



Report to the Partnership for Urban South Hampshire Joint Committee

Date: **28 January 2014**

Report of: **Gloria Ighodaro**

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

SUMMARY

This report represents an additional method of PUSH Business to be reported to the Joint Committee. 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 Joint Committee NOTE and APPROVE:

1. The overall organisational structure including revised Delivery themed titles and remits.
2. That Member Champions resume their chairmanship under the revised portfolios unless they wish to step down and nominate a new Panel Chairman.
3. That the revised governance arrangements will form the basis for the new PUSH Business Plan for 2014/16 which will be presented for approval at the June Joint Committee.

PART A: MATTERS FOR DECISION

PUSH GOVERNANCE REVIEW

1. The significant changes in the economic environment and subsequent funding implications in recent years have led to PUSH reviewing its business priorities. Since the establishment of the Solent Local Enterprise Partnership (LEP), PUSH has been reflecting on its strong delivery track record, acknowledging however, that its focus and strategic direction, whilst distinct from that of the LEP, should complement each other. Going forward therefore, PUSH's strength and role remain in policy development and co-ordination, facilitating Joint delivery, democratic leadership, simplifying interfaces and raising the profile of the Solent. As local authority member representatives on the Solent LEP Board, the Partnership recognises the need to inform, influence and support the Solent LEP's economic growth agenda thereby providing a democratic perspective to decisions that will impact on local people. Building on these roles, the broad work agenda of PUSH include: Development and Infrastructure; Energy and the environment; quality of place, housing and spatial planning. Other business priorities previously lead and resourced by PUSH namely, Economic Development, Employment and Skills and Inward Investment have now transferred to the LEP. PUSH however, retains its role as facilitator, enabler and key delivery agent on these matters.
2. PUSH continues to work collaboratively with local businesses through the Solent LEP and is well represented on a number of jointly establishes Boards and Committees namely the Solent LEP Board, Solent Local Growth Panel, Solent Employment and Skills Board, Inward Investment Board, Future Solent and the emerging Solent Local Transport Board.
3. Further to the previous discussions at Joint Committee, under the new arrangements, it is anticipated that the Member Chairmen responsible for the current delivery themed panels will map across to the revised Delivery Panels outlined in the diagram below.
4. With the Solent LEP having become the lead deliver for economic development, it no longer seems appropriate for PUSH to retain a dedicated Economic Development Panel. However, the revised PUSH structure includes an arrangement for overseeing the on-going PUSH involvement in maintaining an integrated strategic and delivery approach in employment and skills, inward investment and business support. The proposed structure below illustrates the revised name for the PUSH delivery themed panels, reflecting the work focus and business priorities that are inextricably linked.

NEW PUSH ORGANISATIONAL STRUCTURE

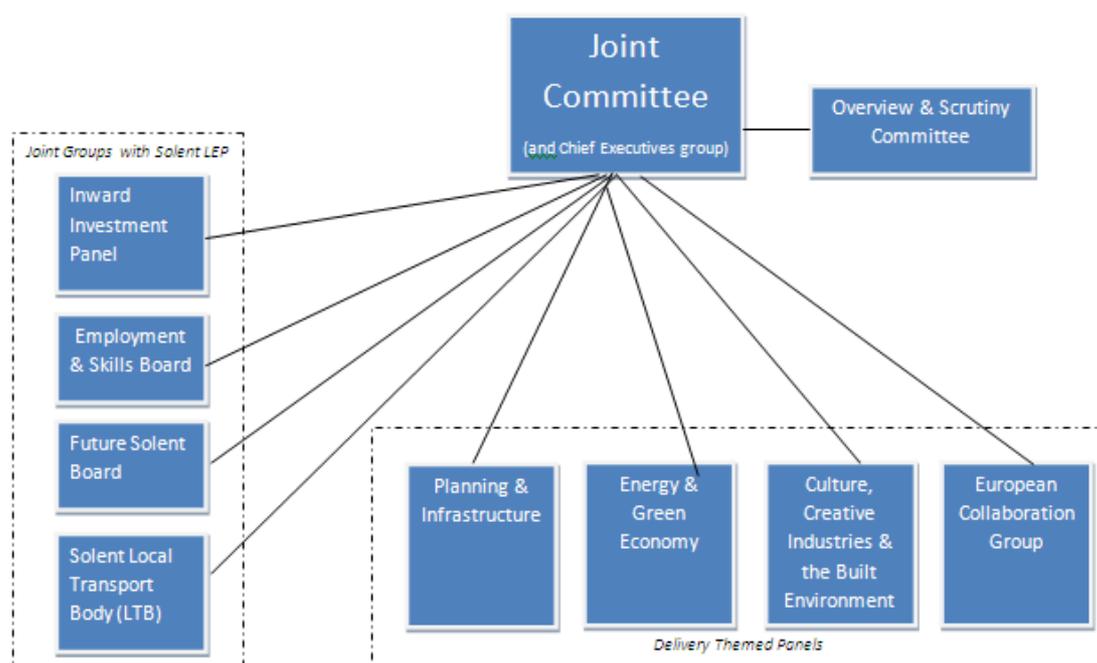


Table 1 below provides a summary of the current & revised themed panels and the respective Chief Executive, Operational and Member Theme Leads responsible for taking forward their relevant themed priorities.

Table 1:

Old delivery themed panel	New delivery themed Panel	Lead Member	Lead Chief Executive	Lead officer
Housing & Planning	Planning & Infrastructure	Councillor Keith Evans (Fareham BC)	Ian Lycett (Gosport BC)	Housing - Barbara Compton (SCC) Planning -Paul Nichols (SCC) Community Infrastructure Steve Lees (Test Valley)
Sustainability & Community Infrastructure	Energy & the Green Economy	Councillor Martin Hatley (Test Valley BC)	Sandy Hopkins (Havant & East Hants BC)	Green Economy – Alex Parmley (EBC) Energy – Gill Kneller (HBC)
Quality Places	Culture, creative Industries & the Built Environment	Vacant	Simon Eden (Winchester BC)	Quality Places – Charles Freeman (Consultant commissioned by WCC)
	European Collaboration Group	Vacant	Dawn Baxendale (Southampton BC)	Elizabeth Smith – (SCC) Laurie Barrie (P CC)

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REVISION OF PUSH FINANCIAL PROTOCOL

4. The PUSH financial protocol sets out the appropriate levels of delegated authority and parameters on how PUSH allocated budget is spent on a given capital or revenue scheme. Subsequent to the much reduced PUSH budget in the past years, the revised PUSH Financial protocol is intended to reflect a more streamlined and proportionate approach to progress reporting. On this basis, the Committee is asked to AGREE the revised financial protocol attached as Annex A to this report.

PART B: MATTERS FOR INFORMATION

CITY DEAL UPDATE

5. The Joint Committee will recall that in November 2012, Government invited twenty cities to bring forward proposals for a second wave of city deals. Identified as one of the twenty areas, Portsmouth and Southampton City Council worked collaboratively with PUSH, the Solent LEP and other key partners to submit its Expression of Interest to Government on 15 January 2013. Further to positive feedback on its proposal, the Portsmouth–Southampton City Deal was successfully fast tracked to the next stage which subsequently led to numerous Ministerial meetings and presentations in determining the growth potential of the two cities. In support of the City Deal, PUSH facilitated four workshops and commissioned an independent evidence base study jointly with the Solent LEP entitled 'Anchoring Growth: An Economic Assessment of the Solent area'. PUSH's total financial investment was £70,000.
6. On 13 November 2013, the sub-region celebrated the news that the City Deal had been successfully secured with Government. The City Deal offers the two cities a unique opportunity to help put business at the heart of economic growth, enabling this globally competitive area to realise its full potential, delivering real and substantial improvements in the co-ordination of private and public investment, skills, business support, regeneration, transport, housing and inward investment. Hailed as the historic 'deal of two cities' the Deal equates to an investment package of just under £1billion aimed at strengthening the area's maritime, marine and advanced manufacturing sectors. The region has recently endured profound economic shocks - first with Ford, and then from BAE's decision to cease shipbuilding in Portsmouth. The City deal will no doubt contribute towards creating the much needed jobs and additional homes. Amongst the programme support package is a locally responsive and employer led skills system and help to assist the long-term and youth unemployed back into work.
7. The key part of the deal will help to unlock two high-profile sites within Southampton (Watermark West Quay) and Portsmouth (Tipner and Horsea Island). Parts of the Tipner/Horsea Island area currently cannot be developed because of obstacles such as multiple land ownership, land that needs cleaning up, or a lack of infrastructure. The City Deal will transfer land from the Ministry of Defence to Portsmouth City Council and enable roads and other infrastructure to be built. Making land at Tipner and Horsea Island in Portsmouth available for development will eventually provide 2,370 new homes and more than 3,700 permanent jobs. Portsmouth City Council has already invested £24m in infrastructure in the Tipner/Horsea Island area to support current and future development. This includes the building of a new motorway junction, which provides access between the motorway and Tipner East, Tipner West and a Ministry of Defence firing range. This work will be completed in March 2014. House building will begin at Tipner East in 2014/15.
8. A critical industry for Southampton's maritime sector is the growing international cruise industry, with more than 400 ships expected to dock in

Southampton in 2013. This will provide approximately £1bn to the local economy; a 200% increase in passenger numbers in the last 10 years, with further growth expected. This provides a significant opportunity to improve the attractiveness of the city to visitors, which can be found in the stalled 49,000 square metre Watermark West Quay development. This £97m mixed-use scheme will be delivered in two phases. The first phase comprises a landmark cinema building, up to 15 restaurants, additional retail space and newly-created public space in front of the city's historic walls – creating 500 new permanent jobs. The second phase has the potential to include a residential tower, a hotel, flexible office space, restaurants and additional public space.

9. In the period up to 2025, City Deal seeks to deliver genuine additionality in the economy as follows:
 - Over 4,933 permanent new jobs particularly focussed in maritime and advanced manufacturing sectors.
 - Over 14,005 construction jobs.
 - Unlock 107,000 sq metres of new employment floor space with a focus on supporting growth in the marine, maritime and advanced manufacturing sectors.
 - Support up to 500 SMEs to grow through better business support over the next three years.
 - Provide £115m of local and national public sector investment.
 - Lever in £531m of private sector investment into the area.
 - Create 7,500 new apprenticeships with 2,000 over the next 3 years
 - Support 1,000 long term unemployed people into employment over the next 3 years

DRAFT SOLENT STRATEGIC ECONOMIC PLAN & EU INVESTMENT STRATEGY SUBMITTED

10. At the last meeting, the Joint Committee were advised of the Government requirement of all local enterprise partnerships to submit their Draft EU Structural Investment Fund Strategy by 7 October 2013. The Draft EU strategy for the Solent area (published by the Solent LEP in October) sets out the Solent LEP's strategic priorities and how it intends to distribute its allocated budget responsibility of €43.1million of EU funding over the 2014-2020 period. The Plan brings together funding streams from the European Social Fund (ESF) and ERDF (European Regional Development Fund) with an overall focus on the Maritime economy, a key Solent LEP priority. That said, the draft plan does provide flexibility to allow for support in other growth sectors. The ESF element which, consists of approximately 50% of the total Solent area allocation, focuses primarily on education, Skills and lifelong learning; promoting employment, labour market support and mobility and promoting Social Inclusion and Combating Poverty. Conversely the ERDF focuses on identified priorities focussed on strengthening research, technology development and innovation; enhancing access to, and the use and quality of ICTs; enhancing the competitiveness of Small and Medium Sized Enterprises (SME's) and supporting the shift towards a low carbon economy. Subject to Government feedback, the Solent LEP is expected to submit its final strategy to Government by 31 January 2014.
11. Following the Government's endorsement of the Heseltine report entitled: 'No Stone Unturned', all local enterprise partnerships were required to formulate, ambitious and visionary multi-year growth plans for their area. Government

requires that the plans demonstrate how the area will grow its economy and the robust governance arrangements it will put in place to enable effective and inclusive delivery. These strategic plans, supported by the necessary evidence base, should detail how the various partners and stakeholders in the local area will work together and align their existing resources to support local sustainable growth. Interim Guidance was produced (Growth Deals, initial Guidance July 2013) and further supplementary guidance is expected.

12. To facilitate this process, the Solent LEP consulted with approximately 400 organisational representatives to date through two events held in September and November 2013, the latter of which was attended by Lord Heseltine, as the keynote speaker. Comments received from these events have helped to shape the Draft Solent Strategic Economic Plan (SEP), submitted to Government on 19th December 2013. The Solent SEP, as advised by the Solent LEP, consists of two parts, the first of which sets out the growth ambitions of the Solent area building on and updating the previous *Solent LEP Plan – A Strategy for Growth*, published in December 2012. The second part refers to the various evidence base necessary to inform the growth ambitions articulated in the draft plan, one of which includes the PUSH Strategic Housing Market Assessment.
13. The Solent Strategic Economic Plan (SEP) was submitted in draft to BIS on the 19th December following approval by the Solent LEP Board at its meeting on 11th December. Feedback from BIS and other Government Departments is due to be received at the end of January 2014 with a view to a final submission on the 31 March 2014.

SOLENT LEP APPOINTS NEW CHAIRMAN

14. Following the retirement of the former Chairman Doug Morrison in September 2013, local business leader Gary Jeffries was elected as the new chairman of the Solent Local Enterprise Partnership (LEP) at a meeting of the Solent LEP Board held on 18 November 2013. Gary became a Solent LEP Board Director by its founding member businesses back in 2011 back and since this time, has been leading the Solent LEPs flagship initiative in developing the Solent Enterprise Zone at Daedalus; an ex-military airfield on the Gosport peninsula.
15. Gary is the Managing Director of Hughes Ellard, the south coast's largest independent commercial real estate consultancy. In this role, he specialises in major developments and in handling the property interests of major corporations and industrialists; experience which is invaluable to the Solent LEPs aspirations for creating growth and inward investment in the region. Gary actively represents the region in his role as President for the Portsmouth area of Hampshire Chamber of Commerce.

SOLENT TRANSPORT UPDATE

16. At their meetings in October 2013, the TfSHIoW Joint Committee and the Solent Local Transport Body (LTB) supported proposals to integrate into a single body that would become 'Solent Transport'. Discussions have paused pending advice from Government on the provisions for the inclusion of non-local authority bodies (such as LEPs) within a Joint Committee structure.

Advice from government in this regard is expected imminently. In the meantime, the Solent LTB, on which PUSH is represented as a Board member, recently received a letter from DfT confirming that it can commit funding to those transport priorities previously identified. Accordingly, at its next meeting (February 27th) the LTB Board is expected to confirm funding for the four prioritised schemes subject to each scheme satisfying the requirements of Part 3 of the Solent LTB Assurance Framework, which involves the satisfactory completion and submission of a full transport business case and value for money statement.

- Access Road to Dunsbury Hill Farm, Havant (£4.54m funding request)
- Station Quarter North, Southampton (£4.19m funding request)
- The Hard Interchange, Portsmouth (£4.83m funding request))
- A27 Improvements, Fareham (£4.96 m funding request)

17. Further update on the formation of the Solent Transport Body will be provided at the next Committee meeting.

RECOMMENDATIONS

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Background Papers:

None

Reference Papers:

[Annex A – PUSH Financial Protocol – Revised November 2013](#)

Enquiries:

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