

ANNEX: RECENT RESEARCH PROJECTS ON ECONOMIC AND EMPLOYMENT ISSUES

1. Spatial Requirements of Key Business Sectors in the South East Plan

Research into the key regional sectors identified in the Regional Economic Strategy and an assessment of the implications for the supply of employment land across the region. The key recommendations and conclusions at a sub-regional level are attached at the end of this Annex.

2. Use of Business Space and Changing Working Practices

Research into current trends and potential future changes in working practices showed that although traditional forms of employment dominate the market, the environment has provided greater opportunities for a range of flexible working practices. However, the research also showed that the impact of changing working practices on employment densities is complex and taking place at a slower rate than anticipated.

The final report is available at www.southeast-ra.gov.uk/our_work/planning/tourism/cwp_research_study.html

3. The Impact of a Loss of Businesses to Other Countries on the South East Economy

An input/output model informed by a literature review and interviews with businesses was used to analyse the potential effects of 'offshoring' on the region. The final report is available at www.southeast-ra.gov.uk/our_work/planning/tourism/cwp_research_study.html.

4. Home Based Businesses in the South East

Ongoing research commissioned by the West Sussex Enterprise Centre and sponsored by the Regional Assembly, SEEDA and local authorities in Sussex into the profile and need of home based businesses. Random samples of 1,000 households were contacted in each of seven districts in Sussex and Thanet and Oxford. The results of the survey showed that the districts had between 2.7 and 5.6% of households with home based businesses.

5. Other Projects

i) Learning and Skills

The Assembly is working with SEEDA to compile an evidence base on the skill requirements of for each Learning and Skills Council sub-region.

ii) Smart Growth

Further work is being commissioned by SEEDA. More details will be provided when available. Elements of 'smart growth' include:

- productivity growth
- the provision of required housing and employment floorspace
- flexibility to embrace change
- improved skills to enhance productivity and social inclusion
- reducing the need to travel
- driving up the value chain in all sectors to enhance quality of life for everyone
- the provision of supporting infrastructure and maintaining a high quality environment

For further information on the above research projects please contact Nikki Nicholson (E-mail nikkinicholson@southeast-ra.gov.uk Tel no. 01483 555200)

Key Recommendations from ‘Spatial requirements of key sector industries in the South East’, Atkins Jan 2004

Table 5.3 – Sub Regional Priorities

Sub-Region	Sector Priorities
South Hampshire	<ul style="list-style-type: none"> - Actively promote marine, advanced engineering and aerospace / defence, logistics and tourism as sectors which display significant competitive strengths and offer substantial potential as drivers for economic development and regeneration. The importance of these sectors to the sub-region should be highlighted by the South East Plan. - For marine technologies, develop strong sub-regional framework which highlights priorities in terms of business needs (including port and non-port activity), transport requirements, environmental protection and land-use policies. This should be initiated by SEEDA and supported by the South East Plan. The sub-regional framework should also be used as a tool for raising the profile of the Solent as a hub of marine related activity and focusing future marketing activity. - Protection of key waterside sites for marine related uses including the appropriate use of mixed use development and other funding mechanisms which facilitate the provision of affordable premises for marine related activities.
Sussex Coast	<ul style="list-style-type: none"> - Encourage a multi-sector approach in planning for economic development whilst placing particular emphasis on the importance of a more diversified tourist base, the development of leisure marine, promotion of financial and business services and the sub-region’s environment as a location of MTT. The South East Plan should acknowledge the potential role of these sectors to the regeneration of the sub-region within a framework of encouraging a more diversified economy. - The South East Plan should highlight the importance of the area’s quality of life to service activities and concentrate growth in the main coastal towns.
Western Corridor & Blackwater Valley	<ul style="list-style-type: none"> - As the most prosperous sub-region in the South East, this area is an attractive location for many economic activities. However, high property costs and the effect of periods of over-heating reduces the attractiveness of the area to cost sensitive industries. Whilst it is appropriate to favour support for a wide range of sectors, the South East Plan should highlight the role of the area as a location for key functions of these sectors. In particular, this includes high value functions such as HQs, R&D, sales & marketing and shared service centres. A large proportion of these activities are seeking high quality office accommodation in proximity to key motorways including the M3, M4, M40 and M25. The sub-region will need to investigate to what extent these activities can be accommodated in town centres. Key sectors which should be actively promoted for the area including: healthcare technologies; aerospace & defence; business tourism and financial & business services.

Sub-Region	Sector Priorities
Kent Thames Gateway	<ul style="list-style-type: none"> - The Thames Gateway should not favour an approach which is overly dependent on only a few key sectors. Diversification of these economies is particularly important as is the need for a step change in the quantity and quality of jobs being created. - Although the South East Plan should promote economic diversification in the Thames Gateway, it is appropriate for the Plan to identify key sectors which warrant active promotion in specific locations. Of particular importance is the need to support: the biotechnology/ pharmaceutical sector in Sittingbourne /North Kent and East Kent; the logistics sector throughout the sub-region; environmental technologies in Kent; and marine industries in North and East Kent. - It is especially important for the South East Plan to support the need for special measures to facilitate the development of new firms and small companies in these sectors (in the Thames Gateway). SEEDA should take the lead in providing support to these companies in the form of business development advice, location grants and subsidised workspace. - The South East Plan should ensure that adequate land is made available for economic development priorities, for example by ensuring the focus for growth in the Thames Gateway does not become heavily skewed in favour of meeting housing targets. It should recognise the role of spatial planning in supporting economic development priorities, for example, by ensuring sufficient viable employment land is made available for lower value economic activities. - Similarly, the development of key sectors in the Thames Gateway will, to a significant degree, depend on an enhanced strategic transport infrastructure.
Central Oxfordshire	<ul style="list-style-type: none"> - The healthcare technologies and advanced engineering sectors are particularly strong. With regard to the former, the South East Plan should ensure that sufficient provision is made for future need for Science Park accommodation (as part of the Oxford-Cambridge Arc). In addition, SEEDA should be supported by the Assembly in facilitating the provision of a sufficient supply of incubator and move-on workspace and wet-labs. It is particularly important to ensure that high land and property values do not crowd out opportunities for early stage high technology companies.
Milton Keynes and Aylesbury Vale	<ul style="list-style-type: none"> - Given the role of Milton Keynes and South Midlands as a focus for growth, it is important for the sub-region to promote a wide range of key sectors. The area benefits from good strategic accessibility and proximity to the Oxford-Cambridge Arc. Consequently, it is appropriate for the South East Plan to highlight the opportunities of knowledge-intensive investment and spin-out activity. These include opportunities in the commercial application of research ideas emerging from Oxford and Cambridge. Key sectors which should be promoted in the area include: healthcare technologies; advanced engineering; logistics; environmental technologies; and financial and business services.
East Kent & Ashford	<ul style="list-style-type: none"> - Although the South East Plan should promote economic diversification in Ashford East Kent, it is appropriate for the Plan to identify key sectors which warrant active promotion in specific locations. In the case of East Kent, this should include the promotion of the biotechnology/ pharmaceutical, marine and logistics sectors.

Sub-Region	Sector Priorities
	<ul style="list-style-type: none"> - The planned growth of Ashford should include the facilitation of a diverse economic base although particular opportunities for logistics and business services should be promoted.
London Fringe	<ul style="list-style-type: none"> - Ensure a strategic, long term approach is taken to the provision of high quality sites and premises for core office and BI related functions of all key sectors. It is particularly important that existing and potential development sites are assessed fully in terms of transport impact. - Identification of key sites to meet regional need for strategic logistics facilities. This should form part of a wider assessment exercise in association with various local authorities, freight operators, DfT / SRA and SEEDA.
Gatwick Area	<ul style="list-style-type: none"> - Promotion of high value functions of most key sectors (HQs, R&D, sales and marketing). - Identification of key logistics sites related to the airport. This should take place as a key element in the preparation of a Regional Freight Strategy. - Provision of high quality sites and premises for business services. Consideration should be given to the capacity of appropriate town centre sites for the location of these activities. Where appropriate, this should include potential redevelopment and refurbishment opportunities.
Isle of Wight	<ul style="list-style-type: none"> - For marine technologies – see South Hampshire above. - Promote development and enhance competitiveness in composites. This should include the provision of appropriate sites and the development of key training and workforce initiatives, which may be industry specific or of a cross-industry nature.

Note: Table excludes sub-regional priorities for tourism and leisure. These are identified in the Regional Tourism Strategy (Destination South East), the key policies of which are summarised in Appendix C.

Table 5.4 - Identified Business Concentrations and Networks

Sector	Location of Established Business Concentrations and Networks
Advanced Engineering	Bucks, East Sussex, Hampshire, Kent & Medway, Oxfordshire, Surrey, Thames Valley, West Sussex, Isle of Wight, Buckinghamshire.
Aerospace & Defence	Hampshire, Kent & Medway.
Environmental Technologies	Kent & Medway, Thames Valley, Isle of Wight
Financial and Business Services	Brighton & Hove, Hampshire, Milton Keynes, Surrey, West Sussex, London Fringe
Healthcare Technologies	Oxfordshire, Thames Valley, London Fringe, North & East Kent, Hampshire.
Logistics	Kent & Medway, Milton Keynes, West Sussex, London Fringe.
Marine Technologies	Hampshire, Isle of Wight, West Sussex, Kent.
Media Technology and Telecommunications	Hampshire, Thames Valley, Brighton & Hove, East Sussex, Surrey, Oxfordshire, Thames Valley.
Property & Construction	Most locations, particularly London Fringe.
Tourism	Brighton & Hove, East Sussex, Hampshire, Isle of Wight, Kent & Medway, Oxfordshire, Surrey, Thames Valley, West Sussex.

Source: Atkins & SEEDA Regional Economic Strategy