



Report to the Partnership for Urban South Hampshire Joint Committee

Date: 8 June 2011

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Subject: PUSH Performance 2010/11 Report

SUMMARY

At the November 2010 Joint Committee, there was a commitment to revise the performance framework focusing on outcome based measures, as opposed to the previous framework which was predicated on measuring performance against outdated national and regional benchmarks that were established prior to the onset of the current recession, and which in many cases are now no longer relevant nor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 need to reflect change was also supported by announcements that National Indicators 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. As a consequence, this report provides a summary of PUSH's performance for financial year 2010/2011 against a revised set of strategic outcomes using an exception based approach as the basis for performance management. This is in line with the reporting cycle agreed at the 19 May 2009 Joint Committee meeting.

RECOMMENDATION

It is recommended that the Joint Committee:

1. APPROVES the new performance framework and associated strategic outcomes as a method for measuring performance going forward. The new framework is predicated on the strategic priorities identified within the recently adopted Economic Development Strategy and the emerging PUSH Business Plan framework for the forthcoming transition year 2011/12.
2. NOTES the revised performance framework and reporting for the 2010/2011 financial year is against a set of revised strategic outcomes. Benchmarking against national and regional measures, where appropriate, has been retained. The report also reflects analysis against the PUSH 2010/11 capital and revenue programme and achievements to date.

INTRODUCTION

1. This report and its Appendix represent the latest performance report based on a proposed new 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 economic downturn in key areas such as employment rates, residents claiming out of work benefits and business survival and enterprise rates. Housing completion and employment floorspace have also been affected as business and developer confidence remains low. However, PUSH continues to improve on some of its key targets relating to employment and skills, support towards key regeneration initiatives and it continues to fully utilise growth point capital funds to resource enabling works in key housing projects such as Rowner Regeneration, Hinkler Parade and Sommerstown.
2. Since the mid year performance report, there have been further changes to the policy environment within which PUSH now operates; most notably the Local Growth White Paper and the formation of the Solent LEP. Taken together with the recent adoption of the PUSH Economic Development Strategy and the changes to the membership of PUSH, a review of PUSH priorities was needed, and this is documented in the new Business Plan framework, approved by the Joint Committee in March 2011. The revision to the PUSH Performance framework was therefore necessary to respond to both immediate impacts of policy change and also to changed circumstances affecting longer term programme delivery, including maximising resources and capacity to facilitate delivery of shared priorities for the Solent area.

PROGRESS TOWARDS SUSTAINABLE ECONOMIC GROWTH

3. The economic downturn continues to have a significant impact on performance against previously agreed and refreshed targets as indicated in some of data presented in the supporting appendix to this report. It is important therefore that PUSH remains committed to the long term economic and regeneration goals and to the delivery of the housing, infrastructure, and the facilities and services necessary to achieve them. However, PUSH is equally clear that the downturn 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 indicating a strong possibility / high risk that the target will not be achieved:
 - Residents claiming out of work benefits and the continued low rates of resident labour market engagement in some urban areas;
 - Business survival rate at 36 months;
 - Levels of business enterprise;
 - Total number of housing completions;
 - Employment floor space completions;
 - Total number of affordable housing completions; and
 - Recognition that the area needs to consider increased energy security through decreased dependence on energy generated abroad or from fuels supplied by other countries.

PERFORMANCE REPORTING AGAINST THE NEWLY AGREED FRAMEWORK

Economic Development

4. The Global economic performance continues to have an impact on the Solent area and the overall economic outcomes that PUSH is seeking to achieve. Key performance trends to note are as follows:
 - For total employment and residents claiming out of work benefits in the area, it is evident that the trend continues to mirror the regional and national picture, with a decrease in total employment and a rise in the number of residents claiming out of work benefits in the PUSH area. This has increased since the last update in November which again reflects the current economic position. It should be noted that there are big variations across the PUSH area, with public sector job dependency varying from 10% (East Hants) to 27% (Winchester). Private sector growth in the two cities remain slow, most noticeably in Southampton where the economy is only marginally growing at 0.1%. and in Havant at 2.8%
 - The employment rate in PUSH (74.1%) continues to fall as a result of the economic downturn. PUSH is however closing the gap on the South East. This is expected to widen again as a number of areas in PUSH are reliant on public sector activity and the full effect of the public sector contraction has yet to materialise.
5. Since the last report in November 2010 number of milestones have been achieved and critically PUSH activities through the work of the Employment and Skills Board and the private sector led inward PUSH investment Inward Board have resulted in an increase in business and employer engagement in the PUSH area and this has been critical to the development and establishment of the Solent LEP. This engagement continues to develop through improved working relationships and established structures in both PUSH and the newly established Solent LEP. There have been a number of very notable achievements including:
 - A new Economic Development strategy has been adopted and was officially launched in January 2011.
 - PUSH led the work to submit an outline proposal for the establishment of the Solent LEP and this was given the green light by Government in October 2010. Work to establish the permanent arrangements for the LEP has continued and The Solent Local Enterprise Company was incorporated on 18 March 2011 and the Permanent Board has been established.
 - The Employment and Skills Board held an Employer/HE/FE summit on 28th January 2011 and an action plan for employment and skills has now been developed. Work is under way to take this forward and it will include the establishment of an Apprenticeship Training agency for the area, and the launch of a Business Ambassadors scheme.

- In relation to Inward Investment Board activities, PUSH has engaged the services of a specialist economic development advisory firm, OCO Global to assist in the definition and promotion the Solent offer to optimise inward investment to the region. OCO Global are well known in the economic development community and work closely with UKTI as well as many agencies globally on a national, regional and local level. This work is due to conclude in May 2011.
- Negotiations are underway to look at proposals that would enable PUSH to take an active role in the redevelopment of SEEDA's Solent portfolio of employment sites working with the HCA. The assets are likely to transfer to the HCA following the demise of SEEDA in March 2012. Solent is one of a handful of areas considering entering into a stewardship agreement with the HCA with the aim of securing the planned outputs of jobs, homes and employment space on these sites.
- Progress has been made with specific projects including Dunsbury Hill Farm (planning for a new spine road) and Eastleigh River Side where master plans and joint ventures are under discussion. Large projects such as Eastleigh have been heavily affected by the downturn in the economy and business confidence and the willingness of investors and landowners to commit to any new development projects.

Housing and Planning

6. As expected the economic downturn and continued instability in financial markets continues to impact in this area 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); this data does not take into account losses due to other uses. If this was the case then the increase in employment floor space was less than 20,000m². Harbour Gate Business Centre at Paulsgrove in Portsmouth was the largest completion (11,645m²).
 - Housebuilding completions in South Hampshire in 2009/10 were lower than in previous years. The overall picture for house building 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.
7. However there have been notable successes in relation to the number of housing units provided estate renewal through estate regeneration. This work

has received significant grant support from the PUSH NGP Capital fund, and has delivered as follows:

- Phase 1 of the Hinkler parade renewal project is now complete with a total of 30 houses built. 14 out of the 30 the newly built homes have been sold by Barratts to people wishing to return to Hinkler estate which in turn has helped to raise the aspiration of the area. The remaining 16 affordable homes will be allocated by May/June 2011 to people waiting on the housing register or wanting a transfer to Hinkler Parade. Phase 1 resulted in the creation of 2 apprenticeship opportunities and 25% of the workforce being employed locally. A further 99 new homes is scheduled to be built as part of Phase 2.
- Sommerstown estate renewal has progressed beyond expectation since the March update. The majority of the enabling works on both the Wellington Street and Warwick Street development sites are now complete. Construction of the seven eco friendly family social housing on the Warwick Street development site is on schedule and due to complete by August 2011. Work to enable more development space by re-configuring and narrowing the wide roundabout close to the development site to create more room for additional housing is also underway. The total capital contribution from PUSH exceeds £1.5 million to date.
- Gosport Waterfront Master planning project completed in January 2011. A draft strategic master plan report and an outlined Transport strategy have been produced to inform the vision for the waterfront area. The final version of the master plan will be subject to extensive public consultation and feedback due to be collated with a view to marketing the preferred options. Total capital funding contribution by PUSH was £75,000
- In relation to the Rowner renewal project, 519 properties (507 dwellings and 12 commercial properties) are scheduled for demolition. Demolition and building works started on the first phases of the project in 2009/10 and to date 119 properties have been demolished and the first of the new private houses has been sold and occupied. Phase 1 consists of 219 properties and is scheduled for completion by May 2013. Demolition of Phase 2 (177 properties) is due to start by the end of the year and will provide 101 flats wrapping round a supermarket and 3 commercial units, with completion planned for the end of 2013. The detailed planning for the remaining phases has now started with demolition in 2 or 3 further instalments planned for August 2012 and January 2013. These remaining phases consist of a further 355 properties due to be completed by June 2017. Total capital funding invested into the project by PUSH amounted to £3.4million

Other progress made is as follows:

- The PUSH partnership with the HCA continues to strengthen and over the last year they have invested over £90 million in the area, unlocking key developments and creating 1,000 new affordable homes. Going forward they will play a key role as an enabling and investment agency, working to deliver local priorities, and we have also strengthened links with the

National Housing Federation. As a result three workshops have been organised with the HCA, National Federation of Housing, local housing officers and housing associations in order to facilitate the new 2011-15 bidding process for HCA funding for affordable homes. PUSH's Local Investment Plan housing priorities have also been updated so that the HCA can take better account of local requirements in allocating the available funding

- Phases 1 and 2 of the Solent Disturbance and Mitigation project are now complete, providing the base data and analysis of existing conditions. The PUSH revenue funding of £35,000 allocation for financial year 2010/11 has now been spent. However, the project draws in other external contributions and as such work will continue and is anticipated to conclude in the summer 2011. The aim of the project is to enable the delivery of the new employment floorspace and new homes envisaged in the revised economic Development Strategy without likely significant effects on coastal sites of European importance for nature conservation. Current work involves modelling the impact of PUSH development proposals based on the understanding of current impacts related to visitor pressures on the coast. Phase 3 is now under consideration which will involve designing mitigation for overcoming any adverse effects identified from development proposals.

Transport (as advised by TfSH)

8. The coalition Government has placed an emphasis on economic growth and business engagement in much of its policy statements since taking office. In addition, there is a requirement for local authorities to work with business in order to access transport funding pots. This has been evidenced by the recent RGF bids, and in respect of the emerging TfSH bid to the LSTF. Whilst TfSH has been reasonably successful in engaging with business since its formation in 2007, it is clear that it should do better and to this end, is liaising with the business community to understand how the links between business and transport operators and infrastructure providers can improve. An important component of this will be liaison with the Solent LEP.
9. TfSH is currently preparing an initial proposal for a large project package bid (in the region of £25m) to the Local Sustainable Transport Fund (LSTF). If this initial proposal is shortlisted, the SRTM will be used to develop a major scheme business case submission to the LSTF by the December 2011 deadline. The TfSH submission, in line with the LSTF criteria, will focus on delivering economic growth, whilst reducing carbon, so will accord with PUSH priorities. TfSH is also considering a bid to the ERDF and considering options for round two of the Regional Growth Fund.
10. Progress made in delivering activities supported by PUSH are as follows:
 - The TfSH Evidence Base Contract was commissioned in early 2010, with the Contract comprising two workstreams. Workstream 1 has been concerned with data collection and model build. The model is composed of five interconnected models (a Main Demand Model, a Gateway Demand Model, a Road Traffic Model, A Public Transport Model and a Local

Economic Impact Model), known as the Sub-Regional Transport Model (SRTM) and is due to be delivered in April 2011. The SRTM, which has been part-funded by PUSH, has been developed by a consortium of consultants led by MVA Consultancy Ltd and a Steering Group including DfT, Highways Agency and Network Rail. Workstream two of the TfSH Evidence Base Contract is concerned with the development of a Long Term Strategic Implementation Programme (LTSIP). This will identify a programme of deliverable interventions required to enable growth and mitigate the negative impacts of growth in South Hampshire.

- Whilst TfSH has produced delivery plans in the past (e.g. *Towards Delivery*), these have not been grounded in a robust evidence base, which the SRTM will now provide. The LTSIP will therefore identify transport interventions that offer good value for money and would withstand the rigorous appraisal process required by DfT. The SRTM will also be made available for use by external bodies (subject to a cost scale), such as the PUSH districts and the private sector. This ability to use the SRTM will present a significant cost saving on model development and, where used, will ensure that modelling in the area is undertaken in a consistent manner. However, there is no compulsion to use the SRTM.
- The Tipner Interchange and Northern Road Bridge schemes in Portsmouth have been moved from the Pre-Qualification Pool to the Development Pool in the DfT major schemes programme. Portsmouth are invited to submit Best and Final Funding Bids by 9 September 2011. The process remains competitive and it is not anticipated that all these schemes will be funded when final decisions are made in December. Based on the Expressions of Interest received so far, the likely requests for DfT funds (including the schemes selected from the Pre-Qualification Pool) exceed the available funding by a ratio of around 1.5 to 1. Work on Tipner overall 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.
- Whilst BRT is progressing well in the South East part of the TfSH area, a public transport strategy covering the wider TfSH area is required to identify a prioritised programme of public transport interventions and aspirations. This will be developed this year and will be informed by the SRTM and will support future bids.
- PUSH 2010/11 funding contribution of £250,000 towards a series **feasibility studies** is now spent and project completed in March 2011. Key outputs include: M27 corridor study which identified access strategies for the development at North Whiteley and North Fareham SDA and helped to progress the work necessary for understanding the wider BRT network. Other achievements include the Eastern Access to Southampton study which comprised of further detailed surveys and feasibility studies.

Sustainability and community infrastructure

11. Progress made towards the new performance framework are as follows:

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- **Climate Change Strategy** – PUSH is working jointly with Hampshire County Council and the other Hampshire Districts to develop a shared Climate Change Strategy. High level workshops were held in Winchester in March and September 2010 to review ongoing work and focus on adaptation measures. A Climate Change Summit was held in December 2010 to agree the vision narrative and priorities for collaborative working. Work is now progressing on the practical implementation of the priorities. For example, a tender process is close to completion for deliver the Area Based Insulation Scheme (ABI) to reduce the Carbon generated and heat lost from Hampshire Homes through the provision of very low cost insulation. The SCID Panel has agreed that PUSH will need to consider the priorities for Climate Change within the PUSH area and whether these differ from Hampshire-wide priorities. This will be taken forward and considered as part of the work being carried out on future work programme.
 - **Flood Risk Protection** - Through the Solent Flood Risk 2026 project an external steering group is working to collate all available information on flood risk infrastructure, priority areas, costs, likelihood of provision and a set of recommendations for funding into the future. This work is progressing well and will be presented to the steering group in March 2011. So far it has identified that total infrastructure across PUSH could cost up to £2 billion over the next 100 years with half of this being within the next 20 years. More work is being done to refine and check costs. The project will give an indication of the broad scale of investment in coastal defence infrastructure which is needed to protect Hampshire's existing coastline, to enable regeneration and growth and to keep pace with sea level rise.
 - **Community Infrastructure Levy (CIL)** - The Regulations regarding the implementation of CIL were published in the spring of 2010 and further guidance has been included in the Localism Bill. Against the background of a developing regulatory framework the Panel has overseen work which has developed our understanding of how CIL could operate at a sub-regional level. Scoping the scale and range of potential projects has been undertaken, building on previous work and initial discussions on some key principles have taken place. The next stage is a round of more detailed discussions with the output being a draft framework for consideration by the Panel.
12. Good progress has been made by the panel towards its objectives and in delivering the projects for which it is responsible. This has been achieved through engaging a wide range of partners who impact on this theme.
- **Hampshire Wildlife Trust - Access to Nature Project** - The project is focussed on helping young people in South Hampshire to have access to and enjoy the local countryside and open spaces; providing increased opportunities for young people to experience, enjoy and understand about the natural world through practical conservation; and to enable young people to experience the individual, social and community benefits of volunteering. The main target audience are young people aged between

13 and 25 that are not in employment, education or training, particularly focussing on those that are at risk of offending, reoffending or engaging in anti social behaviour. Another main focus of the project is to engage with community groups that are not engaging in their local green spaces. The aim is to have 660 young people engage in practical conservation activities with 50 young people becoming regular volunteers. To date 93 young people have benefited from the project and 38 have gone on to regular volunteering.

- **Green Infrastructure Implementation** – The Panel agreed the broad governance and project arrangements in October 2010. These arrangements have now been put in place and two main working groups have been set up to take forward the two major planks of GI work, involving representatives from all partner authorities and key external partners. The 46 projects put forward for consideration in the GI Strategy for PUSH have now been reviewed to establish those which are of sub regional, strategic importance to support future development in PUSH up to 2026. This has reduced the number to 12 projects. A draft methodology/process for developing the shortlisted projects is being agreed and adopted and Project Sponsors are being identified. Work is progressing on the development of a framework for translating the GI Strategy for PUSH into spatial plans including developing a tool kit to assist in GI Planning. It is envisaged that all the work streams described above will eventually feed into the Implementation Plan. Support is also being provided by the GI Coordinator on planning for GI in major developments at Newlands (West of Waterlooville), Whiteley and Fareham SDA.
- **PUSH SFRA website**- A review has been undertaken of the arrangements for the hosting of the website which is an important reference point for the development industry and public. A project lead by officers at Havant Borough Council has resulted in an in-house solution rather than rely on an external company to maintain.
- **Integrated Water Management Strategy**- Work has focussed on an Environment Agency initiative, Solent 2026, which is developing a comprehensive view of the flood risk issues along the South Hampshire coast. See below. PUSH in partnership with the Environment Agency held a workshop to develop the understanding of flood risk issues, explore and develop best practice and funding issues. In addition PUSH has made representations on the Portsmouth Water Company Business Plan supporting the case for a reservoir at Havant Thicket.
- **Forest Park** The Panel has supported the funding of a feasibility study to develop the concept of a Forest Park, which has been identified as a key project within the Green Infrastructure Strategy. The Forestry Commission working in partnership with PUSH is finalising a report which will inform decisions as to how the project can be developed.
- **National Cycle Network Route Project** – The panel is overseeing the implementation of a project to fill a missing link in the cycle route network. Within South Hampshire there are a number of missing links in the

National Route 2 and this project will focus on completing a priority section that will connect Southampton with Netley and Hamble-le-Rice. This route will then continue on to Warsash via the Hamble-le-Rice to Warsash ferry.

Quality Places

13. Initial progress noted against the newly revised performance indicators are as follows:

- In relation to adult sport, participation is currently slightly below national average in 7 out of 11 PUSH authorities. The difference between the PUSH figure and the national average is not statistically significant.
- The baseline data for the Arts Facility Provision per capita was taken from from the South Hampshire Cultural Infra Structure study. The initial study did not cover the Isle of Wight (IOW) area but will do in future drafts in recognition of their recent membership onto PUSH. The Infrastructure uses figures relating to total square meterage in and population in the PUSH area. Facilities in the PUSH districts but outside the PUSH boundary have been excluded. Figures include the Berry Theatre in hedge end which opened earlier this year and the New Theatre Royal Portsmouth which will close for refurbishment at the end of the year. The figures do not yet make provision for the new art complex in Southampton for which funding has been agreed as it is not yet under construction.
- The new baseline figure for Stewardship of the Historic Environment includes assets on the IOW. In the coming years it's likely the number of assets being added to the at risk register will rise due to MOD disposals. The Quality Place Delivery Panel is working with English Heritage and partner Local Authorities to develop a new strategic approach to managing heritage at risk. An initial report was launched at a workshop in March 2011 and follow up work is underway in June 2011. It proposed the Local Heritage at Risk Register will include grade 2 listed buildings as well as the assets on the published English Heritage Register (grade 2* and Grade 1 Listed Buildings, scheduled monuments, Parks and Gardens and Conservation Areas). When the Hampshire Register is established it will be necessary to decide if the measure should match the Hampshire and IOW Register or the English Heritage Register

14. The Quality Place Delivery Panel has established itself as an effective body steering the implementation of a wide ranging work programme. Panel members include representation from business via the Hampshire Economic Partnership, the University sector, Local Authorities and Cultural bodies. Progress on the Panel's activities are as follows

- In meeting the business objective of developing excellence, the Panel has worked with partners to secure commitment to key infrastructure projects which will help enhance the area's reputation as a Quality Place to live, work, and invest. These include the New Theatre Royal in Portsmouth, Southampton's new Arts Complex, the Mary Rose Visitor Centre in Portsmouth, and the Sea City Museum in Southampton. The panel has also worked in partnership with the Historic Dockyard Property Trust in

Portsmouth, commissioned Portsmouth University to identify opportunities to adopt a collaborative approach to enhance the economic and visitor economy benefits arising from the historic context of Portsmouth Harbour.

- In relation to the Cultural Infrastructure Study, findings are already being used by partner authorities to inform core strategy policy, local infrastructure delivery plans, and CIL charging frameworks. This work sits alongside a SE-wide project to identify creative and cultural facilities as a basis for development and enhancement, which PUSH is leading in partnership with Kent County Council.
- Activities delivered under the auspice of the panel's advocacy objective, South Hampshire has been recognised by the DCLG, and DCMS backed Living Places Partnership, as being among the most successful of the identified priority places.
- In relation to Tourism and Visitor economy activities, the panel has secured £30,000 funding from SEEDA and Tourism South East in order to implement one of three 2012 Gateway Projects. These projects aim to assist gateway locations to take advantage of opportunities to grow the visitor economy which may arise as a result of the 2012 games. Projects so far supported through this initiative include:
 1. The establishment of volunteer greeter projects in Winchester, Gosport and Portsmouth;
 2. The promotion of sailing on the Solent, via the Sail South;
 3. East website;
 4. The Mayday Jouvay initiative organised by the Isle of Wight Carnival Centre; and
 5. Work to scope the feasibility of delivering a Festival of Culture in 2012.

CONCLUSIONS AND RECOMMENDATIONS

15. The fragile economy continues to have an impact on performance against a number of PUSH's targets, and the balance and mix of affordable housing and the supply of larger units remains an issue. GVA growth rates continue to suffer as a result of economic uncertainty. However the creation of the Solent LEP is seen as a very positive step, facilitating closer working relationships with business, and it is expected that this will underpin work on key areas such as Employment and Skills, business enterprise and Inward Investment in the 2011/12 year.
16. The Delivery Panel's are progressing well with key capital and revenue projects and have completed a number of its projects including Hinkler, Forest Park, Portsmouth E/W Sewer, Portsmouth Creative Industries phase 1 and Gosport Waterfront and Town Centre master planning.

17. The revised business plan will set out the priorities and associated resources for maintaining delivery during the transition year 2011/12. Despite finite resources, PUSH remains committed to completing the delivery of the capital programme, the majority of which will be delivered in the 2011/12 year at a total value of £3.711m.
18. It is recommended that the Joint Committee:
 1. APPROVES the new performance framework and associated strategic outcomes as a method for measuring performance going forward. The new framework is predicated on the strategic priorities identified within the recently adopted Economic Development Strategy and the emerging PUSH Business Plan framework for the forthcoming transition year 2011/12; and
 2. NOTES the revised performance framework and reporting for the 2010/2011 financial year is against a set of revised strategic outcomes. Benchmarking against national and regional measures, where appropriate, has been retained. The report also reflects analysis against the PUSH 2010/11 capital and revenue programme and achievements to date.

Appendix A - [pjc-110608-r04-gig-appendix a.doc](#)

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