



Report to the Partnership for Urban South Hampshire Joint Committee

Date: 7 June 2012

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Subject: The PUSH Performance Report for 2011/12

SUMMARY

This performance report provides a summary of PUSH's performance for financial year 2011/2012 against the agreed set of strategic outcomes using an exception based approach as the basis for performance management.

RECOMMENDATION

It is recommended that the Joint Committee:

- a. **NOTES** the latest performance information.
- b. **NOTES** that 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 represent the latest performance report taking into account the Joint Committee's 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.
2. PUSH continues to improve on a number of its short – medium term objectives in relation to the delivery of major regeneration, housing and public realm initiatives. Since the last reporting cycle a number of capital projects have concluded including the New Community North of Fareham Technical studies, National Cycle Network project, London Road Waterloovile Project, the development of the Southampton Sea City Museum and the TfSH Evidence Base Model, all of which have benefitted from a £1.3m investment under the PUSH 2011/12 Capital Programme.
3. Housing completions in the sub region however, remain a challenge. Early indications are that completions in 2011/12 will also be well below target due to the fragile market, and the slow economic recovery impacting on housing development.
4. Overall economic performance in the PUSH area has remained steady since the last reporting cycle, particularly in relation to employment rates and the economic activity rate. The employment rate in the sub region has now aligned with South East averages, despite the economic downturn. This suggests that the concerted efforts of both local and sub regional partner interventions has ensured that we have remained resilient during the economic downturn. PUSH also continues to work collaboratively with the Solent Local Enterprise Partnership and have to date progressed on key initiatives through activities led by the PUSH Employment and Skills Board and Inward Investment Panel. Achievements to date include the creation of an apprenticeship training agency for the area and work is underway to develop a skills plan to support the Enterprise Zone Furthermore significant progress has been made on the Inward Investment agenda with the pooling of partner resources to create a single inward investment gateway.
5. PUSH has also led the development of bids for funds under the RGF scheme, and supported submissions for the Growing Places Fund and the Enterprise Zone. This has been very successful securing over £13,000,000 from the RGF to support projects covering Southampton, Portsmouth, Fareham, Gosport and Havant, £16,900,000 from Growing Places to unlock jobs and homes in the Solent area and leading the development of the submission to create an Enterprise Zone at Daedalus.

PROGRESS TOWARDS SUSTAINABLE ECONOMIC GROWTH

6. Promoting sustainable economic growth remains a long-term priority for PUSH, and the downturn continues to affect shorter term goals, making some unachievable. This is reflected in Annex A where the following measures have been given a red rating indicating a strong possibility / high risk that the target will not be achieved:

- Business survival rate at 12 months
 - Business survival rate at 36 months
 - Levels of business enterprise
 - GVA growth
 - Total number of housing completions
 - Employment floor space completions
 - Increased energy security.
7. It is anticipated that the above indicators presented in the supporting Annex to this report will continue to underperform in 2012 as the economic activity remains low. However there is an expectation that initiatives funded under Growing Places, the Regional Growth Fund and the Enterprise Zone will help to stimulate growth in 2013.

PUSH PERFORMANCE REPORT FOR 2011/12

Economic Development Panel

8. Since the last update, the Panel has continued to make a significant contribution in a range of areas including; Employment and Skills, European funding activities and Inward Investment. This is evident in the following:
- The Inward Investment Board has worked collaboratively with the Solent LEP to progress a number of key outputs including the development of the inward investment strategy and the agreement of the MOU with UKTI. The Solent LEP will provide the strategic overview for inward investment while the Inward Investment Panel and the local authority inward investment teams will provide the operational elements. They have also developed and secured a self financing model delivering a shared Inward Investment Service to include a team who will manage enquiries in the Solent area, including those linked to the Enterprise Zone at Daedalus.
 - The ESB continues to provide a strong and well established vehicle for local authorities and other partners to work together/collaborate on joint strategy and policy development for employment and skills. In addition the Solent LEP has asked the ESB to take forward the delivery of the Skills for Growth agenda for the Solent area, taking the lead on key programmes funded under the Growth Innovation Fund and The Enterprise Zone Skills Fund. In 2011/12 the Board has led the development and implementation of a new apprenticeship training agency framework for SME's, providing apprentices to 16 different organisations – of which 13 are SMEs. In addition the panel launched the guidance on securing local training and employment through section 106 agreements, and building on this they have submitted an Expressions of Interest (EOI) to secure total funding of £800,000 from the Growth and Innovation Fund (GIF) to roll out employment and skills plans across the wider area. This proposal has been considered by UKCES and as a result they have provided £10,000 to support the development of a full bid. Finally the Board have led the development of a bid to BIS to secure £100,000 to support skills development on the Enterprise Zone. Work has commenced on the preparation of a skills strategy and implementation plan to ensure that any skills gaps identified are addressed through the provision of skills based training as appropriate.

- Work on exploring European Funding opportunities / activities is underway and progressing well. The partnership has submitted an application for the Building European Environmental and Maritime Skills (BEEMS) proposal to the Interreg IVA France (Channel) England Programme. Led by Southampton City Council, the project has 11 partners (8 from the UK including Southampton, Portsmouth & Isle of Wight Councils) and 3 from Normandy, France. If successful the project will be delivered between June 2012 and June 2015 at a total cost of €2,665,000. The project proposal will go before the 2 Seas / Channel Steering Committee on the 21st June and PUSH will be notified of their decision shortly after this.
 - In relation to the HCA Sites and Regeneration work, the HCA decided to defer the signing of the twenty or so stewardship agreements being agreed nationally, together with the associated publicity, until after the May elections. PUSH are ready to sign the Memorandum of Understanding. In the meantime, the HCA continues to work with PUSH on the delivery plans for the various sites in the portfolio but these are dominated by the investment needs of the Solent Enterprise Zone at Daedalus. Although the investment plan for Daedalus is being completed, work has commenced on site to renew the power distribution system and open up additional road accesses. Discussions are underway with potential occupiers leading to the issue of Heads of Terms. The two planning authorities, Gosport and Fareham have since met to determine the major planning application for outline consent to develop over 1 million square feet of commercial space on the site. In addition, the EZ boundaries have been agreed by Government and a Parliamentary Order designating the Solent (and all other) EZs is being made so that the Solent EZ will formally commence on 1 April.
9. In addition to the HCA Sites work The Panel has lead responsibility for a significant capital programme covering projects linked to Eastleigh Riverside, Dunsbury Hill Farm, Swan Studios and Gosport Waterfront and all are due to complete in 2012/13. It should be noted that for the sites the PUSH capital contribution is in all cases supporting enabling work to bring the sites forward.

External Funding Panel

10. In relation to the **External Funding** Panel work looking at new funding models is well underway. This work will be very important in determining what opportunities exist to provide coherent and co-ordinated funding support to key projects that will deliver economic growth and whether there are also benefits in aligning funding from a range of sources at a local level with programme funds coming forward under the Growing Places Fund and Regional Growth Fund.
11. The Panel continues to focus its efforts on securing additional resources for large scale infrastructure projects deemed of sub regional significance to help support economic growth and unlock the potential for major development. As a consequence, the following activities were progressed in 2011/12;
- Working with the Sustainability and Community Infrastructure Panel to look at the Community Infrastructure Levy (CIL) for sub regional infrastructure projects.

- Supporting the preparation of the Growing Places fund submission to government In addition, the panel worked with the Solent LEP in developing a successful bid for an Enterprise Zone at Daedalus and supported the bidding process for the Regional Growth Fund (RGF) round 2.

Housing and Planning

12. It is clear that uncertainty in the economy and financial markets continues to impact on the housing market in the PUSH area as follows:

- We continue to face the challenge of increasing the stock of family homes that are built, although the PUSH capital investment in the last two years has supported three major estate renewal projects in the sub region, namely; Rowner, Somerstown and Hinkler Parade.
- Although 2011/12 data will not be available until summer 2012, early indications suggest that employment floor space completions will remain at a very low level.

13. In addition the panel have made considerable progress on a number of planned activities as follows:

- Work on the revised PUSH Spatial strategy is underway and progressing as planned. A third members' workshop is planned for July 2012 to seek endorsement of the findings of the HRA/SA studies and the spatial strategy following which, a final report will be presented at the September 2012 Joint Committee.
- Similarly, the 2011 Housing Monitoring report is underway and due to be presented at the July 2012 Joint Committee. In relation to the supply of Executives Homes, PUSH has commissioned a study to look into the availability of and demand for 'top of the market' executive homes i.e. homes that will help to deliver and support the growth agenda. The research aims to identify the type of homes needed and to make recommendations as to how they might be achieved .and is expected that the study will be completed in summer 2012.
- The above strategic documents / sub regional housing studies will help to inform the refresh of the PUSH Local Investment Plan (LIP) which will be considered later in 2012. In the interim a refresh of the existing LIP was completed in March 2012 and this has been used to inform HCA funding allocations for affordable housing up to 2015.
- The PUSH planning officers Group (POG) continues to meet on a regular basis and maintain a pivotal advisory role in co-ordinating planning matters across the PUSH sub region. The group have to date advised on 9 local authority Core strategies in the PUSH area, 3 of which were adopted in 2011/12 (Havant, Portsmouth and Fareham).

14. In addition to the work listed above The Panel has lead responsibility for a significant capital programme covering Sommerstown Portsmouth, New Community North of Fareham technical studies and North Rowner. The projects relating to Sommerstown and New Community North of Fareham have been

successfully completed and it is expected that work on the Rowner project will conclude in summer 2012.

Transport (as advised by TfSH)

15. Despite a changing landscape and reductions in public expenditure, 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), has been good, and the new infrastructure will be opened in April 2012 – reinforcing the view that TfSH and its constituent highway authorities can deliver complex projects.
16. Given the constraints on public spending it has been essential that TfSH prioritise bidding for any funding pots that become available. The availability of the Sub-Regional Transport Model (SRTM) has placed TfSH in a strong position by providing a robust tool – to DfT standards – that can be utilised quickly to appraise transport interventions. The SRTM has underpinned bids to Government, including to the Local Sustainable Transport Fund and the Better Bus Area Fund.
17. TfSH was one of just 13 areas invited to submit a Large Project package bid to the DfT's Local Sustainable Transport Fund (LSTF). The £18m bid of a total £31m package of sustainable transport measures aim to realise mode shift from the car to public transport and active modes, reduce congestion and carbon emissions, and support economic growth. The outcome of the bid will be announced in June 2012. In addition, TfSH was one of just 23 areas awarded funding from the Better Bus Area Fund in March 2012. The project was developed in partnership with bus operators (who are contributing over £2m) and seeks to raise the quality of bus travel across South Hampshire. TfSH received the eighth highest award nationally (£4.5m) and more than larger areas such as Merseyside.
18. Progress made against the priority actions for transport, supported by PUSH, is summarised below:
 - **A Long Term Strategic Implementation Plan (2012-2026)** is currently being developed by TfSH and is expected to be delivered in September 2012. This will play a key role in supporting the schemes to be taken forward through the proposed devolved local major transport schemes programme.
 - 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 £31m package. The SRTM was utilised to support the business case, which was submitted in 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).

- TfSH has been successful in its application to the DfT's Better Bus Area Fund. The £7.3m project (of which £4.5m is coming from DfT and over £2m from bus operators) seeks to raise the quality of bus travel across South Hampshire through interventions such as bus priority, Wi-Fi on buses, next stop announcements, etc. and will be delivered by March 2015. The project will also result in over 50 new jobs and at least 16 apprenticeships with bus operators.
- **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 has been taken up by Russell Kew.
- **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.
- **The TfSH Sub Regional Transport Model (SRTM)** This project is now complete and has been available for use for the past few weeks. The total PUSH funding contribution of £500,000 for phase two of this project has helped to develop a transport model for South Hampshire to support housing development and assist PUSH districts to access the Sub-Regional Transport Model 'at cost'. 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. In addition, the PUSH allocation has also been used to support the development of a South Hampshire Transport Delivery Plan which will identify current and future transport requirements in the Sub region and will take into account the emerging Department for Transport consultation on major scheme funding which in itself identifies a requirement to publish a list of schemes reflect the LEP geography.

Sustainability and community infrastructure (SCID panel)

19. The panel continues to work with key partners in driving forward the sustainability agenda. These partner representatives includes water companies, Environment Agency, Hampshire and the Isle of Wight Wildlife Trust to ensure that we continue to join up our efforts, expertise and resources. Priority actions identified for the financial year 2012/13 and progress made to date are as follows:
- **Creating a Low Carbon Economy** - To take this forward, PUSH and the Solent LEP organised a seminar on creating a Solent Low Carbon Economy in November 2011. The seminar was attended by a wide range of partners including PUSH local authority and Solent LEP representatives as well as keynote speakers from the academic sector, government and local businesses. The seminar unveiled the broad support for the environmental and economic benefits that could be gained from creating a Low Carbon Economy for the sub region. At its meeting in March, the Joint Committee endorsed a report on this agenda which set out the policy direction and way forward in developing a Solent Low Carbon Economy.
 - **PUSH Sustainability Policy Review** - The PUSH Sustainability Policy Framework was agreed by all PUSH authorities in March 2008. 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. A review of the Policy is underway and will feed into the update PUSH Spatial Strategy.
 - **Community Infrastructure Levy (CIL)** –An officer working group has reviewed the current assessment of the improvements to the existing infrastructure identified to support development. It has been used to inform initial discussions on CIL at Chief Executive Level and the work being undertaken in collaboration with the External funding Panel.
 - **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. As a consequence, further work was required and it is expected that the work will come forward to the Joint Committee in September 2012.
 - **Local Nature Partnership** – An expression of interest was submitted by PUSH in July 2011 for the development of a Local Nature Partnership covering the PUSH area. A bid for capacity building a resource was submitted to DEFRA in October 2011 to help develop the partnership. However, the funding bid was not supported. This means there is insufficient capacity within PUSH to develop a LNP within the timescales envisaged by DEFRA. Work will continue in cooperating and linking with the development of a Hampshire-wide LNP to ensure the particular needs of the more urban area covered by PUSH are taken in to account.
 - **Flood Risk Protection** - The Environment Agency transferred chairmanship of the SFR2026 Steering Group to Paul Nichols of 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.

- **Green Deal and LGIU / Energy Saving Trust Network.** The Green Deal is a government initiative to be launched in autumn 2012. It aims to improve the energy efficiency of domestic, commercial and community buildings, thus reducing the release of greenhouse gases and assisting the UK to meet its carbon reduction targets. The panel has begun assessing the potential of a Green Deal for the sub-region and its residents and businesses. To support this, PUSH has joined the LGIU and Energy Saving Trust Green Deal Network which will give all member authorities access to the latest information as well as support in responding to the Green Deal and making sure the area is in a position to reap the maximum benefits.

20. In addition to the work listed above The Panel has lead responsibility for the National Cycle Network Route Project – All three phases are now complete. The project benefited from a total PUSH allocation of £145,000 awarded as part of the 2011/12 capital programme.

Quality Places

21. Unsurprisingly quantitative indicators relating to quality of place have come under downward pressure during the past year as a result of the economy, reductions in discretionary spend and the pressures on public sector budgets. Participation in sport has shown a slight decline which mirrors a decline across the South East region as a whole. The completion of the Hampshire and South Hampshire Cultural Infrastructure study has meant that indicator comparing the provision Arts Facilities in South Hampshire with the Arts Council Recommended benchmark could be re calibrated. The study has revealed that provision in the area currently stands at 70 % of the recommended benchmark. This figure will fall in the next year due to the temporary closure of the New Theatre Royal, Portsmouth. However by 2015, the figure will rise due to the re opening of both the New Theatre Royal with the addition of a creation space and the new Southampton arts complex.

22. The Panel has made significant progress in implementing its business plan priorities through the delivery of the following activities:

- **Cultural Infrastructure Planning** The Hampshire and South Hampshire Cultural Infrastructure Study was considered by Joint Committee in January and commended for the use of partner authorities.
- **Creative Industry development** - Following consultation with the universities and industry stakeholder organisations the Panel has gained agreement on a proposal to establish a sector-led creative industry partnership which will seek to work with the Solent and Enterprise M3 Local Enterprise Partnerships. This partnership will be launched in summer 2012 and will take responsibility for implementing the South Hampshire Creative Industry Development Framework. The Panel has also worked in partnership with the Youth Arts Development Agency, Artwork, to establish a cultural and creative apprenticeship programme. This programme will be launched as a pilot in April 2012 and will engage 14 employers who between them will employ approximately 10 apprentices.

- The Panel has also been working with Screen South and secured £5,000 film network funding which it has used in order to refresh its evidence base relating to the creative economy and how the creative economy in South Hampshire compares with that in other South East LEPs.
 - **Tourism and visitor economy** - The Quality Place Delivery Panel is benefitting from securing funding from the SEEDA 2012 Gateway programme. This programme was developed in order to enhance the experience of visitors entering the South East region during Olympic and Diamond Jubilee year. Projects which have received funding include the Solent Festival of Culture, which is a web-based project which will publicise cultural activities, events and festivals taking place in South Hampshire as part of the visit website structure supported by Hampshire County Council, Portsmouth City Council, Southampton City Council and Winchester City Council.
 - **Design in the Built Environment** - A major success for the Panel has been the development of the South Hampshire Design Practitioners Group. This group led the development of the South Hampshire design guidance which was recommended for use by partner authorities by Joint Committee in January. The Panel has also driven work to develop the Solent Design Awards and secured sponsorship from Warrings for the 2012 awards which will take place in the autumn.
 - The Youth Voice Project represented a further success in the field of design. In December young people from 6 locations in South Hampshire gave a series of presentations explaining their views on future development in the area to an audience of planners, councillors and senior decision makers. The project was facilitated by Solent Centre for Architecture and delivered through a partnership with Hampshire County Council.
 - Building on the successes achieved by the Design Practitioners Group, the Panel is working with English Heritage to promote a collaborative approach to addressing heritage at risk issues. Work undertaken by the Panel in partnership with English Heritage identified that in terms of heritage at risk, the most significant challenge facing the area is likely to relate to the re-use of assets released by the Ministry of Defence. The Panel is therefore working with conservation officers in Gosport, Fareham, Winchester and Portsmouth to develop a collaborative approach to the consideration of the historic environment surrounding Portsmouth Harbour.
23. In addition to the work listed above The Panel has lead responsibility for a significant capital programme covering the Southampton Cultural Quarter project - the Sea City Museum development which completed in time for the opening of the Sea City Museum on 10th April 2012 and the London Road Waterlooville project which is now complete and has delivered a high quality town centre improvement scheme. Work continues to try and bring forward the Portsmouth Creative Industries Phase 2 project with the New Theatre Royal (NTR) and it is expected that an update will be provided in July 2012.

CONCLUSIONS

24. The PUSH delivery panels continue to make good progress in delivering the PUSH Capital and revenue programme which has led to the completion of a number of capital schemes including the national Cycle Network, New Community North of Fareham feasibility studies, London Road Waterlooville, Southampton Sea City project, Tipner ecological studies and the TfSH evidence base modelling work. The completion of these projects amount to an investment of £1.3m from the PUSH capital programme for 2011/12. Other significant projects scheduled to continue and in many cases conclude in 2012/13 include Dunsbury Hill Farm, the HCA sites project, Eastleigh Riverside, Swan Studios (now renamed to Sorting Office Project), Gosport Waterfront Feasibility Study, North Rowner and Portsmouth Creative Industries phase 2.
25. Increasingly the panels have started to work collaboratively together, pooling resources skills and expertise in areas such as the Low Carbon Agenda, Skills and Investment funding. This approach will continue and the panels will, as part of their transition planning, review delivery structures going forward. This will be important as it is expected that the capital programme will conclude in 2012/13, and further funding is likely to be limited to PUSH Partner contributions. Therefore the PUSH structure needs to be re configured to reflect this.
26. In addition it is very evident that PUSH has increasingly been re directing resources, skills and expertise to support the work of the Solent LEP, leading the work on the development of the Growing Places Fund, the Enterprise Zone, the Regional Growth Fund as well as delivery in areas such as Inward Investment, the Low Carbon Economy and Skills for Growth. A number of the panels have been working with Solent LEP Board members to take this work forward. Central Government believe that LEP's are well placed in understanding the local challenges in securing economic prosperity and within localised decision making; they want LEP's to play a Central role. It is acknowledged that there is a pressure on partnership resources and as the Solent LEP moves from start up to implementation, pooling resources and talent is critical. Within the Solent area, the LEP needs to work in partnership with all the Local Authorities to ensure that there is a joined up approach – the LEP directing its efforts to facilitate growth, with the Local Authorities focussing on developing an environment that welcomes and facilitates this growth. Clearly the existence of PUSH has and will continue to be of great assistance. For PUSH and the Solent LEP, the pooling of talent and expertise in the areas of Inward Investment and Employment and Skills has started to accelerate with the LEP Board Leads for Inward Investment now taking seats on the Inward Investment Panel and the ESB are taking forward a number of Solent LEP funded programmes resourced through the EZ Skills fund, the RGF and the Growth and Innovation Fund.
27. Both the LEP and PUSH partners should be increasingly looking at ways of maximising their resources in pursuit of the GVA growth target and job creation target established in the outline proposal. The Growing Places Fund has allowed the LEP and LAs to look at establishing a revolving fund for investment in a range of projects - funding infrastructure that will open up growth and job opportunities.

This yields new opportunities for both to work together as funding arrangements need to be structured differently if the Solent area is to stimulate investment across a number of projects.

It is recommended that the Joint Committee:

- a. **NOTES** the latest performance information (for 2011/2012 financial year).
- b. **NOTES** that the report also reflects analysis against the PUSH 2011/12 capital and revenue programme and achievements to date.

Annex A - [PUSH Annual Performance report – 2011 /2012 year end \(June 2012 Update\)](#)

Background Papers: None

Reference Papers: None

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