

**MINUTES OF PREVIOUS MEETINGS
ECONOMIC GROWTH SCRUTINY PANEL**

THURSDAY 19 OCTOBER 2017 AT 10.10AM

PRESENT: Councillors Nedved (Chairman), Betton (10.15am – 11.43am), Bowditch, Burns, Christian, Mrs Coleman, McDonald and Mitchelson

**ALSO
PRESENT:** Councillor Glover – The Leader
Councillor Mrs Bradley – Economy, Enterprise and Housing Portfolio Holder
Councillor Ms Quilter – Culture, Heritage and Leisure

OFFICERS: Deputy Chief Executive
Corporate Director of Economic Development
Regeneration Manager
Investment and Policy Manager
Development Manager
HIA Team Leader
Tourist Information Officer
Policy and Performance Officer

EGSP.17/17 APOLOGIES FOR ABSENCE

There were no apologies for absence submitted.

EGSP.18/17 DECLARATIONS OF INTEREST

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

EGSP.19/17 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.20/17 MINUTES OF PREVIOUS MEETINGS

RESOLVED – 1) That the minutes of the meeting held on 27 July 2017, which had been approved by Council on 12 September 2017, be signed by the Chairman.

2) That the minutes of the meeting held on 7 September 2017 be approved.

EGSP.21/17 CALL IN OF DECISIONS

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

EGSP.22/17 OVERVIEW REPORT AND WORK PROGRAMME

The Policy and Communications Manager presented report OS.19/17 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 22 September 2017. The following items fell within the remit of the Panel and had been included in the Panel's Work Programme:

- KD.23/17 – Budget Process 2018/19 (November meeting)
- KD.27/17 – Consideration of Dalston Parish Neighbourhood Plan (Following public consultation)

The Panel's Work Programme had been attached as appendix 1 to the report for the Panel's consideration.

RESOLVED – That the Overview Report incorporating the Work Programme and Key Decision items relevant to this Panel (OS.19/17) be noted.

EGSP.23/17 CARLISLE BUSINESS INTERACTION CENTRE

The Panel welcomed Steven Robinson, Regeneration Manager to his first Scrutiny Panel.

The Regeneration Manager submitted report ED.36/17 which updated the Panel on the developments at the Business Interaction Centre (BIC).

The Regeneration Manager reminded the Panel of the background to the BIC, including the strategic aims, and reported that the University of Cumbria's (UoCs) lease for buildings at Paternoster Row with Carlisle City Council had expired and they would be vacating the premises on 22 December 2017. The Council's Asset Investment Services Team had dealt with the lease expiry issues and the Regeneration Team had been tasked with identifying a sustainable future use for the BIC.

The Regeneration Team, along with the Policy and Investment Team, had undertaken stakeholder engagement and the outcome of the engagement had confirmed that there was substantial demand from individuals, micro and small businesses for incubator and shared workspace within the city.

The stakeholder engagement showed that the BICs strategic aim for incubation and start up space had not been fully realised due to the lack of understanding of the specific and unique needs of businesses in the creative, cultural and digital sectors. The feedback received was that the environment in the building had not cultivated the liberal and innovative culture that was essential. The engagement also identified a number of individuals and businesses that would return/relocate to the BIC if the right culture/environment was created.

On the basis of the stakeholder engagement and the Regeneris report which had been commissioned by the Council, refurbishing and relaunching the BIC to provide workspaces that met diverse and identified needs of the cultural, creative and digital sectors that operated across Carlisle and the wider Borderlands area would be a positive step.

The Regeneration Manager detailed the next steps as set out in section 4 of the report and asked the Panel for feedback on the proposed future direction.

The Corporate Director of Economic Development reminded the Panel of the importance of the building within the historic quarter. The BIC had not fulfilled its purpose and the Council had to consider how to achieve its purpose so that the building provided support and space in an interactive and creative way which inspired new businesses and added to the economic growth of Carlisle.

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

- What notice did the City Council receive from the University of Cumbria and what was their reason for leaving the building?

The Deputy Chief Executive responded that the City Council had been given short notice of the official leaving but had heard from tenants that there had been concerns that their leases would not be renewed. There had been attempts at communications with the University and had resulted in a very formal and structure communication with them, opposed to the more relaxed communications which had been enjoyed previously. He understood that it was difficult for the University to manage their estate due to its dispersed nature but had not seen their Estates Strategy.

In response to a further question the Deputy Chief Executive confirmed that he did not have any deeper concerns regarding the University's position in Carlisle. The changes had been a result of a change in staff and new relationships being established. He reminded the Panel that the University had their own challenges and had to offer more than an excellent educational offer.

The Corporate Director of Economic Development agreed that the University had to compete to attract students with the overall offer and accommodation. She added that the Council would continue to work closely with the University.

The Leader had met with the Vice Chancellor of the University and she had been clear that, as an organisation under financial pressure, they had to concentrate on their campus and look at estate management to ensure they remained sustainable. She reassured the Leader that Carlisle would continue to be the headquarters for the University and they would continue to grow their educational offer.

- The Council had invested a significant amount of money into the BIC at the start of the process, would this be recovered?

The Corporate Director informed the Panel that the money that the Council had invested had been into the fabric of the building to bring it back into use, the investment had not been lost. The building was owned by the City Council and the building would continue to be used.

- Had the lease with the University of Cumbria for the BIC been strong enough?
- The Panel had undertaken a detailed Task and Finish Group regarding the BIC and it was suggested that the report and minutes of those meetings be revisited for suggestions and ideas going forward.
- Would the Council consider opportunities with other partners for the BIC?

The Corporate Director confirmed that opportunities with other partners would be explored.

- How would support be given to tenants and were there any restrictions going forward for support offered to new tenants?

The deputy Chief Executive explained that in the interim the existing tenants would be provided for and the University had been helping to navigate the changes and had agreed an acceptable offer in terms of dilapidations. There were risks associated with developing the building and granting long term leases to tenants but the Council needed to keep the property in use and would like fee paying tenants to offset the cost as it had previously been a difficult building to let out.

- Who would determine who the tenants would be? What was the proposed process for leasing out space?

- Previous tenants had found that the BIC had not been inspiring, how would the challenge of changing the culture be addressed?

The Regeneration Manager explained that existing tenants had been heavily involved in discussions and had been very positive and wanted to work collaboratively to deliver the aims of the BIC. The tenants needed a unique environment to inspire the businesses as the building had become more academic and was not conducive to collaborative working and network sharing. The building would require some small amendments to create an environment which delivered interactive and flexible work spaces for tenants from a similar sector who could share skills and services.

The Corporate Director added that a facilitator would run the building to bring together businesses from the creative industry and help would be required for this through a funding stream.

- The Chairman asked how the BIC would be financed and what the timescales for a business plan would be.

The Corporate Director understood that funding would need to be obtained and there were opportunities available to secure funding but it was very early in the process.

- A Member reminded the Panel that the Enterprise Centre had been established as a start-up facility but had changed and now had long term tenancies, how would this be avoided at the BIC?

The Corporate Director explained that the Enterprise Centre had been allowed to develop into a managed work space. The BIC would be for specific types of businesses and the BIC facilitator would be fundamental in achieving this.

The Economy, Enterprise and Housing Portfolio Holder reminded the Panel that the process was at a very early stage. She reminded the Panel of the history of the building and its redevelopment for various educational organisations. There had been several changes to the building but the City Council had always been a part of its evolution. The BIC would establish a place for young businesses with a prestigious address and prestigious premises which would be used in a flexible way that allowed young businesses to develop and add to the economic viability and growth of the City. She added that she felt the BIC was an opportunity for the Council and should be supported for long term achievement.

RESOLVED – 1) That the Regeneration Manager be thanked for the update and that the Carlisle Business Interaction Centre (CBIC) report be noted (ED.36/17)

2) That a verbal update on the BIC be given to the Panel as part of their consideration of the Economic Strategy.

3) That representatives of the University of Cumbria be invited to a future meeting of the Panel to give an overview of their position in and commitment to the City.

EGSP.24/17 UPDATE ON THE TOURIST INFORMATION CENTRE AND COMMERCIAL ACTIVITY

The Tourist Information Officer presented report CS.37/17 which gave an update on the operation of the Tourist Information Centre and Assembly Room.

The Tourist Information Officer explained that the report was split into three sections, the first section covered the existing service outputs for the Tourist Information Centre (TIC) and included detailed information on the services provided and the income received at the TIC. The second section of the report set out the existing service outputs for Discover Carlisle which included the website, social media and links with the TIC. The third section detailed opportunities and proposals for the future service with regard to tourism and Discover Carlisle online resources. She drew attention to the proposals for a new tourism and marketing plan for the TIC which would present a business model and approach that helped deliver the TICs aims.

The Culture, Heritage and Leisure Portfolio Holder commended the Tourist Information Officer for presenting the information in the absence of her line manager who was on maternity leave. She commented that Tourism was changing constantly and the report reflected the move to the internet and tourists arranging accommodation before they travel. The Tourist Information Centre had been refurbished and work was now being undertaken on the new tourism and marketing plan. There were a lot of events, attractions and activities in Carlisle and the TIC was building on those and moving the tourism in the City forward.

In considering the update Members raised the following comments and questions;

- Was the TIC affected by the level of signposting within the City?

The Culture, Heritage and Leisure Portfolio Holder confirmed that that signage in the City had been an issue but this was being rectified, however, further work would be required to define and promote areas such as the Historic Quarter.

- Was there any scope for a joint procurement for gifts, which could reduce costs and increase income, with other tourist attractions in the City?

The Culture, Heritage and Leisure Portfolio Holder responded that there was scope for changes to the retail offer; however, this was an ongoing process that would take some negotiations and time.

- The Panel had previously asked for a business plan for the TIC, was the Tourism offer so fluid that this was unachievable? How was the TIC performance monitored without a business plan?

The Deputy Chief Executive agreed that the offer was fluid and continuously changing to match trends. He reassured Members that he closely monitored the budget and success of the TIC and received monthly reports on performance. The Deputy Chief Executive informed the Panel that a reorganisation of the service was being undertaken and consultation with staff would be carried out. The basis of the reorganisation was the changing nature of the TIC, it was hoped that the reorganisation would result in more flexibility for staff to provide the service. The refresh of the Discover Carlisle website was fundamental and would keep on top of trends and tell Carlisle's story. Any business plan for the TIC would have to reflect the change in direction, it would need to identify key assets and reflect the Economic Strategy.

The Corporate Director of Economic development agreed that the TIC could not be considered in isolation, the Economic Strategy and historic assets all supported tourism and were part of the whole strategy.

A Member asked the Deputy Chief Executive if the TIC actually needed a business plan a clear vision to deliver the dynamic ideas coming forward. Members were concerned that there was increasing demand on officers with reduced resources and they had no clear direction. The Deputy Chief Executive confirmed that the traditional business plan would not be suitable for the

TIC as a more organic approach was required to keep up with changing trends. Work was being carried out on the reorganisation of the TIC which would clarify themes, opportunities and resources and further information would be available for the Panel the next time the TIC was scrutinised.

- The Panel had previously undertaken a Task and Finish Group on the TIC and it was suggested that the work of the Group be revisited to help the Panel monitor the performance of the TIC.

The Deputy Chief Executive explained that the report had not included all of the financial information with regard to the TIC as officers were trying to move away from dated targets. The financial information for the TIC was available to Members and could be added to future reports should they so wish. He explained that work was being carried out to investigate what other heritage cities carried out and how they generated income. Some of the work being undertaken was out with the scope of Carlisle due to size of the city but there were ideas which could be used.

- Were the TIC utilising emails to market and promote services?

The Deputy Chief Executive confirmed that email drops would be used and were very useful for the local market.

- How were the tourists from the USA, Australia and Asia accessing information to come to Carlisle?

The Tourist Information Officer explained that tourists from China usually travelled on organised coach trips which had specific routes, tourists from the USA and Australia tended to be individual travellers. Many American tourists were tracing their family tree and often travelled with entire families.

The Culture, Heritage and Leisure Portfolio Holder commented that work was needed to determine where travellers were coming from and why so that the market could be accessed and grown.

The Deputy Chief Executive agreed that consideration was needed to determine what to target and how to engage local operators to promote Carlisle.

RESOLVED – 1) That the update on the Tourist Information Centre and Commercial Activity (CS.37/17) be welcomed;

2) That the new Tourism and Marketing Plan for the Tourist Information Centre be added to the Panel's work programme.

The Panel adjourned for a short break at 11.43am and reconvened at 11.50am

EGSP.25/17 DRAFT PLANNING OBLIGATIONS ANNUAL REPORT 2016-2017

The Investment and Policy Manager submitted the draft Planning Obligations Annual Report 2016-17.

The Investment and Policy Manager informed the Panel that Section 106 (s106) Agreements were private legal agreements between Local Authorities and developers which were linked to planning permissions and could also be known as planning obligations. The Report detailed when a s106 agreement would be attached to a planning permission and the legal test required for the use of one.

The Council's Community Infrastructure Levy (CIL), Section 106 and monitoring officer managed the recording of, collection and reporting on the delivery of obligations within planning agreements relating to the City Council. The procedures in place were subject to an internal audit, the outcome of which would be taken on board in the future management of the process. He added that it should be noted that the Government had sought to scale back the use of s106 agreements in favour of a tariff based approach to planning obligations in the form of the CIL. The CIL process was under review by the Government, the outcome of which was awaited. Whilst some early consideration had been given to the suitability of CIL for Carlisle District, it had been decided that any further work should be put on hold until the outcome of the review was known.

The Planning Obligations Annual Report 2016-17 had been attached and gave an overview of s106 agreements (and Unilateral Agreements) entered into over the last year and provided an updated on the payments received by the Council and expenditure/delivery of the obligations within those and previous years. The purpose of the report was to update Members, developers and the public on the how and when planning obligations were being implemented and therefore demonstrating how such obligations had a direct positive impact throughout the District in those areas where development was taking place.

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

- Members felt that the Planning Obligations 2016-2017 Report had several issues for members of the public:
 - It was not easy to understand;
 - Areas did not read very well;
 - There were several terms used which were not clear;
 - It was clear where money had been allocated but it was not clear where the money had gone;
 - It was difficult to understand if money had been allocated but not used on the specific development site.

The Investment and Policy Manager welcomed the views of the Panel and agreed that the document would be amended where possible to make it easier to understand, further information would be added regarding allocation of monies and a glossary of terms would be included.

- Were Members informed when there were outstanding s.106 monies in their area?

The Development Manager explained that Ward Members were often involved in planning application processes and made officers aware of any specific local requests for monies, however, the legislation did not allow a great deal of flexibility for where the money could be used.

- Did the CIL reduce the s.106 allocation and did it affect the Local Plan?

The Corporate Director of Economic Development informed the Panel that the legislation for s.106s had become tighter and the Council had to give detailed justification for requesting one. The regulations allowed for developers to challenge a request, as a result money had diminished.

The Investment and Policy Manager responded that the CIL did not affect the robustness of the Local Plan. There was a wholesale review of the CIL and its effectiveness by Government and so the City Council would not progress any work until the outcome was known.

- Were s.106s easier to achieve compared to the CIL?

The Investment and Policy Manager explained that a CIL was supposed to give more certainty as the information was public and therefore more stable, however, a CIL had proved to be expensive to deliver and not viable which was the reason for the review.

The Economy, Enterprise and Housing Portfolio Holder commented that CILs had been a very complicated and expensive process which required specialist input. The Planning Team had taken the sensible decision not to proceed with CILs until the outcome of the review was known.

- Did developers challenge s.106 requests and did they challenge how monies were spent?

The Corporate Director confirmed that developers often challenged the requests for s.106s but not how money was actually spent. Money was only returned when the impact on the area from the development was not achieved.

- Were the affordable housing contributions placed into a central pot?

The Development Manager confirmed that the money was placed in a central pot which was used in one of the three specific housing market areas.

- Could s.106 monies still be used to install public art in developments?

The Development Manager confirmed that public art could be installed in a development using s.106 money, however, officers encouraged designs to be built into the developments and therefore s.106 monies could be used in other areas.

- Did the City Council negotiate s.106s on behalf of Cumbria County Council and did they provide any funding for the negotiations?

The Corporate Director confirmed that the City Council did carry out the negotiations on behalf of the County Council as part of their role as the planning authority. If the negotiations incurred specialist costs ie lawyers then the County Council would be expected to share that cost.

RESOLVED –1) That the comments and observations of the Panel, as detailed above from the scrutiny of report ED.34/17, be considered and incorporated into an amended, more transparent and easier to use Planning Obligations Annual Report;

2) That Members of the Economic Growth Scrutiny Panel be invited to attend any future Development Control Committee training sessions on housing strategy issues.

EGSP.26/17 LOCAL LIST OF NON-DESIGNATED HERITAGE ASSETS

The Investment and Policy Manager submitted report ED.35/17 which detailed process which underpinned the preparation of a local list of non-designated heritage assets.

The Investment and Policy Manager explained that national planning policy advocated the establishment of a local list of non-designated heritage assets. Such a notion was also strongly championed by Historic England. The local heritage asset register ('Local List') was a way of identifying locally and regionally important heritage assets that may not meet the strict requirements of national designations, but nonetheless made an important contribution to the historic environment of Carlisle District and contribute to the sense of place for local people.

The Investment and Policy Manager detailed the relevant policy as set out in the report and explained that the Local List ensured that those assets on it were regarded as such as a material consideration in the planning process. The City Council was therefore able to consider the scale of any harm or loss a development may cause to heritage assets and their setting. In considering planning applications a balanced judgement would be required having regard to the scale of any harm and the significance of the heritage asset. Listing could also assist grant funding applications and serve wider educational and promotional purposes.

The Investment and Policy Manager drew Members attention to the process for preparing a list set out in section 3 of the report and asked Members to focus on the Local List Guidance which was appended to the report.

Members supported the proposals and process for a local list of non-designated heritage assets and asked that the Investment and Policy Manager circulate feedback from the pilots and the examples of assets which had been added to the list.

The Investment and Policy Manager agreed to circulate the information and explained that the proposed Local List Guidance would be considered by the Executive, following adoption it would be made available on the website. He added that the process would be a long term one which would involve partners and the local community and consideration would be given to how the Guidance would be promoted.

RESOLVED –1) That the Local List of Non-Designated Heritage Assets (ED.35/17) and the proposed Local List Guidance be supported by the Panel;

2) That an update on the Local List of Non-Designated Heritage Assets be submitted to the Panel for scrutiny in one year's time;

3) That the Investment and Policy Manager circulate feedback from the pilot, the scoring sheets and examples of assets added to the Local List of Non-Designated Heritage Assets to Members of the Panel.

(The meeting ended at 12.31pm)