



Report to the Partnership for Urban South Hampshire Joint Committee

Date: **29 July 2009**

Report of: **Stuart Jarvis, Managing Director**

Subject: **Multi Area Agreement Refresh**

SUMMARY

At the May meeting of this Committee, a report was approved setting out the PUSH approach to the MAA 'stocktake' and refining the established proposed priority outcome areas for the MAA refresh. Since this report further work has taken place on the 'stock-take' process for the MAA, for which PUSH is a national 'pathfinder', and the programme for this work and the implications for PUSH are now much clearer. There have also been some developments on the priority outcomes, since the Joint Committee meeting in May, particularly on the Joint Investment work with the Homes and Communities Agency (HCA), as part of its 'single conversation' initiative, the natural environment proposal and also on the emerging financial outcomes underpinning the MAA. The purpose of this report is to update members on these developments and to seek the Joint Committee's approval for the proposed approach set out in the report including the revised priority outcomes.

RECOMMENDATION

That the Joint Committee:-

1. APPROVES the proposed approach to the MAA Stocktake and Refresh set out in the report;
2. APPROVES the extension of the existing consultancy contract to support PUSH to complete the MAA refresh process, subject to match funding being received from DCLG as a contribution to the costs of the contract extension; and
3. AGREES the revisions to the priority outcome areas set out in the report (Table One) as the basis for negotiation of the MAA refresh.

BACKGROUND

1. At previous meetings of this Committee earlier in the year reports were considered setting out the background to the MAA refresh process and recommending an approach for PUSH to take. The Joint Committee resolved to focus on adding a limited number of new outcomes to the MAA, focusing on established priority areas rather than a wholesale re-negotiation of existing targets, or major expansion of the scope of the MAA. At its meeting in May the Joint Committee approved the proposal for PUSH to seek 'national pathfinder' status to help develop the MAA Stocktake methodology and best practice in partnership with DCLG. The Joint Committee also considered progress to date with the previously approved priority outcome areas, noting that Joint Investment Planning with the HCA and with SEEDA, External Funding measures and Bus based public transport (being managed by TfSH) were the outcomes where progress had been slowest, and the outcomes were therefore considered to be at risk.

MAA STOCKTAKE PROCESS

2. The MAA Stocktake process has now become clearer and the programme for its completion is also now firmed up. The emphasis is very much on twin-tracking the development of the refresh and of negotiation of new MAA outcomes with the stocktake of the existing MAA and evaluation of progress to date. The stocktake aspects are focusing on the development of a realistic assessment of progress with and the value of the MAA, relying on soft intelligence and wider performance assessment rather than a narrow, KPI based approach, which is to be very much welcomed. The approach is therefore including a mutual assessment of performance and value from both local partners and central government departments, rather than the traditional approach which would have been based on a self assessment of PUSH. A shared approach is also being adopted in relation to resourcing and contributing to the stocktake process, with GOSE for example contributing to the high level data analysis, and CLG developing the stakeholder survey questionnaire. The Audit Commission have also been engaged with the process on a pilot basis, to help ensure it address the emerging requirements for sub-regional partnership assessments.
3. However, the stocktake therefore is taking up resources within PUSH, and in particular the consultancy commissioned after approval by the Joint Committee of proposals to help bridge the gap in the Core Team until the new ED Director was in post, and to help support the MAA refresh. The consultancy contract is estimated to run out of days by the end of August, and therefore it is proposed that this should be extended, to ensure that the MAA refresh work is adequately resourced. It is recognised that this joint project with CLG is a national pilot and therefore it is further proposed that the commission should only be extended provided contributory funding from CLG, which has been agreed in principle, is confirmed.
4. The Programme for the MAA refresh, based on the twin track approach, envisages completion of the stocktake by the end of September and conclusion of the refresh of the outcomes for sign off by end of October or

early November. This latter date will become firmer once the initial negotiation round is completed, and it is clearer how much further work and negotiation is required on each outcome. There is not expected to be a requirement for a formal signing ceremony alongside other partnerships, which should allow a more flexible programme for the sign off of the MAA refresh.

HCA JOINT INVESTMENT FRAMEWORK PROPOSAL

5. The Homes and Communities Agency (HCA) is a very significant funding body, having taken over not only social housing budgets but also the Growth Areas and the New Growth Point Funding, which has been the largest source of revenue and only source of capital funding for PUSH to date. Therefore, the importance of securing a Joint Investment Agreement with the HCA to agree shared investment priorities and provide greater certainty over future funding were seen as of paramount importance to PUSH.
6. The HCA has now introduced the 'Single Conversation' which is designed to engage local authorities in all aspects of housing and regeneration. Its aim is to connect local ambition with national targets. A detailed briefing note on the 'single conversation' concept is set out at Appendix One of this Report. Within the South East PUSH will be one of three pilot areas to have a Single Conversation with the HCA in 2009/10 which will lead to a three year Investment Plan. This offers an important opportunity to lead the way as a model for this new type of strategic investment planning. This also matches the previous PUSH MAA refresh proposal to secure a Joint Investment Framework with the HCA. Whilst this will clearly have a core housing focus, the scope will also cover wider external funding and development issues.
7. It is therefore now proposed that the previous priority outcome relating to a Joint Investment Framework with the HCA in relation to the Priority Estate Regeneration programme, and referred to in the External Funding Outcome, should now be extended to cover all aspects of HCA engagement with PUSH, as a specific outcome in its own right. It is further proposed that this MAA strand should be led at officer level by the Chief Executive Lead for the Housing and Planning Theme, with close engagement from representatives of the External Funding and Resources and Economic Development Themes.
8. The HCA have indicated that they will begin the process by sending a draft proposition to PUSH in July. At the time of drafting the report, this has yet to be received.

ECONOMIC DEVELOPMENT PROPOSALS

9. The Economic Development strand of the MAA has now been further refined and more sharply focused on securing agreed objectives and aligned funding with SEEDA and other key partners, on developing the Skills and Employability area of the existing MAA, and securing greater local devolution and engagement in line with the proposals coming forward from DWP and BIS. This revision of the previous proposed ED outcome

is in part a reflection of the need for PUSH to respond to the changing role of SEEDA and LSC/SFA, in part a response to the likely public sector funding environment in the future, and in part a reflection of the limited capacity available within the Partnership to take forward additional MAA proposals at the same time as reviewing the ED Strategy and Evidence base. PUSH has also now expressed its interest in early local rollout of superfast Broadband through BT-Openreach, which will happen outside the MAA process.

EXTERNAL FUNDING PROPOSALS

10. The External Funding and Resources theme has continued to develop the early ideas which informed the evolving MAA priority outcomes work. The significant challenges of finding new funding models are recognised as likely to pose a major challenge, particularly finding an arrangement which recognises that costs and risks of projects may not fall naturally to the main beneficiaries will be a real test of partnership cohesion and maturity. The proposed approach is now to focus on two particular areas within the MAA negotiation:-
 - Securing External Funding for Delivery of Key Objectives
 - Maximising Effective Use of Funding
11. The development of these objectives and the potential MAA outcomes which derive from them, as an initial basis for engagement with the Treasury and CLG, are set out in detail in the discussion note at Appendix Two of the report. In short however the proposals are to develop new sources of funding, particularly to support borrowing for upfront capital infrastructure investment (e.g. Tax Incremental Finance) and secondly to secure greater flexibility over and reduced bidding premiums for Government funding coming into South Hampshire (e.g. moves towards a standard form of project appraisal/ or single capital pot for sub regional funding allocations, together with the removal of requirements for annual growth fund bidding submissions).
12. The External Funding and Resources Theme also has a strong interest in the development of the proposed Joint Investment Frameworks with the HCA and SEEDA and other economic partners. It is considered that the securing of common objectives, and aligned funding are more likely to be both achievable and to deliver key PUSH outcomes in the immediate future, though our long term objective remains to secure devolution of funding directly to PUSH on the basis of agreed shared outcomes with Government.

NATURAL ENVIRONMENT PROPOSALS

13. Significant progress has been made in discussions with the Environment Agency (EA) and Natural England (NE) on the scope for a potential MoU on the natural environment, green infrastructure and flood/coastal defence strategy and funding. The current draft of the scoping statement, which has been agreed by both agencies, is set out at Appendix Three of the report.

14. Whilst there is still much work to do in developing the details of the MoU and potential freedoms and flexibilities to underpin them, at this stage there is a very positive momentum on this particular strand of the MAA refresh. There are particularly welcome indications of a change in the thinking on flood and coast defence funding policy, and following the announcement of changes in thinking at national level, PUSH hopes to capitalise on this thinking in developing innovative proposals through the MAA.
15. The challenge will almost certainly be to maintain enthusiasm and commitment of all parties through the more detailed discussions and work which now follows, and the almost inevitable process of further sharpening the focus of the proposed MAA outcome to secure sufficient progress to get at least some critical aspects into the next iteration of the MAA. The process on the natural environment very much mirrors the approach taken on Transport in the original MAA.

TRANSPORT PROPOSALS

16. The Transport strand of the MAA, which is focused on public transport, to complement the existing MAA outcome based around highways, is being taken forward by TfSH. As previously reported there are two basic sub-strands to the Public Transport outcome:-
 - MoU with Network Rail to deliver common objectives and shared rail priorities supporting the growth strategy for South Hampshire;
 - A package of measures to support an enhanced bus based public transport offer and the delivery of modal shift to public transport.
17. The MoU with Network Rail is likely to be based on the approach adopted with the Highways Agency in the original MAA, while the other sub-strand is proving to be more complex, with a particular challenge around trying to identify some clear measures which require the MAA to bring them to fruition. Further work is due to take place on this outcome in July, with a meeting involving DfT, GOSE, TfSH and the Bus Operators Association due to take place next week.

SUMMARY

18. Table One below sets out the revised priority outcomes for the MAA refresh, reflecting the progress and issues set out for the various strands. In addressing these matters, it is also worth noting the existing MAA commitment (outcome one) through which Government and its Agencies agreed an informal duty to co-operate with PUSH and its key MAA interested parties.

19. **Table One: Revised MAA Outcome Areas**

Outcome Area	Comment	Panel	Partners	Progress
Green Infrastructure/ Natural Environment	Possible Memorandum of Understanding (MoU) with Natural England and the Environment Agency – also potential funding/target changes at national level to secure delivery of Green infrastructure and a new approach to flood/coast defence funding and assessment. (See Appendix Three)	S&CI	Nat England/ Env Agency/ Defra.	Next step initial negotiation meet with Defra/CLG
Economic Development	<ul style="list-style-type: none"> • Potential further development of skills and employability outcomes based on DWP devolution to ESB; • Joint Investment Framework with SEEDA and potentially LSC/SFA and JCP to establish common objectives and aligned funding, around skills, growth sectors, innovation, inward investment and knowledge transfer 	ED	SEEDA/ JCP/ Business Link/ LSC(SFA)/ Universities /Solent Innovation & Growth Network (SIGN)	Next Step – meet with BIS/DWP; Next step – formal proposition to SEEDA and to other partners
Public Transport	<ul style="list-style-type: none"> • Possible MoU with Network Rail to secure shared objectives on supporting the delivery of transport investment and improvements to support growth. • Also potential bus based and travel planning/information measures (details still under initial discussions between TfSH, GOSE/DFT and South Hants Bus Operators Association) to deliver an improved South Hampshire bus offer to deliver modal shift to public transport 	TfSH JC ¹	Network Rail; SHBOA ² / Bus Operators	TfSH to put proposal to Network Rail; Meet with DFT/GOSE/S HBOA to finalise proposition
Joint Investment Planning with Homes and Communities Agency	Critical relationship with HCA to be enhanced through incorporation into the MAA of commitment to develop a formal Local Investment Agreement covering Housing/ Regeneration/estate renewal funding etc following on from 'Single Conversation'. Potential also to look at surplus Govt land disposal processes (e.g. MoD) for potential improved development outcomes and greater local engagement. (See Appendix One)	H&P/ ED/ EF& R	HCA/ CLG	Proposal awaited from HCA, 'Single Conversation' initiation meeting due shortly
External Funding/Better use of Assets.	Potentially significant measures to secure funding at sub-regional level, assisted development of an SPV Delivery vehicle (re Employ land) and exploration of a Sub Regional Investment Fund with Government backing. (See Appendix 2)	EF& R/ED	CLG/ HMT/ SEEDA/ HCA	Next step initial negotiation meet with HMT/CLG

¹ Transport for South Hampshire confirmed its support for the MAA refresh and the transport outcomes at its June meeting.

20. The MAA refresh process itself requires the preparation of a document to outline additional outcomes and supporting evidence for such additions to the original agreement. The process is iterative in that detailed proposals are refined and shaped, along with any relevant targets, through detailed negotiations and discussion with partners and Government. At the previous meeting it was agreed that responsibility for leading and overseeing the development of the MAA submission and the negotiations with Whitehall be delegated to the Managing Director, in consultation with the PUSH Joint Committee and Programme Board Chairmen and the Chairmen and Chief Executive leads of the relevant Delivery Panels.
21. It is considered that the revised outcomes represent a sharper and more focused approach to securing greater certainty over delivery of the overall PUSH objectives and strategy for the long term development of South Hampshire.

RECOMMENDATION

That the Joint Committee:-

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2. APPROVES the extension of the existing consultancy contract to support PUSH to complete the MAA refresh process, subject to match funding being received from DCLG as a contribution to the costs of the contract extension; and
3. AGREES the revisions to the priority outcome areas set out in the report (Table One) as the basis for negotiation of the MAA refresh.

Background Papers: None

Enquiries:

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APPENDIX ONE

Briefing Note:

PUSH and Single Conversation with Homes and Communities Agency (HCA)

INTRODUCTION

1. The Homes and Communities Agency was formed following the merged of the Housing Corporation, English Partnerships and part of the CLG in December 2008. Their role is 'to create opportunity for people to live in high quality, sustainable places'. They provide funding for affordable housing, bring land back into productive use and improve quality of life by raising standards for the physical and social environment.
1. The HCA have introduced the Single Conversation, a new and transparent way of working with Local Authorities. It is designed to be an on-going process which covers housing and regeneration priorities in a local area (i.e. growth, housing, infrastructure, regeneration and Community activities). The end product will be a Local Investment Plan.
2. The HCA have produced a Guidance Framework 'Single Conversation: A better way to achieve positive outcomes for people and places'. (Further guidance is expected on the Evidence Base, sources of support and capacity, Local Investment Plans and Local Investment Agreements). This essentially sets a strategic framework in place, as yet there is no formal model for this work.
3. The PUSH area will be one of three pilot areas in the south east to start the process of the Single Conversation in 2009/10. The HCA Area Manager will lead this conversation. This offers an important opportunity for PUSH to provide a model for this new way of strategic investment planning.

HOW THE SINGLE CONVERSATION WILL WORK

5. The Single Conversation is new and untested. It is envisaged that the Single Conversation will be conducted with groups of local authorities like PUSH preferably building on Multi Agency Agreements (MAA). The beginning of the Single Conversation will be the vision for the area and current agreements and investment. Much of this information is clearly set out in documents such as:
 - PUSH Business Plan
 - MAA
 - Sub Regional Housing Strategy

6. In broad terms the Single Conversation will cover:
- **Strategy** – agreeing a shared position on the area’s ambitions and objectives for housing of all tenures, for growth, regeneration and renewal and ensuring that objectives are consistent with regional and national targets and outcomes.
 - **Investment** – agreeing broad levels of indicative investment that all partners propose to provide for that area, where it is to be targeted and the outputs and outcomes for that investment. This also includes what local authorities will bring e.g. land, assets or other funds. This pulls together a range of funds such as Building Schools for the Future, highway funding etc
 - **Capacity** – clarifying delivery roles and responsibilities including the role of local delivery vehicles. This includes a discussion on the ability of partners to develop, manage and oversee interventions and highlight where support might be needed from the HCA.
 - **Delivery** – agreeing the precise form of the interventions that investment will support, how they will be delivered and which partners will be involved (including the private sector) and the nature of that involvement (e.g. direct project management or more light touch programme monitoring).

TOOLS DEPLOYED IN SUPPORT OF THE SINGLE CONVERSATION

7. The wide range of tools which could be deployed in support of the Single Conversation include:
- Advice, support and capacity building
 - Masterplanning and supporting development of Supplementary Planning Documents
 - Project management
 - Procuring panels of preferred partners and access to existing HCA panels
 - Strategic relations with lenders and institutional finance
 - Acting as an agent or consultant for surplus public sector land disposals
 - Investment through third parties in affordable housing, regeneration, renewal, growth and long term management and place maintenance
 - New mechanisms to deal with market conditions
 - PFI Credits
 - Forward-funding infrastructure delivery
 - Joint venturing
 - Land assembly and site disposal / procurement
 - Directly procuring infrastructure, regeneration or renewal activities
 - Compulsory purchase.
8. The Single Conversation guidance framework suggests that in anticipation of the Single Conversation local authorities may wish to develop their own capacity to participate in the discussion. The HCA have stated that they
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will provide clear guidance and support for the Single Conversation and ‘at the appropriate time support opportunities for peer learning’.

9. The guidance framework states that the Single Conversation needs to be evidence based with a range of information to include:
- The strategic framework for housing and planning e.g. affordable housing, environmental sustainability, physical and community infrastructure;
 - How other strategies contribute and dovetail into the emerging strategy for investment such as those for equality and diversity, cohesion, inclusion, and community engagement;
 - Economic conditions and anticipated changes, local economic assessments and associated strategies;
 - The MAA priorities and any progress towards their achievement Comprehensive Performance Assessment and Comprehensive Area Assessment (unclear if likely to be needed for PUSH);
 - The vision and ambition for the place and its contribution to regional priorities (as set out in the Single Regional Strategy, Regional Economic Strategy, Regional Spatial Strategy, Regional Housing Strategy, Regeneration Priorities and other strategies);
 - Population, demographic and deprivation measures, migration patterns, and travel to work patterns;
 - House prices, rents and affordability;
 - Stock by size, tenure, condition, and location;
 - Ownership and management of the affordable housing – local authority / transferred / housing association, and how much of it meets decent homes standards;
 - Transport and connectivity;
 - Local delivery vehicles, Economic Development Companies and other delivery partnerships;
 - Existing investment in the area and the associated outputs, outcomes and record of delivery;
 - Key private sector investors, including housing associations, landowners, developers and delivery partners;
 - Brownfield and surplus public sector land opportunities that exist.

THE INVESTMENT PLAN

10. The scope of the Investment Plan will cover:
- Spatial priorities for strategic growth sites, town centre renewal and Regeneration
 - Targets for growth, affordability, renewal, specific groups such as BME communities, vulnerable and old people and Gypsies and Travellers
 - Social, economic and environmental sustainability
 - Land supply
 - Physical and social infrastructure
 - Assumptions about how affordable housing will be funded

- The resources required to deliver the plan, including finance from public and private sources, Section 106/Community Infrastructure Levy contributions, growth points funding, and skills
- Governance
- Delivery roles and responsibilities, with costed and timed proposals, and risks and opportunities.

11. For PUSH it is important that it includes the SDAs and the Estate Renewal projects. It also will contain robust forecasts for a three year period with regular review. The plan will be refined as the Single Conversation develops over the years.

LOCAL INVESTMENT AGREEMENT

12. The Local Investment Agreement will set out the HCA's proposed investment for an area on a three year basis. It will cover output and outcome targets.

APPENDIX TWO

Briefing Note

MAA Refresh: External Funding Strand

The central challenge for this theme in respect of the MAA refresh relates to providing more certainty of delivery for major infrastructure and development. In practice this means finding alternative funding sources to support this work in anticipation of severely constrained Government and Developer funding capacity in the future. The delivery of critical infrastructure projects and strategic developments will challenge historic thinking in the scale of the local funding challenge, the risks associated with delivery of this scale of locally funded projects, and relating the flows of benefits back to the funders and their assumption of risks. Alongside the primary challenge of securing adequate funding, there are related issues around flexibility of resources and constraints on PUSH's ability to be more agile and opportunistic in its use of funding to maximise delivery of key objectives. These two related strands form the basis of the MAA approach, and indeed the core activity and focus of the Panel. This note sets out the proposed approach to addressing these challenges, and the basic MAA proposition proposed as a basis for initial engagement with Whitehall.

A) Securing External Funding for Delivery of Key Objectives

Successful delivery of the core elements of the South Hampshire Strategy will require huge scale investment over the next 10-15 years to provide timely and adequate infrastructure to support the development of sustainable communities. With the collapse in activity and sharp fall in values in the property and development land markets, it is clear that in the short and medium term, the traditional funding model for the South East region, where developers pay for most on and off site infrastructure simply will not work in the future. With the impending cut backs in Government capital spending and investment in areas like transport and housing, it is equally clear that public funding cannot even be maintained at the relatively modest historic levels in this region, let alone plug the gap created by loss of developer funding capacity. Therefore PUSH has to develop new financial models and exploit new funding sources if successful development and sustainable growth is to be delivered in South Hampshire. With the scale of investment required running into hundreds of millions of pounds, it is equally apparent that this can only be secured through borrowing to invest, and therefore the challenges are not only about the source of borrowing, but more importantly about how such borrowing is serviced and risks and investments are managed. It is also clear that the South Hampshire is sufficiently large to support a sub-regional investment fund, with sufficient scale and diversity of projects over a 20 year timescale to allow a balanced investment portfolio to spread risk and exposure successfully at a less than regional level.

It seems clear that borrowing through the public sector has significant advantages in terms of interest rates, and scope to service the debt. The availability of funding is a significant concern for all sectors, but once again a 'blue-chip' local authority backed approach is deemed to be most likely to succeed in current market conditions. Servicing such debt does raise new challenges, and the ability to spread and manage risk is the key challenge. Recent experience has taught that over-dependence on property asset growth is

not sustainable, and it is suggested that a more robust approach is needed, featuring a mixture of income streams, not all dependent on development and rising land values. In particular it is not considered prudent to base any future model on the proposed Planning Infrastructure Levy or S106 developer contributions.

This in turn leads to some key policy assumptions for PUSH:-

- Establish a sub-regional investment funding vehicle/mechanism;
- Public Sector led fund raising approach (Prudential Borrowing, local bonds etc);
- Borrow Long (20 yrs +) for income stream backed investment to spread risk and reduce annual costs; whilst asset backed borrowing needs to be over a shorter time horizon (e.g. maximum 7 years)
- Support debt costs across several income streams to reduce risk and dependence on rising land/property asset values;
- Exploit scope for capturing new sources of income locally to support borrowing over the longer term.

Following on from this PUSH therefore seeks early and positive dialogue with CLG/HMT on the following potential MAA measures:-

- Implementation of Tax Incremental Finance, initially through the CLG sponsored pilots, but with scope for wider application with South Hampshire, as set out in the PUSH expression of Interest in the recent TIF/ADZ pilot exercise;
- Exploration of introduction of a strategic development tariff, on a sub-regional basis, to contribute to off-site infrastructure provision to support sub-regional development, to help compensate for the loss of s106 funding following reduced land prices and move to the CIL;
- Positive joint exploration of the scope for establishing a sub-regional investment fund, and related Governance and risk sharing arrangements;
- Positive joint exploration of the potential to establish an asset backed special purpose delivery vehicle to bring forward employment sites in South Hampshire;
- Positive joint exploration of the scope for 'sub-regional' allocations within the RFA in future to ensure funding is better directed to growth areas to support development and infrastructure provision commensurate with the proportion of overall regional growth taking place in each sub-region.

B) Maximising Effective Use of Funding

In order to ensure that investment funding is deployed to maximum effect in delivering the South Hampshire Strategy it has become even more apparent in recent months that there is a need for greater agility in public investment and responsiveness to changing circumstances at the local level. This is well illustrated by the initial MAAs like the South Hampshire Agreement, which was negotiated prior to the credit crunch and recession, and which is now clearly out of step with economic realities in a number of objectives and outcome targets.

Investment priorities can be significantly affected by a change in circumstances, and it is essential that partnerships can respond quickly, within the framework of

delivering the overall priorities and outcomes over a 20 year period. This is another challenging area for the MAA refresh to secure greater financial flexibility to support more agile and effective investment, and to refocus Performance Management and accountability onto long term outcomes rather than short term outputs. Therefore PUSH is seeking positive exploration of the following potential measures to assist with this transformational shift of focus for investment and accountability with Central Government:-

- Move to a single capital pot for Government funding at PUSH level, based on agreed long-term outcomes, with local flexibility to move funds between projects and programmes, within annual spending approvals, and fixed capital/revenue splits;
- A single appraisal process for spending proposals across different Whitehall Departments facilitating moves towards a single pot allocation process;
- Greater flexibility in the current CIF funding requirement for all scheme expenditure to be completed within 2 years; in recognition of the lead in times for large projects and the need to retain some funds for Transport schemes to cover land compensation claims which only arise after scheme completion;
- Where longer term outcomes are agreed, such as in signed MAAs, a reduction in separate performance reporting and programme appraisal or bidding will help direct a greater share of resources to delivery and reduce wasteful bidding and reporting. In this context for example PUSH is seeking a relaxation of the need to submit a Programme of Delivery annually to release Growth Point Funds, which are now allocated on the basis of a formula anyway, and seeking to agree a Joint Investment Framework with SEEDA, HCA and other economic partners which should obviate the need to bid for and then sign detailed performance agreements on individual project or programme funding;

In addition to the specific provisions referred to in respect of direct funding, the closely related issue of 'aligned funding' also forms a core strand of the MAA refresh. In particular, PUSH is seeking to develop a set of agreed common outcomes, and from these shared priorities, with key delivery partners. There are likely to be two specific areas where greater alignment of funding will be pursued in the MAA refresh:-

- Economic Development and in particular skills training and employability, targeted growth sectors, inward investment and delivery of employment sites and premises;
- Major sites development, estate renewal and strategic social/affordable housing delivery.

C) Conclusion

The recession, the public sector funding crisis and the collapse of the traditional developer funding model pose a particular set of challenges for PUSH and other sub-regional partnerships in the South East, to deliver sustainable growth and development. Economic prosperity cannot any longer be taken for granted in the south east, which could have a profound impact on the national as well as the regional economy. Measures to bring more certainty to the delivery of development and growth in sustainable communities, supported by timely and adequate infrastructure are therefore 'mission critical' for PUSH, and form the

basis of the External Funding strand of the MAA. Without a positive response to these challenges and proposals, there is little prospect of securing the investment necessary to deliver and support balanced economic growth, sustainable communities and to maintain quality of life. In addition it must be recognised that the prospects of securing Government agreement to some of the 'MAA asks' is probably not great. In the MAA negotiations we must focus resource on outcomes likely to generate the greatest payback, but that calculation must include an assessment of the of the probability of securing agreement as well as the potential impact of the proposal.

APPENDIX Three

Briefing Note:

MAA Refresh: Natural Environment Strand

Proposed Memorandum of Understanding between the Partnership for Urban South Hampshire, the Environment Agency and Natural England.

Aim: – To provide a framework for engagement with Partnership for Urban South Hampshire (PUSH) by the Environment Agency (EA) and Natural England (NE) that increases certainty, improves decision making processes and builds capacity to deliver sustainable environmental outcomes as part of the overall South Hampshire sub-regional strategy.

Objective:- To agree a Memorandum of Understanding (MoU) with EA and NE which commits the partners to a set of :-

- a) principles governing working together;
- b) common sustainable environmental objectives for South Hampshire;
- c) specific outcomes/proposals and enabling measures for the MAA Refresh;
- d) specific projects/proposals for implementation

Scope:- The following strands are suggested:

- Common Sustainable Environmental Objectives/Outcomes;
- Commitment to common evidence base/performance framework and to share data ;
- Agreed protocols that guide responses to development plan consultations, planning applications and development proposals;
- A programme of prioritised actions that inform the MAA refresh and EA, NE and PUSH business plans.

Specifically to work on the following key areas:

Green Infrastructure: To produce a GI Strategy that aims to deliver a net improvement in overall biodiversity and access to green spaces over the RSS period. It is envisaged that the strategy should include:

- an agreed set of common standards
- strategic priorities for investment, (investigate potential flex with NE National priorities)
- linkage with relevant plans and strategies such as Biodiversity Action Plans and health priorities .
- funding provisions for Green Infrastructure including opportunities to flex and integrate existing GI funding streams (including LPA/EA/NE funding)

and exploring local funding options as part of a wider developer “levy/tariff”.

Flood and Coastal Risk Management Strategy: Commitment to integrate Flood and Coastal Risk Management approaches with a view to:

- agreeing broad objectives within the context of a commitment to reduce overall flood risk over the RSS period
- assessing the approaches of the key organisations to flood and coastal risk management against the provisions of the RSS and the duties of the partners to work together to deliver them,
- exploring variation, integration and conflation of current processes, plans and strategies (e.g. Shoreline Management Plans and Coastal Flood and Erosion Risk Management Strategies) *NB obvious overlap here with “PPS25 Protocol” outcome in existing MAA.*
- Exploring opportunities to secure greater certainty in the delivery of sustainable flood and erosion risk management infrastructure. Include funding regimes (potential flex with Defra/EA national policy with a commitment for PUSH to explore alternative funding opportunities, for example through local levies or developer “levy/tariff”) and in terms of procedural constraints policy approaches, streamlining and interpreting the guidance and regulations that govern relevant decision making regimes.

Habitats Regulations: Where avoidance is not possible, an agreed approach to resolving the mitigation requirements of Habitats Regulations Assessment of the South Hampshire sub regional Strategy as set out in the South east Plan. The approach should support the delivery of agreed mitigation requirements through the provision of Green Infrastructure and any other appropriate strategic measures.

Waste water management and water supply: an agreed approach to take forward the recommendations of the Integrated Water Management Strategy. In particular, assessing and delivering the infrastructure requirements necessary to accommodate additional growth in line with the requirements of environmental legislation such as the Habitats Directive and Water Framework Directive.

Climate change adaptation and mitigation. Securing agreement to the Vision and key objectives of a Strategy and Action Plan to tackle climate change in South Hampshire including;

- Mitigation measures to build greater resilience into Climate Change Strategy and meet government targets
- Adaptation measures to manage the expected consequences of climate change

Conclusion:-

The proposal is currently wide-ranging and comprehensive – it is clear that not all these strands can fully progress at once, and that we will need to focus on some clear priorities and perhaps establish a programme to guide this early on.

The MAA may assist with identification of priorities as there might be a case for looking at matters which might go into the MAA at an early stage to ensure they do not miss the deadline for that. Equally, if we cannot secure some high level agreement to the general direction of travel and so on, we may never get beyond the initial conversations.