



***Item 10***

# **Report to the Partnership for Urban South Hampshire Overview and Scrutiny Committee**

**Date: 3 November 2009**

**Report of: Julian Lomas, PUSH Interim Managing Director**

**Subject: PUSH Performance Report**

## **SUMMARY**

This report provides a summary of PUSH's performance for 2008/2009 against the previously agreed key strategic outcomes using an exception based approach as the basis for performance management. This is in line with the reporting cycle agreed at the 19 May 2009 Joint Committee meeting.

## **RECOMMENDATION**

That the Committee NOTES the latest performance information for the measures previously adopted by the Joint Committee.

## **INTRODUCTION**

1. In November 2008, the PUSH Joint Committee agreed that performance monitoring and reporting would be conducted on an exception basis every 6 months to monitor progress in delivering against the outcomes specified in the PUSH Business Plan and to satisfy the reporting timescales and requirements of the South Hampshire Agreement (MAA).
2. At the meeting of the Joint Committee on 19 May 2009 the Committee approved further revisions to this process. In order to be as effective as possible the main performance report would be produced for the autumn meeting of the Joint Committee and the Overview and Scrutiny Committee to better coincide with the availability of data. This report and its Appendix represent the latest edition of the performance framework, taking into account the Joint Committee's previous decisions and, where possible, charts progress made to date against key indicators, and where appropriate, draws attention to key achievements and/or concerns arising from the data.

## **IMPACT OF THE RECESSION**

3. The recession continues to have a profound effect on performance against previously agreed targets and this is reflected in much of the data presented in the supporting appendix to this report. PUSH remains committed to its long term economic and regeneration goals and to the delivery of the housing, infrastructure, facilities and services necessary to achieve them. However, PUSH is equally clear that the recession has put some of its short term targets at risk and made others unachievable in the short term.
4. PUSH has commissioned DTZ / Oxford Economics to undertake a revision of the economic evidence base which underpins the sub-regional strategy in order to establish revised performance targets and a recalibration of PUSH's delivery trajectory. DTZ / Oxford Economics are working alongside Centres for Cities in their research into key actions necessary to narrow the gap in economic performance between South Hampshire and the South East. In the short term PUSH continues in its efforts to mitigate the immediate and emerging effects of the recession. Reporting against the absolute targets PUSH originally set itself in some cases is now less meaningful as a result of uncertain economic circumstances. In some cases regional and national comparators have been included in the appendix to give a picture of the sub-regions performance in relation to the situation elsewhere.

## **EXCEPTION REPORTING**

5. In line with previous decisions, this report draws attention to 'exceptions' to the expected/planned trajectory of delivery against agreed outcomes. These exceptions relate specifically to those targets that are marked red or amber. For some themes exact targets and measures still require finalising.

## **ECONOMIC DEVELOPMENT**

6. The recession continues to have an impact on the overall economic outcomes that PUSH is seeking to achieve. However, of the responses given to the status

of outcomes within the Economic Development theme progress was positive with particular emphasis given to the Level 2 and Level 3 targets and businesses supported through intensive assistance.

- In relation to employment rate, despite falling beneath the absolute percentage target PUSH compares very favourably with both regional and national comparators. However it is important to remember that the figures shown have yet to take account of the full impact of the recession and it is anticipated that a downward trend in employment figures will continue as a result;
- There is much that has happened in the past 18 months that could not have been foreseen and taken into account when targets were set. As there is no accurate way of predicting the employment and benefit situation over the next two years performance is given relative to the regional and national figures where appropriate. This will involve improving the claimant rate in the sub-region relative to the national average;
- Similarly, claimant counts continue to rise. The current number of 72,657 seeking out of work benefits is 15,957 over the target of 56,700. However, the rate of increase for the sub-region is below the national rate;
- GVA growth rate is considered at red status as growth rates are likely to remain subdued until 2011. Experian forecasts suggest that total GVA will not recover to its 2008 levels until 2011, and it could be several years beyond that before we see the high GVA growth rates we witnessed in the early 2000s;
- Despite having amber status the percentage of the working population with Level 3 shows signs of progress which has been made towards achieving the target based on the first two years of the plan period. The continuing prioritisation of Level 3 should be reflected in future year results;
- GVA change in businesses supported has not been delivered to anticipated levels. The economic situation is resulting in greater caution and less business growth; and
- With regards closing the economic performance gap between areas, the overall difference between the top 6 wards (averaged) and the bottom 6 wards (averaged) across the sub-region equates to 16.6%. The greatest percentage difference between those claiming benefit is highest in Portsmouth followed by Havant and Gosport.

## **TRANSPORT (as advised by TfSH)**

7. At 30 September meeting of the TfSH Joint Committee, a set of indicators were proposed that will, over time, provide an illustration of the trends in trip making and use of the different transport modes across South Hampshire. Much of this data is already recorded in the three Local Transport Plans and it was agreed at the Joint Committee that further work was required to harmonise the different data sets into usable indicators for the sub-region to enable progress and changes to be monitored and suitable targets to be set.

8. The next phase for TfSH is that officers from the three authorities work together on developing both 'relative' and 'absolute' targets involving the public transport operators and Government agencies, to assemble common data sets for the principal indicators that can then be agreed at the TfSH Joint Committee. This will provide a 'dashboard' of performance and trends, so that specific actions can be identified and agreed in the future.

## **HOUSING AND PLANNING**

9. In relation to the housing completion targets, progress is broadly in line with expectation. Statistics show that despite the recession, employment floorspace and house building completions in South Hampshire in 2008/09 were slightly higher than in the previous year. Housing completions were 103% of the SE Plan target for the period 2006-09. South Hampshire compares favourably with England as a whole where housing completions in 2008/09 were down 20% on the previous year. However floorspace/dwellings under construction, new starts and planning approvals all fell substantially in 2008/09, suggesting that completion figures in future years will be much reduced (estimated 30-50% below target).
  - The number of 3 and 4 bedroom dwellings being constructed within the sub-region is still decreasing. This can be attributed as a direct affect of the recession. The major reduction in private sector construction activity as a result of the economic climate is becoming more evident in emerging figures; and
  - The number of LDF Core Strategies which have been adopted has not reached the target. Both New Forest and Southampton are likely to be adopted later in 2009/2010 but others cannot currently be adopted until end of 2011. Therefore the target of all 10 to be completed within the timeframe is now unachievable.

## **SUSTAINABILITY AND COMMUNITY INFRASTRUCTURE**

10. Substantial work has been undertaken over the past few months to secure a set of robust indicators for this theme which address the strategic outcomes PUSH aims to deliver. These measures address issues in relation to CO<sub>2</sub> emission reductions, water abstraction and use, other resource use, renewable energy and green infrastructure. The establishment of these measures will enable progress and changes to be monitored and suitable targets to be set. In particular instances targets are to be set following the finalisation and agreement of key sub-regional strategy documents which will provide a clearer understanding of the sub-regional context and act as an evidence base in order to set resilient targets. The emerging Climate Change Strategy will contain a strategic action plan which will in due course be incorporated as appropriate as performance targets for PUSH. Similarly the overall approach to Green Infrastructure is under review depending on the finalisation and approval of the PUSH Green Infrastructure Strategy at this same meeting of the Joint Committee. The frequency at which data becomes available in relation to CO<sub>2</sub> emissions and renewable energy generation did not align with the reporting cycle for this Joint Committee meeting as it is only produced on an annual or bi-

annual basis but as is the case with many other areas data it will be reported against at future Committee meetings.

## **QUALITY PLACES**

11. Appropriate outcome measures have now been developed for this theme and are listed in the supporting appendix. The newly established indicators aim to measure the physical quality of the built and historic environment (to track the quality of new development in PUSH relative to national standards), measure the health of the cultural, sporting and visitor economy within PUSH (by tracking levels of employment and visitor spend) and indicators which track Adult Cultural and Sporting Engagement in PUSH. Additionally, indicators have been established to measure residents' perceptions of quality of place and track changes in perceptions through time and relative to the rest of the SE region.
12. Although appropriate data has been collated and aggregated for the sub-region, suitable targets by which to measure increased performance in the sub-region are in the process of being established and finalised. With regard to quality of place measures the target would be an upward trend line in terms of perceptions of quality of place and to sustain a level of perceived quality of place which is above the South East average. In respect of participation in cultural activity the targets will be set relative to regional average in the light of base line data. Furthermore, for the strength of the cultural economy the target will be an upward trend in employment growth and visitor spend within the sub-region which would subsequently see a move towards the regional average. And finally, with regard to the historic and built environment targets will be established to track the quality of new development in PUSH relative to national standards. A clearer picture of PUSH's relative performance targets will emerge over the course of time as more data becomes available.

## **CONCLUSIONS AND RECOMMENDATIONS**

13. The recession continues to have a profound effect on performance against a substantial number of PUSH's targets particularly in the economic development theme and this is reflected in much of the data in the appendix. Housing supply targets, employment figures and claimant counts continue to suffer as a result of economic uncertainty. The lag in data availability for other targets suggests that many downward trends as a result of recession will either emerge or continue into the foreseeable future. Nevertheless, despite falling short of our absolute target for employment rates, in relative terms South Hampshire reflects well in comparison to both regional and national figures showing that South Hampshire has demonstrated some resilience to the impacts of the recession which will no doubt have been assisted by actions PUSH and its partners have taken to respond to the recession.
14. Despite the dramatic short term affect on performance as a result of the recession, PUSH remains committed to its long term goals and has refocused its short term efforts and investment in areas that mitigate the impact of the recession and lay the foundations for improved performance as the economy emerges from recession. Skills levels and business support targets continue to reflect well as a result of strategic interventions.

15. Following agreement of the revisions to reporting timeframes at the 19<sup>th</sup> May Joint Committee each of the working themes have been able to establish appropriate targets, or are in the process of finalising targets, for every measure PUSH seeks to monitor. Continued progress to implement a more relative means of measuring progress towards achieving PUSH's objectives is being undertaken and will provide a better understanding of PUSH performance within such an uncertain economic climate. The refresh of the economic evidence base and the finalisation of sub-regional strategies (Green Infrastructure and Climate Change) will further serve to provide PUSH with a robust basis to establish informed targets for embryonic measures or areas affected by wider economic circumstances.

It is recommended that the Committee:-

NOTES the performance results for the 2008/2009 financial year

**Background Papers: None**

**Reference Papers: None**

**Enquiries:**

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