

An aerial photograph of Southampton, showing the harbor, the city, and surrounding green spaces. A dark blue rectangular box is overlaid on the top left of the image, containing the text 'SOUTHAMPTON CITY OF OPPORTUNITY' in white, bold, sans-serif capital letters.

# SOUTHAMPTON CITY OF OPPORTUNITY

## FOREWARD

**We want Southampton and the Solent to be recognised internationally for its global importance, with Southampton being a city with a sense of pride and purpose, in which all our residents can aspire and achieve, our businesses can grow and are renowned for innovation and investment. A green and clean city, with strong cultural and community assets.**

The City Council Strategy 2016-2020 and the [Southampton City Strategy 2015-25](#) both identify economic growth and improving the prosperity of local residents as key outcomes we are seeking to achieve.

As the balance of economic power and patterns of trade shift more to the east, the importance of maritime trade will certainly not diminish. The OECD forecast that the global ocean economy will double to \$3 trillion in 2030. Southampton is a 'Sea-City' recognised around the world for its port, trading links and as an international seat of learning.

Southampton is at the cutting edge in developing new technologies, as a centre of globally important innovation and research. As new technologies emerge, including in the areas of artificial intelligence, autonomy and in the use of data, we are well placed to lead and flourish.

We have highly ambitious plans to remodel the core of Southampton linking the heart of the city to the waterfront. As we plan for the future sustainability and the design of the spaces where people live, work, learn and innovate will become ever closer and our city is already beginning to adapt.

I look forward to being part of this process and driving my team to deliver what is needed for Southampton.

**Councillor Christopher Hammond**  
**Leader of the Council**  
**Southampton City Council**

## INTRODUCTION

This is an exciting time for the Solent and Southampton is ready to overcome challenges and enable incoming opportunities by adapting fast to a changing world.

This submission details some Southampton's key characteristics as a maritime gateway with the world, the city's world-class assets, synergies with the UK Industrial Strategy's Grand Challenges, the key strategic priorities for the reflection in the Solent Industrial Strategy as we all seek to improve people's lives, earnings and productivity in the future.

Our objective is for Southampton to become a clean, green, tech-focussed smart city. Tech cities are leading the world as testbeds for innovation, as magnets for talent and venture capital (VC), they are not just vibrant places in which to live and work – they are also driving regional economies.

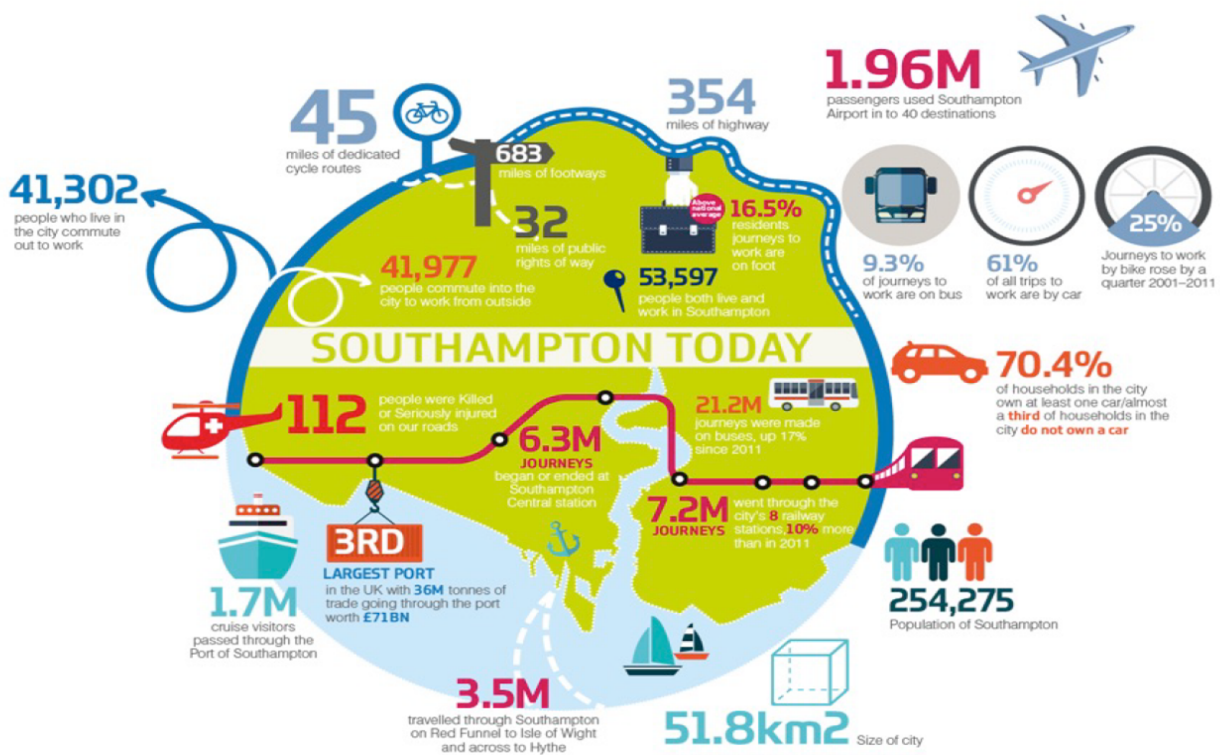
Through the Solent Local Industrial Strategy and by working in partnership we aim to enable a transformative investments for the Solent region. With the largest city centre redevelopment opportunity in the South of England, we will create vibrant, new city centre communities whilst also linking the heart of Southampton to a world-class waterfront.

As a coastal City with rich heritage and excellent connectivity, we are fast becoming a destination City and are working with partners to develop our creative, cultural and visitor economy, building on our strengths as the cruise capital of Europe. We will be submitting a UK City of Culture application, galvanising local activity to maximise the economic and social impact of culture for Southampton and the wider area.

We are working hard to address challenges including bringing forward flood defences to protect and develop homes and businesses, connecting and redeveloping the City to provide the homes, businesses, skills, public realm and transport our residents, businesses and visitors need.

We recognise the value of working in partnership with the Solent Local Enterprise Partnership and other partners. We have people, talent and resources to support delivery of the Local Industrial Strategy and act as a key partner.

## SOUTHAMPTON TODAY

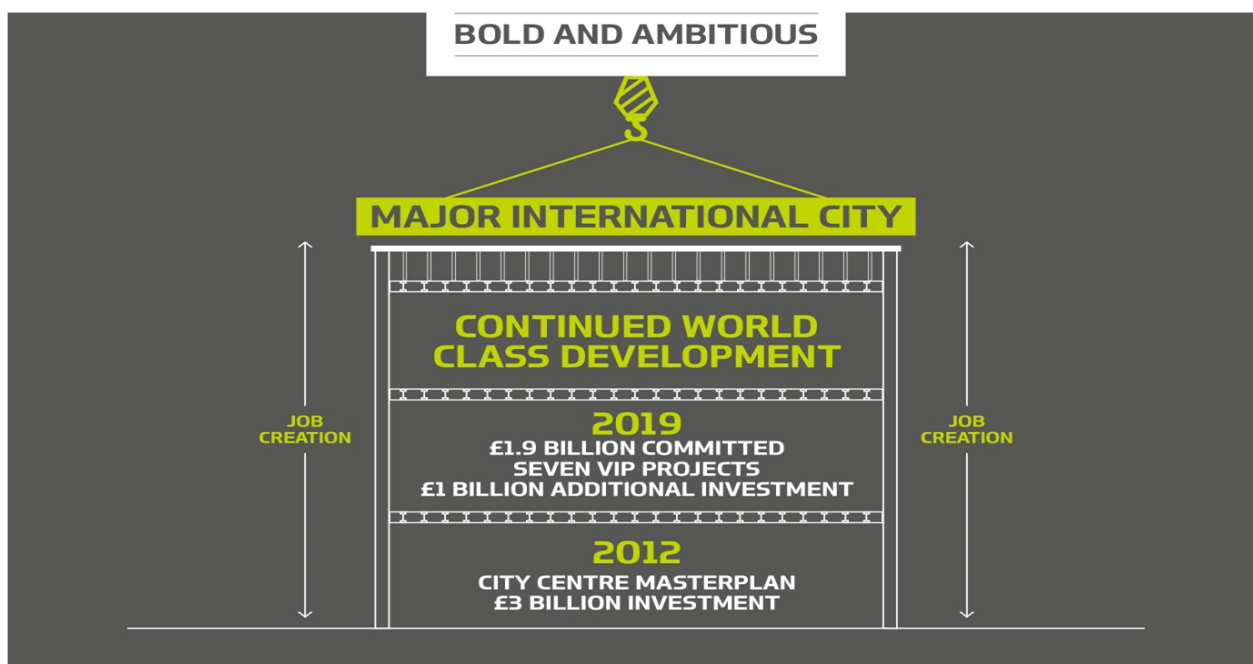


Southampton has a strong identity underpinned by the international profile of the Port of Southampton, University of Southampton, Southampton Airport, Southampton Football Club, the National Oceanography Centre Southampton, Southampton International Boat Show, Ordnance Survey and international businesses such as Carnival Corporation, CooperVision, BAT and Old Mutual.

Southampton's economy extends beyond the city boundary to include the waterside parishes of the New Forest, southern part of Test Valley, Eastleigh Borough and the M27/M3 corridor. Consequently major economic assets such as the University of Southampton Science Park, Fawley Oil Refinery, and Southampton Airport are integral to the city economy.

### SOUTHAMPTON'S KEYSTONE ASSETS

Southampton is a regional powerhouse, a net contributor to the South East economy and a logistics pipeline for companies which export through Southampton Port. Southampton is strategically positioned to be the UK's global gateway and an international magnet for foreign direct investments. We are not only a home to two universities but a catalyst for business growth and an important regional centre for investment totalling over £3 billion since 2012.



### PORT OF SOUTHAMPTON

Every month, Southampton supports 11 shipping lines which make 150 calls to 54 ports in 41 countries, making the port a huge national asset. Southampton is the UK's number one vehicle handling port, Europe's leading turnaround cruise port and the UK's most productive container terminal.

Operated by DP World, the Southampton terminal is home to the new 500m deep-water quay SCT5, which was purpose built to handle the largest E-Class ships in the world. New 'clean' investments have also been made in twelve new hybrid straddle cranes, using 20% less fuel, reducing emissions by using regenerating technology to charge modern Lithium-ion batteries.

The port is also a leading international cruise industry hub, home to the UK fleets of both P&O Cruises and Cunard Line and used regularly by Royal Caribbean International, Fred Olsen Cruise Lines, AIDA Cruises, Norwegian Cruise Line, Celebrity Cruises and TUI

Some 85% of UK cruise calls use the Port of Southampton generating in the order of 3,500 jobs in the Solent region and with each cruise vessel call is stated to be worth £2.5million to the economy through passenger and line spend (Arup, 2014).

### Key facts:

- Port contributes £2.5 billion to the UK economy annually
- Supports 15,000 jobs in the Solent and 45,000 across the UK
- £71 billion of goods handled each year
- The Port of Southampton is Europe's leading turnaround cruise port welcoming 2 million passengers per annum on over 500 cruise calls
- More than 90% of the cargo that DP World's UK terminals currently handle is non-European.
- DP World Southampton will have reduced its NOx emissions by over 50% by 2020.

It is expected that Associated British Ports will announce during the autumn its proposals for expanding the port.

## **MARINE AND MARITIME**

The National Oceanography Centre (NOC) is the United Kingdom's centre of excellence for oceanographic sciences with a remit to provide national capability and leadership for big ocean science. The UK has a long tradition as an ocean science pioneer with world leading capabilities and the NOC is a world leading oceanographic institution. NOC undertakes world leading research in large-scale oceanography and ocean measurement technology innovation.

The Boldrewood campus at the University of Southampton is home to the Southampton Marine and Maritime Institute (SMMI) and Lloyd's Register's Group Technology Centre one of the UK's most significant university and business research collaborations. The £140m Innovation Campus is internationally recognised centre of excellence with all the necessary disciplines to tackle global marine and maritime challenges.

Warsash Maritime Academy, now with the majority of its activity located within Southampton, has provided first class education, training, consultancy and research services to the international shipping, commercial yacht, and offshore oil and gas industries for over 70 years. The Warsash School of Maritime Science and Engineering is also now home to the largest and most sophisticated [maritime simulation centre](#) in the UK.

## **GREAT UNIVERSITIES**

Is there a key attribute that defines a tech city – setting it apart in terms of innovation and investment? Tech cities are defined by different attributes, however a common characteristic is the presence of great universities.

In Southampton

The **University of Southampton** is a research-intensive university and a founding member of the Russell Group, with a global reputation built on research and innovation excellence. It has 17,535 undergraduate and 7,650 postgraduate students, making it the largest university by higher education students in the South East region.

A new assessment of the University of Southampton's economic impact shows it benefits the Hampshire economy to the tune of £1.3 billion annually (19,800 jobs) and Southampton specifically by £0.9 billion (14,000 jobs). On a national scale the university contributes £2.5 billion (32,900 jobs) to the economy.

The University works with more than 300 businesses around the world. These include industry leaders such as Rolls-Royce, Microsoft, IBM and Phillips.

The University of Southampton is also home to the [Optoelectronics Research Centre](#) (ORC), one of the world's leading institutes for photonics and that has contributed significantly, optical telecommunication technology that underpins the internet.

[Solent University](#) has been a university since July 2005. Incorporated as an independent higher education institution in 1989, the University's origins can be traced back to a private School of Art founded in 1856.

Solent University is an ambitious international university spanning industries from fashion to engineering with more than 19,000 students from over 100 countries.

Solent University's maritime strategy has led to significant investment into our maritime technology and facilities, with investment of around £43 million from 2017 to 2020. The Maritime Academy now occupies a new facilities in the city centre.

Situated in the heart of the city, [Solent Sports Complex](#) is based at the University's main East Park Terrace campus and is the latest addition to a wider £100 million estates development plan. The [new sports complex](#) facilities will support and enable excellence in sport, health and fitness related degree programmes and associated teaching and research.

## SCIENCE, RESEARCH, INNOVATION AND ENTREPRENEURIALISM

*Revolutionary research needs revolutionary facilities.* For more than 40 years, scientists at the University of Southampton have been at the very forefront of cancer immunology research. The [Centre for Cancer Immunology](#), opened in 2018, the UK's first centre dedicated to cancer immunology research. Connected to leading institutions worldwide, this cutting-edge hub enables interdisciplinary teams to expand clinical trials, explore new areas and develop lifesaving drugs. The Trust has submitted proposals for a development at Bargain Farm for a development that includes a 12000m<sup>2</sup> health campus that will provide for commercialisation of research emerging from its activities.

[University Hospital Southampton NHS Foundation Trust](#) provides services to some 1.9 million people living in Southampton and south Hampshire, plus specialist services such as neurosciences, cardiac services and children's intensive care to more than 3.7 million people in central southern England. The Trust is also a major centre for teaching and research in association with the University of Southampton and partners including the Medical Research Council and Wellcome Trust.

Southampton has also been recognised as one of the most improving cities in the competitiveness index according to a report by the Centre for International Competitiveness. The City has a thriving digital tech sector that has recently increased turnover by 41% since 2014, with a value of £2.1bn and created an estimated 29,567 jobs. (Tech Nation, 2018)

[Southampton Science Park](#) is the South of England's innovation hub. Over 100+ companies are based at the science park, employing over 1,000 highly skilled employees. The economic impact made by businesses at the Science Park per annum is £550m.

Technology and the digital economy are a central part of the University of Southampton's innovation strategy. The [Web Science Institute](#) coordinates the University of Southampton's globally recognised expertise on the development and social impact of Web technologies, offering analysis, tools, data and advice to government, business and civil society. In addition the University has joined The Alan Turing Institute - the UK's national institute for data science and artificial intelligence.

The University of Southampton is a founding partner of [SETsquared partnership](#), the university business incubator ranked number one in the world by UBI Global. What is more, [Future Worlds](#) the on-campus start-up accelerator at the University of Southampton has a mission to help our aspiring entrepreneurs change the world with their ideas. Future Worlds has gained an international reputation with start-ups attending [Silicon Valley's Y Combinator accelerator](#) and the [Consumer Electronics Show \(CES\) in Las Vegas](#).

Barclays Eagle Labs have been appointed by Southampton City Council to manage the [Network Eagle Lab](#), Southampton's new co-working space. The location will be run by the bank's Eagle Labs team, a group with a track record of helping entrepreneurs and businesses grow and scale-up. Network Eagle Lab marks the first collaboration between a Barclays Eagle labs and a local authority, helping to further strengthen Southampton's established position in the digital sector.

## CITY CENTRE

Southampton's city centre continues to undergo significant and ambitious transformation. The City Centre Master Plan that illustrates potential developments and urban design concepts, launched in 2012 with over £3 billion now

invested. In addition investors now have confidence that Southampton's ambition is matched by a clear vision and ability to deliver.

Successful developments include:

- Westquay, located in the heart of Southampton, is the south coast's premier shopping, casual dining and leisure destination and attracts an annual footfall of 19 million. Westquay South, the new leisure and dining extension in 2016, now boasts 50 café's, bars and restaurants.
- Studio 144, the city's £30m arts venue, provides a new well-equipped auditorium for Nuffield Southampton Theatres and an airy home for the university's John Hansard Gallery, as well as a base for the City Eye film charity.
- The prestigious £75 million Admirals Quay development in Ocean Village by Allied Development with a landmark 26 storey tower, is one of the biggest residential developments outside London.
- New homes have been built at BOW Square providing 280 apartments in the city's first 'Build to Rent' development.
- Residential development at Meridian Waterside and Chapel Riverside, by Inland Homes are part of a mixed-use regeneration of the Itchen Riverside area with the potential to provide hundreds of new homes.
- A new 8-storey, 208 bedroom Moxy Hotel in Westquay utilising CLT pod construction by Vastint Hospitality.
- The Southampton Harbour Hotel and Spa, a £24million development by the Nicolas James Group, opened in October 2017 in Ocean Village.

New city centre developments are also in the pipeline, including:

- [Nelson Gate](#) currently comprises three multi-storey office blocks, Grenville House, Norwich House and Frobisher House. The proposed redevelopment will include residential apartments, a hotel, new retail units, restaurants and office accommodation.
- [Bargate Quarter](#) by Tellon Capital is for the redevelopment of the former Bargate Shopping Centre. The scheme is set to include retail and restaurants at ground floor street level, and 152 apartments and student accommodation.



## THE GRAND CHALLENGES

*'The Smart specialisation approach combines industrial, educational and innovation policies to suggest that regions identify and select a limited number of priority areas for knowledge-based investments, focusing on their strengths and comparative advantages.'* (OECD)

The national Industrial Strategy contains four Grand Challenges based on global trends and technologies. The UK needs to embrace the transformative industries of the future. The challenges also seek to improve people's lives, earnings and our productivity. In addition a Commission has been working to formulate a mission-oriented approach to the four Grand Challenges, with each mission listed below.

1. **AI AND DATA ECONOMY** - 'Use data, artificial intelligence and innovation to transform the prevention, early diagnosis and treatment of chronic diseases by 2030.'
2. **AGEING SOCIETY** - 'Ensure that people can enjoy at least 5 extra healthy, independent years of life by 2035, while narrowing the gap between the experience of the richest and poorest.'
3. **CLEAN GROWTH** - 'At least halve the energy and resource use of new and existing buildings by 2030.'
4. **FUTURE OF MOBILITY** – 'The introduction of zero emission vehicles can help reduce carbon emissions, other pollutants and congestion as people and goods move around and through our city.'

Southampton is at the forefront of the AI and data revolution. An [independent review](#) in 2017, carried out by Dame Wendy Hall FRS FREng (Regius Professor of Computer Science, University of Southampton) reported on how the Artificial Intelligence industry in the UK might grow with recommendations around skills, data and research.

Dame Wendy Hall is also Executive Director of the [Web Science Institute](#) (WSI) at the University of Southampton. The WSI is a world leader in Web Science research, training and enterprise. In addition the University of Southampton is a Partner of [The Alan Turing Institute](#), the UK's national institute for Data Science and Artificial Intelligence.

Beyond the opportunities linked Data Science and Artificial Intelligence we recognise that there are areas of our local economy which will need to adapt to focus on future growth opportunities. One such area is public services.

Between 2016 and 2017 the most significant GVA income growth (£178 million) was in the Public administration, education and health now accounting for 28.7% of Southampton's economy, which in total has an estimated value of £6.6 billion (2017). The sector has been the highest contributor to GVA in Southampton and its share has steadily grown from 23.1% in 1997 to 29% in 2017.

The population of our city is growing fast and it is expected to grow by nearly 5% by 2022, to 259,615, increasing demand on public services. At the same time, the population of older people (65+) is growing more quickly than the rest of the population reflecting our Ageing Society.

Science, research and health innovation is an area of specialisation for Southampton. [University Hospital Southampton NHS Foundation Trust](#) is a major centre for teaching and research in association with the University of Southampton which has also been at the very forefront of cancer immunology research, respiratory disease, nutrition, cardiovascular disease, bone and joint conditions and complex immune system problems.

Clean growth and the future of mobility are also challenges for the city. Efficient and effective transport networks and innovative developments in our city's infrastructure are required to not only boost our local economy, but also to meet the challenge of improving air quality.

Significant network investments will be required before technology can be utilised in our missions to tackle our ageing population, in health-care, cleaning our air and protecting our environment. Investment in next generation full fibre networks will be essential. Gigabit Southampton is about new optical fibre networks and further existing network investments. Our basic assessment is that a full fibre network should undoubtedly be considered as critical infrastructure and will be the backbone or backhaul for 5G technologies and enabled networks.

Like other UK cities Southampton needs investment in full fibre networks that are gigabit speed, consistent, reliable, consumers focussed and affordable. We need city-wide Fibre to the Premise (FTTP) coverage before 2025.

## STRATEGIC PRIORITIES

We see the Solent LEP Local Industrial Strategy and the Government's Industrial Strategy and its grand challenges as future opportunities for Southampton – in particular to act as the bedrock of future economic growth that will extend beyond the city's boundaries and contribute to powering the wider Solent economy. The following areas summarise interventions to overcome our challenges, and can contribute to increased productivity:

- We want to inflate **Marine and Maritime sectors**

We must continue to innovate and provide world class infrastructure both with-in the Port and in the City if we are to retain global cruise brands and the wider benefits to the regional and national economy. Recognising the port's national role we also have a keen interest in seeing improvements to transport infrastructure across the south of England and into the Midlands.

- We want to be a **Connected City**, develop our district centres and build improved links with our catchment area

As one of the fastest growing cities in England, Southampton is a City of Opportunity. The latest independent report from PWC reflect the council's commitment to delivering successful and sustainable economic growth. When compared to the other 41 cities included in the PwC and Demos Good Growth index, Southampton has seen a vast improvement in eight of the twelve indicators that are considered; with advances in environment, skills, owner occupation, new businesses, health and jobs being of most note. We want to use the benefits that can be provided by big data and AI to improve the delivery of public services and operation of infrastructure by utilising the expertise to be found in our academic institutions and businesses.

We are creating infrastructure that provides for improved movement between the city and its catchment area and links between Southampton and Fawley Waterside.

- We want to remodel our city centre - **Mayflower Quarter and Itchen Riverside**

The Mayflower Quarter is the most significant development opportunity on the south coast of England and one of the largest city centre development opportunities in the South East outside of London.

The Mayflower Quarter, totalling 84 hectares unites tracts of land identified in the Masterplan as being parts of the Heart of the City, Western Gateway, Station and Royal Pier Waterfront quarters. Development opportunities within the Mayflower Quarter – Nelson Gate, Toys R Us, Leisure World/former JLP warehouse and the Moxy Hotel development are already moving forward.

The west bank of the River Itchen between Itchen Bridge and Northam Bridge is also a major development opportunity within the city centre with the potential to provide further homes and jobs.





➤ We want to be **Clean & Green**

Southampton is also a city with a large amount of green spaces, with 49 parks and 1,140 hectares of open space. It also neighbours the New Forest National Park, Southampton Water, the Solent and the range of protected environments within them.

In June 2019 the council launched a new **Green City Charter** with a vision to create a cleaner, greener, healthier and more sustainable city. The headline objective is for the city to be carbon neutral by 2030.

➤ **Sustainable Transport & Infrastructure**

Connected Southampton 2040 sets out a long-term vision for how the Council and its partners will improve the transport network over the next twenty years. The strategy forms part of the fourth Local Transport Plan for the city. This will support the transformation of the city, setting out what transport success will look like for all different types of travel in 2040.

Southampton has also made the shortlist of ten cities that are in the running to receive a share of the £840m Transforming Cities Fund (TCF) from the Department for Transport. The Transforming Cities Bid focuses on boosting economic growth and productivity through improvements to transport infrastructure. A key component of the application includes the reconfiguration of the transport network in the core city centre.

➤ We need to support investments in next generation **Digital Infrastructure**

With recent investment announcements and hopefully with more to come Southampton will become a 'High Network Reach' area with similar opportunities as 'High Network Metro Areas' such as Birmingham and Manchester.

We need city-wide Fibre to the Premises (FTTP) coverage before 2025. Recent investment announcements suggest an accelerated timeframe in Southampton. Our basic assessment is that a full fibre network should undoubtedly be considered as critical infrastructure and will be the backbone or backhaul for 5G technologies and enabled networks.

On the fundamentals the UK environment for digital infrastructure investment had to change. Consumers rely more than ever on fixed and mobile connectivity, and with the volume of internet data used by people in the UK increasing by 50% each year.



➤ We need **Skills Strategies** and the Solent Local Industrial Strategy to be closely aligned.

The commitment within the national Industrial Strategy to create local industrial strategies offers a chance to set out a coordinated set of actions to deal with the challenges and opportunities the Solent areas faces, including the identified skills challenges that are an impediment to improving productivity.

A distinct Digital Skills Strategy is also becoming increasingly essential to enable the commission adult education to support digital inclusion and digital literacy in the city; to work with universities and other partners to attract and retain digital talent and to work closely with schools to maximise the digital skills of all children.

Analysis identifies that 22% of the current jobs in Southampton are in occupations very likely to decline by 2030. New jobs will be created to replace those that disappear. Those occupations that require interpersonal, analytical and digital skills are expected to continue to grow.

A good example of activity in this area is the West Midlands Digital Skills Partnership to improve local digital skills and develop a pipeline of highly skilled residents.

In conclusion the key issues to be addressed by the Solent Local Industrial Strategy should :

- Encourage and support investment in our cities as drivers of growth;
- Sustain economic growth, increase sector diversity and encourage higher levels of productivity in key growth sectors;
- Protect and sustain our key employment sectors;
- Identify, map and champion growth sectors and technological strengths, particularly in autonomy, artificial intelligence and data.
- Include distinct Investment and Infrastructure strategies to unlock the significant value of strategically important schemes such as Mayflower Quarter;
- Integrate Statutory Local Plans and the Solent Local Industrial Strategy to delivery jobs growth, infrastructure and new homes delivery. The Solent could lead in this area, with cross-departmental support to consider jointly, issues such as flood risk, clean air and sustainable transport delivery.
- Lead to a collective voice across the Solent area on issues relating investment and growth underpinned by a high-level spatial strategy.
- Develop international co-promotion strategies for significant development schemes such as Mayflower Quarter.