



Report to the Partnership for Urban South Hampshire Joint Committee

Date: **24 November 2009**

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

Subject: **Interim Managing Director's Update Report**

SUMMARY

This report represents an additional method for PUSH business to be reported to the Joint Committee. The Interim Managing Director's report provides an opportunity for issues which are significant, but do not justify a full report in their own right, to be brought to the attention of the Joint Committee for a decision or for information. The report is divided into Parts A and B accordingly.

Part A: MATTERS FOR DECISION

Low Carbon Economic Area

1. The Low Carbon Economic Area (LCEA) is a new initiative announced by the Department for Business, Innovation and Skills (BIS) in the Low Carbon Industrial Strategy (July 2009). These Areas are being established to accelerate low carbon economic activity in areas where Britain's existing geographic and industrial assets give a location clear strengths and enable the businesses to capture future opportunities. To date, a number of regions have been awarded under this scheme including the South West for marine energy and the North East for low carbon vehicles. Following the last Joint Committee meeting and the well received presentation on Cleantech, PUSH was approached to submit a bid for an LCEA by the Chamber of Commerce in Southampton and the University of Southampton. BIS have been approached and are supportive of a bid being submitted by PUSH. The Isle of Wight have also approached PUSH and asked to be partners in the proposal.
2. BIS have advised that to stand the best chance of success, a bid should be submitted by the end of November, which has meant pulling the proposal together in a very tight timescale. It is proposed that a bid is based on our Environmental Technologies & Services (ETS), or 'Cleantech' cluster, excellence in sustainability research and innovation. A consultant has been

employed to develop the bid with contributions from PUSH, SEEDA, the Universities of Portsmouth and Southampton. The IOW have also been asked to contribute.

3. Becoming a Low Carbon Economic Area will help PUSH and the Isle of Wight to:
 - a) Develop a reputation as the place to build low-carbon, sustainable businesses and research
 - use projects to inspire and promote the ability of the region in key elements of carbon reduction
 - b) Use local expertise to help local businesses work out and implement bespoke measures which make their businesses more sustainable
 - utilise local universities' expertise in Green Logistics to solve system inefficiencies
 - attract industrial research funding for sustainability research at the local universities.
 - c) Attract more low carbon businesses and create more jobs
 - ensure that business springboard organisations here and overseas (such as 'CONNECT' in San Diego) have information about our low carbon cluster and expertise in built environment and renewable energy in marine environments
 - ensure that SEEDA and Business Links and other business support organisations and incubators are aware of our regional strengths, flourishing environment and support that we can offer to start-up businesses in the ETS sector, and research in sustainability.
 - d) Attract more expertise in sustainability
 - Draw in potential students and researchers who want to work in sustainability and renewable energy
 - Advertise to industry which specialises in ETS or needs research and business help in sustainability.
 - e) Attract domestic private investment and inward investment and to leverage funding from the UK Government, other governments and not-for-profit organisations
 - Work with the Foreign & Commonwealth Office and UK Trade & Investment and relevant venture capitalists internationally and with the British Private Equity and Venture Capital Association, British Business Angels Association, the Carbon Trust, the CBI, and others to promote the PUSH region's low-carbon economic status to venture capitalists, business angels and high net-worth individuals
 - Use the LCEA brand to leverage funding from other governments such as the EU.
4. Therefore the Joint Committee is **RECOMMENDED** to **APPROVE** the submission of an LCEA bid document by PUSH to Government in partnership with the Isle of Wight and **DELEGATE** the work on the submission to the Chief Executive lead for Economic Development and the PUSH Economic

Development Director.

Part B: MATTERS FOR INFORMATION

Recruitment of new Managing Director

5. 53 applications have been received for the post of PUSH Managing Director (re-titled PUSH Project Director). Interviews are scheduled for 17th November and a verbal update on progress will; be provided at the Joint Committee meeting.

Portsmouth Naval Base

6. The MOD have contacted Portsmouth City Council and Plymouth Council to request that they contribute to a study they wish to undertake to review the social and economic impacts on both cities in the case of any reductions to the scale of operations at the naval bases. They intend to commission Warwick University to undertake this work using their economic forecasting model which is able to model “what if” scenarios.
7. Clearly any reductions in use of the naval base in Portsmouth will have significant consequences for the wider South Hampshire economy. Therefore PUSH has contributed £3000 towards the costs of this work from the Economic Development Delivery Panel revenue budget allocations (matching Portsmouth City Council’s contribution of £3000). In making these contributions Portsmouth City Council and PUSH will gain some influence over the steering of the study and with Government departments.

Refresh of South Hampshire evidence base and Economic Development Strategy

8. Following agreement of the brief for this project by the Joint Committee meetings in July, a team of DTZ consulting and Oxford Economics (OE) has been appointed to undertake this work along side Centre for Cities (C4C) who will bring fresh and challenging thinking to this work.
9. The core objectives of the DTZ/OE commission are:
 - (a) To develop a **refreshed evidence base** similar in scope and detail to the current evidence base to include any adjustments necessary as a result of the impact of the recession and a roll-forward to 2031 taking into account any other economic changes which have taken place since the current evidence base was prepared. It should include, as the current evidence base does, the implications of any such adjustments for necessary levels of, and trajectories for, development (housing, employment floor space and, in general terms, infrastructure).
 - (b) In the light of the refreshed and extended evidence base, to develop a **revised economic development strategy** with detailed targets and trajectories including for: skills and labour market; enterprise, innovation and business support; inward investment; and sites and premises.
 - (c) Advice on the **economic development roles of the major employment sites** in South Hampshire and the complementarities and

interdependencies between them.

10. Centre for Cities will consider the research question "How can PUSH and its component authorities and partners deliver on aspirations to close the growth gap with the South East, in the light of the changing economic reality?".
11. These two projects will feed into and off each other and therefore a joint work programme has been developed (with particular attention paid to consultation arrangements) with joint steering arrangements. The conclusion of these projects will be the adoption of a new PUSH Business Plan, most likely in early summer 2010.
12. To ensure members have good opportunities to be involved in this work two members and Chief Executive's workshops are being arranged, one for December 2009 and one for February 2010.

Fareham Core Strategy

13. I have received a letter from the Chief Executive of Fareham Borough Council (FBC's) regarding FBC's emerging proposals for the North of Fareham Strategic Development Area (SDA), seeking greater certainty on PUSH's likely representations in respect of the draft Core Strategy policies on the SDA. I intend to respond proposing the establishment of a task and finish group of PUSH officers (drawn from the various delivery panels), to work with FBC officers as appropriate, to develop recommendations to be proposed to the Joint Committee in due course. It is likely that this group will not be able to reach its recommendations in advance of the adoption, most likely in early summer 2010, of the new Economic Development Strategy and PUSH Business Plan referred to above.

Core team staffing

14. Since your last meeting in September the following staffing changes have taken place within the PUSH team giving much needed capacity to ensure PUSH maintains and enhances its reputation and, more importantly, its impact in the sub-region:
 - Stuart Jarvis has recently returned to the County Council as Environment Director and recruitment of a new Managing Director is now underway. In the meantime I am working three days a week for PUSH as Interim Managing Director. My PA is Sara Magern.
 - Gloria Ighodaro has joined as Programme and Information Manager. Ali Anderson is PA to both Gloria and Kishor Tailor (Economic Development Director).
 - Neil Tuck will shortly be leaving his post as Executive Assistant to join Southampton City Council in their sustainability and environment team.

Consultation responses

15. Since the last Joint Committee meeting the Chairman has written in response to three consultations issued by the Department for Communities and Local Government. Two of these (*Strengthening Local Democracy* and *Policy*

Statement on Regional Strategies and Guidance on the establishment of Leaders' Boards) were foreshadowed in the Managing Director's report to the last Joint committee meeting and responses were sent in line with the contents of that report.

16. The third was the long awaited consultation on proposed cuts to Growth Fund allocations for 2010-11. This consultation document was published on 2nd October 2009 with only a 6 week response deadline (13th November 2009) which necessitated a response being sent prior to this Joint Committee meeting. A copy of the response, which was agreed by the Chairman and Vice Chairmen. Is attached for members' information. In essence, it objects in the strongest possible terms to the cuts, in particular in the light of the MAA, and goes on to make clear that should the Government nonetheless go ahead with the cuts PUSH would expect areas with an MAA to be protected from the cuts and that we would not support a pro-rata cut or any form of "bidding" process to apportion the cuts/remaining funds.

Background Papers: 'Environmental Technologies & Services (ETS) Hub & Cluster', 15th September 2009, PUSH Joint Committee

Enquiries:

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