

AGENDA

Executive

**Monday, 10 December 2018 AT 16:00
In the Flensburg Room, Civic Centre, Carlisle, CA3 8QG**

Apologies for Absence

To receive apologies for absence.

Declarations of Interest

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.

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.

PART A

To be considered when the Public and Press are present

A.1 BUDGET PROCESS 2019/20

(Key Decision - KD.19/18)

(a) Budget Update - Revenue Estimates 2019/20 to 2023/24 7 - 26

Pursuant to Minute EX.99/18, the Corporate Director of Finance and Resources to submit a report providing an update to Report RD.22/18, together with a summary of the Council's revised revenue base estimates for 2018/19, base estimates for 2019/20 and forecasts up to 2023/24 for illustrative purposes. Potential new spending pressures and savings are also considered; and an update on the key budget considerations provided.

(Copy Report RD.29/18 herewith)

(b) Revised Capital Programme 2018/19 and Provisional Capital Programme 2019/20 to 2023/24 27 - 38

Pursuant to Minute EX.104/18, the Corporate Director of Finance and Resources to submit a report providing an update to Report RD.23/18 and setting out the proposed capital programme for 2019/20 to 2023/24 in the light of new capital proposals identified; and summarising the estimated capital resources available to fund the programme.

(Copy Report RD.30/18 herewith)

(c) Draft Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy 2019/20 39 - 70

Pursuant to Minute EX.106/18, the Corporate Director of Finance and Resources to submit a report setting out the Council's draft Treasury Management Strategy Statement for 2019/20 in accordance with the CIPFA Code of Practice on Treasury Management. Also incorporated are the Investment Strategy; Minimum Revenue Provision Strategy for 2019/20; and Prudential Indicators as required within the Prudential Code for Capital Finance in Local Authorities.

(Copy Report RD.31/18 herewith)

(d) Charges Reviews

71 - 74

Pursuant to Minutes EX.100/18, EX.101/18, EX.102/18 and EX.103/18, the Executive will consider feedback from the Scrutiny Panels on the Charges Reviews and make decisions on the level of charges to be applied as not yet resolved for Community Services; Economic Development; Governance and Regulatory Services; and Licensing.

(Copy Reports previously submitted to 12 November 2018 Executive meeting - CS.31/18, ED.37/18, GD.72/18 and GD.87/18).

(Copy Scrutiny Panel Minute Excerpts herewith / to follow)

Background Papers - various financial reports being considered as part of the Budget process are available on the Council's website - <http://cmis.carlisle.gov.uk/cmis/>

Members and Officers are asked to bring their copy of the bound Budget Book issued under cover of a letter from the Corporate Director of Governance and Regulatory Services dated 2 November 2018 to this meeting

A.2 EXECUTIVE DRAFT BUDGET PROPOSALS FOR CONSULTATION

(Key Decision - KD.19/18)

The Executive to table the draft Budget for consultation.

A.3 TULLIE HOUSE BUSINESS PLAN 2019/20 - 2021/22

75 - 116

(Key Decision - KD.16/18)

The Deputy Chief Executive to submit a report introducing the Tullie House Museum and Art Gallery Trust Business Plan. The Health and Wellbeing Scrutiny Panel scrutinised the matter on 15 November 2018.

(Copy Report CS.35/18 and Minute Excerpt herewith)

A.4 WARM HOMES FUND GRANT AWARD 117 - 130

(Key Decision)

(The Leader has agreed to this Key Decision item being considered at this meeting, although not in the Notice of Executive Key Decisions)

The Corporate Director of Governance and Regulatory Services to submit a report concerning the award of funding from the Warm Homes Fund.

(Copy Report GD.92/18 herewith)

Background Papers - Approval for grant application

A.5 NOTICE OF EXECUTIVE KEY DECISIONS 131 - 138

(Non Key Decision)

The Notice of Executive Key Decisions, published on 9 November 2018, is submitted for information.

(Copy Notice herewith)

A.6 SCHEDULE OF DECISIONS TAKEN BY OFFICERS 139 - 144

(Non Key Decision)

A Schedule detailing decisions taken by Officers under delegated powers is attached for information.

(Copy Schedule herewith)

Background Papers - as detailed within the Schedule

A.7 JOINT MANAGEMENT TEAM 145 - 146

(Non Key Decision)

The Minutes of the meeting of the Joint Management Team held on 12 November 2018 are submitted for information.

(Copy Minutes herewith)

A.8 PERFORMANCE REPORT QUARTER 2 2018/19

147 - 204

(Non Key Decision)

The Policy and Communications Manager to submit the second quarter 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 2018/19 Key Performance Indicators is also included.

(Copy Report PC.24/18 herewith)

A.9 CUMBRIA CARE LEAVERS COUNCIL TAX DISCOUNT SCHEME

205 - 222

(Non Key Decision)

The Chief Executive to submit a report seeking approval to implement the Cumbria Districts Care Leavers Council Tax Discount Scheme effective from 1 April 2018 onwards.

(Copy Report CE.11/18 herewith)

PART B

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

B.1 ASSET DISPOSAL PLAN

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

Members of the Executive

Councillor C W Glover (Leader)

Councillor Dr L Tickner (Deputy Leader, and Finance, Governance and Resources Portfolio Holder)

Councillor Ms A Quilter (Culture, Heritage and Leisure Portfolio Holder)

Councillor Miss L B Sherriff (Communities, Health and Wellbeing Portfolio Holder)

Councillor C J Southward (Environment and Transport Portfolio Holder)

Councillor A Glendinning (Economy, Enterprise and Housing Portfolio Holder)

Enquiries to:

Morag Durham - Tel: (01228) 817036)

Notes to Members:

Decisions made at this meeting, if not subject to call-in, will normally become live on 20 December 2018

Report to Executive

Agenda
Item:

A.1(a)

Meeting Date: 10 December 2018
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD19/18
Within Policy and Budget Framework YES
Public / Private Public

Title: BUDGET UPDATE – REVENUE ESTIMATES 2019/20 TO 2023/24
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD29/18

Purpose / Summary:

This report provides an update to RD22/18, with a summary of the Council's revised revenue base estimates for 2018/19, together with base estimates for 2019/20 and forecasts up to 2023/24 for illustrative purposes.

Potential new spending pressures and savings are also considered in this report. It should be noted that the figures in this report are indicative and the final position is subject to decisions being taken further in the budget process.

The report also provides an update on the key budget considerations.

Recommendations:

The Executive is requested to:

- (i) note the revised base estimates for 2018/19 and base estimates for 2019/20;
- (ii) note that the estimates in the report are draft and will be subject to the confirmation of Local Government Finance Settlement in December 2018;
- (iii) note the current MTFP projections, which will continue to be updated throughout the budget process as key issues become clearer and decisions are taken;
- (iv) note the budget pressures/savings needing to be taken into account as part of the 2019/20 budget process;
- (v) note the Statutory Report of the S.151 Officer outlining the risks associated with the draft budget figures and that minimum reserves may need to be reviewed in the future depending upon the outcome of the Local Government Finance review.

Tracking

Executive:	10 December 2018
Scrutiny:	BTSP 3 January 2019
Council:	

1. INTRODUCTION

- 1.1. This report considers the revised base estimates for 2018/19 together with the estimates for 2019/20 as previously outlined in report RD22/18. The report also sets out any known revisions to the Medium Term Financial Plan (MTFP) projections.
- 1.2. The base estimates have been prepared in accordance with the guiding principles for the formulation of the budget over the next five-year planning period as set out in the following Policy documents that were approved by Council on 11 September 2018:
 - ◆ Medium Term Financial Plan and Charging Policy
 - ◆ Capital Strategy
 - ◆ Asset Management Plan
- 1.3. Members should be aware that there are a number of significant factors affecting the budget that are still to be finalised. In particular the following are key to the budget process and details on these are considered, where relevant, further in the report:
 - Government Finance Settlement - Business Rate Retention and Fair Funding Review including the potential future re-set of the Business Rates baseline sum;
 - Achievement of the Savings Strategy;
 - Further reductions in government grant e.g. New Homes Bonus, Housing Benefit Admin Grant;
 - Future borrowing requirements;
 - Commercial and investment opportunities.
- 1.4. The report draws on information contained in a number of reports that are either considered elsewhere on this agenda or have been considered previously by the Executive.
- 1.5. Decisions will need to be made to limit budget increases to unavoidable and high priority issues, together with maximising savings and efficiencies (and probable use of reserves) to enable a balanced budget position to be recommended to Council in February 2019.

2. SUMMARY OF BASE BUDGET ESTIMATES

- 2.1. The base estimates are calculated on the assumption that core services will continue at approved levels incorporating decisions agreed by Council as part of the previous year's budget process and including all subsequent decisions made by Council.

2.2. The table below sets out the base level General Fund requirement for 2018/19 and 2019/20 with projections to 2023/24. The 2018/19 variance reflects the use of reserves approved since the MTFP was approved in September.

Table 1 – Base Budget Summary

	2018/19 Original £000	2018/19 Revised £000	2019/20 Original £000	2020/21 Proj £000	2021/22 Proj £000	2022/23 Proj £000	2023/24 Proj £000
Net Base Budget Parish Precepts (PP)	12,096 613	13,600 613	11,922 628	11,608 644	11,759 660	12,284 677	12,615 694
Total	12,709	14,213	12,550	12,252	12,419	12,961	13,309
Original MTFP Projections	12,709	12,709	12,550	12,252	12,419	12,961	13,309
Variance	0	1,504	0	0	0	0	0
Analysis of Variance:							
Non-Recurring:							
Central Plaza		650					
Planning Services Reserve		(58)					
Revenue Grants Reserve		701					
Prosecutions Reserve		15					
Building Control Reserve		35					
Cremator Reserve		(44)					
Car Park Enhancement Reserve		107					
Promoting Carlisle Reserve		10					
Carry Forward Reserve		55					
City Centre Reserve		33					
Total Variance	0	1,504	0	0	0	0	0
Changes to Funding							
Additional Business Rates Income		(400)					

2.3. Members will be aware from the revenue monitoring report considered elsewhere on this agenda that a number of income streams are reporting variances against projected levels in the current financial year and there may be other cost pressures or savings which may have a recurring impact; however, officers are reviewing the existing base budget provisions to ensure that the services can be provided within these provisions with the position for 2019/20 onwards being considered during this budget process. The monitoring report has also identified that income from Business Rates will be overachieved by £400,000 for 2018/19 and it is proposed to revise the 2018/19 budget to reflect this.

3. UPDATED MTFP PROJECTIONS

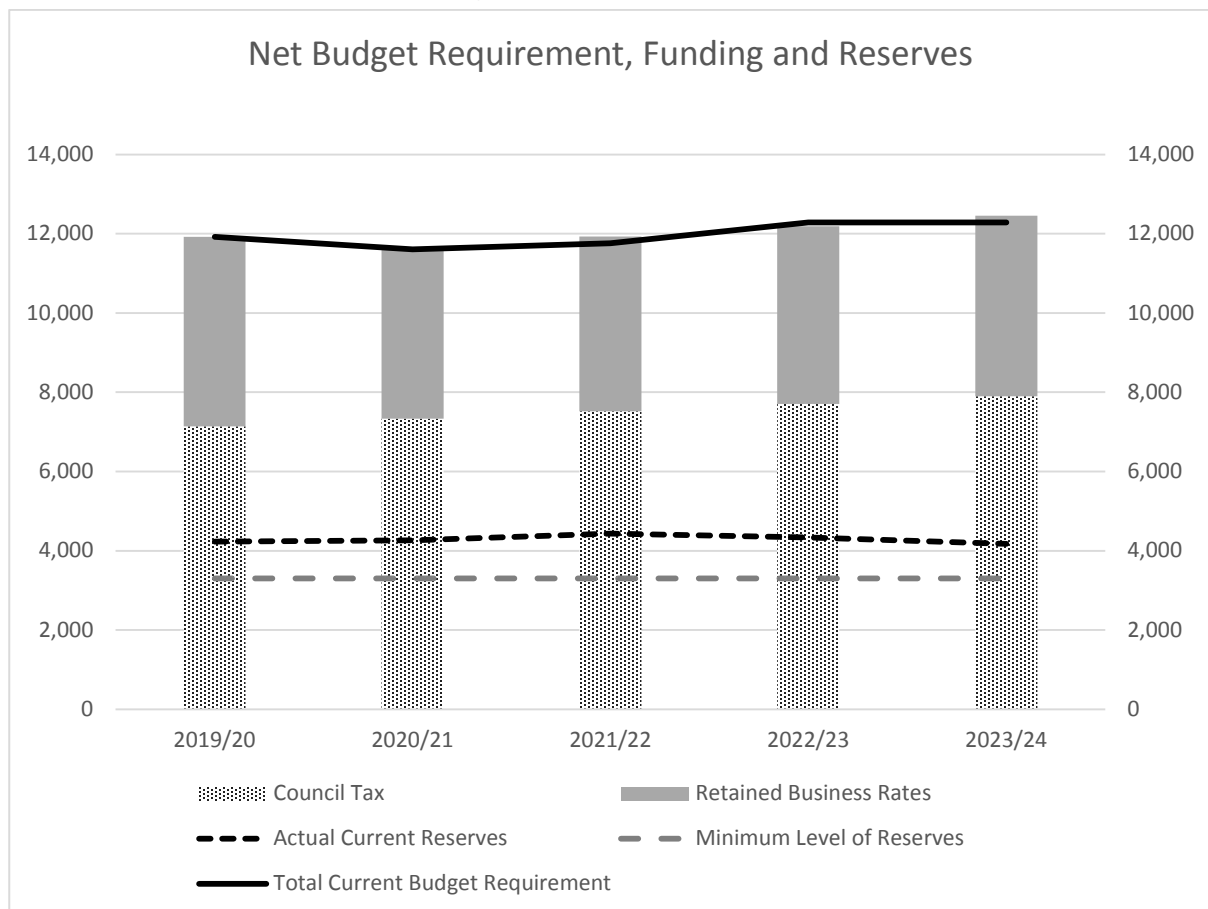
3.1 The budget projections as currently forecast in the MTFP are summarised in Table 2 below:

Table 2 – Current Budget projections

	Recurring Commitments (Surplus) £000	Non-Recurring Commitments £000	Carry Forwards £000	Transfers Between Reserves £000	Total £000
2018/19	(502)	(81)	711	0	128
2019/20	642	(641)	0	0	1
2020/21	664	(696)	0	0	(32)
2021/22	52	(223)	0	0	(171)
2022/23	58	36	0	0	94
2023/24	163	0	0	0	163

3.2 The revised estimates for 2018/19 will be recommended to Council as part of the budget process and include the amendment for additional business rates income highlighted above.

3.3 The chart below shows the current net budget position in relation to current funding projections and current levels of general fund reserves.



4. OUTSTANDING KEY ISSUES

4.1. Revenue Support Grant (RSG)

The figures incorporated into this report are based on the 2018/19 Local Government Finance Settlement confirmed by the Secretary of State in January 2018 and are based upon the acceptance of the offer of a four-year funding settlement. RSG has been phased out and is completely removed by 2019/20.

4.2. Retained Business Rates and Council Tax Reduction Scheme

The Council has successfully participated in the Cumbria Business Rate Pool arrangements since 2014/15. This allows the Council to benefit from the 50% business rate growth in Cumbria that would normally be passed back to Central Government as levy payments. The Council benefited by £683,933 in 2017/18 and £372,344 in 2016/17.

Further details on the Government announcement that Local Authorities will retain 75% of Business Rates from 2020 are still unknown although more details are slowly emerging with applications being sought from areas to participate in a pilot of 75% retention in 2019/20. Cumbria has submitted an application to be a part of this pilot with the outcome likely to be known in early December.

If the 75% Rates Retention pilot application is unsuccessful, it is again proposed that the Council continues to participate in the Cumbria Pool for 2019/20.

The Local Support for Council Tax Scheme ("The Council Tax Reduction Scheme" or CTRS) is required to be approved annually as part of the Budget Process. It is not proposed to make any changes to the reductions given to recipients of the discount scheme for 2019/20, nor is it proposed to make any revisions or replace the current scheme and as such the continuation of the current scheme will be recommended by the Executive.

It is expected that the referendum limit will remain for Council Tax increases, however, District Councils are being given the option of raising Council Tax by the greater of 3% or £5.

4.3. Transformation

The current MTFP includes budgeted recurring savings of £1.237million for the transformation programme, to be found in 2018/19. This also includes the savings required from the current base budget review.

4.4. Resource Assumptions

Contributions from balances include all approvals to date, but make no assumptions on further contributions from balances to support the budget from 2018/19 onwards. The resources projections assume:

- No Revenue Support Grant from 2019/20 onwards as a result of the phasing out as part of the four-year settlement.
- A £5 (Band D equivalent) Council Tax increase for 2019/20 onwards.
- A Council Tax Surplus for 2019/20 onwards of £50,000. The actual figure for 2019/20 will be available in January.
- Retained business rates are assumed at the Baseline level with an additional £1,400,000 to be achieved through growth/section 31 grants and from the benefits of Pooling in 2019/20 falling to £900,000 in 2020/21 due to uncertainties about how the revised Business Rate Retention Scheme will work.
- An assumed tax base of 33,419.44 for 2019/20. The final tax base for 2019/20 will not be available until January, however early calculations suggest that based upon previous years trends there is scope to increase the tax base forecasts for future years. Further details will be provided at the January Executive.
- Parish Precepts are currently being collated but the estimate for 2019/20 is for a total of £628,000. The actual Parish Precept requirement for each Parish will be reported to the Executive in December.

For information, broadly:

- Each 1% (£1.95) movement in Council Tax impacts on the Council by £67,000
- Each £35,000 increase or decrease in expenditure impacts on the Council Tax requirement by £1.

5. POTENTIAL NEW SPENDING PRESSURES

- 5.1 In light of the current position in the MTFP, there are some potential new spending pressures that need to be considered.

Detail		2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Recurring						
Tullie House ICT	5.2	60	60	60	60	60
Customer Service	5.3	14	14	14	14	14
ICT - Enhancement of Remote Access	5.4	15	15	15	15	15
Inflation / Pay Award Provision	5.5	136	276	276	276	276
Treasury Management	5.6	604	742	29	482	595
Housing Regeneration Post	5.7	38	38	38	38	38
Total Recurring Pressures		867	1,145	432	885	998
Non Recurring						
Economic Investment Initiatives	5.8	250	0	0	0	0
Borderlands Inclusive Growth Deal	5.9	50	0	0	0	0
Borderlands Project Officer	5.10	53	53	0	0	0
Asset Disposal Refresh	5.11	112	112	112	0	0
<i>Financed from Capital Receipts</i>		0	(112)	(112)	(112)	0
Elections	5.12	80	0	0	0	0
Transformation Savings	5.13	400	0	0	0	0
Total Non Recurring Pressures		945	53	0	(112)	0

5.2 Tullie House ICT

Tullie House no longer utilises the Council's ICT support, and the agreement with the Trust provides for the Council to contribute towards the costs of an external provider.

5.3 Customer Service

Following a restructure in Customer Services there is a requirement to provide additional resources for front-line staffing to improve the performance of the team and the service provided to customers.

5.4 ICT – Enhancement of Remote Access

It is proposed to enhance the Council's remote access infrastructure for improving mobile working arrangements and making them more secure.

5.5 Inflation / Pay Award Provision

The increase in the pay award provision for 2018/19 and 2019/20 to 2% was included in the 2018/19 budget on a non-recurring basis, however following confirmation of the pay deal, this has a recurring impact and the overall average pay increase amounted to 2.82% for both years.

5.6 Treasury Management

Treasury Management projections have been updated to include updates to the Capital programme (contained elsewhere on this agenda) and updated for interest rate forecasts. This pressure includes the potential impact on reserves for all the pressures and savings contained in this report together with the updated borrowing costs for the capital programme, some of which are offset by additional income, e.g. Gateway 44 and Leisure contract.

5.7 Housing Regeneration Post

To fund the recurring costs of the Housing Regeneration Officer which was previously funded from an external grant.

5.8 Economic Investment Initiatives

This pressure relates to economic investment initiatives that the Council wishes to pursue, such as Business Support, Carlisle Ambassadors, St Cuthberts Garden Village, Business Improvement District, promotion of Central Plaza redevelopment opportunities.

5.9 Borderlands Inclusive Growth Deal

In order to progress the schemes and detailed business cases for the development of the Borderlands Initiative, additional funding is required to support the joint working of the various partners.

5.10 Borderlands Project Officer

To fund the continuation of the Project Officer post, for a further 2 years, to support the development of the detailed business cases and progression of the growth deal.

5.11 Asset Disposal Refresh

The asset disposal programme has been refreshed and has identified assets the Council can dispose of. This will require additional staffing resource to manage this process and realise these sales. It is anticipated that these costs can be offset against the realised capital receipts (up to a maximum of 4% of the receipt) making the pressure self-financed once receipts are realised.

5.12 Elections

As the City Council will be holding a full election in May 2019. Additional expenditure will be incurred in administering this compared to the normal third of all seats contended.

5.13 Transformation Savings

For 2019/20 £400,000 can be offset by additional funding expected from Business Rate Retention on a non-recurring basis as outlined below. There is also an anticipated shortfall income of £837,000 across Council services that has been highlighted through the budget monitoring process, however these will be funded from a fundamental review of existing base budgets and further examination of the potential recurring impact these could have.

6. SAVINGS AND ADDITIONAL INCOME PROPOSALS

- 6.1 The current MTFP includes a savings requirement to be found by 2018/19 of £1.237million (£1.129million for Transformation and £0.107million for Base Budget Review). The net position of the final pressures and savings identified as part of this budget process may require changes to be made to the overall savings target.
- 6.2 Further savings/additional income have already been identified in the budget process for 2019/20 to date.

Detail	Note	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Changes to Funding						
Business Rate Income	6.3	(350)	0	0	0	0
Released from Earmarked Reserve	6.4	(688)	0	0	0	0
Total Changes to Funding		(1,038)	0	0	0	0
<u>Savings Proposed</u>						
Gateway 44 Income	6.5	0	(125)	(567)	(893)	(893)
Leisure Contract	6.6	0	0	0	0	(309)
Developer Contributions - Southern Relief Road	6.7	0	(31)	(72)	(83)	(144)
Total of Savings		0	(156)	(639)	(976)	(1,346)
Total Recurring		0	(156)	(639)	(976)	(1,346)
Total Non-Recurring		(1,038)	0	0	0	0

6.3 Business Rate Income

The Council has included additional income over and above the baseline level in the Medium Term Financial Plan and has consistently over achieved these targets since the introduction of rates retention at each outturn position. Forecasts for 2019/20 indicate that this growth will continue, therefore the level of funding in the budget can

be increased. As the outcome of the new rates retention scheme is unknown for 2020, it is not proposed to increase this income beyond 2019/20.

6.4 Released from Earmarked Reserves

It is proposed that the reserves highlighted below totalling £688,000 should be released to the General Fund as being no longer required for their original purpose:

- Revenues & Benefits Reserve - £338,000
- Transformation Reserve - £150,000
- Welfare Reform Reserve - £200,000

It is also proposed to re-designate the Asset Investment Reserve (£48,000) to be used towards property initiatives and that the carry forward reserve be re-designated for alternative use as outlined in report RD22/18. All changes to reserves (release and re-designation) will be included in the final budget proposals for Council approval.

6.5 Gateway 44 Income

The capital programme and treasury management budgets include the costs associated with the Gateway 44 development opportunity and this additional income is included to recognise the income to be generated once the development is fully let which is anticipated to be in 2022/23.

6.6 Leisure Contract

The recurring impact of the subsidy achieved through the re-letting of the Leisure Services contract and the Sands Centre redevelopment. This reflects the additional saving between 2022/23 and 2023/24 as agreed in the contract.

6.7 Developer Contributions – Southern Relief Road

The estimated contributions to be received from developers as a result of the construction of the Southern Relief Road.

7. PROJECTED IMPACT ON REVENUE BALANCES

7.1 It should be noted that if all of the potential new Savings and Spending Pressures were accepted then reserves are maintained at current minimum levels for 2019/20 however they are below minimum levels for the future years.

7.2 The general principles on each of the Reserves are set out in the Medium Term Financial Plan. In terms of meeting ongoing revenue expenditure, the general guiding principle which Council approved is that:

‘Wherever possible, reserves should not be used to fund recurring expenditure, but that where it is, this should be made explicit, and steps taken to address the situation in the following years’.

- 7.3 The Council's current levels of balances are set out in **Appendix A** and include the impact of the proposed pressures and savings outlined in this report. The Projects Reserve has been used as a first call for the current projected revenue budget deficit however, the maintaining the current level of reserves is dependent upon the achievement of the transformation savings. A risk-based review of reserve levels has been undertaken and shows that the minimum level of General Fund Reserves should remain at £3.3million.

Summarised Position	2018/19 Original £000	2018/19 Revised £000	2019/20 Original £000	2020/21 Proj £000	2021/22 Proj £000	2022/23 Proj £000	2023/24 Proj £000
Total Projected Expenditure	12,096	13,600	11,922	11,608	11,759	12,284	12,615
Total Projected Resources	(12,096)	(13,600)	(11,921)	(11,640)	(11,930)	(12,190)	(12,452)
Projected (Surplus) / Shortfall <u>excluding</u> savings and new spending	0	0	1	(32)	(171)	94	163
Less:							
New Saving Proposals							
- Recurring	0	0	0	(156)	(639)	(976)	(1,346)
- Non Recurring	0	0	0	0	0	0	0
- Funding Business Rates	0	(400)	(350)	0	0	0	0
- Released from Earmarked Reserves	0	0	(688)	0	0	0	0
(See Para 6)							
Add:							
New Spending Pressures							
- Recurring	0	0	867	1,145	432	885	998
- Non Recurring	0	0	945	53	0	(112)	0
(See Para 5)							
Potential Budget (Surplus) / Shortfall	0	(400)	1,463	1,010	(378)	(109)	(185)
Potential (Surplus) / Shortfall Analysis:							
- Recurring	0	0	1,159	1,653	(155)	(33)	(185)
- Non Recurring	0	(400)	304	(643)	(223)	(76)	0

Balance as at:	Projected Reserves £000	Recurring Revenue Requirement £000	Non Recurring Revenue Requirement £000	Released From Earmarked Reserves £000
31/03/2019	4,630	(1,159)	(304)	688
31/03/2020	3,855	(1,653)	643	0
31/03/2021	2,845	155	223	0
31/03/2022	3,223	33	76	0
31/03/2023	3,332	185	0	0
31/03/2024	3,517			

8. SUMMARY FINANCIAL OUTLOOK AND BUDGET DISCIPLINE 2019/20 to 2023/24

- 8.1 The current budget projections for the next five-year period are challenging and continue to show the requirement for substantial savings to be achieved in order to enable the Council to contain its ongoing commitments within available resources.
- 8.2 Notification of Government general and specific grants is received on an individual basis late in the budget process which makes forward planning difficult.
- 8.3 There is much uncertainty around Local Government funding beyond 2019/20 with the outcome of the Fair Funding Review and the reset of the Business Rate Retention scheme (including baselines and 75% retention) make financial planning beyond 2020 difficult.
- 8.4 The City Council needs to establish as part of its budgetary process the financial discipline to be followed by member and officers in the ensuing financial years, and the Executive will make recommendations in this respect in December.
- 8.5 Under section 25 of the Local Government Act 2003 the Council's S.151 Officer is required to prepare a statutory report which considers the robustness of the estimates and the adequacy of reserves and which determines levels of borrowing. A full report will be prepared and included within the Executive's draft budget proposals for consultation purposes; however a draft is attached at **Appendix B**.

9 RISKS

- 9.1 As outlined above the Council has a statutory responsibility to set a balanced budget and failure to do this could lead to unfunded financial pressures on the Council.

10 CONSULTATION

- 10.1 The Business and Transformation Scrutiny Panel will consider this report on 3 January 2019, and their views fed back to the Executive on 16 January. Public consultation will take place between 11 December and 14 January and the budget resolution will then be issued by the Executive on 16 January.

11 RECOMMENDATIONS

The Executive is requested to:

- (i) note the revised base estimates for 2018/19 and base estimates for 2019/20;

- (ii) note that the estimates in the report are draft and will be subject to the confirmation of Local Government Finance Settlement in December 2018
- (iii) note the current MTFP projections, which will continue to be updated throughout the budget process as key issues become clearer and decisions are taken;
- (iv) note the budget pressures/savings needing to be taken into account as part of the 2019/20 budget process.
- (v) Note the Statutory Report of the S.151 Officer outlining the risks associated with the draft budget figures and that minimum reserves may need to be increased in the future depending upon the outcome of the Local Government Finance review.

13 CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

13.1 To ensure that a balanced budget is set.

Contact Officer: Steven Tickner

Ext: 7280

Appendices
attached to report: Appendix A – Council Reserves
Appendix B – Draft Statutory Report of S.151 Officer

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 – The Council has a fiduciary duty to manage its resources properly and for the benefit of its community. In doing so it is required to take account of the advice it receives from its chief finance officer, the Corporate Director of Finance and Resources. The Council must have a balanced budget to deliver its services and also achieve and sustain an appropriate level of reserves.

FINANCE – Contained within the body of the report

EQUALITY – not applicable

INFROMATION GOVERNANCE – not applicable

APPENDIX A

COUNCIL RESERVES

Analysis of Council Reserves	Outturn 31 March 2018 £000	Projected 31 March 2019 £000	Projected 31 March 2020 £000	Projected 31 March 2021 £000	Projected 31 March 2022 £000	Projected 31 March 2023 £000	Projected 31 March 2024 £000
Revenue Reserves							
General Fund Reserve	(2,000)	(3,300)	(3,300)	(2,845)	(3,223)	(3,300)	(3,300)
Projects Reserve	(2,773)	(1,330)	(555)	0	0	(32)	(217)
Carry Forward Reserve	(927)	(620)	0	0	0	0	0
Total General Fund Reserves	(5,700)	(5,250)	(3,855)	(2,845)	(3,223)	(3,332)	(3,517)
Earmarked Reserves							
Flood Reserve	(2,014)	(2,014)	0	0	0	0	0
Transformation Reserve (i)	(150)	(150)	0	0	0	0	0
Building Control Reserve	(150)	(150)	(150)	(150)	(150)	(150)	(150)
Cremator Reserve	(850)	(850)	(850)	(850)	(850)	(850)	(850)
Economic Investment Reserve	(6)	0	0	0	0	0	0
Car Parking Reserve	(107)	0	0	0	0	0	0
City Centre Reserve	(42)	0	0	0	0	0	0
Welfare Reform Reserve (i)	(200)	(200)	0	0	0	0	0
Revenues & Benefits Reserve (i)	(338)	(338)	0	0	0	0	0
Revenue Grants Reserve	(1,920)	(1,920)	(1,920)	(1,920)	(1,920)	(1,920)	(1,920)
Planning Services Reserve	(28)	(28)	(28)	(28)	(28)	(28)	(28)
Promoting Carlisle Reserve	(20)	(20)	0	0	0	0	0
Prosecutions Reserve	(41)	(41)	(41)	(41)	(41)	(41)	(41)
Total Earmarked Reserves	(5,866)	(5,711)	(2,989)	(2,989)	(2,989)	(2,989)	(2,989)
Total Revenue Reserves	(11,566)	(10,961)	(6,844)	(5,834)	(6,212)	(6,321)	(6,506)
Capital Reserves							
Usable Capital Receipts	0	0	0	0	0	0	0
Asset Disposal Reserve	0	0	0	0	0	0	0
Unapplied capital grant	(136)	(136)	(136)	(136)	(136)	(136)	(136)
Asset Investment Reserve (i)	(48)	(48)	(48)	(48)	(48)	(48)	(48)
GLL Reserve	(273)	(273)	(273)	(273)	(273)	(273)	(273)
Lanes Capital Reserve	(45)	(60)	(75)	(90)	(105)	(120)	(135)
Total Capital Reserves	(502)	(517)	(532)	(547)	(562)	(577)	(592)
Total Usable Reserves	(12,068)	(11,478)	(7,376)	(6,381)	(6,774)	(6,898)	(7,098)
Other Technical Reserves (ii)	(106,946)						
Total All Reserves	(119,014)						

(i) These reserves are proposed to be released or re-designated as part of the 2019/20 budget setting

(ii) These reserves are of a technical nature and are not cash backed (i.e. they are not available either to fund expenditure or to meet future commitments.)

DRAFT STATUTORY REPORT OF S.151 OFFICER

1. In setting its Budget Requirement, the Council is required under the Local Government Act 2003 (Section 25) to consider:
 - (i) The formal advice of the statutory responsible financial officer (Corporate Director of Finance and Resources) on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides;
 - (ii) The Council has to determine what levels of borrowing, if any, it wishes to make under the Prudential Code that governs local authority borrowing.

2. **Robustness of the Estimates**

Whilst relevant budget holders are responsible for individual budgets and their preparation, all estimates are scrutinised by Financial Services staff, the Senior Management Team and the Strategic Financial Planning Group prior to submission to members.

The Council's revenue and capital budgets are integrated in that the financial impact of the proposed capital programme is reflected in the revenue estimates.

The Council has no history of overspending against budget, indeed, there has tended to be a degree of underspending. However improved budget monitoring backed up by specific action where appropriate and base budget procedures have proven effective in addressing this issue.

There are risks however involved in projecting budgets particularly over the medium term and the year-end position will never exactly match the estimated position in any given year. Areas of specific risk in the current five-year period under consideration are:

- The Transformation programme is expected to achieve savings of £1.237million by 2019/20, in order to meet the expected cuts in grants from central government and other budgetary pressures identified in the previous budget process. No new transformation savings are expected over and above this target at this point in time. However, base budget savings of £837,000 must be identified and achieved to balance off the anticipated shortfalls in income. This will ensure that a balanced budget is produced and where Council reserves are replenished over the longer term.
- The level of interest receipts and return on Treasury Management activities are subject to market rates. Members are advised of this risk every year and it should be noted that in the current economic climate with low and relatively static base rates, investment income returns in the medium term continue to prove challenging. The Council is also having to deal with a reduced number of counterparties it is able to place deposits with.

The main risks to the robustness of the estimates are the impact of the Fair Funding Review and how the 75% retention of business rates will be implemented in 2020.

There will be a requirement to use reserves in the short term; however the proposals put in place show that reserves will rise over the following 5-year period although not to minimum levels.

The delivery of the savings proposals identified and continuing work to deliver further savings will also be important to maintaining reserves at prudent levels. Regular budget monitoring, particularly in the area of the Transformation programme is imperative during this period. The level of the Council's future Capital Programme in taking account of a significant reduction in capital receipts is fully funded but includes a borrowing requirement over the five-year period and specifically a potential external borrowing requirement in 2019/20 to fund new leisure facilities which is an invest to save initiative. The Capital Programme includes plans to sell further assets that can be utilised to reduce the overall borrowing requirement for future capital investment decisions.

- Central contingencies – there have been no contingency budgets built in to the existing estimates. This means that any unforeseen expenditure that cannot be contained within existing budgets will require a supplementary estimate to cover any costs. The budget proposals will significantly limit the capability to deal with any of these events and these may have to be found from within other budgets and reserves should the need arise.

2. Adequacy of Reserves

The level and usage of the Council's Reserves is undertaken annually as part of the Medium Term Financial Plan.

The appropriateness of the level of reserves can only be judged in the context of the Council's longer term plans and an exercise has been undertaken to review the level of reserves through the use of a risk assessment matrix. The findings of this exercise suggested that the minimum level should be set at £3.3m as a prudent level of General Fund Reserves which will be required as a general working capital/ contingency to cushion the Council against unexpected events and emergencies.

The Council's policy on reserves is that wherever possible reserves should not be used to fund recurring expenditure, but that where it is, this should be made explicit and steps taken to address the situation in the following years. The Executive sets out in its Budget Discipline and Saving Strategy on how it expects Officers to address the 2019/20 budget pressures in setting the 2019/20 budget and principles to be adopted when preparing the 2020/21 budget cycle.

Based on current projections, Council Reserves will be maintained at prudent levels. It is accepted that the level of reserves is reliant on the delivery of the transformation savings and achievement of income targets and government funding.

Minimum reserves may need to increase over the medium term depending upon the final outcome of the devolvement of 75% business rates to local authorities. This devolvement is likely to increase the risks to local authorities and as such it may be prudent to hold greater reserves to cope with these risks.

3. Determination of Borrowing

The new Prudential Accounting regime enables the Council to borrow subject to meeting criteria of affordability. The draft Prudential Indicators have been established and these will be finalised for Council approval once decisions on the overall Capital Programme have been made.

For the period under review the need for borrowing will be kept under consideration and will be dependent on the level of capital receipts being generated and the potential of future capital projects. Due to projects currently under consideration, the capital programme for 2019/20 to 2023/24 will require the use of Prudential

Borrowing (including internal borrowing) to sustain levels depending on the levels of capital receipts that can be generated in the future. If borrowing is required, full option appraisals will be carried out.

Report to Executive

Agenda
Item:

A.1(b)

Meeting Date: 10 December 2018
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD.19/18
Within Policy and Budget Framework YES
Public / Private Public

Title: REVISED CAPITAL PROGRAMME 2018/19 AND PROVISIONAL CAPITAL PROGRAMME 2019/20 TO 2023/24
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 30/18

Purpose / Summary:

The report provides an update to RD23/18 and sets out the proposed capital programme for 2019/20 to 2023/24 in the light of new capital proposals identified, and summarises the estimated capital resources available to fund the programme.

Recommendations:

The Executive is asked to:

- (i) Note the revised capital programme and relevant financing for 2018/19 as set out in Appendices A and B including approving the removal of two schemes from the capital programme in 2018/19 and future years, and to make recommendations to Council to reprofile £380,000 from 2018/19 to 2019/20;
- (ii) Give consideration and views on the proposed capital spending for 2019/20 to 2023/24 given in the report in the light of the estimated available resources;
- (iii) Note that any capital scheme for which funding has been approved by Council may only proceed after a full report, including business case and financial appraisal, has been approved.

Tracking

Executive:	10 December 2018
Overview and Scrutiny:	BTSP 3 January 2019
Council:	5 February 2019 (Budget Resolution)

1. BACKGROUND

- 1.1 This report details the revised capital programme for 2018/19 together with the proposed methods of financing as set out in paragraph 3 and **Appendix A and B**.
- 1.2 The report also details the capital spending proposals for 2019/20 to 2023/24, together with the potential resources available to fund the programme. Members are asked to give initial consideration to the spending proposals.
- 1.3 The guiding principles for the formulation of the capital programme over the next five year planning period are set out in the following policy documents that were approved by Council on 11 September 2018:
- Capital Investment Strategy 2019-20 to 2023-24 (Report RD14/18)
 - Asset Management Plan (Report GD66/18)
- 1.4 A Corporate Programme Board of senior officers, (the SMT Transformation sub-group) continues to take the lead on the prioritisation of investment and the monitoring and evaluation of schemes. This is to improve performance monitoring and business case analysis of capital projects.

2. CAPITAL RESOURCES

- 2.1 There are several sources of capital resources available to the Council to fund capital expenditure, the main ones being:
- Borrowing (Prudential Code - see paragraph 6.2)
 - Capital Grants and Contributions e.g. DFG, specific capital grants
 - Capital Receipts e.g. proceeds from the sale of assets
 - Council Reserves e.g. Projects Reserve
- 2.2 In accordance with the Capital Investment Strategy, the Corporate Director of Finance and Resources will make recommendations on the most effective way of financing the Capital Programme to optimise the overall use of resources.
- 2.3 It should be noted that capital resources can only be used to fund capital expenditure and cannot, with the exception of the Council's own Reserves, be used to fund revenue expenditure. There are strict definitions of what constitutes capital expenditure.
- 2.4 It should also be noted that the resources available to support the capital programme can only be estimated during the year. The final position is dependent

in particular on how successful the Council has been in achieving Capital Receipts from the sale of assets against its target i.e. the more capital receipts generated, the less is required to be taken from Borrowing and Council Reserves (and vice versa).

- 2.5 The cost of externally borrowing £1m to fund the capital programme will result in a charge to the revenue account in the next full year of approximately £62,000. This is made up of £32,000 for the cost of the interest payable (3.2% of £1m equates to £32,000) and a principal repayment provision of 3% of the outstanding sum (3% of £1m equates to £30,000).

3. REVISED CAPITAL PROGRAMME 2018/19

- 3.1 The capital programme for 2018/19 totalling £7,388,800 was approved by Council on 17 July 2018 as detailed in the 2017/18 out-turn report (RD04/18).
- 3.2 The revised capital programme for 2018/19 now totals £9,551,200 as detailed in **Appendix A** subject to the relevant approvals by Executive and Council for the changes.
- 3.3 **Appendix B** details the revised anticipated resources available and their use to fund the capital programme. These have been revised to take account of revised projections and valuations of asset sales.
- 3.4 A summary of the revised programme for 2018/19 is shown below:

Summary Programme	£	Appx
2018/19 Original Capital Programme	7,388,800	A
Other adjustments	2,162,400	
Revised Capital Programme (Sept 2018)	9,551,200	A
Estimated Capital Resources available	(4,894,380)	B
Potential Borrowing Requirement	4,656,820	

4. CAPITAL SPENDING PROPOSALS 2019/20 TO 2023/24

- 4.1 The existing and capital spending proposals are summarised in the following table.

Capital Scheme	App/ Para	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
<u>Current Commitments:</u>						
Vehicles & Plant	4.2	896	647	1,486	1,297	0
Planned Enhancements to Council Property	4.3	150	150	150	150	150
Disabled Facilities Grants	4.4	1,467	1,467	1,467	1,467	1,467
ICT Infrastructure	4.5	48	83	83	116	116
Leisure Facilities		15,395	2,294	9	0	0
Recycling Containers		45	45	45	45	45
Public Realm Improvements	4.6	380	0	0	0	0
Total Existing Commitments		18,381	4,686	3,240	3,075	1,778
<u>New Spending Proposals:</u>						
Enhancements to Council Properties	4.3	100	100	100	100	100
ICT Infrastructure	4.5	55	0	0	0	55
Gateway 44	4.7	6,500	0	0	0	0
Carlisle Southern Link Road	4.8	0	0	0	5,000	0
Play Area improvements	4.9	35	0	0	0	0
Total New Spending Proposals		6,690	100	100	5,100	155
Total Potential Programme		25,071	4,786	3,340	8,175	1,933

- 4.2 The anticipated budgets for replacement of the Council's vehicle fleet are included in the table above.
- 4.3 The allocation for planned enhancements to council properties is increased from the current level of £150,000 to £250,000 (as a result of recent condition surveys).
- 4.4 Disabled facilities grant allocation will not be known until January 2019, although it has been assumed for the purpose of this report that the grant will be protected at the 2016/17 levels. This grant will be awarded via the County Council's Better Care Fund.
- 4.5 Additional budgets for ICT Improvements are included to reflect revised requirements within the ICT Strategy and will be utilised to improve network security and wi-fi capabilities around the Council.

- 4.6 The public realm improvement scheme is reprofiled from 2018/19 into 2019/20 when a report detailing a full breakdown of proposed projects will be presented to the Executive to release the budget.
- 4.7 The Gateway 44 investment proposal was considered and agreed at Council (with a further report on borrowing options) and is therefore added to the Capital Programme.
- 4.8 This relates to the contribution committed in support of the Housing Infrastructure Fund Bid (HIF) for the development of the Carlisle Southern Relief Road as part of the Garden City initiative. It is envisaged that the cost of this contribution will be recouped through developer contributions once the Garden Village starts being delivered. This commitment will be subject to the outcome of the HIF funding bid.
- 4.9 This provides funding to undertake improvements to Council owned play areas.

5. POTENTIAL CAPITAL RESOURCES AVAILABLE

- 5.1 The table below sets out the estimated revised resources available to finance the capital programme for 2019/20 to 2023/24.

Source of Funding	Para	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Capital Grants:						
• Disabled Facilities Grant	5.2	(1,467)	(1,467)	(1,467)	(1,467)	(1,467)
• General Grants/Contributions	5.3	(2,000)	0	0	0	0
Capital Receipts:						
• Generated in year – Asset Business Plan	5.4	(1,700)	(8,750)	(3,567)	(272)	0
receipts used to fund resources			112	112	112	0
Direct Revenue Financing / Invest to Save	5.5	(1,316)	(1,018)	(926)	(926)	(926)
TOTAL RESOURCES		(6,483)	(11,123)	(5,848)	(2,553)	(2,393)

- 5.2 Disabled facilities grant allocation will not be known until January 2019, although it has been assumed for the purpose of this report that the grant will be protected at the 2016/17 levels. However as mentioned earlier this grant will be awarded via the County Council's Better Care Fund and there is still some uncertainty as to what the allocation will be.
- 5.3 General grants and contributions identified as funding streams for projects.

5.4 Capital receipts from the sale of fixed assets.

A review of the asset disposal programme has been undertaken with additional assets identified for sale and a reprofiling of disposals between 2019/20 and 2022/23. The profiling of these disposals has been incorporated into the budget projections above, however, depending upon approvals any changes will be incorporated for the Executive's budget proposals.

5.5 Direct revenue financing in relation to invest to save schemes and use of earmarked reserves.

6. SUMMARY PROVISIONAL CAPITAL PROGRAMME 2019/20 TO 2023/24

6.1 A summary of the estimated resources compared to the proposed programme year on year is set out below:

Source of Funding	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Estimated in year Resources available (para 5.1)	(6,483)	(11,123)	(5,848)	(2,553)	(2,393)
Proposed Programme (para 4.1)	25,071	4,786	3,340	8,175	1,933
Projected (Surplus)/Deficit	18,588	(6,337)	(2,508)	5,622	(460)
Cumulative B/Fwd Balance	4,657	23,245	16,908	14,400	20,022
Cumulative year end Position					
● Borrowing Requirement (para 6.2)	23,245	16,908	14,400	20,022	19,562

6.2 The Prudential Code, which was introduced in 2004, gives authorities freedom to borrow to fund capital schemes subject to the over-riding principles of Affordability, Prudence and Sustainability. Whilst the new freedoms could significantly impact on the capital resources available to the Authority, the principles referred to in effect mean that the Council is limited by the ongoing cost of any borrowing (i.e. the cost of prudential borrowing falls to be met from the General Fund recurring expenditure). The Prudential Code requires authorities to develop their own programmes for investment in fixed assets, based upon what the authority and local taxpayers can afford, and subject to a full Business Case and Options appraisal process.

The table above shows there is continues to be a borrowing requirement from 2019/20. In order to reduce the exposure of the council to a borrowing requirement the following steps could be examined during the course of this budget process:

- Inclusion of the proposed asset disposal refresh recommendations in the capital programme;
- Fundamental review of existing capital programme to ensure schemes are still required and are accurate;
- Maximisation of the use of grants and contributions from external sources;
- Providing a recurring revenue contribution to the capital programme;
- Invest to save schemes that can repay the capital investment over a period of time.

7. RISKS

- 7.1 The ongoing impact of issues raised will be monitored carefully in budget monitoring reports and appropriate action taken.

8. CONSULTATION

- 8.1 All Scrutiny Panels have considered the report (RD23/18) for their areas of responsibility at their meetings in November and December. Feedback of any comments on the proposals have been made to the Executive in December prior to the Executive issuing their draft budget proposals for wider consultation.

9. CONCLUSION AND REASONS FOR RECOMMENDATIONS

The Executive is asked to:

- (i) Note the revised capital programme and relevant financing for 2018/19 as set out in Appendices A and B including approving the removal of two schemes from the capital programme in 2018/19 and future years, and to make recommendations to Council to reprofile £380,000 from 2018/19 to 2019/20;
- (ii) Give consideration and views on the proposed capital spending for 2019/20 to 2023/24 given in the report in the light of the estimated available resources;
- (iii) Note that any capital scheme for which funding has been approved by Council may only proceed after a full report, including business case and financial appraisal, has been approved.

10. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

10.1 The capital programme includes a range of positive projects that will directly benefit the people of Carlisle.

Contact Officer: Steven Tickner

Ext: 7280

**Appendices
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 - The Council has a fiduciary duty to manage its resources properly and for the benefit of its community. In doing so it is required to take account of the advice it receives from its Corporate Director of Finance and Resources. The Council must have a balanced budget to deliver its services and also achieve and sustain an appropriate level of reserves.

FINANCE – Financial implications are contained within the body of the report.

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

INFORMATION GOVERNANCE – There are no information governance implications.

Scheme	Original Capital Programme 2018/19 £	Other Adjustments £	Proposed Savings & Carry Forwards £	Revised Capital Programme 2018/19 £	Note
Central Plaza	(52,000)	650,000	0	598,000	
Tennis Facilities	502,900	0	0	502,900	
Cycle Track Development	12,700	38,000	0	50,700	
Planned Enhancements to Council Property	170,000	9,300	0	179,300	
Vehicles, Plant & Equipment	1,107,000	0	0	1,107,000	
ICT Infrastructure	357,300	0	0	357,300	
Private Sector Grants	3,079,400	293,200	0	3,372,600	
Public Realm Improvements	4,600	700	0	5,300	
Play Area Developments & Open Spaces	4,000	116,500	0	120,500	
Play Area Green Gyms	25,000	0	0	25,000	
Kingstown Industrial Estate	9,800	0	0	9,800	
Revenues & Benefits ICT Upgrades	45,200	0	0	45,200	
Crindledyke Cycleway	128,700	10,000	0	138,700	
Fusehill Street Play Area	35,000	6,100	0	41,100	
Planning Software	150,000	0	0	150,000	
Cemetery Infrastructure	30,000	0	0	30,000	
Minor Works Grants	23,200	0	0	23,200	
Recycling Containers	45,000	0	0	45,000	
Car Park Improvements	164,300	0	0	164,300	
Affordable Homes (S106)	114,700	41,500	0	156,200	
Sands Centre Redevelopment	0	1,769,100	0	1,769,100	
Asset Review Acquisition	0	150,000	0	150,000	
SUB-TOTAL	5,956,800	3,084,400	0	9,041,200	
<u>Capital Reserves to be released</u>					
Regeneration of Botchergate & London Road	247,000	0	(247,000)	0	1
Chatsworth/Portland Square Townscape Heritage Initiative	295,000	0	(295,000)	0	1
Business Interaction Centre	510,000	0	0	510,000	
Public Realm Improvements	380,000	0	(380,000)	0	2
	1,432,000	0	(922,000)	510,000	
REVISED TOTAL	7,388,800	3,084,400	(922,000)	9,551,200	

Notes:

- Executive are asked to approve the removal of two schemes from the 2018/19 capital programme and from future years due to the schemes not progressing passed the development stage due to unsuccessful bids for external funding.

- 2) Executive are asked to make recommendations to Council to approve reprofiling of this budget into 2019/20 when a report detailing a full breakdown of proposed public realm projects will be presented to the Executive to release the budget.

REVISED CAPITAL PROGRAMME 2018/19 – PROPOSED FINANCING

Source of funding	2018/19 Original £	2018/19 Revised £	Notes
Capital Grants:			
• DFG	1,467,300	1,760,500	1
• General	1,213,900	748,900	
Capital Receipts:			
• B/fwd from previous year	(818,220)	(818,220)	
• Generated in year (Asset Review)	2,754,000	562,000	
Capital Contributions			
• General	243,400	379,400	2
Direct Revenue Financing	1,375,100	2,261,800	3
TOTAL FINANCE AVAILABLE	6,235,480	4,894,380	
TOTAL PROGRAMME (SEE APP A)	7,388,800	9,551,200	
PROJECTED (SURPLUS)/DEFICIT IN CAPITAL RESOURCES AVAILABLE	1,153,320	4,656,820	

Notes:

1. Capital grant include funding for Tennis Facilities (£400,000), Play Area Developments (£25,000), Business Interaction Centre (£300,700) and Minor Works Grants (£23,200).
2. General contributions relate to Open Space Improvements (£84,500), Crindledyke Cycleway (£138,700) and Affordable Homes S106 (£156,200).
3. Changes to Direct Revenue Financing relate to Asset Purchase (£150,000), Central Plaza (£650,000), Solar Panels (£15,600), Harraby Cycle Track (£38,000), Play Area Developments (£23,100), Improvements to Council Properties (£9,300) and Public Realm Improvements (£700).

Report to Executive

Agenda
Item:

A.1(c)

Meeting Date: 10 December 2018
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD19/18
Within Policy and Budget Framework YES
Public / Private Public

Title: DRAFT TREASURY MANAGEMENT STRATEGY STATEMENT,
INVESTMENT STRATEGY AND MINIMUM REVENUE
PROVISION STRATEGY 2019/20
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD31/18

Purpose / Summary:

This report sets out the Council's draft Treasury Management Strategy Statement for 2019/20, in accordance with the CIPFA Code of Practice on Treasury Management. The Investment Strategy and the Minimum Revenue Provision (MRP) Strategy for 2019/20 are also incorporated as part of the Statement. So too are the Prudential Indicators as required within the Prudential Code for Capital Finance in Local Authorities.

Recommendations:

The Executive is asked to note the draft Treasury Management Strategy Statement for 2019/20, which incorporates the Investment Strategy and the MRP Strategy, together with the Prudential Indicators for 2019/20 as set out in Appendix A and the Treasury Management Policy Statement as set out at Appendix D.

Tracking

Executive:	10 December 2018, 16 January 2019
Scrutiny:	BTSP 3 January 2019
Audit Committee:	17 December 2018
Council:	5 February 2019

1. BACKGROUND

- 1.1 The CIPFA Code of Practice on Treasury Management in Local Authorities was first issued in 1992 and updated in 1996, 2001, 2011 and 2017. The City Council formally adopted this Code in March 2002 and adopted the 2017 revision in February 2018.
- 1.2 Under the requirements of the revised Code, the Council will receive each year the following reports:
- Annual strategy and plan in advance of the year
 - A mid-year review
 - Annual report after its close.

2. TREASURY MANAGEMENT STRATEGY STATEMENT

- 2.1 As required under the Code, the Treasury Management Strategy Statement (TMSS) for 2019/20, which also incorporates both the Investment Strategy for that year and the Minimum Revenue Strategy, is set out in **Appendix A**. The schedule of approved investment vehicles is contained in **Appendix B** and **Appendix C** includes a summary of current economic forecasts on interest rates that have been utilised in preparing the Strategy.
- 2.2 Also included within Appendix A are the **Prudential Indicators** that must be determined under the requirements of the CIPFA Prudential Code for Capital Finance in Local Authorities. These requirements came into operation on 1 April 2004 under the provisions of the Local Government Act 2003. Part 1 of the Act allows a local authority to borrow money for any purpose that is within its control or for the purposes of the prudent management of its financial affairs. The main purpose for borrowing money is to fund capital expenditure although some short-term borrowing is permitted to cover temporary cash flow needs.
- 2.3 Since 1 April 2004 there has been no statutory limit to the amount that can be borrowed. There is, however, a requirement for full compliance with CIPFA's Prudential Code; the key objectives of which are to demonstrate that the proposed capital investment plans have been assessed by the Council as affordable, prudent and sustainable. Section 3(1) of the Act puts a duty on the Council to determine before the start of the financial year and keep under review the maximum amount that it can afford to borrow. This amount is called the **Authorised Limit** and is discussed in Appendix A.
- 2.4 The Prudential Indicators are monitored via the quarterly Treasury Management monitoring reports.

3. CONSULTATION

- 3.1 The Council has appointed Link Asset Services (formerly Capita Asset Services) Treasury Services as its Treasury Advisers and they have been involved in the Strategy and proposals contained within this report.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 4.1 The Executive is asked to note the Treasury Management Strategy Statement for 2019/20, which incorporates the Investment Strategy and the MRP Strategy, together with the Prudential Indicators for 2019/20 as set out in Appendix A and the Treasury Management Policy Statement as set out at Appendix D.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 5.1 To ensure the Council's investments are in line with the appropriate policies including the Treasury Management Strategy Statement.

Contact Officer: Steven Tickner

Ext: 7280

Appendices attached to report:

- Appendix A – Treasury Management Strategy Statement**
- Appendix B – Approved Investment Instruments**
- Appendix C – Interest Rate Forecasts**
- Appendix D – Treasury Management Policy Statement**

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 – The Council has a fiduciary duty to manage its resources effectively for the benefit of its area and the delivery of its services. Treasury Management is an important part of this function and it is appropriate that the Council has a strategy and takes account of the available specialist internal and external advice. The Treasury Management Strategy forms part of the Budget and Policy framework and, therefore, ultimately requires approval by Council.

FINANCE – contained within the report.

EQUALITY – not applicable

INFORMATION GOVERNANCE – There are no information governance issues in this report

Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement and Annual Investment Statement

Carlisle City Council

2019/20

1. INTRODUCTION

- 1.1 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from: -
- increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
 - any increases in running costs from new capital projects are limited to a level which is affordable within the projected income of the Council for the foreseeable future
- 1.2 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 1.3 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.4 The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 1.5 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

- 1.6 CIPFA defines treasury management as:
“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 1.7 Revised reporting is required for the 2019/20 reporting cycle due to revisions of the MHCLG Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes include the introduction of a capital strategy, to provide a longer-term focus to the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011. The capital strategy has been reported separately.
- 1.8 The suggested strategy for 2019/20 in respect of the following aspects of the treasury management function is based upon officers’ views on interest rates, supplemented with leading market forecasts provided by the Council’s treasury consultants. The strategy covers the following issues:
- Treasury limits in force that will limit the treasury risk and activities of the Council;
 - Prudential and Treasury Indicators;
 - Current treasury position;
 - Borrowing requirement;
 - Prospects for interest rates;
 - Borrowing strategy considerations;
 - Debt rescheduling opportunities.
 - Investment Strategy
 - Minimum Revenue Provision Strategy
 - Capital Strategy

2. CAPITAL STRATEGY

- 2.1 The CIPFA revised 2017 Prudential and Treasury Management Codes require, for 2019/20, all local authorities to prepare an additional report, a Capital Strategy report, which will provide the following:
- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
 - an overview of how the associated risk is managed
 - the implications for future financial sustainability

- 2.2 The aim of the Capital Strategy is to ensure that all elected members fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.
- 2.3 The Capital Strategy is reported separately from the Treasury Management Strategy Statement alongside the Medium Term Financial Plan with non-treasury investments being reported through this document. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The Capital Strategy will show:
- The corporate governance arrangements for these types of activities;
 - Any service objectives relating to the investments;
 - The expected income, costs and resulting contribution;
 - The debt related to the activity and the associated interest costs;
 - The payback period (MRP policy);
 - For non-loan type investments, the cost against the current market value;
 - The risks associated with each activity.
- 2.3 Where a physical asset is being bought, details of market research, advisers used, (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.
- 2.4 Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the MHCLG Investment Guidance and CIPFA Prudential Code have not been adhered to.
- 2.5 If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the Capital Strategy.

3. TREASURY LIMITS 2019/20 TO 2021/22

- 3.1 It is a statutory duty, under S3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount determined is termed the 'Affordable Borrowing Limit'.
- 3.2 The Council must have regard to the Prudential Code when setting its Affordable Borrowing Limit. This essentially requires it to ensure that total capital investment remains within sustainable limits and in particular, that the impact upon its future council tax levels is 'acceptable'. It is important to understand, however, that the Indicators themselves, which are set out in paragraph 6, do not have an inherently right or wrong answer. They are not intended as comparator information between different authorities but are designed to support and record local decision making.

4. USE OF TREASURY CONSULTANTS

- 4.1 The authority has, like most other authorities, employed treasury advisers for specialist advice and assistance for many years. In the case of this authority, this role has long been fulfilled by Link Asset Services.
- 4.2 Link Asset Services provide specialist advice on both borrowing and investment matters. They also supply other relevant information and hold regular client seminars which help provide up to date training in what is an important and continually changing field. That said, it is important to recognise that responsibility for all treasury matters lies solely with the City Council and this responsibility is not delegated to Link Asset Services or any other third party. The Council has regard to the advice and information supplied by Link Asset Services along with advice and information from a variety of other sources. Such advice is valued and the authority is in frequent contact with Link Asset Services but this does lessen the ultimate responsibility of the City Council in dealing with treasury matters and taking relevant decisions.

5. CURRENT PORTFOLIO POSITION

The Council's treasury portfolio position at 22 November 2018 comprised:

Table 1		Principal £m	£m	Ave Rate %
Fixed Rate Funding	PWLB Market	0 15.0	15.0	8.76
Variable Rate Funding	PWLB Market	0 0	0	0.00
Other Long Term Liabilities			0	0.00
Gross Debt			15.0	8.76
Total Investments			29.9	1.24

6. PRUDENTIAL AND TREASURY INDICATORS 2019/20 – 2021/22

- 6.1 The Prudential and Treasury Indicators have been based on current projections for capital spending and resources in 2019/20 to 2021/22. The Council has ensured that future years' capital programmes have been set in accordance with the principles contained within the City Council's Capital Strategy and Asset Management Plan.

PRUDENTIAL INDICATOR AFFORDABILITY INDICATORS	2017/18 actual £000	2018/19 revised estimate £000	2019/20 estimate £000	2020/21 estimate £000	2021/22 estimate £000
Capital Expenditure	9,571	9,551	25,071	4,786	3,340
Ratio of financing costs to net revenue stream	12.17%	10.83%	16.74%	17.26%	10.78%
Net borrowing requirement in year (Internal & External)	234	3,838	18,588	(6,337)	(2,620)
Capital Financing Requirement as at 31 March	12,657	16,463	34,904	28,108	25,344
Annual change in Cap. Financing Requirement	(476)	3,806	18,441	(6,796)	(2,764)
Incremental impact of capital investment decisions					
Increase in council tax (band D) per annum (£)	0.21	3.43	16.55	(6.08)	(2.47)

6.2 The estimates of financing costs include both current capital commitments and the capital programme. In the case of this authority, it is assumed that any support from central government towards the costs of capital expenditure programmes in the next three years will be by means of a capital grant e.g. Disabled Facilities Grant.

6.3 **The Council's Borrowing Need (Capital Financing Requirement)**

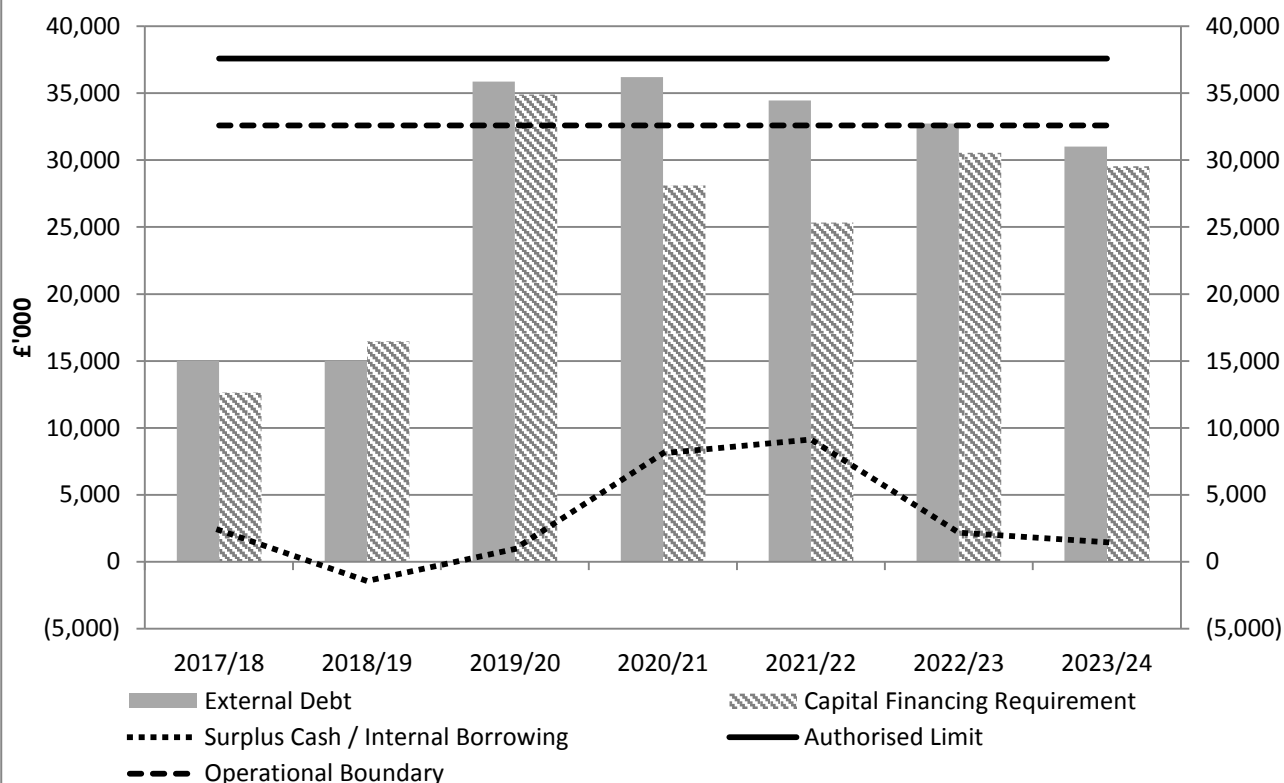
6.3.1 The Capital Financing Requirement (CFR) is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for from capital grants, capital receipts or revenue contributions, will increase the CFR as it will be funded from borrowing.

6.3.2 The CFR does not increase indefinitely. The Minimum Revenue Provision (MRP) is a statutory annual charge to the revenue budget which reduces the CFR in line with each assets life, and so charges the economic consumption of capital assets as they are used.

PRUDENTIAL INDICATOR TREASURY MANAGEMENT INDICATORS	2017/18 actual £000	2018/19 revised estimate £000	2019/20 estimate £000	2020/21 estimate £000	2021/22 estimate £000
Authorised Limit for External Debt:					
- Borrowing	37,500	37,500	37,500	37,500	37,500
- Other Long Term Liabilities	100	100	100	100	100
TOTAL	37,600	37,600	37,600	37,600	37,600
Operational Boundary for external debt:					
- Borrowing*	32,500	32,500	32,500	32,500	32,500
- Other Long Term Liabilities	100	100	100	100	100
TOTAL	32,600	32,600	32,600	32,600	32,600
Upper Limit for fixed interest rate exposure:					
- Net principal re. Fixed rate borrowing/investments	100%	100%	100%	100%	100%
Upper Limit for variable rate exposure					
- Net principal re. Variable rate borrowing/investments	100%	100%	100%	100%	100%
Upper Limit for total principal sums invested for over 1 year	50%	50%	50%	50%	50%

6.3.3 The graph below shows the level of external debt currently forecast against the Capital Financing Requirement. This chart makes assumptions included in the Executive's budget regarding the use of external borrowing. However, funding of capital expenditure could change, for example, if additional assets are sold generating capital receipts. Therefore, this chart could be subject to change in the future. This shows that external debt is not forecast to rise above the authorised limit over the next five years. However, this is predicated on the assumption that capital receipts can be generated that will be used to fund some of the capital expenditure requirements identified. Should these receipts not be achieved, then then the use of borrowing will need to be re-examined. The Medium Term Financial Plan assumes that external borrowing will be undertaken for major capital schemes such as the leisure development and Gateway 44, however, due to potential capital receipts being realised, the CFR does not increase to the same extent, so reduced amounts of external borrowing may be able to be taken should these receipts be realised. This would ease pressure on the revenue budget through reduced borrowing costs and would also reduce the overall level of indebtedness and ensure the Council is not in a position where it borrows more that it requires. These areas will be closely monitored prior to any external borrowing being undertaken.

Treasury Management Indicators

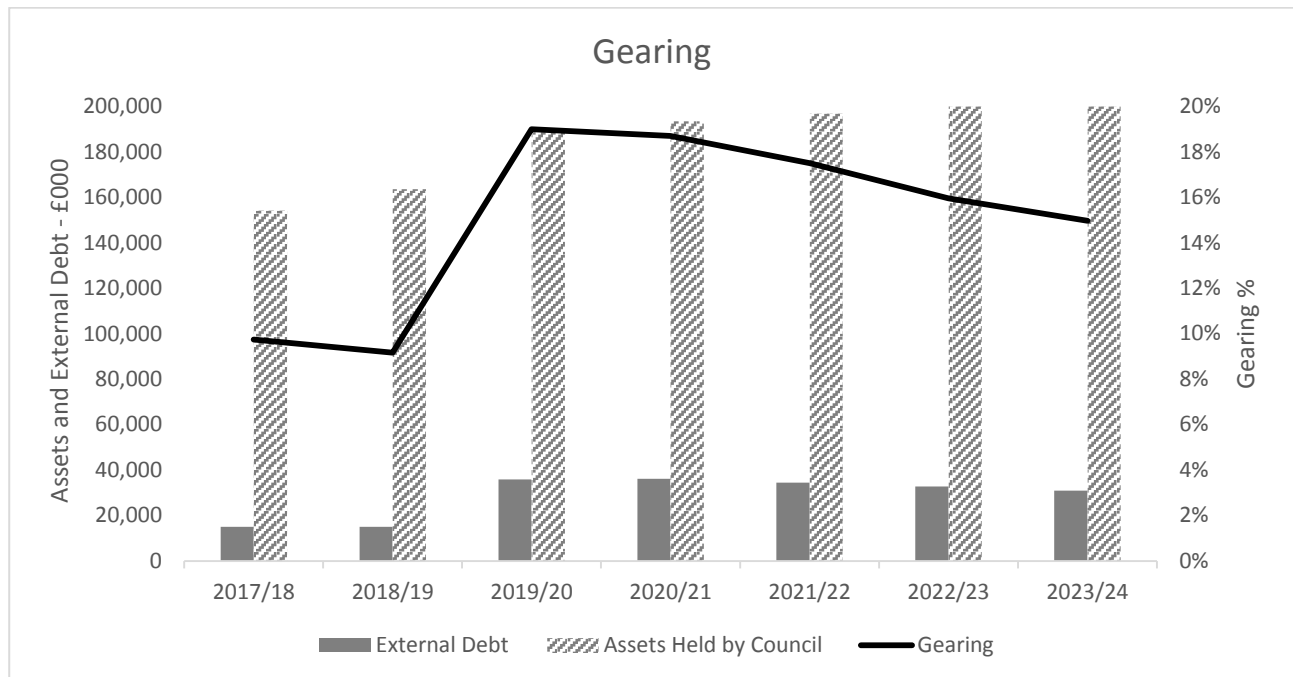


Maturity structure of any fixed rate borrowing during 2018/19	Upper limit	Lower limit
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

6.3.4 In respect of its external debt, it is recommended that the Council approves the above authorised limit for its total external debt, gross of investments, for the next three financial years. The limit separately identifies borrowing from other long-term liabilities such as finance leases. The Council will be asked to approve these limits and to delegate authority to the Corporate Director of Finance and Resources, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities in accordance with option appraisal and best value for money. Any such change would be reported to the next available Council meeting.

6.3.5 The authorised limit is consistent with the authority's current commitments, plans and proposals for capital expenditure and it's financing. **However, the overall authorised limit is not to be exceeded without prior Council approval.**

6.3.6 In setting the Authorised Limit consideration should be made to the chart below which demonstrates the level of indebtedness against the Council's overall asset base (i.e. its gearing).



6.3.7 The operational boundary is based upon the same estimates as the authorised limit but without the headroom included within the authorised limit to allow for unusual cash movements. As with the authorised limit, the Council is asked to delegate authority to the Corporate Director of Finance and Resources to effect movement between the separately agreed limits for borrowing and other long-term liabilities. The operational boundary can be exceeded in exceptional circumstances without prior Council approval providing that it remains within the authorised limit.

6.3.8 The City Council's current limits for maximum levels of fixed and variable rate funding are both 100% and this is as recommended by the treasury advisers.

7. PROSPECTS FOR INTEREST RATES

7.1 The Council has appointed Link Asset Services Treasury Services as a treasury adviser to the Council and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the Link Asset Services view although it should be noted that there are some differing views among the various economic forecasters regarding the future pattern of these rates:

	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21
Bank Rate	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%

- 7.2 The flow of generally positive economic statistics after the quarter ended 30 June meant that it came as no surprise that the Monetary Policy Committee (MPC) came to a decision on 2 August to make the first increase in Bank Rate above 0.5% since the financial crash, from 0.5% to 0.75%. Growth has been healthy since that meeting but is expected to weaken somewhat during the last quarter of 2018. At their November meeting, the MPC left Bank Rate unchanged, but expressed some concern at the Chancellor's fiscal stimulus in his Budget, which could increase inflationary pressures. However, it is unlikely that the MPC would increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. The next increase in Bank Rate is therefore forecast to be in May 2019, followed by increases in February and November 2020, before ending up at 2.0% in February 2022.
- 7.3 The overall longer run future trend is for gilt yields, and consequently Public Works Loan Board (PWLB) rates, to rise, albeit gently. However, over about the last 25 years, we have been through a period of falling bond yields as inflation subsided to, and then stabilised at, much lower levels than before, and supported by central banks implementing substantial quantitative easing purchases of government and other debt after the financial crash of 2008. Quantitative easing, conversely, also caused a rise in equity values as investors searched for higher returns and purchased riskier assets. In 2016, we saw the start of a reversal of this trend with a sharp rise in bond yields after the United States (US) Presidential election in November 2016, with yields then rising further as a result of the big increase in the US government deficit aimed at stimulating even stronger economic growth. That policy change also created concerns around a significant rise in inflationary pressures in an economy which was already running at remarkably low levels of unemployment. Unsurprisingly, the Federal Reserve (Fed) has continued on its series of robust responses to combat its perception of rising inflationary pressures by repeatedly increasing the (Fed) rate to reach 2.00 – 2.25% in September 2018. It has also continued its policy of not fully reinvesting proceeds from bonds that it holds as a result of quantitative easing, when they mature. We have, therefore, seen US 10-year bond Treasury yields rise above 3.2% during October 2018 and also seen investors causing a sharp fall in equity prices as they sold out of holding riskier assets.
- 7.4 Rising bond yields in the US have also caused some upward pressure on bond yields in the UK and other developed economies. However, the degree of that upward pressure has been dampened by how strong or weak the prospects for

economic growth and rising inflation are in each country, and on the degree of progress towards the reversal of monetary policy away from quantitative easing and other credit stimulus measures.

7.5 From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment. Such volatility could occur at any time during the forecast period.

7.6 Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts, (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

7.7 **Investment and borrowing rates**

- Investment returns are likely to remain low during 2019/20 but to be on a gently rising trend over the next few years.
- Borrowing interest rates have been volatile so far in 2018/19 and have increased modestly since the summer. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when authorities may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt;
- There will remain a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

8. **BORROWING STRATEGY**

- 8.1 The Link Asset Services forecast for the PWLB new borrowing rate (repayment at Maturity) is as follows:

	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21
5 Yr PWLB	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%
10Yr PWLB	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%
25Yr PWLB	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%	3.50%
50Yr PWLB	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%

- 8.2 The Council is, as stated above, expecting to have to borrow externally in 2019/20 to finance significant capital expenditure on new leisure facilities and other asset investments. Approval was given as part of the Capital Strategy approved in September 2016, for the Section 151 Officer to undertake external borrowing at a time it was felt to be most appropriate, taking into account forecasts for potential rises in interest rates and utilising any favourable borrowing rates. It is anticipated that a combination of capital grants and internal resources will be used to meet most, if not all, other capital commitments in the new financial year. Nevertheless, the use of external borrowing is to be planned for in future years. The Corporate Director of Finance and Resources will therefore continue to monitor the interest rate market as regards borrowing opportunities as well as in respect of investment policy.
- 8.3 Against this background and the risks with the economic forecast, caution will be adopted with the 2019/20 treasury operations. The Corporate Director of Finance and Resources will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- *If it was felt that there was a significant risk of a sharp FALL in long term and short-term rates (e.g. due to a marked increase in the risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into shorter term borrowings will be considered.*
 - *If it was felt that there was a significant risk of a much sharper RISE in long and short-term rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

8.3 Policy on borrowing in advance of need

- 8.3.1 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. As part of the Capital Strategy approved by Council in September 2016, approval in principle was given to borrowing in advance of need for the re-financing of the stock issue loan if interest rates were favourable and would be cost effective over the term of any new loan.

8.4 External v. Internal Borrowing

- 8.4.1 This Council currently has differences between gross debt and net debt (after deducting cash balances). This is shown in the graphs at 6.3.5
- 8.4.2 The general aim of this Treasury Management Strategy is to reduce the difference between the two debt levels over the next three years in order to reduce the credit risk incurred by holding investments. However, measures taken in the last year have already reduced substantially the level of credit risk (see paragraph 10) so another factor which will be carefully considered is the difference between borrowing rates and investment rates to ensure the Council obtains value for money once an appropriate level of risk management has been attained to ensure the security of its investments.
- 8.4.3 The next financial year will continue to be one of historically low Bank Rates, even though rates are anticipated to increase. This provides a continuation of the current window of opportunity for local authorities to fundamentally review their strategy of undertaking new external borrowing.
- 8.4.4 Over the next three years, investment rates are expected to continue to be below long term borrowing rates and so value for money considerations would indicate that value could best be obtained by avoiding new external borrowing by using internal cash balances to finance new capital expenditure or to replace maturing external debt (this is referred to as internal borrowing). This would maximise short term savings.
- 8.4.5 However, short term savings by avoiding new long term external borrowing in 2019/20 will also be weighed against the potential for incurring additional long term extra costs by delaying unavoidable new external borrowing until later years when PWLB long term rates are forecast to be significantly higher. By utilising internal cash balances consideration will also need to be given to the availability of cash to service the day-to-day cash flow of the Council. This could require the Council to undertake short-term borrowing to cover cash-flows.

8.4.6 Against this background caution will be adopted with the 2019/20 treasury operations. The Corporate Director of Finance and Resources will monitor the interest rate market and adopt a pragmatic approach to changing circumstances, reporting any decisions to the appropriate decision-making body at the next available opportunity.

9. DEBT RESCHEDULING

9.1 There is unlikely to be much scope for debt rescheduling in either the current financial year or in 2019/20. Only one substantial sum of long term debt remains on the authority's books. This is the £15m stock issue which dates from 1995 and which will mature in 2020. The current view is that a premature repayment is not recommended because a premium payment would be incurred. The position remains under review, however, and if circumstances should change and the position becomes more favourable then this position will be reviewed.

10. INVESTMENT STRATEGY

10.1 Principles

10.1.1 The MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets (e.g. property), are covered in the Capital Strategy.

10.1.2 The Council's investment policy has regard to the following: -

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

10.1.3 The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return).

10.1.4 The Council will also endeavour to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. Security of principal will always be the primary consideration. The risk appetite of this Council is low in order to give priority to security of its investments.

10.1.5 The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means (Further details of limits and timescales for all approved investments are shown at **Appendix B**): -

- Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
- Credit ratings will be used as one means of assessing the credit quality of rated counterparties although it is recognised that reliance should not be placed on credit rating alone. The minimum short-term rating for a bank will be either F1 (Fitch) or P1 (Moody's). For a rated UK building society, a similar rating would be anticipated although the proposed criteria do give authority to the Corporate Director of Finance and Resources to approve, if considered appropriate, the addition of other building societies with both a F2 (Fitch) and a P2 rating (Moody's). This is still a high-quality credit rating but recognises the very strong record of the UK building society movement over many years in protecting the capital of all depositors. The Strategy already

allows discretion to the Corporate Director of Finance and Resources to include as counterparties non-credit rated building societies whose assets total at least £1bn. Any such investment would be subject to an assessment of such a society as a suitable counterparty. There are, for example, good reasons why many building societies do not have a credit rating but there are other means of making an appropriate financial judgment.

- **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings.
- **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in appendix B under the categories of ‘specified’ and ‘non-specified’ investments.
 - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
 - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
- **Non-specified investments limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments as being 50% of the total investment portfolio.
- **Lending limits**, (amounts and maturity), for each counterparty are set. Total investments with any one counterparty or group currently will not exceed £6m to ensure a reasonable spread of investments in terms of counterparties. Investments with Money Market Funds and investments in overseas banks with a sovereign rating of not less than the UK sovereign rating will not exceed £4m.

- **Transaction limits** are set for each type of investment are set.
- This authority will set a limit for the amount of its investments which are invested for **longer than 365 days**.
- Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**.
- This authority has engaged **external consultants**, (see paragraph 4), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
- All investments will be denominated in **sterling**.
- As a result of the change in accounting standards for 2018/19 under **IFRS 9**, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (The Ministry of Housing, Communities and Local Government [MHCLG], have recently issued a statutory override for Local Authorities so that the impact of IFRS9 does not affect a Council's General Fund. This override is currently in place for 5-years.)
- Due care will be taken to consider the country, group and sector exposure of the Council's investments. In addition:
Country limits:
 - where the country of registration of an institution has an average credit rating (i.e. an average sovereign credit rating) equal to, or better than that of the UK; it will enable the Council to consider the placement of investments on the same basis applied for UK-registered institutions (i.e. subject to the overarching counterparty criteria as set out at **Appendix B**; and
 - where an institution meets the approved counterparty status* but the country of registration has an average credit rating below that of the UK; limit such investments in total to such rated non-UK countries to be no more than £2m of the portfolio.
i.e. it meets the overarching counterparty criteria as set out at **Appendix B**.
 - sector limits will be monitored regularly for appropriateness.

10.1.6 Following approval in 2014/15, the Council now makes use of the CCLA Property Fund for longer term investments, and at present has invested £3m into this fund. The anticipated yield from this investment is assumed to be 4.50% in the MTFP.

10.1.7 Any investments with institutions that do not have a credit rating e.g. many smaller building societies or investments for periods over one year would be classed as non-specified investments. **However, it is important to stress that both the specified and non-specified investments in Appendix B are perfectly legal instruments in which the City Council may invest.** This includes for example many building societies as only the larger societies have an individual credit rating although there are other criteria by which a judgement can be made as to their credit quality.

10.2 Creditworthiness Policy

10.2.1 This Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

10.2.2 This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore have consideration to using counterparties within the following durational bands:

Yellow	5 Years *
Dark Pink	5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
Light pink	5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
Purple	2 years
Blue	1 year (only applies to nationalised or semi nationalised UK Banks)
Orange	1 year
Red	6 months
Green	100 Days
No Colour	Not to be used

**The Council does not usually invest for longer periods than 2-years, however if it were to it would follow the same creditworthiness policy provided by Link Asset Services*

10.2.3 The Link Asset Services' creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

10.2.4 All credit ratings will be monitored weekly. The Council is alerted to changes to ratings of all three agencies through its use of the Link Asset Services' creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

10.2.5 Sole reliance will not be placed on the use of this external service. In addition, this Council will also use market data and market information, information on any external support for banks to help support its decision-making process.

10.3 Investment Strategy

10.3.1 With bank base rate forecast to remain at 0.75% until quarter 1 2019 and not to rise above 1.25% until the end of 2020, investment conditions will continue to be difficult. The view of Link Asset Services is that bank rate will be at the following levels:

	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21
Bank Rate	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%

10.3.2 The Council has historically outperformed bank rates in its investment returns.

Therefore, the suggested budgeted average investment earnings currently included in the MTFP projections are as follows:

	Investment Balances	CCLA Property Fund
2019/20	1.20%	4.50%
2020/21	1.45%	4.50%
2021/22	1.83%	4.50%

10.3.3 Clearly, these projections can only be best estimates at this stage and the risk is to the downside i.e. if the economic recovery is slower than expected, then interest rates are likely to rise more slowly. At this stage, the budget for 2019/20 has assumed an average yield of 1.20% on its investments (excluding CCLA Property Fund) in the next financial year. This allows for the fact that there are some higher value, longer term investments placed and there will be some shorter dated instant access investments placed. This forecast will, however, be reviewed further during the budget cycle. The anticipation of interest yielded from investing in the Property Fund is estimated at 4.50% in the MTFP.

10.3.4 In this situation, the authority will continue to try and seek value in its investments by placing them out for longer periods where possible e.g. six months to one year, to meet future cash flow needs, subject to retaining some sums for shorter periods to meet liquidity requirements and also to take advantage of any particular investment opportunities. Much of the basic framework of the authority's cash flows is already known for the next financial year and use will be made of this information in determining investment periods. The money market is monitored daily and use will be made of a plurality of sources of financial information in determining investment opportunities. All investments will be placed only with institutions that conform to the criteria set out in the Investment Strategy. However, should the council use internal cash balances to support the capital programme rather than undertaking external borrowings this will have a significant impact on the investment returns achieved, but will be offset by reduced costs of borrowing.

10.3.5 The investment income budget will, as ever, be carefully monitored in the coming financial year and reported to members via the regular Treasury Transactions reports.

10.4 End of Year Investment Report

In line with current practice, the Council will receive a report on its investment activity as part of the Annual Treasury Report at the end of the financial year. It should also be noted that best practice now requires a mid-year report on the treasury function. This has long been the practice within the City Council where quarterly reports are presented to the Executive. In addition, the Audit Committee has taken on the role of the 'strategic committee' that oversees treasury matters.

11. THE MINIMUM REVENUE PROVISION STRATEGY

11.1 The Council implemented the new Minimum Revenue Provision (MRP) guidance in 2008/09 and will assess their MRP for 2019/20 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003. Furthermore, the Council

revised its MRP Policy in 2017/18 to provide for MRP on a 3% straight Line basis going forward.

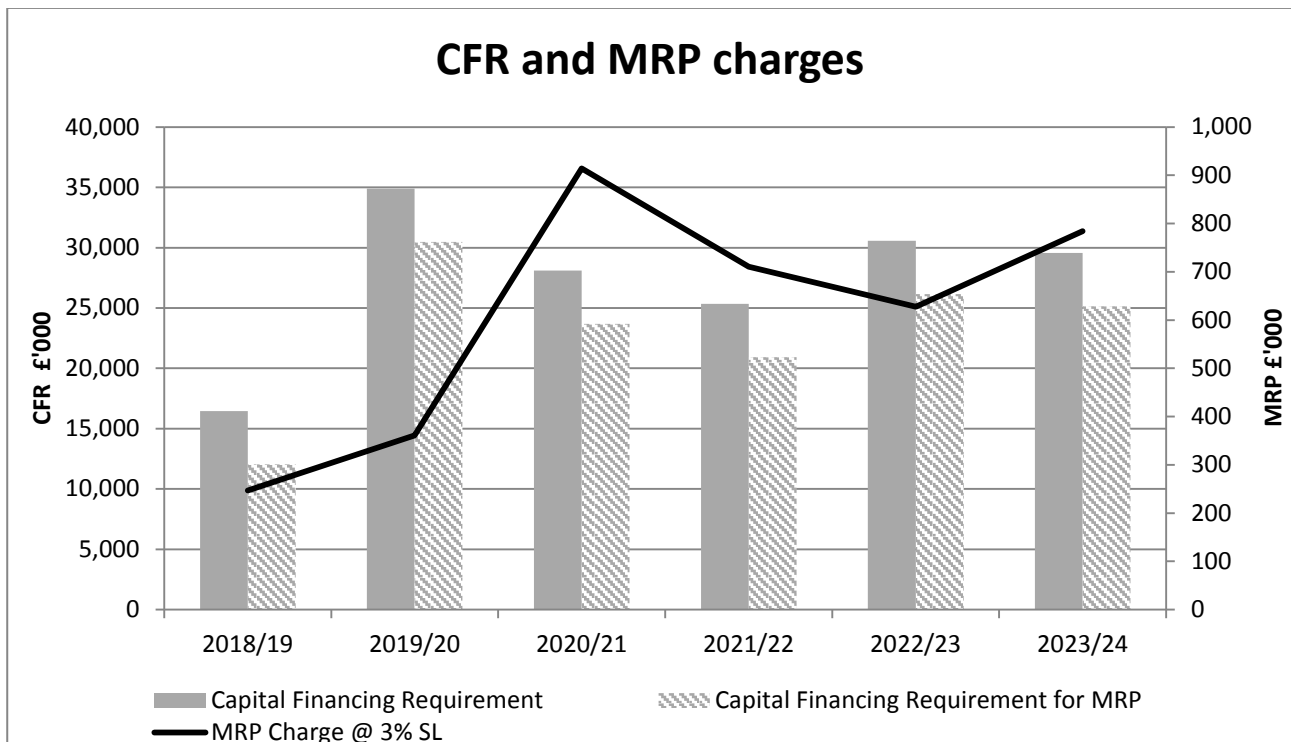
- 11.2 The Council is currently forecasting to undertake additional external borrowing in 2019/20 to facilitate the delivery of its capital programme. Current estimates include this borrowing on a principal and interest repayment basis. Any principal repaid would be a cash outflow for the Council and cash would be replenished through the charging of MRP from the General Fund to reduce the underlying borrowing requirement.
- 11.3 The Council is obliged to make proper provision for the repayment of its outstanding debt liabilities. Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. land, buildings, vehicles etc. It would usually be impractical to charge the entirety of such expenditure, which is often funded by borrowing, to the revenue account in the year it was incurred. Instead, this is spread over a longer period to try and match the years over which these assets will benefit the community. The manner of spreading these costs is through the Minimum Revenue Provision (MRP). Until recently, the MRP was calculated according to detailed and complex regulations. It is now determined under Guidance.
- 11.4 The only statutory duty that a local authority has under the new MRP regime is '*to determine for the current financial year an amount of minimum revenue provision that it considers to be prudent*'. The Guidance, which authorities must 'have regard to' provides four options for calculating the MRP. It is important to realise, however, that there is no obligation to follow any of these options and that it is up to each authority to decide upon the most appropriate method of making a prudent provision, having had regard to the Guidance.
- 11.5 Using the 3% Straight Line method for calculating the MRP charge more reflects an average life of Council assets of 33 years and since it has a mix of short life assets such as vehicles (typical life 5-10 years) and long-life assets such as land and buildings (typical life 40-50+ years) this is still deemed to be a prudent approach to take.
- 11.6 In 2018/19, the opening CFR was £12.657million.
- 11.7 In 2018/19 the Council implemented a recommendation from Link Asset Services to review its CFR for MRP purposes in relation to what is known as 'Adjustment A'. The purpose of Adjustment A was to ensure that the starting point for calculating MRP under the new system in 2004 did not significantly vary the level of liability that would have arisen had the previous system of capital controls remained unchanged.

- 11.8 The MRP review undertaken by (then) Capita Asset Services identified a misstatement in the basis of calculation of Adjustment A which indicated that the value originally assessed in 2004/05 to be understated. The Council's reassessed Adjustment A figure is £4.426 million. This misstatement related to the inclusion of revenue expenditure (premiums on the early repayment of debt) being included in the original Adjustment A calculation which the Code states should be excluded from the calculation.
- 11.9 Therefore when calculating MRP for future years, the actual Capital Financing requirement should be reduced by this Adjustment A figure and then MRP charged at 3% of the reduced figure.
- 11.10 The CFR and MRP charges currently included in the MTFP and budget projections are as follows (The MRP charge calculated for 2019/20 is chargeable in 2020/21 and so on):

	2019/20	2020/21	2021/22
	£000	£000	£000
Opening CFR	16,463	34,904	28,108
Closing CFR	34,904	28,108	25,344
Adjustment A	4,426	4,426	4,426
CFR for MRP Purposes	30,478	23,682	20,918
MRP Charge @ 3%	914	710	628
Adjustments to MRP for historical Overpayments	-467	-467	-241
Actual MRP charge	447	243	387

- 11.11 MRP is a statutory requirement for local authorities to charge to their revenue account for each financial year a prudent amount for the principal cost of their debt in that financial year. It impacts upon the CFR, one of the Council's prudential indicators.
- 11.12 The CFR is a measure of the Council's underlying debt liability, resulting from historic capital expenditure which has been financed from borrowing. Amending the MRP as proposed will lead to an increase in the short to medium term CFR compared to current projections. This is because the MRP reduces the CFR each year, so a decrease in the amount of reduction causes an increase in the current projected CFR.
- 11.13 When an amount previously set aside for debt liability in the budget is released and then used for another revenue purpose the Authority will have less cash. This is likely to lead to a reduction in external investments and with thus lead to a reduction in interest income.
- 11.14 The decrease in MRP will not adversely impact upon the Council's ability to repay its future debt obligations

- 11.15 The regulations allow the Authority to review its policy every year and set a policy that it considers prudent at that time. The impact of a revised MRP policy will be kept under regular review in order to ensure that the annual provision is prudent.
- 11.16 As the MRP policy has to be considered by the Executive and approved by Council each year there will be an opportunity to revisit any decision at least annually, or make additional voluntary payments.
- 11.17 The chart below shows the anticipated CFR in future years as well as the CFR for MRP Calculation purposes.



APPROVED INVESTMENT INSTRUMENTS

Specified Investments

All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum 'high' rating criteria where applicable.

- All UK banks and building societies with a minimum specified 'high' credit rating shall have a **maximum of £6m** as the counterparty limit **(individual Transaction Limit for fixed term investments £2m, for instant access and call accounts £6m)**.
- All overseas banks with a sovereign rating of not less than the UK sovereign rating and a minimum individual credit rating, shall have a **maximum of £4m** as the counterparty limit **(individual Transaction Limit for fixed term investments £2m, for instant access and call accounts £6m)**.
- Where an institution meets the approved counterparty status but the country of registration has an average credit rating below that of the UK; limit such investments in total to such rated non-UK countries to be no more than **£2m** as the counterparty limit. **(individual Transaction Limit for fixed term investments £2m, for instant access and call accounts £2m)**.
- UK building societies that are not credit rated shall have a maximum of **£2m** as the counterparty limit. **(individual Transaction Limit for fixed term investments £2m, for instant access and call accounts £2m)**.
- MMFs shall have a maximum counterparty limit of **£4m (Individual Transaction limit of £4m)**.

Fixed Term Deposits with fixed rates and maturities:-	Minimum 'High' Credit Criteria	Use
Debt Management Agency Deposit Facility	Government backed	In-house
Term deposits – local authorities	--High level of security	In-house
Term deposits – U K banks**	Short-term F1 (Fitch) or P1(Moodys)	In-house
Term Deposits – UK building societies**	Short Term F1 (Fitch) or P1 (Moodys) or as determined by the Chief Finance Officer	In-house
Term Deposits – Non UK Banks	Sovereign Rating (not less than UK) Short Term F1 (Fitch) or P1 (Moodys) or as determined by the Chief Finance Officer	In-house
Fixed term deposits with variable rate and variable maturities: -	Minimum 'High' Credit Criteria	Use
Callable deposits	Short-term F1 (Fitch) or P1 (Moodys)	In-house
Certificates of deposits issued by UK banks and building societies	Short-term F1 (Fitch) or P1 (Moodys)	In-house buy and hold
UK Government Gilts	Government backed	In-house buy and hold
Bonds issued by multilateral development banks	AAA	In-house on a 'buy-and-hold' basis.
Bonds issued by a financial institution which is guaranteed by the UK government	AAA	In-house on a 'buy-and-hold' basis.
Collective Investment Schemes structured as Open Ended Investment Companies	Minimum 'High' Credit Criteria	Use

(OEICs): -		
1. Money Market Funds	Short-term AAA	In-house
2. Enhanced Cash Funds	Short-term AAA	In-house
3. Government Liquidity Funds	Short-term AAA	In-house

** If forward deposits are to be made, the forward period plus the deal period should not exceed one year in aggregate.

Non-Specified Investments:

A maximum of 50% will be held in aggregate in non-specified investments

1. Maturities of ANY period.

	Minimum Credit Criteria	Use	Max % of total investments	Max. maturity period
Term deposits with non credit rated UK Building Societies	As approved by the Chief Finance Officer. Minimum asset base of £1bn	In-house	50	364 days

2. Maturities in excess of 1 year

	Minimum Credit Criteria	Use	Max % of total investments	Max. maturity period
Term deposits – local authorities	Any authority	In-house	50	3 Years
Term deposits – UK banks and building societies	Long-term A (Fitch) or A2 (Moody's)	In-house	50	3 Years
Fixed term deposits with variable rate and variable maturities	Minimum Credit Criteria	Use	Max % of total investments	Max. maturity period
Certificates of deposits issued by UK banks and building societies	Long-term A (Fitch) or A2 (Moody's)	In house on a 'buy and hold basis'	50	3 Years
UK Government Gilts	Government backed	In house on a 'buy and hold basis'	50	3 Years
Bonds issued by multilateral development banks	AAA	In-house on a 'buy-and-hold' basis.	50	3 Years
Bonds issued by a financial institution which is guaranteed by the UK government	AAA	In-house on a 'buy-and-hold' basis.	50	3 Years
Collective Investment Schemes structured as Open Ended Investment Companies (OEICs)	Minimum Credit Criteria	Use	Max % of total investments	Max. maturity period
1. Bond Funds	Long-term AAA	In-house	50	3 Years
2. Gilt Funds	Long-term AAA	In-house	50	3 Years

3. Approved Property Funds

	Use	Max % of total investments	Max. maturity period
CCLA Property Fund	In-house as determined by the Chief Finance Officer	50	No maximum

The Council uses Fitch (primarily) or Moody's ratings to derive its counterparty criteria. All credit ratings will be monitored monthly. The Council is alerted to changes in credit ratings through its use of the Link Asset Services creditworthiness service. If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

INTEREST RATE FORECASTS

The data below shows a variety of forecasts published by Link Asset Services and Capital Economics. The forecast within this strategy statement has been drawn from these diverse sources and officers' own views. Revised forecasts will be provided when they become available.

1. INDIVIDUAL FORECASTS

Link Asset Services Interest Rate View														
	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	1.75%	2.00%
3 Month LIBID	0.80%	0.90%	1.00%	1.10%	1.20%	1.30%	1.40%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%
6 Month LIBID	0.90%	1.00%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%
12 Month LIBID	1.10%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%
5yr PWLB Rate	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.80%
10yr PWLB Rate	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%
25yr PWLB Rate	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.40%

TREASURY MANAGEMENT POLICY STATEMENT

Carlisle City Council defines treasury management as:

“The management of the organisation’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

Carlisle City Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the authority, and any financial instruments entered into to manage these risks.

Carlisle City Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

Investment Policy

The Council will manage its investments in line with the criteria set out in section 9 of the TMSS with the security of investment being paramount. The Council’s investments will be placed in line with those outlined in Appendix B of the TMSS.

Borrowing Strategy

The Council will manage its borrowings in line with the criteria set out in section 8 of the TMSS with the emphasis being on external borrowing only being taken when absolutely necessary and ensuring it offers the best value for money.

EXCERPT FROM THE MINUTES OF THE HEALTH AND WELLBEING SCRUTINY PANEL HELD ON 15 NOVEMBER 2018

HWSP.71/18 BUDGET 2019/20 – 2020/21

(b) Review of Charges 2019/20

The Corporate Director of Finance and Resources presented the Review of Charges reports informing the Panel that there was a 3% increase on the overall level of income in line with the Corporate Charging Policy.

Community Services

The Deputy Chief Executive submitted report CS.31/18 which set out the proposed fees and charges for 2019/18 relating to those services falling within the Community Services Directorate.

The charges highlighted within the report would result in an anticipated level of income of £2,903,300 against the MTFP target of £2,903,300 which represented the income target being met. Details of the proposed charges in relation to those areas within the Panel's remits: Old Fire Station; allotments; use of parks; sports pitches; Talkin Tarn; Bereavement Services; Waste Services and Garage charges, were contained within the report.

The Executive had on 12 November 2018 (EX.100/18) received the report and decided:

"That the Executive:

1. Had reviewed the proposed charges as set out in the body of Report CS.31/18 and relevant appendices with effect from 1 April 2019, noting the impact those would have on income generation as detailed within the report.
2. Made the report of proposed charges available to relevant Scrutiny Panels for their review and comment."

The Deputy Chief Executive noted it was proposed that Room Hire Charges at the Old Fire Station were to remain at their 2018/19 rates, in order to further encourage use of the facility. The proposed increase in charges relating to stray dogs was due to the service now being more costly for the Council to provide.

In considering the report, Members raised the following questions or comments:

- Did the Council receive payment for the processing its recyclates?

The Deputy Chief Executive responded that the Council received recycling credits for the recycling material it sent for processing.

The Corporate Director of Finance and Resources drew the Panel's attention to page 36 of the Budget Book which provided a summary of income from services within the Directorate and advised that all were expected to meet their MTFP targets with the exception of those identified in the Income and Budget Monitoring Shortfalls.

- How would Officers deal with a case where the charge for the stray dog service had been applied, but the resident was unable to pay the fee?

The Deputy Chief Executive advised that in such cases front line Officers were able to request management support to address the issue, on a case by case basis.

- Was the proposed removal of the extended hours charging policy at The Sands Centre car park intended for the duration of the works to the facility, or was it to be permanently removed?

The Deputy Chief Executive responded that the matter fell within the remit of the Economic Growth Scrutiny Panel, who would consider the matter as part of their scrutiny of the Budget proposals.

The car park was well used, were the development of The Sands Centre to be approved, a compound would be installed in the car park which would potentially create issues regarding the provision of spaces. However, there were a number of potential mechanisms which the Council may employ to mitigate against the loss of spaces.

The Deputy Chief Executive noted that it had been custom to detail on the agenda of the individual Scrutiny Panels, the areas within the numerous budget reports which were within the remit of a particular Panel. In his view, the scrutiny of all budget reports by all three Scrutiny Panels was likely to be very time consuming and had the potential to cause issues such as conflicting resolutions. He suggested that Members stick to considering items within the remit of their Panel.

Governance and Regulatory Services

The Corporate Director of Governance and Regulatory Service submitted report GD.72/18 which detailed the proposed fees and charges for areas falling within the responsibility of the Governance and Regulatory Services Directorate.

The report set out the proposed charges relative to Environmental Health and Housing; Homeless, Prevention and Accommodation Services; and Legal Services, and the Corporate Director noted that all the increases proposed were in-line with the Council approved, Corporate Charging Policy.

The introduction of the proposed charges was forecast to generate income of £874,200 in 2019/20 as summarised in the table at paragraph 5.10.1 of the report.

The Executive had on 12 November 2018 (EX.101/18) received the report and decided:

“That the Executive agreed for consultation the charges as detailed within Report GD.72/18 and accompanying Appendices, with effect from 1 April 2019; noting the impact those would have on income generation as detailed within the report.”

The Chairman asked whether the Council owned properties for the purpose of housing people experiencing homelessness.

The Corporate Director of Finance and Resources confirmed that the Council did own a number of such properties through the Hostel Share Scheme.

RESOLVED – 1) That having considered the items within the budget relevant to its remit, and put questions to Officers, the Panel was satisfied with the recommendations put forward.

Report to Executive

Agenda
Item:

A.3

Meeting Date: 10th December 2018
Portfolio: Culture, Leisure and Heritage
Key Decision: Yes: Recorded in the Notice
Within Policy and Budget Framework YES
Public / Private Public

Title: TULLIE HOUSE BUSINESS PLAN 2019/20 – 2021/22
Report of: DEPUTY CHIEF EXECUTIVE
Report Number: CS 35/18

Purpose / Summary:

This report introduces the Tullie House Museum and Art Gallery Trust 2019 - 2022 Business Plan.

The purpose of this report is to allow consideration of the Business Plan in order that the Council may in due course agree core funding for the Trust. This is in line with Section 5 of the Partnership Agreement between the Council and Tullie House Trust. The Section states that the Business Plan submitted by the Trust to the City Council should be used as the basis for agreeing future years funding.

In addition to the Tullie House Trust Business Plan, this report also includes an action plan which demonstrates how Tullie House Trust will deliver its eight strategic objectives which underpin its two strategic aims of financial sustainability and community engagement (Appendix 1) and the Tullie House Trust staffing structure (Appendix 2).

Recommendations:

The Executive are asked to:

1. Consider the Tullie House Business Plan (2019-2021) and action plan and refer this on to Full Council for their views.
2. Consider the proposals made by the Tullie House Board for core funding from the year 2020/21 as at page 15 of the Business Plan whilst taking into account the resolutions from the Health and Wellbeing Scrutiny Panel of 15/11/18.
3. Having considered the Business Plan and core funding proposals made by the Board, make a recommendation to Full Council (8th January 2019) on the level of core grant to be provided in 2020/21 and the indicative levels for 2021-22 and 2022-23.

Tracking

Executive:	10th December 2018
Scrutiny Panel:	15th November 2018
Council:	8th January 2019

1. BACKGROUND

- 1.1 The Council on 14th December 2010 approved the principle of establishing a new Charitable Trust to run the Tullie House Museum and Art Gallery. Tullie House Museum and Art Gallery transferred from Carlisle City Council to a new, independent, charitable company on 5th May 2011.
- 1.2 The partnership agreement between Tullie House Trust and Carlisle City Council states that the core funding for future years grant from the Council to the Trust is set following consideration of a business plan submitted annually by the end of October.
- 1.3 The Partnership Agreement states that core funding should be agreed for a three year period (covered by a Business Plan submitted annually).
- 1.4 This report presents the Tullie House Business Plan for the period 2019 through to 2021.
- 1.5 In 2016, Carlisle City Council and the Tullie House Trust took part in a Local Government Association funded Proactivity Programme and appointed specialist consultants Roseangle to review the sustainability and potential future funding requirement of the Tullie House Museum and Art Gallery
- 1.6 Since the production of the Roseangle report in 2017, Carlisle City Council and Tullie House Trust representatives have met on several occasions to discuss how the recommendations of the Roseangle report could be implemented and how this could help reduce reliance on core funding from Carlisle City Council.
- 1.7 At present the core funding grant from the City Council is agreed to remain the same up to the end of 2019/20. No reductions in the funding will occur in 2019/20 and up to £300,000 reduction will come in to effect from 2020/21 (as resolved at Council on 9 January 2018 and as included in the Council's Medium Term Financial Plan).

2.0 CORE GRANT

- 2.1 The Core Grant referred to in the Tullie House Trust Business Plan (Page 15, Point 7.1.) represents the financial support offered to the Tullie House Trust on annual basis to assist the Trust to operate. The Council has reduced this grant since the commencement of the Tullie House Trust in May 2011. The reduction of the grant has been broadly in line with the saving requirements placed on other services within the authority's control. The table overleaf demonstrates these reductions over time. To give the Trust certainty during this period the Council agreed to hold the core grant between the years 2013-15 and 2016-2020.

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Core Grant (Base funding before inflation)	1,314,420	1,256,420	1,198,420	1,198,420	948,420	734,420	734,420	734,420	734,420
Inflation	0	18,161	37,003	47,034	80,438	77,696	89,301	118,130	118,130 *
Services (HR/Payroll /ICT)	0	0	0	0	13,294	22,388	72,480	82,498	82,498*
Revised Base Funding	1,314,420	1,274,581	1,235,423	1,245,454	1,042,152	834,504	896,201	935,048	935,048

*Still to be updated, agreed and calculated for 2019/20

- 2.2 Page 15 of the Business Plan provides a counter-proposal to the Council's grant reduction: £100,000 in 2020/21 and an extra £50k in each of the following two years. This proposal reduction would place budget pressures on the Council of £200,000 in 2020/21, £150,000 in 2021/22 and £100,000 in 2022/23 (based on the full reduction of £300,000 as is included in the Medium Term Financial Plan).
- 2.3 Page 16 of the Business Plan contains the table 'Proposed Budget 2019-2022' based on the above counter-proposal. If the full £300,000 reduction was to occur in 2020/21 sufficient free reserves (not designated or restricted to use) are in place to mitigate the impact of this full reduction. Tullie House Trust are budgeted to have free reserves of £347,000 in 2020/21. An extra £200,000 core grant reduction (up to the £300,000 included in the Medium Term Financial Plan) would still leave £147,000 of free reserves and a further £137,000 of other designated reserves. However, free reserves would reduce to £6,000 in 2021/22 with the full £300,000 reduction being applied. It is therefore considered that the Council has no need to profile the reduction over three years.
- 2.4 In the light of the Tullie House Trust Business Plan, the Executive will now need to agree the level of core grant for the 2020/21 and 2021/22 budget years at its meeting 10th December 2018 and recommend this core grant to Full Council 8th January 2019.

3. PROPOSALS

None

4. CONSULTATION

- 4.1 Carlisle City Council's Health and Wellbeing Panel's views (15/11/18) on the proposed Business Plan were sought ahead of consideration of the plan by Executive.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 5.1 The recommendations allow this report, the associated Business Plan, and core funding to be approved in line with the Partnership agreement.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 6.1 "We will develop vibrant sports, arts and cultural facilities, showcasing the City of Carlisle."

Contact Officer: **Darren Crossley**

Ext: **7120**

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**

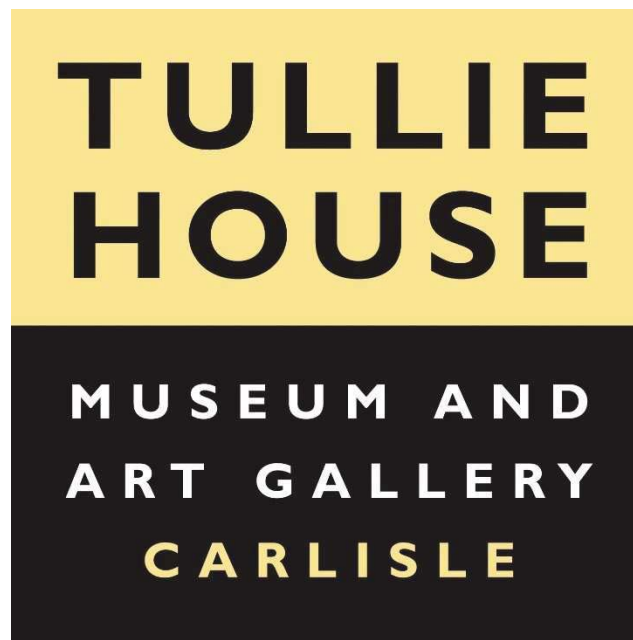
CORPORATE IMPLICATIONS/RISKS:

LEGAL – The agreement between the Council and Tullie House Museum & Arts Gallery Trust requires that, as part of the grant funding process, the Trust submit a business plan for approval which both parties must use their best endeavours to agree by no later than 31 December of each year. In February, the Council approves its budget for 2019/20, as per normal, the following two years grant is indicative only.

FINANCE – The MTFP assumes provision for the core funding of the Tullie House Trust in accordance with the Partnership and Funding agreement and includes reductions in core funding which have been previously agreed. In line with standard procedures, further work is required in respect of the inflation calculation for 2019/20. From 2020/21 the MTFP assumes a recurring saving to the grant payable to Tullie House; this has been assumed at up to £300,000 following receipt of a jointly commissioned report.

EQUALITY – Contained within the Tullie House Trust Business Plan 2019-2022.

INFORMATION GOVERNANCE – None



Draft Business Plan v2

2019/20 to 2020/21

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1. Foreword

Tullie House Museum Trust is entering a new phase of development. Our twin priorities of Financial Resilience and Community Engagement remain, however, for the duration of this plan the big theme will be resilience. Three significant factors will shape our future, and these will emerge in 2019.

The first is Arts Council England's (ACE) investment in Tullie House Museum Trust, Wordsworth Trust and Lakeland Arts Trust as a consortium being funded over the next four years as a National Portfolio Organisation (NPO). The investment period runs from 2018/19 to 2021/22 and requires the consortium to deliver a step-change in many areas of the Trust's work. In addition to delivering on the Arts Council's five priority areas, there are three very powerful cross-cutting themes that we have committed to developing or improving. These are the broadening of artistic and cultural development via the delivery of the Creative Case for Diversity¹; embedding digital throughout our work, but in particular through programming and collections development; and responding to the green agenda by reducing our environmental impact. There is a comprehensive action plan (see Appendix 1) to ensure that not only Tullie House Trust, but the consortium as a whole, delivers the required step-change in these areas. These requirements will be challenging but they also resonate with our manifesto, so they are very apposite and therefore welcomed.

The second major factor is Project Tullie – creating a masterplan for the future. Thanks to a successful Resilient Heritage application to the Heritage Lottery Fund (HLF) this process is well underway and is scheduled for completion in August 2019. Carmody Groake, a leading London based architectural practice, has been appointed to undertake a review of the Trust's estate whilst experienced cultural business planners, Counterculture, have been commissioned to undertake a root and branch approach to financial planning and organisational governance and strategy. This joined up approach is designed to reinforce a clear focus on resilience. When complete Project Tullie will provide the template for the future of the Trust for the next 20+ years.

Finally the third major factor in this new landscape is Carlisle City Council's notification of their intention to significantly reduce our annual grant from April 2020. We have a strategy in place for responding to the proposed grant reduction (see Finance on page 15) but nevertheless the impact of losing core funding will be extensive and will present significant challenges for our organisation. Our strategy focuses on growing earned and contributed income incrementally. With the exception of catering (which has been bedding in under new management) our admissions, retail and lettings income has been increasing. We now have to accelerate this even further whilst being equally focused on getting the organisation 'fundraising fit' so that we can grow our contributed income. Much work on this has already begun and our contributed income is growing but nevertheless this is an area where we feel there is significant room for future growth. The museum will be celebrating its 125th anniversary in November 2018 and we will use this as an opportunity to remind people that we are a charity whilst showcasing our exciting future and launching new schemes for membership, patrons and legacy giving.

Although the emphasis is on resilience, community engagement remains a fundamental element to our future planning and is clearly a major thread running through our manifesto. The three business factors outlined above, together with our manifesto, will set the agenda for at least the next three

¹ The Creative Case for Diversity is a way of exploring how arts and cultural organisations and artists can enrich the work they do by embracing a wide range of influences and practices. ACE believes that embracing the Creative Case helps arts and cultural organisations not only enrich their work, but also address other challenges and opportunities in audience development, public engagement, workforce and leadership, and collections development in museums.

years. However, we will not be able to achieve anything without the continued support, goodwill and generosity of our partners, visitors, staff, trustees, volunteers, members, supporters and donors who help to make Tullie House such an inspiring and successful museum. We would like to thank them all for their enduring commitment to helping our organisation deliver great cultural, learning and community-centred programmes inspired by Carlisle's outstanding collections.

2019/20 will see a public engagement programme which educates, entertains and enriches the cultural offer to residents and tourists alike. We will develop programmes with key strategic partners such as our consortium museums, the University of Cumbria, the British Museum and the Imperial Decree Museum in China. We will develop exhibitions and events that target our core audiences, encourage engagement, break down barriers and inspire return visits; and we will maintain our prominent national profile by being active and vocal within the sector.

Tullie House's collections are internationally important and much sought after, a fact evidenced by the frequency of requests we receive to borrow works for temporary exhibitions. 2019 is no exception with a major loan of fine and decorative art travelling to Japan, as well as other works being loaned to Accredited museums across the UK. The Tullie House costume collection is another collection that has national if not international significance and in 2019 the Trust is aiming to create the first permanent gallery devoted to this outstanding collection (subject to external funding applications). The proposed new gallery will not only form the centrepiece for a striking display of costume and accessories, it will also embrace our commitment to digital engagement. In addition to this major improvement, the Trust has for the first time set aside a modest budget to make improvements to the permanent galleries. These too will incorporate digital interpretation and respond to the diversity agenda.

The Trust has been instrumental in the establishment of a Carlisle Cultural Consortium, which in addition to Tullie House comprises the University of Cumbria, Carlisle City Council and fellow NPO, Prism Arts. The aim of this group is to '...achieve a step-change in the growth, resilience and sustainability of our creative economy to promote excellence and accessibility in our arts, culture and heritage offer; meet the high-level skills and knowledge needs in arts, museums, creative and digital sectors; and promote learning, health and well-being through great art and culture for everyone in our city-region.' To help initiate the dialogue ACE have generously offered a small grant which will act as seed funding to employ a facilitator to help animate the project. Allied to this is the Arts & Culture Network which has a county-wide remit to '...deliver a diverse, innovative, resilient and high-quality cultural offer in Cumbria, supporting economic development and wellbeing through high levels of participation, engagement and social inclusion.' The Arts & Culture Network has appointed the Museum Director to represent the sector on the Local Enterprise Partnership sub-committee for Tourism and the Visitor Economy.

The profile of Cumbria's cultural sector has never been higher. This is further evidenced by the Trust developing a noteworthy national profile over the past 12 months aided by hosting visits from the three most senior ACE leaders – Sir Nicholas Serota (Chair), Darren Henley (CEO) and Kate Bellamy (Director of Museums). The work of the Trust was also cited as a case study and an example of best practice in the Museums Review (Mendoza Report) commissioned by Department of Digital, Culture, Media and Sport (DCMS) as well as being showcased in the British Council's Annual Review of Museums & Arts. In June the Trust hosted a conference on leadership which attracted speakers from all over the UK and was sold out; in January we were visited by the Executive Director of our partner museum in Xuzhou and then received a visit from the Department of Cultural Heritage for Henan Province, China. Establishing such a profile has many benefits and we will be looking to build on this over the duration of this business plan.

2. Introduction

2.1. Context

Tullie House Museum and Art Gallery Trust operates and manages Tullie House Museum and Art Gallery in Castle Street, Carlisle, which is our principal place of business, and the Guildhall, a 14th century Grade I Listed building in Greenmarket Street. Additionally, the Trust occupies industrial premises for off-site collections storage, and in 2014 access to the adjacent Herbert Atkinson House in Abbey Street was provided by Carlisle City Council. This building is now used to house the Cumbria Biological Data Centre, the Programme & Projects team and staff seconded by Lancaster University Confucius Institute. All of these premises are leased by the Trust from Carlisle City Council, as are the collections. The Trust manages the buildings and collections on behalf of the City Council.

Tullie House was opened by Carlisle City Council as a museum in 1893. In the 1990s there were significant developments to the Castle Street premises involving new gallery spaces, a restaurant, a shop, education facilities and storage. In 2001, a further gallery, the Millennium gallery, and a rotunda that overlooks Carlisle Castle and the site of a historic Roman settlement, were opened. In 2011 the Millennium Gallery was reopened as our new Roman Frontier Gallery, which tells the story of the occupation of Carlisle and the border country under the Roman Empire and places this in a contemporary context.

In 2011 Carlisle City Council transferred the management of Tullie House to a new charitable trust, at which time the employment contracts of Tullie House staff were transferred from the City Council to the Trust. The City Council continues to provide core funding to the Trust in the form of annual grants, which are based on a rolling three-year business plan prepared by the Trust. A series of 30-year legal agreements commencing in 2011 underpins key aspects of the operational and contractual relationship between the Trust and the City Council.

The Trust also generates income through entry charges to the museum and art gallery, through retail outlets at the museum and the Guildhall, through catering and corporate hospitality activities at Tullie House, via grants for education projects, collections, conservation and exhibitions, and through chargeable events.

The Trust was incorporated on 17 March 2011. It became a registered charity on 3 August 2011 (charity registration number 1143235). The charity's object is: "to advance the education of the public, including an understanding and appreciation of the arts, sciences and history". The charity has a subsidiary trading company, Tullie House Museum and Art Gallery Trust (Trading) Limited, a private limited company that was incorporated on 19 July 2011 (company registration number 07710513).

2.2. The Collections

The collections cover three main areas: Art, Human History and Natural Sciences.

The **Fine Art** collections comprise some 4,600 objects, mainly paintings and works on paper. The museum has benefited from several important bequests, which includes a group of Pre-Raphaelite works which include pieces of national significance.

There are around 2,000 pieces in the **Decorative Arts** collections, of which 800 are English porcelain. This significant collection, built up around the turn of the 20th century, is the largest collection of English Georgian porcelain figures in the north of England.

The **Archaeology** collections offer a comprehensive survey of material representing Cumbria from the Mesolithic period to around 1700. The collections comprise some 20,000 items, in addition to

which there are about 80,000 objects from recent excavations in the city. An outstanding strength of the Tullie House Archaeology collections is the material from excavations at the western section of Hadrian's Wall, a UNESCO World Heritage Site since 1987 and the most significant Roman monument in Great Britain. The finds include inscribed and sculpted stones and an important group of organic items, which rarely survive. The scope and quality of these collections justify Carlisle's claim to be the most important centre for Roman material in the North West.

The **Social History** collections have a strong focus on material representing the life of Carlisle and north Cumbria. There are 12,720 objects and 8,000 associated images. The collections have material broadly representing working and domestic life from the 19th to 20th centuries and, as such, is a resource of great importance to understanding the history of Carlisle and its people.

The **Costume and Textiles** collection is of significance. Much of the textile material relates to production in Carlisle in the 18th /19th centuries, when the city was an important textile centre for spinning, weaving and printing. The collections of Cumbrian rag rugs and quilts reflects a key local tradition. There is a strong collection of women's dress which provides an overview of fashion evolution, including an extensive collection of wedding dresses, evening dresses and examples of fancy dress.

The collecting of **Natural History** has been central to Tullie House since it was set up as a public museum in the 1890s: it established what may be the first ever local biological records centre in 1902. The natural history collections were the inspiration of the Rev. H.A. Macpherson who gave his own large collection and persuaded others to do likewise. Today the Natural Science collections comprise an estimated 250,000 objects encompassing Botany, Geology and Zoology, all with an emphasis on material from Cumbria and the Lake District.

The Museum also houses the **Cumbria Biological Data Centre** which has received and collated natural history records since 1902 when the Natural History Records Bureau was formed. This makes it the oldest Local (wildlife/biological) Record Centre in the country. Data from the records has been used to understand the wildlife in Cumbria, educate the public, support research and shape UK conservation policy. The Centre now holds over two million records.

2.3. Partnership and Engagement Activity

Along with our partners Wordsworth Trust and Lakeland Arts Trust, Tullie House forms the Cumbria Museum Consortium, which in 2018 became one of ACE's National Portfolio Organisations. We also have partnerships with some of the most prestigious museums in the country, including the British Museum, as well as international partners like the Imperial Decree Museum in Xuzhou, China. The Trust is also proud to be a partner of the University of Cumbria and is collaborating with the University on creating a cultural strategy for Carlisle, supporting teacher training, arts development and delivering training and research in the field of zoology.

The Trust uses the collections to encourage people to learn, participate and be inspired by the arts and culture. It does this via a series of targeted programmes – for example the museum engaged with over 14,000 school pupils, nearly 1,000 vulnerable adults and young people and over 8,000 families in 2017. The Trust's Learning & Engagement Team has won awards for its service, including the Sandford Award for Excellence in Heritage Education (2013 and 2018) and the prestigious *Kids in Museums Family Friendly Award*, sponsored by the Telegraph Newspaper. Kids in Museums are a national charity dedicated to making museums accessible for families, and the award is one of the most sought after in the UK as it is awarded through a combination of public votes and the recommendations of a panel of experts. The Trust is committed to providing accessible spaces for all

ages, and actively seeks out opportunities to work with the challenging but rewarding age group of teenagers. This programme is also award-winning – our Community & Young People Coordinator received the Golden Apple Award for Youth for her outstanding work with young people in Cumbria. As well as working with young people who are already interested in the museum and history through our museum Youth Panel, we work with those who may experience barriers to accessing Tullie House through challenging personal situations, including young carers and young people at risk of offending. Our Young Peoples' engagement work will be significantly boosted over the next three years through participation in Hope Streets, an HLF-funded project led by Curious Minds, aimed at increasing youth participation in museums by addressing organisational barriers to access.

We also run programmes for less engaged adults, many of whom are living with physical or learning disabilities. For example, we run a monthly session at the museum for people living with dementia and their relatives, where participants handle objects and make new friends. 2018 saw the launch of the Secret Garden, a community outdoor space for less engaged communities to learn about gardening, nature and environmental benefits. We also run sessions for adults struggling with mental health issues, who create art inspired by the collection as part of their therapy. We have partnerships with local organisations who run services for adults dealing with addiction issues, homeless people and offenders in rehabilitation. We use our collections to start conversations and challenging discussions, in a safe environment, and help create a sense of pride in Carlisle for the people who live here.

3. Vision, mission and values

Vision: Tullie House Trust will be a thriving, resilient organisation that delivers ambitious cultural programmes inspired by the richness and diversity of our collections, that are relevant and beneficial to local communities and visitors alike.

Mission: To deliver an outstanding, inclusive and resilient museum that is a major cultural destination for the north, and which uses its collections to produce a world class public programme targeted at visitors and the people of Carlisle and engages a broad spectrum of audiences.

Values: At the beginning of 2016 we introduced the Tullie House manifesto and this forms the basis of all our work and, in particular, the two strategic priorities. Community engagement is at the very heart of the Manifesto and we will work hard to ensure that our community influences what we do and how we do it. We will communicate better, involve more people and open up new opportunities for people to be inspired by the collections we hold.

Our other priority area – financial sustainability – is also underpinned by the Manifesto. Greater engagement will increase visitor numbers and therefore admission income and secondary spend. However, we have also been testing the market – asking our users what they want – and, providing we can secure the required funding, some of their responses will be implemented over the next three years. For example: the creation of a permanent Costume Gallery to show, for the first time, our world class textile collection and aimed at increasing audiences and providing contemporary interpretation as well as improved visitor facilities.

We recognise the need to improve performance, gather data and respond to visitor needs; these are all strands within the manifesto but the challenge is to weave community engagement and financial resilience together so that we can develop our role, connect better with our audiences and deliver inspiring and popular programmes.

4. External Environment

4.1. Context

Whilst recognising that we operate in a general climate of political and economic uncertainty, Tullie House Trust has identified some specific challenges and opportunities to strengthen its resilience in response to those challenges. We have used the PESTLE (Political, Economic, Sociological, Technological, Legal, Environmental) framework to help identify key issues.

4.2. Reduction in local authority resources

The Trust recognises the need to plan for the future on the basis of reduced funding from Carlisle City Council, the museum's principal funder. As a consequence, the Trust is developing a fundraising strategy which embraces many of the recommendations made in the jointly commissioned Bryant Productivity Report (2017). The Trust now has a much greater focus on income generation as evidenced by the appointment of a number of new staff with a strong commercial focus, and the establishment of a Development Committee to challenge the executive team to increase earned and contributed income. That said the Trust is also working collaboratively with Carlisle City Council on a number of initiatives, including a major capital development (see section 6.5).

4.3. Impact of Brexit

A thriving tourism economy is key to the resilience of both Tullie House and the CMC, and industry analysts predict more international visitors and domestic staycations as a result of a weaker pound. This presents an opportunity that the Trust will seize by continuing to develop our programme and invest in tourism partnerships. Fundamental to this is the inscription of the Lake District as a UNESCO World Heritage site in 2018. This, potentially game-changing decision, means that the Cumbria is the only county in England with two World Heritage sites and therefore presents a compelling international offer to tourists. To exploit this potential the Trust has become a member of the Lake District China Forum and is in the process of developing a tourism initiative to promote Hadrian's Wall to international visitors. The latter is also running parallel with Wall to Wall, a project to connect Hadrian's Wall with the Great Wall of China which is being run in partnership with English Heritage, Tyne & Wear Archives & Museums and the universities of Newcastle and Durham. A further major tourism opportunity is the planned opening of Carlisle Lake District Airport, which is due to open to commercial flights in 2019.

4.4. Recruitment and retention of staff

This is a particular challenge for Tullie House, especially with senior and middle management positions, as the Trust is unable to offer competitive sector appropriate salaries. A further challenge is to diversify the staffing. To respond to this the Trust will be considering the impact of moving away from local authority pay scales and focusing its recruitment on the benefits of living in Cumbria and looking at whether it is possible to provide other incentives.

4.5. Competition for people's leisure time, including from other visitor attractions

The Trust is planning to create a new permanent costume gallery and is investing in the existing permanent galleries with a view to refreshing the offer and remaining competitive. Additionally, new programmes of activity associated with the Project Tullie capital scheme will aim to retain existing and create new audiences. The Trust is continuing to work in partnership with other cultural venues and leisure attractions so that a critical mass can be established within the city. To this end the Trust supports the planned expansion of the Sands Centre and the ongoing development of the Old Fire

Station. By taking a leading role in the creation of the Carlisle Cultural consortium the Trust is attempting to drive cultural investment in the city.

4.6. Climate and weather

The winter of 2015 demonstrated that Cumbria and Carlisle in particular, faces significant environmental, weather-related challenges. Bad weather and flooding affect the transport infrastructure (as it did in 2015 and 2009), limiting access to our sites for staff and visitors. The Trust recognises the need to maintain continuity of access to museums and collections through expanded digital programmes and content, whilst it also has a responsibility for business continuity during period of emergency. Conversely moderate bad weather boosts visitor numbers. The Trust is conscious that it can't rely on poor weather to generate footfall, especially as global warming forecasts suggest that we will be benefiting from warmer, possibly less precipitous, weather in future years, so a more compelling visitor offer will be uppermost in our plans as Project Tullie develops.

4.7. Geography, topography and demographics

Cumbria's geography is characterised by an upland interior, limited transport routes, remote rural communities and a coastal urban fringe. This presents challenges in terms of reaching audiences, providing sector leadership and the operation of the museum. Carlisle has a population of around 70,000 (100,000 if the wider City Council boundary is considered), which has increased by just over 6% during the past 10 years. This rate of growth is slightly behind the national average which saw an increase of 7.3% over the decade. Within the overall population growth in Carlisle, however, there are variations and whilst the last decade has seen growth in the working age and over 65 populations in line with national trends, the city has also experienced a decline in the number of 0-15 year olds, down by 2.6%. Carlisle's inward migration is lower than elsewhere in the UK, with the 2011 Census showing that under 5% of Carlisle residents are born overseas compared to 13.4% for England & Wales. Carlisle also has a lower proportion of its population in every ethnic group apart from British white than the average for England and Wales (in the 2011 Census, 5.0% of Carlisle residents were non-British white compared to 19.5% nationally).

Workplace figures on occupations reflect Carlisle's manufacturing heritage with skilled trades and process workers representing a higher proportion of the workforce than England & Wales and other comparator areas. Plant, process and machinery occupations represent almost 12% compared to 7.2% for the UK, while 14% of residents are employed in skilled trades compared to 11.5% in England & Wales. The proportion of employees involved in management or senior positions combined with the proportion of people involved in professional occupations however is relatively low (21.4% compared with a UK average of 29.2%). The gap widens further if associate professional staff are included (30.7% Carlisle against 40.9% for E&W). Clearly this presents some challenges when considering residents' salaries, disposable income and spending power. The relative lack of opportunities in senior management and professional roles may also be an issue in attracting new businesses and in persuading professional people to move into the area, particularly if employment for their spouse may also be an issue.

Healthy, vibrant, economically successful cities have a large percentage of professionals, creative practitioners and senior managers and these diverse and/or high earning people require, along with good housing, a vibrant retail scene and excellent transport links, and a lively cultural and leisure offer. Research from both the Cultural Learning Alliance and Creative Industries Federation illustrates the positive impact of the arts for young people too, particularly those who come from economically or socially deprived backgrounds. Furthermore, the fact that even the head of the

Confederation of British Industry recently made the case for the arts underlines its importance not only for wellbeing, but for business, which today thrives on artistic and adventurous creativity (Hackett, J, The Guardian, 2017).

Clearly for Carlisle to thrive and prosper as a regionally important and economically successful city the cultural offer needs to be strong, diverse and exciting. Tullie House Trust is working hard with civic, educational and cultural partners to raise the City's cultural offer by developing a consortium approach to tackling this challenge.

4.8. Environmental sustainability

The Trust is committed to reducing the carbon footprint of our museum. It is managing this process via an Environmental Action Plan which has already resulted in the installation of energy efficient boilers and low energy LED lighting. The planned major capital developments present excellent opportunities for environmental efficiencies and will be built in to all plans. The Trust is also working with Museum Development North West (MDNW) to continue our carbon literacy training, learning from the best practice of others. The Trust will set carbon reduction targets and continue to seek energy-efficiency opportunities as part of its maintenance and renewals programme. The Trust is currently putting together a carbon literacy action plan, which will also inform Project Tullie.

4.9. IT systems

A CMC digital strategy review in 2015 stressed the need to upgrade equipment and upskill staff. Consequently, significant work has been undertaken, including the procurement of a new IT provider, new hardware, the establishment of a museum-wide digital team and a significant staff training programme. This development will be ongoing with the commencement of a new CMC-wide digital strategy being commissioned in Autumn 2017. The Trust see investing in digital technology as an important mechanism for increasing engagement and overcoming barriers of isolation, remote location and the complex topography of the county.

With investment, and as a CMC, the Trust has identified the huge potential of digital to:

- Make more effective use of creative media to share our work, particularly with those who are currently less engaged or face barriers, including isolation
- Investing in technology such as Skype Business to improve partnership working, particularly to increase efficiency and increase knowledge exchange (reducing staff travel to meetings will also have environmental benefits)

As part of our capital development, we will further invest in equipment and infrastructure to help increase income and footfall, for example by developing a more responsive website and by making greater use of digital media as a platform for showcasing creative content, and by improving our catering and creating new mixed-use facilities that can be hired by third parties.

4.10. Legal and Regulatory

The General Data Protection Regulation (GDPR) is a regulation by which the European Union intends to strengthen and unify data protection for all individuals within the EU. It also addresses the export of personal data outside the EU. The GDPR aims primarily to give control back to citizens and residents over their personal data and to simplify the regulatory environment for international business by unifying the regulation within the EU. The Trust has set up systems to ensure that we are compliant with the new law, however, the museum sector as a whole is in discussion with DCMS to ask that museums be considered 'hybrid public bodies' in UK legislation (a similar status sought by

the University sector) whereby they perform a public task but also carry out a number of functions which can be deemed private. The hybrid status would enable museums to rely on two mechanisms through which they can process personal data: 'public task' and 'legitimate interest'.

The Trust is in discussion with Carlisle City Council regarding the lease over Herbert Atkinson House, which the Trust has occupied since 2014 under Licence. Allied to this are the ongoing negotiations with the City Council over the possible acquisition of 6-24 Castle Street (see section 6.5).

Following the potentially damaging effect of the business rates revaluation which took place in April 2017, the museums sector received some welcome news after the Upper Tribunal (Lands Chamber) ruled in their favour in a test case relating to how properties are valued for rating purposes. York Museum and Gallery Trust was successful in its long-running battle with the Valuation Office Agency (VOA) in which it claimed the properties should be valued on a net income basis for business rates purposes rather than rebuild costs. Almost 50 per cent of all museums across England and Wales are valued by the VOA using what is commonly known as the 'contractor's method', resulting in high business rate liabilities. Because of the court's decision, museums will now be valued based on net income achieved by the individual museums/galleries, resulting in a rateable value in keeping with this. The Trust has commissioned commercial property consultants to review the business rating process for Tullie House and its associated properties. A decision on this is expected in 2019.

The Trust has been leading the museum sector in submitting an application to HMRC for tax relief via the newly instituted Museum Exhibition Tax. A decision on this is also expected in 2019.

5. Aims

5.1. Context

The Trust has two strategic aims – **financial sustainability** and **community engagement**. Helping us to achieve these aims are eight strategic objectives.

5.2. Aim 1: Financial Sustainability

The CMC has secured NPO status from ACE for the period 2018 to 2022 and has also received a firm indication from Carlisle City Council that there will be no reduction in the core grant in 2019/20. However, the City Council has indicated that a reduction in the core grant is likely to be implemented in 2020/21. The Trust has therefore developed a strategy based on increasing income from both earned and contributed sources to plan for the potential reduction.

- Objective 1: Develop an organisational focus on generating greater earned income (including catering, retail and admissions)
- Objective 2: Improve management information so that we can better manage performance
- Objective 3: Secure funding to initiate a programme of capital developments designed to generate a significant increase in earned income
- Objective 4: Actively increase income from trusts, foundations, individuals and corporates

5.3. Aim 2: Community Engagement

The Trust sees developing its engagement programme as key to developing audiences – extending its reach and diversifying and growing the number of people interacting with the collections are a core purposes that will also help make the organisation more sustainable.

- Objective 5: Focus on developing greater engagement with the Carlisle community
- Objective 6: Continue to work with least engaged groups within Carlisle and the surrounding area
- Objective 7: Strengthening our Hadrian's Wall offer
- Objective 8: Develop international audiences from China or with communities interested in Chinese culture

Within these eight objectives is a schedule of specific actions and priorities (see Action Plan as Appendix 1). The Action Plan includes the ACE CMC commitments, some of which are shared across the consortium.

6. Resourcing

6.1. Context

Tullie House Trust will invest in the development of resources to support the delivery of these aims and objectives (see Action Plan at Appendix 1). However, the Trust will also use its resources to:

- Continue to drive the culture change which is making the organisation more entrepreneurial and maximising opportunities to grow earned and contributed income, therefore delivering a more balanced funding mix
- Set and actively work towards an annual efficiency target
- Invest any annual surplus into improving the core offer and further the twin organisational aims (see section 5.0). From 2018 to 2020 this will include:
 - Investing in refreshing the permanent galleries
 - Appointing new staff with a particular focus on commercial and income generation
 - Investing in Project Tullie (see section 6.5)
- (as part of CMC) the Trust will focus on effecting cultural changes leading to excellent, more diverse programming. Each CMC member is changing organisational structures (see section 6.2) and procedures and investing to develop inspirational leaders and talent, extending best practice and sharing skills (see ACE Goal 4). Senior staff are increasingly contributing to national debate through involvement in cultural bodies and attending conferences, and we have made a commitment to involve front of house staff more with collections, learning and community engagement
- (as part of the CMC) recognise that delivering 'great art for everyone' means working harder to ensure diversity moves into the mainstream cultural programme. This will also require an organisational shift in culture, which will be driven by a new cross-departmental Creative Case for Diversity Action Group

As part of CMC and by 2020, the Trust will have embedded a culture that embraces diversity among all its staff, volunteers, and trustees, and visitors and participants. This will be achieved by embracing the Creative Case for Diversity through:

- Conducting regular reviews of our Equality & Diversity Policies and Action Plans with staff and Trustee “diversity champions”, and maintain diversity as a regular agenda item at Board and senior management meetings
- Join with our users to co-create an exciting and innovative programme that will attract and reach out to a more diverse audience (see ACE NPO Creative Case, Goals 2 and 5)
- Continue to work with, and learn from, diversity partners such as: Making Space, NACRO, Cumbria Youth Services, MENCAP and Unity
- Introduce a programme of CMC-wide equality and diversity training, supported by partners such as Prism Arts

6.2. Organisational structure

The Trust has recently implemented a new staffing structure (shown as Appendix 2) which aligns to our two strategic aims: financial sustainability and community engagement. The new structure invests in roles that are aimed at growing income either directly, in the form of a Business & Hospitality Manager to drive our corporate hire and catering offer, or indirectly via new Marketing and Programme Manager posts. The investment is modest as the former Head of Commercial and Visitor Engagement and HR Advisor posts have not been replaced.

Additional capacity has been added to the Programme and Development team as this is a key area for driving income, both in terms of fundraising (see section 7.3) and via exhibition engagement, but this team is also responsible, along with the Director, for the Project Tullie masterplan.

6.3. Staff training and development

6.3.2 CPD & Managing Performance

As part of CMC, Tullie House has committed to developing a common appraisal process which will, among other things, identify individual development needs. This will inform a programme of talent development and upskilling which will also be informed by nationally-identified priorities. A significant development within the CMC programme will be a focus on creative media and use of digital. With regard to creative media, CMC has been working with Creative Concern to analyse all current digital work and develop a Digital Policy and Plan which identifies staff training needs. This is further supplemented by site specific action plans. Tullie House continues to support and encourage staff to undertake the Museum Association’s AMA as a way of developing a greater appreciation and understanding of the sector and broaden individual knowledge and skills which are then used in the workplace.

6.3.3 Recruitment

As part of a review of recruitment, the Trust will explore how it can better promote the benefits of living in Cumbria and see whether other incentives can be used to attract and retain talent (see section 4.0). This review will also extend to induction to ensure that once recruited new employees are made aware of strategic and operational priorities as well as receiving a grounding in partnership working and familiarisation with policies and procedures.

6.4. Volunteer development

Volunteer development is a key priority for CMC. At present, there are 51 volunteers at Tullie House and, as part of CMC, the Trust is committed to increasing these numbers and to broadening the range of volunteering opportunities as a way of boosting resilience and diversity. By 2020 CMC will

have increased volunteer numbers at our sites by 20%. Nationally, all three Trusts will sign up to Volunteer Makers, and will continue to subscribe to the successful Pink Pass scheme. Current and forthcoming capital developments provide excellent opportunities for increased volunteer engagement.

6.5. Capital development

Project Tullie, the Trust's Masterplan, will build on the previously unsuccessful 2014 HLF application, but will be strengthened and broken down into a series of smaller independent projects to assist with capacity and make fundraising more achievable. This phased approach, funded by an HLF Resilience grant, is being structured to ensure that community engagement and financial sustainability are balanced and deliver benefits incrementally (for example an increase in income and visitor numbers) before moving to the next stage. The HLF funding also allows us to employ a Project Coordinator to support our capacity and develop and retain inhouse skills. As mentioned in the Foreword (page 2) business planning and architectural services have been procured and work has commenced, with a view to completion in August 2019. Project Tullie is being developed with the full support and involvement of Carlisle City Council.

6.6. Investment

Prior to Project Tullie, the Trust is committing a significant proportion of its reserves to undertake a number of capital projects with a view to attracting more visitors. There are two strands of this investment:

6.6.1. Improvements to the permanent galleries

a). As part of Project Tullie we will create an interactive consultation area to find out the kind of stories our visitors want us to tell, and the collections they want to see. Other consultation areas will be placed throughout the museum in key areas for different audiences, so we can capture as rich a response as possible.

b). There will be a re-hang of the Gordon Bottomley gallery in Old Tullie House. This will involve working with three diverse artists from Prism Arts Studio Arts Group to co-curate the space, which has a provisional title of 'Hidden Gems'. Curatorial staff will work with the group to curate a display featuring rarely seen works from the collection and will be led at every step by the group in what will be Tullie's first entirely co-curated display in our permanent galleries.

c). Our Trainee Archaeology Curator will be leading on the development of our prehistory area. The space will be updated with modern display techniques, particularly using digital technology, and we are developing a way to create a 'Living Wall' moment in the space by working with an artist and one of our youth groups to create an element of the display that resonates with issues facing our society today.

6.6.2. The creation of a new permanent costume gallery

Tullie House has a stunning collection of over 7,000 pieces of costume dating from 1720 to the present day. This collection is very popular with visitors and has been used in some of our most highly visited and critically acclaimed exhibitions, including 'Little Black Dress' in 2011, 'Hartnell to Amies' in 2013 and, most recently, 'Rayne: Shoes for Stars' in 2018. Despite this popularity the principal collection remains in storage and it has never been displayed adequately in any of our permanent galleries.

The Trust has submitted a DCMS / Wolfson application for a significant capital project which will transform the existing Special Exhibitions and Carlisle Life galleries into a permanent costume gallery. The combination of these two spaces is ideally situated to create the museum's first dedicated space for costume and textiles. Subject to funding, the spaces will be carefully restored to reveal the striking original architecture of the building, specifically the impressive height of the roof and the hardwood floor. Subject to Listed Building consent, glazing will be inserted into the original gallery doors to give visitors views onto the magnificent Victorian tiled staircase from the gallery.

The gallery will incorporate new full height frameless display cases to make the complete outfits and larger pieces as accessible as possible and to maximise viewing potential by visitors.

6.7. Environmental sustainability a key focus for capital redevelopment

The Trust has installed new energy efficient boilers and low energy lights and will be exploring the installation of photovoltaic roofing panels in 2018/19. Environmental sustainability will be a key component of Project Tullie and the Trust has recruited architects and designers who specialise in enhancing the existing built heritage so that high-energy interventions are minimised (e.g. less electric lighting, air conditioning), for example opening up top-lit roof spaces to allow light in and air to circulate whilst reinstating the original Victorian design. The Trust has two green champions who will be trained in reducing the museum's carbon footprint, whilst we work with CMC colleagues to explore ways to minimise travel.

The Trust has also appointed top London-based architects, Carmody Groarke, to undertake the Project Tullie masterplan. Carmody Groarke adhere to the following principles:

- Designing buildings that respond intimately to their context historically socially, physically and environmentally
- Promoting environmental best practice through the buildings we design and the spaces that we occupy for our business
- Compliance with legal requirements relating to environmental aspects
- Reducing pollution through environmentally responsible design principles and the careful selection of environmentally benign materials in specification
- Exploring the opportunities for the reuse and recycling of existing building fabric or materials throughout all of our projects
- Continuously researching low energy materials and long life or recyclable materials for their adoption within our projects

6.8. Developing governance

Each of the CMC partners has taken active steps in recent years to strengthen its governance through the open recruitment of Trustees with a broad skill set. Regular skills audits and open recruitment will continue to ensure that, by 2022, the boards of CMC museums fully reflect the Creative Case for Diversity (CCD), improving the balance of gender, ethnicity and local community representation. We will also extend a trustee self-assessment system across the CMC and ensure that there is increased direct contact between the Chairs of the partners organisations.

Tullie House is currently conducting a wholesale review of its Board with a view to responding to the CCD by the end of 2018. This will also feature as part of the Project Tullie masterplan.

6.9. Systems development

As part of CMC Tullie House plans a number of improvements to systems in order to achieve strategic aims. This includes strengthening data collection across all sites, standardising methods and categories of collection and centralising systems for storage and analysis, through increased use of cloud-based systems such as Google Drive.

CMC will also be investing in technology such as Skype Business to operate more efficiently, improve knowledge exchange and reduce staff travel.

7. Finance

The financial performance of the Trust is summarised in the table below. Income and expenditure is outlined historically and is projected into the future. The investments we are making into staffing, the Project Tullie masterplan and the two capital schemes are also shown and how this affects the Trust's reserves

7.1. Core funding

The Trust's core funding is provided via a grant from Carlisle City Council and as part of being an NPO, through ACE. We have calculated the year 1 grant from Carlisle City Council as follows:

18/19 Baseline	935,048
2% salaries increase (to be agreed)	19,037
CPI interest (estimate)	11,000
H&S funding (to be agreed)	8,428
Total	973,513

The Trust Board and executive team have given very careful consideration to the extent to which the Trust can realistically generate the additional income and cost reductions necessary to sustain a reduction in the core grant from 2020/21 and respond to the Council's announcement that it intends to reduce the grant "by up to £300,000". The Board has sought to balance the objectives of financial sustainability and community engagement and its long-term objective of a progressive reduction in the level of the grant. It has concluded that it can commit to a reduction in the grant of £100k in 2020/21 and further reductions of £50k in each of the following two years. This proposal was presented to senior Council representatives in May 2018 and the business plan and table that follows reflect this.

Our draft budgets for the period 2019/20 to 2021/22, together with the baseline budget for 2018/19 and comparative figures for 2016/17 and 2017/18 (shown in italics), are set out below. It should be noted that the allocation of some comparative figures between categories of income and expenditure has been restated to enable proper comparison between years, but without affecting the reported audited net profit or loss for the year:

Proposed budget 2019/20-2021/22

	<i>Actual</i> 2016/17	<i>Actual</i> 2017/18	Budget 2018/19	Draft budgets		
	2019/20	2020/21	2021/22			
Income						
CCC Grant (before central services and inflation adjustment in 2020/21 - 2021/22)	833	932	935	974	874	824
CCC Central Services	77	14	10	8	8	8
Arts Council England - MPM / NPO (TH & CMC)	410	410	399	399	399	399
Other grants, sponsorship, donations	231	163	207	238	255	285
Gallery related grants				300		
Admissions Income (Including Gift Aid & Memberships)	100	108	115	130	144	155
Commercial Income (Trading Company)	129	145	150	155	165	170
Other earned income (lessons, interest, etc)	101	133	129	140	145	148
CBDC Income	79	88	96	75	70	70
Total Income	1,960	1,993	2,041	2,419	2,060	2,059
Expenditure						
Staff Costs	915	920	986	1,006	1,016	1,026
Utilities	143	149	151	153	156	158
Exhibition & Project Costs	168	322	233	580	250	250
Operational Expenditure	496	503	520	510	485	460
CBDC Costs	90	106	106	81	81	81
Total Expenditure	1,812	2,000	1,996	2,331	1,988	1,975
Total Profit / (loss) before future investment plans	148	-7	45	88	72	84
Investment Plans:						
Investments to charge against Revenue:						
New Frontiers Masterplan			35	50	50	50
Gallery refresh			20	20	20	20
Match funding for gallery (to Wolfson)				62		
Investments that may potentially be capitalised:						
Gallery cases / inter-actives			15	15	15	15
(Loss) after investments			-25	-59	-13	-1
Loss made up as:						
Unrestricted TH profit			7	29	33	18
CBDC loss			-10	-6	-11	-
Restricted funds spent			-22	-82	-35	-8
Total			-25	-59	-13	-1
Reserves						
Unrestricted TH at start of year			415	422	451	484
Profit for year			7	29	33	17
Unrestricted TH at end of year			422	451	484	501
End of year – Designated reserves			110	110	137	145
End of year - Free reserves (policy range £250 - 350k)			312	341	347	356
Total unrestricted as above			422	451	484	501
Restricted reserves at start of year			147	125	43	8

Net spent during year	-22	-82	-35	-8
Restricted reserves at end of year	125	43	8	0
CBDC reserves at start of year	101	91	85	74
Net (loss) for year	-10	-6	-11	-11
CBDC reserves at end of year	91	85	74	63
Staffing numbers				
Numbers at start of year	41	44	43	43
Numbers at end of year	44	43	43	43
Paid visitor numbers targeted	50,000	55,000	60,000	65,000

7.2. Performance

The Trust measures its performance in a number of ways. One of the key tools is via Key Performance Indicators. Below is a snapshot of these KPIs taken at the end of Period 2 in 2018/19:

	KPI	TP	TP last year	YTD	Previous YTD	Annual Target
1	Foot Fall (Visitrack-Collated)	53,299	52,384	105,683	107,157	245,000
2	Tullie Museum Membership	37	68	94	116	300
3	Paid Admissions Visitor Nos	13,172	12,660	22,847	21,889	50,000
4	Paid Admission £'s	£ 35,732	£ 40,378	£ 66,664	£ 69,762	£ 115,000
5	Exhibition Gallery Count	10,233	4,537	15,187	7,209	
6	Schools Pupil Count (incl. Outreach)	1,389	1,386	4,629	4,097	12,600
7	Other Learning Activities (YP, Families, Community)	4,109	4,025	7,087	6,531	11,800
8	Retail Spend Per Head	£ 1.31	£ 1.55	£ 1.46	£ 1.44	

Narrative

1. Footfall is slightly down on the period and for the year overall but this is due to a warm summer and anomalies with the counting system which are being investigated.
2. Memberships – see section 7.3.2
3. Paid admission numbers are up
4. Income from paid admissions is slightly down. This is due the 2017 exhibition being Hadrian's Cavalry – which was good for income as it attracted an adult audience but relatively poor for numbers as children didn't visit. 2018 saw an increase in families as a result of Eden Rivers Wonder World
5. See above. Number up as a result of Wonder World and the Rayne shoes exhibition
6. School pupil numbers are on target and are unlikely to grow prior to Project Tullie development

- 7. Other learning activities are up
- 8. Retail spend per head is down slightly but on target overall

7.3. Fundraising

7.3.1 Patrons and 125 Event

The Trust is taking advantage of 2018 being the 125th birthday of the founding of the museum to launch a number of fundraising initiatives starting with an anniversary dinner in November. This special event will celebrate the museum's role as the city's leading cultural venue; it will also provide a glimpse into the future via Project Tullie. We will use the event as an opportunity to launch our new Patrons and Legacies schemes.

7.3.2 Memberships

As evidenced by the KPIs above our Memberships are not growing. The existing scheme is promoted on the benefits of free admission. This is no longer seen as an incentive following the introduction of the new annual admissions ticket, launched in September 2017. A new Membership offer will be launched in 2018.

7.3.3 Trusts and Foundations

The Trust has been successful in being awarded a number of grants ranging from the £99k received from the Heritage Lottery Fund's Resilience Heritage for the Project Tullie masterplan to £2,500 from Idlewild Trust for the conservation of historic paintings. The Trust is developing strong relationships with potential funders and is learning how to maximise its ability to improve its success rate with contributed income. The current trajectory is positive and upward.

7.3.4 Individual Giving

A major area for development in 2019 is individual giving. The Board and the Museum Director, supported by the Development staff will be concentrating efforts on encouraging high net worth individuals to invest in the Tullie House and, in particular, the exciting future that the Project Tullie masterplan offers.

Aim	Financial Sustainability						
Objective 1.	Develop an organisational focus on generating greater earned income and delivering efficiency savings						
Deliverables	1.1	Ensure that staff and trustees are fully engaged in understanding the need to focus organisational effort on income generation. Ensure that recruitment is focused on employing staff with experience of income generation	TLT	By end March 2018	Core	6	
	1.2	We will increase admissions by 30% by 2020 (from 2016/17). This will be achieved by: <ul style="list-style-type: none">More active marketing to Cumbrian audiences increasing from 50k to 65k in annual paid ticketed visitorsIndividual marketing campaigns inspired by local distinctivenessDelivery of exhibition and engagement programmes to target general and cultural tourists linked to our two World Heritage Sites	DD	March 2020	Core & NPO	7	
	1.3	Increase admissions income (from 2016/17) by 36% (an increase of £35k) by 2020	DD	2020		7	
	1.4	Increase shop income (from 2016/17 baseline) by 14% (an increase of £8.5k) by 2020 (with no capital investment)	DD	2020		6	
	1.5	Work with Catering Academy to improve the catering offer and increase turnover	DD	April 2019		10	
	1.6	Increase income from learning activity (including schools, consultancy, university teaching) by 25% (from 2017/18 baseline) by 2020	HC&E	2020		7	
	1.7	Generate at least £10k of income per year from curatorial research and development (e.g. loans, images, talks) starting in 2018/19	HC&E	Starting March 2018		4	
	1.8	Increase the number of Memberships (from 2016/17 baseline) by 30% by 2020 (70 extra members)	DD	March 2020	Core	8	
	1.9	Developing our exhibitions programme in the following specific ways: <ul style="list-style-type: none">Develop high quality exhibitions, using minimal expenditure and maximizing efficient use of materials by recycling & reusing	HP&P	Ongoing	Core & CMC	5	

		<ul style="list-style-type: none"> Minimise costs by working in partnership, seeking funding opportunities and efficiencies Be clear about our target audience (ref. 1.2), our marketing and how we can maximise income generation opportunities Maximise the income potential of collections and associated events & engagement through the temporary programme Ensure better collaboration via the Programme Executive Group to ensure greater communication across the organisation 					
	1.10	<p>Commit to reducing our carbon footprint by:</p> <ul style="list-style-type: none"> Giving staff Carbon Literacy training to all staff and feeding this into our Environmental Action Plans Agree annual carbon reduction and water consumption targets with Julie's Bicycle based on 2017/18 baseline with progress reviewed annually against targets Increase energy efficiency through capital redevelopments and incremental improvements Implement new systems for improved monitoring of business travel, aiming to reduce CMC travel based on 2017/18 baseline for cars and trains 	DD	<p>Ongoing March 2019</p> <p>Q2 2018</p> <p>Ongoing</p> <p>March 2019</p>	CMC	4	
	1.11	Produce a new Trust-specific Procurement Policy	HF	May 2018		1	
	1.12	Improve internal communications so that volunteers, employees and contracted staff are better informed and have a voice, as part of the 2017 People Strategy (currently in progress), and prioritise learning & development to ensure that our people are suitably trained and performing to the best of their ability.	Dir & HR&VA	May 2018		2	
Objective 2.	Improve management information so that we can better manage performance		By Whom	By When	Resource	Risk Ranking	Traffic Light
	2.1	Ensure that the Leadership Team understand and manage performance so that it increases productivity via monthly performance meetings	Dir. & DD	Ongoing		2	

	2.2	Ensure that the Trust's CRM system (TOR) is fit for purpose, maintained and effective communication with supplier is adhered to.	DD	April 2018		5	
	2.3	Ensure that the Trust uses its ADP to drive up admissions, memberships and earned income to ensure we achieve targets in 1.2	DD	Ongoing		6	
	2.4	As part of CMC we will commission and implement a new Evaluation Framework to monitor and improve visitor satisfaction and the quality of exhibitions and engagement programmes.	DD	2018		3	
	2.5	Tullie House will review its Emergency Plan by the end of March 2019	Dir., DD & HC&E	Ongoing	CMC & MDNW	2	
Objective 3.	Secure funding to initiate a programme of capital developments designed to generate a significant increase in earned income		By Whom	By When	Resource	Risk Ranking	Traffic Light
	3.1	Produce a comprehensive Masterplan showing the development potential of the site over a 10-year period, assuming successful HLF RH submission	Dir & HP&P	October 2018	Reserves & HLF	8	
	3.2	Submit capital funding applications to HLF and ACE for Phase I of Masterplan	Dir & HP&P	April 2019	Reserves	10	
Objective 4.	Actively increase income from trusts, foundations, individuals and corporates		By Whom	By When	Resource	Risk Ranking	Traffic Light
	4.1	Produce Fundraising Strategy to focus on identifying funding opportunities, develop key stakeholder relationships, explore partnership opportunities and support/promote/strengthen charitable messaging by April 2018	HP&P	April 2018	Core	2	
	4.2	Secure funding to undertake the following curatorial projects: <ul style="list-style-type: none"> Document and digitise the historic photograph collection to generate income by March 2019 Use Curatorial Trainee post to generate income and increase collections access by April 2020 	HC&E	March 2019	Core and/or external grant	5	
	4.3	Work with our Trustees to develop our capacity to raise more income from fundraising, aiming to raise £100k of contributed income by 2020	Dir & Chair of Dev Cttee	March 2020		9	

Aim	Community Engagement									
Objective 5.	Focus on developing greater engagement with the Carlisle community									
Deliverables	5.1	Across CMC deliver targeted activity programmes for 0-5s in response to high demand and identified potential for growth, with a 5% increase annually on the 17-18 baseline	HC&E	2022	CMC	5				
	5.2	Ensure access and inclusivity is at the heart of our spaces and programmes: <ul style="list-style-type: none">o Undertake an audit of our galleries/spaces to identify possible barriers to access.o All staff to attend diversity awareness training.o Explore new, inclusive approaches to interpreting collections in 18-19 and embed by 2020.o Launch ‘relaxed’ openings to suit different people and SENDo Contribute to CMC target of increasing diversity of groups involved in developing exhibitions by 20% by 2022	DD and HC&E	March 2019	Core & CMC	2 2 3 2				
	5.3	Develop co-production with our communities and embed the Creative Case for Diversity within the organisation. <ul style="list-style-type: none">o Actively participate in the cross-CMC Creative Case Action Groupo Establish a TH CCD Action Group, under strategic development of the Programming Executive Groupo Review Exhibition Fundamentals document to ensure CCD is representedo Continue to offer diverse artist response opportunities in partnership with Prism Artso Develop ongoing programme of gallery updates using the TH collections and principles of co-creation & CCDo As part of CMC, share CCD learning and outcomes with museums across Cumbria	HC&E and HP&P	Ongoing Q2 Q2 Ongoing	CMC	6				

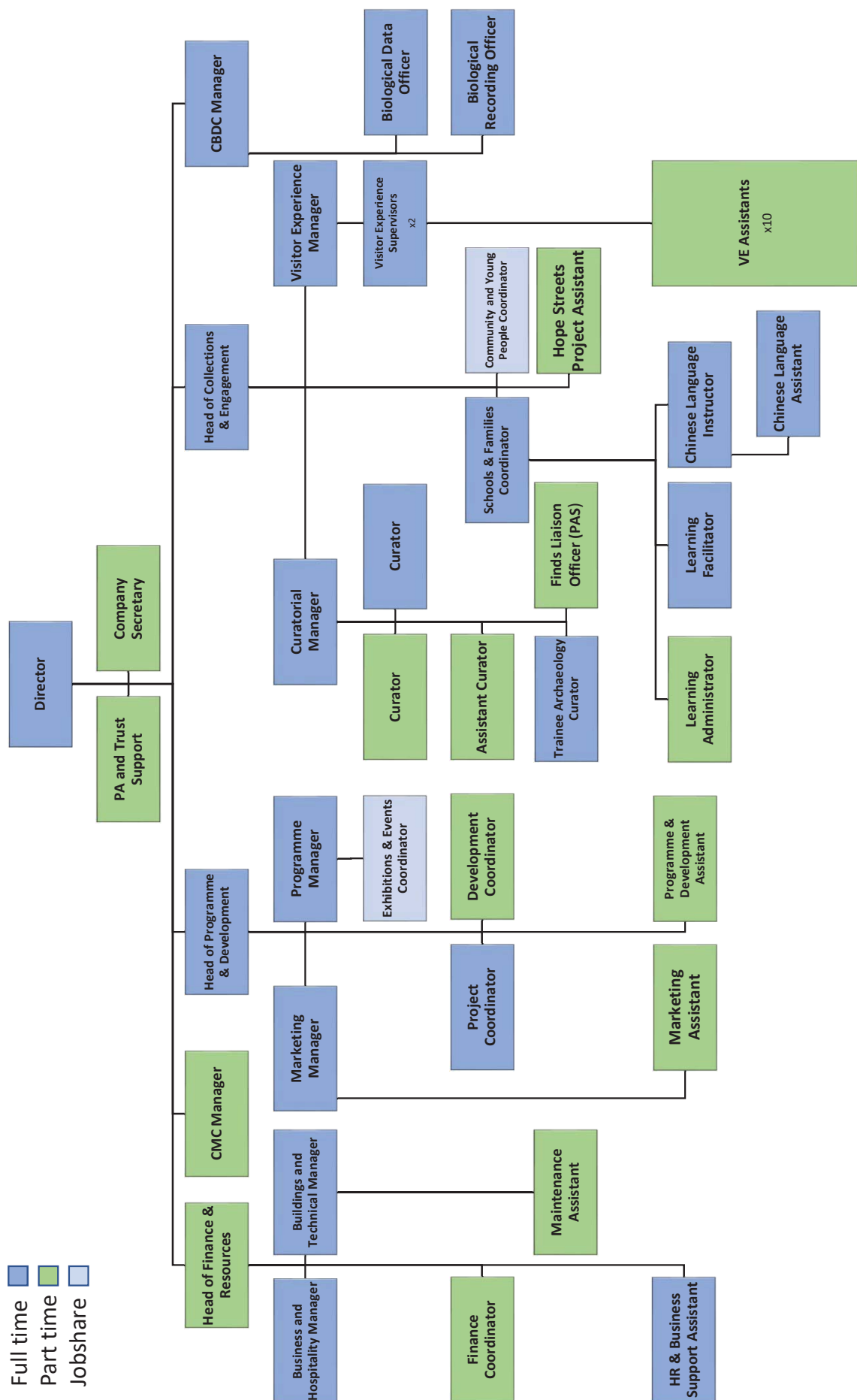
	5.4	Increase access to collections by making the shared database created by the Curatorial Excellence project publicly accessible online, aiming to increase records included to 190,000 by the end of 2019. Further consultation with accredited museums in Cumbria in 18-19 will scope out a possible second project stage including submission of funding bids to support continuation and development	HC&E	2019	tbc			2	
	5.5	Ensure Collections Management procedures are followed to the highest standards, working towards Level 4 requirements of Accreditation, with the aim of increasing accessibility of collections. <ul style="list-style-type: none"> - Achieve Level 2 and create plan for achieving Level 3 by end of March 2019 - Achieve Level 3 and create plan for achieving Level 4 by end of March 2020 	HC&E	2020					
	5.6	Submit Stage 2 Designation Application and, if successful, explore new funding opportunities for collections development.	HC&E	Submission June 2018					
	5.7	Review the Collections Development Policy, identifying gaps and priorities for commissioning, acquiring and developing collections in partnership with local people, donors and grant giving bodies and create an annual programme of development.	HC&E	Policy review end of Q2 Ongoing	Reserves & external funders			3	
	5.8	Contribute to the production of high quality publications which will support greater understanding of collections <ul style="list-style-type: none"> • Academic research • Publications relating to collections (2 by 2022) 	HC&E	2022				4	
	5.9	Respond to national events and campaigns via social media and our programme	HP&P and HC&E	Ongoing	Core & CMC			4	
	5.10	Support contemporary artists to offer fresh perspectives on our sites and collections, subject to resources.	HP&P and HC&E		External funders			6	

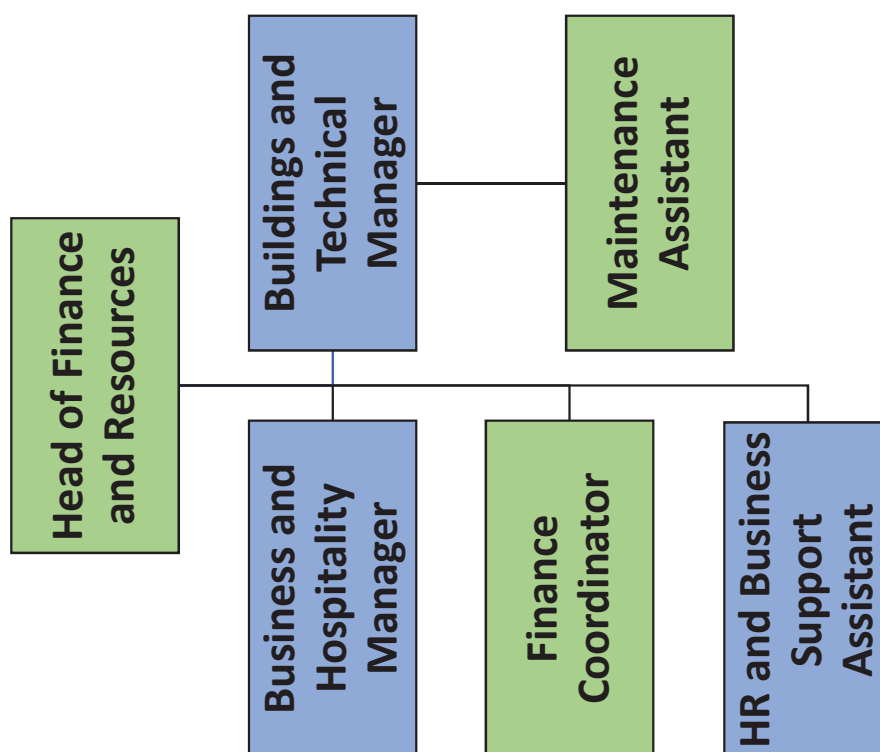
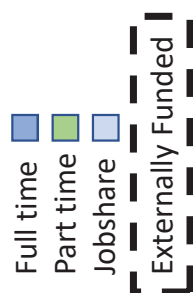
5.11	Create and deliver programmes that increase the number and range of school pupils engaging with the museum with a 5% annual increase on 17-18 baselines	HC&E	2020	Core	8	
5.12	Extend Arts Award provision, contributing to reaching the CMC target of increasing the number of Arts Awards achieved annually by 27% from 776 to 985 by 2022	HC&E	2022	CMC	7	
5.13	Actively support the Cultural Education Challenge in Cumbria with Curious Minds	HC&E	Ongoing	LCEP	5	
5.14	Maintain our programme of activity and participation for Young People at 300 participation days annually. Increase subject to funding (to be established by Q3).	HC&E	Ongoing	CMC	6	
5.15	Deliver targeted activity programmes for families, increasing engagement by family members at 5% annually from 17-18 baselines.	HC&E	2022	CMC	3	
5.16	Expand and develop our digital offer as part of CMC: <ul style="list-style-type: none"> ○ Create digital learning resources for teachers, schools and young people. Pilot by the end of 18-19. ○ Embed cross-departmental digital team, responsible for driving digital ambition and, increase captured content (filming and live-streaming artists and curator talks etc). Revise membership, appoint chair and review terms of reference by Q1. ○ Increase work with artists who create digital work (ie Creative Content), conducting scoping exercises and defining best practice by end of 2019 and a pilot project by end of 2022 ○ Embed digital engagement into formal and informal learning programme. Conduct scoping exercise and a pilot by end 18-19 ○ Ensure each exhibition features an element of creative media 	HC&E and HP&P	Ongoing	CMC	6 3 6 4	
5.17	Subject to successful funding, we will actively work to recruit and train volunteers to deliver enhanced gallery experiences (and thus increase income from admissions) by developing a programme that responds to the Manifesto and may include guided tours and themed re-enactors	HC&E, HR&VA	March 2018	Core	7	

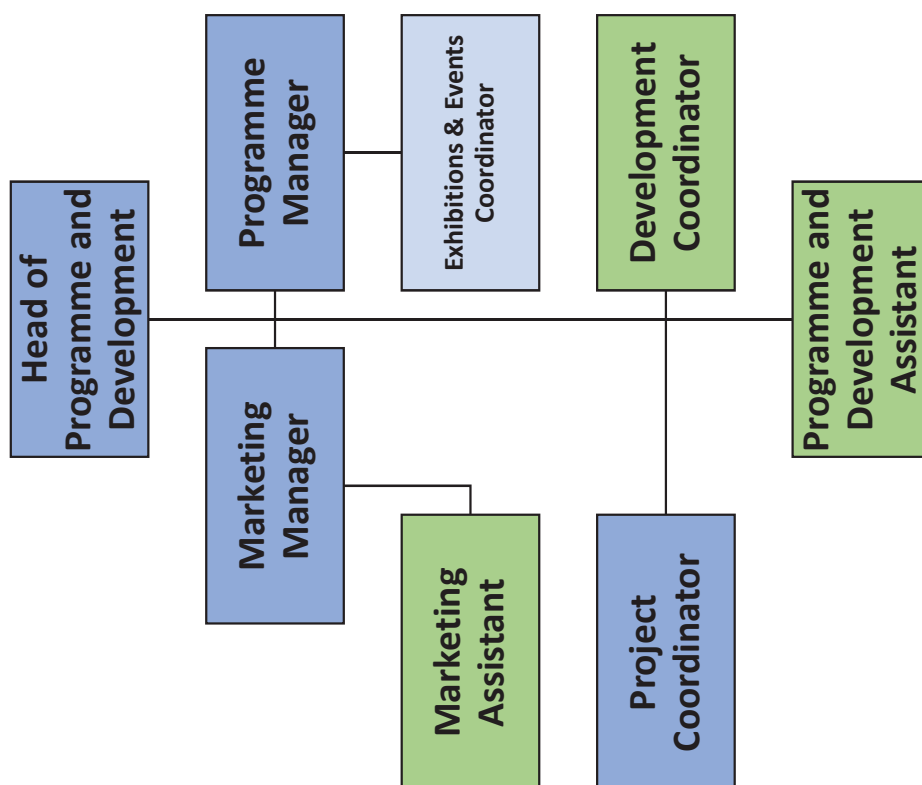
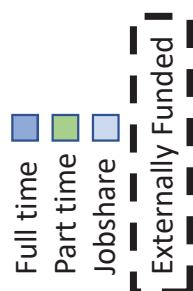
5.18	Develop relationship with University of Cumbria following MoU, creating a delivery plan for the next four years focussing on engaging more students with the programme and developing more teaching opportunities.	HP&P and HC&E	Q3 2018/19			
Objective 6.	Continue to work with hard-to-reach groups within Carlisle and surrounding area	By Whom	By When	Resource	Risk Ranking	Traffic Light
6.1	<p>Increase the number of active volunteers by 10% by 2022.</p> <ul style="list-style-type: none"> Through a volunteering working group, conduct an audit of current volunteer involvement – benchmark numbers, identify gaps, cold-spots and new opportunities by 2019 Adopt the Volunteer Makers platform and use 'blended-volunteering' to broaden the range of volunteering opportunities available by end 2018 Liaise with sector and diversity partners to diversify the range of people able to access volunteer opportunities, including CVS and PRISM by 2019 	HR&VA		CMC	3 3 5	
6.2	<p>Develop community and arts engagement with underrepresented groups</p> <ul style="list-style-type: none"> Continue to work with vulnerable adults, with a target of 600 participation days annually Be active participants in the Carlisle Dementia Action Alliance and assist Carlisle's aspiration to become a Dementia Friendly City Projects will be developed with artists from diverse backgrounds 	HC&E and HP&P	Ongoing	CMC	4 2 5	
Objective 7.	Strengthening our Hadrian's Wall offer	By Whom	By When	Resource	Risk Ranking	Traffic Light
7.1	<p>Promote and champion links with Hadrian's Wall Partnership through building visitor awareness via internal and external marketing and communications</p> <ul style="list-style-type: none"> Remain a key partner in the Hadrian's Wall Partnership 	Dir. & DD	Ongoing		3	

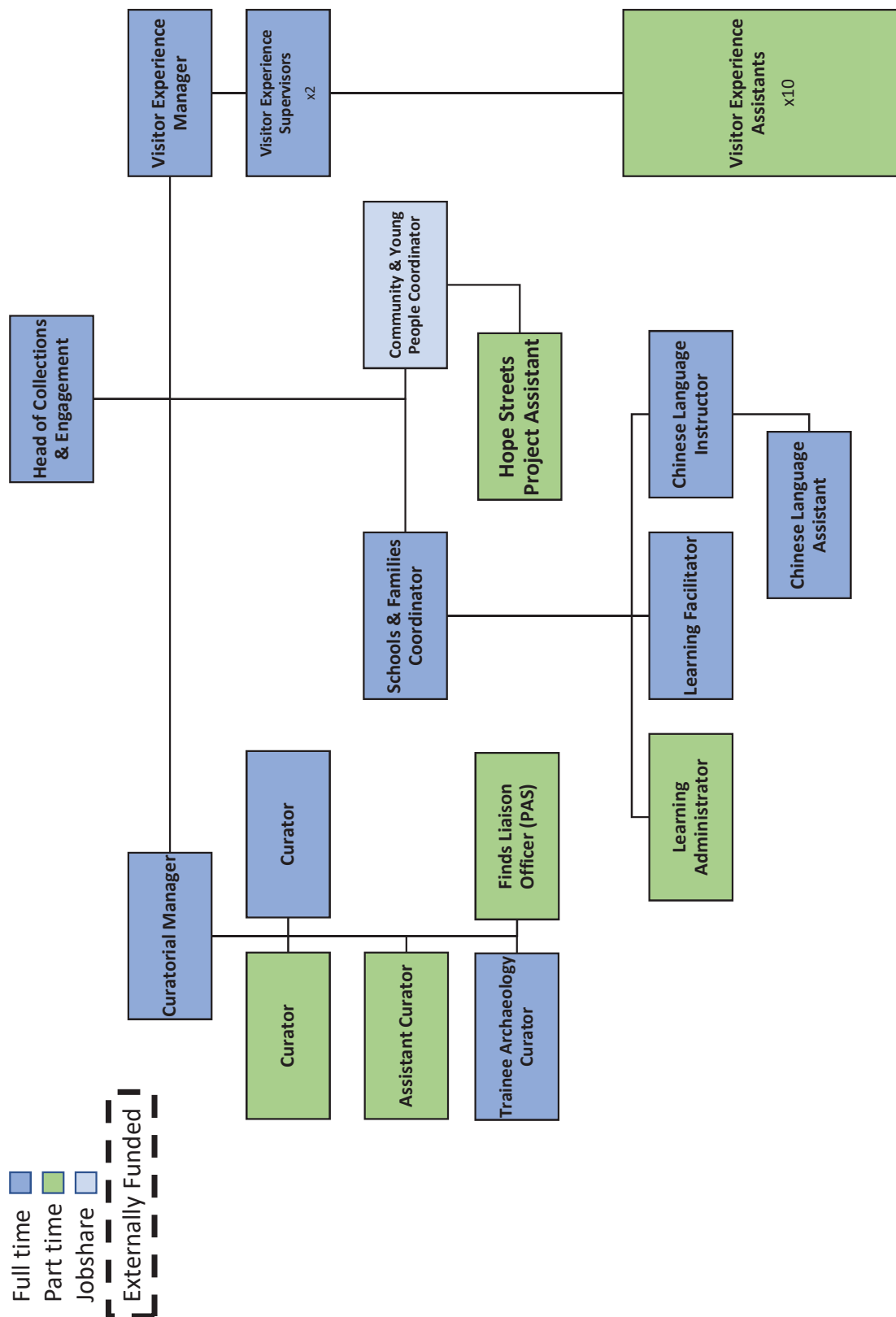
		<ul style="list-style-type: none"> Ensure we maximize the impact of the UNESCO World Heritage brand Develop British Museum links in the interpretation of the Roman Frontier Gallery 					
	7.2	<p>As CMC Continue to invest time in cultural and tourism marketing partnerships including the Carlisle Cultural Consortium, Lake District China Forum, Japan Forum, Hadrian's Wall Country, Cumbria's Living Heritage and Borderlands.</p> <p>Play a leading role in cultural partnerships and projects that aim to embed culture into the county's tourism offer, and look to increase engagement with strategic bodies such the LEP and Britain's Energy Coast to ensure that they promote culture as central to the county's economic wellbeing</p> <p>Undertake an annual review to assess the productivity of Tullie House's partnership in the above organisations.</p>	Dir. & DD	Ongoing		6	
	7.3	Work with partners to further develop the China-UK Wall to Wall initiative between Hadrian's Wall and the Great Wall	Dir & HP&P	Ongoing		6	
Objective 8.	Develop international audiences from China or with communities interested in Chinese culture		By Whom	By When	Resource	Risk Ranking	Traffic Light
	8.1	Bring world class collections to Cumbria from China and see collections shared internationally	HP&P and HC&E	Ongoing	CMC	6	
	8.2	<p>Work with local partners / initiatives to attract more international visitors from American and Far East Markets</p> <ul style="list-style-type: none"> Develop guided tours in Mandarin by end Q2 Work with Carlisle City Council on the Heritage Cities app aimed at the American market Continue to attend Historic Quarter Meetings Engage with the Historic England Poppies campaign 	Dir, DD & HP&P. HC&E	2019	CMC WI budget	4	
	8.3		HC&E	Ongoing	Cl,		

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EXCERPT FROM THE MINUTES OF THE HEALTH AND WELLBEING SCRUTINY PANEL HELD ON 15 NOVEMBER 2018

HWSP.70/18

TULLIE HOUSE BUSINESS PLAN 2019/20 – 2020/21

The Deputy Chief Executive submitted report CS.34/18 which included the Tullie House Museum and Art Gallery 2019 – 2021 Business Plan.

Mr Smith (Tullie House) stated that Tullie House was a wonderful asset for the city and that its Trustees were determined to maximise its potential. The Business Plan was founded on two core principles: financial stability and community engagement, that were key to the ongoing development of the development of the facility.

Mr Smith provided a summary of the various partnerships that Tullie House had formed and their joint bids for funding and their allocations, details of which were provided in the Business Plan. In addition to seeking external funding through grants, the Tullie House Trust (the Trust) also aimed to increase its income by expanding the number of visitors to the facility. He appreciated the Council's position regarding the financial support it provided to the Museum, however, it was his view that a slower, more phased reduction of the Council's Core Grant Funding, from 2021, as set out in the report, would enable the Trust more time to absorb the loss of the funding and find sustainable ways in which to replace it.

Mr Mackay explained that the Museum had identified three areas of focus: the delivery of community engagement projects (supported by Arts Council England funding) which it was hoped would attract younger audiences to the Museum; Project Tullie which would set out the blue-print for the Museum for the coming 10 – 15 years, including the provision and layout of public gallery space, and; how to absorb the reduction in Core Grant funding from the Council.

The Museum had latterly become a more outward looking organisation and in addition to forming partnerships for the purposes of applying for grant monies, it had also developed links nationally and internationally with other museums. Such links would allow Tullie House to share items from its collection and receive items for display from collections held in institutions such as the British Museum. It was hoped that the accessibility of items of national and international significance would lift visitor numbers. The profile of Tullie House was increasing with visits from key figures in Arts Council England, and the Trust hoped such interactions meant awareness of the Museum would continue to increase.

The Chairman invited the Deputy Chief Executive to comment on the Business Plan.

The Deputy Chief Executive considered that the report and Business Plan allowed the Panel to review the previous year and to consider the future, particularly the Council's Core Funding Grant, as part of its agreement with the Trust. He noted that the Council's had undertaken an agreement with the Trust for a period of three years, and asked Members to consider the Council's and the Trust's proposals for future core funding arrangements, in the context of the Council's Budget, Members' attention was drawn to the recommendations set out at the front of the report.

The Leader added that Tullie House was extremely important asset to the city, and that in seeking to alter the level of core funding it provided, the Council did not wish to destabilise the facility. That city was recognised for its visitor economy which Tullie House contributed to, furthermore, the Trust's plans for the future, particularly Project Tullie were cause for excitement.

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

- What plans did the Trust have for marketing Carlisle as a desirable place to visit?

Mr Mackay explained that as part of the development of Project Tullie, work had been undertaken with consultants to find appropriate narratives relating to Borderlands, The Border City and City of the Lakes in an attempt to set out the city's unique identity as a selling point.

The Leader added that government had not yet indicated an outcome to the Borderlands Growth Deal Submission, therefore it was important that Tullie House was not reliant on such funding.

Mr Smith indicated that the most likely source of funding for Project Tullie was the Heritage Lottery Fund, with whom early dialogue had been positive.

- A Member requested a breakdown of visitor figures to Tullie House.

Mr Mackay stated that in 2017/18 there had been 240,000 visitors to Tullie House, and that number was on course to increase in 2018/19. International visitors had made up 6% of attendees in 2017/18 and the Museum had a target to increase that number to 9% in 2018/19. He added that there was potential to grow the numbers of local people visiting the museum, as numbers had been in decline in recent years.

A Member commented that the funding and partnership links the Trust had formed were encouraging, he asked what plans were in place to raise awareness of Tullie House and increase visitor numbers.

Mr Mackay responded that the number of visitors to the site was growing, and that data analysis of those attending was being carried out. He further noted that the ticket price offers had been improved, enabling purchasers to use one ticket for multiple visits over a year. The collection loans from partnership organisations, particularly those from China which were due to be exhibited in 2020 were expected to generate significant interest. He recognised the importance of increasing visitor numbers to support the long term sustainability of Tullie House.

The Chairman asked whether the Tullie Card was still available for purchase.

Mr Mackay explained that the Tullie Card had been replaced with an annual ticket which was able to be purchased for adults at a price of £10, children were able to access the facility for free.

The Chairman responded that £10 was a very small fee, and inquired whether it could be increased.

Mr Smith agreed that charges were the mostly likely source of revenue growth, as in his view, the retail and food outlets at Tullie House had limited income potential, he stated that charges for children would be kept under review.

The Panel discussed the collections held in storage at the Museum. Mr Smith noted that the Trust had submitted two grant applications for monies to create exhibition space to display the Museum's nationally important clothing collection, such alterations to the internal layout of the Museum were the forerunner to Project Tullie.

The Chairman questioned why items were held in storage rather than on display.

Mr Mackay explained items were held in storage as there wasn't sufficient display space within the public areas of the Museum. It was normal practice for museums to have held collections some of which were rotated as part of a programme of exhibitions, others were retained for research purposes as they were not of sufficient quality to be publicly displayed.

- Did the Trust have plans to increase internal revenue by improving the food offer to customers?

Mr Smith confirmed that income from the sale of food had decreased in recent years, and that the contractor had not delivered the type of service that the Trust had been looking for. The matter had become a focus of attention for the Museum's management who were monitoring the service. However, longer term changes to the offer would occur as part of Project Tullie, therefore no significant changes were planned in the short term.

Mr Mackay added day to day monitoring of the service was being carried out and that the menu had been changed recently as well as improvements to the customer service provided.

The Member responded that he considered catering to be an essential aspect of the Museum's business, as it was part of the customer experience while at the facility. He applauded the Trust's securing of internationally significant exhibitions such as the Chinese artefacts planned for display in 2020, he asked what plans the Trust had to secure major paintings for display on a more regular basis.

Mr Smith responded that the Trust would relish the opportunity of regularly displaying paintings by major artists, and noted that in the coming 18 months works by three artists of national significance would be displayed at Tullie House. Whilst such offerings would increase visitor numbers, it was important to recognise that exhibitions by individual artists were likely to have limited range of appeal, therefore it was important to have a broad range of offer.

The Member commented that he was pleased the matter was being looked at.

- What plans did the Trust have to engage the attention of people in the north-west who did not have access to the internet?

Mr Mackay stated that it was very challenging, as there was a lot of competition in the cultural sector to engage people's leisure time, therefore it was important that Trust's marketing was confident. He noted that 60% of visitors lived within an hour's drive of Tullie House, and 40% came from further afield.

Mr Smith added it was a matter the Trust gave regular consideration to. The new crossing on Castle Way had increased footfall to Tullie House, especially during the "Weeping Window" poppy display at the Castle. As Project Tullie developed it would provide an opportunity for the public to engage in future plans for the museum.

The Panel discussed developments in the vicinity of Tullie House; the Fraternity project at the Cathedral and the location of relocation of Edinburgh Woollen Mill to the city centre and that opportunities that may arise for the Museum as a result.

The Chairman thanked Mr Mackay and Mr Smith for their attendance at the meeting.

The Panel adjourned at 11:10am and reconvened at 11:15am

In response to a question from the Chairman regarding the possibility of engaging another food provider at Tullie House, the Deputy Chief Executive detailed the current position in relation to the contract with the existing provider, which was nearing its term.

- A Member noted the Trust had submitted a counter-proposal for the level of core funding the Council would provide in the coming three years (paragraph 2.3 of the report), he asked whether the Council was happy to accept that proposal.

The Leader stated that the Council was considering the matter, he cautioned that were the Trust's proposal to be accepted, the Council would need to make an additional £100,000 savings from elsewhere within its budget. The Executive had yet to finalise its Budget proposals, therefore the Panel's consideration of the Business Plan were very important.

The Member commented that were the Panel to put emphasis on the Trust's proposal, it would need to take into account the need for the Council to balance its own budget.

The Leader explained that the Trust's Business Plan was not complete, however, it had assured the Council it could guarantee the financial proposals put forward. In the event of increased income receipts, would be able to accommodate additional reductions in its Core Grant Funding. In order to manage its budget properly, the Council's MTFP needed to be based on realistic proposals.

- A Member felt that customers were crucial to the success of any business, he asked how sustainable the Trust's plans to increase visitor numbers were.

The Leader noted the work done to make the city a short break destination, and the potential opportunities to link with other cultural providers in the city.

The Panel discussed the potential for advertising Tullie House on national train services.

- A Member commented that there had been a lot of focus on increasing income, it was his view that the Trust should also seek to reduce its costs, he asked whether the Council was confident that the Trust had the capacity to sufficiently increase its income.

The Leader advised that the Trust had a number of ideas for increasing income and reducing costs. He further noted that the Board was increasingly made up of new members who brought fresh ideas and a different focus.

The Deputy Chief Executive reminded Members of the recommendations set out in the report, stating that the Panel was asked to form a view on the proposals for the core funding of Tullie House. He added that in addition to the core funding grant, the Council had a number of Service Level Agreements with the Trust which, overall, totalled approximately £900,000 of funding. He

directed the Panel to consider the Trust's funding proposal in comparison to that set out by the Council in its MTFP.

The Chairman responded that he felt the annual ticket price was too low, and suggested it be increased to £15, he also considered it would be beneficial for the Trust to increase its marketing.

The Deputy Chief Executive suggested that the Panel consider requesting that future Business Plans provide more detail relating to the Trust's future plans, as opposed to context setting.

A Member commented that he was pleased to hear about the Trust's increasing access to grant funding, and felt that the organisation was heading in the right direction. He was sympathetic to the Trust's proposal for its core funding grant settlement and hoped that the Council would be able to view it sympathetically. However, he appreciated the impact accepting the Trust's proposal would have on the Council's Budget, as it would require further savings to be made. A number of Members expressed their support for this view.

Another Member considered that the implementation of the Business Plan should be monitored in future to ascertain whether the increased incomes the Trust anticipated were realised.

RESOLVED – 1) That the Panel were sympathetic to the Tullie House Trust's proposal in relation to the level of its core grant funding; however, it recognised accepting the proposal would mean additional savings would be required in the Council's Budget.

2) That the implementation of the Business Plan be monitored to ascertain whether the increased incomes the Trust anticipated were realised.

3) That the Tullie House Business Plan 2019 – 2021 report (CS.34/18) be noted.

Report to Executive

Agenda
Item:

A.4

Meeting Date: 10th December 2018
Portfolio: Economy, Enterprise and Housing
Key Decision: Yes: Considered under general exception
Within Policy and Budget Framework: No
Public / Private: Public

Title: WARM HOMES FUND GRANT AWARD
Report of: Corporate Director of Governance and Regulatory Services
Report Number: GD.92/18

Purpose / Summary:

To consider the acceptance of a Warm Homes Fund (WHF) Grant Award of £538,000 to supply new first-time gas central heating systems to a target of 200 homes in Carlisle and district.

Recommendations:

It is recommended that the Executive:

1. Accept the £538,000 Award of Funding from the Warm Homes Fund and authorise the Corporate Director of Governance and Regulatory Services to enter into the legal agreement upon him being satisfied as to the terms and conditions thereof.
2. Delegate responsibility for the spend of the grant to the Corporate Director of Governance and Regulatory Services.

Tracking

Executive:	10 th December 2018
Scrutiny:	

Council:	
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1. BACKGROUND

- 1.1** The Warm Homes Fund (WHF) is a £150million fund administered by Affordable Warmth Solutions (AWS) across England, Wales and Scotland, primarily designed to address fuel poverty and poor energy efficiency of housing stock. The Fund incentivises the installation of affordable heating solutions in households who do not use mains gas as their primary heating fuel. It is envisaged that the Fund will be used to supplement local strategic plans and other funds available. The aims of the Fund are to reduce bills, increase comfort in non-gas fuel poor households, and improve health outcomes for some of those with the most severe levels of fuel poverty.
- 1.2** The bid was under Category 1: Urban homes and communities – we anticipate this will involve 200 new gas heating systems to private sector homes to provide space heating and domestic hot water. It could also include heat network solutions. Under this category new gas connections will continue to be undertaken by Gas Distribution Networks and funded through the Fuel Poor Network Extension Scheme.
- 1.3** The City Council through its Homelife HIA Team made an application to the Warm Homes Fund on 27th September 2018 in accordance with the grants and external funding procedure using the Corporate Director of Governance and Regulatory Services delegated authority to apply for grant funding.

2. PROPOSALS

- 2.1** The project would be delivered through the Homelife Home Improvement Agency. Discretionary Housing Grants and FILT grants will be used to meet shortfalls in funding where possible. Office space in kind, if required, for an Energy Surveyor to be based in Carlisle Civic Centre, has been offered to Warmer Communities.
- 2.2.** Homelife have already identified 154 properties within Carlisle who could potentially benefit from the grant towards the target of 200 homes.
- 2.2** The partners in this project would be:
 - ~ Thrift Energy alongside their community interest company, Warmer Communities, who have been procured as installers of the heating and aim to insulate the properties to the current standard.
 - ~ Communitas Energy who are a Community Interest Company (CIC) subsidiary of Northern Gas Networks would provide free grant funding to connect the eligible properties to the mains gas network.
- 2.3** The funding is dependent upon signing a contract and providing key quarterly reports and updates. Thrift Energy as our delivery partner will be funding the upfront

costs of the installations, providing quarterly invoices for the costs of the installations which will then be claimed from the Warm Homes Fund Grant quarterly in line with the project forecasts.

- 2.4** The installations will also benefit from additional Energy Company Obligation (ECO) funding and, where residents are eligible, through our existing Energy Efficiency and Foundations Independent Living Trust (FILT) grants that Homelife currently has access to. There will also be circumstances where our Discretionary Housing Grants and FILT grants are able to meet shortfalls in funding.
- 2.5.** The properties will be identified through residents applying for Discretionary Housing Grants and a marketing campaign paid for by Warmer Communities. There is also a CFM radio and social media campaign to encourage residents to contact Warmer Communities to insulate their homes and apply for heating through funding that is available, including our ECO flexible eligibility Help to Heat scheme.

3. RISKS

- 3.1** See Appendix. 1 for risk analysis

4. CONSULTATION

- 4.1** The delivery partners Communitas and Thrift Energy have been fully consulted and involved in the bid application.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

5.1. The Warm Homes funding can be used as an additional resource and offer to complement the other sources of grant funding Homelife has access to, to improve the housing stock of privately rented and privately-owned homes in Carlisle and District area.

5.2 The scheme encourages energy suppliers and installers to offer first time gas central heating and an opportunity for homes that are viable for connection to the mains gas network to get connected for free.

5.3. Thrift energy are using local contractors and offering upskilling and training to become ECO installers which benefits the local economy as a social benefit.

- AWS have also requested that it is made clear that the outcome of the bid is subject to contract on any communications outside the organisation and the delivery partners.

6.1 Address current and future housing needs to protect and improve residents' quality of life.

Appendices	APPENDIX 1: Risk analysis
attached to report:	APPENDIX 2: Award of funding

- **Approval for Grant Application**

LEGAL - The funds received as a grant must be spent in accordance with the terms and conditions of the said grant and also in accordance with the Council's Contract Procedure and Financial Procedure Rules.

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of contractors is compliant with Procurement legislation and also the Council's Contract Procedure Rules.

EQUALITY –

INFORMATION GOVERNANCE –

RISK ANALYSIS SEPTEMBER 2018

WARM HOMES FUND – CATEGORY 1 BID 2018 - 2019

RISK IDENTIFIED	Likelihood	MITIGATION PLAN
Are all project costs covered by the grant	L	Have delivered similar projects successfully in the past. Capacity for Project delivery is through Warmer communities C.I.C. funded by Thrift at little to no risk to the Council
CONTINGENCY		<p>The costs shown are not a contractual commitment by neither Carlisle Council or Thrift energy therefore are an indication that we can lever other funds to offer a fully funded solution to the households. The ECO contribution is a conservative figure when there could be upwards of any additional 50% worth of ECO depending on the property types. The bid has purposely illustrated a multitude of funding streams that we can access but the whole scheme is subject to eligibility. The indicative figure in for ECO shows a level of commitment that we can secure other external funding.</p> <p>In the main, CWI and LI will be fully funded by ECO and RIR heavily discounted / free if off gas so again there would be minimal reliance from discretionary housing grants.</p>
Capacity of delivery partners	L	Thrift Energy have already committed one of their existing surveyors from this week to start his retraining programme to fully understand the new ECO obligation, FPNES and the other funding that the HIA administer with the scope of using more existing resource / recruiting more surveyors. In addition to this Thrift have recently recruited a new

		heating manager in head office who is currently going through a recruitment drive for more heating surveyors/ inspectors as well as engineers to support our contract work and any other potential heating projects that Thrift will be working on including this WHF.
Reputation if we don't deliver	L	Have already piloted schemes Have quality targets Feedback from customers and stakeholders. Have worked with Thrift Energy for last 2 years. ISO 9001 qualified. Quality scored highly as part of procurement tender.
Sickness or officer leaves during the scheme	M	Scheme fits in with existing HIA procedures.
CONTINGENCY		Can be delivered externally through Installers on framework and through Warmer Communities. Thrift energy are recruiting surveyors and staff to work in the area specifically for the project.
Ineffective marketing/targeting	L	This could result in not reaching the 200 properties we need. Our delivery partners have invested time and resources to carry out effective targeting, working with our project partners. This will also take place very early on in the project timescales to ensure we have time to make changes or improvements if required. Other installers are working in our area following ECO tender and our published statement of intent
CONTINGENCY		We have a wide target area we can select eligible properties from, identifying areas of IMD, low EPC band, benefits, and likelihood of being in fuel poverty. Should take up be slower than anticipated, we can quickly expand out our target

		areas.
Not being able to secure additional funding	L	This could result in the project not going ahead, we have a framework of installers wanting to work in our area and have a track record as a Home Improvement Agency of securing additional charitable funding, understanding funding criteria's, and working with partners to help us achieve maximum funding. In particular we are very confident of maximising new ECO3 rates, and this was a key part of our recent tender exercise that was won by Thrift Energy.
CONTINGENCY		We have several funding pots we can look to target funding from and have support from a number of partners who can advise and support us to attract funding.
Energy bills increasing/not reducing fuel poverty	L	Our targeted work will ensure that only the residents in most need, and in fuel poverty or at risk of fuel poverty will receive assistance. In addition, only expensive to run solid fuel and electric storage heating systems will be eligible. From this baseline, installing a highly efficient new heating system, together with supporting energy advice and assistance will result in residents seeing reductions in their energy bills.
CONTINGENCY		We have considerable support available to residents to ensure that energy bills are reduced, either through new boilers, or other energy efficiency measures that we can install through other funds. We will also provide advice on energy bills and will work closely with residents to ensure they are paying the least amount possible through Warmer Communities C.I.C.
The project fails the possible audit by the funding provider	L	Clear records kept. Decision to be made as to whether an officer

		decision notice should be made on all the grants made in future
Poor quality work	L	will be carefully managed. Quality controls was tested in the tender process, examining the installers experience of working in resident's homes, their code of conduct policies, level of inspections and sign offs. The Project team will carefully monitor performance against agreed KPI's.
CONTINGENCY		Regular project meetings will ensure that problems are minimised, and regular inspections and quality control checks will be implemented to prevent issues. Further contingency is in place by being able to use one of the other installers on our framework.
Time scale unrealistic	M	The first 3 months will involve a surveyor working with Communitas to target households and conduct surveys full time. This would equated to 480 dedicated hours in addition to the marketing support from Thrift energy and a total of 5 contractors including Thrift Energy who will be able to install the measures with typical installs taken no more than 1.5 days so we have a large capacity of potentially 10 heating teams working each week which could show a delivery of 45 heating systems a week at its peak so the 12 months is realistic. The number of properties in this bid is minimal in comparison and monthly Thrift install 500 measures a month. We are fortunate that the key deliver team has a combination of experience to pull this project together and deliver on target.
CONTINGENCY		Other installers on framework increases capacity.

		<p>If we are successful, we will be informed in early November, and we'll get a chance then to review the delivery timescales, which will then go into the contract. The quick timescales will also look good for the Consortium bid that Carlisle will lead on, as we'll be able to demonstrate that we can set up, mobilise and deliver numbers quickly, so the more we can do between now and the Round 3 closing in mid-February the better.</p>
The bid is unsuccessful	M	Free Gas connection project work isn't dependent on the WHF.
CONTINGENCY		<p>Thrift have committed to working in our area through their warmer Communities CIC regardless of bid success.</p> <p>We are working on a larger Cumbria-wide consortium bid. This project will test the delivery methods and be a learning experience.</p> <p>We have other grant funding, such as LA flex and DHG that we can use to fund energy efficiency measures</p>
Drop in fee income if energy efficiency measures are fully grant funded	L	<p>As we are looking at whole house solutions it is likely that there will be other home improvements identified that are eligible for a DHG. It is making the best use of our resources by accessing a grant that would not be available for households in our area.</p> <p>It is also encouraging the issue of fuel poverty to be higher on the agenda and encouraging best practice across the districts. It is a fit with our housing strategy and improving the area's housing stock as well as health and well-being of our residents.</p>



██████████
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**Email: whf@awscic.org.uk
www.affordablewarmthsolutions.org.uk**



15th November 2018

Ref: WHF2A/Cat1/CarlisleCC

Dear ██████████

Award of Funding from the Warm Homes Fund

We refer to your funding application dated 27th September 2018. We are pleased to confirm that your application has been successful (to the extent relating to the funding offered below).

We are able to offer funding of £538,000 in respect of Category 1 to be used for the purpose identified in your application.

A copy of our funding agreement (referred to below as the 'Recipient Agreement') is on our website:

- Schedule 1 to the Recipient Agreement contains the Funding Information, which identifies the Purpose for which funds are to be used, the Funding Amount, Funding Instalments, any Required Match Funding, the deadline for use of funding and conditions for release of Funding Instalments. In order for us to complete the details relating to the Funding Instalments you are required to provide a forecast of your intended installation programme (see email communication).
- Schedule 2 to the Recipient Agreement sets out the terms and conditions that will apply to the provision of funding to you.

Availability of funding is conditional upon your agreement to all matters set out in the Recipient Agreement, including provision of any Required Match Funding and on your acceptance of the following Award Conditions.

Award Conditions

- The Funding Amount must be used solely for the Purpose identified in the Funding Information and otherwise in accordance with the Recipient Agreement.
- Where the Purpose includes installation of all or part or any heating system within or serving any residential accommodation, to the extent economically viable to do so you must ensure that insulation has been or is provided within a reasonable time to standards reasonably to be expected in comparable accommodation;
- Where the Purpose includes installation of measures that will generate an income under the Renewable Heat Incentive scheme (or any replacement scheme) and is not being used in the funding of this project, you undertake to reinvest that income in further measures intended to assist in alleviation of fuel poverty.

Once you are satisfied that you can and will comply with the Recipient Agreement, including provision of the Required Match Funding and compliance with the above Award Conditions, please provide confirmation to ourselves at whf@awscic.org.uk along with the forecast installation programme so that we can draw up copies for execution.

We look forward to hearing from you.

Yours sincerely



Managing Director
Affordable Warmth Solutions CIC



NOTICE

OF

EXECUTIVE

KEY DECISIONS

9 NOVEMBER 2018

Notice of Key Decisions

This document provides information on the 'key decisions' to be taken by the Executive within the next 28 days. The Notice will be updated on a monthly basis and sets out:

- Details of the key decisions which are to be taken;
- Dates of the Executive meetings at which decisions will be taken;
- Details of who will be consulted and dates for consultation;
- Reports and background papers which will be considered during the decision making process;
- Details of who to contact if further information is required
- Details of where the document can be inspected
- Details of items which the public may be excluded from the meeting under regulation 4(2) and the reason why
- Details of documents relating to the decision which need not, because of regulation 20(3) be disclosed to the public and the reason why.

The dates on which each new Notice will be published are set below:

Publication Dates

20 July 2018	12 October 2018	11 January 2019
17 August 2018	9 November 2018	8 February 2019
14 September 2018	18 December 2018	15 March 2019

Key decisions are taken by the City Council's Executive and these are usually open to the public. Agendas and reports and any other documents relevant to the decision which may be submitted can be viewed in the Customer Contact Centre at the Civic Centre, Carlisle or on the City Council's website (www.carlisle.gov.uk). Agendas and reports are published one week ahead of the meeting.

A Key Decision is an Executive decision which is likely –

- (a) to result in the relevant local authority incurring expenditure which is, or the making of savings which are, significant* having regard to the local authority's budget for the service or function to which the decision relates;
- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the relevant local authority.

*significant expenditure or savings to the authority in excess of £70,000

The City Council's Executive Members are:

Councillor Glover –Leader
Councillor Dr Tickner – Finance, Governance and Resources Portfolio Holder
Councillor Ms Quilter – Culture, Heritage and Leisure Portfolio Holder
Councillor Miss Sherriff – Communities, Health and Wellbeing Portfolio Holder
Councillor Southward – Environment and Transport Portfolio Holder
Councillor Glendinning – Economy, Enterprise and Housing Portfolio Holder

Should you wish to make any representations in relation to the items being held in private or If you require further information regarding this notice please contact Democratic Services on 01228 817039 or committeeservices@carlisle.gov.uk.

Index of Active Key Decisions

		Date Decision to be considered:	Date Decision to be taken:
KD.16/18	Tullie House Business Plan		10 December 2018
<hr/>			
KD.19/18	Budget Process 2019/20	12th November 2018 3rd December 2018 10th December 2018 16th January 2019	12th November 2018 3rd December 2018 10th December 2018 16th January 2019
<hr/>			

Notice of Key Decisions to be taken by the Executive

The following key decision is to be made on behalf of Carlisle City Council:

Key Decision Reference:	KD.16/18
Type of Decision:	Executive
Decision Title:	Tullie House Business Plan
Decision to be taken:	The Executive will be asked to consider the business plan and refer to Health & Wellbeing Scrutiny Panels prior to making recommendations to Council.
Date Decision to be considered:	
Date Decision to be taken:	10 December 2018
Is the Decision Public or Private?:	The decision will be taken in public
Documents submitted for consideration in relation to the Decision:	The report of the Deputy Chief Executive will be available five working days before the meeting
Contact Officer for this Decision:	Deputy Chief Executive, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Culture, Heritage and Leisure (Councillor Ms Quilter)
Relevant or Lead Overview and Scrutiny Panel:	Health and Wellbeing Scrutiny Panel

All public reports can be viewed in the Customer Contact Centre of the Civic Centre, Carlisle, the Public Library and on the Council's website www.carlisle.gov.uk.

Other documents relevant to the matter may be submitted to the decision maker. These, if available, may be obtained by contacting the named contact officer.

Notice of Key Decisions to be taken by the Executive

The following key decision is to be made on behalf of Carlisle City Council:

Key Decision Reference:	KD.19/18
Type of Decision:	Executive
Decision Title:	Budget Process 2019/20
Decision to be taken:	<p>The Executive will be asked to:</p> <p>Consider strategic financial issues arising from the budget setting process</p> <ul style="list-style-type: none"> (a) Budget Update – Revenue Estimates including spending pressures and savings (12th November 2018) (b) Individual Charges Reviews (12th November 2018) (c) New Capital Spending Proposals and Provisional Capital Programme (12th November 2018) (d) Corporate Assets – Repair and Maintenance Programme (12th November 2018) (e) Treasury Management and Prudential Borrowing Implications (12th November 2018) (f) Local Taxation (including CTRS) (12th November 2018) (g) Consideration of Scrutiny Consultation feedback (3rd December 2018) (h) Draft Revenue Support Grant Settlement (if available) (10th December 2018) (i) Summary Overall Revenue and Capital Position (if required) including decision on Business Rate Pooling (10th December 2018) (j) Draft Treasury Management and Investment Strategy including MRP Strategy (10th December 2018) (k) Executive Draft Budget Proposals for consultation (10th December 2018) (l) Final Revenue Support Grant and Final Revenue Budget Summary (if required) (16th January 2019) (m) Provisional Capital Programme (16th January 2019) (n) Treasury Management and Investment Strategy including MRP Strategy (16th January 2019) (o) Consideration of Final Budget Consultation (16th January 2019) (p) Executive's Final Budget Proposals (16th January 2019)
Date Decision to be considered:	12th November 2018 3rd December 2018 10th December 2018 16th January 2019
Date Decision to be taken:	12th November 2018 3rd December 2018 10th December 2018 16th January 2019

Is the Decision Public or Private?:	The decision will be taken in public
Documents submitted for consideration in relation to the Decision:	The report of the Corporate Director of Finance and Resources will be available five working days before the meeting
Contact Officer for this Decision:	Corporate Director of Finance and Resources, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Finance, Governance and Resources (Councillor Dr Tickner)
Relevant or Lead Overview and Scrutiny Panel:	Business & Transformation Scrutiny Panel Economic Growth and Health & Wellbeing Scrutiny Panels for New Spending Proposals, Savings and Charges pertaining to their individual areas of responsibility

All public reports can be viewed in the Customer Contact Centre of the Civic Centre, Carlisle, the Public Library and on the Council's website www.carlisle.gov.uk.

Other documents relevant to the matter may be submitted to the decision maker. These, if available, may be obtained by contacting the named contact officer.

Notice prepared by Councillor Colin Glover,
Leader of Carlisle City Council

Date: 9 November 2018

Officer Decisions

Below is a list of decisions taken by Officers of Carlisle City Council which they have classed as significant, full details and supporting background documents can be viewed on the Council's website: <http://cmis.carlisle.gov.uk/cmis/CouncilDecisions/OfficerDecisions.aspx>

Decision Ref No	Title:	Subject and Decision Taken:	Reports and Background Papers considered:	Date Decision Taken:
Licensing Manager				
OD.106/18	Licensing Decisions taken between 25 October 2018 and 2 November 2018	The Licensing Manager has granted the attached licences or permissionsApplications for various under an express authorisation delegated to her and in accordance with licences the Council's policy requirements. (can be viewed on the Council website http://CMIS.carlisle.gov.uk/CMIS/CouncilDecisions/OfficerDecisions.asp x)		02/11/2018
Regulatory Services Manager				
OD.107/18	Discretionary Disabled Facilities Grants	Grant decisions approved and not approved in June - October 2018 (can be viewed on the Council website http://CMIS.carlisle.gov.uk/CMIS/CouncilDecisions/OfficerDecisions.asp x)	Housing Renewal Assistance Policy Document 2017, Carlisle City Council's Code of Conduct Policy	02/11/2018
Licensing Manager				
OD.108/18	Licensing Decisions taken between 2 November 2018 and 9 November 2018	The Licensing Manager has granted the attached licences or permissionsApplications for various under an express authorisation delegated to her and in accordance with licences the Council's policy requirements. (can be viewed on the Council website http://CMIS.carlisle.gov.uk/CMIS/CouncilDecisions/OfficerDecisions.asp x)		09/11/2018
Corporate Director of Governance and Regulatory Services				
OD.109/18	Disabled Facility Grants (DFG) Repayment	A request has been received for the Council to waive the repayment on a DFG Repayment under the Scheme Of Housing Assistance (Empty Properties & Disabled Facilities Grant) 2017 a property reference 16/3372. The Housing Renewal Assistance Policy document lays out the reason for using discretion to waive the payment, the relevant Portfolio Holder and Service Director are approved to make the final decision.	Private information concerning change of circumstances	07/11/2018

Decision Ref No	Title:	Subject and Decision Taken:	Reports and Background Papers considered:	Date Decision Taken:
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Licensing Manager

OD.110/18	Licensing Decisions taken between 9 November 2018 and 15 November 2018	The Licensing Manager has granted the attached licences or permissionsApplications for various under an express authorisation delegated to her and in accordance with licences the Council's policy requirements. (can be viewed on the Council website http://CMIS.carlisle.gov.uk/CMIS/CouncilDecisions/OfficerDecisions.aspx)		15/11/2018
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Decision Ref No	Title:	Subject and Decision Taken:	Reports and Background Papers considered:	Date Decision Taken:
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Corporate Director of Finance and Resources

OD.111/18	Living Wage Increase January 2019	Real Living Wage Increase	N/A	20/11/2018								
		<p>Carlisle City Council supports paying all staff the Real Living Wage (RLW) or above. In line with the annual increase the Living Wage Foundation have increased the RLW rate from £8.75 to £9.00 per hour. It is proposed that the Council adopt the increases and implements with effect of the 1st January 2019.</p> <p>The Minimum Wage (set by the government as a minimum for under 25's) £7.70 an hour Statutory</p> <p>National Living Wage (set by the government as a minimum for over 25's) £8.21 an hour Statutory</p> <p>Real Living Wage (set by the living wage organisation as a realistic wage that people need to live on for 18 year old and over) £9.00 an hour Voluntary</p> <p>This will impact on Pay point P1 and will cost the Council approximately £2,000 per annum; this can be met from base budgets.</p> <p>Apprenticeship Rates of Pay</p> <p>At a meeting of the Employment Panel in October 2017 Members agreed to pay the NLW age appropriate rate for year 1 of an apprenticeship. New rates have been released with an effective date of 1st April 2019.</p>										
		<table><tr><td>National Minimum wage for Apprenticeships</td><td>Age Range</td><td>Year 1</td><td>Year 1</td></tr><tr><td></td><td></td><td>Apprenticeship</td><td></td></tr></table>	National Minimum wage for Apprenticeships	Age Range	Year 1	Year 1			Apprenticeship			
National Minimum wage for Apprenticeships	Age Range	Year 1	Year 1									
		Apprenticeship										

Decision Ref No	Title:	Subject and Decision Taken:	Reports and Background Papers considered:	Date Decision Taken:																								
		<div>Apprenticeship</div> <table><tr><td></td><td></td><td>April 2018</td><td>April 2019</td></tr><tr><td>£3.70 per hour</td><td>Under 18</td><td>£4.20</td><td>£4.35</td></tr><tr><td>increasing to £3.90</td><td>18 to 20</td><td>£5.90</td><td>£6.15</td></tr><tr><td>per hour from April 2019</td><td>21 to 24</td><td>£7.38</td><td>£7.70</td></tr><tr><td></td><td>25 and under</td><td>£7.83</td><td>£8.21</td></tr><tr><td>Statutory</td><td></td><td>Vountary</td><td>Voluntary</td></tr></table> <p>These new rates will be implemented and be effective from 1st April 2019.</p>			April 2018	April 2019	£3.70 per hour	Under 18	£4.20	£4.35	increasing to £3.90	18 to 20	£5.90	£6.15	per hour from April 2019	21 to 24	£7.38	£7.70		25 and under	£7.83	£8.21	Statutory		Vountary	Voluntary		
		April 2018	April 2019																									
£3.70 per hour	Under 18	£4.20	£4.35																									
increasing to £3.90	18 to 20	£5.90	£6.15																									
per hour from April 2019	21 to 24	£7.38	£7.70																									
	25 and under	£7.83	£8.21																									
Statutory		Vountary	Voluntary																									

Deputy Chief Executive

OD.112/18	Agreement for the provision of Event Medical Services from St Johns Ambulance Service	This decision provides for a contract between the Council and St Johns Ambulance Service to provide services at key City Council events (Upperby Gala, Pageant, Fireshow)	None	12/11/2018
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Licensing Manager

OD.113/18	Licensing Decisions taken between 15 November 2018 and 22 November 2018	The Licensing Manager has granted the attached licences or permissionsApplications for various under an express authorisation delegated to her and in accordance with the Council's policy requirements. (can be viewed on the Council website http://CMIS.carlisle.gov.uk/CMIS/CouncilDecisions/OfficerDecisions.aspx)	licences	22/11/2018
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Deputy Chief Executive

OD.114/18	Low Carbon: call in Cumbria PA4 (OC07R18P 0835)	The Decision has been taken to submit an Outline Application (Expression of interest) to the Low Carbon: call in Cumbria – Priority Axis 4: Supporting the Shift Towards A Low Carbon Economy In All Sectors	None	23/11/2018
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Decision Ref No	Title:	Subject and Decision Taken:	Reports and Background Papers considered:	Date Decision Taken:
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Deputy Chief Executive

OD.115/18	Low Carbon: call in Cumbria - PA6: Preserving and Protecting the Environment and Promoting Resource Efficiency (OC07R18P 0836)	The Decision has been taken to submit an Outline Application (Expression of interest) to the Low Carbon: - Priority Axis 6: Preserving and Protecting the Environment and Promoting Resource Efficiency	None	23/11/2018
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Property Services Manager

OD.116/18	Land & Property Transaction – Parkhouse Industrial Estate	To complete a lease of site 1 Parkhouse Industrial Estate	Report GD.64/17 - Land and Property Transactions - kingstown, parkhouse and Rosehill Industrial Estates at Executive on 23 October 2017	26/11/2018
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JOINT MANAGEMENT TEAM**Monday 12th November 2018****MINUTES**

Present:	Councillor C Glover (Chair), A Glendinning, C Southward, L Sherriff, L Tickner. J Gooding, D Crossley, A Taylor, M Lambert, J Meek.
Apologies:	A Quilter

JMT – Minutes of Previous Meeting	Action
The minutes of the previous meeting were agreed	
Environment Agency	Action
EA gave a presentation on the Carlisle Scheme	
JMT Forward Plan	
The forward plan was agreed	
Notice of Executive Key Decisions	
The Notice of Executive Key Decisions were agreed	

Report to Executive

Agenda
Item:

A.8

Meeting Date: 10th December 2018
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework Yes
Public / Private Public

Title: PERFORMANCE REPORT QUARTER 2 2018/19
Report of: Policy and Communications Manager
Report Number: PC 24-18

Purpose / Summary:

This report contains the Quarter 2 2018/19 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 2018/19 Key Performance Indicators (KPIs) are also included.

Recommendations:

1. Consider the performance of the City Council as presented in the report with a view to seeking continuous improvement in how the Council delivers its priorities.
2. Closure of Carlisle Plan Key Action 26: *Continue to implement the Green Infrastructure Strategy to make our green spaces safe and exciting for our residents and visitors, enhancing Carlisle's reputation as a green, welcoming city for people and business that encourages inward investment, raise property values and increase productivity.*
The specific task was the construction of the Crindledyke cycleway. The project was completed on time and to budget in Quarter 2. Whilst the Strategy is ongoing for several years, this cycleway project is complete and no further large projects are imminent.

Tracking

Executive:	10/12/18
Scrutiny:	Health and Wellbeing 15/11/18 Economic Growth 22/11/18 Business and Transformation 29/11/18
Council:	N/A

1. BACKGROUND

This report contains the Quarter 2 2018/19 performance against the Service Standards and a summary of the Carlisle Plan 2015-18 actions as defined in the 'plan on a page'. The Key Performance Indicators (KPIs) are also included. The appendix attached contains the Council's performance against all KPIs.

Service Standards were introduced in 2012 after consultation with Service Managers, DMTs, SMT and JMT. Following a review of the initial set of five Service Standards, five further measures were introduced from Quarter 2 2017/18. All measures were reviewed by officers at the end of 2017/18 and changes consulted on at Scrutiny Panels and Executive earlier in the year.

Service Standards are the measures judged to be the most important to our customers and therefore the mostly likely to influence the overall satisfaction with how the Council performs. The following pages contains the Council's performance against the Service Standards.

The updates against the actions in the Carlisle Plan are presented in Section 3. The intention is to give the Executive a brief overview of the current position without duplicating the more detailed reporting that takes place within the Scrutiny and Executive agendas and Portfolio Holder reports.

Summary of KPIs and Service Standards:

Service Standards – 0 'red', 4 'amber' and 6 'green'

KPIs – 4 'red', 5 'amber', 21 'green'

Summary of Exceptions (RED)

Measure	Target	Performance
FR03 Average number of working days lost due to sickness absence per FTE (full-time equivalent) employee.	3.7	5.2 (separate agenda item at BTSP 14/2/19)
ED03a Building Control to check 90% of all full plans applications within 14 days of receipt	90%	67% Due to the issues with the Central Plaza Hotel earlier in the year, resources had to be diverted to deal with the emergency situation.

		This impacted on the ability of the service to achieve its targets in some areas. Performance improved during Quarter 2.
CSe04 Revenue gained from household waste recycling collected	£322k	£250k See Carlisle Plan Key Action 20 comments
GRS06 Proportion of public health service requests (pest control, noise, smells, house conditions) responded to within the target response times.	90%	82% The reduction in performance led to a management review of practices within the teams. It was found that there have been recent issues regarding record keeping on jobs completed. Management are reemphasising the importance of good record keeping and expect to see improvements in the reported performance in the next quarter.

2. PROPOSALS

Closure of Carlisle Plan Key Action 26: *Continue to implement the Green Infrastructure Strategy to make our green spaces safe and exciting for our residents and visitors, enhancing Carlisle's reputation as a green, welcoming city for people and business that encourages inward investment, raise property values and increase productivity.*

The specific task was the construction of the Crindledyke cycleway. The project was completed on time and to budget in Quarter 2.

Whilst the Strategy is ongoing for several years, this cycleway project is complete and no further large projects are imminent.

3. RISKS

None

4. CONSULTATION

The report was reviewed by Directorate Management Teams in November, by the Senior Management Team on 12 November 2018 and was considered at the three Scrutiny Panels also in November.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

The Executive are asked to comment on the Quarter 2 Performance Report and agree to the closure of Carlisle Plan Key Action 26.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

Detail in the report.

Contact Officer: Gary Oliver

Ext: 7430

Appendices attached to report:

Performance Dashboard

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 - This report raises no explicit legal issues.

FINANCE – This report raises no explicit financial issues

EQUALITY – This report raises no explicit issues relating to the Public Sector Equality Duty.

INFORMATION GOVERNANCE – This report raises no explicit issues relating to Information Governance.

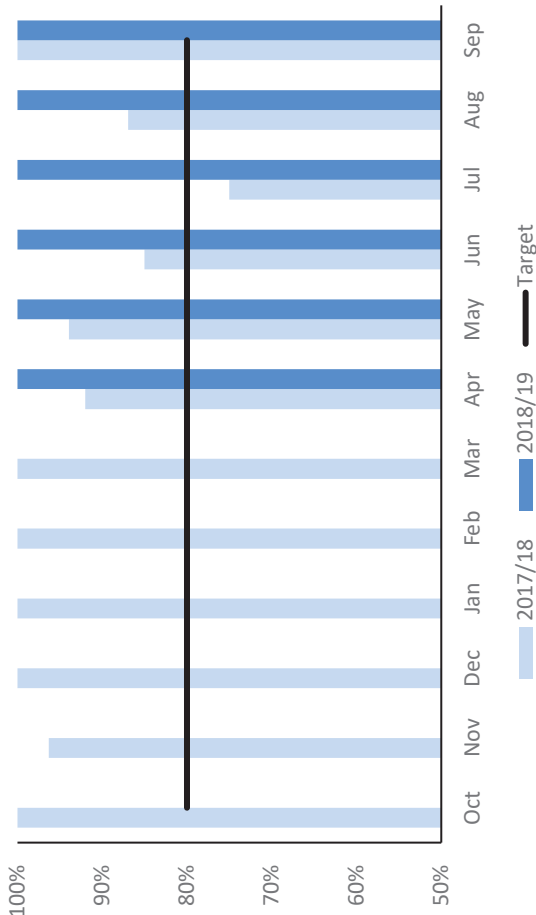

Section 1: Service Standards 2017/18

Service Standards were introduced in 2012 after consultation with Service Managers, DMTs, SMT and JMT. Following a review of the initial set of five Service Standards, five further measures were introduced from Quarter 2 2017/18.

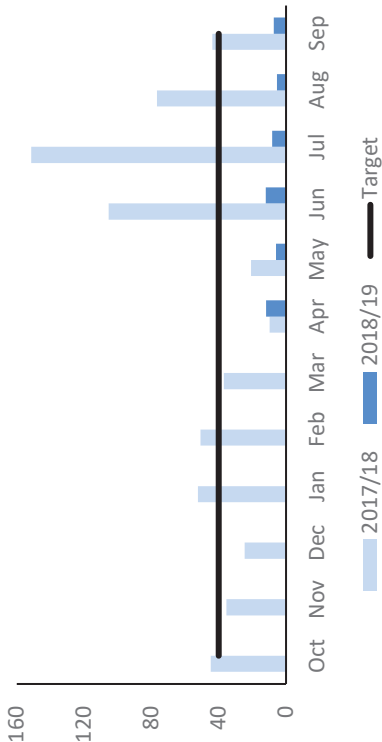

Service Standards are the measures judged to be the most important to our customers and therefore the mostly likely to influence the overall satisfaction with how the Council performs.

The following pages contains the Council's performance against the current Service Standards.

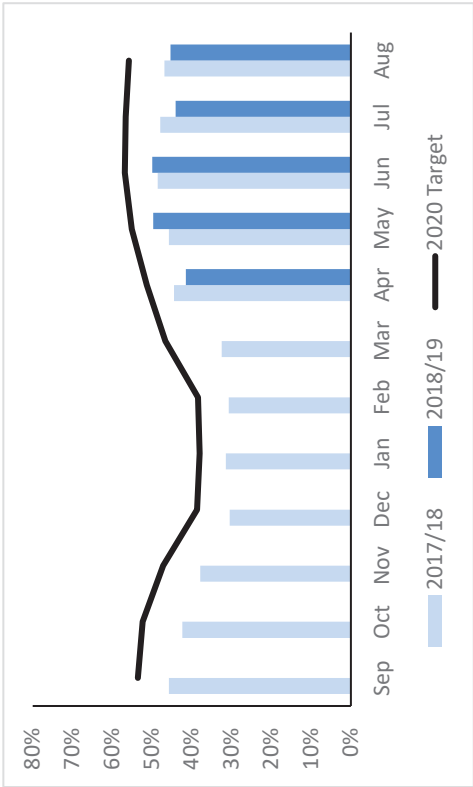
SS01: Percentage of Household Planning Applications processed within eight weeks

Service Standard	To End of Quarter 2 2018/19	Performance by Month	Further Information																																							
80% (Nationally set target)	100%	 <table><thead><tr><th>Month</th><th>2017/18 (%)</th><th>2018/19 (%)</th></tr></thead><tbody><tr><td>Oct</td><td>88</td><td>88</td></tr><tr><td>Nov</td><td>92</td><td>92</td></tr><tr><td>Dec</td><td>92</td><td>92</td></tr><tr><td>Jan</td><td>92</td><td>92</td></tr><tr><td>Feb</td><td>92</td><td>92</td></tr><tr><td>Mar</td><td>92</td><td>92</td></tr><tr><td>Apr</td><td>92</td><td>92</td></tr><tr><td>May</td><td>92</td><td>92</td></tr><tr><td>Jun</td><td>92</td><td>92</td></tr><tr><td>Jul</td><td>92</td><td>92</td></tr><tr><td>Aug</td><td>92</td><td>92</td></tr><tr><td>Sep</td><td>92</td><td>92</td></tr></tbody></table>	Month	2017/18 (%)	2018/19 (%)	Oct	88	88	Nov	92	92	Dec	92	92	Jan	92	92	Feb	92	92	Mar	92	92	Apr	92	92	May	92	92	Jun	92	92	Jul	92	92	Aug	92	92	Sep	92	92	182 household planning applications have been processed in 2018/19 compared with 148 in the same period last year.
	Month		2017/18 (%)	2018/19 (%)																																						
	Oct		88	88																																						
Nov	92	92																																								
Dec	92	92																																								
Jan	92	92																																								
Feb	92	92																																								
Mar	92	92																																								
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May	92	92																																								
Jun	92	92																																								
Jul	92	92																																								
Aug	92	92																																								
Sep	92	92																																								
On target?																																										
																																										

SS02: Proportion of waste or recycling collections missed (valid)

Service Standard	To End of Quarter 2 2018/19	Performance by Month	Further Information																																																				
40 missed collections per 100,000 (Industry standard)	9.6	 <table><caption>Missed Collections by Month</caption><tr><th>Month</th><th>2017/18</th><th>2018/19</th><th>Target</th></tr><tr><td>Oct</td><td>45</td><td>40</td><td>40</td></tr><tr><td>Nov</td><td>40</td><td>35</td><td>40</td></tr><tr><td>Dec</td><td>35</td><td>30</td><td>40</td></tr><tr><td>Jan</td><td>40</td><td>35</td><td>40</td></tr><tr><td>Feb</td><td>45</td><td>40</td><td>40</td></tr><tr><td>Mar</td><td>40</td><td>35</td><td>40</td></tr><tr><td>Apr</td><td>35</td><td>30</td><td>40</td></tr><tr><td>May</td><td>30</td><td>25</td><td>40</td></tr><tr><td>Jun</td><td>40</td><td>35</td><td>40</td></tr><tr><td>Jul</td><td>140</td><td>40</td><td>40</td></tr><tr><td>Aug</td><td>90</td><td>40</td><td>40</td></tr><tr><td>Sep</td><td>45</td><td>40</td><td>40</td></tr></table>	Month	2017/18	2018/19	Target	Oct	45	40	40	Nov	40	35	40	Dec	35	30	40	Jan	40	35	40	Feb	45	40	40	Mar	40	35	40	Apr	35	30	40	May	30	25	40	Jun	40	35	40	Jul	140	40	40	Aug	90	40	40	Sep	45	40	40	Just under two million collections were due to be made in the first six months of the year. 168 collections were missed meaning the success rate was 99.992%.
	Month		2017/18	2018/19	Target																																																		
	Oct		45	40	40																																																		
Nov	40	35	40																																																				
Dec	35	30	40																																																				
Jan	40	35	40																																																				
Feb	45	40	40																																																				
Mar	40	35	40																																																				
Apr	35	30	40																																																				
May	30	25	40																																																				
Jun	40	35	40																																																				
Jul	140	40	40																																																				
Aug	90	40	40																																																				
Sep	45	40	40																																																				
(Q2 2017/18: 45.4)																																																							
On target? 																																																							

SS03: Percentage of household waste sent for recycling (including bring sites)

Service Standard	To end of Aug 2018/19	Performance by Month	Further Information
50% by 2020 (Nationally set target)	46.4%	 <p>80% 70% 60% 50% 40% 30% 20% 10% 0%</p> <p>Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug</p> <p>2017/18 2018/19 2020 Target</p>	<p>Recycling rates nationally have stagnated and even reduced in some areas.</p> <p>Rates were down in July and August this year due to a 17.5% reduction in the tonnage of green waste collected compared to last year as a consequence of the dry weather.</p>
	(end of Aug 2017/18: 46.8%)		
	On target?		
	▲		

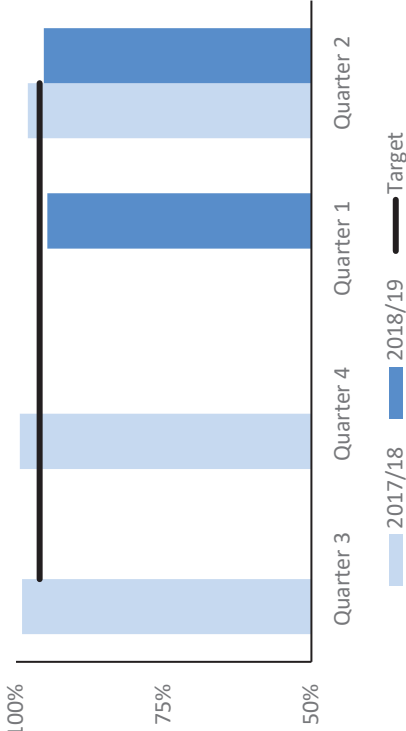

SS04: Average number of working days to process new benefits claims

Service Standard	To End of Quarter 2 2018/19	Performance by Month	Further Information
New claims should be processed within 19 days to achieve top two quartiles compared to other local authorities	19.4 days (Q2 2017/18: 18.1 days)	<p>2017/18 2018/19 Target</p>	1885 new claims so far in 2018/19 – increase of 4.1% compared to same period in 2017/18.
	On target?		
	▲		

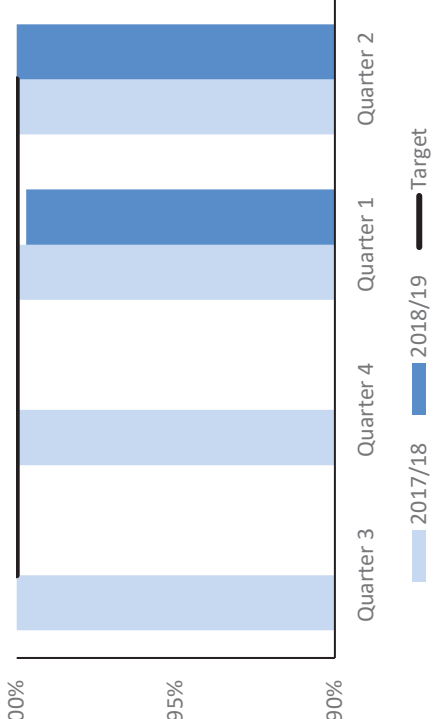
SS05: Proportion of corporate complaints dealt with on time

Service Standard	To End of Quarter 2 2018/19	Performance by Quarter	Further Information																				
Corporate complaints should be dealt with within 15 working days	100%	<table><caption>Performance by Quarter Data</caption><thead><tr><th>Quarter</th><th>2017/18 (%)</th><th>2018/19 (%)</th><th>Target (%)</th></tr></thead><tbody><tr><td>Quarter 3</td><td>~95%</td><td>~95%</td><td>100%</td></tr><tr><td>Quarter 4</td><td>~95%</td><td>~95%</td><td>100%</td></tr><tr><td>Quarter 1</td><td>~95%</td><td>~95%</td><td>100%</td></tr><tr><td>Quarter 2</td><td>~95%</td><td>~95%</td><td>100%</td></tr></tbody></table>	Quarter	2017/18 (%)	2018/19 (%)	Target (%)	Quarter 3	~95%	~95%	100%	Quarter 4	~95%	~95%	100%	Quarter 1	~95%	~95%	100%	Quarter 2	~95%	~95%	100%	13 out of 13 corporate complaints have been completed on time so far in 2018/19. 32 complaints were made in the same period last year. No complaints have been referred to the Ombudsman in 2018/19.
	Quarter		2017/18 (%)	2018/19 (%)	Target (%)																		
	Quarter 3		~95%	~95%	100%																		
Quarter 4	~95%	~95%	100%																				
Quarter 1	~95%	~95%	100%																				
Quarter 2	~95%	~95%	100%																				
(Q2 2017/18: 97%)																							
On target?																							

SS06: Proportion of food businesses that are broadly compliant or better with food safety legislation

Service Standard	Rolling figure to end of Quarter 2 2018/19	Performance by Quarter	Further Information																				
Our work with local food businesses should ensure that 96% are at least broadly compliant.	95.3%	 <table><thead><tr><th>Quarter</th><th>2017/18 (%)</th><th>2018/19 (%)</th><th>Target (%)</th></tr></thead><tbody><tr><td>Quarter 3</td><td>95.3</td><td>-</td><td>96</td></tr><tr><td>Quarter 4</td><td>95.3</td><td>-</td><td>96</td></tr><tr><td>Quarter 1</td><td>-</td><td>95.3</td><td>96</td></tr><tr><td>Quarter 2</td><td>-</td><td>95.3</td><td>96</td></tr></tbody></table>	Quarter	2017/18 (%)	2018/19 (%)	Target (%)	Quarter 3	95.3	-	96	Quarter 4	95.3	-	96	Quarter 1	-	95.3	96	Quarter 2	-	95.3	96	Approximately 200 premises are inspected each quarter. All premises are inspected at least once every eighteen months. Up to the end of September 1063 out of 1116 inspections were broadly compliant.
	Quarter		2017/18 (%)	2018/19 (%)	Target (%)																		
	Quarter 3		95.3	-	96																		
Quarter 4	95.3	-	96																				
Quarter 1	-	95.3	96																				
Quarter 2	-	95.3	96																				
On target?																							
																							

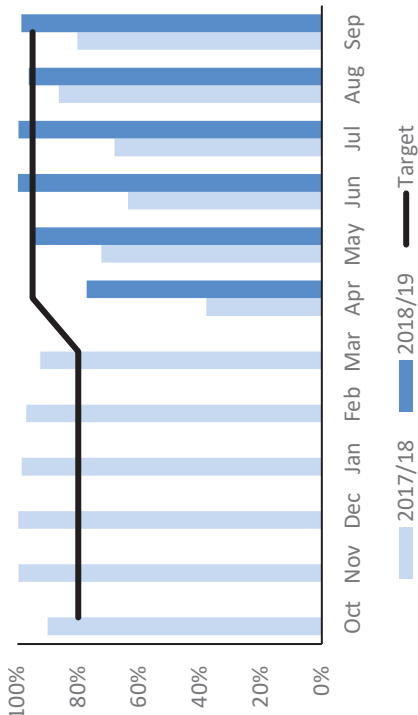
SS07: Proportion of non-contentious licence applications completed on time

Service Standard	To end of Quarter 2 2018/19	Performance by Quarter	Further Information
100% of non-contentious licence applications should be completed within 10 working days	99.8% (Q2 2017/18: 100%)	 <p>100% 95% 90%</p> <p>Quarter 3 Quarter 4 Quarter 1 Quarter 2</p> <p>2017/18 2018/19 Target</p>	<p>589 out 590 applications completed on time so far in 2018/19.</p> <p>In 2017/18 100% of 871 applications were completed on time.</p>
	On target?		
	▲		

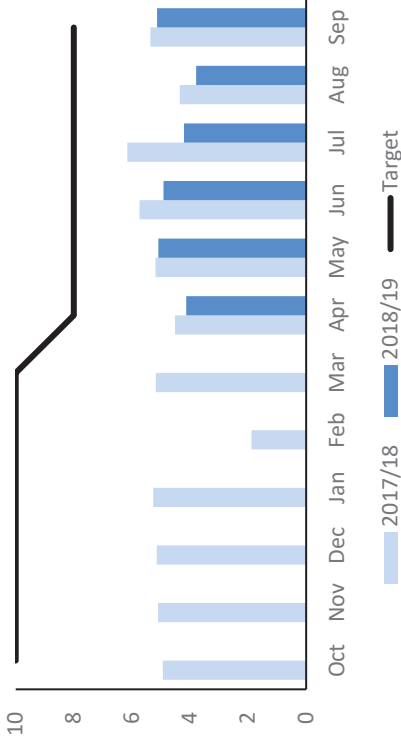
SS08: Proportion of official local authority searches completed on time

Service Standard	To end of Quarter 2 2018/19	Performance by Month	Further Information
85% of official local authority searches should be completed within 10 working days	92.3% (Q2 2017/18: 12%)	<p>417 searches were completed in the year to date – 7% more than the same period last year.</p>	
	On target?		
	✓		

SS09: Proportion of new waste and recycling bins, bags and containers delivered on time (within 10 working days)

Service Standard	To End of Quarter 2 2018/19	Performance by Month	Further Information																																																				
95% delivered within 10 working days	96.3% (Q2 2017/18: 69%	 <table><tr><th>Month</th><th>2017/18 (%)</th><th>2018/19 (%)</th><th>Target (%)</th></tr><tr><td>Oct</td><td>85</td><td>95</td><td>95</td></tr><tr><td>Nov</td><td>85</td><td>95</td><td>95</td></tr><tr><td>Dec</td><td>85</td><td>95</td><td>95</td></tr><tr><td>Jan</td><td>85</td><td>95</td><td>95</td></tr><tr><td>Feb</td><td>85</td><td>95</td><td>95</td></tr><tr><td>Mar</td><td>85</td><td>95</td><td>95</td></tr><tr><td>Apr</td><td>85</td><td>95</td><td>95</td></tr><tr><td>May</td><td>85</td><td>95</td><td>95</td></tr><tr><td>Jun</td><td>85</td><td>95</td><td>95</td></tr><tr><td>Jul</td><td>85</td><td>95</td><td>95</td></tr><tr><td>Aug</td><td>85</td><td>95</td><td>95</td></tr><tr><td>Sep</td><td>85</td><td>95</td><td>95</td></tr></table>	Month	2017/18 (%)	2018/19 (%)	Target (%)	Oct	85	95	95	Nov	85	95	95	Dec	85	95	95	Jan	85	95	95	Feb	85	95	95	Mar	85	95	95	Apr	85	95	95	May	85	95	95	Jun	85	95	95	Jul	85	95	95	Aug	85	95	95	Sep	85	95	95	
	Month	2017/18 (%)	2018/19 (%)	Target (%)																																																			
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	On target?																																																						

SS10: Average number of working days to process benefit claimants' changes of personal details

Service Standard	To End of Quarter 2 2018/19	Performance by Month	Further Information																																																				
Changes should be processed within 8 days	4.5 days (Q2 2017/18: 5.1 days)	 <table><caption>Performance by Month Data (Estimated)</caption><thead><tr><th>Month</th><th>2017/18 (Days)</th><th>2018/19 (Days)</th><th>Target (Days)</th></tr></thead><tbody><tr><td>Oct</td><td>4.5</td><td>4.5</td><td>8.5</td></tr><tr><td>Nov</td><td>4.5</td><td>4.5</td><td>8.5</td></tr><tr><td>Dec</td><td>4.5</td><td>4.5</td><td>8.5</td></tr><tr><td>Jan</td><td>4.5</td><td>4.5</td><td>8.5</td></tr><tr><td>Feb</td><td>4.5</td><td>4.5</td><td>8.5</td></tr><tr><td>Mar</td><td>4.5</td><td>4.5</td><td>8.5</td></tr><tr><td>Apr</td><td>4.5</td><td>4.5</td><td>8.5</td></tr><tr><td>May</td><td>4.5</td><td>4.5</td><td>8.5</td></tr><tr><td>Jun</td><td>4.5</td><td>4.5</td><td>8.5</td></tr><tr><td>Jul</td><td>4.5</td><td>4.5</td><td>8.5</td></tr><tr><td>Aug</td><td>4.5</td><td>4.5</td><td>8.5</td></tr><tr><td>Sep</td><td>4.5</td><td>4.5</td><td>8.5</td></tr></tbody></table>	Month	2017/18 (Days)	2018/19 (Days)	Target (Days)	Oct	4.5	4.5	8.5	Nov	4.5	4.5	8.5	Dec	4.5	4.5	8.5	Jan	4.5	4.5	8.5	Feb	4.5	4.5	8.5	Mar	4.5	4.5	8.5	Apr	4.5	4.5	8.5	May	4.5	4.5	8.5	Jun	4.5	4.5	8.5	Jul	4.5	4.5	8.5	Aug	4.5	4.5	8.5	Sep	4.5	4.5	8.5	Nearly sixteen thousand changes have been processed in the 2018/19 year to date. This is a 6% decrease compared to the same period last year.
	Month		2017/18 (Days)	2018/19 (Days)	Target (Days)																																																		
	Oct		4.5	4.5	8.5																																																		
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Section 2: Key Performance Indicators (KPIs)

Service Standards are not the only set of measures used to interrogate the performance of the Council. Alongside the review of Service Standards, a set of Key Performance Indicators, derived from the links between the service plans and Budget Resolution were developed. These are attached as a Dashboard.

Section 3: Carlisle Plan on a Page Nov 16 – Mar 18 Delivery

Priority 1: Support business growth and skills development to improve opportunities and economic prospects for the people of Carlisle

Business Property & Infrastructure:

OUTCOME	<u>2. City Centre redevelopment projects</u>
SMT OWNER	Jane Meek
Scrutiny Panel	Economic Growth / Business & Transformation
Specific – What is the task	Promote development opportunities and regeneration opportunities within the city centre (including Carlisle Station, Caldew Riverside, The Citadel, English Street and The Pools). Set out a strategy for the future vitality and viability of the city centre including development options for the regeneration opportunity sites (Carlisle Station, The Pools, Court Square, Caldew Riverside and the Citadel).
Measurable – How will success be measured?	Production of a city centre masterplan
Achievable – Is it feasible?	Yes
Realistic – Resources available	The technical and complex nature of the work will necessitate the engagement of external experts drawing on the awarded Local Growth Fund. Continued consultancy support will be required to produce the masterplan. This will be funded by revenue budgets secured through the MTFP process.
Time Bound – Start/end dates	The preparation of the masterplan will commence Q3 2018-19, with a draft version produced by the end of Q4.
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	Feasibility and viability appraisals have been undertaken on various development options for the sites during Q1 and Q2.
Emerging issues / risks to the project	Delivery and funding options for the city centre regeneration sites are currently being explored through the Borderlands Growth Deal.

OUTCOME	3. Support the delivery of a Carlisle Enterprise Zone at Kingmoor Park
SMT OWNER	Jane Meek
Scrutiny Panel	Economic Growth
Specific – What is the task	Support the delivery of Carlisle Kingmoor Park Enterprise Zone Implementation Plan and Marketing Strategy, as well as actively contributing to governance as a key partner.
Measurable – How will success be measured?	Delivery of approximately 200,000sqm of new employment related floor space, across 73ha creating an additional 3,000 jobs and representing private sector investment of £109m.
Achievable – Is it feasible?	Yes, detailed Implementation Plan in place and role required of partners clear.
Realistic – Resources available	Partnership governance arrangements in place.
Time Bound – Start/end dates	Zone effective from 1 st April 2016 with the retention of business rates for a period of 25 years.
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	LEP have appointed a dedicated project manager to support partners. Included in their remit is to improve and increase the reporting on the outcomes of the LEP. Meetings held with Kingmoor Park Properties following internal governance changes. Draft funding agreement being prepared to draw down previously agreed £1.5M Condition Improvement Fund funding.
Emerging issues / risks to the project	None. Detailed risk register being updated by new LEP based project manager.

OUTCOME	4. Support the development of Carlisle Airport as a regional gateway
SMT OWNER	Jane Meek
Scrutiny Panel	Economic Growth
Specific – What is the task	Support the development of Carlisle Airport as a regional gateway
Measurable – How will success be measured?	Airport offer expands to include increased freight and in addition passenger services.
Achievable – Is it feasible?	Through Economic Development Planning and Building Control Services professional advice and support.
Realistic – Resources available	Planning / Building Control advice
Time Bound – Start/end dates	There is currently no planned end date to this action.
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	Whilst the timescale for the commencement of passenger flights from Carlisle Airport has been delayed until Spring 2019, Carlisle City Council has continued to support the development of Carlisle Airport, particularly through emphasising the role that the Airport can play in opening up accessibility to and from Carlisle District and the wider Borderlands. The potential impact of Carlisle Airport on the economy of the District and opportunities to maximise this potential is also continuing to be explored through the emerging economic strategy.
Emerging issues / risks to the project	The major risk which has caused delays to date and which is being addressed by the airport operators, is the availability of experienced air traffic controllers.

Strategy & Planning:

OUTCOME	5. Identify and deliver further projects aligned with the Cumbria Local Enterprise Partnership's Strategic Economic Plan
SMT OWNER	Jane Meek
Scrutiny Panel	Economic Growth
Specific – What is the task	Identify and deliver further projects aligned with the Cumbria Local Enterprise Partnership's Strategic Economic Plan
Measurable – How will success be measured?	Development of project pipeline; alignment of priorities and projects with Cumbria LEP Strategic Economic plan to ensure they are supported by the LEP and/or attract funding.
Achievable – Is it feasible?	Through engagement with the LEP and TOG
Realistic – Resources available	Corporate Director/Senior Officer time
Time Bound – Start/end dates	Local Industrial Strategy to be adopted late 2019. This will feature on a future Scrutiny agenda.
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	Officers continue to be involved in the emerging draft Local Industrial Strategy. This, linked to the national Industrial Strategy published late 2017, will identify priority actions that will identify the priority areas of focus for Cumbria's economy. This is the updated name for the Strategic Economic Plan.
Emerging issues / risks to the project	None

OUTCOME	6. Progress the Borderlands Initiative
SMT OWNER	Jane Meek
Scrutiny Panel	Economic Growth
Specific – What is the task	Progress the Borderlands Initiative
Measurable – How will success be measured?	By way of the successful continuation of the innovative and long-term partnership and the level of additional public and private sector investment secured as a direct result of the initiative.
Achievable – Is it feasible?	Yes. A co-ordinated approach to support regional economic development through partnership working will help to attract additional investment. Progression of 'The Borderlands Proposal' will rely on support from both the UK and Scottish Government.
Realistic – Resources available	Corporate Director of Economic Development and Borderlands Project Officer time to support the Initiative. In addition, partners have contributed towards a centralised fund to enable the appointment of consultancy support to develop a suite of strategic outline business cases and other evidence base requirements. It is anticipated that additional financial revenue resources will be required to provide support to move from Heads of Terms to Final Deal, which will be considered as part of the 2019/20 budget process.
Time Bound – Start/end dates	The Borderlands Partnership submitted the Borderlands Inclusive Growth Deal Proposal 2018 to UK and Scottish Government on 28 th September 2018. It is anticipated that a Heads of Terms agreement on a Deal could be reached by the end of the calendar year/early 2019. Thereafter it can typically take twelve months to agree and sign a Deal based on the experience of other areas. The Deal would then progress to the implementation and delivery phase, timescales for which would be dependent on individual projects or programmes.
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	Discussions continued throughout the summer with civil servants of the UK and Scottish Government on a number of draft strategic outline business cases to prepare a proposition for the Borderlands that has the biggest chance of success. This cumulated in the formal

	<p>submission of the <i>Borderlands Inclusive Growth Deal Proposal 2018</i> and a suite of associated Strategic Outline Business Cases to both the UK and Scottish Government on 28th September 2018 by the Borderlands Partnership.</p> <p>The Borderlands Inclusive Growth Deal Proposal comprises four place-based projects and six programmes, that will deliver benefit across the wider Borderlands geography as well as highlighting areas where the Borderlands partners are seeking to work jointly with the UK and Scottish Governments linked to strategic transport schemes and land and marine management. Key programmes that will deliver benefit across the wider Borderlands are Borderlands Energy Investment Company, Digital Borderlands, Quality of Place, Destination Borderlands, Business Infrastructure Programme and Knowledge Exchange Network.</p> <p>In addition, the key strategic project of establishing the feasibility of extending the Borders Railway from Carlisle to Tweedbank will benefit the whole region. The four-specific place-based projects are Carlisle Station Gateway, redevelopment for the site of the former Chapelcross power station, Berwick Theatre and Conference Centre and the Mountain Bike (MTB) Innovation Centre in the Scottish Borders.</p>
Emerging issues / risks to the project	<p>There are a number of potential risks to the delivery of a Borderlands Inclusive Growth Deal although Nothing of concern to report at present, reflecting risks continue to be managed. The acceptance of a Deal could have significant implications for the Council in the delivery of potential significant capital regeneration projects which present risks in terms of reputation, financial commitment, staff resources and the service delivery.</p> <p>These risks will be mitigated through the process of defining the projects at outline and full business case stage. At present, the key risk for the Council is considered to be the reputational risk of not being closely involved in the Borderlands Inclusive Growth Deal and thus failing to secure positive investments from the UK and Scottish Governments if the Deal moves forward successfully. This risk is being mitigated by Council officers and senior Elected Members engaging closely with partner Councils to develop the Borderlands</p>

	<p>Inclusive Growth Deal, and in due course, any associated negotiations with UK and Scottish Governments.</p> <p>Collaborative working will always present challenges. However, the authorities involved in the Borderlands Inclusive Growth Deal are committed to working together to ensure its success and positive additional investments from the UK and Scottish Governments. There are actions in place to mitigate risks to the achievement of the objectives. These mitigations include regular engagement with key stakeholders and meetings/workshops between key partners to ensure projects and other activities are aligned. Risk registers will also be developed and appropriately managed for each of the programmes and projects which support the work of the partner Councils.</p>
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OUTCOME	7. Infrastructure Delivery Plan
SMT OWNER	Jane Meek
Scrutiny Panel	Economic Growth
Specific – What is the task	Maintain an up to date Infrastructure Delivery Plan and develop proposals to address identified issues.
Measurable – How will success be measured?	Progress and issues will be reported through the annual statutory Authority Monitoring Report.
Achievable – Is it feasible?	Regular dialogue with infrastructure providers set up and maintained.
Realistic – Resources available	Can be delivered within existing staff resource and budget allocation.
Time Bound – Start/end dates	The Plan is aligned to the Carlisle District Local Plan 2015-30. Comprehensive update critical to development of masterplan and delivery strategy for St. Cuthbert's Garden Village.
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	<ul style="list-style-type: none"> Housing Infrastructure Fund (HIF) bid submitted jointly with Cumbria County Council 10th September; 19th September initial meeting with YMCA to set up requirements for the provision of housing to meet the needs of vulnerable young adults; 20th September green and blue infrastructure delivery and stewardship workshop with stakeholders; Continued role on Carlisle Southern Link Road Project Steering Group
Emerging issues / risks to the project	No current issues – risks continue to be managed.

OUTCOME	8. Develop a St Cuthbert's Garden Village Masterplan covering housing, design, employment land, community facilities, transport and infrastructure
SMT OWNER	Jane Meek
Scrutiny Panel	Economic Growth
Specific – What is the task	The development and adoption of a masterplan covering St. Cuthbert's Garden Village.
Measurable – How will success be measured?	Masterplan will be incorporated into a Development Plan Document (DPD) which will require approval by Council. Masterplan to be delivered in 2 parts: Part 1 is visioning and concept framework; Part 2 is detailed framework plans.
Achievable – Is it feasible?	Production of DPD governed by Government Regulations, with policy and guidance also set out nationally
Realistic – Resources available	The project is detailed in the Council's approved Local Development Scheme (LDS). An adequate allocation has followed through the process of the MTFP. Additional funding to accelerate delivery and enhance quality has been forthcoming through inclusion in the Government's Locally Led Garden Villages Programme. Further Garden Village Capacity Funding applied for as and when funding rounds are announced.
Time Bound – Start/end dates	Mandate forthcoming from LDS which was approved in July 2016. Inclusion in Garden Village programme confirmed on 2nd January 2017. Anticipated adoption date of DPD April 2020.
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	<ul style="list-style-type: none"> • Scrutiny Panel 19th July – draft concept proposals and vision; • Regulation 18 consultation completed 10th August; • Receipt of Options Assessment Report for Stage 1 masterplanning (Sept); • 6th September St Cuthbert Without Parish Council workshop on draft concept proposals and vision; • 20th September green and blue infrastructure stewardship and delivery workshop with stakeholders;

	<ul style="list-style-type: none"> • 1st October workshop with Homes England and Hyas for drafting of tender brief for Stage 2 of masterplanning; • 3rd October Land Assembly group meeting with Homes England – planning for next steps of engagement with landowners, and potential for public sector land acquisition.
Emerging issues / risks to the project	<p>Risk register remains in force and up to date</p> <p>Capacity of team and resources continues to be closely monitored in relation to the escalation of volume and complexity of work.</p>

Skills Development:

OUTCOME	10. Continue to support the delivery of the city region Skills Plan aligned to business growth, sustainability requirements and the LEP Skills Strategy
SMT OWNER	Jane Meek
Scrutiny Panel	Economic Growth
Specific – What is the task	Continue to support the delivery of the city region Skills Plan aligned to business growth, sustainability requirements and the LEP Skills Strategy
Measurable – How will success be measured?	Successes in relation to skills improvements and better alignment with key sectors will be determined by the LEPs emerging Local Industrial Strategy and Carlisle City Council emerging Economic Strategy.
Achievable – Is it feasible?	The emerging Economic Strategy and Local Industrial Strategy will contribute significantly towards the achievement of this objective through the exploration of the requirements of key sectors operating and expanding within the area and the alignment of these requirements with the education offer of local education providers.
Realistic – Resources available	<p>Whilst the delivery of the skills plan will be challenging, the emerging Economic Strategy and Local Industrial Strategy will continue to support its delivery and may, in some cases, enhance this through targeted sector work to establish the skills requirements of key sectors.</p> <p>Carlisle City Council is currently working with training providers who deliver apprenticeships within the District to better understand the take up of apprenticeship opportunities and what the City Council can do to encourage take up of apprenticeships, particularly within key sectors.</p>
Time Bound – Start/end dates	<p>The Local Industrial Strategy is currently being consulted on and will be adopted in 2019.</p> <p>The emerging Economic Strategy is anticipated to be adopted 2019 in when there is a clearer indication of the timescale and scale of a number of significant projects that Carlisle</p>

	City Council are currently involved in, such as the Borderlands Inclusive Growth Deal, as well as a greater understanding of the potential impact of external factors such as Brexit.
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	Officers have been involved in the emerging draft Local Industrial Strategy. This, linked to the national Industrial Strategy published late 2017, will identify priority actions that will contribute towards the delivery of the LEP Skills Strategy. A review has been undertaken of the evidence base informing the emerging Economic Strategy and the strategy will continue to be developed and refined over the coming months.
Emerging issues / risks to the project	Nothing of concern to report at present, reflecting risks continue to be managed.

Working with business:

OUTCOME	11. Proactively develop business support through supporting the Growth Hub
SMT OWNER	Jane Meek
Scrutiny Panel	Economic Growth
Specific – What is the task	Proactively develop business support through supporting the Growth Hub
Measurable – How will success be measured?	Actions and activities undertaken to support businesses will be defined through the emerging Economic Strategy. This will include supporting the activities of the Growth Hub. Success of business support will be measured through annual review of the Economic Strategy actions (once adopted).
Achievable – Is it feasible?	The emerging Economic Strategy will contribute significantly towards the achievement of this objective through the exploration of the requirements of businesses and therefore linking requirements with targeted support, including through the Growth Hub.
Realistic – Resources available	Whilst the delivery of business support is often challenging due to limited resources, the emerging Economic Strategy will provide some tangible actions linked to business support, including supporting the Growth Hub.
Time Bound – Start/end dates	The end date of the key action will be coterminous with the Economic Strategy action plan.
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	Draft funding agreement being reviewed to govern match funding for ERDF funded Growth Hub and Business Support and Start Up programmes.
Emerging issues / risks to the project	None

Priority 2: Further develop sports, arts and cultural facilities to support the health and wellbeing of our residents
Service and Facilities Development:

OUTCOME	<u>12. Develop and deliver the proposed new leisure contract to improve facilities at The Sands Centre in line with the City Sports Facilities Development Plan and enhance the leisure services across the city.</u>
SMT OWNER	Darren Crossley
Scrutiny Panel	Business & Transformation / Health & Wellbeing
Specific – What is the task	<ol style="list-style-type: none"> 1. To retender and award a new leisure contract with a significantly reduced subsidy. 2. Develop Outline Designs and budgetary package and secure approvals for Sands Centre Development. 3. Complete works on cycle track and open the facility. 4. Complete works on tennis canopy and open the facility.
Measurable – How will success be measured?	<ol style="list-style-type: none"> 1. The award of a new contract. 2. Executive approval for outline designs and consent (inc budgetary provision) to develop detailed design and works. 3. An operational track by October 2017. 4. Canopy covered courts by Spring 2018.
Achievable – Is it feasible?	<ol style="list-style-type: none"> 1. COMPLETE 2. Sufficient budget and permission has been secured to appoint a design team to take the project to the end of outline design. The design team are currently working on a more detailed design to RIBA Stage 3. 3. COMPLETE 4. Support in place from the LTA and a clear scheme identified, subject to planning permission the canopy can be delivered.
Realistic – Resources available	<ol style="list-style-type: none"> 1. COMPLETE 2. The project is on schedule and has adequate financial resource to be completed.

	<p>3. COMPLETE</p> <p>4. Sufficient budgetary provision has been made via grant funding from the LTA and the city council's capital programme. Work is currently underway to procure the enabling work to get the tennis courts back into service.</p>
Time Bound – Start/end dates	<p>1. COMPLETE</p> <p>2. Route to Affordability to be completed by the end of October 2018 and contracts put in place for the Principal Contractor. The designers need to be novated to the Principal Contractor by the end 2018, to maintain programme. Temporary accommodation (or alternative arrangements') need to be put in place by the end of October 2018 to allow demolition and construction of the Sands Leisure facilities by March 2019. Completion of the project scheduled for December 2020.</p> <p>3. COMPLETE</p> <p>4. The enabling works was scheduled for completion by end November 2018.</p>
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	<p>1. The leisure contract retender is complete and it has been in place since December 2017.</p> <p>2. RIBA Stage 3 and 4 design work continues and a schedule for returning to Executive, Scrutiny and Council is being planned. Planning application has been submitted and is due for consideration in November.</p> <p>3. The cycle track is complete and operational. The final account has been settled following adjudication.</p> <p>4. The proposed Tennis Canopy at Bitts Park has been abandoned due to the extent and condition of main sewers running under the courts and the risks and costs associated with works nearby. Dialogue will continue with the LTA to see if there are any other options providing covered courts in the City.</p>
Emerging issues / risks to the project	<p>The Sands project: a) Matching affordability with the design criteria of the scheme, and third-party expectations b) condition of the existing building; c) management of the temporary accommodation budget, d) staff car parking; e) management of the interaction</p>

	between the construction of the project and phase 2 of the Environment Agencies Flood Defence scheme. f) interaction with the Carlisle Flood Defence Group.
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OUTCOME	13. Deliver a renewed Old Fire Station 2017/18 Business Plan and Development Strategy	
SMT OWNER	Darren Crossley	
Scrutiny Panel	Health & Wellbeing	
Specific – What is the task	<ol style="list-style-type: none"> 1. To review the existing business plan and develop a new one for 2018 taking into account income generation and sustainability. 2. To identify and secure funding to help cover additional front of house staff. 3. Improve audience numbers through marketing and promotion. 	
Measurable – How will success be measured?	<ol style="list-style-type: none"> 1. Development of a new business plan for 2018. 2. Success will be measured by the amount of funding secured. 3. Number of visitors to venue / number of audience members at specific events in comparison to previous year (measure CSe19). 	
Achievable – Is it feasible?	<ol style="list-style-type: none"> 1. The catering contract is due for renewal in 2018 and the current business model is becoming outdated. This is a good opportunity to reconsider the plan. 2. Working with the funding officer to identify potential funding streams. 3. Using the marketing budget to investigate alternative avenues for marketing. 	
Realistic – Resources available	<ol style="list-style-type: none"> 1. The existing team will work on the review as part of their 2017 work programme. 2. Using casual staff and employed staff to work on funding bids. 3. Existing staff to develop marketing plan. 	
Time Bound – Start/end dates	<ol style="list-style-type: none"> 1. First draft to be prepared by Dec 2017. 2. Funding in place for March 2018. 3. Action plan to be developed during 2017. 	
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	<ol style="list-style-type: none"> 1. A revised business plan was developed for 2018/19 and translated into the ledger and budgetary provision for the OFS. 	

	2. A leasehold opportunity has recently been advertised to test potential for further improvement on the operating costs for the OFS under a different model.
Emerging issues / risks to the project	None

Healthy City Programme:

OUTCOME	16. Continue to work with key partners to deliver the World Health Organisation Phase VI Healthy City Action Plan
SMT OWNER	Darren Crossley
Scrutiny Panel	Health & Wellbeing
Specific – What is the task	<ul style="list-style-type: none"> - Restructure Healthy City Forum (HCF) and work with partners to deliver on the Phase VI application - Completion of the Annual Reporting Template (ART) - Completion of abstract submissions - Develop action plan - Explore next phase (VII) – timescales yet to be released - Deliver Place Standard situational awareness workshop
Measurable – How will success be measured?	<ul style="list-style-type: none"> - Number of partners engaged (target will be set as part of the Phase VII criteria) - Completion of ART and feedback received - Number of abstracts accepted (target: 1) - Development of an action plan
Achievable – Is it feasible?	Yes
Realistic – Resources available	No budget allocated – but some external resource / capacity
Time Bound – Start/end dates	Phase VI 2014-18 Phase VII details to be released in early 2019
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	3 abstracts presented at WHO International Healthy City event in Quarter 2. Several sessions also chaired by representatives from Carlisle. Carlisle was held as a beacon of good practice. A new strategy is now being developed based on the WHO's '6 Ps' and will be updated with Phase VII criteria. Contributions have also been made to the Cumbria Public Health Strategy in two key strategic areas.
Emerging issues / risks to the project	Capacity within the team

OUTCOME	17. Continue to support and develop the Food City Partnership: Local Healthy Eating Options; Carlisle Food Charter; food sector supply chain development; food skills; education and tourism.
SMT OWNER	Darren Crossley
Scrutiny Panel	Health & Wellbeing
Specific – What is the task	Develop work of Food Carlisle and subsequent partnership projects
Measurable – How will success be measured?	<ul style="list-style-type: none"> - Local Food Partnership Officer in post (June 17) - Development of Local Healthy Options Award (complete) - Number of Food Charter sign ups (target exceeded) - Sustainable Food Cities (SFC) Award (complete) - Refresh of partnership steering group and action plan
Achievable – Is it feasible?	Yes - fixed term period SFC funding for an appointed post (July 2017 to July 2018).
Realistic – Resources available	Yes. Further project funding will need to be explored and partnership working to develop shared projects. We also need to be aware that the funding is only available for one year.
Time Bound – Start/end dates	Commenced with appointment to post in June 2017 and projects will continue to be developed.
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	<ul style="list-style-type: none"> • A second Action Plan workshop has been held which is being used to shape the actions for the partnership steering group. • Rebrand of Meals on Wheels Cumbria (also received project funding). • Exploration of new projects with partners e.g. Big Lunch and Fareshare.
Emerging issues / risks to the project	Local Food partnership officer post funding has now ended – leaving a gap in resources

OUTCOME	18. Work with partners to develop and deliver a Healthy Workforce programme
SMT OWNER	Darren Crossley
Scrutiny Panel	Health & Wellbeing
Specific – What is the task	Work with partners to design and develop a workplace health partner project / package and lead by example in the completion of Carlisle City Councils Better Health at Work Application
Measurable – How will success be measured?	<ul style="list-style-type: none"> - Sickness absence stats (measures FR03 and FR04) - Number of employees engaged - Number of organisations signed up to the Better Health at Work (BHaW) Award - Number of businesses / organisations signed up to BHaW - Delivery of an event (Summer 2018)
Achievable – Is it feasible?	Timescales may slip.
Realistic – Resources available	Need for good partner relationships
Time Bound – Start/end dates	Yes – Partnership funding externally
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	Contract with Inspira to start Nov 2017. Initial delivery and 2 events to be held before end of 2018.
Emerging issues / risks to the project	The City Council has achieved the 'bronze' BHaW Award. The second event was held by Inspira over the Summer. The project is now complete and feedback from partners is now awaited to gauge success of the programme and performance against the measurables above.
	None

Priority 3: Continue to improve the quality of our local environment and green spaces so that everyone can enjoy living, working in and visiting Carlisle
Rethinking Waste:

OUTCOME	<u>20. Optimise income achieved from the sale of recyclable materials collected</u>
SMT OWNER	Darren Crossley
Scrutiny Panel	Health & Wellbeing
Specific – What is the task	Optimise income achieved from the sale of recyclable materials collected
Measurable – How will success be measured?	Additional income for the Council through the sale of assets and through the receipt of recycling credits (measure CSe04)
Achievable – Is it feasible?	Yes
Realistic – Resources available	Yes – from 12 June 2017, kerbside recycling collections were extended to additional properties across Carlisle and at the same time the range of recyclable material collected from households was extended to include drinks containers (Tetrapak). Some of the increase in kerbside recycling collections will be off-set by an associated decrease in recycling collected from our local bring sites.
Time Bound – Start/end dates	There is no specific end date to this action; income will continue to be maximised.
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	<p>Early increases to recycling rates associated with the extension of recycling collections in 2017 are now steadying off. The long summer weather of 2018 has also had a significant impact on garden waste tonnages.</p> <p>Officers have:</p> <ul style="list-style-type: none"> attended local roadshows / farmers' markets, Upperby Gala, Dalston Show to provide advice and promote recycling. started to target those with high levels of refuse or low participation in recycling to influence behaviour change – this includes reducing those households with unauthorised 2nd refuse bins.

	<ul style="list-style-type: none"> • tidied up some of our more popular recycling sites to improve image, reduce contamination and fly-tipping and increase the quantity and quality of recycling. • continue to work with the Cumbria Strategic Waste Partnership as we try to find solutions to our shared challenges.
Emerging issues / risks to the project	<p>The value of recyclable materials has fallen significantly in recent months due to numerous factors beyond the control or influence of the Council. For example, the Chinese Government has banned the import of some recyclable material with knock-on effects on supply and demand across international and domestic markets. Such bans on imports are being repeated by other countries further impacting on values. This has had a significant impact on our ability to achieve income targets with values for some material falling from a positive (income) to a negative (cost). Income peaked at £26,000 per month from the sale of dry recycling in 2017, dropped as low as £2,000 per month in early 2018 but is now at the £10,000 per month level. The Council also receives income in the form of recycling credits paid from the County Council based on weight. Whilst we have seen an increase in recycling tonnages collected, early gains in this regard are being eroded as we see a shift from industry and retailers to different, more lightweight material and reduced packaging. We have also seen a steady reduction in paper use/demand with associated falls in values as more and more is done/read online.</p> <p>Officers continue to monitor the situation and are forecasting year-end pressures in these uncertain times.</p> <p>One of our established outlets for composting garden waste sold its business in September 2018 to its key local competitor, leaving just a single provider in the area. This reduced competition is likely to see increased costs for Carlisle going forward for the future disposal of garden waste, further adding to the pressure on budgets this year and ahead. We have secured a competitive rate in the interim period to mitigate this, but we expect costs to rise, supporting the need for change in this non-statutory service.</p>

OUTCOME	<u>22. Provide quality, clean local environments for people to enjoy with the involvement of local communities, supported by robust enforcement action against those who drop litter, fly-tip or allow their dogs to foul</u>
SMT OWNER	Darren Crossley
Scrutiny Panel	Health & Wellbeing
Specific – What is the task	The production of an Enforcement Strategy 2019 to 2023 to identify the key actions to be undertaken by the Council over the next three years to tackle enviro-crime. To also include active work with schools, volunteer and community groups to support positive behaviour change and reduce reliance on the Council for clean-up activity.
Measurable – How will success be measured?	<ul style="list-style-type: none"> – Improved street scene with reduced incidence of fly-tipping, littering and dog fouling (measure CSe11) – Increase in successful enforcement action (measure CSe10) – Improved Council reputation (measured through survey work) – New partnerships developed and community links strengthened – Added value to the local community
Achievable – Is it feasible?	Officers to prepare a revised draft enforcement strategy to consult with elected members and stakeholders.
Realistic – Resources available	There are no significant resource implications.
Time Bound – Start/end dates	Strategy draft to: <ul style="list-style-type: none"> • October 2018 SMT • 16 January 2019 Executive 16 January 2019 • 21 February 2019 Health and Wellbeing Scrutiny • Awareness raising • 01 April 2019 live
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	Draft strategy developed and awaiting final approval in line with timetable above.

	Neighbourhood Services Team restructured to establish clear roles to support the roll out of neighbourhood working and to further build resilience and flexibility in the enforcement team which will underpin the effectiveness of the enforcement strategy. The document has been revised from a three-year to a five-year strategy.
Emerging issues / risks to the project	The launch of the strategy is behind the original timescale but the revised April 2019 date will ensure that the new structure and working arrangements are embedded and those officers with responsibility for developing neighbourhood working matched to the new structure for the Council once confirmed following the ward boundary review (May 2019).

OUTCOME	<u>23. Complete the delivery of a programme of public realm improvements throughout the city: fingerpost signage; interpretation boards and gateway signage</u>
SMT OWNER	Jane Meek
Scrutiny Panel	Economic Growth
Specific – What is the task	Complete the delivery of a programme of public realm improvements throughout the city: fingerpost signage; interpretation boards and gateway signage
Measurable – How will success be measured?	Installation of new fingerpost signage, interpretation boards and gateway signage
Achievable – Is it feasible?	Yes
Realistic – Resources available	Can be progressed to completion within existing staff capacity and allocated budget
Time Bound – Start/end dates	Installation of fingerpost signage and interpretation boards completed Q4 2017-18 Gateway Signage – to be delivered in the next public realm improvement programme. Appraisal of projects and indicative costing to commence in Q3 2018-19 with a provisional programme produced by the end of Q4.
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	Ongoing dialogue with Cumbria County Council regarding design options and potential installation locations.
Emerging issues / risks to the project	A comprehensive review of the proposed design of the gateway signage has been necessary due to highway safety concerns raised by Cumbria County Council.

Quality of our Local Environment:

OUTCOME	25. Annually review the air quality in Carlisle and work with partners to deliver an Air Quality Action Plan to reduce outdoor air pollution to a safe level.
SMT OWNER	Mark Lambert
Scrutiny Panel	Health & Wellbeing
Specific – What is the task	Defra LAQM process followed
Measurable – How will success be measured?	AQ assessment approved. Monitoring results continue downward trends. These are reported through an annual report to Scrutiny.
Achievable – Is it feasible?	Within existing staff and budgets
Realistic – Resources available	Delivered through Housing and Pollution Team
Time Bound – Start/end dates	As below
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	Defra (September 2018) have commented that the Annual Status Report 2018 from Carlisle for air quality is well structured and detailed and provides the information specified in the Guidance. The Housing and Pollution team will follow on with recommendations to revoke 2 of the 6 Air Quality Management Areas (AQMAs) in the District. A revised Air Quality Action plan will also be required for 2019/20 to cover the remaining AQMAs.
Emerging issues / risks to the project	None

Parks and Open Spaces:

OUTCOME	<u>26. Continue to implement the Green Infrastructure Strategy to make our green spaces safe and exciting for our residents and visitors, enhancing Carlisle's reputation as a green, welcoming city for people and business that encourages inward investment, raise property values and increase productivity</u>
SMT OWNER	Darren Crossley
Scrutiny Panel	Health & Wellbeing
Specific – What is the task	Crindledyke cycleway - construction of the first phase of the new cycleway linking the Story Homes development at Crindledyke with the city centre via Kingmoor nature reserve. This will provide a traffic-free route for commuters and access to natural green space for recreation.
Measurable – How will success be measured?	Project delivered to time/budget
Achievable – Is it feasible?	
Realistic – Resources available	Budget is £280k of Section 106 money
Time Bound – Start/end dates	Sept 2017 to Autumn 2018
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	Project was completed on time and to budget in Quarter 2. Whilst the Strategy is ongoing for a number of years, this cycleway project is complete and no further large projects are imminent. It is therefore recommended that the action is closed.
Emerging issues / risks to the project	None

Priority 4: Address current and future housing needs to protect and improve residents' quality of life

Housing Strategy:

OUTCOME	<u>30. and 31 Prepare and publish an updated Housing Strategy and develop and implement a Housing Delivery Action Plan</u>
SMT OWNER	Jane Meek
Scrutiny Panel	Economic Growth
Specific – What is the task	Preparation and adoption of an up to date Housing Strategy inclusive of a housing delivery action plan, informed by appropriate stakeholder consultation and engagement as an integral part of the process.
Measurable – How will success be measured?	Housing Strategy adopted by Council and action plan complete.
Achievable – Is it feasible?	Yes
Realistic – Resources available	Can be progressed within existing staff capacity and base budgets
Time Bound – Start/end dates	Strategy planned to be adopted by Council in 2019.
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	Progressing work on update to Strategic Housing Market Assessment (SHMA) relating to affordable housing need / Active engagement with local Housing Associations.
Emerging issues / risks to the project	None

Homelessness Strategy:

OUTCOME	32. Work together with partners to monitor progress against Carlisle's Interagency Homelessness Strategy 2015-20
SMT OWNER	Mark Lambert
Scrutiny Panel	Health & Wellbeing
Specific – What is the task	Work together with partners to monitor progress against Carlisle's Interagency Homelessness Strategy 2015-20
Measurable – How will success be measured?	Achieving the priority aims and objectives outlined within the Homeless Strategy and annual action plans. A full update is reported to Scrutiny annually as a separate agenda item.
Achievable – Is it feasible?	Yes
Realistic – Resources available	Yes
Time Bound – Start/end dates	End March 2020
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	All current targets within action plan on track.
Emerging issues / risks to the project	None

Housing Quality/Access:

OUTCOME	33. Improve standards in the private rented sector (including student accommodation) through inspections, advice and, where necessary, enforcement.
SMT OWNER	Mark Lambert
Scrutiny Panel	Health & Wellbeing
Specific – What is the task	Improve standards in the private rented sector (including student accommodation) through inspections, advice and, where necessary, enforcement.
Measurable – How will success be measured?	Number of HMO inspections completed to check licence conditions Number of notices issued to improve the condition of the Private Housing stock Number of Private Sector Houses Inspections
Achievable – Is it feasible?	
Realistic – Resources available	
Time Bound – Start/end dates	There is no specific end date to this action.
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	Number of HMO inspections completed to check licence conditions: 5 Number of notices issued to improve the condition of the Private Housing stock: 0 Number of Private Sector Houses Inspections: 4
Emerging issues / risks to the project	New HMO licensing rules from 1 st Oct 2018 should result in greater activity in 3 rd quarter. An issue is also being addressed about consistency in how officers are recording inspections.

OUTCOME	34. Continue to develop and promote the Council's Empty Homes Service by delivering advice and information to empty homes owners
SMT OWNER	Mark Lambert
Scrutiny Panel	Economic Growth
Specific – What is the task	Continue to develop and promote the Council's Empty Homes Service by delivering advice and information to empty homes owners.
Measurable – How will success be measured?	Number of empty homes. Whilst there is no target, the long-term trend should be a reduction in empty homes.
Achievable – Is it feasible?	
Realistic – Resources available	A dedicated officer has been in post since January 2018.
Time Bound – Start/end dates	There is no specific end date to this action.
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	Number of homes in Carlisle empty for greater than 2 years. Q2 figure = 338 Number of homes in Carlisle empty for over 6 months. Q2 figure = 971
Emerging issues / risks to the project	None

OUTCOME	<u>35 Deliver the City Council's annual mandatory Disabled Facilities Grant Programme in respect of applications received and revise the Regulatory Reform Order Strategy to improve expenditure compatible with the discretionary grant</u>
SMT OWNER	Mark Lambert
Scrutiny Panel	Health & Wellbeing
Specific – What is the task	Deliver the City Council's annual mandatory Disabled Facilities Grant Programme in respect of applications received and revise the Regulatory Reform Order Strategy to improve expenditure compatible with the discretionary grant
Measurable – How will success be measured?	<ol style="list-style-type: none"> 1. Mandatory grants issued 2. Discretionary grants issued 3. Proportion of DFG adaptations within target for each stage
Achievable – Is it feasible?	
Realistic – Resources available	
Time Bound – Start/end dates	The end date will be defined by the action plan to implement the Revised Housing Renewal Assistance Policy.
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	<ol style="list-style-type: none"> 1. Mandatory grants issued – Q2 = 58 (total 116) 2. Discretionary grants issued - Q2 = 118 (total 224) 3. Proportion of DFG adaptations within target for each stage =100%
Emerging issues / risks to the project	Increased activity requires increased administration support. Revised Housing Renewal Assistance Policy to be considered by Executive on the 15 th October and scheduled for Full Council on the 6 th November. A revised Action Plan will follow any approval.

OUTCOME	<u>36. Develop local solutions to ensure opportunities to maximise the delivery of affordable homes which respond to locally evidenced needs</u>
SMT OWNER	Jane Meek
Scrutiny Panel	Economic Growth
Specific – What is the task	Develop local solutions to ensure opportunities to maximise the delivery of affordable homes which respond to locally evidenced needs.
Measurable – How will success be measured?	Gross no. of new affordable homes, measured against need as evidenced by the SHMA (Strategic Housing Market Assessment). This is reported annually.
Achievable – Is it feasible?	We will work proactively towards maximising the affordable housing delivery, through working in partnership with local Housing Associations, developers, HCA, and strategic partnership groups – such as the Cumbria Housing Supply Group and Cumbria LEP
Realistic – Resources available	Will be managed within existing staffing resources
Time Bound – Start/end dates	HCA's Affordable Homes Programme 2016-21
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	Update on Housing Strategy progress to Economic Growth Scrutiny Panel on 30 August 2018. Working towards delivering final draft for consultation by end of 2018.
Emerging issues / risks to the project	None.

OUTCOME	37. Work with landowners, developers, and partner agencies (e.g. HCA) to accelerate the delivery of sites
SMT OWNER	Jane Meek
Scrutiny Panel	Economic Growth
Specific – What is the task	Work with landowners, developers, and partner agencies (e.g. HCA) to accelerate the delivery of sites.
Measurable – How will success be measured?	Number of Net New Homes Per Annum - Performance measured against Local Plan housing target (478 in 2018/19 and 2019/20) and anticipated rates of delivery in housing trajectory.
Achievable – Is it feasible?	Whilst out with the direct control of the Council, there are several actions the Council can and is taking to support the realisation of this objective. These actions including potentially new activities will be detailed and coordinated through the Housing Strategy which is under development.
Realistic – Resources available	Can be delivered within existing staff resource and budget allocation. Need for additional resources will be flagged, if necessary, through the development of the housing strategy and consequently pursued through the Medium Term Financial Planning process.
Time Bound – Start/end dates	Linked to the Carlisle District Local Plan 2015-30.
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	Met with a number of housebuilders and registered providers. Wide range of developers engaged via Housing Market Demand and Capacity Assessment undertaken to support the Carlisle Southern Link Road Housing Infrastructure Fund bid. Task and finish group being informally established under remit of Cumbria Housing Land Supply Group, with membership comprised of developers and local authority officers, to understand barriers to delivery within the context of an updated national planning policy framework.
Emerging issues / risks to the project	None

Priority 5: Promote Carlisle regionally, nationally and internationally as a place with much to offer - full of opportunities and potential

Tourism:

OUTCOME	<u>39. Continue to support the delivery of a high-quality events programme across Carlisle to raise the profile of the city, attract more visitors, celebrate diversity and increase pride in the city</u>
SMT OWNER	Darren Crossley
Scrutiny Panel	Health & Wellbeing
Specific – What is the task	Continue to support the delivery of a high-quality events programme across Carlisle to raise the profile of the city, attract more visitors, celebrate diversity and increase pride in the city
Measurable – How will success be measured?	Delivery of an agreed programme of events.
Achievable – Is it feasible?	Yes
Realistic – Resources available	Staff and required financial resources are in place
Time Bound – Start/end dates	The events programme is a rolling programme
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	The Summer events programme (including Freedom of the City, Pageant and Carlisle Fringe) were delivered successfully and to budget. Plans have been worked up to deliver the Christmas Lights Switch on, Christmas Market and other festive events.
Emerging issues / risks to the project	None

Business Growth:

OUTCOME	<u>41. Work with Carlisle Ambassadors to raise the profile of Carlisle through business engagement.</u>
SMT OWNER	Jane Meek
Scrutiny Panel	Economic Growth
Specific – What is the task	Work with Carlisle Ambassadors to raise the profile of Carlisle through business engagement.
Measurable – How will success be measured?	Membership numbers are maintained at > 100 or increase. Four themed meetings held per year. Ambassadors are engaged in activities which promote Carlisle and the Carlisle offer.
Achievable – Is it feasible?	Delivery of quarterly Carlisle Ambassador meetings themed around economic priorities. Programme agreed annually and delivery supported by ED Admin team.
Realistic – Resources available	External marketing and relationship management support procured, Corporate Director and Officer support in place to provide direction and project management
Time Bound – Start/end dates	Established 2013 with programme of activity and outputs reviewed on an annual basis. 2018-19 programme currently being delivered with review of proposal for 2019-20 to be considered Q3 2018-19.
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	Thursday 6 September, meeting of Carlisle Ambassadors held at the Shepherd's Inn on the theme of Retail, Leisure & Sport. The meeting was again oversubscribed with approximately 220 delegates and 23 Showcases at the event. Membership continues to grow with over 160 members signed up.
Emerging issues / risks to the project	None

OUTCOME	42. Encourage Carlisle Ambassadors to engage partners in promoting the Carlisle story/offer
SMT OWNER	Jane Meek
Scrutiny Panel	Economic Growth
Specific – What is the task	Encourage Carlisle Ambassadors (CA) to engage partners in promoting the Carlisle story/offer
Measurable – How will success be measured?	Media statistics: Circulation figures, On line views Website / YouTube, Facebook, Twitter, LinkedIn, Blogs etc. Increased sharing of Carlisle success stories by Carlisle Ambassadors in their sector and CA support for joint promotional opportunities such as Northern Powerhouse or GP Recruitment
Achievable – Is it feasible?	Engagement through Carlisle Ambassador Initiative and Marketing Sub Group
Realistic – Resources available	External marketing and relationship managed support procured, Marketing Sub Group of Carlisle Ambassadors to be implemented
Time Bound – Start/end dates	Established 2013 with programme of activity and outputs reviewed on an annual basis. 2018-19 programme currently being delivered with review of proposal for 2019-20 to be considered Q3 2018-19.
Progress in Quarter 2 2018/19 against project plan / key milestones achieved	Marketeers event was held at the Hallmark in July 2018 with over 150 delegates. Follow up meeting of marketer forum to analyse and prioritise priorities for action to be held Q3. Ongoing social media promotion of large events; promotion of CA business opportunities and tenders; social media feed of Carlisle 'good news stories'; engagement with organisers of high profile events to help promote Carlisle; weekly 'places to visit in and around Carlisle' social media posts are being well received. Procurement of PR support, review and refresh of website underway.
Emerging issues / risks to the project	None

Carlisle City Council Performance Dashboard 2018/19 - to end of Quarter 2

Appendix to Section 2: KPIs

Key	
↓	Performance is deteriorating (compared to same period last year)
↑	Performance is improving (compared to same period last year)
→	No change in performance (compared to same period last year)
✗	Off target
▲	Close to target (within 5%)
✓	On target

On Target?	New Code	Measure	Performance to end of Q2 2018/19	Performance to end of Q2 2017/18	Trend	Target	Comments
✓	CSe03	Average weight (Kg) of domestic non-recycled waste collected per house	198	203	↑	203	April to August only
✗	CSe04	Revenue gained from household waste recycling collected	£ 249,516	£ 352,489	↓	£ 322,366	Carlisle Plan Key Action 20 covers this KPI
N/A	CSe05	Proportion of all Carlisle waste recycled (including partners)	59%	60%	→	Info only	April to August only
✓	CSe08	Litres of fuel used by Council fleet	194,777	205,485	↑	205,485	
N/A	CSe10a	Number of Fixed Penalty Notices issued for fly tipping	0	5	↓	Info only	
N/A	CSe10b	Number of Fixed Penalty Notices issued for littering	20	25	↓	Info only	
N/A	CSe10c	Number of Fixed Penalty Notices issued for dog fouling	2	3	↓	Info only	
N/A	CSe10d	Number of Fixed Penalty Notices issued for abandoned vehicles	2	1	↑	Info only	
N/A	CSe11a	Number of counts/reports of fly tipping	150	180	↑	Info only	
N/A	CSe11b	Number of counts/reports of littering	34	23	↓	Info only	
N/A	CSe11c	Number of counts/reports of dog fouling	101	102	↑	Info only	
N/A	CSe11d	Number of counts/reports of graffiti	19	10	↓	Info only	
N/A	CSe11e	Number of counts/reports of abandoned vehicles	172	262	↑	Info only	
▲	CSe12a	Proportion of acts of fly tipping responded to in full within 5 working days	99%	85%	↑	100%	
N/A	CSe12b	Proportion of acts of offensive graffiti responded to in full within 1 working day	N/A	N/A	N/A	100%	None reported
✓	CSe12c	Proportion of abandoned vehicles initially investigated within 5 working days	100%	100%	→	100%	
✓	CSe14	Actual car parking revenue as a percentage of car parking expenditure (including recharges).	129%	135%	↓	121%	Revenue exceeded target
▲	CSe18	Actual OFS revenue as a percentage of OFS expenditure (including recharges).	22%	25%	↓	26%	Revenue down on target
N/A	CSe19	Old Fire Station count of event attendees (direct count of ticket sales)	12507	7097	↑	Info only	Excludes attendees at McGreys Events, visitors to the venue (café or to buy tickets) and private hire room bookings
✓	CSe22	Actual city centre revenue as a percentage of city centre expenditure (including recharges)	44%	67%	↓	43%	
✓	CSe24	Actual Bereavement Services revenue as a percentage of Bereavement Services expenditure (including recharges)	129%	125%	↑	123%	Revenue exceeded target
✓	CSe25	Actual Talkin Tarn revenue as a percentage of Talkin Tarn expenditure (including recharges)	99%	105%	↓	92%	Revenue exceeded target
N/A	CSe26	Proportion of allotment sites that are self-managed.	19%	22%	↓	Info only	
N/A	CSe27	Proportion of allotment plots that are occupied.	85%	89%	↓	Info only	Excluding self-managed sites

Carlisle City Council Performance Dashboard 2018/19 - to end of Quarter 2

Key	
↓	Performance is deteriorating (compared to same period last year)
↑	Performance is improving (compared to same period last year)
→	No change in performance (compared to same period last year)
✗	Off target
▲	Close to target (within 5%)
✓	On target

On Target?	New Code	Measure	Performance to end of Q2 2018/19	Performance to end of Q2 2017/18	Trend	Target	Comments
✓	CSe29	Percentage of play area safety inspection completed on time.	100%	100%	→	100%	
N/A	CSe36a	Social media reach: Facebook post reach - monthly average	117705	66175	↑	Info only	The number of people who had the City Council's post enter their screen
N/A	CSe36b	Social media reach: Twitter post reach - monthly average	105467	32650	↑	Info only	
✓	CSu02	Proportion of customer "calls for service" logged in Salesforce completed on-line	14.8%	7.5%	↑	8.5%	From calls logged in Salesforce CRM (2402 out of 16254 logs).
✓	CSu04	Percentage of Council Tax collected	56.6%	56.6%	→	56.6%	
✓	CSu05	Percentage of NNDR collected	58.2%	57.3%	↑	57.3%	
✓	CSu06	Proportion of direct social media messages on Facebook and Twitter responded to within 24 hours	100%	N/A	N/A	100%	New measure for 2018/19
▲	ED01	Carry out inspections notified as necessary to the applicant or agent at time of acknowledgement within 24 hours of the date required.	99%	99%	→	100%	2834 inspections carried out so far in 2018/19
✓	ED02	Building Control to process S80 demolition notices within six weeks (statutory duty)	100%	100%	→	100%	
✗	ED03a	Building Control to check 90% of all full plans applications within 14 days of receipt	67%	72%	↓	90%	Due to the issues with the Central Plaza Hotel earlier in the year, resources had to be diverted to deal with the emergency situation. This impacted on the ability of the service to achieve its targets in some areas. Performance improved during Quarter 2.
▲	ED03b	Building Control to decide 100% of all applications within the statutory period of 5 weeks or 2 calendar months (with the consent of the applicant)	96%	96%	→	100%	
✓	ED05	Proportion of major planning applications completed in 13 weeks or within agreed time extension	85%	100%	↓	60%	11/13 completed within deadline or agreed extension
✓	ED06	Proportion of minor planning applications completed in 8 weeks or within agreed time extension	98%	99%	↓	80%	328 applications
✓	ED07	Proportion of 'other' planning applications completed in 8 weeks or within agreed time extension	98%	99%	↓	80%	150 applications
✓	ED08	Proportion of Tree Preservation Orders (TPO) confirmed within 6 months	100%	100%	→	100%	2 out of 2 confirmed within six months
N/A	ED09	Proportion of hedgerow removal notifications determined within 6 weeks	N/A	N/A	N/A	100%	0 notifications
✓	ED10	Proportion of Tree Preservation Order applications determined within statutory period of 8 weeks	100%	100%	→	100%	20 applications

Carlisle City Council Performance Dashboard 2018/19 - to end of Quarter 2

Key	
↓	Performance is deteriorating (compared to same period last year)
↑	Performance is improving (compared to same period last year)
→	No change in performance (compared to same period last year)
✗	Off target
▲	Close to target (within 5%)
✓	On target

On Target?	New Code	Measure	Performance to end of Q2 2018/19	Performance to end of Q2 2017/18	Trend	Target	Comments
✓	FR01	Actual net spend as a percentage of annual net budget.	45.1%	40.7%	↑	45%	
✓	FR02	Percentage of all invoices paid within 30 working days	98.7%	98.8%	↓	98%	5466 invoices paid
✗	FR03	Average number of working days lost due to sickness absence per FTE (full-time equivalent) employee.	5.2	3.7	↓	3.7	Sickness Absence will be a separate agenda item at the Business & Transformation Scrutiny Panel in Feb 2019.
▲	FR04	Percentage of return to work interviews completed in five working days of returning to work.	78%	81%	↓	81%	
N/A	FR16	Revenue gained from external delegates enrolled on City Council training events	£ 1,200	#N/A	N/A	Info only	New measure for 2018/19. Currently no target set. Places on courses are offered to external delegates once internal demand has been fulfilled.
N/A	GRS04	Proportion of contested licence applications decided on within 50 working days.	N/A	N/A	N/A	95%	0 contested applications so far in 2018/19
✓	GRS05	Proportion of Temporary Event Notices/licences processed within 1 working day.	100%	100%	→	100%	108 applications so far in 2018/19
✗	GRS06	Proportion of public health service requests (pest control, noise, smells, house conditions) responded to within the target response times.	82%	90%	↓	90%	The reduction in performance led to a management review of practices within the teams. It was found that there have been recent issues regarding record keeping on jobs completed. Management are reemphasising the importance of good record keeping and expect to see improvements in the reported performance in the next quarter.

Report to Executive

Agenda
Item:

A.9

Meeting Date: 10th December 2018
Portfolio: Finance, Governance and Resources
Key Decision: NO
Within Policy and Budget Framework YES
Public / Private PUBLIC

Title: Cumbria Care Leavers Council Tax Discount Scheme
Report of: Chief Executive
Report Number: CE 11/18

Purpose / Summary:

To seek Executive approval to implement the Cumbrian Districts Care Leavers Council Tax Discount Scheme effective from 1st April 2018 onwards.

Recommendations:

It is recommended that the Executive:

1. Pursuant to section 13A(1)(c) of the Local Government Finance Act 1992, approve the introduction of the Council Tax Discount scheme for eligible Care Leavers within the District shown as appendix 1 to the Report; and
2. Pursuant to section 13A(7) for the same Act, determine that Care Leavers are a class of case for the purpose of exercising the power under the said section 13A(1)(c).

Tracking

Executive:	
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1.0 BACKGROUND

- 1.1 Provisions under Section 13A of the Local Government Finance Act 1992 enable billing authorities to determine certain categories where discounts can be granted in respect of council tax liability.
- 1.2 A number of Councils have introduced measures to exempt Care Leavers from council tax following representations made relating to recommendations made in the Government's Care Leavers strategy "Keep On Caring" published in July 2016.
- 1.3 Nationally the Children's Commissioner for England has contacted local authorities to highlight the need to consider offering assistance to Care Leavers as they move into independence without family members to fall back on for guidance and support.

2.0 PROPOSALS

- 2.1 Cumbria County Council provide support through their Children and Young People Services to Care Leavers as they meet the challenge of various responsibilities without family support as they become independent.
- 2.2 Due to the representations received, this matter has been considered by the Six Districts who all want to support Care Leavers resident in Cumbria up to the age of 25 by introducing, with effect from April 2018, a 100% discount from Council Tax in the following circumstances:
 - Care Leavers solely liable to pay Council Tax in their own right will have their bill reduced to nil.
 - Care Leavers who are jointly liable will have their bill reduced in proportion i.e. 50% (2 adults), 33% (3 adults), 25% (4 adults)
 - Where the Care Leaver lives in a household and the liable person would be exempt if the Care Leaver did not reside with the, full discretionary discount will be applied.
- 2.3 The Cumbria Revenues Practitioners Group and relevant Finance Officers from Cumbria County Council have collaborated to determine an appropriate way to provide assistance to those affected.
- 2.4 A policy has been drafted for approval by each District detailing the procedures and criteria for a discount, whilst safeguarding the interests of local taxpayers. The policy is shown at Appendix 1
- 2.5 The principles of the proposed policy were considered and supported by the Strategic Policy Finance Group (SFPG) during Summer 2018. After consideration of the legislative provisions, approval of the scheme by the Executive is appropriate.
- 2.6 It should be noted that the Cumbrian Councils' continue to provide a means tested, 100% Council Tax Reduction Scheme. Whilst that offers support, assistance based

on the status as a Care Leaver will ensure that a consistent discount, irrespective of income, is available up to the age of 25.

- 2.7 To receive the Care Leavers discount, applications submitted will be assessed and the Care Leaver status of the individual verified with Children's Services. The proposed application form is shown at Appendix 2.
- 2.8 A Data Sharing Agreement is required for Cumbria County Council to confirm the personal information of the Care Leavers, the proposed draft document is shown at Appendix 3.

3.0 FINANCIAL CONSIDERATIONS

- 3.1 Costs arising from the scheme will be determined in proportion based on each Billing Authority area by the respective District locally, Cumbria County Council and the Police and Crime Commissioner for Cumbria, using the Council Tax charge precepting percentages.
- 3.2 Based on data provided by Children's' and Young People Services it is estimated that there are currently 30 – 50 care leavers, including several who currently receive council tax support, that would be eligible for a discount under the proposed Care Leaver policy. It is anticipated that the potential annual cost based on the City Council's share of the Council Tax charge, based on all Care Leavers identified, is approximately £7,000.
- 3.3 The value of the Care Leavers discounts granted annually will be identified and an invoice issued to Cumbria County Council and the Cumbria Police and Crime Commissioner to reimburse Carlisle City Council for their respective shares of the costs of the scheme during the financial year.

4.0 RISKS

- 4.1 Discount awards will require application and verification. Until Care Leavers have applied and eligibility awarded, there is the possibility that recovery action may be taken in relation to outstanding arrears.
- 4.2 Children's Services Advisors and Revenues Section Officers are aware of the proposals to introduce the Care Leavers Discount and accounts will be monitored to prevent unnecessary action from occurring by suppressing records until discount applications are processed.

5.0 CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 5.1 The Executive is asked to consider and approve the introduction of the Care Leavers Council Tax Discount in Carlisle, which is fully supported across Cumbria. If approved, discounts will be awarded to eligible Care Leavers from 1st April 2018 onwards or the date that council tax liability commences if later.

6.0 CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 6.1 The provision of a Council Tax Care Leavers Discount can be seen, to have a direct and positive impact by contributing to the vision of the Carlisle Plan:

- *“To improve the health, wellbeing and economic prosperity of the people of Carlisle.”* – through the provision of financial assistance to Care Leavers as they develop the essential skills needed to live independently within Carlisle.

Contact Officer: Reg Bascombe

Ext: 7102

Appendices attached to report: Appendix 1 – Cumbria Care Leavers Council Tax Discount Draft Policy.
Appendix 2 – Council Tax Discount Application Form
Appendix 3 – Data Sharing Agreement with Cumbria County Council Social Services

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:

CORPORATE IMPLICATIONS/RISKS:

LEGAL – the Local Government Finance Act 1992, s13A(1)(c) provides that the Council is able to reduce the amount of Council Tax payable in any case. S13A(1)(7) states that the power may be exercised by determining a class of case in which liability is to be reduced, i.e. care leavers.

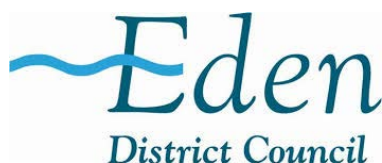
FINANCE - As the proposed discount is classed as a local discretion it will not affect the Council's Collection Fund or tax base calculations. The cost to the City Council is anticipated to be £7,000, and the costs attributed with Cumbria County Council and Police and Crime Commissioner shares will be recovered. The City Council cost will therefore fall as a cost on the General Fund budget in the year the discount is applied.

EQUALITY – None

INFORMATION GOVERNANCE – None

Cumbria Care Leavers

Council Tax Discount



Draft Policy

Contents

1. Introduction and Purpose of Policy Document
2. Care Leaver - Definition
3. Legislation
4. Application
5. Procedure
6. Exclusions
7. Appeals
8. Costs of Scheme
9. Monitoring and Reporting
10. Review

1. Introduction and Purpose

- 1.1 A number of Councils have introduced measures to exempt care leavers from Council Tax following the recommendations made in the Government's care leavers strategy, "Keep On Caring", published in July 2016, which encouraged local authorities to do so.
- 1.2 While being supported by Children and Young People's Services, care leavers are faced with a new set of potentially overwhelming responsibilities, often without the family support and wider network that most other young people can rely on.
- 1.3 In Cumbria, the corporate parent is Cumbria County Council.
- 1.4 The six district councils and the Police and Crime Commissioner for Cumbria want to do as much as possible to support Cumbria County Council and care leavers up to the age of 25 years. By granting up to 100% discount on their Council Tax, the Councils will be providing practical help and financial assistance to care leavers whilst they are developing independent lives and their life skills.
- 1.5 This Policy sets out the Councils' approach to the award of discretionary Council Tax discount in respect of Council Tax liability for resident care leavers living in Cumbria. There are two elements to the Policy:
 - Care leavers who are solely liable to pay Council Tax in their own right will have their bill reduced to nil (100% discount).
 - Care leavers who are jointly liable to pay Council Tax will have the bill reduced in proportion. A half (50%) (if 2 adults), a third (33%) (if 3 adults), a quarter (25%) (if 4 adults).

There will be no discount where the care leaver is not liable to Council Tax, except where the liable person to Council Tax is exempt (for example, a student).

- 1.6 The discretionary discount will be awarded only after entitlement to other legislative discounts or exemptions have been applied (except Council Tax Reduction) and will apply to all care leavers living in Cumbria.
- 1.7 Councils have the power to reduce the amount of Council Tax a person has to pay. This includes the power to reduce an amount to nil and may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided for by the determination¹.

This Policy has been written to:

- Set procedures for awarding the discount to care leavers living in Cumbria.
- Establish an appeals procedure for customers dissatisfied with a decision made in the determination of entitlement to this discount.
- Safeguard the interest of the local taxpayers by ensuring that funds that are allocated for the award of the discount are used in the most effective and economic way.

¹ Local Government and Finance Act, s13A(7)

1.8 The Policy will apply retrospectively from 1 April 2018; awards can be made back to this date without restriction, providing the relevant circumstances apply.

1.9 The costs arising from this Policy will be shared in proportion to the precept between Cumbria County Council, the Police and Crime Commission for Cumbria and the six Billing Authorities (Allerdale, Barrow, Carlisle, Copeland, Eden and South Lakeland in relation to their own specific area).

2. Care Leaver - Definition

2.1 The term 'care leaver' is defined in The Children (Care Leavers) Act 2000 and refers to eligible, relevant and former relevant children:

- Eligible children are those young people aged 16 to 17 who are still in care and have been 'looked after' for a total of 13 weeks from the age of 14 and including their 16th birthday.
- Relevant children are those young people aged 16 and 17 who have already left care, and who were 'looked after' for at least 13 weeks from the age of 14 and have been 'looked after' at some time while they were 16 or 17.
- Former relevant children are those young people aged 18, 19, or 20, who have been eligible and/or relevant.

2.2 For the purposes of this Policy, support will be offered up until the 25th Birthday of the care leaver.

3. Legislation

3.1 Council Tax discretionary discount awards are included in Section 13A of the Local Government Finance Act 1992.

3.2 There is a cost to the Council in respect of any discount awarded and this is met by the Council's General Fund.

3.3 There are a series of discounts, disregards and exemptions available under current Council Tax legislation for people and properties in certain circumstances.

3.4 Exemption from Council Tax means that there is no liability to pay Council Tax.

3.5 A discount from Council Tax usually relates to people and means that a person is liable for less than the full amount of Council Tax. For example:

- A liable person living on their own would be entitled to a 25% single person discount.
- A liable person living on their own who is a full-time student would be entitled to a full exemption.
- A liable person who is a student but resides with another person would be 'disregarded' and entitled to a 25% discount.

4. The Application

4.1 An application form will be required, to be completed by the care leaver (or his/her appointee, or a recognised third party acting on his/her behalf), or, another liable

person where relevant (the liable person at the property in which the care leaver resides).

- 4.2 Applications should be made in writing and may be received electronically. Contact details for each Authority party to this scheme are detailed below:

Contact Details for each Authority		
Allerdale Borough Council Allerdale House Workington CA14 3YJ revenues@allerdale.gov.uk	Carlisle City Council Civic Centre Rickergate Carlisle CA3 8QG customerservices@carlisle.gov.uk	Eden District Council Town Hall Corney Square Penrith CA11 7QF counciltax@eden.gov.uk
Barrow Borough Council Town Hall Duke Street Barrow LA14 2LD counciltax@barrow.gov.uk	Copeland Borough Council Market Hall Market Place Whitehaven Cumbria CA28 7JG Ctax@copeland.gov.uk	South Lakeland DC South Lakeland House Lowther Street Kendal Cumbria LA9 4DQ Counciltax@southlakeland.gov.uk

- 4.3 The application form requires only pertinent details to be submitted in order to process the award of this discount. Basic information requirements include:

- Full name.
- Date of birth.
- Which Authority is the corporate parent.
- Current address.
- Details of any other relevant addresses.
- Details of any other adults in the property.
- Details of any circumstances that would be relevant to entitlement to legislative discounts, disregards or exemptions.
- Contact details.

- 4.4 The application form should be as clear and concise as possible in order to encourage take-up and expedite administration.

- 4.5 A new application may need to be completed, if the care leaver moves, to confirm any change in circumstances.

5. The Procedure System

- 5.1 Awards under this scheme are Local Discounts and therefore will have no financial impact upon the collection fund or the Council Tax Bases of the Billing Authorities.
- 5.2 The discount will also be detailed separately to any other appropriate discount, disregard, or exemption, on the actual Council Tax demand notice (bill).
- 5.3 The system will work to award a discretionary discount on a percentage basis, that is, 25%, 50%, 75% or 100%, where appropriate and prior to the calculation of Council Tax Reduction, therefore, Council Tax Reduction will be assessed using the net charge.

Administration

- 5.4 Applications will be administered by the individual Local Authorities. Children and Young People's Services will be requested to confirm the care status of the applicant; this will need to be confirmed with:
 - The Children and Young People's Service, where Cumbria is the corporate parent (protocol to be agreed between the Districts and County Council).
 - Where the corporate parent is another Authority, written confirmation will be sought from the relevant council.
- 5.5 The general principles of awarding the discretionary discount are as follows:
 - Care leavers who are solely liable to pay Council Tax in their own right will have their bill reduced to nil.
 - Care leavers who are jointly liable to pay Council Tax will have the bill reduced in proportion, 50% (if 2 adults), 33% (3 adults), 25% (4 adults).
 - There will be no discount where the care leaver is not liable to pay Council Tax, except where the care leaver lives in a household where the liable person would be exempt if the care leaver did not reside with them. In this case full discretionary discount will be applied.
- 5.6 Awards will be made directly by a reduction in liability on the Council Tax account only and notification of the award of discretionary discount will be by way of the Council Tax bill.
- 5.7 The care leaver (or his/her appointee or a recognised third party acting on his/her behalf) or the liable person where relevant (the liable person at the property in which the care leaver resides) must advise of any change of circumstances which may impact the Council Tax charge within 21 days.
- 5.8 Any overpaid discretionary discount will be reclaimed through the relevant Council Tax account and collected and recovered under the Council Tax (Administration and Enforcement) Regulations 1992.

6. Exclusions

6.1 Houses in Multiple Occupation (HMOs) where occupants:

- Do not constitute a single household.
- Are a tenant or have a licence to occupy only part of the dwelling.
- Share living space.
- Are not the liable party to pay Council Tax.

6.2 HMOs are generally run as a business, with the liable party for Council Tax being the landlord(s). For that reason, these properties and respective liable parties are excluded from this Policy.

7. Review of Decision/Appeals

7.1 The Council will accept a written request from a care leaver (or his/her appointee or a recognised third party acting on his/her behalf), or the liable person where relevant (the liable person at the property in which the care leaver resides), for a re-determination of its decision.

- Re-determination of the decision will be made by an officer who has not previously been involved with the award.
- The re-determination will be reviewed by a senior officer within the service.
- In the case where the customer has been notified of a decision and they exercise their rights to appeal, payment cannot be withheld pending an appeal decision. In the event that an appeal is successful, any interim overpayment will be refunded.
- The Council will consider whether any additional information has been provided that will justify a change to its original decision.
- The Council will notify the Council Tax payer of its final decision within 21 days of receiving a request for a re-determination.
- Whilst every effort will be made to meet the deadline outlined above, failure by the Council to do so does not qualify the applicant for a discount.
- If an applicant remains dissatisfied with refusal of their application, they may appeal to the Valuation Tribunal for England. They have two months to do this from the date of our reply to their request for a re-determination.

Valuation Tribunal

Hepworth House

Trafford Court

Doncaster

DN1 1PN

vtdoncaster@vts.gsi.gov.uk

8. Costs of the Scheme

- 8.1 The scheme will be funded in proportion to the precept between the District Councils, Cumbria County Council and the Police and Crime Commissioner for Cumbria as agreed.
- 8.2 The District Council will reimburse the full cost of the scheme to the collection fund, in accordance with legislation.
- 8.3 District Councils will submit an invoice annually to the County Council and the Police and Crime Commissioner Cumbria, as soon as is practicable, after the 1st April for the preceding year.

9. Monitoring and Reporting

- 9.1 Discretionary awards made under this Policy will be monitored and all awards made will be subject to regular quality assurance checking and annual reviews as appropriate.
- 9.2 Quarterly monitoring figures will be provided via the Cumbria Revenues and Benefits Heads of Service Group.

10. Policy Review

- 10.1 This Policy will be reviewed on an annual basis.



Corporate Support

Civic Centre, Carlisle, CA3 8QG • Telephone (01228) 817000
 Typetalk 18001 01228 817000 • www.carlisle.gov.uk

APPLICATION FOR DISCRETIONARY COUNCIL TAX DISCOUNT FOR CARE LEAVERS

With effect from 1 April 2018, Carlisle City Council has introduced a new discretionary discount for care leavers up to the age of 25 years. The level of discount will depend upon who lives in the property.

Part A – About you

Your full name.

Current address and post code

Council Tax account number

Date of Birth

Details of any previous properties
where you were liable for Council Tax
since 1 April 2018

Email address

Contact telephone

I agree to receive my bill electronically

YES / NO

Part B – Further information

The term 'care leaver' is defined in The Children (Care Leavers) Act 2000 and refers to eligible, relevant and former relevant children:

- Eligible children are those young people aged 16-17 who are still in care and have been 'looked after' for a total of 13 weeks from the age of 14 and including their 16th birthday;
- Relevant children are those young people aged 16 and 17 who have already left care, and who were 'looked after' for at least 13 weeks from the age of 14 and have been 'looked after' at some time while they were 16 or 17;
- Former relevant children are those young people aged 18, 19 or 20 who have been eligible and/or relevant.

If you are a care leaver under Cumbria County Council, we will check your status with Cumbria County Council for the purposes of deciding to award a discount. If you are a care leaver under a different Local Authority, we will also contact them to confirm your information. Please provide relevant details below

Name of Local Authority:

Personal Advisor:

Please provide details of all adults living in the property (including yourself)

Full name	Relationship to you	Are they liable to pay council tax	Are they a care leaver	Are they a full-time student	Are they severely mentally impaired

I understand the information provided will be used by the billing authority to determine if I am eligible for a discretionary discount for my Council Tax. I agree to you contacting the appropriate Children's Services to check the details provided.

I understand that I must notify the billing authority if there are any changes in my household that might affect the level of discount (e.g. if I gain or lose a partner, or if any adults move in or out of the property, or if any adults become or cease to be a full-time student, etc.)

Signed _____

Date _____

Returning your form by post

You can email your completed form to customerservices@carlisle.gov.uk

Alternatively, if you are submitting your application by post, please send it to:

Freepost CE497
Revenues & Benefit Services
Carlisle City Council
Carlisle
CA3 8BR

If you require any further advice or information, please contact us on 01228 817200

Data Sharing Agreement for the Supply of Care Leaver Data by Cumbria County Council to Carlisle City Council

This is an agreement between

Cumbria County Council: Social Services Division

and

Carlisle City Council: Council Tax Section

This agreement covers the provision of data by Cumbria County Council Social Services Division to Carlisle City Council for Cumbria Care Leaver Council Tax Discount purposes to verify eligibility and the accuracy of the data held by Carlisle City Council on the status of young persons' ceasing to be Looked After. Data sharing for this purpose is in accordance with Article 6(1)(e) of GDPR which is Section 13A of the Local Government Finance Act 1992. The details of the data to be provided, its subsequent use and certain restrictions are described in the Annex.

In providing this information Cumbria County Council expects that this information will be used solely for this purpose and does not take any responsibility for the subsequent use of the data or the timeliness or accuracy of information subsequently produced by Carlisle City Council for Council Tax purposes.

Cumbria County Council: Social Services Division hereby agree as follows:

1. To provide Carlisle City Council: Council Tax Section with the data of Care Leavers who ceased to be Looked After who apply for a Cumbria Care Leaver Council Tax Discount within the Carlisle City Council area.

Carlisle City Council: Council Tax Section undertakes to:

2. use the data only to aid in the assessment of eligibility relating to Cumbria Care Leaver Council Tax Discount of young people ceasing to be Looked After, and to verify the accuracy of the data held by Carlisle City Council: Council Tax Section.
3. comply fully with the other restrictions detailed in the Annex.
4. fully indemnify Cumbria County Council: Social Services Division and shall keep Cumbria County Council: Social Services Division fully indemnified against all losses, damages, costs, liabilities, expenses, claims and others which may arise directly or indirectly
 - a. under the General Data Protection Regulation, Data Protection Act 2018, the Human Rights Act 1998 or any other statute or under common law as a result of the provision of such data by Cumbria County Council: Social Services Division to

- b. Carlisle City Council: Council Tax Section or any third party who has sourced data directly, or
- c. as a result of Carlisle City Council breaching any of the terms of this agreement, or
- d. as a result of any act, omission or negligence by Carlisle City Council: Council Tax Section or their employees, agents, representatives or others acting on their behalf or for whom they are responsible in law.

Signed

For: Carlisle City Council: Council Tax
Section

For: Cumbria County Council: Social
Services Division

Name: Reg Bascombe

Name: *A. N. Other*

Job Title: Revenues & Benefits
Operations Manager

Job Title: *XX Officer/Manager*

Signature:

Signature:

Date: XXth November 2018

Date: XXth November 2018

Annex to agreement between Cumbria County Council: Social Services Division and Carlisle City Council: Council Tax Section

Part 1

Care Leaver data to be provided by Cumbria County Council: Social Services Division to Carlisle City Council.

- Carlisle City Council: Council Tax Section require details to be verified of young persons who ceased to be Looked After who apply for a Care Leaver Discount.
- Carlisle City Council: Council Tax Section will supply Cumbria County Council: Social Services Division with the young persons' Name, Address, Council Tax Account Reference Number and Date of Birth which will be used to identify the details in the Cumbria County Council database held by the Social Services Division.
- Carlisle City Council: Council Tax Section will only request information for young people for whom that Local Authority has had, or currently has, a Council Tax liability

Part 2

Data uses:

1. Cumbria County Council: Social Services Division will provide Carlisle City Council: Council Tax Section with individual level data where individuals can be identified by their Name and Date of Birth.
2. The data should only be used for Cumbria Care Leaver Council Tax Discount purposes to verify eligibility and the accuracy of the data held by Carlisle City Council: Council Tax Section and should be held securely and arrangements should be in place to ensure that no-one else can access it.
3. Neither the Cumbria County Council: Social Services Division or Carlisle City Council: Council Tax Section will retain the information for longer than is required for the purposes of the Cumbrian Council Tax Care Leaver Discount Scheme.

Part 3

1. Carlisle City Council; Council Tax Section will not disclose the individual details to any external organisation or individual.