New Forest is future proof. As new technologies emerge and innovative local businesses adopt these, it is important that the New Forest is not left behind or that the skills required locally are met.

Action: Work with education establishments to ensure high growth business has access to a skilled workforce

²³ Enterprise M3 Local Enterprise Partnership, (January, 2014), Skills and Employment Strategy, Retrieved from www.enterprisem3.org.uk

²⁴ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

²⁵ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

5. Increasing Growth and Productivity

Background

5.1 A productive and innovative local business base are key elements in ensuring that the New Forest has a growing local economy, where the standard of living is being raised and employment opportunities are available for residents.

5.2 Where the New Forest currently performs well is its consistently low unemployment rates and small number of claimants. Where the district does not hold up comparatively well is average salary and GVA per head. This highlights how there is not an overwhelming priority need to create significantly more jobs within the District. Instead there should be a focus on ensuring that the quality of jobs is greater, that existing businesses are more productive and that a culture of entrepreneurship exists.

5.3 An increase of high growth business will, by definition lead to higher value, more skilled jobs within the district. Of the District's out commuters, there is a bias toward skilled individuals²⁶, those whom we should seek to retain within the local workforce.

Support for start-ups

5.4 Business start-ups are the lifeblood of any local economy. In 2016 the New Forest was home to 79 business start-ups per 10,000 population (805 in total), some way behind the figure of 101 for Hampshire and UK²⁷. By definition this represents at least 805 jobs but crucially it offers the potential for each of these to grow and offer new job opportunities in the future. Around 49% of all business start-ups in the New Forest fail within five years²⁸ resulting in lost employment and potential impact on local supply chains. As such, it is important that not only does the District Council provide support for new enterprises but it also reduces the failure rate amongst start-ups; providing them with the support to grow.

5.5 The Council has a successful partnership with Enterprise First enabling free advice to pre-start and start-up businesses. This advice can be critically important in ensuring the new venture's first moves are correct and whilst the uptake of this service could be higher, the support is important.

Action: Work to increase number and survival rate of starts-ups

Support business in exploring new markets and identify opportunities to export

5.6 Within the New Forest, there are a range of businesses producing high quality products particularly within manufacturing, engineering and marine sectors. In many cases these products have a market at a global level which can establish the New Forest as a significant export location.

5.7 Many of these businesses operate in a high tech, advanced environment producing world leading products. Through relationships brokered by Local Enterprise Partnerships such businesses can collaborate more closely and as a consequence reduce costs and improve efficiency, thus increasing global competitiveness.

5.8 The 2017 Business Needs Survey identified that of the respondents only 8% stated that the majority of their business partly comes from outside the UK. Almost a quarter of

²⁶ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

²⁷ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

²⁸ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

businesses which responded identified only New Forest as the main source of demand for their business²⁹. There is clear potential to increase these figures.

5.9 However, with Brexit on the horizon there is a large degree of uncertainty. Yet, it is important that this strategy is forward looking and therefore it should seek to identify opportunities that exist following the UK's withdrawal from the EU. There is an extensive global market outside of the EU to be exploited; 90% of exports through the Port of Southampton travel outside of the EU³⁰.

5.10 The exploration of new markets shouldn't be focussed solely on exports. There are opportunities for New Forest businesses to explore new markets within the UK or even more locally within the New Forest itself. The District Council should facilitate these business to business relationships allowing businesses to explore new markets close to home.

Action: Establish programme to increase proportion of export business in the District

Helping indigenous businesses to achieve growth

Providing Business Events

5.11 New Forest District Council works closely with New Forest Business Partnership (NFBP) to offer an extensive business engagement programme for local business. This programme includes briefings on forthcoming regulation, training to facilitate business growth as well as networking and peer group learning opportunities.

5.12 Beyond this, the Economic Development team work with a growing number of partners to deliver a range of business engagement activities which as the District Council's own 'Helping Local Business Grow' initiative develops, will lend itself to business education events.

Ensuring a complete business support offer

5.13 Through its relationships with Enterprise First (specialists in start-ups) and the Growth Hubs (specialism in high growth) the district is able to offer dedicated and free support to numerous businesses, but there exists a gap between those who do not fit the description of either the above. Often businesses need help and support between these phases and to ensure that the growth of these businesses is not restricted, the provision of support should be extended to fill this existing gap.

High growth and scale-up support

5.14 Business Start-ups are an important element of creating new jobs within a local economy but scale-up business provide a disproportionately high number of new jobs, many of which are high paid and high skilled³¹. On this basis, it's crucial that the New Forest seeks to attract not only new high-growth and high-growth potential businesses, but also provides support for indigenous companies with scale-up potential.

Action: Continue and further develop a programme to facilitate growth of indigenous business

²⁹ Hampshire Business Intelligence Service, (2017), New Forest Business Needs Survey 2017, See Appendix

³⁰ ABP, (2016), Port of Southampton Port Masterplan 2016-35: Consultation Draft, Retrieved from <http://www.southamptonvts.co.uk>

³¹ Vonage, (September, 2017), Unlocking the UK's Home Business Potential, Retrieved from <http://www.homebusiness100.co.uk>

5.15 The Local Enterprise Partnerships are specialists in delivering on the high growth agenda and as such have a number of programmes in place either directly or through their associated Growth Hubs. Their knowledge, experience and expertise should be utilised for the benefit of local business with growth potential but there are also links and relationships to be drawn, for example between Marine (specialised by Solent LEP) and Aerospace (specialised by Enterprise M3 LEP) particularly around fields such as research and development.

Action: Work closely with Local Enterprise Partnerships to develop growth of high value business

A Joined-up Approach to Support

5.16 Including Economic Development, the District Council has eleven services that interact with businesses to a greater or lesser extent. Whilst the nature and frequency of these interactions varies from service to service, there at minimum exists a need to communicate with local businesses on for example, changes to regulatory services.

5.17 It is acknowledged that with numerous departments, each dealing with similar or potentially overlapping services, the experience from the business customer perspective can be confusing. Furthermore, there are opportunities such as those around council procurement that can benefit local business directly. As such, the Council will work to greater coordinate these services to ensure that communication is consistent, frequent and that the point of contact for specific business needs is easily identifiable.

5.18 Within this it is recognised that many businesses do not fully recognise the support network that exists outside of council services. This may relate to business funding, training or sector specific support. The District Council has a role to play in being 'honest broker' to ensure that businesses have access to the support which will best enable them to grow. For details of this programme see the Communication Strategy in the Annex.

Action: Oversee development of 'Helping Local Business Grow' initiative ensuring coordinating business support offer

Delivering investment to the New Forest economy

Attracting government funding and grants

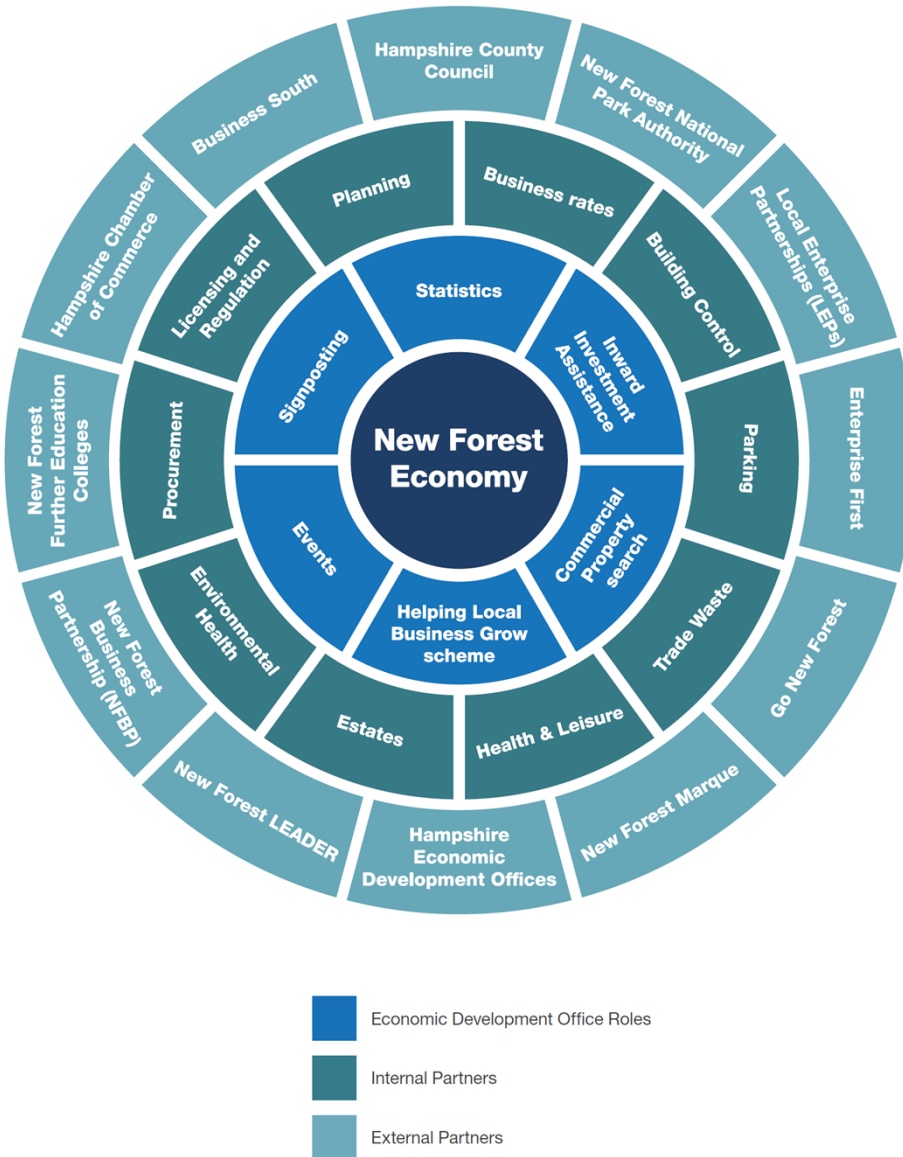
5.19 Business Growth is dependent upon levels of investment to facilitate this. This investment is required both at an individual business level but also at a broader level for larger scale projects such as the successfully delivered STEM Centre at Brockenhurst College.

5.20 The District Council has successfully delivered three rounds of RDPE LEADER Funding but this, along with other sources of EU Funding is now facing a period of uncertainty. Irrespective of this, the council must continue to raise awareness of the broad spectrum of funding opportunities which exist, as well as support applications individually where appropriate.

5.21 At a larger scale and with the exception of the aforementioned STEM Centre, New Forest District has had little benefit from external funding, particularly from Local Enterprise Partnerships. It is acknowledged that closer ties need to be developed with both Solent and Enterprise M3 Local Enterprise Partnerships to identify funding opportunities which can deliver business growth.

Action: Improve uptake and allocation of funding into district

Figure 6 – New Forest District Business Facing Services



Developing Local Infrastructure

Background

6.1 In many respects the New Forest is well connected; it has two international airports within a 30 minute drive, is approximately 90 minutes from London by road or rail and is within short distance of international ferry and freight ports. Within the district itself however, connectivity is more of a challenge. The internal road network can be limiting, particularly during the summer months; public transport is restrictive, particularly for shift workers and limited availability of superfast broadband in certain areas of the forest is constraining business.

6.2 In order to ensure that the New Forest remains competitive and an attractive place in which to do business, there is a need to ensure that adequate infrastructure is provided. Whilst the special environmental characteristics of the New Forest can make this challenging, the need for New Forest businesses to be connected with each other and the outside world is critical for a growing economy.

Reducing net commuting

6.3 The commuting figures, particularly to/from Southampton are high at around 14,600 movements per day, in total there are around 53,000 commuting movements made to/from the New Forest each day. In simple terms this pattern of cross commuting is owing to those living in higher cost housing travelling out of the district to higher value jobs and those on lower income jobs travelling in from less expensive accommodation in Southampton and Bournemouth³². This is reflected in affordability of property which shows that the median house price in the New Forest is now over eleven times the median gross annual salary³³.

Developing Superfast Broadband

6.4 Allowing more individuals to work from home is one method of reducing the daily out-commute. In order to facilitate this however, homes need to be equipped with suitable speeds of broadband to enable them to work effectively and communicate (e.g. through video calling) with colleagues. Beyond this, the availability of broadband is a critical aspect of doing business not just for high tech businesses but across all sectors and geographies.

6.5 New Forest District Council is working with the Hampshire County Council led Superfast Broadband Programme seeks to establish 95% of premises in the county with Superfast speeds (24MB) by the end of December 2019 but this will still leave a number of premises in the New Forest without the adequate speeds in which to do business effectively. Many remote or rural premises in particular are likely to remain in the final 5% at the end of the existing programme reducing their ability to work from/at home.

6.6 Whilst fixed line broadband is usually the main focus of attention, it is not the only connectivity issue within the New Forest. Provision of 4G coverage is non-existent or limited in many parts of the New Forest and when 5G rolls out in the coming years, there is a danger the New Forest will be left further behind still. This lack of availability restricts people's ability to do business in the forest and is increasingly an important tool in the visitor economy as information is commonly accessed via mobile or tablet devices. Beyond this there are emerging technologies such as those surrounding for example the 'internet of things' which provide opportunities for businesses to reduce costs and to work more efficiently. It is important that the New Forest is not left behind with regard to these emerging technologies and takes the opportunity to be a pioneer in this regard.

³² Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

³³ ONS, (2016), Housing affordability in England and Wales: 1997 to 2016, Retrieved from <https://www.ons.gov.uk>

Action: Work with stakeholders to increase digital coverage and quality in underprovided areas

Ensuring a coordinated approach to enable low paid and young people to live in the district

6.7 In seeking to establish a sustainable local economy, the businesses which the council is seeking to support need access to a supply of labour. It is recognised that many of the higher paid residents travel out to their place of employment and this is an issue which requires attention by providing more high value jobs in the district. As importantly however, there is the recognition that those on lower incomes are required to in-commute as they cannot access affordable accommodation close to their New Forest place of employment.

6.8 Assessing affordable housing within the district is a challenge to young and low income households. The Council's housing strategy and Local Plan address this issue by seeking to maximise the provision of new affordable housing as part of new residential development, and pursuing a continuing role itself as a major provider of affordable housing.

6.9 Providing accommodation for young and low income people is a challenge directly outside the scope of this strategy albeit important in ensuring a sustainable labour supply for the future. The District Council housing strategy 2018-23 specifically targets 'the provision of new affordable homes within the district'³⁴

6.10 Beyond the Housing Strategy however, the District Council will work to identify creative ways of providing young and low paid employees with access to their place of work. Successful examples of workplace accommodation and workers' transport already exist in the district; these should be built upon and extended with the council's assistance.

Action: Work to provide low paid employees with access to their place of work

Provide accessible and sustainable locations to grow business

6.11 At 97.4%, the New Forest is home to a higher proportion of micro and small business than either Hampshire or the UK It is also home to a high proportion of self-employed at 19.3%³⁵. Collectively these businesses make a significant contribution to the local economy and in many cases these homeworking businesses have little desire to expand as their business fits around owner's lifestyle.

6.12 In other cases however, as these micro businesses become more successful they wish expand their workforce but are prevented from doing so by the constraints on suitable accommodation³⁶. Premises such as the New Forest Enterprise Centre at Rushington demonstrate an appetite and demand for flexible, small sized accommodation with occupancy levels consistently above 90% and frequently at full capacity. Around one fifth of home working businesses wish to move into a professional space but are prevented from doing so for a range of reasons including cost and availability³⁷.

³⁴ New Forest District Council, (2017), Draft Housing Strategy 2018-23, Retrieved from <http://www.newforest.gov.uk>

³⁵ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

³⁶ Chilmark Consulting, (April, 2017), New Forest Business Needs and Commercial Property Market Assessment, Retrieved from chilmarkconsulting.co.uk

³⁷ Vonage, (September, 2017), Unlocking the UK's Home Business Potential, Retrieved from <http://www.homebusiness100.co.uk>

6.13 The result of this shortage in suitable accommodation means that small and micro businesses are either restricted from growing; expanding their workforce in the process or leave the district to seek suitable accommodation elsewhere, taking with them the economic benefit and employment in the process.

6.14 The District Council is well positioned to assist with the development of suitable accommodation not only for business start-ups but also for the expansion of existing local business. The council's strategy for acquisition of commercial property provides an excellent platform and opportunity, not only to deliver sound financial investments but also to provide a basis for delivering economic growth. As such the District Council should look at creative ways to ensure that this shortfall is catered for by working with partners to identify solutions.

Action: Work to facilitate the increased number of flexible/incubator business units and/or those suitable for business expansion

Facilitation of major developments

6.15 Whilst the growth in New Forest's industrial floorspace over the past decade has been inconsistent owing to the variations in the wider economy, it has overall grown by approximately 2% during this time³⁸. Whilst this growth is relatively modest, particularly by comparison to neighbouring urban areas, the prospect and potential of further development within the district during the next decade is noteworthy.

6.16 The Waterside area in general but specifically the site at the former Fawley Power Station offers a once in a generation opportunity to provide new high value jobs and high growth business opportunities. Whilst infrastructural and environmental considerations will need to be made, the opportunity to deliver economic growth on a significant scale should not be underestimated. A joined up approach to delivering new development is critical in ensuring the regeneration of the Waterside but the principle should be applied to any new projects in the district, regardless of specific location.

6.17 There is a need to use these new developments to capture outside investment to the district, but also to ensure that opportunities are realised for existing businesses and the resident workforce. So whilst infrastructural and environmental considerations are paramount so too is the inclusion of the existing business community is ensuring local benefit.

Action: Work with partners to ensure a joined up approach to delivering infrastructure development

³⁸ Chilmark Consulting, (April, 2017), New Forest Business Needs and Commercial Property Market Assessment, Retrieved from chilmarkconsulting.co.uk

6. Facilitating Vibrant Towns and Villages

Background

7.1 The New Forest does not have one single geographic focus or town around which a high proportion of economic activity takes place. Instead the influence of its individual towns and villages is spread throughout the District which in their own right play a significant part in shaping the local economy through business activity and creation of jobs.

7.2 In each case however, the town and village centre acts as an important cultural and social focus, in many respects leading to the identity of that individual location. Town and Village centres, perhaps increasingly so, are places where people wish to congregate on a social basis and even with the changing dynamic in High Street unit use, these locations remain an important element of economic focus.

Help town and villages to adapt to the changing retail environment

7.3 It is widely acknowledged that the shape of the High Street has, and continues to change. Online shopping continues to grow with online sales increasing by 21.3% in 2016³⁹, and in the same year 83% of internet users in the UK made at least one online purchase, the highest in the EU⁴⁰. The sustained rise of online shopping has created numerous new challenges for town and village centres.

7.4 In some cases, this has led to a shift in dynamic, away from centres based almost entirely on retail, to those which are more influenced on a general leisure based economy. The District Council could not and should not seek to reverse this tide of global shopping patterns, but instead should be working to help existing businesses, landlords and Town Centre Managers adapt to these changes and ensure that town and village centres remain vibrant and appealing places to visit.

Action: Work with retailers, landlords and Town Centre Managers to reduce number of high street vacancies

Supporting local stakeholders to improve High Street and retail environments

7.5 Because the change in culture surrounding the High Street has been relatively rapid, some businesses have struggled to adapt. National campaigns such as Small Business Saturday have been successful in raising awareness as to the need to support small, independent retailers and more can be done at a local level to build on this success. What national campaigns cannot deliver is a local focus, giving attention to local needs and this is where the role of the District Council and its partners is vital.

7.6 Beyond this, for many residents town and village centres remain the location of important retail services, particularly for those who are unable to access 'out of town' alternatives. Whilst facilitating the adaptation of town and village uses, it is important that support is also given to existing retailers, particularly those who provide core retail services.

Action: Work with local partners to increase footfall and spend in High Street and retail businesses

³⁹ Office of National Statistics, (January 2017), Retail sales, Great Britain: December 2016, Retrieved from <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/dec2016>

⁴⁰ Eurostat, (December 2016), E-commerce statistics for individuals, Retrieved from http://ec.europa.eu/eurostat/statistics-explained/index.php/E-commerce_statistics_for_individuals

7.7 High Street businesses are impacted by a broad range of outside factors and whilst at a district level not all of these can be directly influenced, there is a role for the Council to play in facilitating collaboration and joint working. In many if not all cases, local Town and Parish Councils will have a greater knowledge of the individual businesses and local issues concerned; what may be a barrier in one town may not be on the radar of another. This is underlined in the variation in town centre vacancy rates across the district. In 2015 the average stood at 6.7%, the lowest level since before the 2008 recession and a figure lower than the 11.1% national average at the close of 2016⁴¹. Yet, this average masked the problems certain towns are facing such as Fordingbridge which had a town centre vacancy rate of 13.1%⁴².

7.8 The District Council should work with partners to identify specific measures at assisting High Street and retail businesses, many of whom can be hard to reach by traditional communication methods. This includes the provision of dedicated training programmes for retailers but also working with the District Council's business facing services to identify ways in which support can be offered.

Action: Work to offer dedicated support and training for High Street and retail business

⁴¹ Local Data Company, (March 2017), Retail and Leisure Report Summary Full Year 2016, Retrieved from <http://info.localdatacompany.com/retail-leisure-report-summary-full-year-2016-download>

⁴² New Forest District Council Local Development Framework (April 2016) Monitoring Report, Retrieved from <http://www.newforest.gov.uk/CHttpHandler.ashx?id=16590&p=0>

7. Promoting the Unique New Forest Offer

Background

8.1 The New Forest is an outstanding place in which to do business. The National Park status, 40 miles of coastline and ideal geographical location make it appealing to a range of sectors.

8.2 Whilst it can be argued that every place is in its own way unique, the New Forest's special characteristics of its natural environment combined with its geographical location mean it has an offer few other places can compete with.

8.3 In order to ensure that the New Forest is competitive, it is important that the New Forest plays to its strengths either through encouraging new business to locate here or encouraging new spend from external sources.

Increase local spend from business and visitors in the district

Film: New Forest

8.4 In 2016, the District Council launched the 'Film: New Forest' project with the primary objective of creating film and television related spend in the local economy. A large production film can generate up to £40,000 per day⁴³ for the economy through spend on local goods and services. This is a form of inward investment which provides employment for local freelance crew as well as boosting spend in local business and their associated supply chains.

8.5 Secondary objectives of the Film: New Forest project seek to boost visitor related spend through screen tourism and to provide young people in particular with opportunities to work in the film and television industry by working alongside colleges and universities with specialities in this area.

8.6 The Film: New Forest project is being delivered in partnership with Creative England. Through this partnership, Film: New Forest has been successful in securing a wide range of productions including film, documentaries and commercials. Each of these has been provided valuable income into the local economy.

Action: Continue to work to increase local spend through the Film New Forest initiative

Increasing Visitor spend

8.7 The New Forest has a vibrant visitor economy worth in excess of £491m per year⁴⁴ by way of visitor expenditure. Naturally this spend has a significant impact in terms of the jobs it supports but also in terms of the supply chains it influences, for example, 42% of tourism related businesses are based in the food and drink sub-sector⁴⁵.

8.8 Yet, business growth in the tourism sector has been effectively flat since 2010, with just five additional tourism-related businesses in the area. This is a trend that requires attention, especially as Hampshire and the UK saw growth of 1.15% and 1.7% per annum respectively

⁴³ Creative England, (2016), Film Tourism: What is it, and how can you maximise the benefits?, Retrieved from <http://www.creativeengland.co.uk/film-and-tv/film-tourism-research>

⁴⁴ Tourism South East, (2015), The Economic Impact of Tourism New Forest 2015, Retrieved from <http://www.tourismsoutheast.com>

⁴⁵ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

since 2010⁴⁶. However, caution must be heeded as whilst all elements of doing business within the New Forest need to strike a balance between the economic benefit and the impact on the natural landscape, this is never truer than with regard to leisure and tourism. Continued development of tourism related business must be supported, but the preservation of the natural environment, that which brings visitors here, is equally important.

8.9 The promotion of tourism services is now managed externally by Go New Forest. Despite this work being carried out outside of the District Council, it's important to note that the council still recognises the important role that tourism businesses play within the local economy, not least of all through the 9000 local jobs it represents⁴⁷ and its influence on local supply chains. Therefore the District Council will continue to work closely with Go New Forest to ensure that the local economy realises its potential from the tourism sector.

8.10 The overall focus is not necessarily to encourage a greater number of visitors but more to extract greater individual value from visitors for example through local events and the Go New Forest Card (formerly Brand New Forest).

8.11 Boosting of local spend goes beyond visitors to the New Forest and should also recognise the influence of residents and the workforce within the local economy. Whilst there is some crossover here with the section on 'Vibrant Town and Villages', there is still the need to recognise how best this potential value can be extracted.

Action: Work with partners to identify opportunities to increase local spend

Promote the New Forest as an easy and attractive place to do business

8.12 During the information gathering phase of this strategy various partners referred to the New Forest as being a special and desirable place in which to do business. Specifically, repeated reference was made to the National Park, the forest's coastline, access to national transport infrastructure and the International Port of Southampton. Not only does the natural environment make the New Forest an attractive place for companies to locate, its access to key infrastructure makes it an efficient place in which to do business.

8.13 Historically the district has not been proactive in marketing itself as a place in which to do business. Based upon the aforementioned assets of the district, this can be considered a missed opportunity and in line with the wider ambition to create more, higher value jobs, this should be addressed.

Action: Work to encourage appropriate inward investment

Ensuring traditional economic activities are maintained

8.14 The motto of the District Council is "Old yet ever new" and this is true of the economic activity within the district. Whilst there is rightly a desire to encourage new economic activity into the district there is also a need to recognise and protect the traditional activities which take place here.

8.15 Both land and coastal based activities have in some cases existed for centuries and whilst the techniques associated with these may have changed, their core function and influence to the local landscape and ecology remains.

⁴⁶ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

⁴⁷ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

8.16 In noting the ecological significance and traditional industries, it is also important to note their economic based contribution. Land based activity account for over 1000 businesses and approximately 4000 jobs with the New Forest⁴⁸. By location quotient, Forestry is the third most significant cluster in the forest⁴⁹.

8.17 As significant as the land based sector is in terms of the number of businesses and jobs it represents, it's characterised by the gender split and age profile of its workforce. A total of 68% of workers in the New Forest are male compared to 54% nationally and 30% of all workers are aged 55 and over compared to 18% across all sectors⁵⁰.

8.18 These characteristics pose a direct threat to the viability of this sector with the consequential impact on supply chains and the New Forest's ecology. To ensure that the sector has a sustainable supply of skilled labour in the future, there is a need to encourage career development opportunities, particularly amongst females.

8.19 In accordance with this, there is a need to protect and develop these industries and their associated supply chains, not only to preserve their tradition but also the economic benefits which they bring.

Action: Seek to preserve and protect the New Forest's traditional economic activities

⁴⁸ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

⁴⁹ Emsi, (November, 2017), What's Driving your Local Economy: A brief analysis of the key local industry clusters in the New Forest, Retrieved from www.economicmodelling.co.uk

⁵⁰ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

Glossary

Affordability ratio - calculated by dividing house prices of an area by the gross annual earnings of that area

Business rate - a tax on business properties which local authorities keep a proportion of

Corporate Plan – the council’s overarching document which sets of the priorities and visions for the next five years

Dependency ratio – the number of people aged 14 and under and over 65 to the total population aged 15 to 64

Go New Forest - a not-for-profit Community Interest Company (CIC) which delivers marketing and promotional support for the New Forest destination

Index of Multiple Deprivation – a UK government qualitative study that measures the relative deprivation for small areas (Lower Super Output Areas).

Local Enterprise Partnerships (LEPs) – partnerships between local authorities and businesses, who offer funding as well as advice through their Growth Hubs. New Forest is covered by two LEPs; Enterprise M3 and Solent.

Local Plan – a council-produced document which sets of the planning strategy, strategic policies and key development sites of the New Forest up to 2036

NEETS - a young person who is no longer in the education system and who is not working or being trained for work.

New Forest Business Partnership – a local organisation which acts a forum for local business people and a link between local government and enterprises

RDPE LEADER – an EU funded scheme which provides funding to aims to address lagging economic performance, and the resultant social and environmental problems this causes, in rural areas.

Section 106 Agreement - private agreements made between local authorities and developers which make a development proposal acceptable in planning terms that would not otherwise be acceptable.