



Report to the Partnership for Urban South Hampshire Joint Committee

Date: **26 March 2013**

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

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

SUMMARY

This report covers matters which are significant and merit reporting to the Joint Committee, but do not justify a full report in their own right. This report is in two parts: part A deals with issues on which a decision is needed, while part B sets out matters for information.

Part A seeks the Joint Committee's endorsement of PUSH giving the required one year's notice on termination of membership of 'Southern England Local Partners' (SELP). This notice would be pending decisions by PUSH on its future work focus and financial resources. A financial contribution is proposed towards two research projects which although primarily transport-focused, will cover other matters of concern to PUSH. There is an opportunity for PUSH to input to the prioritisation of transport schemes by the Solent Local Transport Body but the likely tight timescale for formulating that PUSH input necessitates the formulation of that input being delegated to officers.

Part B informs the Committee about the success of the Expression of Interest in a City Deal, the contrasting outcomes of recent public inquiries into two PUSH authorities' Core Strategies, and the extent to which PUSH comments were reflected in the final version of Transport for South Hampshire's Transport Delivery Plan.

RECOMMENDATION

It is RECOMMENDED that the Joint Committee:

1. **ENDORSES** the submission of the notice of intention to terminate membership of Southern England Local Partners (SELP) in March 2014 and that a fuller report be presented to the Joint Committee later this year to enable a final decision to be made on whether to continue with SELP membership;

2. **AUTHORISES** the Interim Executive Director to make a financial contribution towards proposed research into infrastructure funding sources and towards freight industry engagement (up to a maximum of £10,000 for both combined);
3. **RESOLVES** that PUSH should input a sub-regional view of transport priorities into the deliberations of the Solent Local Transport Body (LTB) and **AUTHORISES** the Interim PUSH Executive Director to formulate that input in consultation with the PUSH Planning Officers Group; and
4. **NOTES** the matters for information, contained in Part B of this report.

PART A: MATTERS FOR DECISION

Southern England Local Partners

1. For the last two years, PUSH has been a member of 'Southern England Local Partners' (SELP) - a partnership comprising local authorities, universities and other public and private bodies which aims to help its member organisations to get the most out of the UK's membership of the European Union. Using its office in Brussels, SELP provides its members with information on EU policy and programmes, and facilitates strategic contacts, partnerships and networks for exchange of best practice. Other bodies from within South Hampshire who are SELP members are Hampshire County Council, Southern Enterprise Alliance, and the universities of Portsmouth and Southampton. PUSH's current SELP annual membership subscription is £13,000.
2. Membership of SELP falls due for renewal on 1 April each year and members must give one year's notice of their intention to terminate membership. Mindful of PUSH's limited future budget and that a changed role for PUSH may emerge from the current PUSH governance review, I have given the required notice of PUSH's membership termination. That resignation notice can be rescinded at any time during the coming twelve months, so therefore giving notice now is simply a case of PUSH keeping all its options open.
3. A fuller report will be presented to the Joint Committee later this year, so that a final decision can be made on whether to continue with SELP membership taking account of PUSH's agreed future role and finances. At that time, the Joint Committee will also be provided with information on the facilities/services which SELP provides and the extent to which PUSH has made use of them.

Research into infrastructure funding and freight industry issues

4. Transport for South Hampshire (TfSH) proposes to commission research into potential sources of funding for the schemes in the recently adopted Transport Delivery Plan (see paragraph 19 below). This will include desk-based research into funding sources (both UK and European), financing models, and developer contributions. There will be an investigation into scheme financing methods successfully employed elsewhere, together with focussed interviews with financing experts. The outputs of the research will be a scheme funding strategy document and improved local knowledge of funding opportunities.

5. TfSH also intends to engage the freight sector in the production of an updated freight strategy. The engagement of the freight industry will be secured through workshops focusing on road, rail and port-based freight, but also covering issues relating to skills, spatial planning, and air quality. This recognises that freight industry representatives are likely to want to comment on public sector policy across the board, and will inevitably raise planning-related issues as well as transport ones.
6. Both pieces of research are to be welcomed. The findings of the research into potential funding sources could have wider applicability in respect of other infrastructure, and thus a relevance to the South Hampshire Infrastructure Plan which PUSH has pledged to prepare. Similarly, the freight industry engagement will cover spatial planning issues in which PUSH has an interest. Consequently, it would be appropriate for PUSH to make a financial contribution to both projects, subject to agreement on the detailed briefs which are currently being drafted. A total PUSH contribution of up to £10,000 is suggested towards the overall £50,000 budget for both projects. It is proposed that this Joint Committee should delegate to the Interim Executive Director the decision on how much to contribute to each project (subject to the overall £10,000 ceiling for both) following discussion with TfSH on the detailed briefs. The necessary allocation of up to £10,000 is incorporated in the proposed interim 2013/14 budget set out in the Budget Monitoring Report to this meeting.

Solent Local Transport Body

7. The Government is seeking to establish Local Transport Bodies (LTBs) reflective of the geography of 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. At the January PUSH Joint Committee meeting, I reported that discussions were ongoing between the local transport authorities and the Solent LEP over the establishment of a LTB for the Solent LEP area. The PUSH Chairman reiterated PUSH's position that the LTB should include a district council representative with voting rights.
8. The TfSH Joint Committee on 5 February 2013 discussed the composition of the Solent LTB and resolved that the membership of the Solent LTB will comprise the four Local Transport Authorities of Hampshire County Council, Isle of Wight Council, Portsmouth City Council and Southampton City Council together with the Solent Local Enterprise Partnership. An Executive Member from each District Council will have Associate Member status, enabling them to speak but not vote. It was stated at the TfSH meeting that there is a commitment to "engage with district councils, within six months, to understand the level of involvement they wish to have in LTB business".
9. The LTB's prioritised list of transport schemes must be submitted to the Department for Transport by 31 July 2013. To achieve that, the TfSH Joint Committee on 5 February 2013 endorsed a process which will include a LTB workshop to review potential priority schemes after which a report containing recommended priorities will be presented to a formal meeting of the LTB. At that

meeting, there will be an opportunity for non-LTB members to challenge/support proposed priorities. A subsequent meeting of the LTB will then decide the definitive priority list for submission to the Department for Transport.

10. Every district council will have the opportunity to speak at the LTB meetings and in addition, non-LTB members will be able to challenge/support proposed priorities at the key LTB meeting. Whilst each authority will no doubt wish to input individually to the process, there would be merit in PUSH seeking to provide a coordinated, sub-regional view of transport priorities drawing on the spatial planning priorities contained in the South Hampshire Strategy. The likely tight timescale for formulating that PUSH input precludes formal consideration of it by this Joint Committee or any Delivery Panel meeting, so instead it is proposed that preparation of the input be delegated to the Interim PUSH Executive Director in consultation with the PUSH Planning Officers Group.

PART B: MATTERS FOR INFORMATION

City Deal

11. Reports to the last two Joint Committee meetings explained the invitation to twenty cities¹ to lodge an Expression Of Interest (EOI) in negotiating a 'city deal' for their area under the second wave of city deals. Portsmouth and Southampton are one of the twenty areas. An EOI for a City Deal for this area was submitted by the two city councils with the support of the Solent LEP, all the authorities within the area (including the Isle of Wight), and key private sector firms. Under the title '*Two Cities, One Deal - the Portsmouth, Southampton and Solent Maritime Economy*' it aims to facilitate the growth and diversification of the area's maritime sector with a focus on delivering enabling infrastructure and assembling land to bring forward the development of seven key sites. Development of these sites is being held back by complexities linked to multiple public agency involvement, land assembly and land remediation, uncertainty linked to delivering infrastructure and development, and uncertainty around land release and associated investment.
12. The EOI pledges that the area will commit £1.5bn of local investment via two funds. In return, it asks the Government to underwrite one of the funds with an infrastructure guarantee and to put all Government funding for economic growth in the Solent into a single pot. In exchange for agreeing an investment framework that details a ten year pipeline of projects, the EOI asks Government to ensure that the statutory bodies provide timely, informed and proportionate responses to consultation on development proposals, and to agree to the creation of a local delivery team comprising senior decision makers from the local authorities, Government departments (including the Ministry of Defence) and statutory agencies tasked with delivering site developments in a timely and responsive manner, and to establish a joint Management Board between the Highways Agency and the local highways authorities to develop a tailored Route Management strategy for the M27, M271 and M275 and the surrounding local road network.

¹ The Black Country, Brighton and Hove, Coventry, Cambridge, Hull, Ipswich, Leicester, Milton Keynes, Norwich, Oxford, Portsmouth and Southampton, Plymouth, Preston, Reading, Southend, Sunderland, Stoke, Swindon, Bournemouth and Poole and the Tees Valley.

13. A Government requirement is that all EOIs should propose governance structures which will ensure effective, binding and strategic decision-making across the relevant economic area. The Solent EOI contains a commitment to undertake an options appraisal of a range of governance models, including existing Joint Committee structures, and the Combined Authority model. The EOI states that this options appraisal will commence in March 2013 with an intention of it concluding by September 2013.
14. On 18 February, the Deputy Prime Minister announced that all twenty cities had been successful in their bids for a City Deal. The Government will negotiate the exact powers to be devolved with each of the successful bidders on a staggered timeline with the aim to complete deals with the twenty cities over by the end of this year. The Cabinet Office website² summarises all twenty outline proposals and states that Southampton and Portsmouth want to *“use a City Deal to drive the growth and diversification of the maritime sector in the area. They are seeking to do this by supporting growth in the associated sub-sectors of transport and logistics, defence and advanced manufacturing, the visitor economy and the complex supply chains linked to research and innovation”*.
15. The wave two city deals will comprise a core package common to all the deals and a bespoke element which reflects each area’s identified economic challenge/opportunity. The paragraphs above relate to the bespoke element of the proposed Portsmouth-Southampton deal; there are no details available yet of the core package as it is still being developed by Government, but this development will be done in conjunction with cities over the next few months. Whereas the bespoke element of the deal for this area will focus on the two cities, all authorities who are party to the deal will be able to access the freedoms, powers and tools in the core package.

Spatial planning news

16. In mid-February, Communities Secretary Eric Pickles announced that the regional strategy for the South East of England will be formally revoked and that an order to effect this decision "will be laid shortly after recess" (which ended on 25 February). It will be the third regional strategy to be revoked and similar announcements on the remaining regional strategies will be made "in due course". Once the South East Regional Spatial Strategy is revoked, individual authorities will have to rely entirely on their own evidence to justify their local plan proposals, and will also have to demonstrate that they have discharged the legal duty to cooperate with neighbouring councils. The South Hampshire Strategy, which was adopted by PUSH last October, will have an important role as part of the evidence base for each local plan and in demonstrating that the PUSH authorities have closely cooperated on the future planning of the sub-region. A statement prepared by the PUSH Planning Officers Group which describes the cooperation undertaken via PUSH was approved by the PUSH Housing and Planning Delivery Panel on 5 March 2013. The statement will be available for all authorities to include in the evidence base for their core strategies/local plans and will be posted on the PUSH website.
17. Winchester City Council’s Core Strategy is the last in South Hampshire to be assessed in relation to the South East Regional Spatial Strategy (RSS). As the

² <http://www.dpm.cabinetoffice.gov.uk/news/deputy-prime-minister-launches-more-city-deals>

RSS was still in force at the time, the planning inspector who conducted the public examination of the plan was obliged to ensure that the core strategy was in general conformity with it. He found the core strategy to be 'sound' subject to a number of modifications including an additional 500 new homes at Whiteley. Encouragingly, his report is generally very positive about the City Council's proposals and the references to the South Hampshire Strategy within his report indicate that he attached significant weight to it.

18. In contrast, East Hampshire District Council's plan has fared far less well. The planning inspector who conducted the public examination of the Council's core strategy expressed serious concerns with its soundness, notably because of his concern that the absence of an up-to-date Strategic Housing Market Assessment made a full assessment of housing need difficult. The Public Examination has been suspended to allow further work to be undertaken with a view to the Examination being reconvened in October.

Transport update

19. The last meeting of this Joint Committee endorsed a proposed set of comments on Transport for South Hampshire's consultation draft Transport Delivery Plan (TDP). Following consideration of these comments and those of other parties, the Transport for South Hampshire (TfSH) Joint Committee meeting on 5 February 2013 adopted the final version of the document. The TfSH Joint Committee Chairman made particular reference to PUSH's comments and said that changes had been made to the document in response to them. Changes to the document which respond to PUSH's comments are: the addition of regeneration-related transport improvements at Gosport waterfront and Waterlooville town centre, the addition of Fareham station to the list of interchanges where improvements are needed, the inclusion of example schemes which might be implemented after 2026, and a reference to a Botley Bypass (albeit as a potential post-2026 scheme).
20. Two of PUSH's comments are not reflected in the final document. The two comments were: firstly to request TfSH to consider if there is merit in lobbying for electrification of the rail line from Southampton to Basingstoke via Salisbury as a route for container trains to/from Southampton Docks thus freeing up capacity on the Airport Parkway line for additional passenger services; and secondly to question the omission of rail improvements (including creating an additional platform at Eastleigh station) which would enable trains from Fareham, Portsmouth and beyond to reach Southampton via the Airport Parkway station.
21. TfSH intend to lobby for electrification of the rail line from Southampton to Basingstoke via Salisbury at the opportune time recognising that there are complex issues involved and that there will be a need to work with the commercial freight companies as well as Network Rail. This TfSH response is to be welcomed and PUSH would be pleased to provide support to TfSH at the appropriate time.
22. In respect of the second PUSH comment, TfSH advises that that the London and South East Rail Utilisation Study concluded that the creation of an additional platform at Eastleigh and related track capacity improvements had a low benefit to cost ratio and thus represented poor value for money. As an alternative, it was mooted that the Southern Railway's Brighton to Southampton service should be

diverted, in one direction only, via Eastleigh and Southampton Airport Parkway. However, that diversion is only likely to take place as part of the re-franchising of the Southern Railway services, and moreover, the timescale for that re-franchising is currently uncertain. From a PUSH perspective, this is an unsatisfactory response but it is recognised that is something over which TfSH only has a limited influence. Having to travel via different routes to and from the Airport would be confusing to passengers and unlikely to encourage rail use. PUSH officers will continue to lobby for this rail improvement to be pursued.

23. The PUSH Overview and Scrutiny at its meeting after the last PUSH Joint Committee urged that PUSH should continue to lobby for both these additional rail improvements.

24. On a different note, Transport for South Hampshire has now renamed itself as 'Transport for South Hampshire and Isle of Wight' (TfSHIoW) following the Isle of Wight Council becoming a member.

PUSH Governance Review

25. A PUSH Leaders and Chief Executives workshop will take place after this Joint Committee meeting to consider options for PUSH's future role and organisational structure. The conclusions of that workshop will be presented to the next Joint Committee meeting for endorsement. Pending that decision but to enable the Partnership's business to continue in the meantime, proposals for an interim budget are set out in a separate report to this meeting. That interim budget provides the funding for central team costs (salaries, office costs etc) until 30 September 2013 and for projects to which commitments have already been made. Budgetary allocations for the rest of the year 2013/14 will be presented to the next Joint Committee meeting in tandem with a new PUSH business plan.

PUSH Staff

26. Jeff Channing, Programme Manager (Sites and Development), left PUSH in January 2013 to take up a position with the Solent LEP. The resulting vacancy is not being filled pending the outcome of the PUSH governance review. Ali Anderson, the PUSH Team's part-time PA, returned from maternity leave on 27 February 2013. Cathy Bennett who provided maternity cover for Ali ended her spell with PUSH on 22 February. We wish Jeff and Cathy every success in the future.

Budget 2013

27. The Chancellor George Osborne will make his Budget 2013 statement to Parliament on Wednesday 20 March. The budget statement is expected to include a full response to Lord Heseltine of Thenford's report on how wealth might more effectively be created in the UK, following the announcements in the Chancellor's Autumn Statement last year which responded to some of Lord Heseltine's 89 recommendations. I covered Lord Heseltine's report and the Chancellor's announcements in my reports to the December and January Joint Committee meetings respectively, and will orally brief this meeting on any elements of the 2013 budget statement which are of particular relevance to PUSH.

RECOMMENDATION

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4. **NOTES** the matters for information, contained in Part B of this report.

Background Papers:

Transport Delivery Plan. Transport for South Hampshire. – available at <http://www3.hants.gov.uk/tfsh/tfsh-what-tfsh-does.htm>

Reference Papers:

None

Enquiries:

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