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# Isle of Wight Economic Development Action Plan

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2015 - 2018



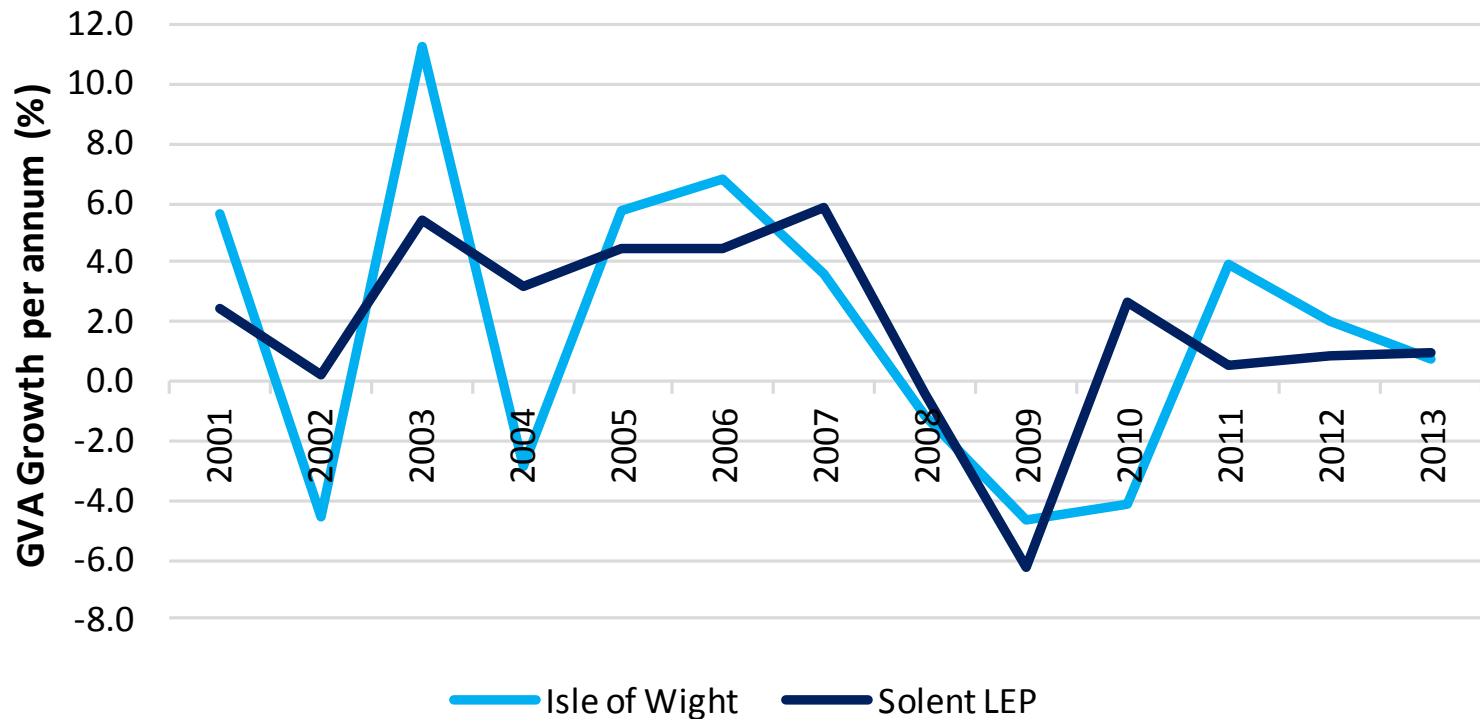
# Aims

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- Refresh and update previous ED plan 2011-14
- Assess previous economic performance and identify future priorities
- Align priorities, actions and targets with Solent LEP
- Define headline actions for delivery over the next three years

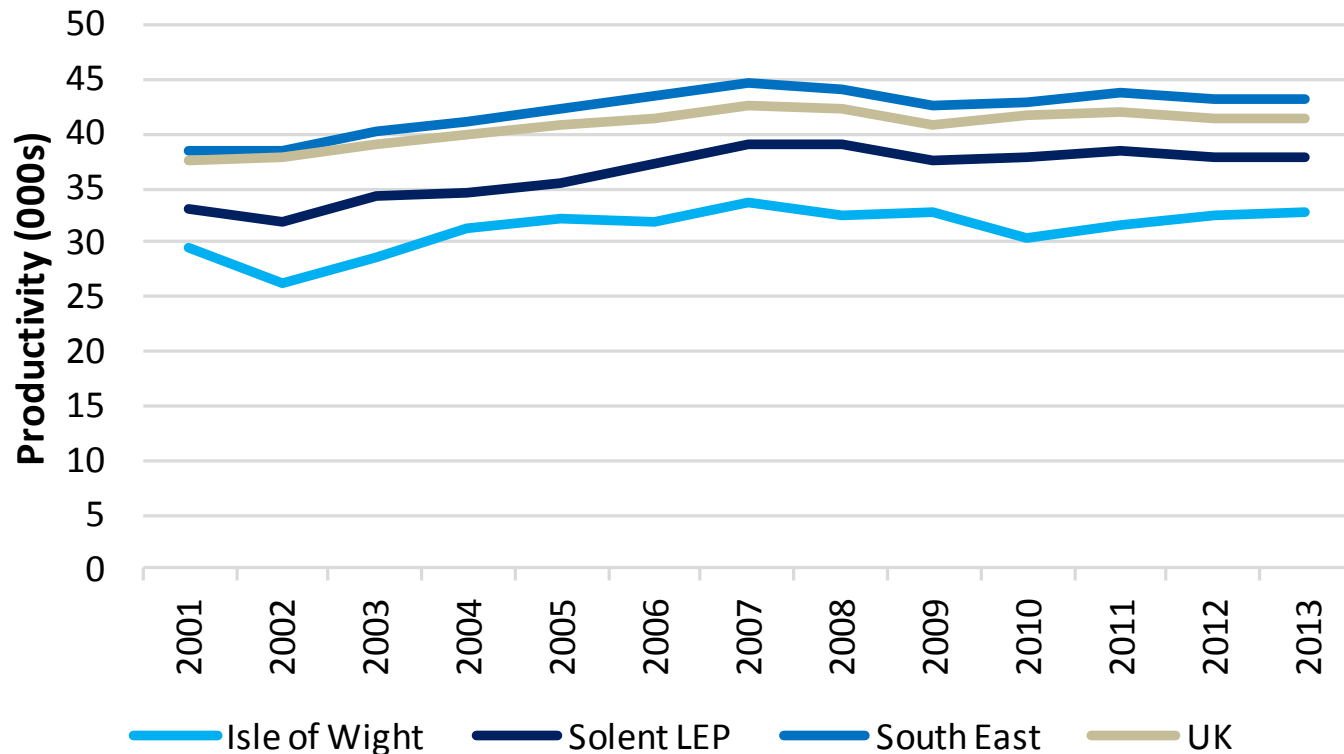
# The Island's Economy

- The Islands economy performs below the Solent average.
- The Island experienced a relatively shallow recession.
- But took an extra year before posting positive growth in 2011.



# Productivity

- GVA per job stands at around £32,800.
- Average productivity on the Island has followed a similar pattern to that seen across the region and nationally.



# Labour market conditions

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- Unemployment (JSA) fell over the past 3 years (2.6%) but at a slower rate than the Solent LEP (1.3%), South East (1.2%) and UK (2.1%).
- The employment rate is lower than the Solent LEP area and the South East, but increasing at a greater rate.
- The average full-time weekly wage is £459.50, compared to £567 in the South East and £518 in the UK.
- The Island has a less qualified population. However, the proportion with a L4 or above qualification is increasing at a faster rate than the LEP, regional and national averages.
- GCSE attainment is improving but still lagging

# Demand

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- The number of jobs on the Island, per 10,000 working age population, is lower compared to the mainland and has decreased slightly over the last three years, compared with increases for the comparative mainland areas.
- Business formation on the Island is similar to the Solent LEP
  - Two sectors on which the Island is much more dependent are Human Health and Social Work Activities (5.7pp higher) and Accommodation and Food Service Activities (5.1p higher).
  - The sectors in which the Island trails the average Solent LEP employment concentration are Administrative and Support Services; Information and Communication; and Professional, Scientific and Technical Activities.
- Business Birth Rates are lower than mainland and decreased over the past 3 years, while other areas increased. However, 3 year survival rates are better.

# Indicators and Targets

Headline indicators	Baseline 2014	Target for 2018
<b>JSA Claimants</b> (no. and rate)	2,072 / 2.6%	Reduce by 199 to 2.35% to halve performance gap with UK
<b>Resident employment rate</b>	75.5%	Increase to 77% (an extra 1,223 people in employment)
<b>Number of jobs</b>	59,200	Create an additional 650 jobs
<b>Business Birth Rate</b> (per 1,000 population)	2.7	Raise to 3.0, with 41 new businesses per year
<b>Business Survival (% after 3 years)</b>	64.2%	Improve by 3 businesses per year - 65%
<b>GVA growth</b>	0.8%	Achieve growth rate of 2.7%
<b>Productivity</b> (GVA per job)	£32,754	Increase by £2,746 (8.4%)
<b>Qualifications</b> (% population L4+)	29.8%	Increase number by 1,740 to achieve 32%
<b>5+ GCSE A*-C inc Eng &amp; Maths</b>	48.6%	Increase by 176 to 60.6% in line with national average
<b>Entry to Higher Education</b>	43.7%	Increase by 10 to 45.1% to halve gap with LEP
<b>New homes completed</b>	434 per year	1300 by 2018

# Priorities for Action

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- Action 1: Enterprise
- Action 2: Infrastructure
- Action 3: Skills
- Action 4: Strategic Sectors



# Enterprise

	Action	Lead	Outcomes
1	<b>Develop integrated Inward investment functions</b>	IWC/Solent LEP	<p>Increased profile of the Island as investment location</p> <p>New businesses attracted to the Island</p> <p>Increased investment</p> <p>Increase new private sector jobs created</p>
2	<b>Develop an integrated and coordinated approach to business support</b>	IWC/Solent LEP/ICCTI/JCP	<p>Increase number of new business start ups</p> <p>Increase business survival</p> <p>Increase supply chain development</p>
3	<b>Improve links with R&amp;D based companies and Universities</b>	IWC/Solent LEP/IW College/HEis	<p>Knowledge transfer partnerships (KTPs) established</p> <p>University presence/spin-outs/research facilities locating on the Island (e.g. Centre of Excellence for Composites and Advanced Manufacturing)</p>
4	<b>To better access and integrate existing funding for business support</b>	IWC/Solent LEP	<p>Integrate funding and service delivery to improve efficiency and effectiveness of public investment</p>
5	<b>Promote social enterprise for Public Sector Service delivery</b>	IWC	<p>Increase no. of social enterprises delivering public services</p>

# Infrastructure

	Action	Lead	Outcomes
1	<b>Maximising opportunities from new economic development through planning policy</b>	IWC	Deliver on key infrastructure projects by providing suitable employment sites for our strategic sectors as well as meeting growing housing demand
2	<b>Produce three key regeneration Area Action Plans (AAPs)</b>	IWC/CCTI/VIOW	Improve allocation of employment land and integrate master plans for regeneration
3	<b>Improving cross Solent transport connectivity between Southampton and East Cowes</b>	IWC / Solent LEP / Red Funnel	Increase ferry capacity and number of visitors to the Island Regenerate East Cowes Town Centre and connected employment sites Renew 'Chain Ferry' crossing
4	<b>To support development and expansion of the Island's Grid Capacity</b>	IWC and SSEPD	To increase grid capacity for the generation and export of renewable energy
5	<b>Stimulate private sector investment plans for the Next Generation technology including Ultrafast Broad Band and 4G coverage</b>	IWC / BT / EE	Provide whole Island coverage and access to ultrafast broad band and 4G Achieve a joined up and cost effective approach to broadband infrastructure and transformation of public services

# Skills

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	Action	Lead	Outcomes
1	<b>Improve access to employment and training opportunities.</b>	IW Council / ESB partners	Increase in economic activity (employment and training) Reduction in the number of people with no qualifications or below NVQ2
2	<b>Skills for key sectors.</b>	IW Council / ESB partners	Improved alignment of skills funding with employer demand in key sectors Increase employer investment in training and skills
3	<b>Delivery of higher level skills</b>	IW Council / ESB partners	Increase the numbers in work qualified at NVQ level 4 and above
4	<b>Integration of employment and skills support.</b>	IW Council / ESB partners	Improve employment retention and progression More responsive demand led employment and skills provision

# Strategic Sectors: Clusters

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	Action	Lead	Outcomes
1	<b>To support specialisation in advanced manufacturing and marine sectors</b>	IWC/Solent LEP/ Private Sector	Island businesses to develop niche expertise that they can then export nationally and globally
2	<b>To promote and support the expansion of renewable energy activities</b>	IWC and private sector	To achieve self-sufficiency in renewable energy for the Island to produce as much energy as it consumes
3	<b>To support Operations &amp; Maintenance activity at Navitus Bay</b>	IWC/SOREC	To increase take up of O&M activity by Island businesses and related job growth
4	<b>To support supply chain development in associated renewable energy sectors</b>	IWC, SSU and private Sector	SOREC to be a self sustaining employers organisation

# Strategic Sectors - Visitor Economy

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	Action	Lead	Outcomes
1	<b>Increase the value of tourism to the Island economy</b>	VIOW/FERRIES /CCTI/TSE/VE	Increased visitor numbers and average length of stay. Increased recognition of quality tourist offer at regional and national level
2	<b>Encourage innovation and industry investments</b>	VIOW/IWC/CC TI & partners	Increase in the number of expressions of interest and actual investments
3	<b>Develop a year round tourism economy</b>	VIOW/Tourism business/Third Party Operators	Increased year round visitor number
4	<b>Sustain and enhance the Island's landscape</b>	IWC/VIOW/ AONB/N-ENT	Increase in rural accommodation and environmental tourism

# Policy framework for delivery

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- Deficit reduction
  - £30bn savings over next 2 years (1% per annum)
  - Move to surplus by 2018/19
- Rebalancing the economy
  - Greater devolved powers and budgets
  - More bespoke growth deals for councils
  - Continued support for LEPs
  - Increased infrastructure investment
  - Create 2m jobs with tax/NI incentives for businesses and scaling up apprenticeships