



GOSPORT
Borough Council

Economic Development Strategy

January 2021



Introduction and Background



Introduction

The 2021-31 Gosport Economic Development Strategy provides the framework for future growth and diversification of Gosport's economy and will be used to inform the emerging Local Plan for Gosport.

The starting point for the development of this Strategy was undertaking a review of existing reports and evidence base including: the adopted Gosport Borough Local Plan 2011-2029, the Gosport Infrastructure Investment Plan and the Solent 2050 Strategy priorities.





Consultation on an Economic Development Strategy was undertaken with a number of stakeholders (list included in the Economic Development Evidence Base Report) including the Solent LEP and Hampshire County Council.

Additionally, there was a two month consultation period for local stakeholders which used a survey to gain feedback on the draft document with the key points from the feedback incorporated into this final document.

The issue of improved access and public transport featured highly in the responses and whilst this lies outside the direct remit of this strategy, the Council will continue to liaise closely with the Highways Authority (Hampshire County Council) and Government to secure future investment.

Key Findings

Over the last few years there have been a number of local and sub-regional consultations.

This Strategy builds on previous consultations as well as garnering more recent feedback particularly relating to economic development and regeneration.

To summarise, at a high-level Gosport has:

- A very constrained urban form for both employment land and housing.
- Considerable opportunities presented by the future release of sites owned by the MOD.
- Significant strengths in marine, maritime, engineering and defence.
- An outstanding waterfront which is not maximised.
- Local business growth but this has been stymied by the shortage of commercial premises.
- Low median gross workplace and decreasing levels of resident earnings.

2021-31


Gosport Economic Development Strategy



Partnerships and a collaborative approach are key to delivering an effective Economic Development Strategy

- High levels of outbound commuting exacerbates congestion in/out of the town.
- Low levels of educational attainment compared to the regional/sub-regional average.
- A retail function across the town centre which has suffered decline.





The Economic Development Strategy is therefore set within the context of a significant evidence base and consultation. It has been derived from following through a logic chain.

This logic chain which follows four steps:

- Identifying the key issue
- Assessing the importance of that issue by projecting the outcome if nothing is done
- Identifying the strategic response that is required
- Setting out the recommended practical steps that need to be undertaken if the Strategy is to be pursued

The Strategy is therefore set out in a series of recommendations, pulled together in themes.

1. Increasing job density & creating diverse employment opportunities
2. Strengthening the marine, maritime & defence industries
3. Employment land – MOD (Ministry of Defence)
4. Commercial property
5. Town Centre & High Street
6. Tourism & capitalising on Gosport's Waterfront
7. Skills development
8. A changing demographic
9. Access
10. Organisational structure & resources
11. Building a strong narrative to government



Recommendations are set out in the following broad timescales: short-term (1-2 years); medium-term (3-5 years) and long-term (beyond 5 years).



**Without exception,
partnership-working and strong
relationships are key to the
delivery of the themes set out
in this document.**





Marine, defence and engineering supported by industrial technology can **increase job density**. Tourism jobs can also grow



The **town centre must provide a range of opportunities** – and reconnect to the waterfront



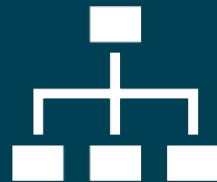
More local employment opportunities can **limit out-commuting** and mitigate transport issues



The MEZ, further research collaboration and the School of Marine Engineering must **support marine and defence sectors**



The visitor economy offers **heritage and waterfront tourism assets** which should be maximised



Significant economic and regeneration issues suggest the need for a **change of structure** for future delivery



There is need to work with the MOD to understand **employment land supply** and possibilities for use intensification



Resident skills are a key issue but there are **strong opportunities in skills development** for engineering and marine



There is a need and the requirement to put forward an **influential narrative to Government and regional partners**



Increasing commercial property for job growth relies on redevelopment of existing units and ensuring industry retains deep water access



Against the backdrop of a declining working age population, Gosport can offer a **career route map for young people**

1.

Increasing Job Density & Creating Diverse Employment Opportunities

Issue & Opportunity

Gosport has a low employment density and lacks a diverse employment base.

The marine sector (i.e. component manufacturing, refit & maintenance) is strongly represented. A proposition for high-tech support businesses and greater servicing in the leisure market would strengthen the sector. The industry often requires direct water access. Valuable waterfront sites (including the potential at Fort Blockhouse) risk being lost to other uses but have the potential to underpin future employment for the area.

The consultation process highlighted the lack of a consistent approach to attracting investment into South Hampshire and the Solent. The approach has been managed in the past by PfSH (Partnership for South Hampshire) and the Solent LEP, but has not been particularly successful.

Over the years, the Solent has attracted a smaller proportion of FDI (Foreign Direct Investment) than neighbouring areas and for the region as a whole.

Gosport has key assets, such as one of the largest hydrodynamic facilities in the world located at Haslar (managed by QinetiQ) used to optimise vessel design. These assets could be maximised to attract supply chain businesses to the area.

Impact & Do Nothing

Low employment density means that many Gosport residents have to commute in order to access job opportunities. There is an overall net outflow of 13,400 resident workers per day to a place of work beyond Gosport (2011 Census).

In addition, the lack of diverse work opportunities means that there is less employment choice, with Gosport residents earning more by out-commuting to neighbouring authorities.

If nothing is done to increase the levels of job density; the on-going reduction of MOD activity in Gosport is likely to further reduce employment density and increase both out-commuting and congestion.

Strategy

Most investment projects are undertaken by existing businesses rather than by new investors. There is a need to develop relationships with key players at a local/HQ level (when the business has an HQ outside the area).

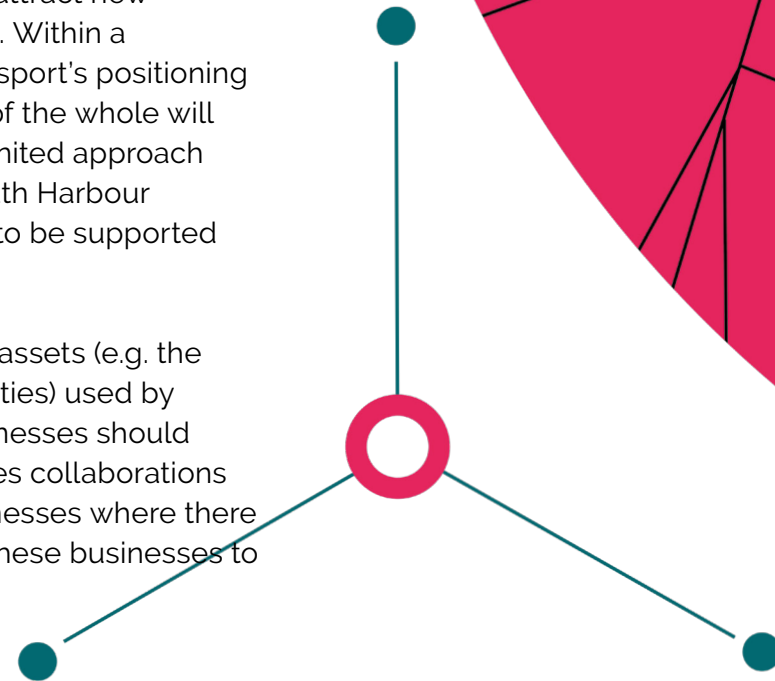
Strengthening these relationships through increased Council business engagement would lead to closer engagement with local SMEs and start-ups with the potential to become part of the local supply chain.

This in turn would boost efforts by the Council and its strategic partners to provide help and support to business start-ups and SME's by fostering supply chain linkages. Proposals to develop an Incubator, Co-working space and a Skills Hub as part of High Street redevelopment plans could transform enterprise development

Attracting investment is competitive and a consistent sub-regional approach setting out the proposition for the wider area is important.

Gosport is very unlikely to attract new investment by acting alone. Within a sub-regional approach, Gosport's positioning and differentiation as part of the whole will need to be clear e.g. the united approach to promoting the Portsmouth Harbour economy should continue to be supported and expanded.

Where possible, Gosport's assets (e.g. the Haslar hydrodynamic facilities) used by national/international businesses should be highlighted. This includes collaborations between QineitQ and businesses where there could be the potential for these businesses to establish a local presence.



2.

Strengthening the marine, maritime & defence industries

Issue & Opportunity

The Government's Maritime 2050 Strategy places considerable emphasis on innovation and digitisation. The government's Defence Industry Review with a focus on new technologies, is likely to lead to more collaboration between industry and HE/ research bodies.

Solent LEP's 'Solent 2050 Strategy' states its ambition to 'create a world-leading marine and maritime economy' and has launched 'Solent Maritime'; bringing together marine & maritime strengths to champion the region as a maritime hub.

Solent Maritime Enterprise Zone (MEZ) is a significant opportunity to position Gosport for future marine investment; including in property, skills and innovation as well as in the marine leisure sub-sector.

Portsmouth Harbour Marine (PHM) is a CIC promoting skills and businesses in the marine sector and provides an opportunity to further increase the profile of the sector. Capacity issues at the Portsmouth International Port provide opportunities for Gosport to increase its harbour role.

Gosport already has technology related companies in the area of maritime and defence but there is an opportunity to build on this sector further.

Impact & Do Nothing

The Government's support for encouraging innovation in the maritime industry resulted in an Innovation Hub at the Port of Tyne. This is a lost opportunity for the Solent. Gosport and the Solent needs to position itself effectively in order not to lose out on similar investments in the future.

Gosport can set-out its strengths and its position within the Solent to strengthen its own and the overall case.

Gosport's high value employment is based on marine technology, defence plus the MOD and without continued development Gosport could be side-lined as a lower value location.

With capacity issues at the Portsmouth International Port, there is the risk that potential growth of port throughput in this locality will be lost to other locations.

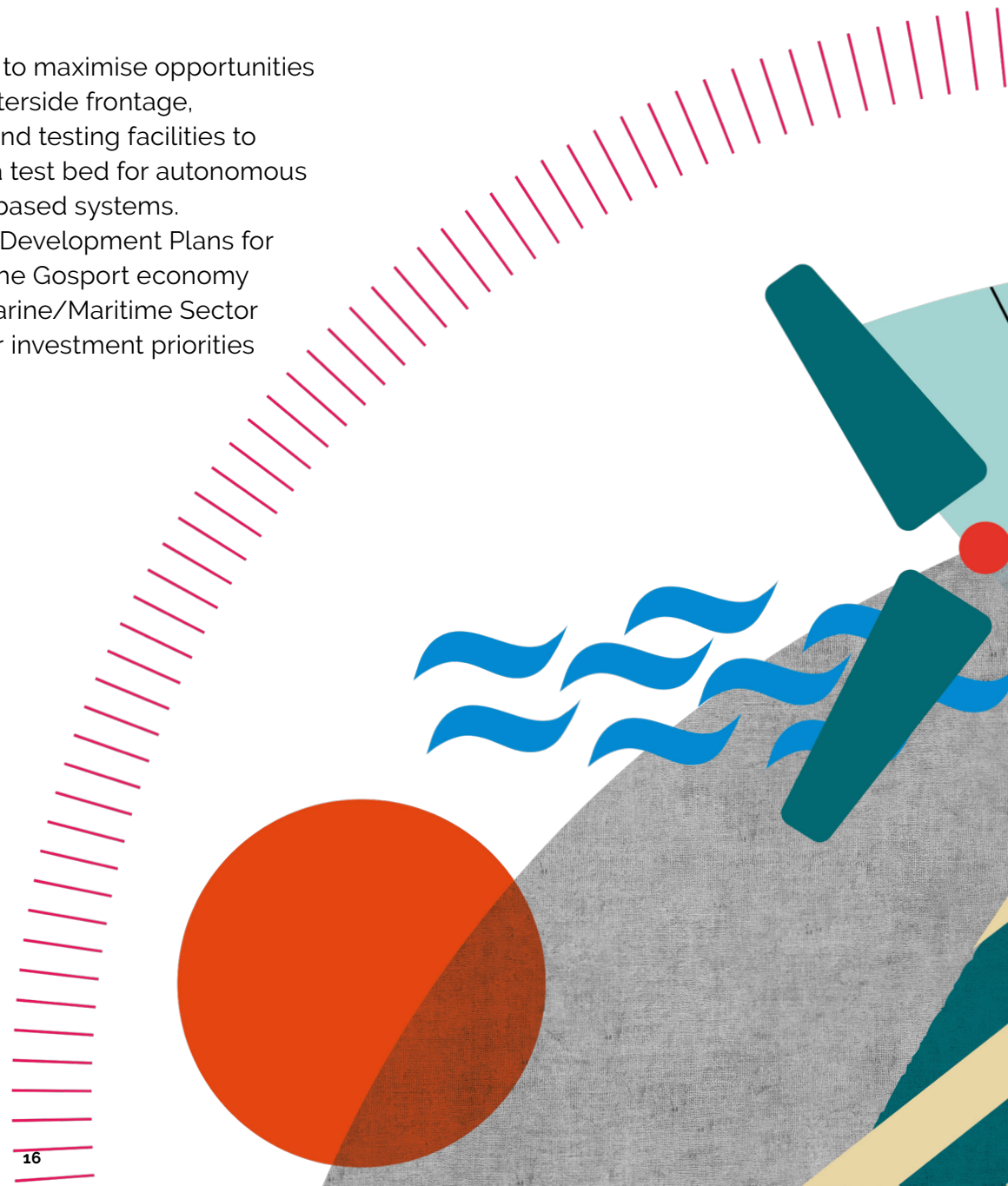
Strategy

As the development of the MEZ is at an early stage, Gosport should maximise the opportunities that would make the greatest impact locally. This should include as is stated in the MEZ Vision, the 'repurposing of land or surplus defence estate'; improving the educational / skills offer (e.g. securing the future of HMS Sultan School of Marine Engineering) and increasing innovation through stronger links with universities.

The government's review of the UK's defence industry and how it is impacted on by new technology is in turn ensuring the need for more innovation, partnerships and collaborations. The increasing take-up of digital technologies is likely to lead to more collaborations between business / MOD and universities. Developing relationships with local universities and the Defence & Security Accelerator would position Gosport more strongly to support local SMEs to innovate and create new supply chain opportunities.

Gosport's existing strengths in maritime defence could be enhanced with a focus on high value technologies, for example autonomous systems.

This would also help to maximise opportunities around Gosport's waterside frontage, deep-water access and testing facilities to position the area as a test bed for autonomous water (and sub-sea) based systems. Proposals for Sector Development Plans for key components of the Gosport economy would include the Marine/Maritime Sector and establish partner investment priorities



3.

Employment Land – MOD

Issue & Opportunity

Gosport's densely developed footprint means that available employment land is limited. The various surplus MOD sites could become new employment sites once vacated. However, the disposal process can take a number of years depending on the complexity of the use and reprovision needed for any site to become surplus.

There is also a continuing balance to be struck between providing employment sites to create jobs locally and making sites available for housing need. The pressure for housing can also be due to the need for the land owner to address development viability/financial return requirements.

The Gosport Infrastructure Investment Plan reviewed the key potential development sites including: Daedalus Waterfront, Fort Blockhouse, HMS Sultan and Royal Clarence Yard. The latter is a key project within the Gosport Heritage Action Zone. Whilst initial masterplanning was cited as required to test the potential feasibility of different types of development; the report cited some significant barriers to delivery and viability challenges. Securing external investment will be key to delivering their effective regeneration.

Impact & Do Nothing

The uncertainty as to if and when MOD sites will be fully or partially vacated is creating uncertainty for planning and businesses meaning that Gosport risks missing out on employment growth opportunities.

Whilst the focus should be on employment, the cost of remediation of some of the sites will no doubt need mixed-uses including housing. This is particularly the case at Fort Blockhouse which requires substantial infrastructure investment (including sea wall defences) for it to become a viable redevelopment site.

If nothing is done to ensure a mixed development including substantive employment uses, there is a risk that the sites with attractive waterfrontages will be dominated by housing.

Where there are unique assets such as deep-water access, these must be maximised so that the opportunity is not lost to attract businesses requiring such infrastructure.

The Gosport Local Plan recognises that deep-water access is a key employment asset that needs to be safeguarded. Fort Blockhouse is identified as one of the key development sites which has the significant potential to benefit the local economy and local employment.

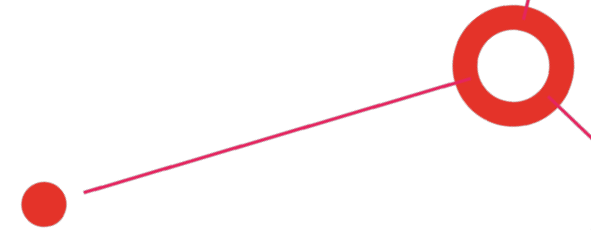
Strategy

The need to better understand the defence disposal timetable will require strategic approaches towards developing relationships at the highest level with the MOD and the DIO (Defence Infrastructure Organisation). The Gosport Task Force established by the local MP could be key to developing these stronger linkages both at a local level and within HQ, however the Task Force lacks resources. The identification of resources and structure for an organisation to help deliver positive economic & regeneration outcomes for Gosport should be a key part of the Strategy.

The pressure to use available land (including MOD land) for housing will continue to increase as Gosport struggles to meet its housing targets. A strategy of developing a collaborative cross-regional approach should be exploited, particularly with in terms of the potential to share housing allocations. The repurposing of land / surplus defence estate could allow intensification of employment whilst still retaining the MOD presence.

The viability of a number of future employment sites highlights the requirement to develop projects which are 'oven-ready' for funding calls.

The Local Plan should look to protect existing employment sites and encourage further employment uses on surplus or repurposed defence sites.



4.

Commercial Property

Issue & Opportunity

In recent years there has been strong demand for employment units within Gosport. This is predominantly for industrial (B2 and B8) stock. The fall in the volume of transactions in 2018 and 2019, was considered to be primarily due to a lack of available stock on the market rather than low levels of demand.

Demand is across the board for smaller units, mid (1,000-2,000 sqm) and larger units (+3,000 sqm).

Property shortages are most acute for industrial rather than office units.

Gosport also has a level of old commercial stock which does not meet modern business requirements but which would require substantial investment / redevelopment to secure re-use.

Subject to funding availability, there could be an opportunity for Gosport Borough Council to undertake more direct development of small industrial units and enterprise/start-up provision.

Impact & Do Nothing

The tightness of the commercial property market is impacting on Gosport's ability to create employment opportunities for local expansion projects as well as to attract new projects. This is leading to a lack of capacity for growth, with limited choice of built premises and lack of vacant employment land.

With more employment space available in neighbouring authorities; businesses with expansion projects and requiring modern premises are likely to relocate out of the Borough.

The impact of a lack of appropriate space on the growth of employment in Gosport has already been felt in recent years and this will become more acute if further supply is not provided.

Strategy

Experience from elsewhere suggests that stock deterioration and reducing attractiveness is generally not reversed by market forces. Where stock is held by long-term tenants there is a disincentive for incremental investment by landlords who are receiving a steady rental stream which is not enhanced by investment over anything other than the long term.

The on-going shortage of modern units will make it difficult to attract new businesses to the area as well as to retain employment. As a result a strategy to improve the existing stock in addition to creating opportunities for new build (see employment land) is key.

The shortage of units for manufacturing uses should be considered in planning terms to help to ensure that uses are not too orientated towards out-of-town retail or low value storage activity. The need for further employment units should be addressed in the Local Plan.

Whilst the impacts of Covid-19 on demand for units is likely to be significant in the short-term, with the return to market normality dependent on the broader economic health and recovery; there is still a need to ensure there are suitable commercial premises available.

5.

Town Centre & High Street

Issue & Opportunity

Gosport's town centre is in need of substantial regeneration with better links to the waterfront to draw in more local and tourist visits and provide a greater range of property uses. The Gosport Waterfront and Town Centre Supplementary Planning Document highlights numerous opportunities to enhance the area including development potential and public realm improvements.

The town centre only has a limited B-class employment role (B1 offices). The lack of any evening economy activity, combined with anti-social behaviour makes the town feel less safe and empty after 6pm.

The low levels of growth within micro and small businesses in Gosport could be in part addressed by creating a flexible workspace offer. This would also encourage collaboration and create more animation and vibrancy in the town centre.

The High Streets Heritage Action Zone (HSHAZ) is a positive opportunity; building on the town's heritage assets and helping to provide better signage/pedestrian flow to and from the waterfront. The HSHAZ also includes the repurposing of Gosport Old Grammar School with the reinstatement of the local museum and gallery, plus a STEM based adult education provision.

Impact & Do Nothing

At present there is limited appeal within the town centre for the visitor market. Whilst the HSHAZ may make a difference; the considerable impact of Covid-19 on the retail and hospitality sector means that interventions are needed to stop further decline.

However, it is possible that in the medium and longer term that the prevalence of working from home and use of local district/town centres rather than cities, presents an opportunity to create a thriving town centre rather than continuing a cycle of decline.

However, the evening, office and visitor economy is extremely limited and without intervention is unlikely to grow and less likely to survive the on-going economic shock.

The lack of flexible workspace in Gosport will further flatten the growth levels of business start-ups and micro businesses and lose the opportunity to create employment in the town centre.

Strategy

There is a need to improve the towns connection to the waterfront. An important element of this is the Bus Station interchange site which has long been highlighted as a constraint. The 2020 announcement of "Transforming Cities" funding will accelerate efforts to promote the redevelopment of this site with an urgent need to identify a development partner to bring forward an attractive mixed-use commercial, leisure and residential development.

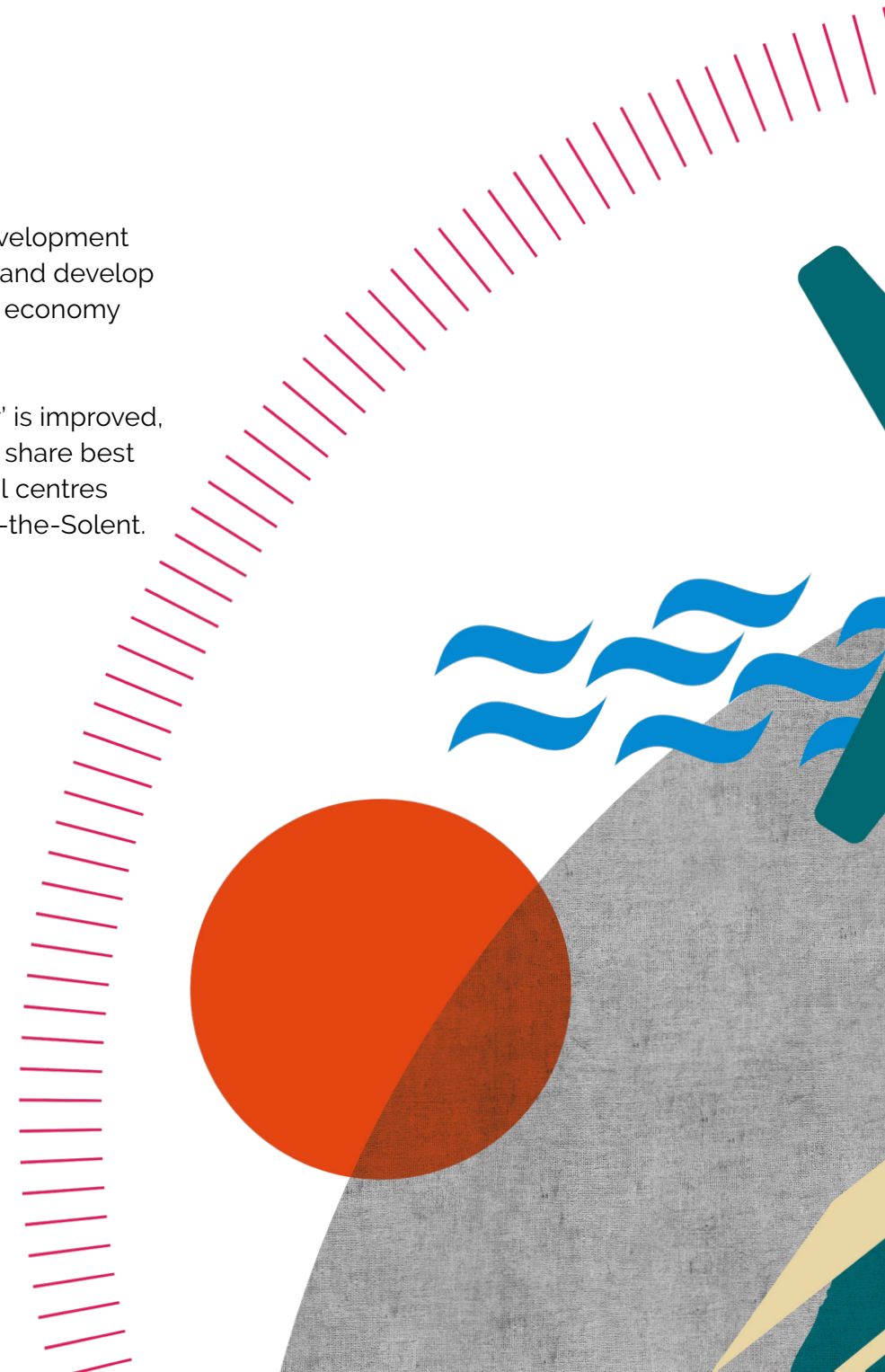
In addition, the redevelopment should provide improvements such as enhanced public realm, food & beverage units, a visitor/heritage centre and harbour viewing opportunities.

The High Street HAZ will help to maximise the town's historic assets, helping to create the feel of a more independent town centre.

The availability of flexible workspace for start-ups and micro business will help to attract more people to the town centre who in turn would use the facilities at lunch-time or after work.

Further High Street residential development can also support the retail sector and develop a much needed evening / leisure economy offer including cultural venues.

As the Gosport Town Centre 'offer' is improved, this will provide an opportunity to share best practice with Gosport's other local centres including Stoke Road and Lee-on-the-Solent.



6.

Tourism & capitalising on Gosport's Waterfront

Issue & Opportunity

The waterfront, harbour and naval heritage are key assets and can attract more visitors and create an attractive environment for local residents.

The Gosport Heritage Action Zone is a considerable opportunity to maximise Gosport's considerable naval heritage and restore the town's historic character particularly given the focus on the Gosport Ramparts and Priddy's Hard.

Gosport is in a good geographic position in the Solent for increasing harbour and marina usage for leisure vessels as well as supporting major maritime events. The marinas could provide growth opportunities; most likely through mixed-use schemes that broaden site uses and increase values.

The considerable drop in overseas visitors to the UK due to coronavirus during 2020 and into 2021 is likely to put extreme pressure on tourism and support sectors. However, with an expected increase in domestic visitors, there is an opportunity to position Gosport more strongly for the domestic market; building on successful initiatives such as the Heritage Open Days and the bi-annual Gosport Marine Festival. Following Covid-19, the leisure and tourism sector in Gosport may require considerably more support than other sectors.

Impact & Do Nothing

Attracting tourists is a competitive business. As a result, there is a need to offer a range of quality products, from accommodation to eating establishments. The lack of a good offer will limit Gosport's ability to attract more visitors especially those involving overnight stays.

Whilst the marinas in Gosport attract high-net worth individuals, there are limited retail and leisure services to encourage significant visitor expenditure. With limited disposable income in Gosport, increasing expenditure through the visitor base is key to supporting the growth of existing businesses.

Visitor spend and footfall is critical to the regeneration of the town centre and to also retain resident spend in Gosport rather than it leaking to neighbouring authorities.

Without putting in place physical improvements to the waterfront, marinas and diversifying the offer; total spend is likely to decrease further leading to a spiral of more business closures.

Strategy

The strategy should focus on improving the 'product'; by providing a better range of hospitality and leisure offer in Gosport. This includes the coastal assets / beaches.

The creation of a Tourism Development Strategy in 2021 should help focus efforts in these areas. In particular further capacity/choice in the budget and mid-market hotel markets would benefit Gosport's visitor market.

Gosport's existing strategy of working in partnership with Portsmouth on joint tourism initiatives is considered advantageous and the consultation highlighted that Portsmouth Harbour (with Gosport) should be promoted as one single entity.

The considerable naval heritage assets in Gosport are not fully maximised, and a number of them are 'mothballed'. There is considerable potential for better exploiting the considerable military/marine heritage of the town – and ensuring greater protection and access to the historic assets.

The marketing of Gosport should align with the central concepts outlined in Gosport's placemaking work. Gosport's maritime and military heritage is crucial to branding and placemaking efforts going forward.



7

Skills Development

Issue & Opportunity

The proportion of Gosport's resident population (16-64) educated to degree equivalent (NVQ4) is well below the sub-regional and national average. Young people's levels of expectation and ambitions appear to be low in Gosport. Covid-19 is also likely to have impacted on increasing levels of unemployment especially amongst younger people. Other issues relate to the lack of work ready/soft skills in younger people.

Gosport's educational assets include the Defence School of Marine Engineering and St Vincent College. In addition, the Centre of Excellence for Engineering, Manufacturing and Advanced Skills Training (CEMAST) is within very close proximity of the Gosport LA boundary and is viewed as a local asset.

In the future, the repurposed Gosport Old Grammar School will include a centre for engagement in STEM based science subjects as well as delivering adult education programmes.

With 3 universities (Portsmouth, Southampton & Solent) in close proximity to Gosport, these institutions are key in supporting higher level skills. Solent University is home to the Warsash School of Maritime Science and Engineering.

Impact & Do Nothing

Employees with appropriate STEM skills are difficult to find and retain. Difficulties in recruiting skilled and local staff leads to employers recruiting more from outside the area, contributing to peak time travel difficulties.

Importantly, difficulties in recruiting may stymie local employment growth and lead companies to relocate in the search for new talent and deter new investors to Gosport.

Improving local skills outcomes is also important to help address low productivity levels locally. If not addressed, productivity levels in Gosport are less likely to improve.

The Defence School of Marine Engineering at HMS Sultan is a considerable educational asset and is also used by the private sector. The potential future departure of the Royal Navy from the site may impact on the on-going presence of this School. The loss of such an asset would be of huge detriment to Gosport.

Strategy

A close relationship with employers can help to develop stronger linkages with education providers at all levels. Particularly in areas such as work readiness and ensuring the curriculum keeps up with the needs of industry, as it becomes increasingly digitised.

Closer collaboration with employers through positive and planned placements can help increase levels of skills and aspirations. Schools should also develop strong links with colleges / universities.

Build on the work of the Solent Careers Hub, the Gosport Employment & Skills Partnership, the LEP's Solent Skills Advisory Panel, to identify opportunities appropriate for Gosport.

Work with Academies, Schools, the Taskforce and regional partners is vital in addressing the relatively low levels of educational attainment in Gosport in order to maximise opportunities for local residents.

Whilst CEMAST was perceived as an important educational asset bordering Gosport, the consultation highlighted that more could be delivered there in terms of marine engineering, design engineering and software development skills whereas the currently there is more focus on automotive and aerospace.

Increasing employability of local residents and the ability to attract new investors is key. The Defence School of Marine Engineering is a considerable educational asset which can be built on to increase skills levels and help deliver the Maritime EZ. Portsmouth Harbour Marine should also be supported in its role to improve skills and participation in the marine workforce.



8.

A Changing Demographic

Issue & Opportunity

A key challenge for Gosport in the years ahead is the projected increase in the population aged 65 and above. This is also likely to lead to more requirements for expenditure on social and care services.

In addition the 'flattened profile' of the estimates of the working age population in Gosport in the years ahead will also have an impact on the locally based available workforce.

Gosport's placemaking work and the narrative is also important in relation to positioning the area in order to attract new residents; particularly those of a younger age and those with families.

Impact & Do Nothing

Gosport's ageing population is likely to further impact on local levels of economic productivity which are already low.

The low growth rate of Gosport's working age population (1%) may impede the ability of employers to recruit from a sustainable pool of labour. A lower proportion of a working age population is also likely to have a negative effect on local retail expenditure.

Strategy

The strategy to mitigate the effects of a declining working age population is to ensure there are greater diverse career opportunities (particularly digital tech related) for young people in Gosport in terms of both housing and employment. A long-term approach is required to address this problem.

The potential to attract young people to move to Gosport will be based on creation of the types of employment opportunities locally they aspire to as well as providing appropriate housing.

Efforts in this regard may be assisted by the creation of a Gosport "Cultural Compact" and partnership work to develop and deliver a Cultural Development Strategy.

In parallel to attracting young people to Gosport, the older members of the workforce should be encouraged to stay in the workforce through support programmes, flexible working arrangements, etc.



9.

Access

Issue & Opportunity

Poor access - as well as perception of poor access - to and from Gosport was mentioned frequently throughout the consultations and also has been raised in previous consultations; the Stubbington Bypass was seen as key in helping to ease this issue.

The Solent LEP has set-out in its Delivery Plan 2020-21, the continued investment to support the delivery of Stubbington Bypass. The existing Local Plan sets-out the improvements to enhance access including to strategic routes serving the Borough; including improved interchange and extension of the busway, the cycle network and associated facilities.

The LEP's Delivery Plan also highlights 'exploring the development of a full-fibre strategy to better connect our coastal communities'. Super-fast broadband connectivity is key to attracting both businesses and new residents to the area, with the impact of Covid-19 and home-working accelerating this requirement.

Gosport's waterfront access has been frequently mentioned as providing the opportunity for creating additional waterborne transport in addition to the existing Portsmouth/Gosport ferry.

Impact & Do Nothing

The issues raised relating to poor access have been cited as discouraging business investment in the Borough. The issue is compounded by Gosport's high levels of out-commuting.

The considerable increase in home/flexible working as a result of Covid-19 is likely to continue as a long-term trend.

The need to protect the enhanced transport corridors of Newgate Lane and the Stubbington Bypass is important to ensure that such routes remain unconstrained, to enable improved access to the Peninsula. Developments in the 'Strategic Gap' that could impede these routes and should be avoided.

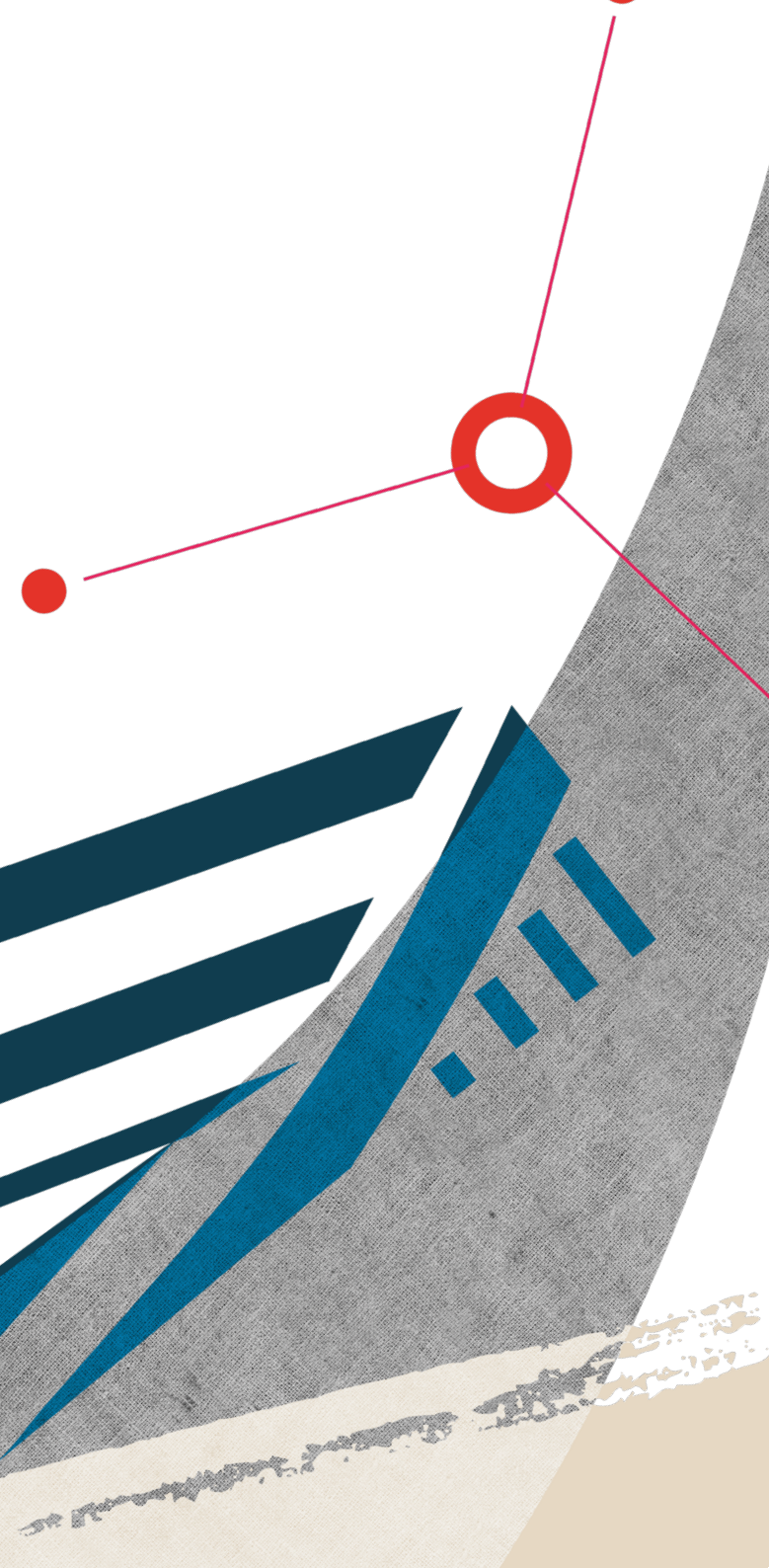
Strategy

This is not a transport strategy and as a result highways measures are not part of the recommendations, but there is clearly a need to improve access in and out of Gosport.

The recent funding for the busway extension and improvements at the forthcoming transport interchange will be important components to address this.

Efforts must be continued to access and develop superfast broadband coverage for Gosport as a means of diluting the impact of transport access.

The use of water based transport has been cited in the Gosport Infrastructure Investment Plan and Coastal Communities Investment Plan and should be examined further. In addition, the Solent LEP's Delivery Plan 2020-21 Strategy highlights a private sector led proposal for water taxi use on Southampton Water.



10.

Organisational Structure & Resources

Issue & Opportunity

Gosport is the smallest local authority in the Solent by population size and a small entity in its own right. As such, a collaborative approach with relevant partners is more likely to make an impact than acting in isolation.

The absence of a sub-regional approach to attracting inward investment to the area means that Gosport is unlikely to attract new investment to the Borough unless a co-ordinated and joint approach is undertaken.

The Solent LEP (which has a Memorandum of Understanding with the Department for International Trade) has a long established priority to establish a sub-regional vehicle to attract FDI (Foreign Direct Investment).

There are considerable benefits in having a joint CEO with Portsmouth Council. However, establishing a new 'vehicle' that can help to shape and influence economic policy and develop stronger links with national organisations should be explored.

The existing Gosport Task Force is an opportunity to ascertain how this 'vehicle' could be resourced in order to ensure a greater level of influence and deliver an enhanced programme of activity to benefit the locality.

Impact & Do Nothing

Without more resources and establishing more formal collaborations on joint projects (e.g. areas such as inward investment and meeting housing targets) there is a risk that Gosport will miss out on opportunities to not only attract new businesses to the area but that land allocation will be used for housing instead of employment uses.

The perception of Hampshire and the wider South East as being an area of affluence means that Gosport may find it harder to be successful in bidding for government and other funding.

The lack of resources to undertake strategic business engagement activity is likely to lead to opportunities for growth and further investment being missed as well as potentially the impact of more businesses moving out of the Borough.

Strategy

Gosport's collaborative approach with partners such as those on the Solent EZ with the Solent LEP and on tourism activity with Portsmouth as well as housing initiatives with PFSH have worked well.

The strategy should be to ensure a collaborative approach is taken where possible including strengthening current relationships with Government agencies such as Historic England, Homes England, One Public Estate and the Defence Infrastructure Organisation.

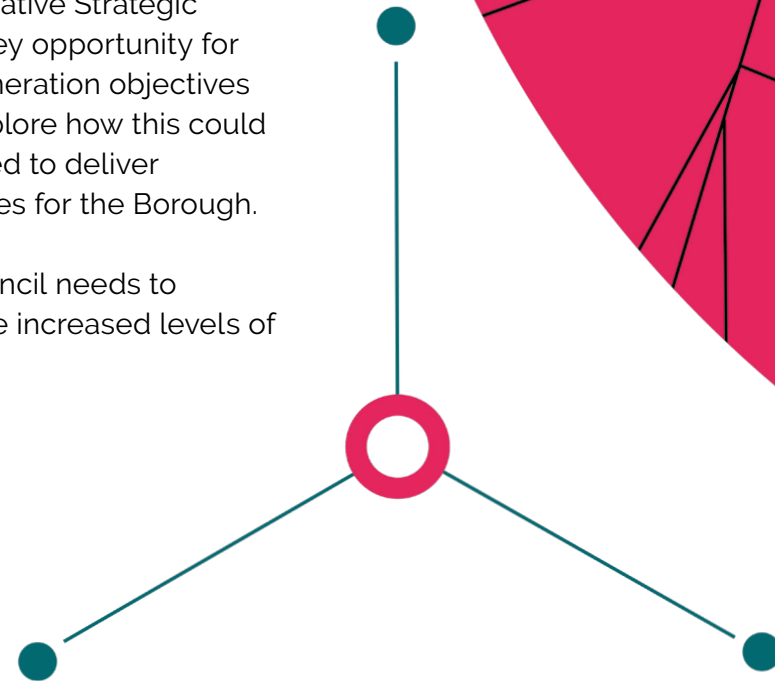
Gosport could also maximise the resources of Hampshire County Council and its economic development team in relation to attracting FDI and supporting existing businesses to grow.

Gosport requires an effective mechanism for delivering economic and regeneration programmes. The existing organisational structure may not provide the most effective delivery route and as such the strategy should

be to examine the most effective delivery mechanisms, based upon best practice elsewhere.

The Task Force or an alternative Strategic Board could represent a key opportunity for Gosport to further its regeneration objectives and the Council should explore how this could be resourced and structured to deliver long-term positive outcomes for the Borough.

More immediately, the Council needs to explore how it can resource increased levels of business engagement.



11.

Building a Strong Narrative to Government

Issue & Opportunity

There is an opportunity for Gosport to present a stronger and clearer voice not only within the Solent LEP but also direct to government, in order to ensure Gosport maximises funding and investment opportunities.

Issues such as levels of deprivation, low educational attainment and limited employment opportunities in Gosport can get lost at a Hampshire and Solent level given the wider context of the perception of regional affluence across the South East as a whole.

As well as building a stronger voice nationally, the Solent LEP is also key in relation to securing external funding for Gosport. The consultation highlighted the need to emphasise that in Gosport there are areas of deprivation within what is perceived prosperous South East region overall. There is also a need to ensure that Gosport's educational, skills and other needs are recognised and addressed at a sub-regional level.

Impact & Do Nothing

If Gosport does not make its 'voice' heard, it is likely that future government funding will continue to be focussed on wider geographic areas of deprivation (for example the North East) and that Gosport will become an even more deprived and overlooked area in the South East.

A stronger 'voice' is also needed to ensure that devolved funding is ultimately allocated to Gosport to implement remedial measures in areas such as education and health.

Strategy

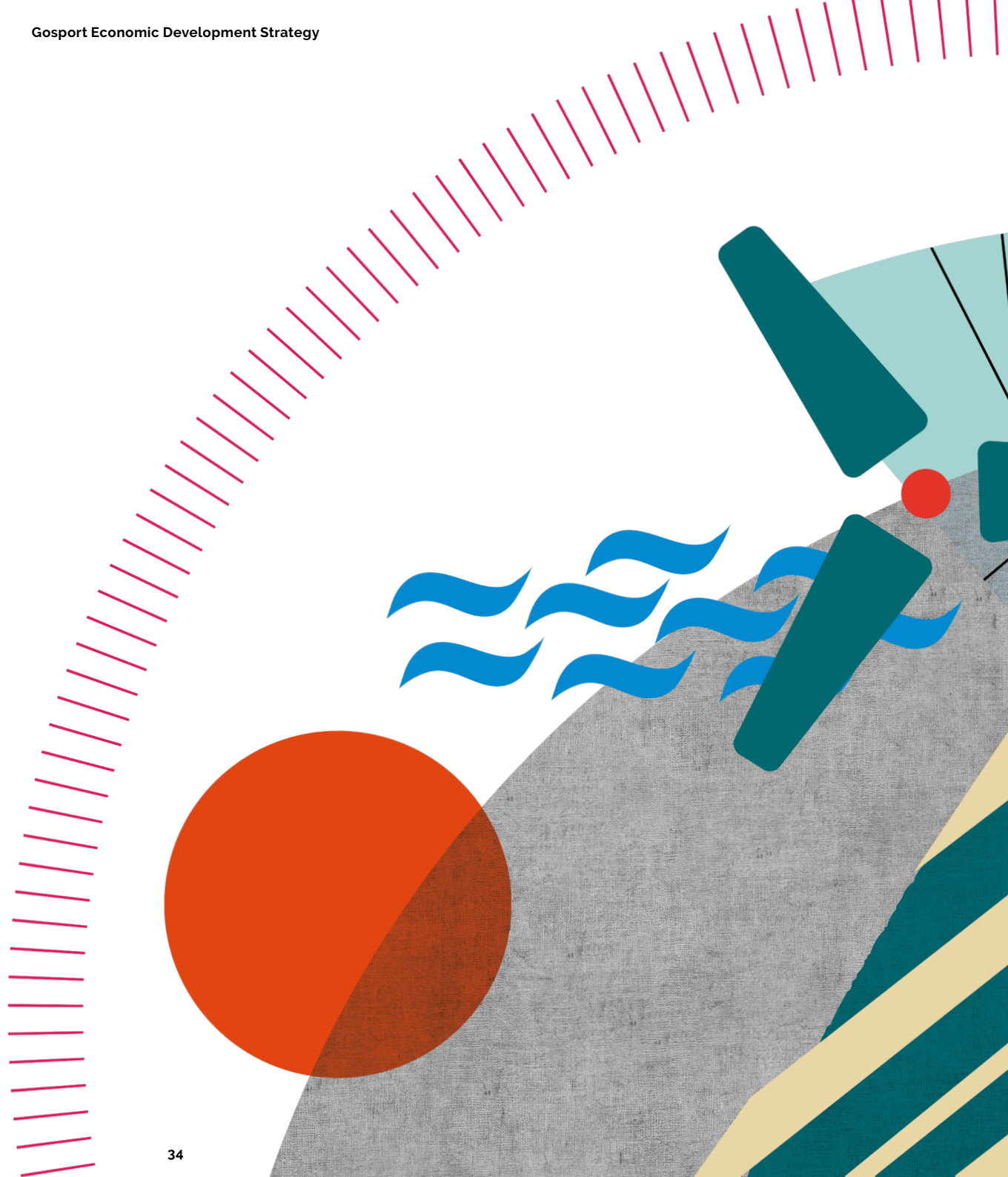
Gosport needs to ensure it has a strong position within the Solent to help influence investment decisions as well as supporting the case at a national level.

Gosport needs to undertake further case study work in order to create a strong narrative relating to its economic disadvantages in order to ensure that it is well placed as funding opportunities become available. The Council and its partners need to be in a position to respond with readily available strong business cases for investment as funding initiatives are announced.

Gosport needs to build upon the goodwill engendered by the “Gosport Story” initiative and build upon it to develop an effective communications and lobbying strategy.

The narrative should focus on the rebalancing of the economy following the on-going displacement of the MOD. This can highlight the strong potential for growth and clear benefits of targeted investment in the MOD sites after the military uses.

Maximising Gosport’s potential could also include working with active, high profile business people born in or known to have close links to Gosport.



Recommendations

1.

Increasing Job Density & Creating Diverse Employment Opportunities

Short-Term

1. A strategic account management programme needs to be established and resourced by Gosport Council built around the employment of a Business Engagement Officer. Key companies to include in this programme include: QinetiQ, StandardAero and STS Defence. Such a programme will in turn help to identify potential supply chain opportunities which could be promoted to local SMEs in partnership with Enterprise South and the Solent LEP.
2. The defence industry is more likely to be resilient to economic shocks and as such exploring opportunities with these employers to identify new investment opportunities is critical.
3. Gosport Council has sought to protect waterfront employment sites and this needs to continue to ensure that there are on-going opportunities for marine sector businesses, without encroachment from incompatible uses.

Medium-Term

4. Gosport Borough Council should explore opportunities with the Solent LEP and other partners to re-vitalise a sub-regional inward investment approach.
5. Gosport assets used by companies outside the area present the Council with an opportunity to develop wider relationships with businesses with a view to attracting them to Gosport. Assets such as the Haslar marine testing facilities at QinetiQ are already used to attract international customers to the area in partnership with DIT. Private sector businesses with training linkages with CEMAST (in Fareham) and the Defence School of Marine Engineering should be identified and these relationships maximised.

2.

Strengthening the Marine, Maritime & Defence Industries

Short-Term

6. Ensure Gosport is well represented in Solent Maritime, the MEZ Consortium as well as Maritime UK and other initiatives.
7. Support the development and growth of the MEZ and encourage research and investment in Gosport through this programme. Gosport's waterfront assets can be key sites within the MEZ.
8. Where priorities for Gosport are identified in the MEZ; ensure clarity and analysis is available for progressing projects.
9. Ascertain how the Gosport Task Force or other strategic body can be maximised to provide a stronger voice not only locally but nationally.
10. Identify influential and well connected individuals who can provide a stronger 'voice' in relation to Gosport's marine and maritime industry. This should include the Royal Navy and high profile relevant business personalities.
11. The 3 Solent LEP universities are key in supporting innovation and the take-up of new technologies, with other important organisations including the Defence and

Security Accelerator. Gosport Council should establish strong relationships with each of these organisations.

12. Build on existing relationships with employers such as QinetiQ, STS and Advanced Marine Innovation Technology Subsea to position Gosport's expertise in cutting-edge technologies, and inform a comprehensive Sector Development Strategy.

Medium-Term

13. The take-up of digital technologies by the defence industry could facilitate Gosport Council's engagement with non-traditional defence suppliers (i.e. digital companies) in creating local supply chain opportunities.

3.

Employment Land – MOD

Short-Term

14. The existing Gosport Task Force which includes representatives from the MOD (Ministry of Defence), DIO (Defence Infrastructure Organisation), One Public Estate and the Ministry of Justice should be considered in terms of how it could be supported with more resources and a new structure to help establish it as a more influential group to help ensure the delivery of employment use at MOD sites.
15. The MOD and DIO should be considered as a key part of the Council's strategic business engagement activity. This means not only the existing relationships with the MOD's individual site Commanders but also relationships at a senior level with the MOD and DIO at a Head Office level.
16. Masterplans of the MOD sites should be developed, which includes identifying opportunities for co-location of uses, as well as options for the sites if the MOD leaves. In particular there is an urgent need for a strategy and masterplan for the Fort Blockhouse site, with the MOD potentially reducing its presence in 2021.
17. Encourage the MOD sites to incorporate appropriate non-military employment uses on site, including collaborations with private sector partners to develop further floorspace and repurpose existing space.
18. The Government's major review of the defence industry (March 2020) which will also address how defence 'might better drive investment and prosperity across the UK' is an opportunity for Gosport to strengthen linkages with the MOD. Gosport Council needs to keep up-to-date with how this review is developing in order to identify potential opportunities for Gosport.
19. The requirement for housing is impacting on potential employment sites. Whilst other neighbouring Local Authorities may also find it difficult to allocate housing land there is an opportunity for closer collaboration on housing allocation through PfSH.

4.

Commercial Property

Short-Term

- 20. Map the ownerships, lease lengths of units across Gosport. Engage with owners (particularly where there is ageing or difficult to let stock) and understand the opportunities for investment or willingness of owners to dispose of freehold interests. Identify leases coming to an end and which are held by warehousing and retailing occupiers that could be re-purposed for manufacturing use.
- 21. Private sector investment into the built estate should be tracked (not just occupancy rates) and become an area of focus. This will help to ensure that Gosport becomes an area for which management information is consistently reported, with the appropriate objectives set and actions taken. Engage with commercial property agents to help understand demand and opportunities for supporting new investment.
- 22. The interest in serviced office/shared space stock in recent years (typically for less than 200 sq. m.) is an opportunity to identify suitable space in the town centre and other locations.

Medium-Term

- 24. Explore the opportunities and identify potential funding for repurposing older buildings at the Solent EZ (Daedalus). In collaboration with Homes England, the Council should look at means of addressing the viability constraints of developing the brownfield Solent EZ land within Gosport's boundaries.

Long-Term

- 25. Gosport should develop stronger relationships with developers and commercial property agents in order to help put Gosport 'on the map' so as to attract more investment. In addition the potential for a joint stand at MIPIM UK with Hampshire or PfSH for example could be explored.

5.

Town Centre & High Street

Short-Term

26. Gosport Council has recently completed a process of identifying High Street and Stoke Road landlords and tenants. Developing a relationship with these landlords provides an opportunity for identifying vacant units that could provide local flexible workspace (e.g. for start-ups and micro businesses), drop-in-support centres and pop-up shops. The latter will help in creating the environment for a stronger and more varied offer.
27. Retail occupancies should where possible be maintained in the town centre rather than out of town.
28. Whilst the High Street HAZ will create a programme of events, opportunities to tie in with major events in Portsmouth and provide a 'fringe' and smaller offer should also be considered in partnership with Portsmouth Council.
29. The programme of HSHAZ related events has the potential for evening activity, but this will need to be considered in the context of ensuring effective evening public transport and discussed with local operators. Evening services are also more likely to encourage the growth of restaurants, bars etc.

30. The opportunities for creating a residential offer on the redeveloped bus station site should be re-examined as part of a mixed-use scheme.
31. Revitalisation opportunities within the town centre are likely to be led by uses other than B-class employment (e.g. leisure, residential, retail), though Gosport Council should look to encourage small scale B1 offices within a mixed-use scheme. In addition, collaborative and flexible workspace should be considered as part of an office offer.

Medium-Term

32. Gosport Council could identify suitable sites for visitor accommodation in the town centre, developing a hotel proposition and proactively targeting mid-market hotel brands.

Long-Term

33. Gosport Council's town centre assets should be reviewed to identify consolidation opportunities that could release more development sites within the town centre.

6.

Tourism & capitalising on Gosport's Waterfront

Short-Term

34. A Tourism Development Strategy is required including examining how Gosport's considerable heritage assets could be used in low-season and promoted in a joint way (e.g. joint tickets and other promotional tools) in order to attract tourists from Portsmouth and beyond. Tourism assets and attractions should be encouraged to open in the low season to support a year-round visitor market, in particular those assets that do not rely on warmer weather, such as museums.
35. Examine the potential for putting in place public transport facilities / cycling / walking routes between the different attractions and from the ferry terminal or other key entry points. This should be explored with the area's attractions and services.
36. Gosport's naval heritage is an important differentiator and as such Gosport Council's relationship with the MOD / DIO (see MOD Sites section) should be used to their full advantage in terms of further facilitating the relationship with Historic England to ensure that these assets can be maximised. Heritage is identified as a key component of Gosport's narrative and tourism marketing should

align with central concepts outlined in the placemaking work.

37. There is an active base of volunteers supporting the heritage attractions and museums, but this important resource needs to be structured more effectively to maximise these valuable resources. Examine how this has worked effectively in other locations (e.g. Amble, Northumberland – see case study in evidence base report) and put in place a more effective structure which could also be used to enable opening of attractions during the low-season.
38. Support and expand the Borough's events programme, including building on the strengths of the HSHAZ Cultural Programme, Gosport Marine Festival and the Heritage Open Days.

Medium-Term

39. The visitor offer at Lee-on-the-Solent should be broadened to increase the array of cafes, restaurants, leisure, retail and accommodation facilities to support both day and overnight visitor markets, taking advantage of its attractive beachside location.

7.

Skills Development

Short-Term

40. Discuss with the Gosport Employment & Skills Partnership the opportunities for delivery of skills related Strategy recommendations.
41. Ascertain from local employers gaps in the local/nearby educational offer and then identify how these could be delivered locally. Use existing linkages with educational establishments as well as developing new linkages with those outside the Borough to gain an understanding of the training courses provided, apprenticeships (including Higher Apprenticeships) delivered etc. Work with CEMAST to identify openings for developing a wider training offer to meet the needs of engineering based employers.
42. An understanding needs to be gained of the potential position of the Defence School of Marine Engineering once the Royal Navy vacates or reduces its presence HMS Sultan. Work with the MOD to ensure the School's on-going future (particularly given the School's existing

links with private companies) should be a priority for the Council. This could be explored within the context of the Maritime EZ's ambitions to establish a Maritime Enterprise Academy for example.

Medium-Term

43. Develop relationships with the three neighbouring universities, not only for work placements but also to support graduate employment locally and where there are gaps in local provision, explore opportunities to work with these universities to create a small but tailored educational offer to build on local delivery.
44. Work with local schools and colleges to promote local career opportunities (i.e. industry career factsheets, work placements etc) to residents, such as those in marine engineering and defence. Support PHM's role in encouraging skills development and workforce participation in the marine sector.

8.

A Changing Demographic

Short-Term

45. The increasing trend in the defence, marine and manufacturing/engineering industries to take-up new digital technologies is an opportunity for Gosport to attract related businesses to the area and this should be addressed as part of Gosport's inward investment and business engagement strategy.

Medium-Term

46. There is the opportunity for Gosport Council to work more closely with its technology led businesses and local universities in Portsmouth and Southampton to increase the take up of student work placements by local employers.
47. The potential for creative, attractive but affordable apartments on the seafront should be explored further in relation to market interest and planning issues.

9.

Access

Short-Term

48. The Gosport Infrastructure Investment Plan has highlighted the potential for an expanded water based transport offer, serving multiple waterfront locations in Gosport and potentially joining up with elsewhere along the Solent.

49. As the LEP's 2020-21 Delivery Plan highlights the opportunity for a pilot water taxi programme in Southampton Water, this could be an opportunity for Gosport and other coastal local authorities to influence the broadening out of this pilot to serve a larger geography.

10.

Organisational Structure & Resources

Short-Term

- 50. The Gosport Task Force clearly represents a key opportunity for Gosport to grow its influence within the MOD and other government bodies at a national level. As such the opportunities should be explored within the Council as to how this could be better resourced and structured more effectively to deliver long-term positive outcomes for the Borough.
- 51. Identify different delivery models (e.g. Urban Development Corporations or a variation on an Urban Regeneration Company) that would be most appropriate for delivering economic development and regeneration programmes in Gosport.
- 52. Gosport's limited resources means that opportunities need to be identified for working more collaboratively with the Solent LEP, Hampshire County Council and use of more joint resources through Portsmouth Council for example.

- 53. Identify existing funding streams (e.g. HAZ) that could be used for building resources as well as opportunities for secondments (e.g. Hampshire County Council, Maritime UK etc).
- 54. Identify resources that could be re-directed to provide an effective strategic account management process.

Medium-Term

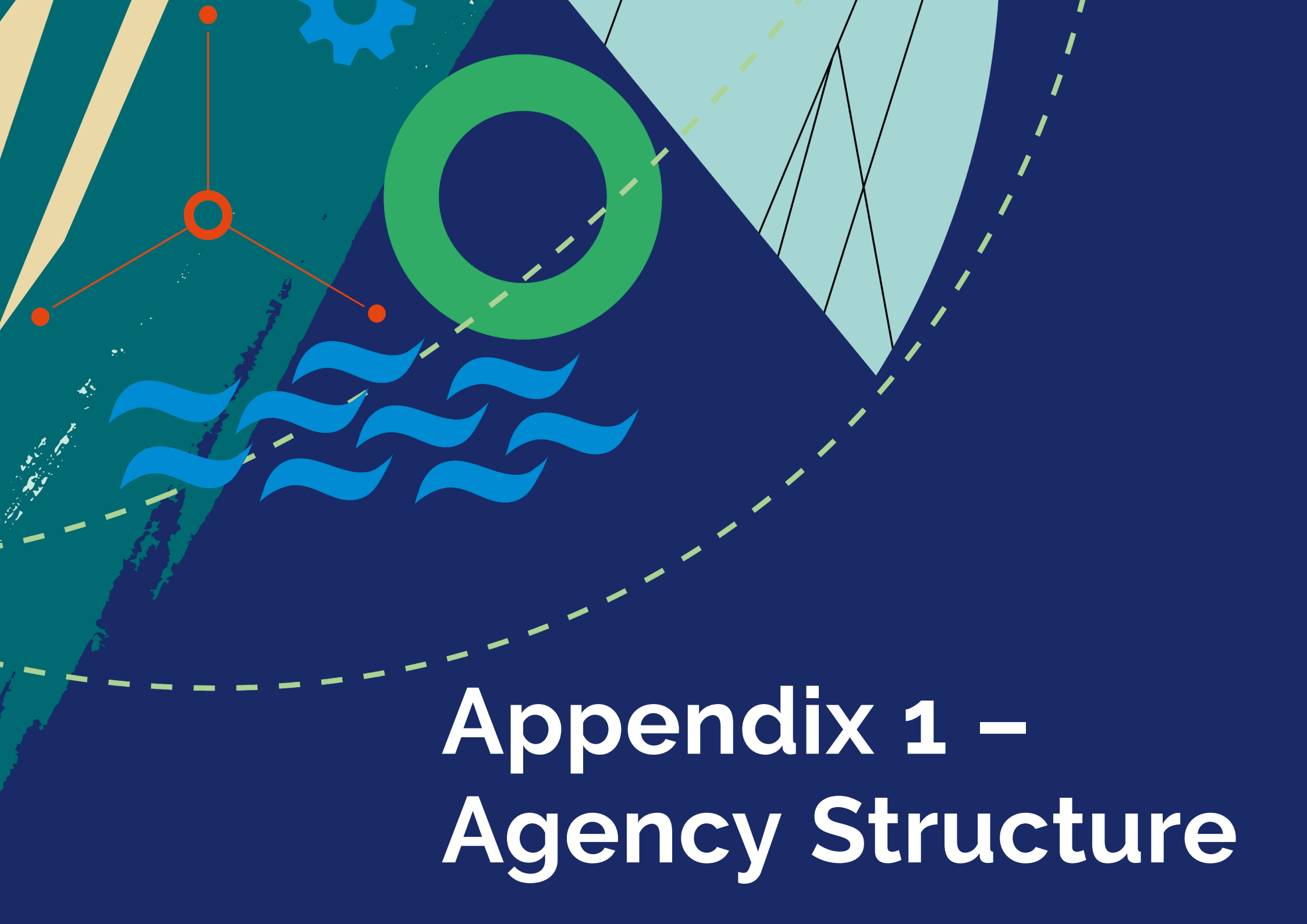
- 55. Establish the potential for creating a collaborative approach to delivering inward investment activity at a sub-regional level with partners including the Solent LEP, Hampshire County Council and PfSH. Structures, protocols and resources will need to be considered and agreed.

11.


Building a Strong Narrative to Government

Short-Term

56. Set-out the Gosport narrative (accompanied by the relevant data) so that all partners and influencers are clear on the messages and the information can be readily available to provide context to projects developed for funding calls (see below).
57. Develop a number of projects which are 'shovel ready' for funding calls. This could include a number of key projects such as those listed below:
 - Fort Blockhouse Masterplan
 - HMS Sultan Masterplan
 - Bus Station redevelopment
 - Build on the Defence School of Marine Engineering at HMS Sultan to secure its future
 - Improvements to coastal defences
 - Improving linkages to the water front
 - Improved connectivity between the different tourist/heritage attractions
58. Identify potential Gosport 'alumni' who could support the Council to create a stronger voice and increase national connections. An alumnus with naval or wider MOD links should also be identified.



Appendix 1 – Agency Structure



Proactive and longer-term economic development and regeneration is difficult to undertake within a structure that must deal with continuous short-term cycles

Economic Development Delivery

In the current economic environment there is a need for business engagement to understand opportunities and pro-active project development in order to ensure that 'shovel ready' schemes are in a position to bid for Government / private funding as the economy shifts to a recovery approach (post Covid-19).

Semi-autonomous structures

Proactive economic development and regeneration activity is difficult to prioritise within a standard Local Authority structure. In many cases an economic development department is identified as a conduit for a wide variety of tasks and the urgent can often detract from identified longer term strategic work.

To deal with such a scenario, it is common for economic development and regeneration delivery to be placed within an agency type structure, but still remain wholly within the Local Authority.

The key difference is that longer term objectives are set (generally annually) and the 'agency' then focuses on their delivery.

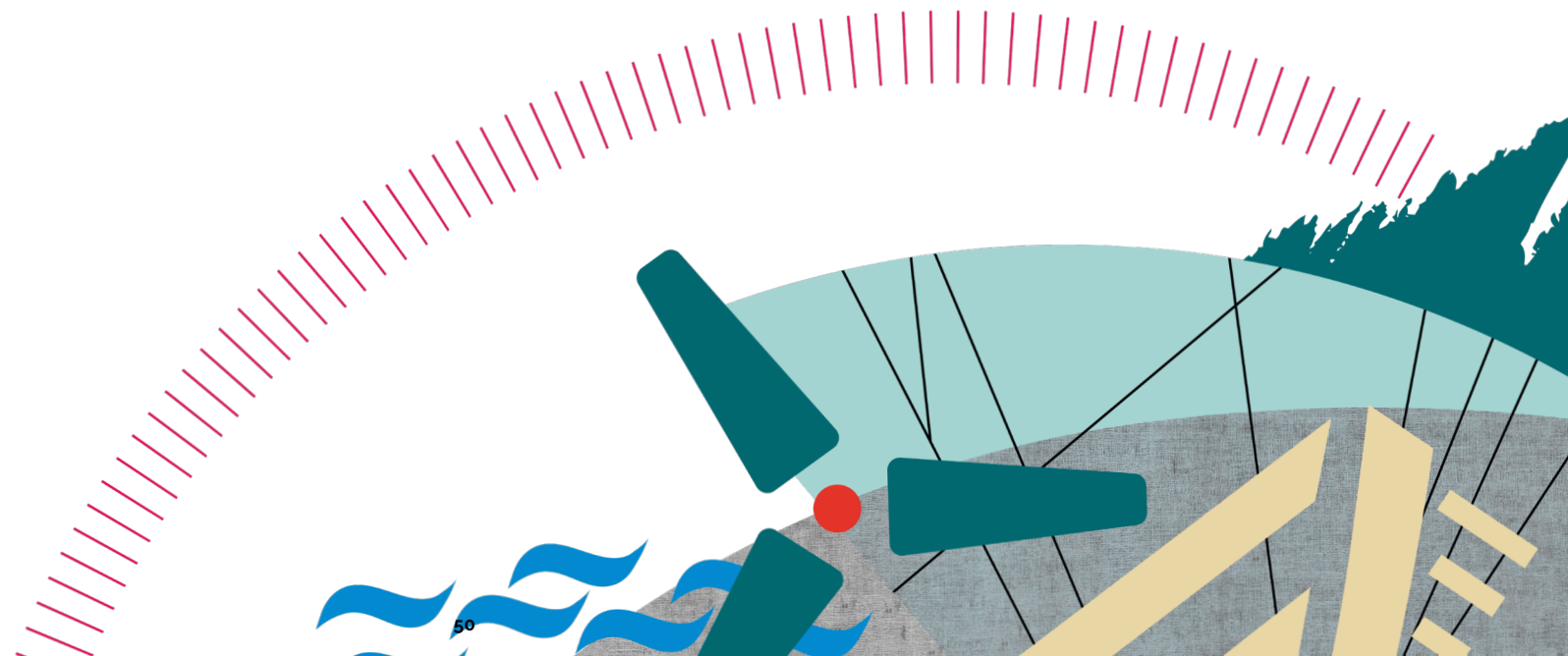
The agency has day-to-day autonomy, but key decisions (especially in areas requiring expenditure) are still made by the Council.


In many cases such a structure will also involve a private sector board for oversight and to help develop and deliver strategic aims.



Other benefits include:

- Branding can elevate the importance of the economic development and regeneration functions
- The agency approach is often perceived as demonstrating a 'can do' approach by private investors
- Clear targets can create a focus for activity
- Economic development is better defined within an area and its economic priorities
- Economic development and regeneration are removed from the vagaries of short term political & electoral cycles
- Regional and sub-regional partners can be "tied-in" to the agency at governance, delivery and project/funding levels
- Budgets have greater security through presence of a multi-year 'service level agreement' approach





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