



HARDISTY JONES ASSOCIATES
Economic Development Advisers ●●●●●●●●●●



Medina Valley Marine and Composites Sector Proposition

Final Report

Prepared on behalf of Isle of Wight Council

June 2020

Table of Contents

COVID-19 Pandemic	i
Executive Summary	iii
1 Introduction	1
2 IOW Economy.....	3
3 Medina Valley Economy.....	7
4 Strategic Context.....	11
5 Marine Sector Opportunities and Threats	15
6 Waterfront Marine Sites.....	20
7 Potential Actions.....	29
Appendix 1: List of Consultees	32
Appendix 2: SIC Definitions.....	33
Appendix 3 Policy and Strategy Summaries	35
Appendix 4 Solent Waterfront Sites: Summary of Approach.....	66

Job Number:	19 08 01
Version Number:	Final Phase 1 Report v2.0
Approved by:	Stuart Hardisty
Date:	23 rd June 2020

COVID-19 Pandemic

- i. The research that informs this report was undertaken in advance of the health and economic crisis brought about by the outbreak of COVID-19. In order to set the work in the context of the challenges facing the Isle of Wight, UK, and global economies as a result of the outbreak a high-level documentary review has been undertaken. The full scale and nature of the economic impacts of the pandemic are yet to be fully understood, but it is appropriate to consider matters of potential relevance.
- ii. The Institute for Fiscal Studies¹ (IFS) report on the geography of the COVID-19 crisis in England considers the Isle of Wight to be very vulnerable in terms of labour market impacts of the crisis, placing the Island in the top 20% of most vulnerable local authority areas. In fact, the Isle of Wight is one of only two local authority areas in the whole of England that is placed in the top 20% most vulnerable areas based on each of three indices considered as part of the IFS analysis: health, labour market, and families. This reflects the Island's relatively elderly population, economic reliance on tourism and hospitality, and concentrated pockets of local socio-economic deprivation.
- iii. The Isle of Wight Council is focusing on three broad scenarios to help understand the potential implications and responses to the crisis:
 - **V-shaped recovery:** the economy 'bounces back' quickly, within 12 months, to its pre-crisis level. Growth then proceeds at a similar rate as before. This is the most optimistic recovery pattern as it assumes the downturn will not cause any lasting damage to the economy.
 - **U-shaped recovery:** the economic damage lasts for a longer period of time before eventually returning to its pre-crisis level in approximately 18-24 months. The economy bounces back eventually, but takes longer than a V-shaped recovery.
 - **L-shaped recovery:** the economy recovers to a certain degree from a steep drop, but growth doesn't return to pre-crisis levels for three to five years. This is the most pessimistic scenario.
- iv. There is still uncertainty as to the exact nature of recession and recovery, however, many commentators are now moving away from early expectations of a V-shaped recovery, suggesting a longer period of economic weakness and a slower recovery.
- v. The high exposure of the IOW economy to the negative effects of the crisis, coupled with expectations of a protracted recovery suggest the need for economic development support to strengthen the IOW economy has become even more pressing than it was pre-crisis and reconfirms the conclusions of this report.
- vi. UK Government is preparing to support infrastructure investment in order to boost the economy. This aligns to the recommendations for strategic infrastructure development in the Medina Valley to support both the marine and related sector as well as the wider IOW economy.
- vii. Looking more specifically at the performance of the marine and composites sector. The maritime industry is typically acutely vulnerable to shocks from the rest of the economy. Therefore, economic initiatives to stimulate demand and build confidence throughout the sector will be essential². Maritime UK has published a Maritime Sector Recovery Plan³ which identifies relevant

¹ The geography of the COVID-19 crisis in England, Institute for Fiscal Studies (June 2020)

² Maritime UK

³ Maritime Sector Recovery Plan, Maritime UK (June 2020)

recommendations and reappraises where priorities lie within the industry in light of the COVID-19 crisis. The priorities highlighted in the recovery plan are:

- **Environment** – drive green growth to meet the UK’s net-zero commitments.
- **People** – Enrich our workforce, invest in future talent and recognise how Coronavirus has changed both working practices and projected labour market forecasts.
- **Regional Growth** – ensure a regionally balanced recovery that stimulates economic development and investment in coastal communities.
- **Innovation** – foster increased levels of research and innovation to respond to the significant challenges and opportunities the global maritime sector faces.
- **Competitiveness** – boost exports and maximise the attractiveness of the UK’s business environment.

- viii. This sector specific response is well aligned to existing policy which informed the analysis within this report.
- ix. Wider research also highlights the need to ensure the resilience of the supply chain to maintain the UK’s position. The marine renewables and related sector (which includes parts of the Medina Valley work boat industry) is anticipated to continue to grow albeit with interruptions in 2020 as a result of the lockdown. Global demand for composites in 2020 is anticipated to fall, but the fundamentals remain strong given the advantages these materials offer to a wide range of sectors. The leisure marine sector, particularly for smaller vessel sizes, is expected to be negatively affected in the short to medium term as a knock on effect of the general economic downturn which may well have implications for businesses in the Medina Valley including marinas.
- x. **Overall the core strategic fundamentals of this report remain relevant, but the economic context in which delivery will take place has worsened. The need for investment in critical infrastructure continues and provides an opportunity to stimulate economic activity in the short term and provide improved infrastructure for the long-term future of the IOW. Immediate strategic responses to date continue to align to the initial research set out on the following pages.**

Executive Summary

- i. HJA has been appointed by the Isle of Wight (IOW) Council to develop an economic development proposition for the Medina Valley. This is to be primarily focused on the strength and potential of the marine and composites sector, as well as broader advanced manufacturing activities of this part of the IOW.
- ii. The project brief set out three objectives for Phase 1:
 - Clear articulation of the economic opportunity of the Medina Valley
 - Identification of market failure(s) hindering the realisation of economic potential
 - Identifying a programme of interventions to maximise opportunity and address challenges and market failures.

The IOW Economy

- iii. The IOW economy exhibits challenges on both the demand and supply side.
- iv. The proportion of the population of working age is small in comparison to benchmark areas, and within the working age population participation rates are low. Qualifications levels are also low which has implications for the occupational mix and earnings. This combines to give the IOW low levels of GVA (output) per head.
- v. Sectoral analysis shows that the IOW economy has concentrations in low value activities. The main concentration of employment in higher value activities is in the manufacturing sector.
- vi. Growing the high value areas of the economy will be particularly important for the IOW, focusing on areas with existing competitive advantage.

The Medina Valley Economy

- vii. The Medina Valley is the industrial and knowledge economy hub of the IOW economy.
- viii. The marine, composites and advanced manufacturing sector is a key specialism of the Medina Valley economy. A total of 4,000 jobs have been identified using a wide definition of the sector, with more than 1,000 jobs using a narrower definition of direct marine focused employment. However, this sits within a broad-based economy including key service sector activities meeting the needs of the island.
- ix. There is a range of marine sector activities in the Medina Valley, with leisure, transport and marine training being important sub-sectors. However, the advanced manufacturing, boatbuilding (leisure and workboats) and composites sector are key strengths and specialisms within the wider Solent marine offering.
- x. The boatbuilding sector is SME⁴-focused, with larger employers in the wider composites and advanced manufacturing sector.

Strategic Context

- xi. UK Industrial Strategy (UKIS) is seeking to drive economic transformation towards higher value, knowledge-based activities and seeking to address the grand challenges facing the global

⁴ Small and medium sized enterprises. The primary definition is firms with up to 250 employees. In this instance we include micro businesses (with fewer than 10 employees), recognising their importance in this sector in the Medina Valley.

economy. The primary means of doing this is through the Government creating the conditions for this to take place, supporting knowledge and innovation, skills, infrastructure, business environment and places⁵.

- xii. The UK Government also recognises the importance of ‘levelling up’ the economy, and to deliver a more inclusive model of economic growth and development. This creates an opportunity for the IOW to target available strategic funds, given its economic profile. However, there is an implicit focus on northern regions of England. This may create a challenge for the IOW given its South East location⁶.
- xiii. The marine economy is a key sector at UK level, the Solent area a leading sub-region, and the IOW an important local marine hotspot focused on marine manufacturing and composites, including renewable energy. There is strong policy alignment (nationally, sub-regionally and locally) relating to driving up value and using competitive advantages to drive growth and it will be important that action aligns to the grand challenges set out in the UKIS and sub-regional policy. Policy at all levels is seeking to ensure appropriate infrastructure is in place to enable this growth to happen.
- xiv. Local policy recognises the importance of the Medina Valley and its key employers. This is a focus for action and investment, within environmental constraints. The need for sufficient waterfront sites to support the marine sector has been recognised as a critical issue across the Solent and within the Medina Valley.

Marine Sector Opportunities and Threats

- xv. A desk review of third-party evidence found that there are strong demand drivers for the workboat sector, renewable energy sector and composites sector, all of which are key areas of expertise within the Medina Valley economy. The core drivers identified from a desk review of third-party research were also identified by local stakeholders.
- xvi. The Solent LEP is actively pursuing development of the marine sector. A specific cluster focus has been instigated through the creation of Maritime UK Solent. This recognises the strength of the sector in the sub-region. Specific opportunities that are being pursued include investigation into establishing a ‘Freeport’⁷ or ‘Solent Free Zone’. Initial research suggests this could have specific implications for the operations of MHI Vestas wind turbine blade manufacturing in the Medina Valley; also to establish a Maritime Enterprise Zone (MEZ). Early indications suggest this could cover a range of topics including: innovation and technology; skills and apprenticeships; prosperity and growth; infrastructure; research and academia; enterprise approach; and development of the coastal estate/communities. A key element of this would be to ensure the provision of modernised facilities to span the range of activities between research, development and commercialisation.
- xvii. A range of specific growth opportunities was identified by consultees as part of this research. This includes expansion of workboat and leisure boat building, expansion of workboat and leisure boat

⁵ The UK Government is also putting in place a significant package of support for businesses as a result of the COVID-19 pandemic. This includes grants, loan guarantees and the Coronavirus Job Retention Scheme.

⁶ It is recognised that coastal and seaside locations across the south have many commonalities in terms of economic challenge. As a result of the COVID-19 pandemic it is possible that a broader interpretation of levelling up will be adopted and the impact on the tourism and leisure sector will create a higher profile for coastal locations that are heavily reliant on tourism such as the IOW.

⁷ Free ports or zones are designated by the government as areas with little to no tax in order to encourage economic activity. While located geographically within a country, they essentially exist outside its borders for tax purposes. Companies operating within free ports can benefit from deferring the payment of taxes until their products are moved elsewhere, or can avoid them altogether if they bring in goods to store or manufacture on site before exporting them again.

repair and maintenance, development of new markets in clean energy systems and expansion of marine training.

- xviii. The fundamental threat identified by local stakeholders is a lack of appropriate waterfront sites and premises with supporting infrastructure for the boatbuilding and repair sector. This is both hampering existing competitiveness, and therefore a threat to current levels of activity, as well as limiting expansion potential.
- xix. A second critical infrastructure threat identified relates to Medina Wharf and the potential risks to the wider island economy as a result of losing significant capacity for the import and export of bulky commercial goods.

Waterfront Marine Sites

- xx. Existing premises on waterfront sites used by the marine industries are generally below the standard required for modern and efficient boat building and repair. There is a clear need for replacement of existing capacity with better quality sites and premises to retain existing activity and jobs.
- xxi. Figure E1 illustrates the most important current and opportunity waterfront sites for the boatbuilding and repair sector.
- xxii. The two main sites currently used for boat building and repair (Venture Quays and Medina Yard) are subject to major mixed-use redevelopment proposals which will reduce their capacity to accommodate marine industry.
- xxiii. Development proposals for the Venture Quays site are expected to retain the Columbine building for marine industry, although the loss of existing temporary facilities will reduce existing capacity.
- xxiv. In the case of Medina Yard, there is uncertainty as to the deliverability of the marine employment areas, and the configuration of that space. Securing delivery of the marine employment area at Medina Yard is recognised as the minimum requirement to protect the existing boat building and repair activity in the Medina Valley.
- xxv. Kingston Wharf provides an opportunity for intensified marine industry use, particularly for smaller occupiers, potentially focused on the leisure marine sector. Alongside delivery of the Medina Yard and Kingston Wharf proposals there could be some additional capacity that would contribute to modest expansion of the sector, and deliver more modern facilities, more appropriate to the modern boat building and repair sector.
- xxvi. Kingston Marine Park potentially offers larger capacity. The site benefits from extant planning consent, but is critically hampered by a lack of deepwater access. Options to deliver access have been explored for some time, and investigations continue. However, until such time as deepwater access can be secured, and industry stakeholders express confidence in the ability of the site to meet marine industry requirements, extreme caution should be taken in terms of including this site within effective potential supply. However, the site would deliver considerable additional capacity to the sector. If deepwater access cannot be provided there will remain a significant requirement for additional capacity to support the future expansion of the marine industry sector.
- xxvii. Competitor location case studies highlight the large-scale facilities available with excellent infrastructure for moving vessels and out of the water and around sites. The Medina Valley will need to offer equivalent sites to enable its boatbuilding and repair sector to compete and develop.

Figure E1 Current and Opportunity Waterfront Sites for Boatbuilding and Repair



- 1 Venture Quays
- 2 Medina Yard
- 3 Land South of Medina Yard
- 4 Kingston Wharf
- 5 Clarence Boatyard
- 6 Kingston Marine Park
- 7 Medina Wharf

HJA **HARDISTY JONES ASSOCIATES**
 Economic Development Advisers

 Site boundary

Prepared by Hardisty Jones Associates using QGIS
 Contains OS data © Crown copyright
 © Google Maps

Title
 19 08 01 IOW Medina Valley Proposition

Detail
 Marine and Maritime Sector Key Opportunity Sites

Date
 June 2020

Scale
 1:25,000

Revision
 v2.0

Author
 JHJ

xxviii. The need for investment at Medina Wharf is a critical infrastructure issue that has wider implications for the IOW economy, rather than specifically the marine industries. Without investment there are significant risks to the capacity for import and export of commercial bulky goods with clear implications for the agriculture and construction sectors in particular.

Potential Actions

xxix. This research has identified three core actions, or packages of actions:

Ensuring sites, premises and infrastructure for the boatbuilding and marine renewables sector

- **Action 1:** the IOW Council should work to ensure that marine employment areas on high priority sites are retained and new premises delivered.
- **Action 2:** to exert influence over the development of these sites the IOW Council and its partners should consider purchase or joint venture arrangements should be actively pursued.
- **Action 3:** the IOW Council should retain an open mind regarding Kingston Marine Park. The scale of the site provides an important opportunity to enable growth in the sector.
- **Action 4:** the IOW Council should approach the landowner of 'land south of Medina Yard' to explore potential for investment and development of the southernmost parcel of land that is significantly run down and under utilised
- **Action 5:** further sites which are in marine use should also be retained for continued marine employment activities e.g. Clarence Yard.

Supporting the retention and growth of specific businesses

- **Action 6:** the IOW Council should pursue direct conversations with each of these businesses (details to be supplied to Council officers) to explore ways in which support can be provided, either through bid assistance, direct funding or other mechanisms.

Investment in Medina Wharf repair

- **Action 7:** the IOW Council should seek to secure investment in wharf repair as a key strategic priority.

Solent LEP Engagement

- **Action 8:** the IOW Council should continue to engage fully with marine initiatives of the Solent LEP including Maritime UK Solent for the benefit of the Medina Valley and wider IOW marine offering. This should include exploring the opportunities linked to the Maritime Enterprise Zone and Freeport.

1 Introduction

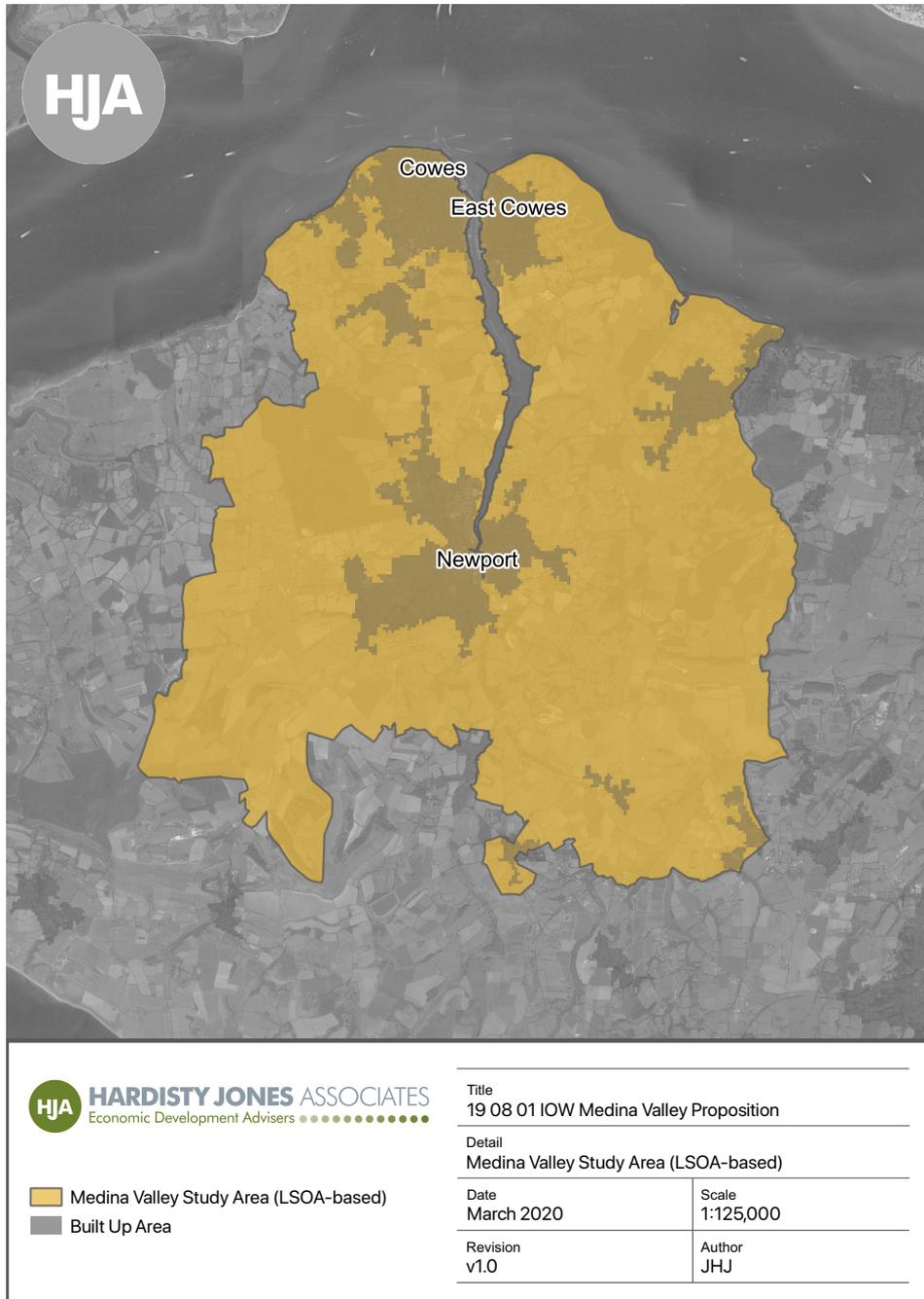
1.0.1 HJA has been appointed by the Isle of Wight (IOW) Council to develop an economic development proposition for the Medina Valley. This is primarily focused on the strength and potential of the marine and composites sector, as well as broader advanced manufacturing activities of this part of the IOW.

1.1 Background and Context

The Medina Valley and the Isle of Wight

1.1.1 Figure 1.1 illustrates the geographic area of focus for this study, namely the Medina Valley area of the IOW. This area includes the three towns of Cowes, East Cowes and Newport.

Figure 1.1 Medina Valley Study Area



1.2 Project Objectives

1.2.1 The ultimate purpose of this commission is to secure funding to drive the economic development of the Medina Valley and wider IOW. The commission is divided into two phases of work.

1.2.2 The project brief set out three objectives for Phase 1:

- Clear articulation of the economic opportunity of the Medina Valley
- Identification of market failure(s) hindering the realisation of economic potential
- Identifying a programme of interventions to maximise opportunity and address challenges and market failures.

1.2.3 This is therefore about developing a proposition to be directed at the Solent LEP and UK Government.

1.2.4 Phase 2 of the commission relates to preparing a funding bid submission that may consider wider opportunities across the Island.

1.3 Methodology

1.3.1 Phase 1 has included:

- A documentary review of relevant strategy, policy and research
- Statistical analysis
- Consultation with key stakeholders
- Further targeted research to develop the proposition and headline actions.

1.3.2 Appendix 1 to this report sets out a list of consultees interviewed as part of the research phase.

1.4 Document Structure

1.4.1 The remainder of this document is structured as follows:

- Chapter 2 considers the underlying economic context for the IOW
- Chapter 3 considers the Medina Valley economy with a particular focus on the marine, composites and manufacturing sector
- Chapter 4 considers the policy and strategic context for the target sectors
- Chapter 5 sets out local sector issues and opportunities
- Chapter 6 considers waterfront site-based issues in more detail
- Chapter 7 sets out potential actions and response

2 IOW Economy

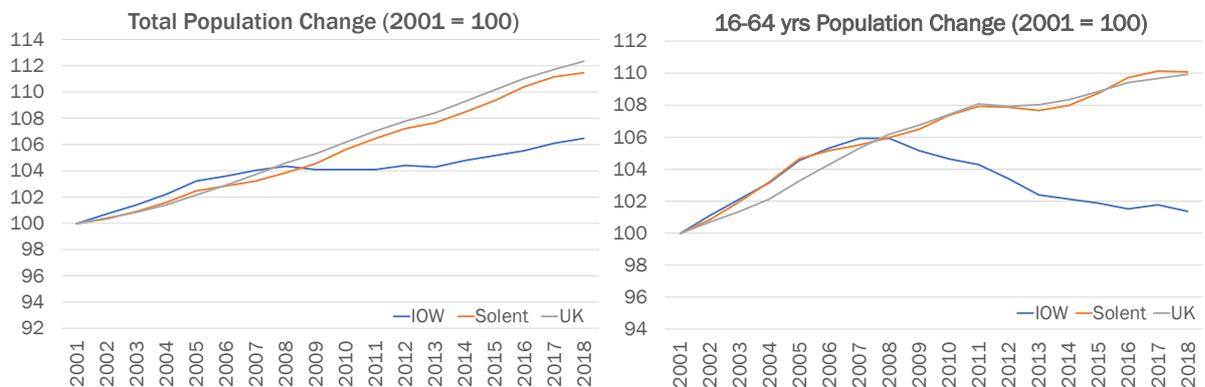
2.0.1 This chapter sets the broad economic context for the IOW. Much of the data presented in this chapter is not available below IOW level.

2.1 Population and Labour Market

2.1.1 The IOW has a resident population of 141,500 and an estimated 63,000 total jobs.

2.1.2 Persons of working age (16-64 years) account for 57% of the IOW population. This is much lower than the GB average of 63%. As can be seen in the charts below, working age population has fallen in recent years and the overall population change for IOW is also starkly different to the Solent and UK comparators.

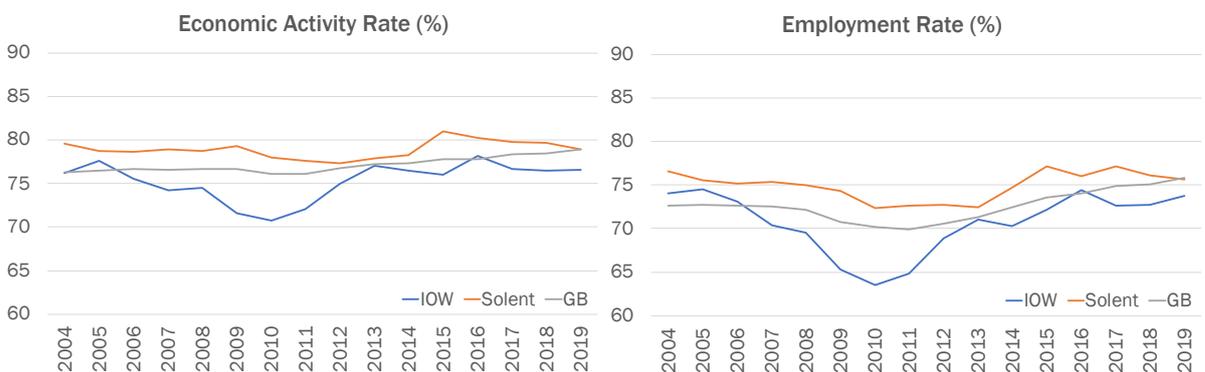
Figure 2.1 Headline Population Indicators for IOW



Source: ONS Population Estimates, via NOMIS

2.1.3 Analysis of the working age population identifies that economic activity and employment rates are lower than GB averages. This is largely caused by a high proportion of residents recorded as long-term sick. The charts in Figure 2.2 show there was a particular weakness after the 2008 financial crash, but that rates have consistently been below benchmark areas.

Figure 2.2 Headline Labour Market Indicators for IOW

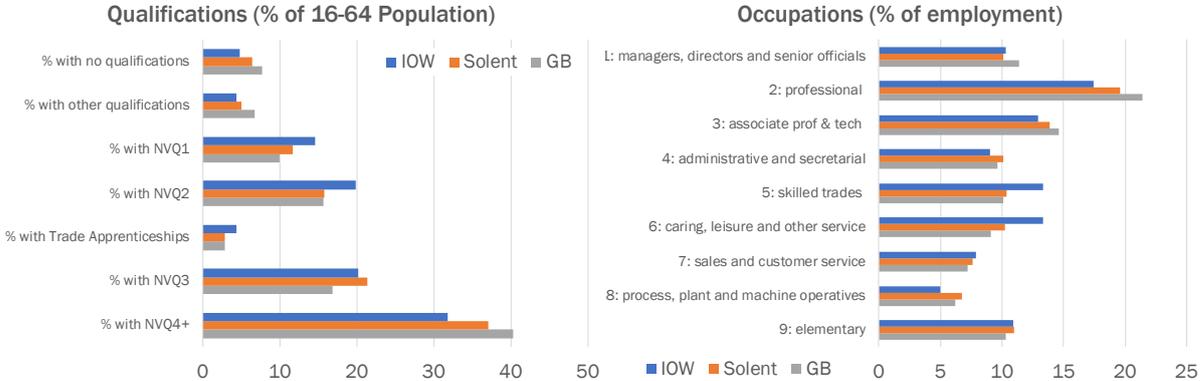


Source: ONS Annual Population Survey, via NOMIS

2.1.4 As a result of lower levels of labour market participation, the IOW has a high percentage (18.5%) of households recorded as workless, compared to GB (14.3%).

2.1.5 The qualifications profile of the IOW workforce shows a lower proportion (30%) qualified to NVQ4 and above than the GB average (39%). The occupational profile of the IOW workforce shows a lower proportion (40%) employed within Occupational Groupings 1-3⁸ compared to GB (47%). This is likely to reflect the lower proportions qualified to the highest levels. This profile is also highlighted in earnings data, gross weekly pay for IOW residents is recorded at 87% of the GB average.

Figure 2.3 Qualifications and Occupations



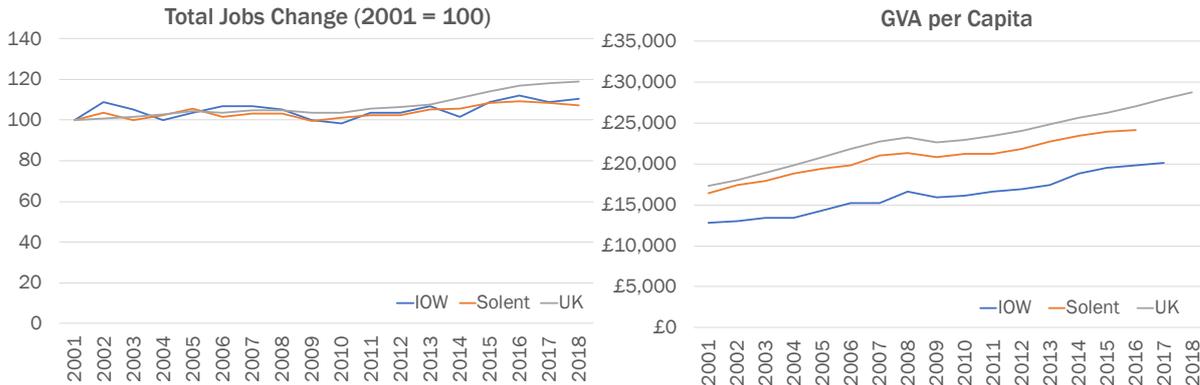
Source: ONS Annual Population Survey

2.1.6 The labour market and demographic data tells a story of a challenging environment. A lower proportion of residents of working age, a low rate of participation, lower levels of qualifications and lower levels of pay. This points towards a lower value economy.

2.2 Jobs and GVA

2.2.1 Figure 2.4 shows data for total jobs and GVA per capita. The change in the total number of jobs has broadly tracked the Solent economy, but been below the UK level. However, GVA per capita is well below both Solent and UK averages. This reflects both the lower levels of employment and the lower proportion of working age residents, but also the value that each job generates, as suggested by qualifications, occupations and earnings data.

Figure 2.4 Headline Economic Indicators for IOW



Source: ONS Jobs Density, via NOMIS and ONS

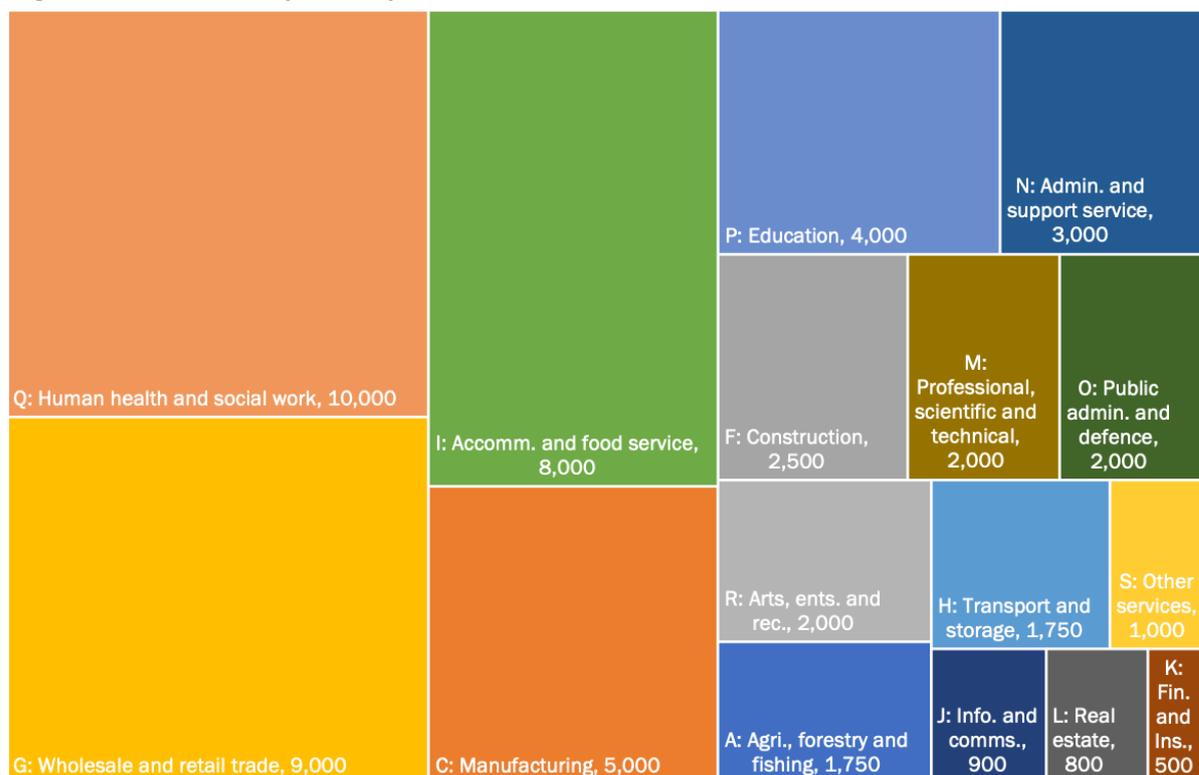
2.2.2 Figures 2.5 and 2.6 provide more insight on the sectoral mix within the IOW economy. Figure 2.5 illustrates the absolute size of sectors in employment terms. The smallest sectors have been excluded to aid presentation. It is clear that the two largest sectors are human health & social

⁸ Managers, Directors and Senior Officials; Professional Occupations; and Associate Professional and Technical.



work, and wholesale and retail. The tourism and leisure sector including accommodation & food service and arts, entertainment & recreation is also a significant employer. Manufacturing is the fourth largest sector. This shows the dominance of service sector employment, in terms of both meeting the needs of the local population, and the visitor economy. However, those service sectors which are often referred to as high value such as professional, scientific & technical, information & communications, and finance & insurance are small in absolute terms.

Figure 2.5 IOW Employment by Sector 2018



Source: ONS Business Register and Employment Survey

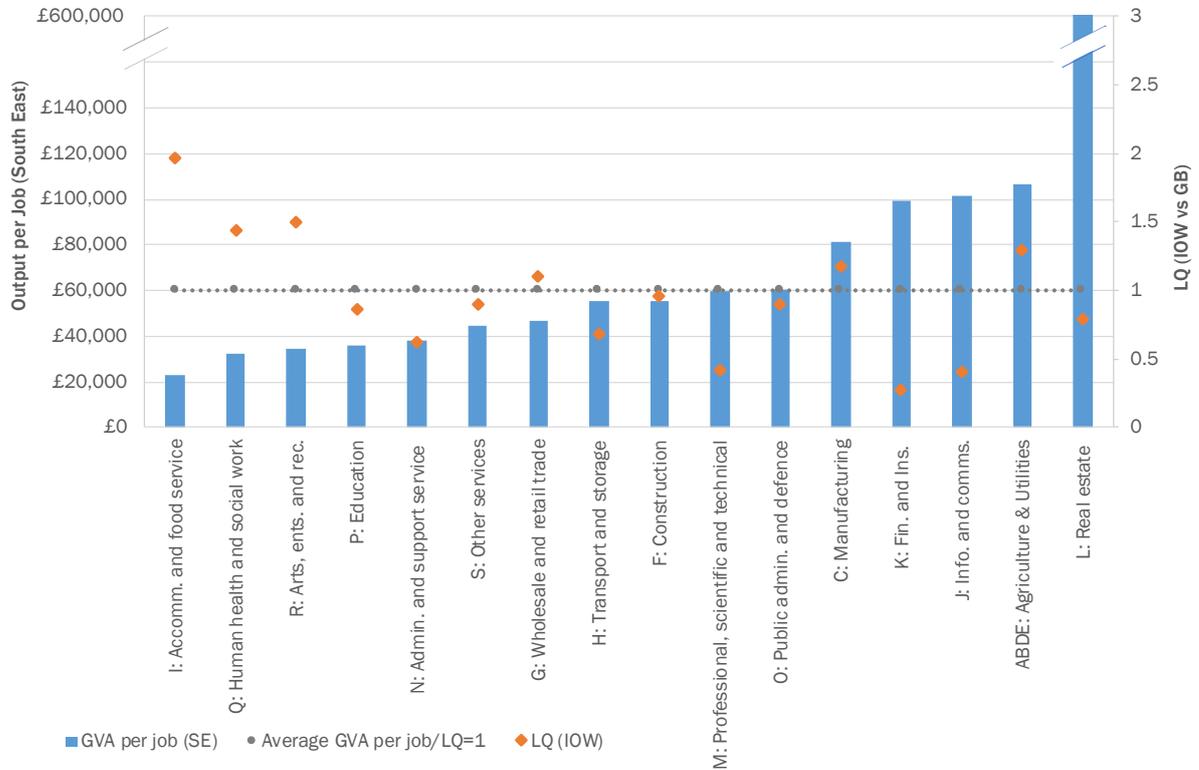
- 2.2.3 Figure 2.6 shows the location quotients (LQs) for each sector (shown as orange diamonds). It also shows the output per job for each sector (the blue bars, using data for the South East of England). The grey dashed line shows the average output per job and benchmark LQ.
- 2.2.4 The LQs provide an indication of the concentration of the sector relative to GB. For sectors where the orange diamond is above the grey line there is a concentration of employment in the IOW. Where the orange diamond falls below the grey line there is a relative under representation in the IOW. This shows the clear concentration in tourism and leisure activities (accommodation & food service, arts, entertainment & recreation) as well as human health & social work. Agriculture & utilities (driven by the agriculture sector⁹), manufacturing, and wholesale & retail also show a degree of concentration.
- 2.2.5 The most notable under representations are in higher value business service type activities including information & communications, finance & insurance, real estate, professional, scientific & technical, and admin & support services.

⁹ However, the higher output per jobs is primarily driven by the utilities sector, so in reality this is not a strength for the IOW economy.

2.2.6 These sectoral data give a clear picture of the IOW economy, largely under-represented in higher value activities, with the main concentration of activities in those sectors with lower output per job, particularly accommodation and food services.

2.2.7 Overall, the data identifies a need to improve both the supply and demand sides of the labour market to enable a move to higher value activities for the IOW.

Figure 2.6 IOW Sectoral Location Quotients and Sectoral Output per Job 2018



Source: ONS Business Register and Employment Survey and Labour Productivity 2018

2.3 Summary

2.3.1 The IOW economy exhibits challenges on both the demand and supply side.

2.3.2 The working age population is small in comparison to benchmark areas; and within the working age population, participation rates are low. Qualifications levels are also low which has implications for the occupational mix and earnings. This combines to give the IOW low levels of GVA (output) per head.

2.3.3 Sectoral analysis shows that the IOW economy has concentrations of activity in low value activities. The main concentration of employment in higher value activities is the manufacturing sector.

2.3.4 Growing high value areas of the economy will be particularly important for the IOW, focusing on areas with existing competitive advantage.

3 Medina Valley Economy

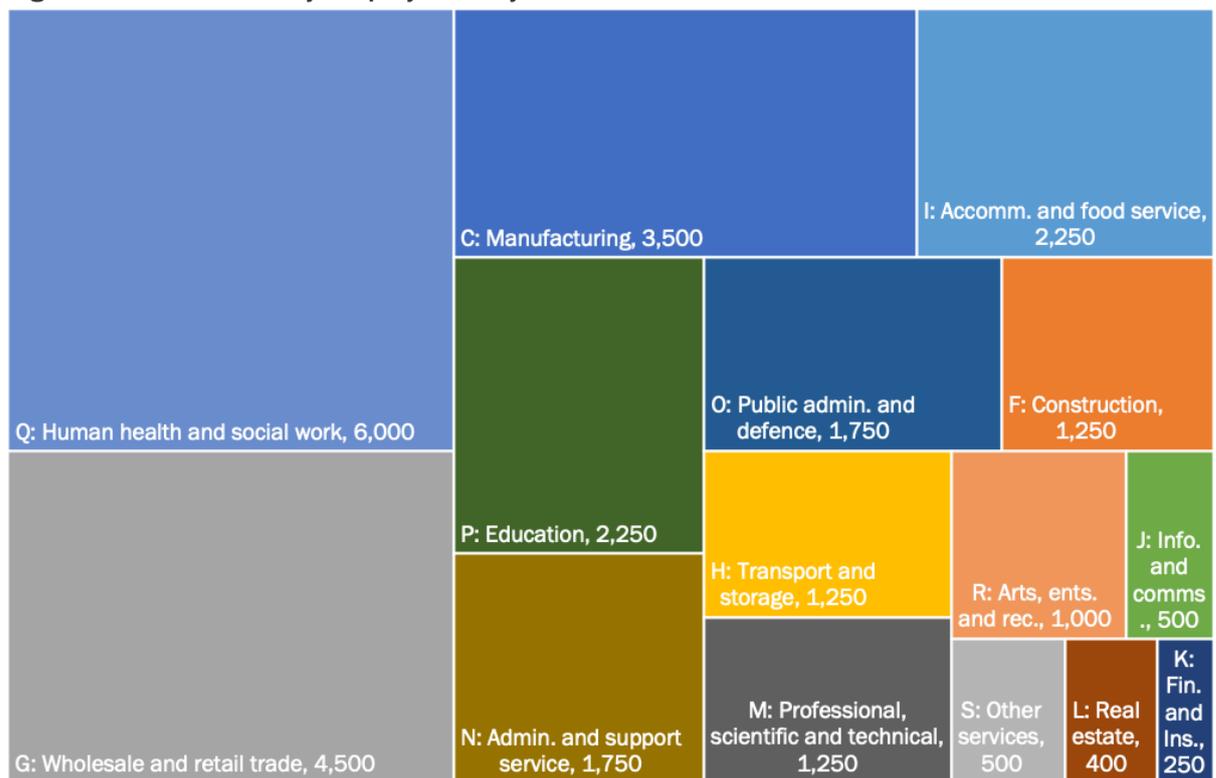
3.0.1 This chapter provides a headline overview of the Medina Valley economy, with further detail on the marine, maritime and composites sector, including reference to the wider advanced manufacturing sector.

3.1 Economy Overview

3.1.1 The Medina Valley is an important economic hub for the IOW, centred on the three towns of Newport, Cowes and East Cowes. The area is home to 55,000 people, 39% of the IOW resident population and 29,000 jobs, equivalent to 54% of IOW employment. This share of employment has very gradually increased over the last 10 years.

3.1.2 Figure 3.1 sets out sectoral employment data. The area has a broad mix of sectoral activity, with Newport as the county town of the IOW providing a range of key service functions. The St Mary’s hospital site underpins a large health sector, public administration is also concentrated, with the IOW Council and HMP IOW, the retail sector is also large. The tourism and leisure sector employs several thousand people, but in relative terms is under-represented compared to the wider IOW, with the rest of the island highly reliant on this sector.

Figure 3.1 Medina Valley Employment by Sector 2018



Source: ONS Business Register and Employment Survey

3.1.3 The Medina Valley is a key centre for industrial and knowledge economy employment on the island. It is estimated that 66% of knowledge economy¹⁰ employment is located in the Medina Valley. Figure 3.2 shows a breakdown of employment by typology. This also shows the higher

¹⁰ This utilises a definition knowledge intensive activities based on NACE Rev. 2 Statistical classification of economic activities in the European Community. Full definition set out at Appendix 2.

concentrations of knowledge intensive activities within the Medina Valley. It is this localised strength that underpins the focus on the Medina Valley within this research.

Figure 3.2 Medina Valley Employment Typology

Typology	MV Employment	MV share of IOW
High Tech Manufacturing	400	66%
Medium High Tech Manufacturing	2,300	89%
Medium Low Tech Manufacturing	600	56%
Low Tech Manufacturing	300	56%
Knowledge Intensive Services	14,000	64%
Less Knowledge Intensive Services	9,800	46%
All Sectors	29,000	54%

Source: ONS Business Register and Employment Survey

3.2 Medina Valley Marine and Composites Sector

- 3.2.1 The marine, maritime and related sector is culturally and operationally highly important to the IOW and Medina Valley. The reliance on water borne transport for the movement and delivery of goods and services puts marine activity at the heart of island life for all its residents and workers.
- 3.2.2 There is an incredibly strong heritage of marine related activity, clearly linked to the island nature of the economy and place. This strong heritage continues to be a significant part of the perceptions of the IOW to both residents and those who live off the island. It has led to marine focused industrial, leisure and transport expertise, which has continually adapted and developed in response to changing technologies and needs.
- 3.2.3 The Medina Valley is one of the key gateways to the IOW via the Red Funnel ferry services and deliveries of freight supplies; and is home to key marine and related assets including Cowes Week and extensive leisure and racing marine activities, the Columbine Building and Medina Yard (formerly known as the Samuel White Boatyard), and related commercial boatbuilding and associated activities. There is therefore a strong visual connection with the marine and related sector on arrival to the IOW via the Medina Valley.

Overall Scale

- 3.2.4 It is challenging to capture the full extent of the marine, maritime and composites sector using statistical data. This is a result of limitations in the way economic and employment data is collected. The sectors that are used to record statistics (known as Standard Industrial Classifications or SICs) do not align perfectly to the full range of activities that fall within the marine, maritime and composites sector, particularly for many of the support services and supply chain activities which play an important role. There is, in effect, a clustering of inter-related and inter-connected activity which links both industrial and service sector activities. The increasing use of composite materials which includes the marine sector, also connects to wider advanced manufacturing uses and is not easy to define, with the potential use of particular materials in a variety of sectors.
- 3.2.5 For the purposes of this analysis ‘best fit’ definitions have been adopted. Full details of the adopted definitions are set out at Appendix 2 to this report. Even within the definition that has been adopted the statistical sources are likely to exclude some micro businesses and self-employed persons that are active within the sector.
- 3.2.6 Figure 3.3 sets out the data for a number of areas of the economy to help provide a sense of scale.

- 3.2.7 The first part of the table considers a focused definition of marine related activities. This identifies approximately 1,100 jobs within the Medina Valley using this relatively narrow definition. Around half of these jobs are manufacturing related, with the remainder split evenly across transport activities and service activities. This equates to 4% of all Medina Valley employment.
- 3.2.8 The second part of the table considers additional sectors which might be relevant to marine or composites. This draws on analysis of the specific SIC codes for known marine, composite and advanced manufacturing related businesses within the Medina Valley. This manual search is unlikely to be exhaustive, but has identified that the SIC coding for many businesses does not fit neatly with the marine related definition. In this wider trawl it is likely that non-marine/composite related activities have also been captured. In total this identifies a further 2,900 jobs within the Medina Valley. This equates to a further 10% of Medina Valley employment.
- 3.2.9 In aggregate, an estimate of up to 4,000 directly marine/composite related jobs across the Medina Valley. This equates to up to 14% of Medina Valley employment. This compares to 6,000 jobs in the health sector and 4,500 jobs in the retail and wholesale sector within the Medina Valley, potentially putting the wider marine, composites and related sector within a similar order of magnitude.

Figure 3.3 Medina Valley Marine and Manufacturing Related Employment

Typology	MV Employment	LQ vs Solent	LQ vs GB
Marine Manufacturing & Related	500	1.6	3.2
Marine Transport & Related	300	0.6	1.0
Marine Services	300	0.9	0.8
All Marine	1,100	1.0	1.4
Other Potentially Related Manufacturing	2,200	4.9	10.1
Other Potentially Related Services	700	0.8	0.7
All Other Potentially Related	2,900	2.1	2.5
Total	4,000	1.6	2.0

Source: ONS Business Register and Employment Survey

- 3.2.10 Figure 3.3 also sets out the Location Quotients (LQs) for each sector, comparing the Medina Valley with the Solent area, one of Britain's leading marine economies, and GB itself. These data show clearly the strength of the marine and composites related manufacturing activities in the Medina Valley compared to both areas.

Local Specialisms and Strengths

- 3.2.11 More detailed review of the employment data enables sub-sectoral strengths and specialisms to be identified. This data-based evidence has also been cross referenced with the views expressed by key stakeholders as part of the consultation programme. The following particular strengths and specialisms have been identified:

- Workboat¹¹ manufacture and repair. Particularly small aluminium boat manufacture. Key companies based in the Medina Valley include: Wight Shipyard, Diverse Marine and Aluminium Marine Consultants (AMC)
- Leisure boat manufacture and repair. Key companies based in the Medina Valley include Corby Yachts and Ocean Coats Marine Services.
- Other marine manufacturing activities. Key companies based in the Medina Valley include Vikoma.
- Other composites and advanced manufacturing activities. Key companies include BAE, GKN, MHI Vestas and Gurit.
- Water transport and related activities (passenger and freight). Key companies based in the Medina Valley include: Red Funnel.
- Training and skills related activities. Key companies based in the Medina Valley include: UKSA, Red Ensign, Flying Fish and CECAMM.
- Leisure boat services. This includes the operation of marinas, rental and leasing activities, shipbroking etc.

3.2.12 In terms of marine focused activities (excluding wider advanced manufacturing and composites activities) the sector is almost exclusively formed of SMEs, the majority of which are micro and small businesses. The wider composites and advanced manufacturing sector in the Medina Valley includes a number of larger employers including BAE, GKN, MHI Vestas and Gurit. Many of the companies listed in this section are at the forefront of activity in their sector and trading internationally.

3.2.13 There are clear elements of integration across the sector, with sharing of workspace and skills. CECAMM¹² has been established to provide specific skills training, which is used heavily by larger employers, but also by micro businesses in the sector. This investment recognises the importance of the advanced manufacturing, composites and marine sector to the Medina Valley economy, and the need for enhanced skills. The skills offer is a key asset for the sector in the Medina Valley. Notwithstanding, there is evidence of firms, particularly in the workboat manufacture industry drawing in specialist contractors to meet niche skills needs.

3.3 Summary

3.3.1 The Medina Valley is the industrial and knowledge economy hub of the IOW economy.

3.3.2 The marine, composites and advanced manufacturing sector is a key specialism of the Medina Valley economy. However, this sits within a broad-based economy including key service sector activities meeting the needs of the island.

3.3.3 There are a range of marine sector activities in the Medina Valley, with leisure, transport and marine training important sub-sectors. However, the advanced manufacturing, boatbuilding (leisure and workboats) and composites sector are key strengths and specialisms within the wider Solent marine offering.

3.3.4 The boatbuilding sector is SME focused, with larger employers in the wider composites and advanced manufacturing sector.

¹¹ The term workboat refers to boats used for work or commercial purposes rather than defence or leisure sectors. Specialisms in the Medina Valley include small passenger catamarans, boats for the off-shore energy sector and boats for emergency services.

¹² Centre of Excellence for Composites, Advanced Manufacturing and Marine

4 Strategic Context

4.0.1 This chapter provides a high-level summary of existing published policy, strategy and research. Further detail is set out at Appendix 3.

4.1 UK

Economic Development

4.1.1 UK economic policy, as set out in the UK Industrial Strategy, is now firmly set on transforming the economy by improving its productivity performance. This policy environment will be based on strengthening five areas of the economy, namely: ideas and innovation; people and skills; infrastructure; business environment; and places.

4.1.2 Of particular relevance to the IOW context, there will be a focus on targeted public sector support for: growing the AI and data driven economy; clean growth; the 'future of mobility'. These are three of the five grand challenges set out in the UK Industrial Strategy.

Levelling Up

4.1.3 The broader UK economic policy environment is framed by the 'levelling up' agenda set out by the current government, which is focused on creating a sustainable future for towns. This will primarily be achieved through the Towns Fund that will work with places to address growth constraints. It will also be supported through infrastructure investment.

4.1.4 The Towns Fund will provide significant public investment alongside the government's efforts to work alongside places to identify opportunities to rationalise any investment around key local priorities. The objective of this process is to drive the economic regeneration of towns to deliver long term economic and productivity growth via: urban regeneration, planning, and land use; skills and enterprise infrastructure; and connectivity.

Marine and Maritime

4.1.5 The Marine and Maritime sectors are seen as being of national significance, and needing to play an integral role in the future of the UK economy. Detail is set out in Maritime 2050.

4.1.6 The UK's marine and maritime policy environment aligns with the broader UK Industrial Strategy, with a particular focus on: the UK's competitive advantage; environment; infrastructure; people; security; technology; and trade.

4.2 Solent LEP

Economic Development

4.2.1 The LEP's vision for the Solent is to create an environment that will bring about sustainable economic growth and private sector investment in the Solent. This will be done by, amongst other measures, unlocking critical employment sites to allow businesses expansion (particularly those in the marine, maritime and advanced manufacturing sectors), and unlocking innovation led growth to engage more businesses in knowledge exchange and innovation.

4.2.2 Solent LEP has globally significant marine and aerospace sectors, and a nationally significant advanced manufacturing sector. The Solent LEP Strategic Economic Plan describes the area's maritime and marine research base as world class, with the 'strongest area in the world for

intellectual capability in maritime and marine'. There is a robust underlying knowledge infrastructure with strengths in key sectors, internationally renowned companies, and world-class universities.

Levelling Up

- 4.2.3 The Solent economy is overly dependent on public sector employment and larger employers, making it vulnerable to business failure and public sector cuts.
- 4.2.4 Low levels of educational attainment at Key stage 4 and lack of STEM skills are also key challenges to economic growth, including in key growth sectors such as advanced manufacturing, and marine and maritime. This issue translates to a comparatively high proportion of low-skilled employment.
- 4.2.5 The policy environment aims to broaden the business base of the LEP area by supporting start-ups and the growth of existing SMEs – including those within supply chains – helping them to diversify and strengthen their international trade links.
- 4.2.6 LEP policies also look to create an environment in which businesses can develop and train their workforces. The LEP aims to ensuring local residents are equipped to take up new jobs that are created, and reduce the proportion of residents with low or no skills.

Marine and Maritime

- 4.2.7 The Marine and Maritime sector, including the use of composite materials, is categorised as a strategic sector in the Solent Strategic Economic Plan, and considered as the area's most significant smart specialisation opportunity. Advanced manufacturing, including the use of composite materials, is also one of the LEP's strategic sectors.
- 4.2.8 The Solent's key marine activities include ship and boat-building, 'superyacht' design, powerboat production, sailing yacht manufacturing, high-tech defence, aerospace. There are also strengths in emerging sectors and technologies such as composite manufacturing, marine autonomous systems, and offshore wind and tidal energy, presenting a comparative advantage for the area.
- 4.2.9 Unlocking and protecting critical employment sites for marine and maritime business activities is clearly a key part of economic development policy in the Solent as it is a focus across all of the LEP's policies reviewed as part of this work. The encroachment of other uses onto waterside land assets is seen as a significant threat to economic growth in the Solent, and the policy environment support local authorities in resisting this trend.
- 4.2.10 The LEP refers specifically to this issue being of critical importance in an IOW context. It recognises that infrastructure investment on the Island needs to be strengthened, and a range of development sites do have the potential to bring forward new employment floorspace in key areas, including the Medina Valley. However, it is recognised that many sites will require infrastructure investment to unlock and accelerate their potential and improve viability for private sector investment.

4.3 Isle of Wight

Economic Development

- 4.3.1 There is a large employment base on the IOW, but it is concentrated in a number of 'traditional' sectors. Businesses in high productivity service sectors are under-represented on the island.
- 4.3.2 Policy DM8 of the Core Strategy is focused on Economic Development, and commits the Council to supporting proposals for (amongst others) extending existing employment sites in suitable locations, and developing clusters in knowledge-driven and high technology sectors, with Medina Valley as a particular focus.
- 4.3.3 The Draft Island Planning Strategy Development Plan (Consultation Document) emphasises this policy position – policy SGOE 2 sets out that unless a suitable justification has been demonstrated, the council will seek to retain existing employment sites above a site area of 0.1 hectares. Policy SGOE 1 of the same policy document sets out the council's commitment to working with landowners to understand the opportunities that strategic sites may provide and how they will be realised.
- 4.3.4 Policy MVE1 of the Medina Valley Action Plan is focused on employment growth. The policy establishes that the council will give substantial weight to specific considerations when it comes to determining proposals relating to economic development and employment growth.
- 4.3.5 It has become clear that the necessary amount of employment floorspace will not come forward due to viability concerns, therefore the public sector needs to play a proactive role in this process.

Levelling Up

- 4.3.6 The IOW economy faces many unique challenges. Its underlying rate of unemployment is increasing, many employment opportunities are seasonal and there is an over reliance on the public sector as a key supplier of job opportunities. Average earnings for individuals working on the Island are lower than the South East average, and crossing the Solent is perceived as a barrier to the economic growth and regeneration on the Island. Gross Value Added (measured in £ per capita) is much lower than the Island's near neighbours in Southampton and Portsmouth.
- 4.3.7 The policy environment supports actions that will (amongst others): attract and grow employment that pays higher wages; invest in infrastructure to help mitigate barriers to growth.

Marine and Maritime

- 4.3.8 Isle of Wight policy highlights the importance of the Marine and Maritime sector to the area's economy. The Marine and Maritime sector is highly concentrated on the Isle of Wight – business are about 3.8 times as concentrated on the Island as in the UK. Employment is also about 3 times as concentrated as in the UK. The Island is home to some significant businesses in this sector such as Gurit, MHI Vestas, BAE Systems and GKN, as well as many SME's with national and global reach.
- 4.3.9 The Medina Valley Action Plan considers that the River Medina provides the main potential to meet any existing and future demand for waterfront access from employment uses. Such waterfront sites are critical in terms of employment provision. Retention of existing marine and other industry-related employment sites is an important issue to the Island's economic functionality, to facilitate the growth and attract new businesses.

4.4 Summary

- 4.4.1 UK policy is seeking to drive economic transformation towards higher value, knowledge based activities and seeking to address the grand challenges facing the global economy. The primary means of doing this is through the Government creating the conditions for this to take place, supporting knowledge and innovation, skills, infrastructure, business environment and places.
- 4.4.2 The UK Government also recognises the importance of 'levelling up' the economy, and to deliver a more inclusive model of economic growth and development. This creates an opportunity for the IOW, to target available strategic funds given its economic profile.
- 4.4.3 The marine economy is a key sector at UK level, the Solent area a leading sub-region and the IOW an important local marine hotspot, focused on marine manufacturing and composites, including renewable energy. There is strong policy alignment relating to driving up value and using competitive advantages to drive growth. Policy at all levels is seeking to ensure appropriate infrastructure is in place to enable this growth to happen.
- 4.4.4 Policy recognises the importance of the Medina Valley and its key employers. This is a focus for action and investment, within environmental constraints. The need for sufficient waterfront sites to support the marine sector has been recognised as a critical issue across the Solent and within the Medina Valley.

5 Marine Sector Opportunities and Threats

5.0.1 This chapter discusses some of the issues and opportunities facing the marine and composites sector in the Medina Valley, starting from a wider sector position and narrowing in on local issues.

5.1 Wider Sector Trends

5.1.1 The marine and maritime sector is very diverse. A review of third party literature for this research has focused on areas in which the Medina Valley has existing expertise and capability. For example, areas such as global commercial shipping have been excluded. The primary focus has been on the workboat manufacture and marine energy sectors.

5.1.2 The workboat and small ship building segment accounts for an estimated 12%¹³ of the commercial ship building market. The majority of demand is driven domestically or regionally (i.e. UK and Northern Europe for an IOW location). However, around 40% of the segment comprises global export activity. Demand for ship and boatbuilding is volatile, however, research indicates there is reduced volatility in the workboat market when compared with the larger passenger and cargo ship market (which is not an IOW specialism).

5.1.3 There is relatively little analysis of the workboat sector as a whole. However, a key market for the workboat sector is the marine renewable energy sector (wind, wave, tidal etc). This is anticipated to grow significantly in terms of the numbers of deployed devices. The number of offshore wind turbines is forecast to grow by more than 100 times from 2010 to 2030¹⁴. Within Europe this is anticipated to grow from around 800 turbines to c40,000 – 50,000 devices over the 20 year period. Even greater 1000 fold growth is predicted in the wave energy sector with the number of devices predicted to grow from 22 to 22,000 over the 20-year period. This is potentially a huge driver for the workboat sector in terms of both initial build, installation and ongoing repair and maintenance.

5.1.4 The Medina Valley is also well situated to support the development of the off-shore energy sector. Conditions are suitable to stimulate and attract a network of supporting industries and jobs to the area, contributing to the IOW's ambition of becoming self-sufficient in renewable electricity production. This could include device development and manufacture, and will build on the presence of MHI Vestas building wind turbine blades and the Perpetuus Tidal Energy Centre¹⁵.

5.1.5 Further key drivers for the boat building sector include technical improvements and legislation. In particular the move to clean energy systems and autonomous vehicles. This creates significant opportunities for innovation and changes to new build and retrofitting systems to existing vessels.

5.1.6 The IOW is seen as a major site for the development and manufacture of composite materials, which cuts across many activities. Composites are used by GKN (Airbus), GURIT (Automobile and Marine), BAE systems (radar), Perpetuus (tidal energy), local boat-builders, and the Danish company MHI Vestas' wind turbine blade research and testing facility. The Island is well positioned to capitalise on its status as a technology hub for composite materials and their application in marine technology, with take-up likely to spread to remote underwater vehicles, warships, powerboats and cruise-liners.

¹³ 12% by weight, 49% by number of vessels.

¹⁴ Global Marine Trends 2030

¹⁵ <https://perpetuustidal.com>

5.2 Solent Opportunities

5.2.1 A joint Solent LEP and Maritime UK report has produced estimates of the economic impact of the Solent maritime sector. This reports that the marine and maritime sector (which includes Portsmouth Naval Base in its definition) in the Solent represents:

- A GVA contribution to GDP of at least £5.5 billion in 2015, which equates to a 19.3% share of the Solent LEP economy, and a 2.2% share of the economy of the South East of England.
- Employment for upwards of 120,000 people, equating to a 19.8% share of all jobs in the Solent LEP economy.
- Wages, salaries and other employee remuneration of at least £2.2 billion.
- A direct exchequer contribution of at least £459 million in 2015, equivalent to a share of 7.2% of the contribution made by the UK maritime sector as a whole.
- Exports of maritime goods and services valued at £680 million in 2015, equivalent to a 5.4% share of all UK maritime exports.

5.2.2 Some of these impacts could represent underestimates and, as such, may not reflect the true magnitude of the economic role of the marine and maritime sector to the Solent LEP economy.

5.2.3 Maritime UK and the Solent LEP have launched a new regional cluster organisation (Maritime UK Solent), one of the first of its kind to be established in the UK, to bring together the Solent's maritime strengths and assets and champion the region as a globally significant maritime cluster.

Emerging Proposals

5.2.4 The Solent Maritime Enterprise Zone (MEZ) programme aims to:

- Develop a consortium which will deliver, through an enterprise approach, a regional zone of excellence in maritime innovation, research, academia, training and skills development.
- Support the regional growth strategy promoting prosperity, through providing leadership in the regional maritime skills and innovation agendas.
- Position the Solent MEZ agenda within the Solent 2050 Strategy to secure national and local government support both in political will and funding.

5.2.5 Deliverables have been categorised under the headline topics of: innovation and technology; skills and apprenticeships; prosperity and growth; infrastructure; research and academia; enterprise approach; and development of the coastal estate/communities.

5.2.6 Under the topic of infrastructure, the MEZ would ensure the provision of modernised facilities to span the range of activities between research, development and commercialisation.

5.2.7 The Proposition Paper for a Freeport in the Solent (published April 2020) considers a broad range of potential sites to be included in a Solent Free Zone. A set of seven criteria were applied to assess the suitability of various sites for inclusion in a Solent Free Zone. In terms of sites on the Isle of Wight, the MHI Vestas facility was included as a suitable site for inclusion in the Zone. After assessing the options available, the Study recommends the inclusion of the MHI Vestas site in the Freeport proposition.

5.2.8 The Marine and Maritime sector is a significant part of the Isle of Wight's economy. The sector is highly concentrated on the Island – business are about 3.8 times as concentrated on the Island as in the UK. Employment is also about 3 times as concentrated as in the UK.

- 5.2.9 The Isle of Wight is also seen as a major site for the development and manufacture of composite materials, which cuts across many activities. Composites are used by GKN (Airbus), GURIT (Automobile and Marine), BAE systems (warships), Perpetuus (tidal energy), local boat-builders, and the Danish company MHI Vestas' wind turbine blade research and testing facility.
- 5.2.10 The Island is home to some significant businesses in these sectors such as Gurit, MHI Vestas, BAE Systems and GKN, as well as many SME's with national and global reach.
- 5.2.11 The Island is also well situated to support the development of the off-shore wind energy sector. Conditions are suitable to stimulate and attract a network of supporting industries and jobs to the Island, contributing to the Island's ambition of becoming self-sufficient in renewable electricity production.
- 5.2.12 Further developing interconnected groups and businesses in the marine, aerospace, defence, advanced manufacturing, and low carbon sectors will be vital to the future growth of the Island, as well as the wider Solent economy.

5.3 Local Opportunities and Threats

- 5.3.1 This section is heavily informed by consultations with stakeholders in the Medina Valley. A list of all consultees is set out at Appendix 1 to this report. These consultations were primarily (but not exclusively) with those engaged in SMEs within the boatbuilding and manufacturing sector.

Opportunities

- 5.3.2 Consultees identified a range of opportunities for the sector, however this is unlikely to be an exhaustive list. The opportunities identified by local business leaders, strongly correlate with the third-party research which was summarised earlier in this chapter.
- 5.3.3 **Expansion of the workboat sector.** Physical capacity constraints are a limitation, but there is identified market opportunity to be bidding for and winning (subject to competition) additional contracts. The expanding off-shore wind energy market is cited as a particular opportunity.
- 5.3.4 **Increased workboat repair and maintenance activity.** It was noted that a lack of facilities to extract boats from the water and provide fast repairs are limiting the range of repair activity that can be undertaken, with firms in the Medina Valley losing out to other locations. The location of the Medina Valley was cited as an asset given its proximity to major shipping routes, and would provide a competitive advantage if appropriate sites with the required water access infrastructure were available. At present workboats are often required to steam to Great Yarmouth or other locations for maintenance at additional time and fuel cost to the operator. It was indicated that there is a lucrative market for emergency repairs which currently cannot be serviced from the IOW.
- 5.3.5 **Increased leisure boat maintenance, repair and refit.** Consultees indicated that there would be more contracts for IOW businesses if there was capacity (sites and premises) to accommodate this work. Some of this activity may be displaced from within the Solent however, consultee businesses cited current workload that includes servicing vessels from across Europe, and noted the high regard in which the Medina Valley is held in terms of this sector.
- 5.3.6 **Clean power systems.** The move to electric power systems for workboats was identified as a key market opportunity, in terms of retrofit and new build. This is a new and emerging technology, with the sector behind the curve relative to other transport modes. This market is being explored and

the reputation of the Medina Valley workboat industry would provide a strong basis on which to compete in this sector.

- 5.3.7 **Expansion of activity in marine and maritime training.** There are a number of leading training companies including Red Ensign, UK Sailing Academy (UKSA) and Flying Fish, providing training and skills development to local, UK and international clients. Consultations identified opportunities to expand this activity, including increasing engagement with local communities to highlight the range of marine and maritime career paths.
- 5.3.8 **Developing the marine renewable energy sector.** MHI Vestas is a significant employer within the Medina Valley manufacturing wind turbine blades. The Perpetuus Tidal Energy Centre is developing tidal energy capacity off the IOW coast with significant growth potential. Seacat Services provides a fleet of offshore energy support vessels, with many of their vessels built in the Medina Valley. With the offshore energy sector forecast to experience huge growth over the next 10-20 years this is a significant potential market for the Medina Valley, building on existing strengths and expertise.
- 5.3.9 **Commercially confidential, company specific opportunities.** Three expansion opportunities linked to specific businesses were identified. However, it is not possible to set out details within this document, to avoid compromising sensitive negotiations that are either underway or yet to start. Whilst details cannot be divulged, these evidence specific expansion opportunities which are actively being considered at the current time.
- 5.3.10 **Further opportunities** within the Medina Valley that were mentioned include:
- Strengthening of the heritage tourism offering, including links to marine and maritime
 - Strengthening the leisure offer through Newport Harbour Regeneration
 - Regeneration of East Cowes town centre

Threats

- 5.3.11 **Lack of appropriate workspace.** This is the most critical threat that was raised in consultations. The need for modern, high quality facilities with higher building heights, appropriate deepwater access (including lifting gear or slipways to facilitate the movement of larger vessels) was repeatedly mentioned. Inadequate sites and premises were cited as the key limiting factor in the expansion of businesses, in terms of taking on additional work, building larger vessels, operating efficiently, and investing in new technology and equipment to enable modern working practices. Numerous examples were cited of companies sharing space, having to move regularly, using temporary structures and being housed within aged and dilapidated facilities that were not fit for purpose. All of these issues are hampering the ongoing competitiveness of the sector. Reference was made to competitor locations within the UK (e.g. Pembroke Dock and Great Yarmouth) and internationally (e.g. Netherlands and Far East) that have far better facilities which provides competitive advantage. The need for improved sites and premises to support the sector was therefore identified as the central issue holding back the boatbuilding sector, in terms of both workboats and leisure marine. However, it was also noted that volatility in the sector means that there is a need for flexibility, and coupled with tight margins create challenges in the viable delivery of new developments. The further major constraint is limited sites with suitable water access.
- 5.3.12 It was evident from consultations that a failure to deliver more appropriate facilities would not only hamper expansion of the sector, but would constrain the competitiveness of existing activities and may jeopardise existing jobs. However, there are significant viability concerns. Consultees reported

an inability to tolerate substantial uplifts in rent which would be required to fund commercial sites and premises development. On this basis, the delivery of new accommodation will only be possible with significant public investment.

- 5.3.13 **Physical integrity of Medina Wharf.** It has been highlighted that this is unstable and creates a potential risk to the import and export of aggregates and bulky commercial goods. Research has identified no realistic alternative sites and significant environmental and economic costs. Further detail is set out within the following chapter.
- 5.3.14 No major issues were reported in respect of skills, transport or wider infrastructure. The development of CEACAMM provides high quality training within the local area and is accessed by large companies and micro operators. Business located on the island recognise that they face the transport barriers associated with being on a small island away from the mainland, but indicated they are able to both recruit and operate effectively. No significant issues in respect of non-waterfront sites were highlighted within the research programme.

5.4 Summary

- 5.4.1 Looking at the big picture, there are strong demand drivers for the workboat sector, renewable energy sector and composites sector, all of which are key areas of expertise within the Medina Valley economy. The core drivers identified from a desk review of third-party research were also identified by local stakeholders.
- 5.4.2 The Solent LEP is actively pursuing development of the marine sector. A specific cluster focus has been instigated through the creation of Maritime UK Solent. This recognises the strength of the sector in the sub-region. Specific opportunities that are being pursued include investigation into establishing a 'Freeport'¹⁶ or 'Solent Free Zone' and to establish a Maritime Enterprise Zone (MEZ).
- 5.4.3 A range of local growth opportunities were identified by consultees as part of this research. This includes expansion of workboat and leisure boat building, expansion of workboat and leisure boat repair and maintenance, development of new markets in clean energy and expansion of marine training as well as developing the scale of the marine renewables sector.
- 5.4.4 The fundamental threat identified by local stakeholders is a lack of appropriate sites and premises with supporting infrastructure for the boatbuilding and repair sector. This is both hampering existing competitiveness and therefore a threat to current levels of activity as well as limiting expansion potential.
- 5.4.5 A second critical infrastructure threat identified relates to Medina Wharf and the potential risks to the wider island economy as a result of losing significant capacity for the import and export of bulky commercial goods.

¹⁶ Free ports or zones are designated by the government as areas with little to no tax in order to encourage economic activity. While located geographically within a country, they essentially exist outside its borders for tax purposes. Companies operating within free ports can benefit from deferring the payment of taxes until their products are moved elsewhere, or can avoid them altogether if they bring in goods to store or manufacture on site before exporting them again.

6 Waterfront Marine Sites

- 6.0.1 The previous chapter identified significant issues related to the supply of waterfront sites suitable to the needs of the marine industry sector. This chapter provides details on key waterfront sites that have potential to meet the needs of the marine, manufacturing and wider composites sector in the Medina Valley.
- 6.0.2 This chapter draws heavily on research into waterfront sites prepared on behalf of the Solent LEP¹⁷. This has been subject to some updating and review through consultations. Further details of the 2015 Aecom research for the LEP are set out in Appendix 4 to this report.

6.1 Overview

- 6.1.1 Figure 6.1 identifies the key waterfront sites as well as some important non waterfront locations.

Current sites used for boatbuilding and marine activities:

- Venture Quays (1)
- Medina Yard (2)
- Land South of Medina Yard (3)
- Kingston Wharf (4)
- Clarence Boatyard (5)

Key opportunity sites:

- Medina Yard (2)
- Land South of Medina Yard (3)
- Kingston Wharf (4)
- Kingston Marine Park (6)
- Medina Wharf (7)

Other marine sites within the Medina Valley:

- MHI Vestas Offshore Wind Blades UK (8)
- Trinity Wharf (9)
- GKN Aerospace (10)
- Vestas Technology UK (11)
- Newport Harbour (12)
- Island Harbour Marina (13)
- Blackhouse Quay (14)

Other relevant non waterfront sites:

- Gurit (15)
- BAE Systems (16)
- CEACAMM/Island Technology Park (17)
- GKN Aerospace – 2nd Site (18)

- 6.1.2 The plan does not show all existing marinas, yacht clubs and ferry terminals.

- 6.1.3 Figure 6.2 provides a more detailed view of the current and opportunity sites.

¹⁷ Maritime Futures: Solent Waterfront Sites, Final Report, September 2015. Aecom.

Figure 6.1 Key Marine Sites



- 1 Venture Quays
- 2 Medina Yard
- 3 Land South of Medina Yard
- 4 Kingston Wharf
- 5 Clarence Boatyard
- 6 Kingston Marine Park
- 7 Medina Wharf
- 8 MHI Vestas Offshore Wind Blades UK
- 9 Trinity Wharf
- 10 GKN Aerospace
- 11 Vestas Technology UK
- 12 Newport Harbour
- 13 Island Harbour Marina
- 14 Blackhouse Quay
- 15 Gurit
- 16 BAE Systems
- 17 CEACAMM/Island Technology Park
- 18 GKN Aerospace – 2nd Site



- Current sites used for boatbuilding and marine activities
- Key opportunity sites
- Other marine sites
- Other relevant non waterfront sites

Prepared by Hardisty Jones Associates using QGIS
 Contains OS data © Crown copyright
 © Google Maps

Title
 19 08 01 IOW Medina Valley Proposition

Detail
 Marine and Maritime Sector Sites

Date
 June 2020

Scale
 1:60,000

Revision
 v2.0

Author
 JHJ



Figure 6.2 Current and Opportunity Sites



- 1 Venture Quays
- 2 Medina Yard
- 3 Land South of Medina Yard
- 4 Kingston Wharf
- 5 Clarence Boatyard
- 6 Kingston Marine Park
- 7 Medina Wharf

HJA **HARDISTY JONES ASSOCIATES**
Economic Development Advisers

 Site boundary

Prepared by Hardisty Jones Associates using QGIS
Contains OS data © Crown copyright
© Google Maps

Title
19 08 01 IOW Medina Valley Proposition

Detail
Marine and Maritime Sector Key Opportunity Sites

Date
June 2020

Scale
1:25,000

Revision
v2.0

Author
JHJ

6.2 Site Details

6.2.1 Set out below are further details for the existing and key opportunity sites.

Venture Quays/Columbine Building

6.2.2 This site has a very high profile as a main gateway into the river Medina. The large doors painted with the Union flag are highly prominent and well known.

6.2.3 It is estimated that 1-2ha of the site is currently in marine employment use. The site benefits from deepwater access. It was identified as a Tier 1 prime site in the Solent LEP waterfront sites research¹⁸. The site benefits from a 70T hoist and two 16T bridge cranes.

6.2.4 The wider site, including some land surrounding the Columbine building has planning consent for mixed use development. This includes residential, tourism & leisure and employment uses (retaining the majority of the Columbine building and some office space).

6.2.5 Existing occupiers (Wight Shipyard) utilise the Columbine and additional temporary structures on the site apron. This is estimated to comprise approximately 3,500 sqm of floorspace. There are no provisions for retention of the temporary structures within the consented development proposals. As such, redevelopment would deliver a net loss¹⁹ of floorspace from the current status.

6.2.6 It is anticipated that an alternative development proposal for the Venture Quays will be brought forward in due course and the current consented mixed-use scheme will not be implemented. Future development proposals are expected to retain the Columbine for employment uses.

6.2.7 Consultations have identified that the site remains attractive for marine industry but is in need of investment, including higher capacity lifting equipment.

Medina Yard

6.2.8 This site, formerly known as the J. Samuel White Boatyard, lies on the western bank of the river Medina, running south from the floating bridge, close to Cowes town centre.

6.2.9 The site is approximately 5.5 ha and has a long heritage in boat building and repair. The site benefits from deepwater access, and its location also enables natural dredging. The site was identified as a Tier 1 prime site in the Solent LEP waterfront sites research.

6.2.10 It is estimated that the site has approximately 8,500 sqm of floorspace currently occupied for marine uses. This includes operators such as AMC, Diverse Marine and Red Ensign. There are significant vacant areas of the site, partly as a result of a major fire in 2016. Many of the remaining buildings on the site are in a poor state of repair and are let on short term license arrangements to occupiers at low cost. Whilst this provides low rental costs, it does not provide any incentive to invest in the premises.

6.2.11 The site benefits from planning consent for major mixed-use development. This incorporates residential led development on the northern part of the site (closest to Cowes town centre), and a marine employment area on the southern part of the site. This employment area extends to 1.4ha for B2 and B8 uses with a further 447sqm of B1 accommodation for marine training. Plans

¹⁸ See Appendix 4 to this report for further details on the site categorisation.

¹⁹ The temporary structures only have a temporary consent. Comments on net loss relate to operational provision, rather than technical planning categorisations.

submitted as part of the application which has been consented showed three alternative configurations for the B2/B8 employment area.

- 6.2.12 Work is ongoing to progress the proposed redevelopment, but construction has not yet commenced. This is the primary reason behind short term licenses being offered to occupiers. Without the delivery of the marine employment area within the outline proposals there will be a significant loss of capacity to accommodate boatbuilding and repair activities.
- 6.2.13 Consultees unanimously identify the site as the prime location for boat and shipbuilding within the Medina Valley. Stakeholders were keen to see the entirety of the site retained in industrial use. However, this site has planning permission for mixed use development²⁰. Whilst there has been limited progress since resolution to grant permission was made, discussion with representatives of the landowner identify that following final agreement of the S106 and receipt of planning permission there is expectation of immediate progress. On this basis, there is very limited prospect of any alternative consideration at the Medina Yard site. The focus should be on ensuring the marine employment element of the proposals is delivered successfully, maximising this where possible. Alongside this there will need to be clear communication with wider stakeholders as to the status of proposals. It was expressed by consultees that the northern parcels of the site provide better deepwater access than southern parcels and would be more suited to marine manufacturing activities. The development of modern facilities, with higher eaves heights and improved lifting gear or slipways would be welcomed.
- 6.2.14 A key issue is the development viability of the marine employment area. Current tenants at Medina Yard are paying very low rents reflecting the quality of existing accommodation. Consultations indicated a lack of willingness to pay higher rents, even with the delivery of more modern premises. This is a major problem for any future plans unless the public sector is willing to step in and subsidise the development/occupation. Further specialist viability assessment work will be required.

Clarence Boatyard

- 6.2.15 This 0.9ha site is located in East Cowes. The site is well occupied, albeit with older buildings. There are no known development proposals and the site is expected to be retained in marine manufacturing use. The site was identified as Tier 3 in the Solent LEP waterfront sites research.

Land South of Medina Yard

- 6.2.16 This 2.5ha site comprises a number of poor quality sheds and open storage as well as the UKSA facility. A largely derelict parcel of land to the south of the UKSA facility is of uncertain status. This is a potential opportunity site. The site was identified as Tier 2 in the Solent LEP waterfront sites research.

Kingston Wharf

- 6.2.17 This 3ha site is located on the eastern side of the river Medina. The site is owned and operated by Cowes Harbour Commission. The site was identified as Tier 2 in the Solent LEP waterfront sites research. There are proposals to redevelop and intensify the site for marine uses and install bigger lifting equipment. This would be a multi phase development across the terraced site. It is expected that redevelopment will be most suited to SME occupiers working on smaller vessels, particularly

²⁰ Subject to signing of the Section 106 Agreement anticipated in March 2020.

the leisure marine sector. A 0.6ha portion of the site previously utilised by IOW Aggregates for open storage is currently available to let. The site currently benefits from a 40T hoist.

Kingston Marine Park

6.2.18 This 6.6ha site is located on the eastern side of the river Medina. The site was identified as Tier 2 in the Solent LEP waterfront sites research. The site has planning permission for 14,837sqm of employment floorspace and has benefitted from significant historic public sector investment. The fundamental issue for site development is water access. Environmental designations and other natural factors mean there is, at present, no means of water access. Industry consultees do not believe this site to be well suited for marine related manufacturing and does not offer flexibility and future proofing given the restrictions.

Medina Wharf

6.2.19 This 4.8 ha site is located on the western side of the river Medina to the south of 'Land south of Medina Yard'. The site benefits from deepwater access. The site was identified as Tier 3 in the Solent LEP waterfront sites research. This is the primary²¹ location for the import of aggregates and commercial bulky goods²² to the IOW. The site is owned by PD Port Services, and part is leased to IOW Aggregates.

6.2.20 A significant section of the wharf is no longer useable due to structural failure. The IOW Aggregates wharf is still operational but requires significant investment to ensure it does not fail and there are believed to be significant risks of failure at any time. Without the wharf there is currently no alternative and a clear risk that a significant proportion of the aggregate supply and commercial bulky goods import/export to/from the IOW would be lost. Alternatives would include import via vehicular ferries or increasing quarrying on the island. Both alternatives have significant environmental and cost²³ implications, with the potential need for in excess of 22,000 additional lorry movements per annum. Failure to secure appropriate supply would have wide reaching implications for construction and development activity on the IOW. The movement to larger vessels with deeper draughts are also creating issues for use of the Medina Wharf.

6.2.21 This is a strategic infrastructure issue for the IOW, with significant economic risk attached. Whilst critical infrastructure for the IOW, the scale of activity is insufficient to enable the required scale of investment from the site owner on a commercial basis, indicating clear market failure. Previous research has found that identifying an alternative site is unrealistic and therefore appropriate investment opportunities need to be identified.

6.3 Marine Manufacturing Site Supply and Demand

Existing Occupation

6.3.1 Based on this research the current occupation of marine manufacturing sites which are subject to development proposals comprises:

- Venture Quays: 2,700sqm + 800sqm = 3,500sqm
- Medina Yard: 8,500sqm = 8,500sqm
- **Total:** = **12,000sqm**

²¹ Blackhouse Quay also provides some limited capacity for aggregates import, but insufficient to meet the needs of the IOW.

²² For example IOW Grain use Medina Wharf for the export of island produced grain. Loss of the wharf would therefore impact on movement of agricultural produce from the island.

²³ Previous analysis suggested an increase of 50%+ on aggregate pricing to cover increased transportation costs.

- 6.3.2 It is assumed that Clarence Yard and Land South of Medina Yard remain fully occupied. All figures exclude hard standing and aprons.
- 6.3.3 Retaining existing capacity should be assumed as a minimum scenario, seeking to retain existing employment. However, as noted, this is likely to require more modern premises with improved supporting infrastructure.
- 6.3.4 This research has found evidence of expansion potential across both the existing workboat and leisure marine sector, in addition to requiring improved quality of stock and infrastructure. Consultees were unable to quantify future requirements. For working analysis a 25% expansion, equivalent to an additional 3,000sqm is assumed as a medium growth scenario requiring a minimum 15,000sqm.
- 6.3.5 In order to provide space to accommodate a new inward investor or additional marine renewables activity additional capacity would be required. A cautious high growth scenario requiring a minimum additional 6,000sqm should therefore be tested, requiring a minimum of 18,000sqm.

Future Supply

- 6.3.6 Redevelopment proposals will adjust the capacity of critical sites. Current available information indicates the following:
- Venture Quays²⁴: = 3,500sqm
 - Medina Yard²⁵: = 2,800sqm - 9,000sqm²⁶
 - Kingston Wharf²⁷: = 4,000sqm (estimated intensification potential)
 - **Sub Total:** = **10,300sqm – 16,500sqm**
 - *Kingston Marine Park* = 14,850sqm
 - *Total* = 27,350sqm
- 6.3.7 There is uncertainty as to the additional capacity of the Kingston Wharf site. An estimate of 4,000sqm has been made based on current available level areas. This figure should be subject to further detailed assessment. There is also uncertainty as to the delivery mechanism and configuration for the employment elements of the Medina Yard site.
- 6.3.8 However, assuming the Medina Yard employment area is delivered at the upper end of the potential range, this would enable future capacity broadly equivalent to current supply levels. With intensification at Kingston Wharf there is some potential for additional capacity. This may meet local expansion potential under the medium scenario, but is unlikely to be sufficient to meet the higher growth scenario unless further capacity at Kingston Wharf is identified.
- 6.3.9 In the event that the Medina Yard scheme is not delivered (with existing capacity lost) or only the lower estimate is achieved as part of the wider mixed use redevelopment of the scheme, there would be a significant reduction in local waterfront sites to meet existing needs which creates a significant threat to the sector.

²⁴ Retention of Columbine, but loss of temporary accommodation.

²⁵ Assumed delivery of the maximum floorspace within two large sheds, plus the marine training facility.

²⁶ Planning application cites up to 14,549sqm including hardstanding. Three alternative options identified. The maximum figure (Option 1) relates to provision for larger workboat manufacture, with the lower figures associated with options 2 and 3, related to more leisure marine based formats.

²⁷ No figures have been provided

6.3.10 Inclusion of Kingston Marine Park would provide significant additional supply, however, this is shown with italics given current constraints on water access which raise significant concerns over its ability to meet the needs of marine manufacturing occupiers. Until such time as deepwater access can be secured, and industry stakeholders express confidence in the ability of the site to meet marine industry requirements this site should not be included within calculations of effective potential supply.

6.4 Comparator Locations

6.4.1 Two UK based comparator locations were highlighted by consultees: Pembroke Dock and Great Yarmouth. Brief case studies of these two locations are provided below.

Pembroke Dock

6.4.2 The port at Pembroke Dock offers a very large site with significant open storage capacity as well as built infrastructure.

6.4.3 The primary workboat manufacturer is Mainstay. They occupy a 4.6ha site. This includes a new build 2,000sqm facility with 12m ridge line and 2x6T gantry cranes. There are also multiple smaller (and older) workshops of 300-500sqm. Deepwater access is provided via multiple slipways with 80-640T capacity. There is a 160T mobile hoist and 18,000sqm of hard standing. Mainstay benefitted from significant public funding after a previous iteration of the company (Mustang Marine) fell into administration.

6.4.4 The site owner is actively pursuing further publicly funded redevelopment of 11ha of the dock area for marine renewables related uses. This redevelopment includes part of the Mainstay hardstanding and slipway to deliver improved facilities. Proposed redevelopment will include a further 5,000sqm ship repair and fabrication facility, a 12,000sqm 40m ridge line building, a 1ha slipway and 3ha of hardstanding.

6.4.5 Most notably the site benefits from deepwater access and will have excellent infrastructure for the movement of vessels into and out of the water and around the site.

Great Yarmouth

6.4.6 There are significant industrial employment areas on the frontage of the river Yare. The majority of buildings are older facilities plus large vacant open/derelict areas. Not all buildings are in marine use.

6.4.7 The primary workboat manufacturer and repair/maintenance operator is Alicat. The business occupies a 2.8ha site with 6,500sqm of hard laydown areas. There are two significant buildings within the site. The larger building extends to c3,000sqm including lift out and drydock facilities. The smaller building extends to c400sqm. The site benefits from a 200T mobile hoist.

6.4.8 There is no evidence of proposed redevelopment of the site.

Comparison to Medina Valley Offer

6.4.9 Both Pembroke Dock and Great Yarmouth offer large sites than would be available to boat build and repair businesses in the Medina Valley. Venture Quays provides up to 2ha for industry, Medina Yard proposals include 1.4ha in total for marine industry. The topography of the Kingston Wharf and Kingston Marine Park sites mean significant terracing is required which reduces effective laydown areas.

- 6.4.10 The scale of the proposed redevelopment at Pembroke Dock is greater than any of the individual sites within Medina Valley. However, it provides an indication of the nature of facilities being proposed in competitor locations to support boat building and marine renewables.

6.5 Summary

- 6.5.1 Existing premises on waterfront sites used by the marine industries are generally in a poor state of repair and not fit for purpose. There is a clear need for replacement capacity to retain existing activity and jobs. However, occupiers are unwilling or unable to pay for this.
- 6.5.2 The two main sites currently used for boat building and repair (Venture Quays and Medina Yard) are subject to major mixed-use redevelopment proposals which will reduce their capacity to accommodate marine industry.
- 6.5.3 Development proposals for the Venture Quays site are expected to retain the Columbine building for marine industry, although the loss of existing temporary facilities will reduce existing capacity.
- 6.5.4 In the case of Medina Yard, there is uncertainty as to the deliverability of the marine employment areas, and the configuration of that space. Securing delivery of the maximum possible marine employment area at Medina Yard is recognised as the minimum requirement to protect the existing boat building and repair activity in the Medina Valley.
- 6.5.5 Kingston Wharf provides an opportunity for intensified marine industry use, particularly for smaller occupiers, potentially focused on the leisure marine sector. Alongside delivery of the Medina Yard and Kingston Wharf proposals there could be some additional capacity that would contribute to modest expansion of the sector, and deliver more modern facilities, more appropriate to the modern boat building and repair sector.
- 6.5.6 Kingston Marine Park potentially offers larger capacity. The site benefits from extant planning consent, but is critically hampered by a lack of deepwater access. Until such time as deepwater access can be secured, and industry stakeholders express confidence in the ability of the site to meet marine industry requirements this site should not be included within calculations of effective potential supply. However, the site would deliver considerable additional capacity to the sector. If deepwater access cannot be provided there will remain a requirement for additional capacity to support the future expansion of the marine industry sector.
- 6.5.7 Competitor location case studies highlight the large-scale facilities available with excellent infrastructure for moving vessels and out of the water and around sites. The Medina Valley will need to offer equivalent sites to enable its boatbuilding and repair sector to compete and develop.
- 6.5.8 The need for investment at Medina Wharf is a critical infrastructure issue that has wider implications for the IOW economy, rather than specifically the marine industries. Without investment there are significant risks to the capacity for import and export of commercial bulky goods with clear implications for the agriculture and construction sectors in particular.

7 Potential Actions

7.0.1 This chapter draws together the evidence gathered through the research phase, set out in previous chapters, to identify a small number of actions.

7.1 Ensuring Sites, Premises and Infrastructure for the Boatbuilding and Marine Renewables Sector

7.1.1 The boatbuilding and repair is a key element of the Medina Valley marine offer, and a specialism within the Solent economy. Not only is the sector a direct employer, it is an intrinsic part of the wider IOW culture and heritage as a maritime location which links to the tourism and leisure offering. Coupled with a developing marine renewables sector, there are opportunities to grow the marine related employment base of Medina Valley in line with national, sub-regional and local strategic aims.

7.1.2 This research has identified that the critical barrier, which is causing both a threat to the successful ongoing operation of the existing sector and is constraining potential for expansion and movement into new markets, is the availability of suitable waterfront sites and premises with appropriate water access infrastructure. Addressing this is a critical priority if a thriving boatbuilding and repair sector is to be maintained and enhanced as well as expanding markets such as marine renewables. This is a recognised challenge across the Solent LEP area.

7.1.3 Securing the delivery of modern premises on critical waterfront sites, with appropriate water access infrastructure (lifting equipment or slipways) is essential. This research has found clear indications that such development is not a commercially viable proposition and some form of public intervention will be required to overcome market failure. This will require a package of actions across a number of sites and will be a major programme of work. This package of actions should include detailed viability assessment work as a high priority, to test the options set out in this chapter.

7.1.4 Two of the prime sites for workboat manufacture and repair are subject to redevelopment proposals. **Action 1:** the IOW Council should work to ensure that marine employment areas on high priority sites are retained and new premises delivered. The site areas provided for marine industry should be maximised, with the quantum identified in current proposals viewed as a minimum.

7.1.5 The highest priority marine development sites are:

- Venture Quays
- Medina Yard
- Kingston Wharf

7.1.6 Each of these sites benefits from deepwater access.

7.1.7 Delivery mechanisms for the sites are not yet clear, and there is evidence of market failure. There is a need for public sector intervention to bring forward these sites for development. **Action 2:** to exert influence over the development of these sites the IOW Council and its partners should either purchase them, or joint venture arrangements should be actively pursued. This will require appropriate funding.

- 7.1.8 **Action 3:** the IOW Council should retain an open mind regarding Kingston Marine Park. The scale of the site provides an important opportunity to enable growth in the sector. However, the significant water access challenges provide a major barrier which may be insurmountable. If this cannot be effectively overcome the Council should actively explore opportunities to realise value from the site to fund investment in other high priority sites.
- 7.1.9 **Action 4:** the IOW Council should approach the landowner of 'land south of Medina Yard' to explore potential for investment and development of the southern most parcel of land that is significantly run down and under utilised. This may provide additional waterfront capacity for marine industries which would be highly valuable, particularly if Kingston Marine Park is undeliverable for marine employment.
- 7.1.10 **Action 5:** further sites which are in marine use should also be retained for continued marine employment activities e.g. Clarence Yard. Retaining and enabling marine industrial development should be reflected throughout planning policy and decision making.

7.2 Supporting the retention and growth of specific businesses

- 7.2.1 This research has identified three specific requirements for additional land to support the retention and growth of existing marine related businesses in the Medina Valley. Commercial confidentiality prohibits detailed discussions within the body of this report. However, at least one opportunity would be classified as highly significant.
- 7.2.2 **Action 6:** IOW Council should pursue direct conversations with each of these businesses (details to be supplied to Council officers) to explore ways in which support can be provided, either through bid assistance, direct funding or other mechanisms.

7.3 Investment in Medina Wharf repair

- 7.3.1 Critical risks to the stability of the Medina Wharf represent a serious threat to the IOW economy. Research by IOW Council has identified market failures which mean the site owner is not expected to invest in repair. Whilst the investment may not be commercially viable for the private owner, the public benefit of the wharf for commercial bulky goods transfer is significant, with increased environmental and economic costs should the facility be lost.
- 7.3.2 **Action 7:** IOW Council should seek to secure investment in wharf repair as a key strategic priority.

7.4 Solent LEP Engagement

- 7.4.1 The Medina Valley is recognised by the Solent LEP as a key marine location within its wider marine and maritime offering. This should be actively protected and developed.
- 7.4.2 **Action 8:** The IOW Council should continue to engage fully with marine initiatives of the Solent LEP including Maritime UK Solent for the benefit of the Medina Valley and wider IOW marine offering. This should include exploring the opportunities linked to the Maritime Enterprise Zone and Freeport.

7.5 Summary

7.5.1 This research has identified three core actions, or packages of actions:

Ensuring sites, premises and infrastructure for the boatbuilding and marine renewables sector

- **Action 1:** the IOW Council should work to ensure that marine employment areas on high priority sites are retained and new premises delivered.
- **Action 2:** to exert influence over the development of these sites the IOW Council and its partners should consider purchase or joint venture arrangements should be actively pursued.
- **Action 3:** the IOW Council should retain an open mind regarding Kingston Marine Park. The scale of the site provides an important opportunity to enable growth in the sector.
- **Action 4:** the IOW Council should approach the landowner of 'land south of Medina Yard' to explore potential for investment and development of the southern most parcel of land that is significantly run down and under utilised
- **Action 5:** further sites which are in marine use should also be retained for continued marine employment activities e.g. Clarence Yard.

Supporting the retention and growth of specific businesses

- **Action 6:** the IOW Council should pursue direct conversations with each of these businesses (details to be supplied to Council officers) to explore ways in which support can be provided, either through bid assistance, direct funding or other mechanisms.

Investment in Medina Wharf repair

- **Action 7:** the IOW Council should seek to secure investment in wharf repair as a key strategic priority.

Solent LEP Engagement

- **Action 8:** the IOW Council should continue to engage fully with marine initiatives of the Solent LEP including Maritime UK Solent for the benefit of the Medina Valley and wider IOW marine offering. This should include exploring the opportunities linked to the Maritime Enterprise Zone and Freeport.

Appendix 1: List of Consultees

- i. The following stakeholders were consulted as part of this research
- Stuart Baker, Solent LEP, Maritime UK Solent
 - Ian Bayliss, Seacat Services
 - Ben Colman, Diverse Marine
 - John Corby, Corby Yachts
 - Steven Crutchley, Scott Hill
 - Ian Cunningham, Cunningham Marine
 - Kevin George, Red Funnel, Solent LEP, Maritime UK Solent
 - Cllr Karl Love, East Cowes Town Council, IOW Council
 - Karen Lucas, Vikoma
 - James Luter, MHI Vestas
 - Stuart McIntosh, Cowes Harbour Commission
 - Peter Morton, Wight Shipyard
 - Cllr Lora Peacey Wilcox, Cowes Town Council, IOW Council
 - Rob Stewart, AMC
 - Richard White, CEACAMM
 - Robert Walker, Ocean Coats Marine Services
 - Ben Willows, UK Sailing Academy

Appendix 2: SIC Definitions

Knowledge Based Economy

Knowledge Manufacturing: High Tech

- 21 : Manufacture of basic pharmaceutical products and pharmaceutical preparations
- 26 : Manufacture of computer, electronic and optical products

Knowledge Manufacturing: Medium High Tech

- 20 : Manufacture of chemicals and chemical products
- 27 : Manufacture of electrical equipment
- 28 : Manufacture of machinery and equipment n.e.c.
- 29 : Manufacture of motor vehicles, trailers and semi-trailers
- 30 : Manufacture of other transport equipment

Knowledge Intensive Services

- 50 : Water transport
- 51 : Air transport
- 58 : Publishing activities
- 59 : Motion picture, video and television programme production, sound recording and music publishing activities
- 60 : Programming and broadcasting activities
- 61 : Telecommunications
- 62 : Computer programming, consultancy and related activities
- 63 : Information service activities
- 64 : Financial service activities, except insurance and pension funding
- 65 : Insurance, reinsurance and pension funding, except compulsory social security
- 66 : Activities auxiliary to financial services and insurance activities
- 69 : Legal and accounting activities
- 70 : Activities of head offices; management consultancy activities
- 71 : Architectural and engineering activities; technical testing and analysis
- 72 : Scientific research and development
- 73 : Advertising and market research
- 74 : Other professional, scientific and technical activities
- 75 : Veterinary activities
- 78 : Employment activities
- 80 : Security and investigation activities
- 84 : Public admin and defence
- 85 : Education
- 86 : Human health activities
- 87 : Residential care activities
- 88 : Social work activities without accommodation
- 90 : Creative, arts and entertainment activities
- 91 : Libraries, archives, museums and other cultural activities
- 92 : Gambling and betting activities
- 93 : Sports activities and amusement and recreation activities

Source: Eurostat, found at https://ec.europa.eu/eurostat/cache/metadata/Annexes/htec_esms_an3.pdf

Marine Sector Definition

Marine Manufacturing

20301 : Manufacture of paints, varnishes and similar coatings, mastics and sealants
25300 : Manufacture of steam generators, except central heating hot water boilers
25990 : Manufacture of other fabricated metal products nec
28110 : Manufacture of engines and turbines, except aircraft, vehicle and cycle engines
28990 : Manufacture of other special-purpose machinery nec
30110 : Building of ships and floating structures
30120 : Building of pleasure and sporting boats
30990 : Manufacture of other transport equipment nec
33110 : Repair of fabricated metal products
33120 : Repair of machinery
33150 : Repair and maintenance of ships and boats
33170 : Repair and maintenance of other transport equipment
38310 : Dismantling of wrecks

Marine Transport

50100 : Sea and coastal passenger water transport
50200 : Sea and coastal freight water transport
50300 : Inland passenger water transport
50400 : Inland freight water transport
52101 : Operation of warehousing and storage facilities for water transport activities of division 50
52220 : Service activities incidental to water transportation
52241 : Cargo handling for water transport activities of division 50

Marine Services

65120 : Non-life insurance
71200 : Technical testing and analysis
74909 : Other professional, scientific and technical activities (not incl. environmental consult. or quantity surveying)
77341 : Renting and leasing of passenger water transport equipment
77342 : Renting and leasing of freight water transport equipment
8551 : Sports and recreation education
93290 : Other amusement and recreation activities

Other Potentially Related Manufacturing

1412 : Manufacture of workwear
2651 : Manufacture of instruments and appliances for measuring, testing and navigation
2932 : Manufacture of other parts and accessories for motor vehicles
3030 : Manufacture of air and spacecraft and related machinery
3230 : Manufacture of sports goods
3299 : Other manufacturing n.e.c.

Other Potentially Related Services

4690 : Non-specialised wholesale trade
4690 : Non-specialised wholesale trade
7219 : Other research and experimental development on natural sciences and engineering
8299 : Other business support service activities n.e.c.
9609 : Other personal service activities n.e.c.

Appendix 3 Policy and Strategy Summaries

UK

Summary

Economic Development

- i. UK economic policy, as set out in the UK Industrial Strategy, is now firmly set on transforming the economy by improving its productivity performance. This policy environment will be based on strengthening five areas of the economy, namely: ideas and innovation; people and skills; infrastructure; business environment; and places.
- ii. Of particular relevance to the Isle of Wight context, there will be a focus on targeted public sector support for: growing the AI and data driven economy; clean growth; the ‘future of mobility’.

Levelling Up

- iii. The broader UK economic policy environment is framed by the ‘levelling up’ agenda set out by the current government, which is focused on creating a sustainable future for towns. This will be achieved through the Towns Fund that will work with places to address growth constraints.
- iv. The Towns Fund will provide significant public investment alongside the government’s efforts to work alongside places to identify opportunities to rationalise any investment around key local priorities. The objective of this process is to drive the economic regeneration of towns to deliver long term economic and productivity growth via: urban regeneration, planning, and land use; skills and enterprise infrastructure; and connectivity.

Marine and Maritime

- v. The Marine and Maritime sectors are seen as being of national significance, and needing to play an integral role in the future of the UK economy.
- vi. The UK’s marine and maritime policy environment aligns with the broader UK Industrial Strategy, with a particular focus on: the UK’s competitive advantage; environment; infrastructure; people; security; technology; and trade.

Industrial Strategy (published November 2017)

- vii. The Industrial Strategy attempts to set out a long-term plan, which the Government hopes will boost the productivity performance of the UK economy.
- viii. The five ‘foundations of productivity’ that align with the Strategy’s vision for a transformed economy are:
 - Ideas – the world’s most innovative economy
 - People – good jobs and greater earning power for all
 - Infrastructure – a major upgrade to the UK’s infrastructure
 - Business environment – the best place to start and grow a business
 - Places – prosperous communities across the UK
- ix. It sets four ‘Grand Challenges’ with the intention of placing the UK in a strong position in terms of high-value, knowledge-intensive industries. These Grand Challenges are AI and data economy,

Clean growth, Future of mobility, and Ageing society. Related to this is the Industrial Strategy Challenge Fund.

- x. There is evidently crossover between these Grand Challenges in terms of sector-specific issues. However, there are some points that are particularly relevant to the Isle of Wight and its context within the Solent LEP.

Growing the AI & Data-Driven Economy

- xi. The UK is already a world leader in AI, with the building blocks to make significant advances. It has some of the best research institutions in the world and globally-recognised capability in AI-related disciplines, including maths, computer science, ethics and linguistics. There are substantial datasets in public institutions where AI can be explored safely and securely.
- xii. Four priorities for this Grand Challenge have been identified:
- Make the UK a global centre for artificial intelligence and data-driven innovation.
 - Support sectors to boost their productivity through artificial intelligence and data analytic technologies.
 - Lead the world in safe and ethical use of data and artificial intelligence giving confidence and clarity to citizens and business.
 - Help people develop the skills needed for jobs of the future.

Clean Growth

- xiii. The move to cleaner economic growth – through low carbon technologies and the efficient use of resources – is a significant industrial opportunity. By one estimate, the UK’s clean economy could grow at four times the rate of GDP.
- xiv. The UK has been at the forefront of encouraging the world to move towards clean growth. The Strategy sets out to ensure the UK plays a leading role in providing the technologies, innovations, goods and services of the future. The UK Government wants to support the UK’s strong automotive, aerospace and construction industries to increase their share of global markets as they shift to clean energy sources and efficient new materials. The Strategy aims for UK businesses to lead the development of new markets in areas such as smart energy systems and the ‘bio-economy’ – the use of renewable biological resources from land and sea to produce food, materials and energy.
- xv. The UK Government will take action to establish and extend UK leadership in the following early priority areas:
- Develop smart systems for cheap and clean energy across power, heating and transport.
 - Transform construction techniques to dramatically improve efficiency.
 - Make energy-intensive industries competitive in the clean economy.
 - Put the UK at the forefront of the global move to high-efficiency agriculture.
 - Make the UK the global standard-setter for finance that supports clean growth.

The Future of Mobility

- xvi. Significant investments are being made in the electrification and automation of road vehicles, in the modernisation of rail services to deliver higher capacity, speed and connectivity, and in the development of autonomous aerial and marine transport.

- xvii. The UK has significant strengths in many of the most relevant areas of research and development, including artificial intelligence and complex vehicle engineering. It has dynamic businesses developing new mobility solutions, and innovative, strong and diverse automotive, rail, maritime and aviation sectors. There is a long history of bringing transport innovation to the world.
- xviii. Four early priorities have been identified:
- Establish a flexible regulatory framework to encourage new modes of transport and new business models.
 - Seize the opportunities and address the challenges of moving from hydrocarbon to zero emission vehicles.
 - Prepare for a future of new mobility services, increased autonomy, journey-sharing and a blurring of the distinctions between private and public transport.
 - Explore ways to use data to accelerate development of new mobility services and enable the more effective operation of our transport system.

Maritime 2050 – Navigating the Future (published January 2019)

- xix. The maritime sector²⁸ has played a critical role for centuries in the growth and development of the UK as a primary facilitator of global trade. Today the UK relies on the sector not only for the import and export of goods, but also the value the wider maritime sector brings to the economy through the likes of businesses services. The government and the maritime industry are clear that maritime has an integral role to play in the future of the UK.
- xx. Maritime 2050 is a recognition that the UK's maritime future will not look like its maritime past. While the UK cannot be a world-leader across the entirety of the sector, the expertise that has been honed over generations will allow the UK to lead in certain areas such as technological and environmental innovation, and in high quality maritime business services.
- xxi. The strategy coalesces around a set of 10 core strategic ambitions. These ambitions provide, in their simplest form, a set of aspirational objectives beyond the middle of the 21st century.
- Maximise the UK's strength in maritime professional services, retaining and enhancing the UK's competitive advantage in the provision of maritime law, finance, insurance, management and brokering, and developing its green finance offer.
 - Lead the way in taking action on clean maritime growth enjoying economic benefits from being an early adopter or fast mover.
 - Strengthen the UK's reputation for maritime innovation, maximising benefits to the UK from new maritime technology through its world leading universities, maritime small and medium enterprises (SMEs) and global companies.
 - Continue to be recognised as the global leader in maritime safety and security standards and expertise worldwide.
 - Grow the UK's maritime workforce and transform their diversity, enhancing its reputation as the world leader in the provision of maritime education and training.
 - Promote a liberalised trading regime that delivers maximum benefit for the UK's maritime sector.
 - Support the continued multi-billion pound commercial investment in maritime infrastructure that makes the UK a globally attractive destination for all maritime business.

²⁸ In Maritime 2050, the maritime sector is considered to include shipping, ports, services, engineering and leisure marine industries.

- Strengthen and enhance the UK's reputation as a leading country in the International Maritime Organization (IMO), International Labour Organization (ILO) and all international bodies working with like-minded countries to take action.
 - Promote the UK-wide leading maritime cluster offer with government, the maritime sector and academia working in partnership to make the UK the place to do maritime business.
 - Showcase the UK maritime offer to the world, promoting all parts of the maritime sector including shipping, services, ports, engineering and leisure marine, and through London International Shipping Week (LISW) maintaining its status as the leading global maritime event.
- xxii. Maritime 2050 is built on seven high level themes: the UK's competitive advantage, environment, infrastructure, people, security, technology and trade. The themes were chosen because they are seen as being of fundamental importance throughout the life of the strategy. In each thematic chapter there are recommendations which seek to set out short, medium and long term priorities. Some are for government, some are for the UK maritime sector which includes our social partners, and an overwhelming majority will only be achieved through collective endeavour. These themes are set out below.

UK competitive advantage

- xxiii. Throughout the world maritime will retain its central place as the enabler for global trade as it grows and stimulates global and regional economies. The UK will continue to play a leading role in this market. Many of its strengths will remain in areas such as the business service sector, in its leadership in the IMO and other international fora and in its attention to maintaining quality and strength in underlying principles such as safety. The UK will have additionally positioned itself to take advantage of new areas which develop through the period so that by 2050 the UK is at the forefront of innovation and productivity, academic research and thought leadership.

Technology

- xxiv. Smart shipping and autonomy will make the sector a cleaner, safer, and more efficient place to work. Technology will create new, highly-skilled, job opportunities - helping to make maritime careers more attractive to a more diverse range of people. Digitalisation, big data analytics, and more robust communications will ensure that ships and ports are better connected and improve business decisions. Effective management of huge data-sets by increasingly sophisticated artificial intelligence will realise significant cost savings and ensure more efficient logistics and supply chains. Distributed manufacturing and 3D printing could lead to a 'post-container' society with a correspondingly drastic impact on ship and port design, port location, and the nature of maritime traffic.

People

- xxv. The skills profile of the maritime industry will change as more technology and automation is used in the sector, resulting in more highly skilled and technical roles in the workforce. Some roles will move ashore and workforce diversity will improve. For those at sea, better connectivity will improve conditions, but the opportunities for face to face interaction will decrease as some of the traditionally sea-based roles move ashore.

Environment

- xxvi. In support of the government's 25-Year Environment Plan, the Clean Growth Strategy and the Clean Growth Grand Challenge, the UK maritime sector will play its part in helping us to be the first generation to leave the environment in a better state than we found it. It will be environmentally sustainable and its impact on the marine environment, climate and air quality will be close to zero.

The UK will be seen as a global exemplar in green maritime issues and will be a leading supplier of zero (and low) emission shipping technology and green maritime finance. The UK will continue to play a leading role in setting international standards in this field. More broadly, the UK will be taking advantage of the opportunities presented by the increasing technological and economic transition associated with climate change mitigation and adaptation.

Trade

xxvii. Growth in global maritime trade in goods and services between now and 2050 will be determined by a number of factors including population growth, GDP growth, national and international policy-making, and technological change. Existing trends in population and GDP growth mean that maritime trade is likely to be increasingly diverted from traditional Atlantic economies and toward Asia. International trading relationships may change – resulting in increasing or decreasing globalisation. The nature of goods demanded in the UK may drastically change (for instance 3D printing), as well as where these goods are produced.

Infrastructure

xxviii. Maritime infrastructure will be agile and open to change as technology development cycles and adoption become faster. The UK's maritime infrastructure will need to match the level of modern technology in comparable industries, embedding best practice. Autonomy, interconnected smart systems and big data will bring the shipping, cargo handling and inland logistics elements ever closer together, maximising efficiency, reliability and reducing costs. Changing perceptions around social and environmental responsibility will place greater precedence on maritime infrastructure, both at sea and on land, to operate in a cleaner, safer and more ethical manner. Changes in consumer demand, for instance 3D printing, will require changes in infrastructure at ports and onward freight transport.

Security

xxix. To advance and protect the UK's national interests, at home and abroad, through the active management of risks and opportunities in and from the maritime domain, in order to strengthen and extend the UK's prosperity, security, and resilience and to help shape a stable, rules-based, world.

Towns Fund Prospectus (published November 2019)

xxx. The Towns Fund Prospectus (the Prospectus) is concerned with the 'levelling up' agenda and creating a sustainable future for towns through the Towns Fund that will work with places to address growth constraints.

xxxi. The Prospectus sets out the importance of towns as business, employment, and education centres, providing important functions for surrounding rural areas. However, many struggling towns do not have the fundamental building blocks in place to support a strong economy. Many face significant challenges, in particular: an ageing population; a low skills base; less foreign direct investment; and poor transport and digital connectivity.

xxxii. Growth will ultimately depend on the success of businesses in a town and its wider economy. An appreciation is given to the unique 'path to prosperity' that will apply to each town – this will be dependent on the town's own set of assets, namely its sectoral strengths. Many businesses make long-term investment decisions which depend on the specific locational advantages that towns can provide, for example access to the coast for marine-based activities. Businesses are also tied to a particular town through historic investment in infrastructure and capital assets, for example port infrastructure or heavy manufacturing equipment. These connections can be very specific and

sometimes impossible to replicate elsewhere. Where such businesses play a significant role in the town's economy, local leaders should support them to grow further and invest in the workforce.

xxxiii. The Towns Fund will provide significant public investment alongside the government's efforts to work alongside places to identify opportunities to rationalise this investment around key local priorities, as part of agreeing a Town Deal.

xxxiv. The objective of this process is to drive the economic regeneration of towns to deliver long term economic and productivity growth via:

- **Urban regeneration, planning and land use:** ensuring towns are thriving places for people to live and work, including by: strengthening local economic assets; site acquisition, remediation, preparation, and regeneration; and making full use of planning tools to bring strategic direction.
- **Skills and enterprise infrastructure:** driving private sector investment and ensuring towns have the space to support skills and small business development.
- **Connectivity:** developing local transport schemes that complement regional and national networks, as well as supporting the delivery of improved digital connectivity

xxxv. The Prospectus points out that, in post-industrial towns, there are often opportunities to redevelop vacant sites for new business uses. By aligning this with other complementary investment, local leaders can ensure these developments support the economy into the future, and create wider strategic benefits. The Prospectus urges towns to explore strategies for making best use of brownfield sites or surplus land. Having such a strategy in place will allow places to acquire strategic sites when opportunities arise and make use of them as part of long-term regeneration plans. Towns should work with public land owners and other land owners to identify and unlock land across the town and its periphery, creating a future land supply that will sustain the town's development.

Solent LEP

Summary

Economic Development

xxxvi. The LEP's vision for the Solent is to create an environment that will bring about sustainable economic growth and private sector investment in the Solent. This will be done by, amongst other measures, unlocking critical employment sites to allow businesses expansion (particularly those in the marine, maritime and advanced manufacturing sectors), and unlocking innovation led growth to engage more businesses in knowledge exchange and innovation.

Levelling Up

xxxvii. The Solent economy is overly dependent on public sector employment and larger employers, making it vulnerable to business failure and public sector cuts.

xxxviii. Low levels of educational attainment at Key stage 4 and lack of STEM skills are also key challenges to economic growth, including in key growth sectors such as advanced manufacturing, and marine and maritime. This issue translates to a comparatively high proportion of low-skilled employment.

xxxix. The policy environment aims to broaden the business base of the LEP area by supporting start-ups and the growth of existing SMEs – including those within supply chains – helping them to diversify and strengthen their international trade links.

xl. LEP policies also look to create an environment in which businesses can develop and train their workforces. The LEP aims to ensuring local residents are equipped to take up new jobs that are created, and reduce the proportion of residents with low or no skills.

Marine and Maritime

xli. The Marine and Maritime sector, including the use of composite materials, is categorised as a strategic sector in the Solent Strategic Economic Plan, and considered as the area's most significant smart specialisation opportunity. Advanced manufacturing, including the use of composite materials, is also one of the LEP's strategic sectors.

xlii. Unlocking and protecting critical employment sites for marine and maritime business activities is clearly a key part of economic development policy in the Solent as it is a focus across all of the LEP's policies reviewed as part of this work. The encroachment of other uses onto waterside land assets is seen as a significant threat to economic growth in the Solent, and the policy environment support local authorities in resisting this trend.

xliii. The LEP refers specifically to this issue being of critical importance in an Isle of Wight context. It recognises that infrastructure investment on the Island needs to be strengthened, and a range of development sites do have the potential to bring forward new employment floorspace in key areas, including the Medina Valley. However, it is recognised that many sites will require infrastructure investment to unlock and accelerate their potential and improve viability for private sector investment.

Transforming Solent: Solent Strategic Economic Plan 2014–2020 (published March 2014)

xliv. The Strategic Economic Plan (SEP) sets out the LEP's plan for growth between 2014–20. The vision is to:

“...create an environment that will bring about sustainable economic growth and private sector investment in the Solent. It will assist this globally-competitive area reach its full potential, enabling existing businesses to grow, become more profitable and to be greener; enabling the creation of new businesses and attracting new businesses to the region.”

- xlv. The objectives derived from the broader vision can be summarised as:
- Maximising the economic impact of the area’s economic assets – including UK significant advanced manufacturing sector, and globally significant marine and aerospace sectors.
 - Unlocking critical employment sites to allow businesses expansion – particularly those in the marine, maritime and advanced manufacturing sectors.
 - Providing new housing.
 - Ensuring people have the right skills to access employment.
 - Providing effective support to small and medium-sized enterprises (SMEs) – including marine and maritime SMEs.
 - Unlock innovation led growth to engage more businesses in knowledge exchange and innovation, develop links to wider Higher Education Institutions (HEIs) and demonstrate the benefits of working with knowledge- based partners.
- xlvi. This will involve focused investment on those parts of the economy that will deliver the most growth. The SEP sets out six strategic priorities that will deliver on these objectives:
- Supporting new businesses.
 - Enabling infrastructure priorities including land assets, transport and housing, reducing flood risk and improving access to superfast broadband.
 - Establishing a single inward investment model to encourage companies to open new sites in the region.
 - Investing in skills, ensuring local residents are equipped to take up the jobs that are created and businesses can source local skills and labour to underpin growth.
 - Developing strategic sectors and clusters in marine, aerospace and defence, advanced manufacturing, engineering, transport and logistics businesses, low carbon, digital and creative, and the visitor economy.
 - Building on knowledge assets to support innovation and build innovative capacity in the Solent area to stimulate growth in businesses and in new high growth sectors.
- xlvii. The SEP describes the LEP area’s maritime and marine research base as world class, with the ‘strongest area in the world for intellectual capability in maritime and marine’. There is a robust underlying knowledge infrastructure with strengths in key sectors, internationally renowned companies, and world-class universities.

Transforming Solent Growth Strategy (published January 2015)

- xlviii. The Growth Strategy sets how the LEP will, through a set of place-based and strategic investments, combined with private and public sector investment, transform its economy.
- xlix. The vision remains the same as the other ‘Transforming Solent’ documents, as described in paragraph xlv. The objectives and priorities also mirror those described in paragraphs xlv and xlvi, respectively.
- l. The growth strategy emphasises the importance of enabling infrastructure:

“Providing suitable employment sites for our growing marine, maritime and advanced manufacturing sectors that are in close proximity to our key economic assets... are also key economic challenges for the sub-region.”

- li. Unlocking strategic sites for employment is a priority for action. In particular, the Southampton - Portsmouth City Deal will open up significant employment sites for Southampton and Portsmouth’s growing marine, maritime and advanced manufacturing sectors. Local Growth Deal arrangements will also bring forward key sites for development from 2017–20, including the Isle of Wight self-designated Enterprise Zone. Unlocking these sites will support the area’s economic and investment priorities, enabling private sector development and investment stalled as a consequence of the economic downturn and market failure.
- lii. The strategic sector in the Growth Strategy are as described in the SEP:
 - Marine
 - Aerospace and defence
 - Advanced manufacturing
 - Engineering
 - Transport and logistics
 - Low carbon
 - Visitor economy
- liii. The development of growth hubs and strategic sector-based clusters which can deliver export-led growth in high value employment is seen as critical to the success of the Solent economy. The LEP is committed to ensuring that all strategic priorities and their delivery are targeted towards meeting the needs of these sectors.
- liv. The LEP has established a Solent Marine and Maritime Steering Group, which includes CEO/Director level representation from marine companies. This group has responsibility for delivering the Solent Marine and Maritime Strategic Plan.
- lv. Support is being provided to the Advanced manufacturing and Defence sector. The LEP is working closely with the Defence Growth Partnership (DGP) and over the past year the industry around Maritime Mission Systems (MMS) as a significant growth opportunity, and an initial priority for focussing investment and positioning the Solent as the global centre to develop new Maritime technology.
- lvi. The LEP also aims to become the national leader and internationally recognised for its Low Carbon Green Economy. This will be achieved by meeting the challenge of capitalising on the world-class research in the sub-region into green technologies and turning these into business opportunities, growth and jobs as well as supporting strong manufacturing. A pathway will be created for the development of low carbon marine technologies in the Solent area, providing funding, through grants, to universities, businesses and other enterprises for new research and testing facilities; research and technological development; proof of concept/Prototyping; larger-scale demonstrator projects, and supply chain collaboration. Development of large-scale renewable energy schemes such as tidal and offshore wind will be incorporated where practical.

Transforming the Solent: Productivity and Growth Strategy Update (published February 2017)

- lvii. The productivity and growth strategy update for 2017 seeks to help frame policy and investment decisions, ahead of a refresh of the LEP's Strategic Economic Plan.
- lviii. The update continues to emphasise the need to build on existing assets. In an increasingly competitive environment it will be essential that the Solent optimises its assets, and in particular, those which have a global significance. These assets exist within the LEP's industrial base, research institutions, and skills base.
- lix. The Solent LEP has commissioned work to develop an independent evidence base for the Solent, which has highlighted particular strengths in: Marine and Maritime; Photonics; aspects of Life Sciences; Advanced Material; Aerospace and Defence; and Computer Science and Digital. There are several opportunities for transferring enabling technologies and emerging technologies, such as high-performance computing and big data; satellite applications; advanced materials and composites; nanotechnology; autonomous systems; and optoelectronics and fibre optics across industry sectors and sub-sectors.
- lx. The marine and maritime sector is the Solent's most obvious strength, and most significant smart specialisation opportunity. It not only provides the industry and innovation base necessary to be at the leading edge of new growth opportunities, but also acts as a nationally recognised testbed for a range of enabling and emerging technologies. Southampton hosts a range of national marine and maritime centres of excellence, including, Lloyds Register, Southampton Marine and Maritime Institute and the National Oceanography Centre.
- lxi. The Solent also has strengths in advanced materials, especially composites, with its potential for application as an enabling technology across multiple sectors a particular advantage. The LEP's strategy seeks to maximise knowledge exchange related to composites across sectors, with a specific view to supporting the marine and maritime sector in taking a leading role in the application of composites technologies across its various sub-sectors.
- lxii. Assessed in an international context against European clusters, the digital economy in the Solent has one of the highest concentrations in the UK.
- lxiii. The port of Southampton provides a strategic hub and gateway to global markets for enterprises across southern and central England. Southampton port is a critical stopping point on the world's busiest trade route from Shanghai to Rotterdam, a gateway to global markets for the automotive industry as the UK's leading port for car exports, the second largest and most efficient container port in the UK and the nation's busiest cruise port. Southampton port plays a critical role in enabling export-led growth in the UK and the Solent LEP and DfT are prioritising transport investment in critical national and local networks linked to the port.
- lxiv. Future priorities for the LEP include infrastructure investment in the Isle of Wight. It is recognised that infrastructure investment on the Island needs to be strengthened and there are a range of development sites with potential to bring forward new employment floorspace in key areas, including Medina Valley. However, many sites need infrastructure investment to unlock and accelerate their potential and improve viability for private sector investment.

Transforming the Solent: Marine & Maritime Supplement (published March 2014)

- lxv. After the creation of the Solent Marine and Maritime Forum²⁹, it's first task was to work with the LEP to produce a Marine and Maritime Supplement, to be submitted alongside its Local Growth Deal proposals, ensuring a joined-up approach. What emerged most clearly during the course of the work is the need for clear leadership and the implementation of a unified marine and maritime Strategic Plan for the whole of the Solent area. The report provides the first plan of this nature: a strategy for the sector's long-term development, setting out the Solent's marine and maritime strengths, opportunities for growth, and the steps to be taken to address a range of constraints facing the sector.
- lxvi. The aim of the Strategy is to:
- "Position the Solent as a globally-recognised marine and maritime centre of excellence."*
- lxvii. To deliver this aim, six thematic objectives have been identified:
1. **Leadership** – establishing an accountable group with the authority to drive the long-term, sustainable growth of Solent's Marine and Maritime sectors.
 2. **Developing Ports** – creating a clear plan for the development of ports, their infrastructure, logistics and expansion.
 3. **Marine Manufacturing** – nurturing the capacity and growth of the sector, through the formation of Marine Enterprise Hubs and securing adequate access to support waterside marine manufacturing sites.
 4. **Technology and Innovation** – building on world-class marine and maritime research and development assets and creating a national Large Structures Composite Centre with associated skills training.
 5. **Skills** – addressing the fact that 20% of employers in the sector are already experiencing recruitment difficulties, and taking urgent steps to avoid future skills gaps resulting from the need to replace 50% of Associate Professionals & Technicians and 30% of skilled tradespeople in the next ten years.
 6. **Brand Solent** – creating a Global Marine Excellence brand for the Solent through a regional marketing campaign, underpinned by a new iconic project - Sir Ben Ainslie's America's Cup bid.
- lxviii. There are clear strengths in marine manufacturing. The Solent's topography, history, economy, and design and manufacturing skills provide the area with the foundations for a world-class ship and boat-building industry. The Portsmouth Naval Base sits at the centre of a high-tech defence and advanced manufacturing cluster, supporting 20,000 direct and indirect jobs, contributing over £1.6bn of GVA. This cluster extends beyond marine into aerospace, including companies such as BAE Systems, GE Aviation Systems, Astrium and Qinetiq.
- lxix. Solent has an international reputation for leisure marine excellence – a cluster of world-class Superyacht designers, and a central role in maintaining the UK's world-leading reputation for the production of quality powerboats and high-value sailing yachts. Global demand for powerboats, superyachts, sailing and other craft is relatively strong. The need for offshore support craft is forecast to grow, alongside demand for sustainable ships and ships made of composite materials. Solent is also a well known venue for watersports, sailing, long-distance races and for globally

²⁹ Established to identify the steps that should be taken to secure the future of the marine and maritime industries in Portsmouth and across the Solent

recognised events such as Cowes Week and the Southampton Boat Show. Solent's waterways and marinas are occupied with leisure boats 12 months of the year, supporting a variety of jobs in large and small businesses across the economy.

- lxx. There are strengths in emerging sectors and technologies such as composite manufacturing, marine autonomous systems, offshore wind and tidal energy – sectors in which Solent's skills and innovation assets can afford a market advantage. The Isle of Wight is now seen as a major site for the development of composite materials, used by GKN (Airbus), GURIT (Automobile and Marine), BAE systems (warships), Perpetuus (tidal energy), local boat-builders, and the Danish company Vestas' wind turbine blade research and testing facility.
- lxxi. The Solent's research and development assets are also notable. They include three universities with specialisms in areas such as composites, fluid dynamics and marine autonomous systems. This was further enhanced through the opening of the (SMMI) – a £120m investment to create an internationally-recognised centre of excellence, bringing together a research, innovation, and regulatory skills.
- lxxii. The Strategy identifies three particular areas where the Solent's research and innovation capacity, industrial strengths, and market opportunities a Smart Specialisation strategy should be focused. These are:
- Composites
 - Marine Greening
 - Autonomous Vehicles

Composites

- lxxiii. The move to composites is already fuelling the growth of companies in the Marine and Maritime sectors, such as racing and performance yacht manufacturers. Take-up is likely to spread, from remote underwater vehicles, to warships, powerboats and cruise-liners as manufacturing costs fall and initial development costs are offset by improved power-to-weight ratios, reduced corrosion, maintenance and through-life costs, and lower fuel bills. As in the past (when steel replaced wood), this transition will depend on building confidence in the new material, particularly among safety assessors and regulators. This will require new skills sets and suitably-qualified staff.

Marine Greening

- lxxiv. Spiralling marine diesel costs and mounting concern for the environment are driving marine and maritime enterprises to focus on fuel efficiency, the use of alternative fuels, and associated areas such as fluid dynamics, hull and propeller design. At the same time, EU regulations on the sulphur content of marine fuels have resulted in a race to develop LNG and dual fuel (LNG & Diesel) based propulsion systems. According to forecasts the growth of this technology could be exponential, provided that challenges such as loss of cargo space, the development of hull integrated tanks and 'methane slippage' can be addressed.
- lxxv. Solent needs to be at the forefront of this technology, both to secure the global business opportunities that will be generated and because the Solent is an EU-designated low-sulphur zone. The economic impact of low sulphur marine fuels is expected to be considerable, leading to one estimate of a 30% rise in ticket prices on some short routes. Unless this challenge is addressed, the comparative advantage the location offers could be eroded relative to destinations where less stringent emissions tolerances apply (such as ports on the Irish Sea).

- lxxvi. The Isle of Wight is not seen as pivotal to this particular development, but opportunities in supply chain and support activities may present themselves.

Marine Autonomous Systems

- lxxvii. Recent advances in satellite communications, navigation systems, battery design and propulsion systems, are enabling an increasing range of operations to be conducted by Maritime Autonomous Systems (MAS). Some MAS are now being built to react autonomously to their environment, though vehicles also require a track-record of reliability/safety to gain full acceptance into industrial markets such as oil and gas.
- lxxviii. Although the USA dominates production, the UK has strengths in control systems and in the development of Remotely Operated Vehicles (ROV).
- lxxix. There is a need to build on this strength and exploit international growth in this market by fostering a cluster around the NOC Marine Autonomous Systems (MAS) Innovation Centre in Southampton.

Isle of Wight

- lxxx. The Isle of Wight is seen as an important base for employers in the Marine and Maritime sectors. The island is home to the Composites Research Centre, focused on technology development for the automated manufacture of complex composite parts for high performance sub-assemblies. It has good skills and waterfront employment sites that have potential for development. It is building on these strengths, investing in developments such as the Solent Ocean Energy Consortium and the Perpetuus Tidal Energy Centre and on enhancing the island's STEM skills base, which has been central to attracting inward investors. However, its economy is constrained by poor connectivity to the mainland. With GVA per head at just 60% of the England average, the scale of these constraints has recently been recognised through the award of Assisted Area status.
- lxxxi. One aspect of reversing some of the region's declining trends is to create three Marine Enterprise Hubs to act as magnets for inward investment and a focus for the incubation of high-value marine manufacturing activities in Southampton, Portsmouth and on the Isle of Wight. These Hubs will provide flexible accommodation for start-ups and growing companies, serviced facilities, and access to a comprehensive package of business support covering areas such as finance, innovation, marketing, leadership and organizational change.
- lxxxii. There is a need for sufficient waterside sites to be safeguarded for employment use by sectors that depend on waterside/deep-water access. Ensuring that sufficient waterside sites, particularly those that have historically been used for ship-building, are retained for marine manufacturing is vital to the regional economy.
- lxxxiii. To take advantage of the Isle of Wight's recent award of Assisted Area status, the Strategy proposes the creation of an Isle of Wight (Marine) Enterprise Zone across a portfolio of five sites, three of which have direct water access. By marshalling local resources, this will deliver a package of support to enterprises to move to these sites, creating badly needed jobs on the Isle of Wight.
- lxxxiv. However, to bring forward development and to create the enhanced industrial environment that the Enterprise Zoning must offer, initial investment is required.

Solent Waterfront Strategy (published December 2007)

- lxxxv. The Solent Waterfront Strategy (the Strategy) was produced as a strategy for marine industries in and around the Solent. Marine industries have long been a central trait of the traditional view of the Solent economy. The area has managed to keep the core of its marine industries at a time

when many other British coastal areas have lost or struggled to retain theirs, however the region has not held onto the dominance in marine industries that it once possessed. Over recent decades, significant elements of the Solent's traditional marine industrial base have disappeared. The challenges which have caused this upheaval persist, as new challenges continue to emerge.

- lxxxvi. As well as commercial port activities, defence, marine leisure and recreation, safety, and research and education, the region has numerous firms involved in boat and ship building and repair. The commercial boat manufacturing industry in the Solent serves an international market. Activities in this sector are spread across the region, but the major concentrations are in Cowes and the Medina Valley, as well as Lymington, along the Hamble and Itchen rivers, and Portsmouth Harbour.
- lxxxvii. The Strategy comments on the South East Marine Sector Business Issues: Prospects for Clustering Research. In the report the South East is identified as the most important UK marine region. It recognised that a business strategy to maintain and increase the competitive advantage of the industry would have the concept of clustering as a focal point and it is suggested that local networks and clusters should be supported.

Marine Infrastructure

- lxxxviii. Marine infrastructure includes the facilities and services necessary for marine industries to operate safely and profitably. Marine infrastructure constantly needs renewing and updating. The Strategy stresses that each individual business' needs will often be crucial to the viability of the enterprise:

“Marine infrastructure requirements are often precisely quantifiable. If the requirements are not met... by extending existing infrastructure or providing new facilities, then new businesses cannot start and existing ones will fail”

Key requirements of the marine sector – survey based findings

- lxxxix. 38% of businesses that participated in the study identified being close to the waterfront as a key consideration in terms of location choice. Similarly, 43% of businesses stated that being close to the waterfront was the main competitive factor of their current location. This highlights the importance of enabling a significant proportion of marine industries to carry out their operation on sites along and near to the Solent coastline. Indeed, the implication from the business survey is that, without the choice of near-waterside locations, a core determinant of business viability for many marine businesses would be removed.
- xc. Consequently, in facilitating the diversification and natural growth of competitive marine industries in the Solent, it is critical that planning policies attach significant weight to the protection of existing marine industry sites as well as the identification of sites in other suitable waterside and nearby locations.
- xcii. When asked what location specific issues were impacting on the operation of marine businesses in the Solent, key factors highlighted included: poor access (38%), expensive premises (35%), planning restrictions (33%), and premises being too small (26%). These constraints highlight some of the factors that should be addressed and prioritised by planning, land-use and transportation policies for the Solent.

Marine sector sites of strategic economic significance

- xciii. The Medina Valley is listed as one of 25 marine sector sites of strategic economic significance. The area is listed as one of the sites with 'Existing or potential national economic significance'.

Future Trends

- xciii. In the UK, boatbuilding has been quite strong since the 1960s. One reason for this success was the introduction of composite manufacturing materials, which have led to the development of a sophisticated boatbuilding sector. Currently, the UK is one of the leading countries in the sector. Main competitors are Italy, France, Germany and the US.
- xciv. The most obvious ‘megatrend’ is that very few efforts have been made over a period of three decades to support the growth of marine industries in the Solent by way of land use policies. An associated ‘megatrend’ has been the steady erosion of the basic resource of coastal land suitable for marine industries. This has occurred directly, because other uses have been preferred on marine sites, and indirectly, as other uses have encroached onto marine sites. This trend continues, apparently without regard to the consequences for marine industries or the possibility that the coast might be required in the future for manufacturing activities or transport. It has been supported by the short-term horizon required of most development plans and the lack of any strategic guidance to the contrary.
- xcv. Taken together, these trends present a picture of a reducing and increasingly constrained coastal resource in which, in the absence of creative proposals to provide for them, the future for marine industries will be one of inevitable decline. Real growth is not possible if there are no new affordable coastal sites for marine industries and replacement of failed marine industries by new ones is thwarted by a predisposition to residential or other higher value use.

Recommendations

- xcvi. The Strategy proposes a series of recommendations, including:
- **Recommendation 3:** Strategic marine sites of existing national and regional economic importance or with the potential to be of national or regional economic importance should be identified and safeguarded for marine employment use only in relevant Local Development Documents.
- xcvii. At the local level, the Strategy recommends that individual authorities identify locally significant existing or potential marine sites and provide clear policy support for their use for marine employment uses in the first instance either through site allocation, where appropriate, or the use of a criteria based policy restricting the use to which the site could be used. Local authorities should actively canvass the representative views of key marine cluster businesses as key stakeholders in formulating policies.
- **Recommendation 7:** SEEDA should emphasise to relevant local authorities the need for affordable land supply for marine uses. SEEDA, PUSH and other relevant local authorities should assess the feasibility of a range of fiscal measures and policy mechanisms to bring forward a supply of affordable employment land suitable for marine industries.
- xcviii. Strong proactive allocation policies will be most effective if higher value (non-marine and usually non-employment) uses can be prevented from pricing-out small and medium sized businesses.

Emerging Proposals

Proposition Paper for a Freeport in the Solent (published April 2020)

- xcix. The Solent Local Enterprise Partnership has commissioned this study to assess potential models and associated benefits for developing a Freeport in the region. The report considers the role of

Freeports and Free Zones in economic development globally and considers the various sites and delivery models that could be pursued to develop a competitive Freeport in the Solent.

- c. In their most basic form, free zones, sometimes referred to as a 'Free Port', 'Special Economic Zone' or 'Free Trade Zone' are an area within a country's territory but treated as outside of the country's customs border. Free zones are not a new concept, they are permitted and indeed exist across the EU.
- ci. A broad range of potential sites to be included in a Solent Free Zone were considered by the LEP at the outset of the study. A set of seven criteria were applied to assess the suitability of various sites for inclusion in a Solent Free Zone: port access; land availability; industrial clustering; export-based industries; linkages; desirability; and feasibility.
- cii. Sites in the Solent were assessed according to this set of standard criteria. Assessment based on these criteria and conversations with stakeholders was used to determine the desirability and feasibility of each site. In terms of sites on the Isle of Wight, the MHI Vestas facility was included as a suitable site for inclusion in the Zone. The Study sets out how it performs against the seven standard criteria:
- **Port access:** Yes but must be trans-shipped through larger port for export.
 - **Land availability:** No feasible expansion on Isle of Wight.
 - **Existing clusters:** Offshore wind turbine manufacturing producing £150 million annual turnover; 750 high-skilled manufacturing jobs.
 - **Export base:** Majority of inputs are imported (80% from Europe), strong export demand; all exported blades get transported to Denmark for turbine assembly, including blades for use in UK.
 - **Linkages:** Painting and finishing at Fawley Waterside; shipped through the Portsmouth International Port.
 - **Desirability:** Supports jobs and economic growth in the most deprived locality of the Solent, short term expansion needed with other sites under consideration; Operations significantly exposed to higher tariffs under a no-deal Brexit scenario.
 - **Feasibility:** Lack of land availability may be prohibitive to operations, but reliance on import of composites from Europe make site attractive for inclusion in virtual free zone model.
- ciii. After assessing the options available, the Study recommends the inclusion of the MHI Vestas site in the Freeport proposition.

Solent Freeport Consultation Talking Points (published early 2020)

- civ. This document sets out high level messages from the perspective of the LEP to assist with the responses from partner organisations to the UK Government's Freeports Consultation.
- cv. The document considers many discussion topics including customs, tax, planning, regeneration, and innovation. In terms of planning, the document suggests that specialised planning regimes for Freeports can send powerful signals to potential investors around the ease of doing business within the boundaries of a Freeport. In practice, these specialised regimes may not differ greatly from existing council-led planning processes, but may benefit Freeport projects through promoting coordination and enhancing capacity amongst planning staff.

Solent Maritime Enterprise Zone (presentation published January 2020)

- cvi. The aim of the Maritime Enterprise Zone (MEZ) programme is to:

- Develop a consortium which will deliver, through an enterprise approach, a regional zone of excellence in maritime innovation, research, academia, training and skills development.
 - Support the regional growth strategy promoting prosperity, through providing leadership in the regional maritime skills and innovation agendas.
 - Position the Solent MEZ agenda within the Solent 2050 Strategy to secure national and local government support both in political will and funding.
- cvi. Deliverables are categorised under the headline topics of: innovation and technology; skills and apprenticeships; prosperity and growth; infrastructure; research and academia; enterprise approach; and development of the coastal estate/communities.
- cviii. Under the topic of infrastructure, the MEZ would ensure the provision of modernised facilities to span the range of activities between research, development and commercialisation.

Isle of Wight

Summary

Economic Development

- cix. There is a large employment base on the Isle of Wight, but it is concentrated in a number of 'traditional' sectors – businesses in high-productivity service sectors are underrepresented on the Island.
- cx. Policy DM8 of the Core Strategy is focused on Economic Development, and commits the Council to supporting proposals for (amongst others) extending existing employment sites in suitable locations, and developing clusters in knowledge-driven and high technology sectors, with Medina Valley as a particular focus. The Draft Island Planning Strategy Development Plan emphasises this policy position – policy SGOE 2 sets out that unless a suitable justification has been demonstrated, the council will seek to retain existing employment sites above a site area of 0.1 hectares. Policy SGOE 1 of the same policy document sets out the council's commitment to working with landowners to understand the opportunities that strategic sites may provide and how they will be realised.
- cxi. Policy MVE1 of the Medina Valley Action Plan is focused on employment growth. The policy establishes that the council will give substantial weight to specific considerations when it comes to determining proposals relating to economic development and employment growth.

Levelling Up

- cxii. The Isle of Wight's economy faces many unique challenges. Its underlying rate of unemployment is increasing, many employment opportunities are seasonal and there is an over reliance on the public sector as a key supplier of job opportunities. Average earnings for individuals working on the Island are lower than the South East average, and crossing the Solent is perceived as a barrier to the economic growth and regeneration on the Island. Gross Value Added (measured in £ per capita) is much lower than the Island's near neighbours in Southampton and Portsmouth.
- cxiii. The policy environment supports actions that will (amongst others): attract and grow employment that pays higher wages; invest in infrastructure to help mitigate barriers to growth.

Marine and Maritime

- cxiv. Isle of Wight policy highlights the importance of the Marine and Maritime sector to the area's economy.
- cxv. The Marine and Maritime sector is highly concentrated on the Isle of Wight – business are about 3.8 times as concentrated on the Island as in the UK. Employment is also about 3 times as concentrated as in the UK. The Island is home to some significant businesses in this sector such as Gurit, MHI Vestas, BAE Systems and GKN, as well as many SME's with national and global reach.
- cxvi. The Medina Valley Action Plan considers that the River Medina provides the main potential to meet any existing and future demand for waterfront access from employment uses. Such waterfront sites are critical in terms of employment provision. Retention of existing marine and other industry-related employment sites is an important issue to the Island's economic functionality, to facilitate the growth and attract new businesses.

Isle of Wight Regeneration Strategy: Inspiration Island (published June 2019)

- cxvii. The Regeneration Strategy characterises the Isle of Wight’s economy as ‘fragile’ and facing many unique challenges. Its underlying rate of unemployment is increasing, many employment opportunities are seasonal and there is an over reliance on the public sector as a key supplier of job opportunities. Average earnings for individuals working on the Island are low at a level that is 80 % of those across the South East and crossing the Solent is perceived as a barrier to the economic growth and regeneration of the Island. Perhaps most crucially Gross Value Added (measured in £ per capita) is between 66% and 72% of the Island’s near neighbours in Southampton and Portsmouth.
- cxviii. The Strategy sets out the key elements that enable the best quality of life for residents, allow businesses to thrive, and keep visitors returning to the Island:
- Place-making
 - Housing
 - Transport and infrastructure
 - Cultural and environmental assets
 - Skills and business development
 - Area regeneration
- cxix. The Strategy highlights that the Island boasts some of the world’s most innovative and high-tech solutions in the marine and aerospace environments. It acknowledges that the Island is home to some significant businesses such as Gurit, MHI Vestas, BAE Systems and GKN which have all contributed to the Island’s tradition as a centre for composite technologies and advanced manufacturing, especially in the marine and maritime sectors.
- cxx. The Strategy sets out that Medina Valley has the potential to be a significant regional hub for marine and maritime activities. One deliverable included in the Strategy that will contribute to this is the strategic purchase of Kingston Marine Park (East Cowes) and work with the developers on the old Medina Yard (Cowes).
- cxxi. The Strategy sets out a series of key actions to be delivered between 2019–2030, including safeguarding employment land for key sectors such as the marine industry by strategically purchasing sites or enshrining land use in the Island Plan.

Isle of Wight Core Strategy and Development Management Development Plan Document (published March 2012)

- cxxii. The Core Strategy sets out how, in spatial planning terms, the Island will develop up to 2027. In principle, the Island Plan Core Strategy is about “place shaping” and delivery.
- cxxiii. Policy SP1 sets out Medina Valley as one of the Island’s three Key Regeneration Areas.
- cxxiv. Policy DM8 is focused on Economic Development, and commits the Council to supporting proposals for:
1. The extension of existing employment sites in sustainable locations.
 2. The development of clusters in knowledge-driven and high technology industries. These should be focussed within the Medina Valley and Ryde Key Regeneration Areas.

3. The development of start-up units and premises that offer room for the expansion of existing Island companies and potential inward investors.
 4. B1a (office) development in, or on the edge of, existing town centres, close to public transport links and accommodated as part of mixed-use development schemes, where appropriate.
 5. Rural economic development opportunities and farm diversification schemes that contribute to the sustainability of the wider countryside.
 6. The conversion and re-use of existing buildings.
- cxxv. The Medina Valley is already a focal point for clusters of aerospace and defence companies, along with advanced manufacturing and marine technologies. In particular, Cowes is a focal point for marine businesses operating along the River Medina, requiring easy river access. To facilitate sustainable economic growth and create jobs across the Island, the Council will support the development of knowledge-driven and high technology industries.
- cxxvi. Development, including the marine, renewables and composites sectors, will be focused mainly within the Medina Valley and Ryde as they are identified hubs for employment growth.
- cxxvii. To encourage sustainable economic growth, and regenerate the Island's main urban areas, the Council will promote development proposals that provide opportunities for companies to start-up businesses and accommodate new premises which offer existing companies room for expansion or to improve the quality and suitability of their accommodation.

Medina Valley [Area Action] Plan – Consultation Draft (published November 2015)

- cxxviii. Once adopted the Medina Valley Plan will be a statutory development plan document (DPD) used to determine planning applications in the area. It compliments and should be read alongside the Isle of Wight Core Strategy (including waste and minerals and development management) DPD and the National Planning Policy Framework (NPPF).
- cxxix. Through a combination of consultations, research undertaken to inform the environmental assessments and existing local knowledge the council has identified a number of key issues for the Medina Valley Plan:
- Highway network issues, especially in and around Newport
 - Historic under provision of affordable housing in Cowes
 - Proximity to and significance of European designations
 - Experiences from large-scale urban extensions
 - Importance of employment sites with water frontage
 - The potential for settlement coalescence
- cxxx. Employment sites with water access are hugely important to the Island, both in terms of preserving the long association with maritime-related employment and also for future opportunities.
- cxixi. The Plan sets out a series of objectives that will deliver on the vision for the Medina Valley. The economic objective will involve the Medina Valley, strengthening its role as a focal point for employment on the Island, and will particularly focus on economic development that relates to the development of clusters in knowledge-driven and high technology industries including marine, renewables and composites.

- cxxxii. The Isle of Wight functional economic market area is particularly contained, which means that the majority of people live and work on the Island. However, there are clear 'employment hotspots' across the Island with the main area being the Medina Valley. The River Medina also contributes significantly to the employment offer of the Medina Valley. As the main working river it provides around three quarters of the stock of employment sites with water access on the Island.
- cxxxiii. Policy MVE1 is focused on employment growth. Through its role as local planning authority, the Council wishes to support employment growth in the Medina Valley. To help achieve this, policy MVE1 establishes that the council will give substantial weight to specific considerations when it comes to determining proposals relating to economic development and employment growth.
- cxxxiv. The council is supportive of intensifying the use of existing employment sites. Where there is the opportunity to do so, the council will support the extension of existing employment sites.
- cxxxv. By the nature of their design and layout, a number of existing sites also provide the opportunity for on-site intensification through internal alterations and/or extensions to existing structures. Where planning permission is required for such work, the principle of the development is accepted.
- cxxxvi. Furthermore the intensification of an employment site could be achieved through its reconfiguration. This could range from the provision of new or relocated structures through to a redesigned road network.
- cxxxvii. The Plan considers that the River Medina provides the main potential to meet any existing and future demand for waterfront access from employment uses. The Plan considers such waterfront sites as critical in terms of both employment provision and transportation infrastructure. It is an important issue to the Island's economic functionality whether there is need and then the opportunity to retain existing marine and other industry-related employment requiring such sites, to facilitate the potential for growth and the location of new businesses.
- cxxxviii. With specific regards to Medina Yard and its allocation, the council acknowledges that there are substantial costs involved in ensuring the site can be redeveloped. This means there needs to be a realistic view over what the development can yield in the form of policy requirements when set against the costs involved with addressing 'site abnormalities' such as decontaminating a former industrial site and ensuring that the seawall is fit for purpose. The Plan acknowledges that undoubtedly some difficult decisions will need to be made regarding the future of the site.

Draft Island Planning Strategy Development Plan (Consultation Document, published November 2018)

- cxxxix. The Island Planning Strategy (IPS) is the document that sets out in land use terms how the council will achieve its vision. This is a consultation document and subject to further review and Examination in Public.
- cxl. As part of 'Supporting and Growing the Economy', the IPS aims to provide the certainty needed to attract investment and new business while promoting the upskilling of the Island's population and a reduction in unemployment. The council will work with partners to ensure that the right uses, jobs, infrastructure and investment can take place in the right locations in order to support the economy. As well as formal allocations, there are also areas that the council considers have the potential to intensify existing uses and/ or bring forward more employment creating opportunities. The council will work with landowners to understand the opportunities these sites may provide and how they will be realised. This principle is supported by policy SGOE 1.

- cxli. The need to protect existing viable employment sites is an important issue for the Island's economy. The IPS highlights the loss in recent years of traditional employment uses on sites throughout the Island as a result of conversion of premises to higher value uses. This has led to the loss of employment units, raised land values and placed increased pressure for speculative development away from employment hubs. Therefore, unless a suitable justification has been demonstrated, the council will seek to retain existing employment sites above a site area of 0.1 hectares. This principle is supported by policy SGOE 2.
- cxlii. The River Medina is the main river on the Island, and provides the main potential to meet any existing and future demand for waterfront access from employment uses. Being an Island, such waterfront sites are critical in terms of both employment provision and transportation infrastructure. It is an important issue to the Island's economic functionality whether there is the need and then the opportunity to retain existing marine and other industry-related employment requiring such sites, to facilitate the potential for growth and the location of new businesses. This principle is supported by policy SGOE 5.

Newport Harbour Masterplan SPD Draft Environmental Screening Statement (published March 2020)

- cxliii. The draft Newport Harbour Masterplan Supplementary Planning Document (SPD) sets out the council's vision for the area. The purpose of the masterplan is to assist in the delivery the regeneration aims of the Island Plan Core Strategy, by providing an indication of the type of development that the council would support in the redevelopment of Newport Harbour.
- cxliv. The SPD highlights a number of key sites and public realm opportunities through the harbour area of Newport. It provides detailed guidance on issues such as development aspirations, appropriate land-uses, access points and entrances, the height of new buildings and parking and servicing. The SPD aims, through it's objectives, to regenerate a large, underused area of the Island's county town, by creating a planned mixed use space. The location is sustainable both in terms of re-using brownfield sites (and thereby minimising the take on greenfield areas) and creating opportunities to access both the new and existing town centre facilities using sustainable modes of travel.
- cxlv. The key objectives of the masterplan with regards to policy DM8 (Economic Development) of the Core Strategy include:
- Enhance diverse employment activities – Build on existing employment activities with flexible spaces for a variety of employment uses that will activate the area.
 - Create both temporary construction related and additional permanent jobs through new employment opportunities.

Isle of Wight Council Corporate Plan 2019 to 2022 (published July 2019)

- cxlvi. The Corporate Plan looks to support the Council's vision for the Island over a ten year period, with a specific focus on the priority activities the Council intends to complete in the first three years of that period.
- cxlvii. In terms of economic development, the Corporate Plan emphasises the need to support and stimulate sustainable economic growth on the Isle of Wight within the context of the emerging national Industrial Strategy which aims to boost productivity of the UK's companies, industries, places and people.
- cxlviii. There are a range of local public and private development sites with potential to bring forward new employment floor space on the Island and thereby stimulate economic growth. Many of these sites,

however, need infrastructure investment to unlock or accelerate their potential and improve viability for private sector investment. If this investment can be secured it will deliver direct jobs, new employment space, new skills opportunities and private sector investment to respond to the opportunities and challenges of the Island.

cxlix. The Corporate Plan sets out a series of key activities and breakthrough projects that will deliver on the vision. Some of these are highlighted below.

Regeneration and business development

cl. Key activities and breakthrough projects include:

- Complete the full business case and masterplan for Newport Harbour (April 2020).
- Work to ensure the transfer of key sites, currently in the ownership of government departments or Homes England, into council ownership in support of housing and employment priorities.

Infrastructure and Transport

cli. Key activities and breakthrough projects include:

- Undertake a feasibility study to understand the potential cost benefit analysis for a Medina Bridge.

Isle of Wight Economic Strategy 2008-2020 (published July 2008)

clii. The economic strategy is focused on delivering the Isle of Wight Council's vision "to be a world renowned Eco-Island with a thriving economy and a real sense of pride, where residents and visitors enjoy healthy lives, feel safe and are treated with respect... Our goal is a sustainable economy, we want people to have better access to qualifications and skills and higher aspirations. We need to encourage private sector business and enterprise and provide a climate for innovation and growth so that the wealth created on the Island can be reinvested back into our communities." It sets out a number of objectives around skills, business support, nurturing specialist technologies, infrastructure and sustainable prosperity. Although it is over a decade old, it is still worth noting its observations.

cliii. The four main priorities are:

1. Smart Growth – this means better wages and greater prosperity via sectors such as the creative and knowledge based economy. To meet this challenge we need to equip people of all ages on the Island with the necessary skills and aspirations.
2. A more mixed economy – this means a broad range of jobs with less reliance on the public sector and a diverse economic base that means we can adapt to the inevitable changes that will take place. To meet this challenge we will need to provide for business support and the workforce needs of a wide range of employment sectors.
3. Increasing inward investment – to encourage new businesses and entrepreneurs in the high value sectors to invest in the Island and help create wealth. To meet this challenge we will need to develop an investment prospectus which clearly sets out the opportunities that the Island can offer for business.
4. Sustainable prosperity – ensuring that development and wealth creation is sustainable in the long term, that development is delivered with the infrastructure to support it. To meet this challenge we need to ensure that the Island is at the forefront on new opportunities such as

renewable energy, environmental technologies and other similar sectors which sit comfortably with the Island's distinct character and Eco-Island aspirations.

- cliv. The Strategy comments on the existing cluster of expertise and innovation around aerospace, electronics, composite materials, wind energy and marine technology.
- clv. There is also a strong emphasis on the strength of activity in the composite materials industry. An opportunity is identified around exploiting the application of composites in marine technology, renewable energy, and aerospace.

Economic Development Plan: 2016/17 – 2018/19

- clvi. This document sets out the objectives of the Island's economic plan for the period 2016/17 – 2018/19. It outlines targets to be achieved towards meeting the vision for the Island by 2020 but also the progress that needs to be achieved in the shorter term. The Plan will be refreshed in-line with Solent LEP's Economic Plan.
- clvii. The four priority action areas for the plan are:
 1. **Enterprise and Jobs:** The aim of this action is to support existing and new businesses, and increase inward investment using a combination of short and long-term strategic interventions.
 2. **Infrastructure:** The aim of this action is to enable progress towards achieving the key infrastructure priorities for the Island including best use of the public sector's land & property assets.
 3. **Skills:** The aim of this action is to develop the skills base in key sectors to ensure that the skills of the workforce support local competitiveness in an increasingly global economy.
 4. **Strategic Sectors:** The aim of this action is to develop strategic sectors and clusters (interconnected groups and businesses) in: Marine; Advanced manufacturing and engineering; Low carbon, renewable and environmental technologies; and the visitor economy in partnership with Visit IOW.

Strategic sectors

- clviii. As the economic plan for the Solent makes clear, developing strategic sectors and clusters (interconnected groups and businesses) of marine, aerospace and defence, advanced manufacturing, engineering, and low carbon businesses is vital to the future growth of the Island and the wider Solent economy. This will help to establish the area as a business gateway, both at local and international levels.
- clix. The Island, and the wider Solent Economy, is home to a number of businesses in important sectors which can deliver high value employment and export-led growth. The area has unique sectoral strengths and there is a need to ensure that it builds on its recognised position as the leading location and growth hub for advanced manufacturing and engineering (marine, aerospace, renewable energy, environmental technologies and composites) together with supporting transport and logistics.
 - **Advanced manufacturing and marine cluster:** The Isle of Wight is a technology hub for composite materials and their application in marine technology, renewable energy and aerospace. The advanced manufacturing sector in the Solent is the defence industry and the Solent is home to a cluster of defence businesses. The Solent (and the Island) has a higher

proportion of the high-tech manufacturing and marine workforce than the national and South East average. It is recognised that the sub-region needs to build on this industrial base, supporting local supply chains to look at new and related commercial opportunities in global markets.

- **Renewable energy:** The Council's planning policies identify a range of renewable energies to encourage increased levels of renewable electricity production; reduce the carbon footprint of the Island's transport, employment and domestic activities; and strengthen economic growth by becoming a preferred location for renewable energy companies. The Council has a direct interest in the offshore renewable energy sector with a stake in The Perpetuus Tidal Energy Centre (PTEC). This was created to make the Isle of Wight a centre of excellence for marine renewable energy; to stimulate and attract a network of supporting industries and jobs to the Island; and to contribute to the Island's ambition of becoming self-sufficient in renewable electricity production. The Island is also well situated to support the development of the off-shore wind energy sector. Located close to the Zone 6 Rampion development some marine businesses are well positioned to support this sector through the provision of port facilities, marine engineering services, shipping and other services. The Council is also the lead partner in the Solent Offshore Renewable Energy Consortium (SOREC). SOREC is a mechanism to support supply-chain development in the sector and across the south east. It is an example of strong partnership working between the Council and Southampton Solent University who provide innovation and technology transfer capabilities.

Isle of Wight Economic Profile 2019

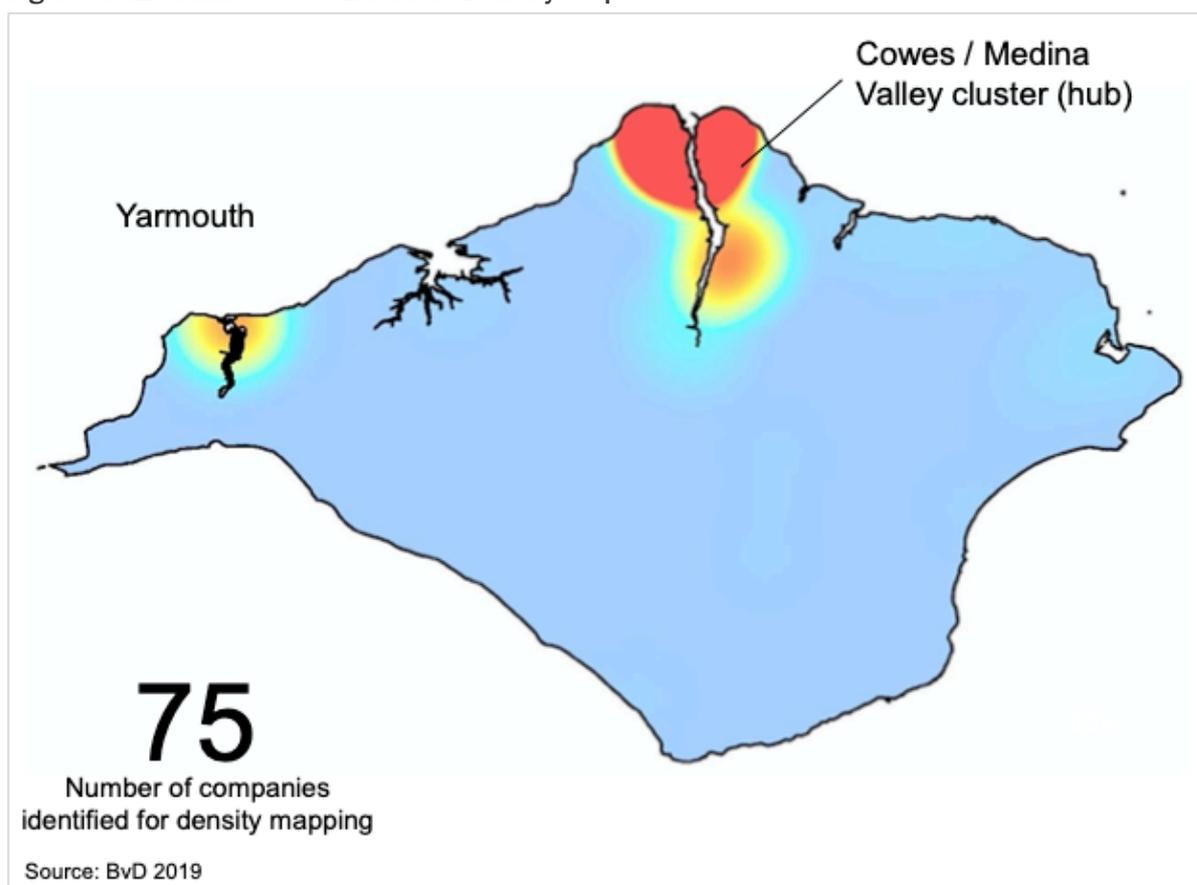
- clx. The economic profile summarises the most significant characteristics of the Isle of Wight economy.
- clxi. Businesses in high-productivity service sectors are underrepresented on the Island. Wholesale & Retail is the largest business sector followed by Accommodation & Food, and Construction. Professional, Scientific & Technical services accounts for about one in 10 businesses but these tend to be small and micro businesses. A number of high productivity services are underrepresented on the Island. The ICT sector represents just 4% of all businesses but it has seen relatively strong growth since 2010; over 40% or 65 additional businesses. Professional, Scientific & Technical was also increased, by about 14% or 70 additional businesses over the same period. Overall business growth was primarily held back by the falling number of businesses in Wholesale & Retail, Construction, Business Administration and Transport & Storage.
- clxii. There is a large employment base, but it is concentrated in a number of 'traditional' sectors. In 2017 there were an estimated 50,000 employees on the Island. Employment is concentrated around Health & Social Work, Wholesale & Retail, Tourism, and Education. In relative terms the concentration of employment in Accommodation & Food is 1.9 times the national average; Arts, Entertainment & Recreation and Primary (mostly agriculture) & Utilities are around 1.5 times the national average; and Health & Social Work is at 1.4 times the national average. At the other end, Finance & Insurance and Professional, Scientific & Technical services stand at about a third of the national average, and employment concentration in ICT and Business Administration is between 0.42% and 0.55% of the national average.
- clxiii. The Island has seen little change in employee numbers, but sectoral composition of employment has improved. The data suggests there has been little change in the number of employees working on the Island since 2010, but the composition of employment has changed. Employment increased in Business Administration, ICT, Other Services, Accommodation & Food, and Real Estate. Despite the strong growth in the number of businesses in Professional services the number of employees

in this sector has decreased, in part as a result of the decline in the number of large businesses. In a number of sectors employee growth has been flat. The number of employees in public administration, education and manufacturing decreased since 2010.

Marine and Maritime Sector

- clxiv. The Marine and Maritime sector is highly concentrated, and has seen strong growth in employment since 2010. Marine & Maritime business are about 3.8 times as concentrated on the Island as in the UK. Employment is also about 3 times as concentrated as in the UK. Business growth in this sector was broadly flat since 2010 but employment growth was robust, trailing Southampton as the fastest among comparator areas.
- clxv. Tourism & visitor economy is another sector of strategic importance to the Isle of Wight economy. It is overrepresented relative to the national average (close to double the national average). Business and employment growth were the slowest among comparator areas, but employment growth was still relatively strong at 1.9% p.a.
- clxvi. As of 2019, official data has 70 Marine & Maritime businesses on the Isle of Wight, while a more recent commercial database suggests a figure of 75. This is a narrow definition and will not include companies in the wider supply chain or in any associated research and development activities unless their primary SIC code matches the marine & maritime definition. Marine businesses are mostly located in the predominantly Urban East, where more marinas are located. As a percentage share of all businesses, the marine & maritime sector is small at 1.2%, although higher in relative terms against all benchmark areas.
- clxvii. Using commercial data, a density map based on postcode proximity and employee weighting, unsurprisingly shows red heat zones (business concentrations) around the Cowes marine & maritime hub and extending down the Medina Valley. There is also a less intense heat cluster around Yarmouth.
- clxviii. The Island has approximately 700 employees working in the sector in 2017 – although there may be more who are self-employed. According to a commercial database, and where employee figures are given, there are less than 10 SMEs, with most likely to be micro-businesses with fewer than 10 employees. The sector accounts for 1.4% of all employees on the Island, marginally lower than the Solent average. Nonetheless, the Isle of Wight is above the national and South East region averages.
- clxix. Recent data shows that 88% of businesses in the sector are now predicting positive growth for the next six months and over 34% are reporting increased investment. Based on official data the marine & maritime business concentration on the Isle of Wight is over nearly four times greater than the national average and close to three times greater on employee concentrations.

Figure A3.1 Marine Sector Business Density Map

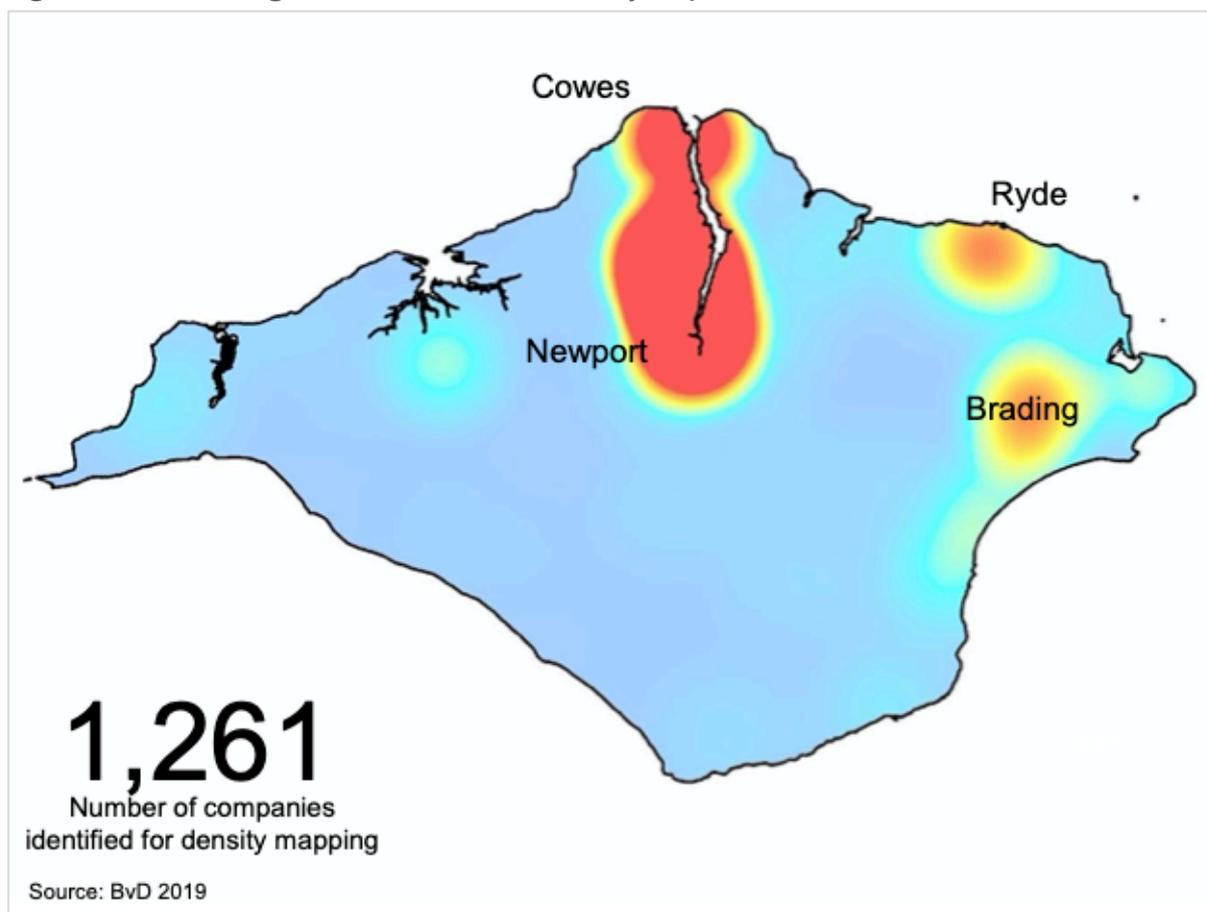


Knowledge Economy

- clxx. Business growth in the broad knowledge-intensive sector was sluggish, but employment growth was one of the fastest among comparator areas. Knowledge intensive sectors are underrepresented on the Island in terms of both businesses and employment when compared to the national average. Business growth was the slowest among comparator areas, but at 2.2% p.a. growth was better than business growth in the overall business population. Employment growth averaged 1.9%, better than in Southampton, Solent LEP, Hampshire or the South East economy.
- clxxi. The Isle of Wight has more than 900 businesses in knowledge intensive sectors employing 4,000 workers. About one in six businesses (16.2%) in Isle of Wight are found in knowledge intensive sectors with 8.0% of all employees found in knowledge intensive sectors. The share of businesses and employees in knowledge intensive sectors on the Island of Wight are low compared to its comparator areas – the share of businesses that are found in knowledge intensive sectors on the Isle of Wight was approximately half of the proportion found in the South East as a whole (31.0%). The share of the employees that are employed in knowledge intensive sectors on the Island stands at just around 50% of the Solent average and well below comparator areas.
- clxxii. More than 80% of businesses in knowledge intensive sectors and more than 80% of employees in knowledge intensive sectors on the Island are found in the Urban East sub-area.
- clxxiii. Business and employee concentration in the knowledge intensive sectors on the Isle of Wight stands at about 0.61 and 0.40 of the national average respectively. These concentrations were the lowest across the Isle of Wight benchmark areas.

- clxxiv. The economic profile talks about the likely greater demand for highly specialised elements and where science, technology, engineering, and mathematics (STEM) skills will become more prevalent. The Isle of Wight is currently underrepresented in employees in those high-tech sectors. Equally, the sector will not be immune to new disruptive technologies likely to emerge and change the maritime sector. Climate change will also impact on the resilience of the sector – the UK Government has set out commitments to zero emission from shipping in its waters. This is also set out in the recent Clean Maritime Plan and other various other strategic reports on emissions and clean energy (e.g. Port Air Quality Strategies).
- clxxv. A business density map (see figure A3.2) based on commercial data which uses postcode proximity and employee weighting indicates a high concentration of business (red heat zone) in the knowledge intensive sectors around Newport and extending up to Cowes. There is also a smaller concentration around Ryde and Brading. This is in line with high knowledge intensive business and employee shares seen in predominantly Urban East sub-area.
- clxxvi. The Digital Island Strategy recognizes skills and knowledge deficits amongst businesses and employees within the Isle of Wight. The objective is to improve core digital skills across the workforce to enhance productivity in all other sectors.

Figure A3.2 Knowledge Intensive Business Density Map



Employment Land Study (published March 2015)

- clxxvii. The Study was prepared in order to review and provide an appropriate policy response to the existing employment land stock, and give clear guidance on what provision for new employment sites might be made on the Island.

clxxviii. The Island's office market is localised and small scale. It is particularly focused in Newport. The demand profile is focused towards small to medium enterprises (SME) that require units of up to 1000 sqft (93 sqm). Of those known the average annual take up is of office floorspace has been 4908 sqft (456 sqm). A high percentage of the office stock is second hand and poor quality. However the rental levels being achieved on the Island are such that new build development (without government or LEP incentives) are not viable.

clxxix. The Island's industrial market is also small and largely caters for the local market. The average annual take up is of industrial floorspace has been 70,601 sqft (6,559 sqm). Demand has largely been for units of up to 3000 sqft (279 sqm) but focused towards 500-1000 sqft (46 – 93 sqm) to cater for SME demand.

clxxx. There is a low rate of available floorspace and agents report particular gaps in supply at Ryde and Lake. However, rental values are such that any new build development of industrial floorspace is not currently viable. Viability could be achieved in Newport (where rents are higher) and/or elsewhere on the Island with a proactive public sector role.

clxxxi. An indicative distribution of employment land based the existing employment land distribution and the distribution of apparent demand on the Island on would be as follows:

- Medina Valley – 75%
 - Newport – 60%
 - Cowes – 15%
- Ryde – 20%
- Bay Area and Ventnor – 5%

clxxxii. The Study makes specific reference to a number of sites. Of particular interest are:

Medina Yard, Cowes

clxxxiii. This is a large boatyard site is located in central Cowes on the western bank of the River Medina. The site is a former boatyard which is currently partly under general employment uses (including some boatyard uses) and partly unoccupied.

clxxxiv. The site is in a poor state of repair and units are in very poor condition. Despite its poor condition the site is home to a number of the Islands major maritime based companies.

clxxxv. The Study's recommendation is: The site is in a good strategic location, however the poor quality environment and units mean the site does not necessarily meet users' requirements, which is reflected in the low rents. Given the waterside location, the study deems the retention of marine based employment uses as 'essential'.

Venture Quays, East Cowes

clxxxvi. The site is located close to the centre of East Cowes, just to the north of the floating bridge. The existing employment site provides deepwater access to the Solent at the mouth of the River Medina.

clxxxvii. The site currently contains the historic Venture Quays building which provides a combination of office, light industrial and warehouse accommodation to suit the needs of a variety of businesses which has been utilised by a number of industrial and marine business.

- clxxxviii. The site forms part of an area of East Cowes (also including Trinity House Depot, Red Funnel ticket office, Public Conveniences and Camelia) which has been subject to proposals for a new Red Funnel ferry terminal and wider regeneration. This was first permitted by planning permission P/00027/06, granted in October 2007, which has since lapsed.
- clxxxix. The proposals have been carried through the in Solent LEP Strategic Economic Plan and secured £15m of funding as part of the local growth deal for highways infrastructure needed to bring forward development the wider site. A business case has been prepared for further funding to bring forward development at the site as part of the Solent Growth Deal Consultation December 2014. This document outlines the development ambition for the sites at East Cowes to demolish the existing Venture Quays, Trinity Wharf, and Phoenix Yard sites to create a larger ferry terminal as well as providing the following: 272 residential units; 3,425 sq m of retail floorspace; 2,800 sq m of office floorspace; 2,322 sq m of industrial floorspace; and 3,900 sq m of leisure uses.
- cx. The Study's recommendation is: The site is key site as identified in the Strategic Economic Plan and the delivery of the new ferry terminal is key to not only unlocking sites in East Cowes but also improving connectivity to the mainland. The Council should therefore consider allocating the site for a mix of uses including some employment land.

Kingston Marine Park, East Cowes

- cxci. The site is located on the southern fringe of East Cowes on Saunders Way. The site borders the River Medina to the west with direct river access along much of the site's western flank.
- cxcii. Outline planning permission (ref. P/00494/11) was granted in November 2012 for the erection of a marine business park comprising up to 15,000 sq m of office, research and development, light industrial, and storage and distribution uses.
- cxci. The submitted information demonstrates that that the lower platform of the site will accommodate the scale of buildings required for modern boat construction and fitting (including the ability to work on upright, masted boats under cover), with a 200 tonne hoist dock on a piled concrete deck enabling the movement of large boats. The site could provide some accommodation from boatyards being relocated from elsewhere on the Island including potentially from Median Yard.
- cxci. The application calculates that the development would support between 336 and 382 new jobs at the site, depending on the final use mix, and 97 to 111 indirect jobs on the Island.
- cxci. Work has yet to commence on site but the outline permission remains extant. It is understood that at the time of application the intention was for the HCA to fund the infrastructure with South Boats Special Projects, as the intended occupier, funding the construction of the buildings. However, South Boats Special Projects went into administration and whilst they retain a presence in Cowes, it is understood that it no longer has the intention to occupy the Kingston Marine Park.
- cxci. The Study's recommendation is: The site falls within the Medina Valley Key Regeneration Area and provides direct access to the River Medina with the potential to accommodate a considerable quantum of marine related development, and indeed there is an extant permission for such uses currently in place although work has yet to commence. Recommend support protection of this site for employment land and in particular marine related industries.

Newport Harbour

- cxvii. Located close to Newport Town Centre on the eastern bank of the River Medina, this site comprises a number of buildings and areas of hard standing used for boat works and storage.

- cxviii. There is one good quality new office building on the site. The vacant units are in an average condition and could be redeveloped in the short term, subject to market demand.
- cxix. The site is not suitable for residential uses. Furthermore while the Council oversees the Newport Harbour Estate it does not have the powers to grant leases of harbour estate for a period of more than three years. Therefore it may be difficult for any alternative uses being viable.
- cc. The Study's recommendation is: Although the site is a good quality site in an accessible location with waterfront access, it does not form part of the core employment offer of Newport. This is understood to be, in part, due to the practical difficulties associated with bringing the site forward. We recommend redevelopment of unoccupied buildings, with preference given to marine related activity, subject to market demand, although a mix of uses should be considered including office floorspace.

Land at Osborne Works, Whippingham/Island Technology Park

- cci. Greenfield site located on the A3021 approximately 1.5 miles south of East Cowes. The site is located directly to the south of the GKN Aerospace site, and is surrounded on the other three sides by open agricultural land. The site is a good location for employment development being adjacent to both the strategic road network and existing employment uses.
- ccii. Planning permission (ref TCP/29971/B) was granted in March 2011 for the development of the site to create 16,861 sqm of class B1/B2/B8 employment floorspace, along with a new junction off Whippingham Road and estate access road.
- cciii. The site is currently vacant and ready for development. Vehicular access is in place but there is no further development on the site. The site is currently being advertised and is being marketed as 'Island Technology Park'.
- cciv. The Study's recommendation is: The site is ready to be developed and we would expect it to be built out once a tenant is in place. The site is in a suitable location for employment related uses being located next to existing high-end industrial site and having good strategic road access.

Appendix 4 Solent Waterfront Sites: Summary of Approach

Introduction

- i. This appendix provides a summary of the framework developed within the *Maritime Futures: Solent Waterfront Sites* study undertaken in 2015 by Aecom for the Solent LEP.
- ii. The framework categorises each site into a typology determined by the site's key characteristics and capacity or potential capacity to support the marine and maritime sector. Each site is also scored against a range of criteria and a relative level of importance assigned to the site.

Site Typologies

- iii. Typologies are derived from three factors, which have been assessed for each waterfront site:
 - Marine access: this is based on an assessment of whether a site has good access to water in relation to water depth at chart datum and marine infrastructure available at the site, enabling access to the water;
 - Presence of marine and maritime activities: sites with existing clusters of marine and maritime activity provide an indication of the site's attractiveness to the sector; and
 - Development potential: whether a site has potential to grow, based on existence of vacant land or derelict buildings, and prospects for redevelopment and intensification (for instance, inefficient/ poor land and building utilisation).
- iv. Each of the eight typologies has been given a different title based on the combination of whether there is: adequate marine access/ improvements are required or no access; evidence of marine and maritime activities and associated activities on site or wider industrial activities unrelated to the marine and maritime sector; and the prospects for improving the utilisation of land and buildings for employment uses.
- v. These eight typologies are:
 1. Established Marine and Maritime Site
 2. Industrial Site; Consolidate / Transition to Marine and Maritime, if suitable
 3. Established MM; Create/ Improve Access to Benefit Marine and Maritime, if suitable
 4. Established Industrial Site; Create/ Improve Access and Transition to Marine and Maritime, if suitable
 5. Established MM; Grow and support for MM
 6. Established MM Site; Create/ Improve Access and Grow for Marine and Maritime, if suitable
 7. Established Industrial Site; Grow and Transition to Marine and Maritime, if suitable; and
 8. Established Industrial Site; Create/ Improve Access Grow and Transition to Marine and Maritime, if suitable.

vi. These eight typologies can be grouped into three broad themes which suggest an approach for policy/intervention:

- **Support for ongoing MM use:** sites falling within Typologies 1 and 3
- **Invest and grow for MM use, if suitable:** sites falling within Typologies 5, 6 and 7
- **Consolidate and/or transition to MM use, if suitable:** sites falling within Typologies 2, 4 and 8.

Relative Levels of Importance

vii. In addition to assigning each of the sites a typology, the relative level of importance of each site was also assessed. Sites were assessed and scored on a combination of factors regarding the current conditions of the site. Factors included: size of site, water frontage, employment capacity, quality of site and buildings, potential to accommodate change and grow, strategic road and rail access, water depth and permanence of access to water, flood risk and environmental designations. The score sorted sites into three tiers, which help to describe the relative importance of a site's characteristics to support the marine and maritime economy in the study area.

viii. Sites defined as Tier 1 are of prime importance and are relatively the most important sites for MM activities in the Solent. They display, on balance, the best characteristics to give continued support and growth to marine and maritime business. Sites which on balance display characteristics which are favourable to marine and maritime businesses, though less consistently across the criteria assessed, are relatively less important than the Tier 1 prime sites and are deemed to be of secondary or tertiary importance to the MM sector in the study area and are listed as Tier 2 and Tier 3 sites respectively.

Site Typology Theme and Relative Levels of Importance

ix. The sites assessed have been grouped under one of three Typology themes, as referred to above, and by their relative level of importance, and are presented in tables: Table A4.1, Table A4.2 and Table A4.3.

x. Each site was given a site number as part of the Solent wide review. This is included alongside the site number allocated within this research which focused only on the Medina Valley.

Table A4.1 – Support for ongoing MM use

Site # (Solent)	Site # (MV)	Site Name	Relative Importance		
			Level	Typology	Cluster
80	9	Trinity Wharf	Tier 2	1	River Medina

Source: AECOM

Table A4.2 – Invest and grow for MM use

Site # (Solent)	Site # (MV)	Site Name	Relative Importance		
			Level	Typology	Cluster
79	1	Venture Quays	Tier 1	5	River Medina
83	5	Clarence Boatyard	Tier 3	6	River Medina
85	4	Kingston Wharf	Tier 2	5	River Medina
87	13	Island Harbour Marina	Tier 3	6	River Medina
88	12	Newport Harbour	Tier 3	6	River Medina
89	14	Blackhouse Quay	Tier 3	6	River Medina
93	3	Land South of Medina Yard	Tier 2	5	River Medina
94	2	Medina Yard	Tier 1	5	River Medina

Source: AECOM

Table A4.3 – Consolidate and/or transition to MM use

Site # (Solent)	Site # (MV)	Site Name	Relative Importance Level	Typology	Cluster
82	10	GKN Aerospace Services	Tier 2	8	River Medina
86	6	Kingston Marine Park	Tier 2	8	River Medina
90	8	Vestas Technology UK – Manufacturing	Tier 1	8	River Medina
91	11	Vestas Technology UK – R&D	Tier 2	8	River Medina
92	7	PD Port Services (Medina Wharf)	Tier 3	8	River Medina

Source: AECOM

- xi. Further detail on each site, as set out in the 2015 Aecom research is included in the spreadsheet provided as Annex 1 to this appendix. This is a re-presentation of the data as set out in the original research, focused only on the Medina Valley cluster sites.