

ENVIRONMENT AND ECONOMY OVERVIEW AND SCRUTINY PANEL

FRIDAY 2 MAY 2014 AT 10.00 AM

PRESENT: Councillor Mrs Bowman (Chairman), Councillors Bowditch, Graham, Mitchelson, Nedved, Watson and Whalen (until 11:45).

ALSO

PRESENT: Councillor Mrs Bradley – Economy and Enterprise Portfolio Holder
Mrs Gillian Bishop – Interim Business Manager – Local Enterprise Partnership

OFFICERS: Director of Economic Development
Overview and Scrutiny Officer

EEOSP.29/14 APOLOGIES FOR ABSENCE

An apology for absence was submitted on behalf of Councillor McDevitt

EEOSP.30/14 DECLARATIONS OF INTEREST

There were no declarations of interest submitted in relation to the business to be transacted at the meeting.

EEOSP.31/14 MINUTES OF PREVIOUS MEETINGS

RESOLVED – That the minutes of the meeting held on 27 February 2014 be agreed as a correct record of the meetings and signed by the Chairman.

2) That the minutes of the meeting held on 10 April 2014 be noted.

EEOSP.32/14 CALL IN OF DECISIONS

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

EEOSP.33/14 CUMBRIA LOCAL ENTERPRISE PARTNERSHIP

The Chairman welcomed Mrs Bishop to the meeting and thanked her for her attendance. Mrs Bishop replied that she was grateful for the opportunity to talk about the documents and the basis of the submission from Cumbria.

Report ED.19/14 which provided a briefing on Local Enterprise Partnerships (LEPs) and an update on the work of the Cumbria Local Enterprise Partnership (LEP) had been circulated prior to the meeting. A copy of the Cumbria Strategic Economic Plan 2014-2024 was attached to the report.

Mrs Bishop provided a background to the LEP and her involvement since June 2013. The LEP was resourced and managed by Central Government and was given an annual budget. The focus of the LEP had moved from regeneration need and deprivation to economic growth and opportunity. Part of the discussion on economic growth was around the assisted areas and the LEP would continue to monitor all aspects of the Strategic Economic Plan (SEP).

The LEP continued to be private sector led but work was carried out through the public and private networks. The LEP had a county wide role and the SEP was evidence based and highlighted the strengths and areas of opportunity within Cumbria. Councils' policies had been used as evidence to provide an understanding of what was happening in the area and how the LEP would try to maximise the economic opportunities available.

Mrs Bishop explained that the SEP now articulated four strategic priorities and drivers including skills, infrastructure and business growth which would underpin the economic growth of the area.

The Government had been clear of what the LEP should deliver. There was an annual sum of money that LEPs could bid into which had come from Government departments. The LEP had been notified that only capital funding would be available but guidance from Whitehall had suggested that revenue requirements should continue to be put forward to enable ministers to consider how those needs could be met.

The area had great potential for economic growth and there were a number of global brands in the area which made it clear that Cumbria was more than the Lake District and tourism.

Mrs Bishop outlined the funding that had been applied for and how that would impact on the local economy. The plan of the LEP would be to raise the Gross Value Added (GVA) growth by around £624 million, raise employment by around 15,000 full time equivalent jobs over the plan period, in addition to any construction jobs, which would create and additional 4,500 dwellings.

The LEP wished to ensure that the SEP contained all of the relevant information and commissioned Mott Macdonald and Grant Thornton to look at the figures. They produced business cases for a range of projects. Feedback on the submission had been positive and Mrs Bishop said that was down to support from the Local Authorities and the good work of the Officers.

Fortnightly meetings were now arranged with representatives of the LEP and Government ministers. One meeting had already been held with the Cumbria LEP and the next was due the following week. Eight projects had been prioritised which would be ranked according to project criteria. Exercises were underway to look at the ranking criteria and Mrs Bishop explained that if the LEP did not rank the projects the Government would. Understanding of the projects by ministers would lead to greater freedom and flexibility of the projects. Policies needed to be flexible to deliver growth.

Mrs Bishop understood that decisions on the projects would be taken in June 2014 with an announcement expected in July 2014. Until that announcement the LEP would continue to provide information as requested.

Mrs Bishop explained that a further piece of work was around European funding (ESIF – European Social Infrastructure Fund) which was important in respect of revenue funding. When the SEP was submitted it was with a caveat that it could be revisited to ensure it would complement the submission for European funding. That had been agreed and as an allocation of £90million over the period 2014-2020 was available it was important that the submission was correct.

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

- *A Member was concerned about the amount of bureaucracy involved in the LEP and queried how much had been spent to date?*

Mrs Bishop acknowledged the comments and advised that there were four bodies beneath the main LEP one of which was an investment panel which considered funding. An independent review of the processes had been undertaken to determine how easy it was for businesses to apply for funding and the process through which they had to go. A pot of money was available to enable the LEP to do the work it was currently undertaking but they were mindful that it was public money and would keep costs as minimal as possible.

- *Members had fought to have recognition of tourism in North Cumbria. How much difference will the LEP have for the Carlisle District?*

Mrs Bishop explained that the LEP was made up of six public sector and six private sector members including the Leaders of the six District Councils who worked on the board on an alternate basis with another authority. Councillor Glover was currently the representative on the Board for Carlisle and Eden. The LEP had to demonstrate that when funding was approved they were ready to move on the projects. The Technical Officers group provided information, intelligence and evidence to keep the LEP up to date on the development and opportunities for the area.

- *Members did not believe that communication between the LEP and Members was as good as it could be and hopes that it would improve in future.*

Mrs Bishop agreed that communication was the key to the success of the LEP and confirmed that it was important to get the practical information to Members.

- *Mrs Bishop's post was temporary and part-time and Members queried what would happen to the LEP if her post was terminated.*

Mrs Bishop explained the background to her post and added that she had been granted an extension to enable her to continue. As the post was part-time Mrs Bishop was dependent upon partners and colleagues for support. The LEP had advertised for a twelve month secondment post to work alongside Mrs Bishop.

- *What has the LEP achieved in during the last three years and where will it be in three years time?*

There had been a slow start across the County but the foundations were now in place and investment made through the Regional Growth Fund and the Cumbria Infrastructure Fund (CIF). The Director of Economic Development confirmed that she would circulate more detailed information of the LEP's achievements in Carlisle to Members.

- *What is being done to assist Small and Medium Sized Enterprises (SMEs)?*

Mrs Bishop explained that one of the four strategic priorities and drivers was business support and growth. The Business Growth Hub provided the mechanism across the County to provide that support to SMEs. Financial support could be provided through European funds rather than the Regional Growth Fund.

- *Why are the University of Cumbria not included in the process?*

Mrs Bishop explained that the University of Cumbria was on the Employment and Skills Commission which was one of the four sub-committees of the LEP. The group was chaired by Alan Wilson from Pirelli.

- *The Regional Growth Fund provided funding to the Chamber of Commerce while the County Council received funding through the LEP.*

Mrs Bishop advised that the LEP initiative was delivered through the Chamber of Commerce but recognised that a coordinated business support was necessary. The County Council was the responsible body for the Regional Growth network.

- *There had been no guaranteed investment from Government therefore private investment could be required. Can the Government's ambitions be achieved?*

Mrs Bishop explained that the public sector provide the infrastructure for growth while the private sector obtain the funding. The LEP asks how they could deliver skills and jobs as well as investment and talk to providers to determine what was stopping the development of the economy. The LEP Board had met with GSK in Ulverston to talk about investment. The LEP needed to discuss with existing customers their plans and who best to talk to. Members input would be useful as they knew local businesses and could increase their level in interest and investment.

- *Support for SMEs was vital. One problem was the small businesses were not aware that funding was available. Would the LEP help to put awareness schemes together?*

There was a network of Growth Hub Advisors who sit with businesses to support their needs but Mrs Bishop agreed that the businesses needed to know that that support was available. The LEP would welcome suggestions on how to get that information out and would be happy take part in any such activities.

- *What as the LEP done for Carlisle? The report stated that the LGF Funding could provide a 12:1 leverage ratio.*

The Director of Economic Development confirmed that she would include that information in the detailed information to be circulated to Members.

- *How much influence does the LEP have in respect of transport/road/rail?*

Mrs Bishop advised that there had been a lot of discussion with the local transport body which was co-terminus with the LEP. Colleagues were having discussions with the Department of Transport about what infrastructure was needed in Cumbria. Discussions were around how best to get to the area and how best to move around the area once here. The M6 corridor was a key priority.

- *Broadband was a key issue in Cumbria. Was that provision improving?*

Mrs Bishop agreed that Broadband was key to the future of the European strategy. The County Council had reserves put aside for Broadband which would be match funded by with European funding.

- *How would the LEP ensure that Hadrian's Wall in Cumbria was supported as there appeared to be more support in Northumberland?*

The LEP would ensure that Cumbria as a whole would be looked at when considering tourism.

- *It is nationally recognised that the bigger cities and populations provide more choice in respect of growth. How high up the ranking is Carlisle in respect of investment for economic growth?*

Initially 75 projects were considered by the LEP. That figure is now eight, two of which were in Carlisle. An exercise for the criteria of ranking the projects was currently being undertaken and when it is available Mrs Bishop agreed that it would be sent to Councillor Glover.

The Director of Economic Development added that Carlisle had some strong projects under consideration.

Mrs Bishop explained that the projects had to prove that they could be delivered in 2015/16.

- *Would the LEP expect apprentices to be trained by the public or private sector?*

Mrs Bishop believed that with regard to apprentices a common agenda was required and that it was essential that the private sector signed up to apprenticeships and colleagues had been proactive. Apprenticeships could then become long term employment opportunities. Talks about skills should begin in schools and become part of the STEM subjects. Some industries require a workforce with PHDs etc and were employing people from America and Belgium. Mrs Bishop believed that this was an opportunity for the County to understand that significant investment was required to develop people now.

- *Could the MEPs be used more?*

Mrs Bishop confirmed that MEPs were not engaged at the present time but they would be included in the following phase with regard to European aspects.

- *What is the LEP's view of Carlisle's participation in the global economy? There are a lot of overseas investors with links to the City.*

There had been debate on expertise and excellence in respect of the nuclear and energy sectors. Some expertise had been lost and that had to be regained. The LEP were promoting a Centre of Excellence for Nuclear Decommissioning and Energy.

With regard to tourism the LEP were looking at how best to maximise spending from overseas visitors and advised that Cumbria Tourism was focussing on the issue. There were also links to overseas visitors who access information about the area on electronic devices therefore Broadband was essential in that respect.

The County also had to look at how it was promoting itself and the LEP was becoming more proactive in looking at inward investment and working with export agencies.

The Director of Economic Development advised that the Council was keen to work with the LEP in respect of the Carlisle Story and Ambassadors and confirmed that those discussions were needed.

- *The Newcastle rail link is important. Supplies could be taken to Newcastle for export through the Tyne to Europe. Such transport links would strengthen Cumbria and help the economy.*

Mrs Bishop agreed that she would look into that issue. The LEP were looking to the north, west and south but had not given consideration to the east.

- *What is the LEP's vision for the City?*

Mrs Bishop explained that the LEP wanted to create something that would stand the City in good stead in respect of its process and credibility towards 2015/16. The good projects would ensure money into the area and there were innovative and creative ideas but a solid foundation needed to be built first to indicate that the projects could be delivered and were not just aspirational.

- *Given Carlisle's proximity to the Scottish Border and the forthcoming referendum how can the LEP ensure Carlisle will not be negatively affected?*

A group had been set up – The Borderland Group – to look at and understand the policies and the practicalities but until there was a final decision made those issues would not be fully known. There had been a debate around Assisted Areas one of which extended to the Scottish Border.

The Chairman thanked Mrs Bishop for her attendance and input into the meeting and suggested that the work of the LEP be included in the Work Programme. Mrs Bishop agreed that she would be willing to attend future meetings to keep the Panel updated on the work of the LEP.

RESOLVED: 1) That the Director of Economic Development circulate more detailed information in respect of the achievements the LEP had made and in particular the work done in Carlisle.

2) That the work of the LEP be included in the Work Programme for the forthcoming Municipal year.

Being the last meeting of the municipal year the Chairman thanked Members for the input and the support of the Vice Chairman over the year. The Chairman also thanked the Officers for their support and attendance at the meetings.

(The meeting ended at 11.55am)