

1: Introduction

- 1.1 This document presents the **Hampshire Economic Assessment, 2011**: the Local Economic Assessment for the *Hampshire Economic Area*. It has been prepared by Hampshire County Council with support from SQW.
- 1.2 The requirement for Local Economic Assessments was set out in the Local Democracy, Economic Development and Construction Act (2009), and statutory guidance relating to them was published at the end of March, 2010. This set out four objectives for Local Economic Assessments and it required that – in some form – five key themes (economic geography; business and enterprise; people and communities; sustainable economic growth; and economic competitiveness) should be addressed¹⁰.

Defining the *Hampshire Economic Area* and its sub-areas

- 1.3 This Local Economic Assessment examines the *Hampshire Economic Area* which is defined for this purpose as the administrative area covered by Hampshire County Council plus the two unitary authority areas of Portsmouth and Southampton. The Hampshire Economic Assessment therefore relates to a very substantial geographical territory: it has a resident population of about 1.7 million people; it is home to well over 60,000 businesses; the value of the area's economic output is in the order of £35bn per annum; and included within it are 13 local authority districts¹¹.
- 1.4 Partly because of its sheer scale, the *Hampshire Economic Area* is very diverse and there is a risk that “average” economic observations on the total area provide little real insight. The socio-economic geographies of the north, centre and south of the area differ quite considerably from each other; this has been reflected in the production of separate plans/strategies for each area since the 1950s. For those reasons it was decided that three broad spatial sub-divisions ought to be recognised and used to structure the Hampshire Economic Assessment (and, to some extent, to be tested through it). These were defined as *North Hampshire*, *Central Hampshire/New Forest*, and *South Hampshire* (see Figure 1-1). The boundary between the latter two areas broadly follows the boundaries of the New Forest and South Downs National Parks^{12,13}. In order to provide a sense of scale, Table 1-1 shows what proportion of

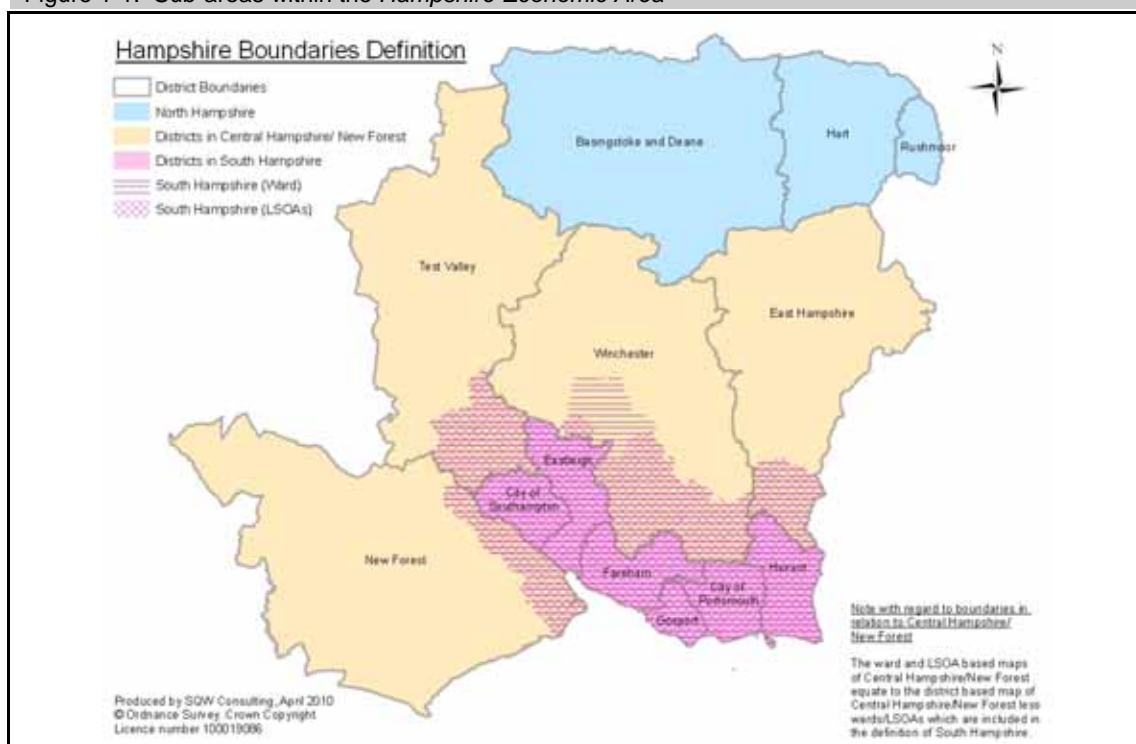
¹⁰ Note that the LEA guidance was revoked by the new coalition government. However the duty remains in place

¹¹ These comprise the areas covered by 11 District or Borough Councils within Hampshire, plus the two adjacent Unitary Authorities in Southampton and Portsmouth. In terms of statistical data, all thirteen are defined as local authority districts (i.e. no distinction is made between upper tier unitary and lower tier district/borough council areas)

¹² The National Park boundaries present some complications in defining sub-areas for the purpose of data analysis. The most accurate representation is derived by building areas up on the basis of wards/lower level super output areas (LSOAs). Where data are available and robust at this level of granularity, a ward/LSOA-based approach is used and the sub-areas are referred to simply as *North Hampshire*, *Central Hampshire/New Forest* and *South Hampshire*. However many economic datasets are not robustly available at scales finer than Local Authority

the *Hampshire Economic Area's* economy these sub-areas constitute according to various measures.

Figure 1-1: Sub-areas within the *Hampshire Economic Area*



Source: SQW

Table 1-1: Scale of the sub-areas relative to the *Hampshire Economic Area* (2008)

	North Hampshire	Central Hampshire/ New Forest (wards)	South Hampshire (wards)
% of the <i>Hampshire Economic Area</i> resident population	22%	19%	60%
% of the <i>Hampshire Economic Area</i> total employment	21%	22%	57%
% of the <i>Hampshire Economic Area</i> total GVA	23%	20%	57%

Source: SAPF and LEFM

1.5 In the course of the Hampshire Economic Assessment, reference is made to the performance and character of comparator areas. As well as regional and national averages, adjacent areas provide important benchmarks. Hence where sensible and appropriate, the Hampshire Economic Assessment considers conditions in (some or

Districts (LADs). Where we report LAD-level data we refer to the sub-areas as *North Hampshire*, *Districts in Central Hampshire/New Forest* and *Districts in South Hampshire*. The geography of *North Hampshire* is identical on both definitions. However, on the ward/LSOA-based definition, *South Hampshire* is notably bigger (and *Central Hampshire/New Forest* notably smaller) than on the LAD-based definition. Some account should be taken of this in making comparisons across datasets. Figure 1-1 shows both sets of definitions and the naming terminology which is used consistently throughout this document

¹³ Note that the definition and composition of “*Districts in South Hampshire*” used throughout this document is identical to “PUSH6” (i.e. the terminology adopted by DTZ in its work for the Partnership for Urban South Hampshire)

all of) West Sussex, Surrey, Isle of Wight, Dorset (including Poole and Bournemouth), Wiltshire (including Swindon), and Berkshire^{14 15}.

Process of preparing the Hampshire Economic Assessment

- 1.6 The preparation of this first Hampshire Economic Assessment involved two main phases of work.
- 1.7 The first phase led to the publication of a consultation draft of the Hampshire Economic Assessment in the summer, 2010. This process was undertaken in consultation with a Key Stakeholder Group which included representative officers from local authority districts in each of the three sub-areas; Hampshire Economic Partnership (HEP); the Partnership for Urban South Hampshire (PUSH); the South East England Development Agency (SEEDA); regional agencies; and the voluntary and community sector. The Key Stakeholder Group helped to shape the development of the assessment through a series of ‘key propositions’ (see Extended Evidence Document) that guided the collection and analysis of the data.
- 1.8 The draft Hampshire Economic Assessment was widely consulted upon including through written consultation responses and various briefing meetings (with both Councillors and businesses). In finalising the Hampshire Economic Assessment (the second main phase of work), account has been taken of the comments that were made during the consultation.

Structure of the Hampshire Economic Assessment

- 1.9 The Hampshire Economic Assessment is divided into eight further sections:
 - *Section 2* describes briefly the spatial economy of the *Hampshire Economic Area* and it examines – again in headline terms – the “economic flows” that characterise economic life within the *Hampshire Economic Area*
 - *Section 3* presents headline findings in terms of the area’s overall economic competitiveness
 - *Section 4* considers the sectoral composition of the economy
 - *Section 5* examines key issues relating to labour market inclusion and worklessness, and deprivation across the *Hampshire Economic Area*

¹⁴ This area encompasses all of the unitary authority areas within the former administrative county of Berkshire

¹⁵ In general the data tables and figures in this assessment tend to make reference to Berkshire and Surrey – as the best performing comparator economies – and West Sussex as the worst. The Extended Evidence Document does however contain some data for all of the comparator areas.

- *Section 6* considers issues relating to the environmental sustainability of economic activity across the *Hampshire Economic Area*
- *Section 7* examines future prospects for the area's economy, based on various modelling processes
- *Section 8* looks across previous sections to provide a spatial synthesis
- *Section 9* summarises the priorities that emerge from the Hampshire Economic Assessment as an input into future strategic discussions and processes¹⁶.

1.10 There are three main annexes. Annex A provides a glossary of technical terms used in the body of this document. Annex B presents a summary set of headline indicators for the *Hampshire Economic Area*, its sub-areas and the South East region. Annex C contains a parallel set of indicators relating to key comparator areas.

1.11 In addition, a separate Extended Evidence Document provides a substantial volume of data and analysis which is structured around the five themes. Many of the data are presented for *Hampshire Economic Area*, for the three sub-areas and also for the area covered by Hampshire County Council.

¹⁶ Note that the priorities have no formal status