



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

Date: **26 May 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 Overview and Scrutiny Committee:

1. NOTES the matters for decision in Part A and matters for Information outlined in Part B of this report.
2. NOTES the delegated 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 make any minor adjustments to Joint Agreement that may or may not be necessary in the future.
3. NOTES the Joint Committees decision to endorse the additional £25,000 to pay to the LEP for reasons outlined in paragraph 2 & 3.
4. NOTES the Joint Committees decision to re-join the SELP for a further year to end of 2015/16 at a cost of £6,600, to ensure that PUSH continues to benefit from SELP membership.

PART A: MATTERS FOR DECISION

PUSH FINANCIAL CONTRIBUTION TO SOLENT LEP

1. Members may recall that pending the Solent LEP establishing its own dedicated executive team, the PUSH Joint Committee (at its meeting in June 2012) agreed to contribute the total amount requested by the Solent LEP of £125,000 over a three year period; to support the LEP's core funding. This three year funding profile was complemented also by funds from various local authority partners including Hampshire County and Isle of Wight Councils which would taper down over a period of time as the LEP became self-sustaining. Fundamentally, the funding model (agreed between LEP and PUSH in June 2012) would enable the LEP to secure further revenue funding from Government of £250K as match funding. At the time, the Solent LEP had indicated that it would not begin to draw down the PUSH funding contribution until 2013/14, so at its meeting in January 2012, the Joint Committee approved a carry forward of £125K to 2013/14. This was paid over to the Solent LEP in two instalments: £75,000 in 2013/14 and the balance of £50,000 in 2014/15.
2. PUSH has since received a letter of correspondence from the Solent LEP (on 17 February 2015) addressed to the PUSH Chairman, within which states that: *"Following agreement on this funding model, in November 2012, the LEP Board received notification from Government of the opportunity to secure central funding of £250,000 for the 2013/14 financial year and £250,000 for the 2014/15 financial year if it could be evidenced that this funding would be matched locally. The LEP Board discussed this and agreed a re-profiling of the Local Authority contributions at a flat rate of £150,000 for 2013/14 and £150,000 for 2014/15. This funding consists of the following per annum contributions:*
 - *£50,000 Hampshire County Council*
 - *£25,000 Isle of Wight Council*
 - *£75,000 PUSH*
3. *This information was submitted to Government in order to access the central funding in both 2013/14 and 2014/15. I can confirm that all local contributions were received in 2013/14. In 2014/15, contributions have been received from Hampshire and Isle of Wight Councils. A £50,000 contribution has been received from PUSH and, therefore, in line with the above there is an outstanding budget of £25,000 to claim in this financial year".*
4. It is apparent that on speaking with the LEP Executive team that there has been a mis-communication on the expected PUSH contribution, noting that the reprofiling agreed at the LEP Board took place in November 2012 (5 months after the PUSH contribution was negotiated and agreed). The PUSH Overview and Scrutiny Committee is advised to NOTE the Joint Committee's decision to endorse the additional £25,000 funding requested from the LEP for reasons outlined above. On the understanding that the additional PUSH contribution to LEP of £25,000 will enable the Solent LEP to secure the full match funding from Government of £250,000; the Joint Committee approved this payment subject to a similar sum being paid to PUSH to help support the area's Spatial Strategy review work. The Solent LEP are yet to confirm that they are happy with the Joint Committee's proposal before PUSH funding is released.

SELP MEMBERSHIP FOR 2015/16

5. The Solent EU Collaboration Group continues to bring together public and voluntary sector organisations, universities and business/SME representatives from across the region who seek to secure EU funding for projects that drive; economic growth, innovation and competitiveness; employment and skills; environmental sustainability and social inclusion. The EU Collaboration Group is supported in its work through the direct benefits of PUSH membership of Southern England Local Partners (SELP). SELP is a partnership of local authorities, universities and other public and private sector organisations. SELP also supports the development of EU funded projects through disseminating project ideas, providing a partner search facility, producing an EU funding guide and distributing information on calls for proposals. Specifically, SELP adds value to the work of the Group across 3 core areas:
 - **Strategic planning** - influencing the development of future European policy and legislation by coordinating and representing PUSH partners in formal consultation processes
 - **Intelligence gathering and dissemination** – with specific emphasis upon EC strategic objectives and investment priorities relevant to sub-regional growth plans
 - **Profile and presence** – showcasing projects in development and key successes; and securing the Solent's profile and status as an economic hub with the EC through forums and events.
6. During 2014/15 SELP has assisted the Solent EU Collaboration Group in the tracking and analysis of EU funding programmes whose new investment criteria, over the next 7 years, will help address the economic, environmental and social challenges within the PUSH area. Through shared intelligence and insight into the factors influencing EC/Member State negotiations and decision-making, PUSH members have been able to develop new partnerships and scope a 'pipeline' of eligible projects well in advance of the adoption and launch of individual Programmes. Projects being developed include: innovative tourism and economic development; new solutions in waste minimisation and recycling; new business models for capturing/exploiting the benefits of urban ecosystems services; Marine Renewal Energy (MRE) supply chain support; and supporting business growth in creative (digital) industries.
7. At its meeting in March 2014, the Joint Committee agreed for PUSH to join SELP at a level 3 Membership at a cost of £6,600 for financial year 2014/15. This membership has now expired and so the Committee is recommended to NOTE the Joint Committee's decision to re-join SELP for a further year, 2015/16, to ensure that PUSH continues to benefit from the membership as described above.

PART B: MATTERS FOR INFORMATION

SOLENT INWARD INVESTMENT BOARD

8. At its December meeting, the Joint Committee approved in principle, a PUSH financial contribution of £100K from its revenue budget subject to receiving a Service Level Agreement from the LEP for considering at the Joint Committee. The Committee is advised to note that the drafting of an SLA between the two organisations is underway. In the meantime, PUSH officers have been working closely with the Solent LEP towards the establishment of a Solent Inward Investment Board. The first stage of the process required nominations from PUSH and those local authorities and partners that have committed to contribute financially to the Integrated Inward Investment Delivery Model. Subsequent to communication with the PUSH Chief Executives Group and Leaders, the Committee is asked to note the nominees elected are the PUSH Executive Director, Gloria Ighodaro and Dan Grindey, Service Manager across East Hampshire District Council and Havant Borough Council for Economic Development. In addition, Hampshire County Council, Portsmouth City Council and Southampton City Council are also representing their respective organisations on the basis of the additional financial and in-kind contributions they have made to supplement the PUSH contribution.
9. The Inward Investment Board held its inaugural meeting in shadow form in February 2015, represented by the funders who will seek to work collaboratively to deliver the ambitions of the Solent Inward Investment Strategy, published in October 2014. This preliminary meeting of the Inward Investment Board (IIB) was necessary, in advance of its formal establishment, to ensure that all current direct funders of the Inward Investment Entity (IIE) were fully involved in the key decisions that needed to be taken, relating to accommodation, people and branding, to enable the IIE to be effective from 1st April 2015. At the point of the Board meeting in Shadow form the main funders are the PUSH local authorities (total of £170,000 cash and £70,000 inkind) and the Solent LEP (£200,000 cash and £75,000 inkind). The total offer is illustrated below:

Funding Contributor	Cash	In-kind	Total Offer	Shareholding Based on Total Offer of Support
Solent LEP	£ 200,000.00	£ 75,000.00	£ 275,000.00	53%
PUSH	£ 100,000.00	£ -	£ 100,000.00	19%
Portsmouth City Council	£ 50,000.00	£ -	£ 50,000.00	10%
Hampshire County Council	£ -	£ 50,000.00	£ 50,000.00	10%
Southampton City Council	£ 20,000.00	£ 20,000.00	£ 40,000.00	8%
Total	£ 370,000.00	£ 145,000.00	£ 515,000.00	100%

10. Key decisions / outcomes at the Shadow Board focussed on employment of the team, premises and proposition / branding of the entity. A **dedicated team** of five is proposed to lead the Solent Inward Investment Service. This includes: Heads of Inward Investment and four Managers (Business Acquisition; Business Engagement; Business Development and Business Support.

11. Priority will be focussed on recruiting the Head of Inward Investment, Business Development & Business Acquisition roles with the other positions to follow. It was agreed that recruitment took place end of February through to March 2015. Staff will be employed by the Solent LEP (working through PCC as the accountable body). At the meeting the PUSH representatives emphasised the importance for these roles to dovetail with existing Economic Development (ED) resources within local authorities given that ED teams play a vital role in inward investment / business engagement. This point was well received and supported by the Interim Board. PUSH at the meeting also recommended that a potential workshop is scheduled to develop working arrangements / protocols with ED teams and UKTI in the context of the new service.
12. In terms of **Premises**, a number of options for the location of the service were considered. The main office location for the team will be at Southampton Solent University with a further hot desking facility at the University of Portsmouth. Work is progressing to achieve occupancy by 1st April subject to legal procedures / clearance. Finally, the **proposition / branding** was agreed by the Board to adopt the existing logo used at the MIPIM UK as a launch brand for the area's product, given this has already been market tested and generated interest at the event. '*Solent Investment*' is to be adopted as the name for the organisation using the MIPIM UK logo. Use of the logo is subject to Solent LEP confirmation.

SOLENT EUROPEAN STRUCTURAL INVESTMENT FUND (EUSIF) COMMITTEE

13. The EUSIF Committee have met twice to date. The January meeting predominantly focussed on the role and purpose of the EUSIF Committee, background and policy context of the 2014-2020 EUSIF programme, governance and the draft Terms of Reference. The purpose of the Committee is to enable partner representatives to act as the knowledge base for their respective sectors and also to test the strategic fit of schemes to the agreed objectives outlined in the Solent EUSIF strategy. A total of €42.9 million is allocated to the Solent area. The European Structural and Investment Funds (ESIF) include the following three funds which are the responsibility of LEPs, each with a dedicated Managing Authority.
 - **European Regional Development Fund (ERDF)** - Managed by the Department for Communities and Local Government (DCLG).
 - **European Social Fund (ESF)** - Managed by the Department for Working Pensions (DWP)
 - **European Agricultural Fund for Rural Development (EAFRD)** - Managed by the Department for Food and Rural Affairs (Defra)
14. The ERDF programme covers a range of objectives from Research and Innovation to SME Competitiveness including also low carbon economy, adaptation and risk management agenda; environmental and resource efficiency, sustainable transport network and bottlenecks. ESF on the other hand is geared towards a range of employment and employability priorities centred around employment and labour mobility, social inclusion and poverty; and institutional capacity (a set budget that allows institutions to visit each other and share knowledge and good practice).
15. It is expected that the European Regional Development Fund (ERDF) and European Social Fund (ESF) Operational Programmes will be agreed shortly between Government and the European Commission and will be formally adopted by June / July 2015. In the interim, the Managing Authorities have been given

approval to commence a limited call for proposals process to avoid further delay, mindful that government have been unable to make any announcement during pre-election period between 30th March and 6th May. The Solent LEP EU funding event which took place on 10th March 2015 , brought partners together from local authorities, Universities, business, community and voluntary sector organisations to promote and raise awareness of the European funding opportunities coming forward. All calls for proposals were advertised nationally on the www.gov.uk website and signposted from the Solent LEP website. The process therefore for accessing the necessary documents and making an application/s is entirely web based. At the event, potential applicants were advised to note the need to apply for a password (to access the IT portal) which can take up to 10 working days

16. The first Solent call is a project proposal for the *Solent Business Hub* which will seek applications to support the delivery of amongst other things; a single point of contact through which all enterprises, including social enterprises, are able to access advice and information on local and national support programmes, known as ' the one stop shop'.
17. The second Solent call is for project proposals for *Research and Innovation* of which there are two key objectives; 1) to increase investment in research and innovation by small and medium enterprises, particularly in sectors and technologies identified through smart specialisation and; 2) An increase in the number of small and medium sized enterprises engaged in knowledge exchange, collaborative and contract research and innovation with research institutions, public institutions or large enterprises in order to help them bring new products and processes to market. All calls were up-loaded onto the www.gov.uk website over a two week period starting on the 14th March.
18. Further updates on the work of the EUSIF Committee will be reported at future Joint Committee meetings.

PUSH NOMINEES FOR SOLENT LEP GOVERNANCE

19. At the January meeting, the PUSH Chairman announced that a new PUSH nominee was required to represent the Partnership on the Solent Land, Property and Infrastructure Delivery Panel. The new Chief officer or Leader would replace Councillor Ian Stephens, who had stepped down from the role in December 2014. The Committee is advised to note that the PUSH Chief Executives Group in consultation with the PUSH Chairman have nominated David Fletcher, Assistant Director for Economic Development at Hampshire County Council. He attended his first meeting held on 2 March 2015. David has subsequently advised of the commitment made at that meeting by the Delivery Panel to commission a Logistics study which, amongst other things will seek to explore the dynamics of the current market, availability of suitable sites, constraints on bringing such sites to a market ready state and key actions for the future. The outcome of this study is crucial to help inform the emerging PUSH Spatial Strategy Review towards assessing employment needs in accordance with the National Planning Policy Framework. An update on progress on this work will be tabled at future Joint Committee meetings.

SOLENT LOCAL GROWTH DEAL - ROUND 2

20. In addition to the previous Growth Deal allocation of £124.8m, it was announced in January 2015 that the Solent LEP area has secured a further £27.1m as part of the second round of Growth Deals. In developing the proposals Government was keen for the LEP submissions to focus on those schemes that were not funded in round one due to affordability reasons. In addition, the Solent LEP area proposals also focussed on new schemes in the innovation area that had the potential to come forward in 2015/16. As a consequence, proposals focused on;

- Improving access to the Port of Southampton
- Continued investment in the Fareham / Gosport area
- Skills capital investment and support for innovation, both within the Higher Education environment and on key sectors such as the defence sector.

21. Projects to be funded with the £27.1m investment announced include:

- £15.775 million to support the next phase of work to improve transport and infrastructure in the Fareham and Gosport Peninsula, which will cut journey times, attract new businesses to the area and support the Solent Enterprise Zone and new housing delivery at Welborne.
- A £5 million contribution to support bringing forward a £25 million National Maritime Systems Centre of Excellence, creating up to 95 jobs and developing skills in a key sector for the area
- £1.4 million to support improving access to Southampton Western Docks, one of England's largest trade ports
- £4.9 million to support a flexible programme of skills and innovation projects, to improve skills and promote innovation in the Solent area.

22. A copy of the Solent LEP fact sheet is attached as Annex A to this report.

RECOMMENDATION

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24. NOTES the delegated authority to the PUSH Chairman, PUSH Chairman, PUSH Legal Monitoring officer and PUSH Executive Director to work with the Solent LEP and the LEP's Accountable body to make any minor adjustments to Joint Agreement that may or may not be necessary in the future.
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Background Papers:

- Joint Committee meeting: 27 January 2015 - Item 7: PUSH Executive Directors Report
- Joint Committee Meeting : 07 June 2012 - Item 10: PUSH Executive Director's Report
- Joint Committee Meeting : 29 January 2013 - Item 8: Capital and Revenue Budget Monitoring 2012/13

Reference Papers:

- Transforming Solent: Inward Investment Strategy, October 2014

Enquiries:

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