



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

Date: **5 February 2013**

Report of: **Stuart Roberts, PUSH Interim Executive Director**

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

SUMMARY

This report covers matters which merit reporting to this Committee, but do not justify a full report in their own right. The updated South Hampshire Strategy was adopted by the PUSH Joint Committee in October 2012. The document is already showing its worth, through playing an active role in the preparation of statutory Local Plans.

There have been several recent successes in securing funding for transport improvements in South Hampshire including 40% of the South East Region's 'pinch point' funding pot. Further transport improvements are proposed in the Transport for South Hampshire consultation draft Transport Delivery Plan: a proposed PUSH response to it was considered by the PUSH Joint Committee on 29 January 2013.

Last October, the Government announced a Growth and Infrastructure Bill which will have implications for local authorities, including a raft of changes to the planning application process that aim to help speed it up.

The Chancellor's Autumn Statement announced that Local Enterprise Partnerships (LEPs) will draw up strategic growth plans for their areas, for which each LEP will be able to apply for up to £250,000 from Government. A single funding pot for local transport, housing and other projects will be distributed to LEPs from April 2015.

This report also provides Committee members with a 'heads-up' on key areas of PUSH business over the next few months.

RECOMMENDATION

It is **RECOMMENDED** that the Committee should **NOTE** the information set out in this report.

INTRODUCTION

1. Anne-Marie Mountifield ceased to be the PUSH Executive Director in late October following her full-time appointment as the Solent LEP's first Chief Executive. I have been engaged as her interim replacement pending a decision as part of the PUSH review (see report elsewhere on this meeting's agenda) on the appointment of a permanent replacement. This report covers matters which merit reporting to this Committee, but do not justify a full report in their own right.

SOUTH HAMPSHIRE STRATEGY

2. A presentation was made on the emerging updated South Hampshire Strategy at the last meeting of this Committee, and the definitive Strategy was adopted by the PUSH Joint Committee in October 2012. The document is already showing its worth, through playing an active role in the preparation of statutory Local Plans. It has been used by two PUSH authorities (East Hampshire and Winchester) as part of the justification for key proposals in their Core Strategies. The provision for the employment floorspace and housebuilding which is proposed in both documents satisfies the aspirational targets in the South Hampshire Strategy, and both councils used the Strategy as a key part of the justification for their provision figures. The South Hampshire Strategy was also used as part of the justification for East Hampshire District's policies on Gaps and sustainable construction. This reflects PUSH's intention that the Strategy should inform and support the preparation of core strategies/local plans. These examples of involvement in PUSH have been very useful in demonstrating how well the PUSH authorities work together in positively and effectively meeting their statutory duty to cooperate on strategic planning matters.
3. The examinations (public inquiries) of the Winchester and East Hampshire draft Core Strategies took place during October-November. The (then) PUSH Executive Director attended the opening day of the Winchester Examination and provided the planning inspector with a better understanding of the origin and rationale for the Strategy's employment floorspace and housebuilding figures. Some developers who were represented at the examination sought higher figures and attempted to discredit the South Hampshire Strategy. Winchester and PUSH officers felt that these challenges failed to make much impact, but that judgement will only be confirmed (or otherwise) when the planning inspector's report is published in early 2013.
4. The extent of East Hampshire District which is within the PUSH area is much smaller by comparison and it was felt that a PUSH representation was not needed at the examination of that authority's plan. The planning inspector has asked the Council to provide further information following the close of the examination and it is not yet certain when he will publish his report.

TRANSPORT MATTERS

5. There have been several recent successes in securing funding for transport improvements in South Hampshire, with the Highways Agency confirming funding for improvements to junctions 3 and 5 on the M27 motorway, and the Transport for South Hampshire (TfSH) area receiving 40% (more than any other area) of the South East Region's 'pinch point' funding. Last December, the Government awarded Southampton City Council a further £5.3 million from the Regional Growth Fund for a major road improvement which, in addition to improving

accessibility, will unlock development potential in part of the city. At the same time, the Government confirmed the final full approval for the Tipner scheme in Portsmouth, thus allowing work to begin. The Department of Transport will provide £19.5 million towards the total cost of £28 million scheme to create a new motorway junction and park-and ride facility.

6. Transport for South Hampshire (TfSH) has published for public consultation, its Transport Delivery Plan which lists the further transport investments/schemes which it envisages being implemented by 2026. A proposed PUSH response to the draft plan was due to be considered by the PUSH Joint Committee on 29 January 2013. In summary, that proposed response is as follows. PUSH should welcome the concept of the document as a prioritised list of transport investments/schemes which is realistically deliverable, and should endorse the document's focus on schemes which support/facilitate economic growth, employment creation, and the 'Cities First' approach. The explicit relationships made between the Delivery Plan and PUSH's South Hampshire Strategy should also be welcomed. However, PUSH should question the omission of the Botley Bypass and rail improvements which would enable trains from Fareham, Portsmouth and beyond to reach Southampton via the Airport Parkway station. TfSH should be asked to consider if there is merit in lobbying for electrification of the rail line from Southampton to Basingstoke via Salisbury as an alternative route for container trains to/from Southampton Docks thus freeing up capacity on the Airport Parkway line for additional passenger services. Furthermore, the PUSH response should also express disappointment that the urban realm improvements do not include any schemes at two locations where the South Hampshire Strategy sees major regeneration opportunities - Gosport Waterfront and in association with integrating Waterlooville Town Centre with the West of Waterlooville Major Development Area. Fareham Station should be added into the list of interchanges where improvements are needed.
7. The Government is seeking to establish Local Transport Bodies (LTBs) reflective of the geography of the Local Enterprise Partnerships (LEPs). LTBs will have a single remit: to prioritise local major (capital) transport scheme investment. This will involve identifying priorities, awarding funding and programme managing the fund. Each LTB must include the local transport authorities and the LEP; the involvement of other bodies is discretionary in each area but there is a Government expectation that other bodies would be able to attend meetings and feed into the process. Meetings will be open to the public.
8. The Government has indicated that the Solent LEP area will receive an allocation of £29 million over the period 2015-2019 (£7.25m per year). Discussions are continuing on the establishment of a LTB for the Solent LEP area, with detailed proposals for its composition etc due to be presented to the TfSH Joint Committee on 5 February 2013. The aim is for the Solent LTB to submit a provisional list of prioritised schemes to Government in April 2013. That prioritisation will be informed by the TfSH Transport Delivery Plan – see above.

GROWTH AND INFRASTRUCTURE BILL

9. Last October, the Government announced a Growth and Infrastructure Bill which it says will “*reduce confusing and overlapping red tape that cause delays and discourages business investment, regeneration and job creation*”. The Bill's provisions have implications for local authorities, most notably a raft of changes

to the planning application process that aim to help speed it up. Amongst the Bill's provisions are:-

- powers for the Secretary of State to 'designate' local planning authorities which have poor performance such that the Government's Planning Inspectorate would take over the processing of their planning applications;
- the addition of large business and commercial projects to the list of 'nationally significant development' resulting in those planning applications being dealt with by the Planning Inspectorate's Major Infrastructure Planning Unit rather than by local authorities;
- changes to the town/village green application process to help stamp out vexatious attempts to block development;
- ensuring that information requests from councils to planning applicants are proportionate to the scale and nature of the development proposed;
- making it easier for local authorities to choose, if they wish, to dispose of surplus land held for planning purposes;
- allowing affordable housing obligations in Section 106 agreements to be reconsidered where the agreements are economically unrealistic.

10. The Bill also proposes to streamline the regime for development consents which are needed separately to planning approval. That other development consents regime has been cited by some businesses as slow and a delay to investment projects moving forward.

11. It is anticipated that the Bill will gain Royal Assent in April this year.

'NO STONE UNTURNED' – THE HESELTINE REPORT

12. In October last year, Lord Heseltine of Thenford published a report on how wealth might more effectively be created in the UK. The report, which had been requested by the Chancellor of the Exchequer and Secretary of State for Business, calls for Government to set out a comprehensive strategy for national wealth creation. With the overarching objective of pursuing growth, the report puts forward 89 recommendations for action to enhance Localism, to enhance the operation and effectiveness of central Government, to broaden the private sector's capacity for excellence, and to improve education and skills.

13. Many of the recommendations are for changes in the way in which national government operates. They include the production of a national growth strategy with concrete commitments against which Government would be held to account, and combining Whitehall departmental budgets into a single pot for local areas without ring fences. Recommendations of particular relevance to PUSH and PUSH authorities are:-

- Local authorities should have an overarching legal duty to have regard to economic development in exercising all their activities and functions;
- LEAs, in collaboration with local organisations, should prepare a long term strategy and business plan for their area;
- The Planning Inspectorate should be given powers to investigate planning decisions proactively;
- The use of Local Development Orders should be extended;
- All English two-tier authorities outside London should pursue a path towards unitary status.

14. Some of these would require primary legislation and several, like a move to unitary authorities everywhere outside London, are likely to be highly contentious. Internal Whitehall resistance to devolution of power should also not be underestimated. The Government's immediate reaction to the overall report was positive and the Chancellor's Autumn Statement included specific proposals in response to some of the recommendations (see below). Ministers have committed to publishing a comprehensive response to Lord Heseltine's recommendations before this summer.

THE CHANCELLOR'S AUTUMN STATEMENT

15. The Chancellor of the Exchequer in his Autumn Statement to Parliament on 5 December 2012 announced some changes and proposals which respond to some of Lord Heseltine's recommendations. The Chancellor's changes/proposals which are of particular relevance to PUSH are:-
- Local Enterprise Partnerships will be asked by Government to draw up strategic growth plans for their areas consistent with national priorities;
 - Each LEP will be able to apply to Government (from April this year) for up to £250,000 to support the preparation and delivery of their plan (this is in addition to the £250,000 per year of core funding for which LEPs can draw from Government);
 - There will be a single funding pot for local transport, housing and other projects which will be distributed to LEPs from April 2015;
 - There will be an extra £350 million for the Regional Growth Fund "to provide support for jobs and growth across England".
16. The single funding pot is likely to include funding for skills and other local growth initiatives, but the Chancellor gave no indication of the size of the pot. Government officials have stated that the LEP growth plans could include plans for infrastructure, housing and transport. Treasury documents released alongside the Chancellor's Statement say that in drawing up their "multi-year plans", LEPs will be expected to consult with all relevant partners. The plans must "build on any existing plans and include coordination with any ongoing public programmes". These comments mean that PUSH's South Hampshire Strategy could have any influential role on the Solent LEP's plan. The document also states that local authorities will deliver any programmes or projects outlined in the growth plans rather than LEPs, in order to ensure there are proper accountability structures in place.

PUSH GOVERNANCE REVIEW

17. At the October PUSH Joint Committee meeting, the Chairman announced the intention to undertake a thorough review of the structure of PUSH. The review is necessary for several reasons; most notably recent and emerging changes in the external environment in which the Partnership operates including the establishment of the Solent Local Enterprise Partnership.
18. The emerging Review is considering what should be the main focus for PUSH's activities over the coming years, and what would be the appropriate organisational structure. Options were due to be considered by the PUSH Chief Executives meeting on 18 January 2013 and then by a PUSH Leaders workshop on 29 January 2013. Unfortunately that timetable slipped as a consequence of the Chief Executives meeting being postponed because of bad weather. It is still

anticipated however, that proposals will be presented to the PUSH Joint Committee on 26 March 2013 as originally planned.

LOOKING AHEAD

19. The PUSH Forward Plan sets out key items for the next few Joint Committee meetings. The current expectation is that the March meeting will deal with four substantive items: the financial outturn for 2012/13 and the budget for the year 2013/13, the PUSH Review, an audit of the state of the Solent economy, and the Green Deal (which will follow-up a report to the December Joint Committee meeting).
20. The audit of the economy is being undertaken by Centre for Cities – an independent research and policy institute which is committed to improving the economic performance of UK cities. That audit will update the previous report compiled in early 2010¹ and a draft version helped inform the preparation of the expression of interest in a City Deal. The audit report will make recommendations for enhancing the area's economic performance. Those recommendations will provide the focus for discussion at the PUSH Joint Committee in March.

RECOMMENDATION

It is RECOMMENDED that the Committee should **NOTE** the information set out in this report.

Enquiries:

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¹ Charting the course: Growing South Hampshire's economy.