

Profile of the New Forest Waterside

February 2022

Introduction

The New Forest is an exceptional place to live and work, with outstanding countryside, a National Park and beautiful coastline it scores highly on quality-of-life indicators. The development of the Solent Freeport provides a unique opportunity for the New Forest. The Freeport has the potential to unlock billions of pounds' worth of investment and create tens of thousands of new jobs¹.

Notably Freeport sites are located adjacent to some of the Solent's most deprived communities, including the Fawley and Waterside area of the New Forest. The ambition for the Freeport is that it has a positive impact in these areas of deprivation as well as for the wider regional economy.

Transition to net zero is of primary importance to the Freeport development, and there a stated ambition to create a dedicated Solent Freeport Green Growth Institute (SFGGI) which will provide a centre of excellence in green skills and jobs to ensure local communities can benefit from the opportunities created through environmental innovation.

The Solent's Maritime Engineering & Digital Institute of Technology is a £13m Maritime Engineering and Digital Institute of Technology which will enable the Solent region transition to a higher technically skilled economy. Supporting the Solent maritime cluster as it makes a paradigm shift towards autonomy and green fuels, the IoT is integral to delivering the Government's ambitions in the Ten Point Plan for a Green Industrial Revolution, Freeports, MoD investment, Maritime 2050, and the levelling-up agenda. As highlighted in the recently published Solent Skills Strategy and Action Plan, the curricula will focus on the STEM higher technical skills required across digital technologies, engineering and marine. Rooted in demographic and labour force analysis, the IoT will provide a pipeline of talent to offset an aging demographic, serious deprivation and improve job opportunities².

The drivers of change that provide the framework for the Solent wide Skills Strategy are equally relevant to the New Forest economy, where 10.4% of all jobs are considered high risk from automation, and a further 70.4% medium risk of automation.³ Replacement demand, due an ageing workforce and the aggregate shift to higher level skills across all occupations are also of primary significance to the on-going success of the New Forest economy and its workforce.

The purpose of this report it to provide a more detailed analysis of the labour market and economy dynamics within the Fawley and Waterside sub-region of the New Forest District to help inform the strategic response to the opportunities arising from the Solent Freeport, the Green Growth Institute, and the Marine Engineering & Digital Institute of Technology.

Background

The New Forest is the third largest economy in the Hampshire County Council area. Though as highlighted in the [New Forest Economic Profile 2018](#) growth is below the Hampshire average. Headline issues highlight an ageing workforce, an underrepresentation of high value-added sectors and a high

¹ 52,000 new skilled and semi-skilled jobs including 26,000 direct jobs in the Solent and 26,000 in the wider UK supply chain [Solent FreePort](#)

² [solent-lep-skills-action-plan-local-skills-report-2022-final.pdf](#)

³ [solent-lep-skills-and-local-labour-market-report-june-2020-final.pdf \(solentlep.org.uk\)](#)

proportion of unskilled residents as limiting economic growth. The accompanying [Economic Strategy](#) identifies developing a skilled workforce as a strategic priority.

Broadly the New Forest economy is recovering positively from the impacts of the pandemic. The claimant count for January 2022 continues to move in a positive direction with the claimant count standing at 2,375 individuals (2.4%) considerably down from the height of the pandemic in May 2020 where it was 4,435 (4.5%). Youth unemployment is also showing positive trend; currently 355 young people aged 18-24 are on universal credit, down from a peak in July 2020 of 860 young people. In fact, like the rest of the region the New Forest is finding itself in an increasingly competitive market for talent. The Covid pandemic has accelerated trends in automation, the use of artificial intelligence and resulted in greater home / hybrid working, which in turn impacts on the identified labour market dynamics set out in the 2018 economic profile and strategy.

The recently published [Solent Skills Report](#)⁴ highlights that the labour market impacts of Covid-19 and labour market challenges associated with Brexit have combined to result in a severe shortage of staff across the region's visitor economy, with shortages reported to be particularly acute within lower skilled roles in the food and beverage sector and housekeeping segment of the accommodation sector. It also notes that these challenges have been prevalent within the region's visitor economy for some time, caused in part by poor perceptions about the opportunities that a career in hospitality can offer, particularly amongst younger people and those entering the labour market for the first time. Intelligence from local visitor economy employers suggests that employee retention is also a key issue, as well as investing sufficiently in training to enable the workforce to achieve its potential. Research by the [Local Government Association in 2019](#)⁵ found that the tourism and hospitality industry had the highest proportion of hard-to-fill vacancies, and greater growth in the number of monthly job postings, than any other sector of the economy.

The [Solent Skills and Labour Market Analysis](#) identified a 'mismatch' between the supply and demand for skills in the health and social care sector, which also represents a large employment sector for the New Forest. Skill-shortage vacancies account for a higher share of employment than is the case for the overall Solent economy. Demand for social care skills was increasing with pre-existing workforce shortages before the Covid-19 pandemic.

Qualifications and skills enhance employment opportunities for the individual and are the major driver of productivity growth, competitiveness and economic prosperity of the local economy. A highly skilled workforce is central to the New Forest's ability to attract the future benefits of the Freeport. The 2020 ONS data indicates that only 37.8% of residents have higher level⁶ qualifications. This compares to a Hampshire average of 43.9% and a Southeast average of 45.1%.

Furthermore, these district wide trends mask intra-district variations. The distribution of wealth, economic opportunity and skills acquisition maps unevenly across the District. The New Forest economy can be sub-divided into three sub-areas. The Avon Valley, the Core Forest and Coastal area and Totton and Waterside. Totton and Waterside is in many ways quite distinct from the rest of the New Forest, with lower per-capita income, a less skilled resident workforce, lower levels of education and higher incidences of unemployment and child poverty.

⁴ [solent-lep-skills-action-plan-local-skills-report-2022-final.pdf](#)

⁵ [Supplying skills for the local visitor economy](#)

⁶ Level 4 and above, with a degree being a level 6 qualification

Totton and Waterside

Totton & Waterside is framed by the New Forest National Park to the west and Southampton Water to the east and is the most industrialised sub-economy. It is the smallest and most urbanised geographical sub-area of the New Forest and has the largest in population 75,700 representing 42.5% of the total resident population of the New Forest. Whilst the New Forest is characterised by an increasingly aging population the profile for Fawley and Waterside is comparatively young, with higher proportions of people in the child (0-15yrs) and working age groups. The economy is atypical to the rest of the New Forest with manufacturing and marine activities in Totton and Hythe and oil refining at Fawley shaping its economy. It currently contributes around 35% of the total New Forest economy. With its proximity to Southampton, it sees significant out-commuting of around 50%. This is a significant issue for the area, as those with higher skilled tend to be more mobile resulting in local businesses being further constrained by the available local talent pool.

As highlighted above the claimant count overall has significantly reduced, however some localities are still experiencing higher levels of unemployment. Unemployment in Holbury and North Blackfield ward currently stands at 4% and 45% of all claimants are in the Totton and Waterside area. Similarly, youth unemployment, (18-24 years) has fallen to an average of 3.3%, equating to 355 young people across the District, of which 48% (170), reside in the Totton and Waterside area.

The New Forest scores poorly on higher qualification outcomes⁷, the average for the District as a whole is 37.8%, compared to a Hampshire average 43.9% and Southeast average of 45.1%⁸. The most recent skills distribution data at ward level is 2011 census, whilst a little old, it does allow comparisons across the three sub-geographies. At the lower end of the distribution scale, Totton and Waterside only shows a slightly higher incidence of residents with no qualifications, with an average of 11.8% as opposed to 11% in the Avon Valley and 11.4% in the Core Forest and Coastal area. It is however at the higher-level that the variance is most apparent; with Totton and Waterside having only a quarter (25.3%) of its resident population qualified to level 4 and above, compared with Avon Valley at 34.5% and the Core Forest and Coastal sub-area at 32.4% respectively. This is a significant gap in attainment which requires concerted effort to address.

⁷ Level 4 and above

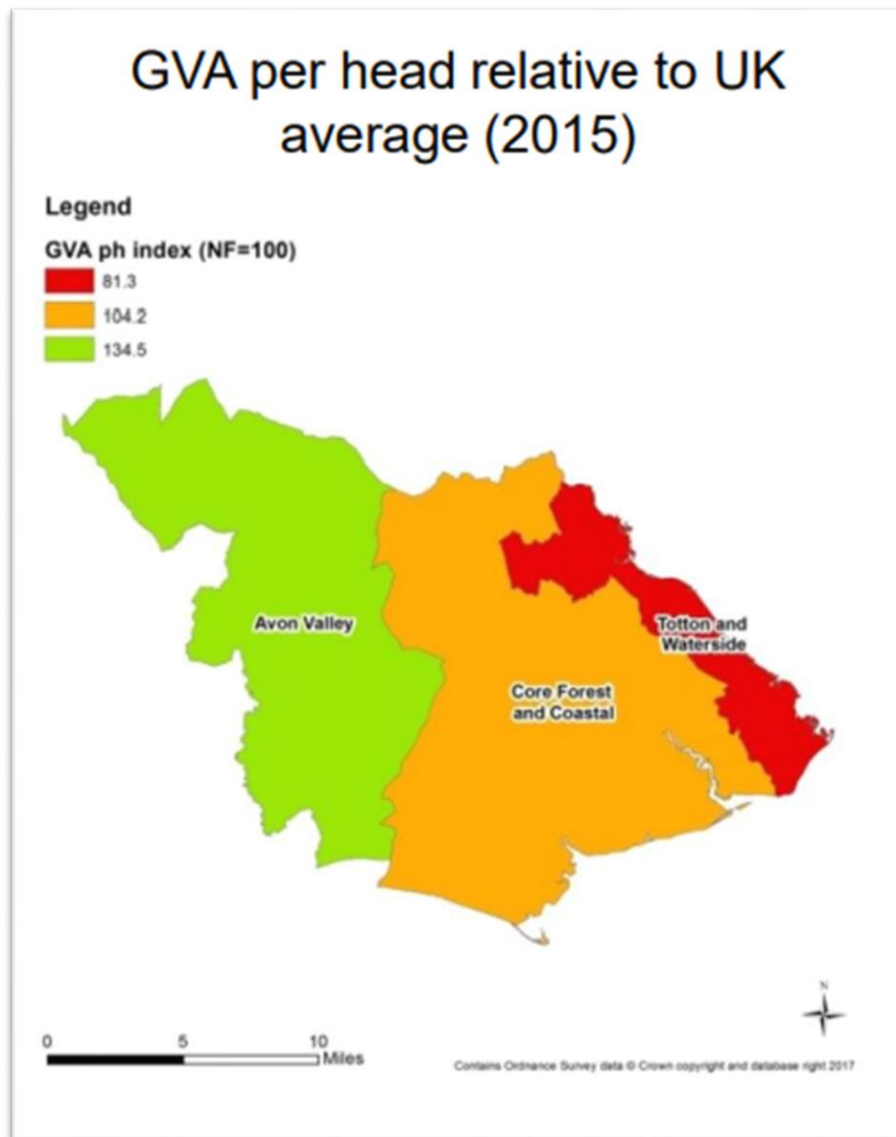
⁸ ONS APS Jan 2020



Output (GVA⁹) per head in the New Forest is about 10% below the Hampshire average but 8% above the Solent average. This measure of economic prosperity is arguably skewed by the large share of an elderly population in the New Forest. The alternative based on household incomes points to similar levels of prosperity as in Hampshire and almost a quarter above the Solent average. Notwithstanding that the demographic profile of Totton and Waterside is younger than the rest of the New Forest, its GVA per capita is approximately 80% of the New Forest average. This indicates that area underperforms significantly despite having the largest working age population¹⁰.

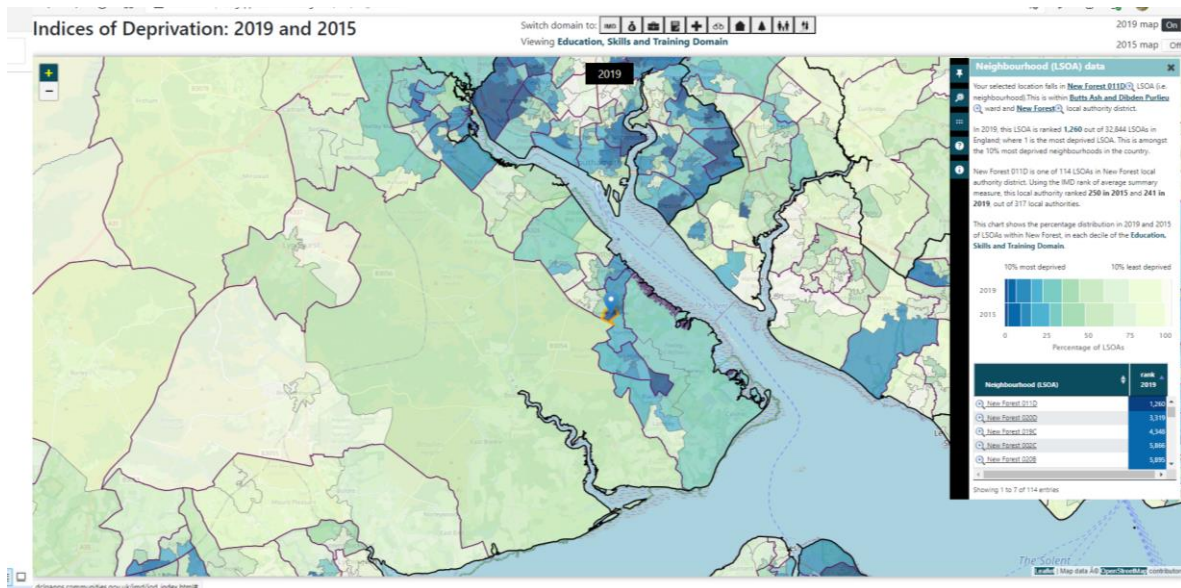
⁹ Gross Value Added - the measure of the value of goods and services produced in an area

¹⁰ New Forest Economic Profile 2018

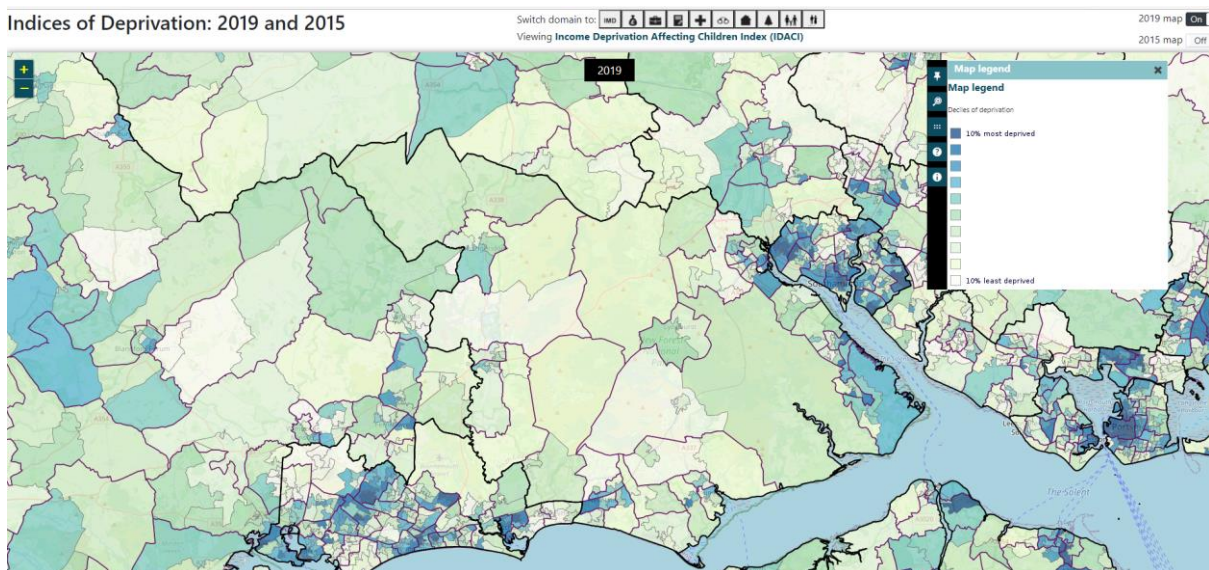


The New Forest is one of the least deprived local authority areas in England and is ranked 255th out of 326 districts according to the 2019 Index of Multiple Deprivation. However, the district summary masks localised hotspots of neighbourhood deprivation. Holbury and North Blackfield, and Furzedown and Harley are amongst the 20% most deprived neighborhoods in the country and Totton North falling into the most 30% deprived bracket.

The educational deprivation sub-domain of the IMD assesses performance at GCSE, progression to higher educational and adult skills. The New Forest has two LSOAs in the 10% most deprived neighborhoods (Holbury and North Blackfield and Butts Ash Dibden Purlieu) and a further six in the most 20% deprived. As illustrated in the map below these are disproportionately located in the Totton and Waterside area of the New Forest resulting in education and skills deprivation levels comparable with those found in the two cities. Holbury and North Blackfield and Butts Ash and Dibden Purlieu also fall into the 20% most income deprived areas of the country.



Child poverty is also a notable concern, with the New Forest having six neighborhoods falling into the 20% most deprived for child poverty. Again, the localities of Butt Ash and Dibden Purlieu and Holbury and North Blackfield feature along with Hythe and West Langdown. Neighborhoods in and around Totton follow closely behind in the bottom 30 % for child poverty.



According to 2019/2020 data from the Department for Work and Pensions, the New Forest has 3,865 families living in absolute poverty, of which 80.5% are working families. Of the total 1,790 equating 46.3% reside in the Totton and Waterside area.

Secondary School Performance

There are four secondary schools that are located within the Fawley and Waterside area of the New Forest. The table below provides some high-level outcome data. Only Noadswood performs above the Hampshire and England averages.

	Grade 5 or above English and Maths (equivalent to old grade C) (2019)	Staying in education or employment (including apprenticeships) (2019)	NEETS (2019)	Attainment 8 score (2019)	Progress 8 score ¹¹ (2019)	Proportion of Pupils eligible for Free School Meals (2021)
Testwood	39%	92%	6%	42.4	Average	27.8%
Hounslow	52%	97%	2%	51	Above average (17% of schools)	14.2%
Applemore College	38%	96%	3%	41	Well-below average (bottom 12%)	28.6%
Noadswood	53%	98%	2%	50.6	Average (37% of schools)	17.4%
New Forest Academy	25%	88%	12%	38.8	Average	35.9%
Hampshire Average	46%	95%	5%	47.6	N/A	18.8%
England average	43%	94%	5%	46.7	N/A	23.5%

Synthesis and Conclusions

To an extent the New Forest is a victim of its own success, as the area attracts a significant number of retirees. The economy in turn is impacted in terms of the pool of available labour and nature of jobs. Like most economies, the overall performance of the New Forest masks some inter-regional variations. Previous industries along the Totton and Waterside area have left a mixed legacy. There is opportunity for the existing workforce especially those in the marine manufacturing sectors to transition to higher value-add production jobs, which will come forward as the Freeport develops. To realise the ambition, concerted effort is needed to ensure the residents, and especially those within the Totton and Waterside area are able to develop their skills to access the emerging job opportunities. Aspiration and attainment is an issue for some young people within the future pipeline of young people, who are lacking the entry-level requirements required by the emerging / potential labour market.

¹¹ Schools get a score based on how well pupils have performed in up to 8 qualifications, which include english, maths, 3 qualifications including sciences, computer science, history, geography and languages, and 3 other additional qualifications.