



Item 7

Report to the Partnership for Urban South Hampshire Joint Committee

Date: **28 September 2015**

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 Joint 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 PRODUCTIVITY PLAN / SPENDING REVIEW

1. In July 2015, Government published its mid-year Spending Review and in tandem, launched its Productivity Plan entitled '*fixing the Foundations: Creating a more prosperous nation*'. The Plan sets out Government's long-term ambitions and investment over the next Parliament aimed to reverse the UK's long-term productivity problem and secure rising living standards and a better quality of life for our citizens. The framework for raising productivity includes 15 key areas, built around two pillars: first, encouraging long term investment, and secondly, promoting a dynamic economy. Government remains committed to stimulating private sector led growth centred on wealth creation, better outcomes for businesses and individuals; and in the context of public reform better efficiencies and economies of scale. Every Government Department will be expected to contribute to this ambition to ensure delivery occurs with urgency and pace. At the heart of delivery is the Devolution agenda as the vehicle for giving more powers, freedoms and flexibilities to local areas to deliver on its economic ambitions both through the LEP architecture and / or an area's Devolution Deal with Government. The new Plan will undoubtedly predict the manner in which public funding is allocated to local areas with deliverability being at the heart of any agreed settlement. Radical steps to build on and extend the devolution of powers in the UK is therefore underway which has to date resulted in devolution deals, mainly in the North of England - Manchester, Sheffield, Leeds, Liverpool until more recently in Cornwall, South West England.
2. Further contraction of public spending is underway with approximately 40% of public sector cuts identified in the *Spending Review 2015: A country that lives within its means*. The Autumn Statement expected to be published by 25 November 2015 will lay the foundation on how government will invest in priority spending and deliver the remaining £20 billion of consolidation required to eliminate the national deficit. Investment priorities for Government remain in Health and Defence and protecting spending on public health and schools. Other core outcomes identified include:
 - Promoting innovation and greater collaboration in public services
 - Promoting growth and productivity, including through radical devolution powers to local areas in England.
 - Promoting choice and competition
 - Driving efficiency and value for money across the public sector
3. In recognition of Governments commitment to increase productivity at the national level, PUSH continues to work collaboratively with the Solent LEP and other external partners to address the productivity challenge in Solent area. This will require joint working on complementary programmes and activities related to employment and skills and Inward Investment. At the last Solent Employment and

Skills Board meeting, the following priorities in taking forward the Skills Strategy for the area were agreed:

- Driving higher level skills and building participation in higher education
- Building STEM skills
- Seeking devolved skills budgets for the Solent to maximise the flexibility and target effective use of resources

4. The recent submission of Hampshire and the Isle of Wight (HIOW) Prospectus for Devolution to the Treasury on Friday, 4th September will help to kick-start formal negotiations with Government towards a potential landmark deal being announced as part of the Chancellor's Spending Review on 25th November. A key feature in the proposal is raising HIOW's productivity to maintain its economic competitiveness and secure long-term prosperity for our residents and businesses. PUSH local authorities are among the 15 Councils backing the proposal along with the two Local Enterprise Partnerships and support of both the South Downs and New Forest National Park Authorities, the Hampshire and Isle of Wight Fire and Rescue Services, the Hampshire Constabulary, and the Police and Crime Commissioner – all of whom are signatories to the Prospectus. Investing more in technologies, improving connectivity and pooling our public resources underpin the areas ambition to boost business and skills for work, accelerate housing delivery; seek further investment in infrastructure and transform our local public services.

PUSH BUSINESS PLAN REFRESH

5. The current PUSH Business Plan 2014/16 was developed over two years ago primarily to reflect the PUSH Governance review conducted at that time and changes in policy, economic and fiscal landscape. There is now a need to refresh the Business Plan to take account of further policy changes post General Election on matters related to housing and planning, economic growth, productivity and Devolution agenda. It is important that PUSH takes stock of its achievements over the last two years and continues to plan to mitigate risks related to emerging public sector savings, building on its strong track record of partnership working, policy development and delivery of joint initiatives across the Solent area. A key consideration in refreshing the Plan is to explore how PUSH will contribute to the areas economic growth ambition of raising productivity, boosting business and skills for work and transforming public sector working with the LEP and other key partners.
6. The PUSH Capital Programme has now concluded, with the exception of two schemes due to complete by end of December 2015. The three Delivery Panels (Planning and Infrastructure, Energy and the Green Economy and Culture and Creative Industries and the Built Environment); have collectively delivered regeneration and public realm schemes to the value of £80m leveraged from both PUSH capital funding programme and private sector funding. The Partnership, through the PUSH Executive Director, continues to support the Solent LEP's Executive Team offering programme support and advice on the Solent LEP's Growing Places (Infrastructure) Programme which has to date resulted in the build and completion of the £12m CEMAST college on the Enterprise Zone and associated infrastructure works and the completion of two new Hovercrafts designed and built by Griffon Hoverworks Limited. Griffon are currently undergoing a process of fittings and tests before the Hovercrafts are deemed operational (test runs) by the scheduled date of January 2016 and going into service by April 2016. Other programme support includes the onsite and Offsite Infrastructure delivery on the Daedalus Enterprise Zone Support and the Solent Gateway scheme.

7. Work is underway to engage with PUSH Delivery Panels over the next couple of months to review Business priorities and associated funding requirements to help develop the next iteration of the PUSH Business Plan, due to be presented at the Joint Committee in June 2016.

SOLENT LEP INNOVATION DELIVERY PANEL

8. The Solent LEP held its inaugural Innovation Delivery Panel meeting in July 2015. The initial meeting, chaired by David Bream on behalf of the Solent LEP Board Director Lead, Professor Don Nutbeam, the following priorities were agreed:
 - Ensuring a robust strategy is developed and implemented to support innovative businesses in the Solent
 - Developing tools and mechanisms to link the Research & Development assets of the region to the Solent's innovative firms
 - Ensuring the panel is delivery focussed as well as taking forward the strategy
9. The Panel will provide an important role in the development of the Solent Economic Plan refresh and the Innovation Strategy over the coming months. Further to correspondence received from the Solent LEP to nominate an officer to represent PUSH on the Panel, the Chief Executives Group agreed to nominate Alex Parmley, Corporate Director at Eastleigh Borough Council. Alex has a wealth of experience in innovation programmes and is currently the Operational Theme Lead driving the work of the PUSH Energy and the Green Economy Delivery Panel - notably the Solent Green Deal, Clean Tech Cluster project and Future Solent programme. He continues to work collaboratively with the Universities and businesses across the Solent and will no doubt add value to the innovation agenda.
10. An update on progress will be provided at future Joint Committee meetings. A copy of the Terms of Reference can be viewed at http://solentlep.org.uk/uploads/documents/Solent_LEP_Assurance_Framework_May_2015.pdf

EUROPEAN STRUCTURAL INVESTMENT FUND (ESIF) UPDATE

11. The Solent area's ESIF Committee have convened six meetings to date. Project specifications have been developed for a total of seven project calls related to SME Competitiveness, employment and skills, rural development and community learning. These calls were approved by the ESIF Committee and were launched between March and July 2015. The total value of the calls approved to date equates to over £5 million for the next three years. In addition to these calls, the Solent LEP made a submission in June to the Technical Assistance Fund, which will help provide support for the development of projects, capacity building and publicity activities. The £60 million fund is a national call available for all LEP areas to bid to. The outcome of the bid is yet to be confirmed. For more information about the various calls, please visit the Government website at: https://www.gov.uk/european-structural-investment-funds?keywords=Solent&fund_state%5B%5D=open&fund_state%5B%5D=closed

RECOMMENDATION

It is RECOMMENDED that the Joint Committee:

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

Background Papers:

- Joint Committee Meeting: 2 December 2014 – Item 10: Solent Recreation and Mitigation Plan
- Joint Committee meeting: 2 December 2014 - Item 8: Solent Growth Deal and ESIF Governance Update
- Joint Committee Meeting : 2 December 2014 - Item 8: Solent Growth Deal

Reference Papers:

- Transforming Solent: Inward Investment Strategy, October 2014

Enquiries:

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