

AGENDA

Economic Growth Scrutiny Panel

Thursday, 01 October 2020 AT 16:00

This meeting will be a virtual meeting and therefore will not take place in a physical location.

Virtual Meeting - Link to View

This meeting will be a virtual meeting using Microsoft Teams and therefore will not take place at a physical location following guidelines set out in Section 78 of the Coronavirus Act 2020.

[To view the meeting online click this link](#)

Members of the Economic Growth Scrutiny Panel

Councillor Brown (Chair), Councillors Mrs Atkinson, Denholm, Glendinning, Meller (Vice Chair), Mitchelson, Mrs McKerrell, and Paton.

Substitutes:

Councillors Alcroft, Bainbridge, Betton, Birks, Bomford, Mrs Bowman, Collier, Ms Ellis-Williams, Mrs Finlayson, Mrs Glendinning, Glover, McNulty, Morton, Patrick, Robson, Rodgeron, Shepherd, Miss Sherriff, Southward, Tarbitt, Dr Tickner and Tinnion, Miss Whalen.

PART A

To be considered when the Public and Press are present

Register of Attendance and Declarations of Interest

A roll call of persons in attendance will be taken and Members are invited to declare any disclosable pecuniary interests, other registrable interests and any interests, relating to any item on the agenda at this stage.

Apologies for Absence

To receive apologies for absence and notification of substitutions

Public and Press

To agree that the items of business within Part A of the agenda should be dealt with in public and that the items of business within Part B of the agenda should be dealt with in private.

Minutes of Previous Meetings

7 - 14

To note that Council, at its meeting of 8 September 2020, received and adopted the minutes of the Economic Growth Scrutiny Panel meeting held on 9 July 2020. The Chair will sign the minutes at the first practicable opportunity. [Copy minutes in Minute Book 47(2)].

The Chair will move the minutes of the meeting held on 20 August 2020 as a correct record. The only part of the minutes that may be discussed is their accuracy.

(Copy minutes herewith).

A.1 CALL-IN OF DECISIONS

To consider any matter which has been the subject of call-in.

A.2 KINGMOOR PARK ENTERPRISE ZONE – PARTNER UPDATE

**15 -
30**

Portfolio: Economy, Enterprise and Housing

Directorate: Economic Development

Officer: Steven Robinson, Regeneration Manager

Report: ED.36/20 herewith

Background:

The Corporate Director of Economic Development to submit a report providing an overview of the Kingmoor Park Enterprise Zone. Mr McIntyre, Managing Director of Kingmoor Park Enterprise Zone will provide a presentation.

Why is this item on the agenda?

Item requested by the Panel at its 9 July 2020 (Minute EGSP.34/20 refers).

What is the Panel being asked to do?

Note the report and presentation.

A.3 HOUSING NEED, DELIVERY AND STRATEGY UPDATE

**31 -
44**

Portfolio: Economy, Enterprise and Housing

Directorate: Economic Development

Officer: Jeremy Hewitson, Housing Development Officer

Report: ED.34/20 herewith

Background:

The Corporate Director of Economic Development to submit a report which provides an update on the delivery of market and affordable housing in respect of targets and identified need, as well as updated and emerging strategic housing developments over the last year in Carlisle and Cumbria.

Why is this item on the agenda?

Item agreed by Panel as part of its Work Programme.

What is the Panel being asked to do?

- Note the key findings on housing need and delivery for 2019/20;
- Scrutinise the effectiveness of existing and emerging priorities, including the Carlisle District Local Plan, and highlight any perceived issues for the development of future Housing and Economic Strategy.

A.4 CORPORATE PEER CHALLENGE – FOCUS ON SCRUTINY**45 -
66**

Portfolio: Cross Cutting

Directorate: Cross Cutting

Officer: Rowan Jones, Overview and Scrutiny Officer

Report: OS.20/20 herewith

Background:

The Deputy Chief Executive to submit a report which highlights the key findings of the Corporate Peer Challenge in relation to scrutiny activity and outlining the steps taken in response.

Why is this item on the agenda?

Item requested by the Panel at its meeting of 4 June 2020 (Minute EGSP.27/20(2) refers).

What is the Panel being asked to do?

- Consider and agree a list of strategic priorities for the Economic Growth Scrutiny Panel;
- Consider the initial steps taken, in the context of comments in the Corporate Peer Challenge and comment or make further recommendations.

A.5 OVERVIEW REPORT AND WORK PROGRAMME**67 -
70**

Portfolio: Cross Cutting

Directorate: Cross Cutting

Officer: Rowan Jones, Overview and Scrutiny Officer

Report: OS.19/20 herewith

Background:

To consider a report providing an overview of matters related to the work of the Economic Growth Scrutiny Panel.

Why is this item on the agenda?

The Economic Growth Scrutiny Panel operates within a Work Programme which has been set for the 2020/21 municipal year. The Programme is reviewed at every meeting so that it can be adjusted to reflect the wishes of the Panel and take into account items relevant to this Panel in the latest Notice of Executive Key Decisions.

What is the Panel being asked to do?

- Note the items (within Panel remit) on the most recent Notice of Executive Key Decisions;
- Discuss the Work Programme and prioritise as necessary.

PART B**To be considered when the Public and Press are excluded from the meeting**

-NIL-

Enquiries, requests for reports, background papers etc to:

Jacqui Issatt, Committee Clerk - jacqui.issatt@carlisle.gov.uk

ECONOMIC GROWTH SCRUTINY PANEL

20 AUGUST 2020 AT 4.00pm

PRESENT: Councillor Brown (Chair), Councillors Mrs Atkinson, Denholm, Mrs Glendinning, Meller, Mitchelson and Mrs McKerrell.

ALSO

PRESENT: Councillor Ellis – Deputy Leader and Finance, Governance and Resources Portfolio Holder
Councillor Christian – Environment and Transport Portfolio Holder
Councillor Nedved – Economy, Enterprise and Housing Portfolio Holder
Ms Lappin – Chief Executive of the Cumbria Local Enterprise Partnership

OFFICERS: Corporate Director of Economic Development
Destination Manager
Policy and Performance Officer
Overview and Scrutiny Officer

EGSP.35/20 APOLOGIES FOR ABSENCE

An apology for absence was submitted on behalf of Councillor Paton.

EGSP.36/20 DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

EGSP.37/20 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.38/20 MINUTES OF PREVIOUS MEETINGS

RESOLVED – 1) it was noted that Council, at its meeting on 14 July 2020, received and adopted the minutes of the meetings held on 27 February 2020 and 4 June 2020. The Chair will sign the minutes at the first practicable opportunity.

2) That the minutes of the meeting held on 9 July 2020 be agreed.

EGSP.39/20 CALL IN OF DECISIONS

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

EGSP.40/20 LOCAL ENTERPRISE PARTNERSHIP UPDATE

The Chair welcomed Ms Lappin, Chief Executive of the Cumbria Local Enterprise Partnership (CLEP) to the meeting.

The Corporate Director of Economic Development gave a verbal update on the background, role, responsibilities and strategic direction of Cumbria LEP. She highlighted current / recent investments for Carlisle which included £3m of Growth Deal to develop Carlisle Citadels; £4.95m of Growth Deal for Carlisle Airport enhancements; an investment of over £3m in facilities to deliver improved skills provisions including the Advanced Manufacturing Centre at Carlisle College and STEM facilities at the University of Cumbria; investment of £2m to

Durranhill Industrial Estate, and investment of approximately £4440,000 to upgrade Sewell's Lanning.

Ms Lappin gave a presentation updating the Panel on the Cumbria LEPs response and recovery plan with regard to the Covid 19 pandemic. A copy of the presentation had been attached to the agenda (ED.31/20). She set out some background to the CLEP, the Governance Structure and the CLEP's role in recovery. The CLEP had chaired the Business and Economy Response and Recovery Group (BERRG) of the Local Resilience Forum, the BERRG's priorities had been set out in the presentation.

The presentation included an Economic Vulnerability Index which demonstrated the Cumbrian workforce by risk category, the impact on employment especially in areas which were heavily reliant on visitor economy, economic contraction since the start of the pandemic in comparison to national figures and the claimant figures for the Furlough and Self Employment Income Support Schemes.

Ms Lappin highlighted the UK Forecast Economic Output and the UK Forecast Unemployment Levels charts and the three scenarios which had been used to model the recovery estimates, she added that the end of the Furlough scheme in October would impact the models and actual figures would be used.

Ms Lappin took the Panel through the CLEP's recovery planning model of Restart, Reboot and Rethink along with a headline summary of one of the recovery plans. The presentation set out the Local Industrial Strategy strategic priorities, the short, medium and longer term impact of the priorities and the priority activity. The Transport Investment Priorities, which had been presented to government as medium to short term priorities for investment in Cumbria, were set out in the presentation and Ms Lappin highlighted the priorities relevant to Carlisle.

The presentation set out the rethink priorities which would be progressed with partners and an update on the work being carried out by the CLEP with regard to Brexit.

In considering the CLEP update Members raised the following comments and questions:

- How would the CLEP engage with the Centre for Local Economic Strategies (CLES) to develop and implement reboot Cumbria's commitment to inclusive growth? Was it, and would it remain, a priority for the CLEP?

Ms Lappin confirmed that the CLEP had a commitment for inclusive growth and felt strongly that nobody should be left behind. The Local Industrial Strategy had three touchstones, Inclusive Growth; Decarbonisation and Productivity. The CLEP felt that those that were furthest away from the labour market pre Covid would now be even further away and, as part of the recovery plan, the CLEP was considering how inclusive growth would look in the future. Work had been undertaken with CLES, who had prepared a draft report. Discussions were scheduled to consider the report and how it would be taken forward.

In response to a comment Ms Lappin clarified that the CLEP, as part of the Internationalisation Strategy, were looking at Cumbria's supply chains and opportunities for a wider market.

- What is the CLEPs role in the Freeport?

Ms Lappin responded that the Freeport was at the development stage, the CLEP understood the challenge that would arise due to the strong competition for a Freeport as there were only ten Freeports in the UK. The CLEP had proposed a multi centre, multi modal Freeport which would increase the volume of goods that could be put through and encourage the Government to select the area. The project was at the consultation stage and the application process had

not yet opened. The CLEP were encouraging all MPs in the area to promote the Freeport and the interests of Cumbria. The City Council were working closely with the CLEP regarding the airport and it would be part of a Cumbria wide offer.

- A Member asked for an update on the CLEPs role in the airport following the loss of the commercial provider.

Ms Lappin reminded the Panel that it was an unprecedented time for the airline industry and the CLEP needed to remain a patient, sensitive investor. The CLEP would continue to support the airport and would do everything they could to encourage new providers to the airport and gain support from the Department for Transport.

- Was the £60m funding for the CLEP annual and would the Brexit deal result in any lost funding for the CLEP?

Ms Lappin clarified that the £60m funding had been a six year deal which would end in March 2021. The Government had awarded an interim allocation of £10.5m from March 2021 to March 2022. The CLEP had received EU funding through the European Structural and Investment Funds (ESIF) but it had been difficult to spend the funding due to restrictions which resulted in key sectors in Cumbria not being eligible to access it. The CLEP had been promoting Cumbria's reputation for delivery and this had resulted in other funding being secured to deliver projects such as the Borderland Inclusive Growth Deal. The CLEP were lobbying government to provide replacement funding through the Shared Prosperity Fund, an announcement had been expected in July, this had not yet happened.

- What work was required to establish the Public Service Obligation (PSO) and what could be done to move that work along?

Ms Lappin felt that Carlisle had done everything it could to support the PSO at this point in time. The City Council and local MPs were using all of their influence to push the Department for Transport to make a decision.

- The presentation highlighted the importance of road and rail links and set out the priorities, one area of investment not addressed was the rail link from the west coast to the east coast.

Ms Lappin understood the need for an improved west coast/ east coast rail link and reminded the Panel that the priorities had been determined as it was believed that they could be agreed by the Department of Transport. She added that, if it was felt to be a priority, the CLEP would work with the City Council and County Council to add the matter to the agenda.

- What support was available for new business set up and for existing businesses post Covid 19 who already provided jobs?

Ms Lappin reported that the CLEP contracted the Chamber of Commerce to provide start up advice for new businesses through the Growth Hub and the European Regional Development Fund. With regard to existing business she commented that the 'bounce back loans' had been important in providing cash flow for businesses and the furlough scheme had taken the pressure off businesses, however, the CLEP had serious concerns about the support for the businesses when the loans needed to be paid back and when the furlough scheme ended. The CLEP were in conversation with government to determine how best to support those businesses.

- Referring to business recovery a Member asked if there had been any positives recorded from the recovery activity and how would it shape the economic development in Cumbria in the long term.

Ms Lappin responded that there had been some opportunities for local businesses, the CLEP had seen businesses react very quickly to meet new market needs and had moved to online sales, home delivery and some had changed their business to produce PPE. In addition the visitor economy had seen individuals and families visiting the area who had never been before, the Rethink agenda looked at these changes and considered where the opportunities were.

In response to a further question Ms Lappin explained that the CLEP wanted local authorities to work with BERRG so that the recovery plan involved everyone, and the roles were clear.

- The Economy, Enterprise and Housing Portfolio Holder sought assurance that the CLEPs Skills Programme was still a priority.

Ms Lappin reassured the Portfolio Holder that the CLEP continued to provide the same resources and commitment to link education and work. The CLEP were in conversation with the DWP to make sure that local engagement was agile and made the link between people coming out of work and opportunities in the economy.

- Was there a break down of the emerging skills need and of job loss by sector in Cumbria available?

Ms Lappin explained that there had been a good break down of skills need pre Covid, however, the impact on employment and businesses was not yet known. Once the unemployment figures were known the CLEP would have a better understanding of the emerging skills need and employment issues.

- Did the CLEP have any influence in the provision of broadband to rural areas?

Ms Lappin responded that Cumbria had 95% coverage which was good for a rural area. She highlighted the Borderlands Inclusive Growth Deal Digital Voucher Scheme which offered funding to help eligible rural businesses and residents to connect to gigabit capable broadband.

The Corporate Director of Economic Development acknowledged that the broadband coverage was in place, however, there needed to be greater speed and connectivity to attract people and businesses into the area. The broadband needed to be competitive especially in the current climate which had seen a move to more working from home.

RESOLVED – That Ms Lappin be thanked for her informative and detailed presentation (ED.31/20) on the Cumbria Local Enterprise Partnership;

2) That the Panel request that the Executive promote engagement with the Business and Economy Response and Recovery Group (BERRG) of the Local Resilience Forum, particularly in developing a recovery plan;

3) That the Cumbria Local Enterprise Partnership provide an update briefing note to the Panel Members with key data on impacts of Covid-19 on economic growth in Carlisle;

4) That the Corporate Director of Economic Development liaise with the Chair and the CLEP to link the work of the Economic Growth Scrutiny Panel into the Council's contribution to the CLEP's scrutiny function.

The Destination Manager submitted an update on the Winter Events programme 2020/21 and the impact of the Covid 19 pandemic (CS.23/20).

The Destination Manager reported that a number of City Council events, including the Easter Market, Upperby Gala, Carlisle Fireshow, Christmas Lights Switch on and open air concerts had been cancelled in line with government guidance.

Outdoor markets had been permitted to reopen and the Farmers Market and Continental Market would go ahead in the city centre along with the Christmas Market from 26 November to 20 December 2020.

The Destination Manager highlighted the Carlisle City of Lights event which had been held in February 2020. The Council had undertaken an Economic Impact Assessment to determine the benefits of the event, the assessment showed that the event had promoted the City and generated £166,000 into the local economy over the three days and was equivalent to £6 for every £1 the Council had spent. Plans were underway for the event to take place again in 2021, however, changes had been required to meet government guidelines including the event being held outdoors.

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

- The stalls for the Christmas Market would be available to stall holders that would usually go to larger Cities, would the pricing structure be prohibitive for local people to hire stalls?

The Destination Manager assured the Panel that the Council and the market provider were working hard to ensure that the pricing structure covered all of the additional requirements as a result of Covid 19 and would still be affordable for local traders.

- Would the Christmas lights still be on in the City Centre?

The Destination Manager confirmed that the lights would still be on but there would be no formal switch on. He added that consideration was being given to alternative socially distanced events that could promote the lights such as a dedicated tree with Eden Valley Hospice.

- The Carlisle City of Lights had been a fantastic event, however, there was some concern that the family ticket was expensive, and a Member asked if there could be some promotional tickets for families or school events.

The Destination Manager clarified that there had been a family ticket available along with two pricing structures for tickets and very young children could attend for free, in addition two schools' groups had attended the event. The 2021 event would be bigger than the 2020 event and therefore the ticket prices would increase, however, more work would be undertaken to promote the family pricing. The Economic Impact Assessment showed the age ranges that attended the event, and this could be shared with Members if they so wished.

- A Member commented that she supported the promotion of local traders and independent shops in the Christmas Market and suggested that some work be undertaken with the Carlisle Market traders to encourage them to have a stall to let residents know they are in the covered market. She also suggested that the Tourist Information Office held a stall to promote Carlisle.

The Destination Manager explained that he worked closely with the Market Manager on a number of areas which the Council could support the Covered Market. The Market had been involved in the opening of the retail sector video which had been viewed over 20,000 times online, and would also be used in other promotional videos in the future. One very strong offer that the Covered Market had was the street food offer and the Council wanted to promote this further however there was some issues with more traditional traders in moving this forward.

- There were some concerns from residents regarding Covid 19 safety of those attending the continental market, a Member asked that it was made clear to the public the steps that had been put in place to make the market as safe as possible.

The Destination Manager reported that safety information would be published in the coming week for the continental market following work with the Director of Public Health, in addition, the City Centre Officer had visited Keswick outdoor market to gain a better understanding of the safety procedures they had put in place.

- If there was a local lockdown when the Christmas Market was due to be held, how would the Council mitigate any loss?

The Destination Manager assured the Panel that should a local lockdown occur the market would be closed immediately. He explained that there would be minimal loss for the Council should this occur. If the market was successful then the Council would enter into a profit share agreement with the market provider and it was hoped that any profit to the Council would then enhance the Carlisle City of Lights festival.

- The 2019 Christmas Market had received a lot of negative criticism, was it a new market provider being used this year?

The Destination Manager explained that the Council had arranged to work with a well renowned market provider in 2019 and in August the provider had been unable to continue with Carlisle. In terms of Christmas Markets this was very late in the year and the Council were unable to source another provider, many the traders had also by this point booked other markets. The City Council worked hard to provide the market, but it had been very difficult. The new provider was experienced in markets, had worked in Cumbria and had local trader connections.

RESOLVED – 1) That the Winter Events report (CS.23/20) be noted.

2) That the Destination Manager circulate the Carlisle City of Lights Economic Impact Assessment to the Panel Members.

3) That clear promotion of family ticket pricing be undertaken for the 2021 Carlisle City of Lights festival.

EGSP.42/20 QUARTER 1 PERFORMANCE REPORT 2020/21

The Policy and Performance Officer submitted the quarter 1 2020/21 performance against the current Service Standards and a summary of the Carlisle Plan 2015-18 actions as defined in the 'plan on a page'. Performance against the Panel's Key Performance Indicators (KPIs) were also included. (PC.19/20).

The Policy and Performance Officer drew the Panel's attention to the Summary of Exceptions which showed that CSe22 Actual city centre revenue as a percentage of the city centre expenditure was under target due to the pandemic.

The Panel discussed the information in the report and felt that future reports should include information which was relevant to the current circumstances and the impact on performance. The Corporate Director of Economic Development added that this was a good opportunity to look at national indicators and statutory performance indicators which the Council had to report to government. The Panel agreed and asked that further work be undertaken out with the meeting on the future performance information that would be submitted to the Panel.

RESOLVED – 1) That the Quarter 1 Performance Report 2020/21 be noted.

2) That the Chair, Vice Chair, Corporate Director of Economic Development and Policy and Performance Officer meet to discuss the future performance information which would be provided to the Panel with a first draft template submitted to the Panel with the Quarter 2 Performance Report.

EGSP.43/20 OVERVIEW REPORT AND WORK PROGRAMME

The Overview and Scrutiny Officer presented report OS.16/20 providing an overview of matters relating to the work of the Economic Growth Scrutiny Panel. Members' attention was drawn to the Panel's Work Programme for 2020/21.

The Overview and Scrutiny Officer listed the items which had been scheduled for 1 October meeting and asked the Panel what they expected from each item.

The Panel discussed the matters and requested the following information:

- *Kingmoor Park Update – 1 October 2020*
The ramifications of Covid 19 including the number of businesses on site before and after the pandemic, the number of enquiries for space before and after the pandemic, any bankruptcies on site. How the Enterprise Zone was performing and how it was being promoted regionally and nationally.
- *Housing Needs and Housing Strategy – 1 October 2020*
How housing needs were identified, the current housing need compared to the need identified, how the housing need would be met. Information on how the Housing Needs and Housing Strategy fits in with the Local Plan. Update on information provided in the previous report.
- *Carlisle Ambassadors*
Moved to 26 November meeting
- *Economic Strategy*
That the Chair/Vice Chair and Corporate Director of Economic Development meet to discuss the Panel's requirements and influence given the change in circumstances.
- *Corporate Peer Challenge – 1 October 2020*
An update on the review and feedback from the Panel Chairs on their response to the challenge.

RESOLVED – 1) That the Overview Report incorporating the Work Programme and Key Decision items relevant to the Economic Growth Scrutiny Panel be noted (OS.16/20);

2) That the following reports be submitted to the Panel at their meeting on 1 October 2020:
Kingmoor park Update
Corporate Peer Challenge
Housing Needs and Housing Strategy

3) That the Carlisle Ambassador report be moved to 26 November meeting.

(The meeting ended at 6:05pm)

Economic Growth Scrutiny Panel

Agenda
Item:

A.2

Meeting Date: 01 October 2020.
Portfolio: Economy, Enterprise and Housing
Key Decision: No
Within Policy and Budget Framework No
Public / Private Public

Title: Kingmoor Park Enterprise Zone – Partner Update
Report of: Corporate Director of Economic Development
Report Number: ED.36/20

Purpose / Summary:

To provide an overview of Kingmoor Park Enterprise Zone in advance of an update from a representative of Kingmoor Park Properties Ltd. at the Panel's 1st October 2020 meeting.

Recommendations:

The Panel is asked to:

1. Note the report and its content in providing a contextual overview of Kingmoor Park Enterprise Zone.

Tracking

Scrutiny:	01 October 2020.
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1. BACKGROUND

- 1.1** Carlisle Kingmoor Park is an existing business park of over 160 hectares, located c.3 miles to the north of Carlisle City Centre and adjacent to junction 44 of the M6. The site already hosts over 150 businesses with the number of jobs at the site exceeding 2,500. The site is home to a wide range of occupiers including Cumbria County Council, Capita, Thomas Graham, Story Homes and UPS alongside a multitude of small and increasingly exciting business occupiers. The site is owned and managed by Kingmoor Park Properties Ltd. which is a privately owned Cumbrian based company.
- 1.2** Kingmoor Park has long been identified as a strategic investment site in Carlisle's and Cumbria's economic development strategies. Accordingly, the site is designated as a primary employment area within the Carlisle District Local Plan, which acts to ensure that the use of land at the site continues to be prioritised for economic and job generating purposes.
- 1.3** Enterprise Zones are an important part of the Government's programme to devolve responsibility for leadership of local growth and provide a powerful tool for Local Enterprise Partnerships to develop their local economy. Kingmoor Park Enterprise Zone became operational on 1st April 2016 for a period of 25 years. Enterprise Zone status allows Kingmoor Park to continue to develop and indeed accelerate delivery momentum, allowing companies to benefit from Business Rates Relief and others from Enhanced Capital Allowances to help encourage investment.

2. GOVERNANCE

- 2.1** Carlisle City Council, Cumbria County Council and Cumbria LEP are each party to a Memorandum of Understanding (MOU) with the Department for Communities and Local Government which sets out the principles governing the implementation of the Enterprise Zone designation.
- 2.2** The Kingmoor Park Enterprise Zone Delivery Board was established to make strategic and operational decisions and ultimately to ensure that the opportunities presented by the EZ are maximised for Carlisle and Cumbria. Cumbria LEP are the lead partner with responsibility for the Board which also includes membership from Kingmoor Park Properties Ltd, Cumbria County Council and Carlisle City Council (Leader of Carlisle City Council and the Corporate Director of Economic Development). The Board meets bi-monthly.

3. DEVELOPMENT UPDATE

3.1 Kingmoor Park Properties Ltd. continue to invest significantly in the site to enable development and to support the effective management and enhance the attractiveness of the site as a location from which to do business. A number of well-established business also continue to invest and expand their operations. Recent highlights and include:

- **Clark Door** are a successful Carlisle business who are exporting globally and are continuing to invest in innovation and their operations at Kingmoor Park. They specialise in large specialist door systems and have recently secured permission to expand their operations at the site to keep up to pace with growing global demand for their product. This demonstrates a significant investment by Clark Door into the local economy and expansion of their workforce.

Clark Door have successfully expanded their operations at Kingmoor Park, in which they have built a new facility to permit the research, development and testing of extra-large specialist doors.

- **MOD Village** – Planning permission was submitted at the beginning of January for modular office space using repurposed shipping containers. This approach is the first of its kind for Cumbria and one of the first in the North West. The containers can be let individually or combined/stacked depending on the business needs. It offers an extremely flexible space for small and medium enterprises and will help maximise efficient use of the land at the site. The first phase of groundworks for the MOD Village has been completed and there are now containers on site.
- **Verus Energy** – Permission was granted in October 2016 with a variation approved in January 2019 for an Energy from Waste Plant at Kingmoor Park. The plant will assist the national strategy of diverting land from going to landfill and in increasing renewable energy. The plant could appeal to and support advanced manufacturing operators at the site by offering a direct power supply including the potential use of excess heat. Energy from Waste developer Fortum visited the site in November 2019 and have expressed an early interest in further development around the proposed site in line with their other worldwide developments, particularly Scandinavia. Further discussions recently with both Verus and Fortum have taken place via video conference and have since requested an extension of one year to their option agreement resulting in an expected commencement on site in March 2022.
- **Solar Farm** – The solar farm site is complete and has been commissioned by the installer. The final stage involves the witness test by Electricity North West/DNO

which at present has been classed as non-essential. Kingmoor Park are working with partners to resolve.

- 3.2** In addition to the above key highlights there remains strong growth activity across a number of SMEs at the site covering an increasingly diverse and innovative range of operations.

4. CONSULTATION

- 4.1** Consultation is undertaken with partners and relevant stakeholders on key workstreams as and when deemed appropriate by the Enterprise Zone Delivery Board, being mindful of commercial sensitivities of some aspects of the work.
- 4.2** Any development proposals which require planning permission are subject to statutory public consultation in accordance with regulations and the Council's Statement of Community Involvement.

5. RISKS

- 6.1** It is important that Carlisle City Council continue to play an active part in the governance of the Enterprise Zone including with respect to the role required as the local billing (rates) authority; local planning authority; in promoting the site and specific opportunities within; and as a conduit to public sector (external) funding. A failure to do so could result in the intended objectives of the Enterprise Zone not being realised which would be to the detriment of economic growth and ultimately the prosperity of Carlisle's (and the wider sub-regions) population.

6. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 6.1** Carlisle Kingmoor Park Enterprise Zone is a major driver of economic growth and job creation within Carlisle and the wider Borderlands area. It is therefore appropriate, particularly given the City Council's role within the Enterprise Zone governance structure, that wider Members are aware of the initiative, the role required of the Council, key activities and ultimately progress towards the intended objectives.

7. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 7.1** Realisation of the objectives associated with Carlisle Kingmoor Park Enterprise Zone will make a significant contribution to a number of Carlisle Plan priorities including:

- *“supporting the growth of more high quality and sustainable business and employment opportunities”* – through promoting economic growth and directly investing in projects and programmes which support and deliver growth; and
- *“working more effectively with partners to achieve the City Council’s priorities”* – through recognition that many of Carlisle’s challenges and opportunities are common across a wider geography and can be complex, in response to which a genuine collaborative effort is required.

Contact Officer: Steven Robinson

Ext: 7535

Appendices **None**
attached to report:

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- **None**

CORPORATE IMPLICATIONS:

LEGAL – There are no direct legal implications arising from this Report.

FINANCE –

EQUALITY –

INFORMATION GOVERNANCE – No information governance implications.



CARLISLE KINGMOOR PARK ENTERPRISE ZONE

1 October 2020



Kingmoor Park

Update – COVID 19 Recovery

Kingmoor Park During COVID-19

Operational Continuity

In the early stages of lockdown we made the necessary adjustments to our organisational operations to safeguard the welfare of all staff whilst supporting the site and those essential service providers on the park

COVID Response Support

During lockdown we pro-actively engaged with both councils, NHS and MOD exploring and providing solutions for emergency food distribution, field hospital options and temporary morgue sites

Rent Holidays

As part of a wider government instruction we allowed the deferment of rent during the period and established ongoing flexible payment solutions to support tenants where needed

Tenant Liaison

As ever we remained close to all tenants and offered support on a variety of matters including sourcing and supporting applications for loans and grants

Community Support

We offered support to businesses and groups from around the city to allow them to continue their work, including a community food bank charity, Eden Valley Hospice, LALO, Period Poverty and a national wheelchair basketball organisation amongst others

On site Works

Whilst works on site were massively reduced we were able to maintain momentum on all projects and ensure when guidance allowed matters were resumed as a priority

Performance Indicators

Despite wider spread economic uncertainty and a nervousness around the security of commercial property we have found through the variety of tenants, a solid core of distribution sector serving properties and a pro-active approach to dealing with tenants we have seen a positive impact over the past six months.

100% 95% 87.9% 98.1%

Rent Collection

For leases due in the period
25th March 2020 to 23rd
June 2020

Rent Collection

For leases due in the period
24th June 2020 to 24th
September 2020

Enterprise Zone Occupancy

In February 2020

Enterprise Zone Occupancy

In August 2020

Performance Indicators

Many tenants have undertaken reviews of their workforce during this period and whilst we have seen some redundancies on site we have seen a number of businesses recruiting and planning to grow employment numbers. Whilst we carry out a soft census every quarter of employment figures some have been difficult to obtain in this period due to confidential redundancy reviews or key personnel absence

2,118

April Employment

Figure as at beginning of lockdown with best known information

2,092

August Employment

Figure as per August quarterly soft census

250

NHS Employees

New occupation on site with phased return to the workplace commencing August 2020

40

Enquiries Since March

Enquiries that have resulted in Heads of Terms or advanced discussions

PROJECTS UPDATE



Solar Farm completed and enabled producing at least 28.5% of the sites power demand in July 2020.



Gateway signage installed in 3 locations around the CNDP



MODVillage recommenced construction in August with the staircase now in place and landscaping imminent.

www.kingmoorpark.co.uk

Kingmoor Park Tenants

Positive Outcomes

Increase in enquiries from both new and established businesses taking new premises due to accelerated growth, primarily in distribution and online sales

Existing tenants taking both temporary and longer term additional space on site to cater for increased demand

Re-investment of grant monies on site on tangible improvements to small businesses and the services they offer

A focus on the importance of logistics has provided a renewed confidence in the development of distribution builds which has provided an appetite for development of our masterplan

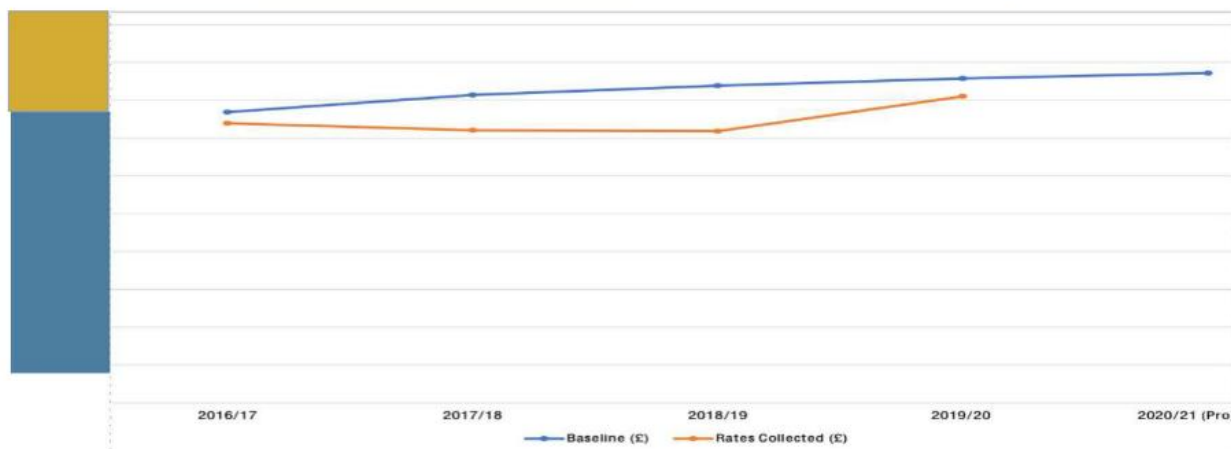
Threats

Whilst we are only aware of one tenant on site looking at a programme of redundancy there is the inherent risk that as economic recovery is staggered there is a threat of further job losses

A shift towards home working suggests that many larger scale office properties may become under-utilised and commercially unviable

Local lockdowns, whilst not necessarily in this area, continue to disrupt lead times and disrupt operations sporadically

Enterprise Zone Performance



Business Rates Relief

Business Rates received remains below the baseline to the high take-up of existing stock by BRR qualifying tenants

Overall occupancy of available space on the EZ is at 98%

Business Rates Relief

Value of EZ BRR granted across 2019/20 quantified at £325,009.

Once 5 years granted has expired this becomes additional rates collected

COVID expanded retail relief deducted in 2020/21 totalling £454,027, due to expire March 2021

Baseline / Past Performance:

	2016/17	2017/18	2018/19	2019/20	2020/21*
Baseline Position (£)	1,536,785	1,627,916	1,676,823	1,715,250	1,743,197
Actual Performance (£)	1,477,672	1,441,229	1,436,001	1,620,258**	n/a
Projected Performance (£)	n/a	n/a	n/a	n/a	1,181,768
Total EZ Relief (£)	0	0	130,082	325,009	358,247
Growth / Loss of Income	-59,113	-186,687	-240,822	-94,992	-561,429

* 2020/21 estimate as at August 2020. ** Pending 2019/20 NNDR3 return being finalised.

Enterprise Zone Marketing



Continued local marketing which has seen occupancy reach 98% with active enquiries over the remaining space

National and International engagement through agents and the DIT Investment Portfolio which has seen us bid for five inward investment development opportunities in 2020 so far including a distillery and vertical farming project

Positive promotion of success stories with successful start-ups on site and growing businesses

Development of the masterplan and active engagement with a development partner ahead of 'launching' the opportunity later in the year



THANK YOU

Economic Growth Scrutiny Panel

Agenda
Item:

A.3

Meeting Date: 1 October 2020
Portfolio: Economy, Enterprise and Housing
Key Decision: No
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: Housing Need, Delivery and Strategy Update
Report of: Corporate Director of Economic Development
Report Number: ED 34/20

Purpose / Summary:

This report provides an update on the delivery of market and affordable housing, in respect of targets and identified need, as well as updated and emerging strategic housing developments over the last year in Carlisle and Cumbria.

Recommendations:

The Panel are requested to note the key findings on housing need and delivery for 2019-20, and scrutinise the effectiveness of existing and emerging strategies, including the Carlisle District Local Plan, as well as highlighting any perceived issues for the development of future Housing and Economic strategy.

Tracking

Executive:	
Scrutiny:	
Council:	

1. BACKGROUND

- 1.1** Report ED 25/19 *Housing Need, Delivery & Strategy Update* was presented to EGSP on 5 September 2019. This report provides an update on strategic housing and delivery in Carlisle over the 12 months since that report was presented.
- 1.2** There is no longer a statutory requirement for local authorities to have an overarching Housing Strategy. Instead, Carlisle have taken on a more targeted approach – for instance strategic housing is included in the emerging Economic Strategy and we have the Interagency Homelessness Strategy. As well as District strategies, we have also worked with partners across Cumbria to support the delivery of countywide strategies and housing statements, where these partnerships clearly add value to our strategic objectives.
- 1.3** This report will provide updates on the following areas of strategic housing:-
2. Strategic Housing Partnerships (for Carlisle and Cumbria)
 3. Emerging Economic Strategy for Carlisle (which includes strategic housing)
 4. Countywide Strategic Housing:-
 - 4.1 Cumbria Housing Statement
 - 4.2 Cumbria LEP's Housing Development Strategy
 5. Housing Delivery 2019-20
 6. Movers' Survey 2019-20.

2. Strategic Housing Partnerships

Council Officers and Members are proactively involved in a number of housing-related strategic partnerships across Carlisle and Cumbria. These groups include:-

- Carlisle Housing Partnership – a Carlisle Partnership sub-group, including attendance from the Economy, Enterprise and Housing Portfolio Holder; Council support officers; and representatives from the private sector development and Housing Association sectors. The Partnership's key three themes are:-
 - Housing Market and Affordable Homes
 - Decent & Healthy Homes
 - Supporting Vulnerable People.

- Cumbria Housing Group – this is a Member-led Group, attended by the Portfolio Holders with responsibility for Housing from the six District Councils; Cumbria County Council; and the Lake District National Park Authority, along with their support officers. The group's ethos is to work collectively to drive housing and economic growth; regenerate and improve poor quality housing; and support people to live independently. The group's vision is supported by the Cumbria Housing Statement, last updated in March 2020 (covered in section 4.1 of this report). The Cumbria Housing Group is supported by two main Officer-led subgroups:-
 - Cumbria Housing Supply Group (a public / private sector partnership focussing on new development opportunities, with a strong focus on affordable housing, extra care housing for older people, and innovative design, such as offsite modular construction.)
 - Cumbria Strategic Housing, Homeless and Wellbeing Group (there are also a number of sub-groups and task and finish groups feeding into this Group, including the Extra Care and Homeless Forums).

- Carlisle Liaison Group – established in 2019 as a replacement for the former Divisional Board with Riverside (who took over management of the Council's housing stock in 2002). The Group includes representation from four Councillors and their support officers, will monitor range of strategic issues, in relation to our largest landlord, Riverside's, operations in Carlisle including:-
 - Tenant and resident consultation, participation and involvement
 - Customer engagement, including complaints procedures
 - Service standards
 - Anti-social behaviour
 - Neighbourhood plans
 - Environmental issues
 - Neighbourhood patch walks and inspections
 - Maintenance and improvements
 - Promoting successful partnerships and opportunities for collaborative working.

- City Council Officers have also worked proactively with Cumbria Local Enterprise Partnership (CLEP) to support the delivery of the *Cumbria LEP Housing Delivery Strategy*. CLEP is one of 38 business-led partnerships across England between local authorities and private sector businesses. It plays a vital role driving local economic growth and job creation, alongside improving infrastructure and raising the skills of the local workforce. CLEP recognises the importance of housing to Cumbria's economy and has

commissioned *Lichfields* (an eminent planning and development consultancy) to develop the Cumbria LEP Housing Delivery Strategy. A summary of the emerging Strategy is detailed in section 4.2 of this report.

3. Emerging Economic Strategy for Carlisle

- 3.1** Strategic Housing is included as a key element in the emerging Economic Strategy for Carlisle – specifically, section 4. *Increasing Housing Diversity*. This reflects the major economic impact of housing – not only as the development industry is one of our largest employers (effectively a mobile factory) but also through providing the homes we need to attract a new workforce - Carlisle needs more working age people just to maintain existing employment levels, due to the impact of the ageing population. POPPI (Projecting Older People Population Information Systems) figures, based on ONS (Office of National Statistics) data, projects a 37% increase in the population aged 65 or over in Carlisle between 2017 and 2035 (including a 94% increase in people aged 85 and over). The ageing population will clearly have a significant economic impact if we are not able to increase the working age population.

The emerging Economic Strategy recognises that Carlisle and its surrounding regional economy has been developing its housing offer at an impressive rate, averaging annual housing delivery in the region of 550 homes over the last few years. However, for a City with Carlisle's scale of ambition, this figure must be both increased and diversified – reflecting both housing type and tenure – taking advantage of what has become its great locational advantage.

Carlisle already has a strong and growing local housing market with evidence of homebuyer demand. This is supported by the growing number of housebuilders active in the area, with evidence to support that more can be attracted to invest in the District – providing confidence that the wider conditions to support an acceleration of delivery are present within Carlisle. The Strategy focusses strongly on the two-pronged opportunities provided by St Cuthbert's Garden Village and regeneration through increasing City Centre living.

The Masterplanning of St. Cuthbert's Garden Village, to the South of the City (the UK's largest such development) will facilitate the development of over 10,000 new homes, together with new businesses, community facilities, and infrastructure (including the Southern Link Road). St Cuthbert's represents a unique opportunity to increase housing supply and also re-profile Carlisle's housing offer to better suit the needs of both the existing population and new residents - including people attracted to move here to take up new employment opportunities. St Cuthbert's will further the sense of place in and around the City of Carlisle, while simultaneously

recognising the legitimate development and regeneration needs of existing settlements.

The scale and nature of St Cuthbert's is such that it affords a unique opportunity to deliver key housing ambitions including:-

- Providing a strategic supply of housing land to meet immediate and longer-term needs, acting to ensure continuity in the long-term housing supply;
- Opportunities to accelerate delivery beyond existing projected levels, aided by public sector interventions including land acquisitions;
- Adding to Carlisle's overall offer and attractiveness as a place to live through enhancing and diversifying lifestyle choices;
- Enhancing opportunities for increased affordable housing delivery; self and custom build; purpose built elderly accommodation and more innovative forms of development - including modular and other modern methods of construction;
- Providing greater opportunities - a critical mass and the vision needed to transform the perception and supply of housing in North Cumbria, including attracting more developers.

Carlisle's draft Economic Strategy recommends the opportunities afforded by St. Cuthbert's should be supported by an active push towards increased levels of City Centre living. Key strategic vacant sites, such as Caldew Riverside, alongside a number of attractive redundant buildings in the City Centre, could provide stylish accommodation, particularly for young professionals - with a range of bars, restaurants, shops, the historic quarter, and attractive green spaces on their doorstep. This would enable Carlisle to develop a more cosmopolitan housing mix – encompassing a range of property types and tenures. This reconnection of people to place will help to ensure the continued vitality of the City Centre, supporting both the daytime and evening economy.

4. Countywide Strategic Housing

As discussed in section 2 of this report, the Council has played a key role in strategic housing partnerships with neighbouring local authorities and a range of other partners in Cumbria towards delivering strategic documents aimed at meeting our collective objectives. Two recent examples are the Cumbria Housing Statement and Cumbria LEP's emerging Housing Development Strategy.

4.1 Cumbria Housing Statement

This Statement, delivered through the Cumbria Housing Group partnership, was most recently updated in March 2020, and represents a shared vision for the

Cumbrian Housing Authorities to work together to drive housing and economic growth; regenerating and improving poor quality housing; and supporting people to live independently. The Cumbria Housing Statement supports three key strategic priorities:-

- Housing growth, affordability and community sustainability
- Improving living conditions and creating thriving communities
- Supporting independent living and helping people achieve healthier, happier lives.

Regarding the first priority, working together with neighbouring local authorities has provided significant benefits in respect of developing positive relationships with a range of other sectors, including private developers; housing associations; and Government departments, such as Homes England. Many of the same developers and housing associations operate across a number of Cumbrian Districts, so engaging with them through combined meetings has proved beneficial – the Cumbria Housing Supply Group has regularly attracted attendance of around 50 delegates from the public, private, and third sectors, and enabled a high standard of guest speakers on a range of innovative topics, including modern methods of construction, and has also acted as a useful networking vehicle, helping to break down barriers between different sectors.

The Cumbria Housing Statement includes a list of priority sites, agreed by senior Officers across the seven Local Planning Authorities. This includes two in Carlisle – St Cuthbert's Garden Village (by far the largest) and Carlisle Station Gateway/ Caldew Riverside. Jointly identifying these priority sites has acted as a catalyst for high level engagement with Homes England, regarding funding opportunities – an initial meeting was held between all the partners and Homes England in June, with a follow-up being arranged in the autumn.

4.2 Cumbria LEP's Emerging Housing Development Strategy

CLEP's draft Housing Delivery Strategy has been prepared by planning and development consultant *Lichfields*. Lichfields have taken the priorities identified in the Cumbria Housing Statement (summarised in the previous section) as a starting point, and CLEP and their consultant have engaged regularly with Officers from the Cumbrian local authorities, as well as a range of other stakeholders from the development industry to consider both enablers and barriers to development and how these can best be addressed to respond to the priorities identified in the Cumbria Housing Statement.

The emerging Strategy focusses on areas where collaborative working can develop a Cumbria-wide housing delivery strategy/ plan, providing specific interventions to help deliver the ambitions of Cumbria's local authorities housing ambitions – particularly in respect of facilitating the delivery of new homes: the right houses in the right places at affordable prices.

Lichfields will be presenting their key findings to the Member-led Cumbria Housing Group on the morning of 1st October. Alongside actions the LEP will be leading on, recommended key priorities for the Cumbrian local authorities to deliver are detailed below, which will be considered at the meeting.

- All seven Local Planning Authorities (LPAs) to have up-to-date Local Plans in place by Spring 2024, providing a robust economic evidence base.
- Ensure that delivery of the sixteen priority sites, identified in the Cumbria Housing Statement, is not delayed due to poorly co-ordinated road and utility infrastructure investment (continued delivery of Strategic Infrastructure, funded through CLEP's Local Growth Fund projects on key priority sites).
- All LPAs to implement an Infrastructure Delivery Plan, utilising an agreed standardised approach – identifying gaps across Cumbria.
- Explore opportunities for direct Local Authority interventions to increase housing delivery (including direct delivery; joint ventures; making Local Authority land available).
- Housing-led regeneration of Cumbria's High Streets – establishing new Town and City Centre Masterplans and Development Briefs; radically re-purposing town centres. Supported by funding bids to central government.

Other recommendations for Local Authorities to consider include the possibility of a countywide Movers' Survey, and development of a countywide SHMA (Strategic Housing Market Assessment).

5. Housing Delivery 2019-20

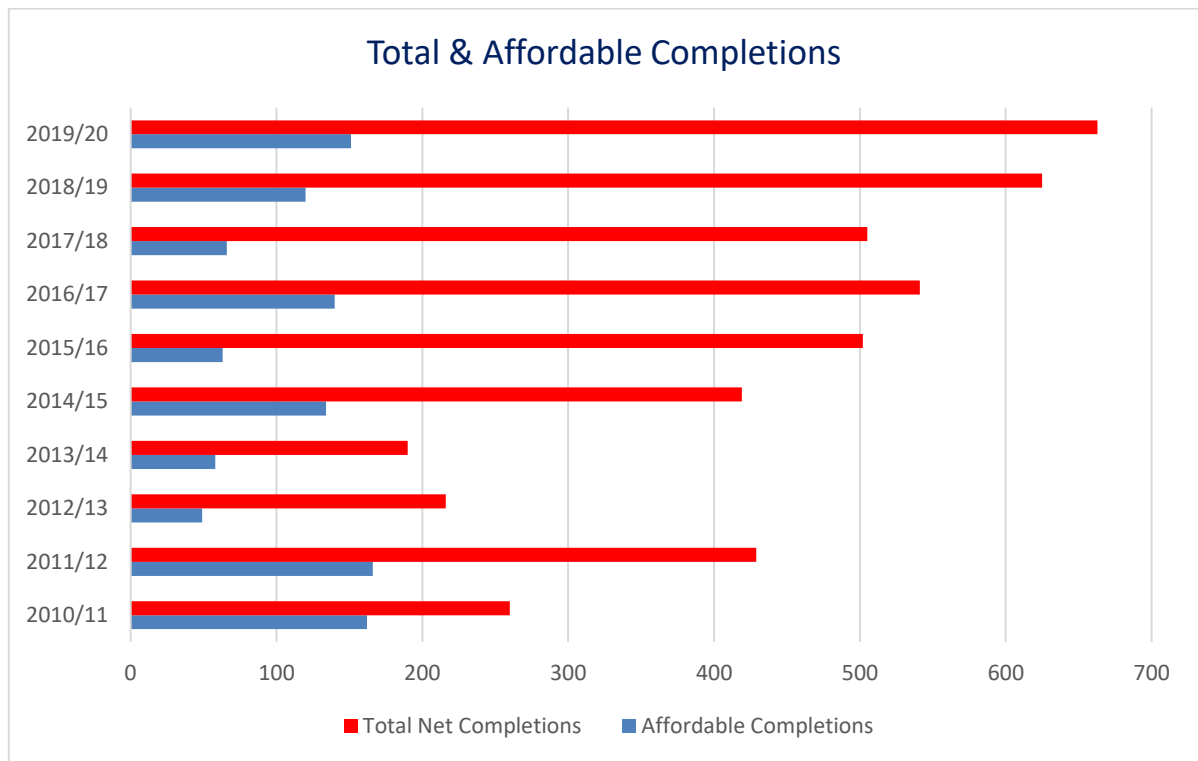
- 5.1** The highest recent level of housing delivery was achieved over the last year, with 663 net housing completions recorded in 2019/20 (an increase on the previous year's then record 625 net completions). The net completions for 2019-20 comprised 485 units (73%) in the City and 178 (27%) rural dwellings. Currently, approximately 68% of Carlisle's residents live in the urban area, so this is broadly in keeping with the current population profile, and Local Plan allocations.

The annual housing requirements set out within the adopted Carlisle District Local Plan 2015 – 2030 are based on an average figure over the plan period of 565 dwellings, based on the stepped approach to delivery of 478 net new homes between 2013 and 2020 and 626 net new homes between 2020 and 2030 (adjusted to have regard to delivery in the 2013 – 2020 period) so recent delivery is slightly ahead of target.

The total net completions include the delivery of 151 affordable homes (almost 23% of overall delivery) of which 74 were for social/ affordable rent and 77 intermediate low-cost home ownership. This figure is very close to the annual target of 158 affordable homes (60% rented and 40% low cost home ownership) set out in Carlisle's most recent SHMA (Strategic Housing Market Assessment) over the period 2019-24. (A detailed summary of the SHMA's key findings was included in EGSP report ED 25/19 *Housing Need, Delivery & Strategy Update*, presented to EGSP on 5 September 2019).

These affordable homes were delivered through a combination of Section 106 planning obligations; Homes England affordable housing grants to local Housing Associations; shared ownership properties acquired through the 'Heylo' scheme; Housing Association *Recycled Capital Grant Funding* (from sales of other assets) and the use of commuted sum funding held by the City Council.

The table below provides a breakdown of total and affordable completions over the last ten years. The figures clearly demonstrate the significant increase in overall completions since the low point of the recession ("*Credit Crunch*"), with higher delivery rates also reflecting the success of the Carlisle District Local Plan. Affordable completions show more of a fluctuation, linked to variations in the annualised level of grant funded completions; however, a strong level of affordable completions has been achieved in three of the last four years.



Unfortunately, it would seem inevitable that there is likely to be a reduction in completions during 2020-21, due to the impact of Covid-19. Lockdown led to many sites being stalled and there were initially restrictions on people moving to another home. Other market difficulties include mortgage lenders requiring larger deposits since the pandemic (this has caused problems for some people on the Council's low-cost housing register) as well as other issues around the end of the Government's 'furlough' scheme and increased levels of unemployment.

The Council will shortly be launching a refreshed version of the *Help us Build our Growing City* developer prospectus, aimed at attracting more builders, including those not currently active in the District, to come to Carlisle, to help maintain strong levels of development moving forward. St Cuthbert's has acted as a major catalyst in generating significant interest within the development industry.

6. Movers' Survey 2019-20

- 6.1** The Movers' Survey was initiated from the beginning of the financial year 2018-19 in an attempt to gain a better understanding of people's reasons for moving to new homes in Carlisle District to help inform wider strategies. The survey was continued into 2019-20; although the survey had to be curtailed a couple of weeks before the end of the financial year, due to Covid-19, so the results in section 6.2 below are not for quite the full year. As the forms are sent out by the Council Tax section, unfortunately it has not been possible to continue the survey during the current

year, due to staff working from home, but it is hoped the Movers' Survey can be re-launched from April 2021.

- 6.2** A total of 93 forms were returned (a significant increase on the 55 forms returned during 2018-19) representing a response rate of approximately 37%.

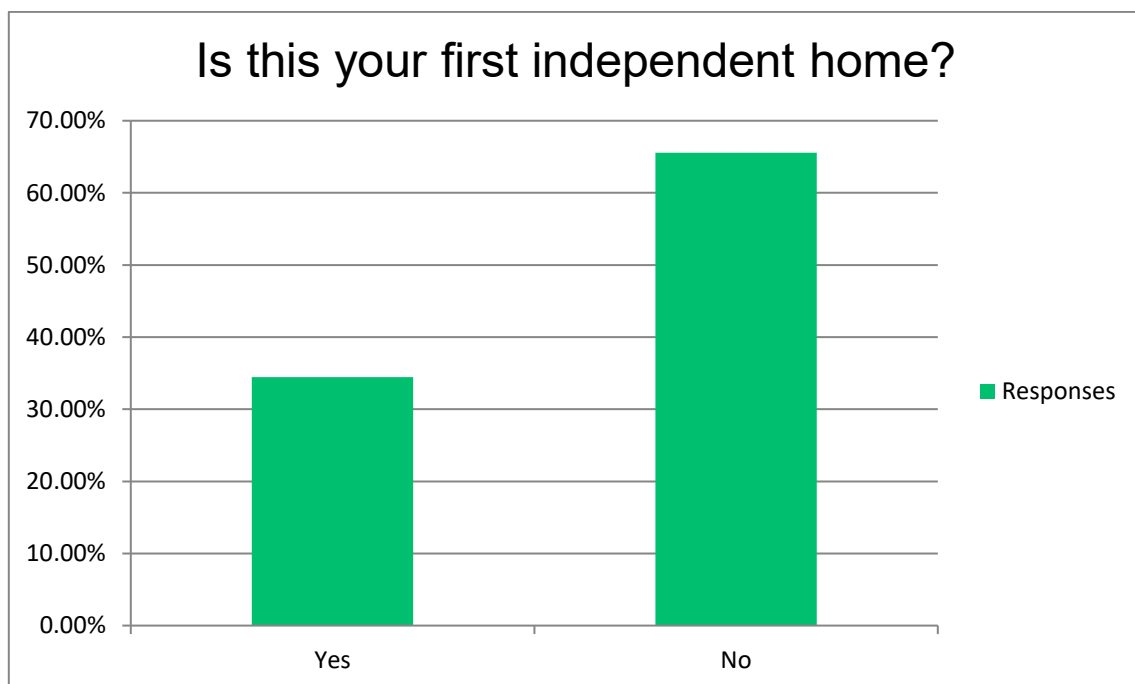
A summary of the key findings from the 2019-20 Movers' Survey is provided below:-

Where have you moved from?

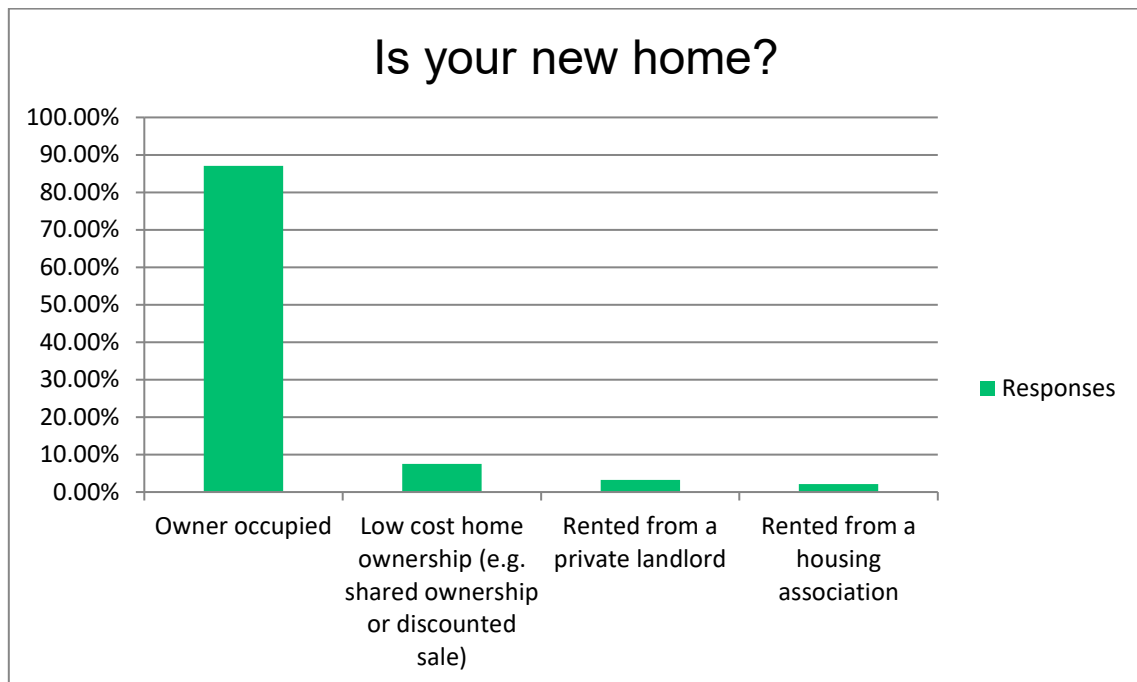
The 93 responses to this question are summarised below:-

- 71 – Carlisle District – existing residents
- 7 – Cumbria (other Districts)
- 14 – Elsewhere in UK
- 1 – Outside UK

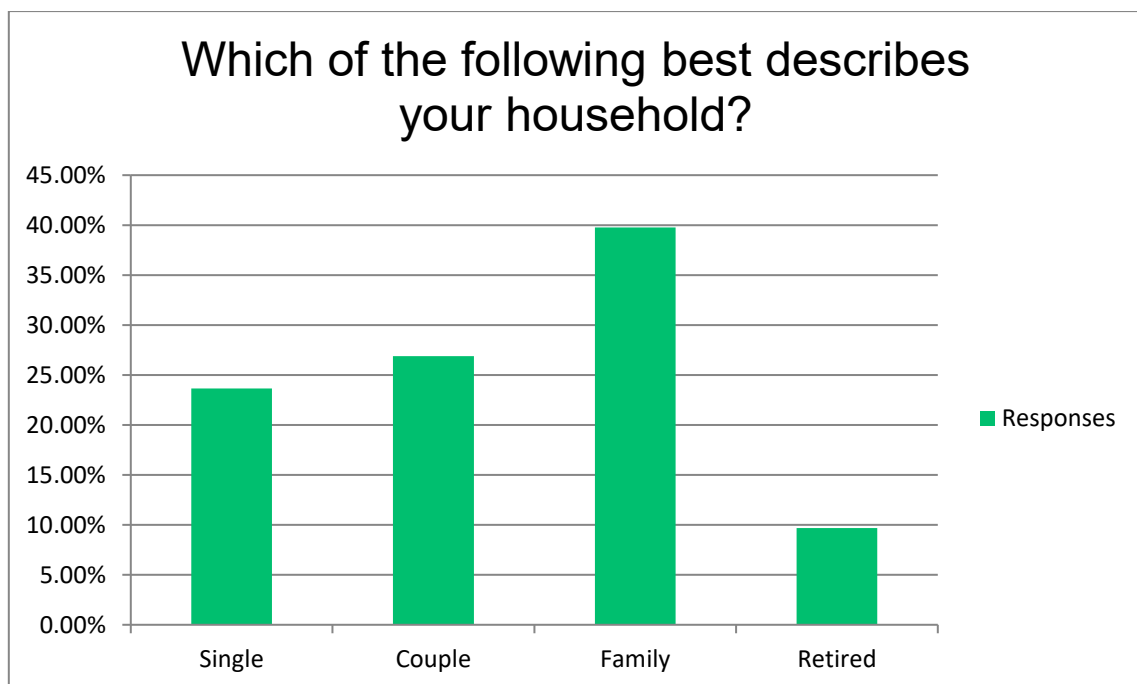
This equates to 76% of movers already resident in Carlisle and 24% moving into the District, which is exactly the same percentage at the figures for the previous year.



Just over a third of respondents (34.4%) were setting up their first home.

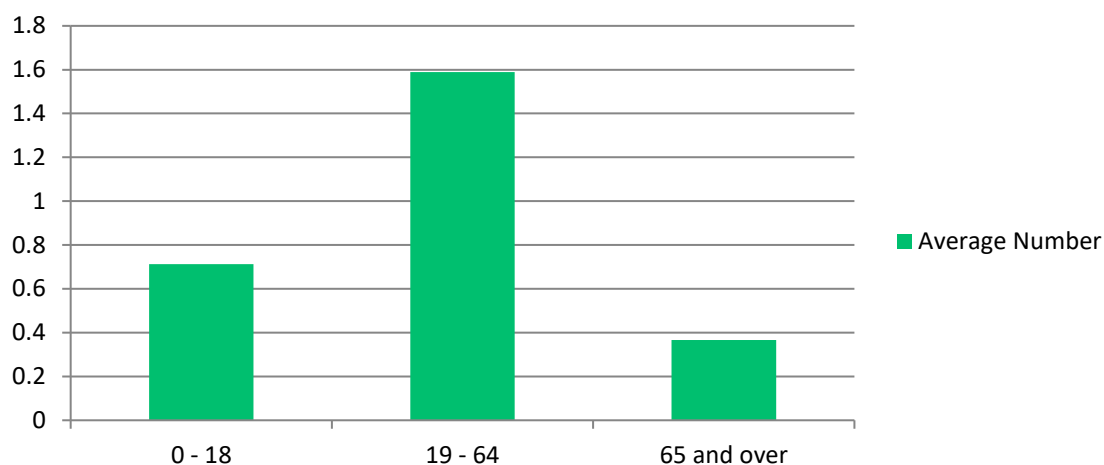


The majority of respondents (87%) owned their own home.



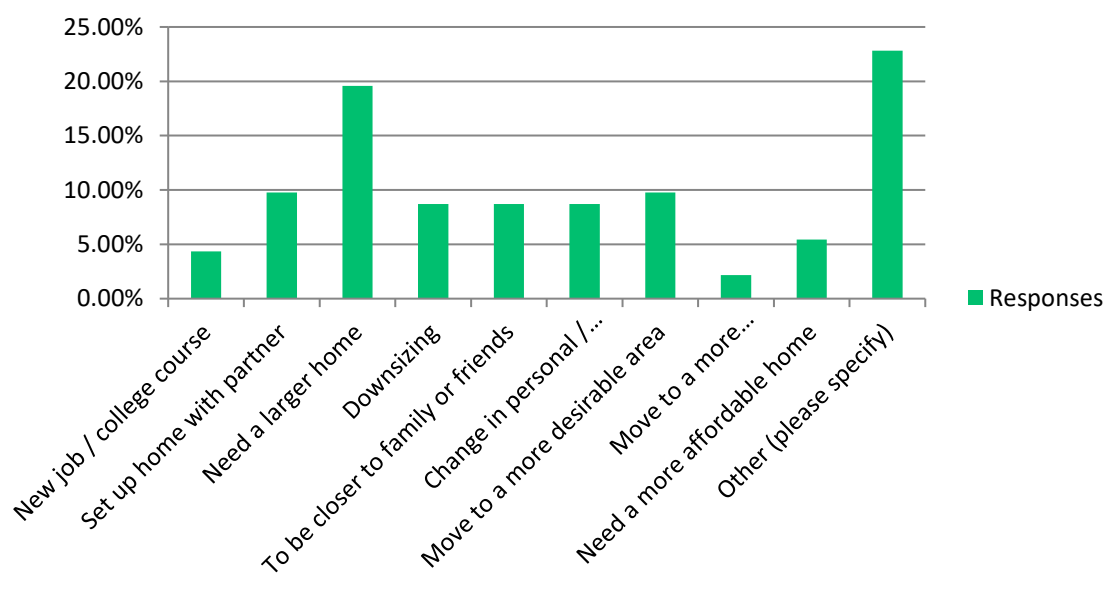
Families represented the largest individual household group at almost 40%.

How many people are there in your household from each of the following age bands?



The largest number of people (on average just under 1.6 people per household) were in the 19-64 (working age) band.

What is your main reason for moving?



A summary of the “Other” responses is listed below:-

- First home / first-time buyer / Moving out of parents housing into first home – 9
- Sold previous property - 1
- Children and work - 1

- Ill health, property with stairs – 1
- Build our own home – 1
- Retirement - 1
- Relocation from overseas – 1
- To escape the overcrowded and congested South – 1
- To be near work - 1
- Move to a more desirable area/ more environmentally home/ out of flood zone – 1
- Buying own home / buying own home, left private sector – 2
- Moved from a flat to a house – 1.

The most common reason for respondents moving home was people needing a larger home (almost 20%) followed by people setting up their first home.

7. RISKS

- 7.1** The key findings from all of the strategic documents and evidence bases summarised in this report: Carlisle’s emerging Economic Strategy; The Cumbria Housing Statement; CLEP’s emerging Housing Delivery Strategy for Cumbria; market and affordable completions data (2019-20); and Carlisle’s Movers’ Survey, provide important and valuable evidence, which will help to inform the Council’s decision-making in respect of strategic housing and economic matters. Updating this research provides the Council with a fit for purpose evidence base, which will mitigate against the risk of working with outdated information and data, ensuring that future strategies are relevant and clear in their intended objectives.

8. CONSULTATION

- 8.1** All of the strategic housing documents detailed in this report have been consulted upon with a wide range of stakeholders or will be in the case of emerging strategies.

9. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 9.1** This report provides Members of the Panel with the most recent evidence on housing need and delivery to enable them to scrutinise the effectiveness of existing and emerging strategies and initiatives, and to enable them to help inform the development of future housing and economic strategies.

10. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 10.1** “Address current and future housing needs to protect and improve

residents' quality of life."

Contact Officer: **Jeremy Hewitson**

Ext: **7519**

Appendices **None**
attached to report:

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- **None**

CORPORATE IMPLICATIONS:

LEGAL – There are no direct legal implications arising from the Report.

PROPERTY SERVICES – No Property implications.

FINANCE – The Council provides budgetary provision within the Housing function to undertake the reviews and analysis included in this report.

EQUALITY – The report includes positive references to the impact housing strategies can make upon issues such as affordable housing, vulnerable people, improving the quality of housing and increasing housing diversity. Consideration should be given to undertaking an equality impact assessment impact assessment on the Economic Strategy, which recognises the need to grow and diversify the population of Carlisle.

INFORMATION GOVERNANCE – No information Governance implications.

Economic Growth Scrutiny Panel

Agenda
Item:

A.4

Meeting Date: 01 October 2020

Portfolio: Cross-cutting

Key Decision: No

Within Policy and
Budget Framework

Private/Public Public

Title: Corporate Peer Challenge – Focus on Scrutiny

Report of: Overview and Scrutiny Officer

Report Number: OS.20/20

Purpose / Summary:

The Panel requested a report to consider the Scrutiny specific implications of the corporate Peer Challenge at their meeting of 06 June 2020.

This report highlights the key findings from the Corporate Peer Challenge with regard to scrutiny activity and outlines the steps that have been taken so far to respond to these findings.

Recommendations:

Members are asked to:

- Consider and agree a list of strategic priorities for Economic Growth Scrutiny Panel.
- Consider initial steps taken, in the context of comments in the Corporate Peer Challenge and comment or make further recommendations.

Tracking

Executive:	Not applicable
Scrutiny:	EGSP 01/10/20
Council:	Not applicable

1. Background

- 1.1 A Corporate Peer Challenge (CPC) is designed to complement and add value to a council's performance and improvement through a Local Government Association (LGA) sector-led improvement review. The Peer Challenge's core components focus on leadership, governance, corporate capacity and financial resilience, in addition to specific requirements tailored to the local needs of an authority.
- 1.2 The Council's previous CPC was undertaken in September 2014. The Leader and Chief Executive agreed that it was a good time to undertake the challenge following the move to revised ward boundaries and new administration in May 2019. It was envisaged that the CPC findings would inform the future planning for the authority and afford the opportunity to set out a new agenda for the 2020/21 financial year. In addition to the standard lines of inquiry, the CPC were asked to provide observations and feedback on the Council's approach to commercialisation and the effectiveness of the performance management arrangements.
- 1.3 The CPC report was published in April 2020 and included a series of recommendations for improvement. It is acknowledged within the report that, "the peer challenge on which this report is based took place before the Coronavirus pandemic was declared..... and does not anticipate or reflect on the significant additional challenges and demands this is placing on Carlisle City Council". The Council aims to develop an action plan to pick up on the issues identified in the report within the context of the priorities, timescales and resources of the ongoing response and recovery phases. This should also assist the Council in strengthening its capacity to respond in the longer term.

2. Recommendations

- 2.1 It is requested that:
 - The Panel consider and agree a list of strategic priorities for Economic Growth Scrutiny Panel.
 - The Panel consider initial steps taken, in the context of comments in the Corporate Peer Challenge and comment or make further recommendations.

3. Summary of Corporate Peer Challenge findings on scrutiny

- 3.1 The main recommendation from the Corporate Peer Challenge with regard to scrutiny was:

"Review current arrangements for scrutiny and consider alternative options. This should enable more focused scrutiny of performance, implementation of

decisions and contribution to the development of policy in priority areas. It should consider how to support more timely decision making and take account of the reduction in the number of councillors since the 2018 boundary review.” (page 3, CPC)

- 3.2 Further detail from within the report suggested that:
“Scrutiny activity should be re-focused on major issues and areas where input into policy development is being particularly sought or where scrutiny can make a positive difference to communities and the delivery of Council priorities.” (page 10, CPC)

- 3.3 Scrutiny of budget proposals and performance were both highlighted as areas where scrutiny had the potential to add greater value. There were also comments around process driven consideration of reports leading to missed opportunities for influence and added value.

4. Scrutiny Chairs Group view

- 4.1 Scrutiny Chairs Group held a special meeting to focus on the findings of the Corporate Peer Challenge. Key points were:

- Work to strengthen Scrutiny activity in Carlisle will focus on developing strong, Member led work programmes.
- The Panels will not discuss the number of Panels, the make-up of Panels or meeting start times as these are all issues that have been subject to significant scrutiny discussion and consideration without a mutually satisfactory resolution in recent years.

Scrutiny Chairs Group are due to meet in October and will discuss feedback from the Panels on this issue and to review progress so far.

- 4.2 The Economic Growth Chair and Vice Chair have prepared a list of priorities and improvements that impact the local community, which could benefit from Scrutiny from this Panel:

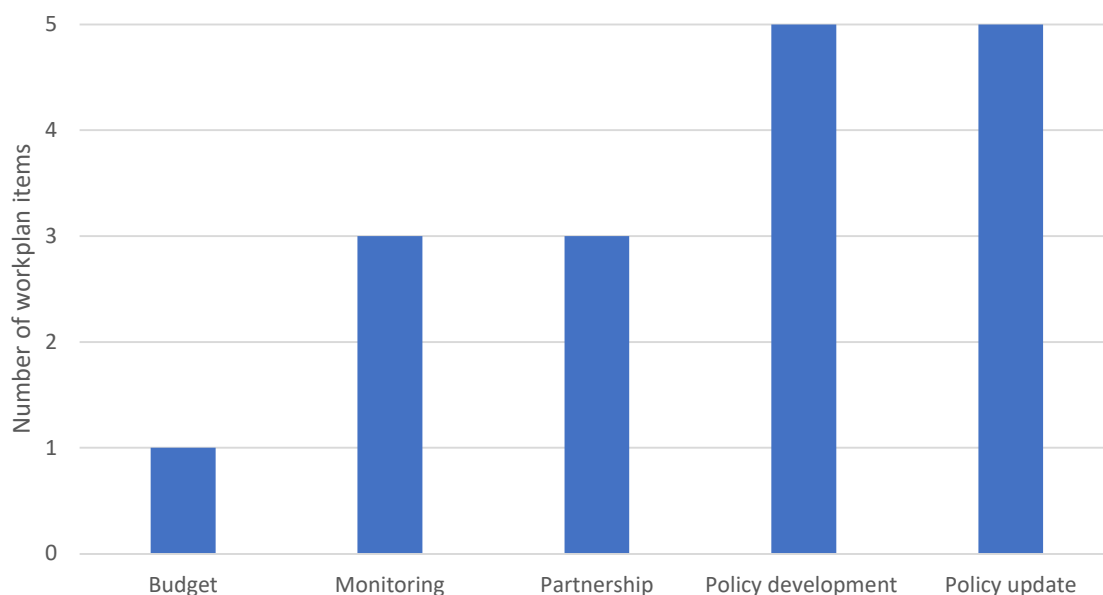
- Housing Delivery
- Transport and Infrastructure
- Economic Strategy development
- Local Plan

- 4.3 The Panel are asked to consider these priorities and provide recommendations that will help to shape their work programme to reflect strategic priorities and the priorities of local communities.

5. Initial steps taken

- 5.1 The way that workplans are presented to the Panel has been adapted to show the type of scrutiny that each item will entail. This will help Chairs and Panel Members to focus Scrutiny on items where it can have a greater impact.
- 5.2 Scrutiny Chairs are undertaking more pre-meeting planning with the Overview and Scrutiny Officer and report writers to ensure that reports support the aims of scrutiny. Chairs pre-meeting planning also involves identifying any advice for the Panel to ensure that they operate as a team to focus scrutiny on key points and issues where scrutiny can have the greatest impact.
- 5.3 Work planning activity by the Panel will take place in their pre-meeting briefings. This will avoid taking up meeting time that could be spent on scrutiny and will allow a less formal discussion in order to produce an effective workplan.
- 5.4 The Panel are asked to consider initial steps taken, in the context of comments in the Peer Review and comment or make further recommendations.

Graph to show current EGSP workplan by broad type of scrutiny



Key to scrutiny types

Budget – scrutiny of budget proposals

Monitoring – monitoring performance

Partnership – information and discussion with external partner (LEP, Kingmoor Park etc)

Policy development – scrutiny with potential to influence/ develop policy (includes Scrutiny Annual Report and this report)

Policy update – receiving information about existing policy or ongoing work

Rowan Jones

Email: rowan.jones@carlisle.gov.uk

Appendices

Corporate Peer Challenge Report

attached to report:

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**

CORPORATE IMPLICATIONS:

LEGAL -

FINANCE –

EQUALITY –

INFORMATION GOVERNANCE –

Corporate Peer Challenge **Carlisle City Council**

28th to 30th January 2020

Feedback Report

1. Executive Summary

In Carlisle there is a clear sense of pride of place, both for the city and wider district. Staff are proud to work for the Council and of its work for the area. The Council's ambition to be a regional centre and focus for investment is exciting and dynamic, and has the potential to be truly transformative for Carlisle and the region as a whole. The Council wants all its residents to be able to share the benefits of this, through increased opportunities - a greater choice of jobs, better housing and an enhanced environment through the Carlisle Plan. Delivery of that ambition is being enabled by excellent partnership working and relationships. One of the key partnerships is that for the Borderlands Inclusive Growth Deal, a unique deal including both the UK and Scottish Governments and councils on both sides of the border. Through this and other work, a wide range of partners consider that Carlisle is being "put on the map".

The Council benefits from a stable and experienced management and workforce, with both the political and managerial leadership being well regarded within the council and externally. There are good working relationships between officers and councillors – and strong cross party working. This has been valuable during a period of no overall control, with a Conservative minority administration. This followed all-out elections in May 2019 following a major Boundary review and a significant reduction in the number of councillors from 52 to 39.

The Council currently enjoys a relatively healthy financial position. A strong property asset base has also served the Council well, generating an income stream contributing around £4.3 million per annum to the net revenue account. Among the principal sources of rental income are The Lanes shopping centre and industrial estates, generating £1.1 million and £2.8 million respectively in 2018-19. Prudent financial management has led to underspends over a number of years, but the next step is to realign existing funding to a clear set of priorities to ensure the best use is made of the Council's resources.

The Council is therefore well placed to meet future challenges, including uncertainty around local government funding. But the Council should also look to change a number of elements of how it does business to best meet these challenges and take advantages of the opportunities which arise. The outward facing partnership work of the organisation is impressive and forward thinking, however aspects of governance, support services and the service delivery organisation require modernisation.

The Carlisle Plan 2015-18 needs to be updated. Agreeing the new Carlisle Plan will give a real opportunity to provide clarity on the priorities for the Council, as well as the desired outcomes for the district and to make sure resources follow these in the form of an aligned Medium Term Financial Plan (MTFP). Currently the approach to performance management appears process heavy and impact light. This should be streamlined and refocused around the priorities of the new Carlisle Plan at the corporate level and consideration given to how increase ownership of performance management at service and Directorate level.

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Governance and decision making arrangements across the Council need to be reviewed so that these are timely and provide the necessary transparency and accountability. Such a review would also provide the opportunity to take account of the significant reduction in the number of Councillors following the Boundary review. There is a growing recognition that decision making in Carlisle is in some respects cumbersome. For example, scrutiny is not as well targeted as it could be. Overview & Scrutiny panels request reports on a range of matters under consideration by the Executive beyond those which form part of the Policy & Budget framework. Scrutiny activity should be re-focused on major issues and areas where input into policy development is being particularly sought or where scrutiny can make a positive difference to communities and the delivery of Council priorities. These refreshed arrangements should enable the organisation to be 'fleet of foot' and not tied down in process. In the member domain this should include consideration of the relationship between the Executive and scrutiny and how scrutiny can most effectively add value to decision making. In the officer domain this should include the value added by the Transformation Board and other boards. The Council's constitution should also be reviewed as part of this updating of governance arrangements. Simplifying decision making and other processes has the potential to make significant efficiency gains and release capacity that can be directed towards Council priorities.

To ensure the continuing health of the Council's finances, in the face of future uncertainties and to enable more resource to be directed towards priority areas, there is need for a clear and robust corporate savings plan which is implemented. Previously there has been a lack of urgency in actioning financial contingency plans, which if continued could lead to further pressure on reserves and missed opportunities to re-direct resources towards agreed priorities.

The Council has made progress in developing a more commercial approach to income generation and raising awareness of this aim. A clear definition and common understanding of what commercialisation means for Carlisle is required to take this agenda forward, underpinned by a strategy that establishes the organisation's risk appetite and the parameters for such commercial activity.

The Council's last corporate peer challenge in 2014 identified that the Council needed to better position itself as a partner. This would enable the Council to exert greater influence in delivering its priority of economic growth. The previous peer challenge also made a number of more internally focused recommendations to increase capacity to deliver the Carlisle Plan, including around performance management, delivering savings and more effective scrutiny. It is much to the Council's credit that it has made so much progress in its priority area of economic growth and regeneration and has significantly strengthened its partnership working. Continuing progress in this area needs to be balanced with some additional attention to modernising the Council's internal working arrangements to support this and sustain the standards of service delivery into the future.

It should be noted that the peer challenge on which this report is based took place before the Coronavirus pandemic was declared and councils became involved in the

emergency response to Covid-19. This report therefore does not anticipate or reflect on the significant additional challenges and demands this is placing on Carlisle City Council. However, the findings and recommendation presented here should assist the Council in strengthening its capacity to respond to the impacts of Covid-19 in the longer term.

2. Key recommendations

There are a range of suggestions and observations within the main section of the report that will inform some 'quick wins' and practical actions. The following are the peer team's key recommendations to the Council:

- a) **Develop and agree a new Carlisle Plan** to provide the Council's long term vision for the district and establish clear priorities to deliver this and give the framework for other strategic plans. Agreement on what is a priority or not a priority for the next three years and beyond will be important, underpinned by an aligned MTFP.
- b) **Undertake a comprehensive review of decision making processes, at both councillor and officer levels.** This should streamline decision-making, ensuring that all steps add value in terms of accountability and the quality of decision making. This should include the role and purpose of internal Boards and enable more timely decision making and release resources to be redirected at priority areas
- c) **Review current arrangements for scrutiny and consider alternative options.** This should enable more focused scrutiny of performance, implementation of decisions and contribution to the development of policy in priority areas. It should consider how to support more timely decision making and take account of the reduction in the number of councillors since the 2018 boundary review
- d) **Refresh and modernise the Council's Constitution, policies and procedures,** taking account of b) and c) above.
- e) **Develop and implement a robust savings and additional income plan** to close the funding gap. The gap is currently £1 million per annum and expected to rise. The plan should be supported by wider understanding of the financial challenges and enable resources to be better targeted at priorities and future investment plans
- f) **Undertake and implement the planned zero-based budget review** to enable resources to be better targeted at the priorities established by the new Carlisle Plan
- g) **Ensure that the review of IT service and development of the new IT strategy are completed and implemented.** ICT has been identified as a key capacity constraint and a capable and appropriately resourced IT function is required

- h) **Assess skills and capacity gaps and invest in corporate change and delivery capacity**, to ensure the delivery of key projects and corporate modernisation. Areas where additional investment may be required include digital, asset management, workforce development and project management
- i) **Develop a commercialisation strategy** which defines what commercialisation means in Carlisle, risk appetite and potential scope of commercial activity.
- j) **Refresh and streamline the approach to performance reporting and management** to give a clearer focus on Council priorities at corporate level and strengthen ownership of performance at service level, making more use of exception reporting.

3. Summary of the Peer Challenge approach

The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge at Carlisle City Council were:

- **Patricia Hughes**, Joint Chief Executive - Hart DC (lead peer)
- **Duncan McGinty**, Leader - Sedgemoor DC (Conservative member peer)
- **Alyson Barnes**, Leader – Rossendale BC (Labour member peer)
- **James Howse**, Corporate Director of Resources - South Staffordshire DC
- **David Crowe**, Strategic Director - Local Partnerships
- **Olivia Lancaster**, Project Support Officer, LGA Productivity Team (shadow peer)
- **David Armin**, challenge manager, Local Government Association

Scope and focus

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges. These are the areas we believe are critical to councils' performance and improvement:

1. **Understanding of the local place and priority setting:** Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. **Leadership of Place:** Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. **Organisational leadership and governance:** Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. **Financial planning and viability:** Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
5. **Capacity to deliver:** Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition to the core components, you asked the peer team to provide observations and feedback on the following:

- the council's approach to commercialisation
- the effectiveness of the council's performance management arrangements.

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement focused and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The current LGA sector-led improvement support offer includes an expectation that all councils will have a corporate peer challenge every 4 to 5 years. Carlisle City Council last had a corporate peer challenge in September 2014. Where relevant to do so, findings from that previous peer challenge have been referenced in this report.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent three days onsite at Carlisle, during which they:

- Spoke to around 100 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 30 meetings and additional research and reading.
- Collectively spent more than 240 hours to determine their findings – the equivalent of one person spending more than six weeks in Carlisle.

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (28th – 30th January 2020). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority setting

The Council has a good understanding of Carlisle's location and the opportunities and challenges this presents. Carlisle has good national transport links by road and rail and is located close to both the Lake District National Park and the Scottish border. The Council has supported the development of Carlisle Airport for passenger flights. But it is also remote from major centres of population. At the time of the last peer challenge in 2014 this challenge was characterised as becoming 'a destination as well as a gateway'. It is evident that the Council, working with a number of partners, has made significant effort and progress towards that goal since then.

The Council is clear that its top priority is its place making role. This is underpinned by its understanding of the importance of the economy, skills and health agendas for Carlisle and the strategic role of the city as a regional centre for Cumbria and beyond. There is also recognition of the need to provide more housing as a driver for economic growth and attracting new residents, but also to ensure that vulnerable people can access safe, warm and affordable housing. This understanding of place is informed by good working relations with a range of other partners through the Carlisle Partnership.

The Council's leadership are clear about the three key projects to deliver on the place agenda, with widespread recognition of these among staff and partners. These 'Big 3' projects are as follows: Borderlands Inclusive Growth Deal (involving both the UK and Scottish governments and other major councils on both sides of the border); the Sands leisure centre redevelopment in Carlisle and development of the St Cuthbert's Garden Village (as part of the Government's Garden Village programme).

Carlisle remains vulnerable to flooding, although there are a number of schemes underway to reduce this risk. The last major flood event in the city was in 2015, and the impacts of this are still evident including to the ground floor of the Civic Centre which is still not available for use. In view of this, the Council has a specific financial reserve identified to reinstate Council owned flood affected assets (unfortunately there was further flooding in February 2020, shortly after this peer challenge took place).

Notwithstanding the clarity around the three key projects identified above, the Council's other priorities (and indeed non-priorities) are less clear. The Carlisle Plan 2015-18 sets out the previous administration's priorities for the place and Council and is yet to be updated. In part this is due to the change to a minority Conservative administration in May 2019 following the all-out elections after a major Boundary Review. The Council has a Corporate Plan 2018-21, which links together the key strategies and continues work on priorities from the old Carlisle Plan, but does not substitute for a refreshed vision for the area.

The development of the new Carlisle Plan provides a real opportunity to be clear about the Council's wider priorities and its long term vision. There has been some uncertainty about that vision for Carlisle in the context of Cumbria more generally, given the diminishing prospects for nuclear re-development in the west of the county. This would have had significant impact on the economy of Carlisle. It is now timely to review that vision, with the new Carlisle Plan providing the building blocks for a long term strategy.

The Council is beginning to consider the balance of focus between the urban and rural areas. Particular attention has been given to the City of Carlisle to date, given that it is the key economic driver. But it is now recognised that further attention should be given to the needs and potential of the rural areas of the district.

4.2 Leadership of Place

The Council is clearly now a strong leader of place and is driving a challenging and ambitious economic development agenda for Carlisle as a regional capital and for the wider Borderlands area. It has played a leading role in establishing a unique partnership – the Borderlands Inclusive Growth Deal. This has involved developing partnerships with UK and Scottish Governments and building on its relationships with Cumbria and Northumberland County Councils and with Dumfries and Galloway Council.

In this role it is well regarded by a number of external stakeholders across both the public and private sectors. The Council is seen as 'punching well above its weight', having developed significant influence and leverage for a district council. One person remarked 'over the last five years Carlisle has started acting like a city, not just a large town'. At the time of the last peer challenge one of the key themes emerging was for the Council to better position itself as a partner and exert greater influence over the economic growth agenda. It is evident that the Council and its leadership have made great strides in this area and Carlisle could well be regarded as an exemplar in this sphere.

This work as a leader of place is underpinned by strong and effective partnership working locally and across the region. This includes work with the local colleges including the University of Cumbria, public health and the CCG. The Carlisle Partnership, the district's Local Strategic Partnership, remains active. The Carlisle Ambassadors are noteworthy. They are people from business or other organisations with a stake in the area and who are interested in making a difference for the future growth and development of the City of Carlisle. They are seen as providing a strong and influential network for Carlisle.

The Council needs to ensure that it has sufficient capacity, including effective project management, for the delivery of major growth projects. Currently there is a reliance on a limited number of people to support the political and managerial leadership in the delivery of key projects. This gives rise to some risk around the resilience of project delivery. Effective partnership working to tap into specialist skills and

experience from other agencies for particular projects will continue to be part of the mix, but the Council needs to ensure that it has sufficient core project and financial management skills for project delivery.

With the Council's exceptional experience of building partnerships, there may now also be opportunities to use this to broker, unlock or explore improvements to joint working for the benefit of economic development across Cumbria, in conjunction with other districts and the County Council. This would provide a broadening of the Council's leadership role beyond the north of Cumbria and the borders area.

At the time of the peer challenge, local government re-organisation was becoming an active conversation again following the General Election in December 2019. In early February, a Government minister held discussions with councils across Cumbria about possible options for a unitary / combined authority structure. Carlisle should aim to be an influential but pragmatic participant in this debate, whilst not being distracted from its priority of delivering for the place and the provision of services to local residents.

4.3 Organisational leadership and governance

Carlisle had a major boundary review in 2018, leading to a significant reduction in the number of councillors (from 52 to 39). An all-out election was held in May 2019 on the new ward boundaries this created. This led to the establishment of a minority Conservative administration, in place of the previous Labour majority. Elections by thirds will again be held from May 2020 onwards. This tight political balance, with elections also happening again within 12 months has led to some uncertainty about the future longer term direction of the Council and on agreement to the next set of priorities for the Council in the medium term. The continuity in delivery of the major projects and the priorities for the area despite this is noteworthy. This is a tribute to the managerial and political leadership across the Council as noted below.

The Leader and Chief Executive are well regarded and respected within the Council and externally. They both have great credibility. There are good relationships between the different political groups, which is helpful to continuity in delivering key projects and is a real asset for an authority with no overall control. There are also strong and effective member-officer relationships, with councillors having confidence in senior officers and in turn being respected by officers. There is a clear understanding of the respective roles of councillors and officers.

The senior management team is well established, experienced and knowledgeable – all have been in their current role for a number of years. This gives deep organisational memory and the opportunity to develop good working relationships. But there is always a risk with this that an organisation can become less open to new ideas or different ways of doing things. The Council recognises this and should continue to give attention to opportunities to learn from experience elsewhere and encourage innovation from within.

The Council has made real progress in delivering its ambitious external agenda, which is its top priority. But in contrast it has more work to do on the internal modernisation agenda which, in turn, should strengthen its capacity to deliver on that growth agenda.

The Council's decision making processes, at councillor level and also at officer level too, appear complex and may lead to loss of pace, momentum and potential opportunities such as grant funding bids which are subject to tight timescales. Scrutiny is not as well targeted as it could be. Overview & Scrutiny panels request reports on a range of matters under consideration by the Executive beyond those which form part of the Policy & Budget framework. Scrutiny activity should be re-focused on major issues and areas where input into policy development is being particularly sought or where scrutiny can make a positive difference to communities and the delivery of Council priorities. There are some instances of scrutiny adding value and influencing decisions of the Executive, but in the main it appears to be process-driven and focused around the consideration of reports. Extensive consideration of budget proposals at the three Scrutiny Panels has not led to changes to address the savings gap identified and similarly consideration of performance reports does not appear to be helping to drive action to address under-performance.

Effective oversight and scrutiny can make a real contribution to both policy development and implementation and good decision making. Scrutiny in Carlisle should continue to be active, but it needs to be well targeted at the Council's priorities and major decisions. Currently Carlisle has three Scrutiny Panels (Business & Transformation; Community; Economic Growth). An alternative arrangement which the Council may wish to consider would be a single scrutiny Committee which could then set up task and finish groups to look at the development of new policy or the performance of particular aspects of the Council's business, drawing on the relevant skills, experience and interests of different councillors.

Following the reduction in the number of members of the Council, there is apparently now some difficulty in getting councillors to serve on Scrutiny Panels and other committees. In the light of this, and the questions raised above regarding the effectiveness of aspects of decision making and scrutiny, a review of member governance arrangements would be timely. This should include scrutiny and help to establish greater clarity of purpose. A refresh of the Council's constitution, policies and procedures is also required, to bring these up to date and more streamlined. Examples of constitutions which take a more modern approach include Winchester (a District council) and Herfordshire, Maidstone and Rochdale among unitary and metropolitan authorities. More efficient decision-making and other processes would not only increase pace for the organisation but also release capacity that could be directed towards the Council's priorities. It would also mean that the Council is better placed to respond to opportunities that arise as it moves to adopt a more commercial approach. Carlisle may need to adopt streamlined decision making arrangements for matters which fall within the scope of its commercialisation strategy, when agreed.

The Council appears to be a benevolent organisation that can struggle to make difficult choices. The relatively healthy financial position to date, underpinned by a good asset base, may have made such decisions less pressing but there may well also be a cultural element. Examples of where the Council has not made difficult choices include charging for services (such as garden waste collection) and making cost savings (where undelivered savings targets have been carried forward into subsequent years – the MTFP reports a cumulative total of £1.24 million savings not yet delivered over the three years to 2018-19). It has also not fully and consistently embedded HR policies such as managing individual performance. There is an opportunity to provide clarity around accountability for delivering key agendas across the Council, underpinned by more focused performance reporting and management arrangements, to gain real traction so that priorities are delivered across the organisation. Performance management is discussed further in section 4.7 of this report.

4.4 Financial planning and viability

The Council benefits from a relatively sound financial position. It had a net revenue budget of £13.6m and useable general fund reserves of £10.2m in 2019-20. This position is assisted by a track record of spend within budget and strong asset base which has provided additional income of around £4.3m per annum that makes the Council less dependent on Council Tax and central government funding. It has also been very successful in accessing a range of external funding streams. The Director of Finance (sec 151 officer) and her colleagues are well respected across the Council. External audit has a positive view about the Council, its control environment and finance team.

Leaders have a good understanding of the risks and uncertainties around future local government funding. As noted above, additional income streams and scope to take further advantage of commercial opportunities may mitigate against some of the potential risks of the Government's Fair Funding Review. However, there is no room for complacency.

The savings gap of circa £1 million and rising (estimated to be £2.4m in 2024-5) is identified and well known, but in previous years this has been met through a combination of underspends on other budgets and use of reserves. A proportion of the underspending is due to spend slipping into subsequent years. A Strategic Finance Group (consisting of the Senior Management Team, the Leader and Finance portfolio holder) has been set-up to work through options and to prepare for tough choices. However, these will need to be seen through to implementation with more rigour than has been the case previously. Of the targeted £5m of efficiency savings over the three years from 2016-17 to 2018-19, £1.2m remain outstanding. There has been a lack of urgency in actioning financial contingency plans. A clear and robust savings plan is needed. This should be linked to internal modernisation which has the scope to release efficiency savings.

Whilst key members and officers understand the scale of future financial challenges, this is not yet widely understood. General fund balances are adequate, although the Council has been drawing on these in recent years. The five year MTFP to 2024-25 envisages that the level of general fund reserves will reduce, but remain above what the Council considers the minimum prudent level. The budget forecast 2020-21 assumes that use of reserves will contribute about £1m to the budget requirement. Given the scale of Carlisle's ambition, this may bring some additional risks which lead to an increased need to draw on reserves. Such risk could arise from major projects such as the Sands Centre redevelopment; the possibility of further investment to yield a return (in terms of both financial and social value) and more commercialisation. The Council has plans that will lead to a substantial increase in long term borrowing to finance capital investment. The Council's reserves need to be maintained at a level commensurate with this. More vigorously pursuing savings will provide greater scope to do this.

The Council should progress its planned zero base-budget review to ensure that the budget is challenged across all services, linked to the need to re-prioritise and align resources to priorities. Agreeing and adopting a new Carlisle Plan will provide the framework of priorities for this. The pattern of consistent underspends against budget suggests that there is scope to make better use of existing resources in delivering the Council's priorities.

There is scope to further strengthen financial management of major projects, which given the scale of investment involved have the potential to present a risk to the Council's finances. The Council is considering opportunities to take a more commercial approach to generate additional income. This will need to be linked to its financial strategy. An agreed approach to drive commercialisation needs to be reflected in the Capital Investment Strategy and the Asset Management Plan. Further discussion of potential approaches to commercialisation can be found in section 4.6 of this report.

4.5 Capacity to deliver

The Council benefits from a committed, experienced and stable workforce, which is proud to work for Carlisle. It is able to resource key projects by pragmatic and effective use of capable people from across the service Directorates. It may now be timely for senior managers to re-engage with the workforce more generally to tap further into that commitment and experience. This could be used to give a clear indication of the future direction of the organisation (as determined by the new Carlisle Plan now in development) and the Council's priorities. There would also be scope to gain insight from staff on opportunities to modernise how the Council does business.

The Council's services are generally well performing. But they may be at risk in the future if the organisation does not modernise its approach to both the back office and service delivery.

The Council has recognised that it needs to strengthen its capacity to develop ICT systems and make better use of these to enable service delivery and customer access. It has bought in some consultancy support from another local authority to develop a new IT strategy and a new structure for the service. The draft IT Strategy is aligned to approaches being taken at other authorities and the organisation is eager to be part of this change. However, many people see ICT systems and the lack of capacity to develop them further as a significant constraint. The review of arrangements for the service and new IT strategy need to deliver a solution.

To be confident in delivering its ambitious growth agenda and sustain service performance more generally, the Council needs to assess skills and capacity gaps and invest in corporate change and delivery capacity. Areas where more capacity could well be required include ICT, digital, asset management, workforce development and project management. This will be required around both the 'Big 3' projects (ie. Borderlands Inclusive Growth Deal; Sands Centre re-development and St Cuthbert's Garden Village) and corporate transformation more generally.

Internally, the Council operates in quite a traditional, process-heavy way that can soak up capacity, through decision making and similar processes. Viewed positively, this should give rise to opportunities to make efficiency gains relatively easily without impacting on front-line service delivery. When the new Carlisle Plan is agreed, there will be further scope to identify areas to de-prioritise and modernise through service reviews with an 'invest to save' approach.

A number of cross-cutting forums such as in respect of transformation and commercialisation have been established to help take forward a council-wide approach. However, views on the effectiveness of these groups are mixed, with a number of people thinking they are not as effective as they need to be. They should now be re-set with a clear remit and accountability to make sure they deliver the outcomes desired by the Council.

4.6 Commercialisation

The Council has a strong track record in exploiting its asset base to generate a revenue stream of £4.3 million per annum. There is a clear intention from the Senior Management Team to drive commercialisation further. This is empowering staff to consider relevant opportunities and to have more confidence to propose and implement these. Clearly there are opportunities to think creatively in relation to a long term commercial strategy.

However, there is currently no clear or consistent view of what the organisation means by commercialisation. This needs to be documented in a clear commercial position statement / strategy document. This documentation needs to describe risk appetite; and the scale and type of ventures in which the Council is prepared to invest. Carlisle will wish to consider the geographical area in which investments can be made. This may not be unlimited, but could be within the Cumbria LEP or Borderlands Inclusive Growth Deal area to contribute to wider economic and social

development objectives. Examples of councils which have developed published commercialisation strategies include West Lindsay and South Somerset. The process of developing the strategy is as important as the document itself, as this gives the opportunity to develop thinking and reach agreement around the purpose, criteria and priorities for commercialisation.

Without endorsing or otherwise the particular investments and criteria for investment adopted by the [South Somerset commercial investment strategy](#), it does illustrate some of the key points which need to be resolved through the development of a strategy:

- A target rate of return for commercial investments
- A streamlined decision-making process for commercial investments
- Whether or not investments can go beyond property assets (e.g. renewable energy, housing developments for sale?)
- Projects which do not meet income generation criteria, but which do achieve a financial return along with other community benefits, should be considered under other appropriate strategy and policy (i.e. they are not treated as a commercial investment).

Mendip District Council developed its approach to commercialisation with support from the LGA's productivity experts programme. More information about this work is available at <https://www.local.gov.uk/commercialism-mendip-district-council>.

Bureaucracy is a barrier and the process of 'sign off' is putting the Council at a disadvantage when it comes to the market and wider commercial and funding opportunities. The wider review of the Council's decision making processes suggested elsewhere in this report should address this aspect of governance too, whilst ensuring that the relevant accountabilities and checks and balances concerning decision-making for potentially significant expenditure and / or long-term assets and liabilities are in place. Details of Sedgemoor District Council's approach to commercialisation can be found [here](#) including governance and decision-making arrangements.

There may be a need to establish a new Council-wide cross cutting commercialisation group to identify and prioritise opportunities, with clear leadership and accountability. This should have clear terms of reference (including contributing to the development of the commercialisation strategy) and have a higher profile than the previous group. This could provide the forum for staff to suggest commercialisation opportunities and enable guidelines around the Council's risk appetite and parameters for investment to be worked up on the basis of practical examples. It could also provide another forum for greater engagement between senior managers and the wider staff group.

4.7 Performance management

The Council's corporate policy team is making use of the Sharepoint suite of on-line tools to collate performance information. This gives the potential to share performance information more widely. Some data is uploaded automatically to the system, but most still needs to be provided by services and then keyed-in by the corporate team. Comprehensive guidance has been produced to help services in the development of performance indicators (PIs) and data quality. There is awareness of the potential of the system to make performance information more widely available and to engage people more in its use, and for further analysis of data including predictive analytics. However, it is acknowledged that this potential is largely unexploited at the moment. The recent appointment of a data analyst apprentice will provide additional capacity to do this.

A large volume of PIs are produced. These include Service Standards (first introduced in 2012) which relate to measures judged important to the public and likely to impact on satisfaction with the Council. There are also 'KPIs' which relate to service plans and updates on delivery of key corporate projects under the Carlisle Plan. Efforts are made to ensure that these are 'SMART' measures. A quarterly performance report is presented to SMT, the Scrutiny Panels and then the Executive. This includes some commentary and a brief covering report highlighting exceptions.

The approach to performance reporting and management is comprehensive and in many respects systematic, but it is not as effective or impactful as the Council would wish. It is also not fully owned by Directorates and services. The large volume of PIs mainly relate to 'business as usual' or are derived from the former national PI set, rather than priority projects and change agenda. This can make it difficult 'to see the wood for the trees'. The centrally driven process of collating and reporting performance is giving rise to a sense that services are feeding the 'corporate machine'. The cycle for reporting performance leads to delays, particularly for the Executive which receives reports after the three Scrutiny Panels (and so formally receive quarterly reports over two months after the quarter end). There is not a clear process for improvement actions in response to adverse performance and the peer team found limited evidence of service improvement being driven by reported performance. Individual performance management appears to be underdeveloped too.

The Council should take stock of its current approach to question if it is adding real value rather than simply following a process. Development of the new Carlisle Plan provides the opportunity to refocus corporate performance reporting around priority areas. The bulk of the existing PI set could be reported and managed at service / Directorate level, with exception only reporting at corporate level for PIs impacting on key service standards. The sharepoint application could be developed to enable inputting and reporting at service level to foster greater ownership of performance management across the organisation.

5. Next steps

Immediate next steps

We appreciate the senior managerial and political leadership will want to reflect on the findings within this report in order to determine how the organisation wishes to take things forward.

To support you in your improvement journey, the Peer Team have identified a number of key recommendations, some of which you may already have in hand. We welcome your response to these recommendations within the next three months through the development of an action plan.

Your Principal Adviser, Claire Hogan, claire.hogan@local.gov.uk, will be in contact to assist the council going forward and to provide additional support, advice and guidance on any areas for development and improvement and she will be happy to discuss this.

In the meantime, we are keen to continue the relationship we have formed with the Council throughout the peer challenge. We will endeavour to provide signposting to examples of practice and further information and guidance about the issues we have raised in this report to help inform ongoing consideration.

Follow up visit

The LGA Corporate Peer Challenge process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and demonstrate the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council. Our expectation is that it will occur within the next 2 years.

Next Corporate Peer Challenge

The current LGA sector-led improvement support offer includes an expectation that all councils will have a Corporate Peer Challenge or Finance Peer Review every 4 to 5 years. It is therefore anticipated that the Council will commission their next peer challenge before February 2025.

Economic Growth Scrutiny Panel

Agenda
Item:

A.5

Meeting Date: 01 October 2020
Portfolio: Cross-cutting
Key Decision: No
Within Policy and Budget Framework
Private/Public Public

Title: Overview Report
Report of: Overview and Scrutiny Officer
Report Number: OS.19/20

Purpose / Summary:

This report provides an overview of matters related to the Scrutiny Panel's work. It also includes the latest version of the work programme.

Recommendations:

Members are asked to:

- Note the items (within Panel remit) on the most recent Notice of Key Executive Decisions
- Review the current work programme and resolutions and make recommendations for the future work programme

Tracking

Executive:	Not applicable
Scrutiny:	EGSP 01/10/20
Council:	Not applicable

1. Notice of Key Decisions

1.1 At the time of writing this Overview Report, the most recent Notice of Key Executive Decisions was published on 11 September 2020. This was circulated to all Members. The following items fall within the remit of this Panel:

Items which are included in the Panel's Work Programme:

- Budget Process 2021/22 – 2025/26

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

- None

2. References from Executive

2.1 None

3. Progress on resolutions from previous meetings

3.1 The following table sets out the meeting date and resolution that require following up. The status is presented as either “completed”, “pending” (date expected), or “outstanding”. An item is considered outstanding if no update or progress has been made after three panel meetings. All the completed actions will be removed from the list following the meeting.

	Meeting date	Minute reference	Action	Status
1	20/08/20	EGSP 40/20	2) That the Panel request that the Executive promote engagement with the Business and Economy Response and Recovery Group (BERRG) of the Local Resilience Forum, particularly in developing a recovery plan;	Pending
2	20/08//20	EGSP 40/20	3) That the Cumbria Local Enterprise Partnership provide an update briefing note to the Panel Members with key data on impacts of Covid-19 on economic growth in Carlisle;	Complete Added to workplan
3	20/08//20	EGSP 40/20	4) That the Corporate Director of Economic Development liaise with the Chair and the CLEP to link the work of the Economic Growth Scrutiny Panel into the Council's contribution to the CLEP's scrutiny function.	Pending
4	20/08/20	EGSP 41/20	2) That the Destination Manager circulate the Carlisle City of Lights Economic Impact Assessment to the Panel Members.	Complete

5	20/08//20	EGSP 41/20	3) That clear promotion of family ticket pricing be undertaken for the 2021 Carlisle City of Lights festival.	Pending
6	20/08//20	EGSP 42/20	2) That the Chair, Vice Chair, Corporate Director of Economic Development and Policy and Performance Officer meet to discuss the future performance information which would be provided to the Panel with a first draft template submitted to the Panel with the Quarter 2 Performance Report.	Complete
7	20/08//20	EGSP 42/20	3) That the Carlisle Ambassador report be moved to 26 November meeting.	Complete

4. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

4.1 The overview and scrutiny of the Carlisle Plan items that match the panel remit contribute to ongoing policy development.

Contact Officer: Rowan Jones

Ext: rowan.jones@carlisle.gov.uk

**Appendices
attached to report:**

1. Draft Scrutiny Panel Work Programme 2020-21

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

CORPORATE IMPLICATIONS:

LEGAL -

FINANCE –

EQUALITY – This report raises no explicit issues relating to the public sector Equality Duty.

INFORMATION GOVERNANCE –

APPENDIX 1: Draft Economic Growth Scrutiny Panel Work Programme 2020-21

Title	Type of scrutiny	Lead Officer	Meeting Date
End of Year Performance Report	For info	Gary Oliver	June 2020
St Cuthberts Garden Village - housing theme	Policy update	Jane Meek	04/06/2020
Scrutiny Annual Report 2019/20	Policy development	Rowan Jones	04/06/2020
Solway Coast AONB Management Plan 2020-2025	For info	Jane Meek/ Richard Wood	June 2020
Economic recovery - focus on Covid challenges/ recovery. Town Centre support. To include update para on LEP. High Street Fund/ Investment Plan	Policy update	Jane Meek	09/07/2020
Performance Report - Q1	Monitoring	Gary Oliver	20/08/2020
Events Planning for Autumn/ Winter 2020	Policy update	Darren Crossley/ Paul Walker	20/08/2020
Cumbria Local Enterprise Partnership (LEP)	Partnership	Jane Meek	20/08/2020
Kingmoor Park Update	Partnership	Jane Meek	01/10/2020
Corporate Peer Challenge	Policy development	Darren Crossley	01/10/2020
Housing Needs and Housing Strategy	Policy update	Jane Meek	01/10/2020
Economic Strategy - development	Policy development	Jane Meek	Autumn 2020
Carlisle Ambassadors	Partnership	Jane Meek	26/11/2020
Budget setting	Budget	Alison Taylor	26/11/2020
Performance Report - Q2	Monitoring	Gary Oliver	26/11/2020
Environment (Climate Change) Strategy	Policy development	Jane Meek/ Steven O'Keeffe	21/01/2021
Borderlands Inclusive Growth Deal/key projects	Policy update	Steven Robinson	21/01/2021
Flood risk management	For info	Steven O'Keeffe/ Env't Agency	Jan 2021
Briefing note - key data on impacts of Covid-19 on economic growth in Carlisle	For info	LEP	Jan 2021
Performance Report - Q3	Monitoring	Gary Oliver	04/03/2021
Scrutiny Annual Report 2020/21	Policy development	Rowan Jones	12/04/2021