



Report to the Partnership for Urban South Hampshire Joint Committee

Date: **27 January 2015**

Report of: **Gloria Ighodaro**

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 Joint Committee:

1. NOTES the matters for decision in Part A and matters for Information outlined in Part B of this report.
2. AGREES to delegate authority to the PUSH Chairman, PUSH Legal Monitoring officer and PUSH Executive Director to work with the Solent LEP and the LEP's Accountable body to review the Joint Agreement. The outcome of this review will be reported at the March Joint Committee.

PART A: MATTERS FOR DECISION

SOLENT LEP UPDATE

1. At the Joint Committee meeting on 2 December, the Solent LEP provided a comprehensive written and verbal governance update on the Solent Growth Forum (SGF) and the European Structural Investment Fund (ESIF) Committee. At the meeting PUSH committed to host the Solent Growth Forum, the first meeting of which would be held on 27 January 2015 to coincide with the PUSH Joint Committee. As a consequence the Joint Committee was asked to:
 - **Agree** the updated Joint Agreement in principle which provides for PUSH hosting the Solent Growth Forum on behalf of the Solent LEP as a separate Part B to the PUSH Joint Committee meeting, with the first meeting taking place in January 2015 and delegate its approval to the Monitoring Officer in consultation with the Chairman and acting Executive Director of PUSH.
 - **Note** that the Solent LEP is required to establish a Solent LEP Area European Structural Investment Fund (ESIF) Committee and **Agree** that this should convene following the PUSH Joint Committee meeting, with the first meeting taking place in January 2015 in shadow form.
2. Further to the approval of the above recommendations, the Committee is asked to note that the Solent Growth Forum which was due to take place today (27 January 2015) has now been postponed until further notice. The ESIF Committee meeting however, will hold its initial Committee meeting today. The ESIF Committee meetings will undergo separate meeting arrangements managed by the Department for Communities and Local Government (DCLG) and the Solent LEP. At the last PUSH Chief Executives Group, the following four nominees were agreed to represent PUSH on the ESIF Committee. These are Chris Brammall, Economic Development Project Officer Isle of Wight; Denise Edghill, Head of Skills and Regeneration, Southampton City Council; Jennie Pell, Senior Economic Development Projects Manager, Hampshire County Council; Eloise Appleby Assistant Director (Economy and Communities) Winchester City Council.
3. Since the last meeting however, the Joint Committee is advised to note that a request was made by the Solent LEP to conduct a further review of the Joint Agreement to ensure that it is fit for purpose to host the Solent Growth Forum. The Joint Committee is asked therefore to AGREE to delegate authority to the PUSH Chairman, PUSH Legal Monitoring officer and PUSH Executive Director to work with the Solent LEP and the LEP's Accountable body to review the Joint Agreement. It is expected that this review will conclude early February to facilitate the LEP and its accountability requirements to convene the SGF in February and a progress update on the work of the forum and any changes to the Joint Agreement will be communicated to PUSH members upon conclusion of the review in early February 2015. The outcome of this review will also be reported at the March Joint Committee.

PART B: MATTERS FOR INFORMATION

GOVERNMENT'S AUTUMN STATEMENT FOR 2014

4. The Autumn Statement for 2014 sets out the Government's ongoing commitment to create the conditions for economic growth by improving the UK's productivity, competitiveness and financial stability. Putting public finances on a sustainable path is identified therefore as one of the key priorities to achieving this aim as part of the next stage to the government's long-term economic plan. Below is a summary of key headline proposals in the Autumn Statement which are of particular relevance to PUSH and its role in supporting the Solent LEP agenda:-
 - Rebalancing the economy and ensuring regional growth by taking forward city deals and local growth deals with support from the Regional Growth Fund.
 - Long-term public and private sector investment plans for Infrastructure including £15 billion investment in the road network and a £2.3 billion investment to deliver a programme of £1,400 flood defence schemes over the next 6 years. This aims to ensure that at least 300,000 homes are better protected by 2021.
 - To further encourage private sector investment in this programme, the government will legislate to ensure that business contributions to flood defence schemes are deductible.
 - A comprehensive package to boost productivity through investment in infrastructure, including road, rail and flood defences; higher level skills, innovation
5. In relation to housing and planning, action to boost housing supply and reform the planning system remains firmly on the Governments agenda. Underused public land is recognised as a means delivering new homes and as such the government remains committed to the release of public land to enable the delivery of up to 150,000 homes between 2015 - 2020. This provides an opportunity for PUSH to work more closely with both the Solent LEP and Government towards releasing public sector land that is currently stalled for development in the PUSH area. The Joint Committee will recall that at its December meeting, PUSH agreed to nominate both a Chief Executive officer and Members to represent PUSH on the Solent LEP's governance Structure; namely the Solent Strategic Land and Infrastructure Board (SSLIB) and the Land, Property and Infrastructure Delivery Panel (LPIDP). These two groups will no doubt prove to be a fundamental vehicle through which identification and management of public sector land assets can be best addressed in the Solent area. The core membership of the SSLIB includes representation from the cabinet Office and various Government Departments and agencies including the Department for Transport, Highways Agency, Homes and Communities Agency (HCA) and Ministry of Defence (MoD).
6. There remains a national target to deliver 165,000 affordable homes over the 2015-18 periods. In response to this, the government aims to extend affordable housing capital investment to 2018-19 and 2019-20. It is envisaged that this would enable on average 55,000 new affordable homes with the expectation that over the next Parliament that more new affordable homes will be built than in any equivalent period in the last 20 years. Other key announcements related to housing and local growth agenda are:-

- A further £1 billion from the £12 billion Local Growth Fund between 2016 - 17 and 2020-21 to support a second round of Growth deals
 - The government will extend affordable housing capital investment to 2018-19 and 2019-20 to ensure that £275,000 new affordable homes can be delivered over the next Parliament.
 - The Release of land capacity to achieve an ambitious target of up to 150,000 new affordable homes between 2015 - 2020.
 - The government remains committed to establishing shared ownership as a route to home ownership, making it more attractive to both households and investors.
7. Furthermore, Government is keen to speed up planning decisions and has introduced further actions to speed up the end-to-end planning process for major and minor applications, and to support Small and Medium Enterprises (SMEs) including:
- Taking Steps to speed up Section 106 (S106) negotiations and as a consequence will issue a revised guidance, consulting on a faster process for reaching agreement, considering how timescales for agreement could be introduced thereby improving transparency on the use of S106 funds.
 - Working with industry and local authorities to test whether more can be done to support the approval of small sites in the planning system
 - Publishing proposals for consultation at Budget 2015 on making the Compulsory Purchase Regime clearer, faster and fairer, with the aim of bring forward more brownfield land for development.
8. At the sub regional level, PUSH's well established collaborative approach on spatial matters provides an ideal opportunity and mechanism for sharing good practice across the PUSH area, on the government actions described above.
9. The majority of the Government's commitments are predominantly capital funded proposals which form part of Governments long term investment. Unlocking Infrastructure remains a key priority for Government as an essential foundation for economic activity and acts as a catalyst for improved productivity and continued growth. A recent publication of the National Infrastructure Plan 2014 sets out progress on delivery and a clear plan for future schemes. This is underpinned by a refreshed infrastructure pipeline, which details over £460 billion planned public and private sector investment to 2020 and beyond. Government's growth commitments in the South East of England include junction enhancements to M3 and M27, £1.9bn to improve the conditions of roads and £680m to support over 300 flood defence projects.

SOLENT INWARD INVESTMENT STRATEGY

10. Members will be aware that both PUSH and the Solent LEP have been working jointly towards an integrated Inward Investment Model for the Solent area. Albeit the work was commissioned by the Solent LEP, PUSH has played an instrumental role in the development of the Solent Inward Investment Strategy, published October 2014. At the last Joint Committee, I advised that written correspondence had been received from the Solent LEP inviting PUSH to work with the LEP to develop the Investment Model and to contribute into the collective funding pot towards delivery of the Model in 2015/16 only. A copy of the initial correspondence from the LEP is attached as Annex A to this report.

Subsequent response from PUSH is attached as Annex B. In reference to Annex B, the Joint Committee is asked to note the inclusion of recommendation made by Members at the last meeting advising the Solent LEP that the PUSH contribution (both Kind and In-kind) was an in principle agreement, subject to an agreed Service Level Agreement. Furthermore, The PUSH Joint Committee was also keen for the LEP to confirm its level of cash contribution with the expectation that the LEP contribution, would at the very least, be equivalent to the total PUSH & additional local authority funding offer of £170,000. This was also included in the PUSH response. The Solent LEP's response to the PUSH letter (attached as Annex C) responds positively to the recommendations made by the PUSH Joint Committee. The Solent LEP Board is due to agree the LEP's proposed financial contribution (of £200,000 cash and £75,000 in-kind) at its January meeting.

11. The level of investment from the PUSH local authorities is a one off, capped contribution of £170,000 cash in addition to the in-kind resource contribution to the value of £70,000. This funding would go towards a collective pot to deliver Inward Investment Services for 2015/16 financial year only. This is subject however, to review and it may be possible to spread the 2015/16 allocation to the following financial year subject to agreement between PUSH, Solent LEP and other contributors. The Solent Inward Investment Board continues to meet on a regular basis and consists of both public and private sector membership represented by PUSH Local authorities, the Solent LEP and other organisations including Southampton Airports, Business South and UK, Trade and Industries. A key focus between now and March 2015 will include developing further the implementation plan and associated resource requirements.

RECOMMENDATION

It is RECOMMENDED that the Joint Committee:

12. NOTE the matters for decision in Part A and matters for Information outlined in Part B of this report.
13. AGREE to delegate authority to the PUSH Chairman, PUSH Legal Monitoring officer and PUSH Executive Director to work with the Solent LEP and the LEP's Accountable body to review the Joint Agreement. The outcome of this review will be reported at the March Joint Committee.

Background Papers:

- Joint Committee 2 December 2014 - Item 8: PUSH Covering letter and Addendum to Item 8

Reference Papers:

- Transforming Solent: Inward Investment Strategy, October 2014

Enquiries:

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