



Report to the Partnership for Urban South Hampshire Joint Committee

Date: **26 January 2010**

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

Subject: **Multi Area Agreement Refresh**

SUMMARY

At its May and July meeting the Joint Committee approved the approach to the stocktake and refresh of the South Hampshire Agreement (the MAA). Since then the stocktake has been completed the findings were reported to the November meeting of the Joint Committee. This report updates the Committee on progress in discussions with Government departments and agencies on the priority outcome areas PUSH is seeking to add into the refreshed MAA, seeks the Committee's agreement to the proposals currently under discussion and ask for delegated authorities to conclude those negotiations.

RECOMMENDATIONS

That the Joint Committee:

1. APPROVES the proposals advanced by officers in discussions with Government Departments; and
2. AUTHORISES the Managing Director, following consultation with the Chairman and Vice-Chairman of the Joint Committee, to conclude negotiations with Government on these proposals and enter into the South Hampshire Agreement (the MAA).

INTRODUCTION

1. At previous meetings the Joint Committee has resolved to participate as a 'national pathfinder' to develop an MAA Stocktake methodology and best practice in partnership with CLG and to focus on adding a limited number of new outcomes to the MAA (in addition to updating the targets and content of the current Agreement to reflect changed circumstances since it was signed in July 2008). The outcomes of the stocktake were reported to the last meeting of the Joint Committee and endorsed at that meeting. The priority outcomes the Joint Committee agreed to pursue for inclusion in the "refreshed" MAA are:
 - Green infrastructure and the natural environment
 - Economic development: joint investment planning with SEEDA, LSC/SFA and Job Centre Plus
 - Public Transport
 - HCA Single Conversation: joint investment planning with the Homes and Communities Agency (HCA)
 - External funding/better use of assets

REFRESH

2. Since the Committee's last meeting significant progress has been made on developing further PUSH's proposals for the "refreshed" MAA and in discussing and agreeing them with Government. While those discussions are not yet concluded, they are sufficiently well advanced that we believe we can be confident that satisfactory agreement can be reached within the next few weeks. A summary of the current state of play on each priority outcome is provided below:

Green infrastructure and natural environment

3. A Memorandum of Understanding (MoU) has been agreed with the Environment Agency, Natural England and the Government Office for the South East and it is hoped this will be signed very shortly. A draft new chapter for the MAA has been submitted to GOSE to underpin this MoU which seeks three principle enabling measures as follows:
 - a) A commitment from the relevant Government Departments and agencies to develop an action plan to build on the key principles enshrined in the MoU, in particular to reflect the agreement in the MoU that flexible and creative approaches are needed to meet the requirements of the South East Plan including an approach that achieves environmental gain overall, but accepts what might be a compromise in certain areas as a consequence.
 - b) Agreement from DEFRA to explore positively and constructively proposals for allowing flexibility in the national funding formula for coastal defences to ensure investment is targeted both to protect existing and proposed new communities (supplementing developer contributions where appropriate).
 - c) A commitment from relevant Government Departments to support PUSH in influencing OfWat to ensure that future funding rounds for water companies take full account of the need for appropriate investment and that they are

timed to coincide better with development planning timescales.

4. No new targets are proposed for inclusion in the MAA in respect of this new outcome. Any such targets would be developed through the action planning approach described above.
5. GOSE have indicated that they expect a positive response to the first two enabling measures and that the issues raised by the third have also been raised by Manchester and Tees Valley and therefore a commitment to at least constructive dialogue on this issue should be possible to agree.

Economic development

6. Following extensive and constructive discussion with Job Centre Plus, the LSC and SEEDA a draft revised MAA chapter for economic development has been submitted. It is wide ranging and includes the following principle asks of Government:
 - a) Support for a proposed follow-on programme to the Family Intervention Programme (FIP) to be known as FIP+. FIP+ will enable work with families known to multiple public sector agencies in specific geographical neighbourhoods (already identified through FIP), which aligns the spend and programmes of those agencies with a view to supporting those families to progress to gaining sustainable employment and thereby break the cycle of benefit dependency and poverty. Our ask seeks: flexibility to allow better information sharing between those agencies; relaxation of the eligibility criteria in certain employment and skills programmes for FIP+; and flexibility to recycle a proportion of the savings to the public purse realised through from FIP+ to maintain funding for FIP+ in the future. A PUSH contribution to the initial costs of FIP+ is proposed in the revenue budget proposals for 2010/11 made elsewhere on this agenda.
 - b) For the Employment and Skills Board (ESB) to become a specified body under section 24A of the Learning and Skills Act 2000. This would provide powers for the ESB to enable it to direct funding for Learning and Skills.
 - c) For the ESB to acquire devolved responsibilities for DWP contracted employment programmes. This enable the ESB to have much greater influence over these programmes.
 - d) For the South Hampshire ESB to be designated for a pilot for the Joint Investment Scheme to be rolled out in 2010/11. This would give the ESB much greater say over alignment of funding for employment and skills.
 - e) To maintain the successful trial, from the original MAA, of refocusing national Business Link performance targets within South Hampshire to increase intensive business support.
 - f) Agreement to a range of flexibilities to enable a shared approach between PUSH, SEEDA and the Homes and Communities Agency (HCA) for investment in key development sites, including those in which SEEDA and/or HCA have a property interest. This would include: greater influence for push over the proposed joint SEEDA/HCA property initiative; greater access to

expertise in SEEDA and HCA; flexibility in HCA funding regimes to enable early investment in infrastructure; more flexible use of the Regional Infrastructure Fund (RIF); and exploration of other innovative sources of funding (see below).

7. A substantial reduction in number and scope of the targets associated with this priority outcome is proposed focussing including revisions to reflect the impact of the recession on the previously agreed targets. The new targets are proposed to be framed in relative terms (relative to the SE) rather than absolute terms which will ensure greater resilience to changing economic circumstances. They are proposed to cover: employment; unemployment (claimant count); business growth; and delivery of employment floorspace. It is proposed to retain the existing skills targets for the time being.
8. GOSE have indicated that this chapter is the most complex to broker across Whitehall Departments because of the number of policy officials who will be involved in agreeing it. They anticipate that, as many of the asks included in respect of Employment and Skills are building on the previous MAA subsequent and constructive engagement with Whitehall colleagues, it should (after some negotiation) be possible to secure agreement on most of the issues put forward. However, they have indicated that some of the detail of the FIP+ proposals (particularly in respect of recycling savings) may be more contentious. Similarly many of the proposals put forward in respect of employment land will be covered within ongoing discussions with SEEDA and the HCA although the RIF proposals may be more difficult to secure.

Public transport

9. A draft revised transport chapter has been submitted to Government which seeks to extend the scope of the original MAA to encompass public transport. The TfSH Joint Committee will be considering this propose chapter at its meeting on 22nd January 2010, the outcomes of which will be reported orally to the PUSH Joint Committee meeting. It includes the following proposals for enabling measures:
 - a) Commitment to agree an MoU between TfSH, DfT and Network Rail in order to strengthen the relationship with Network Rail and give TfSH greater influence over Network Rail activity and decisions.
 - b) Commitment to enter into a partnership agreement between TfSH, DfT and the South Hampshire Bus Operators Association to ensure they play a full role in delivering modal shift and to include challenging targets on patronage, reliability, punctuality information and publicity and development of the Solent Travelcard into a genuine multi-modal travel card. Specific discussions on smart cards and concessionary fares are also requested within this framework.
10. No new targets are proposed for inclusion in the MAA in respect of this new outcome. Any such targets would be developed through the partnership agreement described above.
11. Positive feedback has been received from GOSE and DfT on these proposals and in it anticipate that agreement will be reached without too much further

negotiation.

HCA Single Conversation

12. A more detailed report and presentation on progress in the “Single Conversation” with the HCA is provided elsewhere on this agenda. Proposed revisions to the MAA chapter on housing have been submitted to Government to underpin this process and include the following asks of Government:
 - a) A commitment to reaching an agreement with HCA over a future funding programme to support PUSH’s housing and communities objectives, including decency of housing.
 - b) Greater access to specialist expertise and resource in HCA to support those objectives including forming joint ventures where appropriate.
 - c) Flexibility in funding to enable short term housing opportunities to be exploited while providing long term continuity of funding to long term projects including exploration of a delegated funding package for affordable housing with a framework of clearly established agreed priorities.
 - d) Flexibility in use of SEEDA/HCA land assets and funding (see paragraph 6f above).
13. No new targets are proposed for inclusion in the MAA in respect of this new outcome. Any such targets would be developed through the Single Conversation process itself.
14. GOSE and HCA have provided positive feedback on these proposals although some negotiation is required on the details which will take place through the remaining Single Conversation process (which is to be discussed in more detail elsewhere on this agenda).

External funding

15. The proposed new chapter on funding arrangements submitted to Government essentially seeks a commitment from Government to maintain and intensify dialogue with PUSH on a range of areas for potential innovative ways to fund infrastructure. The scope of the revised chapter very much mirrors the scope of appendix 2 of the report on the MAA refresh considered at the 29th July meeting of the Joint Committee
16. GOSE and HMT have indicated that, on the basis that our core of the request at this stage is for ongoing constructive dialogue there should not be too much difficulty in securing agreement on this chapter.

RECOMMENDATIONS

That the Joint Committee:

1. APPROVES the proposals advanced by officers in discussions with Government Departments; and

2. AUTHORISES the Managing Director, following consultation with the Chairman and Vice-Chairman of the Joint Committee, to conclude negotiations with Government on these proposals and enter into the South Hampshire Agreement (the MAA).

Background Papers: Multi Area Agreement, Report to the PUSH Joint Committee, 29 July 2009
(<http://www.push.gov.uk/pdf/Official%20Documents/090729/pjc-090729-r05-sja.pdf>) .

Enquiries:

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