



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

Date: **13 May 2014**

Report of: **Gloria Ighodaro**

Subject: **PUSH Interim Executive Director's Report**

## **SUMMARY**

The Executive Director's report provides an opportunity for issues which are significant, but do not justify a full report in their own right, to be brought to the attention of the Joint Committee for decision or for information. The report is divided into Parts A and B accordingly.

## **RECOMMENDATION**

It is RECOMMENDED that the Overview and Scrutiny Committee:

1. NOTES the decision made by the Joint Committee at its September meeting to reinstate PUSH's SELP membership to a level 3 subscription, at a cost of £6.6K which commenced on 26 March 2014 until further notice.
2. NOTES the appointment of Paul Nichols, Head of Planning Transport and Sustainability at Southampton City Council, who will be supporting PUSH on a part-time secondment basis to manage and steer the delivery of the new spatial strategy at an operational level.
3. NOTES the matters for Information outlined in Part B of this report.

## PART A: MATTERS FOR DECISION

### PUSH MEMBERSHIP OF THE SOUTHERN ENGLAND LOCAL PARTNERS (SELP)

1. At its meeting in February the Overview and Scrutiny Committee received a report on SELP and the success that PUSH has had to date in securing European funding to develop and support economic development activities of PUSH partners. A key recommendation of the report at the time was for the Committee to approve the downgrading of PUSH's SELP membership from a level 4 (a cost of £13K) to a reduced subscription fee of £6.6K for a level 3 membership for financial year 2014/15. At the meeting however, the Solent LEP advised of their support to explore a joint SELP membership with PUSH recognising the benefits of aligning the efforts, expertise and resources of both Partnerships. Unfortunately this process has taken longer than expected due to the priority in developing the Solent Strategic Economic Plan. As a consequence, the LEP will need longer to review their position on this matter.
2. To enable PUSH local authorities to continue to benefit from the important services that the SELP membership provides in accessing European funding, approval is sought from the Joint Committee to reinstates PUSH's SELP Membership for a level 3 subscription, until a joint arrangement with the LEP is finalised. Subject to the Committees approval, PUSH's membership would commence on 26 March 2014 until further notice.
3. PUSH partners continue to work collaboratively to maximise opportunities in accessing European funding that support economic development activities and priorities in the sub region. Officers from the PUSH local authorities meet regularly under the auspices of the **European Collaboration Group** established by PUSH two years ago. The purpose of the group is to form a strategic partnership within the Solent area that will support applications for EU funded projects related to Economic Development and Social Inclusion and support delivery and implementation of programmes resulting from subsequent successful applications. Essentially the group identifies potential funding streams; develops joint Projects and bids for EU funding.
4. The Overview and Scrutiny Committee is asked to NOTE the decision made by the Joint Committee at its September meeting to reinstate PUSH's SELP membership to a level 3 subscription, at a cost of £6.6K which commenced on 26 March 2014 until further notice.

## PLANNING OFFICER SUPPORT

5. In support of the Spatial Strategy review, PUSH will require professional and technical support during the preparation of the new spatial strategy. Gloria Ighodaro (Acting Interim Executive Director) will have overall programme management responsibility. However, the appointed consultants will require a professional Planning Client with expertise in strategic planning, to manage and steer the delivery of the new spatial strategy at an operational level. A proposal was put forward by Southampton City Council for Paul Nichols, Head of Planning Transport and Sustainability, to work alongside Gloria Ighodaro to undertake this role (on a part-time secondment from Southampton City Council). The PUSH Chief Executives Group considered this proposal at its meeting on 14 March 2014 at which there was a unanimous recommendation made to support this proposal. The recommendation was later approved by the Joint Committee at its meeting in March 2014. Currently the Planning Theme Lead for the newly named Housing and Planning Delivery Panel and Chairman of the Planning Officers Group, Paul has significant experience in this field both from a local and sub-regional perspective. As a consequence, a sum of up to £50,000 has been set aside to fund this support.
6. The Overview and Scrutiny Committee are advised to NOTE the appointment of Paul Nichols, Head of Planning Transport and Sustainability at Southampton City Council, who will be supporting PUSH on a part-time secondment basis to manage and steer the delivery of the new spatial strategy review process at an operational level.

## **PART B: MATTERS FOR INFORMATION**

### **SOLENT STRATEGIC ECONOMIC PLAN (SEP) UPDATE**

7. The Solent LEP submitted the area's Local Growth Plan to Government on 31<sup>st</sup> March 2014. The £2.8 billion investment strategy entitled 'Transforming Solent: Solent Strategic Economic Plan 2014-20' brings together local assets to unlock resources which will be reinvested into growth including the Southampton and Portsmouth City Deal (a £953m investment plan). The investment strategy also includes the Solent LEP European Union Structural and Investment Fund Strategy – valued at £73.6m including private and public sector match funding. The Local Growth Deal element is a £1.88bn proposal which consists of a £103m of local public sector contributions, £1.44bn private sector leverage and a Government ask of £304m from the Local Growth Fund; of which £103m will be sought in 2015/16.
8. PUSH continues to play a vital strategic, enabling and delivery role specifically in relation to spatial planning, housing infrastructure and statutory policies related to environmental protection. The Solent SEP is ambitious and focuses on projects that are transformational and will therefore deliver the greatest Gross Value Added (GVA). Key investment priorities include activities focussed on Skills, Priority sectors, Enterprise, Inward Investment and Infrastructure. The funding asks (predominantly capital funding) focusses on a number of priority projects which will help to unlock key housing and employment sites, support improved connectivity, address skills shortages and invest in the business base.
9. Developed through extensive consultation with local stakeholders, the ambitious strategy will form the basis of the Solent's negotiation with Government in the coming months. It is expected that Government will make a Local Growth Fund Offer to all LEPs and complete Growth Deal negotiations by July 2014. In the period to 2020 the Growth deal will:
  - Create an additional 17,500 new jobs
  - Unlock an additional 635,000sq metres of new employment floor space with a focus on supporting growth in the marine, maritime and advanced manufacturing sectors
  - Enable the delivery of 24,000 new homes
  - Support the creation of 10000 new small and medium sized enterprises
  - Leverage in over £814m of private sector investment into the area
  - Unlock over £68m local investment from Further Education colleges and local authority partners
  - In the period 2015/16 and 2016/17, upgrade or renew 26,033 square metres (m<sup>2</sup>) of the Further Education College estate.

### **SOLENT LOCAL TRANSPORT BODY (LTB) UPDATE**

10. Members will recall that in June 2013 Spending Review, the funding expected to be allocated to LTBs was diverted to form part of the £2billion per annum Local Growth Fund (LGF), to be channelled through Local Enterprise

Partnerships (LEPs). Each LTB submitted an Assurance Framework to DfT, which set out the purpose, structure and operating principles of the LTB, and how prioritisation and investment decision-making would take place. A funding allocation was identified for each LTB, which provided the funding envelope within which a set of priorities should be developed. A total of £19.2million has been allocated to the Solent LTB area for the period 2015-16 to 2018-19. This is calculated on a per capita basis and will be sourced from the formulaic element of the Local Growth Fund.

11. The priority schemes as reported at the last Committee meeting remain as Dunsbury Hill Farm Link Road, Station Quarter North, Southampton, The Hard Interchange, Portsmouth and A27 Improvements. In addition, the LTB, at its meeting in February considered a further scheme, named Cross-Solent Ferry Interchanges. All five schemes are required to develop robust business cases, so that the LTB over-programmes, to ensure there are schemes for delivery should any of the four priorities encounter unforeseen difficulties. The approach to over-programme is in accordance with section 2.3 of the revised Assurance Framework, attached as Annex A to this report. A robust and transparent process for the commitment of funding is underway and the identified schemes will undergo independent scrutiny. Recommendations made by the Independent Assessor will be presented to the LTB Investment Panel. To harmonise with wider Local Growth Fund decision-making, the LTB has approved that the advice of the Investment Panel is presented to the Solent Local Growth Panel. In addition, any decisions to pre-commit funding would be made by the Solent LEP Board.
12. A recent letter from the Department for Transport (DfT) to the LTB, confirms the funding allocation profile, with £7.2million available in 2015-16 and the remainder (£12million) of the £19.2million formula allocation available in 2016-17. Based on the advice of scheme promoters of the four prioritised schemes, the draft SEP set out a funding profile of £13.6million in 2015-16 with the remainder (£5.6million) in 2016-17. This reflected the proposed delivery of Dunsbury Hill Farm Link Road, Station Quarter North, and The Hard Interchange, in 2015-16, with the A27 Improvement scheme being delivered in 2016-17.
13. The Solent Assurance Framework sets out the purpose, structure and operating principles of the LTB, and how prioritisation and investment decision-making would take place. The framework attached to this report which, includes part 3 (sections 3.1 - 3.6) that relates to the value for money was recently approved by DfT and subsequently by the Solent LTB for publication.

## **SOLENT GROWING PLACES FUND PROGRAMME**

14. In addition to representing PUSH on the Solent LTB, Solent Employment and Skills Board and Solent Local Growth Panel, the PUSH Interim Executive Director is also overseeing the delivery of the Solent Growing Places Programme on behalf of the Solent LEP. PUSH was first approached by the LEP back in December 2013, to provide a part-time Programme management resource for the £16.7m revolving loans Fund Programme. Key responsibilities include establishing the necessary monitoring processes & protocol, progress reporting to the Solent LTB, Solent LEP Board and the completion of

Monitoring Returns on funded schemes to the Department for Communities and Local Government (DCLG).

15. To date, a total of £13m of the £16.7m loan fund has been allocated to support the capital build of the new CEMAST (Centre of Excellence for Engineering, Manufacturing and Advanced Skills Training) College located at the Enterprise Zone, Daedulus and the Onsite / Offsite infrastructure requirements within and to the Enterprise Zone, Daedulus.
16. The Overview and Scrutiny Committee is asked to NOTE that the PUSH Interim Executive Director is also Programme Lead for the Solent Growing Places Fund.

## **RECOMMENDATION**

It is RECOMMENDED that the Joint Committee:

17. NOTES the decision made by the Joint Committee at its September meeting to reinstate PUSH's SELP membership to a level 3 subscription, at a cost of £6.6K which commenced on 26 March 2014 until further notice.
18. NOTES the appointment of Paul Nichols, Head of Planning Transport and Sustainability at Southampton City Council, who will be supporting PUSH on a part-time secondment basis to manage and steer the delivery of the new spatial strategy at an operational level.
19. NOTES the matters for Information outlined in Part B of this report.

### **Background Papers:**

- Membership of Southern England Local Partners (SELP) and European funding update, 23 September 2013
- PUSH Executive Director's Report – 23 September 2013

### **Reference Papers:**

- Revised Solent LTB Assurance Framework appended as Annex A to this report.

### **Enquiries:**

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