

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

THURSDAY 1 MARCH 2018 AT 10.00AM

PRESENT: Councillors Nedved (Chairman), Betton (from 10:26am) Bowditch, Burns, Christian, Mrs Coleman, Mrs Mallinson (as substitute for Councillor Mitchelson), and McDonald

ALSO

PRESENT: Councillor Glover - Leader
Ms Brailey – Home Group
Mr Brittain – Castles and Coasts Housing Association

OFFICERS: Deputy Chief Executive
Corporate Director of Economic Development
Housing Development Officer
Policy and Performance Officer

EGSP.19/18 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor Mitchelson and Councillor Mrs Bradley - Economy, Enterprise and Housing Portfolio Holder.

EGSP.20/18 DECLARATIONS OF INTEREST

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

EGSP.21/18 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.22/18 MINUTES OF PREVIOUS MEETINGS

RESOLVED – That the minutes of the meeting held on 18 January 2018 and the Special meeting held on 8 February 2018 be approved.

EGSP.23/18 CALL IN OF DECISIONS

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

EGSP.24/18 HOUSING STRATEGY

The Chairman welcomed Ms Brailey and Mr Brittain to the meeting.

The Housing Development Officer submitted the Housing Strategy report (ED.07/18) which provided an update on the Council's emerging Housing Strategy. The Housing Development Officer advised that there was no longer a statutory requirement for local authorities to produce Housing Strategies, however, the Council considered the adoption of a Strategy to be important for indicating the strategic direction and priorities for housing in the district. Additionally a Housing Strategy was a useful tool for supporting grant applications, by both the Council and Registered Provider Housing Associations.

MINUTES OF PREVIOUS MEETINGS

The emerging Strategy would focus on developing benefits through the promotion of two key themes: Housing as an Economic Driver, and Housing and Health. The report outlined emerging priority areas which would be examined and explored through the development of the Strategy.

The report set out the national and local planning and housing policy contexts, and the Housing Development Officer noted that the Council was awaiting details of the government proposed review and updating of the National Planning Policy Framework which it was anticipated would amend: the definition of affordable housing; supporting of new settlements; development on Brownfield land and small sites; Objectively Assessed Needs, and introduce a Housing Delivery Test.

Section 3 of the report summarised the Housing Market Context and provided data relating to: Affordable Housing Need, Housing Completions, including Affordable Housing, Housing Affordability Ratios, Overall Market Sales, and Empty Homes.

Mr Brittain (Castles and Coast Housing Association) noted that his organisation was relatively new having formed when Two Castles, and Derwent and Solway Housing Associations merged in July 2017. The initial focus of the new Association had been the integration of systems and the delivery of services to residents. The Head Office of the Association was in Carlisle which enabled local control of the decision making process and service delivery, and had created 30 jobs in the county.

The Association was working on a Development Strategy and was keen to undertake development at larger sites in the district, and it had submitted a proposal to the Council and Homes England in respect of that. The Association continued to work with house builders to assist in the delivery of Affordable Housing units through Section 106 Agreements mandated through the Planning Permissions.

Mr Brittain noted that over 150 of the Associations properties had flooded more than once and approx 3% of its stock was in high risk areas, therefore a risk mapping exercise had been undertaken and flood response strategy implemented which had been shared with the Corporate Director of Economic Development.

In terms of repair and maintenance services, the merger had enabled increased economies of scale, which it was hoped, would enhance the quality and value for money of the stock. Mr Brittain stated that the Association was developing a 5 year project to maximise its use of technology in its communications with its tenants, and a large project on customer engagement was due to commence in the near future.

Ms Brailey (Home Group) explained that whilst Homes Group did not have a large number of properties in the district, it had a long history of providing housing across Cumbria as a whole where it had approximately 10,000 homes. In addition to its roles as a Social Housing provider, the organisation had commenced development of housing for sale, via its brand Persona through which it intended to deliver 10,000 new homes nationally within the next 5 years, including an ambition to build over 250 per annum across Cumbria and Lancashire. Carlisle was a key part of the organisation's growth strategy which sought to meet the continued high levels of demand for affordable homes.

Home Group currently had one affordable scheme on site within the district: the old Dairy site at Botcherby, as well as two Persona schemes in the pipeline, at Kingmoor Road and Burgh Road. The Dairy site would deliver a scheme of 66 rented homes, supported by grant from

MINUTES OF PREVIOUS MEETINGS

Homes England; the site included 24 bungalows which aimed to address the shortage of that type of accommodation and to support the Council's promotion of bungalows.

The Kingmoor Road development would provide 71 properties, the majority of which would be for sale but also included 30% affordable units. A recent Planning Permission had also been secure for the development of 83 properties at Burgh Road where the majority would be sale properties, but also included 30% affordable units. At Kingmoor Road and Burgh Road the affordable units would be split equally between rental and low cost home ownership properties. Burgh Road included 4 affordable bungalows (two each affordable rent and affordable sale). The organisation hoped to work with local small medium sized contractors to deliver those sites and tendering exercises were expected to commence within the coming weeks.

The Kingmoor Road and Burgh Road development sites would constitute two of the organisation's first developments in the county marketed through the Persona band. Information about the developments on the Persona website would be updated in due course, Ms Brailey encouraged Members to visit the website.

The Housing Development Officer explained that representatives from both Riverside and Impact Housing Associations had been invited to the meeting, but due to the heavy snow conditions they had not been able to attend. Each organisation had provided a written statement, which the Housing Development Officer read out, for the benefit of Members.

In considering the report and Housing Association updates, Members raised the following comments and questions:

- As the statutory requirement had been removed, would the Housing Strategy carry weight?

The Housing Development Officer explained that there were a number of benefits for having a strategy, including the supporting of grant funding applications, and the identification of over a strategic way forward for housing in the district.

The Corporate Director added that were the Council to approve and adopt the Strategy, it would give it the commensurate weight as a policy document that developers in the district would need to give consideration to.

- Was there a time frame for implementing the Strategy?

The Housing Development Officer indicated that Officers wished to bring forward the Strategy as soon as possible, however, consideration would need to be given to the Strategy's alignment with government policy, which included the National Planning Policy Framework that was currently being revised. It was hoped that the development of the Strategy would be completed in 2018, covering the period 2018-21.

- With reference to figure 2: Total and Affordable completions, a Member noted there was a significant difference between the target number of units, as set out in the Carlisle and District Local Plan 2015 – 30 (Local Plan) and the units which had been built. He asked how the Council was addressing the issue.

The Housing Development Officer explained that the Council had sought to address the matter in a number of ways: by liaising with Housing Associations in the identification of Housing

MINUTES OF PREVIOUS MEETINGS

Allocation sites through the Local Plan adoption process; working with Homes England, and the sale of Council land to Housing Associations for development.

The Member noted that recently a low cost homes developer had been granted Planning Permission by the Council's Development Control Committee for housing development, without a requirement to provide affordable houses. He asked whether consideration was being given to including such property types in the emerging Housing Strategy.

The Corporate Director confirmed that the low cost homes provision was being considered as part of the development of the Strategy.

The Housing Development Officer added that it was anticipated that the review of the National Planning Policy Framework would also consider the definition of affordable housing, which could potentially be expanded to include low cost market housing, so it was possible that the homes on the development in question may be included within the revised definition of affordable housing.

In relation to the Local Plan's target of 565 new homes per year in the district, the Member questioned how achievable that target was, given that the projected population increase in Cumbria had not been realised.

The Corporate Director acknowledged that the population projections by Office for National Statistics were small. However, the demand for housing continued to rise as people's life expectancy increased and the forms of family life changed and evolved.

Responding to a question from the Member regarding the purpose of its Persona website, Ms Brailey advised that the website had been set up to promote its properties for sale under that brand.

- Another Member expressed concerns regarding the static population growth in the district, the need for housing for older people, and the delay in receipt of monies from the government for flood defence and resilience measure. He asked if the Council was confident that each of its strategies (Industrial Strategy, Economic Strategy and the emerging Housing Strategy) would work together.

The Corporate Director considered it to be very important that the suite of strategic documents worked together in order to facilitate the Council in achieving its aims.

The Housing Development Officer also agreed with the need for the Council's strategic documents to be aligned, he thanked the Member for his feedback.

- Would provision of housing for Looked After Children be included in the Housing Strategy?

The Housing Development Officer responded that in developing the Strategy, Officers would liaise with the Council's Housing Team to ensure that all duties of care were met.

- How did the Council manage the monies in received from the government from New Homes Bonus payments?

MINUTES OF PREVIOUS MEETINGS

The Corporate Director responded that the Council incorporated the New Homes Bonus payments into its budget to support service delivery. She undertook to provide a written response detailing how much money the Council had received.

- The Chairman commented that there were clear crossovers between the emerging Housing Strategy and the recently adopted Affordable and Specialist Housing Supplementary Planning Document, particularly in relation to provision of bungalows.

The Corporate Director responded that the issue of bungalow provision was frequently raised by Members of the Development Control Committee in their consideration of planning applications. Officers also regularly discussed the provision of bungalows with developers and the number being constructed was beginning to rise. Bungalows were more costly to build than house, therefore, developers were able to challenge a requirement to provide bungalows on the basis that it impacted the financial viability of a development.

- Referring to figure 4: Affordability Ratios, a Member questioned how people in the lower quartile income range would be able to buy a property.

The Housing Development Officer explained that, in-keeping with the government's Help to Buy Scheme, the Council's Low Cost Housing (discounted sale) policy permitted a maximum income multiplier of 4.5 times a person's income, to reduce the risk of mortgage arrears occurring. He stated that the data illustrated the significant gap (6.0 x incomes) between lower quartile incomes and property prices which highlighted the importance of providing Social or Affordable rental properties, which was an issue that would need to be considered as part of the development of the Strategy.

In response, the Member asked whether it was possible for the Strategy to ensure that houses were available to purchase for people in the lower quartile income range.

The Housing Development Officer advised that there were a range of mechanisms which sought to address the issue, including: the Council's policy of a provision of 30% of Affordable Homes on developments of more than 11 dwellings and, Shared Ownership schemes operated by Housing Associations did allow for people to purchase a smaller initial stake (e.g 25% or 50%) although a rent was also due on the element of the property they did not own.

- Had the government given any indication as to how the development of Brownfield sites may be incorporated into the updated National Planning Policy Framework?

The Housing Development Officer responded, that further information was still awaited from the Government, however, the majority of Brownfield sites in the district had previously been developed. He undertook to update the Panel on the matter once the government guidance had been received.

- A Member expressed concern regarding the number of empty homes in the district, and asked why it was at such a high level.

The Housing Development Officer explained that a large proportion of the empty homes were those which were for sale and were therefore affected by market interest. He noted that the key issue was properties which were empty in the long term, in the district there were 251 properties that had been empty for more than 2 years, which was a small proportion of the total figure.

MINUTES OF PREVIOUS MEETINGS

The Council's Empty Property Officer worked with landlords to address the issue with view to increasing the occupancy of empty properties. The government had formerly operated a scheme which provided a small amount of grant funding to bring empty properties back into use, but that had been abolished.

In response to a question from the Chairman about the distribution of empty properties across the private rented, social rented and homeowner sectors, the Housing Development Officer advised that the figures had been collated based on Council Tax records, which did not break this down by tenure; however the majority of empty homes were in the private sector.

- What policies did Home Group and Castles and Coasts Housing Associations have for engaging with their tenants?

Ms Brailey responded that Home Group felt that community engagement was very important and that it had facilitated the set up of a number of tenants' groups in its scheme, which were now run by the tenants themselves.

Mr Brittain advised that Castles and Coasts Housing Association, as a new organisation was working in an engagement strategy, which it hoped would enable communications to take place with a large proportion of its residents.

Ms Brailey and Ms Brittain both welcomed the Council's plans to implement a Housing Strategy.

RESOLVED – 1) That Ms Brailey and Mr Brittain be thanked for their updates.

2) That the emerging Housing Strategy be welcomed, and the Panel wished to receive further updates on the development of the Strategy.

3) That the Panel considered the alignment of the Housing Strategy with other Council policies to be important,

4) That the Housing Development Officer circulate to the Panel the written updates provided by Riverside and Impact Housing Associations.

5) That the Panel be updated on the proposed merger between Riverside and Impact Housing Associations.

6) That the Corporate Director of Economic Development circulate a written response detailing how much money the Council had received in New Homes Bonus payments.

The Panel adjourned at 11.33am reconvened at 11.41am.

EGSP.25/18 BORDERLANDS GROWTH DEAL

The Corporate Director of Economic Development submitted the Borderlands Growth Deal report (ED.08/18) and delivered a presentation on the initiative which covered: the creation of the partnership; the challenges faced by the partnership; the partnership approach; 5 strategic growth corridors; areas of opportunity; The Borderland Proposition; The Borderlands Vision; the Delivery Projects (Broadband / Gigabit Transformation, Low Carbon Region, and Infrastructure); Place Based Delivery Projects; Work So Far / Next Steps and; Draft Governance Structure

MINUTES OF PREVIOUS MEETINGS

The Corporate Director emphasised the partnership approach of the initiative which had developed over a period of time and that sought to bring benefits across the whole geographic area of the partnership, which was considered as a disaggregated city region, with Carlisle as its hub.

The Borderland Proposition sought to secure a unique Growth Deal for people and places in the region through a “golden thread” of Inclusive Growth. The Delivery Projects had been identified and developed with a view to securing strategic outcomes which would be advantageous to all partners in the initiative. The key projects of the Growth City – Carlisle were the St. Cuthbert’s Garden Village, the Southern Relief Road, and the Airport.

The Corporate Director advised that outline Business Cases need to be developed based on the partnership’s themes to show how delivery of projects would be achieved. Discussions had already commenced with government about the themes and proposed projects, and she anticipated that outline Business Cases would be submitted in time for consideration by the Treasury in advance of its Autumn Statement.

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

- The Chairman applauded the Council’s lead in the project and looked forward to the commencement of the projects proposed by the initiative.

The Leader responded that those involved in the partnership were keen for the Borderlands area to be identified as a distinct region with each of the constituent authorities supporting each other. He considered the partnerships proposed projects in relation to infrastructure and skills development to be of great importance and that their implementation would provide significant benefits. In order for the Deal to progress it needed the support of the Treasury, therefore the submitted Business Cases would need to demonstrate economic advantages across the entirety of the area.

- How would competition between partnership authorities be avoided?

The Corporate Director replied that all partners had worked to address strategic issues which affected the whole partnership, rather than bringing forward localised issues, which was due to their recognising the importance of partnership as a whole.

The Member further asked whether decisions making structures within the partnership had been agreed.

The Corporate Director drew Members’ attention to the draft governance structure contained within the report and explained that a revised governance structure would be put in place following the government’s determination of the funding applications.

In respect of the funding applications, the Leader noted that a range of projects may be submitted with outline Business Cases for the Treasury to assess and give a steer to the partnership for the bringing forward of full Business Cases. It was crucial that the first phase of funding applications were well received in order to generate support for the partnership’s aims and to secure the required funding.

The Corporate Director added that the Treasury would assess the bids against clearly defined criteria to determine whether funding was to be awarded. She further commented that the

MINUTES OF PREVIOUS MEETINGS

partners involved in the Borderlands Deal appreciated that government funding of projects was often distributed in tranches.

- What impact did the partnership expect its Low Carbon Economy delivery project to have?

The Corporate Director responded that the partnership envisaged that the creation of a low carbon economy, whilst being beneficial for the environment would bring business and investment into the Borderlands area from companies who were keen to work in such an economy. She noted that work in that area was in its early stages.

The Member questioned how the Low Carbon Economy project would respond to and align with the government and planning policies.

The Corporate Director explained that the delivery project would not override government or planning policies, rather it would provide a strategic steer to those engaged in economic activity in the Borderlands area.

Another Member asked whether the partnership had consideration to the setting up of an Arms Length Management Organisation to drive the Low Carbon Economy forward.

The Corporate Director responded that the partnership would look to fully explore, with Civil Servants, the grant funding available to develop low carbon initiatives as it was a complex area. The steer given from government with respect to the funding applications would also give an indication of what areas of work would be progressed by the partnership initially.

- Had consideration been given to the creation of a 5 star hotel accommodation in the area to increase tourism?

The Corporate Director responded that the need for such a facility was well recognised. Were the Borderlands partnership to bring about the economic and tourism growth it was looking to realise, she considered that the additional activity would enhance its business case. However, she noted that it was an area for the private sector to bring forward.

- A Member commented that the development of effective personal relationships amongst partnership members, and between the partnership and the appropriate external bodies would be an important factor in the success of the initiative.
- When did the partnership expect it would receive a Letter of Intent from the government with respect to its submitted funding applications?

The Corporate Director advised that the partnership expected to submit outline Business Cases in the summer to the United Kingdom Government and the Scottish Parliament, and it was hoped that provisional funding offers may be indicated prior to the Treasury's Autumn Statement. Following the receipt of any provisional funding offers in-depth negotiations would commence with government regarding the development of detailed Business Cases which would enable the partnership to draw down the requisite funding.

Members felt that scrutiny had a large role to play in assisting the initiative going forward, which the Leader and Corporate Director agreed with and welcomed.

MINUTES OF PREVIOUS MEETINGS

The Panel held a discussion on the importance of public transport in creating connectivity between the city of Carlisle and St. Cuthbert's Garden Village.

A Member asked whether any feedback had been received on the Department for Transport's Infrastructure Programme in relation to the A595 and A596.

The Leader advised that consultation on the Programme was ongoing.

The Panel also discussed the importance of Higher Education as a driver for economic growth. The Chairman noted that the University of Central Lancashire and Newcastle University were each investing £20M in their estates, he asked if the University of Cumbria had similar plans.

The Corporate Director understood that the Vice-Chancellor of the University of Cumbria considered the premises of the organisation to be an important factor in attracting students, in addition, to the courses on offer. She believed that the organisation was considering projects in relation to its estate.

- How did the Borderlands Partnership relate to the Local Enterprise Partnership (LEP)?

The Leader responded that the LEP was currently undergoing a review phase, and that it was looking to appoint a new Chairman and Director. The LEP did support the Borderlands, but it was not the main driver of the initiative, which came from the partners themselves.

RESOLVED – 1) That Borderlands Growth Deal report (ED.08/18) be noted.

2) That Officers be thanked for their work to date on the initiative.

3) That the Borderlands Growth Deal be included in the Panel's Work Programme for the new Civic Year.

EGSP.26/18 QUARTER 3 PERFORMANCE REPORT 2017/18

The Policy and Performance Officer submitted the 3rd quarter performance against the current Services Standards and a summary of the Carlisle Plan 2015-18 actions as defined in the 'plan on a page'. The new Service Standards and Key Performance Indicators (KPIs) were also included (PC.03/18).

Details of the standards were set out in section 1 and section 2 contained the Council's delivery of the Carlisle Plan within the Panel's remit. A new dashboard showing performance against the new KPIs (also within the Panel's remit) was appended.

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

- What was the purpose of the searches relating to Service Standard 08 (SS08)?

The Policy and Performance Officer replied that the searches carried out were the standard searches in relation to the purchase of property.

The Deputy Chief Executive added that the searches comprised a number of aspects, for example, whether a property; was in a Conservation Area; had trees which were subject to a Tree Preservation Order within its boundary; was in a Smoke Control Area.

MINUTES OF PREVIOUS MEETINGS

SS08 had demonstrated a significant dip in performance earlier in the year as inter-departmental work had not been operating effectively. The Deputy Chief Executive advised that the matter had now been resolved and performance against the standard was improving, which demonstrated that the Council's performance management tools were working well.

A Member asked why the under target performance had not been reported to the Panel earlier.

The Policy and Performance Officer explained that Service Standards and Key Performance Indicators (KPI) had been reviewed in 2017 and a number of new Services Standards had been identified, of which the Local Authority Searches was one. In order to ensure the accurate reporting of data, a series of quality assurance checks had been conducted to ensure the information presented to the Panel was accurate.

The Member asked if the dip in performance had affected the public.

The Deputy Chief Executive responded that he understood that the searches were primarily carried out by agents, and consequently, he was not aware of any widespread effect on the public.

A number of Members expressed concern that the data checking had delayed the drop in performance being reported to the Panel.

The Deputy Chief Executive reiterated the importance of presenting accurate KPI information to both the Panel and Service Managers, therefore the fact checking and quality assurance work that had been undertaken was a necessary step prior to the data being reported. He confirmed that he was satisfied that the issue had now been resolved.

A Member proposed that in the event of a Service Standard not achieving its agreed target, the relevant Scrutiny Chairman be notified by report to the Scrutiny Chairs Group. A number of Members supported the proposal and the Chairman advised that it would be a resolution of the Panel.

Responding to a question from a Member, the Corporate Director advised that the performance against target for KPI ED03a had slipped earlier in the year due to staffing issues, but that the matter had been resolved.

The Panel noted the report recommended that Carlisle Plan Key Action 9 – Future Flood Risk Management Plans be closed and removed from future reports, clarification was sought as to the rationale behind the recommendation.

The Corporate Director advised that the specific task required by the action had been the development of a Winter Flood Ready Plan, which the Council had completed, and therefore the recommendation to the Panel had been made.

The Chairman responded that whilst the Panel had received its final report of the Council's flood recovery activity in relation to its own assets he understood that the Environment Agency and Cumbria County Council would continue to report to future meetings of the Panel on wider flood alleviation matters in the city.

The Corporate Director stated that the Panel would continue to scrutinise the wider flood alleviation activities being carried out in the city by partner organisations. In terms of Carlisle Plan Key Action 9, she noted that the Plan itself was due for renewal at the end of 2018.

MINUTES OF PREVIOUS MEETINGS

Officers would be undertaking work to develop a new plan, as part of which she would ensure that an appropriate, relevant priority/action regarding flooding be included in the Panel's Actions.

- A Member raised the issue of the Council's Riparian ownership of the Petteril Riverbank, he asked when the Council intended to undertake work to improve the banks and dredge the river.

The Deputy Chief Executive responded that the Member had received a number of written responses previously, in relation to the matter.

The Panel discussed the issue at length and in some detail and felt that clarification was required in relation to the Council and Environment Agency's rights and responsibilities in relation to the River Petteril.

The Deputy Chief Executive undertook to circulate a Position Statement to the Panel detailing the Council's rights and responsibilities with respect to the River Petteril.

The Corporate Director advised that the signage stipulated in Phase 1 of the City Centre Public Realm Improvements had been installed, and that Phase 2 was underway.

RESOLVED – 1) That Quarter 3 Performance Report 2017/18 (PC.03/18) be noted.

2) That in the event of a Service Standard not achieving its agreed target, the relevant Scrutiny Chairman be notified by report to the Scrutiny Chairs Group.

3) That the Deputy Chief Executive circulate a Position Statement setting out the Council's rights and responsibilities in relation to the River Petteril.

EGSP.27/18 OVERVIEW REPORT AND WORK PROGRAMME

The Policy and Performance Officer presented report OS.06/18 which provided an overview of matters relating to the work of the Economic Growth Scrutiny Panel.

The Policy and Performance Officer reported that the most recent Notice of Executive Key Decisions, copies of which had been circulated to all Members, had been published on 12 January 2018. The following items included in the Notice fell within the Panel's remit:

Items which had been included in the Panel's Work Programme:

There were no items which had been included on the Panel's Work Programme

Items which had not been included in the Panel's Work Programme:

KD.03/18 City Centre Public Realm Improvements – Phase 2

With reference to the table of progress of resolutions from previous meetings, the Chairman commented that he was pleased with the number of actions that had been completed, and overall considered that the monitoring of resolutions was useful to Members of the Panel as it kept them informed of the progress of issues.

MINUTES OF PREVIOUS MEETINGS

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

The Corporate Director advised that Tourism Strategy would form part of the Economic Strategy going forward, therefore the reference to the Tourism Strategy in the Work Programme required deletion, which the Panel agreed.

The Chairman requested that the City Centre Public Realm Improvements – Phase 2 be added to the Panel's Work Programme.

RESOLVED – 1) That the Overview and Work Programme report (OS.06/18) be noted.

2) That the Tourism Strategy be deleted from the Panel's Work Programme.

3) That the City Centre Public Realm Improvements – Phase 2 be added to the Panel's Work Programme.

(The meeting ended at 1.25pm)