



Item 6

# Report to the Partnership for Urban South Hampshire Overview and Scrutiny Committee

Date: 1 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 Overview and Scrutiny Committee. The Executive Director's report provides an overview of key developments since the Overview and Scrutiny meeting held in November 2010 and which are not covered fully in other items on this agenda.

## RECOMMENDATION

It is RECOMMENDED that the Executive Director's report be CONSIDERED and NOTED.

## Introduction

1. Since the Overview and Scrutiny Committee met in November 2010 a number of significant developments have taken place. This report provides a brief summary of the key developments.

## Solent Local Enterprise Partnership

2. At the last meeting in November 2010 the Joint Committee RESOLVED that a Solent LEP Steering Group, (comprising the Chairman of PUSH and the three Leaders of the unitary authorities) be set up to work with business to bring the LEP shadow board into being as soon as possible followed by a full board by 1st April. Following this a number of individuals from HE and Business who were willing to be co-opted onto the Shadow Board to work with the Civic leaders to establish the full board have been identified. They are as follows:

John Craven	Vice Chancellor - University of Portsmouth
Steve Barber	CEO - Xyratex
Stuart Hill	Business Director - IBM
Ken Moon	Chairman - Federation of Small Businesses (Wessex)
Russell Kew	CEO - Wightlink
Doug Morrison	Managing Director - ABP

3. In terms of legal support it has been confirmed that Mark Heath from Southampton City Council will continue to provide support from the public sector perspective; and Douglas Cooper of Paris Smith LLP from the commercial sector.
4. A key function of the shadow Board will be to decide the over-arching constitution and process of the LEP, including the process for populating the Board on an ongoing basis. The Shadow Board convened for the first time on 20 December 2010, and twice since this to consider structure and membership for the permanent Board and they agreed that they would convene for a short period to facilitate creation of permanent board by 1 April 2011 at very latest. In this interim period it was agreed that the Chairman of PUSH would also take on the role of chairing the Shadow Board meetings. The Shadow Board also considered potential activity under the Regional growth fund. This included agreeing to co-ordinate bids coming forward in the first round. As a result a bid was submitted to the Regional Growth fund and a copy of the overarching rationale is included in Annex 1
5. Alongside the formation of a shadow board, work continues to deliver some of the key outputs contained in the Solent LEP proposal. A key deliverable is the work associated with the strategic sites and the potential proposed transfer of SEEDA assets to PUSH/Solent LEP. Work is underway at SEEDA who are currently drafting a number of options for disposal of the assets, which they have been required to submit to DCLG and BIS as part of a proposed asset and liabilities plan. As a result a project group has been established to co-ordinate the actions in relation to the proposed asset transfer, with the objective of identifying a balanced package of SEEDA land and property that can be transferred ,and to establish what corporate structure might best be established

to own, manage and fund the development of such assets. This work is been led by the Economic Development theme lead and they have commissioned an independent assessment of SEEDA's portfolio of sites in the Solent area. It will be essential for this work to fit with the other strategic site work that is being undertaken to ensure it underpins the recently adopted PUSH economic development strategy and sites review, as well as the wider objectives contained within the Solent LEP proposal.

### **Economic Development Strategy – Progress update**

6. Further to the previous update the Joint Committee have approved:-

- the baseline projections for the South Hampshire economy developed by Oxford Economics as set out in the DTZ evidence base report
- the preferred growth scenario as a realistic and ambitious alternative growth trajectory on the basis that it will provide PUSH with a robust basis on which to refocus its efforts and invest in activity that has the greatest potential to deliver sustainable economic growth in the sub region
- the Employment Sites & Premises Demand and Supply Analysis as a method to assess the future employment floorspace requirements; the availability of future land and floorspace supply that is likely to be available over the period 2006-2026, and the deliverability of sites to support the forecasted requirements to facilitate the ambitions for the South Hampshire sub-region as set out in the PUSH Economic Development Strategy and PUSH Preferred Scenario; and

and adopted the new Economic Development Strategy, which is enclosed in Annex 2.

### **PUSH – Approach to new business Plan for 2011/12**

7. PUSH's approach is to have a strong, locally led and integrated sub-regional approach to economic and spatial planning underpinned by a robust evidence base and is fully in line with the developments detailed in the recent publication on Local Growth and the Localism Bill. In addition the promotion of decentralisation by the new Coalition Government, will give new powers to local councils, including the return of decision-making powers on housing and planning to local councils and the intention to provide incentives for local authorities to deliver sustainable development, as outlined in the consultation on the new homes bonus.
8. PUSH accepts the need to adapt to those changes and it welcomes the fact that the Government has supported the creation of the Solent Local Enterprise Partnership that will enable the improved co-ordination of public and private investment in transport, housing, skills, regeneration and other areas of economic development.
9. Therefore, it is important to consider how PUSH can respond to both the immediate impacts of the policy change, and also to the changed circumstances affecting the longer term delivery programme. The tighter fiscal climate and the

contraction of the public sector will present further challenges and future risks, and the public expenditure review will mean that PUSH will need to re-focus efforts on key priority areas. This is particularly evident in the recently announced spending review and it is clear we are going to be moving forward in an exceptionally tough financial environment

10. As a result we will need to work creatively to deliver more for less, consider service reprioritisation and look to innovative funding arrangements to deliver the outcomes we are seeking.
11. Local Growth published on 28 October 2010, sets out the Government's new approach to rebalance the economy and drive sustainable growth by focusing on three key themes:
  - **Shifting power to local communities and businesses** - by establishing dynamic local enterprise partnerships of local business and civic leaders, operating within an area that makes economic sense, which can provide the vision, knowledge and strategic leadership to set local priorities and empower communities to fulfil their potential.
  - **Increasing confidence to invest** – by creating the right conditions for growth through a consistent and efficient framework for investment, an effective planning framework and new incentives to make sure local communities benefit from development.
  - **Focused investment** – by tackling barriers to growth that the market will not address itself and supporting investment that will have a long term impact on growth.
12. Within this framework, the Local Growth White paper identifies that Local Authorities have a critical role to play in supporting the economy of the area and it is envisaged that key roles include:
  - Leadership and coordination - using their community leadership role and planning powers to set out a clear framework for local development.
  - Supporting growth and development through ensuring a responsive supply of land that supports business growth and increases housing supply.
  - Using their significant land assets to leverage private funding to support growth.
  - directly and indirectly influencing investment decisions via the use of Statutory powers, particularly through the planning system, which are key determinants of businesses' ability and confidence to invest
  - supporting local infrastructure - transport investment, in particular, is a Key enabler of growth.
  - support for local people and businesses, including regeneration, business support and employment programmes, working with nationally led schemes;
  - providing high quality services, such as schools and transport, that Directly keep markets fair by maintaining trading standards and provide wider services and investment that increase the attractiveness of an area; and
  - leading efforts to support and improve the health and well-being of the local population, promoting independence and rehabilitation to ensure that

all individuals have the maximum opportunity to benefit from work, and to contribute to the local economy.

13. The Government also envisage that local enterprise partnerships could take on a diverse range of roles, such as:
  - working with Government to set out key investment priorities, including transport infrastructure and supporting or coordinating project delivery;
  - coordinating proposals or bidding directly for the Regional Growth Fund;
  - supporting high growth businesses, for example through involvement in bringing together and supporting consortia to run new growth hubs
  - making representation on the development of national planning policy and ensuring business is involved in the development and consideration of strategic planning applications;
  - lead changes in how businesses are regulated locally;
  - strategic housing delivery, including pooling and aligning funding streams to support this;
  - working with local employers, Jobcentre Plus and learning providers to help local workless people into jobs;
  - coordinating approaches to leveraging funding from the private sector;
  - exploring opportunities for developing financial and non-financial incentives on renewable energy projects and Green Deal; and becoming involved in delivery of other national priorities such as digital infrastructure.

PUSH is a key partner in the Solent LEP that was recently approved by Government and the proposal recognises the track record of PUSH working together on areas of economic concern and the land allocation both for housing and employment. The Solent LEP seeks to maximise this strong legacy, where PUSH has promoted and delivered locally-led and democratically accountable cross party leadership, management and delivery of the economic vision and spatial strategy for South Hampshire. The expected inclusion of the Isle of Wight will enable the partnership to recalibrate and work according to the boundary of the Solent LEP area.

14. The national and regional policy and funding context has shifted significantly since the formation of the coalition government in May 2010. As a result, the environment within which the Partnership for Urban South Hampshire (PUSH) operates is rapidly changing. In consideration of this, there is a need for to refresh the strategic direction PUSH should take going forward and following core principles will guide this work:
  - a. The new Solent Local Enterprise Partnerships has made it sensible to reconsider the boundary of the PUSH area to ensure that the Partnership covers the functional economic area of the Solent, as defined in the proposal approved by Government on 28 October 2010. This was discussed at the Overview and Scrutiny Committee in November and considered at the Joint Committee on 9 November 2010 and a revised joint agreement is coming forward to take account of these changes.

- b. Options for delivering the key functions of economic development<sup>1</sup>, housing and planning, sustainability and community infrastructure, quality of place and approaches to funding should be investigated further to see where efficiencies will be secured. It needs to recognise the New growth Point Funding and SEEDA funding will cease 31 March 2011, and that future funding opportunities are predicated on leveraging in private sector funding, developing self financing models for activity and that many activities will need to be private-sector led.
- c. It is recognised that the Solent LEP will be output driven, and the focus will be on delivery, and that the public sector will perform an enabling role in this framework. Therefore the emphasis for PUSH as a whole needs to return to policy, planning and strategy rather than delivery. hence the most significant structural change is at this level of the organisation. This should include retaining the principle of subsidiarity whereby matters that are best discharged at Local Authority level should continue to be performed at that level, and conversely matters that would be more effectively performed at a sub regional level, or may have impacts or requires a response on cross boundary basis should be led by PUSH. It should be noted that the Partnership is well placed to respond to the promotion of joint working that features as part of the Localism Bill.
- d. There is a need to ensure that both the governance and staffing arrangements are as lean as fit for purpose as possible, and due to the current financial situation there should be a presumption to move forward with a smaller core PUSH team supplemented by secondments from partner authorities, the wider agencies or other parties as appropriate. There remains areas of duplication, uncertainty and inconsistency in the current arrangements, and there now exists an opportunity to bring even closer co-ordination and consistency to the work going forward.
- e. The staffing structure and arrangements of PUSH will need to be reviewed in light of business plan needs and the ongoing development of the Solent LEP. Therefore it is expected that 2011/12 will include a period of transition work as the Solent LEP is established, new Government policy is implemented, Local authorities implement the detailed outcome of the recent Spending review and the transfer of RDA activity commences

## **Recommendation**

15. It is **RECOMMENDED** that the Executive Director's report be **CONSIDERED** and **NOTED**.

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<sup>1</sup> Including employment and skills and inward investment

**Appendices:**

**Appendix A -** [Regional Growth Fund Bid Submission](#)  
**Appendix B -** [PUSH Economic Development Strategy](#)

**Enquiries:**

For further information on this report please contact

Anne-Marie Mountifield (PUSH  
Executive Director)  
Tel. No. 07540 238154  
e-mail: [anne-marie.mountifield@push.gov.uk](mailto:anne-marie.mountifield@push.gov.uk)