



AGENDA

Executive

Monday, 21 February 2022 AT 16:00
In the Cathedral Room, Civic Centre, Carlisle, CA3 8QG

APOLOGIES FOR ABSENCE

To receive apologies for absence.

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.

DECLARATIONS OF INTEREST

Members are invited to declare any disclosable pecuniary interests, other registrable interests and any interests, relating to any items on the agenda at this stage.

MINUTES OF PREVIOUS MEETING

7 - 16

To confirm the minutes of the meeting of the Executive on 19 January 2022.
(Copy Minutes herewith)

PART A

To be considered when the Public and Press are present

A.1	<u>HEAT DECARBONISATION PLAN</u>	17 - 62
	(Key Decision – KD.02/22)	
	The Corporate Director of Governance and Regulatory Services to submit a Heat Decarbonisation Plan looking at how the City Council can improve the energy efficiency of our portfolio. (Copy Report GD.12/22 herewith)	
A.2	<u>CAR PARKING OPTIONS TO SUPPORT THE HIGH STREET RECOVERY</u>	63 - 68
	(Key Decision – KD.03/22)	
	The Deputy Chief Executive to submit a review on how car parking can support retail and footfall in the city centre. (Copy Report CS.09/22 herewith)	
A.3	<u>NOTICE OF EXECUTIVE KEY DECISIONS</u>	69 - 76
	(Non Key Decision)	
	The Notice of Executive Key Decisions, published on 21 January 2022, is submitted for information. (Copy Notice herewith)	
A.4	<u>SCHEDULE OF DECISIONS TAKEN BY LEADER / PORTFOLIO HOLDERS</u>	77 - 78
	(Non Key Decision)	
	A Schedule detailing decisions taken by the Leader / Portfolio Holders under delegated powers is attached for information. (Copy Schedule herewith)	
	Background Papers – as detailed within the Schedule	

A.5	<u>SCHEDULE OF DECISIONS TAKEN BY OFFICERS</u>	79 - 86
	(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.6	<u>JOINT MANAGEMENT TEAM</u>	87 - 88
	(Non Key Decision)	
	The Minutes of the meeting of the Joint Management Team held on 20 December 2021 are submitted for information. (Copy Minutes to follow)	
A.7	<u>REVENUE BUDGET OVERVIEW AND MONITORING REPORT - APRIL TO DECEMBER 2021</u>	89 - 112
	(Non Key Decision)	
	The Corporate Director of Finance and Resources to submit a report providing an overview of the Council's overall budgetary position for the period April to December 2021 for revenue schemes only and provides details of the impact of COVID-19 on the revenue budget. (Copy Report RD.70/21 herewith)	
A.8	<u>CAPITAL BUDGET OVERVIEW AND MONITORING REPORT - APRIL TO DECEMBER 2021</u>	113 - 130
	(Non Key Decision)	
	The Corporate Director of Finance and Resources to submit a report providing an overview of the budgetary position of the City Council's capital programme for the period April to December 2021. (Copy Report RD.71/21 herewith)	

A.9	<u>TREASURY MANAGEMENT OCTOBER - DECEMBER 2021</u>	131 - 142
	(Non Key Decision)	
	The Corporate Director of Finance and Resources to submit the regular quarterly report on Treasury Transactions, including the requirements of the Prudential Code.	
	(Copy Report RD.72/21 herewith)	
A.10	<u>CONSIDERATION OF BUDGET VIREMENTS 2022/23</u>	143 - 146
	(Non Key Decision)	
	The Corporate Director of Finance and Resources to submit a report detailing funding available to the Executive in 2022/23 to respond to proposals considered at the Council Budget meeting on 1 February 2022 where it was agreed that these proposals be funded from existing resources.	
	(Copy Report RD.75/21 herewith)	
A.11	<u>TRAFFIC REGULATION ORDER (TRO) FOR RICKERBY PARK</u>	147 - 154
	(Non Key Decision)	
	The Deputy Chief Executive to submit a report providing the justification for the intention to introduce an experimental traffic regulation order for Rickerby Park Car Parks.	
	(Copy Report CS.11/22 herewith)	

PART B

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

B.1 CITADELS PROJECT

(Key Decision – KD.04/22)

The report is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, as the report contains exempt information relating to the financial or business affairs of any particular person (including the authority holding that information)

The Corporate Director of Governance and Regulatory Services to submit a report requesting the approval of the disposal of the City Council's property assets to allow the creation of a city centre campus for the University of Cumbria.

(Copy Report GD.11/22 herewith)

Members of the Executive

Councillor J Mallinson (Leader's Portfolio)

Councillor G Ellis (Deputy Leader, and Finance, Governance and Resources Portfolio Holder)

Councillor N Christian (Environment and Transport Portfolio Holder)

Councillor S Higgs (Culture, Heritage and Leisure Portfolio Holder)

Councillor Mrs E Mallinson (Communities, Health and Wellbeing Portfolio Holder)

Councillor Mrs Bowman (Economy, Enterprise and Housing Portfolio Holder)

Enquiries, requests for reports, background papers etc to:
committeeservices@carlisle.gov.uk

Notes to Members:

Decisions made at this meeting, if not subject to call-in, will normally become live on 3 March 2022

Executive

Date: Wednesday, 19 January 2022

Time: 16:00

Venue: Flensburg Room

Present: Councillor Nigel Christian, Councillor Gareth Ellis, Councillor Stephen Higgs, Councillor Mrs Elizabeth Mallinson, Councillor John Mallinson

Also Present: Councillor Allison

Officers: Town Clerk and Chief Executive
Deputy Chief Executive
Corporate Director of Governance and Regulatory Services
Corporate Director of Finance and Resources
Corporate Director of Economic Development

EX.01/22 APOLOGIES FOR ABSENCE

An apology for absence was submitted on behalf of Councillor Paul Nedved, Economy, Enterprise and Housing Portfolio Holder.

EX.02/22 PUBLIC AND PRESS

RESOLVED - That the Agenda be agreed as circulated.

EX.03/22 DECLARATIONS OF INTEREST

No declarations of interest were submitted.

EX.04/22 MINUTES OF PREVIOUS MEETING

RESOLVED - 1) That the minutes of the meeting on 22 November 2021 be signed as a correct record.

2) That the minutes of the meeting held on 20 December 2021 be agreed.

EX.05/22 CALL IN

The Leader reported that the Mayor had, on 7 January 2022, agreed that the following items be exempt from call in as call-procedures would overlap the City Council meeting on 1 February 2022 when the Council will be asked to approve the following matters:

A.2(a) - Budget Update - Revenue Estimates 2022/23 to 2026/27

A.2(b) - Revised Capital Programme 2021/22 and Provisional Capital Programme 2022/23 to 2026/27

A.2(c) - Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy 2022/23

A.2(d) - Provisional Local Government Finance Settlement 2022/23

EX.06/22 BUDGET 2022/23 – CONSIDERATION OF CONSULTATION FEEDBACK

(Key Decision - KD.10/21)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Executive Budget Proposals 2022/23 had been issued for consultation on 20 December 2021, the deadline for responses being 9 am on 18 January 2022. Specific meetings had taken place as part of the budget consultation process.

Copies of the undernoted documentation had been circulated prior to the meeting:

- (a) Minutes of the Business and Transformation Scrutiny Panel in relation to the Budget – 6 January 2022
- (b) Minutes of the budget consultation meeting with Trade Union Representatives – 10 January 2022
- (c) Minutes of the budget consultation meeting with Non-Domestic Ratepayers / Business Representatives – 10 January 2022
- (d) Feedback received in response to the budget consultation process

The Finance, Governance and Resources Portfolio Holder reported that, in addition to the above-mentioned Minutes of the Business and Transformation Scrutiny Panel, the Executive had already reflected upon feedback from the Scrutiny Panel meetings held in November and December 2021. Consideration had also been given to the feedback received from the public as part of the consultation process. Furthermore, the Executive had consulted with individual Members of the City Council.

The Finance, Governance and Resources Portfolio Holder concluded his presentation by moving the above-mentioned documentation, which was seconded by the Leader.

Summary of options rejected None

DECISION

1. That the Minutes of the consultation meetings with Trade Union representatives; representatives of Non-Domestic Ratepayers / Business Representatives, attached as Appendices C and D; and the Extract from the Minutes of the Business and Transformation Scrutiny Panel be received.
2. That the consultation feedback be received, it being noted that the Executive had taken those comments into account when formulating their final recommendations for the City Council's 2022/23 Budget to be submitted later in the meeting.

Reasons for Decision

To take account of consultation feedback when formulating recommendations on the 2022/23 Budget.

EX.07/22 BUDGET UPDATE - REVENUE ESTIMATES 2022/23 TO 2026/27

(Key Decision - KD.10/21)

******(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, The Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation Scrutiny Panel

Subject Matter

The Finance, Governance and Resources Portfolio Holder submitted report RD.64/21 providing an update to reports RD.46/21 and RD.52/21, with a summary of the Council's revised revenue base estimates for 2021/22, together with base estimates for 2022/23 and forecasts up to 2026/27 for illustrative purposes. Potential new spending, bids and savings were also considered within the report.

It was noted that the figures within the report incorporated the provisional finance settlement received on 16 December 2021.

The Finance, Governance and Resources Portfolio Holder moved the recommendations which were seconded by the Leader.

Summary of options rejected none

DECISION

The Executive:

- (i) noted the revised base estimates for 2021/22 and base estimates for 2022/23;
- (ii) noted that the estimates in the report were provisional and would be subject to the confirmation of the final Local Government Finance Settlement in January/February 2022;
- (iii) noted the current MTFP projections and the outstanding issues, which would continue to be updated throughout the budget process and be incorporated into the Executive's budget proposals tabled at the meeting, if available;
- (iv) noted the budget pressures, bids and savings which need to be taken into account as part of the 2022/23 budget process.

Reasons for Decision

To prepare a draft budget proposal for 2022/23 for recommendation to the City Council.

EX.08/22 REVISED CAPITAL PROGRAMME 2021/22 AND PROVISIONAL CAPITAL PROGRAMME 2022/23 TO 2026/27

(Key Decision - KD.10/21)

******(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, The Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Finance, Governance and Resources Portfolio Holder submitted report RD.65/21 providing an update to RD.47/21 and RD.55/21; setting out the proposed capital programme for 2022/23 to 2026/27 in light of new capital proposals identified and summarising the estimated capital resources available to fund the programme.

The revised capital programme for 2021/22 now totalled £32,657,400, as detailed in Appendix, subject to the relevant approvals by Executive and Council for the changes.

Appendix B detailed the revised anticipated resources available and their use to fund the capital programme. They had been revised to take account of revised projections and valuations of asset sales.

As a Member of the Business and Transformation Scrutiny Panel, Councillor Allison, asked if the increased income at the Crematorium could be used to fund the replacement of the cremator. He also asked if consideration could be given to the establishment of an undertaker on the grounds.

The Environment and Transport Portfolio Holder reported that the Business Case for the replacement of the cremator was being prepared, the change to an electric powered cremator would significantly reduce the carbon footprint, however, the Business Case had to support the change.

The Finance, Governance and Resources Portfolio Holder highlighted the need to make savings and made assurances that a project of this size would be taken to Overview and Scrutiny.

The Finance, Governance and Resources Portfolio Holder concluded his presentation by moving the recommendations set out, which were seconded by the Leader.

Summary of options rejected none

DECISION

That the Executive:

(i) noted the revised capital programme and relevant financing for 2021/22 as set out in Appendices A and B;

(ii) gave initial consideration and views on the proposed capital spending for 2022/23 to 2026/27 given in the report in the light of the estimated available resources;

(iii) noted 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, had been approved.

Reasons for Decision

To prepare a draft budget proposal for 2022/23 for recommendation to the City Council.

EX.09/22 TREASURY MANAGEMENT STRATEGY STATEMENT, INVESTMENT STRATEGY AND MINIMUM REVENUE PROVISION STRATEGY 2022/23

(Key Decision - KD.10/21)

**(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, The Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Finance, Governance and Resources Portfolio Holder submitted report RD.66/21 setting out the Council's Treasury Management Strategy Statement for 2022/23 which had been prepared in accordance with the CIPFA Code of Practice on Treasury Management. He added that the Investment Strategy and Minimum Revenue Provision (MRP) Strategy for 2022/23 were incorporated as part of the Statement, as were the Prudential Indicators as required within the Prudential Code for Capital Finance in Local Authorities.

The draft Statement had been considered by the Executive on 20 December 2021 prior to the consultation period on the Executive Budget Proposals for 2022/23. It had also been considered by the Audit Committee and the Business and Transformation Scrutiny Panel on 10 December 2021 and 6 January 2022 respectively (Minute Excerpts AUC.67/21 and BTSP.08/22 referred) and their comments would be included in the final version considered by Council on 1 February 2022.

The Finance, Governance and Resources Portfolio Holder then moved the recommendation, which was seconded by the Leader.

Summary of options rejected None

DECISION

That the Treasury Management Strategy Statement for 2022/23, which incorporated the Investment Strategy and Minimum Revenue Provision Strategy, together with the Prudential Indicators for 2022/23 as set out in Appendix A and the Treasury Management Policy Statement as set out in Appendix D, be approved for submission to the City Council on 1 February 2022.

Reasons for Decision

To recommend the Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy for 2022/23 to the City Council.

EX.10/22 PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2022/23

(Key Decision - KD.10/21)

******(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, The Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Finance, Governance and Resources Portfolio Holder submitted report RD.67/21 providing an analysis of the 2022/23 Provisional Finance Settlement received from Central Government on 16 December 2021 and the impact it had on the Council's Revenue budget.

A consultation document which outlined the government's approach in allocating funding for the local government finance settlement had also been provided, which sought views by 13 January 2022.

The Department for Levelling Up, Housing and Communities (DLUHC) had confirmed the referendum limits for 2022/23; and for District Councils, that was 2% or £5, whichever was the greater.

Members were asked to note that the DLUHC had confirmed the continuation of Cumbria's Business Rate Pool for 2022/23, but as that was integral to the provisional finance settlement, pool members had 28 days (from 16 December 2021) to decide whether they formally wished to be designated as part of the pool.

Details of the amendments to the revenue budget as a result of the provisional finance settlement were provided at Section 2.

The Finance, Governance and Resources then moved the recommendations as recorded within the report.

Summary of options rejected None

DECISION

That the Executive:

(i) noted and had considered the updated budget projections, in respect of the Provisional Finance Settlement which was received on 16 December 2021, noting that the overall

financial impact formed part of the Revenue report considered elsewhere on the agenda; and (ii) delegated responsibility to the Corporate Director of Finance and Resources to respond, if required, to the Local Government Finance Settlement consultation document, following consultation with the Portfolio Holder for Finance, Governance and Resources.

Reasons for Decision

To seek Executive consideration of the Provisional Local Government Finance Settlement 2022/23.

EX.11/22 EXECUTIVE RESPONSE TO THE BUDGET CONSULTATION AND RECOMMENDATIONS FOR THE 2022/23 BUDGET

(Key Decision - KD.10/21)

******(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, The Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Finance, Governance and Resources Portfolio Holder referred to the Executive's Budget Proposals for 2022/23 (19 January 2022), copies of which were tabled at the meeting.

The Finance, Governance and Resources Portfolio Holder highlighted, in particular the non recurring changes which had been made in response to the consultation process:

- £10,000 to support mental health provision
- £50,000 for Jubilee celebrations
- £125,000 car parking
- £20,000 anti-social behaviour
- £250,000 in capital programme for Play areas

The Culture, Heritage and Leisure Portfolio thanked officers and Portfolio Holders for enabling the allocation for the Jubilee celebrations, he also commented that he was pleased to see that the Fireshow would make a welcome return to the 2022 Community Event Calendar.

The Communities, Health and Wellbeing Portfolio Holder highlighted the importance of the health and wellbeing of young people and welcomed the additional £250,000 to the capital programme for the replacement and upgrade of play areas. The Portfolio Holder also welcomed the additional funding to support anti social behaviour issues and the £10,000 which would support mental health provision within the district.

The Environment and Transport Portfolio Holder reported that car parking played an important role in supporting the City moving out of the pandemic. To assist the retail centre and increase the footfall the Executive would look at proposals to review the car parking offer within the City.

The Finance, Governance and Resources Portfolio Holder concluded his presentation by moving the recommendation that the Executive Budget Proposals for 2022/23 be forwarded to the City Council for approval on 1 February 2022.

Summary of options rejected A number of options which had been considered as part of the Council's 2022/23 budget deliberations as identified in various reports.

DECISION

That the Executive Budget Proposals for 2022/23, attached as Appendix E, be forwarded to the City Council for approval on 1 February 2022.

Reasons for Decision

To produce the Executive's budget proposals for 2022/23 for recommendation to the City Council.

EX.12/22 NOTICE OF EXECUTIVE KEY DECISIONS

(Non Key Decision)

Portfolio Cross-Cutting

Relevant Scrutiny Panel

Health and Wellbeing; Economic Growth; Business and Transformation

Subject Matter

The Notice of Executive Key Decisions dated 17 December 2021 was submitted for information.

The Corporate Director of Economic Development was scheduled to submit a private report regarding the Central Plaza Development Site Options (Key decision – KD.0122). However, work is ongoing on development options for the site and the matter has been deferred.

Summary of options rejected None

DECISION

That the Notice of Executive Key Decisions dated 17 December 2021 be received.

Reasons for Decision Not applicable

EX.13/22 SCHEDULE OF DECISIONS TAKEN BY OFFICERS

(Non Key Decision)

Portfolio Cross-cutting

Relevant Scrutiny Panel

Health and Wellbeing; Economic Growth; Business and Transformation

Subject Matter

Details of decisions taken by Officers under delegated powers were submitted.

Summary of options rejected None

DECISION

That the decisions, attached as Appendix A, be noted.

Reasons for Decision

Not applicable

EX.14/22 JOINT MANAGEMENT TEAM

(Non Key Decision)

Portfolio Cross-cutting

Relevant Scrutiny Panel

Health and Wellbeing; Economic Growth; Business and Transformation

Subject Matter

The Minutes of the meeting of the Joint Management Team held on 20 December 2021 were submitted for information.

Summary of options rejected None

DECISION

That the Minutes of the meeting of the Joint Management Team held on 20 December 2021, attached as Appendix B, be received.

Reasons for Decision Not applicable

EX.15/22 ESTABLISHMENT OF 'CUMBERLAND' COUNCIL AREA - JOINT COMMITTEE

(Non Key Decision)

******(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, The Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Finance, Governance and Resources

Subject Matter

The Finance, Governance and Resources Portfolio Holder submitted report GD.02/22 recommending, as one of the Councils making up the area which would be covered by the forthcoming Cumberland Council, that a Cumberland Joint Committee was established.

The Finance, Governance and Resources Portfolio Holder moved the recommendations which were seconded by the Leader.

Summary of options rejected not to proceed with a Joint Committee until the structural changes order was made

DECISION

That the Executive:

- (1) Agreed to the establishment of the Cumberland Joint Committee as detailed in report GD.02/22 and to the terms of reference attached at Appendix 1.
- (2) Delegated the Executive functions within the Terms of Reference to the Cumberland Joint Committee.

That the Executive recommend to Council that it:

- (3) Agree to the establishment of the Cumberland Joint Committee as detailed in report GD.02/22 and to the terms of reference attached at Appendix 1
- (4) Delegates the Non-Executive Functions within the Terms of Reference to the Cumberland Joint Committee
- (5) Delegates to the Corporate Director of Governance and Regulatory Services, in consultation with the Leader and Mayor the making of any minor changes to the terms of reference following consideration by other councils making up the Joint Committee
- (6) Authorise the Corporate Director of Governance and Regulatory Services to make the necessary amendments to the Councils Constitution and to update the Council's scheme of delegation in Section 2(a) of the Constitution.
- (7) To receive nominations and make appointments to the positions on the Cumberland Joint Committee in accordance with the political representation / balance calculation.
- (8) Delegates to the Town Clerk and Chief Executive following consultation with the Leader and the Mayor the authority to agree which of the 'Cumberland' Councils acts as the host authority for the Cumberland Joint Committee.
- (9) Agrees that this Joint Committee will be/is the Cumberland Joint Committee for the purposes of the forthcoming Cumbria (Structural Changes) Order 2022 (or such similar title that Her Majesty's Government decides).

Reason for Decision

To comply with the statutory requirements of the forthcoming structural changes order and to facilities as efficiently as possible the ongoing Local Government Reorganisation.

The Meeting ended at: 16:17

Carlisle City Council

Report to Executive

Item
A.1

Report details

Meeting Date:	21 February 2022
Portfolio:	Finance, Governance & Resources
Key Decision:	Yes
Policy and Budget Framework	Yes
Public / Private	Public
Title:	Heat Decarbonisation Plan
Report of:	Director of Governance & Regulatory Services
Report Number:	GD 12/22

Purpose / Summary:

Carlisle City Council developed its Local Environment (Climate Change) Strategy in August 2020 and have subsequently committed to achieving net zero carbon emissions for sites within their operational control. The City Council has taken significant steps to reduce their emissions and are now looking to target further reductions through their building stock and heat usage to ensure the UK Government 2050 ambition is met.

A Heat Decarbonisation Plan (HDP) is the starting point in looking at how we improve the energy efficiency of our portfolio and the Executive is asked to approve this report.

Recommendations:

The Executive is asked:

- 1). To approve a Heat Decarbonisation Plan for its operational buildings portfolio, and
- 2). To delegate responsibility to accept the grant funding to the Corporate Director of Governance and Regulatory Services following consultation with the Portfolio Holder for Finance, Governance & Resources.

Tracking

Executive:	21 st February 2022
Scrutiny:	
Council:	

1. Background

- 1.1. In August 2020 Carlisle City Council developed its Local Environment (Climate Change) Strategy and is currently aiming to achieve net zero by 2037. All areas of the Council's operations will be reviewed and actions taken to reduce carbon emissions.
- 1.2. In September 2019 the Council was successful in securing funding through phase 2 of the Public Sector Skills Fund to produce a Heat Decarbonisation Plan (HDP).
- 1.3. A HDP focuses on identifying carbon reduction measures, with a specific focus on the decarbonisation of heat. The plan describes the current position with the portfolio's energy use and its plans for reducing/or decarbonising its energy use.
- 1.4. The plan outlines what has been done already, what it is currently doing and what it plans to do in the future. The plan explains what actions are going to be taken, the timescales and the intended outcomes.

2. Proposals

- 2.1 The HDP reviewed 11 operational properties:
 - The Civic Centre
 - Bousteads Grassing Depot
 - Carlisle Crematorium
 - Old Town Hall & Tourist Information centre
 - Old Fire Station
 - 6-24 Castle Street
 - John Street Hostel and Annexe
 - Water Street Family Centre
 - Bitts Park Depot
 - Cemetery depot
 - Cemetery Garden Links
- 2.2 Energy performance comparison was undertaken and, although as stated in the report, comparison with other public buildings is difficult, superficial analysis indicates that the Council's portfolio is inefficient, being higher than the sector average for electricity and higher than the sector average for gas when measured by the Carbon Trust Energy Efficiency in Public Buildings Methodology 1999.
- 2.3 The report provides advice on how improvements can be made and also identifies 8 priority actions for improvement of the Council's energy management practices along with associated costings, savings and payback periods.

- 2.4 In total if the Council was to implement all 8 priority actions it is estimated that the Council would save £391,842 p.a. in energy costs with the associated savings of 553.88 tonnes of CO₂ and 1,412,843 KWH p.a.
- 2.5 The total cost of these measures is estimated at £2,047,840 which would give a 5-year payback period. We would caution that these figures require further detailed examination before final budget costs could be provided but they do give an estimate of the potential savings available.
- 2.6 Having a HDP opens up opportunities to bid and hopefully secure further Government funding.
- 2.7 We have already submitted a bid for further grant funding under Phase 3 of the Public Sector Decarbonisation Scheme where we are seeking £1.87m to undertake the works identified in the plan. If successful a match of up to £177,000 would be required from the City Council; exact match will not be known until a grant offer is forthcoming however it would be funded from the Property Services earmarked reserves and/or existing base budgets.
- 2.8 If successful, the funding rules require the work to be undertaken during the 2022/23 financial year.
- 2.9 In the event that the funding bid is unsuccessful the Council would seek to implement the recommendations but over a longer term by the use of existing resources as part of the planned maintenance regime for the portfolio or when subsequent funding opportunities arise.

3. Risks

- 3.1 Failure to implement the recommendations of the HDP would impact on the Council's aspiration to reach net zero by 2037.

4. Consultation

- 4.1 Consultation has been undertaken with the Health & Safety Manager and the Policy Communications Manager.

5. Conclusion and reasons for recommendations

- 5.1 The HDP is small step on the journey to net zero. It sets out opportunities for the Council to reduce its energy consumption and associated emissions. Approving the HDP offers the opportunity to apply for funding to undertake the recommended improvements and improve the environmental performance of our operational portfolio.

6. Contribution to the Carlisle Plan Priorities

6.1 Delivering the Local Environment (Climate Change) Strategy by reducing emissions from the City Council estate and operations.

Contact details:

Contact Officer: Mark Walshe

Ext: 7427

Appendices attached to report:

- Heat Decarbonisation Plan

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 properly manage its assets and the implementation of the recommendations contained in the report will help the Council achieve its climate change aspirations.

Property Services

Contained within the main body of the report

Finance

In order to fully implement the measures outlined in the Heat Decarbonisation Plan a cost of £2,047,840 would be incurred. This would generate savings in the region of £391,842. An application has been made under Phase 3 of the Public Sector Decarbonisation Scheme for funding of £1.87m towards the cost of full implementation. If successful, the balance of funding could be met from existing property enhancement budgets / earmarked reserves. Any implementation of enhancements would need to be added to the capital programme as improvements to the assets.

Equality

None

Information Governance



HEAT DECARBONISATION PLAN

Carlisle City Council

Prepared by:
GRN Associates

Heat Decarbonisation Plan

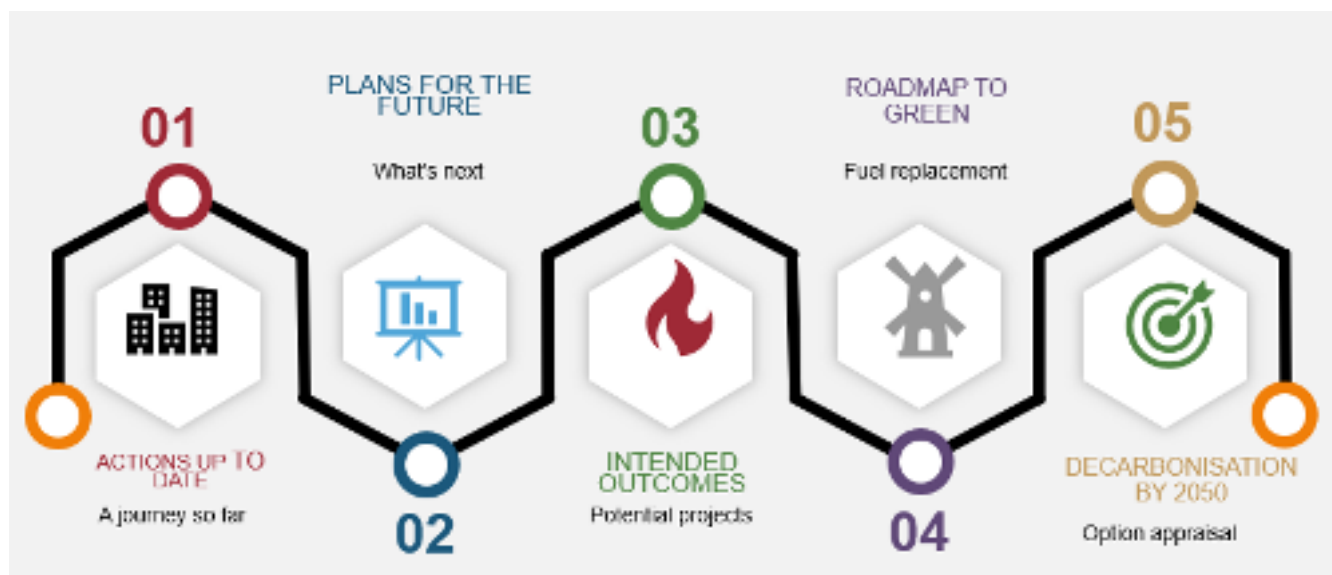
Executive Summary

Carlisle City Council has set up a Sustainable Strategy and has subsequently committed to achieving net zero carbon emissions for sites within their operational control. The City Council has taken significant steps to reduce their emissions and are now looking to target further reductions through their building stock and heat usage to ensure the 2050 UK's Climate Change Act ambition is met.

GRN Associates have been invited to help the City Council with a Heat Decarbonisation Plan (HDP) to support their ambition. This implementation plan focuses on identifying carbon reduction measures for buildings, with a specific focus on the decarbonisation of heat. This report has been prepared as part of the Low Carbon Skills Fund, funded by the Department for Business, Energy and Industrial Strategy.

The City Council, with GRN Associates' assistance, has already identified several carbon reduction projects which are implementation ready. Carbon reduction measures are considered across the estate, including consideration of use of smart technology and options for the decarbonisation of heat.

Commissioned by the City Council, GRN Associates have prepared this roadmap to enable a heat implementation plan to be developed for the main buildings and further support the journey to net zero. This HDP will support the City Council's ambition and provide a pathway for delivery of the 2037 target. This report summarises the work undertaken, with a focus on identifying carbon reduction measures for City Council buildings and supplies, as well as a carbon management strategy.



Analysis of options has identified projects and targets with the potential to save at least 40% of the City Council's baseline emissions through energy efficiency and renewable technologies. This is based on current technologies and conservative estimates of potential for conversion to electric heating and onsite renewable generation; actual potential may be higher. Any remaining emissions may need to be offset through carbon compensation or fuel switching. Overall, this will allow the City Council to reach a net-zero position by 2037.

1. INTRODUCTION

1.1 Heat Decarbonisation Plan overview

Carlisle City Council developed its Local Environment (Climate Change) Strategy in August 2020 and have subsequently committed to achieving net zero carbon emissions for sites within their operational control. The City Council has taken significant steps to reduce their emissions and are now looking to target further reductions through their building stock and heat usage to ensure the UK Government 2050 ambition is met.

GRN Associates have been commissioned to help the City Council with a Heat Decarbonisation Plan to support this ambition.

This decarbonisation plan focuses on identifying carbon reduction measures for buildings, with a specific focus on the decarbonisation of heat. This report has been prepared as part of the Low Carbon Skill Fund, funded by the Department for Business, Energy and Industrial Strategy which has been administered by Salix.

1.2 Journey to achieving heat decarbonisation

The UK has a 2050 net zero target and the public sector throughout the UK can make a major contribution to enabling our country to reach this target. The public sector can influence local communities and businesses and a starting point for that influencing role is to have in place a Heat Decarbonisation Plan (HDP) which demonstrates how the public organisation concerned is leading the way in their community.

The purpose of this HDP is to describe how the council intends to replace fossil fuel reliant systems with low carbon alternatives. To meet the challenge of net zero, organisations throughout the UK need to decarbonise their buildings. A HDP describes the current state of the City Council's energy use and its plans for reducing and/or decarbonising its energy use. The plan outlines what Carlisle City Council has already done, what it is currently doing, what it plans to do in the future. The plan explains what actions are going to be taken, over what timescales, and the intended outcomes.

The City Council has a number of buildings 11 of which have been included in this plan:

1. The Civic Centre
2. Bousteads Grassing Depot
3. Carlisle Crematorium
4. Old Town Hall and Tourist Information Centre
5. Old Fire Station
6. 6-24 Castle Street
7. John Street Hostel and Annex
8. Water Street Hostel
9. Bitts Park Depot
10. Cemetery
11. Cemetery – Garden Links

The City Council has invested in refurbishing and upgrading the sites over the years and has an ongoing maintenance and improvement programme for its property portfolio.

2. PROJECT SCOPE

2.1 Project Scope

This Heat Decarbonisation Plan encompasses sites within the operational control of the City Council. Sites have been identified through collection of data for natural gas and electricity and using Carbon Trust standardisation data for 6-24 Castle Street as no data was available.

In total 8 sites have been taken forward and included in the Council's Public Sector Decarbonisation Scheme #3, as they were included in the Grant Scheme for Category 2 and Category 3 measures. The reduced list of sites was based on the Grant Scheme eligibility and funding criteria where only low carbon heating solutions could be taken forward.

2.2 Baseline emissions

To develop the baseline carbon footprint for the portfolio being reviewed as part of this heat decarbonation plan, historic energy data (natural gas and electricity) has been gathered for each building/supply for the year from April 2018 to March 2019, pre-pandemic data which shows more accurate consumption.

From this data baseline emissions for the project have been calculated using the Department for Business, Energy & Industrial Strategy's (BEIS) 2020 greenhouse gas reporting conversion factors. Emissions have been defined as scope 1 and 2 as follows:

- **Scope 1:** These are direct emissions and can come from fuel combustion, owned vehicle fleet and fugitive emissions. For this project these relate to ***natural gas fuel use on site***
- **Scope 2:** These are energy indirect emissions and originate from electricity, heat, steam, and cooling purchased for own use. For this project these relate to ***purchased grid electricity***

2.3 Development of opportunities

Within this section, we have reviewed the feasibility for energy conservation measures and generating power on site and the opportunities for renewable energy technologies that may be appropriate to the City Council regarding heat decarbonisation. At this stage of the assessment process, we have considered the following systems as appropriate for consideration.

1. Wind energy
2. Solar photovoltaics
3. Solar thermal
4. Geothermal energy (including Ground source heat pumps)
5. Air source heat pumps
6. LED Lighting
7. Improved heating and ventilation control systems
8. Improved energy metering management and targeting systems

The following is a feasibility level review of the technologies and suggests how they could be applied to the City Council's decarbonisation plans.

Wind turbines

Wind turbines harness the power of the wind to produce electricity through circular motion. They can produce electricity without carbon dioxide emissions, and range in outputs from Watts to Megawatts.

There are two basic types of Wind turbine systems:

- Horizontal Axis Wind Turbine (HAWT)
- Vertical Axis Wind Turbines (VAWT)



Image 1: Wind Turbine Examples

The most common design of wind turbine has three blades mounted on a horizontal axis and the blades are free to rotate into the wind on a mast. The positioning of the turbines needs to be considered carefully not only to generate optimum energy but also because the blades of large units can present safety hazards to Aircraft and can provide noise issues if near occupied buildings. Smaller units may therefore have to be adopted, leading to multiple numbers. The

electricity can either link to a distribution network or charge batteries. However, batteries are expensive and have a life span of some 10-15 years.

The city centre sites are unlikely to be appropriate for wind generation due to the proximity of occupied buildings in the local area and the associated complexities of integrating wind generated electricity into the site grid. Dense town location would rule out any application of tall horizontal axis turbines therefore selection of appropriate units would be limited to relatively low mounted vertical axis solutions with low generating yields.

Whilst wind technology is a robust renewable solution that would produce relatively good energy yields based on the average site wind velocity, we do not consider wind generation to be appropriate for all of the sites with the exception of the Crematorium.

Advantages to the use of wind energy for the City Council Crematorium:

- Visual statement of sustainable energy credentials for the site,
- Low maintenance costs,
- Zero fuel cost to produce energy,
- Reduced carbon dioxide emissions.

Disadvantages to the use of wind energy for the Crematorium:

- Complex controls and mains synchronisation,
- Proximity to local occupied buildings.

Solar Photovoltaic

PV systems require only daylight, not direct sunlight to generate electricity (although more is produced with more sunlight). PV panels tend to work best when fitted to the top of roofs, due to fewer obstructions blocking sunlight. Photovoltaic cells can be incorporated into glass for atria walls and roofs or used as cladding or a rain screen on a building wall. They are particularly suited to buildings that use electricity during the day. Once installed they require little maintenance, although clearance of dust and bird droppings could be significant.



Image 2: PV panel examples

For the City Council, Photovoltaic cells (PVs) could provide a proportion of the buildings electrical load. PVs could in principle be implemented locally on a building-by-building basis or via a centralised farm.

South Facing roofs of the portfolio could be considered for locating photovoltaic cells, however careful consideration would be required to securely position panels at the roof to limit the risk of damage during heavy storms. It may be possible to integrate the PV panels into the roofing material if it was due a replacement (i.e roof tiles).

The export of solar PV generated power to the local site electricity network will be subject to further consideration during design development should this solution be considered feasible for progression. Small ground based solar arrays could be appropriate where open areas exist such as at the crematorium.

Consideration should also be made to the appropriate G99 protection of each solar installation to ensure synchronisation with the mains power.

Advantages to the use of solar photovoltaics for the estate:

- Low maintenance
- Unobtrusive operation however there can be reflectivity issues
- Highly visible
- Possible to export excess electricity to the grid
- Does not compete for land space with other uses
- “Free” energy following the initial capital cost
- Integration with battery storage to harness more generation onsite

Disadvantages to the use of solar photovoltaics:

- Capital cost of technology is high
- Dictates roof design regarding optimum orientation and maintenance access
- Relative cost per kW installed is high
- Low electrical output only some 10% of solar Array rating is averaged over the year.

Solar thermal hot water

Solar thermal technologies generate domestic hot water from the sun’s energy through the use of solar collectors. The sun’s heat energy is accumulated by the solar cells, and then water is pumped through these, thus heating the water. The heated water is then used indirectly to generate hot water for use in the building. These systems tend to be incorporated on a roof space, so that they are clear of obstacles, as obstructions on the roof can have an effect on the solar cell array.



Image 3: Solar Thermal examples

There are two main types of Solar Thermal system:

- Flat panel and

- Thermal vacuum tubes.

Vacuum tubes are more efficient and work in cloudier conditions but are generally more expensive. The Solar thermal hot water could act as the primary heating source with an additional form of heater within to supply additional heat when solar heat is not available. This will allow for some free hot water (excluding pumping energy) and hence reducing the primary energy requirement.

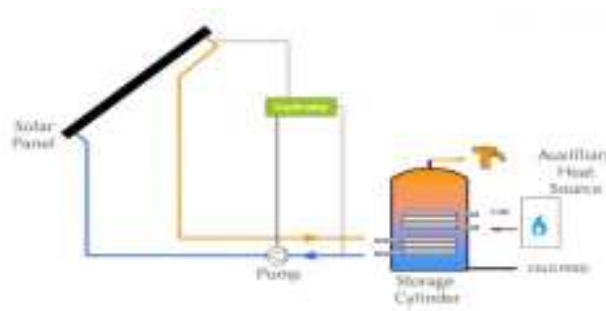


Image 4: Solar Thermal Schematic

Advantages to the use of solar thermal:

- Low maintenance
- Unobtrusive operation
- Highly visible statement if on view
- Zero cost to produce energy

Disadvantages to the use of solar thermal:

- Dictates roof design with regard to the orientation and future maintenance access
- Large thermal store system which will require plant space
- Careful design required to minimise legionella risks
- Need to ensure system is correctly designed and installed and not oversized to prevent pressurisation of system and failure.

Ground source heat pumps

Ground source heat pumps (GSHPs) use the renewable resource of heat which is stored in the ground. GSHPs transfer heat from the ground into a building to provide space heating and/or preheat hot water; they can also be reversed so that heat from a building is placed into the ground to provide cooling during the summer months. Under the surface, the ground tends to be at a constant temperature throughout the year and is approximately between 10 to 16 degrees Celsius at 2 metres.

There are two basic types of ground source heat pump systems:

- Open loop heat pump
- Closed Loop heat pump

A closed loop installation consists of plastic piping which is buried in the ground and connected to a heat pump. A mixture of water and antifreeze is passed through the looped pipes where it absorbs heat from the ground. This fluid then flows into an electrically powered heat pump, comprising a compressor and heat exchangers, before discharging back to the ground. There

are three types of ground loop; they are vertical loop, horizontal loop and slinky loops and all of these require areas of land for ground works. Slinky and horizontal loops are buried approximately 1-2m into the ground. Vertical loops require bore holes to be drilled deep into the ground (usually between 15m and 100m).

In an open loop heat pump system, ground water is withdrawn from an aquifer through the supply well and pumped into a heat exchange device, where it acts as a heat source in the heating or cooling process. Once the ground water is withdrawn from the supply well, it will be pumped through a piping system where it will pass through various control devices, monitoring equipment, instrumentation, and a heat exchanger before being returned to the ground. Typically, heat is exchanged between the building's circulation water and the extracted ground water before returning the ground water to the aquifer.

Closed loop systems circulate fluid through tubing laid in horizontal trenches or in vertical boreholes which are filled with an antifreeze mixture. By applying additional energy input in the form of electricity, it is possible to raise the temperature of the source heat to the temperature required.

Applicability for the City Council

If a ground source heat pump is selected for the estate, it may be possible to provide a form of heating or cooling that is renewable or carbon neutral by driving the heat pumps by electricity from renewable energy sources such as solar photovoltaics.

Heat pumps perform optimally if they are required to provide constant low-grade heat accordingly any building thermal emitters placed on this system would be designed to operate at lower temperatures. The heat pump would need to be supplemented by LPG gas or district heating to provide domestic hot water as the heat pump may not be able to generate hot water to the desired temperature of 65°C efficiently.

Advantages to the use of ground source heat pumps:

- Both open and closed loops systems are unobtrusive and vertical systems occupy a small surface area,
- Low on-going costs for closed loop system,
- Ground source heat pumps are proven technology,
- Reduced energy consumption over an air-cooled heat pump,
- Reduced Carbon Dioxide emissions over an air-cooled heat pump,
- Limited maintenance requirements.

Disadvantages to the use of ground source heat pumps:

- Horizontal closed loop systems require extensive site area,
- Vertical systems are expensive to install due to the cost of the boreholes required and high risk of disturbing ground around buildings. Usually needs extensive ground survey.
- Increased design complexity to integrate into the building services installation,
- Heat pump efficiency (cop) is very dependent on temperature rise outside to inside. If differential is high then COP drops off dramatically.

System is site and building specific. Site investigation will be required to finalise design.

Air Source Heat Pump

Air source heat pumps (ASHPs) work in a very similar way to Ground source heat pumps, except they draw heat from the air.

There are two basic types of air source heat pump systems:

- Variable Refrigerant Flow system (VRF) – 3 pipe or 2 pipe
- Air to water source heat pump

A 3 pipe VRF heat pump system is capable of simultaneously providing heating and cooling to different zones within a building. The energy consumption performance is good with very high efficiencies and competitive installation costs when compared to more traditional chilled water-cooling systems operating with air to water heat pumps.

An Air to water heat pump circulates water through pipework system rather than refrigerant gas. They are generally less efficient than a 2-pipe VRF system due to the additional stage of heat transfer in the system. The cooling capacity available is low compared to VRF but this would not propose a significant problem in a modern and well insulated building. Unlike the 2 pipe VRF system, the air to water system has to be in heating or cooling mode and therefore cannot heat and cool at the same time.

A 2 pipe VRF heat pump system is capable of providing either heating and cooling at any one time.

A 3 pipe VRF heat pump system has excellent performance in terms of energy consumption and would be a suitable technology to provide heating and comfort cooling across the site.

Advantages to the use of Air source heat pumps for the buildings:

- Relatively low capital cost for technology
- Widely used technology. Known installation techniques to local market.
- Proven technology
- Lower capital costs than ground source heat pumps.
- Demands Less physical area than the GSHP alternative.
- Less Risk than ground source systems.

System can now be purely renewable as some new heat pump alternatives can produce higher water temperatures suitable for Domestic hot water.

Disadvantages to the use of Air source heat pumps across the estate:

- Coefficient of performance (COP) lower than for ground source systems COP will depend on temperature rise and outside temperature.
- Higher on-going running cost
- External space required – either on roofs or ground adjacent to buildings.

- No commercially available system at present uses zero Global Warming Potential (GWP) refrigerants which are suitable for high rise buildings as the zero GWP refrigerants are all flammable.

Low Carbon Technology	Selected for HDP	Comments
Wind Technology	Yes	Only suited for the Crematorium, due to its midterm decarbonisation strategy
Solar Photovoltaic	Yes	Solar intensity would provide good yields. This would primarily feed to the local grid, with low building demand during the day.
Solar Thermal	No	Common technology, good solar yields. Could provide a good option for hot water generation.
Geothermal Energy (GSHP)	No	High capital cost and complexity reduces attraction.
Air Source Heat Pump (ASHP)	Yes	Very suitable to the buildings with both Heating & Cooling mix. Low capital cost.

Table 1: Renewable Technology Summary Table

Building #	Site	ASHP	PV	Wind
1	Civic Centre	YES		
2	Boustead Depot	YES	YES	
3	Crematorium		YES	YES
4	Town Hall			
5	Old Fire Station	YES		
6	Castle Street	YES		
7	John Street	YES		
8	Water Street	YES		

3. BASELINE EMISSIONS

3.1 Energy usage data

Consumption data has been provided for natural gas and electricity across the seven buildings within the scope with Castle Street usage estimated. High level cost data associated with these supplies has been provided. From this data, average current prices across supplies have been assumed as follows:

- Natural gas: 3 p/kWh
- Electricity: 18.5 p/kWh

The City Councils gas cost is low at present and the future increased energy costs could be particularly significant in the light of current world events.

3.2 Emissions baseline

The table below summarises the main energy types used at the City Council and their relative importance. An assumption for electricity and gas was used for the Castle Street building as no historical data was available.

Utility	Purchased Energy		Cost		CO ₂ emissions
	kWh/year	%	£/year	%	tonnes
Grid Electricity	3,064,919	53	551,686	87	714
Natural Gas	2,750,830	47	82,525	12	505
Total Energy	5,815,749		634,210		1,219

3.3 Forecast emissions

Due to the current Energy Conservation Measures and work ongoing across the estate to manage energy more effectively, it is estimated the forecast energy usage for 2022 and associated emissions will be as illustrated in table below.

Utility	Purchased Energy		Cost		CO ₂ emissions
	kWh/year	%	£/year	%	tonnes
Grid Electricity	2,838,456	56	525,114	88	661
Natural Gas	2,381,830	44	71,445	12	442
Total Energy	5,220,286		596,569		1,104

The unit costs for electricity in calculating savings are 18.5 p/kWh for electricity and 3p/kWh for gas. No CCL is applicable. The gas price can be expected to double when contracts are renewed over the next four years. Electricity could increase by 20% to 30% but here an average 5%/pa based on BEIS¹ predictions have been used.

4. HEAT DECARBONISATION STRATEGY

4.1 Energy Performance Indicators

Energy performance indicators give a measure of activity-based energy use, which can be compared with equivalent benchmarks. Energy consumption benchmarks are published in Good Practice Guides for different buildings and some processes. For a particular site, the performance indices are modified to take into account building occupancy, size, activities, location and weather (degree days). The lower value indicates best practice.

Actual Performance calculated as annual kWh/m² of floor area using method adopted in Carbon Trust Publication energy efficiency in public buildings. This publication was first printed in 1999 and electrical consumption in office establishments have grown mainly due to the use of computers, air conditioning and higher levels of lighting. However, it is still useful to compare energy consumption and intensity across the estate.

Energy - SEC in KWh/m²

Comparison of Site Energy Consumption with Benchmark Information from ECG54

Benchmarking Data

Property	Gas kWh/m ²	Electric kWh/m ²	Total kWh/m ²	Comments
Civic Centre	68.7	188.8	257.5	Sector average
Bousteads Grassing Depot	101.5	178.4	279.9	About sector average
Carlisle Crematorium	1940.1	404.6	2344.6	High due to process load
Old Town Hall & Tourist Information Centre	171.1	31.1	202.2	High heating low electricity
Old Fire Station	70.4	272.0	342.5	High electricity due to ducted air system
6-24 Castle Street	0.0	0.0	0.0	No figures – used benchmark
John Street Hostel & Annexe	148.6	48.2	196.8	High heating low electricity
Water Street Hostel	69.8	203.9	273.6	High electricity
Bitts Park Depot	2.1	0.0	2.1	Lack of m ² figures
Cemetery	0	0	0	Lack m ² figures
Cemetery - Garden Links	0	0	0	Lack m ² figures

¹ [BEIS Energy Price Forecast](#)

The City Council appears to have opportunities to improve, being higher than the sector average for electricity and higher than the sector average for gas. It is dangerous to make straight comparisons especially with the various mix of buildings. The benchmarking data is based on 1990 data and it would be expected that the energy use was much lower in the newer buildings. There is a high number of computers, air conditioning and lighting load in the City Council. This is reflected in the SEC. There is scope for improvement at all the sites.

SEC in cost/m2

Cost comparison £ per m2/annum	Cost£/m 2	Cost£/m2	Cost£/m 2	Notes
Property	Gas	Electricity	Total	
Civic Centre	2.7	6.7	9.5	
Bousteads Grassing Depot	4.1	6.0	10.0	
Carlisle Crematorium	77.6	14.3	91.9	most costs are related to cremation
Old Town Hall & Tourist Information Centre	6.8	1.7	8.5	
Old Fire Station	2.8	9.6	12.5	
6-24 Castle Street	3.0	30.8	33.8	Estimated
John Street Hostel & Annexe	5.9	10.6	16.6	
Water Street Hostel	2.8	7.2	10.0	
Bitts Park Depot	0.1	1.2	1.3	
Cemetery			0	No floor area
Cemetery - Garden Links			0	Mainly greenhouses

The total energy cost varies from £1.3 to £10.6 per m2 per site. The larger the site the lower the unit cost should be.

4.2 Energy efficiency

Building fabric is the first item for consideration when looking at energy efficiency in buildings. Adopting a 'fabric first' approach to both new building design and building retrofit will involve first considering and maximising the performance of building components and materials to make the building as efficient as possible. Options for mechanical and electrical building services and systems should then be considered to further improve efficiency and reduce carbon emissions. Elements to be considered include levels of insulation, airtightness, solar

gain/passive solar design, potential for natural ventilation and the thermal mass of the building fabric.

Equipment	Age	General condition	Est. date for next upgrade
Site Heating – Civic Centre	3 Remeha 160kW boilers and electric instantaneous water heaters feeding floors of tower. New 3 pipe electric heat pumps/comfort cooling system on ground and partial A/C to first floors	Boilers are new and in Good condition, but boiler controls and heating systems need upgrading. Toilet ventilation systems are inefficient. Within the basement the heating pipe work is all unlagged and wastes energy, after being stripped out during flooding repairs. This will be very difficult and costly to reinsulate. Heating in tower is mainly by radiant panels and fan boosters with a few air coil units on the 9 th floor	2021/22
Site Heating - Bousteads Grassing Depot	Garage area is served by three heating systems: Direct fired gas radiant heaters, a ducted air heater fed by a waste oil fired burner. Low pressure hot water radiators in some areas fed from a single Ideal Evomax 80kW boiler. The office/ bothy area is heated by a LPHW system fed	LPHW Boiler in good condition but controls are basic. Waste oil heater should not be used. The overhead gas heaters need replaced. The office bothy area boiler is in good condition, but the pipework insulation needs replaced in some areas and the controls are basic.	2021/22

	by a separate ideal Evomax 80kW gas fired boiler		
Site Heating – Carlisle Crematorium	A new ideal Evomax boiler is used as back up to the waste heat generated by the crematorium incinerators.	Boiler is new and rarely operated.	2021/22
Site Heating- Old town hall and tourist information	The 110kW Remeha eco LPHW Boiler which feeds LPHW radiator system is in reasonable condition located in basement. Controls are basic	The building is a listed building which limits options. New controls should be considered.	2021/22
Site Heating- Old Fire Station	The plant room and Ground floor heating systems have been refurbished	Some first-floor room heating needs thermostatic valves fitted.	2021/22
Site Heating 6-24 Castle Street	The site has not been occupied for some time and the existing 2 module 100kW Wessex LPHW boilers are very old. The controls are basic	The heating needs replacement and new controls fitted.	21/22
Site Heating John Street Hostel and Annex	The 100kW ideal Evomax boiler feeds LPHW radiators. DHW is supplied by a 60kW Hamworthy direct fired water heater. The Annex is older and is heated by a new 30kW Worcester LPHW	The boiler is efficient and in good order. The controls and metering need updating.	21/22

	boiler which also supplies a domestic DHW cylinder		
Water Street Hostel	The site is heated by two Viessman 60kw LPHW boilers feeding a hot air supply and underfloor heating and A DHW cylinder	The equipment is all in good condition. The controls and metering could be upgraded.	21/22
Bitts Park Depot	The main building is heated by a single 40kW Volkera LPHW boiler and radiators	The boiler is in good condition and fairly new. The boiler is only used infrequently. The controls could be upgraded	21/22
Cemetery Depot	The main office/bothy area is heated by both wall mounted direct fired gas heaters, and electric panel heaters. Both are on in some areas. DHW is by electric instantaneous water heaters	The controls are basic. The heating is not controlled. The gas heaters should be decommissioned and removed.	21/22
Garden Links	The site has two small boilers. One very old Ideal Mexico2 boiler feeds the greenhouse area. The office area and hot house are fed by a newer 30kW Worcester boiler. DHW is supplied by an electric zip Aquapoint3	The main greenhouse boiler is very old and needs to be replaced. The controls are basic and need upgrading.	21/22

		instantaneous water heater		
Site Lighting all areas		Very old to new	Some LED lighting installed at most sites but mainly old fluorescent lighting. Old sodium lighting in Bousteads grassing's garage depot is very inefficient	2021/22

4.3 Electrification of heat

Heating and hot water are responsible for a significant proportion of City Council's greenhouse gas emissions, and current on-site renewable and low-carbon heating levels are low. Therefore, opportunities for conversion of heating to renewable or low carbon sources should be considered as part of the Heat Decarbonisation Plan.

Delivery of low carbon heating is complex, particularly given the scale of gas heating within the existing buildings. It is expected that the shift to low carbon heating can be achieved by installing intelligent heating solutions at the earliest possible time across the portfolio. This is expected to involve a combination of heat pumps and solar water heating with the potential for small scale district heating having a role in the city centre and potentially within regeneration schemes. Where conversion of heating is not feasible, energy efficiency measures will be carried out.

4.4 Heat networks

Supplying heat from a centralised plant via a heat network is a solution that works well in areas of concentrated demand and can offer significant carbon savings, particularly where lower carbon fuels and sources of waste heat to be used.

Heat networks can use various sources of heat, including heat from biomass and biogas fuelled boilers, heat pumps and energy from waste facilities. Additional value and efficiency can be achieved through using combined heat and power (CHP) solutions which convert a fuel to heat and power simultaneously.

Most heat networks currently use gas as their primary fuel source. However, once the network of pipes supplying end-users is in place then generation technologies may be changed over time, switching the heat network to lower carbon fuels such as Hydrogen.

For heat networks already planned that will utilise natural gas such as CHP, consideration should be given to future, low carbon fuel sources such as Hydrogen. Low carbon sources of fuel also need to be considered for future heat networks.

The following sections provide an overview of the main technology options that are currently available for a heat network and ones that have been explored during the feasibility study for a district heating scheme in Carlisle city centre.

Cogeneration/Combined Heat and Power

Good quality CHP producing both power and heat (cogeneration) is a well-established technology enabling the efficient use of primary energy and a cost-effective way of reducing carbon emissions. However, the ongoing growth of wind and solar power generation and associated decarbonisation of the electricity grid will reduce the frequency with which the operation of good quality CHP saves carbon. Natural gas is still greener than grid electricity at present and will be for the foreseeable future.

Due to the intermittency of wind and solar generation, there will still be occasions across the year when ‘flexible’ thermal generation is required and, from an energy efficiency and carbon perspective, could be best met by good quality CHP. Good quality CHP can therefore still have a role in district heating both micro and large scale, particularly when integrated alongside electric batteries, electrical heating and thermal stores. Digital technology can then be used to balance supply and demand to optimise operation, energy efficiency and carbon savings.

Another consideration is that, as green gas production such as hydrogen enrichment increases and further decarbonises the gas grid, the substitution of the resulting lower-carbon gas in CHP could make this option increasingly cost competitive for achieving heat decarbonisation at scale. There are 20% hydrogen ready gas turbine solutions already available which could run initially on natural gas and then be used with no modification with 20% hydrogen/natural gas mixture in the future without modification.

Heat pumps / Low grade heat recovery

Heat pumps use electrical input and a refrigeration cycle to upgrade low temperature heat from sources such as the air, ground and water to levels required for the end use. Heat pumps are a mature technology readily available throughout the UK. However, some solutions may contain more novel elements, which would come with greater risk around deliverability, efficiencies and proportion of heat that can be achieved.

With any heat pump solution, the form of refrigeration used to raise heat to a temperature appropriate for interconnection with the heat network will need to be a consideration, both in terms of cost and environmental impact.

The key challenges around use of heat pumps in heat networks are generally around the source of heat and corresponding availability, impact on the quantity of heat that can be provided, the efficiency of the heat generated and the cost implications. The efficiency of a heat pumps is normally stated as the Coefficient of Performance (COP).

$$COP = \frac{\text{Heat output (kW)}}{\text{Electrical power input (kW)}}$$

There are various sources of heat locally in Carlisle that could be connected to a heat pump, which are outlined in the following sections.

Water source heat pump – river

Year-round availability of heat may not be consistent, as river temperatures reduce during winter, so viability of heat extraction at reasonable COPs will decrease.

Other key environmental considerations around the viability of a river source heat pump include Environmental Agency requirements around extract and discharge and associated impact on temperature on the river, which may impact viability and/or scale.

Low-grade heat recovery – Data Centres

Recovery of heat from industrial processes can provide a stable and clean (in terms of complexities around filtration being removed) form of low-grade heat. A heat-pump can be connected into the existing heat network system recovering heat from a suitable source.

Data centres with cooling heat rejection within proximity to a heat network can also be potential sources for heat recovery. This provides a relatively stable source of low-grade heat throughout the year.

Similar to data centre heat recovery, cooling tower heat recovery can recover the heat rejected to atmosphere. However, in instances where generation is associated with chilled water demand for space cooling, the availability of heat therefore far more seasonal, with greatest generation during summer when heat loads are at their lowest.

Sewage heat recovery

Domestic hot water is used then flushed down drains, injecting heated water into the sewage system. The average temperature of sewer networks in the UK is in the order of 10-20°C, which is capable of providing a stable source of low-grade heat year-round.

Green Gas Certificates

The UK policy on decarbonisation of the gas network is still developing, with options around injection of biomethane and development of hydrogen networks ongoing. Current available options for reduction of CO₂e content of gas include Green Gas Certificates, which can be purchased as an approach to offsetting natural gas used in a heat network.

4.5 Hydrogen

A potential future alternative to burning natural gas for heating would be the use of hydrogen as a fuel. Unlike natural gas, hydrogen does not produce carbon dioxide on combustion. Polyethylene pipes that are increasingly used in gas distribution networks can safely transport hydrogen, but this is not the case for the entire gas network and new hydrogen transmission

pipelines would be required to deploy hydrogen at scale. Changes would also be required to appliances at the points of end use.

Large-scale hydrogen production typically falls into one of three categories: electrolysis, steam methane reforming (SMR) or as a by-product from chlor alkali plants or refineries, with the first two being capable of generating significant volumes of hydrogen.

While hydrogen is technically capable of supplying heat to buildings, there is still significant testing and development required before this could be deployed at scale. For the purpose of this heat decarbonisation plan it is not currently considered a viable option but is one that the City Council may wish to consider in the future. There may also be potential to test this technology at smaller scale via pilot schemes.

5. HEAT DECARBONISATION MEASURES

The City Council is reasonably efficient but has scope for further improvement. There are few forced ventilation units and only some air conditioning. The energy costs are relatively high at present due to poor control.

Some of the older buildings are draughty and poorly insulated and the heating systems are basic, with simple controls. The computer and lighting systems are poorly controlled in some areas. There is scope to achieve energy savings through a combination of good housekeeping, better control and further integration of energy efficient practices and equipment.

The largest energy use is the building lighting, computer systems and space heating. The main scope for savings, include raising staff awareness, improving targeting and monitoring of energy usage, controlling energy usage in the numerous heating and lighting systems. Consideration should be given to replacing the old fluorescent lighting in most areas with new LED fittings and removing excess lighting from all areas.

The heating controls and boilers should be upgraded where appropriate. The City Council depots are poorly insulated and vastly over heated. The main office Civic Centre building has no thermal insulation on 90% of the heating pipework within the basement. The building is of 1960's design and is poorly insulated. There may be scope to install small CHP micro grid systems and renewable energy sources such as solar although these need further investigation.

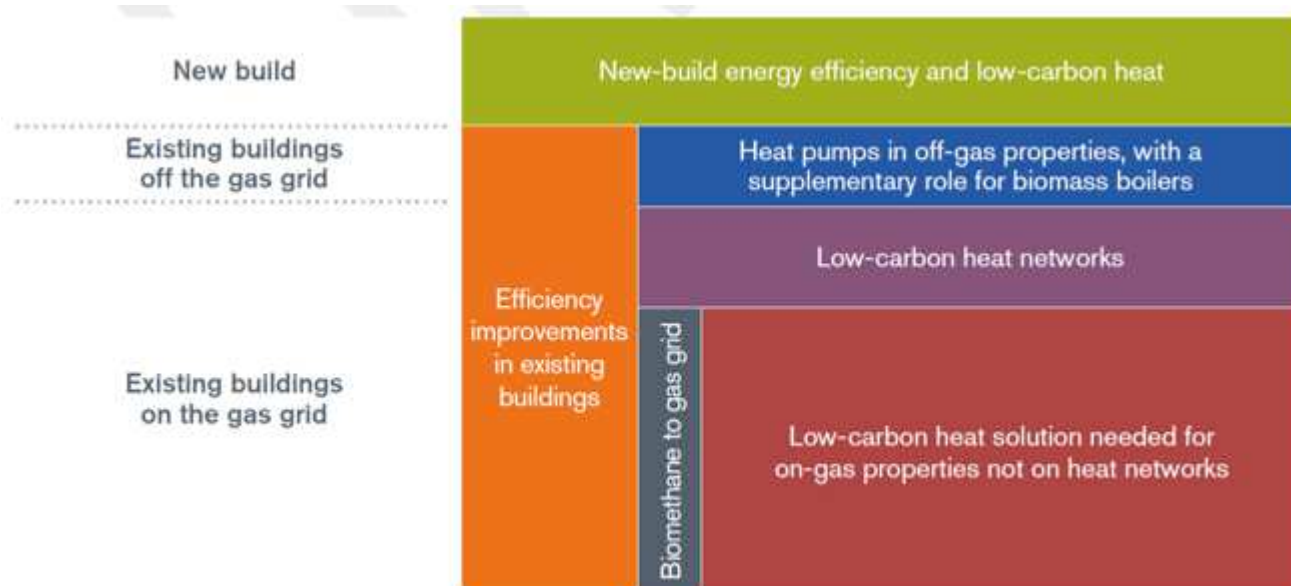


Diagram 2

5.1 Summary of the portfolio

The objective of this HDP is to highlight the most important activities that the Local Authority could undertake to reduce carbon dioxide emissions, energy and costs. The site specific objectives were discussed with Stuart Burns who was the site contact during the survey.

To meet the UK's Net 2050 target, emissions from public sector estate will need to be near zero and the Clean Growth Strategy sets out that public sector emissions will be halved by 2032 compared to a 2017 baseline in order to meet the Fourth and Fifth Carbon Budgets.

In this study a 'whole building' approach has been undertaken to decarbonise the heating system and highlighted energy conservation measures which, when implemented, should reduce on site energy demand.

As per the above Diagram 2, which has been published by Climate Change Committee, efficiency improvements in existing buildings are a 'non regret' option and therefore this Heat Decarbonisation Plan provides a roadmap to reducing the heat demand in the first instance, before a heating replacement for a more low carbon option.

Civic Centre



This consists of a 11-storey office building in the center of Carlisle, completed in 1964 with a total floor area of 12043m². The building houses the council office staff and the council chambers. The building exterior is poorly insulated, built with concrete panels. The windows are single metal frames but are fully opening and are not airtight. The site was flooded in 2015, the basement and ground floors were badly damaged during the flood. They have been totally refurbished including new interior fabric, new air conditioning and lighting. The rest of the building is need of upgrading with perimeter overhead radiant panels along with some fan assisted heaters fed from the main boiler house.

The heating system to the rest of the building consists of three new Remada 160kW LPHW boilers which replaced the boilers damaged in the flood. The heating pipe insulation has been removed throughout most of the basement after the flood and has not been replaced. This could cost circa £45k to replace, and the heat losses are probably higher than the actual building heating load. The BMS is in the process of being upgraded. Lighting above the first floor is mostly old fluorescent 4x18W panels.

The only forced ventilation is a central toilet extract system which runs down the centre of the building in a services duct. DHW is mainly supplied by local electric instant hot water units.

Bousteads Grassing Depot



This site is where the council transport is based. There is a garage and parking facilities. The site has two main buildings, The reception and garage area and the office and bothy areas. The garage area is heated by three different heating systems. An ideal Evomax 80 feeds radiators throughout the building. The controls are very basic. There is a very basic ducted warm air heating system from a waste oil heater fed from waste engine oil which is used to heat the garage workshop area. There is no information on the waste oil usage. There is also a number of direct fired radiant gas heaters in the workshop areas which are only used occasionally. The site has started converting the lighting to LED however, there are a number of old inefficient light fittings. This includes some 400W low bay sodium lighting in the garage area.

The office bothy area is heated by a second Evomax 80 boiler which is in reasonable condition but poorly controlled. The lighting is a mixture of new LED and old inefficient fluorescent fittings. The site has an expanse of roof area which could house a solar array to provide renewable low carbon electricity.

Carlisle Crematorium



The Carlisle Crematorium has a floor area of 679m². This consists of a main building dating from the 1950's and some outbuildings. The crematorium has one Main Building which is heated by the waste heat from the two body incinerators. There is a small chapel and incineration room and some side rooms and offices. The building is generally occupied from 8am to 5pm Monday to Friday. The lighting is mixture of old fluorescent fittings and new LED. There is a new ideal Evomax 80 boiler which has been installed as back up to the incinerator waste heat which is seldom used. The council are looking at decarbonizing the crematorium and changing to electric incineration from the existing gas fired units.

Old Town Hall and Tourist Information Centre



This building dates from the 16th century and was the original town hall. It is located in the main city square. It is now the tourist information center and has some shops and coffee shops located underneath the council building. The first floor houses the council activities. It has some meeting rooms but most of the area is taken up by the tourist information center. The building

is heated by a single 110kW Remeha LPHW boiler. Which was installed recently. The controls need updating and there is no energy metering. The lighting is a mixture of new LED and old fluorescent and tungsten halogen luminaries.

Old Fire Station



This building is a two-story building which used to be the old Victorian fire station. It is located in the town center close to the civic center. has been converted to an arts and music destination with arts gallery and small theatre. It has been leased to the new occupier on a ten-year lease. The occupier is responsible for the energy usage and costs. The ground floor and first floor of the building has been newly refurbished and is mainly heated from a new gas fired forced ventilation system. The rooms are heated by radiators. The system controls in the rooms could be upgraded and some of the room lighting is old and needs replacement.

6-24 Castle Street



This building is made up of a terrace of six buildings and was used by Cumbria University but has been handed back to the council. It is mixture of old Victorian and 1970's buildings which runs along the front of the street. It has a large number of small rooms and covers mainly two floors with a pair of three story and a small tower which has four floors at one end. The building is heated by 2 off Hamworthy gas fired 2 module Wessex boilers rated at 50kW per module (100kW per boiler). The boilers are each located at both ends of the building in basement boiler houses. The two boilers are very old and in poor condition and need replacement. The Controls are basic and need upgrading. There is no energy metering apart from the billing meters. The site Lighting is supplied by very old switch start fluorescent fittings which all need replacement. DHW is supplied by two off electric instantaneous water heaters.

John Street Hostel and Annex



This building consists of a relatively new main block attached to an old Victorian town house. Which is the annex. The buildings are in good condition. The Main building consists of a two story block of rooms which houses the residents. The building is heated by a 60kW ideal Evomax LPHW boiler feeding radiators. DHW is supplied by a separate 60kW Hamworthy instantaneous gas fired water heater. The Victorian annex is heated by a 30kW domestic boiler feeding radiators. DHW is supplied via small hot water cylinder fed from the boiler. The heating in both buildings is controlled by a control system which depends on wireless connection and batteries on valves and sensors. The system appears to be very unreliable and needs investigation.

Water Street Hostel



This building and plant are relatively new and consists of a two-story accommodation block with some side and common rooms and a reception office on the ground floor. Heating and DHW is supplied by 2 off 60kW Viesmann LPHW boilers. The boilers feed a ducted ventilation system and under floor heating. The lighting is supplied by downlighters in most areas. The light levels are poor and need upgrading. The controls and metering also need upgrading. The building has a number of submeters which are not connected.

Bitts Park Depot



This building is a storage work shed which is mainly unoccupied and unheated. It has a toilet and rest room which is heated by a small 30kW Vokera LPHW boiler. The lighting is all by old fluorescent fittings.

There are some old sodium floodlights. DHW is by small instantaneous electric water heaters.

Cemetery Depot



The cemetery depot consists of a small steel sheeted shed and a small stone building housing a rest room and toilet area. The shed is unheated and has some old fluorescent light fittings. The rest room is heated by both direct fired wall mounted gas heaters and electric panel heaters. The toilet area has electric panel heaters. The controls are manual and need upgrading. The radiant gas heaters should be removed.

The lighting is a mixture of new led and old fluorescent fittings which need upgrading. DHW is by small instantaneous electric water heaters.

Cemetery Garden Links



The Garden links consist of two heated greenhouses, a lean too glasshouse, a hot plant room with a small office and communal area. The old Victorian glasshouses are heated by an old and inefficient ideal Mexico boiler which is in very poor condition and needs replacement. The controls are basic and need upgraded. The office area is heated by a relatively new 30kW

Worcester gas fired boiler feeding radiators. This boiler also feeds some of the green house areas and hot plant room. The controls are basic. There is no metering. The lighting is mainly old t8 fluorescent batons which need replacement with Led units. The DHW is supplied by new electric instantaneous water heaters.

5.2 Energy conservation Measures

The following priority actions for improvement of the Councils energy management practices are recommended:

Priority 1 Improve energy management structure and practices				
Cost Saving £15173 pa	CO ₂ Savings 36.9 Tonnes pa	Energy Savings 15927 kWh pa	Cost £ 10,000	Payback 0.75Yrs
<p>Detail:</p> <p>Construct an action plan and energy strategy</p> <p>The site surveys have identified a number of areas where energy consumption can be reduced and has either implemented, or plans to implement, a number of these measures over the following years. The City Council should now consider the construction of a formal action plan and strategy for achieving further energy savings. The action plan should be regularly updated with actions required through both management and technical measures. The recommendations made in this report should be used as the basis of the action plan and as a platform for further investigation.</p> <p>It is understood that a policy exists of specifying energy efficient equipment where possible, which is to be commended. Care should however be taken to ensure that the requirement for energy efficient equipment is integrated into all new build and refurbishment projects with consideration given to the life cycle energy costs rather than the initial capital purchase costs.</p> <p>Form an Energy Programme Board/Working Group</p> <p>Responsibility for energy management across the portfolio lies with the management in the Property Team in lieu of a dedicated Energy Team To assist this process an Energy Working Group could be formed with Energy Champion identified for each of the building or as appropriate. The working group should meet on a regular basis. The purpose of the WG, whose members could be co-opted from appropriate staff, should be to identify opportunities to reduce energy consumption and waste in general and monitor progress to date. The minutes of the meetings should be logged including any action either completed or required. In its formative stages the first main target should be to produce an action plan of all measures that have historically and are currently being considered for implementation that will reduce energy consumption.</p> <p>Conduct regular reviews</p> <p>Regular reviews of opportunities to reduce energy consumption are not currently completed. The Council should consider a regular review of both management and technical opportunities and should record all activities that will have an</p>				

impact on energy consumption and maintain a log of further areas for action. The reviews should be completed both during meetings of the energy working group and through regular site 'walks' to identify any poor practices and faults with any management or automatic control systems etc. These walks should be at least quarterly.

Energy use should also be reviewed in all new and refurbishment projects. Project specifications should be reviewed to ensure that energy efficient equipment is specified. The findings of the reviews should be incorporated into the action plan to ensure that energy saving measures are implemented. The action plan should be regularly updated as the reviews are conducted and the results of the improved monitoring and targeting incorporated to identify achievements to date.

Improve awareness among staff

Levels of awareness of the need to conserve energy at senior management level are considered good at present. It is clear however that awareness requires improving among the staff to ensure that all lights and equipment is switched off when not required. See Priority's 2,3,4&5 below

Improve monitoring and targeting of energy use

Energy consumption is not manually or automatically checked and recorded from the main meters and sub meters. This should be carried out on a minimum of a monthly basis. Automatic systems will produce monthly reports and data down to every 15 minutes if necessary. This should be carried out and used to check billing and monthly consumption trends in order to identify waste and potential savings.

In order to improve on the usage of this information, consideration should be given to further analysis based upon sub metering of the major energy users including the heating boilers, lighting, air conditioning and computer systems at each building. The City Council is aware that better targeting is possible but is limited by the availability of money, time, and trained personnel to complete these tasks.

Once the parameters for energy performance are installed, the performance can then be targeted. Any fluctuations above expected performance can be checked to determine any relevant reasons such as failure of the controls, longer operating hours, severe weather etc. A simple spreadsheet system using a CUSUM based trending analysis in an excel spreadsheet or similar targeting automatic system could be used initially. See Priority 6 below

Publicise energy efficiency actions and achievements

Actions taken at each site to reduce energy consumption should be published via existing notice boards to assist in improving the levels of awareness in the site. Online energy data from M&T systems can be shown in real time on displays at each site. The City Council should publicise actions which can be used to show the organisation's green credentials. The recommended actions in this report should be used to assist in this process.

Rationale:

Potential energy savings at every building within the portfolio will be highlighted through the creation of a formal framework, increasing awareness and improved monitoring of the areas and levels of energy consumption. Savings are based on a typical 5% reduction in energy consumption. This would be achieved by switching off any lights, heating, air conditioning, kitchen, office or other

Risks:	<p>equipment or appliances which were not required and closing windows and doors. This will require a culture change for some of the staff.</p> <p>Additional management time is required which may be seen as a distraction in the future if focus is not maintained</p> <p>Initial impetus must be maintained, and progress assessed on an ongoing basis to maintain and improve on the initial savings gained by the implementation of the appropriate recommendations.</p>
Next Step:	<ol style="list-style-type: none"> 1. Developing a Net Zero Carbon strategy for the estate in conjunction with commitment from the senior site management. 2. Develop and maintain an action plan that is reviewed on a regular basis. 3. Develop an energy budget and cost target. 4. Create an Energy Working Group and select Energy Champions. 5. Implement an active poster campaign. 6. Give energy conservation talks to employees. 7. Consider implementing energy conservation as part of staff employment terms and conditions similar to health and safety. 8. Include energy as part of staff induction training. 9. Publicising the site's performance as an aid to increasing awareness of the costs and benefits of reducing energy usage. 10. Collect specific information required. 11. Input of this information along with production to into a spreadsheet to determine the sites performance in a graphical manner to show how the site is performing. 12. Set base consumption figures and targets for improvement on this. 13. Completion of reviews of site energy performance and progress towards target. 14. Reassessment of target if required. 13. Review of current energy status and implemented energy saving Projects updating the action plan as required.

Priority 2		Ensure that ventilation and air conditioning is tightly controlled		
Cost Saving £ 11,000 pa	CO ₂ Savings 10.7 Tonnes pa	Energy Savings 50,000 kWh pa	Cost £12,000	Payback 1.1 yrs
Detail:	<p>The City Council has a number of ventilation and air conditioning systems located at many of the sites. The systems are manually controlled or on simple time control. These systems should be tightly controlled and should only run when required. Air conditioning is very costly to operate. Typically, three times the cost of gas heating. The staff should be instructed to switch off the AC and ventilation when not in use or alternatively use personnel activated controls. Control of the sites ventilation and air conditioning systems using carbon dioxide levels to control ventilation rates should be considered. The heating should be interlocked with the air conditioning to ensure that both cannot be run together.</p> <p>It is estimated that The City Council has over 100 kW of cooling installed. Air conditioning was on in rooms which were unoccupied during the visit. The civic centre has some toilet extract systems which could be controlled to minimise ventilation costs.</p>			
Rationale:	<p>The City Council Air conditioning units draw an estimated average load of some 50 kW of electricity in total. The A/C units must not be switched on when the heating is on. If the Air conditioning is used, then the heating must be switched off to minimise cost and minimise carbon emissions. Rooms which are air conditioned</p>			

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normally have high heat gains due to computers, office equipment and lighting which puts additional load on the air conditioning. This additional heat gain should be minimised. Printers etc can be located in separate un air conditioned side rooms.

If the air conditioning is operated at 23C instead of 21C then the saving would be some 10% of the existing cooling cost.

Existing A/C cost is estimated at 50kW x 3000hours x 22p = £33,000. This cost could easily double if not tightly controlled.

Savings due to improved controls are: 10% of £33,000 = £3,300. Energy savings are 15,011 kWh, CO2 Savings are 2.7 tonnes

Savings due to controlling ventilation load using personnel and Carbon Dioxide controls would be some 50% of the existing AHU running costs. This is due to the fact that if you reduce the fan motor speed by 20% then you reduce the fan motor power by 50%.

A 50% saving in toilet ventilation fan running costs are 5kW x 3500 hours x 22p/kWh = £3850 per annum.

The cost of new Variable speed drives and controls is estimated at £6 000 per AHU. The cost of upgrading 2 AHU's and extract fans Would be £12,000.

Total potential savings would be £7,700

Risks:	The technical and commercial risks of updating the controls. Potential complaints by users.
Next Step:	<ol style="list-style-type: none"> 1. Investigate cooling and ventilation control options in more detail. 2. If the outside temperature is less than 18C then open windows rather than switch on A/C units. 3. Ensure that heating and air conditioning is not on together 4. Reduce lighting load by switching off lights and fitting energy efficient fittings to reduce heat load on the air conditioning. 5. Use LCD monitors on computers to reduce heat gains. 6. Ensure air conditioning systems are well maintained and that time controls are set to switch off when rooms are unoccupied or fit personnel activated controls.

Priority 3

Fit Automatic Metering Monitoring and Targeting system

Cost Saving £30,000pa	CO ₂ Savings 73.8 Tonnes pa	Energy Savings 318533 kWh pa	Cost £ 60,000	Payback 2Yrs
Detail:	<p>The City Council has a high energy bill but has very little visibility in how it is being used or where it is being used and how efficiently it is being used. Installing an automatic energy, carbon and cost management system has a number of advantages.</p> <ol style="list-style-type: none"> 1 The City Council will be able to see clearly where the energy is being used and who is using it and how efficiently. 2 The City Council will be able to identify areas of waste and take action to reduce it. 3 The City Council will be able to allocate energy costs and carbon costs against each building and department. A league table will be automatically produces showing the highest and lowest users and their associated Key performance indicators (KPI's) 4 Once users know they are being monitored and compared with other users, this automatically reduces unnecessary consumption. 5 Real time energy display certificates can be produced for each building showing how they compare against benchmarks. 			

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- 6 Energy budgets can be better allocated against users.
- 7 Energy saving projects can be identified and justified using the information produced.
- 8 The M&T system can be used to more easily specify new equipment using historical energy demand and power consumption.
- 8 The City Council's monthly carbon footprint can be calculated automatically.

Rationale:

The carbon trust trials showed that on average between 5% and 12% energy savings are made by implementing these systems

Total potential savings in the City Council is estimated at some 10% of £303467 = £30,000 in total. Energy savings are 318533 kWh and 73.8 tonnes of CO₂

Risks:

Cost and management time

Next Step:

1. Carry out detail Monitoring and Targeting study
2. Gather information on building/department allocated floor area and operating hours.
3. Install M&T System

Priority 4**Rationalise and Upgrade Building Lighting**

Cost Saving
£30,000pa

CO₂ Savings
31.3 Tonnes pa

Energy Savings
136,363kWh pa

Cost
£ 120,000

Payback
4.0Yrs

Detail:

The City Council has a high lighting load using many old fluorescent and tungsten halogen dichroic lamps. Many of these lights were on when not required during the day in areas with high levels of natural lighting. There are a number of tungsten and tungsten halogen lamps which should be changed to compact fluorescent lighting saving over 90% of the energy costs. Direct replacement 4watt LED lamps can now be purchased.

The City Council lighting load is estimated at some 321kW in total split across the various sites.

Critically assessing the number lamps and reducing the number of lamps to appropriate levels and fitting lighting controls such as timers and personnel activation in some areas will reduce the lighting costs dramatically.

LED lights should be fitted in all areas with personnel activated controls fitted in low use and intermittently occupied areas. Led lights if properly specified and installed will last over 20 Years without replacement compared to continual replacement of fluorescent lamps.

When fitting LED lighting it should be noted that equivalent fittings such as 600X 600 w replacements for 4 x 18w t5 lights or 2 X 28W PI lights will probably give out almost twice the light which commonly leads to over lighting and complaints of too bright lights in the room. Check that appropriate Lighting replacements are fitted when replacing existing fittings.

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Lighting is very expensive and should only be used where necessary. Appropriate light levels should be agreed, and the lighting controlled at that level. The light levels are very high in some areas compared to similar rooms in others. A picture hung on a wall, costs nothing to run. A light used for decorative effect has running costs which could be as high as £100 per year. Many lights are only on to light notice boards in already well-lit areas. Only light what you need to see and to appropriate levels.

Rationale:

The buildings have good day lighting giving high levels of natural light. Lux control could be carried out in some areas such as the work sheds and at windows.

Adding personnel activated controls to the toilet areas and other intermittently occupied areas would save some £30 per annum per room.

The dichroic spotlights should be replaced with LED lighting. Saving over 50% of lighting costs.

The target loading cost saving is estimated as £34,071.

Light fitting, lamp replacement and controls costs should be some £200,000. Although each area should be independently assessed. These are target values but should be achievable with more efficient lighting and improved control. Part of these savings could be achieved by better control of lighting by staff.

Risks:

Additional cost and operational disruption

Next Step:

1. Carry out detailed lighting survey to establish exact requirements.
2. Remove unnecessary lighting and rationalise lighting to appropriate levels in each area of the buildings.
3. Remove all tungsten and tungsten halogen lamps and replace with LED lamps.
4. Replace fluorescent fittings with LED fittings (also reduce number of fittings if appropriate). Led lighting gives out greater light per fitting than comparable fluorescent fittings
5. Fit lighting lux level control and personnel control to new fittings where appropriate.

Priority 5		Replace gas heating with Heat pumps where possible		
Cost Saving	CO ₂ Savings	Energy Savings	Cost	Payback
£ 30,000 pa	92,5 Tonnes pa	500,000kWh pa	£800,000	26Yrs
Detail:	The City Council has a number of old boilers some in poor condition. Heat pumps should be considered where possible as part of the decarbonisation strategy.			
Rationale:	<p>The Civic Centre heating system is very poor and inefficient. The boilers are in good condition, but the infrastructure and controls are old and in poor condition. The pipework is mainly uninsulated throughout the basement and the perimeter heating is very poor. The ground and first floors have already been converted to heat pump /AC units.</p> <p>The Castle street, Water street, John street, Garden link and Bousteads Grassing's depot should also be considered as they have existing boiler plant which could be converted to heat pumps. Where the existing systems feed</p>			

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indirect DHW cylinders Phase change material heat storage could be used to store heat from the heat pump during the night and dispatch it when required during the day.
This is worth some £30,000 per annum across the estate in cost savings for an installed cost of £800,000. Carbon savings would be some 92.5t/annum.

Risks: Additional cost and operational disruption

Next Step:

1. Carry out a heating survey and provide a simple system specification.
2. Improve building insulation levels.
3. Consider upgrading the site controls at the same time

Priority 6		Upgrade Heating Controls		
Cost Saving	CO ₂ Savings	Energy Savings	Cost	Payback
£23,521pa	72.5 Tonnes pa	392020 kWh pa	£ 65,000	2.8Yrs
Detail:	<p>The existing building heating systems throughout the City Council buildings are poorly controlled. The heating could be improved by zoning some of the areas and repair existing zoning to allow the staff to remotely be able to monitor and alter temperatures and time schedules and control areas depending on occupancy. The heating in some areas is manually controlled, and in some areas or by simple time clocks and very old and obsolete Building Management Systems. Some areas are on continually unless switched off by staff at the boilerhouse. The controls are simple and basic in some areas relying on thermostatic valves which do not switch off the heating at night. New Zone valves could be fitted at appropriate areas allowing zoning to be implemented in the Civic Centre.</p> <p>New electronic distributed temperature monitoring and switching is now very cost effective.</p>			
Rationale:	<p>We would recommend a remotely controlled system which could be operated from the estates office. Controllers at each building monitoring space temperatures. The zone temperatures could be adjusted as required or based on occupancy using occupancy sensors. Space heating is estimated at 70% of the gas bill. Savings in gas and electricity costs due to Improved controls would be some 20% of £117,606 = £23,521, 392.020 kWh and 72.5 tonnes of CO₂. There would be additional electrical savings associated with the heating systems. Some areas will give quicker paybacks than others.</p>			
Risks:	<p>Cost of upgrading controls is estimated at £65,000 across the estate. The technical and commercial risks of updating the controls. Potential complaints by clients.</p>			
Next Step:	<ol style="list-style-type: none"> a) Investigate heating and control options in more detail. b) Supply awareness training to occupants c) Instruct staff to switch off heating and close doors and windows in unoccupied areas. 			

Priority 7				
Install Solar Photovoltaic Panels on site				
Cost Saving	CO ₂ Savings	Energy Savings	Cost	Payback
£33,660 pa	35.19 Tonnes pa	127500kWh pa	£ 350,000	9.3 Yrs
Detail:	The council have a number of very large flat roofed areas and open grassed areas at the crematorium. There may be a possibility of mounting a large number of PV solar panels on the roofs and at the crematorium to provide electricity. These are becoming more attractive as costs fall and energy prices increase. It is estimated that there could be some 250kW of PV fitted across the estate. This could be attractive if grant funding was available and could be carried out in phases. Additional battery storage would increase carbon savings and the useful electricity harvested.			
Rationale:	The Crematorium, Garden Links and Bousteads Grassing's sites could probably house a large number of panels. Sized to match the best fit, demand and sun supply. Battery storage would improve the carbon savings			
Risks:	The technical and commercial risks of installing new plant.			
Next Step:	Investigate options in more detail, planning permission and grant approval. A feasibility study should be carried out.			
Relevant Publications:	n/a			

Priority 8				
Install Wind Turbine and Battery Storage at Crematorium				
Cost Saving	CO ₂ Savings	Energy Savings	Cost	Payback
£103,488 pa	165.8 Tonnes pa	559395 kWh pa	£ 500,840	4.8 Yrs
Rationale:	The Crematorium grounds could house a medium sized wind turbine some 100kW to 250kW and battery storage of some 300kW. The existing crematorium incinerators are gas fired. It is intended to decarbonise these in the future. If electric incineration is used, then there will be a very large demand for electricity at the site. The wind turbine will need to be sized to match the demand. Battery storage would average out the demand as it could be used to store electricity at night and at weekends and dispatch this electricity when required during the day to supplement the wind turbine and improve the carbon and cost savings			
Risks:	The technical and commercial risks of installing new plant.			
Next Step:	Investigate options in more detail, planning permission and grant approval. A feasibility study should be carried out.			
Relevant Publications:	n/a			

Priority 9 Install Ultra Rapid and Rapid EV chargers				
Cost Saving	CO ₂ Savings	Energy Savings	Cost	Payback
£120,000 pa	35.19 Tonnes pa	127500kWh pa	£ 130,000	1.1 Yrs
Detail:	<p>The council have a number of sites where Electric vehicle charging might be beneficial. The council is considering converting their vehicle fleet to electric and will need an EV charging network to make this possible. EV charging should be considered at the Boustead Grassings Depot and The Civic Centre. The crematorium car park should also be considered. Other sites such as swimming pools, leisure centres and Council owned car parks would be ideal locations. Converting to electricity from petrol or diesel will reduce the carbon emissions by up to 30% if using grid electricity to charge. If this was assisted by solar or wind then the savings would be higher. The installation of EV chargers could be funded by the savings. Current petrol and gas prices are around 27p/mile for a normal family car. The equivalent for a car charged at 22p/kWh is some 5p/mile. If a battery were used to store the energy from wind or solar and dispatched when needed, then the EV charging could be free and carbon zero.</p> <p>If 6 off 22kW and 3 off 150 kW ultra-rapid 4 port chargers were installed across the estate, then the costs would be some £130k. If 10 vehicles were charged at 40kWh daily at 22p/kWh the cost savings could be in the region of £120,000 per annum.</p> <p>If gas fired CHP were considered, then this could be used at the three sites to supplement the site electrical supply and provide waste heat for the buildings. The electricity generated could allow the EV vehicles to be charged at an even lower cost of sum 2p/mile. The council could use this to generate income by charging cars at 22p/kWh.</p>			
Rationale:	The Crematorium, Civic Centre and Bousteads Grassing's sites electrical connection could probably supply a number of chargers. Sized to match the best fit, demand and electrical supply. Battery storage would improve the carbon savings			
Risks:	The technical and commercial risks of installing new plant.			
Next Step:	Investigate options in more detail, planning permission and grant approval. A feasibility study should be carried out.			

5.3 Funding the delivery of heat decarbonisation

To date, the most common approach to funding energy projects has been for the City Council to fund through equity or debt through the internal reserves. To truly deliver the transition to the decarbonised estate, some options for funding aggregated projects through development of long-term strategic partnerships that combine public and private finance could be considered. In addition to these funding streams, the government has recently pledged nearly £2 billion of investment to reduce carbon emissions from industry and homes. The City Council should look at setting out, clear, innovative, and strategic plans for achieving decarbonisation of heat and look at options for obtaining investment, both through public funding and private investment.

Other typical funding mechanisms used by public sector to fund energy projects are outlined in the following sections. However, delivery of net zero is likely to require the exploration of innovative funding mechanisms.

Public Sector Decarbonisation Scheme

Funded by the Department of Business, Energy and Industrial Strategy, Salix has been working with public sector in England for over fifteen years. They have invested over £360 million in energy efficiency projects in English local authorities since 2004, saving English Councils over £71 million per annum.

Salix is able to fund energy efficiency projects across public sector estates, with over 100 energy efficiency technologies supported, including boilers, combined heat and power, insulation, LED and lighting upgrades. Salix offers grants through the Public Sector Decarbonisation Scheme.

Salix is continuing to work with clients to receive applications when you rounds are announced and are keen to work with organisations as they develop and deliver their heat decarbonisation plans. Salix also looks to build long term relationships by agreeing to fund projects over subsequent years as it was delivered under the PSDS#3.

Grants

Carlisle City Council has successfully applied for funding for a number of the projects identified in this report through the Low Carbon Skills Fund. This has been launched by the Department for Business, Energy, and Industrial Strategy (BEIS) who is allocating £1bn of grant funding for public sector decarbonisation. Projects are sought that align with the priorities of fighting coronavirus, backing business, unleashing innovation, and tackling climate change. The scheme will encourage green investment aligning with the Government's net zero and clean growth goals. There may be other grant funding available both locally and nationally, such as Local Growth Fund, Shared Prosperity Fund, and the Heat Network Investment Programme.

Procurement and route to market

The funding route and procurement strategy for delivery of the scale of low carbon projects required should be informed by early market engagement to help shape the requirements and plan the most appropriate route to market. This is particularly important where organisations are looking to procure innovative solutions, as early engagement with the market can help to shape solutions that maximise value and local benefits. This can then help to simplify the procurement process and is in line with Crown Commercial Service approach for commercial activities.

Frameworks

One example of a widely used framework is the Re:fit programme. This is a procurement initiative for public bodies wishing to implement energy efficiency measures and local energy generation projects on their assets, with support to assist in the development and delivery of the schemes. Measures implemented look to improve the energy performance of assets and thereby reduce carbon emissions, achieve guaranteed annual cost savings, and generate income for the authority.

The Re:fit framework is the framework of choice for public sector enabling change to be delivered at scale and pace. The framework uses a robust, flexible, and tested Energy Performance Contracting approach. Over 250 organisations have already engaged Re:fit and

over £180m of works have been procured across more than 1,000 buildings. This has resulted in savings in excess of 52,000tCO₂ and £10m of energy costs each year. The current pipeline is over £91m and growing.

The framework provides a guaranteed 100% of the energy saving or generation (kWh) via a contractual agreement for the payback period of the project. This key feature helps to remove risk of failure with new developments, as well as protecting the client and their investment. Additional benefits include improvements to buildings' operational performance and comfort levels for staff, reductions in building-related complaints and maintenance backlogs and a boost to local investment through local job creation.

The new Re:fit 4 energy performance contracting framework has just been launched, running for the period up to April 2024. Public sector bodies can use the Re:fit framework to help accelerate the development and delivery of long-term capital programmes.

Investment

The challenge of achieving heat decarbonisation, meeting City Council needs, and maximising the benefits under current budget pressures means that a more commercial approach to delivery is likely to be required. This commercialisation might involve joint ventures, private finance, or other innovative funding mechanisms.

5.4 Final Summary

There is clearly a clear drive in City Council to tackle climate change and achieve net zero carbon within the estate's buildings. The opportunities identified through this study could help to drive this change.

GRN Associates recommend that Carlisle City Council implement a drive for energy efficiency through behaviour change, the setting of ambitious targets and implementing the energy efficiency measures highlighted within the report. This will help to reduce the overall consumption of buildings. Heating sources can then be either converted to electrical or low carbon sources and remaining power requirements supplied from green energy sources either via on-site renewable generation (e.g. solar PV) or REGO backed green power.

Monitoring of progress will also be key to City Council's success in achieving heat decarbonisation. Clear actions should be determined following from the analysis in this report. Monitoring and reporting of progress against these actions should be carried out within agreed timelines and continually assessed. This assessment should then feed into review and update of the action plan.

Meeting Date: 21 February 2022
Portfolio: Environment and Transport
Key Decision: KD.03/22
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: CAR PARKING: OPTIONS TO SUPPORT HIGH STREET RECOVERY

Report of: The Deputy Chief Executive
Report Number: CS.09/22

Purpose / Summary:

To review how car parking can support retail and footfall in the city centre.

Recommendations:

Executive is recommended to review the feedback from the consultation and consider the impact of the proposals on the Council's budget.

Tracking

Executive:	21 February 2022
Overview and Scrutiny:	
Council:	

1.0 Introduction

- 1.1 As part of the budget discussions at the meeting of City Council on Tuesday 01 February 2022, it was announced that options were to be developed to further support the retail and leisure sector through a review of car parking offers designed to increase footfall and dwell-time in the city centre. The proposals would introduce, for up to one year:
- Free parking at weekends and on bank / public holidays
 - Reduced rate parking Monday to Friday for the first hour.
- 1.2 Following the Council meeting, a 14-day consultation process was initiated to seek the views of interested parties on the proposals. Feedback from this consultation was not available at the time of writing but will be available 21 February 2022 Executive.
- 1.3 This report highlights the potential impact of the proposed offers on income levels for 2022-23 and confirms the next steps and timescales to take this forward.

2.0 Free parking at weekends and on bank / public holidays

- 2.1 This option will provide free parking in all Carlisle owned city centre pay and display car parks on Saturdays and Sundays throughout the year up to 31 March 2023. Free parking will also be available on English Bank and Public Holidays (nine days) across the year, including the extra day for the Queen's Platinum Jubilee (03 June 2022).
- 2.2 The estimated impact of this change on income levels for 2022-23 is provided in the table in 8.1 and has been provided for in the Executive's budget proposals presented to Council on 1 February 2022.
- 2.3 In addition to supporting the retail sector and visitor economy, this offer will also have some additional spin-off benefits in support of the Council's wider priorities. Civil Enforcement Officers currently share their time between monitoring car parks and enviro-crime activities. This offer will therefore enable this resource at weekends to be redirected to tackling issues such as littering in the city centre or for example responsible dog ownership in our parks, further building council image and reputation.

Note: Some reduced car park patrols may still be needed to ensure compliance and safe parking for example to ensure cars are parked within bays, not blocking access, or for those parking in restricted bays for example.

3.0 Mid-week offer

- 3.1 In addition to the weekend offer, it is proposed to introduce a reduced rate parking charge of £1.00 for the first hour of parking across Carlisle owned city centre pay and display car parks. This is a saving of almost 25% on the current typical one-hour charge of £1.30, saving customers 30pence for those shorter trips to the city centre.

3.2 The estimated impact is provided in the table in 8.1.

4.0 Exclusions

4.1 The offer is aimed at supporting recovery on the high street and does not therefore extend to parking at Paddy's Market (all-day car park) and Talkin Tarn car park.

4.2 The standard tariff will apply at all other times.

4.3 The offer will run to 31 March 2023.

4.4 Overnight barrier closures in Castle, Caldew Riverside and West Walls car parks will remain in place as per current arrangements. The overnight closure times may be reviewed / extended at weekends and bank holidays to reflect any changing demands but will be kept under review should this lead to any increase in anti-social behaviour.

5.0 Eligible car parks and revised tariff

5.1 The table below confirms the list of nine car parks that will be included in the offer and confirms the changes to the charges.

		INCLUDED						NO-CHANGE	
		Caldew Riverside + Castle	Viaduct	Sands + Swifts	West Walls	Bitts Park + Lowther Street	Civic Centre	Talkin Tarn	Paddy's Market
Monday to Friday Excluding bank and public holidays	1 hour	£1.00 for first hour						£1.20	£2.80
	2 hours	£2.20	£2.30				£2.40	(all-day parking)	
	3 hours	£2.60	£2.60	£2.70	£2.90				
	3+ hours	£3.00	£3.00	£3.20	£3.50				
	4+ hours		£3.80	£3.80	£4.40	£5.50			£10.70
Weekend + Bank Holidays	All-day	Free parking all day Saturday and Sunday Free parking all Bank and Public Holidays (England)							As above charges apply every day

6.0 Feedback from consultation

6.1 As mentioned above, the Council is required to consult with interested parties on proposals to significantly vary the charging structure for its car parks. The period of consultation was initiated after the meeting of Council on Tuesday 01 February 2022 and ran for 14 days (02 – 16 February 2022). Feedback from the consultation was not available at the time of writing but will be available for consideration by Executive at its meeting on 21 February 2022.

7.0 Permit holders

- 7.1 Customers are currently able to purchase permits / season tickets providing reduced cost parking over five, six and seven days. With the introduction of free parking at the weekend it will be necessary to review the cost of six-day and seven-day permits. Anyone who may have purchased a six or seven day permit will be offered the appropriate level of refund,
- 7.2 Recognising that permits already provide excellent value for money it is not proposed to adjust the permit prices beyond this to reflect the reduced charge for the first hour, nor to make any reduction for bank or public holidays. Refunds, pro-rata, will be available should customers feel that the permits no longer represent value for money, but the rates for five-day permits for 2022-23 will remain as previously agreed.
- 7.3 There are currently 87 permit holders of six-day or seven-day permits for the car parks covered by this offer:
- 32 customers hold monthly permits so will be able to renew their permits at the new reduced rate without the need for most to be issued with a refund.
 - 55 customers currently have permits for a mix of three, six and 12 months and will be offered a full or partial refund as appropriate.
- 7.4 Based on current numbers, and assuming each of the 87 existing permits renew their permits and pay for five days parking instead of six / seven days parking, this will result in a loss of income of £354 per month (£4,250 per year).

8.0 Impact on budget

- 8.1 The estimated impact as shown in the table below is based on 2019-2020 actual income level; the last typical year, pre-Covid lockdowns. To better reflect current demands for parking, the figures, where appropriate, have been adjusted to 70% levels. Car park occupancy rates were already in decline pre-lockdown, with an over-supply of parking spaces in the city centre and reflecting the ongoing challenges of the high street. Since the lockdown measures have eased, we have seen the occupancy rates steadily grow but they remain down on previous levels and are perhaps unlikely to return to pre-lockdown measures in the short to medium term given the changes to people's working and commuting patterns. Executive is reminded that the numbers provided below are in addition to the pressure on income from car parking as previously reported for the reasons outlined above.

		Est. impact on income
	Saturday: sale of tickets	£58,389
	Sunday: sale of tickets	£26,787

Free parking offer Weekends and Bank / Public Holidays	Bank holidays: sale of tickets	£12,606
	Loss of PCN income (weekends)	£7,000
	Loss of PCN income (bank holidays)	£1,625
	Change in permit income	£4,250
	Total:	£110,657
Mid-week offer	£1.00 for first hour	£9,870
	Combined:	£120,527

9.0 Timescale

- 9.1 Changes to the tariffs as proposed will require formal notices to be published. The earliest date would be from 05 March – 28 March providing for a 01 April 2022 start-date. Any delay in issuing the formal notices will impact on the start date.
- 9.2 The offers will run for up to one year, subject to review, ending on 31 March 2023.

10.0 Communications, marketing, monitoring and review

- 10.1 The new offers will be promoted and marketed across a range of media to maximise awareness of the offer locally and to support the visitor economy. Feedback from customers and businesses will be sought on the impact of the change to support planning going forward.

11.0 Recommendations

- 11.1 Executive is recommended to review the feedback from the consultation and to assess the implications on budget in reaching its decision to introduce the new offers to:
- Provide free parking at weekends, Bank and Public Holidays
 - Introduce a reduced fee of £1.00 for the first hour of parking in city centre Council pay and display car parks
 - Implement the changes from 01 April 2022 or at a date as soon as possible thereafter
 - Terminate the offer on 31 March 2023, subject to review.

12.0 Contribution to The Carlisle Plan Priorities

- 12.1 Car parking supports the local economy, providing access to shopping, leisure, hospitality, employment, training and education for local people, commuters and visitors. Income generated from car parking supports the delivery of key services for the people of Carlisle.

Contact Officer: Darren Crossley

Ext: 7120

**Appendices
attached to report:**

Appendix one to follow: feedback from the consultation.

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 formal procedure governing changes to parking charges is set out in Section 35C of the Road Traffic Regulation Act 1984 (as amended) and Regulation 25 of the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996. This procedure stipulates that any proposed changes to such charges should be consulted on prior to formal approval and subsequently if approved publicly advertised prior to implementation. All new charges, or changes to existing charges, unless specifically approved, require the approval of the Executive in accordance with the Financial Procedure Rules (D.31).

FINANCE – The Executive's Budget Proposals presented to Council on 1 February 2022 included a loss of income pressure for car parking in relation to supporting the high street and increasing footfall. The proposals of this report can be contained within that budgetary pressure.

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

INFORMATION GOVERNANCE – N/A

PROPERTY SERVICES – Any reduction in parking charges is likely to affect other car park operators in the city centre including The Lanes car park. The proposals may have a negative impact on the rental income received from The Lanes Shopping Centre however if the proposals are successful this may be offset by increased footfall and increased retailer demand.

NOTICE OF EXECUTIVE KEY DECISIONS

21 January 2022

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

21 January 2022
18 February 2022
21 March 2022

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 J Mallinson (Leader / Chair)
Councillor G Ellis (Deputy Leader, and Finance, Governance and Resources Portfolio Holder)
Councillor N Christian (Environment and Transport Portfolio Holder)
Councillor S Higgs (Culture, Heritage and Leisure Portfolio Holder)
Councillor Mrs Mallinson (Communities, Health and Wellbeing 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.02/22	Heat Decarbonisation Plan	21 February 2022
KD.03/22	Review of car parking to further support city centre recovery	21 February 2022
KD.04/22	Citadels project	21 February 2022

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.02/22
Type of Decision:	Executive
Decision Title:	Heat Decarbonisation Plan
Decision to be taken:	The Executive will be asked to approve a Heat Decarbonisation Plan for a number of assets within the Council's portfolio
Date Decision to be considered:	
Date Decision to be taken:	21 February 2022
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 Governance and Regulatory Services will be available five working days before the meeting
Contact Officer for this Decision:	Corporate Director of Governance and Regulatory Services, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Finance, Governance and Resources (Councillor Ellis)
Relevant or Lead Overview and Scrutiny Panel:	Business and Transformation 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.03/22
Type of Decision:	Executive
Decision Title:	Review of car parking to further support city centre recovery
Decision to be taken:	The Executive will be reviewing how car parking can further aid retail and footfall in the city centre.
Date Decision to be considered:	
Date Decision to be taken:	21 February 2022
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:	Environment and Transport (Councillor Christian)
Relevant or Lead Overview and Scrutiny Panel:	Business and Transformation 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.04/22
Type of Decision:	Executive
Decision Title:	Citadels project
Decision to be taken:	The Executive will be asked to approve the disposal of the City Council's property assets to allow the creation of a city centre campus for the University of Cumbria.
Date Decision to be considered:	
Date Decision to be taken:	21 February 2022
Is the Decision Public or Private?:	The decision will be taken in private. The report is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as the report contains exempt information relating to the financial or business affairs of any particular person (including the authority holding that information)
Documents submitted for consideration in relation to the Decision:	The report of the Corporate Director of Governance and Resources will be available five working days before the meeting
Contact Officer for this Decision:	Corporate Director of Governance and Regulatory Services, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Finance, Governance and Resources (Councillor Ellis)
Relevant or Lead Overview and Scrutiny Panel:	Business and Transformation 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 prepared by Councillor John Mallinson,
Leader of Carlisle City Council

Date: 21 January 2022

INDIVIDUAL PORTFOLIO HOLDER DECISIONS

Below is a list of decisions taken by Individual Portfolio Holders acting under delegated powers, full details can be viewed on the Council's website www.carlisle.gov.uk:

Item
A.4

PF.1/22

Car parking: Options to support high street recovery

Portfolio Holder who made the Decision:

Councillor Nigel Edward Christian

Portfolio Area:

Environment and Transport

Subject Matter:

Following discussion at Council on 01 February 2022, this decision confirms the initiation of a 14 day consultation process to the views of interested parties on options designed to support the recovery of the high street through a review of car parking charges.

Summary of Options rejected:

N/A

DECISION

To initiate a 14 day consultation process with interested parties on options to support the recovery of the high street through a review of car parking charges.

Reasons for Decision

To meet statutory requirements to consult on possible changes to car parking tariffs.

Background Papers considered:

None.

Date Decision Made:

01 February 2022

Implementation Date:

2 February 2022

Officer Decisions

Below is a list of decisions taken by Officers which they have classed as significant, full details and supporting background documents can be viewed on the Council's website www.carlisle.gov.uk/CMIS/

Decision Ref No	Title: Subject and Decision Taken:	Reports and Background Papers considered:	Date Decision Taken:	Decision Maker:															
OD.6/22	Central Plaza Project Development Costs The decision relates to the project development for the regeneration of the former Central Plaza site. The Council has made a £50,000 contribution (exclusive of VAT) to the cost of the preliminary work undertaken on the site between 2019-2021.	None.	10 January 2022	Corporate Director of Economic Development.															
OD.7/22	Real Living Wage Increase – January 2022 Real Living Wage Increase 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 £9.50 per hour to £9.90 per hour. It is proposed that the Council adopt the increase and implements with effect from 1 st January 2022. The Minimum Wage, set by the Government is as follows; <table border="1"><tr><td></td><td>Current</td><td>As at 1/4/22</td></tr><tr><td>Under 18</td><td>£4.62</td><td>£4.81</td></tr><tr><td>18 to 20</td><td>£6.56</td><td>£6.83</td></tr><tr><td>21 to 22</td><td>£8.36</td><td>£9.18</td></tr><tr><td>23 and over</td><td>£8.91</td><td>£9.50</td></tr></table> The real Living wage (set by the Living Wage Foundation) is now £9.90 per hour (£11.05 per hour in London) for over 18's. This payment is		Current	As at 1/4/22	Under 18	£4.62	£4.81	18 to 20	£6.56	£6.83	21 to 22	£8.36	£9.18	23 and over	£8.91	£9.50	N/A	07 January 2022	Deputy Chief Executive
	Current	As at 1/4/22																	
Under 18	£4.62	£4.81																	
18 to 20	£6.56	£6.83																	
21 to 22	£8.36	£9.18																	
23 and over	£8.91	£9.50																	

	<p>voluntary and is based on the cost of living according to a basket of household goods and services.</p> <p>This will impact on salary scale Grade A - Pay Point P1 and will cost the Council approximately £1400 per annum which can be met from base budgets.</p>													
OD.8/22	<p>One Public Estate Grant Funding Agreement for Kendal Leisure Centre. Carlisle City Council acts as the accountable body for the Cumbria wide One Public Estate (OPE) programme and as such takes responsibility for holding and allocating programme capital funds under the terms of the grant.</p> <p>The capital development work at Kendal Leisure Centre is part of this OPE programme and is eligible for a £60,000 repayable grant. The grant funding agreement for this contribution has been agreed and signed by all parties and funds will now be released.</p> <p>This decision is made following the Executive report (CS48/21) 13th December 2021 that set out the terms for allocating these funds.</p>	None.	17 January 2022	Deputy Chief Executive										
OD.9/22	<p>Revenue Grant Reserve – Release of Funds</p> <p>To release funding from the Revenue Grant Reserve in October to December 2021 to fund expenditure in line with the terms and conditions of the grant awards as follows:</p> <table><tr><td>Service Area</td><td>Request for Release</td></tr><tr><td>One Public Estate</td><td>6,100</td></tr><tr><td>Other Green Spaces</td><td>16,800</td></tr><tr><td>Waste Services</td><td>3,500</td></tr><tr><td>Partnerships</td><td>4,600</td></tr></table>	Service Area	Request for Release	One Public Estate	6,100	Other Green Spaces	16,800	Waste Services	3,500	Partnerships	4,600	None.	18 January 2022	Corporate Director of Finance and Resources
Service Area	Request for Release													
One Public Estate	6,100													
Other Green Spaces	16,800													
Waste Services	3,500													
Partnerships	4,600													

	<p>Investment and Policy 85,800</p> <p>Homeless Prevention and Welfare 7,500</p> <p>Electoral Services 4,900</p> <p>129,200</p> <p>The use of this reserve is set out within the Council's MFTP and can only be released under delegated powers, by the Corporate Director of Finance and Resources.</p>			
OD.10/22	<p>Business Rates Pooling Arrangements 2022/23</p> <p>At their meeting of 22 November 2021, the Executive agreed in principle to continue with the pooling arrangements with other Cumbrian Authorities under the Business Rates Retention Scheme for 2022/23 financial year.</p> <p>Final confirmation that the Pooling arrangements would be beneficial to the Council has been obtained through NNDR monitoring, and the decision, delegated to the Corporate Director of Finance and Resources, has been made to continue in the pool.</p> <p>Continuation of the Pooling arrangements for 2022/23 has been agreed by all of the Cumbrian S151 Officers.</p> <p>The financial implications of the pooling arrangements are included within the Council's 2022/23 – 2026/27 Revenue Budget which forms part of the 2022/23 budget proposals.</p>	RD48/21 Local Taxation 2022/23 – 2026/27	19 January 2022	Corporate Director of Finance and Resources
OD.11/22	<p>Precept Payment Dates 2022/23</p> <p>In accordance with section 2 (b) of the Council's Constitution <i>Leader's Scheme of Delegation</i>, the Corporate Director of Finance and Resources</p>	Final Paper to CCFO 12 th January 2022	19 January 2022	Corporate Director of

	<p>is required to set the Collection Fund precept/business rate retention scheme payment dates.</p> <p>Consultation is required with the major precepting authorities, i.e., Cumbria County Council and the Police & Crime Commissioner, on these suggested precept dates for 2022/23. Actual precept payment dates have to be notified before 31 January of each year.</p> <p>Consultation took place with the Cumbria Chief Finance Officers via email on 12th December 2021, with the suggested dates, set out on the attached, being agreed on 12th January 2022.</p>			Finance and Resources
OD.12/22	<p>Council Tax Base 2022/23</p> <p>In accordance with section 2 (a) of the Council's Constitution <i>Responsibility for Council Functions</i>, the Corporate Director of Finance and Resources is required to calculate the council tax base on an annual basis.</p> <p>That, after making the necessary calculations in accordance with Regulations, the estimated Council Tax Base for 2022/23 is set at 35,164.84. The proportion of this tax base due to the reduction of second homes discount is 219.66.</p>	Council Tax Base calculation spreadsheets 2022/23	19 January 2022	Corporate Director of Finance and Resources
OD.13/22	<p>Council Tax Surplus/Deficit 2022/23</p> <p>In accordance with section 2 (b) of the Council's Constitution <i>Leader's Scheme of Delegation</i>, the Corporate Director of Finance and Resources is required to estimate any surplus or deficit on the Collection Fund.</p> <p>That, after making the necessary calculations in accordance with Regulations, the estimated Council Tax Surplus for 2021/22 (to be recovered in 2022/23) is estimated at £981,852.99 which would normally</p>	Council Tax Surplus/Deficit calculation spreadsheets 2022/23 & CIPFA Collection Fund Toolkit.	19 January 2022	Corporate Director of Finance and Resources

	<p>be shared proportionally with the main preceptors on the Collection Fund as follows:</p> <ul style="list-style-type: none"> • Carlisle City Council - £117,846.99 • Cumbria County Council - £731,740.38 • Cumbria Police & Crime Commissioner - £132,265.62 <p>This amount includes 1/3rd of the estimated deficit for 2020/21 that is allowed to be spread over 3-years in accordance with The Local Authorities (Collection Fund: Surplus and Deficit) (Coronavirus) (England) Regulations 2020, due to the exceptional circumstances the COVID-19 pandemic has had on local tax collection.</p>			
OD.14/22	<p>Hammond's Pond Improvements – Beck Crossings</p> <ul style="list-style-type: none"> • This project forms part of an extensive refurbishment and improvements package of the park infrastructure at Hammond's Pond, Upperby, Carlisle. • Funding is in place from a Section 106 agreement between Story Homes (developers of the adjacent Ridings Estate) and the City Council, with a total of £205,960 available for the improvement of footpaths at Hammond's Pond. • Structural engineers were engaged to produce designs for the replacement of three footbridges and the refurbishment of one culvert crossing over the Wire Mire Beck in Hammond's Pond. • A bespoke flood risk activity permit to complete the works was sought from the Environment Agency in September 2021 and full consent received. • A tender package was distributed to contractors placed on the existing Carlisle City Council Green Spaces Framework Agreement on 23/11/2021 and responses requested by 12/01/2022. <p>Quotations were received from five contractors and, following tender assessment, the decision was made to award the contract to Evans Agricultural Contractors Ltd for a total value of £24,337.52.</p>	None.	21 January 2022	Deputy Chief Executive

OD.15/22	<p>Hammond's Pond Improvements – Footpaths Phase 1 (East)</p> <ul style="list-style-type: none"> • This project forms part of an extensive refurbishment and improvements package of the park infrastructure at Hammond's Pond, Upperby, Carlisle. • Funding is in place from a Section 106 agreement between Story Homes (developers of the adjacent Ridings Estate) and the City Council, with a total of £205,960 available for the improvement of footpaths at Hammond's Pond. • Existing footpaths throughout the park are in generally poor condition, all were assessed by a City Council officer during 2021 and a priority list drawn together. • Paths in the Eastern area of the park (accessed off Scalegate Road) will be upgraded via the installation of concrete pin kerb edging along with an overlay of new asphalt to a depth of 80mm. This specification ensures a high-quality surface for users of all abilities, which is sufficiently robust to withstand occasional vehicle traffic and incur minimal maintenance costs. • A tender package was distributed to contractors placed on the existing Carlisle City Council Green Spaces Framework Agreement on 23/11/2021 and responses requested by 12/01/2022. <p>Quotations were received from five contractors and, following tender assessment, the decision was made to award the contract to Toman Contracting Ltd for a total value of £68,330.84.</p>	None.	21 January 2022	Deputy Chief Executive
OD.16/22	<p>Stanwix House, Kell's Place, Carlisle</p> <p>Retrospective consent to grant parking licences at property. Decision taken is to grant retrospective consent on payment of one-off premium.</p>	None.	21 January 2022	Head of Property Services
OD.17/22	<p>Licensing decisions taken between 1 January and 31 January 2022</p> <p>The Licensing Manager has granted the attached licences or permissions under an express authorisation delegated to her and in accordance with</p>	Applications for various licences. Private Not for Publication by Virtue of Paragraph 1 of Part 1 of	31 January 2022	Licensing Manager

	the Council's policy requirements. (can be viewed on the Council website http://CMIS.carlisle.gov.uk/CMIS/CouncilDecisions/OfficerDecisions.aspx)	Schedule 12A of the Local Government Act.		
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JOINT MANAGEMENT TEAM

Item
A.6

MINUTES – 19th January 2022

Attendees	Leader; Deputy Leader; PH Communities, Health & Wellbeing; PH Environment & Transport; PH Culture, Heritage & Leisure; Chief Executive; Deputy Chief Executive; Corporate Director of Governance & Regulatory Services; Corporate Director of Finance & Resources; Corporate Director of Economic Development
Apologies	PH Economy, Enterprise & Housing

Agenda Item 1 – Minutes of Meeting 20th December 2021	Action
Noted and agreed	
Agenda Item 2 – Local Government Reorganisation	
The Chief Executive updated attendees with information available at this time	
Agenda Item 3 - Updates on Borderlands; The Sands; Civic Centre; St Cuthbert's Garden Village; Central Plaza	
Members of SMT provided the Executive with their update on the current position regarding each area	
Agenda Item 5 - JMT Forward Plan	
Noted	

Carlisle City Council Report to Executive

Item
A.7

Meeting Date: 21 February 2022
Portfolio: Finance, Governance and Resources
Key Decision: No
Policy and Budget Framework: Yes
Public / Private: Public

Title: Revenue Budget Overview & Monitoring Report: April to December 2021
Report of: Corporate Director of Finance and Resources
Report Number: RD.70/21

Purpose / Summary:

This report provides an overview of the Council's overall budgetary position for the period April to December 2021 for revenue schemes only and provides details of the impact of COVID-19 on the revenue budget. The report also includes details of balance sheet management issues, bad debts written off in the period and progress against the budget savings is also provided.

Recommendations:

The Executive is asked to:

- (i) Note the budgetary performance position of the Council to December 2021;
- (ii) Note the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 7;
- (iii) Note the release of reserves as set out in the table at paragraph 2.2, and note the virements approved as detailed in Appendix A.

Tracking

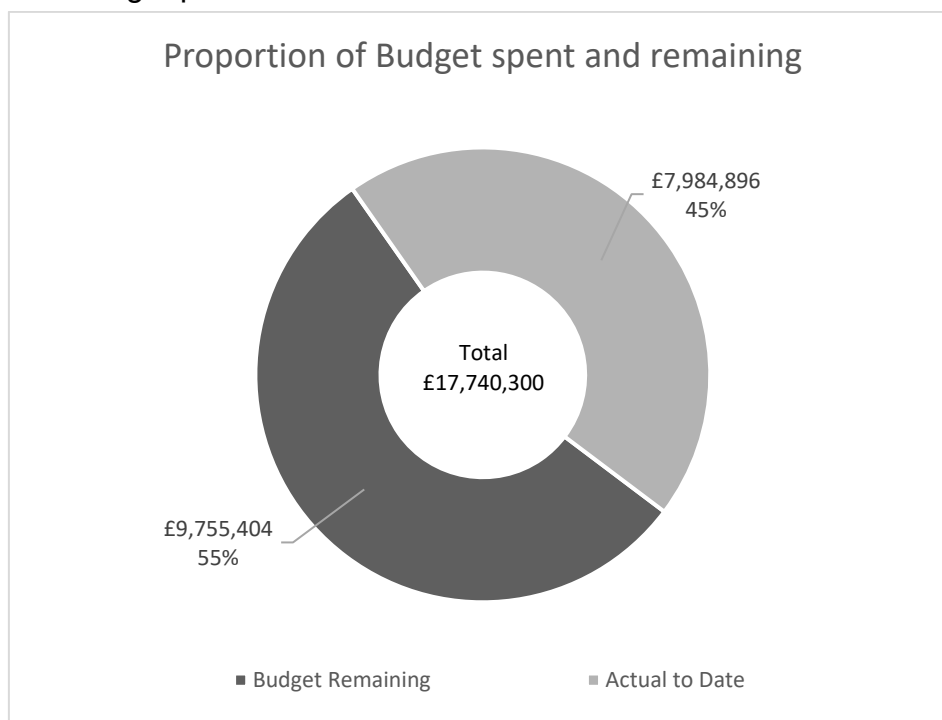
Executive:	21 February 2022
Scrutiny:	24 February 2022
Council:	n/a

1. Background

- 1.1. In accordance with the City Council's Financial Procedure Rules, the Corporate Director of Finance and Resources is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. Further details of virements processed can be found in **Appendix A**. It is the responsibility of individual Chief Officers to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the Corporate Director of Finance and Resources.
- 1.2. All Managers currently receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision-making process.
- 1.3. Please note that throughout this report:
- (i) the use of a bracket represents a favourable position i.e. either an underspend or additional income received,
 - (ii) the term 'underspend' is taken to include both reduced expenditure and/or increased income,
 - (iii) the term 'overspend' includes both spending above budget and/or shortfall in income.

2. 2021/22 Revenue Budget Monitoring

- 2.1 The budget position of the Council as at December 2021 is as follows:



2.2 The summarised revenue budgetary position as at December 2021 is shown in the following table:

		Original Budget £	Net Updated £	Net Budget to Date £	Net Spend to Date £	Variance £
Community Services	B1	9,480,600	11,160,000	6,114,877	5,924,293	(190,584)
Corporate Support	B2	2,632,600	268,200	219,816	239,767	19,951
Economic Development	B3	974,700	2,172,600	1,439,458	1,167,941	(271,517)
Finance & Resources	B4	2,054,500	1,780,200	1,452,834	1,181,790	(271,044)
Governance & Regulatory Services	B5	1,305,800	2,272,300	1,138,808	1,006,413	(132,395)
Corporate Management	B6	(3,042,200)	(2,074,100)	(659,019)	(466,853)	192,166
Service Expenditure		13,406,000	15,579,200	9,706,774	9,053,351	(653,423)
Exceptional Items	B7	(25,000)	2,161,100	(425,286)	(1,068,455)	(643,169)
Service Expenditure		13,381,000	17,740,300	9,281,488	7,984,896	(1,296,592)
Parish Precepts		708,300	708,300	708,300	708,056	(244)
Total		14,089,300	18,448,600	9,989,788	8,692,952	(1,296,836)
Transfers to/(from) Reserves						
Cremator Replacement Reserve		0	66,200			
Revenue Grants Reserve		0	(509,500)			
General Fund Reserve		466,600	(1,346,700)			
Planning Services Reserve		0	58,500			
Economic Recovery Reserve		0	(50,000)			
Prosecution Fund Reserve		0	(1,700)			
Building Control Reserve		0	(9,500)			
Business Rates S31 Reserve		0	(9,463,000)			
Operational Risk Reserve		0	(2,100,000)			
Total Transfer to/(from) Reserves		466,600	(13,355,700)	(8,535,863)	(6,982,152)	1,553,711
Financed by:						
Precept from Collection Fund		(8,346,900)	(8,346,900)	(6,260,175)	(6,260,173)	2
Business Rates Deficit B/Fwd		0	9,463,000	9,463,000	9,462,618	(382)
Business Rate Retention		(6,209,000)	(6,209,000)	(4,656,750)	(4,913,245)	(256,495)
Total Grants		(14,555,900)	(5,092,900)	(1,453,925)	(1,710,800)	(256,875)
Total		(14,089,300)	(18,448,600)	(9,989,788)	(8,692,952)	1,296,836

2.3 Further details for each directorate can be found in **Appendices B1 – B7**. Each appendix shows a breakdown of the variances for the Directorate, with comments and a note of any performance issues. Although the net position is shown in the table above, the main variances are summarised in the table below.

Budget Area		Underspend £	Overspend £
Car Parking Income (excl. contracts)	B1	0	293,153
Garage Services	B1	0	79,490
Healthy Cities	B1	(95,892)	0
Other Green Spaces	B1	(63,256)	0
Recycling and Waste Management	B1	(388,745)	0
Building Control Income	B3	(56,450)	0
Development Control Income	B3	(157,292)	0
Loan Interest (incl. new borrowing)	B4	(230,437)	0
Electoral Services	B5	(57,513)	0
Building & Facilities	B5	(67,341)	0
Industrial Estates	B5	(70,075)	0
The Lanes Income	B5	0	228,936
Asset Review Income	B5	(107,565)	0
Homeless Accommodation	B5	0	91,634
Profiled Budget Savings to Find	B6	0	255,852
Salary Turnover Savings	B6	(63,049)	0

2.4 Some of the significant service expenditure and income variances are set out below:

- A shortfall in car parking income from tickets, permits and PCNs due to Covid-19. A budget pressure has been included in the 2022/23 budget to reflect this.
- A net overspend in Garage Services mainly due to a shortfall in trading income.
- A net underspend in Healthy Cities mainly due to Small Scale Community Projects and leisure contract payments.
- A net underspend in Other Green Spaces mainly due to increased car parking income at Talkin Tarn Country Park.
- A net underspend in Recycling and Waste Services due to reduced transport costs and increased income from plastic and card recycling, sale of recyclates and Bring Sites.
- An increase in Building Control Income including Inspection Fee income, Building Notice fee income and Plan Deposit fee income.
- An increase in Development Control fee income due to a couple of significant application fees being received.
- A saving from interest on borrowing due to no new borrowing scheduled for 2021/22 being entered into yet.
- An underspend on Election costs as a result of there being no City Council elections in 2021/22; some of this underspend will be used to support the Community Governance Review in Stanwix.
- A net underspend on Buildings and Facilities due to reduced costs for Building Cleaning, Civic Centre and Public Conveniences.
- A net underspend on Industrial Estates due to increased rental income as a result of backdated rent reviews.

- Rental income losses from the Lanes to date with revised current projections indicating a potential loss of £194,000 for 2021/22.
- Additional income generated from completed rent reviews.
- An underspend of £108,655 on expenditure on Homeless Accommodation and a shortfall in income of £200,289. This is a direct result of Covid-19 as changes to occupancy and the available provision have had to be made to ensure the health and wellbeing of residents and staff. A budget pressure has been included in the 2022/23 budget to reflect this.
- An overspend due to profiled budget savings to end of December for 2021/22 of £255,852. The annual position is reported more fully in paragraph 2.9.
- Additional salary turnover achieved against the budget to date.

2.5 A subjective analysis of the summarised budgetary position excluding exceptional items as at December is shown in **Appendix C**.

2.6 As usual the Council's virement procedures will be utilised in 2021/22 to accommodate new areas of spend outwith the current base budgets which can be funded from underspends, as highlighted within this monitoring report, thus avoiding the additional use of reserves, or pressures on future years budgets.

2.7 The following table provides a summary position of the income and expenditure within Exceptional Items:

		Original Budget £	Net Updated £	Net Budget to Date £	Net Spend to Date £	Variance £
Flood Related	B7	0	(7,200)	(7,200)	(7,064)	136
Covid-19 Related Expenditure	B7	0	93,300	69,985	221,260	151,275
Covid-19 Government Funding	B7	0	(25,000)	(25,000)	(819,838)	(794,838)
Covid-19 Government Grants	B7	0	0	(465,790)	(465,842)	(52)
Covid-19 Specific Grants	B7	0	0	(1,706)	(1,400)	306
Local Government Reorganisation	B7	0	2,100,000	4,425	4,429	4
Total Exceptional Items		0	2,161,100	(425,286)	(1,068,455)	(643,169)

2.8 Further details for this directorate can be found in **Appendix B7**. The main variances are also summarised below.

- A net underspend position on Council related expenditure as a result of Covid-19. The balance will be required to support other pressures/shortfalls in income (reported above) that are currently reported against individual service areas but are as a direct result of Covid-19 e.g. car parking income. The current Covid-19 position is as follows:

	Charged to Core Services £	Exceptional Items £	Total £
Losses Reported on Covid Return	0	146,800	146,800
Reopening the High Street	34,440	0	34,440
Elections	18,353	0	18,353
Compliance and Enforcement	0	33,723	33,723
RBS New Burdens Expenditure	0	4,481	4,481
Rough Sleeping	22,271	0	22,271
Sales Fees & Charges Income Shortfalls	388,627	0	388,627
Sales Fees & Charges Reduction in Expenditure	(88,812)	0	(88,812)
Other Income Shortfalls	198,096	0	198,096
Commercial Income	133,199	0	133,199
Total Covid Pressures	706,174	185,004	891,178
Funding Received	0	(734,732)	(734,732)
Sales Fees and Charges Compensation accrued	0	(51,377)	(51,377)
Compliance and Enforcement Funding Applied	0	(33,723)	(33,723)
Test & Trace Funding Received	0	(33,729)	(33,729)
Reopening the High Street Funding Applied	(34,440)	0	(34,440)
Additional Funding for Elections	(7,996)	0	(7,996)
General Fund Surplus December 2021	663,738	(668,557)	(4,819)
Accommodation and Support Charges	0	69,979	69,979
Government Grants to Businesses & Individuals	0	(465,842)	(465,842)
Covid-19 Specific Grants	0	(1,400)	(1,400)
Local Government Reorganisation	0	4,429	4,429
Flood Related Expenditure	0	(7,064)	(7,064)
Revised Net Position on Exceptional Items	663,738	(1,068,455)	(404,717)

Note: Government grants to businesses and individuals are subject to a reconciliation process and any remaining balance of the grant income received will be required to be returned to Central Government on completion of the schemes.

2.9 The following table shows the annual position as at December 2021 of savings achieved against the budget savings targets.

Savings Target	Target (£)	Achieved (£)	(Overachieved) /Outstanding (£)
Inflation savings	21,900	48,300	(26,400)
Energy Savings	20,000	0	20,000
To be found from 2021/22 onwards	500,000	84,000	416,000
Net Recurring position 2021/22	541,900	132,300	409,600
Found in 2021/22 on non-recurring basis	0	21,800	(21,800)
Total Non-Recurring position 2021/22	541,900	154,100	387,800

The recurring savings targets will need to be achieved in accordance with the three current strands contained within the approved Savings Strategy i.e. Asset Strategy; Service Reviews; Core Budgets. £1.6million was set aside in an earmarked reserve as part of the 2020/21 to be used on a non-recurring basis to fund any savings unachieved in year subject to approval to release funds by the Executive. However, you are reminded that this reserve has been released to fund the Council's contribution towards the LGR Implementation costs (£1.6m). Therefore, the required savings as at the end of December 2021 (£255,852) can currently be accommodated from other underspends in the revenue budget in 2021/22.

3. Forecast Outturn Position 2021/22

3.1 The Council's financial position is affected by a number of external factors that have a financial impact during the course of the year and ultimately at the year end. These include:

- The general effect of local economic activity on the Council's income streams e.g. car parking, tourism and leisure activities, and property rentals especially in relation to the retail sector and especially economic recovery following Covid-19.
- Fuel prices, energy costs and other inflationary issues.
- The effects of the housing market and property prices, especially with regard to income from land charges, rents and building and development control.
- The impact of the delay to the Fair Funding Review and Business Rates Retention Review.
- The impact of Covid-19 on Council's budgetary position.

3.2 The Council's financial position will continue to be closely monitored and the year end position will be reported fully at outturn. Some of the significant service and income variances estimated for the year are set out below:

- The annual deficit on the Lanes income is expected to be around £194,000 for 2021/22.
- Projected underspend of £305,000 from interest on borrowing due to no new borrowing arrangements entered into.
- Additional income of £143,400 generated from completed rent reviews.
- Projected underachieved annual savings target of £387,800.
- Projected overachievement of salary turnover savings of around £85,000.
- Projected overachieved Building Control fee income of around £75,000.
- Projected overachieved Development Control fee income of around £125,000.
- A shortfall in car park income from tickets, permits and penalty charge notices of around £330,000 combined due to reduced demand for car parking due to lockdowns and a change in commuter behaviour with more people working from home. The closure of some car parks has also had an impact e.g. for essential flood work or developments.

- Projected shortfall in homeless accommodation income of around £270,000.
- A net underspend of around £500,000 on Recycling & Waste Management due to an increase in recycling collected throughout the pandemic, with rising material values, attracting additional income from recycling credits.
- A net underspend of approximately £80,000 on Election costs as a result of there being no City Elections in 2021/22.

3.3 The areas of significant variance noted in this report have been scrutinised fully and incorporated into the 2022/23 budget process where the position is deemed to be recurring in nature.

3.4 Members should note that the impact of Covid-19 on the Council's revenue budget and the level of funding received to date makes forecasting the outturn position particularly difficult but early indications show that the underspend on the revenue budget could be somewhere in the region of £1.0m (after carry forwards/transfers to earmarked reserves).

4. Impact of Covid

4.1 Emergency Funding

4.1.1. The Department for Levelling Up, Housing & Communities (DLUHC) allocated emergency funding to local authorities to meet pressures across council services, as a result of reduced income, rising costs or increased demand. Monthly returns are submitted through DELTA to the DLUHC to report additional costs and loss of income. An assessment of the annual impact is very difficult to predict but as more data is collected each month, the position will become clearer and therefore the estimates of lost income and additional costs incurred may change.

4.1.2 Government funding was also received to distribute Covid-19 grants to businesses in the area and these have been distributed as quickly as possible. All grants paid are subject to a reconciliation process and any remaining balance of the grant income received will be required to be returned to Central Government. The Government recently introduced 2 new schemes for businesses affected by the spread of the Omicron variant (Omicron Hospitality and Leisure Grant and a top-up to the Additional Restrictions Grant). These grants will be distributed as quickly as possible and by the 31st March 2022 deadline.

4.2 Collection Fund

4.2.1 As a result of the 100% business rate relief provided to the retail, leisure and hospitality sector for the 1st quarter of 2021/22 and a 66% reduction from July 2021 to March 2022, the net business rates payable for 2021/22 has reduced by approximately £8.676million from £45.023million to £36.347million.

- 4.2.2 The Council will be recompensed during the year for the additional reliefs granted through a Section 31 grant so there will no cash flow or budget issues; however, the main risk relates to the receipt of the £36million payable from businesses and how these are affected by COVID-19 and economic recovery following lockdown. Collection rates are reported elsewhere on the agenda (RD72/21) and these will continue to be monitored to assess the financial impact on cash flow, bad debts and the potential for year-end deficits.

5. Funding

- 5.1 The main sources of funding for the Council are Council Tax Income and Business Rates income. Council Tax income does not vary in year from the amounts set at the budget, as any variation in Council Tax income received is usually adjusted in the Collection Fund Surplus/Deficit calculation for the following year's budget. However, the DLUHC announced a 3-year deficit recovery period for any arrears as at 31st March 2021.
- 5.2 Business Rates Income is largely prescribed by the amounts submitted to DLUHC on the NNDR1 form which estimates Business Rate Income for the year when calculated in January, however, there are two elements of this income that can vary throughout the year, namely, section 31 grants paid by government for business rates reliefs granted, and the levy and pooling calculations to the Cumbria Pool.
- 5.3 The current estimates of Business Rates income for the quarter to the end of December compared to the initial estimates submitted in January are shown in **Appendix D**. The figures show that based on the position as at the end of December, the Council may receive an extra £256,495 in business rates income over and above what it has budgeted for.

However, it is anticipated that this position could change significantly throughout the year depending upon the performance of other authorities in the Cumbria Pool, the implications of Covid-19 and the amount of reliefs granted during the year that are subject to Section 31 Grant reimbursement and an updated position will be reported later in the year. A 3-year deficit period was permitted for any Collection Fund deficits as at 31 March 2021 in accordance with the funding package provided by DLUHC. There is likely to be a further deficit on the Business Rates Collection Fund in 2021/22 due to the continuation of business rate reliefs to retail, leisure and hospitality sectors for the first quarter of 2021/22 and reduced rates liabilities beyond that not being announced until after the NNDR1 estimates were submitted to DLUHC. Government is, however, compensating local authorities for this loss of income in the form of additional Section 31 grant and this will need to be set aside at the end of the year to match the deficit falling on general fund in 2022/23.

6. Balance Sheet Management

- 6.1 In line with CIPFA guidance and good practice, information relating to significant items on the Council's balance sheet is shown below. The information concentrates on those items that may have a material impact on the Council if not reviewed on a regular basis.

Balance Sheet item	Balance at 31/03/2021	Balance at Dec 2021	Note
Investments	£14.29m	£30.52m	(i)
Loans	£13.30m	£13.06m	(ii)
Debtors System	£1.38m	£1.26m	(iii)
Creditors System	£0.007m	£0.185m	

- (i) The anticipated annual return on these investments is estimated at £166,800 for 2021/22 with current forecasts anticipated to be in line with these projections. Further details on the overall Treasury Management performance can be found elsewhere on the agenda.
- (ii) The cost of managing this debt (including any new debt budgeted for from 2021/22 onwards), in terms of interest payable, is budgeted at £520,400 in 2021/22 with costs currently showing a saving against budget due to new borrowing not entered into yet.
- (iii) There may be a significant impact on the cash flow of the Council if outstanding debts are not received. Any debts deemed to be irrecoverable are written off against a bad debt provision set up specifically for this purpose. Other significant debts relate to Council Tax, NNDR, and Housing Benefit overpayments.
- (iv) The Council's VAT partial exemption calculation for the period ending December 2021 is currently 1.84%, well below the 5% limit.

7. Bad Debt Write-Offs

- 7.1 The Corporate Director of Finance and Resources has delegated authority for the write-off of outstanding debts for NNDR, Council Tax and Debtors (including Penalty Charge Notices). In accordance with this, the Executive is asked to note that debts totalling £70,485.47 have been written off during Quarter 3 to the end of December 2021. A summary of bad debts is given in Table 1 in **Appendix E** of this report and these costs will fall against the following:

	£
General Fund	454.50
Council Tax (Collection Fund)	62,761.23
NNDR	7,269.74
Total Write-offs	70,485.47

- 7.2 The “write-ons” itemised in Table 2 in **Appendix E**, totalling £7,566.10, are in respect of balances originally written off that have since been paid. The write-ons will be credited as follows:

	£
General Fund	182.89
Council Tax (Collection Fund)	5,654.67
NNDR	1,728.54
Total Write-ons	7,566.10

- 7.3 In the case of the General Fund, the write-offs will be charged against provisions for bad debts. However, VAT, which has been identified separately, will be recouped in future VAT returns. Any write-off/write-on of Council Tax/NNDR will fall against the provisions within the Collection Fund. Any Council Tax court costs written off will be charged against the Bad Debt Provision within the General Fund.
- 7.4 The level of outstanding debt has increased during the pandemic and although a ‘soft’ debt recovery process was initially agreed whereby letters were issued asking debtors to contact the Council to discuss flexible repayment terms, and a signpost to the CTRS scheme for council taxpayers, the formal debt recovery procedures are now in place in order to safeguard the Council’s cash position.

8. Risks

- 8.1 The ongoing impact of issues identified will be monitored carefully in budget monitoring reports and appropriate action taken.
- 8.2 The main risk to the Council is the overall cost of COVID-19 in terms of additional costs and shortfalls of income and how this compares to the level of emergency funded provided to date, and any future funding package. The economic recovery of the city and surrounding areas is part of the Recovery Strategy and any financial impact on costs and inflationary increases will need to be closely monitored.

9. Consultation

- 9.1 Consultation to date.
SMT and JMT have considered the issues raised in this report.

9.2 Consultation Proposed

Business and Transformation Scrutiny Panel will consider the report on 24 February 2022.

10. Conclusion and reasons for recommendations

10.1 The Executive is asked to:

- (i) Note the budgetary performance position of the Council to December 2021;
- (ii) Note the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 7;
- (iii) Note the release of reserves as set out in the table at paragraph 2.2, and note the virements approved as detailed in Appendix A.

11. Contribution to the Carlisle Plan Priorities

11.1 The Council's revenue budget is set in accordance with the priorities of the Carlisle Plan and the position for the third quarter of 2021/22 shows the delivery of these priorities within budget.

Contact details:

Contact Officer: Emma Gillespie

Ext: 7289

Appendices attached to report:

- A, B1 to B7, C to E

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 finances properly and the proper reporting of the budget monitoring is part of this process.

Property Services - Property asset implications are contained within the main body of the report.

Finance - Financial implications are contained within the main 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.

REVENUE BUDGET MONITORING 2021/22

VIREMENTS PROCESSED FOR PERIOD OCTOBER TO DECEMBER 2021

Date	Virement Details	Recurring/ Non-recurring	Value	Authorised By
Requested by Officers (under £35,000 or delegated authority)				
13/10/2021 & 11/11/2021	Release of funding from Revenue Grant Reserve to fund environmental enhancements and other works at the Container Village	Non-recurring	20,300	Corporate Director of Finance and Resources
13/10/2021	Release of funding from Building Control Reserve to fund software licences	Non-recurring	9,500	OD.99/21 Corporate Director of Economic Development
29/10/2021	Release of Business Rates Section 31 Grant Reserve to offset the deficit brought forward on Collection Fund	Non-recurring	9,463,000	OD.101/21 Corporate Director of Finance and Resources
05/11/2021	Release of funding from Revenue Grant Reserve for Electoral Registration	Non-recurring	4,900	Corporate Director of Finance and Resources
05/11/2021 & 06/12/2021 & 10/01/2022	Release of funding from Revenue Grant Reserve for Domestic Abuse Victim Support	Non-recurring	7,500	Corporate Director of Finance and Resources
05/11/2021 & 06/12/2021 & 10/01/2022	Release of funding from Revenue Grant Reserve for St Cuthbert's Garden Village	Non-recurring	85,800	Corporate Director of Finance and Resources
09/11/2021 & 15/11/2021 & 07/01/2022	Direct Revenue Financing to fund replacement of Waste Receptacles	Non-recurring	25,000	Neighbourhood Services Manager
29/11/2021	Direct Revenue Financing to fund demolition of property assets pending disposal	Non-recurring	35,000	Head of Property Services
13/12/2021	Release of funding from Prosecution Reserve for legal fees incurred	Non-recurring	1,700	OD.121/21 Corporate Director of Governance and Regulatory Services
10/01/2022	Release of funding from Revenue Grant Reserve for One Public Estate	Non-recurring	6,100	Corporate Director of Finance and Resources
10/01/2022	Release of funding from Revenue Grant Reserve for Local Strategic Partnership	Non-recurring	4,600	Corporate Director of Finance and Resources
Approved by Executive (£35,000 to £70,000 or delegated authority)				
27/10/2021	Virement approved from revenue underspends to facilitate the purchase of 170 laptops, docking stations and ancillary equipment plus 170 mobile phones	Non-recurring	178,000	LD.09/21 The Leader
22/11/2021	Release of funds from Operational Risk Reserve to fund costs the Council may incur out with the eligibility criteria for the Local Government Reorganisation Cumbria Wide Implementation Reserve	Non-recurring	500,000	RD.54/21 The Executive
22/11/2021	Reduction to 2021/22 Capital Programme	Non-recurring	1,894,800	RD.51/21 The Executive
Approved by Council (over £70,000)				
04/01/2021	Release of funds from Operational Risk Reserve to fund the Council's contribution to the Local Government Reorganisation Cumbria Wide Implementation Reserve	Non-recurring	1,600,000	RD.54/21 Council

REVENUE BUDGET MONITORING 2021/22

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Total
Position as at 31 December 2021	£	£	£	£
Annual Budget	20,686,400	(5,806,700)	(3,719,700)	11,160,000
Budget to date	13,559,504	(4,320,481)	(3,124,146)	6,114,877
Total Actual	13,283,870	(4,356,358)	(3,003,219)	5,924,293
Variance	(275,634)	(35,877)	120,927	(190,584)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(275,634)	(35,877)	120,927	(190,584)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Car Parking	1	(23,671)	324,893	49	301,271
Garage Services	2	(41,702)	8,391	112,801	79,490
Healthy Cities	3	(86,261)	(9,631)	0	(95,892)
Other Green Spaces	4	17,126	(80,416)	34	(63,256)
Recycling and Waste Services	5	(23,582)	(357,853)	(7,310)	(388,745)
Miscellaneous	6	(117,545)	78,740	15,353	(23,452)
Total Variance to date		(275,634)	(35,877)	120,927	(190,584)

Note	Community Services - Comments
1.	Various minor underspends including premises related costs; Shortfall in ticket income, contract income and penalty charge notice income.
2.	Underspend on employee costs and supplies & services; shortfall in trading income (recharges).
3.	Underspends in relation to Member's small scale community projects and Leisure contract payments.
4.	Underspends on expenditure at Talkin Tarn; increased car parking income at Talkin Tarn County Park
5.	Underspend on transport costs, overspend on savings not yet achieved. Surplus income from Plastic and Card recycling, sale of recyclates and Bring Sites income.
6.	Minor underspends, shortfall in income and reduced trading income (recharges) across other services within the

REVENUE BUDGET MONITORING 2021/22

CORPORATE SUPPORT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 31 December 2021	£	£	£	£
Annual Budget	3,842,100	(344,100)	(3,229,800)	268,200
Budget to date	2,929,111	(286,623)	(2,422,672)	219,816
Total Actual	2,899,489	(237,037)	(2,422,685)	239,767
Variance	(29,622)	49,586	(13)	19,951
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(29,622)	49,586	(13)	19,951

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Miscellaneous	1	(29,622)	49,586	(13)	19,951
Total Variance to date		(29,622)	49,586	(13)	19,951

Note	Corporate Support - Comments
1.	Minor underspends and shortfall in income across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 31 December 2021	£	£	£	£
Annual Budget	3,902,500	(1,222,500)	(507,400)	2,172,600
Budget to date	2,798,416	(978,355)	(380,603)	1,439,458
Total Actual	2,745,319	(1,196,776)	(380,602)	1,167,941
Variance	(53,097)	(218,421)	1	(271,517)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(53,097)	(218,421)	1	(271,517)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Regeneration	1	70,782	92	0	70,875
Development Control	2	(39,702)	(157,292)	0	(196,993)
Building Control	3	(52,430)	(56,450)	0	(108,880)
Miscellaneous	4	(31,747)	(4,772)	1	(36,518)
Total Variance to date		(53,097)	(218,421)	1	(271,517)

Note	Economic Development - Comments
1.	Overspend in relation to revenue costs of Paton House which is now being demolished; overspend on project related costs of which external funding is anticipated or has been received.
2.	Underspend on employee related costs, supplies and services & consultants fees; increased fee income received.
3.	Underspend on employee related costs and third party fees; increased fee income received.
4.	Minor underspends and increased income across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

FINANCE AND RESOURCES	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 31 December 2021	£	£	£	£
Annual Budget	26,047,400	(21,274,700)	(2,992,500)	1,780,200
Budget to date	19,740,149	(15,850,142)	(2,437,173)	1,452,834
Total Actual	19,476,091	(15,857,269)	(2,437,032)	1,181,790
Variance	(264,058)	(7,127)	141	(271,044)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(264,058)	(7,127)	141	(271,044)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Treasury and Debt Management	1	(229,922)	(10,144)	0	(240,067)
Miscellaneous	2	(34,136)	3,017	141	(30,977)
Total Variance to date		(264,058)	(7,127)	141	(271,044)

Note	Finance and Resources - Comments
1.	Saving on borrowing costs due to no new borrowing arrangements entered into yet.
2.	Minor underspends and shortfall in income across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

GOVERNANCE AND REGULATORY	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 31 December 2021	£	£	£	£
Annual Budget	12,400,100	(6,426,900)	(3,700,900)	2,272,300
Budget to date	8,930,438	(5,015,598)	(2,776,032)	1,138,808
Total Actual	8,498,389	(4,746,814)	(2,745,162)	1,006,413
Variance	(432,049)	268,784	30,870	(132,395)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(432,049)	268,784	30,870	(132,395)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Electoral Services	1	(45,261)	(12,281)	29	(57,513)
Buildings & Facilities Services	2	(104,445)	5,914	31,190	(67,341)
The Lanes	3	2,209	228,936	0	231,146
Other Rental Properties	4	11,820	51,318	0	63,138
Industrial Estates	5	37,292	(107,367)	0	(70,075)
Asset Review Income	6	(107,565)	0	0	(107,565)
Homeless Accommodation	7	(108,655)	200,289	0	91,634
Regulatory Services	8	(2,360)	(79,799)	(584)	(82,743)
Miscellaneous	9	(115,085)	(18,227)	236	(133,076)
Total Variance to date		(432,049)	268,784	30,870	(132,395)

Note	Governance & Regulatory Services - Comments
1.	An underspend on election costs as a result of there being no City Council elections in 2021/22.
2.	Underspend on premises expenditure (including Public Conveniences and Civic Centre); shortfall in rental income received & a shortfall in trading income.
3.	Shortfall in rental income.
4.	Overspend on premises expenditure; shortfall in rental income including final adjustment for prior year head rent.
5.	Various minor underspends; increased rental income as a result of backdated rent reviews.
6.	Additional income generated from completed rent reviews.
7.	Underspend on employee related expenditure and supplies and services; shortfall in income as a direct result of Covid-19 as changes to occupancy levels and the available provision have had to be made to ensure the health and wellbeing of residents and staff.
8.	Various minor underspends; Additional licence income and agency fee income received.
9.	Minor underspends and increased income across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

CORPORATE MANAGEMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 31 December 2021	£	£	£	£
Annual Budget	(725,400)	(1,348,700)	0	(2,074,100)
Budget to date	304,349	(963,368)	0	(659,019)
Total Actual	492,841	(959,694)	0	(466,853)
Variance	188,492	3,674	0	192,166
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	188,492	3,674	0	192,166

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Other Financial Costs	1	194,458	3,673	0	198,131
Miscellaneous	2	(5,966)	1	0	(5,965)
Total Variance to date		188,492	3,674	0	192,166

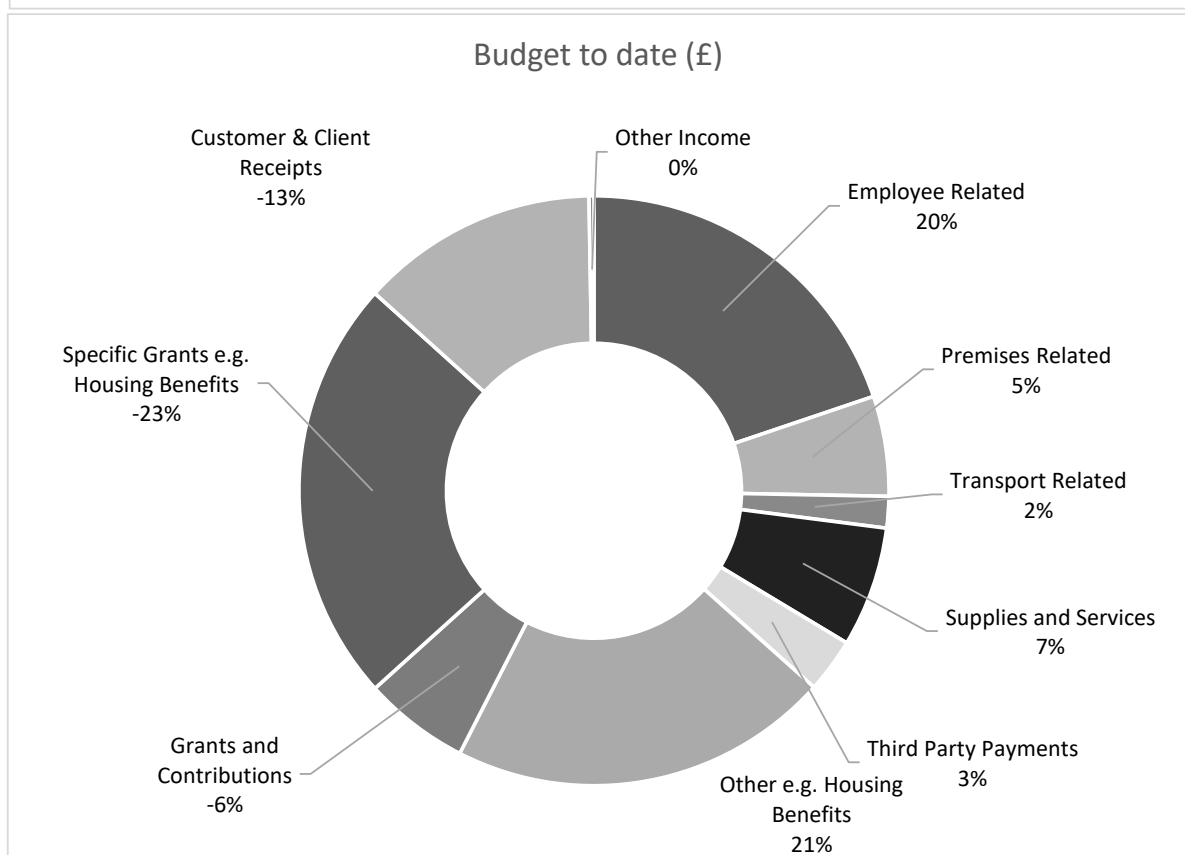
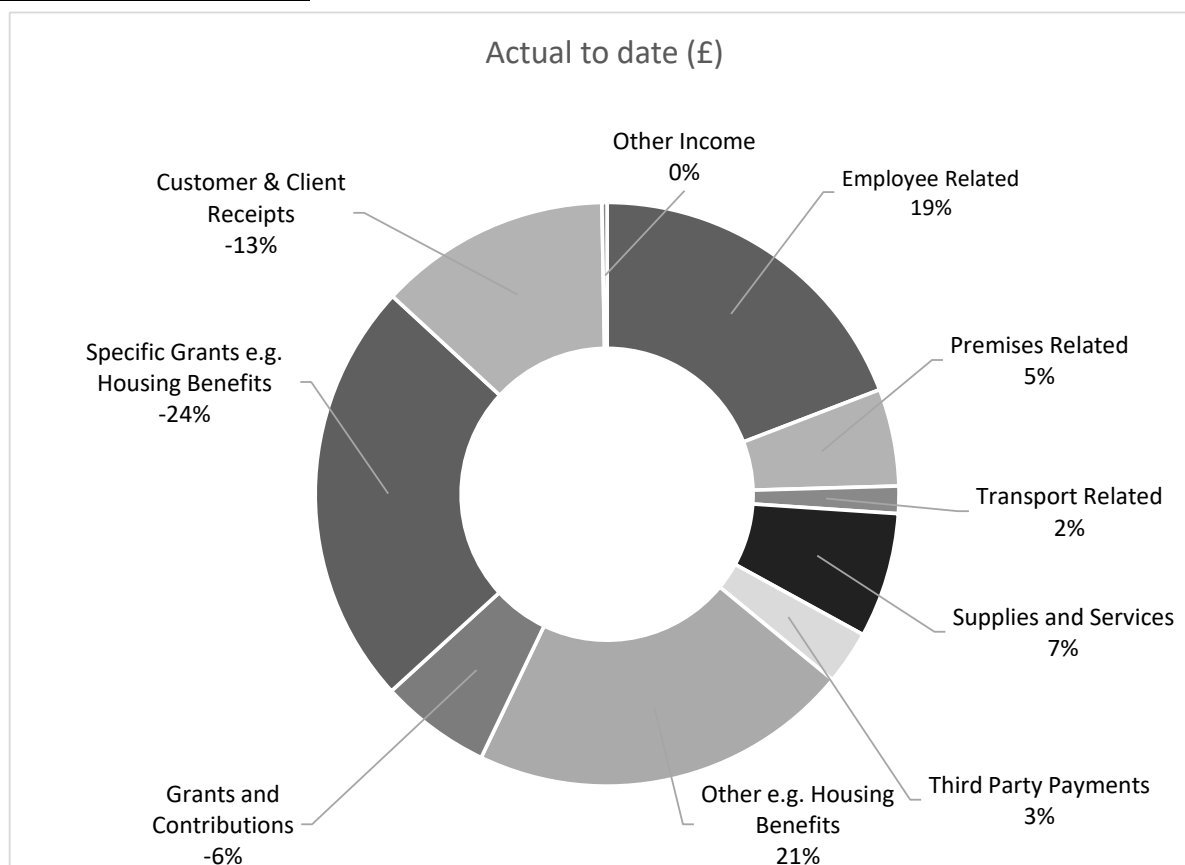
Note	Corporate Management - Comments
1.	Improvements in savings for Salary Turnover (£63,049) and shortfall in savings to be found (£255.852).
2.	Minor underspends across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

EXCEPTIONAL ITEMS	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 31 December 2021	£	£	£	£
Annual Budget	13,800,100	(11,639,000)	0	2,161,100
Budget to date	11,111,994	(11,537,280)	0	(425,286)
Total Actual	11,264,623	(12,333,078)	0	(1,068,455)
Variance	152,629	(795,798)	0	(643,169)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	152,629	(795,798)	0	(643,169)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Covid-19 Related Expenditure & Grants	1	139,870	(783,179)	0	(643,309)
Miscellaneous	2	12,759	(12,619)	0	140
Total Variance to date		152,629	(795,798)	0	(643,169)

Note	Exceptional Items - Comments
1.	A net underspend position on Council related expenditure as a result of Covid-19. The balance will be required to support other pressures/shortfalls in income that are currently reported against individual service areas but are a direct result of Covid-19 e.g. car parking income
2.	Expenditure resulting from flooding caused by Storm Ciara funded by insurance settlement and expenditure in relation to Local Government Reorganisation, fully funded from the release of reserves.

SUBJECTIVE ANALYSIS

BUSINESS RATES INCOME

	2020/21 Outturn	2021/22 NNDR1	2021/22 Q3
Local Share of Income (Per NNDR1)	(17,018,157)	(17,415,961)	(17,415,961)
Renewables (Per NNDR1)	(376,067)	(378,052)	(375,274)
Renewables Bfwd (NNDR3 Previous Year)	4,686	4,122	4,122
Enterprise Zone (Per NNDR1)	(469,480)	(307,797)	(262,969)
Tariff (Per Final Settlement)	12,568,846	12,568,847	12,548,847
Section 31 Grants (reimbursement of funded reliefs)		(1,798,403)	(1,488,712)
Section 31 Grants (Flooding)	(11,188,692)	0	0
Section 31 Grant Expanded Retail Discount, Nursery and Local Newspaper		0	0
Section 31 Grant B/Fwd (Earmarked Reserve)	0	(9,463,000)	(9,463,000)
Estimated Collection Fund Deficit/(Surplus) per NNDR1	216,038	9,265,582	9,265,582
Spreading of Deficit	0	197,036	197,036
Tax Income Guarantee Scheme Compensation	(22,487)	0	0
Levy Payable to Pool	1,256,125	1,439,547	1,205,834
Pool Redistribution	(712,221)	(600,000)	(681,000)
Total Income	(15,741,409)	(6,488,079)	(6,465,495)
Budget			
Baseline Funding	(3,335,200)	(3,335,200)	(3,335,200)
Business Rates Multiplier Grant	(133,700)	(173,800)	(173,800)
Additional Rates Income - Pooling/Growth	(2,400,000)	(2,700,000)	(2,700,000)
Total Budget	(5,868,900)	(6,209,000)	(6,209,000)
Additional Income retained	(9,872,509)	(279,079)	(256,495)

BAD DEBT PROVISION

TABLE 1		Write-Offs December 2021		Comments
Type of Debt	No.	£		
NNDR (General)	8	7,269.74	01/10/21 to 31/12/21	
Council Tax	62	62,761.23	01/10/21 to 31/12/21	
Debtors:				
Private Tenants	0	0.00	01/10/21 to 31/12/21	
Housing Benefit Overpayments	0	0.00	01/10/21 to 31/12/21	
General Fund	11	454.50	01/10/21 to 31/12/21	
Penalty Charge Notices:				
On Street	0	0.00	01/10/21 to 31/12/21	
Off Street	0	0.00	01/10/21 to 31/12/21	
TOTAL	81	70,485.47		

TABLE 2		Write-Ons December 2021		Comments
Type of Debt	No.	£		
NNDR (General)	10	1,728.54	01/10/21 to 31/12/21	
Council Tax	23	5,654.67	01/10/21 to 31/12/21	
Debtors:				
Private Tenants	0	0.00	01/10/21 to 31/12/21	
Housing Benefit Overpayments	43	182.89	01/10/21 to 31/12/21	
General Fund	0	0.00	01/10/21 to 31/12/21	
TOTAL	76	7,566.10		

Carlisle City Council Report to Executive

Item
A.8

Meeting Date: 21 February 2022
Portfolio: Finance, Governance and Resources
Key Decision: No
Policy and Budget Framework: Yes
Public / Private: Public

Title: Capital Budget Overview & Monitoring Report: April to December 2021
Report of: Corporate Director of Finance and Resources
Report Number: RD.71/21

Purpose / Summary:

This report provides an overview of the Council's overall budgetary position for the period April to December 2021 for the Council's capital programme.

Recommendations:

The Executive is asked to:

- (i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to December 2021;
- (ii) Note the adjustments to the 2021/22 capital programme as detailed in paragraph 2.1;
- (iii) Make recommendations to Council to approve reprofiling of £4,295,300 as detailed in para 3.9 and Appendix A from 2021/22 into 2022/23.

Tracking

Executive:	21 February 2022
Scrutiny:	24 February 2022
Council:	1 March 2022

1. Background

- 1.1. In accordance with the City Council's Financial Procedure Rules, the Corporate Director of Finance and Resources is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. It is the responsibility of individual Chief Officers to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the Corporate Director of Finance and Resources.
- 1.2. All Managers receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision-making process.
- 1.3. Please note that throughout this report:
 - (i) the use of a bracket represents a favourable position i.e. either an underspend or additional income received,
 - (ii) the term 'underspend' is taken to include both reduced expenditure and/or increased income,
 - (iii) the term 'overspend' includes both spending above budget and/or shortfall in income.
- 1.4. It is important to understand the distinction between capital and revenue expenditure.

The general rule is that all expenditure must be treated as revenue expenditure unless it meets strict criteria allowing it to be treated as capital expenditure.

Capital expenditure is for fixed assets such as acquisition of land and buildings, construction, conversion or enhancement of existing buildings, or the purchase of new technology, vehicles, plant, machinery or equipment that yields benefits to the Council and the services it provides for more than one year.

Revenue expenditure is for the day to day running costs of providing Council services such as staff costs, premises, transport, and goods and services used in the delivery of services.

2. Capital Budget Overview

- 2.1 The following statement shows the annual capital programme for 2021/22:

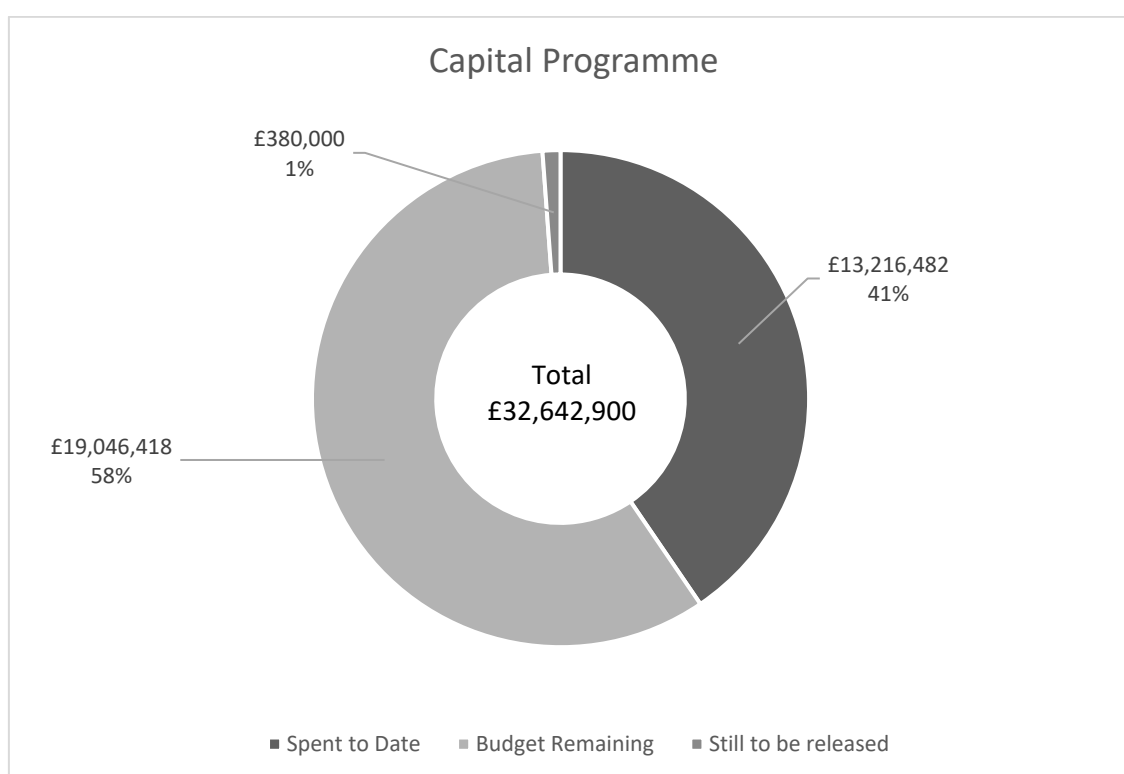
2021/22 Capital Budget	£
2021/22 Capital Programme (RD16/21 Council 20/07/21)	28,057,900
Increase for Tullie House Levelling Up Fund (ED17/21 Council 15/06/21)	1,500,000
Increase from S106 contributions for Bitts Park Public Realm (OD60/21)	32,000
Increase from S106 contributions towards Play Area Improvements (OD47/21)	237,400
Revenue Contribution towards Bitts Park Towns Deal	68,900
Increase for grant funding towards Litter Bininfrastructure project	24,300
Future High Street Fund (ED22/21 Council 20/07/21)	1,436,000
Revenue Contribution towards the purchase of Waste Receptacles	44,000
Footway Lighting Melbourne Park (OD73/21)	22,200
S106 contribution towards Affordable Housing (ED25/21 Executive 02/08/21)	600,800
Revenue Contribution towards IT equipment	179,900
Revenue Contribution towards Civic Centre Development	2,000
Financials Upgrade (OD92/21)	80,900
Less reduction in Capital programme (RD51/21 Executive 22/11/21)	(394,800)
Removal of Reserves to be released by Executive (RD51/21 Executive 22/11/21)	(1,500,000)
External grant for Sustainable Warmth Competition (GD73/21 Executive 25/10/21)	2,210,000
Revenue Contribution towards Asset Demolition	35,000
Revenue Contribution towards Play Area Developments	10,000
Reduced grant towards Play Area Developments	(15,000)
Reduced insurance settlement for Bitts Park Water feature	(3,300)
External contribution towards Civic Centre Development	14,700
Revised 2021/22 Capital Programme (at Dec 2021)	32,642,900
Less Capital Reserves to be released by Executive (see para 3.10)	(380,000)
Revised 2021/22 Capital Programme (released)	32,262,900

2.2 A breakdown of the revised capital programme can be found in **Appendix A**.

3. 2021/22 Budget Monitoring

3.1 The position as at December 2021 can be summarised as follows:

Directorate	Revised Annual Budget £	Budget to Date £	Spend to date £	Variance to date £	Para. Ref.
Community Services	20,352,900	10,622,662	10,625,252	2,590	3.3
Corporate Support	493,600	365,140	365,137	(3)	3.4
Economic Development	4,064,000	471,417	471,416	(1)	3.5
Finance and Resources	80,900	37,498	37,444	(54)	3.6
Governance & Regulatory Services	7,264,300	2,457,002	1,710,069	(746,933)	3.7
Exceptional Items	7,200	7,200	7,164	(36)	3.8
Total	32,262,900	13,960,919	13,216,482	(744,437)	
Reserves to be released	380,000	0	0	0	3.10
Total	32,642,900	13,960,919	13,216,482	(744,437)	



Schemes still to be released by the Executive are outwith the budget monitoring process until the budgets have been released.

A detailed analysis of the schemes within each directorate can be found in **Appendices B to G** with the main issues being summarised in the paragraphs below.

- 3.2 As at the end of December, expenditure of £13,216,482 has been incurred on the Council's core capital programme. When considered against the profiled budget of £13,960,919 this equates to an underspend of £744,437.

- 3.3 There are no significant variances to report in Community Services.
- 3.4 There are no significant variances to report in Corporate Support.
- 3.5 There are no significant variances to report in Economic Development.
- 3.6 There are no significant variances to report in Finance and Resources.
- 3.7 The variance in Governance & Regulatory Services is attributable to the following:
- An underspend of £706,598 on Disabled Facilities Grants. Spend to the end of the third quarter of 2021/22 was £1,374,806 which is higher than the expenditure for the same period in 2020/21 (£1,305,880). The position is being closely monitored.
 - An underspend of £48,030 on Empty Property Grants
- 3.8 There are no significant variances to report in Exceptional Items (Flood Recovery Capital Expenditure).
- 3.9 The unspent balance remaining of the revised annual budget of £32,262,900 is £19,046,418. Therefore, an initial review of the 2021/22 capital programme has been undertaken to identify accurate project profiles and **the Executive are asked to recommend to Council the reprofiling of £4,295,300 from 2021/22 into future years as follows:**

Directorate	Annual Budget £	Carry Forwards 2022/23 £	Revised Annual Budget £	Spend to Date £	Budget Remaining £
Community Services	20,352,900	(32,000)	20,320,900	10,625,252	9,695,648
Corporate Support	493,600	(54,000)	439,600	365,137	74,463
Economic Development	4,064,000	(1,119,300)	2,944,700	471,416	2,473,284
Finance & Resources	80,900	0	80,900	37,444	43,456
Governance & Regulatory	7,264,300	(3,090,000)	4,174,300	1,710,069	2,464,231
Exceptional Items	7,200	0	7,200	7,164	36
Total	32,262,900	(4,295,300)	27,967,600	13,216,482	14,751,118
Reserves to be released	380,000	0	380,000	0	380,000
Total	32,642,900	(4,295,300)	28,347,600	13,216,482	15,131,118

The unspent balance remaining for the revised annual budget of £28,347,600 is £15,131,118 as at December 2021.

- 3.10 A couple of schemes are included in the capital programme for 2021/22 that require a report to be presented to the Executive for the release of funding before the project can go ahead.

Scheme	Budget £
Cemetery Infrastructure	30,000
Crematorium Infrastructure	350,000
Total	380,000

4. Financing

- 4.1 The 2021/22 capital programme can be financed as follows:

	Annual Budget £	Revised Annual Budget £
Total Programme to be financed (para 2.1)	32,642,900	28,347,600
Financed by:		
Capital Receipts / Borrowing	0	0
Receipts Used to fund resources	(112,000)	(112,000)
Borrowing Requirement (in year)	21,035,900	20,101,900
Capital Grants		
• Disabled Facilities Grant	2,155,600	2,155,600
• Future High Street Fund	1,436,000	316,700
• Sustainable Warmth Competition	2,210,000	0
• General	2,334,900	2,302,900
Direct Revenue Financing	2,515,700	2,515,700
Other Contributions	1,066,800	1,066,800
Total Financing	32,642,900	28,347,600

5. Capital Resources

- 5.1 The following table shows the position as at December 2021 of the capital resources due to be received during 2021/22:

	2021/22 Annual Budget £	2021/22 Revised Budget £	2021/22 Actual £	2021/22 Variance £	Note
Capital Receipts					
· Asset Review	0	0	0	0	1
· Used to fund resources	112,000	112,000	0	(112,000)	1
· Vehicle Sales	0	0	(44,070)	(44,070)	2
· Other Sales	0	0	(5,940)	(5,940)	
· Renovation Grants Repaid	0	0	(2,281)	(2,281)	
Capital Grants					3
· Disabled Facilities Grant	(2,155,600)	(2,155,600)	(2,155,574)	26	
· Future High Street Fund	(1,436,000)	(316,700)	(1,164,790)	(848,090)	
· Sands Centre	(134,000)	(134,000)	0	134,000	
· On Street Charging	(102,800)	(102,800)	(30,936)	71,864	
· Sustainable Warmth Competition	(2,210,000)	0	(19,955,000)	(19,955,000)	
· Towns Deal	0	0	(985,000)	(985,000)	
· General	(109,300)	(77,300)	(24,336)	52,964	
Capital Contributions					4
· Section 106	(997,600)	(997,600)	(188,897)	808,703	
· Disabled Facilities Grants	0	0	(19,885)	(19,885)	
· General	(69,200)	(69,200)	(49,179)	20,021	
Total	(7,102,500)	(3,741,200)	(24,625,888)	(20,884,688)	

Notes:

1. There are no receipts anticipated to be received from asset review sales in 2021/22. The asset review receipts have been revised downwards and reprofiled into future years in line with the current Asset Disposal Plan. This was considered by Council as part of the 2022/23 budget process on 1st February 2022.
2. Included within vehicle sales are receipts of £44,070 for individual vehicle sales that are below the de minimis for capital receipts. These will be transferred to revenue at the year end and will be used to fund the capital programme in line with the capital strategy.
3. Capital grants are generally received once associated capital expenditure has been incurred and the amounts then reclaimed from the sponsoring body. Capital grant in relation to Towns Deal has however been received in advance of expenditure with Government releasing 5% of the approved £19.7million deal up front to support project delivery. A further report will be presented to Executive (and possibly Council) for budgets to be updated and the projects to progress in accordance with the terms and conditions set out within the grant award.

Capital grant in relation to the County wide Sustainable Warmth Programme has also been received upfront in advance of any expenditure being incurred.

4. Contributions from Section 106 agreements to Play Area/Open Space Improvements (£374,600), Footway Lighting Improvements at Melbourne Park (£22,200) and Affordable Housing (£600,800).

6. Balance Sheet Management

- 6.1 In line with CIPFA guidance and best practice, information relating to significant capital items on the Council's balance sheet is provided in this section. The information concentrates on those items that may have a material impact on the Council if not reviewed on a regular basis and will ensure that the Council is using its resources effectively and that appropriate governance arrangements are in place around the use of Council assets and liabilities.
- 6.2 Fixed assets are revalued annually to ensure that an up to date value is held in the balance sheet. The revaluation programme is the responsibility of Property Services. It should be noted that some expenditure will be incurred during the course of the year which can be correctly classified as capital expenditure, but which will not increase the value of any of the Council's assets. This expenditure is written off to the revaluation reserve or through the Comprehensive Income and Expenditure Account as appropriate.
- 6.3 The value of fixed assets is a significant part of the balance sheet. In the 2020/21 accounts, fixed assets totalled £191million (2019/20 £187million). This represents 97% of the net current assets of the City Council.
- 6.4 Debtors
This relates to the amount of income due to the Council that has not yet been received. For capital items, this mainly relates to grants and contributions that the Council is able to claim towards funding capital expenditure. Generally capital debtors arise due to timing differences where a cut off point occurs (e.g. the financial year-end) and/or expenditure has been incurred in advance of making the grant claim. As at December 2021 debtors of £189,750 (£298,188 at 31 March 2021) were outstanding for capital grants, contributions and receipts.
- 6.5 Creditors
This is the amount of money due to be paid by the Council for goods and services received from its external customers and contractors. For capital schemes this also includes retentions i.e. the amount due to the contractor after a specified period (normally one year) following the completion of a project; this time is used to assess and correct any defects outstanding on the scheme. Amounts earmarked for

retention as at December 2021 totalled £166,016.21 (£1,487,658 at 31 March 2021).

7. Performance

- 7.1 The 2021/22 programme has been kept to a level that takes account of the Council's ability to deliver schemes with regard to capacity and available resources. Work is ongoing to continue to monitor the profiling of budgets, and these are adjusted to reflect progress in current capital schemes. It is likely that there will still be a requirement for some carry forwards at the year end due to further slippage and delays on projects. Members are reminded that budgets now totalling £380,000 are being held in reserves until approved by Executive for release.
- 7.2 The Senior Management Team will provide strategic overview and monitor the effectiveness of the overall programme of work in delivering the Council's priorities and objectives. Technical project support and quality assurance of business cases and associated project management activities will be managed by a Transformation Sub-Group chaired by the Chief Executive. Decisions to proceed or otherwise with proposed projects will be made in the usual way in accordance with the Council decision making framework.
- 7.3 A review of all capital expenditure incurred is ongoing to ensure that the expenditure has been correctly allocated between revenue and capital schemes. This will facilitate the year end classification of assets.

8. Risks

- 8.1 Individual capital schemes have different risks involved. A risk assessment of the overall capital programme is included at **Appendix H**. An additional risk to the Council is the overall cost of COVID-19 in terms of increased costs and delays to supplies.

9. Consultation

- 9.1 Consultation to date.
SMT and JMT have considered the issues raised in this report.
- 9.2 Consultation Proposed
Business and Transformation Scrutiny Panel will consider the report on 24 February 2022.

10. Conclusion and reasons for recommendations

- 10.1 The Executive is asked to:
- (i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to December 2021;

- (ii) Note the adjustments to the 2021/22 capital programme as detailed in paragraph 2.1;
- (iii) Make recommendations to Council to approve reprofiling of £4,295,300 as detailed in para 3.9 and Appendix A from 2021/22 into 2022/23.

11. Contribution to the Carlisle Plan Priorities

11.1 The Council's capital programme supports the current priorities in the Carlisle Plan.

Contact Officer: Emma Gillespie

Ext: 7289

Appendices attached to report:

- A to H

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 finances properly and the proper reporting of the budget monitoring is part of this process.

Property Services - Property asset implications are contained within the main body of the report.

Finance - Financial implications are contained within the main 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 2021/22 £	Other Adjustments £	Updated Capital Programme 2021/22 £	Proposed Carry Forwards £	Revised Capital Programme 2021/22 £
<u>Current non-recurring commitments</u>					
Sands Centre Redevelopment	16,922,600	0	16,922,600	0	16,922,600
Civic Centre Development	2,081,600	16,700	2,098,300	0	2,098,300
Energy Monitoring System	12,000	0	12,000	0	12,000
<i>Savings to Fund Civic Centre</i>	0	0	0	0	0
Future High Street Fund - Market Square	100,000	357,300	457,300	(377,300)	80,000
Future High Street Fund - 6-24 Castle Street	0	170,300	170,300	(42,600)	127,700
Future High Street Fund - Central Plaza	0	712,400	712,400	(632,400)	80,000
Future High Street Fund - Devonshire Street	0	73,600	73,600	(33,600)	40,000
Future High Street Fund - Delivery Costs	0	122,400	122,400	(33,400)	89,000
Cemetery Infrastructure	5,700	0	5,700	0	5,700
Skew Bridge Deck	67,000	0	67,000	0	67,000
Towns Deal - Bitts Park Improvements	99,200	68,900	168,100	0	168,100
Planning Software	150,000	0	150,000	0	150,000
Play Area Improvements	189,700	232,400	422,100	0	422,100
Carlisle Citadels	934,700	0	934,700	0	934,700
Towns Deal - Caldew Riverside	842,500	0	842,500	0	842,500
On Street Charging Points Infrastructure	102,800	0	102,800	0	102,800
Gateway 44	896,200	0	896,200	0	896,200
LED Footway Lighting Installation	29,700	0	29,700	0	29,700
Rough Sleeping Initiative	10,000	0	10,000	0	10,000
Swifts Wildlife Haven	70,000	0	70,000	0	70,000
IC All Risks - Bitts Park Water Feature	10,500	(3,300)	7,200	0	7,200
Bitts Park Public Realm	0	32,000	32,000	(32,000)	0
Financials Upgrade	0	80,900	80,900	0	80,900
Footway Lighting Melbourne Park	0	22,200	22,200	0	22,200
Asset Demolition	0	35,000	35,000	0	35,000
Affordable Homes	0	600,800	600,800	0	600,800
Sustainable Warmth Competition	0	2,210,000	2,210,000	(2,210,000)	0
	22,524,200	4,731,600	27,255,800	(3,361,300)	23,894,500
<u>Recurring commitments</u>					
Planned Enhancements to Council Property	458,800	0	458,800	(80,000)	378,800
Vehicles, Plant & Equipment	836,600	(394,800)	441,800	0	441,800
Recycling Containers	45,000	68,300	113,300	0	113,300
ICT Infrastructure	313,700	179,900	493,600	(54,000)	439,600
	1,654,100	(146,600)	1,507,500	(134,000)	1,373,500
<u>Disabled Facilities Grants</u>					
Private Sector Grants	3,387,200	0	3,387,200	(800,000)	2,587,200
Empty Property Grants	112,400	0	112,400	0	112,400
	3,499,600	0	3,499,600	(800,000)	2,699,600
TOTAL	27,677,900	4,585,000	32,262,900	(4,295,300)	27,967,600
<u>Capital Reserves to be released</u>					
Crematorium Infrastructure	350,000	0	350,000	0	350,000
Cemetery Infrastructure	30,000	0	30,000	0	30,000
Tullie House Levelling Up Fund	0	0	0	0	0
	380,000	0	380,000	0	380,000
REVISED TOTAL	28,057,900	4,585,000	32,642,900	(4,295,300)	28,347,600

COMMUNITY SERVICES

Scheme	Annual Budget £	Proposed Carry Forwards £	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Vehicles & Plant	441,800	0	441,800	75,099	75,074	(25)	Replacement of vehicles will be contained within overall annual budget.
Cemetery Infrastructure	5,700	0	5,700	1,425	0	(1,425)	For further improvements to Fairy Beck due to be carried out in 2021/22.
Civic Centre Development	2,098,300	0	2,098,300	1,871,239	1,871,229	(10)	Project progressing as planned.
Play Area Developments	422,100	0	422,100	194,154	195,249	1,095	Projects progressing as planned.
Towns Deal - Bitts Park Improvements	168,100	0	168,100	168,100	168,222	122	Funding received from the Town Deal Capital Accelerated Fund and presented and approved by Executive 14/12/2020.
Skew Bridge Deck	67,000	0	67,000	3,773	3,776	3	Budget earmarked towards this scheme as part of the 2020/21 budget process. Released by Executive 13/01/2021.
Swifts Wildlife Haven	70,000	0	70,000	63,630	62,149	(1,481)	Externally funded project to transform the former Swifts driving range into an urban site for wildlife and people following the end of its use as a leisure facility.
Bitts Park Public Realm	32,000	(32,000)	0	0	0	0	Externally funded project to undertake public realm improvement works at Bitts Park.
Sands Centre Redevelopment	16,922,600	0	16,922,600	8,128,942	8,129,033	91	Capital expenditure for the enhancement work to Leisure Facilities. Progress is being monitored and is currently on schedule.
Recycling Containers	113,300	0	113,300	113,300	120,520	7,220	Purchase of waste receptacles.
Energy Monitoring System	12,000	0	12,000	3,000	0	(3,000)	To provide an Energy Management System to be installed to monitor energy usage across Council owned property.
Grand Total	20,352,900	(32,000)	20,320,900	10,622,662	10,625,252	2,590	

DECEMBER 2021 - CAPITAL BUDGET MONITORING**APPENDIX C****CORPORATE SUPPORT**

Scheme	Annual Budget £	Proposed Carry Forwards £	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
ICT Infrastructure	493,600	(54,000)	439,600	365,140	365,137	(3)	Part of ICT Strategy Business Case.
Grand Total	493,600	(54,000)	439,600	365,140	365,137	(3)	

ECONOMIC DEVELOPMENT

Scheme	Annual Budget £	Proposed Carry Forwards £	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Carlisle Citadels	934,700	0	934,700	307,466	307,392	(74)	Project approved as per Leader Decision Notice (LD.02/21) and is due to complete in 2021/22.
Towns Deal - Caldew Riverside Remediation	842,500	0	842,500	147,209	147,211	2	Funding received from the Town Deal Capital Accelerated Fund and presented and approved by Executive 14/12/2020.
Planning Software	150,000	0	150,000	0	0	0	Project yet to start.
Future High Street Fund - 6-24 Castle Street	170,300	(42,600)	127,700	0	0	0	Increase to capital programme approved by Council (ED22/21 20/07/21)
Future High Street Fund - Central Plaza	712,400	(632,400)	80,000	16,742	16,813	71	
Future High Street Fund - Market Square	457,300	(377,300)	80,000	0	0	0	
Future High Street Fund - Devonshire Street	73,600	(33,600)	40,000	0	0	0	
Future High Street Fund - Delivery Costs	122,400	(33,400)	89,000	0	0	0	
Affordable Homes	600,800	0	600,800	0	0	0	Use of Affordable Homes Commuted Sums to bring empty properties back into use approved by Executive 02/08/2021 (ED25/21)
Grand Total	4,064,000	(1,119,300)	2,944,700	471,417	471,416	(1)	

FINANCE AND RESOURCES

Scheme	Annual Budget £	Proposed Carry Forwards £	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Financials Upgrade	80,900	0	80,900	37,498	37,444	(54)	Increase to capital programme to cover necessary improvements to the Financials System, fully funded from existing budgets.
Grand Total	80,900	0	80,900	37,498	37,444	(54)	

GOVERNANCE & REGULATORY SERVICES

Scheme	Annual Budget £	Proposed Carry Forwards £	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Planned Enhancements to Council Property	458,800	(80,000)	378,800	141,664	146,690	5,026	Individual projects progressing as planned.
Rough Sleeping Initiative	10,000	0	10,000	0	0	0	Capital grant received from DLUHC for the development of the Rough Sleeping Initiative.
Gateway 44	896,200	0	896,200	51,784	51,784	0	Development and Improvement costs associated with the Junction 44 retail development.
Disabled Facilities Grants	3,387,200	(800,000)	2,587,200	2,081,404	1,374,806	(706,598)	Mandatory Grants. Grant work is picking up but it is still uncertain how this year's expenditure will be affected. The position is being closely monitored.
Empty Property Grants	112,400	0	112,400	70,250	22,220	(48,030)	Discretionary grants to assist getting empty properties back into use.
On Street Charging Infrastructure	102,800	0	102,800	34,174	34,175	1	To install Electric Vehicle charge points at locations within Carlisle where residents have no access to off-street parking to encourage the uptake of electric vehicles. This project is fully funded by external grant.
LED Footway Lighting Installation	29,700	0	29,700	20,526	20,527	1	To upgrade Footway Lights to LED lanterns throughout the District resulting in energy savings and increased reliability of the lights which should reduce future maintenance costs.
Footway Lighting Melbourne Park	22,200	0	22,200	22,200	22,175	(25)	Use of S106 funds for Footway Lighting Improvements in Melbourne Park (OD73/21)
Sustainable Warmth Competition	2,210,000	(2,210,000)	0	0	0	0	Externally funded project by Business Energy and Industrial Strategy (BEIS) to address fuel poverty, improve energy efficiency and carbon savings and help boost local economy with energy efficiency measures across Cumbria.
Asset Demolition	35,000	0	35,000	35,000	37,692	2,692	Demolition of assets in preparation for land disposals.
Grand Total	7,264,300	(3,090,000)	4,174,300	2,457,002	1,710,069	(746,933)	

EXCEPTIONAL ITEMS CAPITAL EXPENDITURE

Scheme	Annual Budget £	Proposed Carry Forwards £	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
IC Buildings Flood Capital	7,200	0	7,200	7,200	7,164	(36)	Budget carried forward in relation to approved expenditure on the reinstatement of Bitts Park.
Grand Total	7,200	0	7,200	7,200	7,164	(36)	

Risk	Likelihood	Impact	Mitigation
Capital projects are approved without a full appraisal of the project and associated business case.	Remote	High	Strengthen the role of Transformation Sub-Group when considering capital project appraisals, to include consideration of business cases
Full capital and revenue costs of a project not identified.	Remote	High	Capital spending must meet statutory definitions. Financial Services to regularly review spending charged to capital. Appraisals to identify revenue costs, including whole life costs to improve financial planning.
VAT partial exemption rules are not considered.	Remote	High	Reduced impact following the decision to elect to tax land and property. To be considered as part of Project Appraisals and assessed by Financial Services.
Capital projects are not monitored nor reviewed (post contract) to ensure that the original business case assumptions have been achieved	Reasonably probable	Marginal	Better project management skills (including contract monitoring) have been introduced through PRINCE 2. Project managers to take more ownership and responsibility for the delivery of projects, including post contract reviews.
Capital projects are not delivered to time and/or are delayed due to the impact of COVID-19/Brexit on the supply of contractors and materials	Reasonably Probable	High	Significant slippage in the current capital programme. Better project management skills to be introduced through PRINCE 2. Project managers to take more ownership and responsibility for the delivery of projects. The review of the capital programme currently underway will address some of these issues.
Capital projects are not delivered to budget. Major variations in spending impact on the resources of the Council. Delays and increased costs due to COVID-19/significant inflationary increases	Reasonably Probable	High	Improved capital programme monitoring through PRINCE 2 and monthly financial monitoring. Corrective action to be put in place where necessary.
Assumptions on external funding for capital projects are unrealistic	Remote	High	Potential shortfalls arising from changes to external funding have to be met from other Council resources, so assumptions need to be backed by firm offers of funding before projects are submitted for appraisal. Risk increased due to uncertainty around funding, e.g. Government grants
Spending subject to specific grant approvals e.g. housing improvement grants, disabled persons adaptations varies from budget	Remote	Marginal	Specific grants are generally cash limited so variations in projects supported by funding of this nature will be monitored closely to ensure target spend is achieved to avoid loss of grant or restrictions on subsequent years grant funding.
Shortfall in level of capital resources generated from Capital Receipts	Probable	High	Economic downturn will impact - early warning so as not to over commit capital resources.

Meeting Date: 21 February 2022
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework YES
Public / Private Public

Title: TREASURY MANAGEMENT OCTOBER – DECEMBER 2021
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 72/21

Purpose / Summary:

This report provides the regular quarterly report on Treasury Transactions including the requirements of the Prudential Code.

Recommendations:

That this report be received, and the Prudential Indicators noted as at the end of December 2021.

Tracking

Executive:	21 February 2022
Audit Committee:	17 March 2022
Council:	Not applicable

1. INTRODUCTION

1.1 The purpose of this report is to inform Members on various Treasury Management issues. The report is set out as follows:

(i) **Appendix A** sets out the schedule of Treasury Transactions for the period to October - December 2021

- **Appendix A1** – Treasury Transactions October to December 2021
- **Appendix A2** – Investment Transactions October to December 2021
- **Appendix A3** – Outstanding Investments at December 2021

(ii) **Appendix B** discusses the Prudential Code and Prudential Indicators for 2021/22:

- **Appendix B1** – Prudential Code background
- **Appendix B2** – Prudential Indicators

2. RISKS

2.1 Treasury Management considers risks associated with investments with counterparties however the Treasury Management strategy statement outlines the risk management approach to minimise this.

3. CONSULTATION

3.1 Consultation to Date.
None.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

4.1 That this report be received, and the Prudential Indicators noted as at the end of December 2021.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

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

Contact Officer: Emma Gillespie

Ext: 7289

**Appendices
attached to report:**

**Appendix A1 – Treasury Transactions October to December
2021**

**Appendix A2 – Investment Transactions October to December
2021**

Appendix A3 – Outstanding Investments at December 2021

Appendix B1 – Prudential Code background

Appendix B2 – Prudential Indicators

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 finances properly and the proper reporting of budget monitoring is part of this process.

Property Services – Not applicable

Finance - Included in the report

Equality - This report raises no explicit issues relating to the public sector Equality Duty

Information Governance- No implications

TREASURY TRANSACTIONS
OCTOBER 2021 to DECEMBER 2021

1. LOANS (DEBT)1.1 Transactions October to December 2021

	Raised		Repaid	
	£	%	£	%
P.W.L.B	0	0	0	0
Local Bonds	0	0	0	0
Short Term Loans	0	0	0	0
Overnight Borrowing	0	0	0	0
	0		0	

This provides a summary of any loans that have been raised or repaid, analysed by type, since the previous report. Procedures, adopted to map the cash flow more accurately, ensure better forecasting and limits the amount of short term/overnight borrowing which may be required.

1.2 Loans (Debt) Outstanding at December 2021

	£
P.W.L.B.	8,550,000
P.W.L.B.	4,500,000
Short Term Loans	12,800
	13,062,800

1.3 Loans Due for Repayment (Short Term)

	PWLB £	Overnight £	Other £	Total £
Short Term Debt at end of December 2021	475,000	0	12,800	487,800

1.4 Interest Rates

Bank base rates for the period covered by this report remained static at 0.25%; however, the Bank of England increased this base rate to 0.50% on 3 February 2022 to try and control inflation.

2 INVESTMENTS

	Made		Repaid	
	£	%	£	%
Short Term Investments	10,000,000	0.01 - 0.21	8,000,000	0.01 - 0.19
	10,000,000		8,000,000	

A full schedule of short term investment transactions is set out in **Appendix A2**. **Appendix A3** shows outstanding short-term investments at 31 December 2021.

3 REVENUES COLLECTED

To: 31 December 2021		Collected £	% of Amount Collectable %
2021/22	Council Tax NNDR	59,038,440 29,270,978	84.02 79.75
Total		88,309,418	82.55
2020/21	Council Tax NNDR	55,482,133 17,181,774	83.13 77.31
Total		72,663,907	81.68
2019/20	Council Tax NNDR	54,392,007 36,575,629	84.83 82.38
Total		90,967,636	83.83

Collection levels have begun to show signs of recovery from 2020/21 levels which were significantly reduced due to the impact of COVID-19.

4 BANK BALANCE

At 31 December 2021 £15,940,585 in hand.

This records the Council's bank balance at the end of the last day covered by the report. This is unusually higher than normal as there is an expectation of a significant repayment to DLUHC in the last quarter of the year; and availability of appropriate net returns on short dated MMF/Call accounts has not made it financially viable to invest short-term.

5 PERFORMANCE ON TREASURY MANAGEMENT TRANSACTIONS
TO DECEMBER 2021

April –December 2021

	Profiled Budget £000	Actual £000	Variance £000
Interest Receivable	(125)	(135)	(10)
Interest Payable	321	91	(230)
Less Rechargeable	0	0	0
	321	91	(230)
Principal Repaid (MRP)	0	0	0
Debt Management	12	13	1
NET BALANCE	208	(31)	(239)

The profiled budget is to 31 December 2021.

Interest receivable is ahead of expectations due to higher than forecast average cash balances even though interest rates remain low.

Interest payable is lower than expected as no new borrowing has been undertaken in this financial year.

The CCLA property investment saw an increase in the capital value to the end of December. Dividends and yield levels are currently 3.46%.

APPENDIX A2

SHORT TERM INVESTMENT TRANSACTIONS OCTOBER TO DECEMBER 2021

INVESTMENTS MADE			INVESTMENTS REPAID	
	£			£
Standard Chartered	1,000,000.00		HSBC	3,000,000.00
HSBC	3,000,000.00		Standard Chartered	1,000,000.00
HSBC	1,000,000.00		HSBC	1,000,000.00
Federated Investors	4,000,000.00		Standard Chartered	1,000,000.00
Standard Chartered	1,000,000.00		Standard Chartered	1,000,000.00
			Standard Chartered	1,000,000.00
TOTAL	10,000,000			8,000,000
			Bfwd	28,518,783
			Paid	10,000,000
			Repaid	8,000,000
			Total	30,518,783
			CCLA Change	177,446
			Total	30,696,229

Outstanding Investments as at 31 December 2021

Category	Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Current Days to Maturity	Days to maturity at execution	Total Interest Expected (£)
Y	MMF Federated Investors (UK)	4,000,000	0.04%			MMF		
O	HSBC UK Bank Plc (RFB)	5,000,000	0.14%			Call1		
R	Standard Chartered Bank	2,000,000	0.08%	01/10/2021	04/01/2022	4	95	416
R	Goldman Sachs International Bank	1,000,000	0.15%	13/07/2021	28/01/2022	28	199	818
O	HSBC UK Bank Plc (RFB)	2,000,000	0.25%			Call31		
O	HSBC UK Bank Plc (RFB)	3,000,000	0.25%			Call31		
R	Goldman Sachs International Bank	1,000,000	0.18%	30/07/2021	01/02/2022	32	186	917
R	Goldman Sachs International Bank	1,000,000	0.13%	27/08/2021	25/02/2022	56	182	648
R	Standard Chartered Bank	1,000,000	0.21%	24/12/2021	25/03/2022	84	91	524
R	Santander UK PLC	2,000,000	0.58%			Call180		
R	Santander UK PLC	3,000,000	0.58%			Call180		
R	Santander UK PLC	2,000,000	0.58%			Call180		
Total Investments		£27,000,000	0.26%					£3,323

Borrower	Current Market Value (£)	Current Yield	Start Date	Initial Investment (£)	Entry Cost (£) ¹	Initial Market Value (£)	Unrealised Growth (£)
CCLA Property Fund	3,696,229	3.46%	31/07/2014	3,000,000	(163,104)	2,836,896	696,229

1. Entry Costs were charged against Treasury Management Budget in 2014/15

N.B Interest is recognised in the appropriate financial year in which it is due.

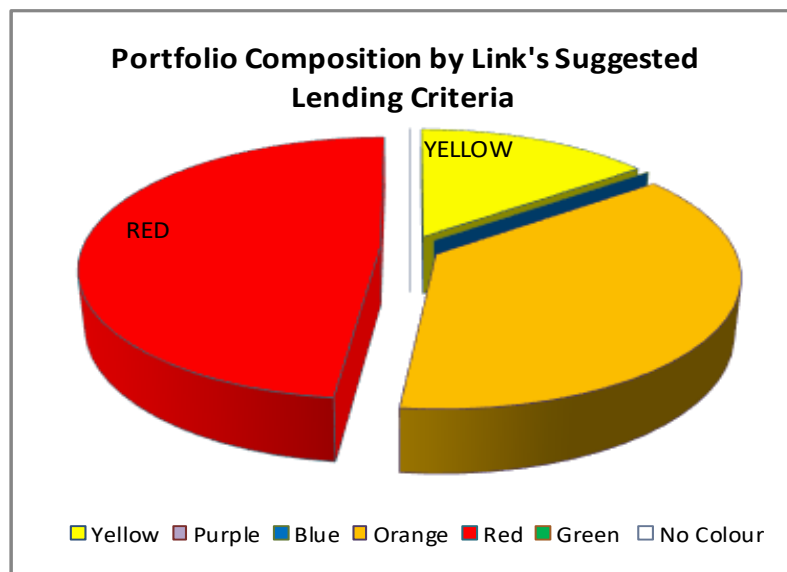
The category colour represents the duration of investment recommended by Link, the Council's Treasury Advisors. Those investments with no colour, are still within the Council's investment Strategy and are therefore deemed suitable for investing.

Investment Summary Sheet

						Weighted Average Rate of Return	Weighted Average Days to Maturity	Weighted Average Days to Maturity from Execution
	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	WARoR	WAM	WAM at Execution
Yellow	14.81%	4,000,000	100.00%	4,000,000	14.81%	0.04%	0	0
Purple	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Blue	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Orange	37.04%	10,000,000	100.00%	10,000,000	37.04%	0.20%	16	16
Red	48.15%	13,000,000	53.85%	7,000,000	25.93%	0.38%	113	162
Green	0.00%	-	0.00%	-	0.00%	0.00%	0	0
No Colour	0.00%	-	0.00%	-	0.00%	0.00%	0	0
	100.0%	27,000,000	77.78%	21,000,000	77.78%	0.26%	60	84

Risk Score for Colour (1 = Low, 7 = High)	Dec 2021	Sep 2021	Jun 2021	Mar 2021
1	0.1	0.0	0.00	0.0
2	0.0	0.0	0.0	0.0
3	0.0	0.0	0.0	0.0
4	1.5	1.7	1.9	2.2
5	2.4	2.8	2.6	2.3
6	0.0	0.0	0.0	0.0
7	0.0	0.0	0.0	0.0
	4.0	4.5	4.5	4.5

	Link's Suggested Criteria
Y	Up to 5 Years
P	Up to 2 Years
B	Up to 1 Year
O	Up to 1 Year
R	Up to 6 months
G	Up to 3 months
N/C	No Colour



Normal' Risk Score	3.5	3.5	3.5	3.5
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THE PRUDENTIAL CODE AND PRUDENTIAL BORROWING

1. Introduction

- 1.1 The Local Government Act 2003 brought about a new borrowing system for local authorities known as the Prudential Code (the Code). This gives to Councils much greater freedom and flexibility to borrow without government consent so long as they can afford to repay the amount borrowed.
- 1.2 The aim of the Code is to support local authorities when making Capital investment decisions. These decisions should also be in line with the objectives and priorities as set out in the Council's Corporate Plan.
- 1.3 The key objectives of the Code are to ensure, within a clear framework, that the Capital investment plans of the Council are affordable, prudent and sustainable, or if appropriate, to demonstrate that they may not be. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability. These objectives are consistent with and support local strategic planning, local asset management planning and proper option appraisal. They also encourage sound treasury management decisions.

2. Prudential Indicators

- 2.1 To demonstrate that the Council has fulfilled these objectives, the Code sets out indicators that must be used. It is for the council to set any indicative limits or ratios. It is also important to note that these indicators are not designed to be comparative performance figures indicators but to support and record the Council's decision making process.
- 2.2 Appendix B2 sets out the latest performance indicators for the current year.

3. Prudential Borrowing

- 3.1 Local authorities have always funded a substantial element of their capital programme via borrowing. This continues to be the case but until the introduction of the Prudential Code any local authority borrowing was essentially based upon a government 'permission to borrow'. Following the introduction of the Prudential Code in 2003, the permission to borrow was essentially withdrawn and Councils were given greater freedom to borrow so long as they can demonstrate that the revenue consequences of such borrowing (i.e. the cost of the debt) are sustainable, affordable and prudent in the medium to long term.

PRUDENTIAL INDICATORS

Central to the operation of the Prudential code is the compilation and monitoring of prudential indicators covering affordability, prudence, Capital expenditure, and treasury management. Set out below are the indicators for 2021/22 to date as detailed in the Treasury Management Strategy Statement for 2021/22.

(a) Affordability

	2021/22 Original Estimate £	2021/22 Revised Estimate £
(i) Capital Expenditure	19,070,400	32,642,900
(ii) Financing Costs		
Total Financing Costs	458,100	(44,442)
(iii) Net Revenue Stream		
Funding from Govt Grants/Local Taxpayers	13,848,000	13,848,000
(iv) Ratio of Financing Costs to Net Revenue Stream	3.31%	(0.32%)
The figures monitor financing costs as a proportion of the total revenue stream from government grants and local taxpayers. The increase in the ratio of financing costs is mainly attributable to the forecast reduction in investment income.		
(v) Incremental Impact on Council Tax	12.82	18.19
This indicator allows the effect of the totality of the Council's capital investment decisions to be considered at budget setting time.		
(vi) Authorised Borrowing Limit	45,100,000	48,100,000
Maximum Level of Borrowing and Other Long term Liabilities	34,380,000	34,380,000
The authorised borrowing limit is determined by Council prior to the start of the financial year. The limit must not be altered without agreement by Council and should not be exceeded under any foreseeable circumstances.		

	2021/22 Original Estimate £	2021/22 Revised Estimate £
(vii) Operational Borrowing Limit Maximum Level of Borrowing and Other Long term Liabilities The operational borrowing limit is also determined by Council prior to the start of the financial year. Unlike the authorised limit, it may be breached temporarily due to cashflow variations but it should not be exceeded on a regular basis.	40,100,000 34,380,000	43,100,000 34,380,000
(viii) Capital Financing Requirement (CFR) As at 31 March The CFR is a measure of the underlying borrowing requirement of the authority for capital purposes.	39,601,000	40,948,000

(b) Prudence and Sustainability

	2021/22 Original £
(i) New Borrowing to Date Long Term Borrowing has been taken in 2021/22 to date	0 0
(ii) Percentage of Fixed Rate Long Term Borrowing at December 2021	100%
(iii) Percentage of Variable Rate Long Term Borrowing at December 2021 Prudent limits for both fixed and variable rate exposure have been set at 100%. This is due to the limited flexibility available to the authority in the context of its overall outstanding borrowing requirement.	0%
(iv) Minimum Level of Investments Classified as Specified Level of Specified Investments as at December 2021 As part of the Capital Investment Strategy for 2021/22, the Council set a minimum level of 50% for its specified as opposed to non specified investments. The two categories of investment were defined as part of the Strategy but for the City Council non specified investments will presently refer mainly to either investments of over one year in duration or investments placed with building societies that do not possess an appropriate credit rating. These tend to be the smaller building societies.	50.00% 100.00%

Meeting Date: 21 February 2022
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework YES
Public / Private Public

Title: CONSIDERATION OF BUDGET VIREMENTS 2022/23
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD.75/21

Purpose / Summary:

This report details funding available to the Executive in 2022/23 to respond to proposals considered at the Council Budget meeting on 1 February 2022 where it was agreed that these proposals be funded from existing resources.

Recommendations:

The Executive is requested to approve two separate virements totalling £100,000 as detailed in the report to fund the following, when required:

- (i) Additional non-recurring funding of £40,000 to be used to support mental health provision in Carlisle, which would include a £10,000 contribution to the Happy Mums Foundation;
- (ii) Additional non-recurring funding of £60,000 to support the continuation of the existing environmental clean-up and enforcement scheme;

Tracking

Executive:	21 February 2022
Scrutiny:	Not applicable
Council:	Not applicable

1. INTRODUCTION

- 1.1 The Executive budget proposals for 2022/23 to 2026/27 were approved by full Council at its meeting on 1 February 2022.
- 1.2 At this meeting, the Council debated nine amendments to the budget proposals which were either defeated or withdrawn; however, as part of the debate, the Executive confirmed their commitment to allocate funds for mental health support/Happy Mums Foundation and environmental clean-up and enforcement. These were to be funded from existing resources and as these are individually over £35,000, they must be approved by the Executive in line with the Council's Scheme of Virement.
- 1.3 Funding has been identified in the 2022/23 base budget which can be vired, when required, from the Old Fire Station budget provision, which is no longer required now that the property and functions are being operated by a third party and subject to a lease agreement. £100,000 can be vired from this budget provision.

2. MENTAL HEALTH SUPPORT/HAPPY MUMS FOUNDATION

The Executive agreed to increase the existing 2022/23 budget and provide an additional non-recurring £40,000 to support mental health groups and the provision of mental health services in Carlisle and the surrounding areas, with £10,000 of this being used to provide a Peer Support Worker with the Happy Mums Foundation.

The additional non-recurring £40,000 cost can be funded from existing revenue budgets in 2022/23 and in line with the Council's Scheme of Virement, this must be approved by the Executive.

3. ENVIRONMENTAL CLEAN-UP AND ENFORCEMENT

The Executive agreed to increase the existing 2022/23 budget and provide an additional non-recurring £60,000 to provide funding for staff and associated equipment for the team dealing with all aspects of environmental clean-up and enforcement in respect of dog fouling, litter and fly tipping. This is a continuation of the current scheme.

The additional non-recurring £60,000 cost can be funded from existing revenue budgets in 2022/23 and in line with the Council's Scheme of Virement, this must be approved by the Executive.

4. CONSULTATION

The Executive's budget proposals were considered by Council on 1 February 2022 following consultation with Scrutiny Panels and the public.

5. CONCLUSIONS AND REASONS FOR RECOMMENDATIONS

The Executive is requested to approve two separate virements totalling £100,000 to fund the commitments provided by the Executive at Council on 1 February 2022, when required.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

To ensure that a balanced budget is set.

Contact Officer: Alison Taylor

Ext: 7290

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 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.

PROPERTY – not applicable

FINANCE – Contained within the body of the report

EQUALITY – not applicable

INFORMATION GOVERNANCE – not applicable

Carlisle City Council Report to Executive

Item
A.11

Report details

Meeting Date:	21 st February 2022
Portfolio:	Environment and Transport
Key Decision:	No
Policy and Budget Framework	Yes/No
Public / Private	Public
Title:	TRAFFIC REGULATION ORDER (TRO) FOR RICKERBY PARK
Report of:	The Deputy Chief Executive
Report Number:	CS.11/22

Purpose / Summary:

This report provides the justification for the intension to introduce an experimental traffic regulation order for Rickerby Park Car Parks.

Recommendations:

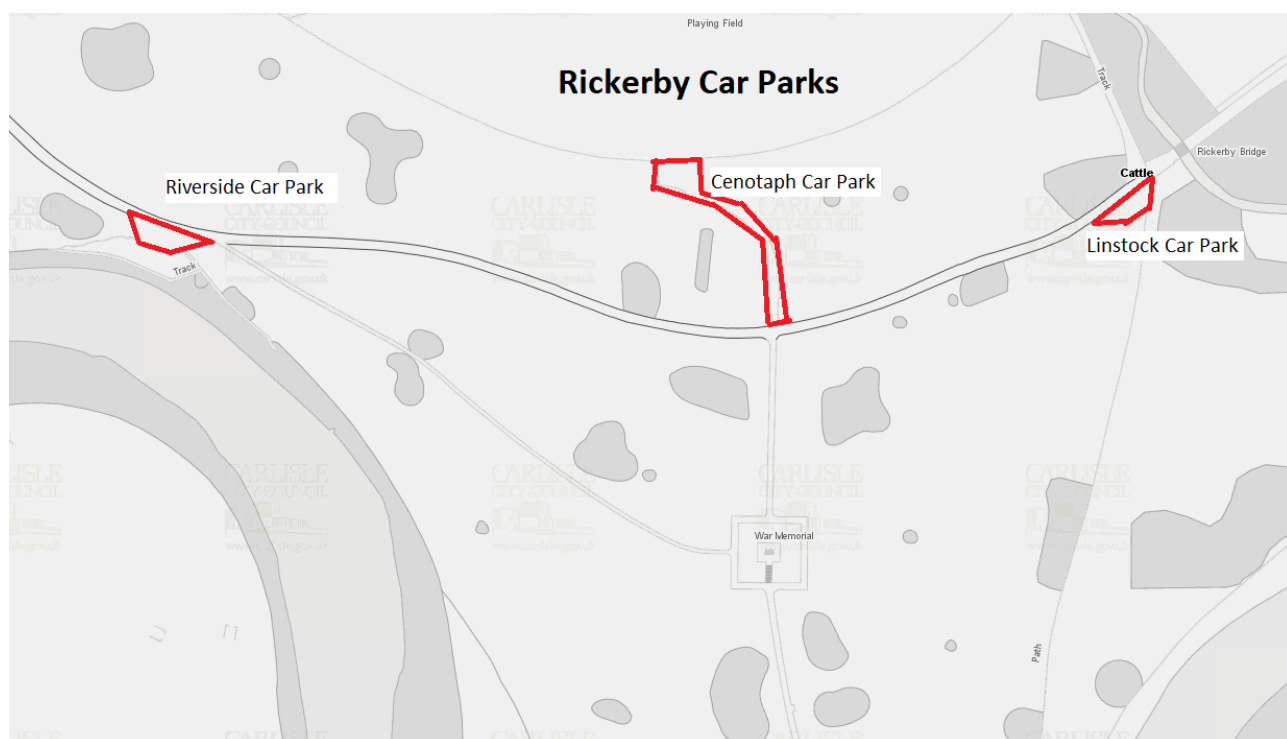
That the Executive approve the introduction of an experimental Traffic Regulation Order for Rickerby Park car parks.

Tracking

Executive:	-
Scrutiny:	-
Council:	-

1. BACKGROUND

- 1.1 Rickerby Park has open access to the park off the highway that runs from Brampton Road to Linstock. This open access from the highway has unfortunately meant that in recent years the park has been used for numerous unauthorised encampments on the grassed areas, and repeated overnight parking in the 3 car parks of Rickerby Park by holiday makers and members of the campervan community. Whilst unauthorised encampments can be moved on by serving a legal notice and the courts, there is currently no way to legally enforce no overnight parking by other groups. Therefore, there is a requirement to create an experimental Traffic Regulation Order (ETRO) to allow 'No overnight Parking' to be enforced. This will allow the council to have a consistent approach to all groups wanting to use the park for overnight stays.



2. PROPOSALS

- 2.1 An experimental traffic regulation order be created to cover the car 3 car parks in Rickerby Park so that no overnight parking to be enforced.

3. CONSULTATION

- 3.1 The council has a duty to consult with a wide range of stakeholders on the proposed changes. A draft order will be published allowing a 21-day consultation

period. This falls within the timeframe recommended for public consultation by the Cabinet Office.

- 3.2** Consultation will involve the Carlisle Highways and Transport Working Group at Cumbria County Council.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 4.1** In order to allow No overnight Parking to be enforced the Executive are asked to approve the introduction of an experimental Traffic Regulation Order for Rickerby Park.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

Supports the health and wellbeing of residents who overlook the park.

Contact Officer: **Darren Crossley**

Ext: **817120**

Appendices Appendix 1 – Copy of the Draft Order
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 Experimental Traffic Regulation Order (ETRO) will restrict parking in the 3 car parks in Rickerby Park showed on the above plan between the hours of 11.59pm and 5.01am. The ETRO will be made by the City Council under the statutory powers given in the Road Traffic Regulation Act 1984 and the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996. Contravention of the ETRO will be enforced by a civil penalty.
- The Council also has an additional protocol to take into consideration if the unauthorised parking is an unauthorised traveller settlement. There is no specific legislative duty placed on local authorities to deal with unauthorised encampments

by Gypsies and Travellers local authorities can take action as landowners through civil actions against trespass using Civil Procedure Rules Part 55, heard in a County Court. The protocol contains specific provisions relating to encampments related to Appleby Fair.

FINANCE – The introduction of an Experimental Traffic Regulation Order for Rickerby Park will be contained within existing budgets.

EQUALITY –

INFORMATION GOVERNANCE –

Appendix 1

THE CITY COUNCIL OF CARLISLE
ROAD TRAFFIC REGULATION ACT 1984
The Local Authorities' Traffic Orders (Procedure)
(England and Wales) Regulations 1996
Section 6 and Paragraph 2 of Schedule 2

STATEMENT OF REASONS

Name of Order:

The City Council of Carlisle (Rickerby Park) (Restrictions to Overnight Parking)
Experimental Order 2022

THE AUTHORITY'S REASONS for proposing to make the above mentioned Order are as follows:

Background:

1. Rickerby Park has open access to the park off the highway that runs from Brampton Road to Linstock. This open access from the highway has unfortunately meant that in recent years the park has been used repeatedly for overnight camping and overnight parking by campervans in the three car parks of Rickerby Park namely the Riverside car park, the Cenotaph car park, and the Linstock car park - "the car parks". There is currently no way to legally enforce no overnight parking. Therefore, there is a requirement for the City council of Carlisle "the Council" to create a Traffic Regulation Order (TRO) to allow 'No overnight Parking' to be enforced.

Proposed Scheme:

1. The proposed scheme is to create an Experimental Traffic Regulation Order (ETRO) to restrict parking in the car parks to the hours of 5.01am and 11.59pm "the permitted hours" and allow no parking between the hours of midnight and 5am (save for emergency vehicles).
2. The Council considers and experimental order to be appropriate as parking has not previously been restricted in the car parks and it will allow the Council to regular review and monitor the impact of the ETO.
3. The ETO will last for a maximum of 18 months. During the first six months of the experiment, there will be an opportunity for people to contribute their views and anyone who is opposed to the restrictions continuing on a permanent basis to submit an objection. Such representations will be considered carefully and may lead to revisions to the Scheme and will help determine whether a permanent order should be made, either modified or in like terms to the ETRO.

Reasons:

The Council considers it expedient to make the Order:

1. To prevent overnight parking in the car parks where no facilities for overnight camping are available.
2. To avoid damage to the park from the impact of overnight camping such as burned grass from campfires.
3. To avoid the litter and associated waste that comes with overnight camping.
4. To allow the car parks to remain uncongested from overnight campers and available to be used for the purpose of parking during the permitted hours.

THE CITY COUNCIL OF CARLISLE
(RICKERBY PARK) (RESTRICTIONS TO OVERNIGHT PARKING)
EXPERIMENTAL ORDER 2022

The City Council of Carlisle in exercise of its powers under Sections 9 and 10 of the Road Traffic Regulation Act 1984 and of all other enabling powers and after consulting with the chief officer of police in accordance with Part III of Schedule 9 to the Act hereby makes the following Order:

1. This Order shall come into operation on _____ for a period of not exceeding 18 months and may be cited as "The City Council of Carlisle (Rickerby Park) (Restriction to overnight parking) Order 2022."
2. Whilst this Order remains in force no person shall be permitted to park any motor vehicle (with the exception of emergency vehicles) between the hours of 11.59pm and 5.01am on the car parks detailed in Schedule 1 to this Order.

EXECUTED AS A DEED by the
CITY COUNCIL OF CARLISLE
by affixing its common seal
in the presence of

)
)
)
)

Authorised Signatory

Schedule 1

Riverside Car Park shown for identification purposes edged red on the plan annexed to this Order "the Plan".

Cenotaph Car Park shown for identification purposes edges red on the Plan.

Linstock Car Park shown for identification purposes edged red on the Plan.

