



# Report to the Overview and Scrutiny Committee

Date: 19 January 2016

Report of: **Gloria Ighodaro, PUSH Executive Director**

Subject: **PUSH 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 matters for Information outlined in Part B of this report.

## **PART A: MATTERS FOR DECISION**

There are no items for decision to report.

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

### **Government's Autumn Statement 2015**

1. Commitment to remove the national budget deficit and run a fiscal surplus of £10 billion by 2019/20 remains high on the Government's agenda. In response therefore, a number of key priorities are outlined in the Chancellor's Spending Review / Autumn Statement for 2015 against the backdrop of further reductions in public sector spending. Housing remains a firm priority including the pledge to boost productivity and wealth creation and not surprisingly, the ambition to address the national housing crisis and chronic shortage of affordable homes through the unlocking of public and private sector land and property assets as well as infrastructure. As a consequence, Government has doubled the national housing budget to £2 billion per annum to deliver 400,000 affordable new homes (to rent and buy) by 2020. It is expected that a joined up and innovative approach between local planning authorities, developers and house builders will be necessary to deliver the Government's major house building programme, specifically in the increased delivery of low cost starter homes. A key driver is the Government's ambition to support families that aspire to buy their own home and in doing so deliver its existing programme already underway to support first time buyers. The Government's 'Right to Buy Scheme' will be extended to Housing Association tenants starting with a new pilot in five Housing Associations. Some suggestions proposed by the Chancellor to speeding up delivery include the conversion of empty properties into housing and the expectation that local planning authorities will work with key organisations such as the Home Builders Federation (HBF) and other relevant Industry to accelerate housing delivery. Budgets related to National Health Service, Defence, Schools and international aid will be protected in real terms. Other key announcements of relevance to PUSH and Solent LEP business includes:
  - £100 billion additional investment in infrastructure including the extension of the £40 billion UK Guarantees Scheme to March 2021
  - A levy on apprenticeships will be introduced in April 2017 to deliver an additional 3 million apprenticeship starts by 2020, with an allowance of £15,000 offered to firms taking part in the programme.
  - A 50% increase in transport investment to £61 billion over the Parliament to support Government priorities including the commencement of High Speed Rail 2, spending £13.4 billion on the Roads Investment Strategy and over £5 billion on road maintenance.
  - In relation to the devolution agenda, government remains committed to the transformation of local government; enabling it to become more self-sufficient by devolving 100% business rates retention. This will give Councils the flexibility and financial autonomy to boost growth. The 'Northern Powerhouse' remains a priority and a budget commitment of £13 billion will be allocated to support transport in the North of England over this Parliament. Areas with

elected mayors will be permitted to raise business rates under certain conditions.

- An additional £200 million funding for flood defence
- 26 new enterprise Zones to be created

### **Solent LEP Launched call for projects to inform future bids**

2. Calls for schemes that will further boost economic growth in the Solent were launched by the Solent LEP in early November. A number of PUSH local authorities have responded positively to the funding opportunity which could potentially help accelerate schemes that would otherwise not get off the ground without the required investment. A letter of correspondence from the Solent LEP Chairman and Chief Executive was issued to both public and private sector organisations across the Solent inviting transformational growth projects that will enable the area to compete for funding with other city regions such as Liverpool, Manchester, Leeds, Sheffield and Newcastle. It is expected that schemes that are identified, subject to a review process as meeting the criteria, will form the basis of future Solent LEP bids as and when funding opportunities are announced by Government likely to come forward following the Spending Review in November 2015.
3. The call for projects forms part of the Solent LEPs work to update the Strategic Economic Plan for the area and build on the £152M Solent Growth Deal announced in 2014 which is expected to deliver 6,000 jobs and 11,000 new homes in the area. A key focus for the LEP is boosting growth and productivity and innovation in response to the Government's Productivity Plan - Fixing the Foundations, published July this year. The schemes submitted as a result of the call will be expected to support the following Solent LEP priorities:
  - Unlock sites for housing and employment
  - Improve our connectivity within the Solent and beyond
  - Stimulate and support innovation
  - Improve the skills and talent of our current and future workforce
  - Support business growth through access to resource and advice
  - Support key strategic sectors
4. The calls come ahead of the Solent LEP's Annual Growth Conference, anticipated to take place in January 2016. The outcome of the call process which opened in early October and closed on 12 November 2015 is expected to be confirmed early in the New Year.

### **PUSH attends MIPIM UK to support Solent Businesses and partners**

5. In October, the two Cities of Portsmouth and Southampton staged an exhibition at the annual MIPIM UK event supported and sponsored by Business South, the Solent LEP, local Solent businesses, PUSH and Hampshire County Council representatives. The aim of the Solent consortium at the event was to showcase the key development sites and opportunities in the two cities to attract developers, investors and occupiers wishing to do business and or locate to the Solent region. MIPIM UK is a national forum that attracts over 3,000 professionals associated with the property and regeneration market, including property investors,

developers and agents. MIPIM UK is a UK version of the annual event in Cannes which attracts thousands of businesses from across the world every March. The event itself had over 100 exhibitors ranging from local authorities and Government Departments to overseas investors from China. A total of eight Ministers were observed to have held conferences at the three day event.

6. PUSH, the Solent LEP and local businesses were amongst the private sector consortium from the Solent to promote Southampton, Portsmouth and the Solent area as the place to invest and do business. Among the delegates representing the area was the Chairman of the Solent LEP, the Chief Executives of the two Cities, Leader of Portsmouth City Council, Hampshire County Council, myself offering a support role as Executive Director for PUSH and the Chairman and Chief Executive of Business South. Over 390 business contacts were generated which is currently being followed up by officers that attended the event. Another important benefit for the Solent presence has been the relationship building between companies across the public and private sector and understanding the development opportunities in the Solent. The joint promotion of the area encouraging public and private sector to pool and target resources more effectively will no doubt have helped in maximising the number of interest generated at the event.

## **RECOMMENDATION**

It is RECOMMENDED that the Overview and Scrutiny Committee:

7. NOTES the matters for Information outlined in Part B of this report.

### **Reference Papers:**

- Spending Review and Autumn Statement, published 25 November 2015, HM Treasury

### **Enquiries:**

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