



**Item 12**

## **Report to the Partnership for Urban South Hampshire Joint Committee**

Date: **9 November 2010**

Report of: **Gloria Ighodaro, Programme and Information Manager and Anne Marie Mountifield, Executive Director**

Subject: **PUSH Performance Mid Year Report – 2010/11**

### **SUMMARY**

This report provides an initial mid year summary of PUSH's performance for 2010/2011 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 19 May 2009 Joint Committee meeting.

### **RECOMMENDATION**

It is RECOMMENDED that the Joint Committee

- (a) NOTES the latest performance information (for the mid 2010/2011 financial year) for the measures previously adopted by the Joint Committee; and
- (b) NOTES the need to develop a new performance framework, which focuses more on outcome based measures and delivery targets, to be locally determined.

## INTRODUCTION

1. In November 2008, the 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<sup>th</sup> May 2009 the Committee approved further revisions to this process. In order to be as effective as possible the mid year performance report for 2010/11 has been produced for the November 2010 Joint Committee and the 2<sup>nd</sup> November Overview and Scrutiny Committee. 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. The Performance data in this report fully reflects and confirms the impact of the recession in key areas such as employment rates, unemployment, GVA growth, labour market engagement and small business growth. Housing completion and employment floorspace have also been affected. However, PUSH continues to improve on some of its key targets relating to employment and skills, and support towards key regeneration initiatives using growth point capital funds to resource enabling works in key housing projects such as Rowner Regeneration, Hinkler Parade and Sommerstown.

In addition there have been a number of significant developments in the policy context, with the introduction of Local Democracy, Economic Development and Construction Act strengthening the role of Local Authorities in economic development and regeneration, and the promotion of decentralisation by the new Coalition Government, including the recent announcement that the Government intend to rapidly abolish Regional Spatial Strategies. This will give new powers to local councils, including the intention to return decision-making powers on housing and planning to local councils and the intention to provide incentives for local authorities to deliver sustainable development. PUSH accepts the need to adapt to those changes and it welcomes the fact that the Government is seeking to support the creation of local enterprise partnerships that would enable the improved co-ordination of public and private investment in transport, housing, skills, regeneration and other areas of economic development.

The Partnership for Urban South Hampshire has a long established strategic Framework within which local authorities, external partners and business are already working together on issues of economic concern and the boundaries of PUSH accurately reflects the real Local Economy. There is scope for taking this a stage further and delivering significant efficiency gains by taking on the role of a Local Enterprise Partnership and work has already started with the development of improved collaboration and connectivity between PUSH and key partners in business, universities, and other public sector organisations, delivering increased co-ordination in areas such as employment and skills, and inward investment.

Therefore, this performance report outlines how PUSH is progressing against the current Business Plan (2009-11), responding to both the immediate impacts of the recession, public expenditure changes, and other changed circumstances affecting the delivery programme. This has meant that PUSH has had to re-focus efforts on key priority areas, and respond to new policy initiatives, whilst maintaining momentum in the delivery of key capital programmes supported under the New Growth Point funding. Going forward there will be a need to develop a new performance framework, which focuses more on outcome base measures, as opposed to the current framework which is predicated on measuring performance against out-dated national and regional benchmarks that were established prior to the onset of the current recession, and which in many cases are now no longer relevant nor appropriate. This is reflected in the announcement by Government that it will radically reduce bureaucratic reporting and there is an expectation that National Indicators used to monitor council performance will be replaced with an agreed single list of Whitehall data requirements for local government, and local areas will be in control of their own delivery targets

### **IMPACT OF THE RECESSION**

3. Unsurprisingly the economic downturn has had a profound effect on performance against previously agreed targets as reflected in some of the data presented in the supporting appendix to this report. It is important that PUSH remains committed to the 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 meant some of the short term targets are at risk and others are unachievable. This is reflected in Appendix A where the following measures have been given a red rating and there is a high risk that the targets will not be achieved:

- Employment rate
- Percentage of businesses surviving 36 months
- GVA per resident (£)
- GVA growth rate
- Total housing completions
- Housing supply – dwellings of 3+ bedrooms
- Employment floorspace completions

Early outcomes of the work on developing a new Economic Development Strategy, indicate much of our efforts will need to focus on facilitating and supporting growth in the private sector, improving performance in employment and skills areas and ensuring innovation and enterprise to support business operations.

4 At the July Joint Committee the Draft Economic Development Strategy together with two accompanying papers on the Economic Evidence and the Growth scenario were presented as the basis for consultation. The report presented to the Joint Committee in July also advised on the ongoing work in relation to two supplementary papers; the Headline Sustainability Appraisal and Employment Land Sites. At the September 2010 Joint Committee, the Headline Sustainability Appraisal was presented as progress update whilst the latter paper was presented for members information. This work will inform the development and

agreement of future priorities as the area moves forward, and the economy recovers.

## EXCEPTION REPORTING

5 In line with previous decisions, this report draws attention to 'exceptions' to the expected/planned trajectory of delivery against agreed outcomes, relating specifically to those targets that are marked red or amber. For some themes exact targets and measures still require finalising and work is ongoing in these areas, primarily due to the lag in data.

### a. Economic Development

6. The performance data confirms the impact that the recession continues to have on the overall economic outcomes that PUSH is seeking to achieve. However it should also be noted that many of the indicators evidence the fact that the South Hampshire area as a whole has shown resilience through the economic downturn. There is a lag in data and therefore some of the performance is reported on the basis of data from autumn 2009.

- The Employment rate in PUSH (75.6%) continues to fall, as a result of the economic downturn. However it does exceed the regional rate by 1.1 percentage points and is significantly higher than the UK average (70.3%). Significantly the employment rates in the two cities remain below the national average. Conversely both Gosport and Eastleigh have the highest employment rate at 83.8% and 82.3% and this confirms the earlier Economic Assessment by DTZ that show a large number of residents from these districts work in Portsmouth and Southampton.
- The 'Percentage of working age population that is economically active' has also fallen this quarter by 1.9 percentage points to 80.9% and again the cities have lower activity rates. Portsmouth exceeds the national average at 76.8% but Southampton's activity rates are below the national average. Work continues in both cities to increase participation through initiatives such as the Future Jobs fund and the Skills Development Zone in Southampton. In comparison to the South East and national averages PUSH has higher activity rates and this has been in part due to the efforts of PUSH and its partners working through the ESB and multi agency task force on a range of employment and skills initiatives<sup>1</sup> in the past two years.
- The '**level of residents claiming out of work benefits**' fell in the last quarter with decreases in benefit claimant rates in the sub region, region and nationally. PUSH is mirroring the national trend with a reduction of 2.9 percentage points. However the PUSH rate at 10.6% is still higher compared with South East at 9.1% and the UK at 12.9%. There are variances in the PUSH area, Havant continues to have the highest claimant rate at 12.4% and Fareham continues to be the lowest with 6.3%.

7 Since the last report improvements continue and/or progress has been seen in the following areas

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<sup>1</sup> Reported in the year-end performance report 2009/10 – June 2010  
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- The skills levels of the resident population continue to improve. The latest data was published in September 2010 and relate to the calendar year 2009. The percentage of working age population in PUSH with **Level 2** or above qualification has risen above the national average and the gap between PUSH and the South East Region has narrowed when compared with the baseline year. This suggests that the concerted effort of the Multi Agency Task Force, which has co-ordinated actions to increase both the provision and take up training, is having a positive impact. At the other end of the spectrum the PUSH performance for **Level 4** stood at 28.7% has also continued to increase but it is still lower than both the South East (32.6%) and UK at (29.9%).
  
- The **Employment and Skills Board** have recommended the following actions in support of the objective to further develop local skills base to enable higher levels of employment and deliver a more balanced and sustainable pattern of growth to ensure that local residents are equipped to take up the jobs that are created. The actions agreed include:-
  - Establishing a significant advanced manufacturing and engineering training function to support the skills needs of the growth hub and sector clusters.
  - Establishing an employer-led Apprenticeship Training Agency with a focus on priority sectors, and in particular, small to medium sized businesses (SME's), providing a flexible demand-led approach to the employment of apprentices.
  - Strengthening local business partnerships between employers and HEIs, further education and schools focused on priority sectors in the area, improving the information, advice and guidance young people receive about vocational and academic options linked to local employment opportunities in the area.
  - Extending the Skills Development Zone (SDZ) that is currently operational in Southampton to secure an increase in apprenticeships through cross organisational programmes, reducing levels of worklessness.
  - Promoting Graduate Retention from our four universities in the region will place a strong emphasis on growing internship programmes, work placements and curriculum reform in Higher Education in partnership with employers.
  - Aligning single work programmes to provide route ways into sustainable employment for those currently not engaged in the labour market.
  - Creating opportunities for residents to access jobs in sectors that underpin employment growth, such as financial and business services, the health and care sector, retail and the visitor economy.
  
- Since the establishment of the private sector led PUSH Inward Investment Board a sub-regional single gateway service has been established to accelerate '**inward investment**' to South Hampshire. Proactive work has commenced with actions based on Aerospace and Marine sectors. The Board has considered the "value proposition" for South Hampshire and are advising on the future place marketing strategy. These combined efforts will support the effort to secure an increase in the numbers of successful investments to the sub-region.

- Business engagement continues to be developed through improved working relationships with key business organisations and individual businesses such as BAE Systems, De Vere and Pall Europe leading on priority initiatives in employment and Skills. In addition, the Business Consultation event held in July 2010 attracted over 130 businesses and there has since been extensive support and private sector involvement in the development of the Solent Local Enterprise Partnership (LEP) bid which, included key signatories such as ABP, Babcock, BAA Southampton, Barratt Homes, Carnival UK, De Vere, Gifford, Paris Smith and Oxford Innovation.
- A PUSH wide co-ordination of activities around European Funding is being developed. Since the last report, PUSH has become a member of Southern England Local Partners (SELP). A membership application has also been made to Eurocities. The membership of these organisations will enable PUSH partners to secure further European funding to support the regeneration and economic development activities in the sub-region.

#### **b. Transport (as advised by TfSH)**

- 8 In October 2009 TfSH was asked by the South East England Partnership Board (SEEPB) to lead on a study to identify the key transport challenges in the South Hampshire to generate options to mitigate those challenges. The study, made up of seven area-based studies in the South East, followed the process set out in the Labour Government's transport strategy document *Delivering a Sustainable Transport System* (DaSTS). DaSTS identified five national transport goals (*namely Economic Growth, Carbon reduction, Safety security & health, Equality, and Quality of life*), with a clear emphasis on economic growth and carbon reduction.
- 9 At the same time, the impacts of the recession were beginning to be felt and then there was the banking crisis. These factors changed the outlook for transport funding significantly and as a result the emphasis of DaSTS studies shifted, focussing on the identification of non-transport policy and lower cost interventions. In line with emerging national priorities, the study prioritised measures that strengthened the role of our international gateways, reduced carbon, and promoted the PUSH *Cities First* agenda. The Urban South Hampshire DaSTS study was submitted in May 2010 and was well received by DfT. Since the submission, there has been a change in Government and a focus on funding restraint as opposed to policy formation, and as such it is unclear how the output of the DaSTS study will be taken forward.
- 10 As reported at PUSH's last Joint Committee meeting on 14 September 2010, the delivery of M27, J5 phases 2 and 3 and Tipner projects were both subject to external funding confirmation from Department for Transport. There is continuing uncertainty over whether any funding will be available. However, Phase 1 of the project, which received £1,914,000 of PUSH NGP capital funding, completed in September 2010, the outcome of which, has resulted in a segregated left turn lane between the westbound off-slip and the A335 Stoneham Way southbound carriageway.

11 Work on Tipner is unable to proceed as originally planned owing again, to uncertainty over central funding for transport schemes. Work has however, continued as far as land remediation is concerned, to ensure that the site is market ready should funding become available.

**c. Housing and Planning**

12 Areas where there has been a decline in performance are as follows

- The Latest figures on achieving a Balanced Housing Supply indicate that PUSH continues to face the challenge of increasing the number of family homes that are built. Although the proportion of 3 bed dwellings and over has increased from last year (up to 26% from 18%), it is still well short of the 44% PUSH target. Nationally 47% of dwellings completed were 3 bed dwellings or larger.
- Employment floorspace development in 2009/10 decreased 64% from the previous year (which was a four year high); the completion figures for Hampshire are the lowest ever recorded since recording began in 1988.
- Housebuilding completions in South Hampshire in 2009/10 were lower than in previous years. The overall picture for housebuilding is similar. The 2,334 housing completions in South Hampshire is less than 60% the 4,000 dwellings a year planned in the sub region. Housing completions fell across all local authorities with the exception of the Southern area of Test Valley which was able to show an increase in completions on last year (+290 dwellings) in the southern part of the district.

13. However there are also notable successes in the area of estate development and regeneration and investment planning as follows:

- Phase I of the Rowner Regeneration project is underway and the first properties are expected to be on the market/released to the Registered Social Landlord (RSL) either just before or just after December 2010. Phase II has been submitted and was granted planning permission by Gosport Borough Council's Regulatory Board on Tuesday 5th October 2010. Phase II includes 101 new flats, a 10 storey residential tower with replacement telecommunications equipment, the Tesco store and three rental units. Total capital funding invested into the project by PUSH amounted to £3.4m (£1.119m in 2008/09 and £2.281m in 2009/10)
- Gosport Waterfront and Master planning project - The draft master plan has been produced and agreed by the Partners. Preparations are underway for a public consultation. Discussions are currently taking place with Defence Estates and the Crown regarding the possible acquisition of sites within the master plan area. Total capital funding contribution by PUSH was £75K (£37K in 2009/10 and £38K in 2010/11)
- The Somerstown estate renewal project in Portsmouth. Planning permission was granted for seven housing units at Warwick crescent and work commences on site in October 2010. A planning application is also in process with a view to commence works in November for alterations to

the Winston Churchill roundabout, with housing work on Wellington street car park following on from the roundabouts completion, with a development of a further 22 new homes and retail. Total PUSH capital funding awarded to this project is £3,145m (£280,000 in 2008/09; £1,026m in 2009/10 and £1,839m in 2010/11).

- Construction work for Hinkler Parade estate Renewal is well under way with block work almost complete for the Marston Road flats. Total PUSH capital funding received to date is £2,77m (£80K in 2008/09; £1,45m in 2009/10 and £1,24m in 2010/11)
- The PUSH Local Investment Plan was completed and submitted to the HCA in June 2010. This was an initiative introduced by the HCA aimed at better aligning their policies and resources with the aims and objectives of growth areas and local authorities.

#### **d. Sustainability and Community Infrastructure**

14. Mitigating climate change is an important focus for Sustainability and Community Infrastructure. A principal means of taking this forward is the joint work on a Climate Change Strategy for Hampshire being taken forward by PUSH and HCC. Progress has been made in agreeing draft priorities for the strategy with a view to confirming the strategy at a Summit of Leaders and Chief Executives Conference in December 2010. The aim is to complete the strategy and implementation plan by April 2011. The Delivery Panel has continued to engage a wide range of partners representing environmental and community infrastructure partners in South Hampshire. The Panel continues to meet on a regular basis to progress the following key themes.

15. Areas where there has been progress made against the Business plan are as follows:

- **Green Infrastructure Strategy** – A Green Infrastructure Strategy for the South Hampshire sub region has now been adopted. The strategy sets out a policy framework for new and enhanced green infrastructure to mitigate the impacts of housing growth and ensure a high quality of life for residents in South Hampshire. Following agreement at the Joint Committee meeting on 23 June 2010 the process of appointing a Green Infrastructure Co-ordinator was initiated and has now concluded.

Phil Lomax has been appointed as Green Infrastructure Coordinator on a one year contract, starting on 6<sup>th</sup> September 2010, to develop an implementation plan and secure some early wins within Green Infrastructure.

- **The Hampshire Wildlife Trust on the "Access to Nature"**. This project which is led and project managed by Hampshire Wildlife Trust was originally approved by SCIDPAN in late 2009 and is now underway. The Panel agreed to contribute £60,000 of match funding to enable a bid to Natural England. This bid has now been successful and the project has been awarded £370,000 of Lottery funding which together with PUSH and other contributions will provide a total pot of nearly £500,000. The project will be known as "PUSHing Down the Barriers" and will be focussed in

South Hampshire. It will involve undertaking environmental enhancements and nature conservation work using (NEETS) young people who are finding difficulties in accessing the job market. Participation in the project will improve their skills for future employment.

- **Multi Area Agreement (MAA) and Memorandum of Understanding (MOU)** - As updated in the previous Performance report, an MOU has been signed between PUSH, Government, Natural England and the Environment Agency which recognises that compromise on particular issues can be justified in some circumstances where there are wider environmental gains that can be delivered through joint working. Recent work has focussed on development of an action plan to support the delivery of the MOU which will form the core of the panel's workplan moving forward.
- **Strategic Flood Risk Assessment** – The existing PUSH Strategic Flood Risk Assessment is held in a web based format on the web site of the consultants who undertook the work on behalf of PUSH. This project is to move that data to a more stable and less costly host site. Agreement has been reached with HCC for the data to be hosted on their website. The work has been commissioned and is expected to be completed by autumn 2010.

#### e. Quality Places

16. With regards the *Cultural and Sporting Participation and Engagement*, the 2009 data published at the end of last year reported in June showed that sport participation has risen slightly, library usage has slightly fallen, museum usage is constant and arts engagement has fallen. To support the Participation and Engagement Agenda the Delivery Panel has completed an audit of cultural provision in South Hampshire. This maps existing facilities and includes an assessment of the condition of these assets. The audit is intended as a tool to inform local infrastructure assessments and the cultural service improvement agenda.
17. Employment in the creative sector rose between 2006 and 2008 the latest years for which data is available. The Quality Place Delivery Panel has supported creative industry development by contributing to the funding of the Creative Industries Business Advisory Service (CIBAS), which provides one to one support to 100 creative organisations per year, and the arts organisation ASpace, in Southampton, which provides workspace for new creative businesses with a particular focus on supporting creative graduates to establish new businesses. The Panel is also currently consulting on an assessment of workspace requirements for the creative sector.
18. Unfortunately it has not proved possible to consistently collect Building for Life data across the 10 Authorities. It is therefore proposed this indicator should be abandoned. Baseline data in relation to the Green Flag standard has been collected. The number of sites on the Heritage at Risk Register has dropped by 6 due to the re-assessment of 6 conservation areas.
19. The Panel has supported work to enhance the quality of the built and historic environment by brokering support for the PUSH Design Charter across the 11

PUSH partner authorities. This work has included the establishment of a programme of training to enhance the skills of lead officers in each authority and the promotion of the inaugural Solent Design Awards. The Panel is also in discussion with English Heritage regarding a new strategic approach to the management of Heritage at Risk.

20. It should be noted that earlier this year, the Department for Communities and Local Government announced that the Places Survey would not be continued. It is therefore no longer possible to track Ni 5 general or overall satisfaction with the local area. It has also not proved possible to gather data relating to *'the number of new developments which meet the building for life standards'* as this is not being collected by each Partner Authority in a consistent manner.

## **CONCLUSIONS AND RECOMMENDATIONS**

21. On reviewing some of the indicators it is evident that the current economic climate has had a profound impact on a number of PUSH's ambitions particularly in the areas of employment, small businesses, GVA growth and housing completions. However, PUSH continues to improve in some areas including the strengthening of the skills base of the resident population and the renewal of major estates and stock condition partly funded by PUSH. In addition since the last Performance update in June 2010, the number of residents claiming out of work benefits decreased in the sub region thus indicating a closer narrowing of the gap when compared to the South East, previously a gap of 2% now 1.5%. Both the on flow and take up of benefits have now abated. However there are areas where high levels of benefit dependency exist and gaps in economic prosperity prevail. For example Havant continues to have the highest benefit claimants in the PUSH area with Fareham having the lowest.
22. In relative terms South Hampshire fares well in comparison to both regional and national figures showing that South Hampshire continues to demonstrate 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. However housing supply targets and GVA growth rates continue to suffer as a result of economic uncertainty.
23. Despite the delay in Government confirming PUSH's NGP allocation for 2010/11, the Delivery Panel's are progressing well with key projects. The PUSH capital programme to date has enabled significant estate renewal projects including Hinkler Parade, Sommerstown and Rowner. With total investment to date of £9,315m, these key housing projects alone will collectively deliver approximately 4,700 more dwellings in the sub region on completion. PUSH also continues to support key infrastructure projects in the sub region. PUSH capital investment has achieved delivery of phase 1 of the M27, J5 which completed in September 2010 as well as enabling works of the Tipner project.
24. The Delivery Panels continue to work efficiently with key internal and external agencies towards delivering their Theme Action Plans. The co-location of an Environment Agency Officer into the PUSH offices together with the recent recruitment of the Green Infrastructure co-ordinator is an acknowledgement of the benefits in joint working and the sharing of skills and expertise that will benefit PUSH in meeting agreed objectives. In going forward, PUSH continues to face distinct challenges with regards up skilling the unskilled and attracting

skilled workers into employment sectors if it is to succeed in closing the growth gap with the South East. However, both the refresh of the economic evidence base and the finalisation of sub-regional strategies will further serve to provide PUSH with a robust basis to establish outcomes for developing measures or areas affected by wider economic circumstances.

25. It is important to recognise that there will be a need to develop a new performance framework, which focuses more on outcome based measures, as opposed to the current framework which is predicated on measuring performance against out-dated national and regional benchmarks that were established prior to the onset of the current recession, and which in many cases are now no longer relevant nor appropriate. This is reflected in the announcement by Government that it will radically reduce bureaucratic reporting and there is an expectation that National Indicators used to monitor council performance will be replaced with an agreed single list of Whitehall data requirements for local government, and local areas will be in control of their own delivery targets. Furthermore, the refresh of the economic evidence base work will serve to provide PUSH with a robust basis on which to refocus its efforts and invest in areas that have the greatest potential to deliver sustainable economic growth in the sub region. This will inform a more fundamental review of the Business plan and supporting performance framework which will take place, in 2011, supported by the updated evidence base and with a fuller understanding of the impact of the planned Government review of local government finance and the Coalition programme for government, which will include the abolition of regional spatial strategies and the creation of Local Enterprise Partnerships.
26. It is RECOMMENDED that the Joint Committee:-
- (a) NOTES the latest performance information (for the mid –year 2010/11 financial year) for the measures previously adopted by the Joint Committee.
  - (b) NOTES the need to develop a new performance framework, which focuses more on outcome base measures and delivery targets, to be locally determined.

Appendix A - [PUSH Annual Performance report – 2010/2011 \(Nov Update\)](#)

**Background Papers:** None

**Reference Papers:** None

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