

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 Lonning.

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 mutli centre, multi modal Freeport which would increase the volume of goods that could be put through and encourage the Government to select the area. Th 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.

EGSP.41/20 WINTER EVENTS

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)