



APPENDIX A

Report to the Partnership for Urban South Hampshire Joint Committee

Date: **18th March 2008**

Report of: **Richard Longman, PUSH Project Director**

Subject: **PUSH Business Plan**

SUMMARY

The PUSH Business Plan is a key document for the partnership. It serves both to set out how the sub-regional strategy for South Hampshire is to be delivered, and specifies the actions to be implemented by PUSH. This in turn determines the activities that fall within the purview of the Joint Committee. The final draft of the Business Plan is attached for the Committee's consideration.

The Business Plan is in two parts. Volume I sets out the proposed actions to be taken forward in the period 2008-11, indicating priorities and a summary of available financial information. Volume II contains more detailed action plans for use by PUSH and its partners in implementing the Plan. It also indicates the proposed priorities for project funding in 2008/9 and indicatively for future years.

The Plan does not set out a detailed budget for PUSH's activities, but summarises the headline information. The financial picture is incomplete as decisions are awaited from funding partners, notably SEEDA, about the resources to be allocated to PUSH. The Plan indicates some of the areas where external funding is sought. Part of the funding for PUSH activity will be funded from authorities' contributions to the core budget, which has been set in the plan at £300,000 for 2008/9 and assumed at a similar levels in future years.

RECOMMENDATION

That the Committee:-

- (1) Subject to recommendation 2 below, APPROVES the Business Plan and RECOMMENDS it to individual councils for their adoption; and
- (2) Delegates authority to the Chairman of the PUSH Working Group (following consultation with the members of the PUSH Working Group and the Chairman and Vice Chairmen of this Committee) to fine tune, complete and finalise the Business Plan; and
- (3) Delegates authority to the Chairman of the PUSH Working Group, following consultation with the Chairman and Vice Chairmen of this Committee, to conduct negotiations on a Multi Area Agreement on the basis of the proposals in this Plan.

INTRODUCTION

1. The PUSH Joint Agreement identifies the Business Plan as the key document defining the scope and detail of activity that PUSH undertakes and the powers and functions exercised by the Joint Committee. Delivery of the South Hampshire Strategy is not the responsibility of PUSH alone: this is a responsibility shared by all South Hampshire local authorities and other agencies and partners operating in the sub-region. The Business Plan aims to set out the activities to be undertaken by PUSH partners on a collaborative basis and at a strategic level to contribute towards delivery of the sub-regional strategy. But the Business Plan also indicates where relevant how other activity complements PUSH activity.
2. Progress reports have been presented to earlier meetings of the Joint Committee, on 26 November 2007 (pjc-071126-r02-rlo) and 28 January (pjc-080128-r09-rlo).

THE DRAFT BUSINESS PLAN

3. The draft Business Plan (attachments 1 and 2) is in two volumes. [Volume I](#) sets out the proposed priority actions to be taken forward in the period 2008-11. It is laid out in 9 short chapters.
4. Chapter 1 – Vision and Outcomes. This summarises the main outcomes PUSH is looking to achieve and our collective ambitions for South Hampshire.
5. Chapter 2 – Economic Development. This is the cornerstone of the Business Plan, reinforcing PUSH's approach to economic-led growth. It focuses on the *transformational* actions needed to close the gap in economic performance between South Hampshire the South East average over the period to 2026. In particular, it looks at tackling inequalities and addressing skills deficits in the existing workforce and amongst those not yet in the employment market; at raising levels of enterprise, innovation and business growth; at attracting more inward investment; and ensuring the sites and premises businesses need to grow.
6. The chapter is based on a free-standing (but not yet published) Economic Development Strategy, prepared for PUSH by DTZ consultants. Its preparation incorporates inputs from partner agencies such as Job Centre Plus, Learning & Skills Council, Business Links and SEEDA. PUSH has also begun engagement with businesses and the HFE sector around the contents of the Economic Development Strategy. The Adult Learning & Skills Strategy is nearing completion, and whilst its interim findings have informed this chapter, identification of appropriate actions will be an early priority in 2008/9, once the final version of that Strategy has been received.
7. Chapter 3 – Transport Infrastructure. Effective and sustainable transport is crucial to delivery of the South Hampshire sub-regional strategy. Responsibility for delivering strategic transport objectives rests with Transport for South Hampshire (TfSH). This chapter therefore summarises TfSH's emerging thinking and strategic proposals following a number of studies carried out in 2007/8, and identifies the immediate priorities for PUSH joint-working with TfSH.

8. Chapter 4 – Social Infrastructure and Sustainability. This covers most aspects (apart from culture, which is dealt with separately) of the “non-transport infrastructure” required to support delivery of sustainable economic-led growth. Progress on social infrastructure such as schools, healthcare facilities and other services depends on close dialogue between PUSH and the relevant agencies and providers. This chapter sets out in some detail PUSH’s activity to ensure that sustainability objectives are met, especially in the context of responding to the challenges of climate change and reducing our carbon footprint.
9. The final shape of some of PUSH’s activities under this theme will be informed by studies that are still underway, notably the Integrated Water Management Study (due to be completed end of March) the Renewable Energy Study (due to be completed in April), and work to follow up the Strategic Flood Risk Assessment (looking at the implications for the distribution of housing numbers in Local Development Documents). A further phase of work is also required to crystallize a Green Infrastructure Strategy (covered by a separate item on the agenda). This in itself is an action for 2008/9, but until it is in place priorities for green infrastructure investment cannot be determined.
10. Chapter 5 – Housing and Planning. The main public sector intervention to support development objectives is through the planning system. In particular, this depends on maintaining timely progress and coherence by PUSH authorities in the preparation of their Local Development Documents (particularly core strategies), and bringing forward an adequate supply of sites for housing, employment and other development needs. This chapter sets out proposals for supporting local planning activity, particularly to assist in the preparatory work for the Strategic Development Areas and other major development schemes. It also sets out how housing investment will be used to facilitate a more balanced housing market, and increase the supply of affordable housing.
11. Chapter 6 – Creating Quality Places. South Hampshire already offers a high quality of life and PUSH’s objectives are that this should be enhanced both in existing communities and in new developments. A key factor is demanding the highest quality standards in building and urban design, and ensuring that new development makes for better places. This chapter sets out work PUSH will be doing to support high quality design, and attention to the cultural offer that is an integral part of what makes places ‘work’ for the people who live in, work in and visit them. This includes completing an audit of cultural provision in South Hampshire and the development of a cultural strategy (both actions currently underway).
12. Chapter 7 – Supporting delivery and partnership development. This is about PUSH’s own evolution to provide effective support to activity on the ground. This includes proposed changes to its structures: creation of a programme board, reporting to the Joint Committee, which will oversee delivery of the Business Plan; four delivery ‘panels’ which will drive implementation; and creation of a high-level Business Group to provide strategic engagement with the business and HFE sectors on policy and delivery issues. Each of the delivery panels will be responsible for implementation of a chapter of this Business Plan.

13. Chapter 8 – Financing the Strategy. As noted above, the financial picture to support implementation of the PUSH strategy is far from complete. This chapter summarises some of the avenues and opportunities PUSH will be exploring to secure the financial underpinning needed to deliver and enable key schemes.
14. Chapter 9 – Risks. This offers a brief risk assessment of the Business Plan, which will serve as a starting point for the performance management functions of the proposed programme board, to ensure that risks to delivery are minimised and managed effectively.
15. Volume I also includes Appendix 1, which is an indicative map of the major development proposals in South Hampshire and their proposed phasing.
16. Volume II contains 7 further appendices. These comprise more detailed action plans, based on the priority actions identified in the main chapters, indicating where possible how the actions contribute towards strategic objectives, the lead partner(s), the source of any identified funding and the timescale for delivery. These action plans will be the basis for the work programmes for the four delivery ‘panels’, and for the PUSH core team as well as other partners. The final appendices (8a and 8b) set out the proposed selection of projects that are priorities for New Growth Point funding.

ISSUES & IMPLICATIONS

17. The Business Plan is an ambitious step forward in translating PUSH’s objectives into specific action. In so doing, it depends upon delivery of activity and collaboration that includes and goes beyond the PUSH local authorities. The actions on economic development and transport, in particular, involve other partners both as part of their mainstream business and in specific, additional collaborative activity.

Governance.

18. As indicated in Chapter 7, successful delivery also depends on evolving our delivery machinery. The emphasis on *evolution* is deliberate: structures need to be adapted over time. As indicated above, there are four main proposals at a **PUSH** level:
 - The **Joint Committee** will continue as now, but with scope to co-opt representatives from other bodies on a non-voting basis.
 - The PUSH Working Group will evolve into the **Programme Board**, with membership comprising the lead officers for the various theme groups plus senior representation from key partner agencies and two representatives (one business, one university) from the Business Group. The Programme Board would oversee delivery of the Business Plan and the Multi Area Agreement.
 - **Four Delivery Panels**. Each would be chaired by one of the Leaders from the Joint Committee (or exceptionally by a PUSH authority Cabinet Member with relevant portfolio responsibilities). There would be two other local authority Member nominees on each panel. Other panel members would be relevant key offices and representatives from partner bodies or key

stakeholders. Membership would be tighter than the present officer working groups, but not so as to exclude any authority from participating in meetings where matters of direct bearing on its area are discussed.

- A **Business Group**, comprising key business people and representatives from the universities, to provide advice and expertise to PUSH from a business perspective, and to build private sector 'ownership' of and engagement with the sub-regional strategy.
19. One of the actions proposed in chapter 2 is to explore the merits of creating an **Employment and Skills Board** bringing together decision-makers in Job Centre Plus, Learning and Skills Council, Local Authorities and employers to deliver more integrated service delivery. Were such a board to be created, this would also operate at a strategic, PUSH-wide level. There may be also merit in creating an **Infrastructure Delivery Board** that brings together relevant agencies, utilities and other bodies with roles relating to infrastructure provision. The proposed Delivery Panel could, in principle, perform this role but for detailed and technical working a separate group is likely to be a practical necessity. To promote inward investment it is also proposed to establish a sub-regional **Inward Investment Body**; and to support activity to bring forward suitable employment sites and premises, including land assembly, PUSH will be investigating the potential for a **Special Purpose Vehicle for employment sites**.
 20. At a **local and site-specific** level, there are proposals reflected in actions in the Business Plan, to create bespoke arrangements to support delivery of particular schemes. These include **Project Boards** for each of the Strategic Development Areas, bringing together the local authorities, landowners and other key interests to work together on progressing all the preparatory stages for these vital schemes. These would be led by the relevant local authorities. Similarly, there is a proposal to create special purpose vehicles to lead **estate regeneration** schemes, primarily in the cities.
 21. The chart at attachment 3 shows how these various boards and vehicles relate to the main PUSH work streams. One of the responsibilities of the Programme Board is to ensure that these arrangements add genuine value and avoid unnecessary bureaucracy.

Management.

22. PUSH will continue to operate primarily through a 'virtual' team of officers in local authorities and other public sector bodies, with dedicated time-commitments or more formal secondment arrangements. These personnel will carry out or commission activities under the direction of the Delivery Panels. But some activity will rest with the core team and this needs to be strengthened from its present complement of two to support the step change from planning to delivery.
23. It is proposed the core team should comprise 6 posts from June 2008: a Partnership (Managing) Director, a Director of Economic Development, a Programme Manager for SHSEZ, a Project Development Manager, an Executive Assistant, and an Office Manager / PA support to the Partnership and ED Directors. The team would be funded from a combination of PUSH

authorities' core contributions, SEEDA funding (primarily for the ED Director and SHSEZ Programme Manager) and New Growth Point funding.

24. Many of the actions specified in the Plan will be led by other agencies and bodies. The appendices identify the lead partners (with the initials of key personnel or job titles where appropriate). It will be up to lead partners to identify and engage with other partners whose involvement is required for delivery.

Budget and financial implications

25. The draft Business Plan includes four broad categories of financial information:
- Indications of how we propose to utilise New Growth Point funding allocations to support specific projects. Estimates are set out in Appendices 8a and 8b.
 - Indications of how the contributions from PUSH partner authorities will be used to support core activity. These appear only as top level numbers in Appendix 8. The detail is explained below.
 - Assumptions about support from other partners. We are working with incomplete information about specific funding from other bodies. These indications are not necessarily the full story, and only some items have been confirmed: this is largely a consequence of where other bodies (e.g. SEEDA) are in their own corporate and business planning processes at this point in time. In some instances figures represent bids for the support needed to implement the actions.
 - Indications from other partners (e.g. Business Links, Learning & Skills Council) about how mainstream funding will be used to support particular activity.
26. The allocations of New Growth Point funding to priority projects are based on the announcement made by DCLG on 4th December 2007. For PUSH, the allocations are set out in the table below:-

	2008/9	2009-11 Indicative Allocation	Total 2008-11
Revenue	£729,026	£1,020,636	£1,749,662
Capital	£6,767,542	£12,890,976	£19,658,518
Total	£7,496,568	£13,911,612	£21,408,180

27. From 1st April, NGP funding will be distributed as un-ring fenced block grant and DCLG have stated that partnerships will have full flexibility about how and when funding is used to deliver the outcomes set out in Programmes of Development. On this basis, and bearing in mind that additional sums have been held back for

distribution in 2009-11, the proposals in Appendix 8 allow for some modest over-programming. Adjustments will be made as project proposals are firmed up.

28. The second source of funding for PUSH activity is the 'core' contributions from the constituent authorities. As indicated above, this funding is primarily to support PUSH running costs. The PUSH contribution breaks down as follows:

Salaries and on-costs (employers NIC, superannuation, accommodation) Partnership Director (75%), PA (50%), Project Development Manager (100%), Executive Assistant (33%)*	**£179k
Support Services Financial and accounting support, Human Resources, ICT, democratic services and external relations	£75k
Contingency Includes administrative costs, telecommunications, travel & subsistence, conferences, training and other miscellaneous costs	£40k
Total	£294k

* *The balance of funding for these posts would be met using SEEDA and New Growth Point funding.*

** *Figures are rounded to the nearest £1,000.*

29. The Committee is asked agree that core contributions for 2008/9 should be based on a total of £300,000. This allows a small margin of flexibility on the figures summarised above. The distribution of contributions between authorities is as follows:-

PUSH Cost Share Model						Proposed 2008/9 Contribution
<i>Authority</i>	<i>Population</i>	<i>Strategic %</i>	<i>Population</i>	<i>Local %</i>	<i>Weighted %</i>	
East Hampshire DC	-	0	15,191	2.0	1.0	£3,000
Eastleigh BC	-	0	116,169	12.0	6.0	£18,000
Fareham BC	-	0	107,977	11.0	6.0	£18,000
Gosport BC	-	0	76,415	8.0	4.0	£12,000
Hampshire CC	560,867	58	-	0.0	28.0	£84,000
Havant BC	-	0	116,849	12.0	6.0	£18,000
New Forest DC	-	0	68,275	7.0	4.0	£12,000
Portsmouth CC	186,701	19	186,701	19.0	19.0	£57,000

Southampton CC	217,445	23	217,445	23.0	23.0	£69,000
Test Valley DC	-	0	43,160	4.0	2.0	£6,000
Winchester DC	-	0	16,831	2.0	1.0	£3,000
Total	965,013	100	965,013	100.0	100.0	£300,000

30. Details of other funding to support implementation of the Plan will be updated through the course of the Business Plan period as decisions are taken and further information becomes available.

Legal Implications

31. There are no specific legal implications. The proposals set out in the Business Plan are consistent with the terms of reference for PUSH set out in the Joint Agreement. Any issues arising in relation to specific actions, such as the implications of creating an Employment and Skills Board, would be brought to the Joint Committee at the appropriate time.

Consultations

32. Preparation of the Business Plan has involved consultation with the various theme groups, with external partners including Learning & Skills Council, Business Links, Job Centre Plus, SEEDA, Transport for South Hampshire, the Environment Agency, GOSE and DCLG. The proposals in the Economic Development chapter have been discussed with key stakeholders in the business and HFE sector.

Multi Area Agreement

33. As explained in a separate paper, the PUSH Business Plan is intended as the basis for developing a Multi Area Agreement. The principal focus for this is the Economic Development Chapter, but most of the remainder would feature to a greater or lesser degree. The MAA process will cement the contribution made by other partners towards the outcomes set out in this Plan. It will also explore where additional flexibilities or enabling measures could enable improved outcomes. Some of these are reflected in the present draft of the Plan; others are only now emerging in dialogue with partners, and it remains to be seen whether they will be adopted. The outcomes from the process will need to feed back into future iterations of the Business Plan.

CONCLUSION

34. This version of the PUSH Business Plan is not the end of the story. It is, perhaps, the end of the beginning. 2008/09 is in many respects a transitional year for PUSH, as it moves from planning to delivery, and as further crucial work is done, particularly on infrastructure, to underpin decisions about future actions and priorities. So we will expect to keep the plan under regular review, even as it serves as the basis for monitoring delivery. Furthermore, the

outcome of the MAA process may also prompt further changes. The financial position is still not fully bottomed out: funding commitments are still being secured and costs need to be more robustly validated.

35. This emphasises the point that the Plan should be a 'living' document. In a fluid and dynamic situation, no plan can be fixed, nor perfect. This version is commended as a robust basis for proceeding into 2008/9 and setting the direction for the years beyond. Once the business plan is approved by this Joint Committee, a detailed and robust budget can be produced for the next Joint Committee.
36. The PUSH Joint Agreement requires that the Committee should recommend the Annual Business Plan to each party to the agreement and to implement the Approved Annual Business Plan in accordance with the approved budget.
37. The Committee is recommended to:
 - (1) Subject to recommendation 2 below, APPROVE the Business Plan and RECOMMEND it to individual councils for their adoption;
 - (2) Delegate authority to the Chairman of the PUSH Working Group (following consultation with the members of the PUSH Working Group and the Chairman and Vice Chairmen of this Committee) to fine tune, complete and finalise the Business Plan; and
 - (3) Delegate authority to the Chairman of the PUSH Working Group, following consultation with the Chairman and Vice Chairmen of this Committee, to conduct negotiations on a Multi Area Agreement on the basis of the proposals in this Plan.

Approved by the Monitoring Officer	Mark Heath	Date:	04/03/08
Approved by the Finance Officer	Tom Niedrum	Date:	06/03/08

Background Papers: PUSH Programme of Development, 1st October 2007

Reference Papers: Progress Report 26th November 2007 (pjc-071126-r02-rlo);
Progress Report 28th January 2008 (pjc-080128-r09-rlo)

Attachments 1 & 2: Draft Business Plan volumes I and II.

Attachment 3: Chart: Relationship between potential SPVs and PUSH work streams

Enquiries:

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Attachment 3

