



Report to the Partnership for Urban South Hampshire Joint Committee

Date: **6 October 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. SUPPORTS the continued approach to providing executive support to the Solent LEP for 2011/12.
2. ENDORSES the continued work on the newly designated Enterprise Zone at Daedalus.
3. ENDORSES the continued work on the HCA stewardship agreement and supporting business plan for the portfolio of sites in the PUSH area.
4. SUPPORTS the preparation of a PUSH local business plan for the HCA sites (and individual delivery plans) and AUTHORISES the Executive Director following consultation with the Chairman, Vice Chairmen of the Joint Committee and Chairman of the Economic Development Delivery Panel to submit the business plan and supporting delivery plans to the HCA at the end of November 2011.
5. SUPPORTS the preparation of a PUSH consultation response to the LGRR and AUTHORISES the Executive Director following consultation with the Chairman and Vice Chairmen of the Joint Committee to finalise the draft response in Appendix B for submission by 24 October 2011
6. SUPPORTS the preparation of a PUSH consultation response to the NPPF and AUTHORISES the Executive Director following consultation with the Chairman

and Vice Chairmen of the Joint Committee to finalise a response for submission by 17 October 2011.

7. NOTES the progress to date on the preparation of a Green Infrastructure Implementation Plan and SUPPORTS the preparation of a PUSH bid to DEFRA for resources to develop the LNP bid and AUTHORISES the Executive Director following consultation with the Chairman and Vice Chairmen of the Joint Committee, and the Chairman of the Sustainability and Community Infrastructure Panel to finalise a response for submission by 31 October 2011.
8. NOTES the matters for information, contained in Part B of this report.

Part A: MATTERS FOR A DECISION

The Solent Local Enterprise Partnership

1. The Solent LEP Board held their launch event on 26 July 2011. This provided businesses, public sector representatives and the education sector with an opportunity to provide their insight and direction for the Solent LEP and to inform the Board ahead of the Strategic away day on 8 September 2011. Around 300 attendees (from sole traders to large multi-national businesses) participated in a consultation and information collected showed that 63% of respondents were from SME's (0 to 250) and 37% from large companies. The private sector was very well represented forming 70% of the respondents with the public and voluntary sector comprising the remainder. In relation to the consultation participants were asked what they believed to be the most powerful enablers of economic growth and the biggest barriers, before focusing on specific issues such as transport, employment and skills and business finance.
2. In relation to key areas of work the following were seen as the most important:
 - Investing in skills to enable higher levels of employment.
 - Supporting enterprise, new business starts and business survival.
 - Focusing on infrastructure priorities.
3. Conversely barriers to growth were clearly articulated as being:
 - Labour market issues
 - Difficulties in accessing finance
 - Transport issues
4. All responses to the questions used in the consultation can be viewed via the Solent LEP website at www.solentlep.org.uk and further information on their work is summarised in the latest Newsletter attached in Appendix A.
5. PUSH continues to provide extensive resources to support the Solent LEP, through the commitment of officer time to support the development of a single gateway for Inward Investment, the work of the Employment and skills Board and the development of the Solent ATA, and the preparation of the Enterprise Zone submission and implementation of the Zone. In addition executive support is needed both in terms of providing the Board with policy advice and leading the interface with key Government Departments and Civil Servants, Local government and the public sector agencies, and administration to support the Board itself.
6. It is recommended that the PUSH Joint Committee continues to SUPPORT the approach to providing officer resources and executive support to the LEP for 2011/12.

The Solent Enterprise Zone

7. The bid for the proposed Enterprise Zone is at Daedalus was approved by Government on 17 August 2011. The vision for the Daedalus EZ is to make it Solent's premier location for advanced manufacturing and technology, focused on the marine, aviation and aerospace sectors. It will serve the whole of the Solent area and build on strengths of the sub-region in these sectors and their related skills base.

The EZ's main objectives will therefore be to:

- create up to 3,700 additional jobs on the EZ by 2026, contributing more than one third of the Solent LEP's additional jobs target;
- promote an advanced manufacturing and technology cluster focused on marine, aviation and aerospace;
- utilise the incremental growth in business rates to unlock the full potential of this and other Solent employment sites;
- Provide a catalyst for the regeneration of Gosport as the least economically viable area in South Hampshire.

8. Benefits that accrue to the designated enterprise zone include:

- A 100% business rate discount worth up to £275,000 over a five year period, for businesses that move into an Enterprise Zone during the course of this Parliament.
- All business rates growth within the zone for a period of at least 25 years will be retained and shared by the local authorities in the LEP area to support their economic priorities
- Government and local authority help to develop simplified planning approaches in the zone;
- Government support to ensure superfast broadband is rolled out in the zone.

9. Further work is being undertaken to take forward this site and a task group has been established to take this work forward. An update will come forward to the next Joint Committee when it is expected that guidance will be available on the development of simplified planning approaches for enterprise zones and information on the retention of business rates. In the interim the Joint Committee are asked to ENDORSE the continued work on the Enterprise Zone.

Update on the Regional Growth Fund (RGF) Round 2

10. At the last meeting in June 2011, the Joint Committee were advised that for RGF round 2, a number of bids were in preparation. The deadline for submission was 1 July 2011 and a total of five bids were submitted in the area including;

- A revised bid for Platform Road, Southampton. The Platform for Prosperity project aims to safeguard and create private sector jobs in a city with high public sector job dependency through essential transport infrastructure to

support existing and future expansion of the Port of Southampton. **It is calculated that the project will create a peak gross of 360 direct jobs.** This will help to facilitate significant levels of regeneration within Southampton by drawing on a wider Solent workforce as well as providing vital employment opportunities for a City with high levels of deprivation.

- A Daedalus RGF bid (of £4.0 million) to support the development of the newly designated Enterprise zone, creating over 600 jobs by 2015, with the addition of 50 businesses in marine, aviation and aerospace. The RGF funds are needed to upgrade necessary infrastructure (particularly) the air strip to release the commercial potential of the development, thereby securing licensed status for airfield. Note Gosport peninsula is an area of economic vulnerability with job density of 0.46 and public sector dependency with over 25 percent of working population employed in public sector
- The Solent LEP in partnership with the local newspaper outlet, The News, with support from the University of Portsmouth is bidding to run a competitive programme for their local area to award micro-finance and small business grants. This RGF programme fund will deliver 50 new business start-ups, and support the growth of a further 50 existing businesses creating 125 new jobs and safeguarding a further 75 direct jobs in Portsmouth and the older urban extensions of Havant and Gosport.
- A revised Solent Ocean Energy Centre bid to support the phase one development of an Energy Centre based around the Isle of Wight.
- A bid from the Isle of Wight to support a capital programme to upgrade visitor accommodation, thereby strengthening the tourism offer on the Island.
- A bid from Portsmouth Naval Base Property Trust to support the development of a Boat Building Academy and the creation of some incubation units for the Creative industries within the Dockyard.

11. BIS has received 492 bids competing for a share of £950 million from the Regional Growth Fund. The 492 bids, asking for £3.3 billion, have been assessed by the Independent Advisory Board and the final decisions as to which proposals should receive funding will be announced in the autumn.

HCA/SEEDA sites – progress update

12. Further to the Members workshop in earlier in the year work has continued with SEEDA and with the Homes and Communities Agency (HCA) on the development of a Stewardship Agreement whereby PUSH and the HCA share delivery responsibilities for a portfolio of ex-SEEDA property in the PUSH area. The current position is that all RDA property assets and liabilities transferred to the HCA by Parliamentary Order on 19 September 2011. In this area, a small SEEDA property team was TUPE'd to the HCA on the same day.

13. PUSH has led the way in thinking about the stewardship model with the HCA which is now being rolled out to fifteen partnerships nationally. Because of this,

the HCA will be seeking some conformity in the stewardship process and expects to issue, by the end of September, both the model Stewardship Agreement itself and guidance about preparation of a local annual business plan, together with delivery plans relating to each of the main sites in the portfolio. The HCA intends that the local business plan and the delivery plans should be submitted by the end of November 2011. The national portfolio will be managed by balancing one portfolio with another and one year with another and all receipts will be retained and recycled by the HCA.

14. It is anticipated that at the next Joint Committee meeting the Committee will need to consider and sign the Stewardship Agreement, which will be a non-contractual collaboration agreement expressed as a Memorandum of Understanding (MOU). In the interim and prior to the December meeting we will also need to seek agreement to the 2012-13 business plan for the Portfolio of sites, which will be an investment plan and agreed bid for funding, together with delivery targets for which PUSH will jointly be held accountable. In relation to the Business Plan, the Joint Committee should note that by far the biggest site in the portfolio is Daedalus which has been awarded Enterprise Zone status. The business plan will therefore need to reflect the special status of this site and the urgent need to deliver development and new jobs on the Zone.
15. At the time of writing this report we have not received the HCA's guidance on the process and do not have confirmation of the timetable, and we will update the Committee on this in due course. The stewardship project is being taken forward for PUSH through a working group chaired by Bernie Topham.
16. It is recommended that the Joint Committee;
 - ENDORSES the continued work on the HCA stewardship agreement and supporting business plan for the portfolio of sites in the PUSH area and
 - SUPPORTS the preparation of a PUSH local business plan (and individual delivery plans) and AUTHORISES the Executive Director following consultation with the Chairman, Vice Chairmen of the Joint Committee and Chairman of the Economic Development Delivery Panel to submit the business plan and supporting delivery plans to the HCA at the end of November 2011.

Local Government Resource Review: Proposals for Business rates retention: (LGRR) - Consultation

17. This consultation sets out the Government's proposed core components for a business rates retention system. In addition, the consultation sets out how they propose Tax Increment Financing will operate within the business rates retention system as a way of funding infrastructure investment to unlock economic growth. The consultation also outlines how the proposals interact with wider Government initiatives to promote growth, including the existing New Homes Bonus, and considers how they will work alongside the existing architecture of the business rates system which they are not proposing to change.

18. Consultation responses to the LGRR are invited by 24 October and there are a number of strategic issues in the LGRR proposals that PUSH could comment upon, including:

- The absence of any recognition of functional economic areas and strategic planning areas. Everything in the Review is predicated on administrative (rate collection) boundaries;
- a lack of recognition that growth has costs attached to it;
- The effect of the rate equalisation levy and resetting. If resetting is not predictable it could undermine the planning and delivery of long term projects;
- TIF. The Review steers towards a portfolio of Treasury-approved projects.

19. In relation to the above the LGRR envisages pooling within administrative (county) boundaries, but it is recognised that with the advent of Local Enterprise Partnerships and the recognition that natural economic areas exist, another solution maybe to provide for some pooling of growth funds within recognised economic areas that do not necessarily exactly conform to administrative boundaries.

20. The consultation asks a number of specific questions on how best to design a system to repatriate business rates and PUSH has prepared a draft response (see Appendix B) for the Joint Committee to consider.

21. It is recommended that the Joint Committee SUPPORTS the preparation of a PUSH consultation response to the LGRR and AUTHORISES the Executive Director following consultation with the Chairman and Vice Chairmen of the Joint Committee to finalise the draft response in Appendix B for submission by 24 October 2011.

Draft National policy Planning Framework (NPPF) - Consultation

22. This consultation seeks views on the draft National Planning Policy Framework. The Framework will replace the current suite of national Planning Policy Statements, Planning Policy Guidance notes and some Circulars with a single, streamlined document. This Framework sets out the Government's key economic, social and environmental objectives and the planning policies to deliver them. It covers a broad span of national planning policy. In many areas, policy has been streamlined but the intention is that the core approach and principles remain in place.

23. The Framework also introduces a strong presumption in favour of sustainable development and a key priority in reforming the planning system is to promote sustainable economic growth and jobs. Within the Consultation the Government advise that they want to ensure that the planning system is more responsive to changing economic conditions.

24. Consultation responses to the NPPF are invited by 17 October and PUSH will prepare a draft response for submission by 17 October 2011.

25. It is recommended that the Joint Committee SUPPORTS the preparation of a PUSH consultation response to the NPPF and AUTHORISES the Executive Director following consultation with the Chairman and Vice Chairmen of the Joint Committee to finalise a response for submission by 17 October 2011

PUSH Proposed Local Nature Partnership (LNP) BID and Green Infrastructure Implementation Plan – Progress Update

26. In June 2011 the Government published a Natural Environment White Paper outlining the vision for the environment over the next 50 years. One of the key initiatives is the establishment of its new Local Nature Partnerships (LNP). These are partnerships aimed at bringing together a range of individuals, businesses and organisations at a local level to deliver, and add value to, visions and plans of action on natural environment projects.

27. PUSH adopted a Green Infrastructure (GI) Strategy for South Hampshire in June 2010 and has recently produced a first draft GI Implementation Plan to deliver the 17 broad objectives of the strategy. These strategic objectives match the Government's ambitions for LNPs. A PUSH LNP could therefore potentially provide an effective vehicle for coordinating the delivery of GI across the sub region, whilst simultaneously delivering the Government's ambitions as set out in the recent Natural Environment White Paper

28. As part of the development of the PUSH Green Infrastructure (GI) Implementation Plan it was considered that establishing a PUSH LNP would be an appropriate mechanism to assist the delivery of the PUSH Green Infrastructure Strategy and the completion of the Green Infrastructure Implementation Plan.

29. An expression of interest in establishing a LNP on behalf of PUSH was submitted to DEFRA in June 2011. DEFRA has allocated £1 million of funding to assist in initiating LNPs across the country. The deadline for bidding for a proportion of these funds is 31st October 2011. It is proposed that PUSH submit a bid to secure funding to initiate the LNP.

30. It is recognised that securing funding will provide resources to establish the LNP, which will provide an effective vehicle for coordinating the delivery of GI. This and the fact that a new National Planning Policy framework is under consultation has meant that work on the final GI implementation plan is likely to conclude early in 2012 and will therefore report to the Joint Committee at a later date.

31. The Joint Committee is asked to NOTE the progress to date on the preparation of a Green Infrastructure Implementation Plan and SUPPORT the preparation of a PUSH bid to DEFRA for resources to develop the LNP bid and AUTHORISE the Executive Director, following consultation with the Chairman and Vice Chairmen of the Joint Committee, and the Chairman of the Sustainability and Community Infrastructure Panel to finalise a funding bid for submission by 31 October 2011.

Part B: MATTERS FOR INFORMATION

PUSH Governance structures

32. Work is now complete on the transition of the Lead accountable body arrangements, as follows:

- Finance – The transfer of activity in this area has concluded.
- Information Technology – this service was migrated over from Hampshire County Council to Portsmouth City Council for 1 August 2011 and all email address and web domain names remain unchanged.
- Accommodation – further to the report at the previous meeting, the PUSH office and core team moved to Portsmouth City Council on 1 August 2011. This facility is been shared with the Solent LEP and the new contact details and address for the office are :

Partnership for Urban South Hampshire (PUSH)
Portsmouth City Council
Floor 2, Core 3,
Civic Offices,
Guildhall Square,
Portsmouth,
PO1 2AY
Tel: 0239268 8923

33. In relation to the external audit arrangements, under the accounts and audit regulations for local government, there is a requirement for the members of a small body (such as PUSH) meeting as a whole, to “consider” the annual report from the external auditor “as soon as reasonably possible after receipt”. It is expected that the audit report will be completed before 30 September 2011 and therefore should be available in time for the Joint Committee to note the external auditor’s certificate and opinion on the annual return for the year ending 31 March 2011 at the meeting.

Core team staffing

34. Since your last meeting in June 2011, I can advise that Charles Freeman (Quality Places Manager) concluded his fixed term contract on 4 July 2011. He has since secured a commission as a consultant working on a number of quality place initiatives in the PUSH area and on a wider basis in Hampshire, and therefore is providing support to the Quality Places panel in this new capacity.

Conclusion

It is RECOMMENDED that the Joint Committee:

1. SUPPORTS the continued approach to providing executive support to the Solent LEP for 2011/12.
2. ENDORSES the continued work on the newly designated Enterprise Zone at Daedalus.

3. ENDORSES the continued work on the HCA stewardship agreement and supporting business plan for the portfolio of sites in the PUSH area.
4. SUPPORTS the preparation of a PUSH local business plan for the HCA sites (and individual delivery plans) and AUTHORISES the Executive Director following consultation with the Chairman, Vice Chairmen of the Joint Committee and Chairman of the Economic Development Delivery Panel to submit the business plan and supporting delivery plans to the HCA at the end of November 2011.
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8. NOTES the matters for information, contained in Part B of this report.

Appendices: **A:** [Newsletter](#)
 B: [draft response](#)

Enquiries:

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