

AT A MEETING of the Cabinet Advisory Sub-Committee for Economic Development of HAMPSHIRE COUNTY COUNCIL held at the Castle, Winchester on Wednesday 27th June, 2018

Chairman:

* Councillor Rob Humby
* Councillor Mel Kendal
* Councillor Keith Mans

Councillor Roy Perry
Councillor Stephen Reid

* Present

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Roy Perry and Councillor Stephen Reid. Councillor Keith Mans chaired the meeting.

2. DECLARATIONS OF INTEREST

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

3. DEPUTATIONS

There were no deputations for the meeting.

4. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements.

5. ECONOMIC DEVELOPMENT ANNUAL REPORT - 2017/18

The Sub Committee considered a report from the Assistant Director for Economic Development (item 5 in the minute book), which highlighted some of the progress and key achievements secured in 2017/18.

Members welcomed the news that during 2017/18, 1340 jobs were created or safeguarded and investment of £54M leveraged as a result of projects supported by the County Council's Economic Development function.

The Assistant Director updated the Sub Committee on key activities in the business growth, regeneration and development, tourism and economic & business intelligence workstreams.

It had been announced at EBACE, the business aviation conference in Geneva, at the end of May 2018 that Gulfstream were to locate their new maintenance, repair and overhaul (MRO) facility at TAG Farnborough Airport, and that this new centre will become operational in 2020. The construction of the new 200,000 sq ft facility was to commence in 2019, on a site within a short distance of the new Farnborough conference and exhibition centre, which opened this year. Such a major investment was anticipated to bring around 400 jobs into Hampshire.

Hampshire County Council's Economic Development function has played a central role in facilitating the public sector support to ensure the successful delivery of the new £33M permanent exhibition and conference centre in Farnborough.

Expanding on developments in Farnborough, the Assistant Director explained the importance of ensuring the Farnborough International Airshow (FIA) retained its international status and the need to develop a new permanent facility to support this objective.

A partnership of Hampshire County Council, Rushmoor Borough Council and Enterprise M3 LEP had provided a commercial loan facility of £14M, which sat alongside a traditional bank loan facility via Barclays, to enable delivery of the new 20,000 sq m centre, which was achieved in February 2018 in the lead up to the FIA 2018 which was due to take place in July.

Members were updated on various aspects of tourism across Hampshire, including the 'Visit Hampshire' website and the 200th anniversary of Jane Austen's death in 2017, which had provided an opportunity for Hampshire to celebrate the author's life and work, with a full programme of exhibitions, events, performances and talks.

The Sub Committee agreed that partnership working was a crucial factor in a successful and thriving economy, and were pleased at effective working relationships with Enterprise M3 Growth Hub, Business South and the Hampshire & Isle of Wight Business Alliance (HIBA).

The Assistant Director was thanked for his work and update to the Sub Committee.

6. HAMPSHIRE ECONOMY DASHBOARD - 2017/18

The Sub Committee received an update from the Assistant Director for Economy (item 6 in the minute book) regarding the Hampshire Economy Dashboard 2017/18.

Whilst the economy had seen a very slow growth, the employment rate had reached a record high in 2017 with 905,600 in employment; 5.1% above national average. The business population had been at a good level with a 3.3% increase, but business and production growth had lagged behind the UK.

Looking at sectoral areas, the number of employees had decreased in the tourism and marine and maritime sectors, despite there being an increase in business growth.

Members agreed that achieving a balance between attracting potential employees and having businesses to sustain them was difficult, and having places that were attractive to both live and work were crucial.

Solent Enterprise Zone at Daedalus a good example of a comprehensive regeneration project, including a leading engineering and manufacturing training facility (run by Fareham College), Fareham Innovation Centre, key employers such as UTP and PropTech and Homes England progressing plans for 200 new homes in partnership with Wates on the waterfront.

The Sub Committee thanked the Assistant Director for the Economy Dashboard.

7. COMMISSION OF INQUIRY - ECONOMY THEME

The Sub Committee received a verbal update from the Assistant Director for Economic Development on the Economy element of the Hampshire Commission of Inquiry. Hampshire 2050 will link to national plans, such as the Government's 25 Year Environment Plan and its focus on housing and infrastructure to inform potential economic deals for Hampshire.

The Sub Committee learned that the Vision for Hampshire 2050, Economy was due to be held on Friday 14th September 2018. The Commission of Inquiry would look at the future of the Hampshire economy in the context of Brexit, increasing globalisation and potential digital and automation revolutions.

Further updates would return to the Sub Committee when available.

9. FARNBOROUGH AEROSPACE CLUSTER

The Sub Committee received a verbal update from the Assistant Director for Economic Development on the Farnborough Aerospace Cluster.

Farnborough is home to the national headquarters of the UK's largest aerospace company BAE Systems, US firm Flight Safety International's Flight Training Centre, Boeing's state-of-the-art network-enabled centre for collaboration and experimentation and QinetiQ's Cody Technology Park, Europe's largest science and technology solutions company.

Seven of the top ten global aerospace companies have a presence in the Solent region in south Hampshire including EADS, Boeing, Lockheed Martin and Finmeccanica.

The Economic Development team was working in partnership with others to develop a number of activities as part of the aerospace initiative. The first phase was an in-depth study which would highlight the specialisms which added value to the cluster competitiveness and distinctiveness across the South of England.

Interviews had been undertaken with key aerospace sector business leaders in Hampshire, and during June 2018 a roundtable would be hosted to verify that we had established a coherent view of the challenges and opportunities for the sector, and how the public sector might best support future growth, especially given its significance from a UK productivity and export perspective.

Key partners in the project included Farnborough Aerospace Consortium, Farnborough International, University of Southampton, Grant Thornton, Rushmoor Borough Council and Enterprise M3 Local Enterprise Partnership.

The evidence base had demonstrated that 87% of aerospace and defence businesses in the wider Farnborough area were involved in some form of regeneration and development activity.

Chairman,