



Report to the Partnership for Urban South Hampshire Joint Committee

Date: **23 September 2013**

Report of: **Gloria Ighodaro, Programme and Information Manager**

Subject: **PUSH Interim 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 required, while Part B sets out matters for information.

Part A seeks the Joint Committee's decision to contribute a total of £10,000 per annum to the Solent LTB, commencing with a PUSH contribution for 2013/14 financial year. The Committee is also recommended to approve in principle to identifying a shared staffing resource between PUSH and the Solent LEP to help formulate the Solent Growth Strategy and on this basis DELEGATE responsibility to the PUSH Chief Executive Lead following consultation with the PUSH Chairman and Vice Chairman to prepare a proposal agreeable to both parties for action accordingly.

Part B provides an update on the Solent Employment and Skills Board and the Government funding announcements related to the European Structural Investment fund and Single Local Growth Fund, both of which will be administered by Local Enterprise Partnerships. The Joint Committee is also advised of progress related to the Strategic Housing Market Assessment work and a presentation, which will be provided at this meeting by Hampshire County Council officers on the analysis of 2011 Census data for the PUSH area to be complemented also by a summary report.

RECOMMENDATION

It is RECOMMENDED that the Joint Committee:

1. APPROVE in principle to identifying a shared staffing resource between PUSH and the Solent LEP to help formulate the Solent Growth Strategy and on this basis DELEGATE responsibility to the PUSH Chief Executive Lead following

consultation with the PUSH Chairman and Vice Chairman to prepare a proposal agreeable to both parties for action accordingly.

2. APPROVE PUSH's Solent LTB contribution for financial year 2013/14 as part of the PUSH Budget Monitoring report due to be considered at this meeting.
3. NOTE the Solent LTB Assurance Framework appended as Annex A to this report.
4. NOTE the supplementary guidance to LEPs on the development and delivery of EU Structural & Investment Fund Strategies; appended as Annex B to this report.
5. NOTE the PUSH response to the Solent LEP's online survey related to the European structural Investment Fund for 2014-2020, attached as Annex C to this report.
6. NOTE the matters for information, contained in Part B of this report.

PART A: MATTERS FOR DECISION

Guidance to LEP's on Growth Deals (July 2013)

1. To assist Local Enterprise Partnerships (LEPs) in formulating their Growth Deal strategies (also referred to as multi-year growth plans), an initial technical guidance on the mechanisms for negotiating Growth Deals with Government was published on 19 July 2013. LEPs will have the opportunity to access approximately £2billion per annum nationally through a single local growth funding pot to support housing, transport and skills activities. Funding will be distributed through a mix of formula and competition. The level of funding secured for the Solent area will be contingent on the strength of the Strategic Economic Plan. A final settlement will be announced following an iterative negotiation process in July 2014. This settlement, together with local public and private resources is expected to provide funding for projects / programmes that support and drive economic growth. Precisely how the funding is distributed and invested will be determined by LEPs. Locally, the Growth Strategy will be called the *Solent Strategic Economic Plan (SEP)*. All LEPs are required to submit an initial draft of its plan in December 2013 and a final version by March 2014. A progress update from LEPs to Government is required by late October. To date, the Solent LEP has begun consulting with partners including PUSH on this agenda and as a consequence held its initial consultation event on 12th September 2013 to seek partner views on the strategic economic growth priorities for the area.
2. Alongside the requirement by Government to develop multi-year growth plans as described in paragraph 1 and subsequent to Government's supplementary guidance to LEPs on EU Structural Investment Fund in July, the Solent LEP has also begun developing its EU Investment Strategy for the area. It is anticipated that the priorities for the EU Investment Strategy process will help inform the multi-year Strategic Growth plan for the area. It is important therefore that PUSH continues to work collaboratively with the Solent LEP to ensure that the area maximises its efforts in leveraging a greater share of the national fund.
3. In an effort to work jointly with PUSH in formulating the multi-year growth plan for the Solent, the Solent LEP has expressed an interest in entering into a shared working arrangement with PUSH. This would provide PUSH with the opportunity to work directly with the Solent LEP in shaping the emerging Solent Growth Plan thereby influence economic growth priorities for the area. In doing so, a shared PUSH resource would be identified to co-locate with the LEP on a part time basis with the broad remit of co-ordinating matters related to housing and spatial planning. To commence with exploring how this arrangement might work and the specific role and responsibilities of the shared staffing resource, the Joint Committee are asked to APPROVE this approach and delegate responsibility to the PUSH Chief Executive Lead, the PUSH Chairman and Vice Chairman to work up a proposal agreeable to both organisations.

Solent Local Transport Body (LTB) Update

4. At its March meeting, the Joint Committee was advised of the Government's commitment to establish Local Transport Bodies outlining the remit and scope of their work. At the time, the guidance identified that these new bodies, covering individual or a combination of Local Enterprise Partnership (LEP) areas were to be charged with prioritising transport schemes and managing funding devolved by the Department for Transport (DfT) to support local major transport schemes. Subsequently, the Solent LTB was established in May 2013 charged with identifying transport priorities for the Solent Local Enterprise (LEP) area. The full Board Members consists of the core (voting) members of the Local Transport Authorities (LTAs) of Hampshire County Council, Isle of Wight Council, Portsmouth City Council, Southampton City Council, the Solent LEP and PUSH. In tandem, all LTB's had to submit an Assurance Framework setting out how they proposed to prioritise and manage the devolved transport fund for their respective area. The framework for the Solent LTB was given the green light by DfT and was subsequently submitted in July of this year, a copy of which is attached as Annex A to this report and is also available on the Solent LTB website.¹

5. The Board has met twice to date. At its inaugural meeting held in June 2013, the Solent LTB was advised by DfT to identify local transport investment priorities within an indicative funding envelope of £28.8m covering the four year period (2015-16 to 2018-19). In tandem, LTBs were also asked to develop scenarios for a third above and a third below this indicative figure, with prioritised lists to be submitted to the DfT by the end of July 2013. On this basis, local authorities were invited by the Solent LTB to submit applications for funding based on a set of Investment criteria determined by the Board. A total of nine applications were submitted and appraised by an independent Consultant, Halcrow, as part of the bidding process. At the same time four Expressions of Interests for potential future funding requests were also received. The outcome of the appraisal process was an indicative list of three priority schemes that were recommended on the basis that these schemes demonstrated clear evidence of value for money, economic outputs, and were deliverable within the funding period (2015-16). These indicative priority schemes include the Hard Interchange Scheme (Portsmouth City Council), Station Quarter (Southampton City Council) and the A27 Corridor improvements (Hampshire County Council). The remainder of the schemes were considered as good schemes and may form part of a wider programme of investment through the LEPs Growth Strategy. Recognising that there were some potentially viable proposals, the Solent LTB resolved at its last meeting to respond to the DfT by the deadline date of 31 July with the full list of proposed schemes. This wider list additionally included, Portsmouth Bus Rail Transit (BRT) and Highway Improvements Package, Cycling to Prosperity, Portsmouth City Centre Transport Scheme, and Asda Roundabout, Havant.

6. Subsequent to the above process being undertaken, Government published its initial Guidance on Growth Deals on 26 July, from which the Solent LTB acknowledged that all major local transport funding would now be devolved to Local Enterprise Partnerships (LEPs) to support the Growth Deal Agenda. Under

¹ [Solent LTB website](#)

the new arrangement, funding for all local major transport schemes will form part of a devolved Local Growth Fund from 2015-16 to be managed by LEPs. Whilst government currently envisage a role for LTB's within the new funding and decision making regime, LTBs will not receive funding from government and as such are not required to have a decision making role.

7. Recognising the significant changes to the funding and decision making landscape, the members of the current Solent LTB has come to an agreement in principle to establish a single strategic transport interface, which would merge the strategic functions and activities of Transport for South Hampshire and the Isle of Wight (TfSHIOW) with the Solent LTB. Constituted by a Joint Agreement, *Solent Transport*, being the name of the new partnership, would also be responsible for co-ordinating the delivery of the Local Sustainable Transport Fund (LSTF) and Better Bus Area Fund (BBAF) programmes that are currently being delivered. The DfT would be notified of the partnership name in recognition that the governance arrangements have already been agreed with DfT through the Assurance Framework submitted in July. Membership of the *Solent Transport* would therefore reflect that of the current Solent LTB. The objective and work programme for Solent transport will be set out in a Business Plan, which will eventually be published as and when it becomes available.
8. At its June meeting, PUSH was afforded full (voting) membership of the Solent LTB, with Councillor Tony Briggs, as the appointed PUSH representative with support from myself, Gloria Ighodaro (currently acting as PUSH Interim Executive Lead). PUSH currently has one seat and one vote, and represents the PUSH membership. As a full voting Member therefore, PUSH is required to contribute its revenue subscription fee of £10,000 to the Solent LTB for this financial year towards the activities of the Solent LTB to date, similar to all the other Members who are also contributing the same funding amount. As a consequence, the Joint Committee is recommended to APPROVE PUSH's Solent LTB contribution for financial year 2013/14 as part of the PUSH Budget Monitoring report due to be considered at this meeting.
9. The PUSH Joint Committee are also recommended to NOTE the emerging ambition to establish a single strategic transport partnership to be named Solent Transport. Further update on this matter will be provided at the ensuing Joint Committee in December.
10. It is RECOMMENDED that the Joint Committee:

APPROVE in principle to identifying a shared staffing resource between PUSH and the Solent LEP to help formulate the Solent Growth Strategy and on this basis DELEGATE responsibility to the PUSH Chief Executive Lead following consultation with the PUSH Chairman and Vice Chairman to prepare a proposal agreeable to both parties for action accordingly.

APPROVE PUSH's Solent LTB contribution for financial year 2013/14 as part of the PUSH Budget Monitoring report due to be considered at this meeting.

NOTE the Solent LTB Assurance Framework appended as Annex A to this report.

PART B: MATTERS FOR INFORMATION

Update on Government Spending Review and EU Structural Investment Fund

11. The Spending Review, announced in June 2013, provided Local Enterprise Partnerships (LEPs) with even greater devolved roles, responsibilities; influence and growth related spending on the basis of strategic plans developed by LEPs. From April 2015, LEPs will receive a total budget of just over £2 billion per annum through a single allocation for its respective area to support growth related activities on housing, transport and skills. The proportion of the Single Local Growth Fund (SLGF) allocated to each LEP area will depend on the quality of the strategic proposals formulated by the LEPs. Fundamentally, the commitment of local authority partners will be crucial to ensure the delivery of agreed economic outputs.
12. In tandem to the above, funding from the European Union (EU) to support regional development, innovation, employment and skills in England will be structured into seven year budget programmes covering the period 2014-2020. To meet this ambition, Government is consolidating the ERDF (European Regional Development Fund) and ESF (European Social Fund) budgets and part of the European Agricultural Fund for Rural Development to create the EU Structural & Investment Fund Growth Programme (ESI Programme) with a budget of €6.17bn (£5.3bn) allocated to England. To date the majority of funds have been notionally allocated to the 39 LEP areas, to be confirmed after the 2014-2015 EU budget has been announced later this year. For the Solent LEP area, a notional allocation of €43.1m has been identified over the 7 year period.
13. LEPs along with other eligible partners are required to identify priorities that will inform and deliver their respective EU Growth strategies. On 24 July, Government published a Supplementary Guidance setting out what is required by LEPs and local partners in preparation of regional ESI strategies. A copy of the Supplementary Guidance is attached as Annex B to this report. As a starting point the Solent LEP held a workshop on 22 July 2013 engaging with local partners to identify local strategic priorities and supporting programme of works for the Solent area that could be funded using the allocated European funding. Attended by approximately 150 delegates, the event highlighted a number of priority areas for inclusion in the Solent EU Investment Strategy. These priorities included employment and skills, support for small business and Social Inclusion (particularly focusing on economic challenges on the Isle of Wight). A second consultation event was held on 12 September which also included discussions on the development of the emerging multi-year strategic economic plans.
14. The Solent LEP has engaged University of Exeter (Marchmont Observatory) to assist in the consultation and drafting stages. PUSH responded to the online survey commissioned by Exeter University, which, is attached to this report as annex C. Working to the timeline prescribed by Government, the Solent LEP is scheduled to submit its first draft Solent LEP ESI Strategy on Monday 7th October 2013. Government and the England National Growth Board (NGB) will issue a formal response by mid-November. Solent LEP will receive confirmation of its ESI fund allocation in December; subject to formal adoption of EU

Regulations governing the use of ERDF/ESF funds. A final version of the ESI Strategy will be submitted for agreement with the NGB by end-January 2014. Spending for the 2014-2020 programme period is expected to commence mid-2014.

15. The Joint Committee are asked to

NOTE the Supplementary Guidance attached as Annex B to this report.

NOTE the PUSH response to the Solent LEP's online Questionnaire related to the European Investment Strategy, attached as Annex C to this report.

Solent Employment and Skills Board (ESB)

16. The ESB has convened two meetings this year and at its June meeting the two nominated PUSH Member representatives, Councillor Trevor Cartwright (Fareham Borough Council) and Councillor Matt Tucker (Southampton City Council) were formally invited to attend. The ESB are currently working on a number of initiatives to help get young people back into employment, one of which is the pre-apprenticeship scheme, which is progressing as planned. The programme was modelled on a successful scheme that has been operating in the Isle of Wight. Within the two cities of Southampton and Portsmouth to date, job placements for 19 young people have been created in various business environments including retail, business and administration. It is anticipated that 60 – 70 young people will be placed in pre-apprenticeship training by the end of the initiative. This programme has been modelled on the success of the Isle of Wight pre-apprenticeship programme, which has been running since January 2012, working with the four training providers on the Isle of Wight. In February 2013, 108 opportunities on the Island had been created. 81% of young people that have gone through the programme have progressed to an apprenticeship, employment or other education or training.
17. Other Solent ESB initiatives underway and progressing as planned include the Ford Redundancy Support Programme aimed at adding value and support to existing activities being led by Ford to support its employees and the supply chain affected by the closure. By setting up a ' Ford multi agency task force' the Solent LEP in partnership with PUSH has been working closely with key agencies in the area to ensure that individuals and supply chain business affected by the closure receive the necessary business support / access to training.
18. Following an open advert recruitment process, a new Chairman for the Solent ESB has now been appointed by the Solent LEP. Sarah McCarthy Fry is the Finance Director at GKN Aerospace, a major Isle of Wight employer. Sarah is well known in the Solent and for five years, she was Deputy Leader of Portsmouth City Council before becoming Portsmouth North MP during 2005-2010. She has considerable experience in employment and skills issues and this voluntary role will see Sarah charged with delivering the Solent's ambitious employment and skills agenda in collaboration with the public and private sector partners.

Strategic Housing Market Assessment update

19. The Strategic Housing Market Assessment work gathered considerable momentum with capacity provided by the PUSH local authorities through the Planning Offers Group and Housing Group to oversee the commission. The appointed consultants, GL Hearn and Justin Gardner Consulting, have been working closely with PUSH officers since the commission began late June 2013 to ensure that the brief is met. Throughout the commission a number of meetings and workshops have been scheduled and led by the appointed Consultant with partners at key stages of the commission. Partners and interested parties that were consulted included developers and house builders across the Solent area, Registered Providers and all PUSH local planning authorities including the New Forest District Council (NFDC). The Joint Committee will recall that at its last meeting, approval was granted to invite NFDC to take part in the study. The reason for this was twofold: firstly to take account of the waterfront side of NFDC, which forms part of the natural housing market area and secondly because NFDC were themselves seeking to conduct a similar study for the whole District and approached PUSH to take part in the study contributing an agreed fee. The Isle of Wight is not included in the study because the Island is deemed, as a strategic housing market area in its own right.
20. The Strategic Housing Market Assessment work is well underway and is scheduled to conclude early November. A copy of the Executive summary report outlining the key findings including the full technical report will be tabled for consideration at the December Joint Committee meeting.

Census 2011 data

21. Hampshire County Council were approached in June to undertake an assessment of the 2011 census data to create an analysis 'pack', which provides data for each PUSH authority (or part thereof) and the PUSH area as a whole, in easy-to-assimilate graphs and tables. The County Council responded positively to this request and as a consequence, the Joint Committee will receive both a presentation at this meeting and a summary report capturing key information of significance to PUSH partners. The information presented will cover the recently extended PUSH boundary, which now mirrors that of the Solent LEP economic geography subsequent to New Forest District Council and Isle of Wight joining PUSH.

RECOMMENDATION

It is RECOMMENDED that the Joint Committee:

22. APPROVE in principle to identifying a shared staffing resource between PUSH and the Solent LEP to help formulate the Solent Growth Strategy and on this basis DELEGATE responsibility to the PUSH Chief Executive Lead following consultation with the PUSH Chairman and Vice Chairman to prepare a proposal agreeable to both parties for action accordingly.
23. APPROVE PUSH's Solent LTB contribution for financial year 2013/14 as part of the PUSH Budget Monitoring report due to be considered at this meeting.

24. NOTE the Solent LTB Assurance Framework appended as Annex A to this report.
25. NOTE the supplementary guidance to LEPs on the development and delivery of EU Structural & Investment Fund Strategies; appended as Annex B to this report.
26. NOTE the PUSH response to the Solent LEP's online survey related to the European structural Investment Fund for 2014-2020, attached as Annex C to this report.
27. NOTE the matters for information, contained in Part B of this report.

Background Papers:

None

Reference Papers:

- [Appendix A](#) Solent LTB Assurance Framework
- [Appendix B](#) The Development and Delivery of European Structural & Investment Fund strategies: Supplementary Guidance to Local Enterprise Partnerships, July 2013
- [Appendix C](#) PUSH response to the Solent LEP online survey related to the European Structural Investment Fund for 2014-2020.

Enquiries:

For further information on this report please contact: Gloria Ighodaro (Programme and Information Manager) Tel. No. 02392 688920
E-mail: gloria.ighodaro@push.gov.uk