



Cumbria  
**Local Enterprise  
Partnership**  
unleashing potential through partnership

Minutes of a meeting of the Cumbria Local Enterprise Partnership held on Friday, 21 July 2017 at 10.00 am at Redhills, Penrith, Cumbria

**Board Members Present:**

George Beveridge (Chair), Giles Archibald, Jackie Arnold (Vice-Chair), Kevin Beaty, Sandra Booth, John Coughlan, Jim Jackson, Mike McKinley, Alan Smith, Nigel Wilkinson and Stewart Young (Vice-Chair)

**In Attendance:**

Mr G Haywood	LEP Director
Mrs J Currie	Cumbria County Council
Mr S Falou	BEIS
Mrs A Hatcher	Cumbria County Council

**1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mr C Glover (substitute Mr K Beaty) and Ms J Mennell (substitute Ms S Booth).

**2 DECLARATIONS OF INTEREST**

There were no declarations of interest in any items on the agenda today.

**3 MINUTES OF PREVIOUS MEETING**

The minutes of the last meeting were agreed with the following amendment:-

On Minute No 84 – Investment Panel Growth Deal Profile – Giles Archibald asked for a paragraph to be added where he asked for supporting information to be included in future reports on projects, particularly to identify the level of risk associated with each project.

Members referred to Minute No 85 LEP Director's Report – Resolution (6) the Board noted the Skills Update and the intention to bring a Performance Report to the next Board meeting. Due to ongoing discussions with the Education and Skills Funding Agency this had been delayed and the Board requested that this be added to the Forward Plan for the next meeting (**Action: JC**).

#### **4 UPDATE FROM THE CHAIR & VICE CHAIRS**

The Chair reported on the following:-

- GSK Announcement – the cancellation of the new bioPharma investment was disappointing and the Chair was in dialogue with GSK to understand their future plans.
- Engagement with Ministers – this was still ongoing. Contact had been established with the Sponsor Minister – Richard Harrington, Jake Berry from the Northern Powerhouse and the Transport Minister – Jessie Norman.
- Northern LEP Chairs – the second meeting of the Northern LEP Chairs had taken place yesterday where it was agreed that there would be three or four areas established for collaborative working across the LEPs. The Chair would keep the Board updated on progress.

The Private Sector Vice Chair updated on the following:-

- Businesses in Furness Peninsular – the Vice Chair raised concerns about the businesses at the end of the Furness Peninsular who would struggle to maintain their business without the growth of more diverse business opportunities. She was concerned that the expected improvement on the economy had not yet materialised and was hopeful that the LWP infrastructure investment would help attract more businesses.
- Project Risks – Lillyhall North and Port of Workington were both still identified as possible project risks and a close eye was being kept on their progress..
- Health Innovation – discussions with Lancaster were still ongoing in relation to a major ERDF project.
- Northern Powerhouse Investment Fund – an update was received yesterday which was shared with the Board. There were two Cumbrian deals which were close to closing, and if they came forward they would be seen as role models for future bids.

There was no update from the Public Sector Vice Chair on this occasion.

#### **5 MATTERS ARISING NOT COVERED ELSEWHERE ON THE AGENDA**

There were no matters arising not covered on the agenda today.

#### **6 HOUSING DELIVERY**

Jane Meek presented a report which set out how Cumbria Districts, the HCA, the housebuilders, the LEP and other partners could co-ordinate their actions to upscale and accelerate the completion of new homes to support economic growth in the County.

District Councils had the leading role in co-ordinating the delivery of new housing in the County by housebuilders and housing associations. Financial institutions also had a major role in both development and mortgage finance. Districts would increasingly become involved in development and finance as new housing delivery models emerged in response to the Housing White Paper. Diagram 1 to this report showed the key roles and relationships. Cumbria's 6 District Councils and two National Park authorities identified housing needs and planned to meet those needs through Local Plans.

They were supported in that role by the County Council in its highways, lead drainage, education and social care roles, by other infrastructure and utility providers and by the LEP in its strategic economic development and growth promotion role. External funding and investment was becoming essential to deliver the step change in delivery that was needed across the County. The Homes and Communities Agency also had a critical and growing role in supporting housing growth nationally and across the county through loans, grants, capacity building and major interventions such as St. Cuthbert's Garden Village in Carlisle city and Marina Village in Barrow.

All Cumbrian Districts had ambitious and credible housing growth plans. There were common issues such as addressing barriers to development, responding to the demands of workforce growth, addressing housing affordability, attracting new players to the market, presenting a co-ordinated, thought through and prioritised approach to funding bodies, maximising efficiency and removing duplication.

Housing was a cornerstone of growth ambitions across the County. Economic growth would bring many more people into the area. New and existing employers needed to be able to attract and retain talent, and new housing would support workforce and population growth as identified in the Cumbria Skills Plan. It would also help to rebalance age profiles across the County to grow the working age population, ensuring that new as well as existing jobs could be filled. New affordable and high quality housing would also allow young people to take up opportunities and attract skilled people to generate wealth. It also helped to regenerate and find new roles for older urban areas.

Much of Cumbria's housebuilding industry was locally based. There were around 13,000 construction jobs in Cumbria. Engineering, building, and financial and professional services – all benefited from housebuilding activity. It had been estimated that every new house built generated 4.3 jobs.

Housebuilding also helped to deliver local infrastructure through planning obligations and Community Infrastructure Levy (where applied). Finally in a globally connected economy, many new homes were also workplaces. People start businesses from home. Many people, including high skilled high earners worked in Cumbria for businesses anywhere in the world and spend locally.

For all of these reasons, building new homes and building them quickly was both a priority in district local plans and for Cumbria LEP in support of the delivery of all four elements of the Cumbria Strategic Economic Plan.

Housing markets in Cumbria were extremely diverse. In the east and centre of the County the gaps between house prices and income were amongst the highest in the north of England. Supply was limited, populations were ageing, the high cost of living hindered recruitment and young people leave. Elsewhere in the County regeneration and growth were priorities and there was a need for high quality housing to attract skilled people to meet the needs of expanding operations in manufacturing, energy generation and service sector growth.

One of the most distinctive characteristics of the housing market in Cumbria was a small number of predominantly locally based small and medium sized developers and, in places, a concentration of site ownership among large country estates with very little publicly owned land.

Based on analysis of the high level study and discussions at LEP Technical Officers Group and other housing fora and representations made by housebuilders to the LEP, apparent barriers to delivery, including:-

- Capacity/appetite of the industry already present within Cumbria to increase delivery particularly through the timely commencement and build out of land within their control which already benefited from planning permission. This issue was not unique to Cumbria with the Government considering a range of penalties to force developers to build on or instead free up such sites. Further work on this aspect may be required to better understand precise barriers and how these varied across localities within the County.
- There was some evidence that up-front infrastructure costs were delaying the commencement of some sites such as Croftlands in Ulverston and Marina Village, Barrow. If it was not possible to phase such investments or renegotiate contributions, this could lead to sites becoming genuinely stalled. It was worth noting that where a Community Infrastructure Levy was in place, payment was only required following commencement of development and in line with instalment policies.
- The capacity and locally based nature of the development industry was a constraint on overall delivery rates. To increase output it is evident that new developers from outwith the area were needed, particularly from a volume/national house builder perspective. Whilst there were recent successes owing to the emergence of Taylor Wimpey and Gleasons in Carlisle and Jones Homes and Rowland Homes in South Lakeland, further new players were required with opportunities needed across the whole of the County and adjoining areas of Lancashire, Scotland and elsewhere to diversify their interests once here.
- The lack of any sustained promotional activity would not have assisted in diversifying the development industry within Cumbria. Despite a joint event in 2014, in concert with the HCA, there had been no follow up activity. There was evidence that many of the Districts were doing good work locally, but this was often in isolation and would benefit from and go further with wider strategic co-ordination. There may also be opportunities to develop linkages with areas outside the LEP area.
- Housebuilders also identified the length of time to secure implementable planning consent as a constraint. Issues include the resourcing of planning departments, the time taken for essential specialist advice from third party consultees (such as highways, surface water drainage and education) to be

received, the time taken to conclude Section 106 agreements and the imposition of pre-commencement conditions.

- An increasingly challenging climate for development finance was also cited by housebuilders. There was a relationship between implementable consents and development finance. Housebuilders also argued that policy requirements for affordable housing had an adverse effect on site viability which may be slowing delivery. This may be exacerbated by uncertainty and confidence in the national and local economy and the timetable for major investments such as the Moorside Power Station and associated infrastructure;

Possible actions to increase delivery could include:-

- A strong lead from a partnership comprising the Districts and County Council and the LEP, developing the Housing element of the Strategic Economic Plan identifying priority areas for housing growth and those areas where direct intervention is needed, primarily through HCA and infrastructure planning processes.
- Additional financial resource through for example HCA to overcome blockages in the planning process, for planning application processing, for increased resource for consultees and for legal support to enable the more timely conclusion of Section 106 agreements as well as to pilot emerging initiatives such as permissions in principle.
- Greater strategic coordination of housing delivery efforts. This would include engagement with the development industry, engagement with the HCA including response to funding calls and greater coordination of actions which would benefit from upscaling including promotion;
- Increased engagement with and by HCA and greater signposting of HCA support programmes to those developers already active within Cumbria who have the potential and appetite to grow i.e. more proactively aligning opportunities such as the Government's Home Builders Fund with small, medium and community based local house builders, taking advantage of the opportunities offered by the Community Housing fund and Help to Buy schemes to help with home ownership.
- A sustained programme of promotional activities targeting volume /national house builders not currently active within Cumbria. This could include generic open events at key locations in the North East and North West as well as targeting specific developers through promotional literature and/or direct approaches and could benefit from the engagement of areas adjacent to but outside the LEP area; and
- Increased sharing of best practice through a more regular and specific coming together of the District Councils.

There was clearly a common desire to deliver more housing and support growth but there needed to be opportunity for a mature, pragmatic discussion between the Districts, the Housebuilders, the LEP Technical Officers Group and the HCA to design some interventions to remove some of the barriers, particularly in relation to viability due to remediation/infrastructure required solutions, not supported through new house values etc.

Potential Priority Areas included:-

- St Cuthbert's Garden Village, Carlisle, (10,000 homes)
- Harker, Carlisle, (300 Homes)
- Croftlands Ulverston (1022 Homes)
- Marina Village, Barrow in Furness (650 homes)
- Broad Location, North East Kendal (400 homes)
- Broad location for housing growth north east of Kendal identified in South Broad Location, North of Beacon Edge, Penrith (8-9,000 homes)
- Former Corus site Workington, Allerdale (600 homes)
- Derwent Forest, Allerdale (200 homes)
- Harras Moor, Whitehaven (400 homes)
- Mirehouse (1000 homes)
- Whitehaven North (200 homes)
- Extra Care (2800 units)

In order to assist in increasing delivery rates across Cumbria the following action was required:-

- i. A partnership is established comprising senior representatives of the Districts and the LEP which regularly engages directly with representatives of the development industry to gather intelligence and aid the overall understanding of housing delivery and barriers within Cumbria and convene a "Conversation" event with the LA's, HCA and the Housebuilders Group to explore how barriers to Housing Development can be removed;
- ii. The Partnership assisted by the LEP, is tasked with assisting the strategic coordination of housing delivery, and, working within existing available resources, prepare and implement a housing delivery action plan covering the period until 31st March 2018;
- iii. Reports on the progress of the delivery plan and update in the current position be reported on a bi-annual basis.

Board members felt there needed to be more of a focus on affordable housing within Cumbria, as the lack of affordable homes was one of the biggest issues being faced by the county.

The District Councils and the Lake District National Park Authority were very supportive of the paper. The Chairman of the LDNPA said his organisation would shortly be reviewing the Local Plan with the possibility of identifying additional sites within the Lake District for housing.

Board members felt this document would help to allow a single conversation to take place with the HCA and developers which would be more efficient and effective.

**RESOLVED** that the strategic approach was welcomed and the Board supported the recommendations in the report, recognising that it was a matter for the Cumbria Housing Group to take the governance responsibility for these matters.

## 7 INFRASTRUCTURE PRESENTATION

The Board received a presentation from the LEP Director and the County Council's Senior Manager – Economic Development, which outlined the Cumbria Infrastructure Plan achievements to date, Transport for the North and future opportunities and engagement.

It covered the following areas:-

- Cumbria Infrastructure Plan
- Infrastructure Plan Priorities
- Road Development both completed and ongoing activity
- Rail – ongoing activity
- Transport for the North
- Future Opportunities RIS2
- Control Period 6
- Housing Infrastructure Fund
- Rail Franchises
- West Coast Partnership
- Transport and Infrastructure Advisory Board

Members asked about the timescales for the outcomes of the various studies to be known. It was **AGREED** that the Senior Manager – Economic Development would ask one of the officers to circulate relevant timescales/dates to the Board (**Action: AH**).

The Chief Executive of the Chamber of Commerce said he had been contacted by some of the Cumbrian MPs who wanted to have a conversation about the businesses view on the infrastructure in Cumbria. He asked whether the LEP intended to engage with MP's on this.

The Chair and LEP Director said lobbying of the Cumbrian MPs was a priority for the Board.

The Chair said the LEP had invited Transport for the North to hold one of their meetings in Cumbria and this had been agreed, However the date was still awaited.

The Leader of Cumbria County Council explained that the County Council's Cabinet would be considering an item at their next meeting on membership of Transport for the North. However, as the regulations were still awaited he thought it was unlikely the Cabinet would make any decision on this until the regulations were published.

Board members asked for an electronic copy of the presentation to be sent round (**Action: JC**).

The Chair thanked officers for the presentation.

## 8 CUMBRIA RURAL AND VISITOR ECONOMY GROWTH PLAN

The LEP Director and the Chair of the Rural and Visitor Economy Sub Group presented the Cumbria Rural and Visitor Economy Growth Plan to the Board.

In March 2014, Cumbria LEP published the first Strategic Economic Plan (SEP) for Cumbria that set out four strategic priorities for Cumbria's economy. One of Cumbria's four strategic priorities was to help create a "vibrant rural and visitor economy".

The purpose of the Rural and Visitor Economy Growth Plan was to expand on the initial thinking that lay behind the SEP and to set out future priorities for growth. The plan would help guide public and private sector investment in the Cumbrian rural and visitor economies and provide an evidence-based, strategic framework for future conversations with Government.

The plan had been developed in consultation with the LEP's Rural and Visitor Economy sub-groups, the Technical Officers Group, Private Sector Advisory Panel and other representative organisations. A previous version of the plan was deferred at the May LEP Board meeting to allow time for further consultation with partners. Following further input from Cumbria Tourism, the National Farmers Union, Cumbria Chamber of Commerce and other partners a number of amends have been made, including the addition of Priority 4 under the Visitor Economy section. Other additions include clearer references to key strategic documents including our Infrastructure Plan and Skills Investment Plan.

A separate Technical Report was attached to the report which included much of the background evidence used to inform the Growth Plan.

The Chair of the Sub Group said he was still being lobbied by some organisations who wanted further consultation on the document to be carried out before it was approved.. The LEP Board felt that given the fundamental shifts and changes that would occur in the next few years as a result of the Brexit vote, it was recognised that this plan would need to be periodically reviewed and updated in consultation with partners.

Much of Cumbria was rural and the performance of the rural economy was critical to the success of Cumbria. The visitor economy, although primarily focussed in the rural areas, was spread across the county and supported a substantial level of employment and economic activity.

The Growth Plan sets out the priorities for growth in the rural and visitor economies over the next 5 years based on a thorough review of the evidence base. These priorities would help underpin future investment by both the public and private sectors. Under each priority specific opportunities for growth had been identified. The LEP wanted to create the environment and opportunities to attract and retain those with talent, both young and old.

At the heart of the Growth Plan was the need to maintain, enhance and build on those things that made Cumbria special: whether for the 17,000 businesses located in our rural areas or for the c. 40 million annual visitors to Cumbria.

With Brexit scheduled to take place in 2019, there were major uncertainties ahead for the rural areas and farmers in particular. Yet at the same time this would create opportunities to better shape the way the environment was managed and paid for to support the rural economy.

The major capital projects in West Cumbria would create new supply chain opportunities across the county including the rural areas and for the visitor economy. However, it was recognised that any adverse local impacts would need to be mitigated..

There were important trends and drivers creating opportunities (such as international tourism), but also threats. It was particularly important that the LEP continued to invest in the existing tourism product to maintain and enhance shares in key markets.

The Plan identified the importance of the LEP's cross cutting economic drivers as a pre-requisite for rural economic growth and a successful visitor economy.

An important thread running through the Growth Plan was the need to fully exploit the potential of new technologies in attracting new residents, businesses and visitors alike. Cumbria can and should become a test bed of new approaches.

**RESOLVED** that the Board approve the Rural and Visitor Economy Growth Plan, with the ability of the Chair of the Advisory Group to bring back any issues to the Board that may require any future changes to the plan.

## 9 LEP FINANCE REPORT AND BUDGET 2017/18

The LEP Director presented a report which provided the Board with an update on the 2017/18 Budget position on the LEP's core and strategic funding spend for 2017/18 as at 30 June 2017.

The total income available for 2017/18 was now £0.831m which was comprised of £0.505m of Core and £0.326 of Strategic funding.

The outturn position for the LEP Core funding as at the 30 June 2017 was an underspend of £0.085m, and for the Strategic Funding the position was a small potential underspend of £500.

**RESOLVED** that the report be received and noted.

## 10 LEP COMMUNICATIONS (STANDING ITEM)

It was **AGREED** that that press releases be produced for the following items:-

- Cumbria Rural and Visitor Economy Growth Plan
- Appointment of New Board Members
- GSK Announcement

There was some discussion about whether the Board should make a statement about Brexit. After debate it was **AGREED** that Rob Johnston would circulate some intelligence to Board members before any decisions were made on media briefings.

There was also discussion about whether a press release should be produced for the work being undertaken around infrastructure, especially with the recent announcement about the cancellation of electrification of the Winderemere line. It was **AGREED** that Jim Jackson would look at this with a view to publicising some positive message about the infrastructure in Cumbria.

## 11 FORWARD PLANNER (STANDING ITEM)

The Forward Planner was noted. The following items were added to the planner for the next meeting:-

Strategic Review of the LEP  
Skills Update Performance Report  
Communications – update on activity

It was **AGREED** that the LEP Director would update the planner with items from the LEP Work Programme (**Action GH**).

It was also **AGREED** that a date would be scheduled in early September to hold a LEP Away Day (**Action: GH**).

## 12 SCHEDULE OF MEETINGS 2018

Meeting of the Cumbria Local Enterprise Partnership would take place on the following dates during 2018:-

Friday 19 January 2018	9.30am	Redhills, Penrith
Friday 16 March 2018	9.30am	Redhills, Penrith
Friday 18 May 2019	9.30am	Redhills, Penrith
Friday 13 July 2018 (AGM)	9.30am	Redhills, Penrith
Friday 28 September 2018	9.30am	Redhills, Penrith
Friday 23 November 2018	9.30am	Redhills, Penrith

**RESOLVED** that the Schedule of Meetings for 2018 was received and noted.

## 13 ANY OTHER BUSINESS

### Morecambe Bay MoU

Giles Archibald explained that South Lakeland District Council and Barrow Borough Council would shortly be signing a Memorandum of Understanding with Lancaster County Council relating to generating economic activity in the Morecambe Bay area.

## 14 DATE & TIME OF NEXT MEETING

The next meeting would be the adjourned Annual General Meeting of the LEP, followed by an ordinary meeting. These will be held on Friday 22 September 2017 at Redhills, Penrith at 9.30am.

The meeting ended at 12.45 pm