

Our Strategic Ambition

Annex A – Our Context



Understanding our socio-economic and demographic trends is important for the work of the college group; they shape both the needs of local communities and the future workforce demands of the region. Variations in deprivation indices, employment, economic inactivity, and youth participation across Southampton, Fareham, Eastleigh, and Gosport highlight the need for our responsive and inclusive education offer that supports social mobility, raises aspirations, and develops skills aligned to local economic priorities.

The differing demographic profiles across the region also reinforce the importance of accessible lifelong learning, targeted support for disadvantaged students, and strong partnerships with employers to ensure residents of all ages can access high-quality education, training, and progression opportunities.



Government policy context for post-16 education

Our strategic ambition is shaped by a policy environment that is increasingly focused on system alignment, economic growth, and demonstrable outcomes. Current government direction for post 16 education emphasises skills-led provision, employer responsiveness, and clear progression routes aligned to labour market need. South Hampshire College Group is well-placed to successfully respond to this policy agenda.

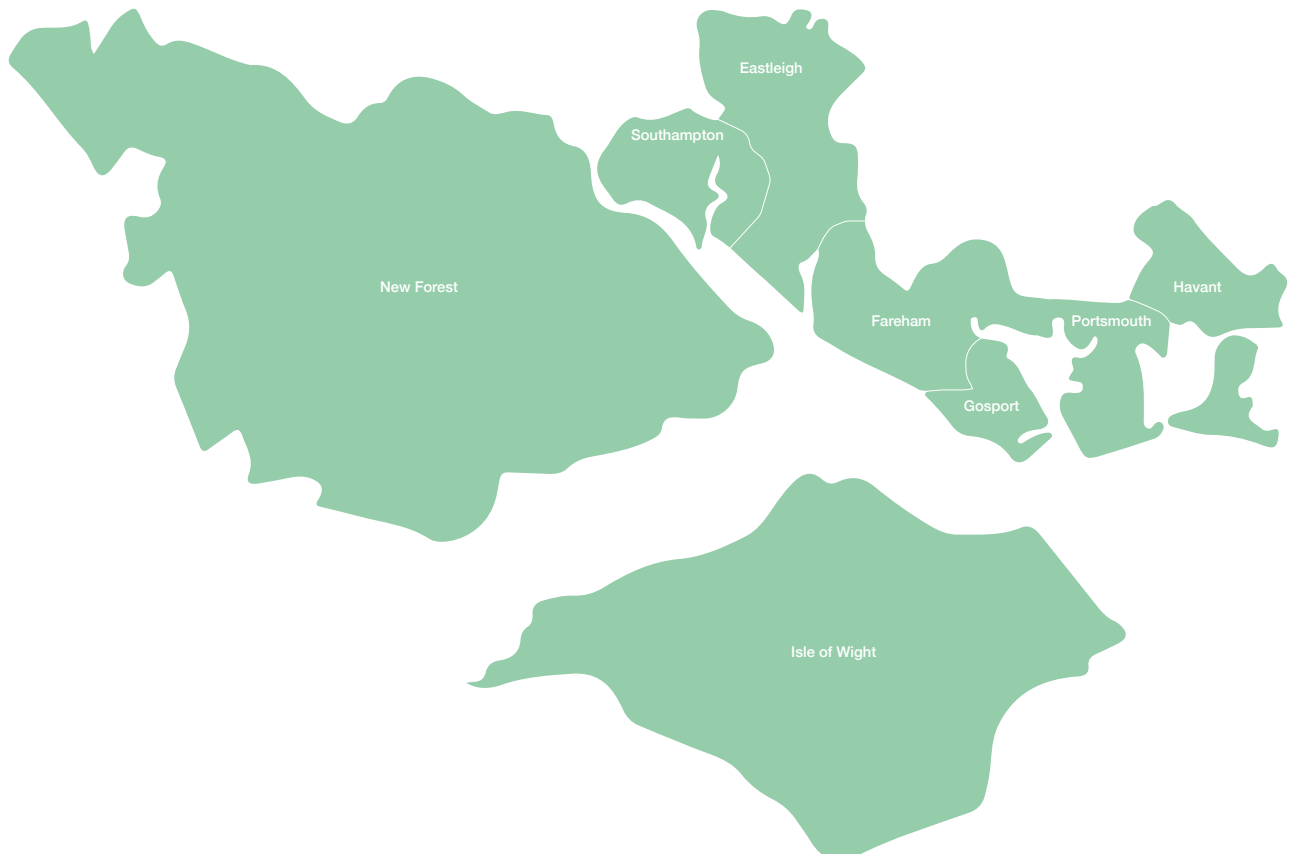
Key policy drivers of impact to our strategic ambition include:

- **Skills and productivity agenda:** There is continued prioritisation of technical education through Local Skills Improvement Plans (LSIPs), T Levels, and apprenticeship growth. Our curriculum is closely aligned to regional economic priorities, ensuring relevance and impact of provision.
- **Accountability and outcomes:** Our quality assurance process responds to a strengthened focus on achievement, progression, and destination measures. Our ambition is to be recognised as delivering strong standards in our next Ofsted inspection.
- **Devolution and localisation:** Hampshire will be subject to greater influence of the newly formed mayoral combined authority in shaping provision, particularly through adult education budgets and LSIPs. As a result, we will further develop our strategic civic leadership and partnership working.
- **Funding constraints and efficiency:** While there have been targeted increases (e.g. for 16-19 funding and high-cost subjects), financial pressure remains. Policy direction continues to encourage scale, collaboration, and structural efficiencies, including group models and shared services. We consider our college group as scalable, and our track record of successful merger puts us in a strong position to support further provider consolidation should the need or opportunity arise.
- **Lifelong learning and flexibility:** The rollout of the Lifelong Learning Entitlement (LLE) signals a shift towards flexible, modular learning over an individual's lifetime, we are actively preparing to adapt delivery models and student engagement approaches.
- **Inclusion and access:** There is an increasing emphasis on social mobility, widening participation, and support for disadvantaged learners, including those with Special Educational Needs and/or Disabilities (SEND), alongside accountability for narrowing achievement gaps. Inclusion is one of our core values, and we continue to prioritise this area of work.
- **Youth unemployment rates:** The Milburn Review highlights declining youth employment opportunities, and increasing levels of those considered Not in Education, Employment or Training (NEET). The reasons are complex, but South Hampshire College Group has a significant role to play in the solution.



Demographics and population change

- **Fareham borough** has a moderately sized population (c. 115,000) that has grown slowly in recent years, with a high median age relative to national averages and a predominantly white (95%) population reflecting lower ethnic diversity compared to larger urban centres. Over the next 10 years, population projections indicate very limited overall growth, with the number of young people aged 16–19 expected to remain broadly static or increase only marginally, reflecting the borough's ageing demographic profile. A disproportionately high number of Key Stage 4 leavers from Fareham schools leave the borough for post-16 education. Fareham College is the only post-16 provider in the borough, but does not currently offer A Levels. To the north of Fareham, the development of Welborne Garden Village will add 6,000 homes and in excess of 1 million sq ft of employment space.
- **Gosport borough** has a smaller coastal population (c. 82,000) with an older age profile and comparatively lower levels of population growth. The borough remains predominantly white (95%), though it has seen gradual increases in diversity in line with wider regional trends. Unlike Southampton and Eastleigh, projections suggest a decline in the size of the 16–19 population over the coming decade, reflecting broader demographic ageing and lower inward migration. There are two post-16 providers in Gosport, both academy sixth form provision, but the majority of Key Stage 4 leavers attend post-16 education in Fareham for vocational study, or further afield for A Levels.





➤ **Eastleigh borough** also has a predominantly white (92%) population (c. 142,000) with incremental increases in ethnic minority populations over the past decade. The borough is projected to experience moderate growth in its 16–19 population over the next 10 years, broadly in line with wider regional trends and linked to ongoing residential development. Eastleigh has a very large sixth form college adjacent to Eastleigh College, providing direct choice in the borough between vocational education at Eastleigh College and academic routes at the sixth form. North Stoneham Park is adding over 1,000 homes, including affordable homes, and community infrastructure to support.

➤ **Southampton** is a large, densely populated city with a diverse population (c. 260,000). Around 19% of residents are non-white, and the city has a younger age profile than Fareham, Eastleigh, and Gosport. Population projections suggest stronger growth in the 16–19 age group over the next decade, driven by housing growth, migration, and higher birth rates, increasing demand for post-16 education and training provision. There are a number of other post-16 providers in, or within easy reach of, the city. The Southampton Renaissance Vision is an ambitious long-term regeneration masterplan designed to transform Southampton into one of the UK's leading investment, business, and cultural destinations. It aims to reshape the city's waterfront, revitalize neighbourhoods, and drive inclusive economic growth over the next two decades. This could present significant opportunities for Southampton College.



Indices of Multiple Deprivation (IMD)

The Fareham and Eastleigh local authorities are generally at the less deprived end of the IMD spectrum for England, scoring in the lower half of deprivation rankings, indicating relatively lower levels of structural deprivation in comparison with many other areas.

By contrast, Southampton includes neighbourhoods with high levels of multiple deprivation, with some wards among the most deprived nationally and a considerable proportion of residents living within the 10% of most deprived areas. Southampton College is located in St Mary's, one of the most deprived wards in the city and within the first decile of both deprivation and crime indices.

Gosport experiences higher levels of deprivation than Fareham and Eastleigh, with several neighbourhoods facing challenges linked to income, health outcomes, and employment, although deprivation is less concentrated than in Southampton.



Employment, unemployment and economic activity

Labour markets in Fareham and Eastleigh show strong employment rates (both above 80%) and low unemployment rates (both c. 2.4%) with claimant counts below regional averages. Economic inactivity rates are around 12% in Fareham and 14% in Eastleigh.

In Southampton, employment rates are lower and unemployment is higher (4.7%) relative to the wider South East region; local authorities report unemployment above regional averages and economic inactivity that remains a policy focus. Economic inactivity rates are high at c. 22%.

Gosport's labour market reflects a mixed economic picture, with employment levels below those seen in Fareham and Eastleigh and higher levels of economic inactivity (c. 16%), partly linked to an ageing population and longstanding structural economic challenges following defence sector changes.

Overall economic inactivity rates in the South East are c. 18%.



NEET rates and youth opportunities

Local needs assessments for Southampton have highlighted elevated NEET rates among 16-17 year-olds, reflecting challenges in transitioning young people into education, employment, or training.

In all areas the colleges serve, youth participation and progression remain important priorities, with local stakeholders identifying the need to strengthen pathways into further education, apprenticeships, and employment opportunities, particularly for young people in more deprived communities.





Local authority activity and strategic responses

Across the Solent and Hampshire region, local authorities are aligning employment, economic development, and skills strategies around inclusive growth, workforce participation, and productivity improvement. Local “Get Working” plans and wider economic and skills strategies focus on reducing economic inactivity, supporting young people into employment, improving adult retraining, and addressing skills shortages in priority sectors including health and care, construction, engineering, digital, logistics, and green industries.

The Hampshire and Isle of Wight Local Skills Improvement Plan (LSIP) reinforces these priorities, calling for a more responsive skills system with stronger employer engagement, clearer technical pathways, and increased provision in areas of labour market demand. These priorities closely align with the role of South Hampshire College Group as a major provider of technical and vocational education and training across the region.

Over the lifetime of this strategic plan, devolution is expected to increase local control over skills and employment funding, particularly through the Adult Skills Fund (ASF). As funding decisions become more closely linked to regional economic priorities and employment outcomes, the college group will need to maintain strong partnerships with local authorities, employers, and regional stakeholders while ensuring curriculum planning remains closely aligned to labour market need.

This changing landscape creates opportunities for us to strengthen our role as a key strategic partner in regional economic growth, workforce development, and social mobility, whilst also requiring greater agility, accountability, and responsiveness in the delivery of adult and technical education provision.

A major implication of devolution is the increasing localisation of the Adult Skills Fund (ASF), previously managed centrally through the Department for Education. As powers transfer towards regional and mayoral combined authority structures, funding decisions are expected to become more closely linked to local economic strategies, labour market priorities, and measurable employment outcomes.

For South Hampshire College Group, this means we will:

- develop strong alignment between curriculum planning and regional economic priorities;
- collaborate with local authorities, employers, and strategic partnerships;
- respond to changing labour market intelligence;
- emphasise our adult participation, reskilling, and workforce retraining;
- be accountable for employment and progression outcomes;
- demonstrate impact against local growth and inclusion objectives.



Business environment in the Solent region

The Solent region has a diverse and strategically important economy centred on Southampton, Portsmouth, the M27 corridor, and the Solent waterway. It benefits from strong transport connectivity, two major ports, an international airport, significant defence infrastructure, and close links to London and global trade routes.

The regional economy supports approximately 42,000 businesses and generates around £31 billion in Gross Value Added (GVA).

The business base is overwhelmingly dominated by small and medium-sized enterprises (SMEs):

- around 89% of businesses are micro-enterprises employing fewer than 10 people;
- around 9% are small businesses employing 10–49 staff;
- approximately 1.6% are medium-sized businesses;
- only 0.4% are classified as large employers.

As a result, over 99% of the Solent economy is SME-based, making entrepreneurship, business resilience, and workforce skills particularly important to regional economic performance. Enterprise growth since 2011 has been positive, with the business base growing by approximately 25%, although growth has been slower than the national average. Southampton has experienced particularly strong business growth in recent years.

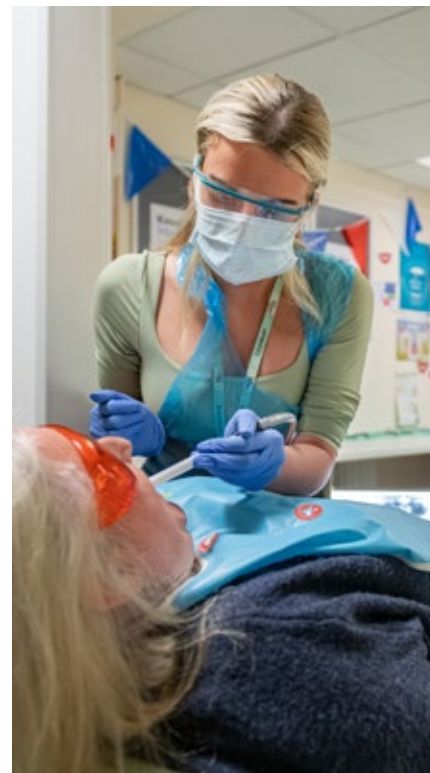


The Solent economy has several nationally significant sectors, including:

- marine and maritime industries;
- ports and logistics;
- defence and aerospace;
- advanced manufacturing and engineering;
- digital and creative industries;
- health and care;
- construction and infrastructure;
- tourism, hospitality and the visitor economy.

Marine and maritime activity remains a defining regional strength. The Solent generates over 10% of the UK marine sector's GDP, supporting around 60,000 jobs and more than 3,000 businesses across shipping, ports, naval defence, marine engineering, leisure marine, and associated professional services.

Recent economic performance has been mixed. The region has demonstrated resilience and strong sectoral specialisms, particularly in advanced manufacturing, logistics, defence, and maritime industries.



However, growth has been constrained by:

- relatively low productivity in some sectors;
- skills shortages;
- economic inactivity;
- infrastructure pressures;
- rising operating and energy costs;
- recruitment and retention challenges;
- post-pandemic recovery pressures in hospitality and tourism;
- uncertainty linked to inflation, global trade conditions, and investment confidence.

The transition to a greener economy, digital transformation, and the development of the UK's defence posture are expected to create significant future opportunities in green skills, clean maritime technologies, advanced logistics, digital systems, and low-carbon infrastructure.

For South Hampshire College Group, this business environment reinforces the importance of delivering flexible technical education, apprenticeships, higher technical skills, and adult retraining aligned to the needs of an SME-led economy and the region's priority growth sectors.

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