

Isle of opportunities *delivering regeneration*



Island Investment Plan

December 2020



Prepared with support from:



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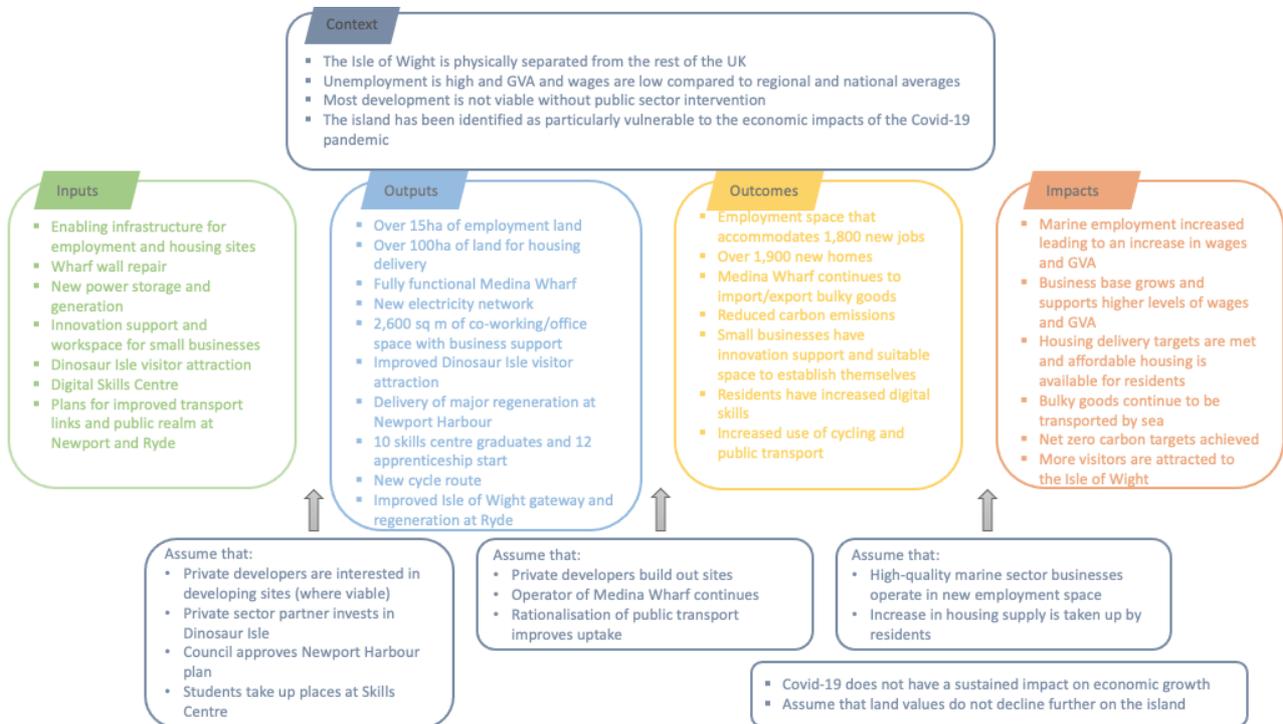
Executive Summary

- i. This is the Investment Plan for the Isle of Wight, setting out the key opportunities for investment to address local challenges, increase prosperity, and stimulate sustainable economic growth.

The Isle of Wight Opportunity

- ii. The challenges, opportunities and theory of change are summarised in the theory of change diagram in the Figure below. Our objective is to promote sustainable economic growth and greater prosperity within our high quality environment (including an Area of Outstanding Natural Beauty and a UNESCO Biosphere Environment), providing a high quality of life and level of well-being for our residents.
- iii. Regeneration and growth of the Isle of Wight economy, providing employment opportunities for Island residents will help to achieve the Government’s objective of levelling up the UK’s economy, and will contribute to meeting the aspiration for a green revolution.

Figure 1.1: Theory of Change



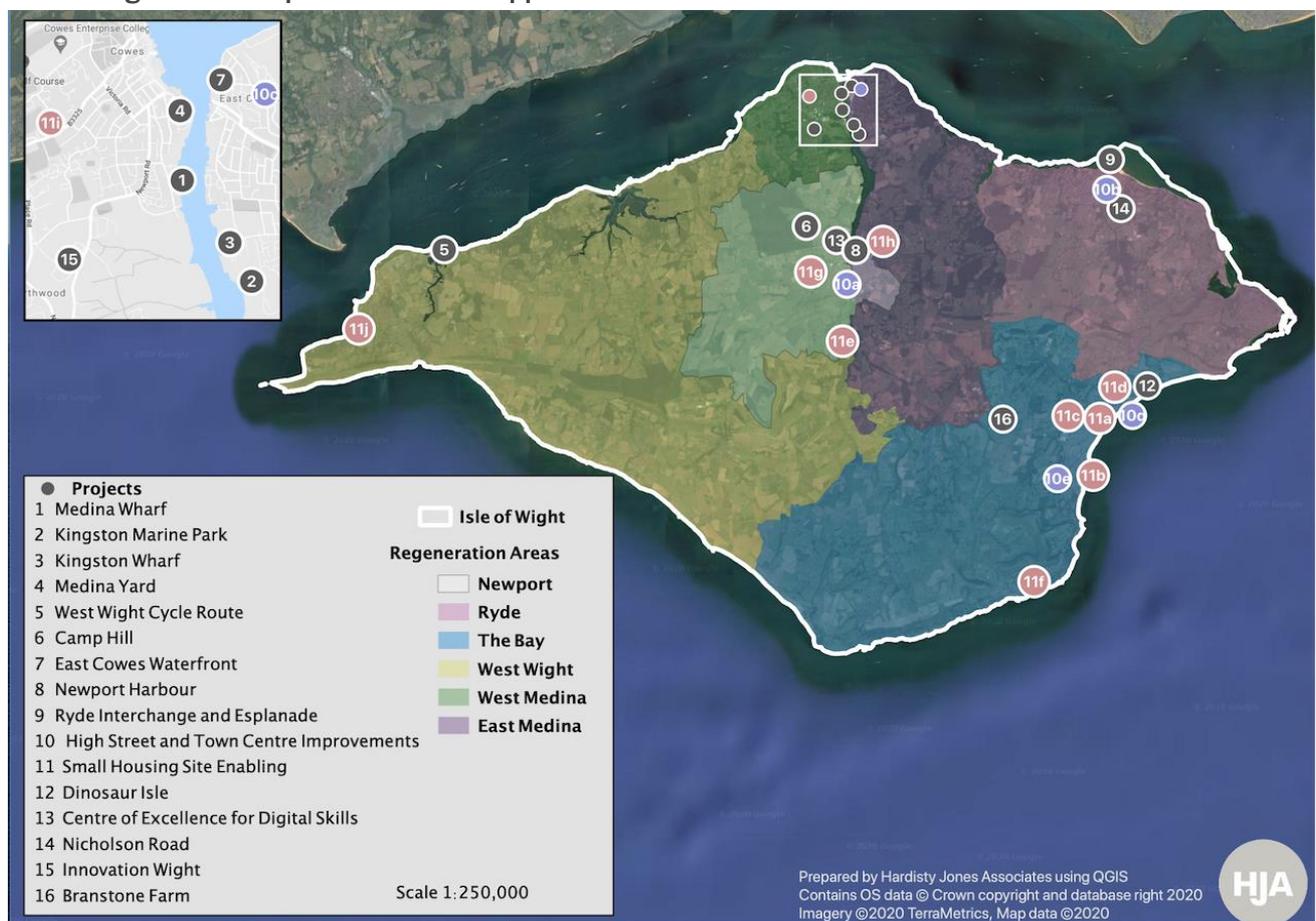
- iv. Our investment themes, in common with those of the Solent LEP are:
 - A world leading marine and maritime economy, building on the specialisms of the Isle of Wight in boat building, sail making, the manufacture of flying boats and hovercraft
 - Pioneering approaches to *climate change adaptation and decarbonisation*
 - The UK’s *capital of coastal renaissance*, including high streets, infrastructure and housing, investing in many of our towns
 - A *thriving visitor and cultural economy*, making the most of our distinctive offer of coastal communities, green spaces and world class visitor attractions

- Developing a *world class talent base*, which is critical to our future economic growth
 - Creating an *outstanding business environment* through investing in innovation support and workspace for our growing businesses. to build on our gigabit broadband roll-out
- v. These investment themes will contribute towards meeting our objective of sustainable economic growth, whilst maintaining our high quality environment, and delivering a high quality of life for our residents.
- vi. We have developed a number of investment opportunities to deliver the changes set out in the figure above.

Investment Opportunities

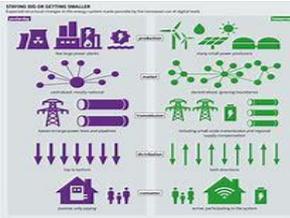
- vii. The investment opportunities are shown on the map below.

Figure 1.2: Map of Investment Opportunities



viii. These investment opportunities are summarised in the figure below.

Figure 1.3: Investment Plan Projects

Marine and maritime economy projects	
	<p>Investment in Medina Wharf will ensure that the only deep-water wharf on the island remains open for the import and export of bulk materials, saving road journeys, and keeping down the cost of transport to and from the island, helping with the island's competitiveness.</p>
<p>Investment in infrastructure to enable boats to be taken in and out of the water will stimulate the delivery of marine industry workspace at Kingston Marine Park.</p>	
	<p>Delivery of 14,500 sq m of marine industry workspace at Medina Yard will provide high quality space for a sector that is very important to the Isle of Wight.</p>
<p>The Kingston Wharf site could be redeveloped to deliver 3,000 sq m of workspace for new-start and marine businesses.</p>	
Climate change adaption and decarbonisation projects	
	<p>The Zero Carbon Energy Infrastructure project will deliver a sophisticated Smart Grid electricity network and reduce carbon emissions.</p>

The **West Wight Cycle Route** will deliver a dedicated cycle route from Yarmouth to Newport, improving health and wellbeing as well as reducing carbon emissions.



Coastal renaissance projects



The development of the 100 Ha former prison site at **Camp Hill**. With investment in infrastructure, there is potential to deliver 1,500 new homes on the site, making a major contribution to the Island's housing need.

The development of **East Cowes Waterfront** will revitalise a high-profile site at the mouth of the River Medina. This will deliver marine industry employment space, other workspace, affordable housing, and hotel and leisure facilities. This could stimulate further leisure development in East Cowes.



Investment in enabling infrastructure will help to deliver significant town centre regeneration at **Newport Harbour**. This could help to deliver 300 homes and 500 jobs, along with significant public realm.

Investment in **Ryde Interchange and Esplanade** will vastly improve this gateway to the Isle of Wight, and enable better integration of different modes of public transport, improving access to the island and across the island.





Investments in **high street regeneration** in the island's main towns will improve the quality of the town centres, complementing the other investments in residential and employment sites.

Investment in the delivery of **small residential sites** will help to improve the availability of housing across the island. This could deliver more than 200 new residential units.



Visitor and cultural economy projects



Development of the **Dinosaur Isle** tourist attraction, creating a major tourist draw in Sandown. This can be delivered jointly with a private partner. It will help to create employment and stimulate regeneration in the local area.

World class talent base projects

The **Centre of Excellence for Digital Skills** is projected to have 10 graduates obtaining a new job each year, and 12 new apprenticeship starts with SMEs on the island within the first five years, helping to deliver the Digital Island Strategy.



Outstanding business environment projects

A 15 Ha extension to the **Nicholson Road Business Park** in Ryde. Doubling the existing capacity. There is significant demand for new industrial units. This could accommodate 900 new jobs.



Innovation Wight will deliver an innovation hub and grow-on space at the BAE site near Cowes, along with new-start and innovation support to businesses. This will deliver 2,600 sq m of space for businesses. The innovation support can then be extended, through a series of spokes located throughout the island.

The delivery of the **Branstone Farm** development will provide workspace to accommodate 90 new jobs, a brewery development with a further 10 jobs, and affordable housing.



Outputs

- ix. A range of outputs will be delivered by the activities set out above, which will result in various outcomes. These are summarised in the figure below.

Figure 1.4: Summary of Outputs and Outcomes

Project	Type	Outputs	Outcomes
Marine and maritime economy projects			
Medina Wharf	Critical Transport Infrastructure	Repair of the wharf	Continued use of the wharf
Kingston Marine Park	Marine Sector Employment Space	Delivery of a hoist lift to enable water access for businesses; and	Dedicated business space for marine businesses

Project	Type	Outputs	Outcomes
		investment to deliver new business premises	
Kingston Wharf	Marine Sector Employment Space	Up to 3,000 sq m of business space, including starter units	Dedicated business space for marine businesses, including new-start businesses
Medina Yard	Marine Sector Employment Space	Delivery of Phase 4 of the Medina Yard site; including 14,500 sq m of employment space	Up to 460 marine industry jobs accommodated on the site
Climate change adaptation and decarbonisation projects			
Zero Carbon Energy Infrastructure	Carbon Reduction	Decarbonised electricity network	Reduced carbon emissions
West Wight Cycle Route	Carbon Reduction	New cycle route	Reduced carbon emissions and improved health and wellbeing
Coastal renaissance projects			
Camp Hill	Residential Development	MOJ investment in infrastructure and ongoing site holding costs	1,500 new homes
East Cowes Waterfront	Mixed-Use Redevelopment	Refurbishment of employment space; and enabling infrastructure for residential development	Safeguarding of marine employment, and delivery of 100 new homes including affordable homes
Newport Harbour	Mixed-Use Town Centre Regeneration	Investment in infrastructure and site preparation	Comprehensive mixed-use development including 300 homes, 500 jobs, and public realm
Ryde Interchange and Esplanade	Transport Infrastructure and	Major investment in the interchange and esplanade	Regeneration of a significant site in Ryde and a major

Project	Type	Outputs	Outcomes
	Mixed-Use Regeneration		gateway to the island 150 new jobs
High Street and Town Centre Improvements	Transport Infrastructure and Mixed-Use Regeneration	Regeneration of town centres in Newport, Ryde, East Cowes, Sandown and Shanklin	-
Small Housing Site Enabling	Residential Development	Enabling of development on Shanklin seafront	More than 200 new residential units
Visitor and cultural economy projects			
Dinosaur Isle	Tourist Attraction	Expansion and development of the Dinosaur Isle attraction	Attraction of new visitors
World class talent base projects			
Centre of Excellence for Digital Skills	Digital	828 sqm of training space	7 FTE jobs in the Centre 10 graduates in new jobs per year 12 new apprenticeship starts in SMEs over five years
Outstanding business environment projects			
Nicholson Road	Business Park	Enabling infrastructure for 15 Ha employment land	Accommodation of up to 900 jobs
Innovation Wight	Innovation and Enterprise Infrastructure	Delivery of spokes to enable wider delivery of enterprise and innovation support	Enterprise and innovation support to businesses
Branstone Farm	Workspace Development	Delivery of business space	c.100 jobs accommodated on the site

Funding and investment

- x. For some of the opportunities described above there is already some funding in place, towards their delivery. However, all of the opportunities need additional support and funding. The funds that are already identified, together with the additional need, are set out in the figure below.

Figure 1.5: Funds Identified and Additional Investment Needed

Project	Cost	Support from Investment Plan
Marine and maritime economy projects		
Medina Wharf	£9 million	£3 million
Kingston Marine Park	£10 million	£10 million
Kingston Wharf	£5 million	£1.5 million
Medina Yard	£12 million	£5 million
Climate change adaptation and decarbonisation projects		
Zero Carbon Energy Infrastructure	Unknown	Unknown
West Wight Cycle Route	£1.5 million	£1 million
Coastal renaissance projects		
Camp Hill	£30 million	£0.5 million per year
East Cowes Waterfront	£30 million	£5 million
Newport Harbour	£100 million	£25 million
Ryde Interchange and Esplanade	£25 million	£5 million
High Street and Town Centre Improvements	£2.5 million	£2 million
Small Housing Site Enabling (Shanklin Spa)	£20 million	£2 million
Visitor and cultural economy projects		
Dinosaur Isle	£20 million	£0.8 million
World class talent base projects		
Centre of Excellence for Digital Skills	£2.57 million	Unknown
Outstanding business environment projects		
Nicholson Road	£45 million	£3 to £5 million
Innovation Wight	£5 million	£2 million
Branstone Farm	£4.5 million	£1.8 million

- xi. An initial package of £25 million of borrowing by the Isle of Wight Council together with £25 million of funds from Government would enable the Council to progress these projects, focusing on those that are most deliverable. As the full package of projects is developed, further funding can be identified.

1 Introduction

1.0.1 This document is the Investment Plan for the Isle of Wight (IOW).

1.1 Purpose

1.1.1 The purpose of this Investment Plan is to provide an evidence-based framework to prioritise and structure intervention to facilitate the economic regeneration of the IOW. It seeks to provide a consistent approach to assessing potential projects, and to highlight gaps in project development, to enable efforts to be targeted in the most important areas.

1.2 Background

1.2.1 Chapter 2 of this Investment Plan sets out the socio-economic context of the IOW, its weaknesses and its strengths. This highlights the need for significant public investment to support the strategic economic regeneration of the island.

1.2.2 The IOW Council has made submissions to be considered for a Town Deal as part of the Stronger Towns Fund. Whilst unsuccessful in the first round, hope remains that funding can be secured through this route via either a subsequent round of funding, or via a competitive process for outstanding monies within the Fund.

1.2.3 Stronger Towns Fund aside, the need for public investment remains. This Investment Plan is therefore intended to set out the key priorities and potential actions to tackle identified challenges, and capitalise on assets and opportunities.

1.2.4 The principles of the guidance for preparing Town Investment Plans (TIP), which form part of the Town Deal process, have been used as a basis for structuring this Investment Plan.

1.3 Geographic Scope

1.3.1 This Investment Plan considers issues across the whole of the IOW, albeit with proposed interventions focused on a number of towns.

1.3.2 Review of the towns selected to prepare TIPs identifies a wide variety of scales and typologies, ranging from large towns and cities such as Bournemouth (population c.187,000) and Wolverhampton (c.210,000) to very small towns such as Newhaven (c.13,000).

1.3.3 There are also towns in close proximity to other selected towns, with five clusters of multiple towns in very close proximity as well as other co-located towns c.15 miles apart. Towns Fund guidance makes provision for towns to collaborate as part of their TIP.

1.3.4 The IOW has a total population of around 140,000, this is well within the range of Town Deal identified towns. This comprises a number of towns, with further detail on the socio-economic geography of the island set out in Chapter 2 of this document.

2 Context Analysis

2.0.1 This chapter sets out the challenges, assets and strengths of the Isle of Wight, and the main focus of the Investment Plan.

2.1 Challenges

Economy and Skills

2.1.1 The Isle of Wight is home to approximately 4,500 businesses, 85% of which are classed as micro businesses (i.e. less than 10 employees). Employment on the island is primarily concentrated in the Human Health & Social Work, Wholesale & Retail Trade, and Accommodation & Food Services sectors. There is an over reliance on public sector employment, and a concentration of employment opportunities in low paid, seasonal tourism related jobs¹. Consequently, wages among the working population are approximately 20% lower than the South East average¹. This impacts on the island's GVA (Gross Value Added) per capita, which is between 66% and 72% that of Southampton and Portsmouth¹ and well below the Solent and UK averages.

2.1.2 Achievement of Grade 5 or above in English and Maths at GCSE level and points scored by A-level students are both lower than the South East and England averages². The Higher Education offer is spread across multiple institutions on the island and is often overlooked by students. There are fewer working age people (aged 16-64) on the island qualified to NVQ levels 2, 3 and 4 than the South East and England averages².

Demography and Workforce

2.1.3 The island is a popular retirement location and so has a large resident population aged 65 and over¹. This large older population means that the local authority is in the oldest 20% nationally. The older population is forecast to grow by over 40% between 2016 and 2036. There are significant levels of chronic disease and disability among the existing older population. The population-age profile is further skewed by the out-migration of educated young people. The percentage of the population aged 65 and over was 27% in 2015 (compared to 18% in the UK), and is forecast to grow to 35% in 2036 (compared to 24% in the UK). The working-age population is commensurately lower, at 58% in 2015 (compared to 63% in the UK), falling to 50% in 2036 (compared to 58% in the UK)¹.

2.1.4 Among this relatively small working age population economic activity and employment rates are below LEP and GB comparators. There was a particular weakness after the 2008 crash, but rates are consistently below comparators. As a result of low levels of labour market participation, the island has a higher percentage of households recorded as workless (18.5%) than the GB average (14.3%).

2.1.5 The health of people in Isle of Wight is varied compared with the England average. About 18% of children (3,800) live in low income families. Life expectancy for women is higher than the England

¹ Isle of Wight Council (2019) Inspiration Island: Isle of Wight Regeneration Strategy

² Isle of Wight Council and Isle of Wight NHS (2019) Joint Strategic Needs Assessment: Education and Skills 2017/18

average. Life expectancy is 6.8 years lower for men and 3.7 years lower for women in the most deprived areas of Isle of Wight than in the least deprived areas³.

Development Viability and Delivery

- 2.1.6 Employment sites are not being brought forward on the island and housing delivery targets are not being met.
- 2.1.7 An employment land assessment conducted in 2015 found that the majority of the office stock on the island is poor quality, and there is a lack of available industrial floorspace. In total, the island requires between up to 31.6 Ha of employment land to be brought forward over the period between 2011 and 2036⁴. Despite the fact that this land has been identified, no employment land has been brought forward since this report was published.
- 2.1.8 The Isle of Wight Housing Needs Assessment⁵ found that the Island requires 641 dwellings per annum during the period 2016-2034. Permissions have been granted for over 2,000 units on the island, but these are not being built out⁵. There is a particularly severe shortage of affordable housing on the island. The report found a net need for 222 affordable homes per annum as part of this total. The Annual Monitoring Report (2018/19) found that the Isle of Wight has not hit this target, with 350 completions (i.e. 55% of the annual requirement) of which none were classified as affordable⁶.
- 2.1.9 Higher build costs associated with importing materials via ferry, and lower land values than mainland competitors are both affecting housing delivery rates⁵. Development viability is a significant factor stopping the construction of new employment space with rental levels (with the possible exception of industrial space in Newport) insufficient to make new build office or industrial space viable on the Isle of Wight⁴.

Physical Separation and Transport

- 2.1.10 The Isle of Wight does not have a road connection to the rest of the United Kingdom. The need to transport everything onto the island via ferry can increase costs for some businesses on the island, notably construction costs are higher. Lack of connectivity with the mainland also means that the area can be overlooked for inward investment. A scoping study undertaken by the University of Portsmouth considers the impact that the physical separation of the Island has on the delivery of public services⁷. This work discusses the 'island premium' stemming from higher transport costs and the inability to realise economies of scale, which means that it is more expensive to deliver services on the Island. It also discusses negative impacts from the lack of interaction with adjoining local authority areas; and the impacts of actual and perceived dislocation from the mainland.
- 2.1.11 Six privately operated cross-Solent routes provide the primary connection to the mainland. The ferry terminals are seen as low-quality and lacking integrated transport/modal connections. This creates a poor impression for arriving visitors and makes onward journeys via public transport more

³ Public Health England (2018) Isle of Wight Health Profile

⁴ GL Hearn (2015) Employment Land Study

⁵ GL Hearn (2018) Housing Need Assessment Final Report

⁶ Isle of Wight Council (undated) Monitoring Report for the Isle of Wight Council's Planning Policies 2018 - 2019

⁷ University of Portsmouth (2016) Impact of Physical Separation from the UK Mainland on Isle of Wight Public Service Delivery

difficult. There is a single wharf that is capable of handling the import and export of bulky goods. This is in a poor state of repair and is at risk of failing completely.

Flood Risk

- 2.1.12 Many of the towns, industries, transport links and utilities are located along the coast which makes the island particularly vulnerable to coastal risks⁸. As well as the standard risks of coastal erosion and flooding across the island, the largest urban landslide complex in north-western Europe is located on the Isle of Wight. Urgent work is needed to repair or replace a number of coastal defences that are nearing the end of their serviceable life.
- 2.1.13 The IOW Council has unusually extensive and complex coastal hazards and risks for a local authority, including extensive landsliding as well as coastal erosion and flooding. Many of the Island's coastal towns and communities are protected by ageing seawalls which are maintained by the Council. As these seawalls and assets deteriorate and due to the impacts of climate change (including sea level rise and increasing winter rainfall), risks are increasing, and minor maintenance will not be enough for things to remain as they are. There is already significant pressure on the limited maintenance funding for the coastal structures. A planned programme of asset replacement in the areas of greatest need is therefore needed.
- 2.1.14 The completion of two sister studies (which were funded by external grant funding secured) have identified future priority coastal protection schemes recommended and required for the Isle of Wight coast. These schemes are arising from the new Sandown Bay Study (2019) and Ventnor Study (2020), and also from the West Wight Coastal Strategy (adopted by the IOW Council in 2016). These amount to over £40 million of proposed investment in coastal risk reduction on the IOW.

Town Centre Decline

- 2.1.15 Newport is the administrative, employment, retail, leisure, cultural, education and service hub of the Isle of Wight. Newport has too many retail units, a poor retail offer and too little high-quality employment and residential space. A deteriorating, traffic-dominated environment results in a lack of civic pride as well as contributing to crime and disorder. There is a heavy dependence on part-time, low wage and low skills employment locally, particularly in retail and public sector jobs, which results in a lack of prosperity in the town centre and a range of societal issues.
- 2.1.16 The shop vacancy rate in Newport is at the national average (11%). However, this disguises the underlying deterioration in the quality of the retail fabric and the retail offer in the Town Centre. As elsewhere, multiples are closing and moving out leading to the loss of anchor stores such as BHS, HMV and Dorothy Perkins. Commercial buildings in key sites are too often allowed to fall into disrepair as absentee landlords are not incentivised to maintain them by low return on investment.
- 2.1.17 The challenges faced by prospective business owners in Newport are underpinned by the fact that many of the premises are listed buildings within a conservation area that has suffered greatly from absentee landlords. There are four premises that have been vacant for over five years and there are thirteen premises that have been shut for two years or more.
- 2.1.18 There are barriers to encouraging economic prosperity and entrepreneurial endeavours on the Isle of Wight, where the prohibitive costs of renewals and repairs of heritage assets coupled with high

⁸ Isle of Wight Council (2020) Isle of Wight Priority Coastal Defence Schemes and £40m Programme of Future Work

business rates and low disposal income of residents living in areas of deprivation prevent economic regeneration.

- 2.1.19 There is a requirement for more high quality office space in Newport town centre which is the most popular location for employers looking for office accommodation and has a limited supply, particularly of smaller more flexible space which would attract the young, entrepreneurial, creative and digital businesses we aim to encourage to turn the economy round.
- 2.1.20 The existing quality of the public realm in Ryde is extremely poor. Ryde is the only major town in the eastern Isle of Wight, it is rapidly descending in the UK Shopping Venue rankings, falling from 672 to 754 of 1,120 between 2013/14 and 2016/17, a drop of 82 places. The existing street treatment includes badly patched tarmac surfaces, random street clutter and unsympathetic seating, which serve only to encourage anti-social behaviour.
- 2.1.21 The current economic underperformance of Ryde town centre is largely due to its very poor public realm and down-at-heel appearance, the oversupply of retail space, the weak connection between it and Union Street, both visually and in terms of a pedestrian-friendly approach and the lack of clear pedestrianisation, which leaves people and motorists confused as to how to use it.

Covid-19

- 2.1.22 The impact of the pandemic and associated lockdown is unevenly distributed across the country. The Institute for Fiscal Studies⁹ has analysed the relative vulnerability of the local authorities across England based on health, labour market, and family metrics. This has found that the Isle of Wight is one of only two areas positioned within the top 20% most vulnerable across all three measures of vulnerability. The island was already facing number of challenges (discussed above) which are being exacerbated by the pandemic and lockdown.
- 2.1.23 The Solent LEP has set out a Solent Economic Recovery Plan to guide the transition back to normality and provide a platform for future growth¹⁰. The three stages set out in this plan are business survival, economic stability/resilience, and longer-term growth, including productivity and prosperity. This contributes to the Solent 2050 vision which includes several themes that are relevant to this Investment Plan:
- A world leading marine and maritime economy
 - Pioneering approaches to climate change adaptation and decarbonisation, including an offshore wind cluster
 - The UK's capital of coastal renaissance, including high streets, infrastructure and housing delivery
 - A thriving visitor and cultural economy
 - Developing a world class talent base
 - An outstanding business environment

⁹ Davenport *et al.* (2020) The Geography of the Covid-19 Crisis in England

¹⁰ Lichfields (June 2020) Solent Coronavirus Business Support Task Force: Update on the Solent Economic Recovery Plan

2.2 Assets and Strengths

2.2.1 Whilst the Isle of Wight faces many challenges it also has a number of strengths upon which to build.

Cultural, Tourism and Environmental Assets

2.2.2 The RSA (Royal Society for the encouragement of Arts, Manufacture and Commerce) found that the Isle of Wight is in the top 16% of English local authorities for heritage and environmental assets¹¹. Over 50% of the Island is covered by an Area of Outstanding Natural Beauty, and 28 miles of coastline is designated as Heritage Coast. The island has recently been designated a UNESCO Biosphere Reserve which recognises the sustainable way that people interact with the natural environment. This relationship with the island contributes to a high quality of life that differentiates it from other places, and attracts people seeking a good work/life balance.

2.2.3 The island also has a rich cultural heritage and there is a large concentration of employment in the creative industries. This combination of environment and heritage assets drives a significant amount of tourism to the island, which in turn benefits the local economy. Developing a thriving visitor and cultural economy is one of the six priorities of the Solent LEP's 2050 strategy and Coronavirus recovery plan.

Digital Island

2.2.4 The Isle of Wight is working to deliver a full fibre, gigabit capable broadband network across the island. This would make it only the third place in the world to deliver gigabit capable broadband across the whole community. Significant advances have already been made towards achieving this goal with Wightfibre rolling out a fibre to the premises (FTTP) network that can provide speeds of up to 900Mbps. By 2021, just over 70% of the homes on the island should be connected to this network¹².

2.2.5 Funding has also been secured from the Local Full Fibre Network Challenge Fund to install fibre broadband connections to rural community buildings. This will improve the viability of installing fibre connections to the surrounding premises which will increase fibre broadband coverage in the most difficult to reach areas of the island.

2.2.6 The Digital Island Strategy¹² sets out how the Isle of Wight will capitalise on this important asset and realise the opportunities created by gigabit broadband on the island including through; training of residents in digital skills, and improving business productivity.

Marine and Composites Sector

2.2.7 The marine sector is a nationally significant sector which is concentrated in the Solent region. Within this, the Isle of Wight plays a significant role in the marine, composites and advanced manufacturing sector which includes; boat building, sail making, the manufacture of flying boats and hovercraft, and testing and development of British space rockets. Estimates of employment across the marine sector on the island ranges from 1,000 to 4,000 depending on how the sector is defined¹³. The Centre of Excellence for Composites, Advanced Manufacturing and Marine is an

¹¹ RSA (2016) Heritage Index for England <https://www.thersa.org/action-and-research/rsa-projects/public-services-and-communities-folder/heritage-and-place/index/England>

¹² Isle of Wight (2020) Digital Island: Isle of Wight Digital Island Strategy

¹³ Hardisty Jones Associates (2020) Medina Valley Marine and Composites Sector Proposition

important asset for the island which ensures residents have the skills to take advantage of opportunities available in the sector.

- 2.2.8 The island has key specialisms in the manufacture and repair of workboats; in leisure boat manufacture, repair, and associated services; and in tidal energy testing. There are a number of key employers on the island including BAE, GKN and MHI Vestas working across the marine and advanced manufacturing sector. A combination of the reputation of the islands marine sector, and the companies already operating on the island provides an opportunity for the area to become the centre for clean growth in the marine sector. This is a significant strength for the island in the face of the growing climate crisis.

Tidal Energy

- 2.2.9 The Isle of Wight Council has declared a climate emergency and agreed to an aspiration of the Island being net zero carbon by 2030. Supporting the production of renewable energy will make a significant contribution to the achievement of this aspiration. The council is invested in a project to convert tidal stream energy to electricity, sufficient to provide carbon free power to a quarter of Island homes, and at the same time produce significant economic benefits for the Isle of Wight. The Perpetuus Tidal Energy Centre (PTEC) is a 30MW tidal energy generation project located 2.5km south of St. Catherine's Point.
- 2.2.10 PTEC had all of the necessary leases, licences and supplier support in place for the project. Unfortunately, the marine leases and licences are time limited and need to be extended or varied if the project is to play a role in the Island's carbon neutral aspirations. The planning permission for the onshore components of the project has lapsed and a new application is necessary. The project has received an offer of financial support to renew its leases and licences through the European Union TIGER project. PTEC will contribute to the green recovery from Covid, supporting the national and regional Build Back Better agenda.

2.3 Focus of the Investment Plan

- 2.3.1 All available evidence indicates that Covid-19 will have a significant impact on the island. Strategic intervention will be required to ensure the island can recover and grow in the future. As we look to recover from the economic impacts of the pandemic, we will use our recently acquired Biosphere status to be an exemplar of environmentally sensitive regeneration.
- 2.3.2 Our objective is to promote sustainable economic growth and greater prosperity within our high quality environment (including an Area of Outstanding Natural Beauty and the UNESCO Biosphere Environment), providing a high quality of life and level of well-being for our residents.
- 2.3.3 Through this Investment Plan we are seeking to realise the potential of the island and bring prosperity to our residents. We will seek to address our most urgent needs; delivering more and higher quality employment, delivering more housing, and improving our town centres. We will do this through targeted public sector investment to overcome viability issues that are a barrier to delivery.
- 2.3.4 Our Investment Plan will help to deliver the Solent LEP 2050 strategy and Coronavirus recovery plan, which is discussed above, and help to support the themes identified in paragraph 2.1.23. Our Investment Plan will help to achieve the Solent objectives of:

- A world leading marine and maritime economy
- Pioneering approaches to climate change adaptation and decarbonisation
- The UK's capital of coastal renaissance, including high streets, infrastructure and housing
- A thriving visitor and cultural economy
- Developing a world class talent base
- An outstanding business environment

3 Strategy

3.0.1 In this chapter we consider the vision, objectives and strategy of the Investment Plan.

3.1 Vision

3.1.1 The vision for the Isle of Wight as set out in the Regeneration Strategy is:

“For the Isle of Wight to be an inspiring place to grow up, live, work and visit.”¹

3.2 Objectives

3.2.1 To realise our vision, we are seeking to create a more prosperous economy, in a post-Covid world. We will improve our island gateways to ensure that the island remains an attractive place for residents and tourists to visit, helping our tourism and leisure industry to recover from the impacts of the pandemic. We will seek to increase employment in our important marine and composites sectors which provides high-value employment. We will support businesses to grow in all sectors of the economy. This will allow residents to prosper by providing them with high-quality jobs with high wages. We will support and encourage the delivery of affordable homes for them to live in.

3.2.2 Our plan also helps to meet the Solent LEP vision and recovery themes of:

- A world leading marine and maritime economy
- Pioneering approaches to climate change adaptation and decarbonisation
- The UK’s capital of coastal renaissance, including high streets, infrastructure and housing
- A thriving visitor and cultural economy
- Developing a world class talent base
- An outstanding business environment

3.2.3 The Isle of Wight makes a strong contribution to the Solent LEP area’s **world leading marine and maritime economy**, which contributes nearly £6 billion of GVA to the region’s economy. The previous chapter sets out the specialisms of the Isle of Wight in boat building, sail making, the manufacture of flying boats and hovercraft, and also the testing and development of British space rockets. The sector employs up to 4,000 people on the Isle of Wight, and Centre of Excellence for Composites, Advanced Manufacturing and Marine is an important asset for the island which ensures residents have the skills to take advantage of opportunities available in the sector.

3.2.4 The Isle of Wight will play a strong role in the Solent area’s **pioneering approaches to climate change adaptation and decarbonisation**, helping to promote the Solent as a leading hub for environmentally friendly innovation and development. The Isle of Wight has an opportunity to generate tidal energy, with the Perpetuus Tidal Energy Centre. Opportunities to tackle coastal erosion and flooding also abound on the island.

3.2.5 The Isle of Wight has a strong role to play in helping to meet the LEP area’s objective of becoming the **UK’s capital of coastal renaissance**, including revitalised high streets, infrastructure and housing. We have plans for investing in many of our towns.

- 3.2.6 The Isle of Wight, in common with the rest of the Solent areas has a **thriving visitor and cultural economy**. Preserving and enhancing the natural and cultural assets for residents and visitors to enjoy is a key objective. The Solent area offers a distinctive offer of coastal communities, green spaces and world class visitor attractions.
- 3.2.7 **Developing a world class talent base** is critical to the future economic growth of the Isle of Wight, as part of the Solent area. The Isle of Wight is investing in a Centre of Excellence for Digital Skills to deliver professional and higher education digital skills which will support all sectors of the economy.
- 3.2.8 The Isle of Wight will create an **outstanding business environment** to support economic growth in the Solent area. Investment in innovation support and delivering workspace will help our businesses to grow and thrive.
- 3.2.9 These objectives will be met by delivering different types of projects, including:
- Critical Transport Infrastructure
 - Marine Sector Employment Space
 - Carbon Reduction
 - Residential Development
 - Mixed-Use Redevelopment
 - Mixed-Use Town Centre Regeneration
 - Transport Infrastructure and Mixed-Use Regeneration
 - Tourist Attraction
 - Digital
 - Business Park
 - Innovation and Enterprise Infrastructure
 - Workspace Development
- 3.2.10 These are discussed in more detail in Chapter 4, below.

3.3 Outcomes and Targets

3.3.1 A number of headline targets have been set out in the Regeneration Strategy¹. Our Investment Plan helps to meet achieve these targets.

Figure 3.1: Regeneration Strategy Targets

Solent objective	Regeneration Strategy theme	Target
The UK's capital of coastal renaissance	Place-making	Develop five sites to create jobs, homes leisure and educational opportunities
	Housing	1,000 affordable homes built by 2025 1,000 units of Island Independent Living accommodation built by 2030

Solent objective	Regeneration Strategy theme	Target
		641 units of housing are built every year up to 2030
A thriving visitor and cultural economy	Cultural and Environmental Assets	Increase the number of events and festivals, especially in the shoulder season Increase the number of participants in events and festivals Increase visitor numbers Improvement in health and wellbeing and a reduction in crime
Developing a world class talent base	Skills and Business Development	Average pay increased to £600 per week by 2027 Unemployment rate reduced to the Solent average
An outstanding business environment	Transport and Infrastructure	Reduced waiting times for cars and improved movement across Newport

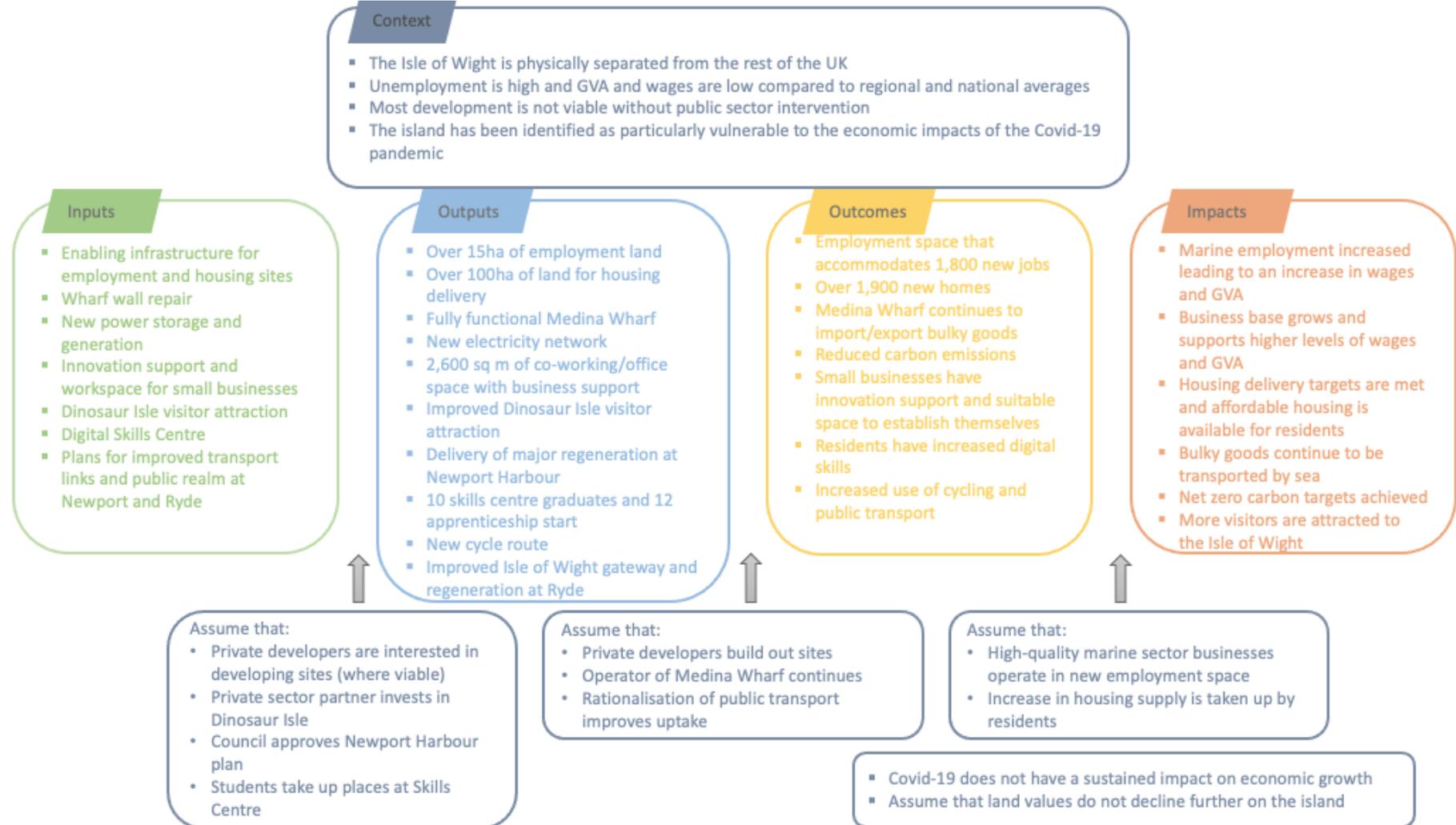
3.3.2 The Core Strategy (2012)¹⁴ sets out some additional targets:

- Create 7,550 new jobs
- Attract a greater number of high value visitors

¹⁴ Isle of Wight Council (2012) Island Plan: Isle of Wight Core Strategy

3.4 Theory of Change

Figure 3.2: Theory of Change



3.5 Spatial Strategy

3.5.1 The regeneration strategy has identified six distinct areas in the Isle of Wight (shown on the map, in Figure 4.2). These are distinct areas which each comprise a local economy with differing needs. We will continue to work with these areas to understand their needs for future regeneration.

3.5.2 The Medina Valley (centred on the River Medina) will continue to remain the focus of marine and composites employment on the Isle of Wight.

3.6 Summary

Figure 3.3: Challenges, objectives, measures and targets

Challenges	Solent objectives	Measure	Target
High unemployment and a concentration of employment in low quality jobs Low GVA and wages	A world leading marine and maritime economy Developing a world class talent base	Increase in employment	7,550 new jobs
		Decrease in unemployment	Unemployment rate in-line with Solent LEP average
	An outstanding business environment	Increase in wages	Average pay increased by £600 per week by 2027
		Marine focused employment sites delivered	Redevelop Medina Yard Employment Zone
Lack of housing Lack of affordable housing	The UK's capital of coastal renaissance	More houses built on the island	641 units built each year
		Increase in number of affordable houses delivered	1,000 affordable homes built by 2025
Island with no direct road link to the mainland	An outstanding business environment	Improved public transport connectivity around Newport	Reduced congestion around Newport
		Improved gateway to island	Increase in visitor numbers
		Movement of large items through Medina Wharf	Maintain import and export route

4 Projects

4.0.1 This chapter presents the projects that make up our Investment Plan.

4.1 Overview of projects

4.1.1 A number of projects have been identified by the Isle of Wight Council for inclusion in the Investment Plan. These are discussed in more detail below and in Appendix 1. Figure 4.1 below shows the projects, and how they contribute to the themes within the Solent 2050 strategy.

4.1.2 The map in Figure 4.2 shows the location of the projects proposed in this Investment Plan¹⁵.

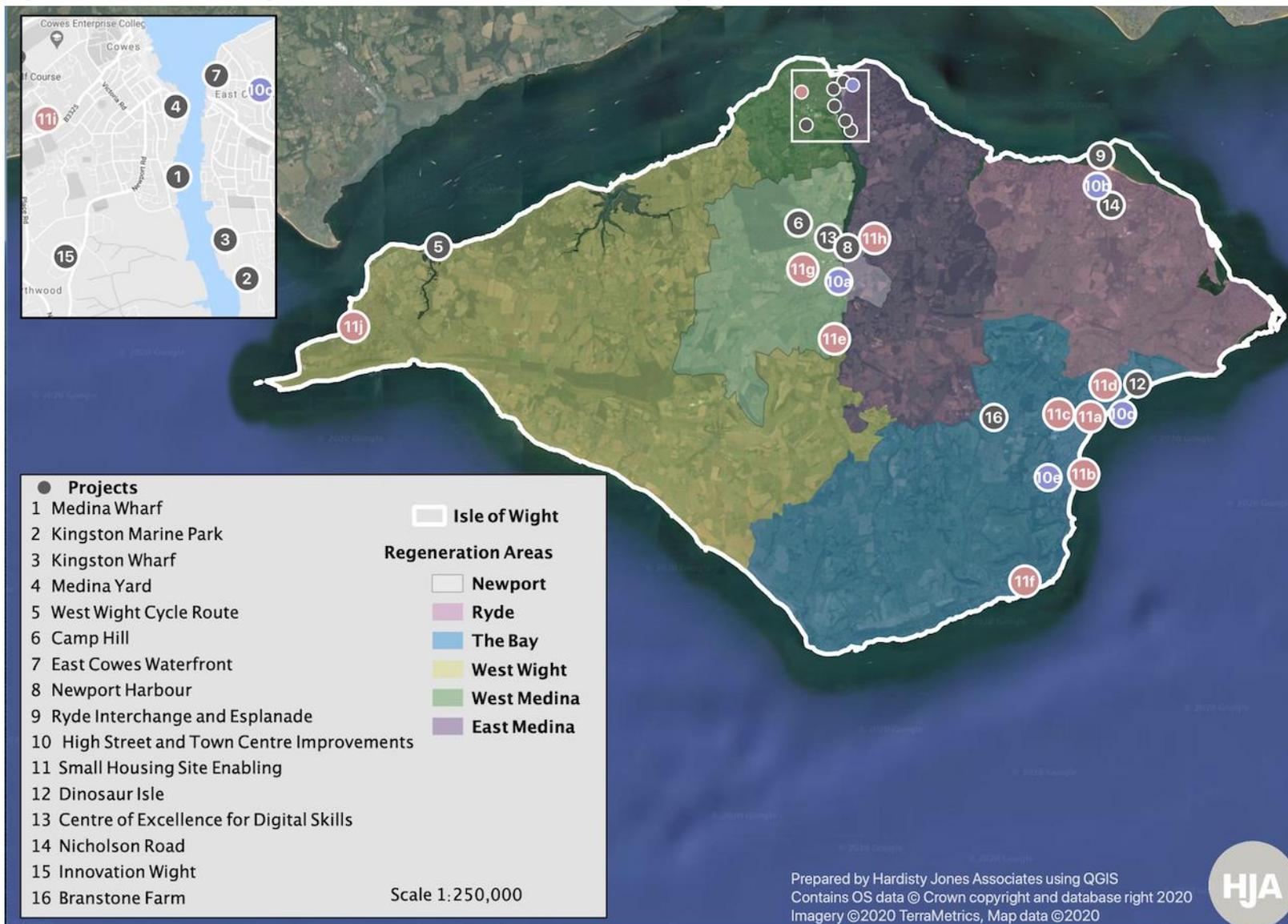
Figure 4.1: Investment Plan Projects

Project	Location	Type
Marine and maritime economy projects		
Medina Wharf	Cowes	Critical Transport Infrastructure
Kingston Marine Park	Whippingham/East Cowes	Marine Sector Employment Space
Kingston Wharf	East Cowes	Marine Sector Employment Space
Medina Yard	Cowes	Marine Sector Employment Space
Climate change adaptation and decarbonisation projects		
Zero Carbon Energy Infrastructure	Island wide	Carbon Reduction
West Wight Cycle Route	Yarmouth/Newport	Carbon Reduction
Coastal renaissance projects		
Camp Hill	Newport	Residential Development
East Cowes Waterfront	East Cowes	Mixed-Use Redevelopment
Newport Harbour	Newport	Mixed-Use Town Centre Regeneration
Ryde Interchange and Esplanade	Ryde	Transport Infrastructure and Mixed-Use Regeneration
High Street and Town Centre Improvements	Newport/Ryde/Sandown/East Cowes	Transport Infrastructure and Mixed-Use Regeneration
Small Housing Site Enabling (including Shanklin Spa)	Island wide	Residential Development
Visitor and cultural economy projects		

¹⁵ Except for the Zero Carbon Energy Infrastructure project which is not linked to a geographical area

Project	Location	Type
Dinosaur Isle	Sandown	Tourist Attraction
World class talent base projects		
Centre of Excellence for Digital Skills	Newport	Digital
Outstanding business environment projects		
Nicholson Road	Ryde	Business Park
Innovation Wight	Cowes and elsewhere	Innovation and Enterprise Infrastructure
Branstone Farm	Sandown	Workspace Development

Figure 4.2: Location of Regeneration Areas and Investment Plan Projects



4.2 Marine and maritime economy projects

Medina Wharf: Critical Transport Infrastructure

- 4.2.1 The quay wall at Medina Wharf is at risk of failure and is in need of urgent repairs. The wharf is the only deep-water wharf facility on the island and handles the import and export of all bulky goods on the Isle of Wight. There has been a decline in the amount of product moving through the wharf over the years and it now only generates a small profit for the operator. Due to the low profit margins, the operator will not invest in repairing the wharf. If it fails then all the bulky goods that currently move through the wharf will have to be transported on lorries via the ferry routes. This would have a number of negative impacts including increasing the price of aggregate on the island, which will in turn increase construction costs; increasing costs for farmers to export grain potentially making them uncompetitive; and environmental and congestion impacts from an increase in lorries on the road.
- 4.2.2 Maintaining the wharf ensures a vital strategic asset for the island. The Isle of Wight Council may consider acquisition of the wharf in order to enable investment. The cost of repairs was estimated at £6 million some ten years ago and may well have changed since. No match funds have been identified for this project.
- 4.2.3 The Isle of Wight Council, PD Ports (the wharf owner), and Isle of Wight Grain (an exporter that uses the wharf) are meeting in the autumn of 2020 to discuss the wharf.

Kingston Marine Park: Marine Sector Employment Space

- 4.2.4 The Isle of Wight Council purchased a 6.5 Ha site from the Homes & Communities Agency (HCA) in 2018, for the development of premises for marine-related businesses. HCA has invested in servicing the site. Although adjacent to the River Medina there is no direct access to enable marine businesses to use the water. Problems with site stability have meant that original plans for c.15,000 sq m of business space have been scaled back to c.6,500 sq m. It is not currently commercially viable to deliver this development.
- 4.2.5 Plans have been developed for a hoist dock which would allow marine businesses to access the water, but changes in environmental regulations mean that this cannot be delivered. Further technical investigations are being undertaken into how water access can be achieved. An alternative solution enables water access via the adjacent RWE site. This is also being investigated.
- 4.2.6 The Investment Plan project could support the delivery of a water access for the site. Costs could be up to £5 million. The viability of the delivery of employment premises on the site remains questionable. A further £5 million of funding is needed to ensure the delivery of the employment premises, giving a total cost of £10 million.
- 4.2.7 Next steps to deliver the site include securing commitment from potential occupiers; obtaining detailed planning permission; and then construction of units. This is estimated to take around 21 months after overcoming the issue of access to the water.

Kingston Wharf: Marine Sector Employment Space

- 4.2.8 Kingston Wharf is a 4 Ha boatyard site in East Cowes. Two of the largest tenants have recently ceased trading, and new tenants cannot be found. Development of part of the site as a business park is being considered. This would include around 1,000 sq m of starter units and 2,000 sq m of larger units potentially for marine businesses. A 100 tonne hoist crane could be accommodated on the site.
- 4.2.9 Development is constrained by the site comprising three terraces. It is unlikely that commercial development can be viably delivered on the site. Grant funding would help to deliver the proposed development.

Medina Yard: Marine Sector Employment Space

- 4.2.10 Outline planning permission has been secured for the delivery of Phase 4 of the Medina Yard proposal, comprising c.14,500 sq m of marine employment space. This is part of a larger mixed-use proposal for the entire site. The site is currently occupied by c.26,500 sq m of employment space in various states of repair. At least 11,600 sq m of this is vacant.
- 4.2.11 Commercial delivery of the new employment premises is not likely to be viable. However, full occupation of Phase 1 of the development is not allowed until Phase 4 has been built.
- 4.2.12 No information has been provided on support needed through the Investment Plan, although it is likely that public funding will be needed for the delivery of marine-related employment space on the Medina Yard Phase 4 site.
- 4.2.13 It has been suggested that the new employment space could accommodate up to 460 jobs, which would be a significant increase on the 170 jobs currently on the site.

4.3 Climate change adaptation and decarbonisation projects

Zero Carbon Energy Infrastructure

- 4.3.1 The Isle of Wight has a target of net zero carbon emissions by 2030. Meeting this target will require a reduction in overall energy demand coupled with decarbonisation of the local electricity grid, electrification of transport and heat systems, and changes to the existing gas network.
- 4.3.2 Currently the vast majority of the island's electricity supply comes from the mainland via a subsea interconnector. However, there is a fossil fuel-fired power station (Cowes Power Station) on the island that is sized to meet the energy requirements of the island should it become disconnected from the mainland supply. This power station is a strategic asset but, in the medium-term it is likely that it will be decommissioned. This provides an opportunity to completely change the electricity system on the island.
- 4.3.3 Work led by the Isle of Wight Council has concluded that a more sustainable solution can be achieved through the development of multiple storage vectors including: battery storage, hydrogen, and thermal (hot water) storage. This will mean that renewable energy generated on the island (e.g. via the Perpetuus Tidal Energy Centre) can be used seamlessly at all times. This requires a sophisticated control system and rapid digital connectivity to ensure that signals are passed quickly and reliably to system assets and

users. Newcastle University is working on a 'Smart Grid Architecture' for the Island which will quantify the amount of storage capacity such a system is likely to require in a zero carbon scenario. This work will be completed in Q2, 2021.

- 4.3.4 This system will require significant investment as the island must ensure that it can meet all its electricity requirements should it become disconnected from the mainland (the role currently filled by Cowes Power Station). However, the ability to store electricity will catalyse further investment in clean energy generation on the island as the export of surplus energy has traditionally been constrained due to a lack of capacity on the subsea interconnector linking to the mainland.

West Wight Cycle Route

- 4.3.5 There is a proposal for a new dedicated cycling route between Newport and Yarmouth. The total value of this project will be £1.5 million, and it will take two years to deliver.
- 4.3.6 The Council is requesting £1 million of funding for this project. The Isle of Wight and Town Councils will provide the additional £500,000 of funding for this project.

4.4 Coastal renaissance projects

Camp Hill: Residential Development

- 4.4.1 Camp Hill is a former prison site that has been declared surplus to requirement by the Ministry of Justice (MOJ). The site covers more than 100 Ha. It has vacant buildings on site, including some which are listed. Homes England has considered developing the site for housing and has developed a masterplan for the delivery of around 1,500 homes, but this is not currently being progressed due to viability constraints. The MOJ is looking at works that may make the site more deliverable i.e. investments in infrastructure and demolition, but viability remains a concern.
- 4.4.2 The Isle of Wight Council is considering whether it could take the lead on the project, and this would form the basis of a project in the Investment Plan. However, there are significant legacy and holding costs for the site. Consultants Cushman & Wakefield are currently investigating a programme of infrastructure works to mitigate infrastructure constraints and ongoing holding and maintenance costs. To take this forward, the Isle of Wight Council needs funding of c.£0.5 million a year from the MOJ for ongoing site costs until the site is developed. The full viability gap is not yet known. There is no match funding in place.
- 4.4.3 There is no formal timetable to progress the development, but March 2021 has been mooted as a potential start date for development on the site.
- 4.4.4 If eventually delivered, the site could accommodate around 1,500 new homes. This will make a significant contribution to the Island's future housing delivery.

East Cowes Waterfront: Mixed-Use Redevelopment

- 4.4.5 Also known as Venture Quays, this is a highly visible site at the mouth of the River Medina. There are plans for the development of four adjoining sites now owned by the Isle of Wight Council, comprising two industrial units, a former Victorian barracks, and a car park. This will secure the position of the marine and associated industries within the Columbine

building, and enable the redevelopment of the neighbouring land parcels known as Albany and Maresfield for affordable housing. There is also an opportunity to support wider town centre regeneration through the use of the Barracks building for improved public realm and potential community leisure, training hotel and entertainment use.

- 4.4.6 The wider site, including some land surrounding the Columbine building has planning consent for mixed use development. The viability of residential development is marginal.
- 4.4.7 The Investment Plan will support the delivery of enabling works for the residential sites and the refurbishment of the Columbine building for employment use. It could also include refurbishment of the barracks. The total cost could be in the region of £3 million. This would unlock further investment by a residential developer and investment by a training provider which would occupy part of the site. There is not yet a residential developer in place to deliver the development.
- 4.4.8 There are other aspirational plans for significant leisure-based activity on the site and for development of the adjacent marina. These need further development and are not part of the Investment Plan.
- 4.4.9 The project will help to safeguard marine sector employment, bring forward affordable housing and potentially stimulate wider regeneration of East Cowes. The Albany and Maresfield sites could deliver over 100 residential units.

Newport Harbour: Mixed-Use Town Centre Regeneration

- 4.4.10 There are plans for the comprehensive development of Newport Harbour to deliver a sustainable mixed-use extension to Newport town centre. However, this is not commercially viable, and significant public funding is needed to enable the delivery of the development. The masterplan for the proposed development has not been adopted as a supplementary planning document by the Isle of Wight Council.
- 4.4.11 An estimated £25 million of public funding for infrastructure and site preparation is needed to enable the subsequent commercial delivery of the development. In addition, there is no funding in place for the delivery of an arts and cultural facility within the overall proposals.
- 4.4.12 If public funding can be secured, and a Harbour Revision Order achieved through an Act of Parliament, then the development will be delivered in three phases over a period of 15 years.
- 4.4.13 Delivery of the development would include up to 300 homes, 500 jobs, and significant amounts of public realm.

Ryde Interchange and Esplanade: Transport Infrastructure and Mixed-Use Regeneration

- 4.4.14 The project's vision is to transform Ryde Interchange and Esplanade into a well-designed, efficient, sustainable and vibrant destination and gateway to the Isle of Wight, which provides easy access to a thriving tourism, leisure and retail offer that acts as an extension of the town centre and maximises its unique setting. The brief for the development is to create a high quality gateway to the Isle of Wight with an improved transport interchange, retail, commercial and tourism, plus community facilities, with enhancement of the public

realm and wayfinding which will act as a catalyst for regeneration Previous attempts to deliver this project have not been successful.

- 4.4.15 Four options have been considered for the development of the site, but none are commercially viable with current levels of affordable housing and public realm.
- 4.4.16 Portsmouth City Council and Hampshire County Council have bid for Transforming Cities funding. If successful, this could help to deliver an improved transport interchange.
- 4.4.17 A preferred option to deliver the Ryde Interchange and Esplanade has not been chosen. The level of support and funding needed from the Investment Plan is not known.

Town Place Making: High Street and Town Centre Improvements

- 4.4.18 Many of the Isle of Wight's town centres are tired. The project involves the redesign, repair and renewal of a range of settings working with local town and parish and councils, local business and local communities to create confidence in the value of enabling High Street repurposing through a series of impactful public realm and public art interventions, including: East Cowes Esplanade landslip remediation, Ryde Esplanade pavement widening, Newport High Street and public squares digital seating ,Sandown and Shanklin High Street (sculpture trail).
- 4.4.19 The project will focus on investment in High Streets and transport hubs, particularly key gateways to the Island.

Small Housing Site Enabling

- 4.4.20 The Council has a range of sites and premises which due to their size present challenges around their viability and deliverability. These challenges relate to matters such as disproportionate infrastructure costs or environmental and heritage constraints rather than the principle of redevelopment and therefore require gap funding to bring forward new homes. By grouping these sites together, the council can cross fund investment to achieve development without which these sites would remain vacant and unused.
- 4.4.21 Sites have been identified in Sandown, Shanklin, Ventnor, Newport, Cowes and Totland.
- 4.4.22 Included in this package is the former Shanklin Spa site. This is a 0.4 Ha brownfield site located on the Shanklin seafront, owned by the Isle of Wight Council. It is currently used for car parking. There are some buildings at the back of the site. A development appraisal undertaken by the Homes and Communities Agency (HCA) suggests that the commercial delivery of a largely residential development is marginal, and the residual land value is low. At present the site generates revenue income from car parking for the Isle of Wight Council, which makes development on the site unattractive. There is no proposed project for inclusion in the Investment Plan. The HCA scheme included 32 residential units.

4.5 Visitor and cultural economy projects

Dinosaur Isle: Tourist Attraction

- 4.5.1 The Isle of Wight Council operates the Dinosaur Isle museum and tourist attraction in Sandown. Investment is needed to make the attraction financially sustainable. The Council

is seeking a partner to invest in the facility and take over its operation. Following an OJEU procurement process the Council is in dialogue with a potential partner. However, the partner is keen to redevelop a larger site which would include additional land in Council ownership. The site is also in an environmentally sensitive area.

- 4.5.2 There is not yet a full business plan for the proposed development, and planning permission will be required. It is thought that an investment of up to £0.8 million is needed. No match funding has been identified.
- 4.5.3 To progress this project, a business plan must be prepared, an investor appointed, and planning permission secured. Wider public consultation is needed.
- 4.5.4 If successfully delivered, the project will help to attract more visitors, secure jobs, and contribute to regeneration in the area.

4.6 World class talent base projects

Centre of Excellence for Digital Skills

- 4.6.1 This new Centre aims to support the Isle of Wight Digital Skills Strategy and be the main delivery vehicle for professional training and higher education in 'digital' on the island. It will give leadership, focus and credibility to digital skills training on-island, leading a growth in digitally skilled islanders enabling greater enterprise and high value jobs.
- 4.6.2 Working with a consortium of employers, including IBM, the Centre will be a dedicated building, independently branded, and located on the periphery of The Isle of Wight College campus. This high class facility, with highly specialist resourcing, will bring education, learners and employers into a state-of-the-art environment enabling relationships that nourish innovation.
- 4.6.3 The total cost of this project (refurbishment of building, equipment and staffing) will be £2.75 million. The Isle of Wight Council has submitted a bid to the Solent LEP Prosperity Fund for £1.8 million to fund this project. The Isle of Wight College and private local stakeholders will supply the match funding for this project.
- 4.6.4 This project will generate seven Full-Time Equivalent (FTE) jobs in the Centre when it is open. It is hoped that ten new jobs will be secured by graduates each year, and up to 12 new apprenticeships will start in small and medium businesses over the first five years of the project.

4.7 Outstanding business environment projects

Nicholson Road, Ryde: Business Park

- 4.7.1 The Isle of Wight Council wants to deliver a flagship sustainable business park at the Ryde Nicholson Road site. This 15 Ha site is located within one of the Island's towns, Ryde, adjacent to an existing business park, and would double the existing capacity. The site will be occupied by light industrial, industrial and office space, to fulfil existing market demand and attract new businesses to the Island. There is evidence of significant interest in

occupying new industrial units. The development may also include a new community hub, medical centre, convenience stores, café, square and gym to support adjacent residential developments as well as the business park.

- 4.7.2 Support through the Investment Plan will enable the delivery of the site infrastructure which would allow commercial developers to provide employment units. This is thought to be a £3 to £5 million project. Match funding has not been secured. Significant technical work has been undertaken, and a business case for the development has been commissioned but is currently on hold awaiting the outcome of a planning application, which is being considered by the Council's Planning Committee in late September 2020. The scheme has been recommended for approval by Planning Officers.
- 4.7.3 Delivery of the site infrastructure and subsequent development of the units will provide accommodation for up to 900 new jobs.

Innovation Wight: Innovation and Enterprise Infrastructure

- 4.7.4 The Isle of Wight Council has leased two surplus buildings - Rangefinder House and Building 41 – at the BAE site near Cowes to provide accommodation for a call centre operator in Rangefinder House and an innovation hub. The innovation centre could be complemented with spokes in other locations around the island. This project seeks to provide suitable employment space for small businesses; provide general business support to new-start businesses; and give advice on how to increase productivity to established firms. Building 41 will provide 1,000 sq m of co-working/event space and 1,600 sq m of office/workshop/laboratory space. Spokes will be located to target under-represented groups and businesses not already engaged with business support.
- 4.7.5 The initial phase of the project on the BAE site will cost around £4.1 million. A bid has been submitted for £3.2 million of ERDF funds for capital and revenue activities. This is currently being considered. A further £0.75 million of match funds has been committed by IOW Council.
- 4.7.6 If the ERDF bid is successful, then the Investment Plan will support the delivery of the spokes around the island. Costs, activities and timings have not yet been worked up for this element of the project.
- 4.7.7 In the longer-term the IOW Council is potentially interested in acquiring the leasehold of the whole BAE site to protect the existing economic activity on the site, including that of BAE, and possibly to enable residential development on part of the site.

Branstone Farm: Workspace Development

- 4.7.8 Branstone Farm is a former farm education facility based in the rural centre of the Isle of Wight. The Isle of Wight Council, with partners, is bringing forward a mixed-use development to deliver 42 affordable housing units, a new brewery with visitor centre, and commercial business space in new and renovated units.
- 4.7.9 Support from the Investment Plan will support the delivery of the brewery building and to complete the business park. Goddards brewery will then fit-out and operate the brewery. The Isle of Wight Chamber of Commerce will relocate to the site and manage the business

park. The delivery of this project will cost £4.5 million. £2.3 million of Getting Building funds have been secured for the project, which will enable the delivery of the brewery and part of the business park, and the balance of £1.8 million is needed to complete the delivery of the business park.

- 4.7.10 The Isle of Wight planning committee is considering a planning application in the autumn of 2020. If successful, building could start in March 2021, with first occupation in the autumn of 2021.
- 4.7.11 If fully delivered, the project will accommodate 10 jobs in the brewery and a further 90 jobs in the business park. Local market evidence suggests that there is demand for units at the business park.

4.8 Assessment of Projects

Contribution to objectives

- 4.8.1 The figure below shows how the projects contribute to meeting the objectives set out for the Investment Plan and the Solent 2050 strategy.

Figure 4.3: Project and Objectives

Projects	Objectives	Type	Solent 2050 Theme
Marine and maritime economy projects			
Medina Wharf	Improve transport infrastructure	Critical Transport Infrastructure	Marine and maritime economy
Kingston Marine Park	Higher productivity economy	Marine Sector Employment Space	Marine and maritime economy
Kingston Wharf	Higher productivity economy	Marine Sector Employment Space	Marine and maritime economy
Medina Yard	Higher productivity economy	Marine Sector Employment Space	Marine and maritime economy
Climate change adaptation and decarbonisation projects			
Zero Carbon Energy Infrastructure	Environmentally friendly innovation and development	Carbon Reduction	Climate change adaptation and decarbonisation
West Wight Cycle Route	Improve transport infrastructure	Carbon Reduction	Climate change adaptation and decarbonisation
Coastal renaissance projects			
Camp Hill	Delivery of housing to meet needs of residents	Residential Development	Coastal renaissance

Projects	Objectives	Type	Solent 2050 Theme
East Cowes Waterfront	Higher productivity economy Delivery of housing to meet needs of residents	Mixed-Use Redevelopment	Coastal renaissance
Newport Harbour	Higher productivity economy Delivery of housing to meet needs of residents	Mixed-Use Town Centre Regeneration	Coastal renaissance
Ryde Interchange and Esplanade	Higher productivity economy Improve transport infrastructure	Transport Infrastructure and Mixed-Use Regeneration	Coastal renaissance
High Street and Town Centre Improvements	Regeneration of town centre and High Streets	Transport Infrastructure and Mixed-Use Regeneration	Coastal renaissance
Small Housing Site Enabling	Delivery of housing to meet needs of residents	Residential Development	Coastal renaissance
Visitor and cultural economy projects			
Dinosaur Isle	Higher productivity economy	Tourist Attraction	Visitor and cultural economy
World class talent base projects			
Centre of Excellence for Digital Skills	Higher productivity economy	Digital	World class talent base
Outstanding business environment projects			
Nicholson Road	Higher productivity economy	Business Park	Outstanding business environment
Innovation Wight	Higher productivity economy	Innovation and Enterprise Infrastructure	Outstanding business environment
Branstone Farm	Higher productivity economy	Workspace Development	Outstanding business environment

Outputs and outcomes

- 4.8.2 There is variable information available on the outputs and outcomes generated by each of the projects. They will largely deliver infrastructure to enable subsequently viable commercial development, and employment space. The outcomes of these projects are

mainly safeguarded and new jobs, including jobs in the marine sector, and new homes. Delivering new accommodation for the marine sector will help to improve efficiency and productivity of businesses, helping them to become more competitive.

Figure 4.4: Project Outputs and Outcomes

Project	Type	Outputs	Outcomes
Marine and maritime economy projects			
Medina Wharf	Critical Transport Infrastructure	Repair of the wharf	Continued use of the wharf
Kingston Marine Park	Marine Sector Employment Space	Delivery of a hoist lift to enable water access for businesses; and investment to deliver new business premises	Dedicated business space for marine businesses
Kingston Wharf	Marine Sector Employment Space	Up to 3,000 sq m of business space, including starter units	Dedicated business space for marine businesses, including new-start businesses
Medina Yard	Marine Sector Employment Space	Delivery of Phase 4 of the Medina Yard site; including 14,500 sq m of employment space	Up to 460 marine industry jobs accommodated on the site
Climate change adaptation and decarbonisation projects			
Zero Carbon Energy Infrastructure	Carbon Reduction	Decarbonised electricity network	Reduced carbon emissions
West Wight Cycle Route	Carbon Reduction	New cycle route	Reduced carbon emissions and improved health and wellbeing
Coastal renaissance projects			
Camp Hill	Residential Development	MOJ investment in infrastructure and ongoing site holding costs	1,500 new homes
East Cowes Waterfront	Mixed-Use Redevelopment	Refurbishment of employment space; and	Safeguarding of marine employment, and

Project	Type	Outputs	Outcomes
		enabling infrastructure for residential development	delivery of 100 new homes including affordable homes
Newport Harbour	Mixed-Use Town Centre Regeneration	Investment in infrastructure and site preparation	Comprehensive mixed-use development including 300 homes, 500 jobs, and public realm
Ryde Interchange and Esplanade	Transport Infrastructure and Mixed-Use Regeneration	Major investment in the interchange and esplanade	Regeneration of a significant site in Ryde and a major gateway to the island 150 new jobs
High Street and Town Centre Improvements	Transport Infrastructure and Mixed-Use Regeneration	Regeneration of town centres in Newport, Ryde, East Cowes, Sandown and Shanklin	-
Small Housing Site Enabling	Residential Development	Enabling of development on Shanklin seafront	More than 200 new residential units
Visitor and cultural economy projects			
Dinosaur Isle	Tourist Attraction	Expansion and development of the Dinosaur Isle attraction	Attraction of new visitors
World class talent base projects			
Centre of Excellence for Digital Skills	Digital	828 sqm of training space	7 FTE jobs in the Centre 10 graduates in new job per year 12 new apprenticeship starts in SME's over five years
Outstanding business environment projects			
Nicholson Road	Business Park	Enabling infrastructure for 15 Ha employment land	Accommodation of up to 900 jobs

Project	Type	Outputs	Outcomes
Innovation Wight	Innovation and Enterprise Infrastructure	Delivery of spokes to enable wider delivery of enterprise and innovation support	Enterprise and innovation support to businesses
Branstone Farm	Workspace Development	Delivery of business space	c.100 jobs accommodated on the site

Deliverability and timing

4.8.3 A few of the projects are deliverable in the short and medium-term, but many are long-term projects, with many actions needed before they can be delivered, including securing a funding package. The timing of delivery is mostly unknown.

Figure 4.5: Project Deliverability and Timing

Project	Shovel Ready	Deliverability	Timing	Indication of Activities/Milestones Before Project Can Start
Marine and maritime economy projects				
Medina Wharf	No	Medium-term No funding secured	12 months	Discussion with PD Ports and IoW Grain Identify opportunity, works required and costs Prepare full business case Identify any match funding
Kingston Marine Park	Yes	Allocation for marine employment in local plan Some Site infrastructure in place No funding in place	N/a	Await results of current technical investigations Identify water access solution Prepare a viable development scheme Complete site infrastructure Detailed planning applications Identify and appoint developer
Kingston Wharf	No	Medium/Long-term No funding in place	N/a	Prepare plan for site development Secure planning consent Prepare full business case
Medina Yard	Yes	Medium/Long-term No funding in place	2 years	Planning consent for marine employment zone in place Prepare a viable development scheme Prepare full business case
Climate change adaptation and decarbonisation projects				
Zero Carbon Energy Infrastructure	No	Medium/Long-term No funding in place	10 year timescale	Await results of current technical investigations Identify opportunity, works required and costs Secure planning consent

Project	Shovel Ready	Deliverability	Timing	Indication of Activities/Milestones Before Project Can Start
				Prepare full business case Identify any match funding
West Wight Cycle Route	No	Medium-term	2 years	Secure appropriate consents Prepare full business case
Coastal renaissance projects				
Camp Hill	Elements	Site cleansing investment confirmed, opening up of facilities for business/community use potential for first phase	12 months	Secure MOJ funds for holding costs Finalise programme of infrastructure works required Secure funding for further project development Achieve ownership of the site Masterplan for site development Secure planning consent Prepare full business case Identify and secure match funding
East Cowes Waterfront	No	Medium/Long-term No funding in place	N/a	Complete acquisition of sites Agree lease terms with existing tenants Secure new tenants for vacant buildings Prepare a development scheme Secure planning consent Prepare full business case Identify and appoint a residential developer
Newport Harbour	Elements	Short, Medium and Long-term Infrastructure projects and meanwhile uses e.g. pedestrian/cycle bridge unlock sites	2-5 years	Undertake technical studies Adopt site masterplan in Local Plan process Secure a Harbour Revision Order Prepare a viable development scheme Prepare full business case Identify match funding

Project	Shovel Ready	Deliverability	Timing	Indication of Activities/Milestones Before Project Can Start
Ryde Interchange and Esplanade	Yes	Transforming cities funding for transport interchange confirmed Masterplan for wider esplanade agreed	2 years	Prepare a viable development scheme Prepare full business case Identify match funding
High Street and Town Centre Improvements	No	Short, Medium and Long-term	4 years	Prepare viable development schemes Secure planning consent Prepare full business cases Identify match funding
Small Housing Site Enabling	No	Medium term Developer interest, viability gap funding needed No firm plans in place No funding in place	N/a	Prepare a viable development scheme Secure planning consent Prepare full business case Identify match funding
Visitor and cultural economy projects				
Dinosaur Isle	No	Medium/Long-term In commercial discussions with potential partner. Business plan and planning permission required	2 years	Complete appointment of development partner (including agreement on site for development) Undertake public consultation Prepare full business case Secure planning consent
World class talent base projects				
Centre of Excellence for Digital Skills	Yes	Short-term Bid submitted for funding	2 years	Secure match funding Appoint construction contractors
Outstanding business environment projects				
Nicholson Road	Yes	Detailed Phase 1 planning approved	12 months	Secured planning consent Prepare full business case

Project	Shovel Ready	Deliverability	Timing	Indication of Activities/Milestones Before Project Can Start
		Funding for infrastructure not secured.		Identify and secure match funding
Innovation Wight	Yes	Scheme and bid in place to deliver digital innovation hub. No plans in place for delivery of 'spokes'.	12 months	Await ERDF funding decision If successful, prepare business case for 'spokes' If unsuccessful prepare business case for hub
Branstone Farm	Yes	Short-term Funding in place for first phase. Funds not secured to deliver all full business space Planning application currently being considered.	Building could start in March 2021	Secure planning consent Secure funds for full business space project Appoint construction contractors

Project costs and support needed

- 4.8.4 Initial estimates of the total cost of each project and the further support needed from the Investment Plan are set out in the figure below.

Figure 4.6: Project Cost and Support Needed

Project	Cost	Support from Investment Plan
Marine and maritime economy projects		
Medina Wharf	£9 million	£3 million
Kingston Marine Park	£10 million	£10 million
Kingston Wharf	£5 million	£1.5 million
Medina Yard	£12 million	£5 million
Climate change adaption and decarbonisation projects		
Zero Carbon Energy Infrastructure	Unknown	Unknown
West Wight Cycle Route	£1.5 million	£1 million
Coastal renaissance projects		
Camp Hill	£30 million	£0.5 million per year
East Cowes Waterfront	£30 million	£5 million
Newport Harbour	£100 million	£25 million
Ryde Interchange and Esplanade	£25 million	£5 million
High Street and Town Centre Improvements	£2.5 million	£2 million
Small Housing Site Enabling (Shanklin Spa)	£20 million	£2 million
Visitor and cultural economy projects		
Dinosaur Isle	£20 million	£0.8 million
Word class talent base projects		
Centre of Excellence for Digital Skills	£2.57 million	Unknown
Outstanding business environment projects		
Nicholson Road	£45 million	£3 to £5 million
Innovation Wight	£5 million	£2 million
Branstone Farm	£4.5 million	£1.8 million

- 4.8.5 An initial package of £25 million of borrowing by the Isle of Wight Council together with £25 million of funds from Government would enable the Council to progress these projects, focusing on those that are most deliverable. As the full package of projects is developed, further funding can be identified.

4.9 Link to other strategies

- 4.9.1 Below is a summary of the key points from strategies relevant to this plan.

National

- 4.9.2 The UK Government's 'levelling up' agenda set out in the Towns Fund Prospectus¹⁶ is focused on creating a sustainable future for towns, which will be even more important following the impact of the pandemic and lockdown. Economic regeneration leading to long term prosperity and

¹⁶ Ministry of Housing, Communities & Local Government (2020) Towns Fund Guidance

productivity growth will be delivered through; urban regeneration, greater connectivity, and solving issues around planning and land use to facilitate the delivery of transformative projects.

- 4.9.3 The UK Industrial Strategy White Paper sets out the four ‘Grand Challenges’, one of which is ‘Clean Growth’. Central to the aims in this area is that UK businesses gain first mover advantage from the transition to clean energy. The Marine and Maritime sectors are seen as playing an integral role in the future of the UK economy¹⁷. In line with government commitments to environmental sustainability the maritime sector aims to reduce its impact on the marine environment, climate, and air quality to near zero. The sector aims to be the leading supplier of zero/low emission shipping technologies.
- 4.9.4 The National Infrastructure Strategy sets out the Government’s ambitions to invest in infrastructure to deliver net zero emissions¹⁸. The decarbonisation of the power system will require investment in network infrastructure, storage capacity and low carbon generation.
- 4.9.5 Central government established Homes England in 2018 to ensure the delivery of high-quality homes for people where they are needed¹⁹.
- 4.9.6 All projects in this Investment Plan will contribute to the ‘levelling up’ agenda. Marine projects in this Investment Plan contribute to the Governments clean growth aims by delivering marine employment space to a cluster of businesses uniquely placed to deliver clean growth to the marine sector. Housing projects in the plan will contribute to the national housing supply.

Solent LEP

- 4.9.7 The LEP’s vision for the Solent is to create an environment that will bring about sustainable economic growth and private sector investment²⁰. 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 the delivery of new housing.
- 4.9.8 The Covid-19 recovery plan for the region focuses on six priority areas for the region including; supporting the marine and maritime, and visitor economies, and pioneering approaches to climate change²¹.
- 4.9.9 Projects in this Investment Plan that overcome development viability issues in order to ensure the delivery of employment land and housing will meet the LEPs objectives of unlocking employment sites and delivering housing.

Isle of Wight

- 4.9.10 The Digital Skills Strategy seeks to realise the opportunities presented to the island through the adoption of digital technologies. Ensuring that residents have the right digital skills to take advantage of employment opportunities in this area is an important aim of this strategy.
- 4.9.11 This Investment Plan draws heavily on the recently published Regeneration Strategy. This has been developed in-line with the policy context on the island, and a view to emerging strategies.

¹⁷ Department for Transport (2019) Maritime 2050: Navigating the Future

¹⁸ HM Treasury (2020) National Infrastructure Strategy

¹⁹ Homes England (2018) Strategic Plan 2018/19 – 2022/23

²⁰ Solent LEP (2014) Transforming Solent: Solent Strategic Economic Plan 2014-2020

²¹ Lichfields (2020) Solent Coronavirus Business Support Task Force: Update on Solent Economic Recovery Plan



Isle of opportunities
delivering regeneration

5 Engagement and Delivery

- 5.0.1 This plan has been developed by the Isle of Wight Economic Board which comprises representatives of the Chamber of Commerce, FSB, Isle of Wight College, Visit Isle of Wight Destination Management Organisation, Business Improvement District, senior cabinet members of the council and the local college, with the full support of the Island Health and Wellbeing Board.
- 5.0.2 The Isle of Wight regeneration programme operates using programme management principles and progresses a range of project activity, focused on place-making, housing development, infrastructure improvement, skills and business development, cultural and environment asset development and local area regeneration.
- 5.0.3 The Island Economic Board will support the Council in securing the implementation of the Island's Investment Plan and provide any necessary progress and reporting information to other funding partners.

5.1 Local Community Buy-in

- 5.1.1 In 2017 the Isle of Wight Council began a consultation process (called *Wight We Want*) with residents to understand the needs and aspirations of the community. A combination of online surveys, workshops and conferences were used to gather the opinions of residents, organisations and businesses, with a total of over 5,000 people contributing to this. Analysis of the survey showed that people wanted to see:
- Better transport links
 - More jobs/better paid jobs
 - Better access to housing/more affordable housing
 - More leisure and cultural facilities
- 5.1.2 The outcome of these consultations informed the island's Regeneration Strategy, upon which this document draws. The aim of this strategy is to deliver a strong and sustainable economy on the island that improves the lives of everyone on the island. This aim was developed along with the Isle of Wight Chamber of Commerce and other business organisations on the island.
- 5.1.3 The Council plans to regularly re-run the *Wight We Want* consultation process to ensure the strategy and associated plans are still reflective of the community's wishes. Bespoke engagement and communication plans will be developed for individual strands and projects associated with the wider regeneration strategy.

5.2 Business Support

- 5.2.1 In addition to the Economic Board the council co-ordinates a wider business reference group representing the different sizes and sectors of companies based on the island. They have been actively involved in help develop the Island regeneration programme.

5.3 Business case and delivery plan

- 5.3.1 This Investment Plan has been drawn together by the Isle of Wight Council. Business Cases are at different stages of development for the projects within the plan.

5.3.2 A few of the projects may be delivered by the Council, but most involve the Council working in partnership with other organisations including investors and developers. More work needs to be done on the proposals for the governance and management of each of the projects.

5.3.3 A few of the projects could be delivered in the short-term, but most need significant further development, which makes them more suitable for delivery in the medium and longer-terms.

Evidence of Isle of Wight Council delivering similar projects

5.3.4 Following the development of an ambitious regeneration programme for the Isle of Wight in 2017, which prioritised the attraction of new investment, the Council's property team were challenged to support an early enquiry for potential investment from a large outsource customer contact centre – Ascensos Ltd.

5.3.5 Following a property search of the Councils asset base and the wider Island market the most suitable accommodation identified was part of campus style development operated by BAE Systems. The 25 year old building providing 40,000 sq ft over two floors, had been marketed for over two years by commercial agents with little market response. The contact centre's interest in the building, whilst positive in terms of location and floorspace suitability, was challenged by it being twice the size of its immediate requirements and the rental cost.

5.3.6 BAE Systems had sold the whole site to an investment company two years previously and arranged a lease-back to continue their operations, introducing a further degree of complexity.

5.3.7 Following discussions with the Council's Director of Regeneration it was identified that the building also offered an opportunity to support the Council's ongoing property rationalisation programme. Expensive leases on two other properties due to expire in the next few years required identification of increased value-for-money space for relocated and potentially shared services with other partners, as part of the Islands One Public Estate programme.

5.3.8 Initial discussions with Ascensos identified a need for an innovative approach to developing a sufficiently attractive rental deal for the investor, also taking account of the projected rental agreement the Council would seek to enter with BAE. The property team proposed a stepped rental agreement with the investor, linked to the jobs targets to be delivered, and a parallel discounted rental agreement with the head leasee (BAE) to protect the Council's position.

5.3.9 Utilising the Scape framework an assessment of the likely refurbishment costs required on the building was undertaken by a national contractor and these projected costs were used in negotiating a rent-free period with the head lease.

5.3.10 In period of five weeks heads of terms between all parties had been agreed and an initial programme and headline costings for refurbishment had been completed.

5.3.11 Significant external works were also required (new access, car park and fencing) due to the demise being within a BAE secure site. Timescales for this, the specialist requirements of the head lease and the need for interaction with the mechanical and electrical refit tested the property teams project management skills to the full.

5.3.12 In addition to the main building the demise included semi derelict space obtained at nominal rent which the council is developing a business case to transform into business incubation facilities, again helping meet a key council objective.

5.3.13 The contact centre was occupied on time and is on target to reach the job targets. The overall period from first negotiations with the investor to occupancy of the building has been six months.