



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

Date: 22 November 2011

Report of: Gloria Ighodaro, Programme and Information Manager and Anne Marie Mountifield, Executive Director

Subject: PUSH Interim Performance Report – 2011/12

SUMMARY

At its meeting in June 2011, the Joint Committee endorsed the revised performance framework and associated strategic outcomes which have now been adopted for this and future performance reporting. The new framework is predicated on the strategic priorities identified within the Economic Development Strategy and the PUSH Business Plan for the period 2011 - 2013. The interim performance report provides a summary of PUSH's performance for the mid financial year 2011/2012 against the agreed set of strategic outcomes using an exception based approach as the basis for performance management. This is in line with the reporting cycle adopted at the June 2011 Joint Committee meeting.

RECOMMENDATION

It is recommended that the Overview and Scrutiny Committee NOTES the interim performance report for 2011/2012. The report also reflects analysis against the PUSH 2011/12 capital and revenue programme and achievements to date.

INTRODUCTION

1. This report and its Appendix represents the latest performance report based on the recently revised framework, acknowledging the Joint Committee' 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 Business survival rates, residents claiming out of work benefits, employment rates and enterprise. In relation to housing completions, the market remains flat and it is not expected to recover until the wider economy and financial markets show signs of growth. However, PUSH continues to improve on some of its key objectives relating to employment and skills, support towards the delivery of major housing and regeneration initiatives and the drive to fully utilise growth point capital funds to resource and enable key estate renewal projects. Since the last year end performance report, the Sommerstown project completed in August 2011 which saw seven eco friendly family social homes developed in Portsmouth.
2. In the last few months, further policy announcements have emerged which will undoubtedly impact the environment within PUSH now operates. This includes the emergence of a new planning policy framework, which is expected to be implemented in 2012. As a result the updated PUSH spatial strategy currently underway will seek to explore in an efficient and meaningful way, ' the duty to co-operate' approach outlined in the National Planning framework which will require neighbouring authorities to work together on planning issues. It is intended therefore that the emerging PUSH Spatial Strategy work will take account of the changes introduced in the new National Planning Policy Framework.
3. Other key policy announcements include the Local Government Resource Review on Business rate retention which sets out the Governments proposed core components for a business rates retention system and the Government Natural Environment White paper was published in June 2011. Amongst the initiatives outlined is the establishment of a Local Nature Partnership (LNP). These partnerships will aim to bring together a wide range of individuals, businesses, local authorities and organisations at the local level to deliver and add value to visions and plans of action on natural environment projects. PUSH has submitted a proposal to establish a LNP and the outcome of this is expected early in 2012.
4. In line with the current business plan and reflecting these key policy changes and the establishment of the Solent LEP, a PUSH review of its strategic priorities and available resources as outlined in the PUSH business plan will be concluded early in 2012. To initiate this process, representatives from each of the PUSH Delivery Panel Theme have been consulted to establish the progress that PUSH has made to date against the transitional priorities outlined the in the PUSH Business Plan and to seek views on the direction of travel for the forthcoming period (2012-13). The outcome of the review is outlined in each delivery theme of this report.

PROGRESS TOWARDS SUSTAINABLE ECONOMIC GROWTH

5. Recent economic forecasts suggest that the fragile economy continues to have a profound impact on market confidence towards the achievement of sustainable economic growth. However, PUSH remains committed to the long term strategic objectives and priorities outlined in its Economic development strategy but recognises that the downturn poses a significant risk to its shorter term goals, making some unachievable. This is reflected in Annex 1 where the following measures have been given a red rating indicating a strong possibility / high risk that the target will not be achieved:
 - Employment rates;
 - Business survival rate at 36 months;
 - Levels of business enterprise;
 - Total number of housing completions;
 - Employment floor space completions; and
 - Total number of affordable housing completions.

It is anticipated that the above indicators presented in the supporting Annex to this report will continue to underperform whilst the economy remains depressed. These indicators therefore remain at high risk of under achieving against the set targets and in some cases continue to lag behind the South East and national averages. Business Survival rate at 36 months particularly in the City of Southampton remains below the SE and national averages.

6. Of significant cause for concern is the stark rise in youth unemployment (aged 18-24 yrs) as the number of University places diminishes at the same time as the continuing decline in job opportunities in the labour market. Current national figures show a rise in the number of unemployed 16-24 year olds to 991,000 although this figure includes 270,000 students looking for employment. In the PUSH area, the disproportionate number of youth unemployment is evident. Latest figures suggest that 30% - 35% of all Job Seekers Allowance (JSA) claimants are young people aged 18-24 yrs old, 15% of which are long-term JSA claimants. Havant and Gosport in particular have experienced the highest proportions of youth unemployment followed perhaps more surprisingly by Fareham which would not ordinarily feature in the usual deprivation statistics that you associate with higher levels of unemployment. Interestingly, the two cities of Portsmouth and Southampton exhibit lower proportionate rates of their 18-24 year old claiming JSA which could be a direct result of the university student population distorting these figures. That said, the average for PUSH is consistent with the South East figures and even the Districts with the highest proportion of youth unemployment compare favourably with the national average.

EXCEPTION REPORTING

7. In line with previous decisions, this report draws attention to 'exceptions' to the expected/planned trajectory of delivery against the revised strategic outcomes, relating specifically to those targets that are marked red or amber. For some themes measures still require finalising and work is ongoing in these areas, primarily due to the lag in data. The report and its Appendix represent the revised performance framework, taking into account the Joint Committee's

previous decisions and, where possible, charts progress made to date against newly agreed strategic outcomes. The report also draws attention to key achievements and/or concerns arising from the data, where appropriate.

PERFORMANCE REPORTING AGAINST THE NEWLY AGREED FRAMEWORK

Economic Development

8. As the economy continues to stall, the level of business enterprise and business survival rates at 12 -36 months in the sub region continue to decline. Whilst the Government's key priority is safeguarding jobs through private sector led growth, recent announcements confirm the inevitability of yet further cuts within local government and the health sector coupled with the instability of many businesses. This in turn will continue to have significant effects on PUSH's *long-term sustainable economic growth ambitions aimed at enabling a highly skilled labour workforce to ensure that its residents benefit directly from local job opportunities*. However, the concerted effort of PUSH partners in collaboration with the newly established Solent LEP remains a key priority towards stimulating economic growth in the private sector; improving performance in employment and skills and ensuring innovation and enterprise to support business operations. Recent successes in the Regional Growth fund round 2 include bids that will provide support for small businesses in the areas of Havant, Gosport and Portsmouth, to include start up grants and funding to underpin growth of existing businesses.

Work is currently underway to review the economic development work within PUSH, as it is recognised that the newly established Solent LEP is expected to lead on areas such as enterprise and business support. Further developments in this area will be reported in the year end report.

Key performance trends to note are as follows:

- Since the June update, the PUSH area has experienced a decline in the number residents claiming out of work benefits in the sub region from 70,870 (as reported in June) to 59,240, a difference of 11,630. There are a number of factors that influence this trend. For example, the current welfare reforms in relation to incapacity benefit reassessments, lone parent obligations and the consequent changes in eligibility has resulted in fewer residents qualifying for welfare benefits. It is difficult therefore to conclude at this stage whether the downward trend in claimant counts is conducive to the number of residents taking up employment opportunities in the Solent area. Equally, the latest data also indicates that the gap in economic activity rate between PUSH and the SE has narrowed from 2.9% to 0.6% in the last 6 months. It is likely however, that the increase in student population and redundancies resulting in early retirement may have impacted on this outcome.
- The employment rate in PUSH previously reported at 74% has fallen by 0.9% to 73.1% in the quarter to December 2010. Although this mirrors national trend, the South East figure has remained consistent. However, PUSH continues to close the gap on the South East, currently a 1.4% gap. That said, the full impact of the public sector contraction in the Solent area

has yet to materialise and so it is expected that this gap could widen again to reflect such changes.

- Despite the recent public sector cuts / contraction, the latest 2010 figures suggest a slight increase in public sector job dependency across the PUSH area but nevertheless the big variations remain. The the two cities, Winchester (27.5%) and Gosport (26.4%) continue to be heavily reliant on public sector jobs which makes these areas more vulnerable to the impacts of the recession. Private sector growth in the two Cities remain slow, most noticeably in Southampton where the growth has remained marginal at 0.1%.
 - Between 2009 and 2010, the PUSH area experienced a slight reduction of 0.2% of working age population with L4 and above. Whilst the decrease is in line with national and SE trends, PUSH remains below the SE and national average by 7% and 4.2% respectively.
9. Since the last report in June 2010 significant progress has been made with regards the work of the Employment and Skills Board and the private sector led PUSH investment Inward Board which has resulted in further increases in business and employer engagement in the Solent area. PUSH continues to positively engage and work in collaboration with the emerging Solent LEP. Notable achievements during the mid year 2011/12 financial year include:

- The PUSH Inward Investment Panel has agreed the proposition on how the single gateway will function. The proposal will seek to explore the setting up of the service, developing further the Inward investment strategy and offer as well as the future operational model intended to be a public/private sector model. The PUSH Inward Investment Board facilitated the development of a Memorandum of Understanding (MoU), which is now a signed agreement between the Solent LEP and UKTI, one of the first waves of signing in the country.

Whilst PUSH continues to be a key partner in driving forward the agenda for inward investment and the creation of Foreign Direct jobs into the area; the Solent LEP will lead on providing the strategic overview for the MoU, with support from the emerging PUSH Inward Investment team that will be set up to act as the single gateway for inward investment enquiries and operational support.

- The ESB continues to support the newly formed Solent Local Enterprise Partnership and other initiatives such as 'Shaping the Future of Portsmouth'. In addition, the Board will also facilitate the work on worklessness and the development of Higher Education pathways offering pilot placements for training. A key achievement to date is Solent Apprenticeships for Business which was launched at the Solent LEP launch on 29th July 2011. The Apprenticeship Training Agency (ATA) service acts as a one stop shop for employers and jobseekers alike and provides an innovative approach to employing apprentices. Similar to a recruitment agency, the training agency places apprentices with suitable host companies. The approach is designed to reduce time and resource barriers to taking on an apprentice is aimed at benefitting organisations of all sizes, particularly SMEs as it enables them to utilise apprentices to

grow their business. The scheme has to date provided apprentices to 14 different organisations, of which 12 are SMEs. A total of 23 apprentices have been placed to date. A further 19 vacancies are in the pipeline to be filled within the next 4 weeks.

- The panel is currently working in collaboration with the Sustainability and Community Infrastructure panel to take forward the green economy agenda with the ambition of increasing the number of businesses employed in the green technologies sector and having accredited sustainability policy and management systems. A low Carbon economy seminar is planned to explore the way forward and invites will be sent to a wide range of business and public sector representatives in the area.
- In relation to European funding matters, PUSH is keen to explore opportunities for leveraging in European funding to deliver priority projects / programmes across the Solent area. Work is currently underway with key officers in the PUSH area to draw on skills, expertise and best practice to explore programmes that could be brought forward to form a collect bid for European funding. PUSH acknowledges the need to establish priority initiatives with the Solent LEP and endeavours to do so as the work progresses.
- The Homes and Communities Agency (HCA) took ownership of all ex-RDA property assets and liabilities in September and has set out proposals for fifteen Stewardship Agreements nationally. The stewardship approach, which has been derived following extensive discussions with PUSH, involves local partners taking an active role in delivery by helping to draw up delivery plans for each site, provide resources where possible and targeting agreed economic outputs. This is encapsulated in an overall business plan to be agreed annually for each local property portfolio. The next steps for PUSH will be to draw up site delivery plans in October and November 2011 with the relevant PUSH authorities, invite the Joint Committee to endorse the formal Stewardship Agreement at its December 2011 meeting and to submit what is effectively a bid to the HCA for resources by the beginning of December 2011. The HCA will consider the various bids submitted nationally and allocate resources so that a 2012 business plan for the Solent portfolio can be put in place in time for the stewardship agreement to go live in April 2012. The PUSH work has been led by a working group that, subject to the Joint Committee's agreement, will be the basis of a joint PUSH-HCA Steering Group charged with taking forward delivery of the Solent portfolio in the longer term. A total PUSH capital contribution of £500,000 was allocated in January 2011 to take this work forward.
- Dunsbury Hill Farm Project (seeking to obtain planning permission for a new link road to the site) is underway and progressing. Equally the Eastleigh River Side master plans and joint ventures continue to be under discussion. Large projects such as Eastleigh remain heavily affected by the downturn in the economy and the failure in market confidence which continues to hinder the willingness of investors and landowners to commit to any new development projects. Total 2011/12 PUSH capital contribution for both projects amounts to £335,000 and £271,000 respectively.

- The Gosport Waterfront Project feasibility study is progressing as planned and is scheduled to complete by 31 March 2012. A total of £15,000 was allocated to this project in January 2012.

External Funding Panel

10. This Panel continues to focus its efforts on securing additional resources for infrastructure projects deemed of sub regional significance which will deliver economic growth in the PUSH region thereby unlocking the potential for major development. As a Consequence, much of the Panel's activities have focused on unlocking the potential of key sites. This includes:
 - Supporting Portsmouth City Council to prepare a business case for a Tax Incremental Financing (TIF) bid for three strategic sites (Dunsbury Hill Farm, Tipner and the Northern Quarter). Tenders are currently being sought from consultants regarding the preparation of the business case to Government which would hopefully enable the Portsmouth TIF bid to be considered by Treasury as a potential TIF pilot.
 - Successfully supporting the Solent LEP bid for an Enterprise Zone at Daedalus. Work is now underway on preparing a delivery plan for the site.
 - Supporting the process of land and asset transfer from SEEDA to the HCA, including the development of a stewardship agreement
11. The Panel has also undertaken some joint work with the Sustainability and Community Infrastructure Panel on exploring the feasibility of introducing a contribution from the Community Infrastructure Levy (CIL) for sub regional infrastructure projects. It was also responsible for drafting the PUSH response to the consultation process on the Local Government Resource Review.
12. With regards the strategic direction of PUSH going forward and given the emerging landscape, it is the Panel's view that PUSH maintains a structure which supports economic development, focusing on the development of key sites within the sub region that will enable economic growth, supporting the activity that is likely to emerge from the Growing Places initiative. Work will continue on looking at the panel structure going forward and the overlap with the work of other panels. Any future structure will need to ensure that there is officer capacity within PUSH to drive this work forward.

Housing and Planning

13. As expected the economic downturn and continued instability in financial markets continues to impact in this area as follows:
 - 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 there has been a slight increase in the sub region in the number of affordable homes built in the sub region of 43% which exceeds the PUSH target of 35 – 40%. This high percentage is partly due to the lack of market houses being built. Whilst Housing completions in 2010/11 were up slightly (3%) on the previous year, it remains well below target.

- Employment floorspace completions remain at a low level. Although higher than in 2009/10, completions were only 52% of the level achieved in 2008/09. Significant developments completed during 2010/11 included B & Q at Chestnut Avenue, Eastleigh (19,094m²);
 - Ordnance Survey, Nursling (16,409m²) and 1 Guildhall Square, Southampton (7,365m²).
 - PUSH continues to fund three major estate renewal projects in the sub region, namely; Rowner, Somerstown and Hinkler Parade with a total of 4,700 new dwellings that will be achieved on completion of all three projects.
14. Notable successes in relation to the number of housing units provided estate renewal through estate regeneration is as follows:
- A PUSH / HCA workshop with local authorities and Housing Associations was held on 29th September to discuss the outcome of the PUSH bidding round of the National Affordable Homes Programme for 2011-15. The programme aims to increase the supply of new affordable homes in England. Throughout 2011-15, it is envisaged that £4.5bn will be available nationally for affordable housing through the Affordable Homes Programme and existing commitments from the previous National Affordable Housing Programmes. The majority of the new programme will be made available as Affordable Rent whereby rents for all new affordable homes will be up to 80% market rent. In the PUSH area, Housing Associations, or Registered Providers as they are now known, put forward bids for HCA resources in the spring 2011. The outcome of these bids is now known and the HCA have entered into four year (2011-2015) contracts with Registered Providers (RP's) within PUSH to provide an agreed number of homes at an agreed cost taking into account the relet of some homes at Affordable Rent. The HCA used information from the PUSH 2010 Annual Housing Monitoring Report and the Local Investment Plan to plan their investment in the Solent Area. A total of £76.9m will be invested in the PUSH area between the periods of 2011-15 to facilitate an average of 1.057 homes per year. The PUSH Local Investment Plan (LIP) was used by the HCA to make the key investment decisions that led to the allocation of this funding. As PUSH moves forward with the HCA it is clear that we need to ensure that the LIP priorities are updated to inform HCA future investment decisions. The LIP will therefore act as a key document for PUSH and its RP providers.
 - A number of key PUSH strategic documents and sub regional housing studies currently underway and due to complete in the next few months; will be used to inform an updated LIP:
 - Revised PUSH Spatial Strategy;
 - Executive Homes Study currently underway;
 - 2011 Housing Monitoring Report.

It is envisaged that a formal review of the LIP priorities will take place in June 2012 but in the meantime a (succinct) desktop review will take place during December 2012.

- PUSH recently secured a total funding of £90,000 from DCLG to enable capacity for transition activities that would otherwise not occur. As a consequence, a total of £60,000 was awarded to the Housing and Planning Delivery Panel. In relation to housing, £30,000 has been committed to commission a study which will explore whether there is a demand for executive homes in the Solent area as a means for attracting inward investment thereby stimulating economic growth.
- Specifications are currently being developed for both the 2011 Annual Housing Market Report which is due to report in 2012 and the Executive Homes Study with a view to commissioning the work early in the New Year.
- An allocation of £30,000 from the DCLG will be used to explore planning requirements of PUSH Local Authorities given the significant changes in policy landscape notably the emerging National Planning Policy framework, the Local Government Resource Review on business rates retention and the work the PUSH Spatial Planning strategy all of which are underway. A number of options will be considered to take this work forward.
- One of the actions in the transitional year PUSH Business Plan 2011-13 is the commitment to prepare a revised spatial strategy for the PUSH area. This will take account of the PUSH Economic Development strategy work undertaken on LDF Core Strategies and recent changes in the national and sub regional policy context. It is anticipated that the updated strategy will also help the PUSH local authorities to discharge in an efficient and meaningful way, the 'duty to co-operate' contained in the Localism Bill which will require neighbouring local authorities to work together on planning issues. A consultation process is underway to engage PUSH Chief Executives, Leaders, Portfolio holders and planning officers from each of the PUSH local authorities.
- With regards the regeneration and estate renewal initiatives, Phase 1 of the Somerstown Estate Renewal Project completed in July 2011. PUSH contributed a total of £3.065m over a three year period between 2008/09 – 2011/12. Outputs delivered to date include a community play facility, seven eco-friendly family social housing and the enabling works for the Wellington Street development due to complete in October 2012. A member of the Project Team will be invited to the December Joint Committee meeting to provide a presentation on the outcomes achieved.

Similarly, a total of 8 local residents have benefitted from training and work experience to date as a result of the Hinkler estate renewal development. This total is projected to be 28 by March 2012. The next phase of homes at the Hinkler Road development site, being marketed as **Hinkler Place**, will be completed over the course of the next nine months with the community facility due to be completed next Spring. Phase three at the Tatwin Crescent site will be completed over the latter part of 2012.

- Both the Fareham SDA studies and North Rowner projects are underway and progressing as planned. Deeds of Dedication for the adoption of the four un-adopted roads in Rowner are currently undergoing the necessary approval process and due to be finalised.

Transport (as advised by TfSH)

15. The fragile economic situation has resulted in TfSH operating within a significantly changed context. Since taking office a year ago, the coalition Government has set out its agenda on public sector funding, local governance and transport policy through a series of statements, policy documents and funding decisions. These policy shifts are having a significant impact across the local government sector and more widely. Of particular significance has been the Local Growth White Paper (2010), which set out the Government's intention to introduce a number of Local Enterprise Partnerships (LEPs).
16. Despite this changing landscape TfSH has been able to cement and extend its reputation for developing strategic transport solutions and providing the expert strategic transport advice for South Hampshire. Progress with the delivery of phase 1a of BRT (between Gosport and Fareham), despite the legal complications, has been good; a joint Local Transport Plan for South Hampshire has been published; and most recently with the short-listing of TfSH within the large project category of the Local Sustainable Transport Fund (LSTF). These successes are the result of significant work that has been progressed since the establishment of TfSH in 2007. In particular, the development of a comprehensive transport evidence base for South Hampshire has provided the area with the ability to robustly model transport problems and test solutions in a way that is up to date and accords with the criteria set out by Department for Transport (DfT).
17. TfSH continues to enjoy excellent working relationships with the key transport infrastructure providers (DfT, Network Rail, and the Highways Agency) as well as transport operators, and is the single point of contact for these bodies with regards transport matters. Through a bi-monthly Strategy Working Group, TfSH and the strategic infrastructure providers share evidence, report on work programmes and identify transport issues and solutions for South Hampshire. This is a useful two-way dialogue in which TfSH can obtain a steer from these partners but also influence partners' thinking.
18. Partnerships are important to TfSH and its range of partners is not restricted to the transport industry in recognition of the interplay between transport, business and wider policy areas. In particular, TfSH is developing partnerships with academia, the health sector and with businesses. The Solent LEP has recently accepted an invitation to join the TfSH Joint Committee. Solent LEP Board Member, Russell Kew, will represent the LEP on the TfSH Joint Committee. TfSH is keen to make links with the private sector in recognition of the Government's ambition for a private sector-led economy. Extending an invitation to the Solent LEP to sit on the TfSH Joint Committee demonstrates the willingness of TfSH to be flexible and re-align to establish stability within shifting sands.

19. DfT is considering options for the distribution of major scheme funding for the period post 2015. It is expected that LEPs will play a key role in identifying priorities. In preparation for the 2015 funding programme and in order to react to new funding streams as they emerge, TfSH is developing a transport delivery plan for South Hampshire. This utilises outputs from the SRTM to identify the key transport problems in South Hampshire and appraise the most appropriate solutions. The delivery plan – known locally as the Long Term Strategic Implementation Plan (LTSIP) - is programmed to be developed by 31st March 2012. The LSTF bid will form part of, and be framed by, the LTSIP and will identify a coherent and evidenced transport delivery plan for sustainable economic growth in South Hampshire.

Progress made against the nine priority actions for transport, supported by PUSH, is summarised below:

- **The Sub Regional Transport Model (SRTM)** was completed and published in April 2011. The model is fully operational and is compliant with the relevant Department for Transport (DfT) standards. DfT, Highways Agency and Network Rail have signed a document confirming their support for the model and of its compliance with relevant standards. A successful workshop was held in September in which stakeholders were provided with an opportunity to comment on the transport problems being identified by the SRTM and begin to consider appropriate solutions.

The two cities of Portsmouth and Southampton Eastleigh Borough Council and Fareham Borough Council have to date used the SRTM to support their local development proposals. The model has also been used by developers for specific development proposals. The provision of the model is enabling planning authorities, infrastructure providers and developers to realise efficiencies in terms of costs and delivery timescales. The output of the model will also assist the refresh of the PUSH Spatial Strategy. The model has to date been used to assist the Enterprise Zone application, the Transport Assessment of Dunsbury Hill Farm, and by Eastleigh Borough Council to help with their strategic sites analysis. The SRTM will soon be used to support the transport analysis of the North Fareham SDA. This project is therefore already showing its worth and returning the investment PUSH has made. The total PUSH contribution to this project is £500,000.

- **A Long Term Strategic Implementation Plan (2012-2026)** is currently being developed by TfSH and is expected to be delivered in December 2011 to coincide with the review of the PUSH spatial strategy timetable which is also underway.
- TfSH was one of thirteen areas nationally to have been short-listed following its Joint Large Project Package bid to the **Local Sustainable Transport Fund (LSTF)**. The bid is for £17.85m as part of a £24m package. The SRTM will be utilised to support the business case, due to be submitted by 20th December. Components of the bid are threefold:

- An interoperable public transport smart card (like the London Oyster Card), focussing on bus and ferry travel in a phased delivery programme
- Physical improvements along high frequency bus corridors into the two cities of South Hampshire (such as real-time information, traffic signal enhancements, cycle stands, interchange enhancements, improved legibility / way finding, etc.)
- Targeted behavioural change measures along the bus corridors, aimed at encouraging people to make trips by sustainable modes (such as walking, cycling and public transport).

The availability of the Sub-Regional Transport Model has played a key role in the Solent area being shortlisted for this funding pot.

- **Supporting the Solent Local Enterprise Partnership** - A business board member of the Solent LEP has accepted an invitation to join the TfSH Joint Committee. The post will be taken up by Russell Kew. TfSH understands that the Solent LEP is currently reviewing how it links to existing organisations - including business groupings - and we await the outcome of that piece of work before progressing further. There is appetite for a single transport forum for South Hampshire made up of business grouping, in which transport issues are discussed and perhaps fed through to the Solent LEP.
- **Developing transport solutions for major sites in the sub-region-** TfSH and officers at each of the three highway authorities of South Hampshire are supporting and helping to inform transport proposals for major development. The SRTM is also being used to assist this process.
- **Securing better outcomes for the residents of South Hampshire through shared services** - The shared services agenda is being progressed between the three constituent local transport authorities of TfSH.
- **Meeting commitments within the Memorandum of Understanding, the Rail Communications Protocol and the Bus Partnership Agreement** - Aspects of existing agreements are being progressed. A review of existing agreements and commitments is required.

Sustainability and community infrastructure (SCID panel)

20. Substantial work has been undertaken in recent months by the panel in developing priorities and securing a robust set of indicators for this theme which address the strategic outcomes that PUSH aims to deliver. In doing so, the Sustainability Sub group have been working with a wide range of partners including the water companies, Environment Agency and PUSH partners in an attempt to align identified resources to deliver work related to Green Infrastructure, CO2 emissions, water abstraction and use, climate change and renewable energy. The measured associated with these priority areas are evident in the supporting annex to this report. The emerging Local Nature Partnership (LNP) initiative will help to establish a framework for delivery and

ensure that a wide range of interested parties are engaged including the business community, community and voluntary sectors, local residents as well as key statutory agencies. The Panel recently submitted an LNP bid to Government following endorsement at the last Joint Committee meeting. In the event that the bid is successful, PUSH and its partners will aim to facilitate a process that enables local people to drive and deliver community based environmental projects that will lead to sustainable outcomes of benefit to the wider community.

21. The panel has to date delivered a number of key outputs including the Green Infrastructure strategy and associated activities; the establishment of the Flood Risk (SFR2026) Steering Group and the refresh of the Strategic Flood Risk Assessment (SFRA) website. However, there is recognition of the need to take stock of the panel's work plan and priorities, a process which began in February 2011. The engagement of key organisations including the emerging Solent LEP will be crucial to determining future activities of sub regional significance. Priority actions identified for 2011/12 include the following:

- Development and implementation of a Green infrastructure implementation Plan
- Development of proposals to boost the green economy working with the PUSH Economic Development Panel and Solent LEP
- Development of a sub regional approach to CIL (which includes for the provision of flood defence infrastructure)
- Update of the Strategic Flood Risk Assessment
- Promotion of innovation in sustainability policy and practice within the region
- Develop proposals to increase use of food grown within the sub region.

Work is underway to establish how the panel can best maximise its resources effectively which would involve supporting and promoting external organisations including private sector businesses to lead on the delivery of specific environmental activities on behalf of PUSH. This would enable the panel to focus its resources on progressing sub regional activities that engender added value to the work already underway and being led by PUSH partner authorities.

22. **Creating a Solent Low Carbon Economy** - PUSH has long held the ambition to ensure that growth in the sub-region takes place sustainably. Government policy is for the UK to transition to a low carbon economy over the coming decades to ensure the UK meets its climate change targets and commitments and to meet other challenges such as energy security. The Low Carbon Green Economy crosses over the remit of both the ED Panel and SCID Panel. In addition the LEP has a stake in it and undertook in its submission to government to support the development of a Low Carbon economy. It is important therefore, that there is a shared view both within PUSH and between PUSH and the LEP as to what the opportunities are in pursuing a Low Carbon economy, what the threats are to growth and prosperity of not tackling this agenda; and therefore what the ambition and outcomes are that we wish to achieve in the PUSH / Solent area in the future. To take this work forward, SCID Panel is working with the Economic Development Panel and the Solent LEP Board to organise a seminar on Creating a Solent Low Carbon Economy. The aims of the Seminar are to:

- raise awareness the economic growth opportunities presented by pursuing the development of a Low Carbon, Green Economy;
- highlight the potential risks to and constraints on growth and prosperity of not pursuing a Low Carbon, Green Economy;
- secure the agreement of the Solent LEP and PUSH to the development and delivery of a joint vision, set of outcomes and action plan that will see the Solent area develop and prosper through a Low Carbon, Green Economy

The seminar will take place on 18th November 2011 with the Secretary of State for Energy and Climate Change delivering a key note speech, together with other speakers from the business community who are exemplars in gaining economic advantage from pursuing low carbon. The event is restricted to Members of the LEP Board, the PUSH Joint Committee and invited speakers.

23. A review of the PUSH Sustainability Policy Review is imminent to reflect the emerging policy landscape. The Policy Framework is regarded as a central tool of PUSH and its member authorities in ensuring Sustainable Development across the sub-region by setting out a common and high standard of sustainability requirements for the construction of new homes and commercial premises. It provides standards for developers to adhere to help minimise the amount of additional energy, water usage and CO2 emissions resulting from new development and growth within the sub-region. The emerging National Planning Policy Framework proposes that sustainability standards required by Planning Authorities adopt national described standards of sustainability set out in building regulations which, are currently below those set by PUSH. As a consequence, the SCID Panel is working to review the Policy to ensure that the evidence base is robust and not open to challenge and that the standards set in the Policy are stretching, but also realistic and achievable. The review is taking place as part of the PUSH Spatial Strategy Review with an aim to complete the review in early 2012. In addition, the issue of local authorities being able to set local sustainability standards under the principle of localism has been highlighted in the PUSH response to the draft National Planning Policy framework.

Other notable progress made is as follows:

- **Community Infrastructure Levy (CIL)** - One of the pieces of work the SCID Panel is undertaking is an assessment of the potential for a PUSH CIL. A small working group of officers has been formed to assess and scope the range of infrastructure projects of sub-regional importance in consultation with the PUSH local authorities and key partners. On completion of the scoping exercise, the group of officers will seek to identify any shortfall which a PUSH CIL could potentially reduce. This work should be completed by the end of October 2011. The next stage will be a discussion paper for Chief Executives to consider in December 2011 with reports to the Delivery Panel and JC to follow.

- Green Infrastructure Implementation** – A draft Green Infrastructure Implementation Plan was produced in July for consultation. However, a set of significant policy changes emerged during the consultation including the National Planning Policy Framework and the Natural Environment White Paper, which has come to have a profound impact on the implementation plan. As a consequence, the SCID Panel endorsed the decision to undertake further work on the implementation plan to reflect the emerging policy direction whilst endorsing the sub regional priority projects and Green Grid identified by PUSH Local authorities. A total of 14 GI projects of sub regional significance have been identified by PUSH local authorities each having a draft project plan. More detailed work is underway to explore how these projects will be taken forward under the Governments new Local Nature Partnership Initiative. It is envisaged that a funding model would be explored to potentially enable the delivery of some or all of the projects.
- National Cycle Network Route Project** – Phase 1 of the route through the Royal Victoria Country Park (RVCP) has been completed and is in use. Phase 2 from southern end of Weston Shore to Netley Castle entrance involves construction work being undertaken out of bird nesting season and when over-wintering birds are not in the vicinity. Work commenced on site September 2011. A small funding shortfall in this phase has been met by SCC and Sustrans. Land negotiations are continuing to enable Phase 3 with an anticipated start date of January 2012 subject to successful planning application. An alternative route is now being investigated for phase 4 along the edge of the Mount Pleasant Recreation Ground due to biodiversity concerns raised with regard to the original route.
- Flood Risk Protection** - The Environment Agency transferred chairmanship of the SFR2026 Steering Group to Southampton City Council in July. The Steering Group have reviewed the priority flood risk issues across PUSH and have agreed areas of focus for the next 6 to 12 months, centred on infrastructure provision and surface water management particularly in Portsmouth, Southampton and Gosport areas. The Group will aim to explore the most appropriate ways to deliver agreed objectives around these areas of work, through close partnership working.
- Integrated Water Management Strategy** - Work is underway to review the outputs of the study and relate them to the long term business plan. The Environment Agency is using this work to inform a potential internal project looking at pinch points for development. Portsmouth Water has had its water resource plan reviewed which, is it's the 25 year business plan. The plan can be accessed by the following link:

(<http://www.portsmouthwater.co.uk/news/default2.aspx?id=8450>)

Havant Thicket, a potential reservoir, will now not be developed until at least 2025. PUSH has previously made representations supporting the business case for Havant Thicket.

Quality Places

24. In relation to adult sport, participation remains 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. Since the last update, progress on the indicators related to the Arts Facility Provision per capita; Stewardship of the Historic Environment remain unchanged.
25. In the last since months since April 2011, the Quality Places Panel has made some significant progress against the priorities identified within the PUSH Business Plan 2011/13. The PUSH business plan identified four transitional issues to be addressed by the Quality Place Delivery Panel:
 - (i) Where should responsibility lie for delivery of Quality Place projects? (e.g. Local Authorities/LEP)
 - (ii) How most effectively to engage with, and manage, the complex network of partner agencies, and policies associated with Quality Place.
 - (iii) Ensuring Quality Place is given significant weight and is championed in PUSH and LEP structures.
 - (iv) Identifying sustainable resources so that the work of the Quality Place Panel can be sustained in the coming period.

In order to address these issues the Delivery Panel considered a 'Ways of Working' paper at its June meeting. The Panel believes that it fulfils a useful purpose and wishes to continue with the current format - to meet on a Local Authority led basis with the panel membership including higher education and sector stakeholders.

26. The Living Places Partnership (Department for Culture and Media and Sport, DCLG, and sponsored agencies) charged with championing the role of culture in sustainable communities; recently completed an evaluation of PUSH as one of its Priority Places. The evaluation notes the Quality Places Delivery Panel as having being extremely effective, providing a successful mechanism for integrating culture and sports agenda into local policy which reflects the needs of a range stakeholders. It is therefore the Panel's view that continuing the existing partnership arrangement is likely to provide the most useful way of taking the agenda forward within the new structures.
27. The Panel is aware of the transition being experienced by PUSH and the changing resource environment, In particular, the development of the Solent LEP. The Chief Executive Lead is planning to meet with the Chair of the Local Enterprise Partnership in order to discuss how the Quality Place Agenda may fit within the priorities of the LEP. However the work of the Panel is not exclusively focussed on economic development issues and is also relevant to broader issues relating to the sustainable development of the Solent area. The Panel therefore wishes to continue working on issues relating to cultural development, spatial planning, and stewardship of the built and historic environment. Historically the Panel has had a successful track record in attracting resources from outside PUSH. During the last two years the Panel has attracted over £300,000 of revenue investment from outside the PUSH budget. It is highly

unlikely that this record of funding success can be sustained in the future environment. Consequently, the panel is currently exploring new funding opportunities which may enable this arrangement to be sustained for longer. These include approaches to Arts Council England, and for European Funding. In the coming year resources have been identified so that the Cultural Co-ordinator can continue on a part time consultancy basis until the end of March 2012.

Progress made against the business plan priorities are as follows:

- **Developing Excellence** - In partnership with Portsmouth Naval Base Property Trust the Panel hosted a seminar to discuss collaboration on the development of Portsmouth Harbour. The Panel is now seeking to work with the naval base property trust to ensure that this work influences the master planning of the harbour. This work will include both the Gosport and Portsmouth sides of the water and will involve stakeholders from Isle of Wight, Fareham, and Winchester. In particular the Panel wishes to explore innovative ways of addressing heritage at risk issues that may arise as a result of the release of land owned by the navy.
- **Promoting Access and Participation** - the Hampshire and South Hampshire Cultural Infrastructure Study will be considered in its final draft form by the Quality Place Delivery Panel in October. The study has already been recognised as providing a possible national model of good practice for cultural infrastructure planning. The evidence base provided by the study is also already being used by many partner authorities to influence local development framework core strategies and infrastructure delivery plans. The Panel has updated its listing of culture and sport capital projects and this will inform a PUSH wide policy on the development of the Community Infrastructure Levy.
- **Advocacy** - the Quality Place Delivery Panel continues to actively seek to share good practice with other areas and to influence national policy. The Panel has been working in close partnership with the Theatre's Trust to respond to the National Planning Policy Framework consultation in order to reinforce the arguments within the framework relating to the contributions made by sport, historic environment, and culture to sustainable development. The Quality Place Delivery Manager has been commissioned to produce a scoping paper reviewing the Place Shaping Agenda for the Enterprise M3 LEP.
- **Supporting the Creative and Cultural Economy** - the Panel has agreed, in principle, to establish a sector led creative industries partnership in order to take forward the development of the South Hampshire Creative Industries Development Framework. This work will include engaging the Solent and Enterprise M3 LEP's on matters relating to creative industry development. A meeting was hosted recently with the university Dean's responsible for creative industry development within the four South Hampshire universities to broker joint approaches to graduate retention and employability, creative industry incubation, and creative industry related research. The Panel continues to support creative industry workspace development in Portsmouth, Eastleigh and Southampton.

- The Panel has successfully supported the Learning and Skills Improvement Service pilot project to develop a creative industries employer network in South Hampshire. This project has produced a number of successful outcomes including the delivery of two pre-apprenticeship summer camps which may provide innovative mechanisms to deliver functional skills and the launch of a creative apprenticeship programme delivered through 'Artswork' a local arts development agency and training provider based in Southampton.
- **Supporting the Visitor Economy** – An officer group has been established to review how Tourism and the Visitor Economy can work with the Solent LEP. This group identified three key priorities:
 - (i) education skills and training;
 - (ii) entrepreneurship; and
 - (iii) development of consistent evidence and data.
- **Creating Quality Place through Design of the Built Environment and Stewardship of the Historic Environment** - a model supplementary planning guidance relating to the design of the built environment has now been agreed to be considered by PUSH Planning Officers and Joint Committee later in the year. Advanced negotiations are underway with a sponsor who will cover the costs of the PUSH design awards in 2012.
- The Panel is seeking to work with English Heritage and Hampshire Conservation Officers to develop a joint approach to addressing the Heritage at Risk agenda. This will involve the pooling of skills in order to progress joint work.
- With regards the Capital projects being delivered under the auspices of this Panel, the Southampton Cultural Quarter project team remains committed to delivering the Sea City Museum. At its meeting held on 6th October 2011, the Joint Committee noted the change in scope of the project and approved the re-distribution of the allocation identified for the North Guild element of the project to improve the quality of the Sea City element of the project. A total of £300,000 will therefore be spent to deliver an exemplar high quality project which is due to conclude by 12th April 2011 in time for the opening of the Sea City Museum. Simultaneously, the Committee also noted the change in scope and lead arrangements for the Portsmouth Creative Industries Phase 2 project and approved the New Theatre Royal as the new lead accountable body for this project. A total PUSH funding contribution of £500,000 will fund the delivery of the creative workspace element of the whole project to compliment the delivery of the backstage Theatre restoration and the provision of student accommodation, all within the Theatre site.
- The initial design work for the London Road Waterlooville project is now Complete and work overall is progressing as planned. It is anticipated that activities will accelerate as the project moves into the construction phase to complete by 31st March 2011. Total PUSH capital funding contribution is £343,000.

CONCLUSIONS AND RECOMMENDATIONS

28. Current forecasts suggest that the pace of economic recovery is likely to take much longer than previously predicted. Coupled with the significant changes in the emerging policy and fiscal landscape within the public sector environment and the newly formed Solent LEP, it is inevitable that PUSH continues to takes stock of its strategic ambitions and establishes priority areas of work for the foreseeable future. A key priority will be to ensure that PUSH is making best use of its existing resources whilst continuing to explore new funding opportunities and mechanisms for accessing such funding.

Continuing to work in an integrated fashion will no doubt provide the platform for PUSH to facilitate innovative solutions and to build on existing achievements, expertise and evidence based working for the benefit of its residents. Gaining developer confidence on some of its most difficult employment sites and exploring funding models to finance key projects that will create jobs and enable sustainable economic growth remain a commitment for PUSH.

29. The Delivery Panel's are progressing well on key capital and revenue projects and have completed a number of its projects including Hinkler and Sommerstown Estate Renewal whilst continuing to progress key projects including the HCA sites work, Dunsbury Hill Farm and the National Cycle Network. Furthermore, PUSH has begun to review its priorities in line with recent policy change under the auspices of the PUSH Delivery Panels, the outcome of which will be used to inform the direction of travel and priorities for PUSH work going forward.
30. PUSH has now submitted responses to recent Government policy consultations including the National Planning Policy Framework, Natural Environment White Paper and the Local Government Resource Review on Business Rates Retention. Whilst all three key policies will help to shape the architecture for enabling an integrated approach to sustainable economic growth and the pooling of resources, it remains a challenge to foresee where the additional resources required to stimulate growth will derive, given the fiscal constraint of PUSH and its external partners. However, PUSH continues to work in collaboration with key partners in the Solent area including the Solent LEP to explore new ways of working and opportunities for stimulating economic growth.
31. It is recommended that the Overview and Scrutiny Committee NOTES the latest performance report (for the mid 2011/2012 financial year) is against the recently revised performance framework and associated strategic outcomes as endorsed at the June 2011 Joint Committee. Benchmarking against national and regional measures, where appropriate, has been retained. The report also reflects analysis against the PUSH 2011/12 capital and revenue programme and achievements to date.

Appendices: [Annex 1 - PUSH Interim Performance Report – 2011/2012 \(Dec 2011 Update\)](#)

Background Papers: None

Reference Papers: None

Enquiries: For further information on this report please contact Gloria Ighodaro, PUSH Programme and Information Manager

Telephone: 02392 688920

Email: Gloria.ighodaro@push.gov.uk