



SOLENT  
**LOCAL**  
ENTERPRISE  
**PARTNERSHIP**

# **Transforming Solent: Marine & Maritime Supplement**

Formal Response from the Solent LEP

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22<sup>nd</sup> May 2014

**TOGETHER.STRONGER**

## INTRODUCTION

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In November 2013, Minister for Business, the Rt Hon Michael Fallon, announced the creation of an industry-led Solent Marine and Maritime Forum, chaired by Rear Admiral Rob Stevens, to identify the steps that should be taken to secure the future of the marine and maritime industries in Portsmouth and across the Solent.

The final report was published by BIS on 15<sup>th</sup> April 2014 and the Solent Local Enterprise Partnership considered this at their Board meeting on 16<sup>th</sup> May 2014.

For ease of reference, summary information has been extracted from Rear Admiral Rob Stevens' report in the introductory tables in each of the following sections. However, the response should be read in conjunction with the full report which is available at the following web link: [www.gov.uk/government/publications/transforming-solent](http://www.gov.uk/government/publications/transforming-solent)

The strategy has also been considered in relation to the Solent Strategic Economic Plan which is available at:

[www.solentlep.org.uk/uploads/documents/Solent Strategic Economic Plan.pdf](http://www.solentlep.org.uk/uploads/documents/Solent_Strategic_Economic_Plan.pdf)

In addition, in order to inform a response to the report, the Solent LEP has held an open consultation on the report to provide an opportunity for local stakeholders to respond. Comments on the report were invited from 15<sup>th</sup> April 2014 to 30<sup>th</sup> April 2014 and responses were received from the following organisations / individuals:

- Business South
- City College Southampton
- David Banks (Consultant)
- Environment Agency
- Visit Solent (Southampton Airport, Ageas Bowl, Hampshire County Council, PUSH and Eastleigh Borough Council)
- Southern Enterprise Alliance
- Institute of Directors
- British Marine Federation
- Isle of Wight Council
- Engineering Employers' Federation (EEF)
- Hampshire Chamber of Commerce
- Tourism South East
- Southampton University
- Southampton Solent University
- Marine South East
- Partnership for Urban South Hampshire (PUSH)
- Hampshire and Isle of Wight Business Alliance

The Solent LEP would like to put on record its thanks to those that have taken the time to respond to this call for feedback. The responses received have informed the following response.

## EXECUTIVE SUMMARY

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The Solent LEP fully endorses the proposal of a Marine and Maritime Strategy for the Solent to reflect the sectors critical role to the local economy and supports the identification of the 6 strategic themes identified by Rear Admiral Rob Stevens in the report as follows:

1. **Leadership** – establishing an accountable group with the authority to drive the long-term, sustainable growth of Solent’s Marine and Maritime sectors.
2. **Developing Our Ports** – creating a clear plan for the development of our ports, their infrastructure, logistics and expansion.
3. **Marine Manufacturing** – nurturing the capacity and growth of the sector, through the formation of Marine Enterprise Hubs and securing adequate access to support waterside marine manufacturing sites.
4. **Technology and Innovation** – building on our world-class marine and maritime research and development assets and creating a national Large Structures Composite Centre with associated skills training.
5. **Skills** – addressing the fact that 20% of employers in our sector are already experiencing recruitment difficulties and taking urgent steps to avoid future skills gaps resulting from the need to replace 50% of our Associate Professionals & Technicians and 30% of skilled tradespeople in the next ten years.
6. **Brand Solent** – creating a Global Marine Excellence brand for the Solent through a regional marketing campaign, underpinned by a new iconic project - Sir Ben Ainslie’s America’s Cup bid.

In relation to the 6 priorities Solent LEP have noted the recommendations and can confirm the following:

1. We support the proposal to establish an accountable group with the authority to drive the long term sustainable growth of the marine and maritime sector. Therefore we will establish a Marine and Maritime working group within the Solent LEP governance architecture to include the appointment of an independent private sector Chair to lead the group and we will nominate a LEP director from our main board to sit on group. For 2014/15 and to support the initial set up of the Marine and Maritime working group, the LEP has allocated a budget of £50,000 to the working group and £25,000 to secure the expertise of the Marine Sector Manager seconded from Hampshire County Council to oversee the delivery of the strategy in this very important initial period. This funding is being provided on the basis that a proportion of the funding will be dependant on locally-based contributions in recognition of

the importance of the Marine and Maritime working group having support from Solent based marine and maritime businesses and other partner organisations. In addition we would like to work with the group to explore options towards self financing from 2015/16 as this would undoubtedly enhance the decision-making capability of the group as well as its capacity to take forward the strategy

2. We welcome the wider report and in particular its endorsement of our main Strategic Economic Plan for projects and schemes identified by the LEP within our Growth Deal submission for 2014/15. This includes:
  - The requirement to improve Portsmouth-Southampton connectivity to support our international gateways and connectivity between our cities.
  - Acceleration of improvements at Junction 9, M3 to support the growth of the Port of Southampton
  - Relocation of Red Funnel Ferry Terminals at Southampton and East Cowes to both enhance cross Solent links and critically enable the delivery of wider economic opportunities going forward such as the major developments in Southampton and on the Isle of Wight
  - Securing relaxation of Skills Funding Agency (SFA) funding regulations and ring-fencing of £2m Adult Skills budgets to incentivise FE skills provision to support the marine and maritime sector and in particular the development of our SME's who are reporting significant skills shortages in critical areas.
  - Establishing new employer-led STEM centres (with some specialising in Marine and Maritime) to complement and enhance existing provision
  - Support for a brand Solent.

We are now working with Government through the Local Growth Deal process to progress these key schemes.

3. In relation to other funding requests, the Solent LEP has noted the prioritisation framework and ranking of projects in the report and this can be used inform the detailed work of the Marine and Maritime Working Group moving forward and the development of a more detailed prioritisation framework that aligns with the Strategic Economic Plan criteria published by Solent LEP.
4. Solent LEP also notes the inclusion of other funding requests in the Marine and Maritime Supplement and endorses the assertion of Rear Admiral Rob Stevens (page 9) that further work should be undertaken to fully develop these proposals for final consideration. The Solent LEP encourages local partners to undertake further work to strengthen the proposals in line with the published Local Growth Deal guidance\* in order for these to be considered in further revisions of our Strategic Economic plan and, if available, under future Local Growth Deal funding rounds.
5. Notwithstanding these general points we do endorse the identification of the two flagship proposals in the report as follows:
  - Ben Ainslie Racing (BAR) Team project
  - Large Structures Composites Centre

The Solent LEP strongly endorses the recommendations in the report that these flagship proposals are funded externally to the usual Local Growth Deal process as these centres of

excellence, whilst based in the Solent, would constitute significant assets to UK plc; enhancing the national Marine and Maritime offer at the same time as establishing the Solent as an international Marine and Maritime Hub. Since the publication of the report Solent LEP has supported an application by BAR to the RGF fund to support their project. We also understand that C £250,000 funding for a feasibility study to support the creation of a Large Structures Composites Centre as a satellite of the National Composites Centre in the Solent has been confirmed and we welcome this. It is the expectation of the Solent LEP that this study will bring forward a fully costed proposal for consideration by BIS in the Autumn and the board of Solent LEP have made provision to consider the detail of the study once concluded.

The following document lays out the recommendations from the report against each priority theme in turn and the Solent LEPs responses to those where there is an identifiable role for the LEP to respond to the recommendation.

[\\*www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/224776/13-1056-growth-deals-initial-guidance-for-local-enterprise-partnerships.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/224776/13-1056-growth-deals-initial-guidance-for-local-enterprise-partnerships.pdf)

## LEADERSHIP

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*"...establishing an accountable group with the authority to drive the long-term, sustainable growth of Solent's Marine and Maritime sectors."*

<u>KEY PRIORITIES</u>	<u>RESPONSIBLE BODY</u>	<u>TIME-SCALE</u>	<u>LGD</u>	<u>LEP Response</u>
1. Establish this <b>Marine and Maritime Strategy</b> as a 7 year strategic plan for the development of the sector in the Solent LEP area.	Solent LEP and LAs	March 2014	N/A	Endorsed by the LEP Board May 2014
2. <b>Establish a Solent Marine and Maritime Working Group</b> (M&M WG), to include marine companies at CEO/Director level, with the authority for delivery of the Solent Marine and Maritime Strategic Plan, with specific responsibility for: <ul style="list-style-type: none"> <li>• Policy relating to the use and acquisition of waterside land and planning.</li> <li>• Identifying and establishing strategic transport priorities that have a direct impact on the Marine and Maritime sector.</li> <li>• Maximising the impact of the Solent SEP, EU SIF other strategies and initiatives on the Marine and Maritime sector.</li> </ul>	Solent LEP and LAs	July 2014	N/A	To be established summer 2014 with a supporting budget of £50,000 for 2014/15 from Solent LEP and supporting secretariat
<u>ADDITIONAL PRIORITIES</u>	<u>RESPONSIBLE BODY</u>	<u>TIME-SCALE</u>	<u>LGD</u>	
3. <b>Influential role on transport</b> – M&M WG to provide Solent Transport and other transport groups with Marine and maritime requirements and a voice on strategic transport planning decisions.	Solent LEP and LAs	July 2014	N/A	Solent LEP to work with M&M WG and transport partners as required and to provide strategic guidance on matters relating to SEP and LGD
4. <b>Influence over planning decisions for waterside properties</b> – M&M WG to be consulted and to provide the LEP and local councils with advice on the industrial impact of planning permissions for Industrial waterside sites in the Solent area.	Solent LEP and LAs	2014	N/A	Solent LEP Property, Land and Infrastructure panel to work with M&M WG

				and LA's via PUSH
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*\*Table extracted from "Transforming Solent: Marine & Maritime Supplement" (Page 19)*

## DEVELOPING OUR PORTS

*"...creating a clear plan for the development of our ports, their infrastructure, logistics and expansion."*

<u>KEY PRIORITIES</u>	<u>RESPONSIBILITY</u>	<u>TIME-SCALE</u>	<u>LGD</u>	<u>Solent LEP Response</u>
<p><b>1. Marchwood MP</b> – resolve the leasehold by the end of the year, to the full economic advantage of the area, by securing:</p> <ul style="list-style-type: none"> <li>a cross-Whitehall/departmental agreement on the real economic value of leasing Marchwood MP;</li> <li>a Cabinet office (Government Property Unit) process, which , includes a LEP local asset management role, for the timely release of redundant sites between Whitehall departments to take into account local economic needs;</li> <li>the lease of the Marchwood site for operational use in 2015, without delay.</li> </ul>	MOD / DIO / Cabinet Office (GPU) Solent LEP Hampshire CC New Forest DC	Dec 2014  June 2014  March 2015	YES - Reflected in Solent SEP	LGD Local Asset management requested in 2014/15 LGD
<p><b>2. Portsmouth International Port</b> - deliver improvements to Portsmouth Port, including the demolition of a floating dock jetty and extension of Flathouse Quay, from 190metres to 300metres, to allow use by longer ships.</p>	Portsmouth CC PNBC	2014 to 2016	£10.5m	Further detail and business case development needed to inform future SEP/LGD process
<p><b>3. Western Docks access</b> - address pinchpoints at Redbridge Roundabout, at the bottom of the M271, and Millbrook Roundabout, the main entrance to the Western Docks.</p>	DfT / Southampton CC	2014 to 2017	£3.85m	Further detail and business case development needed to inform future SEP/LGD process
<u>ADDITIONAL PRIORITIES</u>	<u>RESPONSIBILITY</u>	<u>TIME-SCALE</u>	<u>LGD</u>	
<p><b>4. Southampton Strategic Transport Review</b> – undertake a study to identify a long-term transport solution for Southampton Port &amp; City, including how best to improve access to Eastern Docks via West Quay Road</p>	DfT / Southampton CC	2014	£550k	Not requested under LGD - DFT to consider with SCC



<p><b>5. Infrastructure</b> – improve Portsmouth-Southampton connectivity; Junction 9 of the M3; and the Stubbington bypass.</p>	<p>M&amp;M WG Solent LEP</p>		<p>SEP (LGD 6 &amp; 7)</p>	<p>Requested under LGD 2014/15</p>
<p><b>6. Logistics</b> - secure commitment to support demand-led expansion in this sector and to undertake an immediate Solent-wide review of potential sites, identifying:</p> <ul style="list-style-type: none"> <li>• the geographic advantage of the area for location of logistics facilities;</li> <li>• the multiplier impact that increased logistics facilities may;</li> <li>• any latent demand for logistics accommodation;</li> <li>• any need for greater flexibility on planning policies to facilitate logistics related development;</li> <li>• prioritisation of sites; and transport connectivity.</li> </ul>	<p>M&amp;M WG Solent LEP</p>	<p>2014</p>	<p>£75k</p>	<p>Solent LEP Land and property group to work with M &amp; M WG re study specification and alignment with wider land and property work</p>
<p><b>7. Maritime Access to the Isle of Wight</b> - secure the necessary consents, land-leases and agreements on access &amp; traffic management to deliver:</p> <ul style="list-style-type: none"> <li>• relocation of the Red Funnel terminal, quayside and road access in Southampton;</li> <li>• a privately-funded project connecting Portsmouth and Ryde.</li> </ul>	<p>M&amp;M WG Solent LEP</p> <p>Southampton CC &amp; Red Funnel</p> <p>Portsmouth CC</p>	<p>TBD</p> <p>2015/16 to 2017/18</p> <p>TBD</p>	<p>SEP (LGD 8)</p> <p>N/A</p>	<p>Requested under LGD 2014/15</p> <p>Further detail and business case development needed to inform future SEP/LGD process</p>

\*Table extracted from "Transforming Solent: Marine & Maritime Supplement" (Page 28 / 29)

## MARINE MANUFACTURING

*"...nurturing the capacity and growth of the sector, through the formation of Marine Enterprise Hubs and securing adequate access to support waterside manufacturing sites."*

<u>KEY PRIORITIES</u>	<u>RESPONSIBILITY</u>	<u>TIME-SCALE</u>	<u>LGD</u>	<u>Solent LEP Response</u>
1. <b>Marine Manufacturing Hubs</b> – create marine manufacturing hubs in Southampton, Portsmouth, including the Isle of Wight (Marine) Enterprise Zone.	Solent LEP / M&M WG	2014 onwards	£10m	Further detail and business case development needed to inform future SEP/LGD process
2. <b>Incubation Centres</b> – create incubation centres within each manufacturing hub, providing access to flexible premises, business support and innovation services.	Solent LEP / M&M WG	2015 onwards	£1.5 m	Further detail and business case development needed to inform future SEP/LGD process
<u>ADDITIONAL PRIORITIES</u>	<u>RESPONSIBILITY</u>	<u>TIME-SCALE</u>	<u>LGD</u>	
3. Undertake a strategic review of waterside sites in the Solent and develop a policy for the use these sites, based on demand, with local planning authorities.	Solent LEP / M&M WG / Local Authorities	July 2014	N/A	Solent LEP Property, Land and Infrastructure panel to work with M&M WG and LA's via PUSH
4. Secure agreement with the Cabinet Office Government Property Unit to review the policy on the transfer of redundant land and property between departments to ensure that long-term gains are not overlooked in the search for short-term capital profitability.	Solent LEP / M&M WG	2014/15	N/A	LGD Local Asset management requested in 2014/15 LGD
5. <b>Portsmouth Dock / Shiphall</b> DIO should market and select a successor company to BAE Systems which meets the security, running cost and compatibility requirements of the NBC by June 2014.	DIO/MOD	June 2014	N/A	LGD Local Asset management requested in 2014/15 LGD

<p>6. <b>Marine supply chain</b> – conduct a study to identify measures for local/national marine supply chain development.</p>	<p>BIS / BMF / M&amp;M WG</p>	<p>2014</p>	<p>N/A</p>	<p>M&amp;M WG to provide advice to main LEP Board</p>
<p>7. <b>Exports</b> - secure EU funding to support the growth of marine manufacturing exports.</p>	<p>M&amp;M WG</p>	<p>2014/15</p>	<p>N/A</p>	<p>Solent EUSIF opportunities awaiting approval in 2014 – tenders to follow under EU framework</p>

\*Table extracted from "Transforming Solent: Marine & Maritime Supplement" (Page 35)

## TECHNOLOGY AND INNOVATION

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*"...building on our world-class marine and maritime research and development assets and creating a national Large Structures Composite Centre with associated skills training."*

<u>KEY PRIORITIES</u>	<u>RESPONSIBILITY</u>	<u>TIME-SCALE</u>	<u>LGD</u>	<u>Solent LEP response</u>
<p>1. <b>Create a National Large Structures Composites Centre within the Solent by:</b></p> <ul style="list-style-type: none"> <li>• Securing NCC ownership/leadership for the initiatives.</li> <li>• Establishing a project team to undertake a three-month project review of demand, ownership issues, locations, financial requirements and other considerations.</li> <li>• Building the National Large Structures Composites Centre within the Solent.</li> </ul>	<p>Solent LEP / M&amp;M WG</p> <p>NCC / LEP</p> <p>Solent LEP</p>	<p>July 2014</p> <p>April 2014</p> <p>2015 to 2017</p>	<p>£250k (BIS)</p> <p>£54m (BIS)</p>	<p>Subject to BIS agreeing funding for feasibility, Solent LEP and M&amp;M WG to consider outcomes in 2014</p>
<u>ADDITIONAL PRIORITIES</u>	<u>RESPONSIBILITY</u>	<u>TIME-SCALE</u>	<u>LGD</u>	
<p>2. Upgrading the shallow water monitoring and testing platform at the University of Portsmouth.</p>	<p>University of Portsmouth</p>	<p>2014 to 2017</p>	<p>£500k</p>	<p>University to advise M&amp;M WG and provide progress update to inform future revisions of marine and maritime strategy</p>
<p>3. Establishing a maritime-focused Satellite Applications Centre of Excellence at the University of Portsmouth.</p>	<p>University of Portsmouth</p>	<p>2015 to 2017</p>	<p>£300k</p>	<p>University to advise M&amp;M WG and provide progress update to inform future revisions of marine and maritime strategy</p>
<p>4. Commercialisation of SMMI research facilities (Better access to R&amp;D facilities for SMEs).</p>	<p>SMMI</p>	<p>2015 to 2017</p>	<p>£500k</p>	<p>University to advise M&amp;M WG and provide progress update to inform future</p>

				revisions of marine and maritime strategy
5. Providing subsidised access to the Marine Autonomous test-bed at the NOC.	NOC	2015 to 2017	£500k	University to advise M&M WG and provide progress update to inform future revisions of marine and maritime strategy
6. Developing and implementing strategies, supported by EU funding, to respond to the challenge of marine greening, notably the move to LNG-fuelled shipping.	SCC PCC	July 2014	N/A	Solent EUSIF opportunities awaiting approval in 2014 – tenders to follow under EU framework

\*Table extracted from "Transforming Solent: Marine & Maritime Supplement" (Page 44)

## SKILLS

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*"...addressing the fact that 20% of employers in our sector are already experiencing recruitment difficulties and taking urgent steps to avoid future skills gaps resulting from the need to replace 50% of our Associated Professionals and Technicians and 30% of skilled tradespeople in the next 10 years;"*

<u>KEY PRIORITIES</u>	<u>RESPONSIBILITY</u>	<u>TIME-SCALE</u>	<u>LGD</u>	<u>Solent LEP response</u>
1) <b>Improve the responsiveness of provision</b> , by: <ul style="list-style-type: none"> <li>securing £2m of the 2014/15 Skills Funding Agency adult skills budget for employer-led provision, alongside a commitment to future increases, based on demand;</li> <li>the Skills Funding Agency to increase the relative funding for STEM qualification courses to meet the disproportionate costs of providing them.</li> </ul>	Solent LEP / M&M WG  M&M WG SFA	July 2014  2015/16	SEP (LGD 14)  N/A	LGD Skills flexibility requested in 2014/15 LGD and reflected in EUSIF  Skills flexibility requested in 2013 UNDER city deal proposal – awaiting final response from SFA
<u>ADDITIONAL PRIORITIES</u>	<u>RESPONSIBILITY</u>	<u>TIME-SCALE</u>	<u>LGD</u>	
2) <b>Funding Uplift</b> - secure a voice for the LEP in determining SFA programme funding weightings and an uplift for marine, maritime and engineering provision.	Solent LEP SFA	2014/15	SEP (LGD 14)	LGD Skills flexibility requested in 2014/15 LGD
3) <b>Talent Retention</b> – ensure EU Funds enable vulnerable workers to re-skill, up-skill and re-deploy, building on the success of the Talent Retention Scheme.	M&M WG	as needed	N/A	Talent retention system piloted in 2014 and funding available under Solent LEP RGF funding to support wider

				introduction in 2015
4) <b>Wight Skills Partnership</b> - improve STEM skills on the Isle of Wight by creating a pipeline of suitably trained young people, initially on the Island, with a view to rolling the scheme out to the whole of the Solent area.	IoW Council	2014 to 2019	£510k	Further detail and business case development needed to inform future SEP/LGD process
5) <b>STEM Centres of Excellence</b> - establish new employer-led STEM Centres to complement and enhance existing provision.	Solent LEP	2014/15 to 2017/18	SEP (LGD 11)	LGD Skills funding requested in 2014/15 LGD and reflected in EUSIF
6) <b>National Composites Centre</b> – develop a training offer at the Solent Large Structures Composites Centre.	NCC M&M WG	2015 to 2017	See above	Feasibility study for NCC awaited

\*Table extracted from "Transforming Solent: Marine & Maritime Supplement" (Page 50)

## BRAND SOLENT

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*"...creating a Global Marine Excellence brand for the Solent through a regional marketing campaign, underpinned by a new iconic project - Sir Ben Ainslie's America's Cup bid."*

<u>PRIORITIES FOR ACTION</u>	<u>RESPONSIBILITY</u>	<u>TIME-SCALE</u>	<u>LGD</u>	<u>Solent LEP response</u>
1. <b>Ben Ainslie Racing (BAR)</b> – secure a successful application to the RGF and the economic, educational and marketing benefits from hosting BAR's America's Cup Challenge in the Solent.	M&M WG / BAR	May 2014	N/A	RGF application supported by Solent LEP and submitted April 2014
<u>ADDITIONAL PRIORITIES</u>	<u>RESPONSIBILITY</u>	<u>TIME-SCALE</u>	<u>LGD</u>	
2. <b>Solent Marine and Maritime Brand</b> - create a brand that promotes the Solent as a globally recognised centre of marine and maritime excellence.	Solent LEP / M&M WG	2014	SEP (LGD16)	Solent LEP to fund interim Head of inward investment who will work with M&M WG and consider further as part of wider work on a new Inward investment Strategy and business plan
3. Inward Investment and Marketing Working Group to tender and appoint an agency deliver the Solent Marine and Maritime brand and a joint visit and industry campaign against strict KPIs, ensuring that it is properly resourced. It should be launched in early 2015 and reflect the needs of both the Leisure and Commercial marine sectors.	Solent LEP / M&M WG	Nov 2014	N/A	Solent LEP to fund interim Head of inward investment who will work with M&M WG and consider further as



				part of wider work on a new Inward investment Strategy and business plan
4. <b>Royal Pier</b> – secure a new, permanent home for the Southampton Boat Show and year-round marine leisure events.	M&M WG	Long-term	N/A	Further detail and business case development needed to inform future SEP/LGD process – identified as a pipeline project in SEP

*\*Table extracted from "Transforming Solent: Marine & Maritime Supplement" (Page 53)*