

ECONOMIC GROWTH SCRUTINY PANEL

18 JULY 2019 AT 10.00AM

PRESENT: Councillor Brown (Chairman), Denholm, Ms Ellis-Williams (as substitute for Councillor Mrs Atkinson), Finlayson (as substitute for Councillor Mrs Bowman), Mitchelson, Rodgerson and Shepherd (as substitute for Councillor Meller).

ALSO

PRESENT: Councillor J Mallinson - Leader
Councillor Ellis – Deputy Leader and Finance, Governance and Resources Portfolio Holder
Councillor Nedved – Economy, Enterprise and Housing Portfolio Holder

OFFICERS: Corporate Director of Economic Development
Regeneration Manager
Policy and Communications Manager
Overview and Scrutiny Officer

EGSP.44/19 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Mrs Atkinson, Mrs Bowman and Meller.

EGSP.45/19 DECLARATIONS OF INTEREST

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

EGSP.46/19 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.47/19 MINUTES OF PREVIOUS MEETINGS

RESOLVED – 1) Noted that Council, at its meeting on 16 July 2019, received and adopted the minutes of the Economic Growth Scrutiny Panel meetings held on 13 June 2019. The Chairman signed the minutes.

2) That the minutes of the special meeting held on 1 July 2019 were agreed.

EGSP.48/19 CALL IN OF DECISIONS

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

EGSP.49/19 BORDERLANDS INCLUSIVE GROWTH DEAL / CITY CENTRE PROJECTS UPDATE

The Regeneration Manager submitted an update on the Borderland Inclusive Growth Deal and an update on a number of City Centre Projects. (ED.24/19)

Borderlands Inclusive Growth Deal Update

The Corporate Director of Economic Development was pleased to report that the Heads of Terms for the Borderlands Growth Deal had been signed on 1 July 2019 and both Governments had committed to the Deal. She explained that work on the details of the projects would begin and outline Business Cases would be prepared. She added that Carlisle was considered the capital of the Borderlands Region and was the gateway to the area.

The Regeneration Manager gave an overview of the background to the Borderland Inclusive Growth Deal and reminded the Panel that the Borderlands Region comprised of Carlisle City, Cumbria County, Dumfries and Galloway, Northumberland County and Scottish Borders. The Heads of Terms had been signed and the Deal included a package of investment of up to £350million from the UK and Scottish Governments over 10-15 years, of which, £200million was for Cumbria and Northumberland.

The Regeneration Manager drew the Panel's attention to section 1.5 of the report which set out the four investment themes which had been designed and developed by the five Borderlands partner authorities to address the three main challenges for the Borderlands economy. He reported that the feasibility, viability and value for money case for each project and programme must be made before funding was made available. As such, all funding commitments were subject to the approval of business cases in accordance with relevant departmental and government policies.

The five Borderlands partner authorities would continue to work with both the Scottish and UK governments to develop a final deal document. This would need to include the governance and programme management arrangements for the management of the Deal. A key element of the governance would be the inclusion of the Economic Forum, a private sector-led group to advise and inform the Borderlands Partnership Board. A Programme Management Office would also be established to administer and manage the Deal, ensure that both UK and Scottish governments' requirements were met and report on the impact and delivery of projects and the overall programme.

A Borderlands Conference was planned for October 2019 and would provide the opportunity for interested parties and stakeholders to engage in the next stages of development of the Deal.

In considering the Borderlands section of the report Members raised the following comments and questions:

- How would the structure of the Borderlands Partnership be established?

The Corporate Director of Economic Growth explained that the Borderlands Partnership Board would be made up of the five authorities, the Leaders of which had made it clear that the Board would be politically led. The Board needed input from businesses which would come from the Economic Forum and the Cumbria and Northumbria LEPs. Any decisions that were required would be taken by the five partner authorities including final decisions on business cases. The Growth Deal gave an indication of where the funding would be directed but business cases had to be prepared and agreed to enable specific focussed investment.

The five partner authorities would agree where the Programme Management Office would be, how it was structured and how it was funded. The Office would be a small team supporting the Partnership Board and responding to requests for information from Central Government. A Member felt strongly that any projects in Carlisle should be managed by Carlisle to ensure the project was right for the City and District.

- How would the Economic Forum be established?

The Corporate Director of Economic Development explained that the Council would encourage and support local businesses to take part in the Forum. There would be a vetting and interview process to ensure there was a variety of businesses from different sectors to advise and support the Borderlands Project Board.

- Was there a breakdown of how the £200m would be divided between Cumbria and Northumberland?

The Corporate Director of Economic Development explained that the breakdown of the funding would not be determined until the outline business cases had been completed. The Scottish Government had set out how the funding should be spent in Scotland but the UK Government required a robust demonstration of value for money before committing to fixed figures.

- Would small towns such as Longtown and Brampton benefit from the Place Programme?

The Corporate Director of Economic Development reported that Scotland had a Place Project which had been used as the model for the Borderlands Place Programme. Each District would consider the towns that they felt would benefit from the programme and they would be considered against a criteria. She reminded the Panel of the large geography of the Borderlands Region which contained a lot of small towns which required investment.

The Economy, Enterprise and Housing Portfolio Holder commented that it was hoped that other projects and initiatives, such as the Borderlands Railway Extension, would help to revitalise some of the smaller towns by providing better connectivity.

The Leader reminded the Panel that the five partner authorities shared common issues, problems and wishes. He was confident that there was a common feeling of co-operation and a genuine will to work together for the benefit of the people in the region.

- Would the Borders Railway Extension Feasibility Study include any suggestions of a branch line to Kielder Water to ease the logging traffic on roads?

The Corporate Director of Economic Development had been aware of the issues on the roads with logging vehicles but the main aim of the study was the development of proposals for a new rail line connecting Carlisle to Edinburgh linking with the existing Tweedbank line so it was unlikely that there would be an opportunity to include a branch line at this point, however, the Corporate Director agreed to raise the matter at the appropriate time.

- Was the Lake District included in the Borderlands Region?

The Corporate Director of Economic Development confirmed that the Lake District was included in the Borderlands Region as Cumbria County Council were one of the five partner authorities.

The Panel was concerned that the Lake District was included in the Region and may affect the amount of funding that Cumbria and Northumberland receive. The Panel did not want any funding applications to affect the business case for the flagship railway development project.

The Corporate Director clarified that the initial proposed projects for the Growth Deal had been streamlined down to the projects detailed within the report and each of those projects matched the requirements of the Ministry of Housing, Communities and Local Government (MHCLG).

The Lake District area would receive some funding but not a significant amount. She assured the Panel that the City Council would push hard to maximise the funding in Carlisle.

The Panel stressed the importance of ensuring that the improvements to the Carlisle Railway Station reflected the importance of Carlisle as the heart of the Borderlands Region.

- Was there an opportunity for an energy supplier to be involved in the Energy Investment Company (EIC) to pass savings on to residents?

The Corporate Director of Economic Development responded that the region produced a large amount of energy and the goal was to maximise the energy produced and become self-sufficient.

- The Destination Borderlands project did not have any specific sub-projects for Carlisle, would organisations have to bid for funding to deliver projects? There was some concern that investment would not be made in Carlisle.

The Corporate Director of Economic Development confirmed that the funding would be accessed through the preparation of business cases. Hadrian's Wall was an investment theme within Destination Borderlands and the Partnership Board were keen to pursue investment opportunities across the Wall, and not just in the traditional visitor places.

The Leader reminded the Panel that Carlisle was not just the City, the District was spread over a vast rural area. He agreed the Railway Station was the flagship project in Carlisle and the Council would try to ensure that it received the appropriate share of money and there was a lot of cross border support for the project.

- Were there plans to transfer skills from the Borderlands Deal to less affluent areas?

The Corporate Director of Economic Development confirmed that the Borderlands Growth Deal was inclusive and focused on positively impacting communities across the whole region.

- Would Brexit affect the Deal?

The Corporate Director of Economic Development reminded the Panel that the Heads of Terms had been signed and agreed by both Governments. The Borderlands Growth Deal would help address any issues that may be raised by Brexit.

- The Borderlands Region had a significant number of low paid seasonal jobs, how would the Growth Deal help create secure, year round, better paid jobs?

The Corporate Director of Economic Development explained that one of the objectives of the Destination Borderlands project was to increase the dwell time in the area by improving the attractions and encouraging visitors to stay longer in the Region. The Corporate Director reminded the Panel that the Borderlands Growth Deal was one element of the Economic Strategy which also included the Enterprise Zone and the Garden Village. The Borderlands Deal put Carlisle on the map and enabled better promotion of the City to attract businesses and encourage growth.

- Would the discovery of the Roman remains at the Cricket Ground be incorporated into projects?

The Regeneration Manager agreed that the remains had been a great find for the City and could underpin Hadrian's Wall tourism in Carlisle. The next stage would be a project with the Heritage Lottery Fund to fund further excavation work. Following further excavation works there would be a complex process to determine how the remains would be protected and possibly displayed to promote tourism.

- Had Chapel Cross been decommissioned?

The Corporate Director of Economic Development confirmed that the Chapel Cross site had been decommissioned, however, the remediation work would take many years and the project would be phased to manage the long timescale.

The Economy, Enterprise and Housing Portfolio Holder commented that the Borderlands Growth Deal Bid was an immense enterprise with significant benefits to Carlisle and the Region. Carlisle was strategically placed to develop economically and was serious about becoming the gateway to the Region. He felt that the Growth Deal should be embraced fully, and he thanked the previous administration for the groundwork in getting the deal agreed.

- A Member supported the enthusiasm for the Growth Deal but cautioned that it would not be sensible to focus on retail in the City Centre given the changes to retail and how city centres were being used.

The Corporate Director of Economic Development agreed that city centres were changing and they were moving away from being retail orientated to becoming meeting places for recreation, work and retail and the City Council recognised this and their role in the future of the city centre.

The Economy, Enterprise and Housing Portfolio Holder acknowledged that city centres were changing, and this had caused some serious issues for other Cities. The City Council needed to be one step ahead and prepare for a flexible city centre which could include more leisure activities and housing rather than just retail. The improvements to the railway and Citadel area would provide new retail opportunities and further mixed development use to add to a vibrant city centre.

He reported that the Council had submitted an expression of interest bid for funding from the High Street Fund which was as part of a government initiative to improve the high street. Although the bid had not been successful the MHCLG had liked the bid and encouraged the Council to apply again next year.

Update on Key Projects

The Regeneration Manager updated on the Panel on key projects within the City.

He reported that expressions of interest had been received for the Central Plaza building and the Council was in dialogue with an experienced developer. The developer had carried out appraisals and was not deterred by the condition of the building but was encouraged by the Borderlands Growth Deal. There was no information at the current time on the developer's proposals for the building or a business case but it was positive news moving forward.

With regard to the Dias building on Botchergate, the Regeneration Manager explained that the condition of the building had been a concern for the Council for a number of years and two previous bids for funding to refurbish the area had been commended but had been unsuccessful.

The Council had, in partnership with key stakeholders, submitted a new competitive Expression of Interest to Historic England's High Street Heritage Action Zone Fund for the renovation of the Dias building and the Christ Church Gardens opposite. The Council was negotiating with the owners of the building regarding their involvement and they were willing to make a substantial contribution to the project and were keen to work with the Council. The owners had understood the Council's concerns and had struggled to find a solution which fit in with their business model. An update on the Expression of Interest would be submitted to a future meeting of the Panel.

The Economy, Enterprise and Housing Portfolio Holder understood the concerns regarding the future of the building. The building had been an issue for the City and the co-operation of the owners was needed for the development if the bid was successful.

The Deputy Leader and Finance, Governance and Resources Portfolio Holder shared the concerns regarding the building but felt that the refurbishment of the building would materially improve the City.

RESOLVED – 1) That the Borderlands Inclusive Growth Deal and City Centre projects Update be noted (ED.24/19)

2) That an update on the Expression of Interest which had been submitted to the Historic England's High Street Heritage Action Zone Fund be added to the Work Programme for a future meeting of the Panel.

EGSP.50/19 OVERVIEW REPORT AND WORK PROGRAMME

The Overview and Scrutiny Officer presented report OS.18/19 which provided an overview of matters relating to the work of the Economic Growth Scrutiny Panel.

The most recent Notice of Executive Key Decisions, copies of which had been circulated to all Members, had been published on 21 June 2019. There were no items included within the remit of the Panel.

The Panel's 2019/20 Work Programme had been attached to the report for consideration. The Panel discussed the Work Programme and agreed the following:

- Environment Strategy to be scheduled for 27 October 2019
- Joint Inquiry Day with Health and Wellbeing Scrutiny Panel to be programmed to meet the 27 October 2019 meeting

The Chairman asked that arrangements be made for the Panel to visit the Enterprise Zone.

RESOLVED – 1) That the Overview Report incorporating the Work Programme and Key Decision items relevant to the Economic Growth Scrutiny Panel (OS.18/19) be noted.

2) That the following items be scheduled in the 2019/20 work programme for the Panel;

- Environment Strategy to be scheduled for 27 October 2019
- Joint Inquiry Day with Health and Wellbeing Scrutiny Panel to be programmed to feed into the October meeting

3) That the Overview and Scrutiny Officer make arrangements for the Panel to visit the Enterprise Zone.

(The meeting ended at 11.35am)