



OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

Committee Report

Public

Date of Meeting: 28 SEPTEMBER 2006

**Title: CARLISLE RENAISSANCE: FUNDING FOR ECONOMIC
INITIATIVES**

Report of: DIRECTOR OF CARLISLE RENAISSANCE

Report reference: CE 24/06

Summary:

The Committee is requested to determine which Overview & Scrutiny Committee is most appropriate to review progress reports during the programme and scrutinise the delivery of specific projects as set out in the attached report (CE 23/06).

Recommendations:

The Committee is recommended to agree which Overview & Scrutiny Committee will cover the areas of activity set out in the attached report.

Contact Officer: Tom Millar

Ext: 7018

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None



REPORT TO EXECUTIVE

PORTFOLIO AREA: ECONOMIC DEVELOPMENT AND ENTERPRISE

Date of Meeting: 25 September 2006

Public Yes

Key Decision: Yes Recorded in Forward Plan: Yes

Inside Policy Framework

Title: CARLISLE RENAISSANCE
FUNDING FOR ECONOMIC INITIATIVES

Report of: Director of Carlisle Renaissance

Report reference: CE 23/06

Summary: This report sets out a programme of activities in 2006/07 to strengthen and develop the economic base of Carlisle which are included in a funding application to the Northwest Development Agency (NWD). It sets out the profile of funding contributions from the City Council and other stakeholders necessary to deliver this programme and the arrangements for management and accountability.

Recommendations:

Members are requested to: -

- a) Endorse the programme of activities for 2006/07.
- b) Agree the City Council's contribution of £389,000 to support the delivery of this programme.

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1. BACKGROUND

- 1.1 The Northwest Development Agency's (NWDA) Cumbria Sub Regional Action Plan (SRAP) has provisionally allocated £1m to support Carlisle Renaissance in 2006/07 and a further £5m per annum for the following two years. The SRAP is intended to support the delivery of outcomes in the Regional Economic Strategy at a sub regional level and is endorsed by Cumbria Vision.
- 1.2 On the 24th April 2006 the Executive Committee (DS 21/06) agreed to the submission of an outline funding application to the NWDA in furtherance of the objectives of Carlisle Renaissance. It also agreed (DS 24/06) a provisional allocation of Local Government Business Growth Initiative (LABGI) funding by the City Council in support of the NWDA funding application.
- 1.3 The outline application was based on a series of indicative projects intended to support people into employment, develop the visitor economy, encourage business creation and bring brownfield land into employment use. Since the outline application was submitted the City Council has worked in partnership with a range of local and sub regional stakeholders to firm-up these proposals into a coherent and robust package of projects.
- 1.4 During this period the NWDA has released to the City Council a sum of £100,000 from the 2006/07 SRAP allocations to support the appointment of a team of consultants to develop a new economic strategy for Carlisle. A team led by SQW Ltd (www.sqw.co.uk) was appointed earlier this month. In a parallel appointment the City Council has retained Professor Frank Pack of the Centre for Regional Economic Development (CRED) as an advisor to assist in the development of the strategy.
- 1.5 The Economic Development & Enterprise Priority Group of the Carlisle Local Strategic Partnership (LSP) has been closely involved both in the preparation of the brief for the economic strategy and in the appointment of SWQ. As representatives of a broad range of private sector interests in Carlisle they are expected to play a significant role in providing external scrutiny in the preparation of the strategy alongside the City Council's own overview and scrutiny provisions.
- 1.6 This report sets out the programme of projects that are included in the detailed funding application to the NWDA, the programme funding profile and arrangements for management and accountability.

2. THE PROGRAMME

- 2.1 This first year programme, running from October 2006, consists of a series of projects that aim to strengthen and develop the economic base of Carlisle. One of these projects is the new economic strategy, which will underpin future interventions and funding applications in

later years. Other projects are a mixture of new and 'pilot' activities and the extension of existing projects, previously supported by the NWDA, the City Council and other partners, which have successfully delivered economic outcomes over the previous 12-18 months.

- 2.2 In working-up the first year programme following the submission of the outline application the City Council has sought to identify those projects which are capable of delivery within a 12 month timeframe, which lever in third party funding and which represent added value. As part of this process, initial proposals to bring brownfield land into employment use on the Durranshill and Rosehill Industrial Estates have been withdrawn from the detailed application. Both these estates are included in the ongoing review of assets by the City Council and as such are subject to further consideration within this broader context.
- 2.3 The following sections provide further details of the programme areas and projects that are included in the detailed funding application to the NWDA.
- 2.4 Economic strategy
 - 2.4.1 This project has been 'front-funded' by the NWDA and commenced earlier this month. It will establish the priorities for intervention and funding by the public sector in strengthening and developing the local economy, in particular guiding future activities that may be supported by the existing SRAP allocations in 2007/08 and 2008/09. The economic strategy and associated action plan will address the impact of Carlisle on its city-region and the contribution that Carlisle can make to improving GVA (Gross Valued Added) in Cumbria and southwest Scotland.
- 2.5 Supporting people into employment
 - 2.5.1 This programme area consists of two projects targeting residents in the City's most deprived wards. *Bringing Regeneration Home* is a project successfully piloted by Carlisle Housing Association (CHA) and works with young people and those on long term benefits to provide them with the skills and training to access employment, primarily in construction and related sectors.
 - 2.5.2 *Redundancy & Into Work* is a project organised by the City Council which began following the closure of the Cavaghan & Grey plant in 2005 and will be extended to incorporate customised pre-recruitment training with employers in the City, including a new Retail Academy which is being established in partnership with The Lanes Shopping Centre and other retailers.
 - 2.5.3 Together these projects will create 32 new jobs, provide 88 people with training and new qualifications (at NVQ Levels 2 and 3) and assist 220 people to find new employment

2.6 Support for new and existing businesses

- 2.6.1 This programme area consists of two projects that will support the establishment of new businesses in Carlisle and support the growth of businesses in the tourism sector. The *East Cumbria Business Support* (ECBS) project extends a start-up project delivered by the Cumbria Rural Enterprise Agency (CREA) in partnership with the Cumbria Chamber of Commerce into urban Carlisle.
- 2.6.2 The ECBS project will target the unemployed, those facing redundancy and residents in disadvantaged wards and provide them with support to establish their own businesses. It will build on the work of the Chamber of Commerce in establishing local networking groups for potential entrepreneurs, providing outreach support through partner organisations and integrating start-up support with mainstream business support from Business Link and other organisations.
- 2.6.3 The *Tourism Business Support* project will assist small businesses in this sector to exploit the tourism potential of the Carlisle area and builds on the successful outcomes achieved through the Hadrian's Wall Tourism Partnership, providing advice and counselling, e-business, networking and other support.
- 2.6.4 Together these projects will create 100 new businesses, 120 new jobs and provide 30 businesses with management, ICT and other specialist business support.

2.7 Developing the visitor economy

- 2.7.1 This programme area consists of five projects that will support the development of the visitor economy by promoting and developing the City's visitor offer to increase the number of tourists and the quality of the visitor experience. *Strengthening the Brand* will assess and develop the City's leisure and business tourism brands and deliver a programme of marketing activity to raise its profile to visitors from outside the normal retail/travel to work catchment area.
- 2.7.2 *Festival Development* will assess the potential to develop existing and new tourism events to a level where they can become established as regionally significant attractions, and in particular support the expansion of the Carlisle Christmas City event to incorporate a wider range of attractions and exploit a wider tourism market.
- 2.7.3 *Historic Core Public Realm* is an 'exemplar' project to upgrade the quality of the streetscape within the historic core within the context of the emerging Development Framework & Movement Strategy, which seeks to exploit the potential of one of the City's core character areas. This project focuses on Castle Street, the key access point between the retail and historic core areas and the main access route through to the Castle. It will involve

sympathetic restoration of the public realm with the reintroduction of traditional materials, improved signage and high quality street furniture.

2.7.4 *Castle Way Study* is a technical appraisal of the methods through which the severance impact of Castle Way can be reduced to reintegrate the Castle into the historic core. It is linked to the emerging Development Framework & Movement Strategy and will assess the feasibility and viability of a range of methods, including traffic calming, lane reduction, landscaping and the introduction of at-grade crossings etc.

2.7.5 *Maximising the Historic Core* is a project designed to determine the best way to exploit the cultural/heritage offer of this area of the city centre to residents, tourists and cultural/tourism businesses located here. Delivered in partnership with English Heritage, Hadrian's Wall Heritage Ltd and the Carlisle Historic Core Group this project will establish a clear brand for this area, an interpretation strategy and an action plan that will guide investment in and promotion of this important cultural/heritage asset of the City.

3. FUNDING

3.1 The total funding package for the first year programme is £1.584m broken down as follows: -

Source	£
NWDA	955,000
City/County	389,000
Other Public	66,000
Private	174,000
Total	1,584,000

3.2 The City Council contribution consists of: -

- £225,000 of LABGI funding
- £50,000 from the 2006/07 capital budget
- £114,000 of 'match' funding from the 2006/07 revenue budget

3.3 Other public funding comes from English Heritage, Cumbria County Council and JobCentre Plus. Every £1 of funding by the City Council for the first year programme attracts a further £3 of funding from other public and private sector organisations. A decision by the NWDA on the funding application is expected in late September 2006.

4. MANAGEMENT & ACCOUNTABILITY

4.1 The programme will be delivered using Prince 2 Project Management methodology. A Project Board has been established which consists of the Director of Development Services

(Project Sponsor reporting to the Senior Management Team), the Director of Carlisle Renaissance, the Head of Economic Development & Tourism and the External Funding Officer, who will function as the Programme Manager.

- 4.2 The City Council will be the Accountable Body to the NWDA for the receipts of funds should the application be successful. The delivery of individual projects will be devolved where appropriate to external partners (CHA/CREA/Cumbria County Council), third party organisations (contractors and consultants) and City Council officers. The Programme Manager will be responsible for establishing contractual arrangements with external parties and third party organisations, establishing a programme and project monitoring system and associated reporting mechanisms. A risk register has been prepared and included in the detailed funding application.
- 4.3 Detailed project proposals will be submitted to the City Council's Project Board (formerly Capital Project Board) to ensure that they comply with internal procedures. The City Council's Overview & Scrutiny Management Committee has been requested to determine which Committee is most appropriate to receive progress reports during the programme period and scrutinise the delivery of specific projects.

5 CONSULTATION

- 5.1 This report has been prepared following consultation with the following individuals and organisations: -

- Director of Development Services
- Director of Community Services
- Carlisle Employment Partnership
- Carlisle Housing Association
- Carlisle Historic Core Group
- Cumbria Rural Enterprise Agency
- Cumbria Chamber of Commerce
- Cumbria County Council
- Carlisle LSP (Economic Development & Enterprise Priority Group)

6 RECOMMENDATIONS

- 6.1 Members are requested to: -

- a) Endorse the programme of activities for 2006/07.
- b) Agree the City Council's contribution of £389,000 to support the delivery of this programme.

7 REASONS FOR RECOMMENDATIONS

- 7.1 To confirm the Executive's commitment to the programme and ensure that sufficient match funding is available to support its delivery, subject to the confirmation of funding by the NWDA.

8 IMPLICATIONS

- Staffing/Resources – The programme will be delivered from within existing staffing resources.
- Financial – The Director of Corporate Services has confirmed that the funding is available from within existing budgets to support the City Council contribution to the programme.
- Legal – The Director of Legal & Democratic Services has approved a specimen form of contract (offer letter) supplied by the NWDA. This will form the basis of any contracts with external partners and third party organisations.
- Corporate – This programme supports the vision and strategic objectives of Carlisle Renaissance endorsed by the Executive at its meeting of 23rd January 2006 (CE 01/06). The programme will contribute directly to City Council priorities of Learning City (skills and training for local people) and Cleaner, Greener, Safer (public realm and environmental improvements).
- Risk Management – A Risk Register is included as part of the detailed funding application. Where appropriate risk will be devolved from the City Council through contractual agreements with external partners and third party organisations.
- Equality – The programme includes projects that will target beneficiaries from black and ethnic minority communities and women.
- Environmental – The programme includes projects to improve the public realm and support the enhancement of designated Conservation Areas.
- Crime and Disorder – The programme includes projects that will incorporate positive diversionary activity (i.e. participation in confidence building and vocational training) and social cohesion.
- Impact on Customers – The programme includes projects that will target support at local residents and the business community