



Report to the Partnership for Urban South Hampshire Joint Committee

Date: **9 March 2011**

Report of: **Anne-Marie Mountifield, PUSH Executive Director**

Subject: **Executive Director's Report**

SUMMARY

This report represents an additional method for PUSH business to be reported to the Joint Committee. The Executive 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.

RECOMMENDATION

It is RECOMMENDED that the Joint Committee:

1. ENDORSES the continued work of the sites project group and SUPPORTS the Approach to the work in relation to SEEDA assets, as outlined in paragraph 2 of this report;
2. APPROVES; the four nominations to the Permanent Board of the Solent LEP, on condition that all four nominees are Member authorities in PUSH as at 1 April 2011, comprising the Chairman of PUSH, and the Leaders of the three Unitary Authorities of the Isle of Wight, Portsmouth and Southampton.
3. SUPPORTS the submission of an application for transition funding and AUTHORISES the Executive Director following consultation with the Chairman and Vice Chairmen of the Joint Committee to finalise a bid application for submission by the deadline of 6 April 2011.
4. NOTES the matters for information, contained in part B of this report.

Part A: MATTERS FOR A DECISION

Update on RDA Assets and liabilities and the Regional Growth Fund

1. At the last meeting in January 2011 the Joint Committee endorsed the ongoing work of the sites project group and as a key partner in the Solent LEP, supported the approach to bidding for Regional Growth funds (RGF).
2. In relation to the sites work, PUSH registered an interest in the Portfolio of assets with SEEDA on 28 January 2011, and a copy of the correspondence in relation to this is enclosed in annex 1. Subsequently on 10 February 2011 the BIS Minister Mark Prisk issued a statement setting out the position on RDA assets and liabilities, confirming that RDAs have been liaising with local authorities, local enterprise partnerships and other local partners whilst developing their assets and liabilities plans (see annex 2). These plans were submitted to BIS on 31 January 2011. The plans are currently being reviewed by Government and will then be given final sign off by the RDA Boards. BIS are working to a challenging timetable to ensure that these plans can be implemented quickly whilst still securing best long term value for the taxpayer. Until RDAs' plans for the disposal of their assets and liabilities are agreed by the National RDA Transition Board and approved by the RDA Boards, the current arrangements covering acquisition and disposal of assets will remain in place. BIS anticipate that the systematic disposal of assets and liabilities will begin in April 2011. In parallel with this work PUSH appointed Grant Thornton to provide independent advice on this issue and this work is expected to conclude shortly, with plans to hold a Members workshop in late March 2011 to brief Members and Chief Executives on the key issues surrounding this activity.
3. It is recommended that the Joint Committee ENDORSES the continued work of the sites project group and SUPPORTS the approach to the work in relation to SEEDA assets , as outlined above
4. Further to the update in early January 2011, Members of the Solent LEP Shadow Board approved the submission of five bids as part of an overall package of projects for the Round one of the RGF. An overarching rationale that supported all of the projects was included in the submission, building on the outline proposal for the Solent LEP, endorsed by Government on 28 October 2011. The submission was divided into two parts:

Part 1 Solent Gateway (infrastructure led) - projects that seek to both: unlock economic growth and create private sector jobs; and arrest economic decline in areas reliant on the public sector.

Three projects were put forward for recommendation:

- **Enhancements to Junction 5 of the M27**, a regionally significant transport hub, that will significantly improve access to Southampton International Airport, Southampton Airport (Parkway) Rail Station, Southampton and the Port of Southampton. The enhancements include full signalisation of the existing grade separated interchange and the provision of dedicated left slip lanes on all arms of the junction.

- **Platform Road Improvement Scheme, Southampton**, an infrastructure Enhancement designed to improve access and support expansion of operations at the Port of Southampton and support the delivery of key regeneration sites in the city centre, supporting economic development and new jobs in Southampton and the wider Solent area.
- **Dunsbury Hill Farm Science and Business Park, Havant** (part of the Portsmouth and Havant Growth Zone) – development of a new link road from the A3M junction to the development site in order to bring the site to market and lead to private sector investment of circa £90m. Furthermore, it will generate capital receipts which will be re-invested in the enabling works at two other strategic sites: Northern Quarter and Tipner Regeneration Area in Portsmouth

Part 2 Solent Futures (sustainable economic growth)– projects that will support sustainable economic growth through labour market engagement, green technologies and innovation and growth to enable higher levels of employment and deliver a more balanced and sustainable pattern of growth ensuring that local residents are equipped to take up the jobs that are created.

Two projects were put forward for recommendation:

- **Solent Apprenticeship Training Agency** – establishment of an employer-led Apprenticeship Training Agency with a focus on small to medium sized Businesses (SMEs), priority sectors in the Solent area and sectors which Currently have low proportions of apprentices, providing a flexible demand-led approach to the employment of local apprentices
 - **Solent Ocean Energy Centre (SOEC)** is a collaborative, industry-led initiative to de-risk and accelerate the technological advancement, manufacture and commercial deployment of 1st, 2nd and 3rd generation Marine Current Energy Converters (MCECs) located in and around the Isle of Wight coast and Solent region with an operational base in Newport, Isle of Wight. The project will enhance the UK's marine current energy capabilities and exploit the Solent's existing private sector expertise, physical infrastructure and skills base.
4. The proposed enhancement to the key Solent gateways of Jct 5 of the M27, Platform Road and Dunsbury Hill Farm will have a programme value of £26,271,843 and require a RGF contribution of £20,348,132. Critically these three projects will create 3,155 direct new jobs over the next 2-3 years. The establishment of the Solent Apprenticeship Training Agency underpins this, bringing forward a total programme value of £2,365,600 with a RGF contribution of £400,000 creating 600 Apprenticeship opportunities and 542 direct new jobs into sustainable employment. Finally, the Solent Ocean Energy Centre will have a total programme value of £30,728,000 and will require a RGF contribution of £21,395,000 over the three phases. The SOEC has the potential to create 4,800 direct and indirect jobs. Crucially it will pave the way for new sustainable energy developments. An update from BIS is included in Annex 3.

The Solent Local Enterprise Partnership

5. The Shadow Board has convened twice since the last Joint Committee meeting and work is at an advanced stage to facilitate creation of the Permanent board by 1 April 2011. The Solent LEP Shadow Board (“the SB”) resolved that the Solent Local Enterprise Partnership (“the LEP”) adopt a corporate structure as a new English registered company, limited by guarantee and further consideration by them, of membership was discussed at the meeting in January 2011, along with the process for Board appointments. Membership would derive from three ‘constituencies’ reflected by the creation of three classes of LEP membership to include Local Government, HEI Institutions and private sector controlled companies. The HEI membership has confirmed their nomination to the Permanent Board, as Professor John Craven from Portsmouth University. At the February 2011 meeting the Shadow determined and agreed the process for business board membership, including the selection of Business board members. This is detailed in the latest Newsletter, which is attached in Annex 4. It is recognised that PUSH Local Authority members confirmed their four nominations for the Shadow Board in November 2010. There is now a requirement to confirm the four nominations for the Permanent Board to take effect from 1 April 2011.
6. On condition that all four nominees are Member authorities in PUSH as at 1 April 2011, it is recommended that the Joint Committee APPROVE the four nominations to the Permanent Board of the Solent LEP ,comprising the Chairman of PUSH, and the Leaders of the three Unitary Authorities of the Isle of Wight, Portsmouth and Southampton
7. Further to the update in January 2011 when the Prime Minister announced a National Local Enterprise Partnership Summit on growth and competitiveness to bring together local enterprise partnership Chairs from across the country, the Summit is now set for **Monday 7th March 2011**. An update on the outcome of this will be provided at the Joint Committee meeting. In addition we have received a copy of correspondence from Greg Clarke, CLG Minister, reaffirming the Government’s commitment to Local Enterprise Partnerships and advising of the creation of an Association of Local Enterprise Partnerships. This is attached in Annex 5.

TRANSITION FUNDING FOR GROWTH AND HOUSING MARKET RENEWAL AREAS

8. A £5m transitional fund was announced by Grant Shapps on 31 January as part of a wider statement on regeneration and Government support for local growth. The fund is focussed primarily on areas with severe housing market renewal challenges or areas where high levels of housing growth are being taken forward by local authorities on a cross boundary basis.
9. The **objective** of the £5m fund, which will operate over 2011/12 (£3m) and 2012/13 (£2m) is to provide transitional support for areas which have previously received direct Government funding for local delivery capacity and expertise and wish to transfer some of that expertise to a new local authority led

partnership, or, where this is a key area of focus, an LEP. The fund is not intended for single authority growth support, but shared capacity within a multi-authority organisation on a cross boundary basis may be eligible.

10. The purpose of this funding is transitional and to provide time for LA partnerships or LEPs who wish to develop these roles to create a long term sustain ably funded operation without support from central government. The maximum award will be around £200k in year 1 for the highest priority areas with a lower level award for other areas. For successful bids, funding will be available in year 1, on a reduced basis in year 2 (where required), and partnerships will need to be self funding from year 3 onwards at the latest.
11. The deadline for bids is 6 April 2011 the intention is to prepare an application for funding but it is recognised that the deadline for submission comes before the next Joint Committee on in June 2011.
12. It is therefore RECOMMENDED that PUSH submit an application for transition funding and that the Joint Committee AUTHORISES the Executive Director following consultation with the Chairman and Vice Chairmen of the Joint Committee to finalise a bid application for submission by the deadline of 6 April 2011.

Part B: MATTERS FOR INFORMATION

Economic Development Strategy – Progress update on the Implementation plan

13. At the last meeting the Joint Committee were informed about the development of a high level Implementation framework to facilitate the development of an action plan to underpin the Economic Development Strategy, adopted in November 2010. Work has progressed and a high level action plan is being prepared. The work is being led by the ED Panel and at the March meeting of the Panel a draft action plan will be considered. It is recognised that the plan is being developed at a time of great change with all the emerging policy and economic development initiatives coming forward at a regional and national level. These changes will have a big impact on the resources available to deliver the actions proposed in the strategy. However, there are potential opportunities with the development of the Solent LEP since the vision and objectives of the LEP are consistent with the ED Strategy. Therefore the action plan is being set within the context of the LEP and will need to take account of the needs of the wider Solent area, including the Isle of Wight.
14. It is expected that the high level Action Plan will be limited to key actions that are critical to the achievement of the growth vision set out in the Strategy. Key actions around employment and skills are being finalised by the Employment and Skills Board, and similarly actions to support Inward Investment objectives are being considered by the Inward Investment Board. Work has started to review the framework needed to support the Enterprise agenda, driven by a need to identify shorter term issues with the withdrawal of publicly funded business support and to develop longer terms plans including expanding the involvement of the private sector, through the Solent Local Enterprise Partnership. As detailed earlier in this report work is also underway in relation to the key sites, including exploring the feasibility of local ownership of SEEDA owned sites and infrastructure funding models. In addition have Southampton

and Portsmouth has been asked to identify and lead on actions to support the development of the cities as anchors to the Solent Economy.

Inward Investment

15. The Inward Investment Board has been overseeing the development of the integrated single gateway service for South Hampshire, and the Board is clear that the new service will need to be delivered within the context of Solent LEP and it is planning to expand the service and to engage the Isle of Wight. The Board has invited the Isle of Wight to join the Board and a meeting has been set up and progress will be reported orally at the meeting. Subject to those discussions the Terms of Reference will be amended and will be brought back to the Joint Committee for ratification. Significant progress has been made on the development of the Solent Value Proposition. In January, a Panel of the Board, Chaired by Cllr Royston Smith interviewed four consultants and considered their proposals to reshape the Proposition into marketing tools to attract business investment into the Solent area. A consultant has been appointed and has already started to reshape the Proposition. The initial work is expected to conclude in late April and will come to the Joint Committee in June 2011.

Transition Planning

16. Work is well underway on the transition of the Lead accountable body arrangements, with a number of project transfer teams in place as follows:
 - Finance – There are nominated leads in place at both Hampshire County Council and Southampton City Council to facilitate the transfer of activity in this area.
 - Human Resources – Currently PUSH Core team staffs are employed by Hampshire County Council and in line with the agreement at Joint Committee in January 2011, they will transfer to Portsmouth City Council for 1 April 2011.
 - Information Technology – this service and the PUSH website are being migrated over from Hampshire County Council to Portsmouth City Council and it is expected that all email address and web domain names will remain unchanged.
 - Accommodation – in line with the commitment to reduce costs and recognising the financial challenges going forward, an options appraisal has been undertaken on the cost of remaining in the PUSH offices at 54 A High Street Fareham. Within the current lease there is an opportunity to vacate the offices at the mid point, September 2011, thereby securing savings associated with the lease costs for the remaining two years to 2013 and associated overheads. This option has been exercised and the core team will re locate to Portsmouth City Council.

Core team staffing

17. Since your last meeting in January 2011, I can advise that following core team staff have left. Sara Magern PA to the Executive Director left the team in early January 2011 having secured a position with the Country, Land and Business Association as the South East Regional PA. In line with current financial climate and recognising the need to secure further efficiencies, the vacancy will not be filled, and Ali Anderson will now take on a wider role supporting the team. In addition Matthew James, SDA Project Manager, on a fixed term contract to 31 March 2011 is leaving early, on 28 February to take up a permanent position as an Urban Planner in Hampshire County Council.
18. In addition I can advise that PUSH has offered an opportunity for an intern to work, on a paid basis with the core team. The internship will run for 26 weeks and the recruitment process is now complete. This has led to the successful appointment of Richard Jones who started in post on 14th February 2011, and is working with the Core team as to support the work on the Solent LEP and the associated media and communications.

Appendices:

Annex 1 - [Proposed transfer of SEEDA's Solent assets to PUSH/Solent LEP](#)

Annex 2 - [Statement on RDA Assets and Liabilities](#)

Annex 3 - [Summary of RGF first round bids](#)

Annex 4 - [Solent Local Enterprise Partnership Newsletter - Issue 4](#)

Annex 5 - [Letter from Department of Communities and Local Government](#)

Enquiries:

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