



Report to the Partnership for Urban South Hampshire

Date: 14th March 2017

Report of: David Williams, PUSH Lead Chief Executive

Subject: The future strategic focus of PUSH

SUMMARY

To propose to the Joint Committee a new focus for PUSH which can add value to the delivery of public services and help support the growth of the South Hampshire & Isle of Wight Economy.

RECOMMENDATIONS

It is recommended to the Joint Committee to agree that PUSH should:

1. Continue to deliver its business plan priorities (see appendix 1)
2. Drive forward additional activity (see section 2) around:
 - Identifying the sub-regional infrastructure needed to support development of the housing and employment growth that individual authorities will wish to achieve through their local plans
 - Supporting the development of the creative and digital sector within South Hampshire and the Isle of Wight
 - Promoting the development of further joint services or work between South Hampshire & Isle of Wight authorities where this relates to the core activities of PUSH
3. Put the £100k funding that had previously been allocated initially to support an inward investment model, and then subsequently as part of the matched funding to support an ERDF bid on SME competitiveness (which was not successful), into PUSH balances (see section 3).

1) **Background**

- 1.1 The Partnership for Urban South Hampshire (PUSH) was originally formed in 2003 following a recognition by the Leaders of Eastleigh, Fareham, Gosport, Havant, Portsmouth and Southampton councils (the urban core of South Hampshire) and Hampshire that South Hampshire was underperforming in economic terms in comparison with the remainder of South-East England and that, as employers and skills providers do not recognise the administrative boundaries of councils neither should the Leaders. The Leaders therefore determined to work together to advance the economic prospects for the area.
- 1.2 Subsequently, in response to the South East England Regional Assembly requirement for a 20 year plan for functional economic areas within the South East, PUSH invited the Leaders of East Hampshire, New Forest, Test Valley and Winchester to join in recognition that the natural economic area of South Hampshire included parts of those areas also. Subsequent to PUSH setting up, with business leaders, the Solent LEP the Isle of Wight Leader also accepted an invitation to join. PUSH moved from an informal meeting of Council Leaders to a formally constituted Joint Committee with overview and scrutiny arrangements. It also dispensed very significant sums of government money devolved to it to invest in key infrastructure and skills projects in the South Hampshire area while working with Solent Transport's highways authorities, the Solent LEP and many other government bodies and agencies.
- 1.3 PUSH has always operated in a changing environment and its business plans and organisational form have been developed to take account of its changing role. Despite the changed environment, PUSH has maintained a clear vision and has evolved to work in partnership with all who have a role in delivering a more prosperous and sustainable South Hampshire. As part of its vision, PUSH has a clear goal to improve the economic performance of the sub-region and to narrow the gap of disadvantage that holds the area back through an approach of managed, conditional growth. PUSH recognises that in order to be sustainable, housing and economic growth need to 'move in step' and that this needs to be underpinned by the requisite infrastructure.
- 1.4 It's worth noting since its inception, PUSH has contributed over £40m of capital and revenue funding towards agreed programmes including estate renewal, public realm, transport and motorway junction improvements, business incubation hubs and apprenticeships. More recently PUSH has:
 - approved a Spatial Planning Position Statement which will support the development of local plans and inform long term decisions about the level and distribution of development in an area. This is used by authorities to evidence the duty to cooperate which assists in the plan approval process. PUSH has also commissioned or is commissioning studies to support the implementation of the Position Statement.
 - agreed and implemented an interim strategy to undertake mitigation measures following new housing development and the impact of this

development on Special Protection Areas. The measures mitigate the potential increased recreation at the coast which could disturb nesting birds. PUSH is in the process of developing and agreeing the final strategy.

- 1.5 In October 2016 PUSH considered a paper about revised arrangements and agreed the following:
- maintaining the existing governance structures
 - revising arrangements for next year including reducing the level of executive support and the central costs of PUSH to enable there to be a subscription holiday
 - continuing to work to the 2016-18 business plan (see appendix 1 for high level actions within the plan)
 - maintaining the existing panels and ensure that there are officers leading the relevant work
 - maintaining existing support mechanisms from individual authorities for e.g. finance and legal
 - exploring with Solent LEP how PUSH might be able to support its work
- 1.6 At the October 2016 meeting there was an agreement that this approach made sense whilst there was still uncertainty about devolution and potential local government reorganisation. At that time the three unitaries were preparing their submission to the Secretary of State and at the same time Hampshire County Council were considering their response to the consultation that they had undertaken on devolution and local government reorganisation. Currently no decision has been made on the Solent devolution submission by the Secretary of State and Hampshire County Council have resolved to seek to maintain the two tier structure. It is therefore appropriate to further consider the role of PUSH at this Joint Committee.
- 1.7 Whilst the role of PUSH has evolved and changed, it is always worth thinking how the excellent partnership arrangements that PUSH provides can add value to existing work and take forward opportunities that might not be taken forward elsewhere. This paper therefore suggests some areas of possible strategic focus for PUSH where it could add value.

2) Where could PUSH add value?

2.1 It is *suggested* that the focus for new areas of work, which would build on the work of the existing panels would be on the following three areas.

2.2 Planning and Infrastructure

2.2.1 At a recent PUSH planning officer group there was some discussion about the infrastructure requirements for the Solent area to support the delivery of the development that will be included within local plans.

2.2.2 It was felt that whilst there was work in certain areas (e.g. the PUSH Water Study commissioned from AMEC and some of the work undertaken by e.g. Solent Transport or the Solent LEP) there is a need to pull together a comprehensive overview of infrastructure needs within the Solent. This would support the development of individual local plans and also help provide an

evidence base to support funding bids to the Solent LEP / other funding sources. By looking at this activity across the area it would enable better funding bids to be submitted which are more likely to be successful.

2.2.3 There is also likely to be new activity associated with the Housing White Paper "Fixing our Broken Housing Market". There is a paper to this Joint Committee on the Housing White Paper but the Planning and Infrastructure Panel and the PUSH Planning Officer Group could help ensure that the PUSH authorities are able to respond and take advantage of the resulting legislation in an appropriate way. These two groups can report into the Joint Committee about all activity associated with this work.

2.2.4 If this is a significant priority for PUSH there may well be a need for some additional resource to support this activity. If the Joint Committee agree to return the £100k Inward Investment funding into balances (see section 3), this may provide some funding for this activity. A paper can be brought back to the June Joint Committee identifying what the activity needs to be and what resource this might require and what the sources might be.

2.3 *Creative and Digital Industries and the Built Environment*

2.3.1 Historically the Creative Industries was not one of the strategic sectors for the Solent LEP although there is now a priority around the creative and digital economy. The Creative Industries is an area of work that PUSH has supported very successfully. The PUSH capital Programme has contributed to the funding of incubators and artists studios in Portsmouth, Southampton and Eastleigh. PUSH has also supported business support initiatives, which have now been integrated into the Solent growth hub. PUSH funding also helped catalyse the development of a specialist training initiative which have delivered successful employability and apprenticeship programmes.

2.3.2 PUSH support for the creative industries (£10k in current year) is channelled through Creative Network South (CNS) which is a sector led partnership hosted by Hampshire Chamber of Commerce. CNS is in the process of preparing a prospectus for the creative economy. This draws on Data from the NESTA Geography of Creativity Report 2016 and the ONS Annual Business Inquiry Survey. NESTA have identified both Southampton and Portsmouth Travel to Work Areas to be in the 15 most significant TTWA's in the UK for Employment Growth in the creative sector. Creative and digital industry employment across the PUSH core authorities grow by 40% (over 3,000 jobs) between 2010 and 2016. Creative GVA in the PUSH area exceeds £1bn, the creative economy in the Solent area is therefore larger than that in Birmingham by value.

2.3.3 The draft Industrial Strategy includes the creative industries as one of the world leading sectors that needs to be cultivated and this means that its importance locally is likely to increase. Through its existing work and networks PUSH is well placed to champion the sector and act as a focus for improving the infrastructure that the sector needs to thrive. It would also be possible for PUSH to continue to support other aspects of the Creative Panel work

programme. This includes design in the Built Environment and stewardship of the Historic Environment.

2.3.4 If it is agreed that if these areas of work remain part of the potential strategic focus for PUSH then it will be important to maintain some of the core funding for the culture creative industries and built environment panel. It is also suggested that a paper be brought back to the June Joint Committee exploring in more detail what the opportunities might be for supporting the creative and digital sector.

2.4 *Joint Services*

2.4.1 Whilst there are already excellent examples of joint services and joined up working across authorities more could be done. With austerity set to continue in local government, at least for the short to medium term, and skill shortages in some key sectors relevant to the work of PUSH, there is an imperative for joint work to be explored to provide a way to overcome these challenges.

2.4.2 PUSH provides a strong and well-established vehicle for local authorities to collaborate with partners. The current business plan highlights PUSH holding a "*successful track record in enabling joint working to drive forward the economic growth of South Hampshire and the Isle of Wight*" and this would provide a basis for extending joint working into more formal arrangements across services relevant to the work of PUSH (an example could be planning policy). There would be opportunity for sharing resources and expertise in areas of PUSH related work (such as planning or economic development) for the benefit of the PUSH area and for each local authority.

2.4.3 The first step of this work would be to analyse the opportunities (including timeframes for key work) and pressures and see if there is scope and an appetite for shared work to deal with these issues. If there is more formal arrangements will need to be put in place.

3) Funding allocation to support priority activity

3.1 PUSH had previously allocated £100k towards helping to operationalise an Inward Investment strategy agreed with the Solent LEP. PUSH subsequently decided that the funding should be used to help match fund a European Regional Development Fund (ERDF) bid to support SMEs in the Solent area. This ERDF proposal was submitted in 2016 but was not approved by CLG due to issues of quality, value for money and match. The £100K was therefore not needed as match funding.

3.2 At the October Joint Committee there was some discussion about whether this £100k could be used to support the Solent LEP work on Foreign Direct Investment (FDI)/Trade as areas which needed to be improved. In the presentations from Solent LEP at Joint Committee, it was emphasised that there was not yet an agreed Solent LEP inward investment/exporting strategy that the funding could be used to support, but that it would be helpful if this funding was held in reserve to help when there was an agreed strategy. However, no timescale was given .

3.3 On this basis the PUSH Joint Committee is asked to agree that the funding is returned to balances and be made available to support future activities / priorities as they are identified.

4. Conclusion

4.1 The Joint Committee is recommended to agree that PUSH should:

1. Continue to deliver its business plan priorities (see appendix 1)
2. Drive forward additional activity (see section 2) around:
 - a. Identifying the sub-regional infrastructure needed to support development of the housing and employment growth that individual authorities will wish to achieve through their local plans
 - b. Supporting the development of the creative and digital sector within South Hampshire and the Isle of Wight
 - c. Promote the development of further joint services or work between South Hampshire & Isle of Wight authorities where this relates to the core activities of PUSH
3. Put the £100k funding that had previously been allocated initially to support an inward investment model and then subsequently as part of the matched funding to support an ERDF bid on SME competitiveness (which was not successful) into PUSH balances (see section 3).

APPENDICES

Appendix 1 - Business plan priorities and actions

ENQUIRES: For further information on this report please contact:

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