



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

Date: 22 November 2016
Report of: David Williams, PUSH Lead Chief Executive
Subject: Arrangements for PUSH

SUMMARY

To note the future arrangements for PUSH. These were discussed by the PUSH Chief Executives at their meeting in September 2016.

RECOMMENDATIONS

The Overview and Scrutiny Committee is recommended to:

1. NOTE a subscription holiday for the 2017-18 financial year (see paragraphs 2.3 and 2.4);
2. NOTE the issues identified for the key areas of work, aligned to the business plan and note how it will engage with the following proposals:
 - a review by the Solent LEP (SLEP) of their economic strategy (see paragraph 3.2)
 - a suggestion that the PUSH authorities and SLEP create a fund to support feasibility studies needed to support funding applications (see paragraph 3.3); and
3. NOTE the vacancies for PUSH representatives outlined in Appendix 2 .

1. **Background**

- 1.1 The Partnership for Urban South Hampshire (PUSH) was originally formed in 2003 following a recognition by the Leaders of Eastleigh, Fareham, Gosport, Havant, Portsmouth and Southampton councils (the urban core of South Hampshire) and Hampshire that South Hampshire was underperforming in economic terms in comparison with the remainder of South-East England and that, as employers and skills providers do not recognise the administrative boundaries of councils neither should the Leaders. The Leaders therefore determined to work together to advance the economic prospects for the area.
- 1.2 Subsequently in response to the South East England Regional Assembly requirement for a 20 year plan for functional economic areas within the South East PUSH invited the Leaders of East Hampshire, New Forest, Test Valley and Winchester to join in recognition that the natural economic area of South Hampshire included parts of those areas also. Subsequent to PUSH setting up, with business leaders, the Solent LEP the Isle of Wight Leader also accepted an invitation to join. PUSH moved from an informal meeting of Council Leaders to a formally constituted Joint Committee with overview and scrutiny arrangements. It also dispensed very significant sums of government money devolved to it to invest in key infrastructure and skills projects in the South Hampshire area while working with Solent Transport's highways authorities, the Solent LEP and many other government bodies and agencies.
- 1.3 PUSH has always operated in a changing environment and its business plans and organisational form have been developed to take account of its changing role.
- 1.4 Despite the changed environment PUSH has maintained a clear vision and has evolved to work in partnership with all who have a role in delivering a more prosperous and sustainable South Hampshire. As part of its vision, PUSH has a clear goal to improve the economic performance of the sub-region and to narrow the gap of disadvantage that holds the area back through an approach of managed, conditional growth. PUSH recognises that in order to be sustainable, housing and economic growth need to move in step and that this needs to be underpinned by the requisite infrastructure.
- 1.5 PUSH is an excellent example of successful partnership working and recent successes include:
 - the approval of the Spatial Position Statement which sets out the overall need for, and distribution of, development in South Hampshire to 2034

- support to the Solent Recreation Mitigation Partnership which is coordinating the funding and implementation of mitigation measures which will enable planned housebuilding to continue - this includes delivery of Growth Deal schemes such as the Alver Valley Country Park scheme
- the Design Awards, the Creative Network and support to the Artches project

1.6 The PUSH Business Plan 2016/18 was agreed at the June 2016 meeting and it confirmed the business priorities for the partnership as:

- Planning and Infrastructure
- Energy and the Green Economy
- Culture, Creative Industries and the Built Environment
- European Collaboration

1.7 The plan recognised that the PUSH budget has reduced over time and that work within each topic needs to be tightly focused. The actions to be taken forward are set out in Appendix 1.

1.8 Despite the recent review of PUSH (reflected in the 2014 business plan) and the successes it has continued to deliver, there have been further changes, and potential changes which mean that it is appropriate to take stock again. These include both changes to the environment within which it is operating and also to the personnel that support its operation. These include:

- The strengthened role of SLEP which is now leading on a number of economic development themes and supporting the contracting out of considerable sums of money to support the economic growth of the region
- Changes to spatial planning requirements
- The resignation of the PUSH Executive Director and the retirement of number of Chief Executive leads for the various PUSH panels
- Future devolution or reorganisation that might happen in the Solent and surrounding area. Consultation has recently completed about the Solent unitary authorities ambition to create a Solent Combined Authority as a vehicle for devolution and additional funding in the Solent area. Hampshire County Council has also recently completed its consultation on a range of options including Local Government Reorganisation across Hampshire and the Isle of Wight. The responses of the relevant authorities to these consultations, and subsequent actions, will have a potential impact on PUSH.

2. **The response to this changing environment**

2.1 PUSH still has an important role to play within the sustainable economic growth agenda for the Solent region. It provides a democratic legitimacy for the sub-regional work needed to drive sustainable economic growth and has an important role working with local partners. The role remains important whilst:

- Hampshire County Council's response to their consultation is still being developed. Even if a decision is made by the County Council to push forward with some form of local government reorganisation, it would take several years to establish a new unitary authority
- The combined authority consultation has only just ended. If the three unitary authorities decide to make a proposal to the Secretary of State it will be his decision whether or not to allow a Combined Authority (CA) to be formed. If he decides to set up a CA, it is not yet certain who may seek to join as non-constituent members and therefore how its role will develop
- The PUSH boundary is broader than the Solent CA boundary proposed by the three unitaries
- Any Solent CA would have a focus on delivering the deal

2.2 On this basis it is recommended that PUSH should continue on streamlined arrangements to work alongside any changes to local governance and ensure continuity. A further review should be completed for June 2018 when there may be a clearer picture on how things have changed or are changing. The business plan approved in June 2016 sets out the core work of PUSH over the next two years. The aims of the business plan may well stay consistent beyond 2018, and so discussions can take place over this two year period to consider how these objectives would best be managed in a changed (or changing) local government landscape from 2018 onwards.

2.3 To support this, the following arrangements are suggested:

- i. No changes are necessary to the core governance; PUSH should remain constituted as a committee of local government, continue to be subject to scrutiny and continue to require a level of supporting discussion at senior member and officer level. However, there is a need to identify how to deal with senior officer lead support roles for Culture, Creative Industries and the Built Environment (previously led to Simon Eden) and for Infrastructure / Sites (previously led by Ian Lycett)

- ii. There is no longer a need for a dedicated Executive Director (ED) post; however there are still ED functions that need to be performed. Since Gloria's departure, these have been undertaken by Paddy May, Corporate Strategy Manager at Portsmouth City Council and Portsmouth City Council (corporate strategy function) can continue to undertake the ED functions. This will reflect the link to the Chief Executive of the authority as the lead Chief Executive for PUSH, and minimise the short-term disruption as existing infrastructure (accommodation, IT, HR) is provided through PCC.
 - iii. There remains work in relation to servicing the schedule of formal and informal meetings, as well as administering claims - it is therefore proposed that administrative support is maintained at the current level for two years (until the next suggested review).
 - iv. Fareham Borough Council will continue to provide committee support and the meeting venue.
 - v. In-kind support will continue to be provided by Portsmouth City Council for accommodation and for officers undertaking "theme lead" roles and other support to the work of PUSH.
 - vi. It is recommended that Southampton City Council continue to provide legal and financial support.
 - vii. With a streamlined purpose and a reduced support requirement this will reduce the costs of operating PUSH. With the level of reserves that PUSH maintains, it is suggested that all authorities have a subscription holiday for 2017-18.
 - viii. PUSH should explore with the SLEP any pieces of work that could usefully be done as joint PUSH / SLEP research to help achieve sustainable economic growth.
- 2.4 If these recommendations are accepted a full review of PUSH and long-term future proposals will be presented to the PUSH Joint Committee in June 2018.

3. The PUSH work programme

- 3.1 Whilst PUSH has agreed a Business Plan for 2016/18 (the priorities and actions of the plan are attached as Appendix 1), a business plan should always be a live document and so it is reasonable to consider whether there are additional areas that PUSH could sensibly focus on which might support sustainable growth.
- 3.2 One area that PUSH should look at is the extent it wishes to engage with the SLEP in the context of the work that SLEP will be doing to refresh the

economic strategy generally. PUSH had previously allocated £100k towards helping to operationalise an Inward Investment strategy agreed with the Solent LEP. PUSH subsequently decided that the funding should be used to help match fund an ERDF bid to support SMEs in the Solent area. This ERDF proposal is not being taken forward and so this funding could be used to help with joint work around the economic strategy generally. It is worth noting that the Foreign Direct Investment (FDI) data for 2014/15 has shown that FDI for the Solent has fallen again and this was from a very poor relative base. With potential concerns post BREXIT about FDI this is something that PUSH may wish to focus on.

- 3.3 A further area that has been suggested as an opportunity for joint work with SLEP concerns the funding of feasibility studies to help support bids that will help economic growth in the PUSH area. There is a concern that the up-front costs of feasibility studies can be prohibitive for local authorities. SLEP were asked if they could support this work. They have identified £500k of funding (not from the growth deal) which they would be prepared to match against PUSH funding to help fund the feasibility studies that are often needed to help funding applications. If this was felt to be a good idea there would need to be an exploration, with the SLEP of how this could work in practice. This might include for example whether the decision to provide local authority funds could be done on a case by case basis or whether a single pump-priming fund would need to be created.

4. Financial Implications

- 4.1 The approved PUSH budget for 2016-17, which set out the cost of projects/initiatives agreed by Joint Committee, featured an unallocated balance of £208,000, along with a reduced contingency reserve of £25,000. It was proposed that the unallocated balance would be used to support activities in 2017-18, unless projects came forward during 2016-17 with a compelling business case.
- 4.2 If this balance were to remain unallocated until 31st March 2017, it is anticipated that the sum of £208,000 would be sufficient to meet the reduced level of core costs anticipated for 2017-18 and also allow some limited support for new projects/initiatives in line with the streamlined purpose for PUSH. On this basis, a subscription holiday is recommended for 2017-18.
- 4.3 Expenditure commitments in the PUSH 2016/18 Business Plan will continue to be monitored regularly and reported to Joint Committee three times per annum (in June, December and March). The March reports will recommend an interim budget for the following financial year, incorporating any budget carry forwards, prior to a revised budget being set in June. A full review of PUSH and its long term future is planned for June 2018 and this will inform the level of partner contributions for 2018-19.

Conclusion

The Overview and Scrutiny Committee is recommended to:

1. NOTE a subscription holiday for the 2017-18 financial year (see paragraphs 2.3 and 2.4);
2. NOTE the issues identified for the key areas of work, aligned to the business plan and note how it will engage with the following proposals:
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 - a suggestion that the PUSH authorities and SLEP create a fund to support feasibility studies needed to support funding applications (see paragraph 3.3); and
3. NOTE the vacancies for PUSH representatives outlined in Appendix 2 .

APPENDICES

Appendix 1 - Business plan priorities and actions

Appendix 2 - PUSH appointments and vacancies

ENQUIRES: For further information on this report please contact:

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Business Plan Priorities & Actions

Planning and Infrastructure

Priorities:

- Create the right conditions for growth and for improve people's wellbeing.

Actions:

- Concluding the PUSH Spatial Strategy Review
- Updating the PUSH Green Infrastructure and Implementation Plan
- Sub-regional Integrated Water Management Study
- Capital activity (Local Growth Fund) related to Solent Recreation Mitigation Project

Energy and the Green Economy

Priorities:

- Develop Greentech South into a financial self-sustaining and internationally renowned environmental technologies cluster
- Provide intensive support to 100 innovative companies
- 10% of the energy used in the Solent Area will come from within the Solent area
- Complete the establishment of the Hampshire Community Bank, which will be loaning £120m per annum to local businesses
- Make a significant impact on energy efficiency (to be quantified)
- The Solent to have its own low carbon and renewable energy company
- Creation of 5,000 new jobs within the green economy sector

Actions:

- Fund intern to support the Green Economy Programme
- Take forward the Energy Strategy
- Implement the Low Carbon Economy programme

Culture, Creative Industries and the Built Environment

Priorities:

- Ensure that the competitive advantage arising from quality of life offered in south Hampshire is maximised through three strands of work: development of the creative economy; enhancement of the quality of design in the built environment and; stewardship of the historic environment particularly in the Portsmouth Harbour area.

Actions:

- Support Creative Network South
- Sponsor Solent Design Awards
- Contribute to design training events
- Support Portsmouth Harbour Historic Buildings Project

European Collaboration

Priorities:

- Add value to regional and local economic priorities by maximising investment and resources to deliver greater levels of economic, environmental and social return.

Actions:

- Maintain membership of Southern England Local Partners (SELP) to enable the European Collaboration Group to access information, advice and events related to EU matters.

PUSH Representatives

Title	Requirement/nomination	Notes
Solent LEP Employment and Skills Board (ESB)	Replacement for Cllr Dan Jeffery (SCC) who lost his seat at the last election	<p>Board includes 2 senior representatives from the Local Authorities (of which one must be a City representative) based in the Solent LEP area.</p> <p>Cllr Cartright (FBC) is one of the members</p> <p>The Chair Sarah McCarthy-Fry has expressed the view that a political representative for the role be sought initially but this is not a prerequisite for the position and a senior officer will be equally suitable</p>
Solent LEP Business Support Investment Panel	Post currently held by Cllr Cheshire (HBC) who has nominated Cllr Edward Rees (HBC) as his replacement on the Panel	<p>A local Authority representative from a Local Authority based in the Solent</p> <p>Confirmation required that this change is acceptable to the Joint Committee or nominate an alternative representative.</p>
Solent LEP Land Property and Infrastructure Panel	Replacement for David Fletcher	<p>A local Authority representative from a Local Authority based in the Solent.</p> <p>David Fletcher</p>
Solent LEP Innovation and Business Support Delivery Panel	<p>A replacement for Alex Parmley (EBC)</p> <p>Nomination: Natalie Wigman (EBC)</p>	<p>A Local Authority Representative from a Local Authority based in the Solent.</p> <p>Confirmation required that this change is acceptable to the Joint Committee</p>

Title	Requirement/nomination	Notes
Solent Marine & Maritime Steering Group	Post held by Cllr Donna Jones - no requirement for change	A Local Authority Representative from a Local Authority based in the Solent. Cllr Donna Jones
Solent Strategic Land and Infrastructure Board	A replacement for Ian Lycett (GBC) Nomination: Cllr Seán Woodward	Two nominated representatives from PUSH (elected Member or Executive Officer) <ul style="list-style-type: none"> • Cllr Keith House (EBC) • Vacancy
PUSH Planning and Infrastructure Delivery Panel	A replacement for Ian Lycett (GBC)	Current members include: Councillor Keith Evans, Chair, (FBC) Claire Upton-Brown - Operational Theme Lead (PCC)
PUSH Energy & the Green Economy Delivery Panel	A replacement for Alex Parmley (EBC) Nomination: Natalie Wigman (EBC)	Current members include: Councillor Martin Hatley - (TVBC) Sandy Hopkins - (HBC/EHDC) Confirmation required that this change is acceptable to the Joint Committee
PUSH Cultural Creative Industries & the Built Environment	A replacement for Simon Eden (WCC) Nomination: Steve Tilbury (Interim Managing Director, WCC)	Confirmation required that this change is acceptable to the Joint Committee