
Isle of Wight Council
30th March 2010
Commentary



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1. Businesses

Actions to help businesses are at the heart of our strategy. We will seek both to increase inward investment and support existing and new businesses, using a combination of short-term and one long-term strategic interventions.

1.1 Rationale

1.1.1 Inward Investment

The Island benefits from the presence of several companies of world stature, including BAE Systems, GKN Aerospace, Vestas and Gurit. If we can complement these with other businesses of similar calibre we will generate jobs for Island people and reduce the risks that the Island faces, both from the current recession and from long term global competitive pressures.

To date the Island's approach towards attracting inward investment has been low-cost and reactive to specific company enquiries. Delivery has largely involved one individual but with support for major projects from a range of key partners, including different parts of the Council, SEEDA, SIGT, the Environment Agency and local industrialists. With possible institutional reorganisation following the forthcoming election there may be less capacity for intervention at regional level, hence it is important to secure Island capacity now.

1.1.2 Business Support

Constraints on business development on the Island include the small size of the Island economy, low aspirations, a lack of commercial focus and a lack of an organized approach to stimulating business activity. However, long-term strategic opportunities do exist for existing and new businesses to develop a stronger presence in knowledge-based sectors and to take advantage of the Island's offshore renewable energy potential and the Highways PFI.

To achieve that there is a need to stimulate and nurture an entrepreneurial culture on the Island; to support firms in their growth, training and diversification plans; and to help firms strengthen their supply chains to keep more value on the Island, particularly among key sectors groupings.

The primary access channel to all publicly funded support, the Business Link service, has been undergoing consolidation, central to which is the Business Support Simplification Programme (BSSP) to streamline a myriad of support services and products through a 'Solutions for Business' portfolio to around 30 products. This will significantly improve the service provided to Island businesses.

Other support is provided by the Chamber and the Southeast Innovation and Growth Team (SIGT). Within the Council, business support activities have co-existed with inward investment support and have also been relatively low-cost, pragmatic and reactive to specific company enquiries with delivery again

involving largely one individual, with support from key partners and intermediaries.

Throughout the UK much emphasis is also placed on the potential for new business development and spin-outs deriving from the commercialisation of university-based innovation and technology transfer. Higher education-related linkages represent an opportunity for development, as well as being potential attractions in their own right to inward investors. However, there is currently no university or specialist science park/research centre on the Island, so there is no scope for the creation of high growth knowledge-intensive businesses through such a route.

1.1.3 Employment impact

Currently only 72.6 % of those of working age are in employment on the Island, compared with a South East average, before the recession, of 78.1 %. The gap is equivalent to approximately 1,500 people. For the Island to achieve its full economic potential, jobs equivalent to that order of magnitude need to be created. Interventions therefore need to be sufficiently ambitious to make change on this scale plausible by 2020.

1.2 Overview of Proposed Activity

1.2.1 Inward Investment

The inward investor strategy will attract new businesses to the Island. A prime focus will be to create business awareness of the Island amongst UK companies in key sectors: renewable energy (tidal and wind), marine and advanced engineering, aerospace

and defence including composites, construction including highways, and tourism.

As well as working directly with companies, the Council will also work to enhance regional and national partners' understanding of the Island as a desirable investment location, and wherever appropriate will seek to coordinate efforts by partners into a single package of intervention. This will help investors to navigate through multiple support providers. Our work will include initial support (information and brokerage) and aftercare.

There is a need to learn fast; the Island has only modest experience in dealing with outside investors. Lessons from elsewhere which we will adopt include: proactive targeting of niches and growth sectors; integration of inward investment and business development support; and strong engagement with key partners.

Support for inward investors can be achieved at relatively low cost with a business-focused, experienced and networked small team with a delivery system that entails developing an enquiry handling and CRM system; and providing targeted investment/marketing campaigns focused on key companies in core sectors. Going forward, there will therefore be a skilled, dedicated resource reporting directly to the Council with capacity adjusted as the scale of success and demand for the activity changes. However, the scale of success will depend critically on what the Island has to offer, and how attractive the offer is relative to other locations.

1.2.2 Business Support

In the short-term an important dimension to business support provision is to facilitate and stimulate improved business networking, as a means to: engage with and support those companies needing to grow and access new markets and supply sources; encourage joint ventures, partnerships and corporate venturing opportunities; and thirdly as a broader tool to promote enterprise and build a business culture on the Island.

We will also examine the Island's need for incubation facilities for high growth new starts, and will seek funding for establishing an incubator if sufficient demand exists and if the returns seem likely to justify the investment.

Over the longer term another aspect of the overall inward investment and business support strategy will be to establish stronger university links with the Island, including R&D facilities and possibly a Technology/Science Park. The aim will be to stimulate local businesses and help to provide a higher level skills base for potential incoming firms. We will work with nearby universities, and with universities and research centres from farther afield but with particular expertise in our key sectors, to seek to create a world-class research facility on the Island.

The particular needs of rural businesses will continue to be addressed through the LEADER programme. Consideration will also be given to the provision of hubs in rural towns and villages, so that small and micro-businesses can network and share resources.

2. Places

The Island's Core Strategy will provide for significant new employment land, alongside existing employment land, in one or more of the three main Island towns, and will foster urban renewal particularly in East Cowes and Ryde. In the meantime the Council will work to help existing businesses and new investors meet their immediate employment land needs.

2.1 Rationale

Supporting employment growth

The Island's prosperity is being undermined by shortages of land for current/prospective companies, particularly for sites with river access. This needs to be addressed if existing jobs are not to be lost and if new jobs are to be attracted.

Looking forward, to enable employment growth on the island in line with the aspirations indicated in Section 1 above, and to facilitate a move to a more sustainable higher value economy, it is essential to provide sufficient supply of employment land over the long term. This land needs to be in locations that are attractive to new and existing businesses, while preserving the Island's natural beauty and quality of life.

A baseline scenario

Estimating future employment land need depends on the view that one takes regarding future Island growth. A baseline forecast

is available from Oxford Economics, based on their view of regional, national & global prospects and the Island's recent performance relative to those benchmarks. Industrial (mainly manufacturing) employment has been declining and Oxford Economics project this will continue, generating no new employment land need over the longer term, though perhaps a need to improve the quality and availability of some of the existing land stock.

Warehouse employment has also been falling but is expected to rebound in the Oxford Economics projections; on conventional employment/land ratios this implies a possible employment land need of 3 hectares to 2022. Office employment follows the same pattern but from a higher base, generating a need for an additional 6 hectares by 2022, so 9 hectares in total.

Other employment is also projected to rise, which may create other land needs, but these are not included in this analysis.

Baseline Scenario, 2006-2022

	2006	2009	2016	2022	Hectares Extra Land
Industrial	6,520	6,180	5,470	5,064	0
Warehouse	2,220	1,960	2,080	2,200	3
Office	9,380	9,020	9,600	10,120	6
Other	42,990	42,540	44,700	47,020	-
Total	61,110	59,700	61,860	64,400	9

'Other' includes retail, schools, health etc

Source: Oxford Economics & ONS

Consulting Inplace scenario

However, the purpose of this economic development strategy is to improve the performance of the Island, relative to historic trends. We have assumed that the implementation of the strategy, together with the increasing competitiveness of key Island employers and factors such as the PFI contract (both of which we think are unlikely to have been fully captured in the Oxford Economics forecasts) bring on average 50 new industrial jobs to the Island and 25 new office jobs (or helps existing businesses to create them, or safeguards existing jobs) every year to 2022. In addition, the employers concerned grow their new workforces by 10% a year over the same period.

The result is that by 2022, industrial employment is 1,230 higher than it would otherwise have been and office employment is 610 higher than it would otherwise have been. Industrial employment is still below its present level, so it could be argued that there is no additional land needed, but it seems more likely that at least some of the additional jobs will be associated with new operations requiring new premises. That implies a maximum additional need of a further 14 hectares, with a further 6 hectares for new office employment. So the total land needed by 2022 is between 9 and 26 hectares.

Consulting Inplace scenario, 2006-2022

	2006	2009	2016	2022	Hectares Extra Land
Industrial	6,520	6,180	5,470	5,064	0
<i>Additional</i>				<i>1,230</i>	<i>14</i>

Warehouse	2,220	1,960	2,080	2,200	3
Office	9,380	9,020	9,600	10,120	6
<i>Additional</i>				<i>613</i>	<i>3</i>
Other	42,990	42,540	44,700	47,020	-
Total	61,110	59,700	61,860	64,400	9-26

'Other' includes retail, schools, health etc

Source: Consulting Inplace based on Oxford Economics & ONS

South East Plan Scenario

The South East Plan (SEP), sets out a target of 7,000 extra jobs on the Island between 2006 and 2016. This target was developed and agreed before 2006 on the expectation that by now significant progress would have been achieved; in the light of the recession and pressures on public finances, it now looks very challenging. Nevertheless, the SEP requires the Isle of Wight Council to use the original estimates as an optimistic scenario in its land use planning.

As an illustration, this could be achieved by 100 jobs a year in both industrial and office employment, and also other employment such as retail, schools and health, and all of that employment then growing organically by another 40% a year. This generates the necessary 7,000 jobs by 2016.

However, if the economy continues to grow at that rate the employment numbers quickly become completely implausible. We have therefore assumed that such additional growth ceases in 2018, at which point the land use implication is for an upper bound of 34 additional hectares.

South East Plan scenario, 2006-2022

	2006	2009	2016	2022	Hectares Extra Land
Industrial	6,520	6,180	5,470	5,064	0
<i>Additional</i>				<i>1,480</i>	<i>17</i>
Warehouse	2,220	1,960	2,080	2,200	3
Office	9,380	9,020	9,600	10,120	6
<i>Additional</i>				<i>1,480</i>	<i>8</i>
Other	42,990	42,540	44,700	47,020	-
Total	61,110	59,700	67,960	68,830	9-34

¹Other includes retail, schools, health etc

Source: Consulting Inplace based on Oxford Economics & ONS

Existing Supply

There is currently a little over 20 hectares of identified vacant employment land on the Island. However, most of this land is not yet ready for occupation. Issues such as transport access, proximity to labour and services, market attractiveness, viability and development capacity and adjoining incompatible uses (for example [nature conservation areas] and residential areas) mean that in practice much of this land is not currently available and perhaps never will be. As noted above, this is a constraint on Island businesses and on the potential to attract employers to the Island.

2.2 Overview of proposed activity

Short term

IWC will work energetically with companies to meet their immediate needs, in line with Section 1 on business support, and to facilitate the provision of employment land. As part of this, IWC is undertaking a Medina Valley Viability assessment, and is examining the scope for shared use of river access at Stag Lane and the future operation/management of Medina Wharf, including its capacity to meet the Island's PFI needs.

Long term

The Core strategy will reflect identified land needs and will make suitable allocations, within the over-arching principle of implementing the Eco-Island vision. Roughly half of the Island's population live in three towns: Ryde, Cowes (including East Cowes) and Newport. To minimise transport use and hence improve sustainability, and to achieve the benefits of agglomeration and co-location, the bulk of future employment growth needs to be focused on one or more of these three towns.

More specifically we propose that it should be focused into one or more of three employment zones, one in each town, linking existing employment sites to one another via new employment or mixed use land allocations.

These zones will all need to be planned in a coherent way, providing a range of opportunities for property investors and potential owner-occupiers, with coherent marketing of premises

to potential occupants, a gradual raising of the quality of existing sites and infrastructure as opportunities become available, and with new infrastructure put in place for the elements comprising newly allocated land. River access will be an essential element of whatever overall allocation is chosen. The likely scale will be an addition to the Island's stock of employment land of approximately 30 hectares.

Urban regeneration opportunities

Consideration will also be given [in the Core Strategy] to the scope for using urban regeneration to meet some of the Island's employment land needs. This particularly relates to East Cowes, where further progress on the existing scheme would significantly improve the Island's offer to both businesses and residents, and to Ryde. The latter is discussed in Section 6 below.

Rural Issues

The economic strategy does not depend upon, and does not justify, significant allocations of employment land in rural areas, other than the possible urban fringe allocations discussed above. However, as noted above, micro-level initiatives such as enterprise hubs may be appropriate and consideration will be given to whether these have an important role to play on the Island.

3. People

This strand consists of three key actions: the establishment of sector groups to devise and implement workforce development plans; the development of demand led provision to deliver bespoke and higher level skills; and, the integration of the currently disjointed employment and skills support infrastructures, to increase the number and quality of people available for work on the Island.

3.1 Rationale

Improving the skills base is a key challenge for the Island. At 10.1% the proportion of the workforce without any qualifications is significantly above the South East's average of 8.9%. But the biggest gap in the qualifications of the Island workforce is the proportion qualified to Level 4 – only 23% compared to 32% across the region, or a shortfall of over 6,000. Partly as a result, employment rates on the Island are below the regional and even national averages, while the increase in claimant unemployment during the recession has been greater on the Island than across the UK.

Enhancing skills levels is necessary to ensure that Island companies remain competitive in the current economic climate, and to prevent many Island people from being limited to only low paid jobs. Looking forward, most employers nationally and globally expect to become more demanding regarding employees' skills. With many of their most experienced employees approaching retirement age, they will demand that young people offer all the more, in terms of new skills.

Part of the challenge is to strike a balance between encouraging those not in work to take any jobs that are available, and encouraging them to invest in skills in the less certain expectation of better jobs becoming available. A second challenge is to foster investment in the skills of those currently in work, to prepare them for future changes in employers' skill needs. The third challenge is to ensure that Island employers raise their own expectations about employees' skills at least as fast as their competitors elsewhere are doing so, to prevent them from gradually being left behind.

3.2 Overview of proposed activity

3.2.1 Establishment of sector groups & workforce development plans

Skill needs can best be identified at the level of the sector, not the island economy as a whole. We will help groups of employers in each of the Island's key sectors to come together to identify their mutual workforce development needs, and to influence provision so that those needs are met. The sectors are renewables, aerospace/defence including composites; advanced manufacturing/marine; construction including highways, and tourism.

Membership of the sector groups will include staff from further and higher education, work-based learning providers and other wider stakeholders as well as employers themselves. Each sector group will work to an agreed framework plan. The specific objectives of each sector group will be to:

- Develop the scope and quality of sector knowledge
- Assess current and future skills needs
- Assess current education and training provision

- Be involved in the process of new course or module design which meet the needs of each sector, with a particular emphasis on higher level skills provision and developing leadership and management skills
- Play a role in the curriculum development and exploring modes of delivery which make learning accessible to existing and new employees
- Support the development of ‘on-the-job initiatives’ for new entrants to each sector
- Continually review any initiatives and support mechanisms for developing the skills of the workforce
- Support employers and employees in each sector to become fully engaged in skills development
- Build relationships between employers, education and training providers and other stakeholders
- Share best practice, ideas, knowledge and expertise with colleagues across the sector.
- Develop and implement sector workforce development plan

The design and delivery of a sector workforce development plan will be crucial to addressing skills issues in each of the identified sectors. Each plan will be updated on an on-going basis, will address the above issues, with a specific focus upon setting out:

- **Background to the sector and its workforce** – including economic and business issues in the sector; sector trends; drivers of productivity; the scale, growth and demographics of the workforce

- **Skills of the workforce** – existing skills and qualifications in the workforce; skills shortages and gaps in the sector with an emphasis on higher level skills; workforce development needs
- **Improved links with existing provision** to increase take up of mainstream employment and skills services by Island employers.

The workforce development plans will aim to maximise investment through existing mainstream funding programmes, including for example improved take up of Train to Gain provision, the Future Jobs Fund and other strands of the Young Person’s Guarantee. However, because they will be employer led, they will challenge existing provision and create pressure for innovative solutions that are demand led.

Employers will be more likely to invest in skills, and take up available skills funding, if they know others in their sector are doing so, and if the skills training offered is customised to meet their needs. While most of the groups are likely to begin with only a few employers, their success is likely to encourage others to join, strengthening and deepening the quality of the Island’s labour pool, to the benefit of all. Existing sector groups which the Isle of Wight College has established as well as the newly formed PFI economic development group and tourism groups led by the Chamber may provide the building blocks for at least some of the sector groups.

3.2.2 Delivery of higher level skills

The Island is far too small to have its own its own higher education institution. The development of new provision, qualifications and delivery mechanisms to address the current gap will therefore need to include innovative ways of provision to meet demand, often via bite size ‘modula’ programmes to be delivered via work based, college based and distance learning.

3.2.3 Integrating employment and skills support

Strategic partners, including the Island's Employment and Skills Board, Jobcentre Plus, SEEDA, the Skills Funding Agency, the Council, the Isle of White College, and regional representatives of the Sector Skills Councils, need to provide coherent support across both the employment and skills arenas. An emphasis on the whole employment and skills route way will help improve access to entry level jobs in these key sectors and reduce skill shortages, while increased uptake of in-work training and higher skills will reduce skill gaps and contribute to more sustainable job outcomes.

4. Tackling climate change

The island can only succeed by building on what it has to offer that is special. By becoming a focus for renewable energy, a preferred location for companies offering or researching products and services that address climate change, and by reducing the carbon footprint of the Island's transport, employment and domestic activities, the Isle of Wight can strengthen, not weaken, its economic growth and prosperity.

4.1 Rationale

The Island's environmental quality and heritage are outstanding features of the Island, and serve as key drivers for people choosing the Isle of Wight as a place to live, work and visit.

Environmental sustainability is central to the aspirations of the Isle of Wight, as set out in Eco-Island: the Sustainable Communities Strategy. The Island's natural assets (including strong tidal movements as well as the outstanding quality of the rural environment), geographic proximity to significant planned development (i.e. offshore wind farms east and west of the Island) and existing presence in the renewables energy sector and in associated sectors and technology, all mean that the Isle of Wight presents a significant offer to firms in this sector. This presents an excellent opportunity for the Island to prosper and grow under a clear and consistent environmental ethos, distinguishing the Isle of Wight as a forward-thinking community.

In 2005 the Island's economy generated 824,000 tonnes of carbon emissions. The biggest contribution to emissions came

from households, which in 2005 contributed 43% of the total, while a further 40% of Island carbon emissions come from employers and 17% from road transport.

The Island already has a target to reduce the total to 725,000 tonnes by 2011, on the assumption that there is no growth in population over the period, or to about 760,000 by 2011 if past trends in population have continued (which seems more likely).

Progress on these targets is clearly vital to the Island's reputation. Looking forward, the Island will set further ambitious targets for carbon reduction, as well as ambitions for reduced water use and a better environmental footprint more generally.

4.2 Overview of Proposed Activity

Three areas of action - the promotion and expansion of renewable energy activities, industrial specialisation in sectors and technologies that tackle climate change, and reduction of the carbon footprint of activities taking place on the Island - are key to success.

4.2.1 Self-sufficiency in renewable energy

The Island is particularly well placed to become a centre of excellence in renewable energy activities. The Council will encourage R&D investment in tidal and off-shore wind activities and will seek to approve and facilitate bio-mass energy generation within appropriate developments such as PAN. On-shore wind generation will be subject to the constraints of planning acceptability, but could involve micro-turbines across many Island farms. The Council will also investigate issues to do with grid capacity and connectivity. The expectation is that in the future the Island will generate, from renewable sources, at least as much energy as it consumes.

This will involve significant co-ordination between the various stakeholder organisations to identify suitable locations for activity and opportunities for promoting the Island. The Council and partners will produce a clear prospectus promoting the Isle of Wight as an exceptional location for investment in renewable energy. Political support, backed by clear strategic and policy frameworks, will offer investors confidence. In this respect this element of the action plan has very clear linkages with the actions detailed in the Employment Land, Workforce Skills and Business Support sections of this strategy. In order to realise these benefits, it will therefore be important to develop consensus concerning the crucial role that environmental merits of some physical developments, such as wind turbines or facilities related to high-tech, low carbon industries.

4.2.2 Specialisation in technologies that address climate change

Island companies such as Gurit, Vestas, South Boats and Blade Dynamics are at the forefront of emerging technologies that directly address climate change. Other Island companies are investigating how to shift technologies developed for other purposes towards the business of carbon reduction, or are helping to reduce the carbon footprint of their customers by offering them new and cleaner technologies.

Our inward investment strategy, discussed in Section 1 above, therefore involves targeting renewables as a sector together with associated technologies and sectors such as marine and composites. As part of that, the proposed wind farms offer a special opportunity to the Island to become a centre for researching, project managing, operating and maintaining both farms. Because of our position we are an ideal location for companies needing easy access to both the farms themselves and the mainland, including London. Our employment land use

allocations will be designed to offer opportunities for companies operating throughout the wind farm supply chain, from basic research through to emergency maintenance. These in turn will provide opportunities for Island businesses to develop niche expertise that they can then export nationally and globally.

4.2.3 Reduction of carbon footprint of Island activities

Our immediate focus is on reducing household environmental impact. In particular, existing plans to increase home insulation and reduce the energy consumed through heating homes will be boosted by additional funding geared the delivery of insulation improvements in an additional 5,000 Island homes. This will help the Island to achieve its carbon reduction targets while creating opportunities for Island businesses. The Island is also supporting eco-conscious communities, such as the Green Town Project, which will foster innovative solutions to improving waste management, energy conservation, resource re-use and water reduction, as well as creating business opportunities.

The Council will seek to reduce the environmental footprint of road transport by encouraging public transport, walking and cycling, and also by encouraging individuals, businesses and fleet owners to shift to low carbon transport. Because we are an island, we have a unique opportunity to take the lead in low carbon vehicle use. Our ambition is that by 2020, 75% of road transport on the Island will be low carbon emitting. We are therefore bidding for funds under the government's Plugged in Places scheme. If successful, this will be a significant step towards eventually achieving a major reduction in carbon emissions from road transport.

5. Secure Superfast Broadband

Superfast broadband infrastructure will be vital for the Island if it is to successfully attract and retain skilled people and hi-tech, knowledge-intensive companies. It will also facilitate greater access to services in rural areas and opportunities for new models of service delivery.

5.1 Rationale

Most homes in the UK currently receive broadband through the standard copper network. However, this imposes limits on the available bandwidth (data transfer capacity) and actual speeds experienced by the user. The same limits also apply to most businesses and reduce opportunities for teleworking and home working. Consumer demand is already testing the capacity of existing networks and it is clear that future applications will require greater speed and more symmetrical download and upload speeds.

Supply and demand of online content has changed rapidly in the last decade and is certain to do so in coming years. It is likely that capacity demand will substantially increase for media streaming (high definition, 3D). Some services are also likely to be transformed, such as the potential for health clinics being able to exchange three-dimensional medical imaging with hospital specialists physically based elsewhere, thus greatly increasing efficiency and improving the patient experience. Online global collaboration will also be facilitated through high-quality video links and data exchange. This could be utilised in business and educational settings.

However, the Government judges that private sector investment in next generation architecture will only reach 50-60% of households, predominantly in larger urban centres. If the Isle of Wight is to position itself as a centre for innovative social and economic activity, it is critical that the Island does not get left out and features in investment plans for next generation broadband architecture (providing bandwidth up to 100Mbps). Connectivity fundamentally reduces the significance of the Island's physical separation and will play a key role in economic development prospects (e.g. new firm creation, nature of hi-tech activities, productivity gains), opportunities for innovative and new community and public service delivery models,

To achieve this, intervention by the public sector is likely to be critical.

5.2 Overview of Proposed Activity

We propose to act in four ways. First, we will engage with firms such as BT Openreach and Virgin Media to accurately assess when the private sector is planning to make infrastructure investments on the Isle of Wight, and to seek to change their plans if that is possible.

Second, we will seek to bid for funding from the £500m Next Generation Fund, currently being designed by the Department for Business, Innovation and Skills (BIS). The Fund is not intended to cover the full cost of deployment in rural areas, but to provide sufficient additional funding to make areas that would otherwise be uneconomic more attractive to investment. Both existing players and new entrants would be able to bid for funding to support investment in these locations.

BIS state that a key benefit of putting the fund in place now, is that companies, local authorities and even local communities can start planning and developing new solutions that should mean that next generation broadband deployment is extended in the most effective and efficient way possible.

Third, the Rural Theme Group has also reported optimism that Rural Development Programme for England funding may be successfully obtained for improved investment in a rural broadband connectivity project on the Island.

Fourth, we will work with eHampshire, a public-private partnership with a membership including local authorities, skills and training providers, and key technology firms. The Isle of Wight Council is already a member of this established partnership, which has played a significant role in developments in Basingstoke. The Council will ensure that knowledge transfer, networking and promotional opportunities are being realised from this partnership.

6. Develop a 21st Century Tourism Offer

Island tourism is experiencing long term decline. A strategy to reverse that decline needs to build on the emerging Eco-Island brand, but cannot run ahead of the Eco-island concept becoming embedded in Island life and business. The tourism sector therefore needs repositioning at a realistic pace but with a clear long term goal. Short-term fixes are not appropriate.

6.1 Rationale

Tourism is one of the Island's most important sectors, providing a range of employment opportunities and sustaining many local businesses. But the typical current visitor profile is that of low spenders, often on low incomes, who have little interest in trying something new and who prefer traditional activities and experiences. Despite significant marketing expenditure by the Isle of Wight Council and efforts by individual businesses and the Chamber of Commerce, tourism on the Island is in long term decline.

6.2 Overview of key actions

Over the course of the next decade the Island will therefore need to take strategic steps to reposition its tourism offer, building on the Island's distinctive assets. The best way to do this is to link tourism marketing to the building of the Eco Island brand. Other initiatives under the Eco Island, such as the proposed shift towards low carbon vehicles and the development of renewable energy, have the potential to fundamentally alter potential visitors' perceptions of the Island, and so reinvigorate the tourism

sector, if the industry itself responds in kind by changing its own offer.

Eco-island is a major opportunity for the tourism sector. Climate change is the great issue of the age: eco-anxieties will grow not recede, perceptions of Eco-tourism as cheap and rudimentary will fade and customers will increasingly look for authenticity. Markets to target will include business events, active sports, the rural/farming experience, combined with continuing commitment to the seaside offer. The aim must be to target visitors who value new products/services/experiences/ enjoy intellectual and physical pursuits, who are younger in age, relatively high earning and who are at or before the family stage of life, while gradually easing back on the Island's dependence on its traditional customer base. Business tourism and self-catering both offer excellent opportunities.

However, raising awareness of Eco-Island status cannot happen successfully until the principle is deeply embedded in the Island's cultural and economic life generally. This will come about through, for example increased investment in the renewables sector, as well as a stronger take-up by householders of low carbon lifestyles, with current plans for widespread home insulations a useful step in that regard. Most importantly, Eco-island behaviour needs to be a growing feature of Island transport.

Particular emphasis needs to be placed on marketing to festival goers. Few locations receive the publicity that the festivals provide for the Island. But currently most festival visitors only return to the festivals themselves, not to the wider Island. Festival goers have a very high propensity to use social networking, making them likely opinion formers as well as

dramatically reducing the cost of marketing to them. Many are on moderate to high incomes and can afford good quality active holidays priced at a premium. The Island's natural assets chime with the cultural values of many festival goers, who can therefore be attracted back if the marketing is appropriate.

The Island's tourism strategy also needs to create great places. Tourists choose holidays by place – and they look to the range of attractions that a place offers and its sense of unique identity. Importance applies both to the rural Island and to the towns, with Ryde having significant potential to exploit both its location (easy access to London) and the high quality of many of its Victorian and Edwardian streets and buildings. This will require ambitious but sympathetic urban planning in the town, and attention to improving the quality of hotels, restaurants, shops, the townscape and seafront improvements.

Raising skills and standards is also important across the industry. The sector needs a workforce development plan (see section 3) and continued commitment to raising quality standards including among food suppliers.