



**Agenda Item
8 (Supplementary
paper)**

Report to the Partnership for Urban South Hampshire Joint Committee

Date: 11 January 2011

Report of: Anne-Marie Mountifield, Executive Director

Subject: **PUSH 2010/11 Capital programme recommendations – supplementary paper – (tabled at the meeting)**

SUMMARY

This report provides a supplementary update to the main report following the reconsideration of a number of schemes.. In particular, it recommends the inclusion of the Creative Industries project and the North Fareham SDA for approval of funding and a revised carry forward of an uncommitted balance of £382,000 to 2011/12..

RECOMMENDATION

It is recommended that the Joint Committee:

- a. NOTE the additional considerations as detailed in this report.
- b. In addition to the approvals in the main paper, APPROVE the recommended additions to the PUSH Capital Programme for 2010/11 of £530,000, which brings the total approved programme to £2,366,000. This is set out in the report in Tables 1 and 2, and summarised in Table 3 subject to the following project where further approval is conditional:
 - Creative Industries – Portsmouth: **the funding request of £500,000 is approved on condition that the objectives around employment and skills and the provision of apprenticeships / vocational training opportunities being included for NEET target group in Portsmouth are delivered.**

- c. APPROVE the carry forward of the uncommitted balance of £382,000 to 2011/12.
- d. DELEGATE authority to the Executive Director, following consultation with the Chairman and Vice Chairmen of the Joint Committee to apply appropriate conditions on the capital allocation to the Portsmouth Creative Industries project, as previously specified.

INTRODUCTION

1. At the Joint Committee meeting in November, it was advised that there remained an uncommitted balance of £2,748,000, to be allocated in the current financial year. A new programme of capital projects has been considered and the main report approves a recommended additional PUSH Capital Programme for 2010/11 of £1.836m.

A further meeting of the Chief Executives on Friday 7 January 2011 considered the Creative industries project and revisited the North Fareham SDA proposal, as set out in paragraph 13 of the main report. In line with the PUSH 'Cities first' policy a number of bids from Southampton were also revisited, and a status update provided. It was recognised that three Southampton based projects are being taken forward as part of the Solent LEP Regional Growth fund bid, and the group noted that the Southampton Cultural Quarter public realm project had the potential, in the longer term, to deliver enhancements to the public realm and some 2000 jobs, 326 dwellings and annual visitor spend of £21,000,000.

ADDITIONAL OUTCOMES

Housing and Planning projects

2. In relation to the North Fareham SDA it is proposed to undertake three technical studies which will underpin delivery of a strategic level of housing (currently estimated to be around 6,500 – 7,500 dwellings) and employment (estimated to be 90,750sqm) to support the Fareham and South Hampshire economy. It is recognised that overall, similar studies proposed in this bid submission have been funded by the local authority rather than PUSH and on this basis it was originally recommended that this project should not be funded. On the basis of the status update it is recognised that the work in relation to the transport studies will need to consider the wider sub-regional implications of the SDA and on this basis it is recommended that this element of the project is now funded through PUSH.

Project assessment criteria:

Deliverability against priorities identified in PUSH ED strategy / Grant Shapps letter	Anticipated Outcomes	Thorough analysis of risk	Value for Money (vfm)
Delivery timescale (Dec 2010 to April 2011). Generally the bid supports the project assessment criteria.	3 technical feasibility studies to complete the evidence base for Fareham SDA and help to shape the detailed master planning and ultimately deliver the developments.	Similar studies proposed in this bid submission have been funded by resident local authorities. However the Transport and Access Sustainability Study (£30,000) will need to reflect wider sub regional considerations	It should be noted that PUSH employs a Green Infrastructure Coordinator that can help support this element of the feasibility study.

Recommendation: It is therefore recommended that the transport and access sustainability study element of the project be funded.

3. The table below has been revised to reflect the additional allocation under the housing and planning delivery theme, but it should be noted that the overall allocation is still less than originally bid for.

Table 1: Revised Recommended Housing and Planning theme additional capital allocations

Project	PUSH NGP Capital allocation	Other secured funding	Total of proposed programme
North Rowner	£198,000	£3,500 Local Neighbourhood Board	£201,500
North Fareham SDA	£30,000	£100,000 CLG and £70,000 Fareham BC	£200,000
TOTAL	£228,000	£173,500	£401,500

Quality Places projects

4. A range of submissions were received in this theme, largely focusing on public realm improvements. As set out in the main report (para 13) it was recognised that some further work was needed on their evaluation.

5. The submissions included the Southampton Cultural Quarter public realm project which had the potential over time to deliver enhancements to the public realm and when concluded. 2000 jobs, 326 dwellings and annual visitor spend of £21,000,000. Whilst not recommended by the Quality Places delivery panel or the Chief Executives group for funding at this stage, it is recognised that the Joint Committee may wish to reconsider the merits of the scheme.

6. The Creative Industries project at the Theatre Royal in Portsmouth was deferred whilst consideration could be given to the robustness of the financial case and for the project to evaluate whether a loan might be acceptable. These issues have now been resolved; the funding commitment to the project by the other parties is confirmed, as is the unacceptability of a loan arrangement. The project has been re-evaluated and is now recommended to the Joint committee for grant funding.

7. The project is to provide a new “Performing Arts” facility which is complementary to a major investment in creative industries by Portsmouth University to support design and visual arts. It builds on the design feasibility funded by PUSH in 2009/10 which forms the basis of a planning application which will be submitted early in 2011. Subject to planning, funding is in place to proceed with the creative campus and theatre project in summer 2011. The project is due to be completed in 2013. Project ambitions include the provision of physical facilities which enable amongst other things:
 - Skills Development across creative industries at levels 2 and above
 - New foundation degree programmes for creative practitioners
 - Much improved DDA access to existing Theatre
 - Significant increase in community engagement in the arts
 - Support for entrepreneurship and new business start ups in the creative sector.

7. The current funding of £21.5m will secure the delivery of the creative campus and the basic theatre refurbishment. However an additional £2m (including £500k from PUSH) would enable the proposed Creation Centre to proceed when the project goes on site. The potential for community engagement and collaboration with FE on the delivery of level 2 and above training initiatives will be significantly reduced if this element of the project cannot be funded. The cost of including this creation centre in a future project phase is likely to be an additional £1m

8. The Proposed PUSH funding of £500k, alongside developer contribution of £500k and reclaimed Vat of £500k (arising from a restructuring of the funding of the project) mean that with PUSH support the Creation Centre can be introduced into the project. A more detailed summary of the project is included in Annex 1

Project assessment criteria:

Deliverability against priorities identified in PUSH ED strategy / Grant Shapps letter	Anticipated Outcomes	Thorough analysis of risk	Value for Money (vfm)
Moderate deliverability against priorities	10 incubation	It is noted that funding has been	It was advised that a further enhancement to

including the creation of 10 incubation opportunities and high level foundation degree programmes for creative practitioners. It is noted that the potential for community engagement and collaboration with FE on the delivery of level 2 and above training initiatives will be significantly reduced if this element of the project needs to be dropped	companies; 85 gallery exhibitions by 2013; 100% increase in CIBAS referrals from across Hampshire.	restructured to facilitate the delivery of creative campus including; reclaimed VAT of £500k, and £500k equipment savings –VAT reclamation and equipment savings will need to be confirmed before PUSH funding could be released.	the value for money could be achieved if a condition of grant was able to secure additional apprenticeship opportunities during the build phase to 2013 – notionally 10 new construction apprenticeships.
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Recommendation: This project will provide a first class performance venue for the community and support a range of high quality creative industry training and business start up opportunities. NTR will be one of the key hubs in the creative industry workforce development network in the area. It has the potential to provide much needed work based / apprenticeship opportunities for young people in an area where there are high levels of youth unemployment and high levels of NEET figures. It is on the basis of both the creative industries enhancement and the potential to secure employment and skills outcomes that the project is supported. **It is recommended therefore that the funding request of £500,000 be approved on the strict understanding that the objectives around employment and skills and the provision of apprenticeships / vocational training opportunities being included for NEET target group in Portsmouth are delivered.**

9. The overall recommended allocation for this theme has been revised. It remains less than originally bid for and is detailed in Table 2.

Table 2: Revised Recommended Quality Places theme additional capital allocations

Project	PUSH NGP Capital allocation	Other secured funding	Total of proposed programme
London Road Waterlooville	£343,000	£407,000 from Liveability funding and LAGBI	£750,000
Portsmouth Creative Industries	£500,000	£1,500,000 from developer contribution (£500,000), VAT reclaim (£500,000), and equipment savings (£500,000)	£2,000,000

TOTAL	£843,000	£1,907,000	£2,750,000
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CONCLUSION

10. The recommended capital allocations are considered to represent a prudent, balanced and effective programme to support delivery of the PUSH core objectives. This is within the framework of a limited resource stream and taking into consideration the priorities highlighted in the Economic Development strategy, adopted by PUSH in November 2010, and the guidance identified in the letter from the Minister Grant Shapps, dated 2 July 2010.

11. The projects recommended enable wider investment in a programme totalling £6,182,500, utilising £2.366m of PUSH NGP capital and leaving an uncommitted balance of £382,000, as shown in Table 3 below. The remaining balance will be reviewed as new RGF opportunities are considered, capitalisation of current revenue based activity becomes eligible and the Solent LEP is established.

Table 3: Recommended additional capital allocations 2010/11 for uncommitted balance

Project	PUSH NGP Capital allocation	Other secured funding	Total of proposed programme
Economic Development	£650,000	£135,000	£785,000
Sustainability and Community Infrastructure	£145,000	£101,000	£246,000
Housing and Planning	£228,000	£173,500	£401,500
Quality Places	£843,000	£1,500,000	£2,750,000
TfSH	£500,000	£1,500,000	£2,000,000
TOTAL	£2,366,000	£3,816,500	£6,182,500

The Committee is therefore recommended to:-

- a. NOTE the additional considerations as detailed in this report.
- b. In addition to the approvals in the main paper, APPROVE the recommended additions to the PUSH Capital Programme for 2010/11 of £530,000, which brings the total approved programme to £2,366,000. This is set out in the report in Tables 1 and 2, and summarised in Table 3 subject to the following project where further approval is conditional:
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around employment and skills and the provision of apprenticeships / vocational training opportunities being included for NEET target group in Portsmouth are delivered.

- c. APPROVE the carry forward of the uncommitted balance of £382,000 to 2011/12,
- d. DELEGATE authority to the Executive Director, following consultation with the Chairman and Vice Chairmen of the Joint Committee to apply appropriate conditions on the capital allocation to the Portsmouth Creative Industries project, as previously specified.

Background Papers:

Joint Committee 11 January 2011 – Item xx PUSH 2010/11 Capital Programme Recommendations

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