

MINUTES OF PREVIOUS MEETINGS ECONOMIC GROWTH SCRUTINY PANEL

THURSDAY 18 JANUARY 2018 AT 10.00AM

PRESENT: Councillors Nedved (Chairman), Betton (until 1.00pm), Bowditch, Burns, Christian, Mrs Coleman, McDonald (until 1.15pm) and Mitchelson

**ALSO
PRESENT:** Councillor Mrs Bradley – Economy, Enterprise and Housing Portfolio Holder
Councillor Allison – Observer for part of the meeting

OFFICERS: Deputy Chief Executive
Investment and Policy Manager
Housing Development Officer
Urban Design and Conservation Officer
Economy and Enterprise Officer
Policy and Communications Manager

EGSP.01/18 APOLOGIES FOR ABSENCE

An apology for absence was submitted on behalf of the Corporate Director of Economic Development.

EGSP.02/18 DECLARATIONS OF INTEREST

There were no declarations of interest affecting the business to be transacted at the meeting.

EGSP.03/18 PUBLIC AND PRESS

It was agreed that the items of business in Part A be dealt with in public and Part B be dealt with in private.

EGSP.04/18 MINUTES OF PREVIOUS MEETINGS

RESOLVED – 1) That the minutes of the meeting held on 19 October 2017, which had been approved by Council on 9 January 2018, be signed by the Chairman.

2) That the minutes of the meeting held on 30 November 2017 be approved.

EGSP.05/18 CALL IN OF DECISIONS

There were no items which had been the subject of call-in.

EGSP.06/18 OVERVIEW REPORT AND WORK PROGRAMME

The Policy and Communications Manager presented report OS.03/18 which provided an overview of matters relating to the work of the Economic Growth Scrutiny Panel.

The Policy and Communications Manager reported that the most recent Notice of Executive Key Decisions, copies of which had been circulated to all Members, had been published on 18 December 2017. KD.32/17 – Botchergate and London Road Heritage Action Zone fell within the remit of the Panel.

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Section 3 of the report set out the Economic Growth Panel's previous resolutions and their status. The Policy and Communications Manager reported that resolutions 3, 5, 6, 8, 9, 12 and 17 had been completed since the publication of the report.

The Deputy Chief Executive updated the Panel on the Business Interaction Centre clarifying the situation regarding the ERDF bid, the outcome of which was not yet known, which was provided through the Local Enterprise Partnership (LEP). He added that the LEP were restructuring and there may be a delay to the result.

The Investment and Policy Manager provided the following updates on some of the pending resolutions:

Resolution 5 – Occupancy Rates within the City Centre

The occupancy rates within the city centre had been circulated to Members of the Panel accompanied by a plan. The figures given were for Use Class A1 retail units, which was the focus of Local Plan monitoring. A1 rates gave a good measure of the health of the city centre. There had been some fluctuation but generally the vacancy rate was low compared to national figures

A Member felt that there was actually a decline in the city centre due to large outlets leaving.

The Deputy Chief Executive responded that although there were individual instances of vacancies, the data showed that overall the city centre was performing well.

A Member commented that there was a perception of decline with empty shops in the city centre and he asked for clarity regarding the A1 classification.

The Investment and Policy Manager clarified that A1 units covered comparison retail such as clothes, shoes and hairdressers. He agreed that there may be a perception of decline but there were many units now filled and the city centre had regular events and markets which added to the vitality of the area. Three years' worth of data was available on the occupancy rates and rates would be monitored closely in the future.

A Member had concern that the business rates in the city were too high and as a result businesses could not afford to stay in the city. The Economic, Enterprise and Housing Portfolio Holder reminded the Panel that the business rates were set nationally and the Deputy Chief Executive added that there were issues with rates locally mainly regarding the quality of stock, floor plans and the availability to give businesses what they wanted. The Council had limited responsibility and could only ensure that the areas they were responsible for were well taken care of. He suggested that the Panel consider adding city centre vitality to their work programme.

The Panel asked how a more positive message about the occupancy of the city centre could be promoted to dispel the perception that it was in decline.

The Panel agreed that an item should be added to their work programme of the vitality of the city centre.

8 – Development Control Training Sessions

It was agreed that training dates for the Development Control Committee be circulated to all Members of the Council and, where possible and practical, be opened up to wider Members where it was of relevance to their role on any Scrutiny Panel.

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9 – Planning Obligations Annual Report

An updated Planning Obligations Report would be brought back to the Panel at a future date. The Investment & Policy Manager stated that it made sense to incorporate the Panel's previous comments in preparing the report for 2017/18, work on which would commence post 1st April 2018.

The Panel's Work Programme had been attached as appendix 1 to the report for the Panel's consideration. It was agreed that the Tourism Strategy would be added to the work programme for April and the date for the Regeneration Strategy would be agreed with the Corporate Director of Economic Development.

The Policy and Communications Manager reminded Members that a special Panel meeting had been arranged for Thursday 8 February 2018 to scrutinise future flood risk management.

RESOLVED –1) That the Overview Report incorporating the Work Programme and Key Decision items relevant to this Panel (OS.03/18) be noted.

2) That the following items be added to the Panel's work programme:

- 6 monthly update on occupancy rates within the city centre
- City centre vitality
- Tourism Strategy – April 2018

3) Training dates for the Development Control Committee be opened up to wider Members where it was of relevance to their role on any Scrutiny Panel.

4) That the Planning Obligations Annual Report be added to the work programme once available.

EGSP.07/18 FINAL FLOOD UPDATE REPORT

The Deputy Chief Executive presented the final update report (CS.08/18) on flood recovery activities and any future programmed work.

The Deputy Chief Executive stated that the report set out a final update of the work associated with recovery from the 2015 floods and emerging plans to deal with any such future events. During the last two years an extensive range of recovery activities had been undertaken, the work areas had been outlined in the report. The Chief Executive outlined the City Council asset recovery programme and detailed the flood grants and household payments which had been made.

He informed the Panel that the Council continued to work in partnership with the Environment Agency, County Council and other partners on resilience and resistant measures to address specific issues which arose from the floods in December 2015 and manage flood risk in the future. A further round of public engagement would take place in the new year on a shortlist of interventions, this would be followed by tenders for design and build, business case development followed by implementation. A special Economic Growth Scrutiny Panel had been arranged for 8 February 2018 to consider the future of flood risk management in Carlisle.

The Carlisle Emergency Plan had been reviewed and signed off by Senior Management Team. Additional locations for Reception centres had been identified and a risk assessment for each location had been carried out. Once an agreement had been reached with the centres owners

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and operators they would be added to the Carlisle Emergency Plan and Cumbria Resilience Forum Welfare Plan.

In considering the report Members raised the following comments and questions:

- Was Adrian's loss of business covered by the insurance?

The Deputy Chief Executive responded that loss of business was not covered by the insurance and the Council was not obligated to compensate its tenants, however, the Council had made a settlement with the owners regarding other issues.

- Was the Sheepmount on schedule for reopening and when would the car park come back into use?

The deputy Chief Executive confirmed that the Sheepmount was on schedule and all of the facilities would come back into use together. He understood Members frustration at not being able to use the car park especially at weekends but the contractors had responsibility for the site and could not risk issues at the weekend when they were not on site.

- Members highlighted the proposals for the civic centre and asked for reassurance that it would be one project covered by the insurance.

The Deputy Chief Executive responded that the proposals were all one project and assured Members that it would be covered by the insurance.

One Member felt very strongly that the Council Chamber building should not be demolished. He felt it was an iconic building which was an excellent example of 1960s design; the Council had a responsibility for the cultural footprint within Carlisle and should keep the building. A Member added that he had concerns about the investment in the ground floor when it could flood again.

The Deputy Chief Executive explained that the council chamber was no longer fit for purpose, it was not compliant with the Disability Discrimination Act, the hearing loop and microphones did not work well, the chairs were broken and the heating could not be regulated. In addition the building required significant maintenance internally and externally. He reminded the Panel that the decision was ultimately one for Members to make.

The Economy, Enterprise and Housing Portfolio reminded the Panel that the design of the council chamber building had changed over time it had originally been on stilts and the underneath had been filled in to accommodate additional staff. The building had been innovative when it had been first built and the first floor did not fail to impress visitors. The building had history but times had moved forward and the building needed to move forward too.

During the discussions Members asked if the building could be listed or put on the local Heritage list.

The Urban Design and Conservation Officer responded that the building had previously been put forward for listing and Heritage England had not listed the building as it had not been completed as the architect had intended and was considered to be part of a project. He informed the Panel that the building was in a conservation area.

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With regard to the Local Heritage Listing, the Investment and Policy manager reminded the Panel that the Policy had not yet been formally adopted.

- A Member commented that there was no information on the work that was being carried out by the Environment Agency or Cumbria County Council. He wanted to know about the work that had been undertaken on clearing drains, improvements to the drainage system in general, what work had been carried out on river dredging and on maintaining riverbanks and the repairs to damaged roads and pavements. He added that he felt that there had been a lack of clarity and transparency from partner agencies. He also asked how the sign up for the early warning system had progressed.

The Deputy Chief Executive shared the Member's concerns and reminded the Panel that the purpose of the Special Economic Growth Scrutiny Panel on 8 February was to allow Members to scrutinise the outside agencies on matters that were causing concerns to Members and residents.

The Chairman asked Members to consider the issues and concerns they had and submit their questions to the Policy and Communications Manager prior to the special meeting to enable the agencies to bring the information Members wanted and to guide the meeting.

- A Member felt that the overall economic impact of the flood had not been addressed and it was important that the Environment Agency took into account the overall economic cost.

The Deputy Chief Executive agreed that the economic cost would need to be addressed and agencies would need to know how this would be presented to begin the work. The Council had not yet received the scope for the information and would start the work when the scope was received.

RESOLVED – 1) That the Final Flood Update Report (CS.08/18) be noted.

2) That questions and concerns from the Panel regarding outstanding flood issues and concerns be submitted to the Policy and Communications Manager prior to the special scrutiny meeting on 8 February 2018.

3) That the Deputy Chief Executive investigate the possibility of adding the Civic Centre to the Local Heritage Asset list and the impact it would have on plans for the building.

4) That the Panel receive a copy of the Town and Clerk and Chief Executive's 'Lessons Learned' report on the Flood 2015 for information.

5) That the Deputy Chief Executive be thanked for his informative reports on the flood recovery process over that last two years.

The Panel adjourned for a break at 11.32am and reconvened at 11.40am.

EGSP.08/18 DRAFT CHATSWORTH SQUARE AND PORTLAND SQUARE CONVERSATION AREA APPRAISAL AND MANAGEMENT PLAN

The Investment and Policy Manager presented report ED.03/18 which set out a draft Chatsworth Square and Portland Square Conservation Area Appraisal and Management Plan, inclusive of suggested changes following a public consultation on an earlier draft.

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The Investment and Policy Manager reported that the document examined the quality and character that existed within the Conservation Area, a review of the present boundary together with its adjacent areas, and measures that could be taken to preserve and enhance its character. The Appraisal included a recommendation to modify the boundary of the Conservation Area.

The Investment and Policy Manager informed the Panel that an adopted Conservation Area Appraisal and Management Plan would enable the identification of those elements of significance within the area, and provide a sound basis for development control decisions and for the development of Initiatives to improve the area. In addition it would give greater confidence to potential investors and help to determine a direction for the area.

The proposals would provide an opportunity to consider the conservation area and address issues such as parking, public realm and unlisted properties.

Consultation had taken place between 8 May and 19 June 2017, the main issues raised during the consultation along with the relevant changes as a result of the consultation had been detailed in section 3 of the report.

The Investment and Policy Manager concluded by informing the Panel that whilst a small number of amendments were proposed to the draft Appraisal and Management Plan following the consultation, no significant issues had been considered to have arisen which would prevent it progressing towards adoption.

In considering the draft Conservation Area Appraisal and Management Plan Members raised the following comments and questions:

- Was the open space at the junction of Alfred Street south and Aglionby Street protected?

The Urban Design and Conservation Officer explained that the document had initially stated that the land had been evidence of an incomplete run of building and could therefore potentially be a development opportunity. Following consultation it became clear that the land was in fact a valuable piece of open space which had been landscaped and should remain that way. The wording had been amended in the document to reflect this.

The Policy and Investment Manager added that any proposed development of the land would have to demonstrate that the benefits of the development outweighed the benefits of the open space with policies in the Local Plan to ensure this was the case.

- The Panel asked for further information on the land at Chatsworth Square.

The Urban Design and Conservation Officer explained that the land was privately owned and was the garden space for the properties around it. Each of the properties would pay a service charge for maintenance and would have access to the area. It was not open to the public.

- The document recommended the expansion of the Conservation Area, what benefit would this provide?

The Urban Design and Conservation Officer reported that the buildings in the expansion area were all part of the same development as Chatsworth Square and they brought the educational, religious and social impact of the development into the Conservation Area. In response to a question the Urban Design and Conservation Officer explained that the Headmaster at Trinity

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School had been supportive of the inclusion of the building into the Area but had suggested the exclusion of other buildings. Those buildings had not been included as they were modern and were not in keeping with the Conservation Area.

- The report detailed a number of issues that had been raised as part of the consultation, many of which did not fall within the remit of the document or the City Council. How would the issues be addressed and moved forward?

The Investment and Policy Manager confirmed that the information would be shared where appropriate with the relevant departments within the City Council for action. The document would also be shared with Cumbria County Council and would be used as evidence to support the direction of travel of wider work.

- The open space at Portland Square had been opened up to the public, would it remain public when the surrounding buildings were developed?

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The Investment and Policy Manager clarified that the land was owned and maintained by the City Council and there were no proposals to change it. Should any proposals come forward they would require planning permission and the social benefit of any change would have to be considered and must outweigh the social benefit of the open space. The Conservation Area would apply to the building fabric and would not control the use of the buildings.

- How was it determined that the consultation had been successful?

The Investment and Policy Manager explained that there had been some written submissions but the success had come from a special structured workshop session. The session had enthused people in a driven process which resulted in the feedback detailed in the report.

RESOLVED – 1) That the Panel had scrutinised the proposed changes to the Draft Chatsworth Square and Portland Square Conservation Area Appraisal and Management Plan in light of the response to the consultation (ED.03/18);

2) That the comments and observations of the Panel as detailed above be submitted to the Executive as part of their consideration of the Conservation Area Appraisal and Management Plan.

EGSP.09/18 AFFORDABLE AND SPECIALIST HOUSING SUPPLEMENTARY PLANNING DOCUMENT

The Housing Development Officer presented report ED.01/18 which set out the Draft Affordable and Specialist Housing Supplementary Planning Document (SPD).

The Housing Development Officer reported that the document was designed to build upon and provide more detailed guidance on the following policies from the Council's adopted Local Plan:

- HO4 Affordable Housing
- HO10 Housing to Meeting Specific Needs

The Housing Development Officer reminded the Panel that the Carlisle District Local Plan 2015-30 had been adopted in November 2016 and the Affordable and Specialist Housing SPD had been designed to provide additional detail and context to existing Affordable and Specialist Housing Policies within the Local Plan. He outlined the process for SPDs and drew the Panel's

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attention to sections 2 and 3 of the report which provide detail on Affordable Housing and Specialist and Supported Housing.

The Draft Affordable and Specialist Housing SPD had been out to public consultation and whilst a number of amendments were proposed to the SPD no significant issues are considered to have arisen which would prevent it progressing towards adoption.

In considering the Draft Affordable and Specialist Housing SPD Members raised the following comments and questions:

- There was concern that although a lot of new housing units were being built not enough of these were social housing units.

The Housing Development Officer explained that the development of affordable and social housing was a key priority – Carlisle's most recent SHMA (Strategic Housing Market Assessment) identified that 70% of the affordable housing need was for social or affordable housing. The Local Plan stipulated that affordable housing should be split equally on a 50/50 basis between social or affordable rent, and intermediate low cost home ownership. A Member asked why the 70% figure was not reflected in the document.

The Investment and Policy Manager explained that the parent policy, in this case the Local Plan, could not be changed and had adopted the 50/50 split because viability evidence supported that this was the optimum viable balance. The council worked with Registered Providers (Housing Associations) and supported their grant funding bids to Homes England (until recently the Homes and Communities Agency). Most of the grant funded homes delivered were for affordable rent, rather than low cost home ownership, and Officers monitored affordable completions to ensure the overall number was close to the 70% need for social/affordable rent identified in the SHMA. The Council could not meet the overall target of 295 affordable dwellings p.a. through the planning system, as this would involve building well in excess of 1,000 new homes every year, which was an issue nationally. The Council worked closely with the Housing Providers to ensure every opportunity was taken to maximise the housing in Carlisle.

The Chairman reminded the Panel that the Housing Strategy had been included in the Panel's Work Programme for March and they would have an opportunity to scrutinise issues regarding affordable and social housing.

The Investment and Policy Manager added that the Annual Monitoring report covered some of the questions Members had raised and he agreed to circulate it to Members prior to the March meeting.

- What was the rationale for setting the minimum space standard smaller than national space standards?

The Housing Development Officer explained that the main development plan could be used to include space standards. The space standards had been introduced to try and address the issue of developers providing smaller units for social and affordable housing. It also clarified that should a developer want a housing partner they would have to meet the space standard.

The Investment and Policy Manager added that the space standards had been considered in the Local Plan and in front of the independently appointed Inspector. The evidence before the Inspector concluded however that the majority of dwelling types coming forward did meet and

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exceed national space standards and as such the adoption of national space standards was not justified. Notwithstanding this the setting out of a recommended standard specifically for Affordable homes within the SPD made it clear for developers what kind of standard they needed to build to get a registered provider on board. The standard set in the document was a pragmatic way of ensuring the needs were met.

- The SPD could not be enforced, could the Local Plan process be looked at so that Policies could be amended and therefore enforced.

The Investment and Policy Manager explained that the Local Plan was clear on the mix of house types and tenure and was very clear for developers at the beginning of a scheme. The SPD would assist the planning process and valuable information would be provided at the outset. A good developer would undertake pre planning discussions and would use the SPD. The SPD would be a valid material consideration in the determination of planning applications, with case law clear on this.

- What was the difference between social and affordable housing?

The Housing Development Officer explained that social rents were linked to a 'Target' rent formula, while affordable rents were rents of up to 80% of a market rent (including any service charge). 'Affordable' rents had been introduced by the coalition in an attempt to reduce the amount of grants paid by the Government for new affordable homes, by increasing rents, with the Housing Associations then borrowing against the increased rental income to deliver additional affordable homes, however, this policy had led to a significant increase in the Housing Benefit Bill. Affordable rents in Carlisle were only a few pounds a week more than social rents, but in other areas of the country, particularly London and the South East, the link to market rents had meant 'affordable' rents had become unaffordable to many people

He added that developers were encouraged to engage in earlier consultation with Housing Associations regarding units, price and location in the scheme and encourage the tenure to be as blended as possible and encourage a sustainable community approach.

The Investment and Policy Manager explained that the City Council had good partnerships and took the opportunity to work with Registered Providers and Homes England. The Housing Development Officer added that the Council had worked well with providers and had brought additional schemes forward for affordable housing or Extra Care housing by putting their own land forward. The most recent example was the 'Demonstration Project' which would provide 40 new affordable rented homes at Beverley Rise in partnership with Riverside, with the added benefit that Carlisle College students would receive practical onsite skills and training opportunities. It should be noted Council owned land was a finite resource.

RESOLVED – 1) That the Panel had scrutinised the proposed changes to the Draft Supplementary Planning Document, in light of the response to the recent consultation (ED.01/18)

2) That the comments and observations of the Panel as detailed above be submitted to the Executive as part of their consideration of the Housing Supplementary Planning Document.

3) That the Annual Monitoring Report be circulated to the Panel prior to their March meeting.

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EGSP.10/18 DRAFT ECONOMIC STRATEGY FOR CARLISLE DISTRICT

The Investment and Policy Manager submitted report ED.02/18 which included a preliminary draft of the Economic Strategy for Carlisle District.

The Investment and Policy Manager reminded the Panel that they had previously scrutinised and provided comment on the background and scope of the emerging Strategy. The recent publication of the Government's Industrial Strategy, and development of the Borderlands proposition, had provided updated strategic national and sub regional direction. This had enabled the further development and actual drafting of a comprehensive and informed preliminary draft of a five year strategic plan for the District.

The report detailed the development and context of the Draft Strategy along with its purpose. Details of the proposed consultation process were set out in section 4 and the Strategy would return to the Panel in June 2018.

In considering the Draft Strategy Members raised the following comments and questions:

- A Member made the following comments:
 - the introduction to the Strategy should be clearer
 - the document seemed to be urban led when Carlisle had a large rural area
 - there were a lot of actions within the Strategy, was there capacity to carry them out within the timescales?
 - the Strategy needed to focus on what type of city Carlisle was and how it would be branded

The Investment and Policy Manager agreed that there needed to be clarity on the branding of the City and what Carlisle actually was. He added that the document took some branding and information from the Carlisle Story which had strong clear narrative for Carlisle which was successful.

- The Strategy included Carlisle's economic ambition to grow but it did not clarify the serious issues Carlisle was facing with regard to the ageing population. The link between the Local Plan strategies and the Economic Strategy was not strong enough.

The Investment and Policy Manager agreed the ageing population and the reduction in the economically active workforce was a serious issue. The aim had been to keep the Strategy simple with a common thread of where the Council wanted the city to be and the vision to grow the population. He agreed that there should be a link to the Local Plan for the economic vision. He highlighted section 4 of the Strategy which clarified the meaning of growth in the context of the Strategy.

A Member agreed that 'growth' covered more than physical growth adding that the City needed to retain young people and to do that Carlisle needed to attract vibrant new jobs and opportunities to encourage them to remain. He added that the connectivity was important and there needed to be better rail and road networks to improve connectivity.

- The report stated that one of the Council's ambitions was a 'large and mobile labour force', a Member asked if this was the right term and if it was achievable.

The Investment and Policy Manager clarified that the term referred to diversity in the labour force which enabled those with the relevant skills to travel into the City to work. It was suggested that the term be changed to 'large and flexible labour force'.

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RESOLVED – That progress made to date on the Draft Economic Strategy for Carlisle District be noted (ED.02/18).

EGSP.11/18 SUSPENSION OF STANDING ORDERS

During consideration of the above item it was noted that the meeting had been in progress for 3 hours and it was moved, seconded and RESOLVED that Council Procedure Rule 9, in relation to the duration of meetings be suspended in order that the meeting could continue over the time limit of 3 hours.

(The meeting ended at 1.36pm)