



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

Date: 11 January 2011

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

Subject: **PUSH 2010/11 Capital programme recommendations**

## **SUMMARY**

This report provides a summary of the recommended capital projects submitted against the PUSH unallocated balance of capital NGP funding of £2.748m, to support the PUSH Capital Programme for 2010/11, on the basis of the anticipated resources available to PUSH, and having regard to the priorities for the delivery of the PUSH Business Plan. The resources available include the projected under spends on the 2010/11 capital budget.

## **RECOMMENDATION**

It is recommended that the Joint Committee:

1. NOTES capital programme bids as detailed in Appendix A of this report.
2. APPROVES the recommended additional PUSH Capital Programme for 2010/11 of £1.836m as set in the report in Tables 2a – 2e, and summarised in Table 3 subject to the following projects where further approval is conditional:
  - London Road Waterlooville: the funding request of £343,000 for be approved on condition that the objectives around employment and skills and the provision of apprenticeships / vocational training opportunities being included for the NEET target group are delivered and that this project be overseen by Havant employability and Skills Group in collaboration with the Quality Places Development Delivery Panel.
  - TfSH Evidence Base (EB): that PUSH join Steering Group for phase 2 in order to jointly commission work, and that PUSH and its constituent LA's have free licence to commission EB work **in accordance with the governance framework established by TfSH** and are fully authorised to use the EB results emerging from that work.
3. APPROVES the carry forward of the uncommitted balance of £912,000 to 2011/12, which will be which will be revisited, once the Creative Industries project has been considered, the outcome of which will be advised at the Joint Committee.

4. DELEGATES authority to the Executive Director, following consultation with the Chairman and Vice Chairmen of the Joint Committee to apply appropriate conditions on the capital allocations to the London Road, Waterlooville project and TfSH evidence base projects, as previously specified.

## **INTRODUCTION**

1. At the last Joint Committee meeting in November, it was advised that there remained an uncommitted balance of £2,748,000, to be allocated in the current financial year. A new programme of capital projects have been considered as a result.
2. A total of 18 capital bids were submitted with an overall funding request of £6,994,000 thereby over subscribed by a total budget request of £4,246,000. A summary of all the capital bid submissions and funding requests are summarised in appendix 1.
3. To ensure a fair and transparent assessment process, the respective Chief Executive Theme Leads were advised to consider the readiness of all the bids submitted under the auspices of its Delivery Panel; paying particular regard to the set of criteria agreed at November 2010 Joint Committee meeting. In reaching the recommendations made in this report therefore, all bids were considered against the following criteria:
  - Previous Joint Committee decisions on the priorities for 2010/11;
  - Priorities identified in the letter from the Minister Grant Shapp in his letter to all leaders of housing growth Local Authorities, dated 2 July 2010;
  - Emerging priorities from the draft Economic Development Strategy;
  - Progress made by, and the risk profile for, projects allocated funding for 2010/11;
  - The state of readiness and risk profile of new projects bidding for funds; and
  - Value for Money assessment of each proposed project, and the delivery against the PUSH Business Plan objectives.
4. A meeting of PUSH Chief Executives on 12 November 2010 considered the bids that had come forward, together with their state of readiness, and a further meeting of the Chief Executive Theme leads was held on 01 December 2010 to consider all bid submissions against the aforementioned project assessment criteria. As a result agreement on recommendations of the uncommitted balance has been reached and are now included for the Joint Committee to consider. This resulted in 6 recommended projects being proposed for PUSH NGP funding with work on Portsmouth Creative industries still being considered. The outcome of this will be reported at the Joint Committee

## **OUTCOME OF THE ASSESSMENT PROCESS**

5. As advised a significant number of bids, totalling well in excess of the resources available (see Table 1 below) were received and assessed by the Panel. A brief assessment for each theme followed by the recommended Programme is set in the remainder of this section of the report.

**Table 1 : Bids and resources – 2010/11**

<b>Theme/Delivery delivery</b>	<b>No.of bids</b>	<b>Total value (£000s)</b>
Economic development	5	1,053
Sustainability and Community Infrastructure	3	490
Housing and Planning	4	1,713
Quality Places	4	2,338
Transport for South Hampshire	2	1,400
<b>Total</b>	<b>18</b>	<b>6,994</b>
Uncommitted balance	-	<b>2,748</b>
<b>Difference</b>		<b>4,246 oversubscribed</b>

Economic development projects

6. The main sub regional economic development focus for capital works centres around the SEEDA property portfolio and the need to undertake feasibility work to assess whether a viable case can be developed (with funding options) to support the transfer of such assets to an appropriate organisation. This includes an assessment of the strategically important sites and their potential to lever in private sector investment, generating wider economic benefits in job creation and the development of new housing sites. The main thrust of the capital spend here is to support land assembly and site preparation, which mirrors the approach with the major regeneration projects, and is felt to be a good use of the limited PUSH capital funding available to “pump-prime” strategic projects through “enabling” investment (e.g. land assembly, infrastructure provision or feasibility/advance design).
7. In addition there is support for the creation of workspace units to support local graduates to incubate creative new businesses. This will support and promote graduate retention in the area, as well as seek to build and foster a more enterprising culture for new business start-up. This is also supported by the Quality Places theme lead.
8. The overall recommended allocation for this theme is less than originally bid for and is detailed in the following table 2a.

**Table 2a: Recommended Economic development theme additional capital allocations**

<b>Project</b>	<b>PUSH NGP Capital allocation</b>	<b>Other secured funding</b>	<b>Total of proposed programme</b>
<b>SEEDA sites and regeneration</b>	£500,000	None confirmed – intention is to secure further funding through development of new funding models such as TIF	£500,000
<b>Swan Studios</b>	£150,000	£135,000 developer/LA contributions	£285,000
<b>TOTAL</b>	<b>£650,000</b>	<b>£135,000</b>	<b>£785,000</b>

Sustainability and Community Infrastructure projects

9. The main strand of the proposed capital work for this area will be the development of the strategic cycle route network from the Weston shore to Hamble-le-Rice, which will connect a number of settlements across Southampton, Netley and Hamble.
10. The overall recommended allocation for this theme is less than originally bid for and is detailed in the following table 2b.

**Table 2b: Recommended Sustainability and Community Infrastructure theme additional capital allocations**

<b>Project</b>	<b>PUSH NGP Capital allocation</b>	<b>Other secured funding</b>	<b>Total of proposed programme</b>
<b>National Cycle Network project</b>	£145,000	£101,000 developer/LA contributions	£246,000
<b>TOTAL</b>	<b>£145,000</b>	<b>£101,000</b>	<b>£246,000</b>

Housing and Planning projects

11. The main focus of this Theme’s projects is “enabling” investment on the big estate renewal and regeneration project at Rowner, in Gosport, which have started in 2008/09. This is both a strategic and ambitious scheme targeting a very deprived area and community facing significant challenges that go well beyond the physical condition of the dwelling stock and the general environment. This investment will facilitate the work required to secure adoption of the four unadopted roads in the north of the Rowner estate.
12. The overall recommended allocation for this theme is less than originally bid for and is detailed in the following table 2c.

**Table 2c: Recommended Housing and Planning theme additional capital allocations**

<b>Project</b>	<b>PUSH NGP Capital allocation</b>	<b>Other secured funding</b>	<b>Total of proposed programme</b>
<b>North Rowner</b>	£198,000	£3,500 Local Neighbourhood Board	£201,500
<b>TOTAL</b>	<b>£198,000</b>	<b>£3,500</b>	<b>£201,500</b>

Quality Places projects

13. A range of submissions were received in this area, largely focusing on public realm improvements. One application concerned the project at the Theatre Royal in Portsmouth, to provide a new “Performing Arts” facility which is complementary to a major investment in creative industries by Portsmouth University in a second facility being developed to support design and visual arts. PUSH previously provided “pump-priming” investment for the main facility and the project received £700,000 of NGP in 2009/10, which largely funded the design feasibility stage. It is expected that a planning application will be submitted for the development shortly and further funding of £500,000 is needed to support the creation of the creative campus and theatre project. The project is currently being considered, and the outcome of this consideration will be advised at the Joint Committee.
14. In addition a further application supporting streetscape in the London road Waterloo area was supported on the basis that it will enhance the streetscape in an area prioritised for regeneration. The Economic Development Theme lead also supports the Project, on the basis that it will also deliver further objectives in the area of apprenticeships and vocational training opportunities.
15. The overall recommended allocation for this theme is less than originally bid for and is detailed in the following table 2d.

**Table 2d: Recommended Quality Places theme additional capital allocations**

<b>Project</b>	<b>PUSH NGP Capital allocation</b>	<b>Other secured funding</b>	<b>Total of proposed programme</b>
<b>London Road Waterloo</b>	£343,000	£407,000 from Liveability funding and LAGBI	£750,000
<b>TOTAL</b>	<b>£343,000</b>	<b>£407,000</b>	<b>£750,000</b>

Transport for South Hampshire projects

16. It has been recognised for some time, by both PUSH and TfSH, that Growth Point Funding has not been available at the scale needed to deliver the major transport schemes that are needed to support further development and growth in South Hampshire, and indeed to deal with the infrastructure backlog from previous growth. Therefore the TfSH bids to the PUSH capital programme are based on the same approach as other themes within PUSH, seeking to secure capital

investment for enabling purposes, gap funding and smaller scale, but strategically important projects.

17. TfSH has advised that its main priorities for capital works over the next two years are the implementation of a phased 2 and 3 junction improvement scheme at Junction 5 of the M27 (Eastleigh/Southampton /Airport). This scheme will benefit traffic flows and capacity at an important junction, which would also assist with future planned access to the Eastleigh River Side site. However this will now be taken forward as a bid to the regional growth fund.
18. In addition, and as previously advised to the Joint Committee in September 2010 they are seeking funding support for the phase 2 development of the evidence base scenario testing, land-use and transport modelling tool. This will lead to the development of a long term strategic implementation plan for the South Hampshire area, that will identify the transport interventions required to drive forward the private sector economy, and support the delivery of the employment and housing growth that underpins it. It was recommended that this was approved subject to following conditions: that PUSH join Steering Group for phase 2 in order to jointly commission work, and that PUSH and its constituent LA's have free licence to commission Evidence base work **in accordance with the governance framework established by TfSH** and are fully authorised to use the Evidence Base results emerging from that work.
19. The overall recommended allocation for this theme is less than originally bid for and is detailed in the following table 2e.

**Table 2d: Recommended TfSH additional capital allocations**

<b>Project</b>	<b>PUSH NGP Capital allocation</b>	<b>Other secured funding</b>	<b>Total of proposed programme</b>
<b>Evidence base scenario testing</b>	£500,000 (phase 2)	£1,500,000 from TfSH and strategic partners (phase 1)	£2,000,000
<b>TOTAL</b>	<b>£500,000</b>	<b>£1,500,000</b>	<b>£2,000,000</b>

20. The recommended capital programme detailed above would therefore produce the following Capital Allocations for the Various themes, including the TfSH capital grant, as shown in table 3.

**Table 3: Recommended additional capital allocations 2010/11 for uncommitted balance**

<b>Project</b>	<b>PUSH NGP Capital allocation</b>	<b>Other secured funding</b>	<b>Total of proposed programme</b>
<b>Economic Development</b>	£650,000	£135,000	£785,000
<b>Sustainability and Community Infrastructure</b>	£145,000	£101,000	£246,000
<b>Housing and Planning</b>	£198,000	£3,500	£201,500
<b>Quality Places</b>	£343,000	£407,000	£750,000
<b>TfSH</b>	£500,000	£1,500,000	£2,000,000
<b>TOTAL</b>	<b>£1,836,000</b>	<b>£2,146,500</b>	<b>£3,982,500</b>

## **CONCLUSION**

21. The capital allocations are considered to represent a prudent, balanced and effective programme to support delivery of the PUSH core objectives, within the framework OF this limited resource stream and taking into consideration the priorities highlighted in the Economic Development strategy, adopted by PUSH in November 2010, and the guidance identified in the letter from the Minister Grant Shapps, dated 2 July 2010.
22. The projects recommended enable wider investment in a programme totalling £3,982,500, utilising £1.836m of PUSH NGP capital and leaving an uncommitted balance of £912,000, which will be revisited, once the Creative Industries project has been considered, the outcome of which will be advised at the Joint Committee. In addition any remaining balance will be reviewed as new RGF opportunities are considered, new funding models such as asset backed vehicles introduced and the Solent LEP is established.
23. The Committee is therefore recommended to:-
  1. NOTE capital programme bids as detailed in Appendix A of this report.
  2. APPROVE the recommended PUSH Capital Programme for 2010/11 of £1.836m as set in the report in Tables 2a – 2e, and summarised in Table 3 subject to the following projects where further approval is conditional:

- London Road Waterlooville: the funding request of £343,000 for be approved on condition that the objectives around employment and skills and the provision of apprenticeships / vocational training opportunities being included for the NEET target group are delivered and that this project be overseen by Havant employability and Skills Group in collaboration with the Quality Places Development Delivery Panel.
  - TfSH Evidence Base (EB): that PUSH join Steering Group for phase 2 in order to jointly commission work, and that PUSH and its constituent LA's have free licence to commission EB work **in accordance with the governance framework established by TfSH** and are fully authorised to use the EB results emerging from that work.
3. APPROVE the carry forward of the uncommitted balance of £912,000 to 2011/12, which will revisited, once the Creative Industries project has been considered, the outcome of which will be advised at the Joint Committee.
  4. DELEGATE authority to the Executive Director, following consultation with the Chairman and Vice Chairmen of the Joint Committee to apply appropriate conditions on the capital allocations to the London Road, Waterlooville project and TfSH evidence base projects, as previously specified.

#### **Appendices:**

Appendix A - [Brief Assessment of Project Appraisals](#)

#### **Background Papers:**

Joint Committee 26 January 2010 - Item 13 Revenue and Capital Forward Budgets 2010/11 and 2011/12.

Joint Committee 23 March 2010 - Item 13 Revenue and Capital Budget Monitoring 2009/10

Joint Committee 23 June 2010 – Item 14 Revised Capital and Revenue Budgets 2010/11.

Joint Committee 7 July 2010 – Item 6 Revised Capital and Revenue Budgets 2010/11

Joint Committee 14 September 2010 – Item 7 Capital and Revenue Budget Monitoring 2010/11

Joint Committee 9 November 2010 – Item 13 Capital and Revenue Budget Monitoring 2010/11

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