The Economic Significance of Military Activity in Oxfordshire and the Hampshire Economic Area

Technical Report

29 September 2011

 Sangin, north of Helmand Province. Troops from 51 Para Squadron RE completing an operational engineering first, as they build an Air Portable Ferry Bridge across the river Helmand in seven hours.

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1: Introduction

Context

1.1 The Ministry of Defence (MOD) is a significant part of economic life in Hampshire and Oxfordshire. It is a major employer and purchaser, and given the scale of some of its sites, it has a significant influence on the physical character of some places. The people who work for it – whether as military personnel or in civilian roles – live within local communities, send their children to local schools, and (like everyone else) draw on a range of other local services. Those who cease to work for the MOD potentially provide a key resource for economic growth – whether as potential recruits or entrepreneurs.

1.2 In Autumn 2010, the Government published the Strategic Defence and Security Review which clarified the broad direction of military policy, but left many detailed questions – on substance and scale as well as timing of potential downsizing – still to be resolved. Whilst these details are still being worked through, they could present significant challenges and opportunities for Oxfordshire and the Hampshire Economic Area given the large local military presence. Rationalisation of MOD activities might lead to job losses, but potential decommissioning of sites could represent a significant opportunity in relation to housing and employment land. It is also possible that streamlining the MOD presence elsewhere could actually lead to consolidation and growth in Oxfordshire and the Hampshire Economic Area.

Aims of the study – and key outputs deriving from it

1.3 Within this context, Hampshire County Council, Oxfordshire County Council and the MOD commissioned SQW to ***assess the economic significance of the military presence in Oxfordshire and the Hampshire Economic Area***. Specifically, the study's aims have been:

- ***to explore (and quantify where possible) the particular ways in which MOD activity is influencing economic life*** in Oxfordshire and the Hampshire Economic Area: key issues in this context range from the scale and character of associated employment to supply chain relationships, and attracting defence-related businesses to the area, through to implications for local housing markets, land availability, and local labour markets.

- ***to consider possible future scenarios relating to changes in the scale of MOD activity locally and the implications*** – both positive and negative – that might follow in relation to economic prospects and economic policy development: future economic strategies and plans need to be resilient in the context of possible changes linked to MOD activity and the intention is that by building and testing scenarios, these might be thought through.

1.4 This **Technical Report** presents a "data bank" of evidence on current military activity and influences in the Study Area, and broadly represents the project's output in respect of the first of the two aims outlined above. It explores (and quantifies where possible) the nature and scale of military activity in the Study Area. These findings are based on the collation and analysis of a substantial volume of data, many of which have been provided by the MOD. The report also draws on a series of consultations with MOD, Defence Infrastructure Organisation (DIO)[1], Local Economic Development Officers and Local Enterprise Partnership leads, business representative organisations (such as the Chamber of Commerce and Institute of Directors), housing associations, community and voluntary sector organisations and labour market intermediaries (including Job Centre Plus and the MOD's Career Transition Partnership). A stakeholder workshop was also held in mid-July 2011, which provided an opportunity for stakeholders to provide feedback on a draft Technical report, add qualitative intelligence and consider – in the context of the second of the study's aims – a range of future scenarios relating to changes in the scale of MOD activity locally and the implications – both positive and negative – that might follow in relation to economic prospects and the implications for policy. Feedback from workshop attendees on these scenarios is summarised at the end of this report.

1.5 In addition to this Technical Report, a short **Overview Report** has been prepared. This attempts to respond succinctly to both of the study's aims and has been drafted with wider dissemination in mind.

Defining the scope of the study

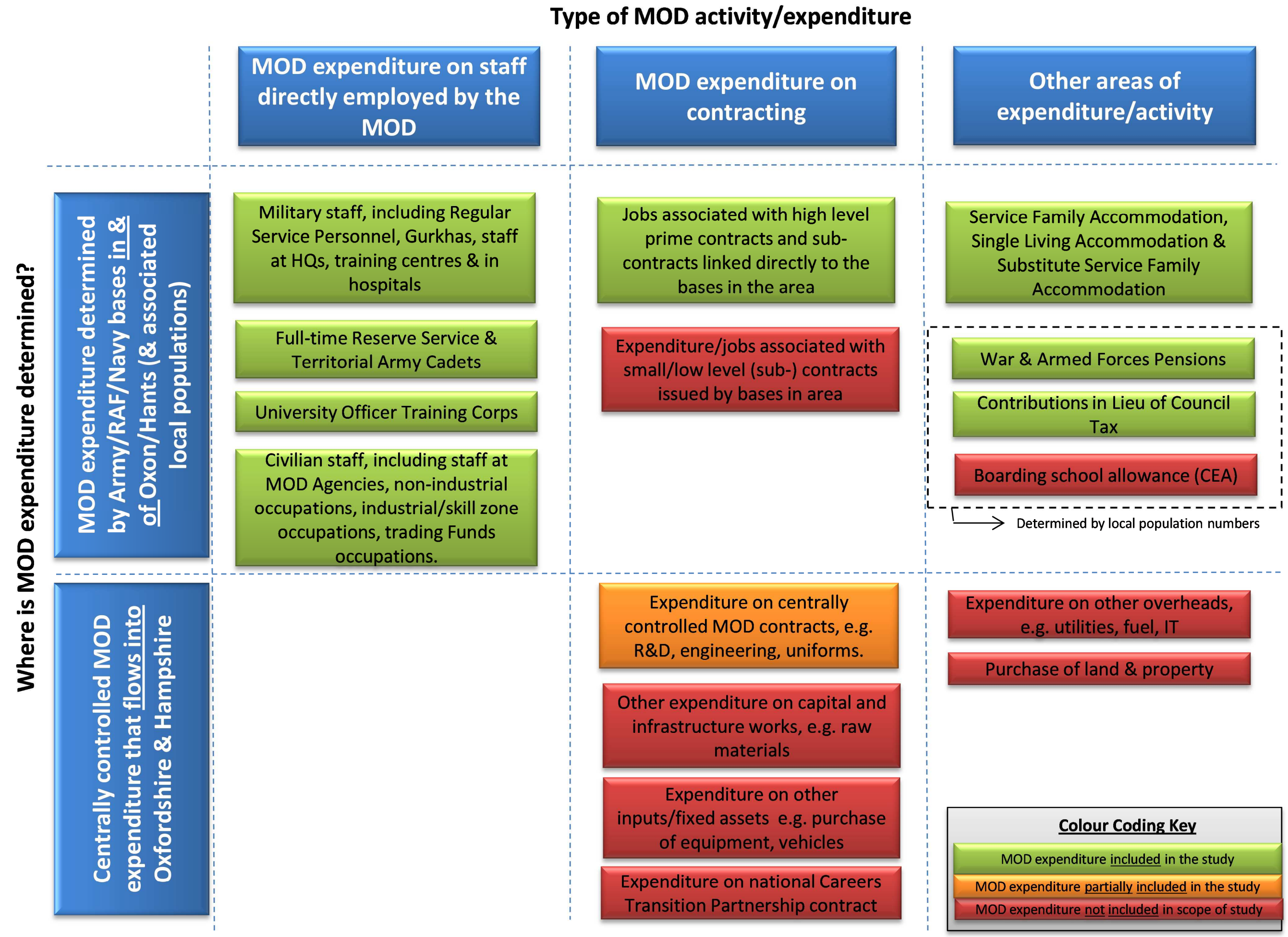
Study scope

1.6 The MOD has a range of different influences on Oxfordshire and the Hampshire Economic Area, both in terms of quantifiable expenditure and wider "softer" impacts. The diagram below attempts to map out the key areas where the MOD has a quantifiable impact on the Study Area, focusing on employment, contracting and other expenditure, and the extent to which these are determined by Armed Forces bases in the area (either controlled by these bases, or a direct factor of the number of personnel at the bases) or controlled centrally/nationally (and thereby flow into the Study Area, but are not determined or controlled by the local bases themselves). This is obviously a very simplified and headline picture of MOD activity, and in reality the MOD's influences are far more complex. The colour coding of each expenditure type represents whether they are within the scope of this study. As shown, this **study has largely focused on military expenditure/activities that are determined by bases *within* the Study Area**: this is partly due to resource constraints, and also because of data availability issues and limitations. The MOD also impacts upon the Study Area through centrally controlled, national contracts – we consider these impacts briefly, but it is not the primary focus of the study. We acknowledge that there are some military activities and impacts that we have not been able to include within the scope of this study, which may warrant more detailed research in future.

1.7 In addition to the quantifiable evidence, the study has also explored the "softer" and indirect impacts and influences of the MOD's presence in Oxfordshire and the Hampshire Economic Area. This includes qualitative evidence of impacts on local service provision, local labour markets (for example, as military personnel leave the MOD), and local housing markets.

[1] Previously known as Defence Estates

Figure 1-1-1: Defining the study scope – what is in and out of the study (in terms of QUANTIFIABLE evidence)?



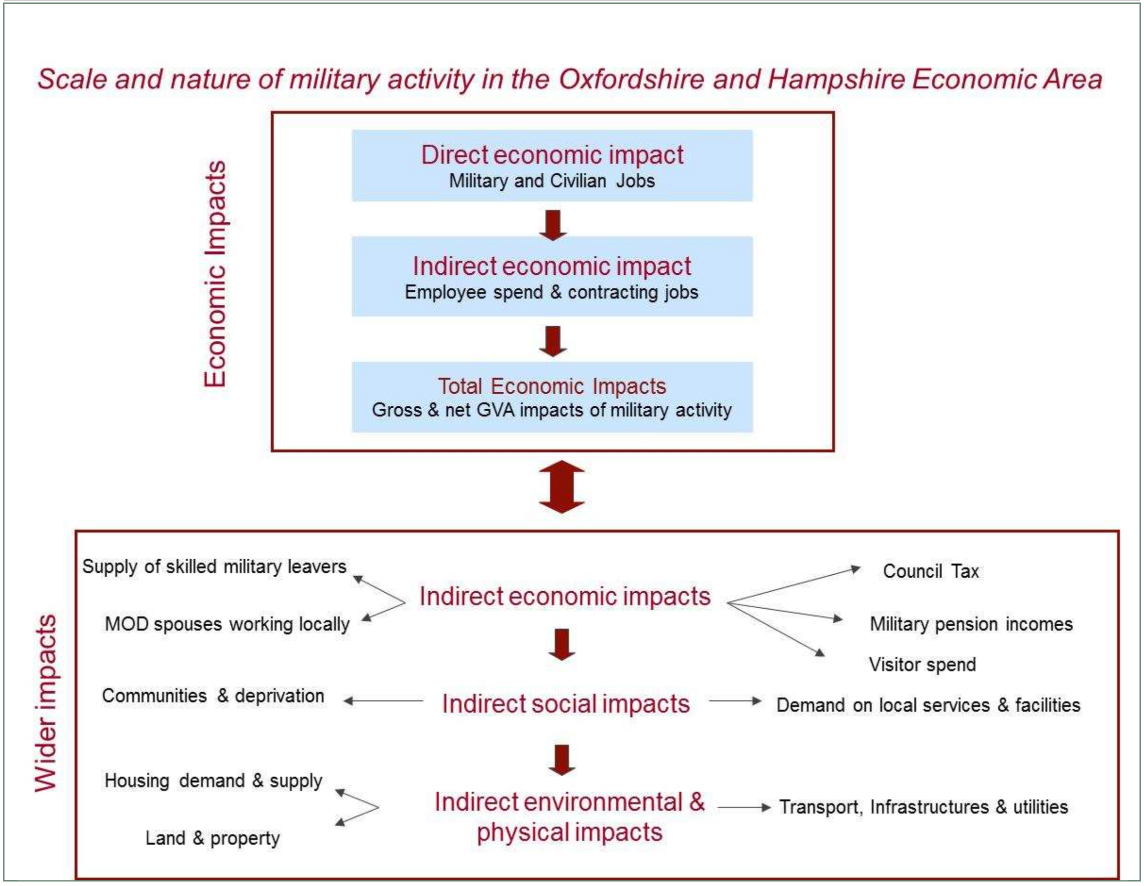
Source: SQW in consultation with the MOD

Framework for Analysis

1.8 In order to assess the economic significance of military activity, we have developed a framework for analysis, based on the aspects of military activity and data limitations set out above (see Figure 1-1). This focuses on:

- **Economic impacts**, including military and civilian jobs created by the MOD and other jobs associated with contract expenditure, which is converted into overall Gross Value Added (GVA)[2] impacts
- **Wider economic, social, environmental and physical impacts** such as the housing market, land and property, the supply of military leavers, and deprivation.

Figure 1-1: Framework for Analysis



Source: SQW

Defining the Study Area

1.9 The geographical focus for this study is Oxfordshire and the Hampshire Economic Area. This is part of the geography covered by 145 Brigade. The following definitions are therefore used throughout this report:

- Hampshire – the county area covered by Hampshire County Council, consisting of eleven Local Authority Districts (LADs)

[2] In broad terms, GVA is a measure of wages and profits associated with a particular economic activity.

- Hampshire Economic Area – Hampshire county, with the addition of Southampton and Portsmouth Unitary Authorities (UAs)
- Oxfordshire – the county area covered by Oxfordshire County Council, consisting of five LADs
- Oxfordshire and the Hampshire Economic Area – the **Study Area**, consisting of the two counties (with their sixteen LADs) and two UAs.

Structure of the Technical Report

1.10 This Technical Report is structured as follows:

- Section 2 presents a summary of the key military activities and functions that are located in Oxfordshire and the Hampshire Economic Area
- Section 3 provides a headline assessment of direct and indirect economic impacts of military presence in the Study Area
- Section 4 discusses wider economic, social, environmental and physical impacts of MOD activities
- Section 5 briefly reviews the impacts of the MOD that result from centrally controlled/contracted activities
- Section 6 outlines emerging messages on the key strategic challenges and opportunities associated with the military presence, and the potential expansion/contraction of military activity in future.

1.11 The report is supported by five Annexes: Annex A lists all military sites and functions across the Study Area; Annex B presents more detailed data analysis to underpin the headline figures presented in Sections 3, 4 and 5 of the main report; Annex C presents a detailed “roadmap” of existing military and civilian partnerships that operate across the study area; Annex D provides a glossary of key terms used in the report; and Annex E lists individuals consulted during the research, and stakeholders who participated in the workshop in mid-July 2011.

Acknowledgements

1.12 We would like to acknowledge inputs provided by all stakeholders and partners who have been consulted and attended a stakeholder workshop during the course of this study (see Annex E). We would also like to thank members of our steering group for their contributions and helpful reflections on draft reports; we would particularly like to thank Gemma Framp at the MOD who made a significant contribution to the collation of military data.

2: Overview of military presence in the Study Area

2.1 This section provides an overview of MOD activities across the Study Area, including where MOD bases are located and the nature of military activities that take place at each base.

Military presence in Oxfordshire and the Hampshire Economic Area

2.2 At present, Oxfordshire and the Hampshire Economic Area is home to bases from all three of the Armed Forces (Army, Navy and RAF) and a range of different military functions, from training centres and logistics through to fully operational units. Please turn to Annex A for a full list of military sites.

2.3 Figure 2-1 displays the key MOD bases that are located in the Study Area, and maps these against rural and urban definitions[3] and Indices of Deprivation 2010[4]. This demonstrates how Oxfordshire and Hampshire's MOD bases are situated in a variety of contexts, from relatively less deprived rural locations through to more deprived urban or town/fringe areas.

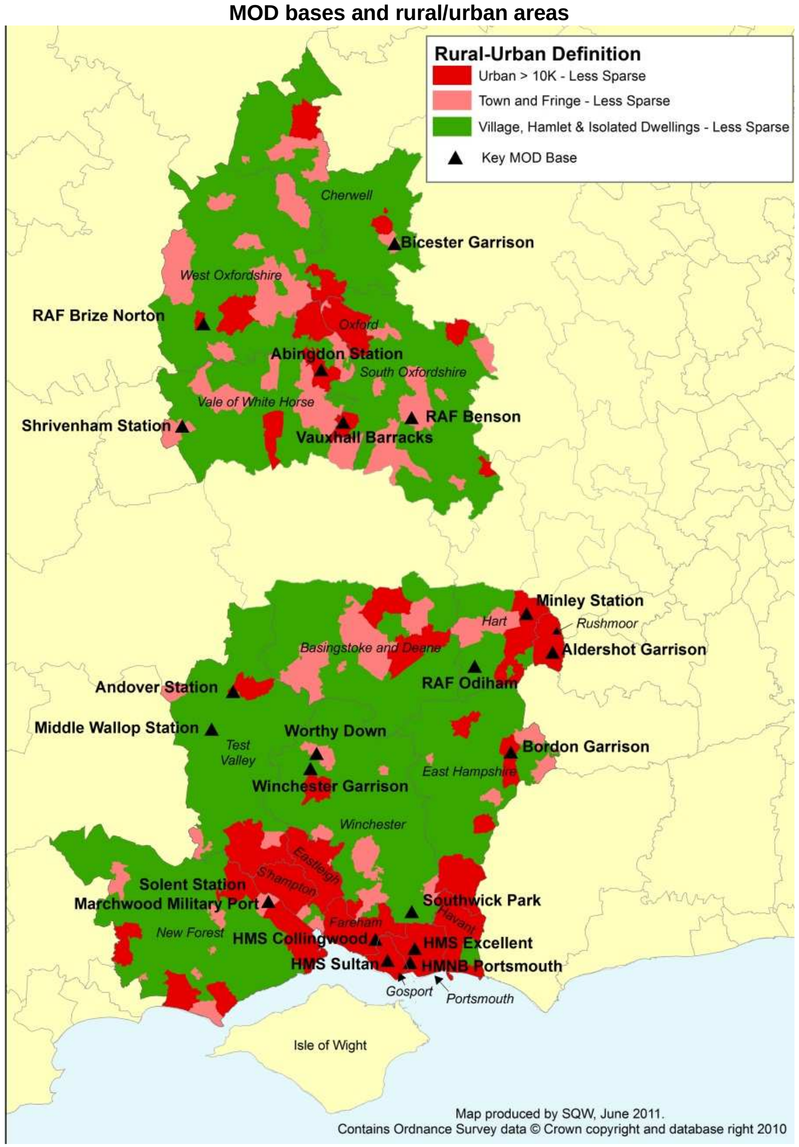
Table 2-1: Summary of bases in Oxfordshire and the Hampshire Economic Area

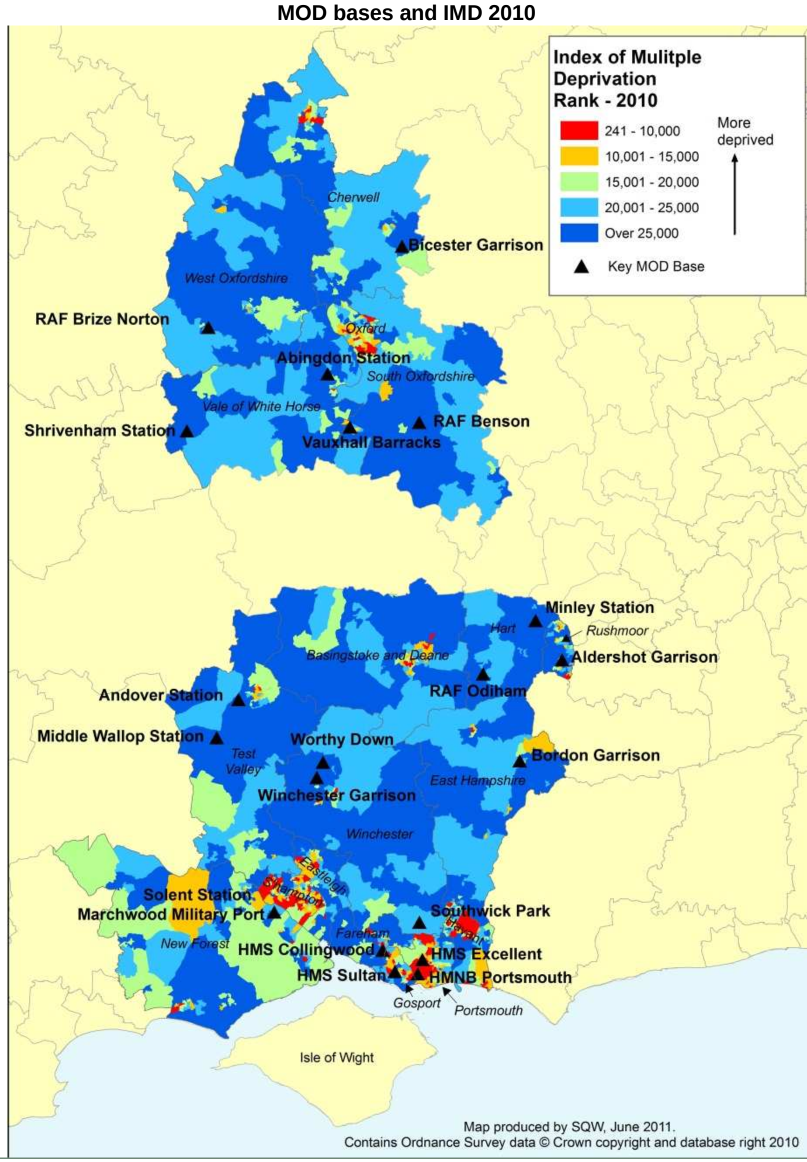
	In/edge of urban locations ←	**Town and fringe locations**	**Rural locations**
Within less deprived / higher performance area ↕	• HMNB Portsmouth • RAF Brize Norton • Abingdon Station • Minley Station • Andover Station • Winchester • Vauxhall Barracks	• Bicester Garrison • Defence Academy Shrivenham • RAF Benson • Worthy Down	• RAF Odiham • Southwick Park • Middle Wallop
Within or in close proximity to more deprived / lower performance area	• Bordon Garrison • HMS Excellent • HMS Sultan • HMS Collingwood	• Solent and Marchwood Military Port • Aldershot Garrison	

Source: SQW

[3] The Rural/Urban Definition was introduced in 2004 by Defra. SOAs assigned to six classes: Urban (Sparse), Town and Fringe (Sparse), Village, Hamlet and Isolated Dwellings (Sparse), Urban (Less Sparse), Town and Fringe (Less Sparse), and Village, Hamlet and Isolated Dwellings (Less Sparse). http://www.ons.gov.uk/about-statistics/geography/products/area-classifications/rural-urban-definition-and-la-classification/rural-urban-definition/index.html
[4] http://www.communities.gov.uk/publications/corporate/statistics/indices2010

Figure 2-1: Location of MOD bases across study area





2.4 The following maps provide an overview of each main base, its functions, deployment and posting patterns, locations of MOD accommodation, and any plans for future development. In summary,

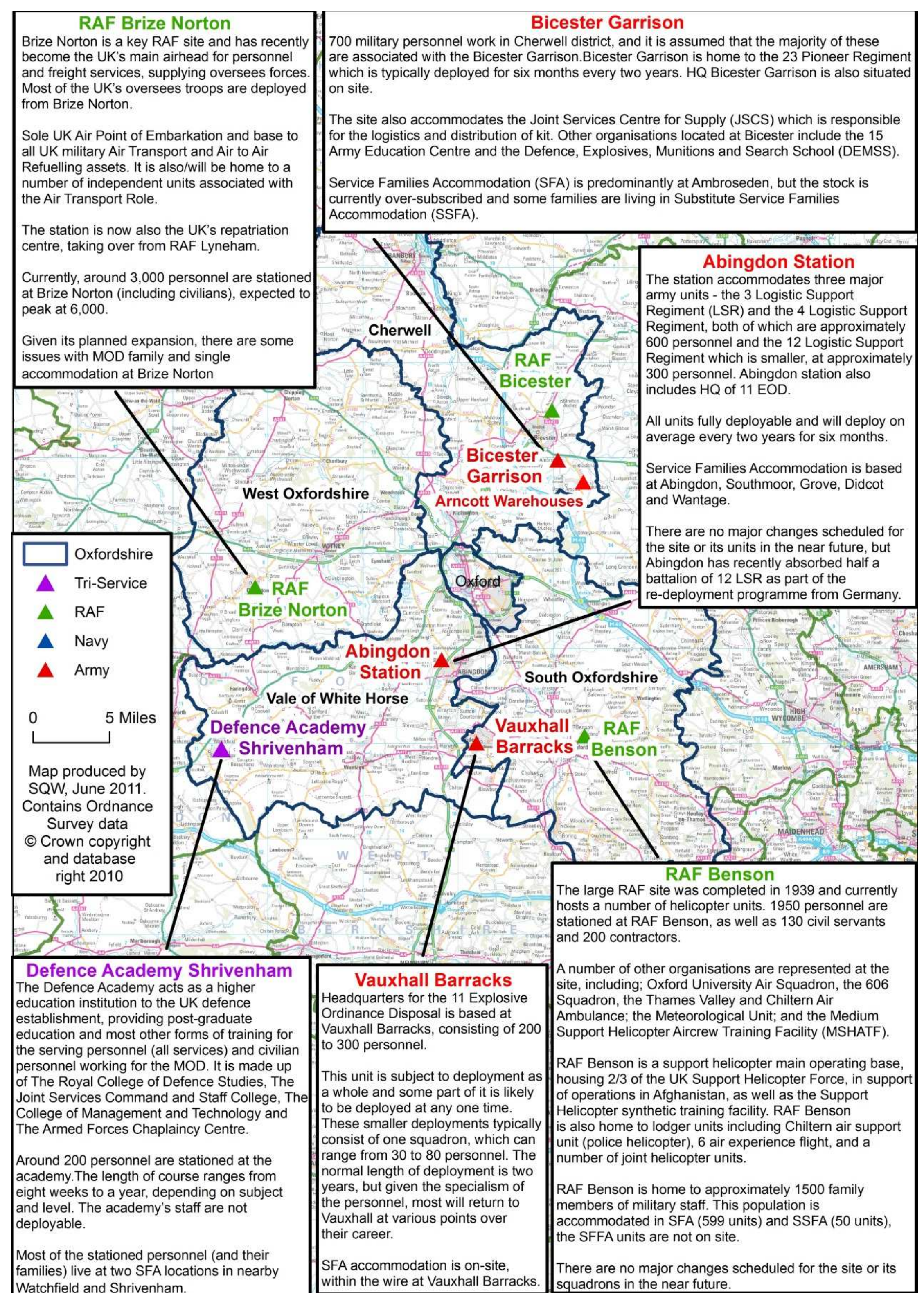
- **Oxfordshire** is home to ***three major Army bases*** (Bicester Garrison, Vauxhall Barracks and Abingdon Stations) with fully functioning units, a logistics centre, the HQ for Explosive Ordnance Disposal, an Army Education Centre and the Defence, Explosives, Munitions and Search School. ***Two RAF*** bases are also located in the County: RAF Brize Norton is the RAF's largest station, and is the main location for personnel and freight supplying overseas forces; and RAF Benson hosts four helicopter squadrons, which includes a helicopter training facility. The ***Defence Academy*** higher education institution is also located in Oxfordshire, and provides post-graduate education and other training for military and civilian personnel, and is also responsible for the provision of non-technical research.

- **Hampshire** has ***eight key Army bases:*** Aldershot and Bordon Garrisons, Minley, Andover, Middle Wallop and Solent Stations (which is co-located with Marchwood Military Port), Winchester, and Worthy Down. These include large army units, HQ functions (e.g. HQ Land Forces, HQ Army Air Corps and HQ Army Aviation Centre), training (e.g. the Army School of Physical Training at Aldershot, the School of Electrical and Mechanical Engineering at Bordon, the Army Aviation Centre at Middle Wallop). ***Two Navy bases*** at located in the county: HMS Collingwood in Fareham and HMS Sultan in Gosport district (which is linked to the Institute of Naval Medicine). The county is also home to ***one RAF base*** at Odiham, and ***one tri-service site***, the Defence College of Policing and Guarding at Southwick Park.

- **Portsmouth** is home to ***four major Navy Bases***: HMS Temeraire, HMS Excellent, HMNB Portsmouth and HMS Nelson. Together, HMNB Portsmouth and HMS Nelson account for two-thirds of the Navy's surface fleet, and include two aircraft carriers. The Naval Historical Branch, Royal Marines School of Music and Portsmouth Historic Dockyard are also based in Portsmouth. HMS Excellent has a training function for the Navy and HMS Temeraire accommodates the Directorate of Naval Physical Training and Sport.

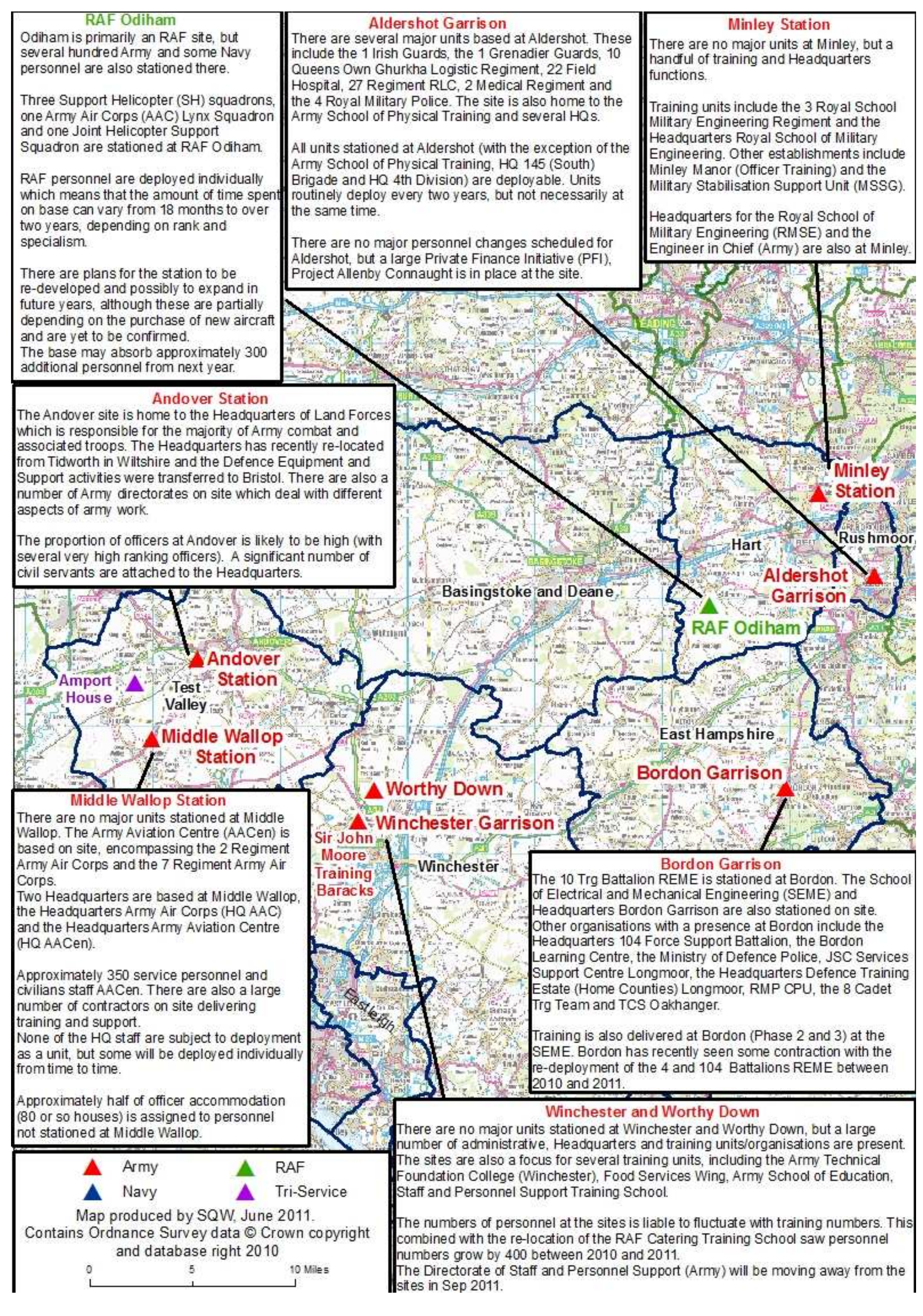
- **Southampton** is in close proximity to Solent Station and Marchwood Military Port in the New Forest district of Hampshire, but does not contain major military bases itself.

Figure 2-2: Key military bases in Oxfordshire



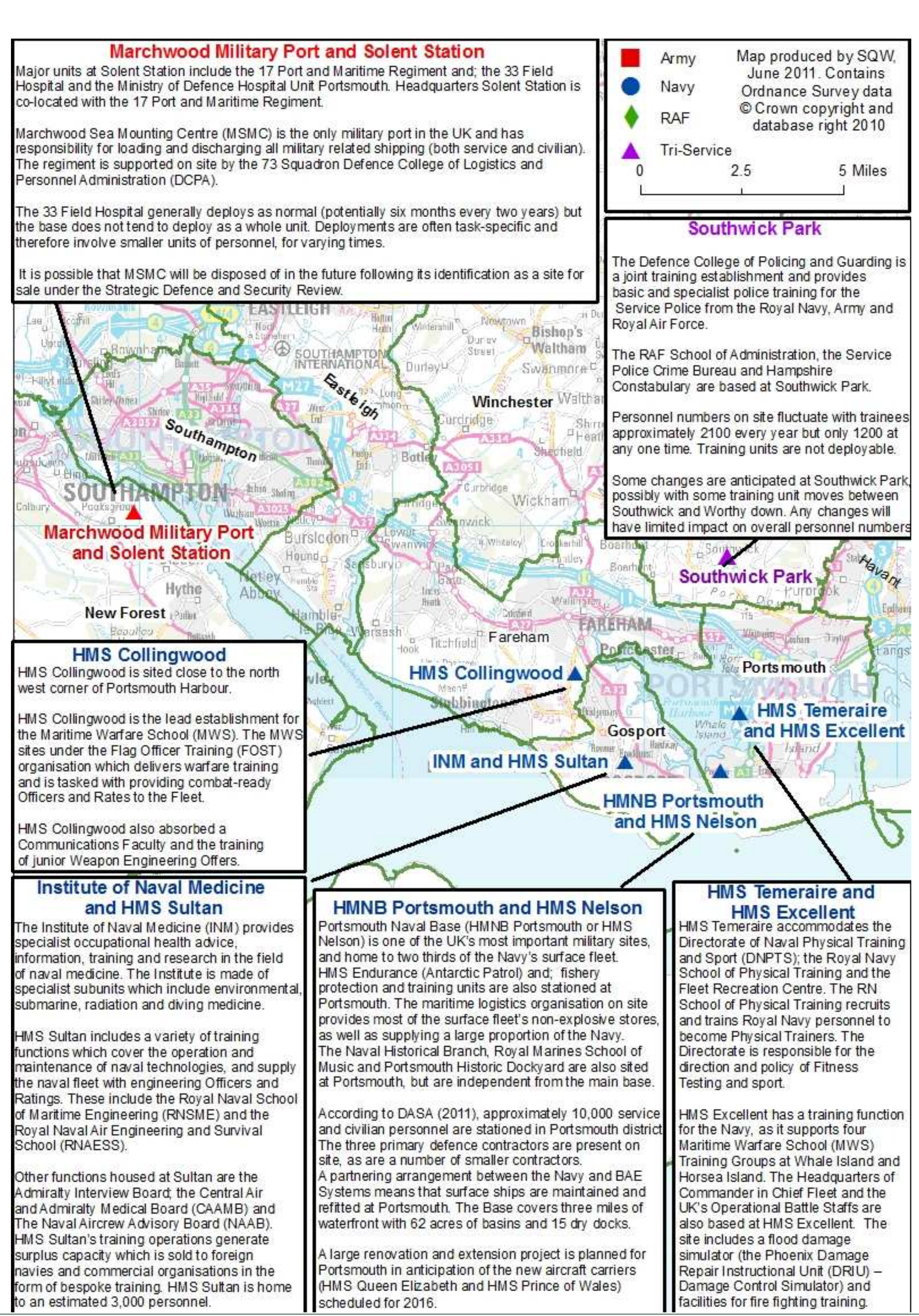
Source: SQW, based on information provided by the MOD

Figure 2-3: Key military bases in the northern part of Hampshire



Source: SQW, based on information provided by the MOD

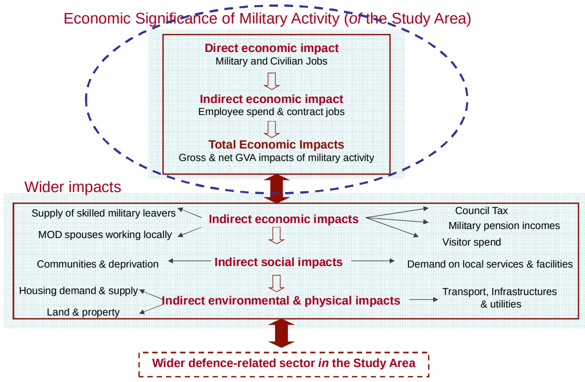
Figure 2-4: Key military bases in the southern part of Hampshire, Portsmouth and Southampton



Source: SQW, based on information provided by the MOD

3: The economic significance of military activity

3.1 In this Section, we explore – and quantify where possible – the overall economic significance of military activity in the Study Area.



3.2 This includes an analysis of direct employment created by the MOD, and associated spending power, and jobs created through the MOD's contract expenditure[5] (including capital contracts). Using this information, total GVA impacts of military activity are then estimated.

3.3 The headlines of this analysis are presented below, which draws on data sourced from the MOD and elsewhere and consultations with stakeholders. Please turn to Annex B for more detailed data analysis.

Direct economic significance

3.4 In this sub-section we cover in turn:

- military service personnel
- Gurkha personnel
- reserve forces and cadets
- university officer training corps
- civilian personnel directly employed by the MOD.

Military Service Personnel

3.5 In July 2011, the MOD employed a total of 30,000 military service personnel across the Study Area[6]. This figure includes military service personnel at *all* MOD bases/sites in Oxfordshire and the Hampshire Economic Area. These jobs represent:

- approximately 16% of all UK stationed regular forces[7] and 69% of stationed regular forces across the South East region[8]

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[5] Data on MOD contract expenditure is not available as this is deemed commercially sensitive information. We have therefore used information on jobs created instead.
[6] This figure refers to uniformed "regulars" employed directly by the MOD, and includes trainees at military colleges (even if they are classified as "untrained") and military staff at hospitals in the Study Area (e.g. Queen Elizabeth Hospital in Portsmouth). This figure does not include Gurkha staff, as these are covered in a separate sub-section below. This data has been provided to SQW directly by the MOD, and originates from DASA national statistics
[7] Approximately 30,000 of a total UK stationed regular forces of 184,930 personnel. Defence Analytical Services Agency (DASA) July 2011.

- 2.6% of all employment in the Study Area, compared to an England average where military personnel accounts for 0.6% of all employment across the country.

3.6 The scale of military personnel in the Hampshire Economic Area (71% of military jobs in the Study Area, 21,240 personnel) is almost three times larger than in Oxfordshire (29% or 8,770 personnel)[9]. This broadly reflects the overall differences in scale between the two geographies: Oxfordshire accounts for 27% of the Study Area's population and 28% of jobs, and the HEA accounts for 73% of people and 72% of jobs.

3.7 It is important to note that the figures above are workplace-based data, and therefore count military staff according to where they work rather than live. Given that military personnel can live within 30 miles of their workplace, some personnel may live outside the Study Area and commute in on a daily basis. Also, some personnel will live in the Study Area during the week, and commute to home (outside the area) at weekends. The Study Area may also be home to military staff whose workplace is located outside the study area, or those who work outside the Study Area during the week but return to Hampshire/Oxfordshire at weekends. For example, the "South East Super Garrison" includes Aldershot, Bordon, Minley and Winchester, but also other bases outside the Study Area (such as Deepcut and Pirbright bases in Guildford and Surrey Heath): staff from the second group will not be included in the figures above, even though they may well live and/or use facilities inside the Study Area's geography. MOD data shows that 4,630 military personnel and 880 civilian personnel work around the borders of Hampshire (as part of the South East Super Garrison[10]) – whilst these personnel are not covered within the remit of this study, many will undoubtedly have an economic impact on the Study Area, especially if they reside within it.

3.8 In terms of the ***spatial distribution*** of these jobs across the Study Area's districts[11], Portsmouth LAD accounts for 26% of all military personnel (7,680 personnel) employed in the Study Area, largely because it is home to almost two-thirds of the Royal Navy's surface ships and therefore one of the Navy's key locations. However, it is important to note that not all of these personnel will be present in Portsmouth at any one time due to deployment patterns: as much as around one third could be deployed at any one time.

3.9 More than 1,500 military personnel are also stationed in each of the following districts:

- West Oxfordshire, where RAF Brize Norton is based, has 3,490 military personnel
- Rushmoor, where Aldershot Garrison is located, has 3,100 military personnel
- Hart, containing Minley Station and RAF Odiham, has 2,900 military personnel
- White Horse, home to Shrivenham Station and Abingdon Station, has 2,360 military personnel

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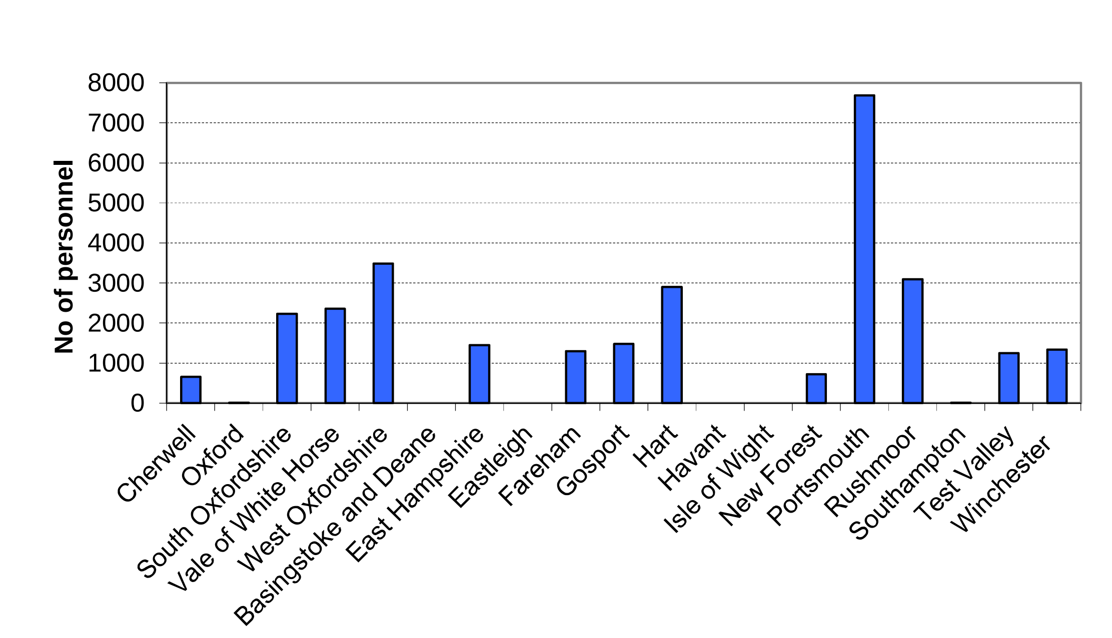
[8] Approximately 30,000 of a total South East stationed regular forces of 43,240 personnel. DASA July 2011.
[9] The Hampshire Economic Area also has a higher population density, at around 4.6 people per hectare on average (or 3.5 if Portsmouth and Southampton are excluded), compared to 2.5 in Oxfordshire.
[10] The South East Super Garrison covers the local authority areas of Bracknell forest, East Hampshire, Guildford, hart, Rushmoor, Surrey Heath, Waverley, Winchester and Wokingham.
[11] For example, data provided by DASA on employment is collated by Local Authority District, rather than by base, and it has not been possible to disaggregate this data comprehensively across the study area.

- South Oxfordshire, home to RAF Benson and Vauxhall Barracks, has 2, 230 military personnel
- Gosport, home to HMS Sultan, has 1,480 military personnel.
- East Hampshire, home to Bordon Garrison, has 1,450 military personnel

3.10 Please turn to Section 4 for more details on where military staff live.

Figure 3-1: Working service personnel by district – July 2011

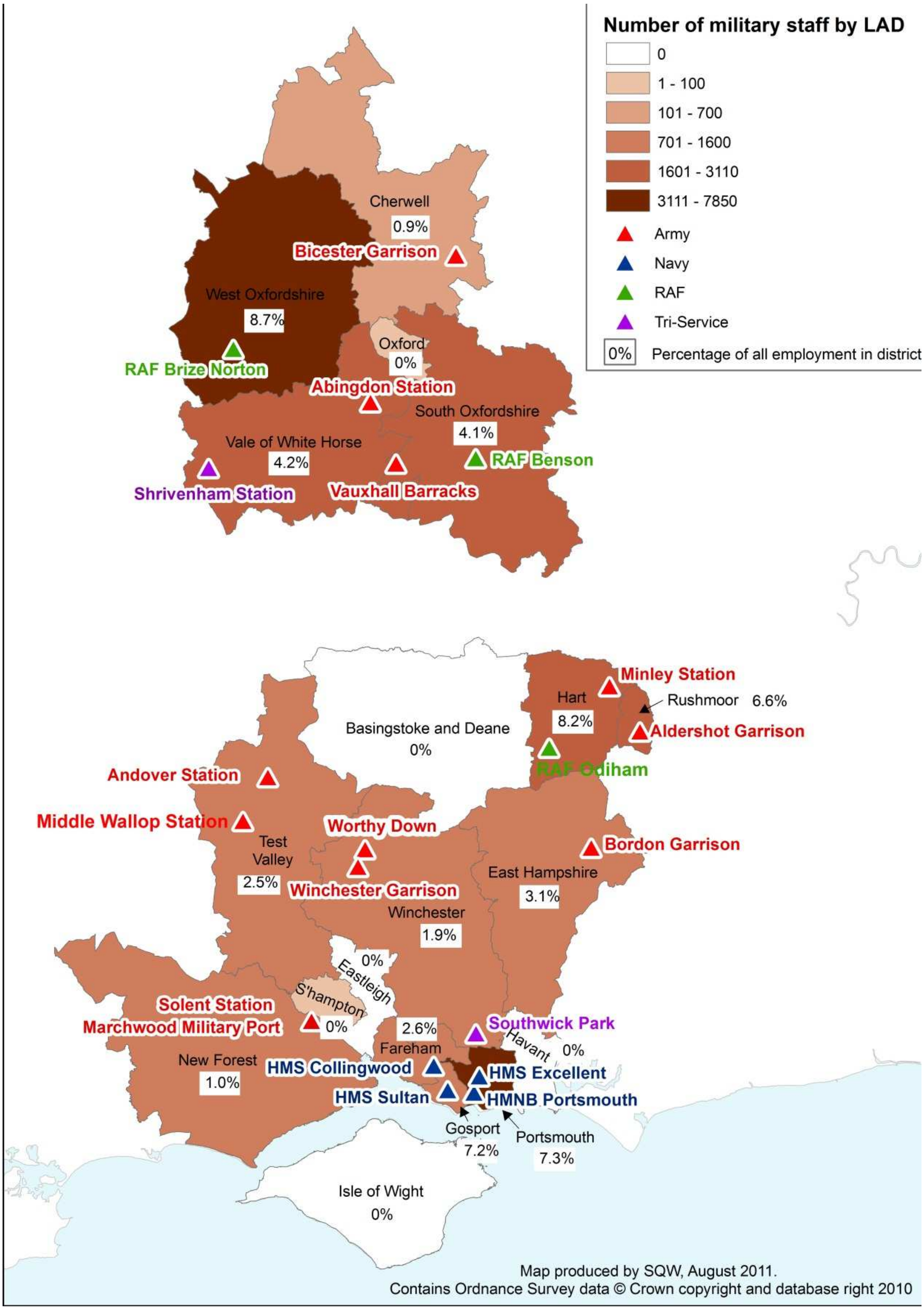


Source: DASA.

3.11 An understanding of ***relative spatial concentration*** of military jobs, as a proportion of all jobs in an area, is also useful to understand how important the MOD is as an employer to each local authority. The map below presents the number of military personnel in each district of the Study Area (shading) and these jobs as a proportion of all employees (in white boxes). This shows that:

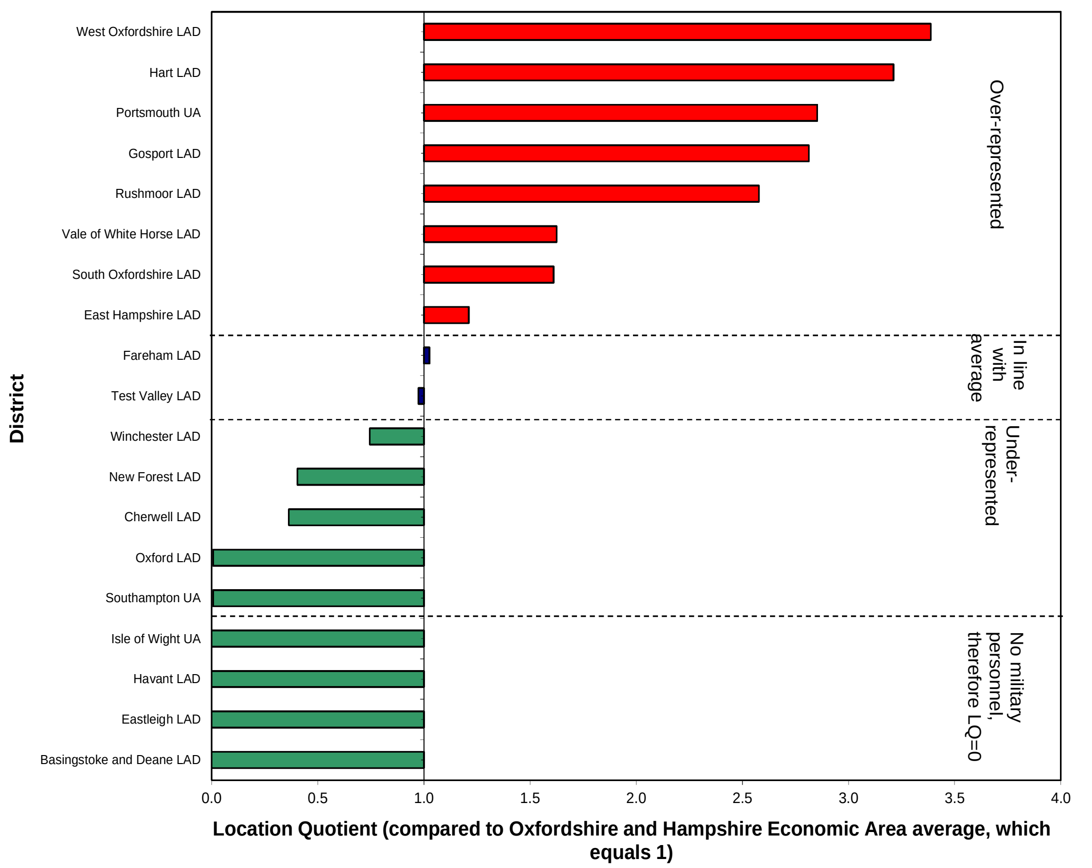
- military jobs account for over 5% of the total in five LADs: Portsmouth, Hart, Gosport, West Oxfordshire, and Rushmoor (see Figure 3-2). Across the Study Area as a whole, the average figure is 2.6%
- military jobs are over-represented (as a proportion of all jobs in the district) compared to the Study Area average in Hart, Gosport, West Oxfordshire, Portsmouth, Rushmoor, White Horse, South Oxfordshire, and East Hampshire (see Figure 3-3).

Figure 3-2: Military Personnel (total numbers and as a proportion of all jobs) by LAD, July 2011



Source: Data sourced from MOD and BRES

Figure 3-3: Location Quotients – military personnel as a proportion of all employee jobs in the district, compared to Study Area average, July 2011

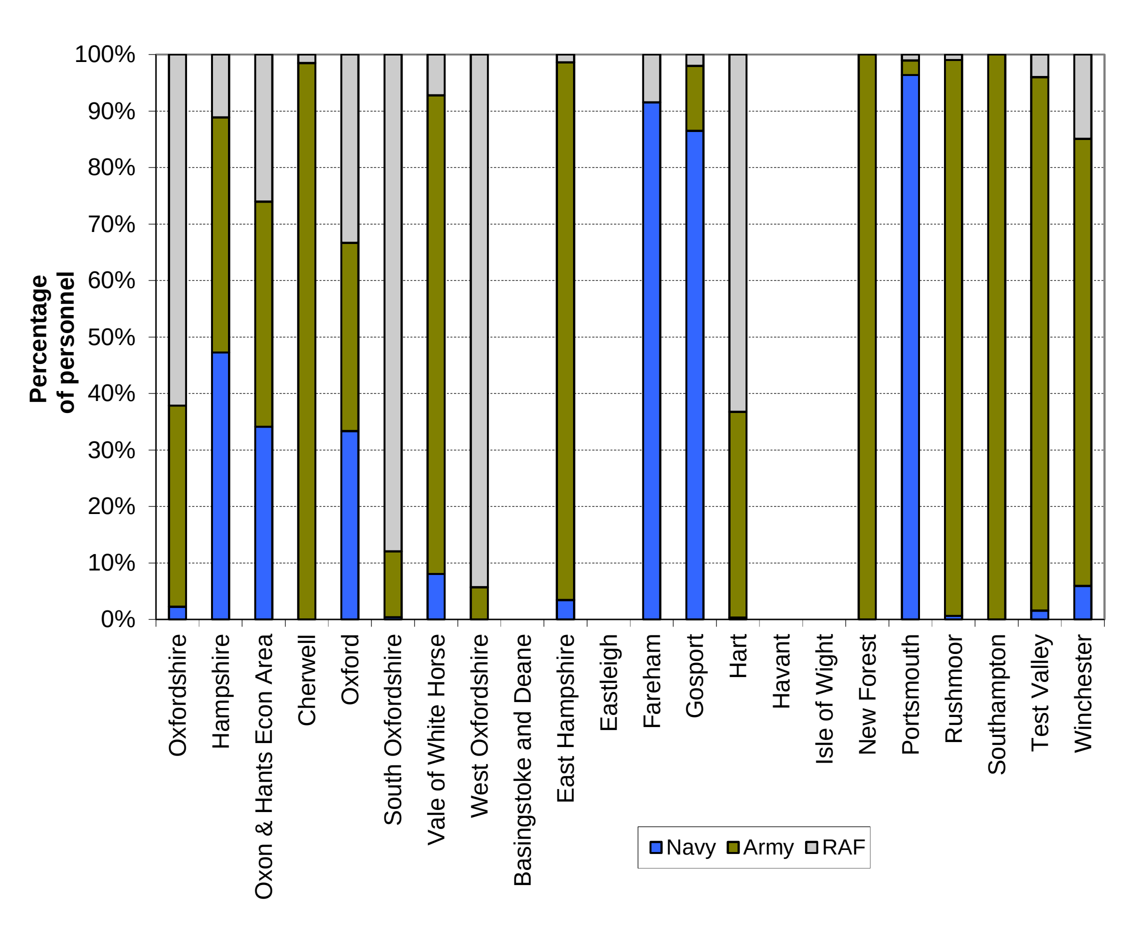


Source: SQW analysis of MOD and BRES data. A location quotient value above 1 indicates that MOD jobs are over-represented in the district (as a proportion of all jobs in the district) compared to Oxfordshire and the Hampshire Economic Area average. A LQ value below 1 indicates that MOD jobs are under-represented in the district (as a proportion of all jobs in the district) compared to Oxfordshire and the Hampshire Economic Area average.

3.12 Of the 30,000 military personnel working in the Study Area, **40% are Army, 34% are Navy and 26% RAF personnel**. As illustrated in Figure 3-4, each Local Authority contains a different mix of MOD services:

- As we might expect, coastal locations such as Portsmouth, Fareham and Gosport are dominated by Navy presence.
- The Army is concentrated in White Horse, East Hampshire, Hart, Rushmoor, Test Valley and Winchester.
- The RAF is most prevalent in South Oxfordshire, and (to a lesser extent) West Oxfordshire and Hart.

Figure 3-4: Percentage of working service personnel by service – July, 2011



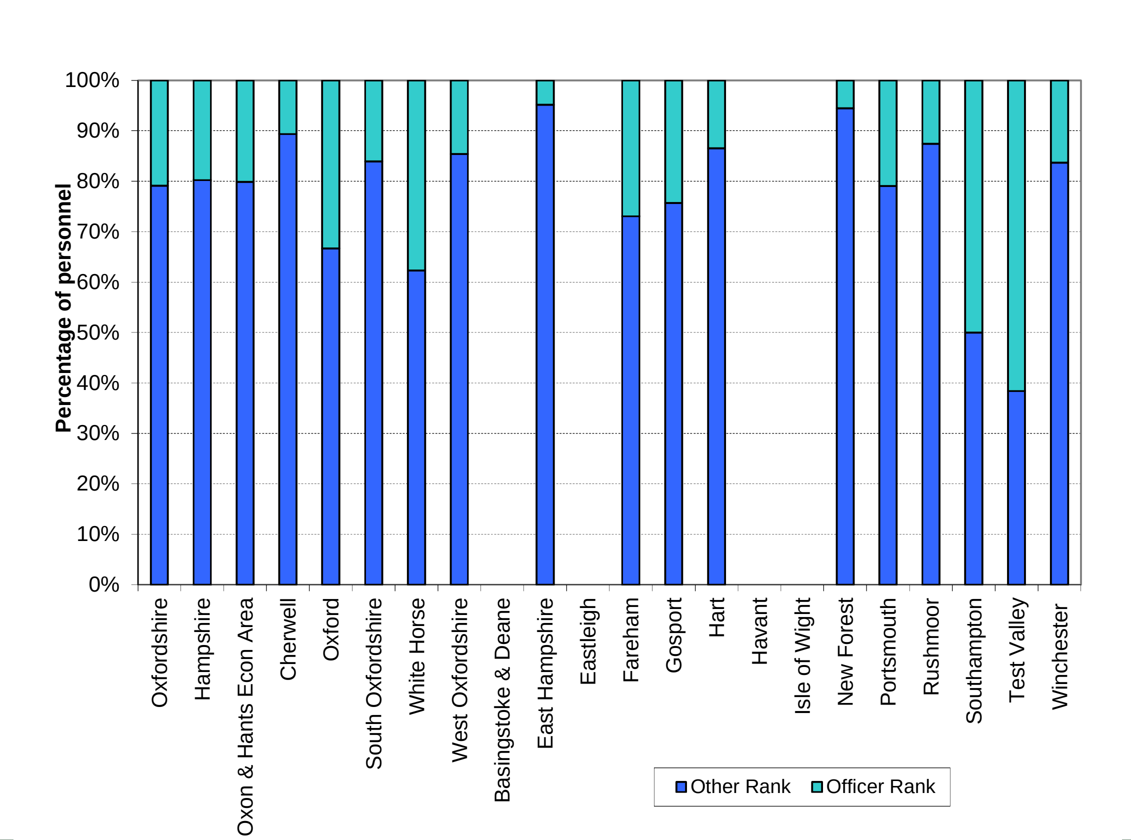
Source: DASA

3.13 Across the Study Area, **around one-fifth of military personnel are Officer rank**[12]**.** This rate differs between local authority districts, with a high proportion of officers in the Test Valley (62% of the 1,250 personnel) linked to the presence of the HQ of Land Forces (the main HQ of the Army) and Vale of White Horse where there are a high number of Officers studying at the Defence Academy Shrivenham (38% of the 2,360 personnel). Southampton also has a high proportion of Officers (50%) but this represents a relatively small number of jobs.

3.14 Conversely, in Cherwell, West Oxfordshire, East Hampshire, Hart, New Forest, Rushmoor and Winchester, a greater proportion of military personnel (85% or more) are classified as "other rank"[13].

[12] Officers include senior military officials as well as; Commodores, Brigadiers, Air Commodores, Captains, Colonels, Group Captains, Commanders, Lieutenant Colonels, Wing Commanders, Lieutenant Commanders, Majors, Squadron Leaders, Lieutenants, Flight Lieutenants, Sub-Lieutenants, 2nd Lieutenants and Flying Officers.
[13] Other Ranks include Warrant Officers, Flight Sergeants, Sergeants, Corporals, Lance Corporals, Junior Technicians and Senior Aircraftmen.

Figure 3-5: Percentage of working service personnel by rank – July, 2011



Source: DASA

Military Service Personnel – Deployment and Posting Patterns

3.15 At any one time, a number of military units can be on **deployment**, and therefore not physically present in the Study Area, which generates a degree of churn in levels of employment (and associated spending). Deployment patterns vary across the services and functions, and therefore will be different in (say) East Hampshire and Rushmoor which have a large Army presence compared to West Oxfordshire which is predominantly RAF. The information collated shows:

- where there is high incidence of HQ functions, the number of personnel on these sites is fairly constant and staff tend not to be deployed
- personnel at training bases also tend not to be deployed, but there is still a high level of "churn" because of short posting times (see below)
- Army personnel can be deployed for six months every two years, whereas RAF personnel tend to deploy for four month deployments (for example, the Chinook force at RAF Odiham sends its aircrew on shorter but more frequent deployments to Afghanistan). Sea-going units within the Navy (accounting for around one third of military personnel at these bases) are deployed on a rotation of six months at sea and eight months at the base (although during this eight month period, the units will be at sea for a number of weeks).

3.16 The extent to which deployment will impact upon local spending patterns varies, and there were mixed views amongst consultees on this. For single personnel, deployment would result in a fall in local spending (especially on leisure, hospitality and entertainment). Also, some bases can deploy large numbers of personnel at any one time - Aldershot, for example, is home to a single Brigade and a number of units will be deployed at any one time for a six month period resulting in a significant fall in the number of staff at the base, with consequences for local spending. Other consultees believed that most families stay in the area when their military partner is deployed, and therefore still spend military incomes locally.

3.17 **Posting patterns** of MOD staff also vary across the MOD services and functions. As noted elsewhere in the report, this has implications for the extent to which military personnel "settle" in an area and integrate with the local economy, housing market and community. For example:

- Army personnel tend to be posted at a base for two years (or, exceptionally, three years). RAF personnel are typically posted at a base for two to three years, but postings can range from 18 months to over five years. Indeed, a number of Chinook specialist personnel have been at RAF Odiham for many years. The majority of Navy personnel rotate employment every three years.
- At training establishments, such as the Army Aviation Centre in Test Valley, trainees are typically on the base for between one week to a year. However for pilots, the on-base training period is much longer - 2.5 years.

Gurkha population

3.18 The Gurkha jobs are considered separately here, on the request of stakeholders for more detail on this group.

3.19 The Study Area is home to around **350 Gurkha jobs in total**. The majority are located in Rushmoor district, with a small number of Gurkhas stationed in Hart and Winchester districts. Because these data are workplace (rather than residence) based, it is not possible to say how many of these personnel also live within the Study Area. However, anecdotal evidence from the MOD suggests that Gurkha populations are just as likely as other military personnel to stay in MOD-owned accommodation near to their place of work.

Table 3-1: Gurkha population 2010

Local Authority District	Number of personnel working in the LAD
Hart	< 50
Rushmoor	350
Winchester	< 50

Source: Gurkha Personnel Station Location as of 1st October 2010. MOD, 2010. Figures have been rounded to the nearest 50 to protect confidentiality.

3.20 Qualitative evidence from the MOD also suggests that Nepalese families settling in the UK are showing a tendency to settle around Aldershot near the Gurkha regiment there. The economic consequences associated with these groups are not within the scope of this report, but may warrant future research.

Reserve Forces and Cadets

3.21 The reserve forces are personnel that are paid on a fixed period contract to work for the MOD as a military member of staff. Reserve forces include both Full Time Reserve Forces (who work for the MOD on a full time basis) and the Territorial Army/Navy Reserve Forces/RAF Auxiliary (who work for the MOD for up to 30 days pa, and usually work in non-MOD jobs the at the same time). In July 2011, MOD data showed **that there were a total of 754 reserve personnel in Hampshire and 522 in Oxfordshire** (across all three services)[14]. These can be disaggregated as follows:

- 507 people were in the Territorial Army in Hampshire, and a further 189 in Oxfordshire.
- 247 people are in the Navy Reserve (all in the Hampshire Economic Area)
- 333 people are in the RAF Auxiliary (all in Oxfordshire)

3.22 Of these, 180 people are in the Full Time Reserve Forces (FTRS) in the Hampshire Economic Area, with a further 60 in Oxfordshire. The rest are part-time reserve forces.

3.23 As some of these personnel work in the local economy, one consultee argued "they *are* the community" and bring to their regular jobs the strengths gained through military training, such as discipline, fitness, leadership and a strong work ethic. According to research by SaBRE[15], training undertaken by reservists also benefits local employers and estimate that "an employer would have to purchase over £8,000 of commercial training to gain the same amount of development as an average reservist's military training provides in a year" (in terms of skills that are relevant to the civilian workplace).

3.24 In addition, there are approximately 3**,884 cadets in the Hampshire Economic Area, and a further 2,318 in Oxfordshire** (tri-services), who are aged between 12 and 18[16]. These are supported by 'adult instructors' who are volunteer TA members or civilians who train cadets (309 in Hampshire and 284 in Oxfordshire). Recent research demonstrates the societal benefits of training cadets, such as raising aspirations, CV enhancement, personal development and skills acquisition, and the way in which the training can help deliver against policies for children and young people[17].

University Officer Training Corps (UOTC)

3.25 There are currently **134 established Southampton University Officer Training Corps places and a further 186 places at Oxford University**. These Officer Cadets receive a slightly lower wage than soliders at private rank, and can undertake up to 30 days paid training per year.

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[14] Source: SERFCA

[15] SaBRE stands for "Supporting Britain's Reservists and Employers", a MOD marketing and communications campaign.

[16] Of the 6,202 total, 28% are Cadet Attachments *in* schools and 72% are *out* of schools.

[17] For more information, please see: Moon, G. et al (2010) The societal impact of cadet forces. Available at: http://www.mod.uk/NR/rdonlyres/59FF3DA7-3C1B-4C6F-AC20-C3599DA917DC/0/FinalreportNovember08th.PDF

Civilian employment

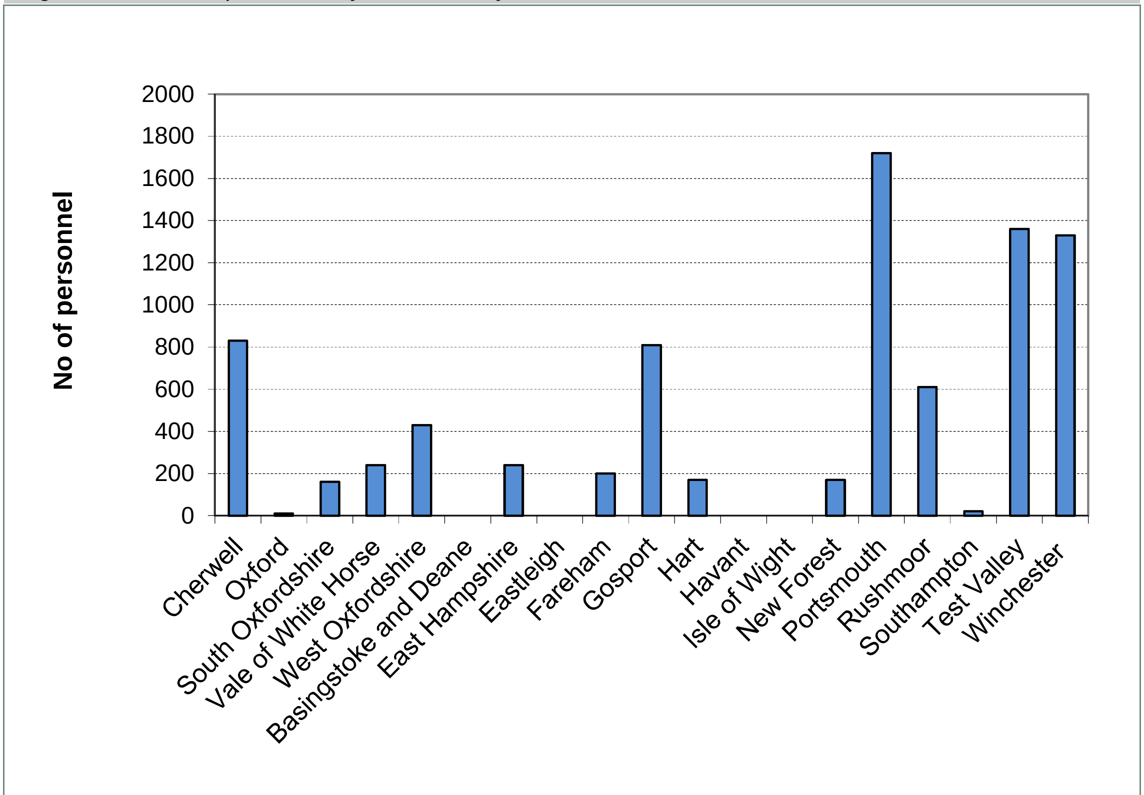
3.26 Civilian personnel refers to non-uniformed civil servants working at military bases, employed directly by the MOD. This does not include civilian jobs that have been outsourced by the MOD (captured under "contracting"), but does include:

- Staff at MOD Agencies (e.g. SPVA)
- Non-industrial occupations (e.g. management, admin, teaching, policy)
- Industrial/skill zone occupations(i.e. trade/craft/manual labour staff directly employed by the MOD)
- Trading Funds occupations, e.g. Defence Support Groups & Meteorological Office

3.27 In July 2011, **the MOD employed 8,290 civilian personnel** in a variety of management, administrative, industrial/manual and 'trading' roles across the Study Area. This figure includes civilian/civil service personnel at *all* MOD bases/sites in Oxfordshire and the Hampshire Economic Area.

3.28 The ***spatial distribution*** of civilian staff across the Study Area's districts broadly mirrors military deployment, with the largest number of civilian personnel working in Portsmouth, Winchester and Test Valley. However, civilian employment in Cherwell, Test Valley, Winchester and Gosport is higher than might be expected given the level of military personnel presence in each of these districts, which may be linked to Defence Agencies in some of these districts (such as the SPVA in Gosport, the Defence Support Group in the Test Valley, and the Defence Storage and Distribution Agency in Cherwell).

Figure 3-6: Civilian personnel by district – July, 2011

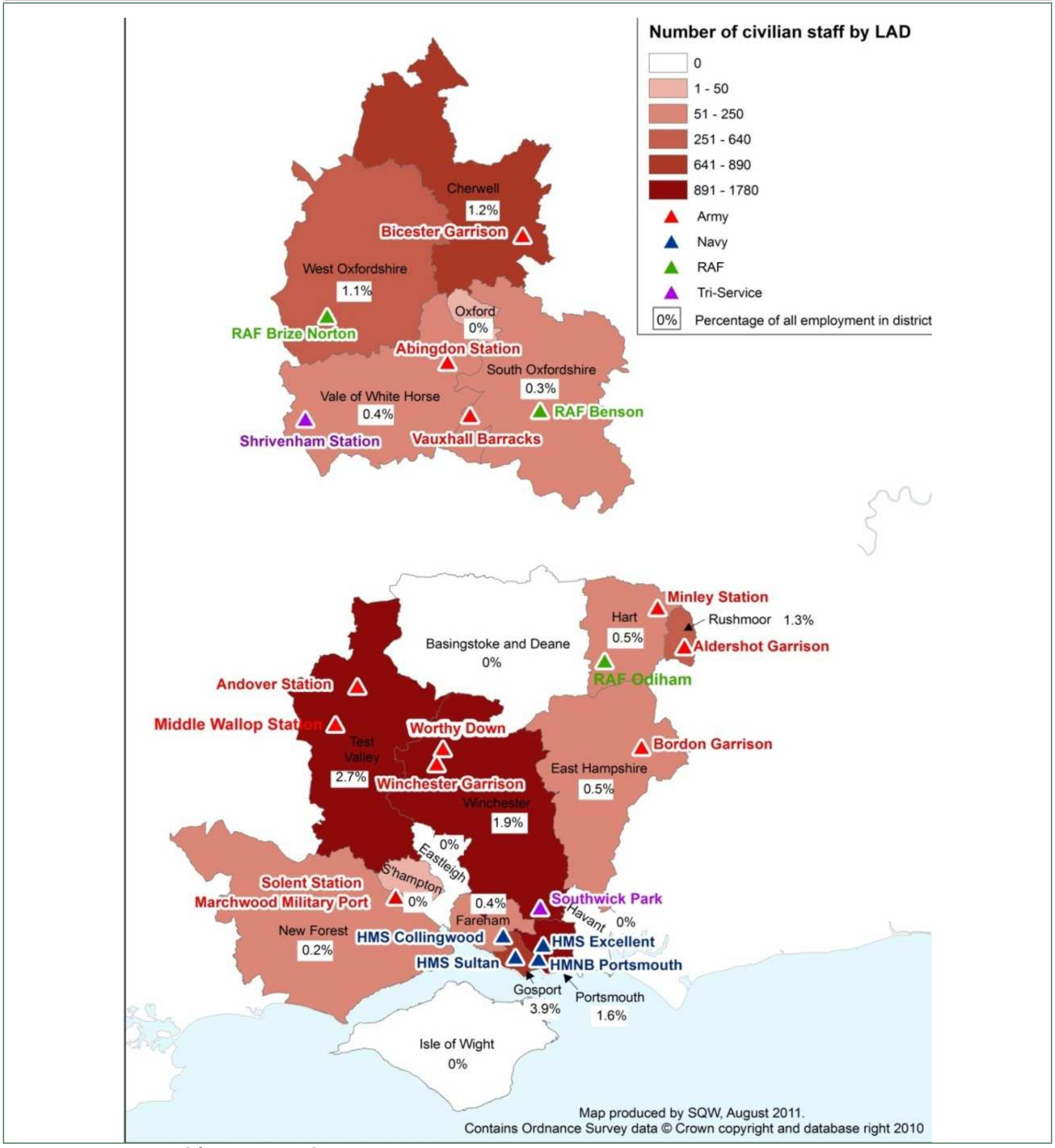


Source: DASA

3.29 On average, civilian jobs account for 0.7% of all employment in the Study Area, but the ***relative spatial concentration*** of civilian jobs varies significantly at the district level:

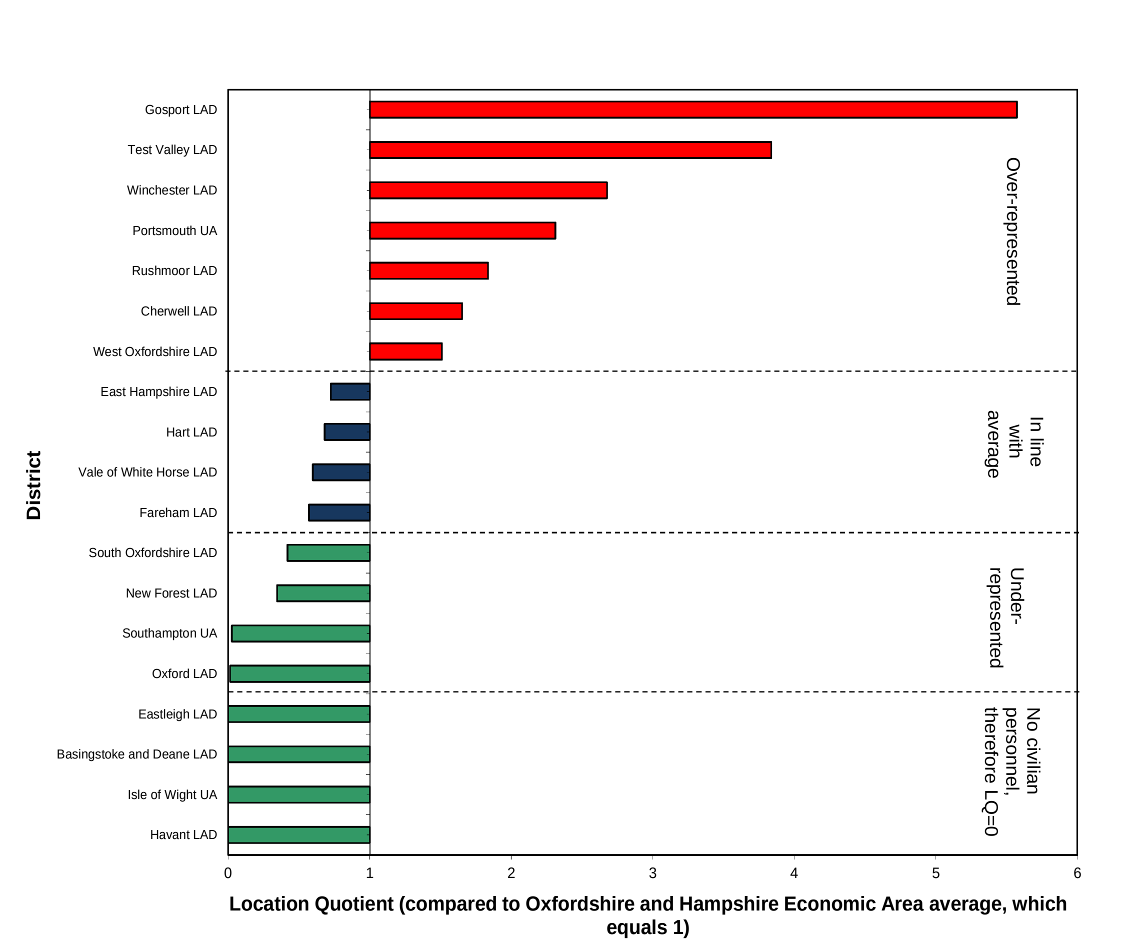
- civilian jobs account for over 2% of total employment in Gosport, and Test Valley
- civilian jobs (as a proportion of all jobs in the economy) are over-represented compared to the Study Area average in Gosport, Test Valley, Winchester, Portsmouth, Rushmoor, Cherwell, and West Oxfordshire
- even though military jobs were also over-represented in Gosport, the over-representation of civilian jobs is much more pronounced here, with over five times more civilian jobs (as a proportion of all jobs) compared to the Study Area average.

Figure 3-7: Civilian Personnel (total numbers and as a proportion of all employees) by LAD, July 2011



Source: Data sourced from MOD and BRES

Figure 3-8: Location Quotients – civilian personnel as a proportion of all jobs in the local authority district (LAD), compared to Study Area average, July 2011



Source: SQW analysis of MOD and BRES data. LAD refers to Local Authority District. A location quotient value above 1 indicates that MOD jobs are over-represented in the district (as a proportion of all jobs in the district) compared to Oxfordshire and the Hampshire Economic Area average. A LQ value below 1 indicates that MOD jobs are under-represented in the district (as a proportion of all jobs in the district) compared to Oxfordshire and the Hampshire Economic Area average.

3.30 The **majority of the civilian jobs across the Study Area (71%) are in 'non-industrial' occupations**, ranging from management and administration to policy development and teaching. The proportion of civilian jobs that are 'non-industrial' is particularly high in Oxford, Fareham and White Horse (100% of civilian jobs in each area), Rushmoor (95%), Portsmouth (92%) and Test Valley (87%).

3.31 A further **15% of civilian jobs are in 'industrial/skill zone' occupations** (i.e. primarily employed in trade, craft or other manual labour occupations[18]), and the remaining **13% are in 'trading funds' occupations**[19]. The highest proportions of 'industrial/skill zone' employment (as a percentage of all civilian jobs) are in South Oxfordshire (44%), Cherwell (40%) and New Forest and West Oxfordshire (both 35%)[20]. "Trading funds" employment is

[18] This might include technicians, storekeepers, vergers, drivers and air freight handlers.

[19] 'Trading funds' occupations are classified under the Trading Funds Act as 'a means of financing trading operation of a government department which hitherto, have been carried out by vote.' These organisations sit outside of the central Ministry structure, and have more freedom of governance. They include the Defence Support Group and the Meteorological Office.

[20] A full set of district breakdowns of civil service employment by 'non industrial', 'industrial/skill zone' and 'trading funds' are provided at Annex B. This includes a breakdown across these occupational groups as a

almost entirely within the district of Winchester, which accounts for 75% of the Study Area total.

Indirect economic impacts

Spending power – induced effects of military presence

Military service personnel (including Gurkhas), Reservists and UOTCs

3.32 In order to estimate the potential spending power of military staff (including Gurkhas), reservists and UOTC working in the Study Area, the total value of their salaries has been calculated. To do this, a weighted average has been calculated to take into account the Study Area's 'mix' of Navy, RAF and Army personnel, the different rank structures across the services and associated annual salaries and the difference between full time military staff and number of days contributed by Reservists and UOTCs (please turn to Annex B for more details).

3.33 The analysis estimates that the MOD spends a gross figure of around £957m each year on gross salary costs for the 32,342 military jobs in the Study Area.

3.34 It is important to note that National Insurance and Pay As You Earn (PAYE) Income Tax will be deducted from these gross salaries, along with a number of other MOD-specific deductions that are also made before military staff receive their pay packet, including a contribution towards housing costs, food/subsistence and Contribution In Lieu of Council Tax (CILOCT) payments (see Section 4 for details), and other in-kind contributions[21]. Therefore net disposable incomes, which can be spent in the local economy will be lower.

Table 3-2: Estimated total expenditure on salaries – military personnel

	Total estimated gross employment costs
Oxfordshire County	£257.3m
Hampshire Economic Area	£700.0m
Oxfordshire and Hampshire Economic Area	**£957.3m**

Source: SQW using MOD and DASA.

3.35 Consultees argued that military personnel's spending power is one of the most important impacts of the MOD for local economies (alongside the creation of civilian jobs). However, these impacts are perceived by consultees[22] to be quite localised for businesses that are located relatively close to MOD bases, such as leisure, entertainment, pubs, and taxi firms. As noted above, the extent to which military staff spend their earnings locally is also thought to vary depending on deployment patterns and whether military personnel live in MOD-accommodation "within the wire" or in local communities. A further consideration is whether a district has a significant level of military accommodation (because that is where the

percentage *within each district***,** and as a *percentage of total occupational employment across the Study Area as a whole.*

[21] For example, furnished SFA costs can range from £785 to £9304 pa depending on rank and grade, and daily food charges are just over £4. Source: http://www.ome.uk.com/AFPRB_reports.aspx

[22] Especially business representative organisations

accommodation capacity is), even if the district does not employ similarly large numbers of military personnel, as this will influence where earnings are spent.

Civilian staff spending power

3.36 As with military service personnel, the spending power of the 8,290 civilian staff working within the Study Area is likely to be considerable. We have used a similar weighted average approach to estimate the salaries of civil servants working within the Study Area, using national data to provide benchmarks on the likely breakdown between grades, and the median salary per grade (please see Annex B for details). In total, the analysis suggests that the MOD spends around £209m on civilian salaries each year across the Study Area.

Table 3-3: Estimated total expenditure on salaries – civilian personnel/civil servants

	Estimated total gross employment costs
Oxfordshire County	£41.9m
Hampshire Economic Area	£167.5m
Oxfordshire and Hampshire Economic Area	**£209.4m**

Source: SQW using MOD and DASA data.

3.37 Overall, the total gross spend by the MOD on military and civilian salaries in Oxfordshire and the Hampshire Economic Area is estimated at **£1.2bn each year**.

Contracting and supply chains

Contracting processes

3.38 MOD contracts that are managed at a sub-national level include "Hard Facilities Management" which focuses on infrastructure activities, and "Soft Facilities Management" which covers services such as catering and cleaning. In addition, the MOD holds Private Finance Initiatives (PFIs)[23] and is involved in Public Private Partnerships (PPPs). The majority of other MOD contracts are procured centrally at a national level.

3.39 Historically, contracts have been let on a geographical basis (county wide) rather than by single units or garrisons, and Facility Management contracts broadly work to county boundaries (so Oxfordshire and Hampshire both have hard and soft facilities management contracts). Prime contracts for hard maintenance tend to be renewed every seven years (current contracts covering Oxfordshire and the Hampshire Economic Area are due for renewal in 2014), although some contracts can be 10-35 years in duration. Sub-contracts are issued on a more regular basis. However, in April 2011, the Defence Infrastructure Organisation (DIO) was formed, which provides a single organisation for all Facilities Management and will rationalise the multiple hard and soft contracts that currently exist. Work is ongoing to realign some contracts by 2015, so that by 2020 the MOD will have a much smaller number of large (possibly national) total Facilities Management contracts. Business representative organisations consulted as part of this study were

[23] Examples include: a PFI worth £25-50m at the Joint Services Command and Staff College at Schrivenham; the Medium Support Helicopter Aircrew Training Facility at RAF Benson (also worth £25-50m); and the Portsmouth Housing scheme (where the PFI is valued at under £5m).

particularly concerned about the MOD's centralised approach to contracting, and felt that this limited the extent to which local firms could benefit from contracting opportunities.

3.40 The majority of the prime contractors and sub-contractors are believed to be national and international organisations, which means whilst the contracting process may create jobs locally the revenues/profits may be counted elsewhere. Many of the prime contractors purchase inputs (such as food supplies) nationally in order to benefit from economies of scale and to reduce costs, and therefore the use of local products and services is not necessarily encouraged or favoured.

3.41 The MOD does not have a policy on local contracting at the moment, but MOD consultees believe that local SMEs do manage to tap into MOD contract opportunities (mainly through sub-contracting processes) for activities such as maintenance, electricians and other skilled trades. This is assisted by "industry days" which are run by the MOD to enable local businesses to meet the regional prime contractors. From the MOD perspective, the contracting team do not experience any significant challenges in finding local suppliers when needed. A business representative consultee commented that MOD senior personnel have become more involved with the business community (for example, by encouraging visits to bases) - this has been welcomed by businesses and helped to raise the profile of opportunities and integration between the MOD and local business base. However, they argued more could still be done to raise the awareness amongst local firms about the contract opportunities available and how to access them. Also, there may be opportunities for prime and sub-contractors to promote apprenticeships and local training opportunities for local residents.

3.42 Consultation with the MOD suggests that the majority of the hard and soft Facilities Management suppliers tend to advertise and recruit 'blue collar' workers (such as chefs, cleaners, drivers, ground maintenance) from the local area, but draw in labour from further afield for the supervisory and management posts. Consultees were not aware of any issues around the supply of staff for these positions from the local labour market in terms of volume or skills available – although some consultees believed more could be done to enable residents to access job opportunities (for example, through the use of local job clubs). However, there is a concern amongst economic development consultees that many of the jobs taken by local residents are lower value added service occupations, which has implications for addressing local issues around low incomes and deprivation, especially where there are limited opportunities for other work and the economy is heavily dependent on the MOD.

3.43 Anecdotal evidence indicates that a good percentage of the supervisors and managers are ex-military personnel, especially in the Soft Facilities Management contracts. Also, as the MOD has moved towards outsourcing activities, many civilian staff who were originally employed by the MOD have subsequently transferred to contractors under TUPE[24].

3.44 In the absence of the MOD in the Study Area, MOD consultees believed that *prime contractors* would be unlikely to remain in the area. On the whole, they are based in Hampshire and Oxfordshire to serve the military bases there and will remain locally for the duration of their contract with the MOD. Whilst consultees believed that most local *sub-contractors* would remain in the area without the MOD, one MOD consultee argued that

24 Transfer of Undertakings (Protection of Employment) Regulations

some of the firms located close to the bases rely on the MOD for around 80% of their work (and because the MOD has provided a constant supply of work, these firms have not built up other markets) and therefore would be hit hard if the MOD was no longer present (and would not be able to replace the work to the same level). Furthermore, it is the lower value added occupations that would be at most risk. According to a business representative organisation consulted, some local firms have ceased trading (such as recruitment agencies) when MOD work has dried up.

3.45 The same risk applies to larger firms that have located in the Study Area specifically to supply the MOD. For example, in Portsmouth it is argued that *"the future prospects of the marine sector in PUSH could be influenced heavily by the extent of the Ministry of Defence continued presence in Portsmouth. Although the number of jobs directly supported by the Naval Base in Portsmouth has declined from its peak, there are a number of other supply chain and associated businesses which locate in the area, at least in part, because of the Naval Base. <u>Any reduction in the MOD presence in Naval Docks in Portsmouth would put further pressure on those supply chain jobs</u>"*[25] (emphasis added).

3.46 It is worth noting, in addition, that large numbers of businesses in the Study Area are engaged in defence-related activities and for them, a major source of business is centrally-procured MOD contracts. Generally speaking, these businesses are more likely to be engaged in national R&D and defence systems, etc., not the servicing of local bases directly. We consider the nature and scale of the economic effect in more detail in Section 5.

Employment associated with contracts and sub-contracts procured by the MOD

3.47 As noted in Section 1, data on MOD expenditure on contracts is not available for commercial reasons, but this expenditure does create a range of employment opportunities. In Table 3-4 below, we present indicative estimates of the jobs associated with current contracts that are issued by bases in the Study Area. However there are a number of caveats that should be applied to this data:

- Data are largely estimates by the MOD, so the analysis should be treated as indicative.
- These figures exclude centrally controlled contracts, which will generate a significant number of jobs (potentially for those living in the Study Area). Likewise, these figures do not include large defence-related firms that have located in the area to supply the MOD as a whole (for example, in specialist equipment). These have been estimated separately in Section 5.
- These figures will cover only the high-level contracts. There will be a number of smaller contracts and sub-contracted activities that the MOD has not been able to account for.

3.48 Therefore, the data below are likely to under-estimate the full number of jobs associated with contracting.

[25] DTZ & OE for PUSH (2010) Economic Development Evidence Base, p.78

3.49 With these caveats in mind, the indicative figures suggest that **contracts directly linked to MOD bases in the Study Area creates at least 9,000 jobs** in a range of activities from Hard and Soft Facilities Management (infrastructure and services), capital investments, housing maintenance, training and other contracts. According to the data available, the majority of the contracting jobs are located in the Hampshire Economic Area (80%).

Table 3-4: Total jobs associated with contracting (main contracts and sub-contracts)

	Hampshire	Oxfordshire
Defence Estates contracts	427	144
Housing	376	**
Hard Facilities Management (infrastructure) and Soft Facilities Management (services)	2792	691
Training provision	303	0
Other contracts*	3,313	961
Total	**7,211**	**1,796**

*Source: MOD. Notes: * unable to disaggregate figures by type of contract; ** breakdown not available – captured under "other contracts"*

3.50 Data on the salaries of contracted staff are not available from the MOD, so in order to calculate the total employment costs for contract jobs, we have estimated annual gross salaries at around £21,900 based on regional statistics of employees' salaries in the relevant sectors[26]. This means that **total employment costs for contract staff are in the region of £197m p.a**.

Estimated GVA impacts

3.51 In this sub-section we assess Gross Value Added (GVA) generated by employment associated with bases in the Study Area. In broad terms, GVA is a measure of economic output, and is made up of compensation to employees (i.e. earnings) and profits[27]. Our assessment looks at:

- <u>Gross</u> GVA, which refers to the economic output generated by jobs created by MOD bases in the Study Area <u>in total,</u> no matter where this GVA impact is felt geographically
- <u>Net</u> GVA generated by MOD bases that is <u>retained within the Study Area</u>, and includes the knock-on impacts of MOD employees spending their earnings in the local economy.

3.52 It is important to note that these are broad-brush, indicative estimates of GVA based on the information available at the time.

[26] This is based on ABI annual gross earnings data (2010) for employees in the South East in the following sectors (which have been used as proxies for the sectors into which contracting activities fall): Repair and installation of machinery and equipment; Construction of buildings; Warehousing and support activities for transportation; Accommodation services; Food and beverage service activities; Rental and leasing activities; Security and investigation activities; and Services to buildings and landscape activities.
[27] Even though the public sector is not a profit generating organisation, estimates of GVA are calculated by ONS and others, and it is estimated that on average two-thirds of public sector GVA is accounted for by salaries (Pritchard, 2002). According to the Annual Business Inquiry, in 2009, total employment costs accounted for around 60% of GVA in the sectors that are relevant to the contracts above. We have therefore used these ratios to apply to MOD and contracting employment costs (66.6% and 60% respectively) to calculate GVA.

Gross GVA impacts

3.53 In the table below, we estimate the total *gross* GVA impacts of direct military employment and contracting. Based on the data available to date, we estimate that MOD bases generate around £2bn in GVA across the Study Area each year. Latest figures show that total workplace GVA for the Study Area as a whole amounted to £51.6bn[28], so the MOD activities determined by bases in the area accounts for around 4.0% of total GVA.

Table 3-5: Estimated gross GVA impacts (p.a.) across the Study Area

	Total salary spend (£m)	Gross GVA estimate (£m)
Military personnel, including Gurkhas, Reservists and UOTC	957	1,437
Civilian personnel	209	314
Contracting jobs	197	328
Total	1,364	2,080

Source: SQW analysis

3.54 It is important to note that there will also be economic impacts on the Study Area of MOD bases located just outside the area (e.g. in Northamptonshire, Surrey and Wiltshire), especially where people work at MOD bases outside of the Study Area but live within Hampshire/Oxfordshire. However, these impacts are not within the scope of this study.

Gross GVA breakdown for the Oxfordshire and Hampshire Economic Area

3.55 The table below presents a breakdown of gross GVA impacts for Oxfordshire and the Hampshire Economic Area. Overall, employment directly associated with bases in Oxfordshire generate around £515m in gross GVA, which represents 3.3% of the area's total GVA. Equivalent figures for the Hampshire Economic Area are £1.6bn and 4.3% of total GVA.

Table 3-6: Estimated gross GVA impacts (p.a.) in Oxfordshire and Hampshire

	Total salary spend		GVA estimate	
	Oxfordshire	Hampshire Economic Area	Oxfordshire	Hampshire Economic Area
Military personnel, including Gurkhas, Reservists and UOTC	257	700	386	1,051
Civilian personnel	42	168	63	252
Contracting jobs	39	158	65	263
Total	**339**	**1,025**	**515**	**1,565**
% of GVA in area			**3.3%**	**4.3%**

Source: SQW analysis

Net GVA impacts retained within Oxfordshire and the Hampshire Economic Area

3.56 A key question for local policy makers is the extent to which these GVA benefits are retained within in Oxfordshire and the Hampshire Economic Area, through local residents working at

[28] Source: ONS Regional GVA at NUTS3, 2008. Headline GVA at current basic prices.

the MOD bases, military personnel spending their incomes locally, and local businesses being able to take advantage of contract opportunities. However, data on these issues is limited and largely anecdotal. We have therefore estimated the number of jobs that are based in Oxfordshire and the Hampshire Economic Area, and the number of people working for the MOD (directly and indirectly) that live in the study area, based on consultations with local stakeholders, and tested this analysis at our workshop with the MOD and other partners.

3.57 In total, the MOD employs just under 50,000 people in the Study Area, directly and via contracts issued by bases in the area. We estimate that all of the military and civilian jobs are based in the Study Area and some of the contracting jobs, and so we estimate that around 43,900 MOD jobs are retained within Oxfordshire and the Hampshire Economic Area, which account for around 3.7% of all employment in the area.

3.58 We now turn to the number of MOD jobs that are taken by residents of the Study Area. Overall, we estimate that almost all of those in military employment live in Oxfordshire and the Hampshire Economic Area (with a little in-commuting from places such as Lyneham), and most of those in civilian jobs and some of the contractors live in the area. As a result, we estimate that around 40,600 of all MOD jobs are taken by residents, which represents 3.5% of all residents in employment across the area as a whole.

3.59 If we convert this to net GVA, we estimate that £1.7bn of the £2bn in GVA generated by MOD jobs is retained within the Study Area. It is then necessary to add induced multiplier impacts (associated with MOD employees spending their salaries in the local economy[29]), which gives **an overall net GVA impact of £2.3bn pa. This represents 4.4% of total GVA in Oxfordshire and the Hampshire Economic Area**. It is important to note that this refers to the economic impact associated with employment by the MOD, rather than the total military impact in all respects (as set out in Figure 1-1).

Table 3-7: Estimated net GVA impacts

Source of employment	**Number of workers with jobs as a result of military activity in Oxon/Hants Economic Area**	**Estimated gross GVA associated with employment (£m)**	**How many of these jobs are in Oxon/Hants Economic Area?**	**How many of these workers live in Oxon/Hants Economic Area?**	**Estimated net GVA impacts (£m)** i.e. GVA that is retained by the Study Area, plus induced multipliers
MOD military employment (incl. Gurkhas, Reservists, UOTC)	31,966	1,437	All	Almost all	1,775
MOD civilian/civil service employment	8,290	314	All	Most	327
Employment associated with contracting by local bases	9,007	328	Some	Some	171
Total	49,263	2,080	c. 43,900	c. 40,600	2,272
% of total	4.2% of all employment in Study Area	4.0% of total GVA in Study Area	3.7% of all employment in Study Area	3.5% of all residents in employment in Study Area	4.4% of total GVA in Study Area

[29] The induced multiplier has been assumed at 1.3 based on national benchmarks for composite multipliers (which include supply chain effects) of 1.5 at a regional level. Supply chain multipliers have been excluded from the multiplier as these have been taken into account using raw data from the MOD on contracts.

Source: SQW analysis of data from MOD, BRES and APS

3.60 Net GVA impacts have been disaggregated for Oxfordshire and the Hampshire Economic Area in the table below.

Table 3-8: Estimated net GVA impacts for Oxfordshire and the Hampshire Economic Area (£m pa)

	Oxfordshire	Hampshire Economic Area
MOD military employment (including Gurkhas, Reservists & UOTC)	477	1,298
MOD civilian/civil service employment	65	262
Employment associated with contracting by local bases	34	137
Total	**577**	**1,696**

Source: SQW analysis

Section Summary

3.61 In summary, the evidence collated suggests that the MOD directly employs around 40,300 military and civilian personnel across Oxfordshire and the Hampshire Economic Area. In addition, contracts create at least 9,000 jobs in the Study Area. Overall, most consultees felt that the impact of the military presence was greatest in relation to civilian job opportunities (directly employed by the MOD or via contracting) and the spending power of military personnel, rather than through contracts and supply chain opportunities for local firms. The total net GVA generated by these impacts is estimated at £2.3bn pa.

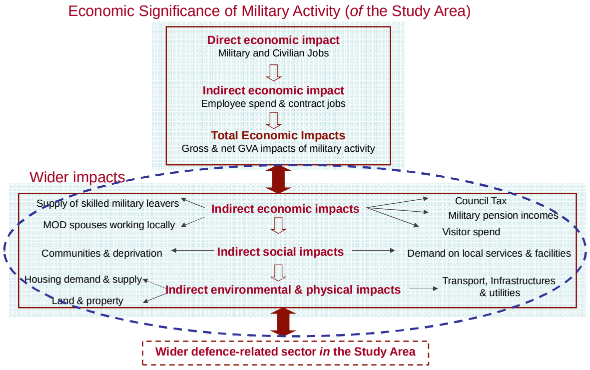
Table 3-9: Economic Impacts – Key indicators

Indicator	Unit	Study Area total
Direct military service personnel employment	Employees (full time)	30,000 (representing 2.6% of all employment in the area)
Gurkha employment	Employees (full time)	c.350
Reservists	Fixed contract employees	1,276
University Officer Training Corps	Fixed contract employees (up to 30 paid days pa)	320
Direct civilian employment	Employees	8,290 (representing 0.7% of all employment in the area)
Spend on MOD salaries (military and civilian staff)	£	£1.2bn p.a.
Employment associated with known contract expenditure	Employees	9,000 +
Net GVA impact (pa) associated with employment (direct and indirect) generated by bases in the Study Area	£	£2.3bn p.a.

Source: SQW analysis of MOD data

4: Wider socio-economic impacts

4.1 In this Section, we explore the wider socio-economic impacts of military activity across Oxfordshire and the Hampshire Economic Area. The evidence has been quantified where possible, and embellished with qualitative evidence from consultations with a wide range of stakeholders including the MOD, the DIO, Local Economic Development Officers and Local Enterprise Partnership leads, business representative organisations (such as the Chamber of Commerce and Institute of Directors), housing associations, community and voluntary sector organisations and labour market intermediaries (including Job Centre Plus and the MOD's Career Transition Partnership).



4.2 This section covers wider socio-economic impacts of military activities in relation to the following:

- Military spouses and dependents, including service children in education and the place of residence of military spouses
- Contributions in lieu of council tax
- Service provision and demand
- Land and property, including current land owned by the MOD and disposals, and strategic plans for land and property in future
- Local labour markets, such as the engagement of military spouses and military leavers in the local labour market
- Military veterans, including the receipt of war and armed forces pensions locally
- Attracting inward investment
- MOD accommodation and wider housing markets
- Visitor numbers and spend
- Transport and other infrastructures
- Economic and community strategy development
- Other impacts, including volunteering and shared assets/facilities.

Wider socio-economic impacts associated with military presence in the Study Area

Military spouses and dependents

Service Children in education

4.3 Information on the number of Service Children (SCs) enrolled in Hampshire[30] and Oxfordshire's schools is provided by the relevant Schools Pupil Census', undertaken in January 2011. These data provide a useful count of service children in local schools, but is dependent on parents registering their children officially (which is not a requirement). It is therefore indicative rather than a 'comprehensive' or 'official' dataset.

4.4 According to this source, **Hampshire and Oxfordshire's school roll included just over 8,000 Service Children in the 2010/11 academic year, accounting for 3.2% of all those enrolled**. In Oxfordshire, 45% of all schools have at least one service child enrolled, and in Hampshire the figure is higher at 66%. Across the Study Area, the majority (59%) of schools have at least one service child enrolled.

4.5 In Hampshire, the districts of Gosport, Rushmoor and to a lesser extent Fareham have relatively large numbers of SCs enrolled (between approximately 900 and 1,200 each). In Oxfordshire, there are 11 primary schools (of 256) where SCs make up more than 25% of the school roll. SCs make up more than 10% of the school roll at two of Oxfordshire's 31 secondary schools[31], and account for approximately 95% of pupils at the RAF Benson CP School in the South Oxfordshire district.

4.6 There are benefits and challenges faced by schools where the number/proportion of SCs is high: consultees argued that in some places, especially rural areas, this enables schools to remain viable; but where turnover of children is high, this can make it difficult for schools to plan and manage their resources. A review of boarding school allowance (CEA) eligibility is currently underway. This may result an increase demand for local authority services, especially schools in areas with high concentrations of military staff at Officer and Senior Non-commissioned Ranks (such as the Portsmouth and Andover HQs and the Shrivenham Defence Academy). At present, MOD data suggests that boarding school allowance is currently being claims for around 650-700 children with parents living in Hampshire and around 250-300 children with parents living in Oxfordshire.

Table 4-1: Service Children (SCs), 2010/11

	No of Service Children registered	**Percentage of all children**	**No of schools with Service Children registered**	**Percentage of schools with Service Children registered**
Oxfordshire	2,238	2.7 %	130	45.3 %
Hampshire County	5,853	3.5 %	354	66.3 %
Hampshire and	**8,073**	**3.2 %**	**484**	**58.8 %**

[30] It should be noted that this excludes schools in Portsmouth and Southampton.
[31] Data for Hampshire and Oxfordshire is available in slightly different formats, and it is not possible to provide information on the percentage of the whole school roll that SCs make up in each district.

	No of Service Children registered	Percentage of all children	No of schools with Service Children registered	Percentage of schools with Service Children registered
Oxfordshire Economic area (excl. Portsmouth & Southampton)				

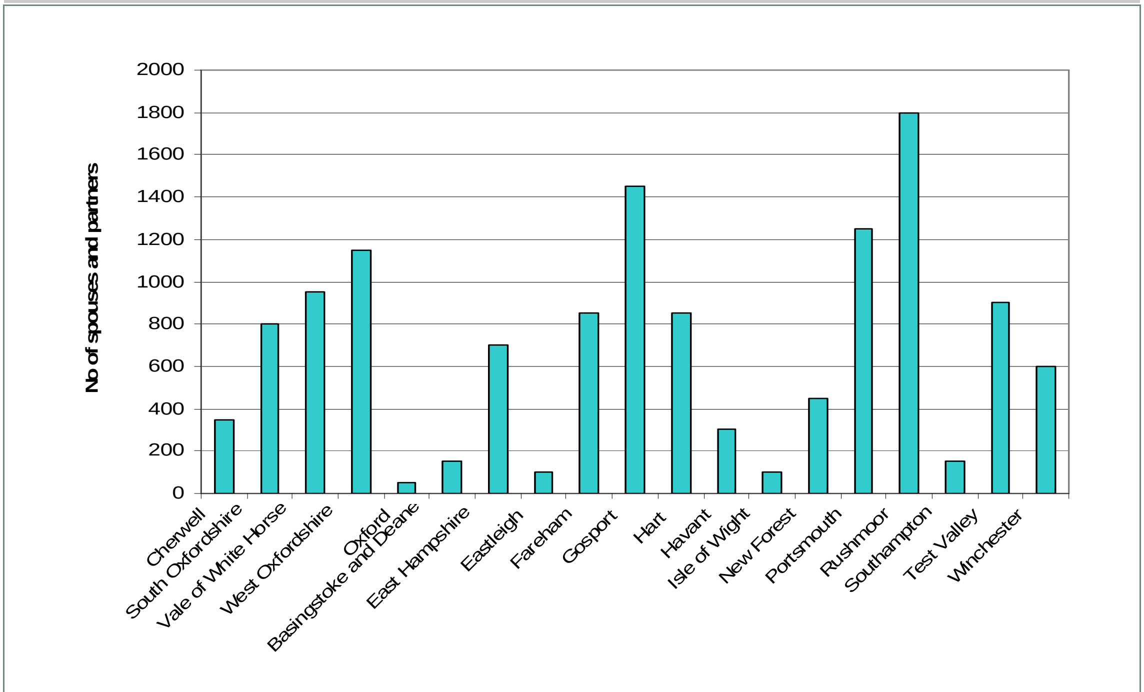
Source: Hampshire County Council and Oxfordshire County Council Schools Census 2011. Data is not available for Southampton and Portsmouth

Place of residence of spouses of military personnel

4.7 In total, **at least 12,950 spouses/partners of military personnel live in Oxfordshire and the Hampshire Economic Area**[32]. Of these, half are spouses of Army personnel, and the remaining 29% and 21% are associated with Navy and RAF personnel respectively.

4.8 The MOD holds some data on where spouses/partners of military personnel live geographically (in MOD-owned or private housing). As illustrated in Figure 4-1, West Oxfordshire, Gosport, Portsmouth and Rushmoor are home to 1,000 or more registered spouses/partners. However, it is possible for spouses to live in one district, but their serving spouse to work in a different district within or outside the Study Area[33]. Any economic benefit generated by the serving spouse might therefore attributed to the MOD, but not necessarily the MOD personnel working in the Study Area.

Figure 4-1: Service spouses and civilian partners registered on the Joint Personnel Administration (JPA) system, 2011



Source: MOD

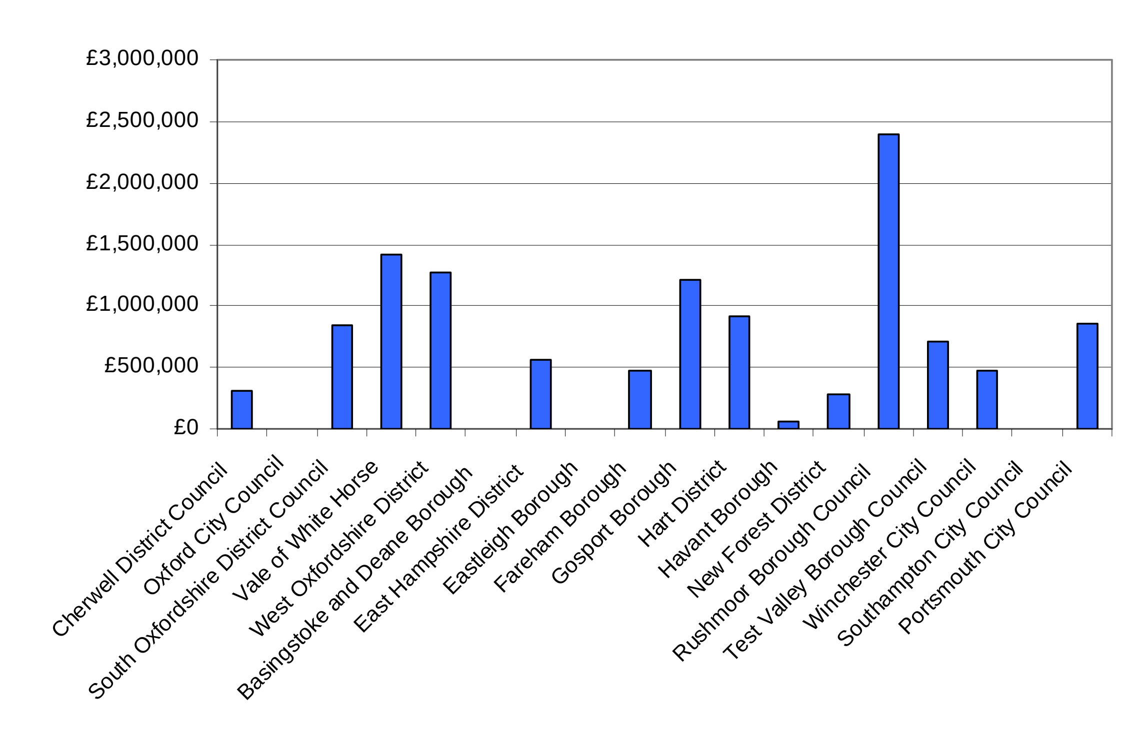
[32] This figure is likely to under-estimate the number of spouses/partners of military personnel, as the data is taken from the Joint Personnel Administration System (JPA) which depends upon military personnel registering their spouses/partners

[33] For example, a military service person might live in Hampshire with his/her spouse (who he/she supports), but in fact be working for the MOD outside the Study Area (e.g. in London); or a military service person might have been posted to a location outside of the Study Area, but be supporting his/her spouse in Hampshire where they continue to live based on historical ties/usual postings patterns.

Contributions in Lieu of Council Tax (CILOCT)

4.9 Contributions in Lieu of Council Tax (CILOCT) are deducted directly from the wages of serving personnel by the MOD. It is then paid to the local authority in which the service person is stationed, in lieu of council tax. Data for the financial year 2009/10 show that **£11.8m was contributed in 2009/10 to local authorities in lieu of council tax**, of which 33% was to Oxfordshire LADs and 67% to LADs and UAs in Hampshire Economic Area. Because CILCOT is taken from gross pay, local authorities do not have to deal with any council tax defaulters from military staff living in their district.

Figure 4-2: CILOCT payments by district – 2009/10



Source: MOD

Service provision and demand

4.10 Services such as childcare, nurseries and healthcare are provided by the MOD within the wire to a limited extent, but are often over-stretched. As a result, demands are placed on local services, and sometimes this demand is not matched by additional resources for the public or voluntary sectors. However, in rural areas, the military presence plays an important role in ensuring that local facilities such as shops and leisure facilities (and schools, as mentioned above) remain viable for the local community. Also, the military presence creates a relatively young and fit population, which not only helps to balance the local demographic structure but consultees argued also places little demand on the NHS or community services (with the exception of schools).

4.11 A small number of consultees from the public and voluntary sectors noted demand from military personnel for mainstream support (provided by the public and voluntary sector) for issues such as mental health support, debt and money advice, children and youth services, and housing needs. However, there is sometimes a lack of awareness around the support available and/or a reluctance to seek help, so military personnel often don't seek support until the problem is critical, which then requires more intensive support.

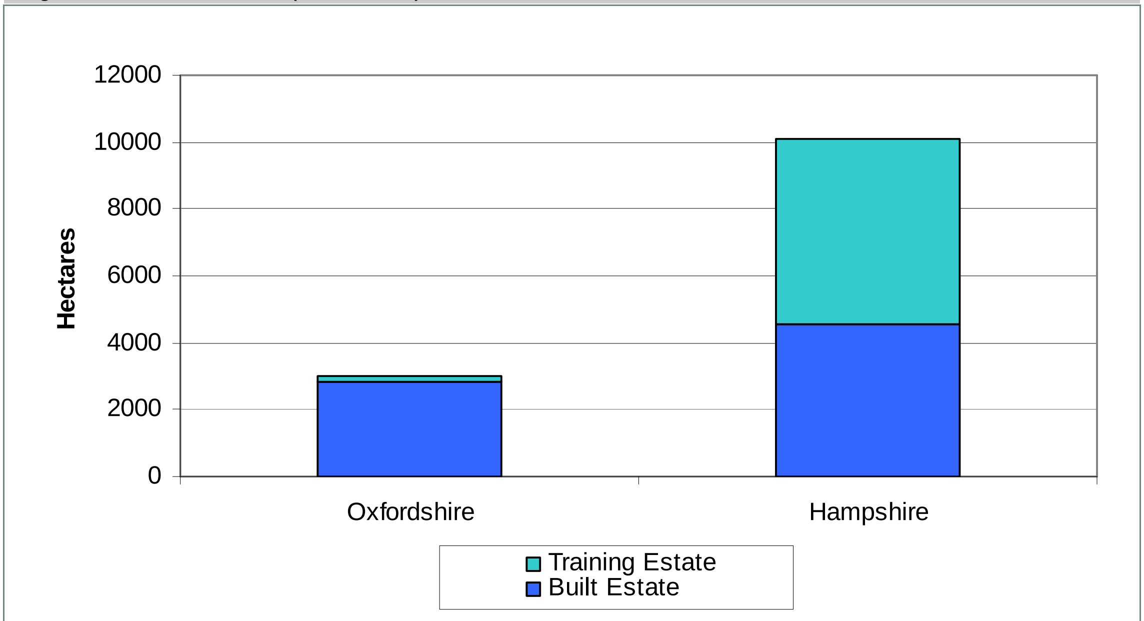
4.12 From our consultees, there was the suggestion that the Voluntary and Community Sector (VCS) would like to be more involved in providing support to MOD personnel and families, and also that there are opportunities to share best practice with service providers within the MOD. However, there was also the view that communications need to improve in order for this to happen.

Land and property

4.13 **The DIO manages around 13,064 hectares of MOD-owned land across Oxfordshire and the Hampshire Economic Area**. Some of the largest bases include Aldershot Garrison (c.1,600 Ha), Minley Training Centre (812 Ha), Bicester Garrison (630 Ha), RAF Brize Norton (481 Ha), Middle Wallop (316 Ha), Abingdon (288 Ha), RAF Odiham (263 Ha), RAF Benson (261 Ha) and the Defence Academy Shrivenham (240 Ha). See Annex A for details.

4.14 MOD land is classified 'built estate'[34] and 'training estate': the former accounts for 7,390 hectares across the Study Area, and the latter accounts for the remaining 5,704. The majority of land in Oxfordshire is "built estate" (2,838 hectares), with the proportion of defence land allocated to training purposes being relatively low at around 150 hectares. Conversely in the Hampshire Economic Area, more than half of all defence land (5,500 hectares) is classified as training estate, as illustrated below.

Figure 4-3: Defence land (in hectares)



Source: DIO, 2011

4.15 In addition, there is just over 339 hectares of land in Hampshire and Oxfordshire that is Reservist and Cadet Estate.

[34] 'Built Estate' = barracks, airfields, SFA etc.

4.16 The scale of MOD land-ownership varies across districts in the Study Area. In districts with a small footprint but large MOD presence, some consultees argued that the MOD presence has had a substantial impact on the way in which the place and its economies have developed. In Gosport, for example, the MOD occupies a significant amount of land, which has restricted physical developments for other economic uses – and therefore the ability of the district to reduce its dependence on the MOD and diversify its economic base into other activities.

MOD site disposals

4.17 Over the last two years, just over 40 Ha of MOD-owned sites have been disposed across the Study Area for a variety of uses, including housing (including demonstration eco-houses), mixed-use schemes, offices and employment uses, and playing fields (see Annex B for more details). At present, **there are a further 570 Ha of MOD sites currently being disposed in Oxfordshire and the Hampshire Economic Area**. These range from small plots (under 0.25 Ha) through to large sites over 100 Ha. The main four sites currently being disposed are:

- RAF Bicester – 145 Ha – An airfield which includes a number of listed buildings and scheduled monuments. Future use is under discussion. At the Graven Hill site a proposed development of 1800 houses and commercial units is being considered.
- Aldershot Garrison – 148 Ha of this site – this will be a residential-led (c.4,500 dwellings) mixed use scheme. A development partner was appointed in March 2011, with the view to producing an outline master plan (including detailed Phase 1) within 18 months.
- Bordon Garrison – 200 Ha - This site has been promoted by East Hampshire District Council as an Eco Town and it is one of the four nationally that have been approved. The release of the site is anticipated to be from 2014/15.
- There are also future plans to dispose of around 200 Ha at Bicester Garrison.

4.18 On the whole, the decision to dispose of sites is based on operational needs and the DIO are required to dispose of sites in a way that generates maximum financial return for the Treasury. This often means sites are sold on for housing purposes (or mixed employment-residential schemes). Local Authorities are not involved in the decision to release sites, but the DIO hold six-monthly meetings with Hampshire County Council to discuss plans (the process is less structured with Oxfordshire County Council).

4.19 Local Authority Economic Development Officers (EDOs) and business representative organisations see the disposal decision-making process as very much a centralised, internal MOD process. Decisions are often delayed, and the lack of communication can cause frictions and a feeling that decisions are "done to" the community. On the whole, consultees feel there is a lack of engagement by the MOD with local communities and they would like to see more engagement with a *local* community liaison MOD representative. Furthermore, a number of consultees felt that there is a tendency for the MOD to communicate decisions late in the day, which makes planning for employment and skills needs very difficult.

4.20 In some instances, sites have sat un-used for some time (over which time the level of maintenance falls) prior to disposal. During this period, the sites could potentially have been generating benefits for local residents and businesses and there are examples of the MOD letting out property/land whilst decisions are being made on future use in order to generate an income. For instance, this has taken place in Bicester, and has been helpful for the local economy in terms of job creation. It has meant that local businesses have been able to expand their operations (and therefore the area has retained the business, rather than potentially losing it to larger sites elsewhere because of limited land availability). However, this practice does not appear to be a common occurrence.

4.21 Proposals for future uses are not always developed in partnership with local stakeholders even though the nature of future uses can have a significant impact on the way in which economies work, and future economic growth prospects. In Bicester, for example, a proposed development of 1,800 houses and commercial units is being considered for the Graven Hill site by the MOD. Whilst the local authority would welcome jobs associated with the commercial development, it is opposed to the suggested housing development. Furthermore, consultees felt that the ability of a place to recover employment levels and re-develop its economy after the closure/contraction of a base can be hampered by delays in the release of land. The issue is particularly critical in places which are land constrained (e.g. Gosport) and therefore have limited employment land on which to develop other industries. Some places have also experienced difficulties in replacing lost MOD jobs with same level of employment (e.g. Gosport).

4.22 When land is released, this can have both a positive and negative impact on local areas. For example, the disposal of poor quality MOD accommodation has led to concentrations of deprived communities in some areas, whereas elsewhere it is seen as a key driver of economic growth (for example, PUSH believe there is "potential increase in prime waterfront sites through MOD land release development"[35]) not only for the immediate vicinity of the base but also the wider economy, and community and cultural development. One consultee commented that MOD base closures often do not reach the headlines in the same way as other major closures (e.g. coalmines, large employers), and there is a lack of recognition of the impact this has on the local economy and communities (and lack of regeneration funding to deal with the consequences). Some areas have suffered from a gradual and piecemeal withdrawal of MOD activities (described as a "drip drip" effect), with very little acknowledgement of the cumulative impact on the economy.

4.23 Overall, consultees would like to see a more strategic approach to investments and planning. Clarity on long term plans for MOD presence and use of land, and removing uncertainty, would allow places to plan for business growth and skills development – and more certainty over longer term futures is important both for businesses and the local community. A MOD consultee noted that, whilst the situation was somewhat different, the disposal of MOD occupied sites in Germany during the 1990s appeared to run quite smoothly, and perhaps lessons could be learned on how to conduct future site disposal more efficiently.

Strategic plans for land and property

4.24 Some information on the future roles of bases in Oxfordshire and the Hampshire Economic Area can be sourced from the DIO Development Plan (DEDP), published by the MOD in

[35] DTZ for PUSH (2007) South Hampshire Economic Drivers and Growth: Combined Report

2009.[36] However, given the more recent Strategic Defence and Security Review (SDSR) and its implications, military stakeholders explained that it is relatively challenging to make predictions about specific locations at present[37]. The DEDP 2009 makes a number of references to the Study Area – these are summarised in the table below. It is important to note that current changes within the MOD are likely to supersede the information below[38].

Table 4-2: Defence Estates Development Plan references to locations within Study Area

Central and Tri-service functions:[39]	• Logistic and administrative tri-service training will be centred at Worthy Down and Southwick Park in Hampshire (p.22.) • The following relevant locations are described as 'core', expected to support defence outputs for at least the next 15 years; Aldershot, Brize Norton, Marchwood, Portsmouth, Salisbury Plain and Shrivenham[40] (p.4.) • Shrivenham in Oxfordshire will continue to accommodate the tri-service Joint Services Staff College and Defence College of Management and Technology (p.25.) • Brize Norton in Oxfordshire will retain elements of tri-service specialist logistics training (p.25.) • As part of the Defence Equipment and Support (DE&S) Collocation programme, some office-based staff will be transferred from Andover North, Hampshire to Abbey Wood, Bristol (p.11.) • Under the anticipated second phase of the Defence Training Rationalisation (DTR) programme, it is envisioned that the Defence College of Logistics and Personnel and the Director Royal Logistic Corps might be relocated. This could lead to more development at Southwick Park and Worthy Down, Hampshire (p.10.) • The programmed Midlands Medical Accommodation Project (to be based at Whittington Barracks, Lichfield) should lead to the disposal or reuse of Keogh Barracks in Aldershot by March 2014 (p.10.)
Army:	• By 2030, it is envisioned that both Aldershot and Salisbury Plain will be one of six established Army 'super garrisons' (p.24.) • Project Allenby/Connault (PAC) is programmed to re-develop the Army estate in Aldershot and Salisbury Plain with £8bn of investment over a 35 year period (p.6.) • The Army has aspirations (not programmed) to develop an Explosive Ordnance Disposal (EOD) centre of excellence at Bicester, Oxfordshire (p.7.) • HYPERION is programmed to deliver a combined Headquarters Land Forces at Andover between 2010 and 2012 (p.6.) • The MOD intends to consolidate its logistics function, using the value of surplus land to fund this consolidation. This will secure existing jobs in Bicester as well as bring more to the area, and release land for commercial uses (however, this is contingent on consent for an element of residential development)[41]
RAF:	• Under the RAF's programmed UK Military Flying Training System (MFTS), Middle Wallop in Hampshire is one six sites being considered for the basing of the ASCENT consortium (delivering the programme). There is a possibility that flying training will not continue at one of the six locations being considered (p.8.) • 230 squadron is programmed to relocate from RAF Aldergrove (Northern Ireland) to RAF Benson in Oxfordshire in 2009/10 (p.9.) • Under the programmed RAF 'Future Brize Norton' programme, the base will be developed as the prime Defence Air Port of Embarkation in the UK. The development is set to include Aircraft Servicing Platforms (ASPs), cargo handling and passenger terminal facilities (p.8.) • The current programme (2009-2012) includes the concentration of the Army's Royal School of Military Engineering Private Public Partnership (RSME PPP) at Bicester (p.20.). The three-

[36] *DIO Development Plan.* Ministry of Defence, July 2009.
[37] *Securing Britain in an Age of Uncertainty: The Strategic Defence and Security Review.* Ministry of Defence, October 2010.
[38] Details of local DIO contacts can be located from 0121 311 2140 or http://www.mod.uk/defenceinternet/microsite/dio/
[39] Tri-Service, Centre Top Level Budget (TLB) and Defence Equipment & Support (DE&S).
[40] Six of the specified 16 'core locations' are within the Study Area of Hampshire and Oxfordshire Economic Area.
[41] Updated position sourced from Defence Infrastructure Organisation, July 2011

		site contract, worth £5.6 billion, also includes Minley, near Fleet in Hampshire. (p.6.)
Navy:	•	By 2030, it is envisioned that the majority of Royal Navy activity will be located at three key Naval Bases (one of which is Portsmouth), with supporting satellite sites. Some individual training will continue at HMS Collingwood, Hampshire (p.4.)
	•	Single Living Accommodation Modernisation (SLAM) is programmed at Portsmouth (p.4.).
	•	Under the implementation of the programmed Maritime Change Programme (MCP), Aircraft Carriers, Type 45 and some Future Surface Combatant platforms will be based at Portsmouth, with other Navy functions (including the submarine fleet), at Clyde or Plymouth (p.11.)

Source: DIO Development Plan, 2009

4.25 The Strategic Defence and Security Review (SDSR) 2010 does not mention specific bases or geographies whilst outlining spending reductions or fluctuations in personnel numbers. It sets out a broad reduction in manpower nationally over the next five years as follows[42]:

- Royal Navy – reduction of 5,000 personnel
- Army – reduction of 7,000
- RAF – reduction of 5,000
- Civilians – reduction of 25,000.

4.26 If Oxfordshire and the Hampshire Economic Area experienced a similar proportional decrease across its services, the total number of military and civilian staff could be expected to fall from around 39,000 to 32,700 personnel (a fall of 16%[43]). However, it is important to emphasise that decisions have not yet been finalised on where cuts will take place, and the Study Area may experience a consolidation of activities in the area.

4.27 The review affirms the MOD's commitment to the Naval base at Portsmouth, which in the longer term, will be home to the two new aircraft carriers. Reductions are likely to lead to disposal of some Army sites and drawdown of some functions. The MOD is planning to accelerate the re-basing of approximately 20,000 personnel stationed in Germany back to UK bases. On currently declared intent, this will see half of these personnel re-based by 2015, and the remainder by 2020.

4.28 In mid-July 2011, the MOD also announced that an additional 7,000 civilian job losses would take place. In addition, it was confirmed that RAF Lyneham (in Wiltshire) is to be retained for use by the Army's Defence Technical Training programme, and confirmed that as a result, Bordon will be sold (along with Arborfield in Berkshire).

Local labour markets

Partners of military staff – engagement in labour markets

4.29 Data are not available on the extent to which spouses/partners of military personnel work in the local labour market. The Study Area does have very low unemployment rates, with a

[42] *Securing Britain in an Age of Uncertainty: The Strategic Defence and Security Review.* Ministry of Defence, October 2010.
[43] The proportional change in each service has been applied to the number of jobs in each service present in the Study Area.

good supply of more flexible/part-time jobs, which consultees believe indicates that spouses do secure employment. Anecdotal evidence suggests that if the military partner is moved less frequently, which tends to be the Navy and RAF, then spouses are more likely to work, and one labour market intermediary consultee noted that some spouses have set up "thriving internet businesses" to overcome problems associated with moving around regularly. However, quantifying this – and the impact on the economy – is difficult.

4.30 Many of the organisations that were consulted have recruited partners/spouses of military personnel. They are described as "high calibre" employees and "very valuable" by business representative organisations. Consultees argued that more could be done to maximise the economic contribution of those who want to work, and to support partners/spouses to find employment (or voluntary work) in the area. Not only would this be beneficial to the local economy, but also to the military family who would be less dependent upon one salary. At present, there are issues around awareness of job opportunities and, for organisations such as Job Centre Plus, clients are often not specifically identified as military spouses (and hence provision of tailored support is difficult).

4.31 VCS consultees also commented that spouses/partners get involved with volunteering, which is promoted at community centres on the bases. However, there is considerable scope to increase volunteering (particularly those who are based locally for a longer period of time), and VCS consultees would really welcome this.

Military personnel leaving the MOD

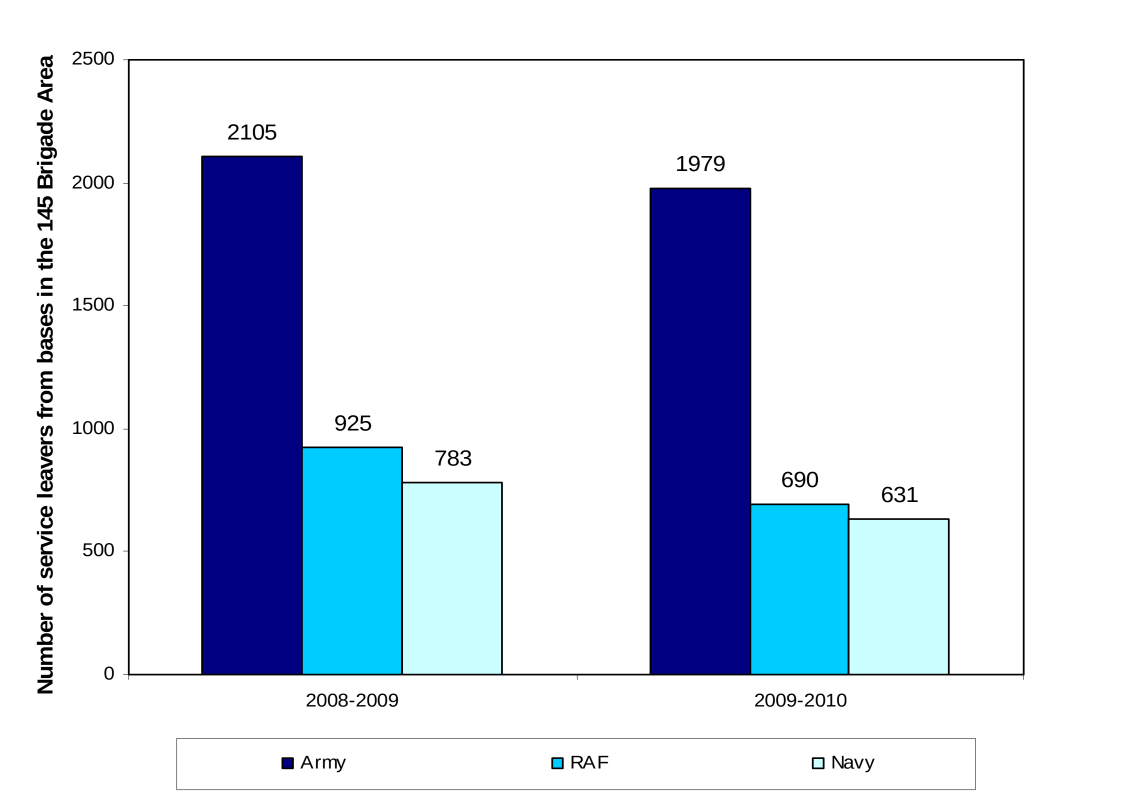
4.32 In total, an estimated 18,000 military personnel left the MOD in 2010/11 and 2009/10, which has decreased slightly from 21,000 in 2008/09 and 24,000 in 2007/08.

4.33 Aggregate data are available on the number of military personnel from all three services leaving MOD bases in the 145 Brigade Area, which covers Hampshire, Oxfordshire, Berkshire and Buckinghamshire. This shows that:

- 3,300 military personnel left bases in the 145 Brigade Area in 2009/10, down by 13% since 2008/09.
- Army personnel account for the majority of leavers (60%), with the remainder split evenly between the RAF and Navy (see Figure 4-4). This broadly reflects the distribution of military personnel across the services in the 145 Brigade Area.
- Half of those leaving MOD bases in the 145 Brigade Area are aged between 16 and 25 years old, which is similar to the national average (see Figure 4-5). However, leavers from the 145 Brigade Area are more likely to be aged 26-30 than the UK average; an age group that will be looking to establish a non-military career and may present a supply of skilled young adults for local businesses to benefit from.

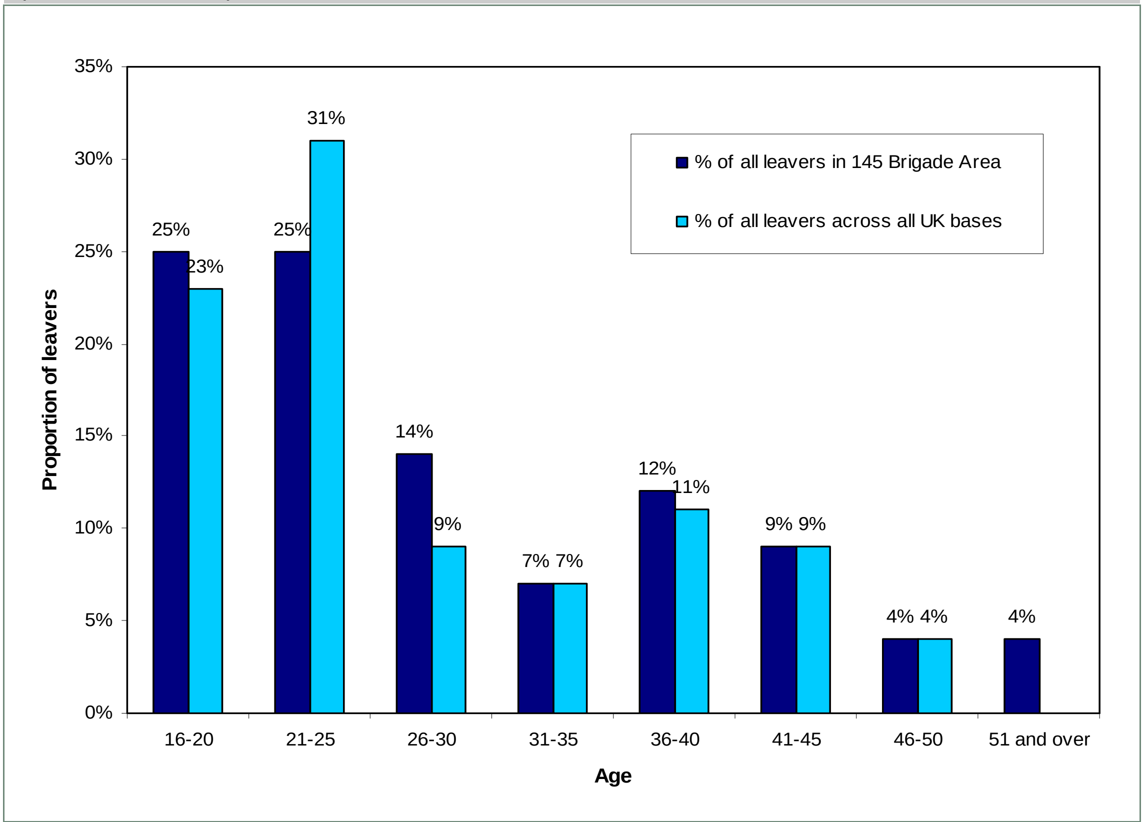
4.34 Work is currently underway at a national level by the MOD to better understand where leavers from bases in the 145 Brigade Area move to – and the extent to which they remain in Oxfordshire and Hampshire. [At the time of writing, the findings from this exercise were not yet available].

Figure 4-4: Number of military personnel leaving MOD bases in the 145 Brigade Area by Service, 2008/09 and 2009/10



Source: Analysis of MOD data

Figure 4-5: Age distribution of military leavers in 145 Brigade Area compared to the UK average (2008/09 – 2009/10)

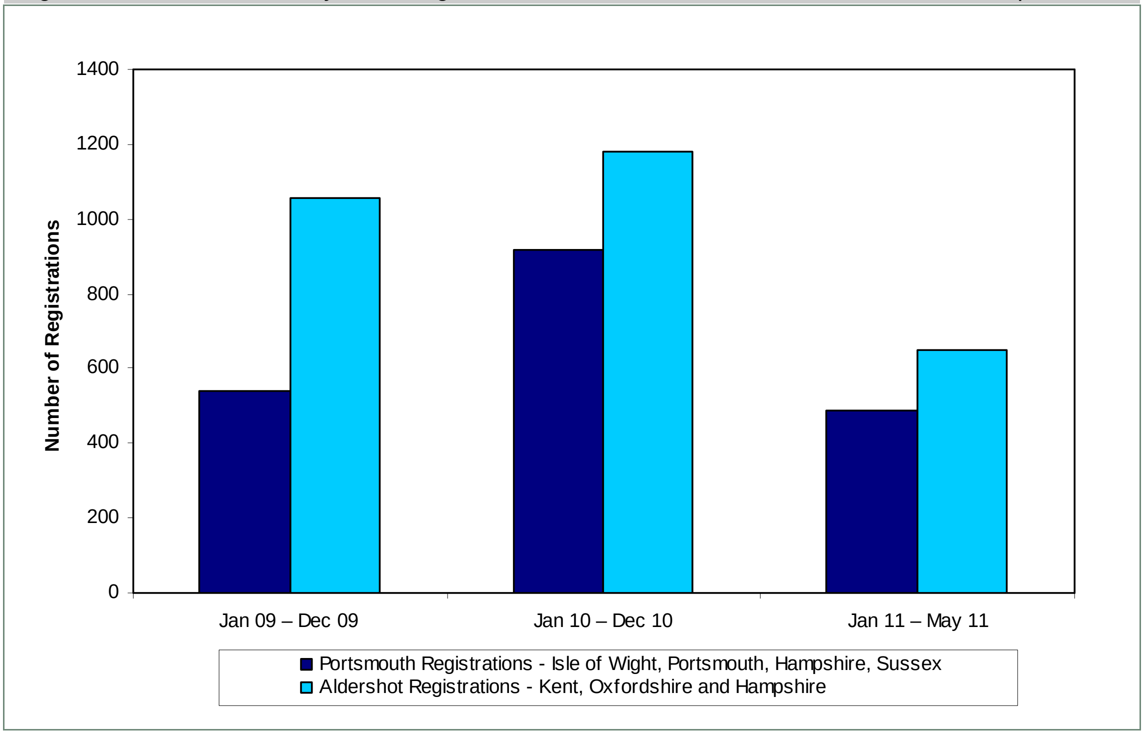


Source: Analysis of MOD data. Notes: national data is not available for age groups above 51 years

4.35 Of all military personnel leaving the MOD nationally in 2010/11, the MOD estimate that in the order of **200-300 military leavers (from any MOD base in the UK or overseas) settled in Oxfordshire**, and a further **1,300-1,500 settled in Hampshire**[44]. However it is important to emphasise that these are broad estimates made by the MOD which are based on the percentage of armed forces pensions, war pensions, and reserve liability personnel that are based in the Study Area.

4.36 The chart below presents the number of military leavers who have registered with the MOD Career Transition Partnership's (CTP) offices in Portsmouth and Aldershot to receive support in finding employment or setting up a business after they have left the MOD. However, it is important to note that military personnel will not necessarily have served at MOD bases in the area (for example, the Aldershot CTP office serves the wider Kent area as well as Oxfordshire and parts of Hampshire), nor will they necessarily settle in the Study Area. Furthermore, not all military leavers will register with the CTP – some find work independently, and the CTP does not serve "early leavers"[45]. Nonetheless, the data show the volume of military leavers being served by CTP in the Study Area, which reached just over 2,000 in 2010. In the first five months of 2011, around 1,100 leavers have registered with CTP in the Study Area.

Figure 4-6: Number of military leaver registrations with the MOD Careers Transition Partnership



Source: Careers Transition Partnership

Career ambitions

4.37 On the whole, consultees considered military leavers to provide a high quality supply of labour on which local businesses could draw. Business representative organisations and labour market intermediaries argued that military leavers offer many of the core skills that employers are looking for - efficient, hard-working, disciplined, reliable, motivated,

[44] Data is not available for Southampton and Portsmouth
[45] Personnel who are discharged whilst under training, or those personnel who are discharged compulsorily.

organised, loyal, leadership, and strong project managers. They also offer vocational skills (such as high tech engineering) that are seen as very desirable, transferable skills, and these skills have still been in demand during the recession. Consultees provided a small number of examples of where the supply of MOD-related skills have been important factor in attracting businesses (e.g. electrical and mechanical engineering firms in Gosport).

4.38 According to a consultee from the CTP, the top four sectors that service leavers tend to work in are: security, engineering, management and consultancy, transport and logistics[46]. Anecdotal evidence from other consultees suggest other popular sectors include health and safety, leisure (e.g. fitness trainers), skilled trades such as plastering and tiling, NHS, ICT, property, insurance, finance and banking, energy, and hospitality. Service leavers may also join the reserve forces (or indeed take-up civilian jobs in MOD establishments, such as the South East Reserve Forces and Cadets Association) which acts as a "cushion" upon leaving full time military service positions in the MOD.

4.39 There is a concern amongst consultees (especially mainstream labour market intermediaries and business representative organisations) that the full range of leavers' skills are not fully considered or understood in the market place, especially in relation to their transferable skills. As a result, military leavers' skills are not always matched effectively with potential job opportunities, and leavers tend to focus their job search in areas that directly relates to their MOD training. The RAF and Navy perhaps have more technical and professional occupations, with more easily recognisable/transferable skills, but because the Army is less specialist it can be more challenging to find work (although there are exceptions in both cases). To try and overcome the issue that MOD qualifications do not translate into regular civilian qualifications, grants are available to help military leavers gain "mainstream" qualifications. Moreover, reference was made to a specific initiative[47] to match the skills of military leavers with the demand for skills in sectors like civil aerospace (which is growing quickly and is constrained by skills shortages).

Enterprise and self-employment

4.40 Consultees believed military leavers are no more or less likely to set up a business than the average population, and generally the support needed by most military leavers is no different from anyone else (e.g. financing, managing accounts and tax, legal issues, and developing a business plan). However, consultees do not believe that leavers are making the most of mainstream support available to set up a business. Military-specific enterprise support is available, for example through business start-up workshops. In addition, the Hamilton Project operates in Oxfordshire and provides support for those leaving the MOD for medical reasons to set up a business. The project has been operating in the area since 2008 and is part funded by Oxfordshire County Council, and to date the project has supported around 30 military leavers in Oxfordshire to set up a business.

4.41 For those who are keen to start up their own business, the flexibility and ability to self-manage is particularly attractive. Support providers consulted often find that military personnel have spent time developing their business ideas before they leave the military,

[46] Source: Careers Transition Partnership
[47] Formerly run at a regional scale, and currently being promoted by the Enterprise/M3 LEP

especially those in senior ranks, and are very good at identifying niches in the market, being adaptable, using their initiative, and solving problems. Anecdotally, consultees have seen military leavers set up businesses in a range of areas, including management consultancy, marketing, photography (using technical skills gained at the MOD), security, fitness training and adventure holidays.

Destinations

4.42 As noted above, data are not available on the destination of people leaving MOD bases in the Study Area, although the MOD is aware of increasing demand for these kind of statistics and is looking at ways in which these data might be collated in future.

4.43 Consultees believed a large proportion will return to their place of origin (and national evidence suggests a large proportion of military personnel are recruited from the North of England), especially if they are younger and/or have strong family ties there. If military staff have developed family ties locally (for example by marrying locally), bought into the housing market, have a partner who is working locally, or children in local schools, they are more likely to remain in Oxfordshire and the Hampshire Economic Area after leaving the MOD (and anecdotal evidence suggests that this is more likely for those serving in the Navy and RAF).

4.44 Consultees thought that more senior leavers have greater mobility, and are "likely to go where the jobs are" – but given the opportunities available in the South East/London labour markets, and the good alignment between leavers' skills and those demanded by businesses, consultees argued that this might work in Oxfordshire/Hampshire's favour.

Views and awareness of businesses

4.45 The extent to which local businesses are aware of opportunities to recruit military leavers and their skills appears to be mixed. The business representative organisations in particular felt that there was a real gap in knowledge here, and that local SMEs and larger businesses could benefit much more from the leavers and their skills. Also, many businesses are not aware that the CTP have funding to mitigate against training gaps, so there is no cost to the employer. Awareness is improving, partly thanks to media coverage and work done by the Career Transition Partnership and Job Centre Plus, but more could be done. There are anecdotal examples of firms that have recruited military staff (see below) and many firms that recruit one leaver are keen to recruit more.

Table 4-3: Mini case studies – recruitment of military leavers

Preformed Line Products (GB) Ltd	This company is a global family firm that has a foundry in Andover, Hampshire which designs and manufactures components for pylons, telegraph poles, etc. These components are produced in the foundry and then shipped to their sister depots across the globe. The site has a long history of employing local people for nearly 20 years and PLP recognise that the skills of ex-Service personnel fit well into their operations. The roles are manual and require physical ability, shift rotas and full training is offered. As staff start to retire, they come though the CTP to advertise jobs on RightJob (the CTP's online job site) and currently CTP has placed 3 Service leavers with the company this year so far.
GGR Glass	The company has employed approximately 16 Service leavers in Oxford and Manchester in mainly Engineering roles and some have progressed to management positions. The company has also opened up roles for logistics, taking on two soldiers.

Source: CTP

Support processes and mechanisms

4.46 The MOD operates tri-service Resettlement Services via the CTP, which entitles service leavers to employment support and grants for training (if they have served six years or more) or employment support only (if they have served four to six years). The CTP hosts industry days and employment fairs, produces sector briefs, and undertakes visits to businesses and job-matching activities. They also provide support on other aspects of leaving the military, such as managing finances and finding housing. Not all service leavers chose to take up this support, and "early service leavers" serving less than four years (which account for 40% of those leaving the MOD each year) are not eligible. On average, 10% of those seeking support from CTP are officers, 40% are senior ranks (e.g. Sergeant and above) and 50% are junior ranks.

4.47 Job Centre Plus (JCP) also has an armed forces champion that covers the Study Area. They have a team of partnership managers who are in contact with MOD bases, and have good links with Resettlement Services (for example, through hosting joint events).

4.48 Whilst substantial support is available to military leavers when they first leave the MOD, one consultee argued that there is an issue around ex-military personnel who are made redundant after their first non-MOD job. When this happens, their awareness of tailored support appears to be limited[48], and in the consultee's experience many military leavers still harbour many of the challenges in finding work as those coming straight out of the MOD (in terms of awareness of how to find employment) and/or MOD-related issues that often re-emerge when they lose their job (including mental health and post-traumatic stress). These people often don't know how to how to ask for help and will not present as a military leaver at JCP if they do. As a result, these underlying issues are not always addressed, and they often do not know how to apply their own skills to job opportunities available. Engaging with these groups to provide appropriate support is proving difficult. Consultees also felt that follow-up work is also needed for employers who take on military leavers, perhaps one year after they have left the military, to ensure they are still in employment.

4.49 Business representative organisations consulted felt that labour market intermediaries (such as CTP and JCP) could better match leavers to jobs if they worked more closely with organisations such as the Federation for Small Businesses and Chambers of Commerce. Business representative organisations also called for a clearer statement of the leavers' CV that spells out exactly what skills/qualifications they have in a way that is applicable to businesses. A local, joined-up and live dataset on the supply of leavers and needs/demands from businesses would also be helpful.

Military veterans

War Pensions

4.50 War pensions are administered by the Service Personnel and Veterans Agency (SPVA), and recipients include ex-service personnel injured, wounded or made ill prior to April 2005 and

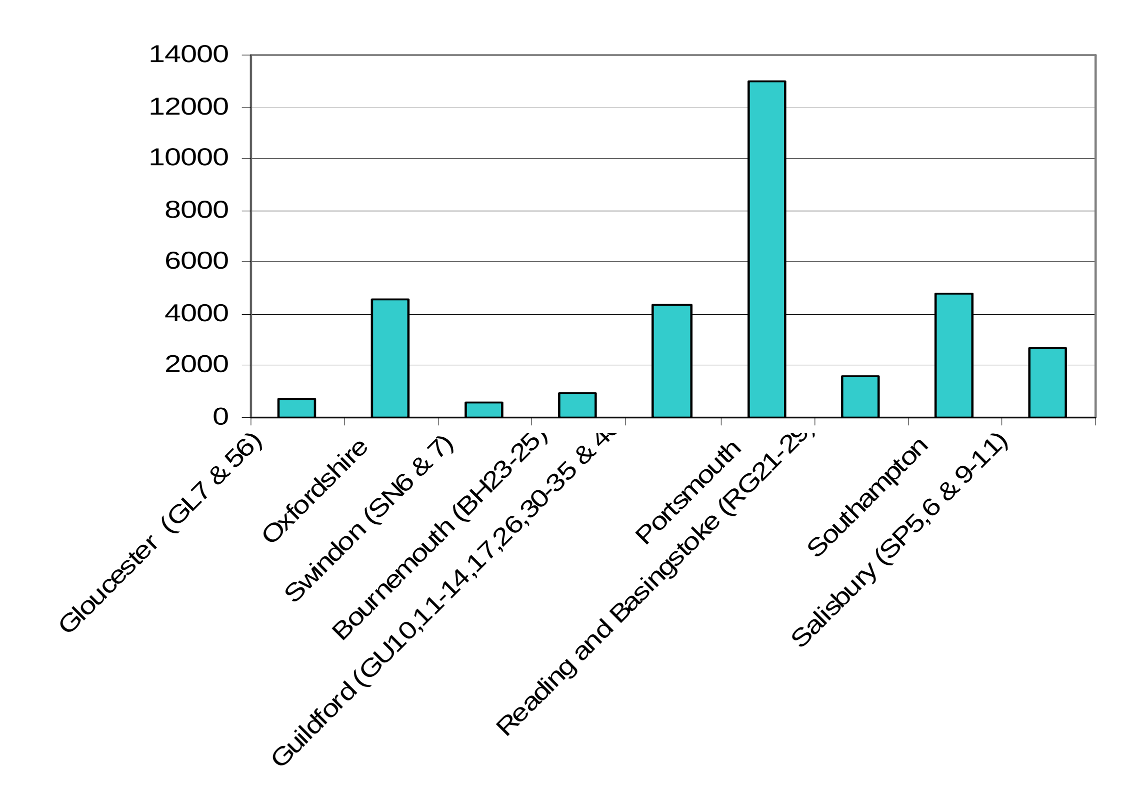
[48] The Regular Forces Employment Association (RFEA) along with the Officers' Association (OA) and Officers' Association Scotland (OAS), offer job finding support to veterans, but awareness of these support mechanisms appeared to be limited amongst mainstream labour market intermediaries consulted.

war widows and war widowers. Analysis of these data show that, in 2010, approximately **7,400 war pensions were administered to recipients living within the Study Area**. The majority of pensions are administered to recipients who live in the Hampshire Economic Area (83%), with notable concentrations in Gosport, and to a lesser extent, Fareham. The remaining 17% of war pension recipients reside in Oxfordshire.

Armed Forces Pensions

4.51 Data on Armed Forces Pensions are also provided by SPVA. According to these data, **around 32,000 Armed Forces Pensions were paid to ex-military personnel** (mainly service leavers, but also a small number of dependents and some serving personnel) living in the Study Area in 2010[49]. Within the Hampshire Economic Area, the majority of pension recipients live in the Portsmouth and Southampton postcode areas[50]. We cannot assume that these pension recipients served within Oxfordshire and the Hampshire Economic Area (although it is probable that a good proportion did).

Figure 4-7: Armed Forces Pensions recipients by broad postcode area



Source:SPVA, 2010

4.52 The MOD will shortly publish pension data by local authority which suggests that the number of pension recipients in the Study Area has increased in 2011. Early sighting of the data from the MOD suggests that 30,300 Armed Forces pensions are being paid are being paid in Hampshire (9% of the national total of 339,745) and around 5,100 of the total Armed Forces pensions being paid are being paid in Oxfordshire (2% of the national total).

[49] It its important to note that this is a broad estimation based on postcode sector data, and some postcode sectors cross County boundaries – a "best fit" set of postcode sectors have been applied, but this may slightly over-estimate the number of pensions paid to those living in the Study Area.
[50] See Annex B for a description of geographical areas

Attracting inward investment

4.53 MOD bases in Oxfordshire and the Hampshire Economic Area have attracted some major businesses to locate in the area. Consultees noted examples such as R&D and electronic engineering firms in the Test Valley, Muirhead Ametek, and BAE systems in Portsmouth who – they said – had been drawn to the area because "they want to be close to decision makers" and create substantial levels of high value added employment (for example, it is estimated that 40% of manufacturing jobs in Portsmouth are linked to BAE[51]). Other consultees commented that although there is a high incidence of defence-related businesses, this is largely co-incidental with the strong concentration of military bases; they argued that contracting was centrally organised and most of these firms had little or no relationship to local bases (see Section 5 on defence-related businesses). Nevertheless, consultees have seen overseas inward investment enquiries that are linked to MOD contracts. This may also present opportunities for developing industry clusters around specific sites, such as possible R&D at Schrivenham, further development at Portsmouth, or distribution and storage at Bicester.

Housing markets

MOD owned/rented accommodation

4.54 Military staff may reside in MOD-owned or rented accommodation, which includes Service Families Accommodation (SFA)[52] and Substitute Service Family/Single Accommodation (SSFA/SSSA)[53], and Single Living Accommodation (SLA, which are more likely to be located within secure barracks), and the MOD aims to house staff within a 10 mile radius of their place of work[54] (but anecdotal evidence from other consultees suggests this can extend to 15-30 miles). Alternatively, military staff can buy or rent from the local housing market, but data is not available in order to calculate how many military personnel working in the Study Area have done this (or where they live).

4.55 The data suggest that the MOD provides just under 9,000 properties for military service personnel with families (in all three services) in the Study Area, of which the majority are properties owned by the MOD and around 4% are rented from the local housing market (see Annex B for further details). The MOD also has capacity to house 12,770 military personnel living in single person accommodation (SLA) provided by the Army and one of the RAF bases (RAF Odiham)[55]. However, it is important to emphasise that we cannot assume

[51] Source: Oxford Economics (2011) the economic contribution of BAE Systems to the UK in 2009
[52] Service personnel that are married, in a civil partnership or who have custody of a child are entitled to Service Families Accommodation. The type and size of property allocated is usually influenced by rank and family size. DIO keeps records of the stock of SFA, which is available at a district level
[53] SSFA/SSSA accommodation is procured by the MOD when existing stock (i.e. SFA/SLA) is insignificant to meet the requirements of serving personnel in any given area. The MOD keeps data on the addresses and capacity of these properties as part of their accommodation monitoring and allocation work. To ensure confidentiality, the numbers of dwellings and bedrooms have been banded. The number of SSFA and SSSA is very fluid, and the MOD expects numbers to have grown since the published data from September 2010 above.
[54] Source: DIO 2009-30 South East Planning Brief
[55] Data was not available for the Navy and two other RAF bases in the Study Area.

military personnel living in MOD accommodation located in Oxfordshire and the Hampshire Economic Area also work in the Study Area (although it is likely that they do)[56].

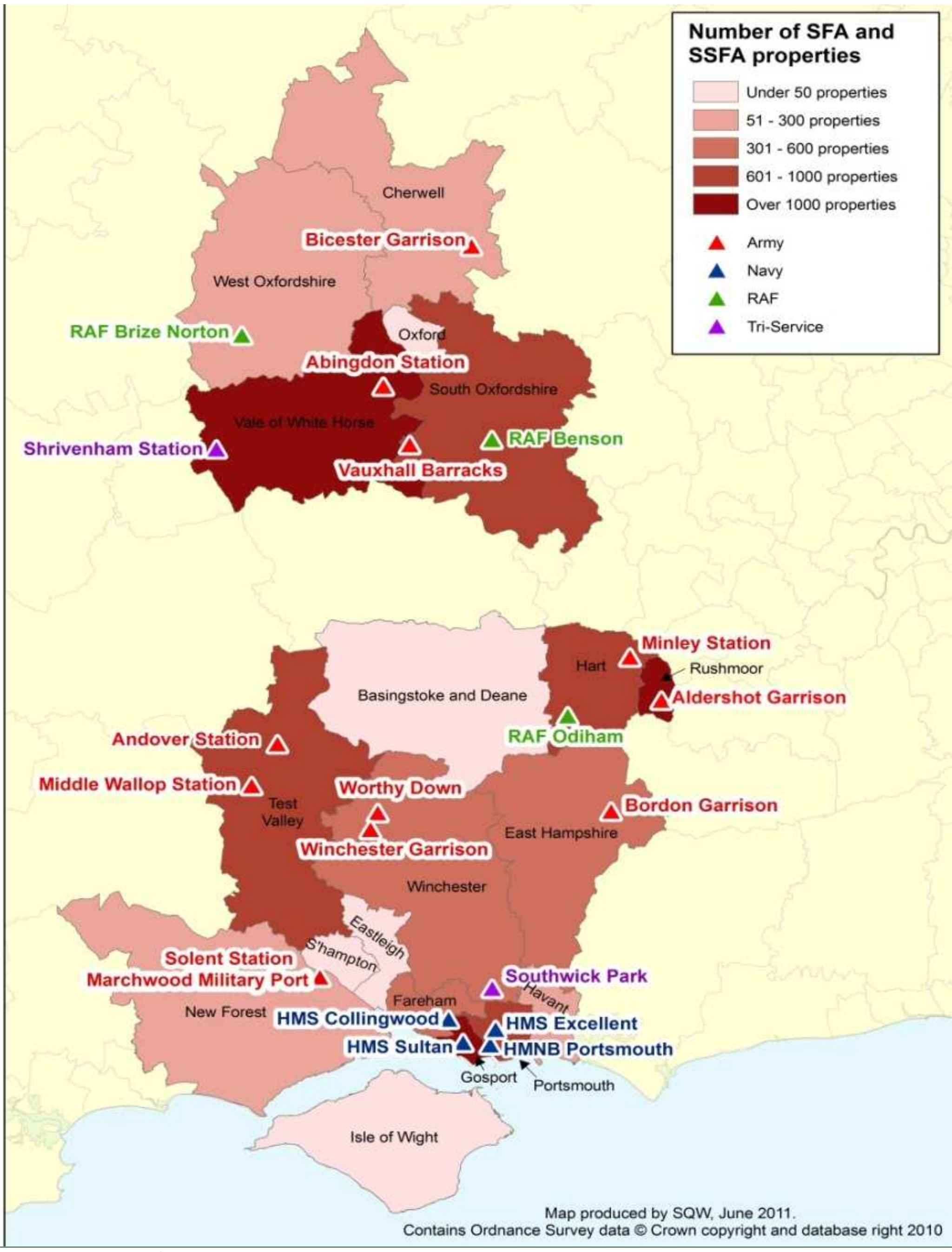
4.56 As illustrated in the map below, large concentrations of MOD-owned accommodation are observed in:

- Gosport and Rushmoor in Hampshire, where around 1,100 and 1,800 SFA properties are located
- Vale of White Horse in Oxfordshire, with almost 1,110 SFA properties
- Portsmouth, where there are just over 100 SSFA/SSSA properties

  Hart, Rushmoor and Winchester, with over 2,000 SLA places for Army/RAF Odiham personnel.

[56] Furthermore, data is not available on the number of MOD properties that home two married military personnel. This also means that we cannot directly compare work-placed military personnel data with MOD property data to calculate the number of military personnel living in privately owned/rented accommodation.

Figure 4-8: MOD-owned/rented service family accommodation (SFA and SSFA/SSSA)



Source: SQW analysis of MOD data

Wider impacts on the local housing market, including private ownerships and rental, social housing, and issues around homelessness

4.57 Anecdotal evidence suggests that Navy and RAF military personnel are more likely to buy-into local housing markets in the Oxfordshire and Hampshire Economic Area, partly because they are posted in different locations less frequently than Army personnel, and this helps them to become more integrated with the local community[57]. For example, a consultee from the Navy estimated that 30-40% of Navy military personnel in the Portsmouth area own their

[57] This supported by national survey evidence that shows that 26% of Navy and RAF personnel live in homes they own during the working week, compared to 7% of Army personnel (average for all ranks). Proportions are higher for officers. Source: MOD (September 2011) Armed Forces Continuous Attitudes Survey: Table B6.1

own homes. Also, as might be expected, military staff with families are more likely enter the housing market than younger/single personnel (who sometimes stay at the base during the working week and return to their place of origin at weekends). As military staff are seen as key workers, anecdotal evidence suggests the Government's Home Buyers Scheme has also encouraged more military personnel to buy houses over recent years.

4.58 MOD has a substantial impact on the (mainly private) rented sector in terms of availability and cost. Consultees have observed that many military families have chosen not to live in MOD accommodation, and are looking for better quality housing and opportunities to integrate into the local community. Also, insufficient capacity in MOD-owned family accommodation is an issue in some places, and so the MOD rents Substitute Accommodation from private market (as noted above).

4.59 The MOD presence also puts pressure on social housing when military leavers want to stay in the area (especially if they have a family) but cannot afford to rent or purchase a house. New legislation which gives service families higher priority on housing waiting lists is likely to increase these pressures further. Also, when relationship breakdowns occur, the non-military spouses is required to find housing – even where there is vacant military accommodation, they have to find housing elsewhere (which often means local social housing stock). This is an issue around Brize Norton for example, which is large base and therefore places pressure on the local social housing stock.

4.60 One consultee also identified some issues around homelessness associated with military leavers who cannot afford their own[58]. Other consultees noted instances where poor quality MOD housing stock has tarnished the image and lead to deprivation in some places (e.g. Carterton). Some of this housing has been demolished but not replaced as yet, which puts further pressure on the private housing market in the interim.

Visitor numbers and spend

4.61 Anecdotal evidence suggests that the MOD presence has an impact in terms of tourist numbers and demand for accommodation, particularly for Passing Out parades and at other times when family visit personnel based in the area. The military is also a tourist attraction in its own right: for example, military museums (such as those in Aldershot and Portsmouth) and biannual Navy visitor days (which generates around 25,000 visitors biannually). Moreover, major events such as the Farnborough International Airshow attract many thousands of people and owe much to the area's military legacy.

Transport and other infrastructures/utilities

4.62 In some areas the MOD contributes to some local services such as bus routes by keeping them viable, but can put pressure on local transport networks. For example, whilst jobs have been transferred from RAF Lyneham to Brize Norton, many military personnel did not move to West Oxfordshire and commute to Brize Norton each day[59]. As a result, West Oxfordshire

[58] Statistical information is not available for Oxfordshire or Hampshire. Recent research for London showed that 6% of those sleeping rough were from the armed forces in 2009/10 (Source: CHAIN (2010) Street to home bulletin.

[59] In many cases, this is until sufficient housing is available in West Oxfordshire so is largely a short term issue.

will not benefit from the spending power of the staff who have been transferred as much as we might expect, and this places greater pressure on transport networks. Also, there can be high numbers of military personnel living in a district (if there is capacity in MOD accommodation) and working in another district, which has implications for commuter flows.

4.63 Consultees also noted that, where expansions of MOD activity are planned, there will be a need to improve transport (and other) infrastructures, although it is not fully clear who will fund these improvements.

Economic and community strategy development

4.64 Consultees such as EDOs and business representative organisations appear to be well aware of the military presence, but have very little information on the functions and scale of activity, employment or integration with local economies and communities to date – and have found it difficult to engage with the MOD to fill gaps in their knowledge and understanding. Most information is anecdotal, and very little has been quantified (with the exception of some small localised studies).

4.65 Because little is known about the scale of MOD activity and its integration with the local economy, military activities do not appear to feature in Economic and Core Strategies as much as might be expected (even where large MOD bases are present) and are not always seen as major growth opportunities. However, the importance of military activity is becoming more recognised in Local Enterprise Partnership (LEP) proposals:

- Oxford City Region's[60] LEP proposal acknowledges the importance of defence employment for the county. It regards the military as a major employer and anticipates an increase in MOD employment through the expansion of RAF Brize Norton. At the same time, the bid is focuses on 'rebalancing' the Oxfordshire economy away from high-dependence on the public sector.
- Solent's[61] submission does not mention the military directly, but does talk about some associated sectoral strengths in this part of Hampshire such as advanced engineering (marine, aerospace, renewable energy, environmental technologies and composites).
- Enterprise M3[62] submission emphasises the area's strengths in advanced manufacturing with an aerospace and defence cluster (which includes electronics, defence systems, services to aviation and defence; maintenance and repair, corporate aviation, aero structures and helicopters). Looking forward, the submission lists the South East Super Garrison as an anticipated significant development for the area.

4.66 There is a significant interest in learning more about the MOD's impact – stakeholders are keen especially keen to understand scale of military activity in order to inform economic development processes and plans (and maximise the economic benefits of military presence) and also to integrate the MOD with the community more effectively.

[60] covering the districts of Oxford, Cherwell, West Oxfordshire, Vale of White Horse and South Oxfordshire
[61] East Hampshire, Eastleigh, Fareham, Gosport, Havant, Isle of Wight, New Forest, Portsmouth, Southampton, Test Valley and Winchester
[62] Basingstoke and Deane, Hart, Rushmoor, Surrey Heath, Test Valley, Winchester, East Hampshire, Working, Guildford and Waverley.

Other impacts

4.67 Military personnel and their families make contributions to local community through **volunteering**. For example, volunteering has been included as an element of training activities (e.g. HMS Sultan), and a small number of military personnel volunteer each year in community activities (e.g. renovating community centres) and the MOD has held events to raise money for local community activities. However, some VCS organisations have found it difficult to engage with the MOD to encourage more volunteering (due to a lack of knowledge on who to approach in the MOD, and lack of consistency in MOD contacts) but they believe the military personnel (and their families) have skills and experience that could be hugely beneficial for local communities, for example through helping out at local toddler groups, becoming a school governor or volunteering to help older people. Furthermore, this would help military families to settle locally, and become part of those communities. Support is available to those wanting to find out more about local volunteering opportunities, for example at Oxfordshire's Community Voluntary Alliance's volunteer centre, and such organisations have demonstrated a willingness to help support better communications with the MOD on this issue.

4.68 The MOD has contributed to local communities by **sharing assets and facilities,** and consultees noted this presents a significant opportunity for local communities in future. For example:

- at Aldershot, the Aldershot Centre for Health, Aldershot Garrison Sports Centre and the Maurice Toye House- shared between Army Welfare Services and pre-schools
- at Bordon Garrison, the Garrison Swimming Centre
- at Minley Station, a football pitch, swimming pool, gym and some local training areas
- at the Defence College of Policing and Guarding, Southwick Park, makes available on a case by case basis (for civilian organisations) selected elements of sports and welfare facilities on the Unit, including all weather sports pitches, swimming pool, police museums, the DDay Map Room and Southwick House
- and at RAF Odiham, a swimming pool, gym, Astroturf pitch, sports pitches and a childcare centre.

4.69 In places such as Gosport, where the MOD accounts for a significant proportion of the land, sharing facilities such as sports pitches and halls makes an important contribution to the community. The recent decline in MOD activity has meant that residents find it more difficult to access such facilities, especially where the disposal of MOD land has been slow, as equivalent land is not available elsewhere. There is some frustration that such land is not offered back to the council, but sold at the highest value. Moreover, recent MOD policy changes regarding access to military property means that bases can no longer freely share their assets or facilities with the local community, and must now charge the going rate for local facilities.

4.70 At the stakeholder workshop, it was suggested that a Ministerial discussion between the MOD, Treasury and CLG might enable government departments to work together more effectively to deliver economic *and* social objectives through the disposal of MOD land.

Section Summary

4.71 The evidence collated above demonstrates the range of wider impacts – both positive and negative - that the MOD has on the Study Area.

- Over 8,000 service children are registered with schools, which helps maintain their viability (especially in rural areas) but creates challenges around planning and managing resources.
- MOD personnel make a significant financial contribution to Local Authorities' council tax pot (in the order of £11.8m pa).
- The MOD is also a major land owner across Oxfordshire and the Hampshire Economic Area, although centralised decisions on site disposals have created challenges for local stakeholders in enabling the economic development process, and planning for the future.
- Military leavers, and the skills they hold, present a significant opportunity for local businesses, although more could be done to help businesses harness these strengths.
- A significant number of pensions are paid to ex-military personnel in the area, indicating that many do remain in the area after leaving the MOD.
- Some defence-related businesses have been attracted to the Study Area because of the MOD presence, and serve bases in the area.
- Anecdotal evidence suggests the MOD presence impacts upon local housing markets, through military personnel buying homes (especially families) or renting directly from the private sector, the MOD renting private accommodation (SSFA/SSSA) to address internal capacity issues, and through demand for social housing from those leaving the military or family break-ups.

Table 4-4: Wider Impacts – Key indicators

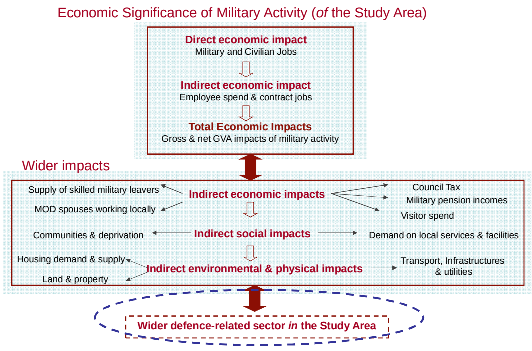
	Oxfordshire and Hampshire Economic Area Total
Number of service children registered in Hampshire and Oxfordshire's schools	8,073 service children
Number of spouses/partners of military personnel living in the Study Area	12,950 spouses/partners of military personnel
Contributions in Lieu of Council Tax (2009/10)	£11.8m
MOD-owned land	13,064 Ha
Sites currently under disposal	570 Ha
Number of military personnel leaving MOD bases in the 145 Brigade Area covering Hampshire, Oxfordshire, Berkshire and Buckinghamshire (2009/10)	3,300 personnel

	Oxfordshire and Hampshire Economic Area Total
Estimated number of military leavers that settle in Oxfordshire and Hampshire (2010/11)	In the order of 1,800
Number of war pensions administered to recipients living in the Study Area	7,400 pension recipients
Number of armed forces pensions paid to ex-military personnel (mainly service leavers, but also small number of dependants and serving personnel)	32,000 pension recipients
Service Family Accommodation	8,624 dwelling
Substitute Service Family Accommodation	300-350 dwellings

Source: SQW analysis of MOD data

5: The wider defence-related sector *in* the Study Area

5.1 Between them, Oxfordshire and the Hampshire Economic Area can claim a high incidence of defence-related businesses, many of which are engaged in high tech and high value-added activities linked, for example, to aerospace, advanced electronics, software and systems, materials science, composites, etc. Many of these firms' businesses are structured around significant defence contracts issued through the MOD, although a good number have both civil and military clients and workstreams.



5.2 Given the aims of this study, some consideration must be taken of this wider defence-related sector for it is a sizeable and very important part of the economy of the Study Area and it is – self evidently – linked inherently to national defence strategies and the spending decisions of the MOD. However the nature of the relationship is different in character from that which provided the focus for Sections 3 and 4. We suggest that in this context, MOD spend is *in* – rather than *of* – Oxfordshire and the Hampshire Economic Area. Contracting decisions are centrally organised and the fact that suppliers are within the Study Area is – at one level – simply fortuitous. These businesses are not, in the main, serving *local* MOD clients in response to *local* MOD requirements and most have no relationship at all to the various military bases across the Study Area; instead, they are part – effectively – of a national "supply chain" that just happens to be based in Oxfordshire and/or the Hampshire Economic Area. Historically, the links were, we suspect, much closer. Today, their continuing presence owes much to the skills of the local working population and some evidence of local clustering; it is much less related to the physical footprint of military installations.

Businesses

5.3 According to a study undertaken by the South East of England Development Agency (SEEDA) in 2010, **Oxfordshire and the Hampshire Economic Area is home to an estimated 372 'Aerospace and Defence'[63] businesses**. This is based on a SIC definition of the sector, which is inevitably restrictive. During the workshop phase of this study, these figures were tested with stakeholders, who argued that this figure is likely to be a significant under-estimate of the actual number of defence-related businesses in the area – **and more likely to be in the region of 500+.**

5.4 The 'Aerospace and Defence' businesses in the Study Area (as defined by SEEDA) accounted for 27% of 'Aerospace and Defence' businesses in the South East region as a whole. Some

[63] A broad SIC (2003) definition of the sector was utilised for this work. It included 4 digit codes in a number of manufacturing categories, transport, electricity and gas, construction, wholesale, some office functions, public administration and defence.

295 businesses were located in the Hampshire Economic Area and the remaining 77 were in Oxfordshire.

5.5 The table below presents the most common[64] sub-sectors within the 'Aerospace and Defence' category in Hampshire Economic Area and Oxfordshire. This shows that the manufacture of aircraft and spacecraft, defence activities, R&D, non-scheduled air transport and other supporting air transport activities are the most common defence-related activities in HEA, accounting for 71% of all businesses in the 'Aerospace and Defence' category.

Table 5-1: Aerospace and Defence businesses in Hampshire Economic Area and Oxfordshire by specific SIC Code descriptors – February 2010

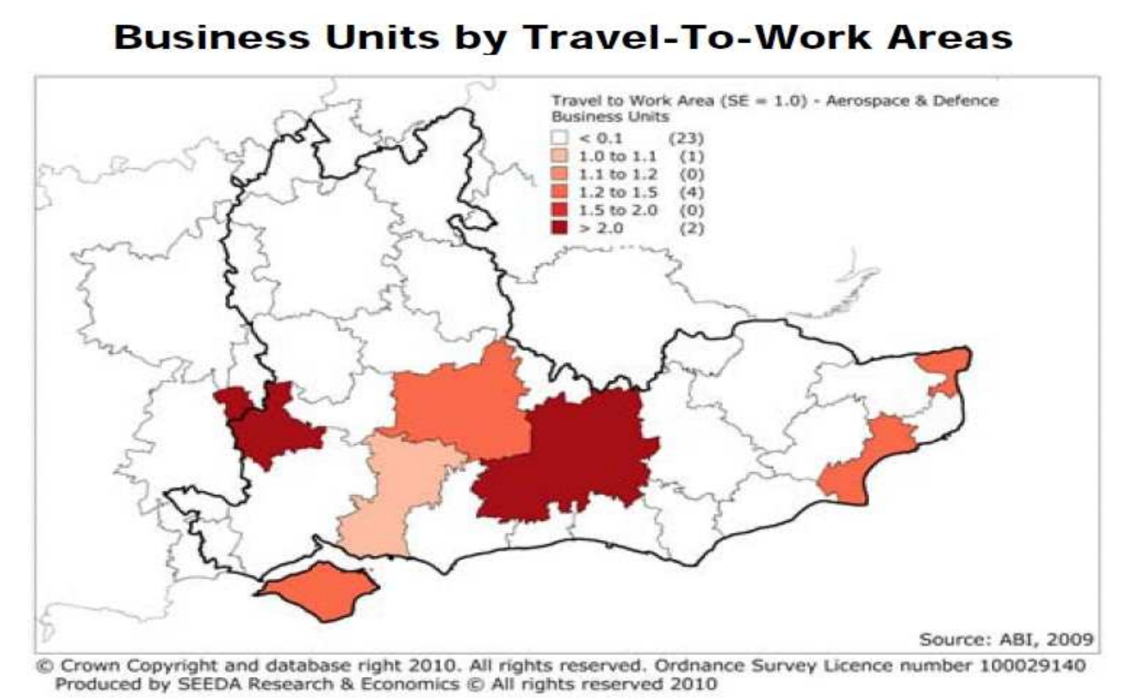
	Oxfordshire	Hampshire Economic Area
Totals Businesses:	**77**	**295**
Other supporting air transport activities	11	65
Non-scheduled air transport	33	39
Manufacture of aircraft and spacecraft	7	61
Defence activities	4	43
Scheduled air transport	8	26
Other	2	13
Manufacture of weapons and ammunition	4	7
Renting of air transport equipment	5	5
Research and experimental development on natural sciences and engineering	-	5
Remainder	3	31

Source: SEEDA mapping exercise, Feb 2010.

5.6 SEEDA's more comprehensive *'Geography of key sectors in the South East'* paper of April 2010 includes analysis of business units in the 'Aerospace and Defence' sector[65] by district and Travel-To-Work Areas (TTWAs) based on 2009 data. Figure 5-1 reproduces a map of employment in the sector by South East TTWAs. The darkest red colour indicates a South East Location Quotient (LQ)[66] of more than two. In the context of Hampshire Economic Area, the TTWAs around Portsmouth, and particularly Andover demonstrate high concentrations of 'Aerospace and Defence' business units. In Oxfordshire, none of the TTWAs demonstrate a concentration that is above the regional average. It should be noted that SEEDA's definition includes business units classified under 'Defence Activities', which would usually include all public sector military sites or organisations.

[64] Descriptors allocated to five or more businesses across Hampshire and Oxfordshire. The remaining descriptors (20 descriptors, applying to 34 businesses (9% of total)) have been labelled 'Remainder'.
[65] This study used a slightly narrower definition of the sector than the list of SIC descriptors summarised above. The SICs (2003) utilised were; 2461 Manufacture of explosives, 2960 Manufacture of weapons and ammunition, 3530 Manufacture of aircraft and spacecraft, 6210 Scheduled air transport, 6220 Non-scheduled air transport, 6230 Space transport, 6323 Other supporting air transport activities, 7123 Renting of air transport equipment and 7522 Defence activities.
[66] A location quotient is an index through which we can assess the concentration of employment in a particular sector in a particular area. Put simply, it is a measure of *relative* specialism. A location quotient of '1' for example in this case indicates parity with the South East average.

Figure 5-1: Aerospace and defence business units by SE TTWAs – SE Location Quotients, 2009.



Source: SEEDA sector study, Feb 2010.

Employees

5.7 Using SEEDA's definition of aerospace and defence sectors in *Geography of key sectors in the South East, 2010*, it is possible to provide estimates for employment within the sector for 2008 using the Annual Business Inquiry (ABI).[67]

5.8 This analysis shows that the 'Aerospace and Defence' sector employs around 21,500 employees[68] in Oxfordshire and the Hampshire Economic Area. This represents 2% of all employees in the area, a higher proportion than regional and national comparators. The area's LQ compared to the regional average is 1.3, and 1.5 compared to the national average, suggesting an over-representation of 'Aerospace and Defence' employees within the Study Area. This over-representation is predominantly due to a concentration of 'Aerospace and Defence' employment in Hampshire where 2.6% of employees work in the sector (in Oxfordshire, the figure is 0.9%).

Table 5-2: Employment in the 'Aerospace and Defence Sector' – 2008

Area	Employees	Percentage of all Employees	Regional LQ	National LQ
Hampshire	14,500	2.6	1.8	2.0
Oxfordshire	3,000	0.9	0.6	0.7
Hampshire Economic Area	18,500	2.4	1.7	1.9
Oxfordshire and the Hampshire Economic Area	**21,500**	**2.0**	**1.3**	**1.5**

[67] The ABI has now been replaced by the Business Register and Employment Survey (BRES). However, it is still the most appropriate source in this case given the focus (employees rather than businesses) and the SIC code definition used by SEEDA (2003 rather than 2007)
[68] Full time and part time employees

Area	Employees	Percentage of all Employees	Regional LQ	National LQ
South East	55,000	1.5	1.0	1.1
England	297,000	1.3	0.9	1.0

Source: ABI 2008. Notes: Given the potential confidentialities attached to this sector, numbers have been rounded to the nearest five hundred, and analysis only provided for higher level areas (Hampshire, Oxfordshire, Hampshire Economic Area; and Hampshire and Oxfordshire Economic Area). Location Quotients (LQs) have been used to emphasise the relative strength of the sector in each area compared to regional and national benchmarks.[69] It should be noted again that SEEDA's definition includes employees classified under 'Defence Activities', which would usually include all public sector military sites or organisations

Links between defence-related activity *in* and *of* the Study Area

5.9 The defence-related sector in Oxfordshire and the Hampshire Economic Area is therefore very important. Typically these businesses are R&D intensive and many have non-military applications which are central to wider ambitions for high value-added economic growth. For example, there is a clear and on-going transfer of knowledge, research and insight between military and civil aerospace. Equally, research funded for military purposes in the context of composite materials has subsequently found its way into all sorts of medical applications, and this too is a sector which is growing rapidly on a global stage. Although difficult to define, this sector is important and it is clear that it is strongly represented within the Study Area.

5.10 But what about the links to the MOD spend and activity which is – in a direct sense – *of* the Study Area? We made the comment at the start of this section that the strong incidence of defence-related businesses was – in some respects – a co-incidence: although historically there may have been a link, today, it is not individual military installations which are commissioning R&D[70]. However there are some important cross-overs nevertheless. Some of these were referenced in the course of our consultations.

5.11 The most important, arguably, is that linked to labour markets. Specifically, the point was made that the likely downsizing of the military potentially released skilled labour which – for many of the defence-related businesses – is in seriously short supply. Civil aerospace is a sector which is growing quickly globally and suppliers based in Oxfordshire and the Hampshire Economic Area are very well placed to benefit. However their main constraint appears to be the recruitment of appropriately skilled staff. Some of those released from the military have a perfect skills match. Indeed, various projects have been initiated – first by SEEDA, now by BIS – to link military leavers to businesses operating in the field of civilian aerospace whose growth ambitions will be thwarted unless they can recruit the staff they need. The links therefore are actually both real and strategically important.

[69] A location quotient is an index through which we can assess the concentration of employees in a particular sector in a particular area. Put simply, it is a measure of relative specialisation – i.e. are we seeing relatively more employees in sector A in Oxfordshire as compared to (say) the typical picture across the South East? The LQ for the wider area which is chosen for comparison is by definition 1.0. Therefore, a LQ of 4.0 for Oxfordshire would mean that it has four times more employees in sector A than would be expected if Oxfordshire matched the pattern across the South East. A LQ of 0.5 would mean that it has half as many employees in this sector than we would typically expect

[70] Nationally, net MOD expenditure on R&D came to around £2bn in 2008/09, of which firms in the Study Area will receive a share. Source: http://www.dasa.mod.uk/modintranet/UKDS/UKDS2010/c1/table108.php

6: Strategic challenges and opportunities associated with the military presence

Summary of strengths, weaknesses, and opportunities and threats associated with military presence

6.1 Overall, employment generated by MOD bases in the Study Area (directly and indirectly[71]) accounts for 4.2% of all employment in the Oxfordshire and Hampshire Economic Area. In the table below we summarise the key strengths and challenges associated with this strong military presence across Oxfordshire and the Hampshire Economic Area, based on an assessment of the quantitative and qualitative evidence collated as part of this study. We also point towards some of the opportunities and threats/challenges that may be faced in future, which will inevitably vary across the study area, depending on the scale and nature of military activity in an area and the context in which this sits.

Table 6-1: Summary SWOT analysis

Advantages / strengths of military presence

- Large employer with relatively stable job levels, relatively secure jobs and incomes (which are spent in the local economy)
- Young and fit population, with benefits for local demographic structures.
- Significant Contributions in Lieu of Council Tax (CILOCT) payments made to Local Authorities
- Some contracting opportunities for local firms, especially via sub-contracts for hard and soft facilities maintenance
- Military leavers provide a pool of labour for local business with strong core skills and technical expertise
- Engagement of "high calibre" military spouses in the local labour market
- The attendance of service children at local schools helps to maintain some schools' viability
- Linked to the point above, creates demand for public transport and helps maintain viability (especially in some rural areas)
- Generally a good rapport between bases and local communities at the grass roots level
- Volunteering and fund raising activities
- Provider of shared assets, such as sports facilities, health centres, childcare centres, and training areas.
- Presence of military veterans, and associated pension incomes
- Visitor numbers and spend generated through visits to MOD personnel and MOD open days.

Challenges associated with military presence

- Lack of a joined up portal for sharing information on leavers and job aspirations, and labour market information on demand from businesses
- Many of the contracts/sub-contract jobs that are secured by local residents tend to be low paid
- Significant fluctuations in number of military personnel at some bases due to deployment
- Considerable "churn" at bases which see a high turnover of staff (especially training bases, but also Army bases that tend to be re- posted more frequently than Navy and RAF personnel), and as a result, integration with local communities/economies is likely to be weaker.
- Uncertainty and delays in releasing MOD land, which makes it difficult for local stakeholders to plan for, and enable, economic development
- The MOD is a major employer and land owner but there is a view that they are not joining up with local authorities sufficiently on issues such as economic development
- The spatial location of MOD accommodation in relation to MOD jobs can create pressure on transport networks
- Some pressure on social housing and the private rented sector in places
- Some poor quality MOD housing stock has influenced image and deprivation levels in some areas

[71] This includes military personnel, gurkha personnel, civilian personnel, known contractor jobs and full time reservists.

Future opportunities	Future threats, challenges
• Opportunities for local firms to engage more with MOD contracting mainly through changing government contracting rules and industry days to raise awareness of the opportunities, and how to access them • Opportunity for growth in civilian applications of military-related expertise/technologies in commercial markets • Sharing assets, equipment, buildings more frequently – not only to benefit local communities, but also to help both sides with cost saving measures • Outcomes of the Strategic Defence and Security Review might result in consolidation of activities in the Study Area and/or the release of land which could be re-used for commercial purposes • Opportunities for military personnel and their families to become more engaged with VCS activities • Encouraging skilled military leavers to remain in the area, and matching these with local business needs • Letting out surplus land/property to the private sector whilst decisions on disposal are being made centrally • Working more closely with councils to match employers and leavers more effectively	• Consolidation of contracting processes which may make it more difficult for local firms (especially SMEs) to tap into contracting opportunities • Outcomes of the Strategic Defence and Security Review may result in job losses and reductions in military presence • Social challenges and costs of services for the community. • Some local labour markets are more robust than others in the Study Area, but a decline in military jobs would have a significant impact where local labour markets are weaker / less diverse • Un-coordinated release of surplus land/property

Source: SQW analysis of consultations

Future prospects

6.2 The details of the Strategic Defence and Security Review (SDSR) are still being worked through, but we do know that the number of personnel in all three service areas will be reduced. Within Oxfordshire and Hampshire Economic Area, the local consequences will vary over the next decade; currently, we know that:

- there will be one closure (at Bordon Garrison, East Hants), and some scaling back of activity elsewhere (e.g. employment at Portsmouth Naval base will be reduced by 25% by 2015, with an associated 10% cut in spend)
- some bases are likely to grow – e.g. Brize Norton (West Oxfordshire)
- some bases are likely to continue at much the same scale.

6.3 The economic development context is also changing: the South East England Development Agency (SEEDA) will have closed fully by March 2012; three Local Enterprise Partnerships (LEPs) have been established across the Study Area, namely Oxfordshire LEP, Enterprise M3 and Solent (but with few resources); and Local Authorities are under significant financial pressure and losing staff. Other public/quasi-public sector partners are also under significant pressure too (such as JCP, HCA, HEIs, etc.), and the picture in terms of national business programmes (such as Business Coaching for Growth, UKTI, etc.) are still emerging. Overall, locally determined "Big Society" solutions are favoured by government.

6.4 In this context, different places across Oxfordshire and the Hampshire Economic Area are likely to experience changing military presence, either through expansion or contraction – and these changes will have differing implications for local economies, depending on a range of factors, including:

- military functions that take place there
- the degree of rurality and proximity to large urban areas
- the extent to which MOD bases are already integrated with local communities and economies,
- whether growth/expansion takes place in an area of high demand and economic diversity or an area of MOD dependency and/or deprivation.

6.5 At a workshop with partners in July 2011, the following two scenarios were discussed:

- **Scenario 1: A decline in the level of military activity**, and how the associated economic risks should be managed / opportunities be harnessed in different places across the Study Area
- **Scenario 2: An increase in the level of military activity**, much of it focused in local areas in which the "challenges of economic success" were an issue (pre-recession), and how to realise/manage opportunities and threats associated with this.

6.6 The key messages from the discussions and implications for policy are summarized in the table below.

Table 6-2: Consequences for the Study area, and implications for policy, of decline or growth in military activity – Workshop feedback

Scenario 1 – A decline in the level of military activity	Scenario 2 – An increase in the level of military activity
Key issues A decline in military activity has serious consequences in three areas in particular: ***Housing*** • There is currently a mis-alignment between spare capacity in MOD properties, and a shortage of housing elsewhere in the Study Area. There is also a concern that as military personnel are made redundant, they are required to move out of MOD accommodation – in some cases, this MOD accommodation will become vacant and boarded up, even though the local population is short of housing (resulting in issues of homelessness and pressure on social housing). This may also put pressure on the private rented housing market in the short term, with the risk that people are priced out of the market. If the Study Area wants military leavers to remain in the area, the housing issue needs to be addressed. ***Land/property disposals*** • The disposal of MOD land can create opportunities, and help to address capacity issues at a strategic level. However, it is essential that the disposal of land takes into account the need for economic growth – and that some land is allocated to employment, rather than just housing, uses. However, the MOD is under pressure from the Treasury to sell land at the highest value (which often means housing) – this does not aid economic	**Key issues** Overall, there are three inter-related imperatives in terms of harnessing the benefits of increased military activity: • The need to engage in a clear process • The importance of reducing uncertainty • The imperative for MOD to have a "seat at the table" Beyond this, a number of more detailed points were made: ***Contracts/contracting*** • There will be opportunities linked to contracts/contracting but these are substantial in scale and likely to be of interest to the major players • Value for Money considerations will be critical • In practice, the opportunities available to local firms may be quite limited ***Decision-making*** • There is a need to align MOD interests with local interests. • More could be done to be transparent, etc. ***Partnership working*** • There are some examples of good partnership working – e.g. Rushmoor. However more often, the

Scenario 1 – A decline in the level of military activity	Scenario 2 – An increase in the level of military activity
development priorities. There must be dialogue between the MOD, Treasury, BIS and CLG on improving the balance of priorities between maximizing the economic return of disposals and ensuring that the disposal process benefits local economies and communities where possible. ***Re-skilling*** • There are also opportunities associated with the release of highly skilled MOD staff into the local economy – this presents an opportunity to fill local skills gaps. However, the need for re-skilling is important. Also, the skills of military leavers needs to be marketed to local business in order to demonstrate the private sector benefits of such skills. Support is also needed to ensure leavers can access job opportunities in the area, if their skills are to be harnessed by the local economy. **<u>Partnership working</u>** • There is a real need for a strategic masterplanning approach to deal with military closure/decline, and partners need to work in partnership to ensure that places recover and grow. • In particular, some of Hampshire's urban areas face a distinct challenge in replacing MOD jobs and attracting new firms into the area (e.g. Gosport), where MOD land ownership is high, and the economy is highly dependent upon the military for employment. • In the past, there has been a lack of consultation when closures/cut backs take place. This is improving, but there is still some way to go. It is essential that lessons are learned from past experiences. • There are a number of existing partnership arrangements (such as Hampshire's HEMP) that should be used to ensure a joined up approach is taken. Also, such partnerships should utilize their links to Ministers to influence policy at a national level.	MOD doesn't have a genuine seat at the table and hence opportunities might not always be captured or communicated ***Resourses and assets*** • There are examples of shared resource use, etc., but more could be done on this front ***Skills and labour supply*** • There is a need to recognize the tremendous resource that military leavers present for the local business community. Their skills are good, as is their work ethic/culture, and more needs to be done to capture the benefits fully

Source: SQW summary of workshop discussions

6.7 Given the changing – and sometimes uncertain – institutional context, this raises questions around "Who might make "positive change" happen?" A strong message arising from the workshop was that the effectiveness of partnership working between the MOD and civilian stakeholders will be a key factor in the ability of Hampshire and Oxfordshire to maximise the economic benefit of military presence in future, and address potential threats and challenges.

6.8 A range of partnerships currently operate across the Study Area, including:

- Entirely non-MOD partnerships, where the MOD is represented, e.g. the Commander of the 145 Brigade has a seat on the Hampshire Senate, Oxfordshire Partnership, the Oxfordshire Local Enterprise Partnership and the Enterprise M3 Local Enterprise Partnership
- Civilian-military partnerships (CMPs) which separately cover the countries of Hampshire and Oxfordshire

- Thematic partnerships which sit beneath, and feed into, the CMPs, which cover the key themes of Economy and Skills, Children and Young People, Infrastructure and Environment, Health and Wellbeing, and Safer Stronger Communities.

6.9 In addition to the formal partnerships above, there are also informal meetings between MOD staff and various civilian organisations on specific issues. However, awareness of each partnership (and their remits and functions) appeared to be very mixed amongst workshop attendees. Consultees were very much of the view that these partnerships could work more effectively to maximise economic benefits associated with the MOD's presence in Oxfordshire and Hampshire in future, rather than there being a need to set up new partnership arrangements. A "roadmap" of existing partnerships and key contacts is presented in Annex E which ought to help improve stakeholders' awareness of, and engagement with, the existing partnerships and channels through which MOD or civilian partners can be influenced.

Annex A: Military sites within the Study Area

Table A-1: Military sites within Hampshire and Oxfordshire Economic Area (DEDP 2009)

Core Location	Core Site	Retained	Future years from 2009	Dispose	Site Function	Hectares	Constituency
Portsmouth	HMS COLLINGWOOD		2019-2030		Naval Training Establishment	74	Gosport
Portsmouth	HMS EXCELLENT		2019-2030		HQ Navy Command	32	Portsmouth North
Portsmouth	HMS TEMERAIRE		2019-2030		School of Naval PT and P&RTC for Fleet Units in Portsmouth	1	Portsmouth South
Portsmouth		HORSEA ISLAND	2019-2030		Naval Diving school	36	Portsmouth North
Portsmouth		INSTITUTE OF NAVAL MEDICINE	2019-2030		Naval Medical Training Centre	3	Gosport
Portsmouth			2009-2012	MWC PORTS DOWN MAIN Portsmouth	Maritime Warfare Centre	2	Portsmouth North
Aldershot	ALDERSHOT GARRISON		2019-2030		Misc Garrison Assets	1602	Aldershot
Aldershot	ALDERSHOT GARRISON OFFICERS' MESS		2019-2030		Garrison Officers Mess	3	Aldershot
Aldershot	ARMY SCHOOL OF PHYSICAL TRAINING		2019-2030		School of PT	4	Aldershot
Aldershot			2009-2012	CLAYTON BARRACKS	ASCB	2	Aldershot
Aldershot	GARRISON SERGEANTS' MESS		2019-2030		Garrison Sgts Mess	4	Aldershot

Core Location	Core Site	Retained	Future years from 2009	Dispose	Site Function	Hectares	Constituency
Aldershot	GIBRALTAR BARRACKS (Minley)		2019-2030		RSME -Minley Blackwater	75	Aldershot
Aldershot	GOVERNMENT HOUSE OFFICERS' MESS		2019-2030		Officers Mess	3	Aldershot
Aldershot	HAMMERSLEY BARRACKS		2019-2030		HQ ASPT	5	Aldershot
Aldershot	LILLE BARRACKS		2019-2030		Inf	14	Aldershot
Aldershot	MONS BARRACKS		2019-2030		Mech Inf	19	Aldershot
Aldershot	ORDNANCE BARRACKS		2019-2030		251 Sig Sqn	6	Aldershot
Aldershot	PARSONS BARRACKS		2019-2030		Sport Board / Minor Units	2	Aldershot
Aldershot	PROVOST BARRACKS		2019-2030		RMP	1	Aldershot
Aldershot	THORNHILL BARRACKS		2019-2030		Fd Hospital & RMP Regt	2	Aldershot
Aldershot	TOURNAI' OFFICERS MESS Aldershot		2019-2030		Used as WO's and Sgt's Mess Accommodation	<1	Aldershot
Aldershot	TRAVERS BARRACKS		2019-2030		Tpt Regt RLC	8	Aldershot
Aldershot	WAVELL HOUSE		2019-2030		Office	2	Aldershot
Aldershot				ARNHEM BARRACKS	HQ 12 Mech Bde	6	Aldershot
Aldershot				BROWNING BARRACKS	Gen Sp Med Regt	11	Aldershot
Aldershot				BRUNEVAL BARRACKS	Inf Regt	7	Aldershot

Core Location	Core Site	Retained	Future years from 2009	Dispose	Site Function	Hectares	Constituency
Aldershot				BULLER BARRACKS	Tpt Regt RLC	17	Aldershot
Aldershot				CAMBRIDGE MILITARY HOSPITAL	Former Military Hospital	6	Aldershot
Aldershot				DUCHESS OF KENT BARRACKS	Misc SLA	4	Aldershot
Aldershot		HEADQUARTERS ALDERSHOT GARRISON	2013-2018		Garrison HQ	<1	Aldershot
Aldershot		HQ 4 DIV	2013-2018		Div HQ	2	Aldershot
Aldershot	RAF ODIHAM		2013-2018		JHC	263	North East Hampshire
Aldershot				RHINE BARRACKS	Was 9 Para Sqn RE	4	Aldershot
Aldershot	ST OMER BARRACKS		2019-2030		Domestic Site for South Aldershot	22	Aldershot
Aldershot	NEW NORMANDY BARRACKS Aldershot		2019-2030		10 Tpt Regt	15	Aldershot
Aldershot			2009-2012	NORMANDY BARRACKS (SOUTH)	2 Inf Regts	12	Aldershot
	ARMY AIR CORPS CENTRE Middle Wallop Hants		2019-2030		ATRA	316	North West Hampshire
	DALTON BARRACKS Abingdon		2019-2030		Army Logistics Units	288	Oxford West & Abingdon
	MCMULLEN BKS Marchwood		2019-2030		RLC	18	New Forest East

Core Location	Core Site	Retained	Future years from 2009	Dispose	Site Function	Hectares	Constituency
	HAWLEY HARD Blackwater Hants		2019-2030		Training Area	12	Aldershot
	MINLEY MANOR Blackwater Hants		2019-2030		Officers Mess	37	Aldershot
	SIR JOHN MOORE BARRACKS Winchester		2019-2030		ATR	87	Winchester
	ST DAVIDS BARRACKS Bicester		2019-2030		23 Pioneer Regt RLC	103	Banbury
	ST GEORGES BARRACKS Bicester		2019-2030		BOWMAN	28	Banbury
	AGCD WORTHY DOWN Winchester		2019-2030		Training School for Pay Svcs & AGC Clerks	157	Winchester
		PIDDINGTON TRAINING AREA Bicester	2013-2018		4 Div	29	Banbury
			2009-2012	QUEBEC BARRACKS Bordon	4 Bn REME	2	North East Hampshire
	RAF BENSON MAIN SITE Nr Wallingford, Oxon		2013-2018		JHC	261	Henley
		VAUXHALL BKS	2019-2030		11 EOD	11	Wantage
	HQLF ANDOVER		2019-2030		HQ Land Forces	45	North West Hampshire
Aldershot	HQ ROYAL ARMY DENTAL CORPS		2019-2030		RADC Training Depot	1	Aldershot
Portsmouth	SOUTHWICK PARK (former HMS DRYAD)		2019-2030		DCPG	112	Winchester

Core Location	Core Site	Retained	Future years from 2009	Dispose	Site Function	Hectares	Constituency
Brize Norton	RAF BRIZE NORTON Oxon		2019-2030		AT Hub	481	Witney
Portsmouth		HMS SULTAN	2013-2018		Naval Training Centre	95	Gosport
	RAF WESTON-ON-THE-GREEN Oxon		2019-2030		Para Training	132	Banbury
		CHALGROVE AIRFIELD Oxon	2013-2018			259	Henley
		BORDON INFRASTRUCTURE	2019-2030			125	North East Hampshire
			2009-2012	PRINCE PHILLIP BARRACKS Bordon	SEME	66	North East Hampshire
Portsmouth	DSDA GOSPORT		2019-2030		Defence Munitions Storage	215	Gosport
Portsmouth	HMNB PORTSMOUTH		2019-2030		Naval Dockyard	122	Portsmouth South
Portsmouth	HMS NELSON		2019-2030		Officers Mess, Sports Grounds, Community Centre, Shops & Car Park	50	(mostly) Portsmouth South (some) Portsmouth North
Portsmouth	OFD GOSPORT		2019-2030		Sea Oil Fuel Depot	16	Gosport
Portsmouth		OFD PORTSDOWN (part of PORTSDOWN)	2013-2018		Oil Fuel Depot	<1	Portsmouth North
Portsmouth	PORTSDOWN		2019-2030		Miscellaneous	76	Winchester/Portsmouth North
Portsmouth	ROYAL CLARENCE YARD		2019-2030		Naval Dockyard	5	Gosport
	DSDA BICESTER		2019-2030		DSDA Storage Depot	318	Banbury

Core Location	Core Site	Retained	Future years from 2009	Dispose	Site Function	Hectares	Constituency
Marchwood	MARCHWOOD MILITARY PORT		2019-2030		Strategic Point of Embarkation	95	New Forest East
	TCS DCSA OAKHANGER Bordon		2019-2030		Comms Mast Site	55	North East Hampshire
		DE&S CAVERSFIELD Bicester	2019-2030		Office Accommodation	10	Banbury
		DSDA LONGMOOR	2013-2018		Storage	8	North East Hampshire
Aldershot	CHURCH CROOKHAM TRAINING AREA		2019-2030			10	North East Hampshire
Portsmouth	BROWNDOWN TRAINING CAMP		2019-2030		Troop & Vehicle Beach Landing Exercises	105	Gosport
	CHILCOMB RANGE N. of Winchester		2019-2030		Training Area	1003	Winchester
	MINLEY TRAINING CENTRE Blackwater Hants		2019-2030		Engineer Training Centre	812	Aldershot
	BRAMLEY TRAINING AREA Hants		2019-2030		Training Area	368	Basingstoke
		LONGMOOR CAMP	2019-2030		Training Area	3045	North East Hampshire
Aldershot	DE ALDERSHOT		2019-2030		DE Office	4	Aldershot
	SEAFIELD PARK Lee-on-Solent		2019-2030		Amenity Area	6	Gosport
Aldershot	DEFENCE DENTAL AGENCY		2019-2030		Dental Services	<1	Aldershot

Core Location	Core Site	Retained	Future years from 2009	Dispose	Site Function	Hectares	Constituency
Aldershot		TRI SERVICE RESETTLEMENT CENTRE			SRC Training Centre	2	Aldershot
Portsmouth	CENTURION BUILDINGS Gosport		2019-2030		Offices & Computer Building	7	Gosport
Portsmouth		FORT BLOCKHOUSE (DOLPHIN) 1 (AND 2, AND 3) GOSPORT	2013-2018		33 FH / Submarine Escape Training Facility	46	Gosport
Portsmouth			2009-2012	ROYAL HOSPITAL GOSPORT	Medic	24	Gosport
	AMPORT HOUSE, Andover		2019-2030		Services Chaplaincy Centre	8	North West Hampshire
Shrivenham	JOINT SVC COMD & STAFF Defence Academy Shrivenham		2019-2030		DCMT Shrivenham	240	Wantage
Shrivenham	ROYAL MILITARY COLLEGE OF SCIENCE Shrivenham		2019-2030		Training & Ed College	N/A	Wantage
	PYESTOCK Farnborough		2019-2030		Research & Development Establishment	94	Aldershot
Portsmouth	DSTL PORTSDOWN		2019-2030		Research & Development Establishment	31	Winchester / Portsmouth North
Portsmouth	DARA FLEETLANDS Gosport Hants		2019-2030		Helicopter Repair Facility	56	Gosport
	DSG BICESTER		2019-2030		Vehicle Workshop	1	Banbury

Source: DEDP 2009.

Annex B: Detailed data analysis

Detailed analysis of military personnel

Table B-1 : Working military service personnel registered on the Joint Personnel Administration (JPA) system by district – July 2011

	Key district bases	Working service personnel	Rank		Service		
			Officer Rank	Other Rank	Navy	Army	RAF
Cherwell LAD	Bicester	660	11%	89%	0%	98%	2%
Oxford LAD		20	50%	100%	50%	50%	50%
South Oxfordshire LAD	RAF Benson Vauxhall Barracks	2,230	16%	84%	0%	12%	88%
Vale of White Horse LAD	Defence Academy Shrivenham Abingdon	2,360	38%	62%	8%	85%	7%
West Oxfordshire LAD	RAF Brize Norton	3,490	15%	85%	0%	6%	94%
Oxfordshire total		8,770	21%	79%	2%	36%	62%
Basingstoke and Deane LAD		-					
East Hampshire LAD	Bordon	1,450	5%	95%	3%	95%	1%
Eastleigh LAD		-					
Fareham LAD	Southwick Park HMS Collingwood	1,300	27%	73%	92%	0%	8%
Gosport LAD	Institute of Naval Medicine HMS Sultan	1,480	24%	76%	86%	11%	2%
Hart LAD	Minley Station RAF Odiham	2,900	13%	87%	0%	37%	63%
Havant LAD		-					
Isle of Wight UA		-					
New Forest LAD	HQ Solent	720	6%	96%	0%	100%	0%
Portsmouth UA	HMS Nelson HMS Temeraire HMS Excellent	7,680	21%	79%	96%	3%	1%
Rushmoor LAD	Aldershot Garrison	3,100	13%	87%	1%	98%	1%

	Key district bases	Working service personnel	Rank		Service		
			Officer Rank	Other Rank	Navy	Army	RAF
Southampton UA		20	50%	50%	0%	100%	0%
Test Valley LAD	Andover Middle Wallop	1,250	62%	38%	2%	94%	4%
Winchester City Council LAD	Winchester/Worthy Down	1,340	16%	84%	6%	79%	15%
Hampshire Economic Area total		21,240	20%	80%	47%	42%	11%
Hampshire and Oxfordshire Economic Area		30,010	20%	80%	34%	40%	26%

Source: DASA. Figures may not sum due to rounding. LAD refers to Local Authority District and UA to Unitary Authority.

Reservists and University Officer Training Corps

Table B-2 : Reservists

	Army reserve	Navy Reserve	RAF Auxillary
Oxfordshire	189		333
Hampshire Economic Area	507	247	
Total	696	247	333

Source: MOD

Table B-3 : University Officer Training Corps (UOTC)

Oxfordshire	186 places at Oxford University
Hampshire Economic Area	134 places at Southampton University
Total	320

Source: MOD

Detailed analysis of civilian personnel

Table B-4 : Working civilian personnel (civil servants) by district – percentage split across occupational group within each district - July 2011

	Civilian Personnel	Non industrial	Industrial	Trading Funds
		Percentage of district total civilian employment		
Cherwell LAD	830	59%	40%	0%
Oxford LAD	10	100%	0%	0%
South Oxfordshire LAD	160	56%	44%	6%
Vale of White Horse LAD	240	100%	0%	0%
West Oxfordshire LAD	430	63%	35%	2%

	Civilian Personnel	Non industrial	Industrial	Trading Funds
Oxfordshire total	1660	66%	34%	1%
Basingstoke and Deane LAD	0			
East Hampshire LAD	240	79%	21%	0%
Eastleigh LAD	0			
Fareham LAD	200	100%	0%	0%
Gosport LAD	810	68%	32%	0%
Hart LAD	170	76%	24%	6%
Havant LAD	-			
Isle of Wight LAD	-			
New Forest LAD	170	59%	35%	0%
Portsmouth UA	1720	92%	7%	0%
Rushmoor LAD	610	95%	3%	2%
Southampton UA	20	50%	0%	0%
Test Valley LAD	1360	87%	10%	4%
Winchester City Council LAD	1330	22%	3%	75%
Hampshire Economic Area total	4890	66%	12%	22%
Hampshire and Oxfordshire Economic Area	8290	71%	15%	13%

Source: DASA. Figures rounded to the nearest 10. Due to rounding, percentages may not add to 100.

Military and Civilian Personnel as a proportion of all employees

Table B-5 : Defence and total employment by district (2009 and 2011)

	Total district employment (2009)[72]	Working service personnel (2011)		Working civilian personnel (2011)		Combined service and civilian personnel (2011)	
		N	% of district employment	n	% of district employment	n	% of district employment
Cherwell LAD	71,097	660	0.9	830	1.2	1,490	2.1
Oxford LAD	106,909	20	0.0	10	0.0	30	0.0
South Oxfordshire LAD	54,129	2,230	4.1	160	0.3	2,390	4.4
Vale of White Horse LAD	56,804	2,360	4.2	240	0.4	2,600	4.6
West Oxfordshire	40,287	3,490	8.7	430	1.1	3,920	9.7

[72] The BRES definition of 'employment' includes proprietors and sole traders, as well as employees.

	Total district employment (2009)[72]	Working service personnel (2011)		Working civilian personnel (2011)		Combined service and civilian personnel (2011)	
		N	% of district employment	n	% of district employment	n	% of district employment
LAD							
Oxfordshire total	**329,228**	8,760	2.7	**1670**	0.5	10,430	3.2
Basingstoke and Deane LAD	85,494	-	0.0	0	0.0	-	0.0
East Hampshire LAD	46,818	1,450	3.1	240	0.5	1,690	3.6
Eastleigh LAD	62,930	-					
Fareham LAD	49,596	1,300	2.6	200	0.4	1,500	3.0
Gosport LAD	20,574	1,480	7.2	810	3.9	2,290	11.1
Hart LAD	35,301	2,900	8.2	170	0.5	3,070	8.7
Havant LAD	40,762	-					
Isle of Wight UA	49,687	-					
New Forest LAD	69,846	720	1.0	170	0.2	890	1.3
Portsmouth UA	105,282	7,680	7.3	1720	1.6	9,400	8.9
Rushmoor LAD	47,025	3,100	6.6	610	1.3	3,710	7.9
Southampton UA	110,420	20	0.0	20	0.0	40	0.0
Test Valley LAD	50,163	1,250	2.5	1360	2.7	2,610	5.2
Winchester City Council LAD	70,334	1,340	1.9	1330	1.9	2,670	3.8
Hampshire Economic Area total	**844,232**	21,240	2.5	**6,630**	0.8	27,870	3.3
Hampshire and Oxfordshire Economic Area	**1,173,460**	30,000	2.6	**8,290**	0.7	38,300	3.3

Source: DASA 2011 & Business Register and Employment Survey (BRES) 2009

Location quotients

B.2 A location quotient value above 1 indicates that MOD jobs are over-represented in the district (as a proportion of all jobs in the district) compared to Oxfordshire and the Hampshire Economic Area average. A LQ value below 1 indicates that MOD jobs are under-represented in the district (as a proportion of all jobs in the district) compared to Oxfordshire and the Hampshire Economic Area average.

Table B-6 : LQs of defence and total employment by district

	Military personnel - compared to area average	Civilian personnel - compared to area average	Total military and civilian personnel compared to area average
Cherwell LAD	0.4	1.7	0.6
Oxford LAD	0.0	0.0	0.0
South Oxfordshire LAD	1.6	0.4	1.4
Vale of White Horse LAD	1.6	0.6	1.4
West Oxfordshire LAD	3.4	1.5	3.0
Oxfordshire total	1.0	0.7	1.0
Basingstoke and Deane LAD	0.0	0.0	0.0
East Hampshire LAD	1.2	0.7	1.1
Eastleigh LAD	0.0	0.0	0.0
Fareham LAD	1.0	0.6	0.9
Gosport LAD	2.8	5.6	3.4
Hart LAD	3.2	0.7	2.7
Havant LAD	0.0	0.0	0.0
Isle of Wight UA	0.0	0.0	0.0
New Forest LAD	0.4	0.3	0.4
Portsmouth UA	2.9	2.3	2.7
Rushmoor LAD	2.6	1.8	2.4
Southampton UA	0.0	0.0	0.0
Test Valley LAD	1.0	3.8	1.6
Winchester City Council LAD	0.7	2.7	1.2
Hampshire Economic Area total	1.0	0.8	0.9
Hampshire and Oxfordshire Economic Area	1.0	1.0	1.0

Service Family and Substitute Service Family Accommodation

Service Family Accommodation Dwellings by LAD

Table B-7 : SFA accommodation

Area	Number of properties (dwellings)
Cherwell LAD	289
Oxford LAD	-
South Oxfordshire LAD	599
Vale of White Horse LAD	1,073
West Oxfordshire LAD	86
Oxfordshire total	**2,047**
Basingstoke and Deane LAD	< 50
East Hampshire LAD	527
Eastleigh LAD	-
Fareham LAD	360
Gosport LAD	1,068
Hart LAD	759
Havant LAD	< 50
Isle of Wight LAD	-
New Forest LAD	236
Portsmouth UA	766
Rushmoor LAD	1,752
Southampton UA	-
Test Valley LAD	596
Winchester City Council LAD	444
Hampshire Economic Area total	**6,577**
Hampshire and Oxfordshire Economic Area	**8,624**

Source: DIO 2011

Substitute Service Family/Single Accommodation (SSFA/SSSA)

Table B-8 :Potential number of SSFA/SSSA – Hampshire and Oxfordshire Economic Area

Area	Number of properties (dwellings)	Potential approximate capacity (beds)
Cherwell LAD	0 – 5	1 – 5
Oxford LAD	15 – 20	35 – 40
South Oxfordshire LAD	15 – 20	35 – 40

Area	Number of properties (dwellings)	Potential approximate capacity (beds)
Vale of White Horse LAD	40 – 45	90 – 95
West Oxfordshire LAD	-	-
Oxfordshire total	**50 – 100**	**150 – 200**
Basingstoke and Deane LAD	10 – 15	20 – 25
East Hampshire LAD	25 – 20	55 – 60
Eastleigh LAD	-	-
Fareham LAD	0 – 5	1 – 5
Gosport LAD	-	-
Hart LAD	20 – 25	40 – 45
Havant LAD	40 – 45	95 – 100
Isle of Wight LAD	0 – 5	1 – 5
New Forest LAD	0 – 5	1 – 5
Portsmouth UA	105 – 110	235 – 240
Rushmoor LAD	15 – 20	30 – 35
Southampton UA	10 – 15	25 – 30
Test Valley LAD	15 – 20	35 – 40
Winchester City Council LAD	5 – 10	15 – 20
Hampshire Economic Area total	**250 – 300**	**550 – 600**
Hampshire and Oxfordshire Economic Area	**300 – 350**	**750 – 800**

Source: DIO, MOD. 2011. District bands = 5. County/Economic Are bands = 50.

Military staff spending power – calculations

B.3 We have employed a weighted average approach to estimating military staff spending power after consulting with the relevant MOD steering group member. We have assumed that broadly speaking, the proportion of staff in each rank will reflect national benchmarks for that particular service. The likely rank differentiation between services has been applied to each district, and has been discussed and agreed with the relevant steering group member. The weighted average calculations for total salaries of military staff have factored in, and take account of, the following:

- the median national salary for ranks OR-1 to OR-9 and OF-1 to OF-9 [73]
- the national rank breakdown by service (i.e. the percentage of personnel in each rank) which we have used as a benchmark for the services within the Study Area [74]

[73] Sourced from the Armed Forces' Pay Review Body Fortieth Report. 2011.

- the number of Officers and Other Ranks in each district, weighted according to the district service breakdown [75]

B.4 These assumptions and inputs have been applied to the 30,000 military personnel in Oxfordshire and the Hampshire Economic Area to provide an estimation of the number in each rank. Table B-9 below sets out these estimations for the whole Study Area, as well as the median gross and net salary for each rank.

B.5 A number of caveats (predominantly concerning data which has been suppressed by DASA) apply to these calculations. Where this is the case, footnotes have been included in the table below with explanations.

Table B-9 : Estimated rank numbers and salary benchmarks for Hampshire and Oxfordshire Economic Area

Rank:	Estimated number of military staff within the Study Area	Gross median salary per job	Net median salary per job
Officers			
OF-10[76]	*	*	*
OF-6 to OF-9	93	£98,995[77]	£64,026[78]
OF-5	233	£85,357	£54,956
OF-4	807	£70,562	£47,535
OF-3	1,804	£52,474	£37,043
OF-2	2,262	£42,011	£30,929
OF-1 / OF (D)	819	£27,101	£20,791
Other Ranks			
OR-9	593	£42,294	£31,122
OR-82	694[79]	£38,299	£28,405
OR-7	2210	£38,299	£28,405
OR-6	3383	£33,391	£25,068
OR-4	4733	£30,113	£22,839
OR-32,3	1792[80]	£22,329	£17,546

[74] The national breakdown has been provided by DASA: National Statistics TSP 7 'UK Regular Forces Rank Structure', April 2010. The assumption that the rank breakdown in the Study Area is broadly similar to the national benchmark has been confirmed by MOD stakeholders.
[75] DASA, 2011.
[76] Both the number of personnel and the median salary for this rank are unavailable. This group has therefore been excluded from calculations, but it is likely that their numbers are very small (if at all) within the Study Area.
[77] An estimation of the number of personnel within ranks OF-7 to OF-9 is possible, but AFBPR data on the salaries of these ranks is not available. The median salaries for OF-6 have therefore been applied to this group. Whilst the OF-6 salaries are likely to lower the estimated spending power of this group, this size of the group is likely to be very small based on the national benchmark (0.29% of all serving personnel (OF-6 TO OF-9))
[78] OF-6 salaries applied as above.
[79] DASA data on the number of RAF personnel in rank OR-82 is suppressed. An estimation of the size of this group within the Study Area has therefore not been possible, and has been excluded from the calculations.

Rank:	Estimated number of military staff within the Study Area	Gross median salary per job	Net median salary per job
OR-1/OR-2	10574	£22,329	£17,546

Source: SQW using MOD and DASA.

B.6 Applying these benchmark figures to the Study Area (and weighting according to the strengths of each service, which are typified by different rank breakdowns) allows for an estimation of total gross and net income for military staff.

Gurkha personnel

B.7 One more addition to military personnel salary calculations needs to be made to reflect the 350 or so Gurkhas who are stationed in the Study Area. The data for this group has been treated in much the same way, using weighted averages which reflect the national rank breakdown of Army personnel.

Table B-10 : Estimated rank numbers and salary benchmarks for Gurkha Personnel in Hampshire and Oxfordshire Economic Area

Rank:	Estimated number of military staff within the Study Area	Gross median salary per job	Net median salary per job
Officers			
OF-3	> 10	£52,474	£37,043
OF-2	> 10	£42,011	£30,929
OF-1 / OF (D)	> 10	£27,101	£20,791
Other Ranks			
OR-9	> 10	£42,294	£31,122
OR-82	18	£38,299	£28,405
OR-7	22	£38,299	£28,405
OR-6	38	£33,391	£25,068
OR-4	58	£30,113	£22,839
OR-32,3	59	£22,329	£17,546
OR-1/OR-2	150	£22,329	£17,546

Source: SQW using MOD and DASA.

B.8 The total estimated gross income for the Study Area is presented at Table B-11, and the total estimated net income is presented in Table B-12.

Table B-11 : Estimated total gross income – military personnel (£m)

	Estimated Officer Gross Income	Estimated Other Ranks Gross Income	Total estimated gross income
Oxfordshire	89.3	164.5	257.3
Hampshire Economic Area	209.4	484.0	700.0

[80] As above for RAF personnel, rank OR-32,3

	Estimated Officer Gross Income	Estimated Other Ranks Gross Income	Total estimated gross income
Hampshire and Oxfordshire Economic Area	298.7	648.5	957.3

Source: SQW using MOD and DASA.

Civilian staff spending power – calculations

B.9 As with military service personnel, the spending power of the 8,290 civilian staff working within the Study Area is likely to be considerable. We have used a similar weighted average approach to estimate the salaries of civil servants working within the Study Area, using national data to provide benchmarks on the likely breakdown between grades, and the median salary per grade.

B.10 The available benchmark data makes it more difficult to assign civil servants to specific services (Army, Navy, RAF)[81] so the figures have not been weighted according to service strengths in particular areas (as with the service personnel calculations.) We have assumed that although grade breakdowns are likely to vary across districts (for example where there are HQ functions), the overall breakdown across the Study Area as a whole broadly matches the national benchmark. This assumption has been discussed and agreed with the relevant steering group member from the MOD. The weighted average calculations factor in, and take account, of the following:

- the median national salary for grades B1 to Apprentice[82]
- the median national salary for MOD Senior Civil Servants (SCS)[83]
- the national grade breakdown of civil servants (i.e. the percentage of civil servants in each grade) which we have used as a benchmark for the Study Area[84]
- the number of MOD civil servants working in the Study Area.[85]
- These assumptions and inputs have been applied to the 8,700 MOD civil servants in the Study Area to provide an estimation of the number in each grade. Table B-13 below sets out these estimations for the whole Study Area, as well as the median gross and net salary for each grade.
- A number of caveats (usually concerning data which has been suppressed or is missing) apply to these calculations. Where this is the case, footnotes have been included in the table below with explanations.

[81] The national benchmarks that might be used to model grades weighted by particular services do not assign all civil servants to a particular service. They include other categories such as DIO, Defence Equipment and Support etc.
[82] 'Departmental Organisation Charts: Supporting narratives and pay scales PDF' MOD, 2010. http://www.mod.uk/NR/rdonlyres/95494FA0-BAD3-4A76-A512-97AE66045607/0/20101130_narrative_and_payscales.pdf (PDF)
[83] Median from 'Financial Reports: Senior Staff remuneration' MOD, 2010. http://www.mod.uk/NR/rdonlyres/49345631-E14E-4792-B681-2D8604975877/0/20101013_senior_staff_pay_dataset_final_u.csv (Excel)
[84] Civilian Manpower Quarterly Statistics, MOD, 2011.
[85] DASA, 2011.

Table B-12 : Estimated grade numbers and salary benchmarks for Hampshire and Oxfordshire Economic Area

Grade	Estimated number	Gross median salary	Net median salary
SCS	36	£97,500	£63,158
B1	88	£62,923	£43,103
B2	231	£52,594	£37,112
C1	800	£39,107	£28,954
C2	1351	£32,097	£24,188
D	1268	£25,700	£19,838
E1	1973	£19,256	£15,455
E2	844	£16,376	£13,498
Industrial firemen	105	* [86]	*
Skill zone 4	50	£23,540	£18,369
Skill zone 3	363	£19,818	£15,838
Skill zone 2	465	£17,006	£13,926
Skill zone 1	340	£15,563	£12,945
Apprentice	30	£18,019	£14,614
Unknown	346	* [87]	*

Source: SQW using MOD and DASA.

B.11 The table below sets out the estimated total gross and net income of civil servants working in the Study Area.

Table B-13 : Estimated total gross income – civil servants (£m)

	Estimated total gross income
Oxfordshire	41.9
Hampshire Economic Area	167.5
Hampshire and Oxfordshire Economic Area	**209.4**

Source: SQW using MOD and DASA.

Number of Service spouses and civilian partners by LAD

Table B-14 : Number of Service spouses and civilian partners registered on the Joint Personnel Administration (JPA) system

	Navy	Army	RAF	Total
Cherwell LAD	< 50	300	50	350
Oxford LAD	< 50	50	< 50	50

[86] Salary data for industrial firemen is not available. This group is estimated at 110 personnel within the Study Area, but has been excluded from the final calculations.
[87] Salary data for those whose grade is unknown is not available. This group is estimated at 363 personnel within the Study Area, but has been excluded from the final calculations.

	Navy	Army	RAF	Total
South Oxfordshire LAD	< 50	100	650	800
Vale of White Horse LAD	50	800	100	950
West Oxfordshire LAD	< 50	100	1050	1150
Oxfordshire total	**50**	**1350**	**1850**	**3300**
Basingstoke and Deane LAD	< 50	100	50	150
East Hampshire LAD	150	500	100	700
Eastleigh LAD	50	50	< 50	100
Fareham LAD	750	100	50	850
Gosport LAD	1150	250	50	1450
Hart LAD	< 50	400	450	850
Havant LAD	200	100	< 50	300
Isle of Wight LAD	50	50	< 50	100
New Forest LAD	50	400	< 50	450
Portsmouth UA	1000	150	50	1250
Rushmoor LAD	< 50	1750	50	1800
Southampton UA	50	100	< 50	150
Test Valley LAD	50	800	50	900
Winchester City Council LAD	200	350	50	600
Hampshire Economic Area total	**3,700**	**5,100**	**900**	**9,650**
Hampshire and Oxfordshire Economic Area	**3,750**	**6,450**	**2750**	**12,950**

Source: MOD JPA, 201. Data has been rounded to the nearest 50 in all cases to ensure confidentiality.

'Aerospace and Defence' businesses operating in Hampshire and Oxfordshire

Table B-15 : 'Aerospace and Defence' businesses operating in Hampshire and Oxfordshire, February 2010

Primary UK SIC (2003) descriptors	**Hampshire Economic Area**	**Oxfordshire**	**Hampshire and Oxfordshire Economic Area**
Architectural and engineering activities and related technical consultancy	1		1
Business and management consultancy activities	1		1
Construction of water projects	1		1
Courier activities other than national post activities		1	1
Defence activities	43	4	47

Primary UK SIC (2003) descriptors	Hampshire Economic Area	Oxfordshire	Hampshire and Oxfordshire Economic Area
Development and selling of real estate	4		4
General mechanical engineering	1		1
Holding companies including head Offices	1		1
Manufacture of aircraft and spacecraft	61	7	68
Manufacture of explosives	4		4
Manufacture of other electrical equipment not elsewhere classified	2		2
Manufacture of instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment		1	1
Manufacture of weapons and ammunition	7	4	11
Market research and public opinion polling	1		1
Motion picture and video distribution	1		1
Non-scheduled air transport	39	33	72
Other business activities not elsewhere classified	3		3
Other computer related activities	2		2
Other construction work involving special trades	1		1
Other software consultancy and supply	3		3
Other supporting air transport activities	65	11	76
Other wholesale	1		1
Renting of air transport equipment	5	5	10
Research and experimental development on natural sciences and engineering	5		5
Scheduled air transport	26	8	34
Sea and coastal water transport		1	1
Space transport	2		2
Supporting service activities for the government as a whole	2		2
Not specified	13	2	15
Totals	**295**	**77**	**372**

Source: SEEDA mapping exercise, Feb 2010.

CILOCT payments by district

Table B-16 : CILOCT payments by district – 2009/10

	CILOCT Payment (financial year 2009/10)

	CILOCT Payment (financial year 2009/10)
Cherwell District Council	£313,000
Oxford City Council	£5,000
South Oxfordshire District Council	£836,000
Vale of White Horse District Council	£1,423,000
West Oxfordshire District Council	£1,273,000
Oxfordshire total	**£3,850,000**
Basingstoke and Deane Borough Council	£0
East Hampshire District Council	£56,400
Eastleigh Borough Council	£0
Fareham Borough Council	£471,000
Gosport Borough Council	£1,213,000
Hart District Council	£922,700
Havant Borough Council	£58,000
New Forest District Council	£281,000
Rushmoor Borough Council	£2,389,000
Test Valley Borough Council	£713,000
Winchester City Council	£478,000
Southampton City Council	£0
Portsmouth City Council	£862,000
Hampshire Economic Area total	**£7,951,000**
Hampshire and Oxfordshire Economic Area	**£11,801,000**

Source: MOD

Military veterans and pensions

War Pensions

B.12 War pensions are administered by the Service Personnel and Veterans Agency (SPVA). Recipients largely fall into two groups:

- ex-service personnel injured, wounded or made ill prior to April 2005
- war widows and war widowers.

B.13 DASA provided data for the number of pensions being claimed in the Study Area as of the 30th of September 2010. Data is compiled at parliamentary constituency level, and has been built up to provide information for Oxfordshire and the Hampshire Economic Area.

B.14 As with spousal residents, we cannot be certain that the recipients of these pensions actually served in the Study Area. If for example a widow/widower could live within the Study Area and therefore pensions are registered here, but their partner could have served at an MOD base elsewhere.

Table B-17 : War Pensions by parliamentary constituency of recipient, 2010

Area/ Parliamentary Constituency	Number in receipt of a War Pension	Number in receipt of a War Pension for a mental disability	Total
Oxford East	100	<50	100
Oxford West and Abingdon	150	<50	150
Henley	150	<50	150
Banbury	250	<50	250
Wantage	250	<50	250
Witney	300	<50	300
Oxfordshire	**1150**	**100**	**1250**
Southampton, Test	150	<50	150
Southampton, Itchen	150	<50	150
Romsey and Southampton North	200	<50	200
Basingstoke	200	<50	200
Eastleigh	250	50	300
New Forest East	250	<50	250
Winchester	250	<50	250
New Forest West	250	<50	250
North East Hampshire	300	<50	300
East Hampshire	300	<50	300
Portsmouth South	300	50	350
Meon Valley	350	50	400
Portsmouth North	400	50	450
Havant	400	50	450
Aldershot	400	50	450
North West Hampshire	400	50	450
Fareham	500	50	550
Gosport	800	50	850
Hampshire Economic Area	**5700**	**500**	**6200**
Hampshire and Oxfordshire Economic Area	**6850**	**550**	**7400**

Source: DASA, September 2010. Numbers rounded to the nearest 50 to protect confidentiality. Due to rounding, percentages may not add to 100.

Armed Forces Pensions

B.15 Data on Armed Forces Pensions are provided by the Service Personnel and Veterans Agency (SPVA) and includes dependents and some serving personnel. The data are provided by postcode, and are therefore difficult to allocate to specific districts. The same caveat about whether or not personnel were stationed within the Study Area also applies in this case.

Table B-18 : Armed Forces Pensions recipients – Hampshire and Oxfordshire Economic Area

Postcode/Area	Number
GL (Gloucester area – GL7& 56)	750
OX (Oxfordshire area)	4600
SN (Swindon area – SN6 & 7)	600
Oxfordshire	**5,800**
BH (Bournemouth area BH23 - 25)	950
GU (Guildford area GU10, 11-14, 17, 26, 30-35 & 46))	4,350
PO (Portsmouth area)	13,000
RG (Reading and Basingstoke area RG 21-29)	1,600
SO (Southampton area)	4,800
SP (Salisbury area SP5, 6 & 9-11)	2,700
Hampshire Economic Area	**27400**
Hampshire and Oxfordshire Economic Area	**33,200**

Source: SPVA, 2011. Numbers rounded to the nearest 50 to protect confidentiality. Due to rounding, percentages may not add to 100.

Site disposals

Table B-19 : Current and recent site disposals

Current disposals	Location	Size	Proposed use
Oxfordshire	Cowans Camp Watchfield, Shrivenham	9.65 Ha	circa 200-250 dwellings
	Watchfield	45 houses + c. 3 Ha land	Housing
	Bicester	200 Ha	Disposal of surplus land for mixed use development. Sale of land would allow consolidation of MOD activity onto a single site within remaining MOD Bicester estate.
	RAF Bicester	143 Ha	Airfield currently let to Windrushes Gliding Club. Technical area has considerable number of listed buildings and scheduled monuments on airfield. Previously accepted by Cherwell Council for housing but halted. Former Owner report being considered before next stage decided.

Current disposals	Location	Size	Proposed use
	Islip	13.5 Ha	Former oil pipeline agency site. Potential for some storage/distribution or agricultural.
Hampshire	Bordon Garrison	c.200 Ha	Being promoted by East Hants DC as Eco Town/a green urban extension. Release anticipated to be 2014/15.
	Frater House + sports field, Gosport	4.7 Ha	Site sold conditional on planning. Expected use to be employment.
	Sparkford Rd, Winchester	1.24 Ha	To be allocated for affordable housing under exception policy.
	Titchfield	0.64 Ha	Planning permission for 14 dwellings. Completion of sale imminent.
	Minley Manor, Minley	Grade 2 listed building set in 37 Ha	Some enabling development potential. Available 2015.
	Browndown	2.94 Ha	Preferred bidder nominated with completion imminent. Planning not sought, sale with clawback.
	Gosport - Royal Clarence Yard (part).	3.38 Ha	Part owned by Crown Estate, includes listed buildings. Proposed sale with clawback.
	Aldershot - Union Building Land	0.62 Ha	Suitable for gateway development, probably residential. Bids conditional on planning to be sought.
	Aldershot	Talavera & Marlborough primary schools	Sale of freehold to Hampshire CC who have long leases on them.
	Gosport	0.13 Ha	In the process of being sold to HCC for tram/light railway.
	Gosport	2.25 Ha	In the process of being sold to Gosport BC for public open space.
Portsmouth	No sites currently in disposal		
Southampton	No sites currently in disposal		
Recent disposals over the last two years			
Oxfordshire	The Slade.	1.85 Ha	Sold for split residential & student halls accommodation.
Hampshire	Runways End, Aldershot	3.27 Ha	Sold to HCC for Youth Activity Centre.
	Aldershot Urban Extension	148 Ha	Residential led (c.4,500 dwellings) mixed use scheme. Development Partner appointed March 11 with a target of an outline master plan and detailed phase 1 within 18 months.
	Weevil Lane, Gosport	0.17 Ha	Sold as is with clawback. Listed building on site.

Current disposals	**Location**	**Size**	**Proposed use**
	Rowner (former Royal Sailors Rest centre)	0.27 Ha site	Sold with clawback.
	Haslar Hospital, Gosport	23.9 Ha	Sold for mixed use scheme.
	Military Fire Station, Bordon	0.31 Ha	Sold to East Hants DC for offices and demonstration eco houses.
	Hillhead, Seafield Park	1.39 Ha	Sold for residential development (31 dwellings).
Portsmouth	Governors Green, Portsmouth	2.1 Ha	Handed back to Crown Estate who sold to Portsmouth CC for continued use as playing fields.
	Eastney Sportsground, Portsmouth	8.7 Ha	Sold to Portsmouth CC for continued use as playing fields.
Southampton	RAF Hythe	NA	Site sold to SEEDA for employment use

Source: DIO

Annex C: Glossary

C.1 Key terms used in the report are defined below:

- **Armed Forces Pensions:** Pensions paid to ex-service personnel (mainly service leavers but small no. of dependants/serving personnel)
- **Civilian staff:** Non-uniformed civil servants working at military bases, employed directly by the MOD. This does not include civilian jobs that have been outsourced by the MOD (captured under "contracting"), but does include:
  - Staff at MOD Agencies (e.g. SPVA)
  - Non-industrial occupations (e.g. management, admin, teaching, policy)
  - Industrial/skill zone occupations(i.e. trade/craft/manual labour staff directly employed by the MOD)
  - Trading Funds occupations, e.g. Defence Support Groups & Meteorological Office
- **Contracting jobs:** Jobs associated with prime contracts and sub-contracts linked directly to the bases in the area. High level contracts have been included where data available, and may include outsourced work previously undertaken by civil servants at the MOD. Small level contracts/sub-contracts have not been included in the scope of this study. Data sourced includes:
  - Army hard/soft maintenance, capital & construction works, catering & food, housing management/maintenance, external training providers, outsourced engineering & technical support
  - Navy prime contracts (i.e. direct recipients of first round contracting expenditure) & sub-contracts
  - RAF prime/sub-contractors working on base (estimated total, disaggregated data NA)
- **Contributions in Lieu of Council Tax (CLICOT) –** payment made to Local Authorities by MOD. This is extracted from military personnel's salaries before tax.
- **Defence Infrastructure Organisation (DIO):** Formed on 1 April 2011 and manages the military estate, including accommodation for Service personnel and their families, on behalf of the MOD. Replaced the former Defence Estates organisation and other infrastructure functions in the MOD to form a single organisation.
- **Full-time Reserve Service:** employed full time, paid on a fixed period contract, usually work in the UK..
- **Gross Value Added (GVA):** a measure of wages and profits associated with a particular economic activity.

- **Gurkhas:** a Nepalese brigade employed directly by the MOD, who serve in a variety of roles, mainly in the infantry.
- **Military staff:** Uniformed regular serving personnel employed directly by MOD. Military staff are included if they are posted in the area, whether they are posted at HQs, bases, training courses (even if classified as “untrained”) or located in hospitals (e.g. QE hospital in Portsmouth).
- **RAF Auxiliary**: RAF Reserve forces, work on a part time basis. waged but not salaried positions, can deploy.
- **RN Reserve**: Navy Reserve forces, work on a part time basis. waged but not salaried positions, can deploy.
- **Study Area / Oxfordshire and the Hampshire Economic Area:** consisting of the two counties of Oxfordshire and Hampshire (with their sixteen LADs) and two UAs of Portsmouth and Southampton.
- **Service Family Accommodation (SFA):** Accommodation provided by the MOD to military service personnel with families. The majority of SFA housing in England and Wales is either leased from a private sector company below the current market rate from Annington Homes Limited (who bought most of the MOD's housing stock in 1996), or is provided under the Government's Private Finance Initiative (PFI).
- **Single Living Accommodation (SLA):** Accommodation provided by the MOD to single military service personnel. Rooms are either shared, with shared ablutions and mess areas, or in the SLAM single living format - individual rooms with en suite bathrooms.
- **Substitute Service Family Accommodation (SSFA):** family housing rented from the local market to address MOD accommodation shortages in SFA.
- **Substitute Service Single Accommodation (SSSA):** accommodation rented for individuals from the local market to address MOD accommodation shortages in SLA.
- **Territorial Army (TA) Cadets:** Uniformed for up to 30 days pa; waged but not salaried positions, can deploy.
- **University Officer Training Corps:** trainees present at Southampton and Oxford Universities. Operate under a similar arrangement to the TA but do not deploy. Undertake up to 30 days paid training p.a.
- **War Pensions:** pensions paid to ex-service personnel injured, wounded or made ill prior to 2005 and war widows/widowers

Annex D: Consultees and workshop attendees

Name	Organisation	Position
Consultees		
Martin Lloyd	Defence Estates	DIO Projects - Head of Disposals
Cdr Sarah Leach	Royal Navy	Cdr RN, SO1 CD
Lt Col (Retd) Chris Booth	South East Reserve Forces' and Cadets' Association	Chief of Staff
Philippa Charles	Defence Infrastructure Organisation	FDSDP Estates Project Manager
Chris Shephard	Hampshire County Council	Business Development Manager/ HEMP REP
Keith Maddison	Defence Estates	Deputy Head of Hard Facility Management (EMSE)
John Copley	FAC/ M3 LEP	CEO/Vice-Chair
Will Barton	West Oxfordshire District	Economic Development Officer
Ian Bridges	Portsmouth City	Economic Development Officer
David Gleave	Test Valley Borough Council	Economic Development Officer/Manager
Alison Wood	Winchester City Council	Economic Development Officer
Mike Gibbs	East Hampshire	Economic Development Officer/Manager
Lynda Dine	Gosport BC	Economic Development Officer/Manager
Steven Newman	Cherwell District Council	Economic Development Officer
John Mitchell	Enterprise First	Chief Executive
Jimmy Chestnut	Hampshire Chamber of Commerce	Chief Executive
Dave Waters or rep	Cottsway Housing Association	Chief Executive
Paul Williams		
Ian Wenman	Oxfordshire Institute of Directors	Chairman
Dr Tracy Marr	Hamilton Project	Manager
Greg Alexander	Rushmoor Voluntary Services	Chief Executive
Ben Jackson	Bicester CoC	Chief Executive
David Miles	Gosport Voluntary Action	Director
Ruth Tomlinson	Career Transition Partnership	Regional Manager
Charlene Brookes	Career Transition Partnership	Adviser
Bianca Kerley	Job Centre Plus	Armed Forces Champion
Adrian Peters	Regional Forces Employment Association	Business Development Manager
Workshop attendees		
Sarah Waring	145(S) Bde	C1 Firm Base (Study Steering Group Member)
Gemma Framp		C2 Firm Base (Study Steering Group Member)
Genevieve Dady	Hampshire County Council	Employment & Skills Projects Officer
Karen Narkiewicz	Hampshire County Council	Policy, Funding and Research Manager
Dave Waller	Oxfordshire County Council	Manager of Economy, Spatial Planning And Change (Study Steering Group Member)
Ruth Tomlinson	Career Transition Partnership	Regional Manager
Major Nick Yardley	145 (South) Brigade	Deputy Chief of Staff
Wing Commander Justin Fowler	RAF Odiham	Officer Commanding Base Support Wing

Name	Organisation	Position
Major Gary Boreham	Army Centre of Aviation	SO2 Ground Training
Major John Holman	145(S) Bde	Oxfordshire Military Liaison Officer
John Copley	Farnborough Airspace Consortium	CEO
John Osborne	Hampshire County Council	Assistant Director
Sue Robbins	Hampshire County Council	Health and Wellbeing Partnerships
Chris Shephard	Hampshire County Council	HCC HEMP
Tracey Coleman	Rushmoor Borough Council	project co-ordinator aldershot urban extension
Mike Gibbs	East Hampshire District	Economic Development and Tourism Officer
Ian Lycett	Gosport Borough Council	Chief Executive
Councillor Michael Lane	Gosport Borough Council	Chairman for Economic Development
Robert Thain	Hart District Council	Senior Planning Officer (Policy)
Kate Hill	Oxfordshire Community Voluntary Alliance	Strategic Partnerships Manager
Astrid Blackburn	West Oxfordshire District Council	LSP officer
Will Barton	West Oxfordshire District Council	Business Development Officer
Ben Threadgold	Oxfordshire County Council	Policy Officer
Denise Vine	Portsmouth City Council	Regeration Manager, Community Housing and Regeneration
David Calver	Oxfordshire County Council	Strategic Lead Business Improvement -Commissioning, Performance & Quality
Commander Timothy Ash	Portsmouth Naval Base	Executive Officer
Claire Marett	BIS South, Central and West	Assistant Director
Michal Gogut	Cherwell District Council	Community Planner

Annex E: A Roadmap of existing MOD and civilian partnerships

E.1 The table below presents a roadmap of existing MOD and civilian partnership operating across the Study Area. Contacts for key partnerships are as follows:

Table E-1 : Key contacts

Name	Position / Role	Telephone number	Email address	Website
145 South Brigade				
Dr Sarah Wareing	C1, Firm Base	01252 347735	145X-firmbase-c1@mod.uk	www.mod.uk/communityengagement
Gemma Framp	C2 Firm Base	01252 347790	145x-firmbase-c2@mod.uk	www.mod.uk/communityengagement
Hampshire County Council				
Ian Parker	Head of County Development Lead for Civil Military Partnership and HEMP	01962 847269	ian.parker@hants.gov.uk	
Sue Robbins	Wellbeing and Partnerships Officer Lead officer for Welfare Pathway	01962 832160	sue.robbins@hants.gov.uk	http://www3.hants.gov.uk/adult-services/welfarepathway.htm
Oxfordshire County Council				
Claire Moore	Strategic Partnerships Officer	01865 32 3966	claire.moore@oxfordshire.gov.uk	www.oxfordshire.gov.uk/armedforces

Source: SQW

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Roadmap of existing MOD and civilian partnership operating across the Study Area

Military Organisations represented	Meeting/ Event	Civilian Organisations Present/Invited to attend	Key Contact	How often	Why
Hampshire					
145 South Brigade	Hampshire Senate	Chief Executives of all local authorities plus NHS, Police, Voluntary sector	County	Every other month	Representation of military community needs across Service Personnel Command Paper themes to highest level audience in the county
145 South Brigade, Tri-Service Bases in Hampshire	Hampshire Civilian Military Partnership	Hampshire CC Armed Forces Champion and Directors of all Hampshire County Council Departments	County	Bi-annually	To share issues and update high level military and civilian stakeholders, to inform ongoing partnership projects and future direction; specific theme subject meetings feedback into this
145 South Brigade, Tri-Service Representatives in Hampshire, Career Transition Partnership, 4th Division Resettlement	Hampshire Economic Military Partnership	Hampshire County Council, Job Centre Plus and other business organisations	County	Quarterly	To look at enhancing the economic prosperity of Service Personnel, their families, Veterans and Reservists, working to benefit the local economy wherever possible.
145 South Brigade	Hampshire Children's Services	Lead member for Children's Services, Deputy Director for Children's Services	County	Bi-annually	To improve outcomes for service children in the state education system across Hampshire.
145 South Brigade and Tri-Services bases and welfare organisations	Welfare Pathway Annual Conference	Hampshire County Council, Service Charities, non-military charities	County	Annually	To identify, resolve and improve the health outcomes for service families, dependents and veterans
145 South Brigade (other services as required)	Hampshire Welfare Pathway	Hampshire County Council, nhs	County	Monthly	To develop and streamline the welfare pathway in order to ensure the best possible outcome for service users.
145 South Brigade	Enterprise M3	Lead businesses and local	County	Quarterly	Represent military views on championing growth and innovation in the county,

	Local Enterprise Partnership	authorities from across Hants and Surrey			taking opportunities to increase skills and employment outcomes for the service community
145 South Brigade	Hampshire Schools Admissions Forum	County Admissions team with reps from headteachers, parent/governors, dioceses, Choice Advice, SEN, early years, social care	County	Quarterly	Representing Armed Forces perspective on admissions policy and ensuring that service children are appropriately considered
DIO, 145 South Brigade	DIO Hampshire County Council and local authorities liaison meeting	County, district and borough councils planning and economic development officers, Homes and Communities Agency	County and district	Bi-annually	The purpose is to inform the Councils of MOD plans in Hampshire, particularly where there are disposals announced or plans to improve/intensify use at retained barracks, SFA or training estate. It is also a forum for Councils to inform DIO of work relating to Core Strategies.
145 Brigade, (RAF and Army Bases and JSHAO, DIO as required)	Housing Meetings	Staff officers throughout districts and County Council	County	Ad Hoc	Communications to share information regarding housing needs of the Armed Forces and local housing information
Oxfordshire					
145 South Brigade, RAF and Army bases in Oxfordshire	Oxfordshire Military Civilian Partnership	Chief Executive and Directors of all Oxfordshire County Council Departments, NHS	County	Bi-annually	To share issues and update high level military and civilian stakeholders, to inform ongoing partnership projects and future direction; specific theme subject meetings feedback into this
Defence Academy Shrivenham	Oxfordshire Local Enterprise Partnership Executive	Representatives from business, academia and the wider public sector	County	Monthly	Represent military views on championing growth and innovation in the county, taking opportunities to increase skills and employment outcomes for the service community
145 South Brigade	Oxfordshire Local Enterprise Partnership Forum	Representatives from business, academia and the wider public sector	County	Quarterly	Represent military views on championing growth and innovation in the county, taking opportunities to increase skills and employment outcomes for the service community
145 South Brigade, Defence Infrastructure Organisation	Oxfordshire County Council and Defence Estates Meeting	Oxfordshire County Council Environment and Economy Director and supporting working officers	County	Bi-annually	Ensuring the wider Armed Forces infrastructure requirements are met in Oxfordshire, through support to basing plans, in synchronisation with DE and creating efficiencies with the wider community.
145 South Brigade,	Oxfordshire Health and	Staff from the Public Health directorate, NHS	County	Bi-annually	To identify, resolve and improve the health outcomes for service families,

APHCS(S) plus RAF equivalents	Wellbeing Partnership	Oxon			dependents and veterans
145 South Brigade	Oxfordshire Stronger Community Alliance	Chief Executives throughout Oxfordshire, the Voluntary Sector, Police	County	Quarterly	Look for synergies in creating stronger communities, both military and civilian with greater community integration
145 Brigade, RAF and Army Bases and JSHAO, DIO	Oxon Housing Network	Staff officers throughout districts and County Council	County	Ad Hoc	Communications to share information regarding housing needs of the Armed Forces and local housing information
145 Brigade, 4th Division Resettlement, Career Transition Partnership	Oxon Employment and Skills Meeting	Council staff, with Job centre plus and other business organisations	County	TBC, Expected quarterly	To look at enhancing the economic prosperity of Service Personnel, their families, Veterans and Reservists, working to benefit the local economy wherever possible.
145 South Brigade	Oxfordshire Partnership	Chief Executives of all local authorities plus NHS, Police, Voluntary sector	County	Bi-annually	Representation of military community needs across SPCP themes to highest level audience in the county
Across Brigade area					
145 South Brigade and APHCS (S)	Strategic Health Authority	Regional and County level NHS	Regional	Annually	To identify, resolve and improve the health outcomes for service families, dependents and veterans
145 South Brigade	Oxfordshire and Hampshire Education Meeting	County Council Education lead officers	County	Bi-annually	To develop a comprehensive understanding of the needs of service children, removing and negating disadvantage which results from the mobility of service life.

Source: *MOD.* ***APHCS (S):*** *Army Primary Health Care Services South;* ***JSHAO:*** *Joint Services Housing Advice Office;* ***DIO:*** *Defence Infrastructure Organisation (previously Defence Estates;* ***SPCP:*** *Service Personnel Command Paper, five key themes that 145 South Brigade works across are Health and Wellbeing, Infrastructure and Environment, Economy and Skills, Children and Young People and; Safer and Stronger Communities.*