



Report to the Partnership for Urban South Hampshire Joint Committee

Date: **30 January 2012**

Report of: **Bernie Topham**

Subject: **Solent Inward Investment Strategy: Progress Report and Draft prospectus**

SUMMARY

The purpose of this report is to seek the approval of the Joint Committee to the attached prospectus which sets out the basis for the establishment of a single gateway for inward investment and the level of contributions from local authorities in the PUSH area . The prospectus proposes a two stage approach in moving towards the creation of an Inward Investment Team along with a financial model to resource Stage 1.

RECOMMENDATION

It is RECOMMENDED that the Joint Committee:

1. NOTES the report;
2. ENDORSES the work of the Inward Investment Board to date and AGREES the draft prospectus for Inward Investment for the period to 31 March 2013, as detailed in Appendix A;
3. AGREES That Southampton City Council be appointed as the lead authority for the PUSH Inward Investment Team as set out in the draft Prospectus; and
4. AGREES That the Director of Economic Development of Southampton City Council be given delegated authority to take any other action necessary pursuant

to this report, including but not limited to entering into any agreements on behalf of PUSH following consultation with the PUSH Chief Executive lead for Economic Development, the Monitoring Officer, Chief Financial Officer, Executive Director and the Chairman of PUSH.

BACKGROUND

1. PUSH has been moving towards the creation of a single team to promote the Solent area for inward investment. One of the foundations required to enable this team to undertake this role is an inward investment strategy and the development of a draft prospectus for Inward Investment.
2. The purpose of this report is to seek the approval of the Joint Committee to the attached prospectus (In Appendix A) which has been used as the basis for contributions from local authorities in the Solent area and proposes the framework that will be put in place to move towards the establishment of a single Inward Investment team. The prospectus proposes a two stage approach in moving towards the creation of an Inward Investment Team along with a financial model to resource Stage 1.

CURRENT POSITION

3. At present Southampton City Council Economic Development Team is providing an interim inward investment solution for South Hampshire (noting that this does not at present include the Isle of Wight although the intention as part of these proposals is to extend to the IOW) prior to the creation of a PUSH Inward Investment team. This includes:
 - Acting as a single point of contact for business investment enquiries from UKTI and elsewhere;
 - Managing and carrying out further development of the property, contact and enquiry databases that act as the foundations of www.invest-in-southampton.co.uk and www.invest-in-portsmouth.co.uk;
 - Acting as a single point of contact for UKTI in the development of the service;
 - Making proposals for the future of the service; and
 - Providing support to the PUSH Inward Investment Board.
4. The creation of a PUSH Inward Investment Team relies upon a commitment from each of the partner local authorities to contribute funding consistent with the approach set out in the Appendix A to this report.
5. Southampton City Council is currently acting as the informal lead for the PUSH Inward Investment Team. This needs to be formalised, and is reflected in the recommendations for the Joint Committee.

NEXT STEPS

6. The attached prospectus, which has been commented upon by the PUSH Economic Development Officers, sets out a way forward in moving the current interim arrangements forward. In particular it seeks in Stage 1 to put in place a set of assets that will provide the basis for attracting increased levels of inward investment. The key points are:

- A two-stage approach service development that takes the opportunity of the current weak conditions at present for attracting inward investment to create capacity and infrastructure. During Stage 1 the emphasis will be on maintaining the gateway service and putting in place assets that will form the basis of Stage 2. Stage 2 will involve the creation of an integrated public/private sector vehicle for attracting additional inward investment enquiries based upon improving world economic conditions.
- Funding at Stage 1 relies in the main on all local authorities (although individual projects will be used to attract private sector contributions) in the PUSH area making a financial contribution. In the main these are modest and reflect the financial condition of the public sector. At Stage 2 it is proposed that (working with and through the Solent LEP) we seek private sector partner contributions to bring expertise and funding into the partnership. It is unlikely that we would want to seek setting up yet another organisation seeking private sector contributions and there is an expectation that the Solent LEP will use its leverage to attract investment and interest from the private sector.
- Whilst the report refers to an 18 month timescale for Stage 1 it is expected that we shall be able to move forward more quickly to Stage 2 than this. In addition, discussions are on-going with the Isle of Wight Council as to their participation in these arrangements and a further update will be given at the meeting. Positive discussions have also been held with HCC about ensuring that there is a continued strengthening of the collaborative arrangements that already exist between the HCC inward investment team and S Hampshire authorities in relation to enquiry handling. It should also be noted that there have been discussions with the M3 LEP about dealing with enquiries in areas of mutual interest, such as aerospace.

RECOMMENDATION

It is RECOMMENDED that the Joint Committee:

1. NOTES the report;
2. ENDORSES the work of the Inward Investment Board to date and AGREES the draft prospectus for Inward Investment for the period to 31 March 2013, as detailed in Appendix A;
3. AGREES that Southampton City Council be appointed as the lead authority for the PUSH Inward Investment Team as set out in the draft Prospectus; and
4. AGREES that the Director of Economic Development of Southampton City Council be given delegated authority to take any other action necessary pursuant to this report, including but not limited to entering into any agreements on behalf of PUSH following consultation with the PUSH Chief Executive lead for Economic Development, the Monitoring Officer, Chief Financial Officer, Executive Director and the Chairman of PUSH.

Appendices:

A: [Draft prospectus for Inward Investment for the period to 31 March 2013](#)

Enquiries:

For further information on this report please contact

Jeff Walters (PUSH Inward Investment lead, Southampton City Council)
e-mail: jeff.walters@southampton.gov.uk