G. Promoting Economic Prosperity and Regeneration

Objective

O2 To encourage and support economic regeneration and prosperity

Key Targets[1] (see Performance Indicator Section for full details)

T1 To achieve a 12.1% increase in bus passenger journeys.
T2 To achieve 76.3% bus punctuality.
T3 To increase bus satisfaction to 65%.
T4 To achieve a 20% increase in train passenger journeys.
T5 To maintain train punctuality at 97.2% or better.
T6 To maintain train reliability at 99.5% or better.
T7 To achieve a 10.6% increase in ferry passenger journeys.
T8 To triple the number of cycling trips.
T10 To increase by 5% the number of households able to access Newport within 30 minutes by walking, cycling or public transport.
T17 To restrict traffic growth to 2.3% per annum.

Other Targets (see Performance Indicator Section for full details)

T18 To have no overall deterioration in condition of the principal road network.
T19 Non-principal road condition target - to be confirmed later in the plan process.
T20 To have no overall deterioration in condition of the unclassified road network.
T21 To have no overall deterioration in footway condition.

G.1 Introduction

Alongside the four-shared LGA priorities the Council has decided to add two local priorities, namely "economic prosperity and regeneration" and "the environment", which is an important local issue and will be considered alongside air quality. The inclusion of these local priorities reflects the substantial impact both are and will have on the development and delivery of the next LTP. Economic development was looked at with key stakeholders as part of a LTP2 consultation workshop.

G.1.1 Economic prosperity

The issue of sustainable economic prosperity is recognised as an important issue at a national level and featured in the 2004 White Paper "The Future of Transport". The existing Unitary Development Plan (UDP) is clear that 'Economic Prosperity' is about achieving a prosperous economy and full employment. The Island's economy remains focused geographically with retail and manufacturing concentrated in the Ryde, Newport and Cowes areas, tourism in the Sandown Bay area, and agriculture predominating in South and West Wight.

[1] As part of the plan process, the Council has investigated the establishment of a specific regeneration based indicator and target. See 'Performance Indicators: Other Indicators Considered' section for more details.

G.1.2 Regeneration

Even with general improvement in the Island's economic outlook there remains a number of areas where focused regeneration programmes have been initiated namely Ryde (map ref O2), Medina Valley (Newport to Cowes) (map ref J1–J4), the Pan urban extension (Newport) (map ref K4), the Sandown Bay area (Sandown, Lake and Shanklin) (map ref O6-N8) and rural areas. A total of 15 of the Island's 48 wards are within the top 20% of nationally recorded deprived areas.

G.2 Background

G.2.1 Growing economy

Recent data (Experian 2005) suggests the Isle of Wight economy is picking up and is now performing well against the wider South East economy and UK average. In particular sectors such as construction, business services and retail have provided a significant boost to the Island economy. This has had a knock on effect in the local housing market with the average house price on the Island now £144,400 (Hometrack 2004) compared to the average house cost in Portsmouth of £126,500.

G.2.2 Business development

In business terms of the estimated 4,500 businesses on the Island, the under 50 employee Small to Medium Enterprises (SME) continues to dominate the local economy providing 97% of all businesses and employing two thirds of all employees. With a local economy dominated by such SME focused sectors as tourism and construction, there are few headquartered or large-scale businesses on the Island. Overall the Island's economy has followed national trends in the move away from manufacturing to general business services. However one area of manufacturing has seen substantial growth has been the light engineering sector; here this has been centred on the composites sector with both the environmental and marine elements represented in the Medina Valley area between Newport and Cowes.

A key trend to emerge is the recent growth in the Island's economy has been the emergence of Newport as the centre for retail, public sector activity and inward investment. Newport has been identified by consultants Drivers Jones as the sub-regional retail centre for the Island following the influx of national chains into both High Street and out of town locations over the past ten years.

This commercial prominence continues to put additional pressure on the road network and increased demand for parking within the town.

G.2.3 Unemployment

The numbers of economically active have improved locally and February 2004 statistics show IOW figures to be 78.8% - compared to 82.1% for the South East. (Nomis) Unemployment has finally dropped below the UK average to 1.9% (Sept 2005) but the Island remains above the regional average (2005 1.4 %) and continues to experience seasonal fluctuations due to the role played by tourism in the local economy. With a large tourism/ retail sector, self- employment (IW 12% UK 9%) has always been a viable career option that has continued in recent years. Overall the level of economic participation remains high at 81% of qualifying adults but is still below the SE average of 84%. However average wages on the Island are significantly lower at £406.50 per week compared to South East average of £535.60 (ONS 2004).

G.3 Supporting regeneration

The regeneration of the Island has been identified as one of our key local priorities. The development of the emerging Island Plan (LDF) is now starting to put in place the core policies on which the development of the Island will be based. The Island Plan will set the spatial concept and it is important that this Plan and others work together to help deliver it.

Local regeneration initiatives are co-ordinated by the Isle of Wight Economic Partnership (IWEP), in cooperation with the Council. The Island has been successful in gaining funding from a number of regional, national and European funding pots and the IWEP maintains strong links with the local business community through its board and projects (i.e. Enterprise Hub).

The Island's Local Area Agreement was signed off by Government Ministers, the Local Strategic Partners and Council in March 2006. The initiatives and targets developed through this process will, together with our Area Investment Framework (AIF), help us to focus investment and harness other funding opportunities.

G.3.1 Programmes and activity

In 2000 the IWEP was successful in bidding for SRB 6 funding for its Ryde Regeneration Strategy. The Regeneration Partnership and subsequently the Development Trust have implemented a strategy to improve the appearance and level of economic activity in the town. The recent Public Realm Strategy has provided options on how the town should deal with increasing car usage needing to traverse the town on an east/ west basis when the main roads are on a north/south axis.

Moving west from Ryde the IWEP in partnership with the SEEDA, have sought to develop a holistic regeneration project for the Medina Valley (Newport to Cowes) entitled 'Cowes Waterfront'. The focus being on a zonal development of a number of Cowes, East Cowes and Medina riverbank/waterbank sites for mixed commercial and residential use. In transport terms the project has to deal with a limited road network in the Medina Valley and the proposed changes to the Red Funnel terminal in East Cowes.

The emerging LDF is setting the agenda for local regeneration and the development Sandown Bay area (Sandown, Lake and Shanklin) is highlighted in the LDF and Tourism Development Plan for regeneration. Initial research by consultants Arup has highlighted the need to improve access and public transport links within the area and we will be using spending identified towards the end of the LTP period to support schemes and initiatives.

G.4 Our Five Year Strategy

G.4.1 Measures

If the Island is to continue to benefit from economic prosperity and local improvements through regeneration the Island needs to take account of transport within its existing and future strategic planning. Many of the proposed initiatives in this document will have an impact on the economic performance of the Island over the next 5 years and will have to take into consideration the needs of the business community in their development and delivery. Partnership will be the key word in describing how to improve transport facilities on the Island, as the Council does not operate more than a small bus operation within the Island's public transport network. The QTP will be a primary conduit for such partnership work bringing together not just the transport sector, users and environmental groups but also representatives of the local business community.

G.4.2 Access to employment

A key challenge for the Council will be to continue to reduce reliance on the motorcar to ensure that residents are able to access employment. A priority will be to work with large employers on workplace travel plans that deploy a range of solutions that meet individual requirements in accessing employment. However with an SME dominated economy the challenge will be how to work with smaller employers or groups of employers on a sectoral or geographical basis to deliver meaningful and appropriate travel solutions. This will require building partnerships with local business groups and business advisers such as the local Business Link.

The role of the local 'wheels to work' scheme, Wight Wheels, will become more important in providing innovative transport solutions to attract those in social and economic exclusion back into employment. The scheme has moved beyond just the loan of scooters and has worked in partnership with a number of transport operators offering season tickets based on individual work patterns rather than the traditional time limited coverage.

G.4.3 Freight access

A further result of the continued economic growth on the Island has been the increasing amount of freight being moved on and off the Island by road via the ferries. This has been mirrored by a decline in bulk freight movements by coastal shipping from facilities on the river Medina. There is the need in the timescale of this Plan to balance the requirements of business with the increasing noise, pollution and road deterioration caused by more frequent, larger and heavier freight vehicles.

The Council, in partnership with others, have identified freight as a future Local Accessibility Action Plan (see Section F - "Increasing Accessibility" paragraph F.4) with suggested actions including the establishment of a Freight Group, designated, signed and maintained freight routes and the longer term aim of compiling a Quality Freight Partnership. The materials needed for the proposed Highways PFI could shipped in bulk by sea, this could act as a catalyst for the necessary investments and improvements and underpin a growth in bulk ship movements to the Island.

G.4.4 Tourism

Tourism remains a key sector in the local economy and in doing so brings with it a number of challenges relating to the seasonal nature both in terms of economic activity (2004 £361 million) and employment (2004 24%). There has been a decisive modal shift by visitors from public transport to car and coach based holidays. According to the operator data the number of passengers travelling to and from the Island has doubled in the last 50 years (1951 4 million, 2001 8.9 million), while in the past 20 years there has been a two fold increase in the numbers of cars and commercial vehicles and a four fold increase in coach travel. This has resulted in the current ferry terminals reaching capacity during the summer season causing significant traffic issues in their immediate vicinity.

The recently adopted Island Tourism Development Plan recognises the importance of transport within the Island's tourism offer. While extending support to a range of transport initiatives that have an impact on tourism, the Plan also seeks through a Green Tourism sub plan to develop a 'green transport infrastructure' to encourage more car free holidays. This will include a range of services for the holidaymaker to book all their travel in advance, move their luggage and on arrival experience their holiday without the need for the car.

G.5 Developing the vision

The Council's long-term vision for the Island has been developed in conjunction with the LSP and links together the key strategic documents with a clear direction for future growth. In turn this will inform other plans and strategies that the Council develops that impact on the local economy, such as the Tourism Development Plan.

The central premise for the long-term vision is that the Island will change economically over the next 20 years with a strong focus on regeneration using economic growth, new employment and the development of a skilled workforce.

G.5.1 Meeting the challenge

Through the 'Island Plan', economic regeneration of urban and village centres through development will lessen the need for travel to access employment and retail.

As part of the Tourism Development Plan the long-term strategy will seek to attract high quality tourism markets, and promote access to the Island by public transport. Fewer tourists spending more but impacting less on the local infrastructure. Tourist attractions are likely to lead this process with the development of attraction based travel plans for visitors and employees.

In partnership with the proposed Quality Freight Partnership, freight handling businesses will be encouraged to use emerging technology to ensure distribution systems make available goods on time for companies and people on or off the Island. The supermarket model of home delivery services could well be developed as a sustainable distribution system for major local businesses.

The Island's inward investment strategy will seek to attract those industries that do not have significant transport needs or costs, such as research, high value goods, and leisure.

G.6 Adopting a strategic approach

New investment is key to delivering improvements; the Council is committed to taking a strategic approach with a strong emphasis on economic regeneration through the LDF, LAA and the AIF. The proposed Highways Asset Management PFI will seek to provide the funding to resolve problems with the maintenance and quality of the roads on the Island.

How we encourage economic development whilst addressing the resulting increase in traffic and need to improve accessibility will be a challenge for the Council and our transport and business partners.

The table overleaf illustrates the measures that we will be using to ensure that economic development can take place while at the same time minimising congestion, pollution and adversely impacting on our local quality of life. How we will deliver these measures is identified in Section M – "Investment Programme ".

G.6.1 Summary of key actions

Measure	Method
Strategic Planning	Participation in the development of the LDF, LAA, AIF and regeneration strategies.
Partnership working	*SEEDA* - working with the RDA on Cowes Waterfront project and the improvements to East Cowes Ferry Terminal. *Quality Transport Partnership* - transport operators, business community (Chamber of Commerce, FSB), and other stakeholders to address problems earlier and encourage existing initiatives. *Solent Transport* - work with our Solent Transport partners to improve cross Solent and cross boundary travel.
Make the best use of the existing transport infrastructure	*Traffic flows* - improve traffic flows at key commercial locations e.g. Coppins Bridge, St Mary's. *Public transport* - to facilitate greater access to public transport and reduce travel costs where possible.
Encourage modal shift	*Workplace Travel Plans* - car sharing, encourage walking, cycling, travel by bus and train and Wight Wheels. *Green Tourism* - attraction based travel plans, improved public transport connections and marketing.
Regeneration	*Local strategies* - transport seen as an important, underpinning building block.
"Severance by Sea"	*Ferry companies* - partnership working with operators around accessibility, ferry terminals, East Cowes Project.
Investment in the transport network	*Private Finance Initiative* – a proposal for a highways asset management PFI to be submitted to DfT. *Railway* - to lobby DfT for improved investment in track and rolling stock in next franchise.
Freight movement	*Partnerships* - with freight operators through the QTP and future Quality Freight Partnership. *Innovative solutions* - e.g. Vestas Blades use of barges to move wind turbine blades.