

Partnership for Urban South Hampshire (PUSH)

Responding to the downturn

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What is PUSH?

PUSH has

- 11 partner authorities – 6 wholly and 5 partly in South Hampshire
- Cross-party political commitment since formation in 2003
- Clearly defined sub-region in South East Plan, endorsed by Secretary of State
- Population around 1 million

External recognition

- One of South East “Diamonds for Investment and Growth” in SEEDA’s Regional Economic Strategy
- New Growth Point designation by Government
- Economic Partnership recognised by SEEDA
- First Wave MAA; only one in South East Region
- Only SE sub-region to retain original Housing Total

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South Hampshire's Challenges

- Legacy of industrial decline and restructuring
- Historic Economic under-performance:
 - GVA: 2.8% in SH vs. 3.1% in SE
 - Economic Activity: 80.3% vs. 82.2%
 - Skills of working population: NVQ 4 27.5% vs. 32.5%
- Infrastructure, especially transport and water
- Environmental assets are also constraints and threats e.g. water supply, sewerage, coastal flooding
- Shortage of affordable housing
 - 1991-2007: 73,500 new dwellings but 86,000 new households
- Significant areas of multiple deprivation
- Responding to the Recession and preparing for a 'post credit crunch' world



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PUSH's Vision

Delivering sustainable, economic-led growth and regeneration to create a more prosperous, attractive and sustainable South Hampshire, offering a better quality of life for all who live, work and spend their leisure time here.

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Growth Strategy Objectives by 2026

- **Economic Growth:** 3.5% GVA pa (from <2.8% now)
 - 85% economically active, 45% level 4 qualification
 - 59,000 net new jobs, especially knowledge-based
 - 2 million square metres of employment space
- **Housing:** 80,000 new homes, 28,500 affordable
- **Regeneration:** “Cities and towns first” approach, with focus on key strategic sites, and Estate Renewal;
- **Infrastructure:** timely and adequate provision is secured
- Protect **quality** of life and ensure quality of design
- Tackle **climate change** – adaptation and mitigation
- **Reduce inequalities** - close the gaps

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Economic Development Themes

- Enterprise and Innovation
- Employment and Skills
- Employment Sites
- Inward Investment

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Impact of the recession on enterprise

- The economic conditions have reduced business activity over the past 12 months
- There is greater caution and less business growth as a result of declining levels of trade and decreasing profit margins for small businesses
- There is an increased demand for business support

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Impact on Innovation

- Good research facilities
- Growth of new sectors
- New enterprises

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Impact of the recession on employment

- Unemployment continues to rise however current figures would indicate the sub-region compares favourably in relation to both regional and national unemployment levels
- Employment is forecast to continue falling until 2011, as the labour market is a lagging indicator of economic conditions
- The total benefit claimant rate has steadily increased over the past 12 months – the sub-region has seen an additional 10,000 claimants compared to this time last year

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Impact of the recession on skills

- Worsening performance on the number of people gaining level 4 (degree level) qualifications
- Manufacturing and construction have been hit particularly hard
- Increased demand for multi-skilling (e.g. where downsizing of the workforce has brought wider responsibilities for retained staff)
- Young people, particularly young men, have been badly affected as employers adopt “conservative” recruitment policies, preferring to opt for those with proven experience.

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Impact of the recession on site development

- Market conditions have resulted in uncertainty over funding, especially developers contributions, housing and transport funds
- Private sector construction stopped completely in the third quarter of 08/09
- Previously secure city centre schemes are now subject to uncertainty

OUR RESPONSE

- Intensive business support
- Sharper focus on skills
- Responding to redundancies
- Technical work
- Flexibilities

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WHAT NEXT

- Prepare for the upturn
- Economic Strategy refresh
- MAA refresh
- Employment and Skills Board
- Employer Engagement
- Better intelligence
- PUSH delivery

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