



**SOLENT  
LOCAL  
ENTERPRISE  
PARTNERSHIP**



**Solent LEP Response to the Industrial Strategy  
Green Paper Consultation  
13 April 2017**

## SOLENT LEP Response to the Industrial Strategy Green Paper consultation

In formulating our response to this consultation, we have undertaken wide-ranging consultation with the Solent business community, education and research institutions, as well as the public sector meeting with 117 organisations. Further details on the organisations are provided in annex A.

### 1. Does this document identify the right areas of focus: extending our strengths; closing the gaps; and making the UK one of the most competitive places to start or grow a business?

The document does identify the right areas of focus and we support the premise that future economic prosperity will be predicated on closing gaps in productivity so that all areas in the economy can share in and benefit from economic growth. For the Solent LEP area this means that the Industrial Strategy needs to recognise the importance of:

- Investing in our **economic infrastructure (digital and transport)** connecting people to places and supporting new housing delivery as the lack of quality and affordable homes is holding back mobility; and
- New investment to support the development of the **skills and talent** that our economy needs to succeed; and
- Supporting **the growth of our cities**; Portsmouth and Southampton, building on the key assets concentrated in these cities, including the universities and ports;
- **Supporting place at a number of scales**. The industrial strategy must be relevant to the coastal communities of the Isle of Wight and Gosport so that the positive impact created is felt within these communities.

However there are two areas that have continued to be prioritised in all our engagements with business. The need to **develop skills and talent** remains a key priority. **There is a universal view that the fundamental driver of economic performance and productivity for our resident businesses is the education and skills base of the current and potential workforce**. Strong school performance and the educational attainment of young people at 16 is an important driver in this regard as is the need to support upskilling through in-work training and development. Access to the right skills and talent is seen by Solent businesses as vital in helping businesses stay competitive in this global environment.

It has also been emphasised that **high quality infrastructure** is a crucial factor and improving connectivity across the Solent and between our cities and reducing congestion will raise productivity by widening the labour market accessibility and improving the efficiency of our supply chains. A greater pool of talent leads to greater connections between businesses and supply chains and higher productivity in the local area. Improving connections between the cities of Portsmouth and Southampton will help drive growth in the Solent, where better transport links between the cities and from the cities to London could provide access to a population of up to 9 million. In Portsmouth, lowering travel times to Southampton by 30 minutes (and vice versa), could lift productivity in both cities by 10%. Significant gains can also be achieved by improving local transport links and reducing congestion in our larger urban and coastal areas and across the Solent Waterway to the Isle of Wight.

Whilst it is important to address disparity in productivity it is also critical that we **build on our key strengths** and extend them, whilst ensuring that the UK is **competitive in the global arena**.

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Therefore there will need to be a twin track approach which seeks to ensure that **ideas and knowledge** are at the forefront of our approach, **supporting our businesses to innovate, export and grow** and we need to build on our **sectoral strengths** and recognise our **comparative advantage**.

In the Solent it is recognised that there could be a higher proportion of SME's exporting and there are differences in performance here when compared with other areas in the South East and UK. Taking into account our sector mix there is evidence to suggest that SME's in the Solent that are high growth and/or engage in research and development and/or have a workforce with a higher skills profile and have been in existence more than three years do export more. In addition, we do have a high concentration of marine and maritime business and firms operating in this our area also have a stronger propensity to export and innovate.

The preparation of a new industrial strategy does also present an opportunity to respond to the changes brought about as a result of BREXIT and it can build on the recently published plan for Britain. It is clearly important to set down a clear long term vision for the UK, but within this there is a need to incorporate appropriate review mechanisms and a set of demonstrable and realistic intermediate milestones against which progress towards the long term vision can be reviewed. This should include addressing priorities against the following timeframes:

- **Short term** - in the next 5 years recognising the impact of BREXIT it is important to ensure that vital capabilities and skills are secured and developed and that UK competitiveness is raised. It is too soon to recognise or measure the full value of developing existing global trade deals or generating new ones and as a result there will be a need to develop a macro-economic tactical plan to support inward investment and local growth in the interim.
- **Medium Term** - over the next 10 years accelerating and building on our key strengths and capabilities to capture high probability market opportunities will be important and it is in this regard that the prioritisation of extending our strengths and making the UK a more attractive and competitive place for business will be important.
- **Long term**- over the next 20 years there is an opportunity to set out what the economy of the future will be and the Industrial Strategy needs to set out a clear vision and then it will need to identify what are the enablers to support business growth. Underlying the strategy are the productivity differentials across country and we want to see a commitment to supporting those areas in the South East that are prosperous and we also want the strategy to support other parts such as the Solent in the delivery of their growth objectives. Therefore, the strategy must support LEPs in the work they are doing to identify advantages of place and build on them, using universities and their research and innovation to drive forward growth in a sustainable and long term way. 'Patient capital' rather than preoccupation on short term gains and short term announcements are a key part of moving forward. We are looking for the industrial strategy to provide;
  - a. Clarity of purpose in setting out what we want UK to be and within this there is a need to promote the importance of innovation and of pursuing game-changing technologies.
  - b. Enablers - infrastructure and digital economy
  - c. Enhanced Skills and Talent

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### 2. Are the ten pillars suggested the right ones to tackle low productivity and unbalanced growth? If not, which areas are missing?

**The 10 pillars provide good coverage across the core areas that need to be addressed to respond to the three core challenges identified within the Green Paper.** It is apparent that there are a range of interconnections between many of the pillars and this focus on strengthening horizontal policies is supported. However, the Green Paper does not, presently, effectively map these interconnections or make clear the horizontal nature of the pillars. For example, investing in science, research and innovation will influence cultivation of world-leading sectors, whilst upgrading infrastructure will influence supporting businesses to start and grow as well, trade and inward investment and the extent to which growth reaches the whole country.

There is a focus in cultivating world-leading sectors, and this is strongly supported. It is however recognised that technology is resulting in a pace of change and innovation that has never before been seen. New technological advancements will pervade a range of sectors, and as such we would suggest that the "Cultivating world-leading sectors" will need to reflect this.

### 3. Are the right central government and local institutions in place to deliver an effective industrial strategy? If not, how should they be reformed? Are the types of measures to strengthen local institutions set out here and below the right ones?

Establishing the right institutions to bring together sectors and places will be crucial to the successful delivery of a new industrial strategy.

**At a local level the role of Local Authorities is key and they provide important democratically-elected leadership and democratic accountability. Their role in supporting and enabling stronger local growth and a fairer society cannot be under estimated** and their investment in connecting communities through better transport, accelerating housing delivery through the planning system and supporting the development of the potential workforce of the future through education will underpin growth locally. They are also actively exploring opportunities to deliver new infrastructure and housing by leveraging investment from pension funds, prudential borrowing and pursuing greater freedom to be active in bond markets. **This will be strengthened if there is even closer collaboration and more formal structures in places where resources and capacity can be brought together and the benefits of agglomeration can be more readily felt.** Businesses in the Solent have reflected on the recent work undertaken by Local Authorities in our area around devolution and do see the virtue in the creation of a combined authority that incorporates the Solent area. In other successful devolution areas that have larger strategic structures in place the area is benefitting from devolved powers and funding from central government and evidence shows that no significant power or funding transfer will occur in areas where there is no structure in place. This will potentially constrain the Solent and limit its ability to respond to local growth challenges and opportunities.

**The importance of Universities and the role they play in shaping the conditions where successful businesses can emerge and grow and promoting excellence in key technologies and research and development should not be understated.** The Solent is home to three Universities and they are key economic assets concentrated in our two cities of Portsmouth and Southampton. In 2015 they generated £2 billion GVA and accounted for around 31,500 jobs in the area, which is 7% of the total GVA for the Solent and 5% of jobs. They are also important knowledge hubs that act as conduits for higher skilled workers and businesses and their interaction with local business is increasing and opportunities for joint working with local partners

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such as the LEP have intensified. **Solent LEP is working more with the local universities to explore ways to build on the expertise of the universities to support local growth.**

**Local Enterprise Partnerships perform a unique and important role in bringing together strategic leaders from the private, public and education sectors to deliver tailored, place-based strategic approaches and solutions to shared issues focused on driving forward sustainable economic growth that works for everyone.** LEPs are a strategic mechanism for enabling economic growth and sustainable development and going forward are very well placed to bring together sectors and places at a local level. In the Solent the LEP has been responding to the economic challenges in the area, producing and delivering on a £1 billion Strategic Economic Plan that is supporting, strengthening and developing different industries and businesses, whilst also bringing forward programmes to address industry skill needs and also projects that are addressing disparities in economic growth, particularly in our coastal communities. **LEPs also have the flexibility to work within a functional economic area as they are not bound or constrained by existing administrative boundaries and they have and can continue to work across boundaries at a Local Authority level and across LEP boundaries.** Essentially they also bridge the gap between the local area and central government giving businesses a voice, influence and the opportunity to shape the economic agenda at a local and national level. **As business-led organisations they have been very successful in maximizing the impact of major investment in their areas, as well as improving links between the private sector and government at all levels.** The strength of business engagement will continue to be critical as we move forward with a new industrial strategy. Building on this momentum and strengthening the role of LEPs giving them a remit to bring forward and deliver a Local Industrial Strategy in each LEP area to support the overarching modern industrial strategy is a measure that will help deliver an effective industrial strategy.

#### **4. Are there important lessons we can learn from the industrial policies of other countries which are not reflected in these ten pillars?**

**Technological change drives long-term economic growth, productivity and improvement in living standards. The emergence and adoption of new ideas, products and production techniques throughout the economy is creating “market disruption”.** New technologies remove jobs in some industries, especially among the low-skilled, while creating jobs which are often in different industries and require different skills. Historically, this process has led to net job creation, as new industries replace old ones and workers adapt their skills to changing and expanding demand. The rapid technological change experienced today coupled with the extensive restructuring underway in our economy could be reflected in a dedicated pillar. Currently it is embedded in other pillars but it does need to be considered in its own right.

**Public Investment policy is another area which could be revised, based on approaches in other industrial policies.** Currently there is a presumption in favour of capital as seen in Local Growth Deal settlements, the recently announced National Productivity Investment Fund (NPIF) and the Innovation Challenge Fund. This does clearly help to support productivity uplifts but other countries have and continue to bring forward a broader approach to investment to include public investment in the form of revenue. The availability of this form of funding to support research and development, early stage financing for small businesses, new skills innovations and commercialisation of ideas is critical to supporting the growth of small businesses. This is currently accessed through the European Regional Development Fund (ERDF) and therefore from 2020 will no longer be available. **Our service-oriented economic base combined with a relative**

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**shortage of research and innovation funding and finance compared to our competitors** means a successful industrial strategy should include some fresh thinking around how these systemic constraints can be relaxed. Simply replicating the policies and strategies adopted by countries with strong track records in innovation, growth and exports is unlikely on its own to be successful.

**An approach designed to ‘pick winners’ at the expense of seemingly declining domestic industries can also be both high risk and counterproductive, creating further regional disparities.** This is also unlikely to be effective in addressing the UK’s long-term relatively poor productivity performance – a cross-economy approach that builds on the UK’s well-established strengths while addressing our weaknesses is a more sustainable strategy and one that is essential if wealth and opportunity is to be spread across all communities including areas in the Solent such as the Isle of Wight and Gosport. Therefore, public investment policy needs to address such challenges and the inclusion of capacity funding to assist such places should be considered.

### 5. What should be the priority areas for science, research and innovation investment?

The priority areas identified within the Green Paper are supported and endorsed by businesses in the Solent. There should also be **provision for marine technologies** (including renewables, marine intelligence systems, propulsion and advanced materials)

In addition there should be recognition of the important and crucial role that technology does play and will continue to play in research and innovation. There is already very strong evidence that technology developed in one area can be adapted and adopted in other areas. Therefore it should feature as an area in its own right. **Economy-wide productivity and employment gains are generated when new technologies are diffused and widely adopted**, making strengthening such mechanisms a key priority. Open trade, regulatory reform and enhanced competition spur adoption and innovation in areas such as telecommunications, but also in mature sectors. At the same time, better designed and integrated public initiatives can help this process by increasing the ability of firms to access and exploit new technologies. This involves enhancing the effectiveness of technology extension services and information provision through greater industry participation.

### 6. Which challenge areas should the Industrial Challenge Strategy Fund focus on to drive maximum economic impact?

The Industrial challenge Fund should have a dedicated strand to support the adoption of new technology as the economy-wide employment impact could be positive provided that the mechanisms for translating technology into jobs are not hampered by shortcomings in training and innovation systems and inflexibilities in product, labour and financial markets. To realise the full potential of technological change in improving economy-wide productivity, growth and job creation, the Industrial Strategy needs to make the embedding of innovation and technology policies an integral part of overall economic policy. This should be prioritised in the industrial Challenge Strategy Fund to ensure we have a future facing economy that is ready to embrace and exploit disruptive technologies that have the potential to transform industry and markets. This should include (but typically not be limited to):

- SMART manufacturing/factories

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- Big data and the Internet of things
- Automation technologies and artificial intelligence
- New and emerging technologies

### 7. What else can the UK do to create an environment that supports the commercialisation of ideas?

Financial support is available through a range of avenues at a national level and it is felt by Solent businesses that it is beneficial to larger companies as they have the resources and know-how to be able to identify and access such opportunities and they are working at a scale which is in itself large. **Commercialisation of ideas at the local level, through the research community and within SME's is at risk of being left behind through a lack of awareness or for SME's as a result of being 'essentially a small fish in a large pond'.**

SME's have indicated that a more local approach to providing support for the commercialisation of ideas is needed to complement national funding calls and alongside this Solent LEP view the move towards a more knowledge intensive economy as critical to its future success. **The role of the Universities in driving this local growth is key as is the need to support the commercialisation of ideas and the spin out activity and business collaboration that is emerging from them.** Work in this regard is underway and through the Solent Growth Deal we have established a local Innovation Capital Fund, co-investing with the University of Portsmouth in the Future Technology Centre (FTC). The FTC is a business engagement facility which will allow local SMEs to make use of the technological assets within the Centre (3D imaging and 3D manufacturing equipment valued at £3.3 million) which are currently unique within the UK. In addition, non-accredited short courses will be provided to a minimum of 300 employees per annum in businesses based around these demonstrator facilities, and a minimum of 30 apprenticeships will be delivered per annum. University of Portsmouth Higher Education Corporation will also rent out some space in the new building for hot desking and as a professional training suite and there will be increased opportunities for business-student interactions.

In addition, through the Solent Growth Deal, we have been able to accelerate the delivery of the BAE Systems Marine and Maritime Autonomy Test Bed, which will provide a facility for undertaking research, development, training and trialing of autonomous air and surface-water vehicles in the Solent, providing access to the local autonomy cluster to access the facilities they need to test ideas and develop them to commercial products, in a much more cost-efficient way and in a way that will support cross pollination of knowledge and expertise in the SME business base. The funding has secured access for SME's to the facility and is supporting business to business collaboration as well as the commercialisation of new ideas that are emerging through our SME cluster.

However there is a need to augment the capital funding available with the introduction of flexible funding to support the commercialisation of ideas at a local level.

### 8. How can we best support the next generation of research leaders and entrepreneurs?

The UK has a vibrant research environment, with a range of collaborations taking place between universities and businesses/entrepreneurs across many disciplines, but there is more to be done to help existing work evolve from short-term, project-based collaborations to longer-term

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partnerships focused on use-inspired research. Providing such help will not only result in increased benefits for business, as academics are able to more confidently explore areas of business interest, but also give others the chance to drive new insights in areas of fundamental research.

There is a gap in the market to encourage business-university research collaborations to grow. Flexible funding is needed to enable the creation of a critical mass of use-inspired research activity within universities, to help unlock the full strategic potential of collaborative relationships.

Shortening the time from discovery of new innovations and ideas to practical widespread application necessitates greater collaboration, cultivating local and global innovation communities to work together, and developing the physical infrastructure to support innovation, which must include world-class digital infrastructure and the right type of innovation space to allow ideas to flourish and be commercialised through aligned entrepreneurial talent.

Locally, the Solent LEP is working with the University of Southampton Web Science Institute to establish a new funding programme to support web-related research projects and early stage commercial initiatives that can be accelerated towards commercialisation and angel funding, from within the University of Southampton Web Science Institute. The programme will look to identify the next generation of research leaders and entrepreneurs and identify the best proposals and give support to those whose ideas need more thought or work including through research and development activity and help proposal leads to understand their market opportunities, how to position their products / services, and what support and expertise they may need to take their proposition to the next stage. In the latter stages of the acceptance program, The University will assist with business plans, Intellectual Property issues and any presentations required to secure funding. The fund will therefore buddy up research excellence with entrepreneurial talent to navigate the pathway from idea to impact and invent the future.

### 9. How can we best support research and innovation strengths in local areas?

Enhancing the contribution of research and innovation to growth and productivity, while putting in place the conditions to translate its potential into higher incomes and employment, requires the implementation of wide-ranging and coherent policy reforms. Strategy in this area focuses too much on developing new technologies in the small “high-tech” part of the manufacturing sector and too little on fostering innovation and technology diffusion throughout the economy. **In addition, there are long standing regional disparities in how the public sector and companies spend money on research and innovation.** The R&D funding is heavily focused on the ‘golden triangle’<sup>1</sup> and the network of Catapult Centres marginalises the South East which is connected through Satellite initiatives only. Excellence should be supported wherever it resides if the Industrial Strategy is to back the best research and innovation strengths in local areas. **There should be a commitment to build on the excellence in research and innovation that exists locally in all areas including the Solent.**

In 2016 we developed an innovation evidence base, which identified the smart specialisms that have the greatest potential for commercialisation and generating economic value in the Solent as follows:

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<sup>1</sup> Oxford, Cambridge and London



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- a. The **marine and maritime sector** is the Solent's most obvious, and most significant smart specialisation opportunity. With the sector contributing over 20% of the Solent's economic output the sector - in its broadest context which comprises sub-sectors including highly complex maritime defence systems, autonomy, professional services, advanced materials, marine renewables and marine leisure - the Solent has unparalleled strength in this sector and provides the primary UK location to get maximum return on investment for marine and maritime sector activities with world-leading knowledge and test facilities, and a thriving, future-facing marine and maritime community. It not only provides the industry and innovation base necessary to be at the leading edge of blue growth opportunities, but also acts as a nationally recognised test-bed for a range of enabling and emerging technologies.
- b. The Solent region has considerable history and research strength in **computer science, a digital economy that is growing rapidly**, prominent R&D oriented businesses involved in developing autonomous systems, communications systems / satellite applications, big data analytics and cyber-security, across multiple sectors. The Web Science Institute at the University of Southampton led by Professor Dame Wendy Hall, who is leading a major UK government review on how to capitalise on the country's status as a world-leader in the science underpinning Artificial Intelligence (AI) technology is a major asset and a hot-bed of talent. The Solent's strengths in **digital technology and computer science** are viewed by many external stakeholders as under-played in a national context. The potential for applying the Solent's strengths in digital technology and computer science, particularly in the provision of marine and maritime, and life sciences data services is vast. Furthermore, the evidence regarding sectoral employment and GVA suggests that the digital sector in the Solent is burgeoning in its own right. A modern industrial strategy should seek to make most effective use of the Solent's high quality digital and computer science research base, including internationally recognized Open Data Institute. **Assessed in an international context against European clusters, the digital economy in the Solent has one of the highest location quotients in the UK.** Digital Industries are recognised internationally as a particular strength for the British economy relative to other European countries. Only regions in southern Germany and Benelux have comparable strength in digital industry clusters.
- c. The Solent has a long history of research excellence and commercialization in **photonics**. The University of Southampton has been a prominent contributor to the photonics sector for decades and the strength of Photonics R&D in the region, and the extensive range of applications that innovative photonics technologies have across multiple sectors of strength make the strong case for ensuring that the research strength remains in the region.
- d. The **aerospace and defence** sector has a long-term presence in the Solent. However, in terms of smart specialisms the opportunities are mostly concentrated in space and defence, via companies such as Airbus Space and Defence and Roke Manor. A forecast of employment in aerospace & defence in the Solent estimates notable growth between 2015–2020 of 3%, or 400 jobs and there is an opportunity to build on this

### **10. What more can we do to improve basic skills? How can we make a success of the new transition year? Should we change the way that those resitting basic qualifications study, to focus more on basic skills excellence?**

It is recognised that Colleges have high proportions of 16-18 year olds repeating GCSE English and Maths as a compulsory requirement, with as many as 45% of the cohort in a college resitting

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exams. In terms of achievement it is not wholly effective with low success rates and potential for adverse impact as some of the students are resitting multiple times and still not achieving. Noting that traineeships and apprenticeships have recently changed the requirement to functional skills at level 2, there is a view that for some students there should be an alternative option. Functional literacy and numeracy level 2 qualifications rather than GCSEs were suggested. **This would ensure the students obtain a recognisable work related qualification with 'currency'** and ensure the young person has the requisite skills required to effectively function in the work place.

**Noting that one fifth of learners have recognised learning disabilities, approaches and techniques to learning need to change to ensure for these learners, their basic skills are achieved and recognised.** There are key points of transition that require focus; post 16 and then into HE or employment. Many people with learning difficulties encounter challenges prior to secondary school, so attempting to resolve basic skill deficiencies at post-16 is often too late. At worst the transition year represents a recycling of existing approaches expecting a different outcome.

In addition, for some of the employers in the Solent who are actively looking to attract talent from the existing workforce they find the requirement of GCSE English and Maths achievement in order to progress to higher qualifications is acting as a significant barrier to a potential pool of workers who have the necessary skills set. **The standard should therefore reflect 'functional and/or educational' attainment as appropriate.** This was countered by the fact that schools are measured on GCSE attainment especially English and Maths, so whilst an alternative qualification may be more appropriate the current system precludes it. Additionally the emphasis on GCSEs has seen a drop in the number of students following technical qualification in schools in recent years.

**Employers also advised that whilst qualifications were relevant / important markers of ability, recent recruitment drives had focused on assessing values and behaviours.** This approach was reflected across a range of job types, levels and sectors, such as health construction and legal.

### **11. Do you agree with the different elements of the vision for the new technical education system set out here? Are there further lessons from other countries' systems?**

**The new Technical education system is welcomed by industry in the Solent** but the proposal is predicated on the development of a technical educational route to commence at 16. It was questioned whether this was too late and perhaps selection at aged 14 rather than 16 would be better. It was noted that there should be an increase in staffing capacity in schools to support the delivery of these new technical qualifications and this needs to be addressed if the step-change at higher levels is to be achieved, and should include industry practitioners.

It was also suggested the system moves away from pursuing academic versus a technical education, and by association apprenticeships. Technical GCSEs were suggested along with a move to defining routes as 'General Education' or 'Specialist Education' to reinforce parity.

**Institutes of Technology were seen as positive and offer existing institutions opportunity to adapt and further engage in technical provision at post 16 and at higher levels.** There were also calls for high standard technical focused schools<sup>2</sup>. There is a need for the institutions

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<sup>2</sup> Portsmouth UTC due to open in September 2017 is a recognised welcome step in this regard

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to offer flexible routes and demonstrate employer responsiveness. Integration and collaboration between FE & HE and across institutions should be facilitated. However this is limited by access to capital to invest in state of the art facilities and equipment.

Employers highlighted that there is some resistance to pursuing technical career paths, and suggested that more needs to be done to change perceptions, which reinforces the importance of quality career advice in schools and the importance of employers interfacing with schools.

Employers also cited the introduction of the levy as providing a genuine alternative route to obtain a degree, but they advise that that this is not yet fully understood in schools and colleges, or by business. Discussion of apprenticeships and forthcoming levy was considered. Key points included:

- It is too early to fully understand impact of the apprenticeship levy, for both levy payer and non-payers in terms of improving skills.
- There is a variation in that state of readiness of industry to respond to the change. Not all levy payers are up to speed, and there is a lack of awareness in general.
- Some sectors see it as a mechanism to support workforce development.
- Some sectors are looking to offer this as an alternative to degree and are scaling down graduate management schemes.
- All recognised the need to support smaller employers, stating the relationship between the employer & training provider remains key and is an iterative / dynamic process. A localised brokerage service allied to Growth Hubs was seen as a natural evolution in the development of the Growth Hubs that are provided by LEPs.
- The rules of engagement regarding the utilisation of the apprenticeship levy were seen as far too prescriptive and based on traditional delivery linear pathways for apprenticeships. Given the dynamic nature of the economy and changing business needs the system needs to be agile and responsive making provision for modular or unitised approaches.

### **12. How can we make the application process for further education colleges and apprenticeships clearer and simpler, drawing lessons from the higher education sector?**

Employers viewed the UCAS national section process as being centrally prescriptive and as being annually timed. Apprenticeship recruitment does not currently follow this pattern. In addition, businesses felt that the UCAS system is essentially a point system, based on academic attainment which may work well for those progressing on to Higher Education where previous academic attainment is seen as a key predictor of future success. It was not seen as entirely suitable for employers recruiting apprentices as they are seeking a more flexible locally based system that responds to their needs in a timely and responsive way. It was also felt that it could present a barrier to older learners returning to full time study.

Business advised that they would like to see a system which builds in a measure of the profile / suitability of the candidate alongside educational attainment - to reflect importance of the behaviours, values and competencies that have been highlighted as equally vital in the workplace

**In the main it was felt that apprenticeship recruitment has a different geographical focus; more local, responding to industry need in the local economy.** Employers would welcome a national online system supporting a localised process of application if it could also operate all year round and not be tied to annual academic year recruitment cycles.

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### 13. What skills shortages do we have or expect to have, in particular sectors or local areas, and how can we link the skills needs of industry to skills provision by educational institutions in local areas?

**Businesses in the Solent reinforced the need for schools to focus on long-term outcomes when looking at skills development.** Crucial to addressing these issues is the need to help young people develop the knowledge, skills and behaviours they need and it is recognised that business-led initiatives providing students with employability guidance sessions and business engagement throughout their school career will lead to a higher take up of work experience and apprenticeships. The work undertaken by LEPs through the Careers Enterprise Company Enterprise Advisers programme needs to be broadened and further investment provided to ensure that this momentum is not lost.

**Businesses also advised that some young people need to build their workplace skills on solid foundations and therefore would benefit from preparation for the transition into the world of work.** There is a link between the proportion of firms offering work placement and productivity in our LEP area and we would like to build on this by introducing professional experience placements alongside work experience placements offering school and college leavers a transition programme to prepare them for entering industry or further their study in readiness for entering industry in the future in our local area.

In addition, **new and innovative approaches to skills delivery need to be embraced.** Solent LEP have supported the introduction of employer-led capital investment in our area which has resulted in the development of specialist industry standard facilities and technical centres of excellence in the following areas:

- Composites and Advanced Manufacturing on the Isle of Wight; and
- Advanced Manufacturing and Marine Engineering located on the Solent Enterprise Zone

In both these facilities industry has provided bespoke investment for specialised equipment as well as shaping the design of workshop and curriculum spaces and the skills and training delivery. **The integration of industry knowledge coupled with the expertise of the Further Education network has brought forward the creation of bespoke training environments that are designed by industry for industry** to meet the needs of local businesses in Aerospace, Defence, Maritime and General Engineering. All course offerings are presented in a careers prospectus, sponsored by local employers and all clearly articulate pathways to progression for both employment in local business as well as progression to further study. These approaches have been funded under the Local Growth Deal and it is noted that there is no provision for skills capital investment under the National Productivity Investment Fund and beyond the proposed funding of £170 million (UK wide) for Institutes of Technology there is no further investment planned. **A strong educational infrastructure in support of skills is critical going forward** and we need to ensure that we match firms' skills needs and encourage employers to continue to engage more actively. **New local growth employer-led investment is essential** if we are to continue this approach in the Solent linking the skills of industry to skills provision in our local area.

Shortages continue to exist in a number of occupational areas including;

- Construction at all levels

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- All STEM related disciplines at all levels
- Engineering (all disciplines)
- Health and Social care all levels
- Leadership and Management (supervisory level and above)

All highlighted **the need for complementarity between technology and education and training** and saw this as important for reducing mismatches between demand and supply for skills and improving employment performance. This involves measures to reinforce, expand and broaden the content of academic and technical training and increased mobility between technical and academic studies. It also requires involving business more closely in government initiatives to support adoption of new work practices and work organisation as well improving their articulation with education and training programmes. **Enhancing mobility of highly skilled and technically trained workers is an important component** when seeking to address skills gaps.

There are **shortages in higher level skills**. Within the Solent the percentage of the working age population with higher level skills is 4% below the national average and as a result there is a general shortage in workers with higher level skills. Attracting and employing more graduates will deliver more productivity dividends. Despite having three world class universities in the Solent our university cities of Portsmouth and Southampton do not capture the potential productivity benefits as graduate retention is an issue. There are however opportunities to encourage talent retention in our cities through a range of approaches including:

- Supporting local graduates and helping world class research transform into innovative products through the establishment of high growth innovation Centres or business hubs. This approach is being promoted in the Solent through the Local Growth Deal with investment in new technology centres in Portsmouth (with the University of Portsmouth) and the creation of investment fund to support knowledge transfer and the commercialisation of new ideas in Web Science, in partnership with the University of Southampton.
- Improving the availability of high quality affordable homes. The cost of home ownership and the low availability of high quality homes for rent in the Solent area and the high transaction costs of moving homes is impacting on graduate retention and this makes the case for relocating to the Solent on a permanent basis harder to sell.

With immediate skills shortages at higher levels still creating challenges in the Solent attracting more talent from around the world will help to boost productivity in an immediate way. Businesses have emphasised the need to access labour and a migration system that is responsive to economic need. In the Solent, universities are the main contributor to the higher level skills necessary for the area to grow and thrive as a knowledge-based economy and it will be important for universities to continue to provide the supply of high-level skills required by businesses to maximise their productivity, profitability, and contributions to economic growth. Ensuring that the UK and within this the Solent is an attractive destination for the world's top talent, through reforming the immigration system, should also be considered a priority within the Industrial Strategy

**14. How can we enable and encourage people to retrain and upskill throughout their working lives, particularly in places where industries are changing or declining? Are there particular sectors where this could be appropriate?**

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**Also around 90% of our current workforce in the Solent will be working in 10 years' time and building skills throughout their career is vital.** Therefore, workforce training and lifelong learning has a vital role to play, particularly as our economy adapts to disruptive technology and more flexible careers.

**To support uplifts in productivity it is critical that the area shifts to a knowledge economy and that the local workforce has the technical skills to take advantage of the jobs.** Key to this gear shift is greater collaboration between employers and education and training providers to specify, design and deliver the courses industry needs. The Solent LEP is supportive of establishing new technical centres of excellence, focussing on the delivery of high standard provision at levels 3, 4 and 5, providing straight forward routes for young people to move from school through to high status, specialised training and providing for workforce (re) training/career progression with strong links to business. This will build on the successful local delivery of the Isle of Wight [Centre of Excellence for Composites, Advanced Manufacturing and Marine Technology](#) (CECMM) and [Centre for Engineering, Manufacturing and Advanced Skills Training](#) (CEMAST) and should also raise the level of investment from business, including attracting higher levels of investment from employers in skills provision.

**Employers recognised that automation will impact on a range of existing jobs within their organisations, requiring different and more advanced skill sets.** Technical and interpersonal skills were cited as equally important. For key sectors such as advanced manufacturing, businesses highlighted the shortage of technical skills in the existing and potential workforce.

A dynamic economy requires economic agility, and to this end the Solent labour market will require STEM skills that enable people to respond to the changing needs of the economy and the job opportunities that will emerge as old industries leave and new, innovative and technologically-led industries emerge. In today's fast-changing world, fuelled by technological advancements, it is difficult to accurately predict the needs of the economy over the longer term. The emphasis is therefore to provide a workforce with a skill set that enables them to adapt and respond to a change.

**Continuous professional development and the progression pathways to achievement at higher levels are key to delivering economic growth.** Productivity levels can be improved by developing a technical education system, which enables adult learners to progress and develop higher level skills or re-train. **Local employers feel that a more rapid uplift in productivity can be realised sooner through re-training of the existing workforce,** but that this requires incentivising. There will be a need to support the older sections of the workforce to enable them to continue to participate in and contribute to a productive Solent economy. Re-training should focus on the digital skills that are increasingly required to participate in a modern industrial workforce.

**The new industrial strategy will need to more closely reflect the need to bring forward a new investment policy for skills development bringing together the adult education budget with industry investment through**

- Devolution of the Adult Skills Budget to the local area via the Local Growth Deal and/or successor fund with LEPs acting as the mechanisms through which skills providers and employers come together to shape the provision the area requires to support transformational growth;
- Devolution of funding to local areas to design and deliver inspirational and world-leading

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- careers information and guidance and work experience throughout Key Stages 1-5;
- Skills capital funding to develop world class technical skills provision, tailored to industry need.
- A programme of incentives and opportunities for the workforce to re-train, to ensure that all have an opportunity to contribute to an increasingly technical and digital economy;

### 15. Are there further actions we could take to support private investment in infrastructure?

#### **Risk and uncertainty are two factors that inhibit private sector investment in infrastructure.**

The timeliness of decision making is something that creates uncertainty and all too often this is hampered by the need for long periods of statutory consultation and inconsistency in application of guidance, particularly in the planning system for major infrastructure. In the Solent we have seen first-hand the timelines for securing regulatory approvals for strategic projects or securing approval from public agencies for land that has been declared surplus to requirements can typically take years. This coupled with the time needed to implement capital projects means that securing private sector investment can be more challenging. Institutional investors are typically looking for payback on initial investment being secured by year 10 at the very latest and very often this is not possible in the UK.

**Another issue which is impacting on the rate of capital investment is risk.** The risk appetite of Government in the UK is lower than in other comparable countries and all too often the private sector are expected to de risk complex projects.

This can be addressed by looking at improving decision making cycles and also introducing a dedicated single approval process for major infrastructure investment centrally would introduce simplification and rationalise the levels of decision making into a single process.

### 16. How can local infrastructure needs be incorporated within national UK infrastructure policy most effectively?

The Solent has two large, growing, densely populated cities (Portsmouth and Southampton), and the mainland part of the Solent is the most urbanised area in southern England outside London. This, coupled with 290 miles of coastline, habitats of international significance three islands and two peninsulas, **present unique infrastructure challenges around digital connectivity, transport, flood defences and provision of utilities.**

Between 1981 and 2014 the population across the Solent has grown by 264,000 residents, a total increase of 20%, or 0.6% annually, which is equivalent to adding around 8,000 people each year. The long term growth trajectory has seen not only the growth of our cities but also the emergence of an increasingly polycentric settlement structure, which has left **the Solent in a position where the historic supply of infrastructure is unable to cater for the current and forecast demands of a highly urbanised and growing economy.** Accordingly, economic infrastructure (defined by government as transport, energy, water, waste, flood defence and digital) are areas that are of significant importance to the Solent economy.

**The Solent has a range of assets of national and international significance, most notably the Port of Southampton,** which has each taken on an increased importance in the drive to increase and diversify UK exporting and connectivity to these assets to optimise their geographic proximity to global trade routes is of critical importance. The Port is the UK's leading automotive

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export hub, the unrivalled cruise capital, and accounts for 50% of all UK trade with the growing Far East market. In addition **Portsmouth is the home of the Royal Navy and has a range of strategic defence assets of national significance.** However, in an era of global competition, economic assets are only ever relative and require continued investment in order to maintain their international attractiveness. **Efficient and effective infrastructure is an essential component in the success and survival of economic clusters and the Solent must continue to act to strengthen its comparative advantages across its key sectors to realise economic value.**

However, there are already clear signs that the Solent is underperforming as evidenced by the growing productivity gap with the wider South East and UK as a whole. The total value of GVA in Solent stood at £27.8 billion, accounting for just under 12% of regional output. Average productivity in the Solent stood at £45,645 per capita in 2015, this was 8.4% below the regional average and just under half a percent behind the UK average. This disparity is widening and productivity and growth is typically constrained by:

- Poor transport connectivity both within the Solent and connecting the Solent to its markets, by both road and rail, unreliable longer journey times and excessive congestion; and
- significant unmet housing need and stalled developments; and
- Flood defence challenges typical of a coastal geography; and
- Significant challenges in energy supply.

**The Solent has particular transport connectivity challenges**, which are, in part, influenced by the urbanised and polycentric nature of the area, population growth and the presence of key international gateways as described above. Within the Solent, Portsmouth to Southampton rail connectivity is slow (45 - 60 minutes for a 20-mile journey) and infrequent, as is rail connectivity to Southampton airport from the east, when compared to other dual city areas such as Nottingham - Derby and Newcastle - Sunderland (both 15 miles apart with rail journey times of circa 20 minutes). This results in the parallel M27 being the default option, resulting in chronic peak period congestion. Rail access between Portsmouth and London is also unacceptably slow (between 96 minutes and 129 minutes). **This erodes the geographic proximity** of Portsmouth to Southampton Airport and on a wider basis to London, which is becoming even more pronounced as rail access to London from other towns and cities is enhanced.

Getting the right infrastructure in place in the Solent will play a crucial role in connecting people to jobs and this will raise productivity. **National infrastructure policy needs to recognise that geographic proximity is no longer an appropriate measure of effectiveness.** The Solent is only 75 miles from London, but we are not connected in the same way as the Midlands or the North and journey times are inherently longer. As a coastal community we do not share in the prosperity of the South East and our location at the end of the line in all respects (road and rail) means the area is poorly serviced which is a considerable drag on local growth.

The Industrial Strategy should reflect **new approaches to infrastructure funding**, including utilisation of British Wealth Funds and 'infrastructure supplements' that may come forward when business rates are devolved to local areas. This will clearly assist where such investment can be seen to deliver high value for money and higher rates of return on capital at an early stage.

This alone will not help areas such as the Solent which has suffered from historic underinvestment as there is a case for **public intervention to address infrastructure deficits** in the area, particularly where they will help to unlock development land for housing and employment. **Therefore, as further rounds of the National Productivity Investment Fund are launched**



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**addressing productivity weaknesses in disconnected communities should feature** and score highly in value for money assessments where currently only projects with high cost benefit returns seem to be favoured. Structurally challenged communities such as the Isle of Wight and Solent coastal communities will continue to perform poorly on multiple indicators and greater central intervention is required (to complement local investment) in order to address these issues.

### **17. What further actions can we take to improve the performance of infrastructure towards international benchmarks? How can government work with industry to ensure we have the skills and supply chain needed to deliver strategic infrastructure in the UK?**

A well connected area delivers benefits to productivity through 'agglomeration and it is no surprise that successful places are easily traversable by car, bus, train, cycle and foot. Goods and people can move more efficiently, businesses are linked to one another and people are well connected to their jobs, homes and wider place. There are good links between London and the cities in the Midlands and the North, but travel times between major cities in the Solent and London and across our region are relatively poor. Solent businesses are frustrated by the lack of good transport links across our two cities and between the cities and other parts of the country, particularly by road and rail. We are a densely populated area and improving links East to West and from the Solent to London is critical.

Congestion is a top priority not just for the local area, but it should also feature in the industrial strategy as it has the power to:

- Reduce journey times
- Deliver agglomeration benefits including improving business links and supply chains
- Widen access to a broader range of markets and suppliers
- Improve air quality

Alongside improving transport connections **business have continued to cite the importance of digital connectivity as increasing in importance given its propensity to connect people and goods to places and new markets locally, regionally, nationally and internationally.** Ensuring the digital infrastructure is prepared for the future is seen as pivotal to productivity. SME's in the Solent are reporting that current fixed line broadband is not meeting their business needs and connection costs to new 'superfast' or 'ultra-fast' broadband are prohibitively expensive. There are also concerns about reliability of download speeds and where coverage is good, **low digital skills** can also be a barrier.

Actions needed are as follows:

**a. The key action is to deliver better transport connections** between urban areas in the Solent and across the Solent. This will deliver three immediate productivity benefits:

- **It will widen the labour market pool, allowing workers to find employment over a wider geographical area which eases skills shortages.** Evidence from commuting patterns suggest that most people travel for a maximum of one hour to work so minimising travel time is critical. Currently people living in the East of the Solent cannot access the West of the Solent in under an hour and yet the two areas are only 17 miles apart and this is limiting the size of the talent pool for local businesses who report that it is difficult to recruit. The Solent has a population of 1.3 million, but the population within 30 minute's drive/commute is actually 500,000 at any point in the Solent. **Reducing travel times between our cities in the Solent**

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(road and rail) will provide immediate access to a working population of 1 million and reducing travel times from our cities to London will increase this again to 7 million.

- **Firms can access a wider range of markets and suppliers**, thereby reducing cost and difficulty of sourcing inputs. It also weighs down on work time for people moving between sites and suppliers and crucially for the Solent port related movement by road. **Lowering travel times between the two cities by 20 minutes will lift productivity by at least 10%** to £30 per hour, which will still be below the South East Average, but it will bring it into line with national averages.
  - **Supports the creation of business networks and clustering** making it easier for firms to share best practice, ideas, people and technology.
- b. Greater integration with alternative modes of transport** across rail, roads and our ports (local travel and international) has the potential to alleviate congestion and better connect people and goods locally, regionally, nationally and through our key strategic ports internationally. As an area with three islands and two peninsulas this is crucial to securing higher levels of productivity and growth and ensuring that we can create a stronger economy where the benefits of growth are spread more evenly across the Solent. Within the Solent, Portsmouth to Southampton rail connectivity is slow (45 - 60 minutes for a 20-mile journey) and infrequent, as is rail connectivity to Southampton airport from the east. This results in the parallel M27 being the default option, resulting in chronic peak period congestion. Rail access between Portsmouth and London is also unacceptably slow (between 96 minutes and 129 minutes). This erodes the geographic proximity of Portsmouth to Southampton Airport and on a wider basis to London, which is becoming even more pronounced as rail access to London from other towns and cities is enhanced.
- c. Affordability of Transport.** Places need to be well connected in terms of both time and cost. Unfortunately, in the Solent this is not the case everywhere and our coastal communities are increasingly isolated on a cost and time basis. A well performing and priced local transport system is an essential component to secure economic success and social fairness and average hours worked to afford monthly commuting (within a one-hour commute) costs/travel tickets is rising.
- d. Improvements in Digital infrastructure** across the Solent. Whilst Superfast broadband coverage is generally good, there is evidence that in the Solent there are variations in download speed and mobile connectivity. Reliability is seen as a concern as is the propensity of the network to exploit the next wave of digital technology. SME's have also flagged the need for greater awareness of the digital services that are available and a requirement to upskill the workforce where low digital skills are an issue. In short better digital infrastructure and connections could overcome some of our connectivity issues in the Solent with more businesses being able to embrace the opportunities that it presents to addressing labour mobility issues, travel cost, opening access to markets, increasing and improving business networks and increasing the propensity to export and trade internationally.

The performance of infrastructure networks should therefore be benchmarked against a range of comparators regionally, nationally and internationally. This should include:

- Travel times to work by road/rail/sea in minutes
- Travel times to London by road and rail
- Labour market access within one hour of travel time
- Mobility across a local area in terms of time and cost

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- Mobility to other places nationally in terms of time and cost
- National investment in strategic roads and key road network per capita by LEP area
- National investment in rail infrastructure per capita by LEP area
- Journey times for strategic links to key ports across key route networks and rail
- Congestion measures including air quality and average speed on key routes
- Public transport investment by bus/rail/sea
- Public transport usage
- Digital coverage – superfast and ultra-fast
- Digital download speed
- Mobile connectivity

### **18. What are the most important causes of lower rates of fixed capital investment in the UK compared to other countries, and how can they be addressed?**

**The rate of return on investment in the UK can be affected by risk and uncertainty**, linked to decision-making. The timeliness of decision making is something that creates uncertainty and all too often this is hampered by the need for long periods of statutory consultation and inconsistency in application of guidance, particularly in the planning system.

In the Solent we have seen first-hand the **timelines for securing regulatory approvals** for strategic projects or securing approval from public agencies for land that has been declared surplus to requirements can typically take years. This coupled with the time needed to implement capital projects means that securing a return on upfront investment may not materialise until year 6 or 7 after the initial investment. Institutional investors are typically looking for payback on initial investment being secured by year 10 at the very latest and very often this is not possible in the UK.

**Another issue which is impacting on the rate of capital investment is risk.** The risk appetite of Government in the UK is lower than in other comparable countries and all too often the private sector are expected to de risk complex projects. This can impact on viability and this will cause lower rates of return on capital investment, particularly in areas of economic challenge where the cost of running a business are inherently higher.

This can be addressed by looking at improving decision making cycles and also introducing an accelerated growth fund as part of a new local growth fund which can be designed to address structural barriers to investment.

### **19. What are the most important factors which constrain quoted companies and fund managers from making longer term investment decisions, and how can we best address these factors?**

See response to Question 18

### **20. Given public sector investment already accounts for a large share of equity deals in some regions, how can we best catalyse uptake of equity capital outside the South East?**

No comment

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### 21. How can we drive the adoption of new funding opportunities like crowdfunding across the country?

**Growth hubs have been established in all LEP areas** and they have become the first point of contact for businesses seeking support and also for rolling out new funding opportunities. Solent LEP has established the **Solent Growth hub in our area and it is well positioned to drive further adoption of new funding opportunities** and in the Solent we are considering new approaches and extending existing work to funding including;

- **Supporting SME's to bring forward prototype and marginally viable products**, using audience feedback to refine and improve it. This assists product development in the final stages and also supports proof of concept and proof of demand for the product, thereby making it easier to secure further forms of funding.
- **Knowledge Transfer and launch pad funding** to support the commercialisation of innovative ideas and we are rolling out a new initiative in Web Science in partnership with the university of Southampton on this basis.
- **Small Business Research Initiative (SBRI)** – helping to improve public services with new inventions and innovative approaches including the adoption of new digital technologies in public services and the adoption of data analytics to help public service provision and resource allocation generally.

### 22. What are the barriers faced by those businesses that have the potential to scale-up and achieve greater growth, and how can we address these barriers? Where are the outstanding examples of business networks for fast growing firms which we could learn from or spread?

Universally all of the Solent SME businesses engaged in our consultation **see skills as the primary barrier to growth** generally and it is also preventing them from considering scaling up. As a result, they would prefer the industrial strategy to prioritise indirect support via investment in the UK workforce and skills as developing skills will help their workforce and businesses thrive.

In addition, **incentives for innovation** must be put in the right places to allow the UK to build and grow. It was felt that they are currently benefiting larger companies that have the resources and know-how to be able to identify and access them, but smaller companies are being left behind through a lack of awareness. It was recognised that Innovate UK run competitions but they are at a national level and SME's indicated that a more local approach to providing incentives for innovation is also needed. This would allow support to be tailored and focused on the areas strengths and targeted incentives for innovation could improve the competitiveness of an area by aligning and offering incentives to SME's including forms of investment that encourage and foster collaboration with their local universities and that incentivise knowledge transfer and the commercialization of new ideas. All of this can be lost in national calls for proposals as many SME's do not have the know-how to exploit such opportunities. Solent LEP have been running a **Solent Growth Fund for SME's**, prioritising firms that are seeking to grow or have the potential to grow and in the last three years we have provided finance to over 200 businesses in our area, including over 70 new start-ups, creating and/or safeguarding 1300 jobs and unlocking £38 million in new private investment.

Also there is a need look at **rate of adoption of digital technology** as digitally enabled businesses grow 26% faster. This is linked to the need to support SME's with low digital skills as well as the need to improve access to high quality and affordable digital infrastructure. Solent LEP

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has run a **digital capability fund** offering support to SMEs and demand for funding outstripped the funding available and take up rates were high suggesting that there is ongoing demand for this support

**Leadership and management skills** are also seen as a key factor in achieving greater growth and there is a role for knowledge sharing around management practices. The value of business networks is evident as is the role that business mentors and/or growth coaches play. Solent is introducing a Growth Accelerator programme through our ERDF funds to build on the success of the national growth accelerator programme that finished in 2015 and we would like to see the Industrial Strategy support the continuation of this work at the local level post 2020 through our growth hub. We have successful supply chains in the Solent in areas such as Defence, Aerospace, Marine and Maritime and Digital and Data Intelligence and we would like to see their value retained and enhanced as businesses in these supply chains are encouraged to collaborate and the importance of association is understood and highly valued.

**Propensity to export** is also seen as offering the potential to grow and scale up and they benefit from assistance to develop export strategies through to developing and protecting intellectual property in global markets. Support for business in this arena comes through a multitude of sources and SME's have advised that they often find it confusing with many national initiatives overlapping each other. They have supported the work at the LEP area level to provide a single point of contact through our Growth Hub whereby such initiatives can be accessed in the one place and we would like to see a further consolidation of support at the local level to complement the national 'Britain is Great' campaign at the national level.

Finally, **Access to Finance is a barrier for businesses looking to scale up** and these businesses have not been given the full support they need to maximise their potential. Early-stage startups are well catered for and there is local support available through LEPs via the Local growth deal and ESIF funding. This will need to be maintained. However, there is a gap in support for business seeking next stage financing in the order of £2m-£10m. It is seen as essentially too large for some banks offering SME lending and too small for institutional investors. New funding initiatives offering intermediary products designed to secure finance from a partnership of private lenders and crowdfunding platforms for established startups looking to scale up their businesses should be considered.

Funding and hands-on support for ambitious startups – while insufficient – does exist and should be extended. This is best exemplified by one of our young entrepreneurs, who founded the direct marketing company [InkPact](#). This was initially funded as a start up through the Solent LEP Young entrepreneurs fund and it has since graduated from the New Entrepreneurs Foundation, which InkPact say has been invaluable to the rapid growth of the business. “It gave me that support system and opened my eyes to what the London tech scene was like.....It was the biggest catalyst - we had to go from a small lifestyle business based in Southampton, to getting investors on board, to a more scalable company utilising technology and working with much larger enterprises on a much bigger scale”<sup>3</sup>.

### **23. Are there further steps that the Government can take to support innovation through public procurement?**

**Lack of flexibility under current procurement regimes is perceived by some of our**

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<sup>3</sup> Source The Guardian

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**businesses as working against SMEs and it is stifling the opportunity for innovation in public procurement.** The consultation suggests the abolition of pre-qualification questionnaires (PQQs) in lower value contracts and the introduction of standard pre-qualification (SQ) in higher value procurements as positive steps for SMEs and for promoting innovation, and the intention is good in terms of reducing the administrative burden on smaller bidders and providing bidders with the space and creativity to promote enterprise and innovation in public procurement

However, in practice this could have unintended consequences, with the lack of flexibility that the SQ gives pushing bidders to skip pre-qualification altogether and requiring every applicant to provide a full tender, making the administrative burden worse. This in itself could deter new bidders and the presentation of new ideas, unless there is flexibility to give priority to new and innovative solutions in the procurement documentation. There is however a tendency to specify outputs and how you want them delivered in such exercises rather than leaving it open for respondents to suggest delivery solutions.

**24. What further steps can be taken to use public procurement to drive the industrial strategy in areas where government is the main client, such as healthcare and defence? Do we have the right institutions and policies in place in these sectors to exploit government's purchasing power to drive economic growth?**

While most businesses expect some form of procurement process to remain in place post Brexit (as part of any trade deal with the EU or WTO) **there may be opportunities to add flexibility and make procurement more SME and innovation friendly.** It should be possible to adjust the rules to take into account local considerations – for example, to allow local authorities carrying out public procurement to give priority to local SMEs for smaller projects or to give priority to new innovative solutions; this would fit well with the emphasis the Green Paper places on devolution.

**25. What can the Government do to improve our support for firms wanting to start exporting? What can the Government do to improve support for firms in increasing their exports?**

See response under Question 22

**26. What can we learn from other countries to improve our support for inward investment and how we measure its success? Should we put more emphasis on measuring the impact of Foreign Direct Investment (FDI) on growth?**

The UK is a top destination for Foreign Direct Investment (FDI), and in 2015 was reported to be the largest destination for FDI, attracting 28% of total FDI in Europe. However, much of this is accounted for by London. **The pattern and quality of Inward Investment vehicles across the country varies, and evidence from other countries would suggest that place-based inward investment and business support entities can supplement the national pitch and provide locally tailored narratives and support packages to complement the GREAT campaign.** This approach works successfully in the Federal States in Germany, and in the US.

LEPs are well placed to foster a place-based approach focused on a functional economic geography providing targeted support predicated on areas of local strengths, and forging deeper and strong relationships between industrial clusters and our Universities. Local inward investment

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vehicles would be provided with the ability to deploy a range of incentives to encourage foreign business to locate in the area and support existing foreign and native companies to be retained and grow. Presently there is a limited tool-kit available locally to offer a package of incentives when confronted with a hostile approach from an international competitor. Support packages would include skills support for staff, the creation of growth zones akin to assisted areas that would benefit from:

- investment in better infrastructure (focused on transport and digital); and
- availability of the right skills; and
- high quality employment sites and the right type of business accommodation; and
- technology and research centres, building on local sectoral and technological strengths; and
- tax incentives; and
- strong business networks.

In addition, quality of place including high quality and affordable housing, high standards of education and high quality public services are seen as important for new companies locating to an area.

It will also be important for existing businesses to be supported through nurturing, expert advice on scaling-up, and the flexible (easy-in-easy-out) accommodation they require to reflect their pace of growth. In addition we need to ensure that existing businesses have access to export expertise and a better feed-in to national sector-based trade missions, and the ability to access the right type of finance at the right time, have support for staff training and a local FE system that provides the skills and talent for businesses to grow.

In terms of measuring FDI, the total value of FDI received is useful, rather than the number of FDI transactions, but our view is that not all FDI is of equal value to an economy that is seeking to transform its productivity. A focus on the type of business investment to support an uplift in productivity is encouraged. **Linked to this, job creation is important, but FDI can flow as capital infrastructure investment that improves productivity and attracting foreign direct investment in the form of capital to strengthen our infrastructure is as important as attracting new firms to the area.** The impact of FDI on GVA at the sub-regional level is perhaps, a very helpful way of assessing the impact of investment on raising productivity levels.

### **27. What are the most important steps the Government should take to limit energy costs over the long-term?**

The market for energy is currently limited due to the following reasons:

- Over reliance on traditional energy generation and transmission
- Limited market choice for consumers and businesses in terms of sourcing energy supply
- Uncertainty in Energy policy
- The lack of energy strategy at a national and local level

**The energy market is undergoing a period of transition that is being accompanied by an intense period of innovation and creativity, resulting in the introduction of new approaches and market disruption.** New technology, new business models and new ways of looking at existing problems around sourcing energy, energy supply and energy poverty should lead to significant new investment in the coming years. In terms of energy cost - market choice, price awareness and continuity of supply are key influencers. Ensuring secure, affordable energy

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supplies requires a range of actions to manage energy demand, provide new energy generation capacity and reduce cost. Uncertainty over energy policy has dis-incentivised investment. This includes considering:

- **The need for ongoing support for low carbon energy and backing affordable energy solutions** such as offshore wind where the emerging markets for energy supply have strengthened as this source of energy has become price competitive.
- **The need for new technology to promote new and emerging energy solutions** such as tidal energy to a proof of concept stage to test affordability and deliverability of this form of energy.
- **New business models**, particularly on a local level giving consumers, communities, businesses and whole towns and cities the opportunity to invest in energy generation, transmission and supply.

In the Solent area, population increases, the growth of the economy, and increasing demand from the defence sector provide upward pressure on energy demand. **As part of the Industrial Strategy, there should be a commitment to set out alternative strategies for energy security post 2030 and this should include the use of technologies such as carbon capture and storage, electricity storage and low carbon generation.** Solent LEP are supporting this at a local level and work is underway on the production of an energy strategy which is due to complete in early 2018.

### **28. How can we move towards a position in which energy is supplied by competitive markets without the requirement for on-going subsidy?**

**Decentralisation should be a growing feature of the energy system and supporting the development of local energy solutions will both improve competition and also allow the development of new financial models.** There are some emerging examples of local energy solutions built on a partnership of organisations that have come together to develop robust investment cases to secure funding (private and public) and deliver projects of increasing scale. Bringing in greater choice to energy supply will in itself introduce efficiencies and there are several examples of initial programmes that are generating revenues for local communities in City regions.

The Local Growth deal process has provided opportunities to devolve funding for transport, skills and housing, providing initial capital investment to secure sustainable growth outcomes. **A similar approach should be considered for energy and through the development of local energy strategies LEPs can ensure that all devolved funding is evaluated to secure financially sustainable energy and low carbon outcomes,** supporting the needs of business and community as well as supporting the formation and expansion of new energy schemes that increasingly become self-financing.

### **29. How can the Government, business and researchers work together to develop the competitive opportunities from innovation in energy and our existing industrial strengths?**

**The regional economic approach of LEPs and their relationship with business means that they are in a unique position to work with business and the research community to explore**



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**innovative energy solutions.** A local approach will inevitably draw on the research strengths and natural advantages that preside in localities and in the Solent this includes:

- **Working with local businesses who are investing in renewable low cost energy solutions.** This is best exemplified in the Solent area where there is expertise in offshore wind and well as emerging work on harnessing tidal power.
- **Engaging clusters of businesses in the opportunity for shared decentralised energy infrastructure,** such as District Heating Networks. This is being actively pursued in our two cities.
- **As a maritime area with two significant ports,** exploring providing shore based power for berthed vessels and looking at new innovations in this regard is crucial as we look to renewable energy sources and more efficient energy usage, as well as exploring the adoption of clean/low carbon energy solutions. This aligns with the research strengths of the area that reside in both the National Oceanography Centre and University of Southampton.
- **Harnessing local research and innovation** as it is recognised that some technologies such as wind and solar are market ready. For other technology captures there are new markets to be developed in energy storage, carbon capture, marine energy, anaerobic digestion, etc. Strengthening the links between business, research, innovation and the public sector to support piloting the commercialisation of new advances in this area is critical. In addition, supporting our local industry to access innovation funds is also important and further endorses the need for local innovation funds to sit alongside national sources held by innovate UK.

### **30. How can the Government support businesses in realising cost savings through greater resource and energy efficiency?**

Energy efficiency and reducing the amount of energy consumed by business by increasing the efficiency of buildings, cars, equipment and manufacturing bases will deliver bottom line cost benefits for industry as well as improving the natural environment. **Innovation, enhanced reputation and brand value will enable the UK to take advantage of new markets and commercial opportunities as the prices of energy sources rise.** UK research is currently addressing issues relating to the promotion of sustainable consumption and development of resource efficient technologies. This approach, considering the design, production and attitudes towards resources, makes it possible to combine significant savings with protection of the natural environment.

The impact and value of this research taking place in the UK, showcasing ground-breaking new technologies and the role of research in informing policy and practice that not only paves the way towards a greener future but also benefits businesses, therefore we would support further funding through Research Councils and through our Universities to ensure commercialisation of new innovations in energy utilisation, supported by a national advice and information programme and incentives for smaller business to adopt new technologies including SMART metering.

### **31. How can the Government and industry help sectors come together to identify the opportunities for a 'sector deal' to address – especially where industries are fragmented or not well defined?**

The Solent needs to close the productivity gap if it is to see a step change in economic performance. Future growth prospects are dependent on the ability of the area to move towards a more

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knowledge-intensive economy building on the key economic assets and sectoral specialisms. **Therefore, moving forward with a place-based approach working in step with a sector-led approach is supported as is the principle of 'sector deals'**. It is well documented that the growth in automotive and aerospace has benefited from this approach under current national economic policy and businesses in our area want to see a similar focus in other sectors including maritime. Centrally this is considered in a fragmented and poorly defined way as shaped by the use of SIC codes and the maritime sector is reflected as a subset of categories such as transport, aerospace and advanced manufacturing. The reality is very different and **we have seen a clustering of businesses across port and logistics, marine, advanced materials (including composites), propulsion, oil and gas, autonomous vehicles, intelligence systems, research and academia, regulatory, defence and marine services enjoying the benefits of agglomeration locating in close proximity to each other and the water and bound together as a maritime community.**

The Solent, with 290 miles of coastline, three islands and two peninsulas, overlaid with the presence of two large sea ports, world leading university and research institutions specialising in marine and maritime activities, and a deep marine and maritime industrial base, is recognised as at the heart of the UK marine and maritime sector. The Solent Maritime cluster is not just a national hub but it is also an international hub of global significance and it has strong comparative advantages, but it is a hidden gem not recognised in its own right due to the ongoing preoccupation with SIC codes. The introduction of Maritime UK is therefore welcomed by the area as this is working to address the fragmentation in the industry as well as represent all maritime interests through a single voice

**Sector deals should seek to support and exploit the comparative advantages that exist in sectors** and the industrial strategy should not:

- Be confined to traditional or existing sectors.
- Be necessarily limited to industries as identified by SIC codes for example.
- Be prescriptive and should allow for sectors to be defined as narrowly (e.g. niche sectors) or widely (e.g. supply chain) as required.

### **32. How can the Government ensure that 'sector deals' promote competition and incorporate the interests of new entrants?**

Sector deals should seek to avoid bringing forward measures that have the potential to create market distortion or that may create barriers to entry for new businesses. Conversely **sector deals should seek to promote sectors at strategic level through methods of support that have the potential to strengthen our global competitive advantage as follows;**

- Investment through our Universities in new research and technologies
- Promotion of the industry on a global platform securing new business from overseas and supporting UK companies in export markets
- Investment in the skills base through the promotion of technical routes as part of any sector deal
- Development of a Catapult centre for maritime, creating networking opportunities for SME's (new and existing)
- Sector coaches and trade advisers

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### 33. How can the Government and industry collaborate to enable growth in new sectors of the future that emerges around new technologies and new business models?

As previously referenced there should be recognition of the important and crucial role that technology does play and will continue to play in research and innovation and growth in general. There is already very strong evidence that technology developed in one area can be adapted and adopted in other areas. Therefore, it should feature as an area in its own right. **Economy-wide productivity and employment gains are generated when new technologies are diffused and widely adopted**, making strengthening such mechanisms a key priority. Establishing a cross cutting collaboration around new technologies will assist in the identification of new sectors and new business models as it is evident that new technology is bringing with it market disruption which is driving innovation in existing sectors, shaping the creation of new sectors and challenging the status quo around existing business models. At the same time, better designed and integrated public funding initiatives can help this process by increasing the ability of firms to access and exploit new technologies and in this area there is a call for funding simplification.

### 34. Do you agree the principles set out above are the right ones? If not what is missing?

See responses to questions 31, 32 and 33

### 35. What are the most important new approaches to raising skill levels in areas where they are lower? Where could investments in connectivity or innovation do most to help encourage growth across the country?

See responses in Questions 13, 14, 17d and 22

### 36. Recognising the need for local initiative and leadership, how should we best work with local areas to create and strengthen key local institutions?

**Local initiative and leadership will be important as we look to secure higher levels of productivity leading to more sustainable growth, better standards of living, building on our key strengths to improve our competitiveness.** A 'one-size fits all' approach will not work and there are disparities in productivity nationally and regionally where the scale of the productivity gap varies between the South East and the Solent and between the Solent and the UK average. As a coastal community we are at times disconnected from the prosperous South East and London. For businesses this matters because it determines how quickly they can grow, what they can invest in, staffing and pay levels. **In the Solent, businesses have set out their views on why the productivity gap exists and they have also articulated what they want to see from a modern industrial strategy.** The key drivers for improving productivity and delivering a fairer society where all parts of the Solent see the benefits of economic growth are best summarised as follows:

- **Supporting the development of skills and talent of the current and potential workforce** including ensuring stronger school performance and attracting and retaining skills and talent from around the world to the area; and
- **Supporting improvements in connectivity to better connect people to places and widen access to labour** through strategic transport investment, improvements to digital connectivity and capability and enabling/accelerating delivery of new housing.

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- **Supporting the scale up agenda and the growth of SME's** to secure a higher level of export and innovation
- Supporting our areas of **global strengths and key sectors**
- **Supporting and responding to the technology revolution** and embracing market disruption and change as part of increasing our competitiveness.

**The place-based element of the industrial strategy will be crucial in securing a stronger economy and fairer society, creating the conditions where successful businesses can emerge and grow.** Policy making should align with local need and in this arena Local Enterprise Partnerships perform a unique and important role in bringing together strategic leaders from the private, public and education sectors to deliver tailored, place-based strategic approaches and solutions to shared issues focussed on driving forward sustainable economic growth that works for everyone.

**There is support for strengthening the capacity and role of LEPs as it is felt by business that decisions grounded in the desire to secure economic growth and prosperity across all areas will be more responsive to the needs of business and the LEP role in delivering business-led strategic leadership needs to be retained and broadened.** Businesses want to be part of the process of shaping the industrial strategy and its delivery through private-public collaboration initiatives and through LEPs. **LEPs can and will continue to work proactively across administrative boundaries collaborating with local authorities who are well placed to enable and support the growth of areas through their planning functions and with accelerated housing delivery, investment in infrastructure transport and education pre 16 as well as to deliver the democratic accountability needed to support the delivery of local growth.** LEPs will also build on their cross LEP working to ensure that collaboration across wider spatial areas can continue, particularly in areas such as sector growth, transport and innovation and research.

**Relationships with our universities are also important in this regard and they are instrumental in putting regions like the Solent on the map and they too can span different economic boundaries and regions.** They not only attract students and staff from elsewhere but also businesses which choose to invest in places where the skills, knowledge and facilities of a university are readily available. Anchored in our cities in the Solent the 3 institutions maintain a large number of industrial partnerships between them and work particularly closely with SMEs on their own, collectively and with Solent LEP. They are also represented on the LEP Board and have research and innovation strengths that are aligned to local sector strengths in the Solent and it is important that there is further investment to support and grow their science, research and innovation capabilities. **They are also a magnet for the development of skills and talent and investment both nationally and globally and we would wish to see a reflection of this in the Industrial Strategy** and in supporting policies on inward migration.

The creation of LEPs has facilitated the development of institutions that do bring together local leaders who have a key role in shaping places and sectors, ensuring close cooperation between industry, academia and all parts of government (departments and geographies) and work through the Local Growth Deal has started to tackle the key barriers to productivity growth. **LEPs are an integral part of an evolving institutional architecture of planning for growth at a local level. provide a collaborative space for the consideration of spatial policies and economic priorities.** They provide a flexible framework both for deployment of economic resources over a particular period (depending on specific funding streams such as Local Growth Funds and European Funds), and a frame of reference within which local planning authorities could shape

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local plans. **They are also a key conduit between central government and critically they are business led.** As a key local institution they do need to be strengthened in order that they can evolve further and lead on the development of Local Industrial Strategies to ensure that at the local level we do build on our strengths and extend excellence into the future; and close the productivity gap that exists in local places; and make local areas a better place to start and/or grow a business. **Building on the existing capacity of LEPs should include:**

- Providing further support for them to **expand their growth hubs** to include wider support for business, particularly in the skills arena; and
- Devolving the **adult skills budget** to LEPs to support upskilling the workforce and to improve digital skills; and
- Reaffirming their remit as **the key interface and lead for economic development** to include mandating them to produce local strategies to support the new industrial Strategy for the UK; and
- **A continued commitment to the Local Growth Deal fund for capital projects** and the **creation of a business growth revenue** fund to support innovation and business growth for SMEs.

### **37. What are the most important institutions which we need to upgrade or support to back growth in particular areas?**

See response to Question 3 and Question 36

### **38. Are there institutions missing in certain areas which we could help create or strengthen to support local growth?**

Feedback from businesses indicated that they feel that the right institutions are in place at the local level although changes could be made to strengthen them. There was a growing concern that the introduction of new institutions could add additional layers of decision making and or bureaucracy.

In relation to existing institutions see response under Questions 36.

## **Developing and Implementing A New Industrial Strategy – Solent LEP offer to Government**

To meet the challenges and opportunities ahead there is a need for business leaders, political leaders and academic leaders to work together to set clear plans and prioritise investment and action. LEPs bring together these leaders locally, aggregating their efforts to deliver and implement a tailored place based strategy and solutions to drive forward growth and productivity locally. Solent LEP stands ready to build on the achievements to date and our offer to government is as follows:

- To continue to bring together local business, academic and political leaders to set strategic plans that implement all pillars of the Industrial Strategy locally; and
- To continue to bridge the gap between the local area and government at all levels, bringing additional capacity to deliver on the industrial strategy, giving businesses a voice and an

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- opportunity to contribute to economic growth and productivity at a local and national level, as well as strengthening the links between the private sector and government at all levels; and
- To co-ordinate and shape local public and private investment, using our local growth deal funding, supporting private sector investment, local public investment and other funding streams to underpin the delivery of the key pillars of the strategy; and
  - To build on our support for SME's in the Solent increasing peer-to-peer networks, and providing objective brokerage support for local SME's, encouraging higher levels of growth, leadership, innovation and export led activity; and
  - To build on the success of the Solent Growth hub which has engaged over 21,000 businesses in the Solent to offer wider support and wider signposting to types of support, including growth coaching, new forms of financing and new trade and exporting opportunities, building on our links with staff locally in the Department for International trade; and
  - To build on our Solent Growth Fund programme for SME's where to date we have invested £8 million to support over 200 SME's in the Solent area, bringing in a further £38.8 million additional private sector investment. We will extend our local financing and investment programme, working with private equity investors to support our existing SME's as well as new SME's; and
  - To support the development of a sector deal for marine and maritime. We are working in partnership with Maritime UK to ensure that the contribution and needs of the marine and maritime cluster are addressed, building on the specialisms that reside in our universities and associated supply chains, including SME's in the Solent are met; and
  - To strengthen and build the relationship between businesses and schools in our area. Through our Enterprise Adviser Programme Solent LEP is working with over 60 secondary schools from across the area and partnering each of these with a volunteer Enterprise Adviser to deliver the Enterprise Adviser Network on behalf of The Careers and Enterprise Company in the Solent. We can build on this to promote awareness of technical and STEM skills from primary school level and strengthen our industry engagement with schools; and
  - To build on our £27 million capital investment in new employer led skills provision, including institutes of technology, ensuring that investment in new skills infrastructure continues to be led by and linked to local business and employment opportunities. This includes an offer to lead on the adult skills budget to ensure that our resident workforce and employers can shape the provision so that it responds to the need to upskill in order to meet the future needs of industry; and
  - To work through our Solent Growth Hub and Enterprise Advisor network to provide a new skills advisory hub that responds to the needs of industry in the local economy, providing a single point of contact for brokerage of apprenticeships and placements as well as encouraging local businesses to invest in future skills requirements and build their links with the potential labour force (through schools) as well as the existing labour force; and
  - To build on our innovation programme fund working with our universities and research organisations and Government to ensure that investment in research, innovation and technology, is effectively targeted at a local level, enabling commercialisation of ideas and encouraging joint bids from business (particularly SME's), universities and wider partners, targeting smaller projects than is currently possible; and
  - To build on the Local Growth Deal and working with government agencies and local partners to ensure that major infrastructure investment in the Solent is prioritised, organised and delivered effectively to maximise the impact for our local area, ensuring that the benefits of increases in growth and productivity extend to our cities and coastal communities here in the Solent.

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### Annex A

This annex provides a summary of the extensive engagement activity the Solent LEP has conducted with the private sector, education and research community and public sector, to help shape our response to the Building our Industrial Strategy Green Paper consultation. This is in addition to discussions held at the Solent LEP Board meeting on 1 March 2017, the Solent Growth Forum on 14 March 2017 and across our delivery panels during March 2017 and April 2017.

#### **1.1 Schedule of Engagement**

Theme	Venue	Date
Developing Skills	CEMAST, Solent EZ	14 <sup>th</sup> February, 2017
Driving growth across the whole country; and Creating the right institutions to bring together sectors and places	Solent Hotel, Whiteley	1 <sup>st</sup> March, 2017
Encouraging Trade and Inward Investment; and Cultivating World-Leading Sectors	Spinnaker Tower, Portsmouth	6 <sup>th</sup> March, 2017
Investing in Science, Research & Innovation; and Supporting Businesses to Start and Grow	Winchester Guildhall	9 <sup>th</sup> March, 2017
Infrastructure and Housing	Royal Southampton Yacht Club, Southampton	15 <sup>th</sup> March, 2017
Driving growth across the whole country; and Creating the right institutions to bring together sectors and places	LandRover BAR, Portsmouth	16 <sup>th</sup> March 2017
	Northwood House, Isle of Wight	22 <sup>nd</sup> March 2017
	The Spark, SSU, Southampton	23 <sup>rd</sup> March, 2017

#### **1.2 Organisations**

Organisation Name
247 Living UK
3 Sci
Associated British Ports
Action Coach
Airbus
Aluminium Marine Consultants
ASV Global
BAE Systems
Balfour Beatty Living Places

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Barnbrook Systems
Barter for Things
Barton Peveril Sixth Form College
Berthon Boats
Blanchard Wells
British Marine
Brockenhurst College
BT Internet
Business South
CherryTech
City College Southampton
Coffin Mew LLP
Comar Systems
Community Empowerment
Community First
Department for International Trade
DFS Composites
Dorset Business Angels
Dragonfly Emporium
Dyer and Butler
East Hampshire District Council
Eastleigh Borough Council
Eastleigh College
EBP
EEF
Engineering Construction Industry Training Board
Ernst & Young
Fareham Borough Council
Fareham College
First Hampshire & Dorset
Formaplex
Future South
GKN Aerospace
Go South Coast
Gosport Borough Council
Griffon Hoverwork
Hampshire & Regional Property Group
Hampshire Chamber of Commerce



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Hampshire County Council
Harlin
Havant Borough Council
HCB Holdings
Highways England
HIT Training
Homes and Communities Agency
Hughes Ellard
Industrial Maintenance Services
Isle of Wight College
Isle of Wight Council
Isle of Wight Federation of Small Businesses
Kier
Land Rover Ben Ainslie Racing
Land Securities
Lightning Group of Companies
Local First
Marine Data Systems
Matchtech Group
Menzies Accountants
MHI Vestas Offshore Wind
Microlink PC
Minus7
National Oceanography Centre
NatWest
New Forest District Council
Newable Ltd
Oxford Innovation
Paris Smith
Perpetuus Energy
Portsmouth City Council
Position Systems
Radian
Red Funnel
Redlux
Roke Manor Research
Royal Haskoning DHV
SEaB Energy

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SIRIO Business Transformation
Skills for Health
Smith & Williamson
Social Enterprise Link
Solent Growth Hub
Solent Refit Limited
South Downs College
Southampton Airport
Southampton City Council
Southampton Solent University
Southern Water
Southern Universities Network
South West Trains
SPI Lasers
Sunsail Worldwide Sailing
Tekever
Test Valley Borough Council
Tractioneers Ltd
UKSA
University Hospital Southampton
University of Portsmouth
University of Southampton
Vectis Ventures Ltd
VivaMOS
Widgety
Wight Fibre
Wightlink
Williams Aerospace Engineering
Winchester City Council
Wow Video Production
WSX Enterprise
Yarty Cordials