

Carlisle City Council Report to Place Panel

Report details

Meeting Date: 1 September 2022

Portfolio: Economy, Enterprise and Housing

No

Key Decision: No

Policy and Budget

Framework

Public / Private Public

Title: Economic Strategy Action Plan Update

Report of: Corporate Director of Economic Development

Report Number: ED.21/22

Purpose / Summary:

This report provides Members of the Place Scrutiny Panel with an update on the progress of the delivery of the Carlisle Economic Strategy Action Plan and the Town Deal and Future High Streets Fund regeneration programmes.

Recommendations:

Members of the Place Scrutiny Panel are asked to:

- 1. Note the progress and provide feedback on the delivery of the Carlisle Economic Strategy Action Plan, set out in Section 2 of this report.
- 2. Note the progress and provide feedback on the delivery of the Town Deal and Future High Streets Fund regeneration programmes, set out in Sections 3 and 4 of this report.
- 3. Note the emerging risks to delivery of the Action Plan and regeneration programmes set out Section 5 of this report.

Tracking

Executive:	
Scrutiny:	1 September 2022
Council:	

1. Background

1.1 Carlisle has been successful in securing over £200m of government funding to deliver housing, infrastructure, and regeneration projects (see Table 1). The City Council is the Lead Authority for several programmes and projects of a value in excess of £30m, which includes the Borderlands Inclusive Growth Deal, St. Cuthbert's Garden Village, the Future High Street Fund and Town Deal.

Table 1: Carlisle Programmes and Projects					
Programme	Duration	Lead	Projects		
		Authority			
Town Deal	2021 - 2026	Carlisle CC	 Southern Gateway Carlisle Business Exchange Digital and Community Learning Hub Carlisle Market Hall Tullie House Welcome and Entrance Start with the Park Lighting up Carlisle 		
Town Deal Capital Accelerated Fund	2021 - 2023	Carlisle CC	Caldew Riverside remediation Tribe – Bitts Park		
Future High Street Fund	2021 - 2024	Carlisle CC	Devonshire StreetMarket SquareCentral Plaza6-24 Castle Street		
Projects	Duration	Lead Authority			
Carlisle Station Gateway (Borderlands)	2021 – 2026	Cumbria CC			
Citadels (Borderlands)	2021 – 2027	University of Cumbria			
Longtown Place Plan (Borderlands)	2022 – 2025	Carlisle CC			
St Cuthbert's Garden Village	2015 - 2040	Carlisle CC			
Carlisle Southern Link Road	2022 - 2025	Cumbria CC			

- 1.2 The inception and development of these programmes and projects have all been influenced by the strategic economic development framework of the Council, particularly the Local Plan, which was adopted in 2016 and the Economic Strategy that was recently updated in 2021.
- 1.3 The updated Economic Strategy includes a monitoring and evaluation framework has been developed to ensure that the strategy is delivered. Regular monitoring will also support reflection on where challenges still lie, supporting amends to activities,

refocussing energies and ensuring the Strategy remains 'live' and flexible to respond to a changing context.

1.4 The monitoring and evaluation framework states that updates will be taken to the relevant Scrutiny Panel showing progress on the delivery of the key actions / interventions set out in the Action Plan.

2. Economic Strategy Update

- 2.1 The development of the Carlisle Economic Strategy was very much evidence-led to ensure that it responded to local challenges and opportunities. The Strategy also considered existing relevant economic development strategies developed on a wider geographical scale including the Borderlands Inclusive Growth Deal and the Cumbria Local Industrial Strategy. On a more local level the Strategy was informed by the Carlisle Town Investment Plan, that set out the framework for the Town Deal, and also the COVID-19 economic impact study in terms of the emergent challenge of driving the recovery and renewal of the local economy following the pandemic.
- 2.2 The overarching objective of the Strategy is to drive growth both population and employment. In order to achieve this, there are five key building blocks:
 - Housing offer quality, mix and affordability
 - Business space quality / flexible that caters for a broad range of sectors
 - Connectivity excellent / reliable digital and transport infrastructure
 - Environment high quality built / natural environment
 - City Centre a vibrant city centre that provides range of uses / experience
- 2.3 In order to achieve this growth agenda and meet our climate change obligations, growth and the five key building blocks must be delivered in a way that is clean, inclusive and sustainable. These three key cross-cutting themes form 'golden threads' through the Strategy.
- 2.4 Drawing on the evidence of needs, challenges assets and opportunities, the six key priorities were identified
 - 1: Driving housing and population growth
 - To increase its role as the Capital of the Borderlands, and to ensure Carlisle maintains its labour force, Carlisle needs to grow its population through housing led growth.
 - 2: Grow our target employment sectors and level up our skills base and productivity
 - To boost the local economy, make Carlisle a more attractive place investment and ultimately, Carlisle, in line with the wider Borderlands region, needs to address its skills and productivity deficit.

- 3: Increasing city centre vibrancy

For Carlisle to be an attractive place to live, work and visit, the city centre needs to perform well as the local hub for cultural, leisure and economic activity.

4: Enhancing digital and transport connectivity

Carlisle needs to improve both transport and digital connectivity, ensuring its local communities are not left behind, and that we as a city achieve sustainable growth.

- 5: Supporting rural development and innovation

Committed to ensuring our growth agenda is as inclusive as possible, we will ensure that our activities benefit our rural communities, making up around 30% of our population.

- 6: Promoting Carlisle as a place to live, work and visit

In order support regeneration initiatives and maximise opportunities for inward investment Carlisle must be promoted as a place to live, work, visit and invest – capitalising on the position as the city of the Borderlands region.

2.5 The progress on the delivery of the key actions and interventions set out in the Strategy and Action Plan are set out in Table 2 below.

Obj.	Action	Council Led	Status
1	Production a Local Plan for St Cuthbert's Garden Village	Y	Regulation 18 draft of the Local Plan was consulted on in December 2020/Jan 2021. The following evidence bases are being undertaken and nearing completion. The Plan will then move to a Regulation 19 consultation in 2023: • Socio-economic study • Technical assessment works • Playing pitch strategy • Green and blue infrastructure delivery strategy • Infrastructure development plan • Viability assessment • SA/HRA • Delivery strategy
1	Review of the Carlisle Local Plan	Y	The adopted Carlisle District Local Plan 2015-2030 (CDLP) has undergone a policy and sites review as it is more than five years since the plan's adoption. A review statement will be published on the CDLP web pages in the Autumn. Once LGR is complete the new Cumberland Council will need to progress a district-wide Local Plan.
1	Remediation of the Caldew Riverside site	Y	A remediation and development plan for the site is emerging - which advocates a phased approach, concentrating on the northern portion of the site initially. The regeneration team are working with Homes England who have prioritised the site and are keen to enable delivery and support the masterplanning process and also infrastructure delivery. A Strategic Outline Business Case (SOBC) has been prepared and we are awaiting a decision to progress to Outline Business Case (OBC).
1	Development and delivery of the first phase of 'Start with the Park'	Y	The Start with the Park (SWTP) Town Deal project is critical to the delivery of green infrastructure in the central part of St Cuthbert's Garden Village in Durdar. The business case was approved in Spring this year. Consultants have been appointed to progress purchase of the land from the two landowners. Planning application for change of use to be submitted in August 2022.

Table 2	able 2: Progress on delivery of the key actions / interventions set out in the Action Plan			
Obj.	Action	Council Led	Status	
2	Supporting the redevelopment of the Citadels site	N	The business case has been approved with £50m Borderlands Growth Deal funding allocated to the project. The planning application for the scheme was approved by Development Control Committee on 5 August 2022. Land assembly work is being progressed to enable site to be handed over to the appointed contractor, with work to begin on site in late 2023. The Town Deal business case has been approved for the Southern Gateway project that will deliver improvements to the section of English Street that run between the Citadels. Cumbria County Council are the current delivery body for the project and are now moving into the detailed design stage.	
2	Supporting the delivery of a Business Innovation Hub in the City Centre	N	The Town Deal business case has been approved that releases the funding allocated to the delivery of this project. This project forms an integral part of the Citadels redevelopment scheme and the creation of a new campus and HQ for the University of Cumbria, with work to begin on site in late 2023.	
2	Supporting the delivery of Digital and Community Learning Hub	N	The Town Deal business case has been approved that releases the funding allocated to the delivery of this project. Cumbria County Council are the current delivery body for the project and are now moving into the detailed design stage.	
2	Facilitating the growth of Kingmoor Park	Y	The planning application for the new DPD logistics depot was approved by Development Control Committee on 5 August 2022. The regeneration and planning teams are working with Kingmoor Park to progress the masterplan to unlock additional land.	
3	Creation of a new events space at the Greenmarket / Market Square	Y	The Council has secured Future High Streets Fund funding to deliver this project. A public consultation was undertaken between 11 - 25 July 2022 to better understand the issues and opportunities for the space. This will inform the next stage of detailed design work that will generate options by September 2022.	
3	Repurposing 6-24 Castle Street	Y	The Council has secured Future High Streets Fund funding to deliver this project. Tullie House Phase 2 Plans were agreed at Council.	

Obj.	Action	Council Led	Status
			Properties and FHSF funding to be passported to Tullie House to deliver project.
3	Pedestrian enhancement of Devonshire Street	Y	The Council has secured Future High Streets Fund funding to deliver this project. Grant funding agreement has been put in place for Cumbria County Council to deliver the project.
3	Redevelopment of the Sands Centre	Y	The construction phase of the Sands Centre redevelopment is still on target to be completed in October 2022. A separate contract for the repair and re-surfacing of the car park and the adjacent site at Swifts bank car park is currently at the design brief stage and has a target date for starting work on site in January 2023.
3	Improvements to the Market Hall	Y	Town Deal funding has been secured in principle to make improvements to the indoor market hall. Design work and costing continue to be progressed and the Council is working towards a submission of the business case by the end of December 2022.
3	Redevelopment of the Central Plaza site	Y	Site investigations have been completed including structural engineering to determine preferred options for site stabilisation. These will allow for detailed costings to be put forward for the site stabilisation. Economic appraisal review has been undertaken to demonstrates value for money in line with the FHSF programme for the site stabilisation only option as the preferred way forward.
4	Supporting the delivery of Carlisle Station Gateway project	N	The business case has been approved with £20m Borderlands Growth Deal funding allocated to the project. The transfer of city council owned land required for the delivery of the project has been approved. Cumbria County Council are the current delivery body for the project and are working with the appointed Design and Build contractors on final scheme for planning permission.
4	Supporting the delivery of the Southern Link Road project	N	Site enabling works were concluded in June 2022. The City Council is supporting County Council negotiations with Homes England around revised funding arrangements.
4	Supporting the production of a Carlisle Local Cycling and Walking Infrastructure Plan (LCWIP)	N	The Carlisle Local Cycling and Walking Infrastructure Plan (LCWIP) has been produced and approved.

Table 2	able 2: Progress on delivery of the key actions / interventions set out in the Action Plan			
Obj.	Action	Council Led	Status	
			Cumbria County Council are now developing schemes for the various sections of the route through the city. LCWIP improvements are being included as part of the scope of key projects such as Carlisle Station (Borderlands) and Southern Gateway (Town Deal)	
4	Supporting the development and delivery of the Borderlands Digital Programme	N	The Borderlands Digital Vouchers Scheme was launched in June 2020 providing a 'top-up' to the BDUK gigabit voucher scheme for residents and businesses in Cumbria and Northumberland. The 'top-up' scheme was closed in March 2022. To date 1,793 vouchers have been awarded worth £3.54m.	
5	Produce a Place Plan for Longtown	Y	Work on the production of a Place Plan for Longtown has commenced, which will outline the 10–20-year vision for Longtown as well as outline projects that are eligible for the up to £3 million in Borderlands funding. Starting in June 2022, a series of five community workshops have been held to co-design the Longtown Place Plan. The next stage will be a Stakeholder Forum that is scheduled for October 2022.	
5	Produce a Rural Strategy	Y	Work on the production of a Rural Strategy for Carlisle has commenced, which will outline the 10–15-year action plan. Evidence base gathering is currently underway and interviews with key stakeholders are being conducted. An in-person workshop with members is scheduled for September / October to review the evidence base work and provide a steer to the finalisation of the strategy and action plan documents.	
5	Secure investment in the western route of Hadrian's Wall	Y	An Expression of Interest (EOI) for projects to support the development of new and/or improved Hadrian's Wall visitor attraction projects has been launched through the Borderland Growth Deal. Approximately £9m of Borderlands funding is available. The City Council will be submitting an EOI for this funding.	
5	Support the development of Natural Capital Innovation Zone	N	Work on this Borderlands-funded initiative is still in the very early stages. City Council officers are supporting the initial scoping exercise that is being led by Northumberland County Council.	

Obj.	Action	Council Led	Status
6	Produce an updated investment prospectus for Carlisle	Y	An updated investment prospectus 'Invest in Carlisle' was produced for Council's attendance at the UK Real Estate Investment and Infrastructure Forum (UKREiif) in May 2022.
6	Develop a marketing strategy for the City	Y	Officers in the Economic Development and Policy and Communications Teams have developed the 'Invest in Carlisle' brand, which includes a marketing prospectus and a website. Further work will be undertaken to develop and strengthen this brand – ready for attendance at the UKREiiF in May 2023.
6	Capitalise on the opportunities presented by the England's Originals consortia	Y	England's Historic Cities consortia held a forward strategy meeting on Thursday 17 March 2022. The Discover England Funded project 'England Originals' 2021 stakeholder report was discussed and later published in May 2022. The detailed and costed England Originals action plan 2022/23 agreed by the Consortia was agreed and will ensure delivery of legacy activity to support domestic as well as international trade recovery of the visitor economy. Delivery is now underway with activity to be carried out across all our Historic cities as part of the cross marketing plan, alongside the strategic trade engagement activity. Discover Carlisle are leading on the cross marketing for Carlisle
6	Support and strengthen the Carlisle Ambassadors network	Y	The Carlisle Ambassador initiative continued to grow its membership during 2020/21 reaching 320 in August 2021. The programme for 2022/23 saw the return of face to face themed events, the first wo held in March and July and a third planned for September 2022. Events have continued to be fully booked and membership numbers have grown to 370. In addition to our own thriving Ambassador network, projects such as promoting Carlisle at events outside of the City such as Lakes Hospitality Show and UKREiiF in Leeds are supported by Ambassadors. Our local Ambassador programme has attracted the attention of place led organisations nationally and Carlisle Ambassadors have set up a peer networking group to share best practice.

3. Carlisle Town Deal Update

- 3.1 In March 2021 Carlisle received a Heads of Terms agreement of £19.7 million from the government for its Town Deal, following submission of the Town Investment Plan in October 2020. In May 2021 the Town Deal Board agreed a £19.7 million programme based on seven projects, which was confirmed by in July 2021.
- 3.2 An overview of each project and the allocated Town Deal funding is detailed in the Table below:

Project name	Delivery Organisation	Project outline	Town Deal Funding
Start with the Park	Carlisle City Council	The project will deliver the 'Greenway' a connective, multi-modal green travel route connecting the key settlements of SCGV with Carlisle City Centre and providing a high-quality leisure and recreation facilities.	£2,000,000
Southern Gateway	Cumbria County Council	The project will deliver investments in active and sustainable travel and public realm to better connect key developments in the Southern Gateway area of the city centre (including the Railway Station and the Citadels) and to connect St. Cuthbert's Garden Village with the City Centre.	£6,600,000
Tullie House Welcome & Entrance	Tullie House Trust	Part of a wider programme of investment at Tullie House Museum, the project will connect the Museum to the surrounding streetscape, increasing its visibility by providing a clear and contemporary point of arrival for visitors.	£918,000
Lighting Up Carlisle	Carlisle City Council	The project will deliver investment in digital lighting equipment to activate key heritage buildings in the city centre support an expanded and transformed events programme.	£620,000
Digital and Community Learning Hub	Cumbria County Council	The project will deliver a refurbished City Centre Library to create an accessible digital skills and community learning hub, and installation of digital equipment and training materials in 13 community venues.	£2,350,000
Carlisle Business Exchange Centre	(University of Cumbria)	Part of a wider development scheme to bring a new University campus on the grade I listed Citadels site, this project will create a purpose built hyper fast digitally enabled business interaction and accommodation	£4,000,000

		evaluation.	£19,700,000
Programme Management	Carlisle City	Programme management to support the delivery of the Town Deal in terms of project assurance, contracting, monitoring and	£197,000
Carlisle Market Hall	Carlisle City Council	space, linked to the University of Cumbria's flagship campus development. The project will deliver improvements to the infrastructure and internal structure of the Market Hall to improve the experience for shoppers and visitors and exploring options to create a food court and events space.	£3,015,000

- 3.3 The Heads of Terms document set out a period of twelve months for the development and submission of the business cases to Government. Six of the seven project business cases were submitted to the Department for Levelling Up, Housing and Communities (DLUHC) for approval on 24 March 2022. These projects were
 - Start with the Park
 - Carlisle Southern Gateway
 - Tullie House Welcome and Entrance
 - Lighting up Carlisle
 - Digital and Community Learning Hub
 - Carlisle Business Exchange Centre
- 3.4 The Council agreed an extension of time with the DLUHC for the seventh and final project, Carlisle Market Hall, until December 2022, to enable additional project development work to be undertaken and the business case to be completed.
- 3.5 The DLUHC has confirmed that the six business cases have passed through their review process and are now approved. The allocation for Year 1 of the project funding is in the process of being released to the Council to allow the implementation of the Town Deal projects to proceed. The DLUHC have advised that each following year's funding will be delivered based on progress.
- 3.6 This decision formally triggers the Council's Town Deal programme management / accountable body function in terms of enabling the release of the allocated funding to allow project delivery.
- 3.7 The next stage in the process is for the six approved projects and their associated budgets to be added to the Council's capital programme. This will allow the allocated funding to be released and consequently, enable contracting and grant funding agreements to be drawn up for the projects to be delivered by external third parties. A report has been approved by the Executive on the 25 July 2022 to recommend to

Council that the budgets to be added to the capital programme. This decision will be taken on 13 September.

- 3.8 A condition of receiving Towns Fund funding will be providing regular feedback on progress, to allow for monitoring and evaluation of projects. At least every six months the Council will be required to provide government with a comprehensive set of data relating to each Town Deal project, including both total and forecast spend and output metrics. These requirements will be reflected in the grant funding agreements.
- 3.9 The next steps for the Town Deal programme are to:
 - Add the approved Town Deal projects to the Council's capital programme
 - Begin discussions with delivery partners regarding grant funding agreements, starting with the agreement of heads of terms.
 - Agree the monitoring and evaluation framework that will be embedded into the grant funding agreements
 - Continue to develop the business case for the Market Hall project

4. Future High Street Fund Update

- 4.1 The vision is to create a distinctive, coherent and inclusive city centre that will improve the perception of Carlisle, increase social value, and ultimately improve economic performance through greater resident and visitor footfall and demand. The strength of the historic and cultural offer already embedded within the city will be enhanced securing a vibrant legacy from the investment.
- 4.2 The primary strategic objectives of the Carlisle FHSF are as follows:
 - a. Renewing Carlisle city centre as a place to live, work and visit.
 - b. Reactivating Carlisle's Historic Quarter.
 - c. Catalysing Carlisle's leisure and night-time economy.
- 4.3 Four projects are funded by the £9.1m award that will be delivered by 31 March 2024. The projects are entering delivery stage with those directly contributing to the Economic Strategy's key priorities covered in Table 2.
 - a. Reimagining Market Square (Green Market / Old Town Hall) Market Square is the most substantial public space in the city centre, spanning 6,000 square metres. This significant space could be better utilised and become more of a focal point for residents and visitors alike. Public Consultation was held in July 2022 on challenges and opportunities. The results of the consultation are informing the design phase of the project.
 - b. Repurposing 6-24 Castle Street

The listed buildings of 6-24 Castle Street are currently vacant, the freehold possession of the properties has been transferred to Tullie House Trust and a grant funding agreement agreed for Tullie House to repurpose the properties and deliver the FHSF project. The Council will be the accountable body for this project.

c. Preparing Central Plaza site for redevelopment

The Central Plaza development site has historically presented a complex opportunity from a physical, legal (ownership reverted to the Crown Estate) and delivery perspective. These complexities have prevented redevelopment schemes from progressing past concept stage due to financial viability issues. FHSF funding will be used to stabilise the site and prepare the site for redevelopment, thus reducing the viability gap.

- d. Pedestrian enhancement of Devonshire Street Reducing the carriageway on Devonshire Street could provide excess space for pedestrians and businesses to spill into, which would encourage activity and dwelling time in the street. A grant funding agreement has been put in place for Cumbria County Council to deliver this project. The Council will be the accountable body for this project.
- 4.4 Programme monitoring and reporting systems are in place in line with the FHSF requirements.

5. Risks

5.1 The following risks have been identified in relation to delivery of the Economic Strategy and the regeneration programme:

Risk	Consequence	Mitigation
Local government reorganisations will impact on decision-making processes	Delays in the delivery of the programmes / projects, potential change control required and likely cost escalation.	Close collaborative working between the 2-tier authority during LGR
Disruption to supply chain due to impacts of Brexit and COVID pandemic causes delays to projects due to staff and material shortages or increasing costs	Escalation of delivery costs meaning that allocated budgets are under pressure, putting projects at risk.	Monitor availability / price of material via live projects. Value engineering where necessary to reduce costs.

Lescalation Estrateov	Delays in the delivery of the programmes / projects, potential change control required and likely cost escalation	Realistic programme and subsequent procurement timescales to be included in the procurement strategy
		the programmes / projects, potential change control

6. Conclusion and reasons for recommendations

- 6.1 This report outlines that good progress continue to be made on the delivery of the Carlisle Economic Strategy Action Plan and the Town Deal and Future High Streets Fund regeneration programmes.
- 6.2 There are a number of key risks to delivery, the most pertinent being local government reorganisation and cost inflation affecting capital projects. Appropriate mitigation is in place to manage these risks at their current status, but these will need to kept under review and monitored for further escalation.
- 6.3 On these bases, Members of the Place Scrutiny Panel are asked to:
 - Note the progress and provide feedback on the delivery of the Carlisle Economic Strategy Action Plan, set out in Section 2 of this report.
 - Note the progress and provide feedback on the delivery of the Town Deal and Future High Streets Fund regeneration programmes, set out in Sections 3 and 4 of this report.
 - Note the emerging risks to delivery of the Action Plan and regeneration programmes set out Section 5 of this report.

7. Contribution to the Carlisle Plan Priorities

7.1 The Economic Strategy and the Town Deal and Future High Streets Fund regeneration programmes will support the delivery of the vision set out in the Carlisle Plan, which is to enable Carlisle to grow and prosper as the capital of the Borderlands region. It also contributes directly to the priority of delivering inclusive and sustainable economic growth, by making Carlisle a more attractive place for investment, improving skills and driving key sector development.

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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 Economic Strategy is one of the policies reserved to full Council. This report is an update on delivery and, therefore, does not have any direct legal implications.

Property Services – A number of the projects have property implications that will be considered as the projects develop and, where necessary, referred back to Members for approval.

Finance – The Council supports the activities to underpin the Economic Strategy through investment in base budgets to fund the Economic Development team which then allows it to look towards inward investment opportunities and receipt of significant grant funding opportunities. Additional funding has been provided to support a Programme Management Team to help deliver the outcomes of the Economic Strategy. External funding such as Towns Deal, Future High Street Fund, Garden Village and Borderlands Growth Deal will all help the Council to achieve the priorities outlined in the Strategy and further complement the funding the Council already provides.

Equality – None

Information Governance - There are no Information Governance implications with this report.