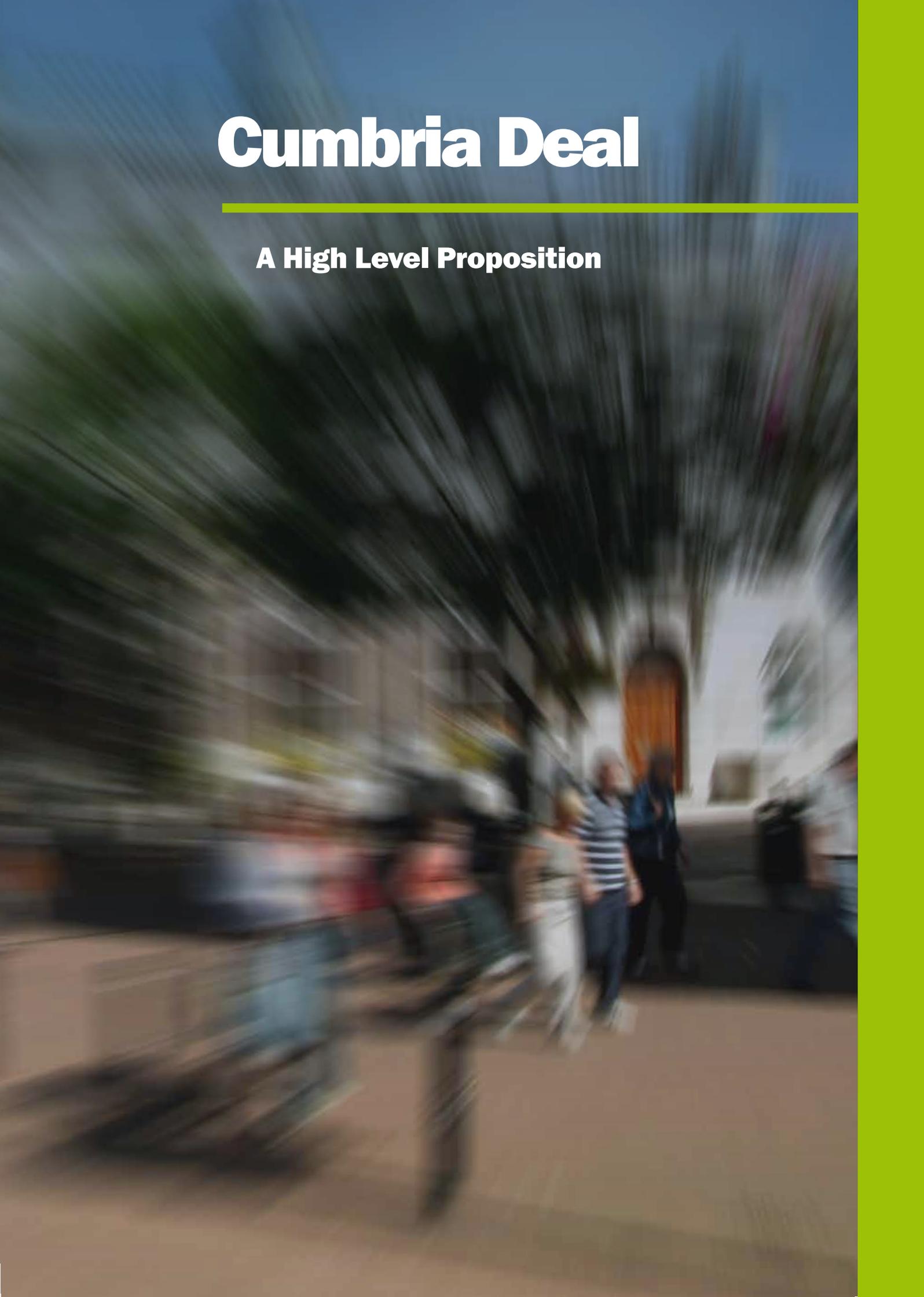


Cumbria Deal



A High Level Proposition

Introduction

The Leaders of the organisations that have signed the covering letter have actively participated in the preparation of these ideas for consideration and discussion with government. Partners have shared proposals which have come together in this document as a collaborative approach to devolution.

We have collectively met with government officials from DCLG, BIS and the HCA to take advice on the shaping of this document.

You will see that partners have set out proposals for discussion to form a positive agenda for economic growth and public service delivery. The proposals will assist the government very significantly in their delivery of policies around productivity, securing a greater proportion of low carbon secure energy supplies, delivery of increased GVA, jobs and economic growth in the context of Cumbria being a significant contributor to the Northern Powerhouse and Transport for the North.

The Cumbrian partners recognise there is a major opportunity to engage in open and constructive dialogue with government to secure a mutually beneficial devolution deal for Cumbria and whilst no binding commitment can be given by either side until discussions have taken place, there is a desire to progress to a positive set of proposals that improve and accelerate delivery of economic growth and public service delivery beyond the levels currently being achieved in Cumbria.¹

¹ It should be noted that at this stage there has been no formal decision making undertaken by any of the Board member authorities. Therefore, if proposals progress, formal commitment will need to be sought by the various authority/partners through their individual formal decision making processes before any deal can be finalised.

Cumbria's Offer

The success of Cumbria is pivotal to that of the wider UK. Not simply in terms of the jobs, exports and revenue created by Cumbria's businesses and skills, but in terms of its nationally significant assets including the potential to help meet the nation's future energy needs through a new generation of power stations and the provision of a significant supply of UK gas and offshore wind energy; as well as much of the water from our reservoirs.

What sets us apart is the combination of Cumbria being a great place for business innovation and enterprise with a world-class environment, landscape and quality of life offer.

We have a unique and compelling offer to businesses and investors in the global economy, creating a robust foundation for the future growth of the economy with forecast investment for Cumbria out-stripping major urban conurbations. Some of the major growth will happen in areas with high deprivation and therefore will drive significant socio-economic benefits. Housing growth is also a priority in meeting the demands of future investment and growth.

Our magnificent land and seascapes make for an unparalleled visitor offer and also support our high quality agricultural and food production sector, energy production as well as playing a central role in the UK's timber production.

In addition to our ambition for Cumbria to grow further and faster to increase productivity, the transformation of public services is a priority for us.

Transformation of the public sector and strengthened partnerships with the private sector and third sector are essential to ensure efficient and effective service delivery and investment.

We face some serious issues in the county with our fractured health and care system. This is critical given our aging population and the health inequalities experienced in the county. Different approaches are needed if we are to ensure people have the best life chances possible. There are also real opportunities to look at how we can integrate some of the blue light emergency responses to communities and build in upstream preventative working to try and reduce demand for services.

With a high-performing economy and ambition to grow further, Cumbria is a great place to invest, do business and live.

Did you know

- The proposed Moorside Nuclear Power Station when complete will account for 7% of the UK's future electricity requirement and will provide 1,000 permanent jobs on top of over 6,000 construction jobs during the build.
- The estimated £70bn decommissioning programme around the Sellafield site supports substantial job, business and GVA growth meaning Cumbria is well positioned to spearhead the UK's priorities around carbon reduction and energy security.
- With the UK international nuclear industry valued at £95bn and growing by approximately 2.1% per annum, Cumbria is uniquely placed to export its skills and technology to an increasing global market.
- We are home to specialisms in low-carbon energy generation and technological innovation in clean technologies such as the DONG energy scheme and the proposed tidal lagoon. The low carbon energy sector already supports approximately 400 businesses employing 8,100 people with £1.13bn of sales in 2011/12. We think this sector can grow if it's supported in the right way.

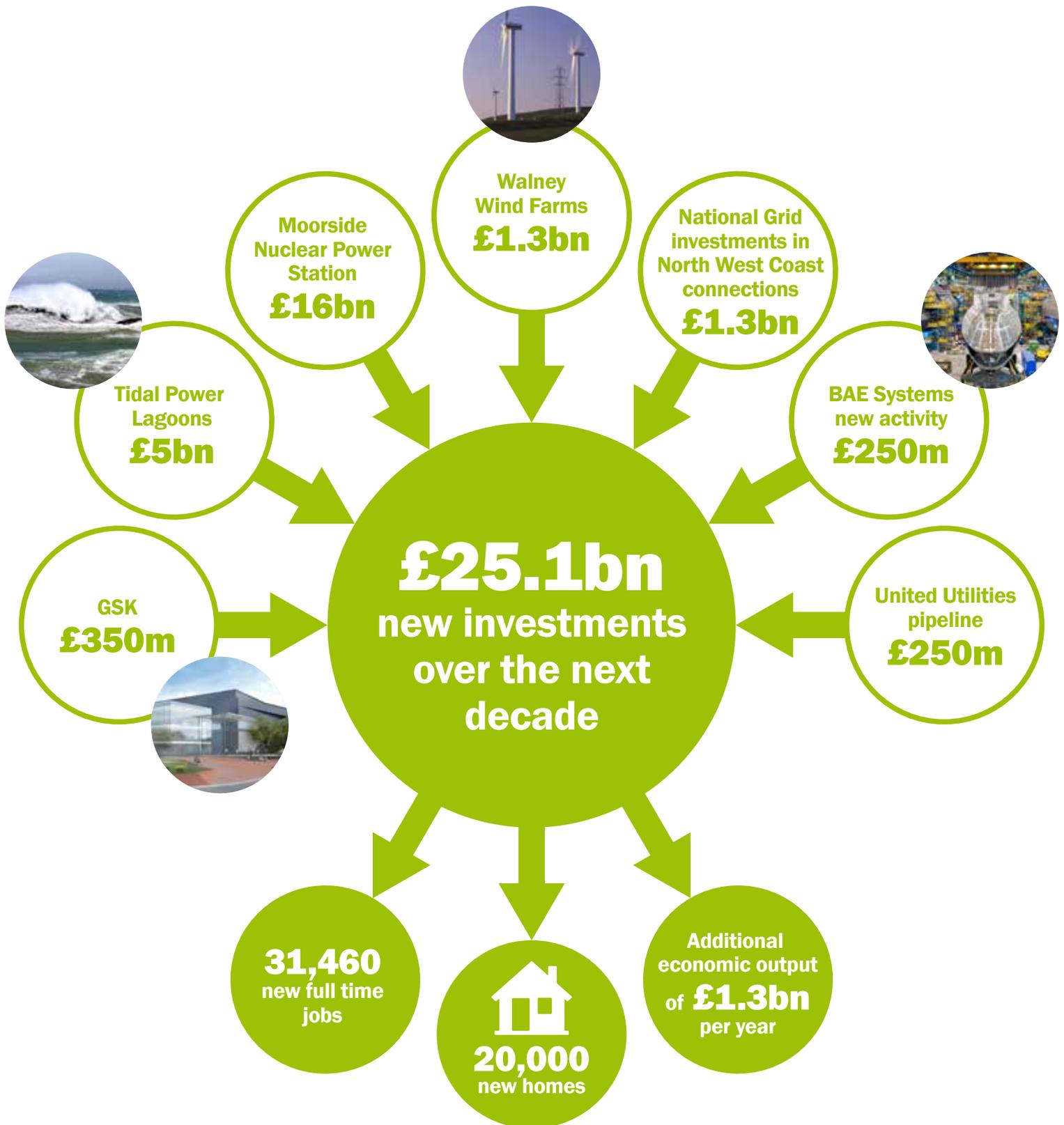
- We are a leading location for advanced manufacturing industries with existing manufacturers in the area that includes BAE, GSK and Pirelli with potential for further growth which will also facilitate the growth of local supply chains and Cumbria's international reputation.
- Employing in excess of 7,000 people, BAE supports a highly technical local supply chain for the building of the new Successor programme and Astute Class submarines. By 2020 this programme is expected to create about 1,000 extra jobs and generate £4bn GVA.
- Our educational offer includes colleges, the University of Cumbria and facilities for the University of Manchester, University of Central Lancashire and Askham Bryam College.
- With 150 miles of coastline, extensive agricultural and woodland resources and an abundance of water, our natural assets are unrivalled and already being harnessed to develop offshore, wind, hydro, marine, solar as well as oil & gas and biomass energy and a high-quality agricultural and food production sector.
- We offer accessible recreation and leisure for the UK, including the more densely populated parts of the Northern Powerhouse and central Scotland conurbations, attracting around 41.5 million visitors a year generating £2.4bn for the economy and supporting over 34,000 FTEs in the sector. The heritage city of Carlisle serving both Cumbria and the borderlands, the existing World Heritage Site - Hadrian's Wall and the attractions of the Lake District National Park, (the UK Nomination for World Heritage Site Status), Yorkshire Dales National Park, historic market towns, Areas of Outstanding Natural Beauty (AONBs) and Cumbria Coast Marine Conservation Zone all amount to an unparalleled visitor offer.
- Cumbria's position astride the M6, A66, A69 and West Coast Mainline gives superb access to major urban areas of Greater Manchester, north east England and central Scotland – as well as only being 2 hours 40 minutes from the heart of London. This facilitates logistics and the ability of companies, workers and visitors to combine access to the rest of the Northern Powerhouse cities with our unrivalled quality of life offer. However, beyond these strategic links with the rest of the Country, which themselves require improvement, there is a need to ensure greater connectivity within Cumbria to enable the whole County to benefit.
- We have a vibrant community and charitable sector, comprising 2,850 registered organisations that between them employ over 9,000 FTE staff and involve over 53,000 volunteers – with the sector bringing over £400m to the Cumbrian economy each year. These organisations help support community cohesion and a strong civil society.

All in all, Cumbria offers much, but has much more to give, both in terms of economic activity, but also in respect of its underpinning the economy of the wider UK and that of the Northern Powerhouse in particular.

With the right approach to and levels of funding, investment from business and support from government we believe we can:

- Create over 30,000 new jobs by 2024 and boost the economy by £1.3bn – 13.0% above baseline projections.
- Grow GVA across the whole of Cumbria at a rate above the national average level of improvement.
- Increase the percentage of supply chain activity from Cumbrian businesses, particularly SME's, to the major local investment projects.
- Work with the private sector investors to provide 10% of the UK electricity generation capacity by 2025.
- Establish a Low Carbon energy economy that will contribute significantly to the UK Low Carbon targets.

The successful conclusion of discussions with government will enable Cumbria, the Northern powerhouse and the UK economy to maximise these outcomes.





Economic Growth

The economic offer of Cumbria is already strong. Our outstanding natural environment and assets sets us apart from other areas – as does our world class nuclear expertise as the Centre of Nuclear Excellence, celebrating 60 years of knowledge, skills, science and innovation.

With one of the best and most mature Rural and Visitor economies in the UK we have the capacity to grow, diversify and interact with international markets because of the uniqueness and quality of the offer.

This proposition builds on the greater collaboration that is happening already between Cumbria, Lancashire, the North East and Scotland – with Cumbria playing an important role in the Northern Powerhouse economy.

We think there are different ways we could work with government to kick-start growth to increase our economic potential and achieve greater things at a faster pace, improving productivity generally but particularly in the rural economy.

The Cumbria LEP will be submitting bids for Enterprise Zones.

We want to talk to government about

- Creating a Single Cumbria Investment Fund.
- Working with UKTI and other Northern Powerhouse LEPs to add extra activity and measurable outcomes.
- Maximising the opportunities for the nuclear sector including the transfer of assets, reserving and licensing NDA land for use in delivering future opportunities and the use of the capital receipt from Moorside.
- Greater R&D and innovation activity in Cumbria.
- Working with Defra to grow Cumbria's innovative food farming and forestry sector and exports to new markets including through participation in the Food Innovation Network and further development of the food enterprise zone approach and a woodland enterprise zone.
- Working with Defra in developing and implementing the government's 10 point plan for rural productivity by including across this proposition all elements of the 10 point plan and working to produce an agreed Cumbria Rural Productivity Plan.
- Growing Cumbria's visitor economy in new markets by working with DCMS, Visit Britain and Visit England to deliver the Prime Minister 5 point plan on backing the tourism sector, enabling new local funding mechanisms to support destination management and marketing; and to support growth in visitors from emerging markets to our low carbon destination.
- Continuing support to the Lake District as the UK's nomination for World Heritage Site Status, working with us to ensure that Cumbrian businesses can use this to grow their business at the same time as linking with other World Heritage Sites across the North of England to attract visitors from new markets.
- Providing relevant policy and funding support in order to promote incentivised opportunities for investment (in particular maximising the supply chain opportunities) thus generating significant private sector interest and subsequent investment in facilities and infrastructure.
- Opportunities to look at how all new business rate income can be invested locally to support growth.
- Devolved responsibility for business support budgets to make it easier to join up services and provide the right support at the right time.
- Greater local management involvement in allocating EU funds, in particular EAFRD.



Transport and Infrastructure

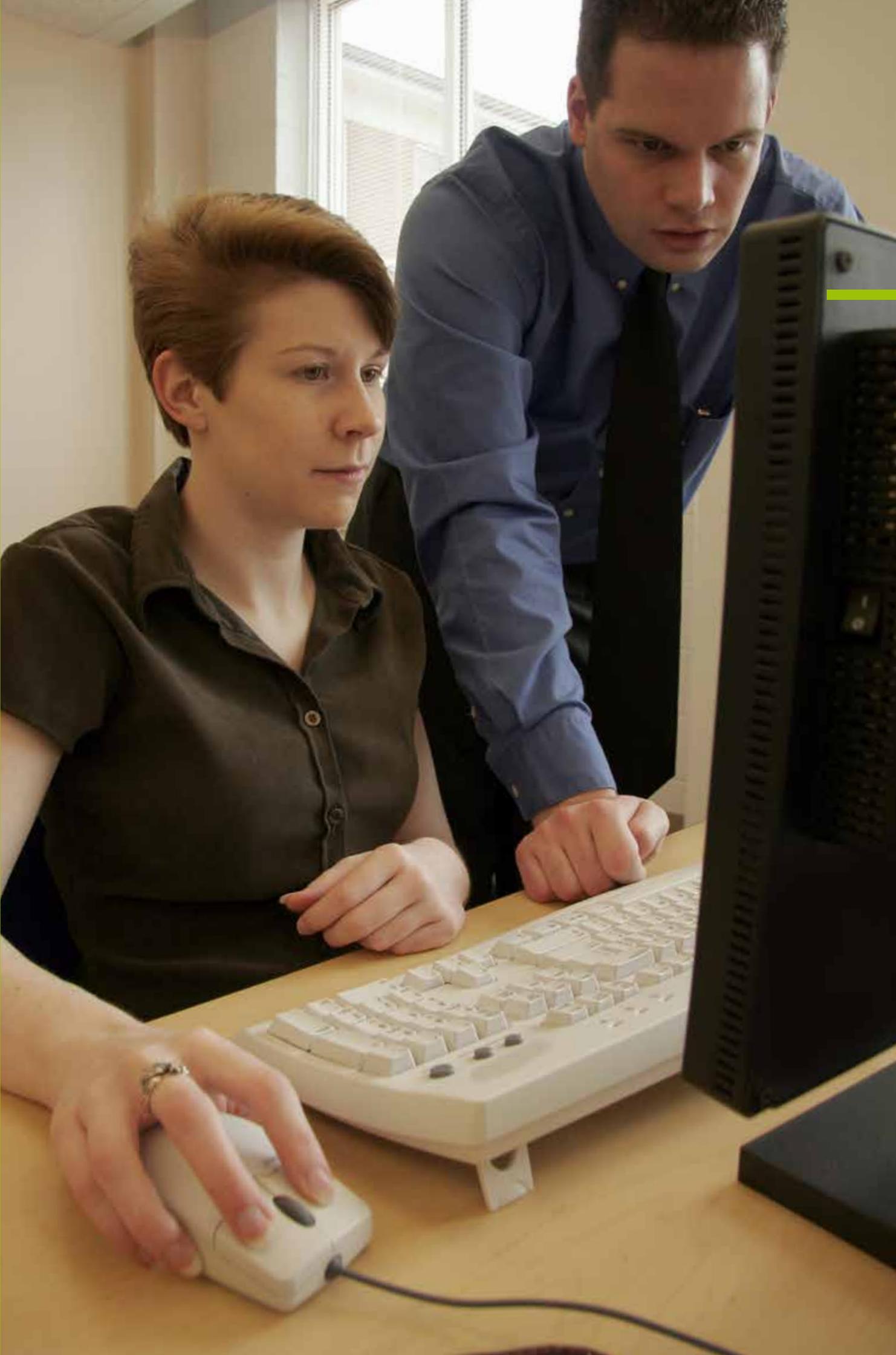
To capitalise on the substantial economic opportunity in Cumbria we need to make sure the right infrastructure is in place. Without it the £25bn of development proposed in the county cannot be delivered in a timely manner to meet the aspirations of the private sector investors. In this respect the Ports infrastructure for Barrow, Workington, Silloth and Millom is important as well as major road and rail upgrades (including the electrification of the Coastal and Furness Line).

We need to ensure we can deliver investments and support the easy movement of people and goods in, out of and within the county. Alongside this, we need to deliver digital connectivity to further enhance our links to the global economy.

The importance of this needs to be recognised by government – not just because of the impact this will have in Cumbria – but because there will be a significant impact regionally and nationally if projects such as the new nuclear power station cannot be delivered.

We want to talk to government about

- Securing the additional investment needed in infrastructure from a range of partners and sources and creation of a single Cumbria Infrastructure Fund, prioritised through the Cumbria Infrastructure Plan currently being produced.
- Supporting our engagement with Highways England and Network Rail to maximise existing opportunities to secure future investment in road and rail that is of strategic significance to the offer of the Northern Powerhouse and will unlock our potential.
- Prioritising the rail infrastructure improvements needed across the county north to south and east to west and champion this with us at a regional level through Transport for the North.
- Working with DfT to build on our track record of delivering government policy on low carbon and sustainable transport, making it easier for visitors to arrive at and move between destinations, transform cycling in the county and make innovative integrated travel options a visitor attraction in itself.
- Working with us to deliver growth in our rural and visitor economy by securing 100% mobile coverage throughout the county by 2017 and 100% high speed broadband coverage by 2019.



Learning, Skills and Employment

Cumbria faces a number of particular challenges from ensuring our children, young people and adults are in the right learning environment to achieve the best educational outcomes they can – through to making sure the workforce in the county is sufficiently skilled to meet the needs of local employers. The emerging Skills Plan will make sure provision is employer focussed.

We want to ensure that adults and young people face as few barriers to learning as possible; that we achieve a greater local responsiveness to business and economic needs and we encourage a longer term approach to addressing the emerging learning and skills gaps including the gaps in the health and care sector and many other public and private sectors identified in our emerging Skills Plan.

We want to talk to government about

- Working together to reshape and restructure Further Education and higher level skills provision within Cumbria to enable the development of relevant training/learning facilities that support local economic growth and provider specialisation.
- Devolving the FE Skills Capital pot alongside the Capital Investment Fund to the Cumbria LEP.
- Working together to manage the skills revenue budgets to ensure we can deliver the provision that will deliver the priorities in our emerging Skills Plan and address our skills gaps so people can secure higher wage jobs.
- Devolving funding to support and promote Apprenticeships.
- Jointly commissioning the next phase of the Work Programme, to allow us to help tailor services to best meet the needs of our residents.
- Changes that could be made to support effective school organisation, including access in large rural areas like Cumbria through, for example funding regulations.



Housing

Cumbria is set to deliver an increase of 9,750 newly built homes during the life of this parliament. It is planning to build a further 20,000 over the following 10 years, with a total of 29,750 by 2030.

The economic growth and demographic changes that Cumbria will see over the next few years will create a demand for quality dwellings that cover a wide range of needs.

The levels of public investment and private sector growth and expansion will require a housing stock to match the rising aspirations of the future workforce and with it the infrastructure needed to support these additional homes. The delivery of a wide range of housing choice is fundamental to the delivery of economic growth.

Our aging population will also need suitable housing that promotes independent and supported living.

We are seeking new and innovative ways to unlock stalled sites, and bring empty properties back into use.

We want to talk to government about how we will deliver this vital housing infrastructure, and the following points to be considered as part of any discussion:

- To create a single recyclable Housing Investment Fund devolved to the local area that includes funds and guarantees from, for example, the HCA/Mod. We wish to discuss how each part of the public sector can contribute to this fund.
- Establishing local arrangements for planning, regulatory and licensing matters which enable Cumbria's authorities to deliver new housing needs, and manage housing stock to meet existing local needs, working with private and 3rd sector investors.
- Targeted vocational and apprenticeship schemes to provide local capacity.
- Linking existing and future local housing need to welfare systems that contribute to reducing the overall welfare benefits bill of the UK.
- Lifting the borrowing cap to increase opportunities to provide social and affordable housing, with fiscal freedoms to vary local council tax bands and undertake revaluations.
- Areas of current low demand housing to be regenerated to support future increased economic activity and investment.
- RTB (Right to Buy) and 2nd Home flexibilities, to help tackle housing shortages in areas of high stress such as National Parks.



Health and Social Care

In 2014 Cumbria was recognised as one of eleven distressed health economies across England. The challenges in our health and care system are entrenched and far reaching. Building on the Better Care Together and Together for a Healthier Future programmes and supported by the Vanguard process and the Success Regime, Cumbria is beginning to address those challenges.

Working together through the Vanguard process we are investigating the creation of an Accountable Care System, for the Morecambe Bay Geographical Area. This work could lead to:

- A greater focus on investing upstream – including earlier intervention in pathways and increased public health investment – improving health outcomes and reducing demand for high-cost services.
- A parity of recognition and an equitable share of resources across primary care, community health services, mental health services, the acute sector, social care and public health – to ensure that all can play their full part in delivering a Population Health System.
- Increased integration of health and care including accelerated pooling of health and care budgets.
- The establishment of new models of commissioning based on capitated budgets – to enable a shift from outputs to outcomes.

Building on the learning from the Vanguard process we will work to establish a new health and care systems in the North of the County; including the option of an accountable care system.

However, in order to enable us to successfully deliver our strategic transformation programmes and to secure positive health outcomes for our population, we want to talk to government about:

- Support for the buyout of the Cumberland Infirmary PFI, to put providers back in control of their healthcare estate;
- Acceleration of the regulatory decision making concerning the potential acquisition of North Cumbria University Hospital Trust;
- Development of a more coherent, collaborative approach to the regulation of NHS commissioning and NHS trusts across Monitor, NHS Trust Development Authority, the Care Quality Commission and NHS England. In particular we ask you to speed up assurance processes, which often impose excessive delay and sap momentum from change programmes;
- Recognising the scale of recruitment and retention issues in Cumbria - fully explore how Cumbria can more directly plan for, and secure, the required workforce of the future, through a new relationship with Health Education England;
- Through the Vanguard and Success Regime, enabling us to utilise new payment mechanisms to provider organisations as part of developing our Accountable Care Systems, which work in the interests of patients and secure best value for the population;
- Exploring the potential for the creation, in the long-term, of new organisational arrangements for commissioning health and care services; and
- An increase in the financial allocation to health and social care commissioning organisations, recognising the increased costs associated with running low volume services across distant multiple sites in rural locations.



Public Safety and Resilience

There are many potential benefits to the communities of Cumbria and visitors to the County of Cumbria Constabulary and Cumbria Fire and Rescue Service sharing resources, buildings, vehicles, specialisms, data and in undertaking joint emergency service operations. Greater resilience of services could also be achieved providing more focused support to communities whilst also supporting the Governments' vision of public sector reform as detailed within, 'Improving Efficiency Interoperability and Resilience of our Blue Light Services' Tobias Ellwood MP June 2013.

The potential to move to single unified blue light organisation to deliver services in Cumbria would achieve benefits of scale by the sharing of capital assets, specialist resources and delivery mechanisms to provide a one stop emergency offer for the public, particularly in rural areas. This concept could be further explored beyond these two services – for example with the North West Ambulance Service, the Coastguard Agency and other voluntary services such as Mountain Rescue, RNLI etc.

This would reduce duplication, free up capacity and use each services specialisms to the best effect, delivering a more effective and efficient deployment of complementary skills and resources from a single command and control room based on assessments of threat, harm and risk.

In addition it would reduce blue light emergency responses by improving community health, safety and well-being through joint, upstream preventative working as a result of data sharing, identification of vulnerability, multi-agency problem solving and interventions in locations of repeat public service demand by addressing vulnerabilities with hard to reach communities and individuals. In short, emergency services capability will be proactively focused upon vulnerable locations and individuals requiring intensive support to reduce wasteful demand rather than simply reacting to repeat calls for service.

Recognising that Cumbria is a County which hosts critical national infrastructure, we believe that integration of emergency services would also deliver more effective and efficient emergency planning, exercising and training facilitated by one joint agency contingency planning team.

We want to talk to government about:

- Currently, Police and Fire and Rescue Services operate under different statutory boundaries, governance and accountability frameworks. In order to facilitate integration, we wish to explore how these existing blockers can be realigned to promote the blue light services to move towards improved alignment of resources, funding and governance to ensure priorities are delivered in a better and more effective way for the communities of Cumbria.
- How we can achieve greater local oversight of the Criminal Justice system in the county to ensure that it is reflective of local needs and efficient for all criminal justice partners and the service users.



Management of the Public Estate

Across Cumbria there are a number of public sector bodies that all have assets, both operational and surplus, that are used to deliver services across the county. By working together on the strategic use of all public sector assets via a Public Estates Asset Board or Land Commission their use and purpose can be reviewed and maximised as a whole. This will then allow the release of additional capital receipts over and above that already planned that can be used to invest in and facilitate transformational change across the county.

We want to talk to government about:

- Working with the HCA to influence asset disposals.
- Freeing assets from historic HCA clawback clauses to free them up for wider investment decisions.
- Reviewing PFI, PPP and other financing arrangements linked to the public sector asset base to achieve more efficient and more effective local decision making and control around the use and cost of those assets.

Cumbria Deal

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