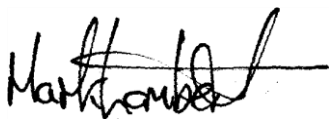


SUMMONS

To the Mayor and Members of Carlisle City Council

You are summoned to attend the Meeting of Carlisle City Council which will be held on **Tuesday, 14 September 2021** at **18:45**, in the **Council Chamber, Civic Centre, Carlisle, CA3 8QG**



Corporate Director of Governance and Regulatory Services

AGENDA

1. The Mayor will invite the Chaplain to say prayers.
2. The Town Clerk and Chief Executive will open the meeting by calling the roll.

3. **Minutes**

The Council will be asked to receive the Minutes of the meeting of the City Council held on 20 July 2021.

4. **Public and Press**

To determine whether any of the items of business within Part A of the Agenda should be dealt with when the public and press are excluded from the meeting.

To determine whether any of the items of business within Part B of the Agenda should be dealt with when the public and press are present.

5. Declarations of Interest

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

6. Announcements

- (i) To receive any announcements from the Mayor
- (ii) To receive any announcements from the Leader of the Council
- (iii) To receive any announcements from Members of the Executive
- (iv) To receive any announcements from the Town Clerk and Chief Executive

7. Questions by Members of the Public

Pursuant to Procedure Rule 10.1, the Corporate Director of Governance and Regulatory Services to report that no questions have been submitted on notice by members of the public.

8. Presentation of Petitions and Deputations

Pursuant to Procedure Rule 10.11, the Corporate Director of Governance and Regulatory Services to report that no petitions or deputations have been submitted by members of the public.

9. Questions from Members of the Council

Pursuant to Procedure Rule 11.2, the Corporate Director of Governance and Regulatory Services to report that no questions have been submitted on notice by Members of the City Council

10. Minutes of the Executive

The Council will be requested to receive the Minutes of the meetings of the Executive held 2 August and 31 August 2021 and ask questions of the Leader and Portfolio Holder on those Minutes.

11. Executive - Portfolio Holder Reports

The Council will be asked to receive reports from the following Portfolio Holders:

- | | |
|--|----------------|
| (i) <u>Culture, Heritage and Leisure</u> | 9 - 10 |
| (ii) <u>Communities, Health and Wellbeing</u> | 11 - 14 |
| (iii) <u>Environment and Transport</u> | 15 - 18 |
| (iv) <u>Economy, Enterprise and Housing</u> | 19 - 22 |
| (v) <u>Finance, Governance and Resources</u> | 23 - 24 |
| (vi) <u>Leader's Portfolio</u> | 25 - 28 |

and ask questions of the Leader and Portfolio Holders on those Reports.
(Copy Reports herewith)

12. Minutes

The Council will be asked to receive the Minutes of the meetings as detailed within Minute Book Volume 48(2); and ask questions of the Leader, Portfolio Holders and Committee Chairs.

For ease of reference the Minutes are:

Committee	Meeting Date
Health and Wellbeing Scrutiny Panel	22 July 2021
Business and Transformation Scrutiny Panel	15 July 2021
Economic Growth Scrutiny Panel	29 July 2021
Regulatory Panel	14 July and 18 August 2021
Licensing Committee	14 July and 18 August 2021
Development Control Committee	21 July and 23 July 2021
Audit Committee	8 July and 28 July 2021

Appeals Panel	12 July and 3 August 2021
---------------	---------------------------

13. **Scrutiny**

The Council will be asked to receive reports from the following:

(i) **Vice Chair of the Health and Wellbeing Scrutiny Panel** 29 - 30

(ii) **Chair of the Business and Transformation Scrutiny Panel** 31 - 32

(iii) **Chair of the Economic Growth Scrutiny Panel** 33 - 34

(Copy Reports herewith)

14. **Notice of Motion**

(i) Universal Credit

Pursuant to Procedure Rule 12, the Corporate Director of Governance and Regulatory Services to report the receipt of the following motion submitted on notice by Councillor Patrick:

“This Council calls on the Government to change its decision and retain the Universal Credit uplift.

We believe this is the fair and right thing to do, to protect our residents and avoid causing financial difficulty, poverty, and potential crisis to approximately 7,367 Universal Credit claimants and their families across the Carlisle City District.”

(ii) A Right to Food City

Pursuant to Procedure Rule 12, the Corporate Director of Governance and Regulatory Services to report the receipt of the following motion submitted on notice by Councillor Brown:

“This Council believes that the Covid-19 pandemic has only served to exasperate levels of poverty and food insecurity amongst Children and Adults in both its urban and rural wards. We note the exemplary work of the local authority during the pandemic but fear much more needs to be done to address the immediate crisis of food insecurity.

According to data collected by No Child Left Behind, 4,469 children are living in poverty in Carlisle. School staff, youth workers and community workers in Carlisle report families struggling financially, unable to afford uniform, children (from families both in work and out of work) coming to school or youth groups hungry.

Figures for Cumbria now show 10,692 children receiving Free School Meals but as the thresholds for eligibility are so low, Child Tax Credit and an annual gross income of no more than £16,190 or Universal Credit household income must be less than £7,400 a year, those just above the threshold are struggling with no support. With the Government cutting the Universal Credit uplift approx 8,871 families in Carlisle will be worse off, not only risking pushing these families into further food insecurity, but taking millions out of our local economy.

The right to food is a fundamental human right, enshrined in the International Covenant on Economic, Social and Cultural Rights adopted by the United Nations. People have the right to eat with dignity and with choice, and not only have the right to food, but to good food.

Therefore, we commit this council to the following actions.

1. To join Councils in Liverpool, Manchester, Greater Manchester Combined Authority, Liverpool Combined Authority, Rotherham, Brighton and Hove, Haringey, St Helens, Newcastle, Portsmouth by declaring Carlisle a Right to Food City and formally support the Right to Food Campaign started by Fans Supporting Food Banks
2. Calls on the Chief Executive to write to our MP's and ask them to actively campaign to enshrine a Right to Food in UK law: universal free school meals; community kitchens; reasonable portions in benefits and wages; ensured food security; and independent enforcement, as recognised by the UN, bringing the country into line with the best international practice.
3. Calls on Carlisle City Council Executive, Officers and Scrutiny Panels to support local recognition of food poverty and insecurity as issues demanding priority action; to pledge to measure annually food insecurity in Carlisle as a whole; to promote existing initiatives and develop and work with communities to understand need accurately and to support new initiatives to tackle food insecurity; to develop robust emergency planning for

future crises which challenge food insecurity; scrutinise the availability of healthy food vs. junk food in local areas; consider local transport and accessibility to healthy food outlets; People in the community (in receipt of help) should be the ones who drive the emergence of an actual plan, rather than one being imposed.

4. Sign the Glasgow Food and Climate Declaration - A commitment by subnational governments to tackle the climate emergency through integrated food policies and a call on national governments to act"

15. Proposals from the Executive in relation to the Council's Budget and Policy Framework

(i) Medium Term Financial Plan 2022/23 - 2026/27 35 - 88

Pursuant to Minute EX.65/21 and EX.84/21, to consider a recommendation from the Executive that the Medium Term Financial Plan 2022/23 - 2026/27 be referred to Council for approval.
(Copy Report RD.36/21 and Minute Extracts herewith)

(ii) Capital Investment Strategy 2022/23 - 2026/27 89 - 128

Pursuant to Minute EX.66/21 and EX.85/21, to consider a recommendation from the Executive that the Capital Investment Strategy 2022/23 – 2026/27 be referred to Council for approval.
(Copy Report RD.37/21 and Minute Extracts herewith)

(iii) Asset Management Plan 2022 to 2027 129 - 156

Pursuant to Minute EX.67/21 and EX.86/21, to consider a recommendation from the Executive that the Asset Management Plan for 2022 to 2027 be referred to Council for adoption.
(Copy Report GD.58/21 and Minute Extracts herewith)

(iv) Carlisle Plan 2021 - 2023 157 - 196

Pursuant to Minute EX.87/21, to consider a recommendation from the Executive that the Carlisle Plan 2021 – 2023 be referred to Council for adoption.
(Copy Report PC.28/21 and Minute Extracts herewith)

- (v) **Carlisle Economic Strategy** 197 - 248
- Pursuant to Minute EX.55/21, to consider a recommendation from the Executive that the Carlisle Economic Strategy be referred to Council for adoption.(Copy Report ED.34/21 and Minute Extracts herewith)
16. **Options for Increasing the Delivery of Affordable Housing in Carlisle** 249 - 276
- Pursuant to Minute EX.93/21 to consider a report on the delivery of affordable housing in Carlisle.
(Copy Report ED.33/21 and Minute Extract herewith)
17. **Temporary Appointment of Members to Farlam Parish Council** 277 - 280
- The City Council to give authority to the Corporate Director of Governance and Regulatory Services to draft and complete an Order under s.91 of the Local Government Act 1972 to appoint Councillors Meller, Mitchelson and Tinnion to Farlam Parish Council in order that a quorate meeting of the said Parish may take place and co-opt new Members.
(Copy Report GD.57/21 herewith)
18. **Community Governance Review "Stanwix Village"** 281 - 286
- The City Council to consider a petition requesting a Community Governance Review of the proposed "Stanwix Village" parish area and, what the remit and scope should be.
(Copy Report GD.56/21 herewith)
19. **Proposed Change to the Start Time of the Regulatory Panel**
- The City Council to note and approve a nomination to change the start time of Regulatory Panel from 4.00pm to 2.00pm. The Licensing Committee will continue to take place on the rising of the Regulatory Panel.
20. **Committee Nominations**
- The City Council to note and approve nominations for changes
- (a) **Conservative Group:**
Audit Committee
Councillor Mrs Tarbitt to replace Councillor Morton as a full Member

21. Operation of the Provisions Relating to Call-in and Urgency 287 - 290

Pursuant to Overview and Scrutiny Procedure Rule 15 (i) and Access to Information Procedure Rule 17.3, the Corporate Director of Governance and Regulatory Services to report on the operation of call-in and urgency procedures over the past year.
(Copy Report GD.59/21 herewith)

22. Communications

To receive and consider communications and to deal with such other business as may be brought forward by the Mayor as a matter of urgency, in accordance with Procedure Rule 2.1(xv) to pass such resolution or resolutions thereon as may be considered expedient or desirable.

PART 'B'

To be considered in private

- NIL -

Meeting Date: 14th September 2021

Public/Private*: Public

Title: **Culture, Heritage & Leisure Portfolio Holder's Report –
Councillor Stephen Higgs**

TOURISM / DISCOVER CARLISLE

Tickets for City of Lights are on sale now at the Tourist Information Centre. The event will be held over three nights, 14th, 15th & 16th October. The event will consist of two sound and light experiences, the first at Carlisle Cathedral, followed by a second at Carlisle Castle. The Destination Manager is also working with Cumbria CC to light key historic buildings in the City. Carlisle has featured in a 4-page spread in Coach Tours UK magazine this summer. The Destination Management Team has also secured a visit from renowned travel blogger and influencer, Pelumi Nubi, as well as directly promoting Carlisle to 17 tour operators through England's Historic Cities. The International Market was held over the August Bank Holiday Weekend, attracting lots of visitors to the City Centre. There has been a good take up for the 'Restarting Communities Fund'. The Destination Management Team is working with applicants to bring their projects to fruition. These include improvements to public realm and outdoor spaces and family events throughout the district.

CARLISLE STATION, CITADELS AND VICTORIAN HEALTH SUITE (TURKISH BATHS)

Excellent progress continues to be made with the development and delivery of the 2 Borderlands projects: Carlisle Station Gateway and The Citadels. These two heritage-led regeneration schemes which will revitalise the historically important southern area of the city centre and secure the sustainable long-term future of locally and nationally significant listed buildings. The Pools and the Victorian Health Suite (which includes the Turkish Baths) form an important element of the Station Gateway Project. The City Council maintains the position that the Victorian Health Suite is an important listed building and part of Carlisle's heritage - and therefore, will be protected.

UNCOVERING ROMAN CARLISLE

The Uncovering Roman Carlisle Project, which recently received a £99,900 National Lottery Heritage Fund grant is an 18-month programme of community archaeological investigation, exhibitions, and engagement exploring Carlisle's Roman remains. The project will include a 28-day community excavation of a Roman bathhouse - starting on

Tuesday, 31st August. More than 150 volunteers have already signed up to take part in the excavation.

TULLIE HOUSE

Tullie House has had a busy summer, with an increase in visitors, new galleries opening and community engagement continuing at pace. The long-awaited Costume Collection at Tullie House opened on 15th July, with outstanding visitor feedback. The galleries were also referenced in our annual Visit England Assessment and contributed to the Museum achieving 90% - our highest ever score and one that qualifies us for 'Gold' standard. The assessor wrote: *"The new Costume Collection display was a highlight of the visit; the content, presentation and interpretation combined to create two excellent galleries."* Our holiday programme of family craft activities, storytelling and activities in our Secret Garden has been enjoyed by over 1,000 people, all delivered in a socially-distanced, Covid safe setting. Tullie House's community engagement programme is slowly building back up following successive lockdowns. The Thriving Communities project delivered in partnership with Carlisle City Council, Cumbria Wildlife Trust, Prism Arts, Susie Tate Projects and Carlisle Healthcare is also progressing well.

CUMBRIA'S MUSEUM OF MILITARY LIFE

Visitor figures for the Museum were extremely good in July and are looking even better for August. We are seeing visitors from outside the County coming to the Museum. We were pleased to receive an award of £98,700 from the Heritage Fund which will enable us to build our sustainability and make us more resilient in the future. We will be looking at digital engagement, income generation and retail as part of this funding.

BITTS PARK CULTURAL AND CREATIVE COURTYARD

Carlisle Tribe is now open with a successful launch week at the end of August with the provision of new catering and retail spaces plus new public toilets for Bitts Park. The businesses on site are:

- **The Tasty Greek** – authentic Greek street food and drinks, originating from the different islands of Greece
- **Beirut Bites** – Lebanese Street Food. Andrei is an experienced chef, and this will be his first solo venture
- **Pokey Parlour** – Ice Cream and Coffee for dogs and humans
- **Bella Tacos** – Tacos with a Cumbrian Twist, including vegan and veggie options
- **Sissy That Print** – Emma does digital art, prints and stickers, including commissions and custom made products
- **Love Dough** – Artisan Pizza, stonebaked, that will blow your tastebuds
- **Tribe Bar** – House Bar - serving beverages all day long

OLD FIRE STATION

Now that the new operator has been confirmed, an ambitious and exciting events programme is taking shape. For up-to-date information on events, please visit:

<https://www.oldfirestation.carlisle.city/whatson.html>

EVENTS LIST TO FOLLOW

Meeting Date: 14th September 2021

Public/Private*: Public

Title: **Communities, Health and Wellbeing Portfolio Holder's Report –
Councillor Elizabeth Mallinson**

CUSTOMER SERVICES

Customer Services are continuing to see an increased workload. Since April 2020 we have handled over 190,000 calls and over 25,000 emails. This represents a rise in demand of over 70% on the previous year. Since the beginning of the pandemic, we have issued 298 foodbank referrals and have conducted 129 Supervisor Call-Backs to our most vulnerable customers.

With the refurbished Contact Centre nearing completion, we are planning our return to the Civic Centre in September. After a short period of acclimatisation, we hope to be able to fully open the Contact Centre whilst having all measures in place to remain Covid safe.

Customer Services have maintained services throughout the pandemic and have provided additional support to other services. We have provided staffing support to Track and Trace, the Crematorium Team and are supporting Council Tax Recovery and Pest Control with additional services.

EQUALITY ANNUAL REPORT AND ACTION PLAN

The draft Annual Equality Report for 2020/21 will be submitted to Health & Wellbeing Scrutiny Panel on 2nd September, followed by the Executive 27th September. The covering report for the Panel includes the Armed Forces Bill 2021 - 22. This Bill will incorporate the Armed Forces Covenant into legislation. The next Armed Forces Covenant Partnership meeting is on 21st September.

WHO CARLISLE HEALTH FORUM

The last meeting in August, focused on the following areas:

- An update on the Thriving Communities Project

- And updates on the current situation – including key Covid Public Health, Community and the latest data updates (and the impact in Carlisle) from the Public Health Alliance, Vaccinations, Community Resilience Groups
- Carlisle Integrated Care and WHO Carlisle Plenary session feedback and next steps
- A focus from elements of the WHO Healthy City Developing Partnership Plan
- Social prescribing in Carlisle – emerging patterns
- Healthy aging update
- Long Covid update
- Healthy Weight update
- The latest guidance, funding and policy information was also shared with partners

REGULATORY SERVICES

In response to requests from health and social care professionals, Homelife Carlisle have expanded the types of measures we can offer through our Hospital Discharge and Dementia grants. The aim of the grants is to speed up and help the return to home from hospital and help people with memory problems to live more independently at home. Homelife have refreshed the forms to make them more user friendly and referrals are increasing as the service is being well received across hospitals in Cumbria for patients who are residents in Carlisle.

HEALTHY CITY TEAM

Active Spaces

A major play area refurbishment project, costing approximately £125,000 in total, has been completed at Hammonds Pond, Upperby. The works, funded by S106 contributions from a nearby development, included replacing most of the existing play equipment and safer surfacing in the park. Playdale Playgrounds completed the infants' area in early July and Kompan Scotland finished the juniors' area in mid-August. The new playground features several items of wheelchair accessible equipment together with some exciting climbing items for older children. The new equipment has been extremely well received and the play area has been very busy!

A public consultation on the future use of an end-of-life kick around area and basketball hoop at Hammonds Pond will shortly be underway. Residents will be asked to indicate their preferences from a number of potential options, including outdoor exercise equipment and new ball games facilities.

Family Fun Day – Harraby Catholic Football Club

The Healthy City Team has been supporting the Captain of the under eights football team at Harraby Catholic Club to put on a fun day event for the benefit of the teams and the local community. Part of this was supporting the submission of a Community Events Support Funding Grant Application to Carlisle City Council. The successful grant application has allowed for the event to take place which will help support the wellbeing of the teams and the broader community. The aspiration is that this will result in opportunities for further projects with the rest of the Healthy City Team.

Thriving Communities Partnership

Thriving Communities partnership have embarked on their first 6-week pilot programme. Taking place at Brampton Community Centre and Morton Community Centre.

Organisations involved in taster sessions are:

- North Cumbria Recovery College: Mindfulness
- Cumbria Wildlife Trust: Gardening for Wildlife
- Royal Literary Fund: Reading & Conversation
- Tullie House: Creative Collections
- Susie Tate: Movement & Dance
- iCan Fitness: Wheels of Wellness
- Food Carlisle: Incredible Edible project led by Longtown & Brampton Rotary Club have finished setting their first site up at Brampton Community Centre and are now planning for other sites
- Food Carlisle are supporting Sustainable Carlisle and Cumbria Organic Gardeners & Farmers with their Great Big Green Week events and will be attending their Harvest Festival & Eco Market to discuss food waste, low carbon meals and how supporting your local producers and growers can lower the carbon footprint of your food
- Food Carlisle are in discussions with the Food, Farm and Countryside Commission regarding their Cumbria Inquiry, in the hope that we can work together on food procurement and wider food systems in the area
- The Holmes Avenue Community Allotment has some new volunteers. This community growing project has been a great success, with local residents and Riverside Housing Association in full support of the scheme, which was set up to contribute fruit and vegetables to local Food Hubs

Meeting Date: 14th September 2021

Public/Private*: Public

Title: **Environment & Transport Portfolio Holder's Report –
Councillor Nigel Christian**

OPERATIONS

Covid-19 continues to have an impact on our staff and this is compounded by the national shortage of HGV drivers. To avoid disruption to collection services, we have had to reduce the main sweeping programme and postpone some planned litter clearance from verges, to allow staff to be re-allocated. Additional sweeping has taken place across the weekend to help.

PARKING AND ENFORCEMENT

Car park occupancy rates, whilst still down on previous years, are continuing to pick up as the restrictions have eased and weather has improved over the summer holiday period.

The Enforcement Team are continuing to investigate a number of fly-tipping incidents and have recently trialled a new re-deployable dome camera with a view to adding this to our armoury. This team continues to perform very well, working with businesses in Kingstown to tackle the stubborn litter problem as well as achieving the following successes since June this year:-

OFFENCE	NUMBER OF NOTICES ISSUED
Litter	16
Fly-tipping	3
Dog fouling	3
Failing to produce a waste transfer note (business)	1
Microchipping	8
Breach of a community protection notice	2
Failing to attend an interview under caution	3

Although the Magistrates' Courts are still dealing with a backlog of cases, we have seen a number of successful prosecutions, with fines totalling over £1,800 (including costs) being

imposed for three cases. The Council currently has 34 outstanding cases awaiting consideration by the Courts.

CLIMATE CHANGE

A regular round-up of Zero Carbon Cumbria Partnership activity is now included in the Chief Executive's email bulletin. This additional newsletter is compiled by the Local Authority Climate Coordinator, a role funded through the ZCCP.

An application has been submitted to Phase 2 Public Sector Low Carbon Skills Fund, a fund that will provide grants for public sector organisations to engage the specialist and expert advice and skills required to put in place or improve an existing heat decarbonisation plan.

CUMBRIA LRF FUNDING PILOT EOI CARLISLE AND EDEN

The EOI to the Local Resilience Funding pilot was not successful. However, Cumbria CVS are looking at other funding opportunities to build on local community response work and the learning that has come from the community groups involved in this work.

REGULATORY SERVICES

A Health & Safety Officer has been recruited to support businesses on recognising their legal duties to protect employees from Covid whilst at work. COVID restrictions have been lifted, but employers are required under Health & Safety at Work legislation to identify risks to both employees and those not in their employment. COVID-19 remains a significant risk within the workplace and appropriate control measures still need to be in place to reduce the risk to employees. The Health & Safety Officer will be used over the next six months to monitor compliance and help businesses understand the principles of risk assessment and direct them to current HSE and Government guidance on COVID workplace safety. This work will support the Environmental Health Officers who are now engaged in the Food Safety Recovery Plan.

Based on the recent Food Standards Agency (FSA) Recovery Plan, outstanding and planned food safety inspections have been identified based on their current risk category. This will form the priority for Carlisle's food safety inspections moving forward. EHOs authorised for food safety activities are currently contacting and visiting those new businesses which registered with the Authority during the last 16 months which we were unable to visit (remote assessment was undertaken during this period). The FSA Recovery Plan takes us through to end March 2023. The City Council will be extending our inspections to cover a wider range of businesses not identified in the plan i.e. those which are currently identified as broadly compliant, as standards may have deteriorated in some businesses during the extended period since their last inspection.

GREEN SPACES AND GROUNDS MAINTENANCE

Hammonds Pond

Following completion of the play area refurbishment works the team are moving on to the next stage of the Hammonds Pond improvements using the S106 developer contributions from The Ridings development. This winter the team are planning projects to improve footpaths, replace bridges and restore damaged sections of pond edge.

Managing Green Space for Biodiversity

Creation of an urban nature reserve providing habitat for pollinating insects and a wide range of other wildlife, is progressing well at The Swifts. All remaining golf course and driving range infrastructure has now been removed and the first hay crop has been taken off with wildflowers being sown in mid to late September. The next stage of the project will involve the planting of native flowering tree species over the winter.

Meeting Date: 14th September 2021

Public/Private*: Public

Title: **Economy, Enterprise & Housing Portfolio Holder's Report –
Councillor Paul Nedved**

ST CUTHBERT'S GARDEN VILLAGE

Work on the St Cuthbert's Local Plan continues at pace with the commencement of vital additional evidence being commissioned. This is necessary to underpin the policies within the plan. An early exploratory meeting with the Planning Inspectorate had been held to confirm the approach, especially in view of the recent changes to the NPPF.

In advance of the Local Plan being adopted, the decision-making framework is set by the recently adopted Strategic Design Supplementary Planning Document (SPD). This document has recently been shortlisted for the Plan Making category of the RTPI NW Planning Awards.

Work on exploring the potential for innovative delivery vehicles for the delivery and longer-term stewardship of the Garden Village is ongoing. The aspiration is to create a public and/or private delivery vehicle for example for green infrastructure, community facilities, homes on site etc, leading to a step-change in two to three years' time.

A national landscape design competition is currently being held for the central piece of strategic green infrastructure in the Garden Village. The competition 'Start with the Park' is being facilitated by the Landscape Institute and funded by the Town Deal capacity funding with additional sponsorship from United Utilities (UU).

<https://competitions.landscapeinstitute.org/st-cuthberts/>

Following Cumbria County Council's approval of the Carlisle Southern Link Road in November 2020, Morgan Sindall have been appointed to deliver the Stage 1 detailed design contract.

Completion of the CSLR remains on track to be delivered by 2024. Consultation on the proposed art works for the roundabouts will commence in early Autumn.

RURAL STRATEGY

Carlisle City Council will be working with Eden District Council to develop a rural strategy for Carlisle & Eden.

The strategy will sit underneath the Economic Strategy, and will recommend actions for the Council's to support rural economic growth, recognising key challenges and opportunities facing the rural economy in Carlisle and Eden in the coming years, including:

- Capitalising on our natural assets
- Supporting rural businesses and communities through the Brexit transition
- Exploring opportunities to grow our rural visitor economy, and champion rural attractions like the AONBs and Hadrian's Wall

The Strategy will be developed following approval of the Economic Strategy, and we will keep members involved in this process.

COVID BUSINESS GRANTS

The Economic Development Team have been administering the discretionary business grants to local businesses since May 2020. To date £3,892,185 has been paid in discretionary Additional Restrictions Grants to sole traders, small and medium businesses in significantly impacted sectors across Carlisle.

TOTAL AND AFFORDABLE HOUSING DELIVERY

Total completions for 2020/21 were 471, which is below recent years (the previous year saw record completions of 663). The reduction was largely inevitable, due to the impact of Covid-19, as sites were closed during the first wave of the pandemic, as well as Estate Agents being closed, and restrictions on people moving home. This was compounded by delays in some new housing schemes being completed, due to shortages of some building materials, linked to BREXIT and Covid. The housing market has remained buoyant, despite the pandemic, so it is anticipated completions will build back up to pre-Covid levels.

The position regarding affordable housing completions was more positive, with 170 affordable homes built during 2020/21; which is above the 158 annual affordable dwellings target in the Council's most recent SHMA (Strategic Housing Market Assessment). The strong level of affordable completions was supported by the high level of Housing Association-led grant-funded properties (supported by Homes England) delivered during the year. There were also 150 new affordable homes completed in the previous year.

CUSTOM & SELF-BUILD HOUSING EVENT

An online evening event has been organised for people on the Council's Custom & Self-Build register, on Tuesday, 5th October. The panel will include City Council Officers as well as representatives from Build Store, Custom Build Homes and the Cumbria and Lancaster Community-Led Housing Hub. The agenda will cover a range of issues,

including finding a suitable plot; financing a self-build project; community-led housing; the Council's self-build grant programme; and the Council's emerging Custom and Self-Build Policy in the draft St Cuthbert's Garden Village Local Plan.

REGULATORY SERVICES

Empty Property Success

The City Council have an internal empty property working group, the group is designed to bring together departments who deal with empty properties, and their owners, to proactively address long term empty properties that blight the City and our communities. The proactive approach has had success. A property to the west of the City that was subject to enforcement in 2019 and has been a significant blight on a main throughfare into the City for over 10 years, has recently changed hands due to the perseverance of the group. The property was sold to a new developer who will return the property back into a family home.

Sustainable Warmth application

An application for £14,105,000 funding to retrofit a target of 710 eligible domestic homes across Cumbria without mains gas heating, and further funding of £5,850,000 to target 600 homes with mains gas heating, with energy efficiency measures has been submitted to BEIS. Carlisle City Council are the lead authority on a consortium of Cumbrian District Authorities. The decision will be made in the Autumn as to whether the application has been successful. The project will run from January 2022 to March 2023 and details for eligibility and applications will be appearing on the Homelife website.

Energy Efficiency advice training

All Homelife Case Officers are now all qualified to NEA (National Energy Action) Level 3 NVQ in energy advice and are putting their training into practice by carrying out home energy assessments over the telephone, by video or home visits for Carlisle residents. As part of this service Homelife can offer free draught proofing, energy saving lightbulbs, CO monitors, room and radiator thermostats and much more to help Carlisle residents save money and keep warm in their homes regardless of tenure.

Meeting Date: 14th September 2021

Public/Private*: Public

Title: **Finance, Governance & Resources Portfolio Holder's Report –
Councillor Gareth Ellis**

FINANCIAL SERVICES

The draft Statement of Accounts for 2020/21 have been prepared and were published before the revised statutory deadline of 31st July 2021. The external audit process on these statements is underway.

HR & PAYROLL

- The new personnel in the HR & Payroll Manager are settling in well
- **Returning to the Civic Centre:** The team is actively supporting work streams relating to the Civic Centre once again becoming the main place of work. The 'return to the workplace' is anticipated to take place at the end of September 2021
- **Recruitment:** Development of the iTrent Recruitment module is planned for September which will support a more efficient recruitment process for both managers and new employees
- **Kickstart:** Engagement of up to two Kickstart employees has been approved to help create some capacity within the team to support the iTrent implementation and a Data retention project

ORGANISATIONAL DEVELOPMENT

OD have supported the lateral flow testing at Boustead's and to date over 1,300 tests have been completed, individuals have been shown and encouraged now to complete at home.

Apprenticeship funding has been used to support additional management training to level 3 and level 5 qualifications, currently 10 people on programme.

The ICT development hosted by Jamie Jackson continues to be well received by employees and includes recorded provision emailed to Members, additional delivery under planning for Member development.

Plans underway to provide support and development to employees regarding the Local Government Reorganisation.

ELECTORAL REGISTRATION

The Elections Team are well into the annual canvass and are just about to move to the next stage of property communication prior to sending canvassers out to door knock the non-responding properties.

INFORMATION MANAGEMENT – LEGAL SERVICES

- Recent counts for information requests (From 26th June 2021 – 20th August 2021):
- Environmental Information Regulations requests received - 11
- Environmental Information Regulations requests responded to - 10
- Freedom of Information Act requests received – 102
- Freedom of Information Act requests responded to - 90
- Data Protection Act requests received – 3
- Data Protection Act requests responded to – 8

PERFORMANCE REPORTING

The Quarter 1 2021/22 Performance Report will be presented at the three Overview and Scrutiny Panels in late August and early September before being discussed at Executive on 27th September.

Meeting Date: 14th September 2021

Public/Private*: Public

Title: **Leader's Portfolio Holder Report –
Councillor John Mallinson**

BORDERLANDS INCLUSIVE GROWTH DEAL Programme

- The Borderlands Partnership has submitted an Expression of Interest to be UK City of Culture in 2025
- The area covered by the bid includes the geographical local authority boundaries of Dumfries & Galloway, Scottish Borders, Northumberland, Cumbria and Carlisle City
- The Expression of Interest is being coordinated by South of Scotland Enterprise (SOSE), the Economic and Community Development Agency covering Dumfries and Galloway and the Scottish Borders
- The winner will be selected in Spring 2022

CARLISLE PROJECTS

Good progress continues to be made on Carlisle projects - Carlisle Station and Citadels:

Carlisle Station

- The Carlisle Station Gateway scheme is now in the final design phase for Stage 1 with contractors appointed for the design and build contract
- Story Contracting have been appointed for work to the front of the station (Court Square) and Eric Wright Civil Engineering are the successful contractor for the work to the rear of the station
- Pre-planning discussions have now commenced with the City Council as the Local Planning Authority

Citadels

- The Full Business Case (FBC) for a new campus for the University of Cumbria on the Citadels site has been submitted to the Ministry of Housing, Communities and Local Government (MHCLG) to access the £50 million that has been approved in principle for the project

- A decision by the MHCLG is anticipated towards the end of this year
- A scheme has been developed also includes 888 sq. m of business interaction space that will be funded through the Town Deal

Caldew Riverside

- The second stage of detailed site investigations works has just concluded. There is now a period of ongoing monitoring and sampling
- These investigations and sampling will inform the production of the Interpretative Report, which will set of the cause, nature and location of the contamination
- The report will then inform the development of the Remediation Strategy which will be produced towards the end of this year

Central Plaza

- Plans for the redevelopment of the former Central Plaza site continue to be progressed as part of the Future High Street Fund
- The Council continue to undertake the first stage of works – which involves a detailed site investigation, archaeological survey and a topographical survey
- These investigations and surveys will allow us to better understand the ground conditions and any potential constraints to redevelopment. This is important due to the proximity of the site to the historic West Walls and highway at Victoria Viaduct
- Further due diligence and feasibility work is currently being undertaken on the redevelopment options, with the site investigation works feeding into this process
- These investigations, surveys and feasibility will be concluded towards the end of this year

CARLISLE AMBASSADORS

Since March 2020, Carlisle Ambassadors have continued to network via virtual meetings online, including the successful Webinar held on 30th March 2021. In response to the restrictions, Carlisle responded to support its members and disseminate information out to all Carlisle businesses. This resulted in a growth in membership during the pandemic with numbers now at 320 members. The offer of free mentoring, weekly Zoom meetings, newsletters with signposting/guidance re grants etc has meant Ambassadors felt supported and informed throughout the restrictions.

Now that the restrictions have continued to ease, the first face to face Carlisle Ambassador meeting since March 2020, is finally able to take place. So after 18 months of working together virtually, the Carlisle Ambassador's main networking events are back live again. The event will take place at Carlisle Racecourse on 14th September between 11am and 2.30pm. The topic is a really important one, which will help businesses after the difficulties of the last 18 months, it is 'Health and Wellbeing' and there will be 23 businesses taking the opportunity to showcase, all from the Health & Wellbeing Sector.

EMERGENCY PLANNING

The Cumbria Covid-19 Recovery Strategy will be at Executive in August, it is also part of the update on recovery to the Health & Wellbeing Scrutiny Panel in September. The Recovery Strategy sets out the overarching recovery principles and priorities for Cumbria's recovery from the pandemic.

CARLISLE PARTNERSHIP EXECUTIVE

Carlisle Partnership Executive continues to work with partners to highlight key covid data and issues which may affect local partners and organisations. A partnership plan is being developed which factors in the WHO 6Ps (Place, Planet, People, Participation, Prosperity) which also links with the Cumbria Recovery Strategy. A regular weekly email bulletin and funding newsletter continues to be circulated across networks. Feedback has been good and there is evidence that this is shared and used amongst senior teams within partner organisations.

Meeting Date: 14th September 2021

Public/Private*: Public

Title: **Health & Wellbeing Scrutiny Panel Vice Chairman's Report –
Councillor Christine Finlayson**

Carlisle Plan 2021 -2023

The Policy and Communications Manager gave an overview of the Carlisle Plan, which formed part of the Council's Policy Framework.

The Deputy Chief Executive explained that the period the Plan covers up to 2023. The projects contained within it, will continue beyond the year of 2023.

Sustainable Food Carlisle From Bronze To Silver

The Carlisle's Sustainable Food Co-ordinator explained the bronze, SFP award had been achieved, also the benefits of the silver award to the local communities.

Some of the key points and achievements made, included the establishment of a 'no dig' allotment; support for the affordable food hubs in Carlisle, support to the community allotments and the funding for Plant Food and Wellbeing Fair, which centred around caring for ourselves and the planet.

It was confirmed that there were plans to have more allotments next year, with the hope that surplus food would go to those in need at the affordable food hubs and food banks.

Work will also be undertaken with community centres to carry out food growing projects.

The Carlisle Plan included a vision to include health and wellbeing against the rising challenges of climate change

It was also mentioned that added work was also being undertaken to re-instate the Healthy Option Award for local restaurants and cafes.

Work was also underway to introduce affordable vegan options through the affordable food hubs.

The City Council is a partner in the food Carlisle and provides resources through the Sustainable Food City Co-ordinator and will lead through an all policies approach as well as providing support and advice.

Full details of this discussion can be found in the Minute Book.

Cllr Christine Finlayson
Vice Chairman

Meeting Date: 14th September 2021

Public/Private*: Public

Title: **Business & Transformation Scrutiny Panel Chairman's Report –
Councillor James Bainbridge**

The most recent meeting of the Business & Transformation Scrutiny Panel covered several issues. This firstly included the outturn position for Business Rates in the previous year which was dominated by Covid-19. There was during lockdown several concerns expressed in 'local government' media over the impact lockdowns will have on business rates, and Council's ability to collect NNDR income. Thankfully the worse-case scenarios given at the time failed to appear in the Council's present position. However, it is worth noting that High Street and building vacancies in properties which as a Council we own or have a stake in will have an income effect on our position. The 'pooling' system which we use with other Cumbrian Local Authorities also held up to the pressure the events of last year brought.

What did come through clearly in the Report was the ability and aptitude of the Council in processing the various relief schemes that came through the Business Rates system. It will have been no easy scheme to administer at the best of times, but add to that the need to work from home, the pressures – both in questions and concerns coming from NNDR payers at the time, and the additional pressure that delays might have contributed to business failures in the Carlisle economy, then I feel the Officers deserve praise for the professionalism they showed in this matter.

In discussion of the Carlisle Plan, Members offered suggestions and questions. The item is for the full agenda of the City Council meeting in September, and therefore Members may wish to consult the Minutes for further comments.

Sadly, the most important and interesting Report of the meeting is a Part B agenda item and I am limited as to the scope of information I can put on public record, which is rather frustrating! Members could do well to ask other Group Members present about the issues it raised or seek a copy of the Report themselves through Legal & Democratic Services. We have asked for an update in the next quarter.

Full details of the discussions are to be found within the Minute Book

Cllr James Bainbridge
Chairman

Meeting Date: 14 September 2021

Public/Private*: Public

Title: **Economic Growth Scrutiny Panel Chair's Report – Councillor Lisa Brown**

Economic Growth Scrutiny Panel

Thursday 29th July 2021 AT 4.00 pm

The Panel had a busy agenda for its second meeting back in the chamber. After consultation between this meeting and the last, the Economic Strategy for the City was brought to the Panel before it is taken to Full Council this September.

The Strategy set out the Council's priorities, objectives and actions to drive economic growth and recovery from the Covid-19 pandemic for the next five years. The Strategy had been developed in consultation with the Executive, the Economic Growth Scrutiny Panel who attended a virtual workshop and fed in ideas and comments, and the Senior Management Team.

Other agenda items included the Carlisle Plan, and as stated in the minutes there were feelings against using terms in the vision that were not evidence based mainly that the plan says 'prosperity being the most important determinant of health and wellbeing'. However, as the Panel had two different resolutions moved, the resolution of the Panel was to support the wording unedited.

Moving on we had reports on events in the city. The Corporate Director of Economic Development gave an overview on the city centre along with details of the City Centre Economic Recovery Action Plan. The Corporate Director of Economic Development summed up by setting out why events would be important in city centre vitality and detailing the events planned for the forthcoming year.

The resolutions from the Panel can be found in the minutes, we have had one written response so far to EGSP 46/21: 3) That the Corporate Director of Economic Development provide the Panel with a written response setting out details of the 26 towns that had been ranked most vulnerable post covid and how they compared to Carlisle. A report outlining the ranking was provided to members on 28/08.

We also had a report on the new High Street Taskforce that was being set. The Panel had a number of questions and felt strongly about the membership of the Task Force so as not to just using existing contacts familiar faces, and wondered if there was a possibility of including the public?

The Corporate Director of Economic Development responded that it was difficult to get a good mix of stakeholders and individuals to attend groups such as this, however, the Council would target and encourage people who did not usually get involved to join the Task Force. Scrutiny would be involved in the work to add more variety to the input and public would be encouraged to feedback if and where possible. One of the resolutions of the Panel was that recruiting members of the public to join the Task Force was considered.

On behalf of the Panel, I would like to thank all the Directors and Officers for their work in putting together the reports that were presented. Full details of the discussions can be found in the minutes.

Cllr Lisa Brown

Chair – Economic Growth Scrutiny Panel

Meeting Date: 14 September 2021
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD08/21
Within Policy and Budget Framework YES
Public / Private Public

Title: MEDIUM TERM FINANCIAL PLAN 2022/23 to 2026/27
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD.36/21

Purpose / Summary:

The Medium-Term Financial Plan sets out the current framework for planning and managing the Council's financial resources, to develop its annual budget strategy and update its current five-year financial plan. The Plan links the key aims and objectives of the Council, as contained in the Carlisle Plan, to the availability of resources, enabling the Council to prioritise the allocation of resources to best meet its overall aims and objectives. The MTFP will inform the budget process and will be updated for changes when known. The MTFP has been considered by the Executive and the Business and Transformation Scrutiny Panel.

Recommendations:

The Council is asked to:

- (i) approve the Medium-Term Financial Plan for the period 2022/23 – 2026/27.

Tracking

Executive:	2 August 2021
Scrutiny:	26 August 2021
Executive:	31 August 2021
Council:	14 September 2021

1. BACKGROUND

- 1.1 The Medium-Term Financial Plan (MTFP) is the key policy document to guide the Council's forward financial planning process. The attached report details the current Plan for the period 2022/23 to 2026/27. The MTFP is reviewed annually starting with the assumptions made in the Budget Resolution approved by Council on 17 February 2021. The starting point for the MTFP is to show the impact of the Council Resolution and raise awareness of the issues that are on the horizon that will need to be considered as part of the detailed budget process.
- 1.2 The Corporate Charging Policy has also been reviewed and included within the MTFP. It provides a framework detailing potential policy options for each Charging area. This recognises that different approaches may be required for different services and that there are a variety of influences that need to be acknowledged in charge setting.
- 1.3 The MTFP has been prepared at a time of continued uncertainty in respect of the economy, especially in terms of the impact of Covid-19 and also in terms of the Government's wider approach to Public Sector Funding in general and particularly for Local Government Funding.

2. KEY DATES

- 2.1 Following consideration of the current MTFP and other key Policy documents by the Executive and Business and Transformation Scrutiny Panel, these will be formally approved by Council on 14 September 2021.
- 2.2 A timetable for the budget process will be prepared and the overall budget position for revenue and capital, and individual reports on spending pressures, saving proposals, and charging reports will be considered by the Executive at its meeting on 22 November. These reports will be scrutinised by the three Scrutiny Panels at the end of November and beginning of December.
- 2.3 Development of the budget consultation documents was undertaken as part of previous year's process with improved visuals produced including a 'Have your say' document. This provided more clarity on the budget pressures the Council faced and assisted stakeholders in their understanding of the budget process

3. KEY MESSAGES

- 3.1 The MTFP shows the starting position for budget considerations for the next five years and gives an indication of the likely factors that will have an impact in the budget setting process. Key to these considerations will be:

- Further clarity on the future of local government funding through the Spending Review, Fair Funding Review and any changes to future Business Rate Retention schemes, that may pass on added responsibilities to the Council;
- Achievement of transformation savings;
- Further reductions in government grant as part of the Fair Funding Review, e.g. New Homes Bonus, Housing Benefit Admin Grant;
- Longer term impact of COVID-19

3.2 Local Government reorganisation

The Council was notified on 21 July of the outcome of the consultation into proposed Local Government Reorganisation (LGR) in Cumbria. The MTFP and Capital Investment Strategy have both been prepared based on the Council in its existing form and structure as a going concern for the next 5 years. However, the decision announced on 21 July notified the Council that, subject to Parliamentary approval, two new unitary authorities would replace the current local government structure in Cumbria, with Carlisle joining with Copeland and Allerdale areas to form a new unitary authority covering the west of the County, effective from 1st April 2023. The Council still needs to approve a revenue budget, council tax requirement and a capital investment programme for 2022/23. Therefore, the financial plans beyond this date are for illustrative purposes only and will fall under the responsibility of the new proposed Authority.

Any new Local Authority established will prepare its own Medium-Term Financial Plan for 2023/24 and beyond.

- 3.3 As well as some significant pressures, there is scope for some additional savings and additional income opportunities to be considered as part of the budget process too. These considerations are likely to be around:
- More commercial and investment opportunities

4. **RISKS**

- 4.1 The Medium-Term Financial Plan contains risk analysis of the issues that could potentially affect the budget and financial planning position.

5. **CONSULTATION**

- 5.1 The MTFP, particularly the Financial Principles, has been considered by the Senior Management Team and the Portfolio Holder for Finance, Governance and Resources.

- 5.2 The Business and Transformation Scrutiny Panel considered the MTFP on 26 August.
- 5.3 The Budget Process and MTFP are also informed by consultation with wider stakeholders, including residents. Each year the Council consults with the Business Community and also carries out public consultations as appropriate

6. CONCLUSION AND REASONS FOR RECOMMENDATIONS

The Council is asked to:

- (i) approve the Medium-Term Financial Plan for the period 2022/23 – 2026/27.

7. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 7.1 The Medium-Term Financial Plan outlines how the Council will prioritise its financial resources in the delivery of services

Contact Officer: Steven Tickner

Ext: 7280

Appendices Appendix 1 – Medium Term Financial Plan 2022/23– 2026/27
attached to report:

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS/RISKS:

Legal – The Council has a legal duty to put in place a balanced budget to the satisfaction of the Council's Section 151 Officer. The Medium-Term Financial Plan is an important part of fulfilling this obligation.

Finance – Contained within the MTFP.

Equality – Corporate Charging Policy includes considerations for the targeting of concessions for named protected characteristic.

Information Governance - There are no Information Governance Implications

Property Services - The Medium-Term Financial Plan links with the Asset Management Plan 2022/23 to 2026/27 to provide details on how the City Council will utilise its property assets to assist with the Council's finances and development new infrastructure for the City.

Medium-Term Financial Plan

Carlisle City Council

2022/23 to 2026/27

Contents

1.0	Introduction.....	2
2.0	Financial Principles supporting the MTFP	4
3.0	Links to other Strategies.....	8
4.0	Revenue Budget Forecasts	10
5.0	Provisions, Reserves & Balances.....	19
6.0	Income.....	24
7.0	Assumptions.....	29
8.0	Appendices	33

1.0 Introduction

- 1.1 The overarching policy guidelines of the Medium-Term Financial Plan (MTFP) are that resources will be redirected to Council priorities via the budget process within the overall caveats that: -
- Redirection of resources towards areas of high priority will be contained within existing budgets, unless increases can be justified and funded through the budget process;
 - Council Tax increases will be limited to fair and reasonable levels, taking account of national guidance from Government;
 - External grants and income will be maximised wherever possible to mitigate the effects of budget increases;
 - Partnership working and funding opportunities will be explored wherever feasible.
- 1.2 The Medium-Term Financial Plan sets out how Carlisle City Council will manage its finances to deliver against its corporate priorities, whilst protecting its financial standing and responding to the many challenges it faces.
- 1.3 Economic growth in Carlisle will impact on the income the Council receives and also the support it is able to give to vulnerable residents. Treasury Management income will be limited whilst interest rates remain low, and the available institutions with which the Council can invest with diminishes due to restrictions in bank credit ratings. The effects on the 5-year MTFP of any changes to the state of the economy, including the impact of leaving the European Union and the impact of COVID-19, will mean the Council has to be in a position to react effectively to changing situations. The Government's approach to public sector funding beyond 2021/22 in terms of the Review of Local Authorities Relative Needs and Resources, the Business Rate Retention Reform (including pooling arrangements), and the Comprehensive Spending Review, will be a significant factor for the lifespan of this MTFP. The impact of COVID-19 will be one of the most significant risks facing this authority in terms of additional costs, reductions in income, and economic recovery especially in terms of receipts of council tax and business rates income.
- 1.4 The Council was notified on 21 July of the outcome of the consultation into proposed Local Government Reorganisation (LGR) in Cumbria. The MTFP and Capital Investment Strategy have both been prepared based on the Council in its existing form and structure as a going concern for the next 5

years. However, the decision announced on 21 July notified the Council that, subject to Parliamentary approval, two new unitary authorities would replace the current local government structure in Cumbria, with Carlisle joining with Copeland and Allerdale areas to form a new unitary authority covering the west of the County, effective from 1st April 2023. The Council still needs to approve a revenue budget, council tax requirement and a capital investment programme for 2022/23. Therefore, the financial plans beyond this date are for illustrative purposes only and will fall under the responsibility of the new proposed Authority.

Any new Local Authority established will prepare its own Medium-Term Financial Plan for 2023/24 and beyond.

- 1.5 The Medium-Term Financial Plan therefore continues to provide the corporate financial planning framework to provide strategic direction to the Council for the next five years and to ensure that the financial resources of the Council are directed to achieving the Council's key corporate priorities.

2.0 Financial Principles supporting the MTFP

2.1 The key principles to be applied to the MTFP are set out by theme below:

Financial Principle 1 – Revenue Budget Strategy

- Guide the integration of financial planning with the priorities set out in the Carlisle Plan to ensure that spending decisions contribute to the achievement of the Council's priorities;
- Guide and be informed by Directorate Service Plans and other relevant strategies and plans of the Council, which set out how resources will deliver the outcomes and priorities specified in the Carlisle Plan;
- Forecast a minimum five -year corporate and financial planning horizon, with longer periods developed where necessary (subject to outcome of Local Government Reorganisation announcement);
- Manage performance management and decision-making procedures to help achieve the best use of available resources;
- Monitor and evaluate proposed and actual spending to ensure that value for money is obtained;
- Review the Council's Reserves and Balances Policy in line with CIPFA and other best practice guidance to ensure that all the reserves held by the Council are still applicable and relevant;
- Achieve a minimum level of General Fund Reserves of £3.1m over the life of the MTFP subject to an annual risk assessment (Appendix A);
- Consider the use of earmarked reserves to support non-recurring expenditure;
- Commitment to minimise staff compulsory redundancies;
- Consider the impact of any other Government Budget initiatives e.g. Reset of Retained Business Rates scheme, Business Rate Baseline resets, the Fair Funding Review and any Comprehensive Spending Review implications;
- Assess the impact on the Council's budget of national economic recovery following Covid-19 pandemic and BREXIT, e.g. changing forecasts for interest rates, inflation forecasts, pension fund revaluation and changes in legislation;
- Consider the implications of the use of financial resources on the levels of Council Tax and other Council charges;
- Services that have a statutory requirement to be self-financing need consideration in the budget process e.g. Licensing, Building Control;
- Consideration to the use of revenue grants received and held in the Revenue Grants Earmarked Reserve to support the revenue budget;

- Develop and implement a robust savings and additional income plan to achieve the recurring savings targets of £2.050m by 2023/24;
- Undertake and implement a base budget review.
- Limit revenue budget bids to those which are unavoidable, and which cannot be accommodated within existing base budgets.

Revenue Budget Assumptions:

- *Reduction in overall funding from Business Rates of £1,800,000 for 2022/23 pending notification and implications of revised retentions scheme, pooling arrangements and baseline reset;*
- *Inflation is assumed in the MTFP at 2% for expenditure and 3% for income;*
- *Pay Award is assumed in the MTFP at 2%.*

Financial Principle 2 – Commercial and Income Generation

- Annual review of the Corporate Charging Policy to identify areas of potential charging and opportunities for increasing income;
- Consider the levels of income achievable as part of Corporate Charging Policy;
- Consider other sources of potential income generation such as advertising and sponsorship;
- Consider the development of a commercialised culture where the charging powers of the organisation are maximised and encouraged;
- Seek to develop investment opportunities to maximise the use of the Council's asset portfolio;
- Develop a commercial strategy which defines what commercialisation means in Carlisle, risk appetite and potential scope of commercial activity;
- Consider the funding strategy with a view to maximising external grants and contributions.

Charging/Income Assumptions:

- *Income from fees and charges currently achieve approximately £5m per annum;*
- *The Corporate Charging Policy assumes that income from fees and charges will increase at 1% above the inflation rate set for expenditure.*

Financial Principle 3 – Council Tax & Business Rates Policy

- Provide value for money to residents through efficient management of council tax collection;

- Determine Council Tax levels that are prudent and retain stability in the Council's financial strength;
- Annual review of the Business Rate Pooling arrangements and whether this should or can continue for 2022/23 onwards depending upon the outcome of the reset of Business Rate Retention scheme (currently delayed);
- Assessment of the impact of business rates retention including impact on Section 31 grants and funding for Small Business Rate Relief and any additional burdens on councils;
- Consider any implications of the Enterprise Zone on the City and potential resources allocated for future projects;
- Annual review and approval of the Council Tax Reduction Scheme (CTRS);
- Consider any likely reductions to Housing Benefit Admin Grant and the impact on the Council with the onset of Universal Credit.

Council Tax and Business Rate Assumptions:

- *Council tax levels currently assumed at a £5 increase per annum (Band D Equivalent) over the lifetime of the MTFP;*
- *Business Rate Retention growth assumed at £900,000 above the baseline level set by Government pending the reset and re-design of the Business Rate Retention Scheme.*

Financial Principle 4 – Treasury Management

- Annual review of the Treasury Management budget for revised interest rates, changes to average balances and the effects of capital spending decisions;
- Consider appropriate levels of prudential borrowing that is affordable, sustainable and within acceptable council tax levels, and delivers objectives aligned to the Council priorities;
- Undertake an annual review of the Council's MRP policy and its impact on the Council's revenue budget;
- Have a Treasury Management Strategy, that is in compliance with the revised Prudential Code and Treasury Management Code to achieve the optimum return on investments, with the security of the principal sum always being the primary consideration.

Treasury Management Assumptions:

- *Average investment return assumed at 0.3% for 2022/23.*

Financial Principle 5 – Capital Investment

- As set out in the Capital Investment Strategy;
- Review of capital financing decisions which will likely have a revenue budget impact due to lack of capital resources (E.g. through re-profiling of capital receipts and borrowing);

Capital Investment Assumptions:

- *The current capital programme is forecast to utilise all forecast capital receipts (including from Asset Disposal Programme) and includes a borrowing requirement to fund the planned programme.*

3.0 Links to other Strategies

3.1 **The Carlisle Plan**

- 3.1.1 The Carlisle Plan forms part of the Policy and Budgetary Framework for the Council. These frameworks work together to create the strategic framework.
- 3.1.2 A new plan is in the process of being considered by Executive and Scrutiny Panels and will be debated by a meeting of the Full Council in September prior to its adoption. The new plan will continue with a focus on Supporting the Economy and Health & Wellbeing.
- 3.1.3 The Medium-Term Financial Plan must both support and inform the Council's vision for the Carlisle area and the strategic direction set out in the Carlisle Plan. This is to enable resources to be matched against the agreed priorities and any other supporting needs.
- 3.1.4 The Medium-Term Financial Plan takes account of other Council Plans and Strategies of the Council, which have a potential impact on the use of resources by the Council. Particularly consideration is given to the following key strategies: -
- The Capital Investment Strategy, which provides information on the proposed level of investment in capital projects and the consequent impact on the revenue budget;
 - The Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy, which sets out the assumptions for financing requirements and interest rates and their effect on the revenue budget;
 - The Asset Management Plan, which provides forecasts of necessary investment in the Council's land and property portfolio;
 - The Procurement and Commissioning Strategy;
 - Local Plan/Local Development Framework;
 - The ICT Strategy;
 - The Organisational Development Plan, which highlights the need for a thorough review of the Council's staffing needs and skill levels to ensure that the Council improves its performance to deliver excellent services to the local community in the future;
 - There are also a number of strategies, which set out policy direction for key Council priority areas, and these include the Economic

Strategy, Local Environment (Climate Change) Strategy, Housing Strategy;

- Directorate Service Plans will be used to inform the budget setting process and identify key strategic and operational objectives and the resources required to deliver those.

4.0 Revenue Budget Forecasts

4.1 Current Budget Forecast

4.1.1 The Council has well established mechanisms in place for forecasting resources and expenditure over a five-year planning period. Projections will inevitably change over the period of the plan and these forecasts are updated as part of the detailed budget process.

4.1.2 The Council approved the current forecast for the period 2021/22 to 2025/26 in February 2021 and updated for the 2020/21 outturn position and details are shown below together with the base estimate figures for 2026/27.

2021/22 Revised £000	Summary Net Budget Requirement	2022/23 Budget £000	2023/24 Proj £000	2024/25 Proj £000	2025/26 Proj £000	2026/27 Proj £000
13,284	Total Recurring Expenditure	12,636	12,686	12,937	13,434	13,679
	Non Recurring Revenue Expenditure					
188	Existing Commitments	228	273	190	0	0
1,721	Carry Forward	0	0	0	0	0
15,193	Total Revenue Expenditure	12,864	12,959	13,127	13,434	13,679
	Less Contributions (from)/to Reserves:					
564	Recurring Commitments Sub Total	(243)	35	209	52	153
(1,909)	Non Recurring Commitments - Existing Commitments	(228)	(273)	(190)	0	0
13,848	Total City Council Budget requirement	12,393	12,721	13,146	13,486	13,832
708	Parish Precepts	726	744	763	782	802
14,556	Projected Net Budget Requirement for Council Tax purposes	13,119	13,465	13,909	14,268	14,634

Table 1a: Summary Budget Position (Expenditure)

The budget requirement is funded as follows:

2021/22	Total Funding and Council Tax Impact	2022/23	2023/24	2024/25	2025/26	2026/27
34,666.41 £000	Estimated TaxBase	35,013.07 £000	35,363.20 £000	35,716.84 £000	36,074.01 £000	36,434.75 £000
	Projected Net Budget Requirement for Council Tax Purposes (Schedule 5)					
13,848	- City	12,393	12,721	13,146	13,486	13,832
708	- Parishes	726	744	763	782	802
14,556	Total	13,119	13,465	13,909	14,268	14,634
	Funded by:					
(7,703)	- Council Tax Income	(7,955)	(8,211)	(8,472)	(8,737)	(9,007)
(3,335)	- Retained Business Rates	(3,402)	(3,470)	(3,539)	(3,610)	(3,682)
(2,700)	- Business Rate Growth/Pooling	(900)	(900)	(900)	(900)	(900)
(174)	-Business Rate Multiplier Grant	(177)	(181)	(185)	(189)	(193)
64	- Estimated Council Tax Surplus	41	41	(50)	(50)	(50)
(708)	- Parish Precepts	(726)	(744)	(763)	(782)	(802)
(14,556)	TOTAL	(13,119)	(13,465)	(13,909)	(14,268)	(14,634)
£ 222.20	City Council Tax Band D Council Tax	£ 227.20	£ 232.20	£ 237.20	£ 242.20	£ 247.20
£5.00 2.30%	Increase over Previous year: £ %	£ 5.00 2.25%	£ 5.00 2.20%	£ 5.00 2.15%	£ 5.00 2.11%	£ 5.00 2.06%

Table 1b: Summary Budget Position (Funding)

4.1.3 The assumptions built into the MTFP that form part of the figures above are detailed at section 7.

4.1.4 Known budgetary changes

Since the budget for 2021/22 was agreed in February there have been some decisions made that will impact on the budgetary projections in the MTFP. The consequences of these will either be included in the budget process for 2022/23 or will see amendments to the 2021/22 budget.

Tullie House Levelling Up Fund Bid

Council considered a report at its meeting on 15 June 2021 to support an application for the Levelling up Fund to deliver between £17m and £20m improvements to Tullie House. Council approved to add a contribution from the Council of up to £1.5million to the capital programme to be funded by an increase in the borrowing requirement. Any revenue costs arising from this borrowing requirement will be addressed as part of the budget process and will be included in the overall treasury management projections for 2022/23.

Economic Development Project Management Office

Executive considered a report at its meeting of 5 July, and Council, on 20 July, approved a supplementary estimate to establish a Project Management Office (PMO) for the delivery of the different projects and funding awarded in relation to the Future High Street Fund, Town Deal, Levelling Up Fund, Garden Village and Borderlands. The schemes will provide a contribution to the overall cost, however, there was a requirement for the Council to provide additional funding of up to £256,665 over the years 2021/22 to 2023/24 and this will be met from General Fund Reserves. This is now reflected in the Medium-Term Financial Plan.

4.2 Funding Prospects

4.2.1 The Council receives core funding from Government each year as part of the Settlement Funding Assessment which comprises of the Business Rates baseline funding level and information on tariffs and top ups. Although the Government set the Business Rates Baseline, the actual funding is received via the Non- Domestic Rates income the Council collects.

4.2.2 As well as the core funding as agreed in the Settlement Funding Assessment, the Council is also the recipient of other support from central government in the form of specific grants. These are included in the budget as income rather than funding and are linked to specific schemes or services. Further details of grants included in the MTFP are given at section 6.3.

4.2.3 Spending Review

A 1-year Spending Review was announced in November 2020 which enabled the government to remain focused on responding to the public health and economic emergency. Therefore, the anticipated longer-term announcements on overall funding available to Local Government for the next few years was deferred. There has also been a delay in the implementation of the Fair Funding Review and Business Rate Retention reset (outlined below). **This will increase uncertainties in the Medium-Term Financial Plan with a further delay to future funding and the implications it will have on the Council.**

4.2.4 Fair Funding Review & Business Rate Retention

The Government confirmed that the Review of Relative Needs and Resources ('Fair Funding Review') and 75% Business Rate Retention would no longer be implemented in 2021/22. Due to ongoing pressures and concerns around economic recovery, views throughout the sector are increasingly suggesting

that there will be a further delay of anything up to two years. Therefore, a further one-year settlement is looking likely for 2022/23 with a continuation of the current funding and business rates models.

Therefore, it is very difficult to predict the future potential funding for the Council from Central Government beyond 2021/22. The Fair Funding Review will also have an impact on and be impacted by revisions to the Business Rates Retention system and also specific grants awarded by central government e.g. New Homes Bonus and Housing Benefit Administration Grant.

4.2.5 Business Rates Baseline

The Council budgets for income from Business Rates at the baseline level as set in the Settlement Funding Assessment. However, the income collected and paid over to the main preceptors (Central Government, Cumbria County Council and Carlisle City Council) is based on the projections in the NNDR1 return to Government. Any difference in these amounts is included in the MTFP as part of the Growth/Pooling amount anticipated of £900,000 for 2022/23 onwards due to the uncertainties around the potential changes to the Business Rates Retention Scheme. **However, as outlined above, further uncertainty about the future retained business rates scheme beyond 2021/22 means that there may be resets to the scheme that could erode any additional income above baseline levels that have been built up under the previous scheme. Until full details of a future scheme are known it is prudent not to over-estimate any future income from business rates and update the MTFP projections on a year by year basis.**

Due to the deferral of the 75% Business Rates Retention Scheme, the Council continued to participate in the Cumbria Business Rates Pool, during 2021/22, which enables the County and the Council to retain more of the growth it generates. Given that the Retention Scheme has been deferred again, the specific impact on Carlisle is yet to be understood, but any proposals will likely come with an understanding that local authorities will have to take on additional responsibilities (e.g. absorbing some current one-off grants such as Housing Benefit Administration Grant), which may mean additional cost pressures.

4.2.6 The summary of funding included in the Medium-Term Financial Plan is as follows:

	Budget	Forecasts				
	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Business Rates Baseline	(3,335)	(3,402)	(3,470)	(3,539)	(3,610)	(3,682)
% Change		2%	2%	2%	2%	2%
Rates Growth/Pooling	(2,700)	(900)	(900)	(900)	(900)	(900)
% Change		-67%	0%	0%	0%	0%
Total Funding	(6,035)	(4,302)	(4,370)	(4,439)	(4,510)	(4,582)

Table 2: Business Rates Funding

4.2.7 Council Tax

The MTFP includes Council Tax increases from 2022/23 onwards at £5 per Band D equivalent.

The MTFP assumes an increase in the taxbase of 1.00% per year and the City Council's share of the Collection Fund Surplus/Deficit is assumed to be a deficit of £41,000 2022/23 and 2023/24 (this includes the 3-year spread of deficits incurred in 2020/21 as a result of Covid-19), returning to a surplus of £50,000 beyond then. The Council received compensation for loss of Council Tax income in 2020/21 in the form of a Tax Income Guarantee Grant of £69,000. This is held in an earmarked reserve and will be released to partially offset the deficit positions.

Any increase in the tax base as a result of new housing developments and/or population increases will also mean a requirement to provide services to those households. Although there will be an increase in the amount of funding received through Council Tax, there will also be a cost of providing council services.

Further work on the net unit cost of providing services for new developments and population growth will be undertaken during this budget process, however, there are expectations that population growth will occur, specifically around the development of the Garden Village. There is uncertainty in estimating the future population of the development. The ONS 'Families and households in the UK: 2020' survey reports on the trends in living. This survey states that the average household size in the UK is 2.4. A simplistic

population estimate for a full completed project would therefore be 24,000. This growth would obviously be delivered over a number of years.

The recently released ONS population estimate has a Carlisle population of 108,524 as of mid-2020.

As of 20 July, the latest Valuation Office data indicates that there are 53,717 properties in the Carlisle area. The 2021/22 budget calculated there to be 34,666.41 Band D equivalent properties liable for Council Tax. The table below shows how the original budget is broken down per property, head of population and Band D equivalent.

Service Area	2021/22 Original Budget	Net Spend per Property	Net Spend per Head of Population	Net Spend per Band D Equivalent Household	Amount of net spend funded by Annual Band D Council Tax
	£	£	£	£	£
Environmental & Regulatory Services	837,600	15.59	7.72	24.16	13.91
Housing Support	642,500	11.96	5.92	18.53	10.67
Economic Development	974,700	18.15	8.98	28.12	16.19
Green Spaces	1,079,000	20.09	9.94	31.13	17.92
Corporate Services	4,430,400	82.48	40.82	127.80	73.57
Enforcement & Parking	(290,600)	(5.41)	(2.68)	(8.38)	(4.83)
Property Services	(1,764,500)	(32.85)	(16.26)	(50.90)	(29.30)
Street Cleaning	1,179,500	21.96	10.87	34.02	19.59
Refuse & Recycling	2,283,300	42.51	21.04	65.86	37.92
Leisure and Culture	4,009,100	74.63	36.94	115.65	66.57
	13,381,000	249.10	123.30	385.99	222.20

Table 3: Net Spend per property, head of population and Band D equivalent.

The MTFP also assumes continuation of the statutory Council Tax Reduction Scheme (CTRS) as the Council's localised scheme. Any support provided through the Council Tax Reduction Scheme will be fully funded by all the main preceptors on the Collection Fund i.e. the Council, the County Council and the Police & Crime Commissioner. Consideration will need to be given as to whether this scheme is to be continued in the same format or incorporate changes to the level of support provided.

	Budget	Forecasts				
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Council Tax Base	34,666.41	35,013.07	35,363.20	35,716.84	36,074.01	36,434.75
% Change		1.00%	1.00%	1.00%	1.00%	1.00%
	£000	£000	£000	£000	£000	£000
Council Tax Surplus / Deficit	41	41	(50)	(50)	(50)	(50)
% Change		0%	-222%	0%	0%	0%
Band D Council Tax	222.20	227.20	232.20	237.20	242.20	247.20
% Change		2.25%	2.20%	2.15%	2.11%	2.06%
Total Yield	(7,703)	(7,955)	(8,211)	(8,472)	(8,737)	(9,007)

Table 4: Council Tax Funding

A significant risk relates to how the expected overall increase in CTRS claimants (as a result of COVID-19), and the associated cost of CTRS relief, will be funded and be provided to the Council. An increase in claimants directly impacts on the council tax base and ultimately the yield from council tax.

4.3 **Efficiency Strategy**

4.3.1 In order to ensure the Council maintains a minimum level of reserves to the end of the MTFP period, efficiencies are required throughout the period of the plan. The efficiency strategy will concentrate on the following areas:

- Asset Strategy – to focus on ensuring the council's asset portfolio maximises the benefit to the Council through income generation or by realising receipts of assets that do not generate a return that can then be utilised to ease pressures in capital and revenue budgets through the most appropriate means, e.g. re-investment in new assets and supporting the capital programme to reduce the CFR
- Service Reviews – A review of services to include their purpose and relevance in achieving the Carlisle Plan priorities, including a review of those services which do not fall within the Council's core priorities or which are not statutory will be undertaken to ensure that services and resources are properly aligned to what the Council wants to achieve.

- Core Budgets – a review of base budgets, including income generation to ensure compliance with best practice and outcome based budgeting and other appropriate budget disciplines.

The Peer Review undertaken in 2020 recommended 3 actions which Members may wish to consider as part of this Savings Strategy:

- Develop a commercial strategy which defines what commercialisation means in Carlisle, risk appetite and potential scope of commercial activity;
- Develop and implement a robust savings and additional income plan to close the anticipated £1million per annum funding gap (from 1st April 2021);
- Undertake and implement a base budget review.

These are all addressed through the Financial Principles and the Efficiency Strategy.

4.3.2 The savings currently included in the MTFP total £2.050million by 2023/24.

	Cumulative savings required £	In year savings required £
2021/22	500,000	500,000
2022/23	1,200,000	700,000
2023/24	2,050,000	850,000
2024/25	2,050,000	0
2025/26	2,050,000	0
2026/27	2,050,000	0

Table 5: Savings

4.3.3 Further savings will be dependent upon future funding settlements, local government reorganisation, Council Tax increases, changes to income and expenditure levels (pressures and savings) that are outwith the current Medium-Term Financial Plan. Savings will be profiled in the most effective way to ensure that they are achievable, timely and ensure reserves are not adversely affected.

4.3.4 As part of the 2020/21 outturn position, a provision of £1.6million was set aside in an Operational Risk earmarked reserve to offset the savings requirements for 2021/22 – 2023/24. Areas where savings can be made have

been identified and these can be actioned when necessary once the uncertainties highlighted above become clearer which will then also require revised savings requirements to be calculated.

5.0 Provisions, Reserves & Balances

5.1 The Council holds balances in order to meet future commitments. The Council policy on the use of reserves is as follows:

- Reserves generally will not be used to fund recurring items of expenditure, but where it does steps will be taken to address the situation.
- Reserves will not become overcommitted.
- The Council benefits from its level of reserves as it is able to: -
 - Meet its capital programme obligations, with borrowing only undertaken where funded from existing revenue budgets;
 - Fund exceptional increases in its net budget requirement without affecting the Council Tax charged to its taxpayers;
 - Ensure that surplus resources are retained for the general benefit of the Council to protect against large increases in Council Tax;
 - Maximise income received from the investment of its reserves to contribute to the budget requirement of the Council, which is a key part of the Council's Treasury Management Strategy.

5.2 **General Fund**

5.2.1 Having undertaken a risk assessment considering the risks and working balances required, the balance on the General Fund reserve indicates that this should broadly equal £3.1m as a prudent level. The risk-based assessment of the appropriate level of this reserve is carried out as part of the budget process and the current assessment is shown at **Appendix A**, which will be updated during this budget process. The prudent level of reserves may need to be revised in the medium term to reflect the changes circumstances around funding changes retention of business rates.

5.2.2 If the balance in the short-term falls below minimum levels, the Council will top-up the balance to this level from the General Fund Income and Expenditure Account.

5.2.3 If the balance in the short-term exceeds minimum levels then the surplus will be transferred to the Council's Project Reserve.

5.3 **Earmarked Reserves**

5.3.1 Earmarked reserves will not be used for recurring items of expenditure, nor become over-committed.

5.3.2 For each earmarked reserve there will be a clear protocol in place setting out:

- The purpose of the reserve.
- How and when the reserve can be used.
- Procedures for the management and control of the reserve.
- Processes for the review of the use of the reserve to ensure that it continues to have an adequate level of funds and remains relevant to the business of the Council.

(Further details of this are shown at **Appendix B**)

5.3.3 The revenue reserves the Council currently holds are as follows:

	31/03/2021 £000	31/03/2022 £000	31/03/2023 £000	31/03/2024 £000	31/03/2025 £000	31/03/2026 £000
General Fund Reserve	3,100	3,100	2,992	2,754	2,773	2,825
Projects Reserve	1,708	363	0	0	0	0
Carry Forward Reserve	628	628	628	628	628	628
	5,436	4,091	3,620	3,382	3,401	3,453
<u>Revenue Earmarked Reserves</u>						
Flood Reserve	4	4	4	4	4	4
Cremator Reserve	1,196	846	(54)	(54)	(54)	(54)
City Centre Reserve	5	5	5	5	5	5
Planning Services Reserve	206	206	206	206	206	206
Prosecutions Reserve	36	36	36	36	36	36
Waverley Viaduct Reserve	30	30	30	30	30	30
Revenue Grants Reserve	2,141	2,141	2,141	2,141	2,141	2,141
Business Rates S.31 Grant Reserve	9,463	0	0	0	0	0
Operational Risk Reserve	3,200	3,200	3,200	3,200	3,200	3,200
Council Tax Hardship Grant Reserve	359	0	0	0	0	0
Council Tax Tax Income Guarantee Scheme Reserve	69	0	0	0	0	0
Economic Recovery Reserve	50	0	0	0	0	0
Apprentices Reserve	96	96	96	96	96	96
Building Control Reserve	24	24	24	24	24	24
	16,879	6,588	5,688	5,688	5,688	5,688
Total Revenue Reserves	22,315	10,679	9,308	9,070	9,089	9,141

Table 6: Revenue Reserves

5.3.4 The MTFP does not assume any use of earmarked reserves beyond 2021/22 except for those amounts set aside as a result of Covid-19; Business Rates S.31 Grant, Council Tax Hardship Grant and Council Tax 'Tax Income Guarantee' Scheme grant all of which will be utilised in 2021/22.

5.3.5 As well as revenue earmarked reserves, the Council also holds a small number of earmarked reserves for capital purposes. These are as follows:

	31/03/2021 £000	31/03/2022 £000	31/03/2023 £000	31/03/2024 £000	31/03/2025 £000	31/03/2026 £000
Capital Earmarked Reserves						
Usable Capital Receipts	0	0	0	0	0	0
Unapplied Capital Grant	126	126	126	126	126	126
Lanes Capital Reserve	90	105	120	135	150	165
Total Capital Reserves	216	231	246	261	276	291

Table 7: Capital Earmarked Reserves

5.4 **Provisions**

5.4.1 The Council holds a number of provision balances for items where future commitments are likely and use of these are delegated to the relevant Corporate Director in consultation with the Corporate Director of Finance and Resources.

5.5 **Charitable and Other Bequests**

The Council holds a number of bequests for use by the Council. These funds can only be released with the full approval of the Council under the terms set out when the bequest was given. In the first instance it will be the responsibility of the Executive to consider a report outlining proposals for the use of the bequest prior to submission of the request to Council.

5.6 **The Responsibilities of the Corporate Director of Finance and Resources**

5.6.1 The Corporate Director of Finance and Resources will review each reserve and its protocol annually and produce a report for the Executive as part of the annual budget process detailing: -

- Compliance with the use of reserves and associated protocols,
- Movements in the level of reserves, including the purposes for which reserves were used during the previous financial year,
- The adequacy of the level of reserves and the effects on the Council's

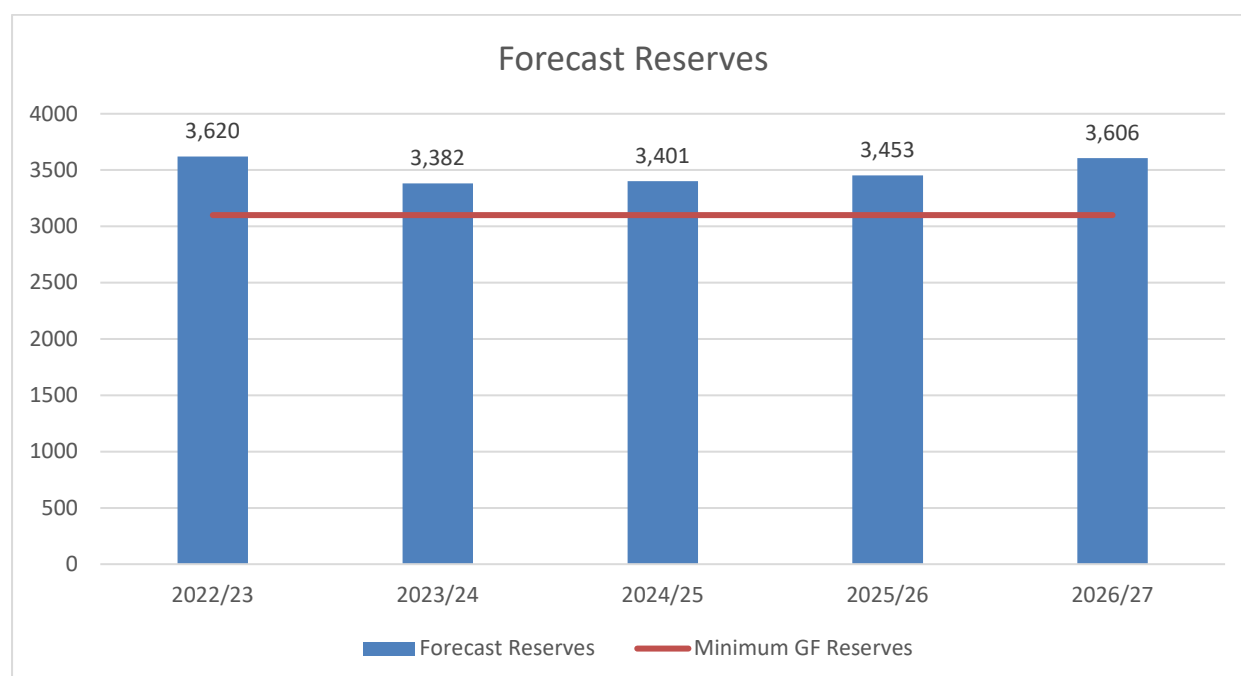
budget requirement,

- Any reserves which are no longer required,
- Proposals to set up new reserves, including purposes, protocols, funding sources and potential impact on the Council's Medium-Term Financial Plan.

5.6.2 The Corporate Director of Finance and Resources will review this policy at least annually and will obtain the approval of the Council for any change required to either the policy or protocols associated with specific reserves.

5.7 **Planned Use of Reserves**

5.7.1 When the budget was set in February 2021, it assumed that there would be contributions to and from General Fund Reserve over the life of the MTFP. With the outturn position for 2020/21 now confirmed, the General Fund Reserve and Projects Reserve has been updated as shown in Table 5 above. This shows that General Fund Reserve balances are expected to be significantly above minimum levels at £4.091million in 2021/22 and remain over minimum levels throughout the life of the MTFP. Although there is some use of reserves in the short-term the current MTFP assumes that this will reverse in the medium-term.



5.7.2 The reserves position is also subject to the savings required (as in Table 4) being met as scheduled. Any slippage on savings or any savings made in advance will impact on the contributions to and from reserves.

6.0 Income

6.1 **Fees & Charges**

- 6.1.1 Fees and Charges for individual services generate in the region of £5m p.a. for the City Council. **Appendix C** sets out the Council's approach to the reviewing and setting of fees and charges on an annual basis. The overall aim is to increase the proportion of income raised from users of discretionary services to ensure that they meet the full cost of these services, rather than the costs falling on Council Taxpayers in general.
- 6.1.2 In the past the income target has been set at 1% above the inflation rate. Each directorate must prepare a Charges Review Report as part of the budget process that must clearly set out the overall policy objective. In the past few years, increases in income from charges have not always resulted in the MTFP target being achieved.
- 6.1.3 There are certain functions the Council provides where it has little or no control over the charges to be set and where the service is statutorily bound to be self-financing, for example Building Control and licensing.
- 6.1.4 The main areas of fee generating income, subject to the Corporate Charging Policy are shown below. This shows that the income from bereavement services and car parking account for income that is 20% of the overall net budget requirement for 2021/22 and that income from charging is 39% of the overall net budget requirement for 2021/22.
- 6.1.5 Income from fees and charges are reviewed through the Charging Review Reports when setting the budget. Where necessary changes to budgets are made to reflect the accurate representation of anticipated income to be generated. However, as income is subject to demand and market conditions, the actual amount of income collected during the year can vary from this budget. In these circumstances, the monitoring of the overall budgetary position of the Council will identify whether the impact of income shortfalls will have on the overall financial position of the Council.

	2019/20 Actual £000	2020/21 Actual £000	2021/22 Budget £000	Proportion of Net Budget Requirement
Car Parking	(1,087)	(349)	(1,056)	8.52%
Bereavement Services	(1,558)	(1,998)	(1,604)	12.94%
City Centre Pedestrianisation	(32)	(15)	(38)	0.31%
Allotments	(18)	(20)	(20)	0.16%
Talkn Tarn Car Parking	(42)	(77)	(43)	0.35%
Special Collections	(43)	(50)	(61)	0.49%
Sports Pitches	(4)	(3)	(5)	0.04%
Dog Policy	(11)	(7)	(10)	0.08%
Garage / MOT Testing	(3)	(3)	(7)	0.06%
Assembly Hall Hire	(9)	(4)	(7)	0.06%
Advertising	(31)	(17)	(70)	0.56%
Old Fire Station	(90)	0	(86)	0.69%
TOTAL COMMUNITY SERVICES	(2,928)	(2,543)	(3,007)	
Development Control	(435)	(516)	(620)	5.00%
Building Control	(357)	(312)	(351)	2.83%
TOTAL ECONOMIC DEVELOPMENT	(792)	(828)	(971)	
Licensing	(278)	(226)	(250)	2.02%
TOTAL LICENCING	(278)	(226)	(250)	
Environmental Protection Act	(14)	(14)	(13)	0.10%
Pest Control	(32)	(21)	(41)	0.33%
Food Safety	(13)	(5)	(3)	0.02%
Hostels	(560)	(340)	(621)	5.01%
DFG Fees	(83)	(87)	(63)	0.51%
HMO Licenses	(30)	(6)	(9)	0.07%
TOTAL ENV. HEALTH & HOUSING	(732)	(473)	(750)	
Homelife Fees	(140)	(98)	(35)	0.28%
TOTAL HOMELIFE	(140)	(98)	(35)	
Land Charges	(102)	(86)	(98)	0.79%
Electoral Register	(2)	(2)	(2)	0.02%
TOTAL GOVERNANCE	(104)	(88)	(100)	
Total	(4,974)	(4,256)	(5,113)	41.26%

Table 8: Main areas of Income

6.2 **Property Rentals**

6.2.1 Income received from property rentals is in the region of £4.3 million per annum.

6.2.2 The yield from property rentals included in the MTFP is shown in the following table: -

	2019/20 Actual £000	2020/21 Actual £000	2021/22 Budget £000	Proportion of Net Budget Requirement
The Lanes	(1,028)	(703)	(950)	7.67%
The Market	(68)	(110)	(88)	0.71%
Industrial Estates	(2,655)	(3,568)	(2,808)	22.66%
Misc Properties	(516)	(270)	(453)	3.66%
Total	(4,267)	(4,651)	(4,299)	34.69%

Table 9: Property Income

6.2.4 The MTFP makes no provision for additional rental income from assets via rent reviews.

6.3 **Income Levels and Financial Sustainability**

The Council is reliant on a significant amount of income generated from both its asset portfolio (£4.299million in 2021/22) and fees and charges income (£5.113million in 2021/22). Together these are the equivalent of **76%** of the funding received from Council Tax and Business Rates. Therefore, the Council is heavily reliant on these income streams.

The largest single area of income comes from Industrial estates. This income is largely based upon Ground Rents and long-term leases which are relatively secure. These leases are subject to rent reviews and as such can often yield one-off amounts of additional income in respect of any backdating applied.

Income from other property rentals is subject to variation, especially the Lanes income and this has seen increased volatility and downward pressure on the MTFP in the past few years and the budget has been regularly reviewed to ensure it is as accurate before each year begins.

The highest volatility in fees and charges income is experienced from parking income. Again, income pressures have been included in historical budgets to reflect the anticipated income to be generated from parking, however the

added pressures placed upon the budget due to the COVID-19 pandemic could see this downward pressure increase in the coming years. This added pressure may also be experienced in other income generating budgets.

The table below shows the different scenarios for changes in income levels from fees and charges and property income and the impact on both the minimum level of reserves and the current level of reserves. This shows that the Council could sustain a 10% reduction in the level of income before actual reserves would fall below minimum levels.

% Change in SFC Income	Minimum Reserves £000	Reserves at 31/03/22 £000	% Change in Property Income	Minimum Reserves £000	Reserves at 31/03/22 £000
	3,100	4,091		3,100	4,091
-25%	1,822	2,813	-25%	2,025	3,016
-10%	2,589	3,580	-10%	2,670	3,661
-5%	2,844	3,835	-5%	2,885	3,876
-1%	3,049	4,040	-1%	3,057	4,048
0%	3,100	4,091	0%	3,100	4,091
1%	3,151	4,142	1%	3,143	4,134
3%	3,253	4,244	3%	3,229	4,220
5%	3,356	4,347	5%	3,315	4,306
10%	3,611	4,602	10%	3,530	4,521
25%	4,378	5,369	25%	4,175	5,166

6.4 **Grants & Contributions**

The Council receives grants from various sources as part of its overall funding. Some of these grants are given as part of the Settlement Funding Assessment by MHCLG and as such, these are budgeted only when notification is received.

6.4.1 **New Homes Bonus**

The Council receives central funding in relation to the New Homes Bonus Scheme. The Council used to receive an allocation of funding under the scheme each year and each allocation lasted for four years. However, as part of the Local Government Finance Settlement for 2021/22 indicative figures were provided for one year only (with no legacy payments being made in subsequent years) with any new funding beyond 2021/22 being subject to the future Spending Reviews with possible revisions to the scheme too. The MTFP does not therefore assume any new allocations of New Homes Bonus beyond 2021/22; however, it does include the continuation for 4 years of those allocations received in previous years. **Revisions to the New Homes**

Bonus scheme are expected alongside the Fair Funding Review and changes to Business Rates Retention. It should be anticipated that there may be changes to the scheme that reduce the amount of grant that may be awarded in the future.

Details of allocations included in the MTFP as shown in the table below:

Allocation Year	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
2017/18	(476)				
2018/19	(259)	(259)			
2019/20	(351)	(351)	(351)		
2020/21	(408)	?	?	?	
2021/22		(137)	?	?	?
2022/23			?	?	?
2023/24				?	?
Total	(1,494)	(747)	(351)	0	0

Table 10: New Homes Bonus

6.4.2 Housing Benefit Admin Grant

The Council receives grant funding towards Housing Benefit Administration. The Council currently has a recurring budget of £423,500 for this grant. Allocations are received on an annual basis. However, it is likely that this grant will eventually reduce with the onset of Universal Credit and the resultant downsizing of Housing Benefit Administration by the Council. This reduction in grant will need to be considered in line with any reductions in workload associated with any transition.

7.0 Assumptions

7.1 The MTFP includes assumptions regarding the main items of income and expenditure. Some of these assumptions have been previously explained, e.g. Government Funding and Council Tax. The following sections provide further details of the assumptions currently included in the MTFP. Any deviation from these assumptions will be included in the budget process for 2022/23 as pressures or savings.

7.2 Pay

- Annual increase in MTFP **2%**
- Salary Turnover Savings **£442,100**
- Pension Contribution Rate (Current Service) **19.9%**
- Sensitivity & Risk Analysis:

	Base Level	Sensitivity		
	£000	+/-1%	+/-2%	+/-3%
Pay Award (£000)	13,591	136	272	408
Pension Contribution (£000)	2,262	23	45	68
		Risk		
		High	Medium	Low
<u>Pay Award</u>				
Likelihood of Change				
Impact of Change				
<u>Salary Turnover</u>				
Likelihood of Change				
Impact of Change				
<u>Pensions</u>				
Likelihood of Change				
Impact of Change				

- Key Considerations:
 - The pay award for 2021/22 has not yet been agreed. 2% is factored into the MTFP.

7.3 **General Inflation**

- Annual increase in MTFP for expenditure **2%**
- Annual increase in MTFP for Income **3%**
- Sensitivity & Risk Analysis:

	Base Level	Sensitivity		
	£000	+/-1%	+/-2%	+/-3%
Expenditure (£000)	7,747	77	155	232
Income (£000)	(4,450)	(45)	(89)	(134)
		Risk		
		High	Medium	Low
<u>Pay Award</u>				
Likelihood of Change				
Impact of Change				
<u>Salary Turnover</u>				
Likelihood of Change				
Impact of Change				

- Key Considerations:
 - Inflation level of 2% is set at the Bank of England target for inflation.

7.4 **Investment Income**

- Investment Returns – As included in the MTFP

	2022/23	2023/24	2024/25	2025/26	2026/27
Investments	0.30%	0.30%	0.30%	0.43%	0.68%
Property Fund	4.00%	4.00%	4.00%	4.00%	4.00%

- Investment Returns – Forecast as of July 2021

	2022/23	2023/24	2024/25	2025/26	2026/27
Investments	0.30%	0.38%	0.50%	0.68%	0.93%
Property Fund	4.00%	4.00%	4.00%	4.00%	4.00%

	Base Level	Sensitivity		
	£000	+/-1%	+/-2%	+/-3%
Treasury Income (£000)	23,609	236	472	708
Property Fund Income (£000)	3,289	33	66	99
		Risk		
		High	Medium	Low
<u>Investment Income</u>				
Likelihood of Change				
Impact of Change				
<u>Property Fund Income</u>				
Likelihood of Change				
Impact of Change				
<u>Average Balances</u>				
Likelihood of Change				
Impact of Change				

- Key Considerations:
 - Use of and Contribution to Reserves will impact on average balances and subsequently investment return achieved;
 - Capital Investment decisions will affect the Capital Financing Requirement and average balances;
 - The investment returns used when the budget was set in February 2021 will need to be updated given current guidance on when interest rates are expected to change.

7.5 **Borrowing**

- Assumed Borrowing - 2021/22 **£29.5m**
- Assumed Borrowing Rate - 2021/22 **1.40% - 1.65%** (As currently included in the MTFP)

Assumed Borrowing Rate – 2021/22 **1.95% - 2.35%** (Forecast as of July 2021)

Borrowing assumptions are based on a Principal (capital) and Interest repayment loan

- Assumed Capital Financing Requirement (CFR) & Minimum Revenue Provision (MRP):

	2022/23	2023/24	2024/25	2025/26	2026/27
CFR	46,624	47,214	47,048	45,890	44,934
MRP	280	409	1,043	1,279	1,244

	Base Level	Sensitivity		
	£000	+/-1%	+2%	+/-3%
Borrowing Rate (£000)	29,500	295	590	885
MRP	280	3	6	8
		Risk		
		High	Medium	Low
<u>Increase to Borrowing Rate</u>				
Likelihood of Change				
Impact of Change				
<u>Increase to CFR</u>				
Likelihood of Change				
Impact of Change				

- Key Considerations:
 - Borrowing assumed in MTFP to support the capital programme;
 - Any future Capital Programme decisions will likely require a borrowing requirement, either internal or external which will have an impact on the revenue budget;
 - Re-profiling of anticipated capital receipts will impact on CFR, and subsequently MRP charge.

8.0 Appendices

Appendix A – Risk Assessment of Minimum Level of General Fund Reserve 2022/23

Potential Risk	Financial Impact	Financial Exposure (£000)	Probability	Weighting	Risk Score	Balance Required (£000)	Comment (Basis of Financial Exposure)
Base Budget Contingency for inflation or other unanticipated rise.	2	126	2	50%	4	63	1% of Net Revenue Recurring Budget
Underachievement of Charges Income targets and spending exceeds budgets	3	256	3	75%	9	192	5% Charges Income forecasts for 2021/22
Underachievement of Investment Income	2	13	1	25%	2	3	0.5% of exposure of average balance of £25m
Insurance Excesses	2	500	2	50%	4	250	Based on maximum excess for flood (£500k)
Fall in Rental Income from Property	3	215	1	25%	3	54	5% of Rental Income (assumed at £4.3m for 2021/22)
Transformation not met	4	2,050	2	50%	8	1,025	Transformation savings still to be agreed
Loss of Income from Retained Business Rates	2	202	1	25%	2	51	5% of Safety Net Threshold for Business Rates Retention Scheme + Business Rate Pooling
Additional Redundancy Costs	3	500	2	50%	6	250	Not met from earmarked Reserve
Emergency Contingency	4	1,000	4	100%	16	1,000	Emergency contingency fund - Council practice to allocate £1m for any unforeseen emergencies
TOTALS		4,862				2,887	
Maximum Risk Based Reserve Balances						4,862	
Minimum Risk Based Reserve Balances						1,215	
Current Level of Reserves (Projected as at 31/03/22) (General Fund including carry forward reserve)						4,091	
Projected Shortfall/(Excess) of Current Reserve Balance over Risk Based Reserves						1,204	

Appendix B – Reserves & Provisions

Reserves

Reserve	Balance 31/3/21	Purpose	Conditions of Use	Future of the Reserve
<i>Capital Reserves</i>				
Usable Capital Receipts	0	To provide funds to support the capital programme	Capital receipts can only be used to support capital spending or the repayment of debt. Management of the use of the receipts rests with the Corporate Director of Finance and Resources but approval of their use must be given by Council.	
Lanes Capital Reserve	90	To provide funds to meet potential exceptional capital works under the terms of the lease agreement.	Management of the reserve rests with the Corporate Director of Governance and Regulatory Services who will be responsible for developing proposals requiring funding from the reserve. Approval to release funds from the reserve can only be given by the Council.	This reserve is still required
<i>Revenue Reserves</i>				
General Fund Reserve	3,100	To be a general working capital / contingency to cushion the Council against unexpected events and emergencies	<p>Management of the reserve rests with the Corporate Director of Finance and Resources. The use of the reserve is dependent on judgements taken when setting the Council's revenue budget on: -</p> <ul style="list-style-type: none"> - Cash Flow requirements - Inflation and interest rates - Demand Led Budget Pressures - Efficiency and Productivity Savings - The Availability of funds to deal with major unexpected events or emergencies - Risks arising from significant new funding partnerships, major outsourcing arrangements or major capital developments <p>Approval to release funds from the reserve can only be given by the Council as part of the budget process, or through</p>	This reserve is still required

Reserve	Balance 31/3/21	Purpose	Conditions of Use	Future of the Reserve
			<p>consideration of supplementary estimates on an ad-hoc basis</p> <p>Where there is a critical need to access the emergency element of the Fund of £1m on the grounds of protection of persons or property or in any way safeguard the interests of the Council then this can be accessed through agreement with the Leader, Portfolio Holder and Leader of Main Opposition party and will be reported to the next available Council meeting</p>	
Projects Reserve	1,708	The balance at 31 st March shall be earmarked to support potential revenue budget shortfalls identified by the Medium-Term Financial Plan. Additions to the balances thereafter can be used either to support revenue budget shortfalls or projects within the Council's capital programme	Management of the reserve rests with the Corporate Director of Finance and Resources. Funding for the Reserve will be provided by windfall gains over and above those required to maintain the General Fund at its approved level and balances on reserves that are no longer needed. Approval to release funds from the reserve can only be given by the Council either as part of the budget process, or through consideration of supplementary estimates on an ad-hoc basis.	This reserve is still required
Carry Forward Reserve	628	To establish a reserve to hold carry forward budgets. Any expenditure in relation to a carry forward listed below will if possible be funded from base budgets but can be called from this reserve if the section is likely to be in an overspend position at year end.	Management of the Reserve rests with Corporate Director of Finance and Resources. Approval to release funds from the reserve can only be given by the Corporate Director of Finance and Resources and/or The Chief Executive.	This reserve has been reviewed and re-allocated to specific projects

Reserve	Balance 31/3/21	Purpose	Conditions of Use	Future of the Reserve
Building Control Reserve	24	To provide funds for improvements to the delivery of the Building Control function.	Management of the reserve rests with the Corporate Director of Economic Development. The balance is ring-fenced by statute to support improvements to the Building Control Service and is not available for general use by the Council. Funding is provided from surpluses generated by the service annually. Approval to release funds from the reserve can only be given by Corporate Director of Economic Development via an Officer Decision Notice	This reserve is still required
Conservation Reserve	0	To purchase historic buildings at risk or fund repairs and / or improvements to historic buildings	Management of the reserve rests with the Corporate Director of Economic Development. Funding is provided from the sale of property. Approval to release funds from the reserve can only be given by the Executive of the Council.	This reserve is still required
Cremator Reserve	1,196	To build up resources to replace cremators when required	Management of the reserve rests with the Deputy Chief Executive. Approval to release funds from the reserve can only be given by the Executive of the Council.	This reserve is still required
City Centre Reserve	5	To establish a reserve for the future Festive Lighting Programme.	Approval to release funds from the reserve can only be given by an Officer Decision Notice by The Chief Executive in consultation with the Deputy Chief Executive, Portfolio Holder and Corporate Director of Finance and Resources.	This reserve is still required
Repairs & Renewals Reserve	0	To establish a Repairs and Renewals Fund that can be used for revenue and capital items in the future, e.g. ICT, Vehicles	Approval to release funds from the reserve can only be given by the Executive of the Council.	This reserve is still required
Flood Reserve	4	There are likely to be further costs that are not recoverable from insurers and it is proposed to establish a new reserve to contribute to these costs.	Management of the reserve rests with the Corporate Director of Finance and Resources with the use of the Reserve requiring an Officer Decision notice by the Corporate Director of Finance and Resources.	This reserve is still required and will be released in 2021/22 to support the reinstatement of the Civic Centre

Reserve	Balance 31/3/21	Purpose	Conditions of Use	Future of the Reserve
Prosecutions Reserve	36	For future anticipated Barrister & legal fees	Approval to release funds from the reserve can only be given by an Officer Decision Notice by the Corporate Director of Governance & Regulatory Services in consultation with the Chief Executive, Portfolio Holder & Corporate Director of Finance and Resources.	This reserve is still required
Revenues Grants Reserve	2,141	To hold grant funds received by the Council which have not yet been utilised.	Approval to release funds from the reserve only be given by the Corporate Director of Finance and Resources in consultation with the relevant Chief Officer.	This reserve is still required but should be subject to a review to determine if all balances held therein are still required
Planning Services Reserve	206	To establish a reserve for the 20% uplift on the new planning fees which are to be spent on the planning service to improve performance.	Approval to release funds from the reserve can only be given by an Officer Decision Notice by the Chief Executive in consultation with the Corporate Director of Economic Development, Portfolio Holder & Corporate Director of Finance and Resources.	This reserve is still required
Apprenticeship Reserve	96	To establish a reserve for the committed balances from the annual Apprentice Infrastructure budget that will be required in future years of the employment contracts.	Management of the Reserve Rests with the Corporate Director of Finance and Resources. Approval to release funds from the reserve only be given by the Corporate Director of Finance and Resources in consultation with the relevant Chief Officer.	This reserve is still required
Waverley Viaduct Reserve	30	To earmark funds towards the development of the Waverley Viaduct	Management of the Reserve Rests with the Corporate Director of Governance & Regulatory Services. Approval to release funds from the reserve only be given by the Corporate Director of Governance & Regulatory Services.	This reserve is still required
Operational Risk Reserve	3,200	To provide funds to support potential ongoing pressures in relation to Covid (£0.5m), Local Government Reorganisation/Transformation projects (£0.5m), treasury management pressures (£0.6m)	Management of the Reserve rests with the Corporate Director of Finance and Resources. Approval to release funds from the reserve can only be given by the Executive of the Council following the advice of the Corporate Director of Finance and Resources.	New Reserve

Reserve	Balance 31/3/21	Purpose	Conditions of Use	Future of the Reserve
		and savings to be achieved (£1.6m).		
Council Tax Hardship Grant Reserve	359	A reserve to hold available Covid related Council Tax Hardship Grant.	Management of the Reserve rests with the Corporate Director of Finance and Resources. Approval to release funds from the reserve can only be given by an Officer Decision Notice by the Corporate Director of Finance and Resources in consultation with the portfolio holder.	New Reserve
Council Tax Tax Income Guarantee Scheme Reserve	69	To hold the balance of the Tax Income guarantee scheme grant received and to be released to partly offset the Council Tax deficit carried forward from 2020/21	Management of the Reserve rests with the Corporate Director of Finance and Resources. Approval to release funds from the reserve can only be given by an Officer Decision Notice by the Corporate Director of Finance and Resources in consultation with the portfolio holder.	New Reserve
Business Rates S.31 Grant Reserve	9,463	To hold the balance of Section 31 grants received as compensation for loss of business rate income due to expanded retail, leisure and hospitality relief and to offset the deficit carried forward on the Business Rates Collection Fund from 2020/21.	Management of the Reserve rests with the Corporate Director of Finance and Resources. Approval to release funds from the reserve can only be given by an Officer Decision Notice by the Corporate Director of Finance and Resources.	New Reserve
Economic Recovery Reserve	50	To support economic recovery for local parishes and urban communities as match funding to aid recovery following the COVID pandemic.	Management of the Reserve rests with the Corporate Director of Economic Development once eligibility criteria has been established by the Executive. Approval to release funds from the reserve can only be given by an Officer Decision Notice by the Corporate Director of Economic Development in consultation with the portfolio holder and Corporate Director of Finance and Resources.	New Reserve
BRR Volatility Reserve	0	To cushion against losses in Business Rate income as a result	Management of the reserve rests with the Corporate Director of Finance and	This reserve is still required

Reserve	Balance 31/3/21	Purpose	Conditions of Use	Future of the Reserve
		of being part of the Cumbria Business Rates Pool	Resources with the use of the Reserve requiring an Officer Decision notice by the Corporate Director of Finance and Resources.	

Provisions

Provision	Balance 31/3/21	Purpose	Future of the Provision
Business Rate Appeals	1,341	To provide an amount for settling outstanding appeals made against business rate liabilities by ratepayers. This amount represents the Council's 40% share of total appeals under business rate retention. This amount is charged against the Collection Fund when settled.	The provision is reviewed annually as part of the closure of accounts and adjusted according to the outstanding estimated appeals anticipated.
Insurance Provision	244	To provide an amount for settling outstanding insurance claims taking into account excesses to be paid by the Council and claims to be settled by insurers.	The provision is reviewed annually as part of the closure of accounts and adjusted according to the outstanding insurance claims at 31 March. Any reductions in to the provision are credited back to general fund and any increases required are charged to general fund as part of the outturn.
Rickergate Ringfenced Account	172	This provision was established to hold the net income received from properties acquired with NWDA funding in Rickergate. Funding was received to acquire the properties and the funding agreement obliged the Council to ring-fence the rental income achieved on the properties pending the final outcome for development of the area. There is therefore a potential obligation to repay these sums if no development occurs.	This provision is reviewed annually and the income generated in the year is added to the balance carried forward. Therefore, the provision is still required.
Land Charges Provision	34	This provision was established to provide a sum to settle claims against the Council for overpaid land charges. A national claim was brought forward that argued that Council's had overcharged for Land Charges in previous years.	This Provision is still required for land and property initiatives

Provision	Balance 31/3/21	Purpose	Future of the Provision
Cemeteries Perpetuity Fund	75	This provision was established to maintain and repair cemetery headstones where owners cannot be contacted.	This Provision is still required
Licencing Appeals	20	This provision was established to provide a sum for settling costs associated with appeals to licensing decisions.	This Provision is still required
Licensing Taxi Plates	7	This provision was established to hold sums paid for Taxi plate deposits	This Provision is still required
Standards Committee Complaints Provision	10	This provision was established to provide a sum for settling costs associated with complaints made from Standards Committee decisions.	This Provision is still required
Property Deposits	4	These provisions hold deposits made to the Council for property (e.g. grazing land), enterprise centre and market by tenants. If tenants vacate deposits are repaid.	This Provision is still required
Market Hall Deposits	8	These provisions hold deposits made to the Council for property (e.g. grazing land), enterprise centre and market by tenants. If tenants vacate deposits are repaid.	This Provision is still required
Enterprise Centre Deposits	7	These provisions hold deposits made to the Council for property (e.g. grazing land), enterprise centre and market by tenants. If tenants vacate deposits are repaid.	This Provision is still required
Civil Penalties	23	To establish a provision in relation to costs to be funded from Civil Penalties income in accordance with the Housing & Planning Act 2016.	This Provision is still required
S.106 & Other Bonds	1	A provision for a performance bond required in relation to Section 106 agreements.	New Provision
Bequests	19	These provisions hold balances in relation to bequests made to the Council. The Parker bequest was established in 1954 and was to benefit disabled children and other young residents of the City. The District Nursing Amenity Fund was established to provide amenities for nurses homes and retirement allowances to nurses.	These provisions are still required; however it is recommended that these provisions be reviewed to determine how best they can be utilised in line with their original purpose.

Appendix C - Corporate Charging Policy

This appendix sets out the corporate approach to the setting of fees and charges.

The Corporate Charging Policy applies to those fees and charges that the Council has control over and can set independently of any statutory provision. Any services where charges are set by Government or where services have to be self-financing are excluded from the Corporate Charging Policy.

The Corporate Charging Policy sets an expectation that Income from fees included in the Charging Policy will increase by 1% above the inflation rate set for expenditure. For 2021/22 this equates to a 3% increase. The MTFP assumes that income will increase by 3%; although this does not necessarily mean that charges have to increase by 3% as increases in demand could account for achievement of additional income.

Each service is required to consider and demonstrate in the Corporate Charging Report how and to what extent each of the following applies to the fees and charges it proposes to set:

1. Objectives of Charge - Set out the principal objective(s) of setting the charge:

- Recover cost of service provision
- Generate Surplus Income (where permitted)
- Maintain existing service provision
- Fund service improvements or introduction of new service(s);
- Manage demand for service(s)
- Promote access to services for low-income households;
- Promote equity or fairness;
- Achieve wider strategic policy objectives (e.g. encouraging green policies);

2. Other factors influencing decisions on whether and how much to charge:

- The Council's historic approach to charging
- The views of local politicians, service users and taxpayers
- Other councils' and service providers approach to charging
- Levels of central government funding and policy objectives
- The Council's overall financial position
- Changes in demand for services
- Policy on Concessions
- Availability of powers to charge for discretionary services (e.g. pre-application planning advice)

- Central government policy objectives

3. Targeting Concessions - The following target groups should be considered:

- Persons over the age of 65
- Unemployed
- Young persons under the age of 18
- Students in full time higher education
- Community Groups
- Armed Forces Veterans
- Those in receipt of supplementary benefits, tax credits, attendance allowance, disability living allowance and other appropriate groups

4. Trading

The Council is empowered to sell goods or services to other public bodies or trade commercially through a company with non-public bodies. The objectives should be considered for relevant services (including Building Cleaning and Maintenance, Vehicle Maintenance, Grounds maintenance, Legal Services, Human Resources, IT, Payroll, Planning and Development Services) as follows to:

- Deliver services more strategically on an area-wide basis
- Achieving greater efficiency
- Capitalise on expertise within the council
- Utilise spare capacity
- Generate income
- Support service improvement

5. Value For Money

- Has charging been used as a tool for achieving strategic policy objectives?
- Has the optimum use of the power to charge been used?
- Has the impact of charging on user groups been monitored?
- Has charging secured improvements in value for money?
- Has charging been used as a tool to reduce increases in Council Tax?

Appendix D – Gross Expenditure Breakdown

	Original Budget 2021/22 £
Expenditure	
Employee Related	16,452,500
Premises Related	4,040,200
Transport Related	1,431,900
Supplies & Services	4,115,900
Third Party Payments	2,241,100
Transfer Payments	18,105,900
Support Services	12,314,570
Capital Financing Costs	1,553,300
Recharges	(14,519,870)
Total Expenditure	45,735,500
Income	
Government Grants	(1,354,200)
Specific Grants	(18,602,700)
Other Grant/Reimbursements/Contributions	(1,845,600)
Interest	(167,300)
Customer and Client Receipts	(10,384,700)
Total Income	(32,354,500)
Net Budget Requirement	13,381,000
Funded By:	
Council Tax	(7,702,900)
Council Tax Surplus	64,300
Retained Business Rates	(3,509,000)
Business Rates Growth/Pooling	(2,700,000)
Reserves	466,600
Total Funding	(13,381,000)

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 2 AUGUST 2021

EX.65/21 DRAFT MEDIUM TERM FINANCIAL PLAN 2022/23 TO 2026/27
(Key Decision – KD.08/21)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation
Subject Matter

The Finance, Governance and Resources Portfolio Holder presented the Medium Term Financial Plan (RD.28/21) which set out the current framework for planning and managing the Council's financial resources, to develop its annual budget strategy and update its current five-year financial plan. The Plan linked the key aims and objectives of the Council, as contained in the Carlisle Plan, to the availability of resources, enabling the Council to prioritise the allocation of resources to best meet its overall aims and objectives. The MTFP would inform the budget process and would be updated for changes when known.

Following consideration by the Executive and the Business and Transformation Scrutiny Panel, final recommendations would be made to Council on 14 September 2021.

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

Summary of options rejected none

DECISION

That the Executive had given consideration to the draft Medium Term Financial Plan 2022/23 to 2026/27 as appended to Report RD.28/21; and made it available for consideration by the Business and Transformation Scrutiny Panel on 26 August 2021.

Reasons for Decision

To consult with the Business and Transformation Scrutiny Panel on the draft Medium Term Financial Plan 2022/23 – 2026/ 27.

EXCERPT FROM THE MINUTES OF THE BUSINESS AND TRANSFORMATION SCRUTINY PANEL HELD ON 26 AUGUST 2021

BTSP.63/21 DRAFT MEDIUM TERM FINANCIAL PLAN 2022/23 to 2026/27

The Corporate Director of Finance and Resources presented the Medium Term Financial Plan (RD.28/21) which set out the current framework for planning and managing the Council's financial resources, to develop its annual budget strategy and update its current five-year financial plan. The Plan linked the key aims and objectives of the Council, as contained in the Carlisle Plan, to the availability of resources, enabling the Council to prioritise the allocation of resources to best meet its overall aims and objectives. The MTFP would inform the budget process and would be updated for changes when known.

The Corporate Director of Finance and Resources reported that the Council had been notified of the outcome of the proposed Local Government Reorganisation (LGR) in Cumbria. The draft MTFP and Capital Investment Strategy had both been prepared based on the Council in its existing form and structure as a going concern for the next five years. However, the decision announced that, subject to Parliamentary approval, two new unitary authorities would replace the current local government structure in Cumbria from 1 April 2023. The Council needed to approve a revenue budget, council tax requirement and a capital investment programme for 2022/23. Therefore, the financial plans beyond that date were for illustrative purposes only and would fall under the responsibility of the new Authority.

The Executive had considered the matter at their meeting on 2 August 2021 (EX.65/21 refers) and made the report available to the Panel for scrutiny.

In considering the Draft Medium Term Financial Plan (MTFP) 2022/23 to 2026/27 Members raised the following comments and questions:

- Was the reduction in overall funding from Business Rates of £1,800,000 for 2022/23 secure?

The Corporate Director of Finance and Resources clarified that the reduction detailed within the report was an assumption pending notification and implications of revised retentions scheme, pooling arrangements and baseline reset.

- What work was being undertaken with the other authorities to co-ordinate financial policy in preparation for the LGR?

The Corporate Director of Finance and Resources explained that the Cumbria Finance Officers were meeting weekly, and a detailed data collection exercise was underway as a basis for the work needed for the LGR.

- When would the Tullie House Levelling Up application outcome be announced?

The Corporate Director of Finance and Resources responded that the announcement was expected in the autumn.

- There was some concern that the Council Tax Reduction Scheme (CTRS) would be significantly impacted due to Covid-19, would this Scheme continue?

The Corporate Director of Finance and Resources reminded the Panel that the Scheme was considered and agreed annually as part of the Council budget process.

RESOLVED – That the Panel had considered and commented upon the draft Medium Term Financial Plan 2022/23 TO 2026/27 (RD.28/21).

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 31 AUGUST 2021

EX.84/21 **MEDIUM TERM FINANCIAL PLAN 2022/23 to 2026/27
(Key Decision – KD.08/21)

(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

Pursuant to Minute EX.65/21, the Finance, Governance and Resources Portfolio Holder presented the Medium Term Financial Plan (RD.28/21 (amended)) which set out the current framework for planning and managing the Council's financial resources, to develop its annual budget strategy and update its current five-year financial plan. The Plan linked the key aims and objectives of the Council, as contained in the Carlisle Plan, to the availability of resources, enabling the Council to prioritise the allocation of resources to best meet its overall aims and objectives. The MTFP would inform the budget process and would be updated for changes when known.

The Business and Transformation Scrutiny Panel had scrutinised the matter on 26 August 2021 (BTSP.63/21 referred).

The Chair of the Business and Transformation Scrutiny Panel had been invited to speak on the matter but was not in attendance.

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

Summary of options rejected

That the Medium Term Financial Plan 2022/23 to 2026/27 should not be referred to Council for approval.

DECISION

That the Executive had considered the comments made by the Business and Transformation Scrutiny Panel on 26 August 2021 as detailed within Minute BTSP.63/21; and referred the Medium Term Financial Plan 2022/23 to 2026/27 to Council on 14 September 2021 with a recommendation that the said Plan be approved.

Reasons for Decision

To consider the comments of the Business and Transformation Scrutiny Panel on the Medium Term Financial Plan prior to recommending the Plan to Council for approval.

Report to Council

Item
(ii)

Meeting Date: 14 September 2021
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD08/21
Within Policy and Budget Framework YES
Public / Private Public

Title: CAPITAL INVESTMENT STRATEGY 2022/23 – 2026/27
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD.37/21

Purpose / Summary:

The Council's Capital Investment Strategy is intended to direct the Council's Capital Programme and the allocation of resources for the five-year period 2022/23 to 2026/27. The guidance in this strategy complements and supplements the Medium-Term Financial Plan.

The Capital Investment Strategy has been considered by the Executive and the Business & Transformation Scrutiny Panel.

Recommendations:

Council is asked to:

- (i) approve the Capital Investment Strategy for the period 2022/23 – 2022/23.

Tracking

Executive:	2 August 2021
Scrutiny:	26 August 2021
Executive	31 August 2021
Council:	14 September 2021

1. BACKGROUND

- 1.1 The Capital Investment Strategy is a key policy document, providing guidance on the Council's Capital Programme and the use of capital resources. The Strategy supplements guidance contained in the Medium-Term Financial Plan (MTFP).
- 1.2 The Capital Investment Strategy is reviewed annually alongside the MTFP, starting with the assumptions made in the Budget Resolution approved by Council on 17 February 2021. This position has been updated to reflect any known changes since that date.
- 1.3 The Strategy has been updated to reflect the guidance contained within the recent CIPFA publication '*Capital Strategy Guidance 2021, a whole organisation approach*', and now includes more details on the Council's Strategic Vision and Long-Term Ambitions.

2. KEY MESSAGES

- 2.1 The Capital Investment Strategy shows the starting position for the budget considerations for the next five years and gives an indication of the likely factors that will have an impact in the budget setting process. The Capital Programme and the financing of the programme are going to play an important role in shaping future budget considerations due to:
 - The re-profiling of asset sales will be updated as part of the budget process, especially in regard to the timing and level of receipts impacted as a result of COVID-19; this may have a significant impact on the revenue budget through the requirement to fund the capital programme with an additional borrowing requirement;
 - Additional Capital investment decisions will likely require revenue funding, either as a direct contribution from revenue reserves or through borrowing costs;
- 2.2 Although there is a forecast borrowing requirement to fund the capital programme, there are some factors that will also need consideration. These are:
 - Asset sales generating receipts over current estimate levels will reduce any borrowing requirement;
 - The ability to make a recurring revenue contribution to fund the capital programme will reduce any borrowing requirement;
 - A review of the current programme may relieve some of the expenditure pressures.

- 2.3 The Council was notified on 21 July of the outcome of the consultation into proposed Local Government Reorganisation (LGR) in Cumbria. The MTFP and Capital Investment Strategy have both been prepared based on the Council in its existing form and structure as a going concern for the next 5 years. However, the decision announced on 21 July notified the Council that, subject to Parliamentary approval, two new unitary authorities would replace the current local government structure in Cumbria, with Carlisle joining with Copeland and Allerdale areas to form a new unitary authority covering the west of the County, effective from 1st April 2023. The Council still needs to approve a revenue budget, council tax requirement and a capital investment programme for 2022/23. Therefore, the financial plans beyond this date are for illustrative purposes only and will fall under the responsibility of the new proposed Authority.

Any new Local Authority established will prepare its own Medium-Term Financial Plan for 2023/24 and beyond.

3. RISKS

- 3.1 The Capital Investment Strategy contains risk analysis of the issues that could potentially affect the budget and financial planning position.

4. CONSULTATION

- 4.1 The Capital Investment Strategy has been considered by the Senior Management Team and the Portfolio Holder for Finance, Governance and Resources.
- 4.2 The Business and Transformation Scrutiny Panel considered the report on 26 August.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 5.1 Council is asked to:
- (i) approve the Capital Investment Strategy for the period 2022/23 – 2022/23.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 6.1 The Capital Investment Strategy contains the current capital programme and how this aims to enhance the Carlisle area through the development of new infrastructure to both improve service delivery and provide additional facilities in the area.

Contact Officer: Steven Tickner

Ext: 7280

Appendices **Appendix A – Capital Investment Strategy 2022/23 to 2026/27**
attached to report: **Appendix B – Carlisle Plan Map of Investment**

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: • None

CORPORATE IMPLICATIONS/RISKS:

Legal – The Council has a fiduciary duty to manage its resources correctly. The Capital Investment Strategy is an important part of the budgetary process and seeks to ensure a planned and coordinated approach to the delivery of projects within the parameters of our financial resources.

Finance – contained within the report

Equality – Strategy includes expenditure forecast for Disabled Facility Grants

Information Governance - There are no Information Governance Implications

Property – The Capital Investment Strategy links with the Asset Management Plan 2022/23 to 2026/27 to provide details on how the City Council will utilise its property assets to assist with the Council's finances and the development of new infrastructure for the City.

Capital Investment Strategy

Carlisle City Council

2022/23 to 2026/27

Contents

1.0	Introduction.....	2
2.0	Financial Principles supporting the Capital Investment Strategy	6
3.0	Strategic Vision / Long-term ambitions.....	9
4.0	Capital Expenditure	14
5.0	Debt, Borrowing and Treasury Management.....	19
6.0	Commercial Activity	26
7.0	Knowledge and Skills	29

1.0 Introduction

- 1.1 The Capital Investment Strategy (CIS) is a key policy document for the Council and provides guidance on the Capital Programme and the use of capital resources and Asset Management Plans. The strategy reflects the links to other Council plans and is based on the guidance in the Medium-Term Financial Plan (MTFP). The Capital Investment Strategy is written following guidance included in the Prudential Code (2017) (which is due to be updated later in 2021), reflects the new CIPFA Capital Strategy Guidance 2021 ‘A whole organisation approach’ and is required to be approved by Full Council.

The objectives of the Capital Investment Strategy are to:

- Provide an overview of the governance process for approval and monitoring of capital expenditure;
- Provide a longer-term view of capital expenditure plans;
- Provide an overview of asset management planning;
- Provide expectations around debt and use of internal borrowing to support capital expenditure;
- Define the authority’s approach to commercial activities including due diligence and risk appetite;
- Defines the available knowledge and skills to the authority in relation to capital investment activities.

- 1.2 Capital spending is strictly defined and is principally incurred in buying, constructing or improving physical assets such as buildings, land and vehicles, plant and machinery. It also includes grants and advances to be used for capital purposes. The Council’s policy on capitalisation is included in the Accounting Policies of the Statement of Accounts. The policy states that items of vehicle, plant and equipment over £5,000 will be capitalised and expenditure on land, buildings and other structures over £20,000 will be capitalised. Expenditure under these limits is deemed to be a revenue cost.

- 1.3 The Council was notified on 21 July of the outcome of the consultation into proposed Local Government Reorganisation (LGR) in Cumbria. The MTFP and Capital Investment Strategy have both been prepared based on the Council in its existing form and structure as a going concern for the next 5 years. However, the decision announced on 21 July notified the Council that, subject to Parliamentary approval, two new unitary authorities would replace the current local government structure in Cumbria, with Carlisle joining with Copeland and Allerdale areas to form a new unitary authority covering the west of the County, effective from 1st April 2023. The Council still needs to

approve a revenue budget, council tax requirement and a capital investment programme for 2022/23. Therefore, the financial plans beyond this date are for illustrative purposes only and will fall under the responsibility of the new proposed Authority.

Any new Local Authority established will prepare its own Medium-Term Financial Plan for 2023/24 and beyond.

1.4 **Evaluation and Monitoring of Capital Projects**

The evaluation and monitoring of capital projects is important to enable the Council to determine:

- If projects have met their individual objectives for service provision,
- If projects have been delivered on time and to budget, or whether lessons need to be learned to improve processes in the future,
- If projects have contributed to the overall aims and objectives of the Council.

1.5 To assist with these processes, the Council has a series of procedures in place as a capital project develops. These consist of: -

- Consideration of all aspects of a capital project by the Transformation Sub-Group, comprising senior officers of the Council, whose purpose is to lead on the prioritisation of capital investment through the consideration of business cases and the ongoing monitoring and evaluation of individual capital projects. All proposals for investment will be submitted to members for consideration as part of the normal budget process.
- The development of a risk-assessed project plan for every project, which is subject to regular monitoring against key milestones by a nominated project officer.
- Changes to capital budgets, scheme costs, the inclusion or removal of individual schemes and information on remedial action needed to bring projects back on track are reported to Council as required.
- The Senior Management Team and the Executive receive quarterly monitoring reports on the Capital Programme to review progress on the delivery of projects. This process also includes the evaluation of completed capital projects to assess if their individual aims and

objectives have been met and makes recommendations where necessary to improve the delivery of similar projects in the future.

- The Council's Business and Transformation Scrutiny Panel also critically examines the performance in delivering capital projects on a quarterly basis.

1.6 **Current Asset Portfolio**

The Council holds a significant asset portfolio that supports both its operational activities and non-operational activities from which it receives significant rental income.

The rental income it receives is used to support Council services and provides a significant proportion of the income it receives. The income from rentals on the non-operational asset portfolio is approximately 60% of what the Council receives in funding from Council Tax.

Asset Category	Valuation 31/03/21 £000	Rental Income £000	Other Income £000	Total Income 21/22 £000
Investment Property	89,379	4,143	0	4,143
Surplus Assets	1,143	0	0	0
Land & Buildings	50,276	0	4,036	4,036
Infrastructure	5,080	0	0	0
Community Assets	4,195	23	0	23
Dwellings	230	0	0	0
Vehicles Plant & Equipment	5,810	0	0	0
Heritage	19,502	0	0	0
Assets Under Construction	5,741	0	0	0
TOTAL	181,356	4,166	4,036	8,202

Investment Property (Non-Operational)

These assets include Industrial Estates, land held for capital appreciation and rental income and the Lanes Shopping Centre

Surplus Assets (Non-Operational)

These assets include land held that do not generate significant rental incomes or are held for capital appreciation

Assets Held for Sale (Non-Operational)

This relates to assets that have been identified for sale and are in the process of being disposed at the Balance Sheet date.

Land & Buildings (Operational)

These are operational properties that are used to deliver council services and include Council accommodation, community centres, car parks and hostels

Infrastructure (Operational)

These assets include bridges and footpaths

Community Assets (Operational)

These assets include parks and open spaces

Dwellings (Operational)

These assets are primarily homeshares used by the homelessness service

Vehicles, Plant and Equipment (Operational)

These assets are used in the delivery of Council services and include all Council owned vehicles, IT equipment, play equipment and green spaces equipment

Heritage (Operational)

These assets relate to items of heritage and include the Tullie House Museum Collection and statues and monuments.

Assets Under Construction (Non-Operational)

These are assets that are in the course of construction but have not yet been completed.

The assets held on the balance sheet are offset by the long-term debt currently held on the balance sheet. As at 31 March 2021, this totalled £12.8million, which represents a debt cover ratio of 7.05%.

2.0 Financial Principles supporting the Capital Investment Strategy

2.1 Capital expenditure is to be incurred in line with Financial Procedure Rules as follows:

- The Corporate Director of Finance and Resources is responsible for ensuring that a capital programme is prepared on an annual basis for consideration by the Executive before submission to the Council (FPR2.14);
- Capital Programme – Key controls and responsibilities of the Corporate Director of Finance and Resources and Corporate Directors (B.51 – B.66).

2.2 The key principles to be applied to the Capital Investment Strategy are set out below:

- Capital resources are held corporately and are allocated according to the priorities set out in the Carlisle Plan (i.e. there is no automatic ring-fencing of resources for specific purposes with the exception of the repayment of Renovation grants);
- Capital receipts will be allocated in accordance with Council priorities;
- Specific repayments of Renovation Grants will be reinvested in the programme and be used to support Private Sector Renewal Grants;
- Income generated from the sale of vehicles, plant and equipment will be reinvested in the programme and be used initially to fund future replacements;
- The Council will seek to maximise the use of grants and external funding;
- The Council is committed to deliver capital investment with partners to maximise benefits where this fits with Council priorities;
- Redirection of capital resources from one project to another will be contained within existing budgets, unless increases can be justified through the budget process;
- Capital budgets are generally cash-limited i.e. no provision is made for inflation which effectively means that over time there is a real reduction in the value of resources allocated to specific capital projects;
- Council Tax increases will be limited to fair and reasonable levels. This requires a full assessment of the revenue consequences of capital projects and their respective methods of finance;

- Any shortfall against the capital receipts forecast to be received will have significant implications on the ability to deliver the forecast levels of investment without incurring borrowing;
- Review of capital financing decisions which will likely have a revenue budget impact due to lack of capital resources (E.g. through re-profiling of capital receipts and borrowing);
- Review the Asset Review Business Plan to see if any asset sales can be re-profiled and whether expected proceeds require revision;
- In order to reduce the exposure of the council to a borrowing requirement the following steps should continue to be examined:
 - Review of existing capital programme to ensure that schemes are still required and are accurate;
 - Maximisation of the use of grants and contributions from external sources;
 - Providing a recurring revenue contribution to the capital programme;
 - Invest to save schemes that can repay the capital investment over a period of time.

Capital Investment Assumptions:

- *The current capital programme is forecast to utilise all forecast capital receipts and includes a borrowing requirement to fund the planned programme.*

2.3 **Carlisle Plan and Other Council Strategies, Plans and Policies**

The Carlisle Plan forms part of the Policy and Budgetary Framework for the Council. These frameworks work together to create the strategic framework.

A new plan is in the process of being considered by Executive and Scrutiny Panels and will be debated by a meeting of the Full Council in September prior to its adoption. The new plan will continue with a focus on Supporting the Economy and Health & Wellbeing.

The Capital Investment Strategy must both support and inform the Council's vision for the Carlisle area and the strategic direction set out in the Carlisle Plan. This is to enable resources to be matched against the agreed priorities and any other supporting needs.

The Capital Investment Strategy takes account of other Council Plans and Strategies of the Council, which have a potential impact on the use of

resources by the Council. Particularly consideration is given to the following key strategies:

- The Medium-Term Financial Plan, which provides information on the proposed revenue budget and considerations that will impact on future budgets.
- The Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy, which sets out the assumptions for financing requirements and interest rates and their effect on the revenue budget.
- The Asset Management Plan, which provides forecasts of necessary investment in the Council's land and property portfolio.
- The Procurement and Commissioning Strategy.
- Local Plan/Local Development Framework.
- The ICT Strategy.
- The Organisational Development Plan, which highlights the need for a thorough review of the Council's staffing needs and skill levels to ensure that the Council improves its performance to deliver excellent services to the local community in the future.
- There are also a number of strategies, which set out policy direction for key Council priority areas, and these include the Economic Strategy, Local Environment (Climate Change) Strategy, and Housing Strategy.
- Directorate Service Plans will be used to inform the budget setting process and identify key strategic and operational objectives and the resources required to deliver those.

3.0 Strategic Vision / Long-term ambitions

3.1 The Council recognises the vital contribution its Capital Investment Strategy and its asset portfolio play in the economic growth and health and wellbeing of the area.

3.2 **Economic Strategy**

The Capital Investment Strategy needs to allow the Council to achieve its strategic ambition to see economic investment and growth in the City. The CIS also needs to recognise the ambitions of the Council in improving the health and wellbeing of the area.

The priorities and key actions that will require capital investment implications of the Economic Strategy that should inform capital investment decisions are:

- ***Driving housing and population growth***
 - Production a Local Plan for St Cuthbert's Garden Village
 - Remediation of the Caldew Riverside site
 - Development and delivery of the first phase of 'Start with the Park'



St Cuthbert's Garden Village

- ***Growing our target employment sectors and levelling up our skills base and productivity***
 - Supporting the redevelopment of the Citadels
- ***Increasing city centre vibrancy***
 - Creation of a new events space at the Greenmarket
 - Redevelopment of the Sands Centre
 - Improvements to the Market Hall
 - Redevelopment of the Central Plaza site

- ***Enhancing digital and transport connectivity***
 - Supporting the delivery of Carlisle Station Gateway project
 - Supporting the delivery of the Southern Link Road and Gateway projects
 - Supporting the production of a Carlisle Local Cycling and Walking Infrastructure Plan
- ***Supporting rural development and innovation***
- ***Promoting Carlisle as a place to live, work and visit***

3.3 **Climate Change Strategy**

The Council approved the Local Environment (Climate Change) Strategy in March 2021 with the aim of ensuring that the Council plays its full role in protecting the environment and in the worldwide movement which aims to tackle climate change. The commitment is, subject to public consultation and legal constraints, that all the activities of the Council, all strategic decisions, budgeting, and, in so far as the Council can influence, arrangements with partners, are in line with eliminating pollution and achieving net zero carbon emissions at the earliest possible date.

The Strategy highlights that the following projects are underway, which together will significantly reduce the Council's greenhouse gas emissions:

- Sands Centre Redevelopment.
- Civic Centre Ground Floor Reinstatement.
- Replacement of footway lighting with energy efficient lamps.
- Ongoing replacement of fleet and plant with lower carbon vehicles and equipment.
- Waste management and recycling initiatives at operational sites.

The Council is also delivering projects to help reduce Carlisle district's greenhouse gas emissions:

- Community Electric Vehicle Charging Points.
- Improvements to the cycling and walking infrastructure, increasing the network for active transport.

The Council is also working in partnership to adapt to Climate Change; over the next three years Carlisle will benefit from the delivery of new flood defences and upstream natural flood management projects.

In order to achieve the strategic goal of net zero greenhouse gas emissions the following objectives are set out in the Strategy and will potentially require capital investment decisions to achieve:

Objective 1: Reducing emissions from the City Council estate and operations.

Objective 2: Reducing energy consumption and emissions from homes and businesses in Carlisle and tackling fuel poverty, by promoting energy efficiency measures, sustainable construction, renewable energy sources and behaviour change.

Objective 3: Reducing emissions from transport by promoting sustainable transport, reducing car travel and traffic congestion and encouraging behaviour change.

Objective 4: Reducing consumption of resources, increasing recycling and reducing waste.

Objective 5: Supporting Council services, residents and businesses to mitigate against and adapt to the impacts of Climate Change



New electric vehicles

3.4 **Asset Management Plan**

The Asset Management Plan sets out the Council's approach to managing its land and property assets and aligns to Council's policies and strategies. The Plan has the following strategies that it aims to follow in managing the Council's property portfolio:

Operational Property Investment Principles

- Investment will be made where a property is required for the medium or long-term use, enhances service delivery, improves environmental sustainability, improves utilisation, increases efficiency, adds value, and addresses statutory obligations.

Non-Operational Property Strategy

- To own property that supports the growth of Carlisle and the Economic Strategy, provides a sustainable income stream, is a key component of the Medium-Term Financial Plan.

Non-Operational Property Investment Principles

- Commercial property will only be held where it provides an acceptable financial return, there is potential to deliver economic development objectives, it contributes to the delivery of other Council priorities, it addresses legal or contractual liabilities and obligations.

Surplus Property Strategy

- the Council will dispose of surplus assets on a freehold or leasehold basis at best consideration. Disposals at less than best consideration may be agreed subject to the necessary statutory and Council approvals.

Surplus Property Principles

- operational and non-operational property will be sold unless occupied for service provision, used to deliver social, housing, economic or environmental benefits meeting agreed priorities, or it is a long-term strategic investment.

Property Acquisition Strategy

- the Council will acquire assets; that improve service delivery, assist with delivery of Economic Strategy, develop opportunities to assemble sites to deliver Council objectives, improve the financial returns and deliver the Asset Review Business Plan.

Property Acquisition Principles

- property will only be acquired where whole life costings and option appraisal exercises are undertaken and meet set target criteria around risk, income returns and yields.

3.5 External and Partner Influences

Capital investment decisions will be influenced by both internal and external factors.

Projects for inclusion in the capital programme arise from a variety of sources, some of them internally generated and some arising from external factors. The more significant of these are summarised as follows:

Internal Factors	External Factors
Corporate Priorities	Government sponsored programmes, e.g. Disabled Facilities Grants, Town Deal, Future High Street Fund, Borderlands
Investment identified in strategies, policies and plans	Unforeseen emergency works
Work needed to maintain Property assets	Works required to comply with legislation e.g. disabled access, health & safety
Vehicles, Plant and Equipment replacement needs	Projects resulting from partnership activity
ICT Investment and replacement	Availability of external funding
Invest to save projects	Public expectation that works should be carried out

The Council works with a wide range of partners from the public, private, voluntary and community sectors, all of which have an influence over its spending priorities. These include, but are not limited to:

- Central Government
- Other Local Authorities
- Health sector
- Further and Higher education sector
- Charity, social and not for profit sector
- Private sector
- Community Projects

4.0 Capital Expenditure

4.1 Capital Investment Priorities

The Capital Investment Strategy needs to ensure that any capital investment decisions are both affordable and achieve the priorities as set out in the Carlisle Plan. The Council is at a point where capital resources have become scarce and as such any investment in assets will have implications on the revenue budget.

The Capital Investment Strategy must therefore recognise the implications of capital investment decisions and ensure that they are in line with Council priorities and financing requirements are robustly evaluated and understood.

The current capital programme includes provision for investment in new Leisure facilities primarily funded from borrowing that will be offset by a reduction in the subsidy payable on the Leisure contract. The programme also includes provision for a contribution towards the Carlisle Southern Relief Road.

Other capital investment opportunities may present themselves over the lifetime of the MTFP; each will be subject to further business cases on investment opportunities and the benefits that could be made from those investments.

All business cases are subject to due diligence to ensure that they afford the best value for money for the Council, align with its core priorities and do not expose the Council to unnecessary risk that could put future delivery of services in jeopardy. Further details on the Council's attitude to risk and due diligence is given at section 6 (Commercial Activity).

The table below shows the current capital resources before any new decisions around capital investment are made.

	Budget	Forecasts				
	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Borrowing Requirement B/Fwd	19,521					
Estimated resources available in year (Table 3)	(8,210)	(9,694)	(3,087)	(3,087)	(3,332)	(2,887)
Proposed Programme (Table 2)	29,649	15,662	4,098	3,976	3,462	3,184
In-Year Borrowing Requirement	21,439	5,968	1,011	889	130	297
MRP And Repayment of Debt	(12)	(292)	(421)	(1,055)	(1,288)	(1,253)
Cumulative Borrowing Requirement	40,948	46,624	47,214	47,048	45,890	44,934

Table 1: Current Capital resources

4.2 **Current Expenditure Forecast**

The Council approved the current forecast for the period 2021/22 to 2025/26 in February 2021 and details are shown below adjusted for the outturn from 2020/21 and also for decisions made in relation to capital investment between April and June 2021.

	Budget	Forecasts				
	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Disabled Facilities Grants	3,387	1,900	1,900	1,900	1,900	1,900
Vehicles Plant & Equipment	837	1,221	1,772	1,680	1,166	888
Property Enhancements	459	250	250	250	250	250
ICT Strategy	314	76	131	101	101	101
Recycling Containers	69	45	45	45	45	45
Leisure Facilities	16,923	3,450	0	0	0	0
Civic Centre Reinstatement	2,082	0	0	0	0	0
Crematorium Infrastructure	350	900	0	0	0	0
Energy Monitoring System	12	0	0	0	0	0
Future High Street Fund - Market Square	100	2,670	0	0	0	0
Planning Software	150	0	0	0	0	0
Play Area Improvements	195	0	0	0	0	0
Bitts Park - Towns Deal	129	0	0	0	0	0
Cemetery Infrastructure	36	0	0	0	0	0
Skew Bridge Deck	67	0	0	0	0	0
Paton House	934	0	0	0	0	0
Caldew Riverside Remediation - Towns Deal	843	0	0	0	0	0
Swifts Wildlife Haven	70	0	0	0	0	0
Bitts Park Water Feature	10	0	0	0	0	0
Gateway 44	896	0	0	0	0	0
On Street Charging infrastructure	103	0	0	0	0	0
LED Footway Lighting Installation	29	0	0	0	0	0
Rough Sleeping Initiative	10	0	0	0	0	0
Empty Property Grants	112	0	0	0	0	0
Flare Data Management System	0	150	0	0	0	0
Carlisle Southern Relief Road Contribution	0	5,000	0	0	0	0
Tullie House - Levelling Up Fund	1,500	0	0	0	0	0
Bitts Park - Public Realm	32	0	0	0	0	0
Total Programme	29,649	15,662	4,098	3,976	3,462	3,184

Table 2: Current Capital Programme

4.3 **Current Resource Forecasts**

The Council's capital programme can be financed, (or paid for), through a variety of sources and the Corporate Director of Finance and Resources will make recommendations on the most effective and efficient way of financing the Capital Programme to optimise the overall use of resources. The availability of staff resources to deliver the approved programme will need to be considered during the budget process. Table 3 shows the estimated level of capital resources, which will be generated over the next five years.

	Budget	Forecasts				
	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Capital Grants & Contributions	4,538	4,346	1,900	1,900	1,900	1,900
Capital Receipts (Asset Review)	1,379	3,461	200	200	445	0
Revenue Financing	2,293	1,887	987	987	987	987
Total Resources Receivable in Year	8,210	9,694	3,087	3,087	3,332	2,887

Table 3: Current Proposed Resources

There is a further £125,590 held within capital grants unapplied account that is not currently allocated to fund specific projects and is therefore not included within the figures above or the opening balances. These can only be utilised on projects linked to the original grant allocations.

4.3.1 Capital Grants

The Council receives one primary capital grant from central government to support its role in providing Disabled Facilities Grants. For 2022/23 the Council is budgeting to receive £1,899,800. For 2021/22, the final allocation was £2,155,600. The grant continues to be distributed through the County Council, as the Better Care provider, who then allocates funding to the District Councils.

4.3.2 Revenue Contributions and Reserves

The capital programme can also be financed through the use of reserves (both capital and revenue) although revenue contributions will have an overall effect on the General Fund revenue budget

4.3.3 Capital Receipts

Capital Receipts arise principally from the sale of Council capital assets.

The sale of assets as part of the Asset Review are now utilised to support the Capital Programme in the Capital Strategy. Sales (after costs) of £3.461million are included in the Capital programme to be achieved in 2022/23.

4.3.4 Borrowing Requirement

The cumulative in-year borrowing requirement in Table 1 identifies a potential need to borrow an additional £29.734million to fund the capital programme over the next five years. The brought forward borrowing requirement of £19.521million compares to actual brought forward external debt of

£13.319million. The current programme includes an expectation of borrowing £29.5million in 2021/22 and a further £6.507million in 2022/23. This does not include any borrowing requirement brought forward. The majority of the revenue cost of the borrowing is to be paid for through a reduction in the Leisure contract fee, increased income from Gateway 44 and potential developer contributions.

4.4 **Asset Management**

A separate Asset Management Plan is produced annually by the Council that outlines the ongoing asset management requirements to maintain the property portfolio. This Plan is considered alongside the MTFP and the Capital Investment Strategy.

The Council also maintains a Fleet Replacement Plan which outlines the anticipated replacement lifecycle for the main items of fleet it requires to operate services. This plan is updated annually and is fed into the budget process to determine the capital requirement.

5.0 Debt, Borrowing and Treasury Management

5.1 **Borrowing**

Rules on borrowing have been relaxed since the introduction of the Prudential Code in April 2004 with authorities now able to borrow as much as it wishes provided that it can afford the repayments from its revenue budget.

The Council has identified that it may need to undertake additional borrowing to fund the current capital programme including to support the development of Leisure Facilities, Gateway 44 project, Tullie House and Carlisle Southern Relief Road. The cost of this borrowing is included in the Medium-Term Financial Plan and is also offset by corresponding savings from the Council's Leisure Contract and income generated from Gateway 44, increased income and developer contributions.



Construction of new leisure facilities

Borrowing can be undertaken through external loans with, for example, the Public Works Loan Board (PWLB), or can be undertaken by utilising internal resources, i.e. investment balances. This is known as internal borrowing. External borrowing of £14million was undertaken through the PWLB in 2019/20 to support the Council's overall borrowing requirement.

The Corporate Director of Finance and Resources is delegated with responsibility for the financing of the capital programme and as such may make borrowing decisions based upon interest rates, the Council's cash flow projections and other economic factors, in order to optimise the overall use of resources. External advice will be sought from the Council's Treasury advisors, Link, if necessary.

In order to reduce the exposure of the council to a borrowing requirement the following steps should be examined when determining proposed capital programmes:

- Review of existing capital programme to ensure schemes are still required and are accurate;
- Maximisation of the use of grants and contributions from external sources;
- Providing a recurring revenue contribution to the capital programme;
- Invest to save schemes that can repay the capital investment over a period of time.

Where possible the Council will attempt to avoid using any debt financing for capital projects, however, it recognises that this is not always possible. In cases where debt financing is unavoidable, the Council will consider robust business cases to ensure the servicing of debt costs can be adequately met from revenue resources without having an adverse impact on service delivery. Where possible, debt will be repaid at the earliest opportunity, and the type of borrowing undertaken will always reflect the need the Council has at the point in time it is taken out. The Council will look to repay all borrowing either before or upon its actual maturity profile.

5.2 **The Capital Financing Requirement**

The Capital Financing Requirement (CFR) represents the Council's underlying need to borrow. This is different to any actual borrowing. If the Council generates the same amount of resources in a year to meet its capital expenditure requirements, then there is no change to the CFR. However, if the Council spends more than the resources it generates in year, the CFR will increase as in effect the Council has created a borrowing requirement to bridge the gap in the resources it needs and the resources it has.

Although the CFR does not necessarily reflect actual borrowing taken from an external source, it can reflect the use of internal cash resources, i.e. internal borrowing.

Where the Council has a positive CFR, i.e. an underlying need to borrow, it must make provision to repay that 'debt', or repay the cash used through internal borrowing. This is known as Minimum Revenue Provision (MRP). The Council's current policy, as set out in the MRP Strategy is to charge MRP on a straight-line basis at 3% of the CFR. As MRP is a non-cash transaction it has the effect of increasing the cash balance of the Council.

The current forecast for the CFR and MRP based on the current capital programme is as follows:

	Budget	Forecasts				
	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Total Capital Expenditure	29,649	15,662	4,098	3,976	3,462	3,184
Capital Resources Receivable in Year	(8,210)	(9,694)	(3,087)	(3,087)	(3,332)	(2,887)
MRP & Other Repayment of Debt ¹	(12)	(292)	(421)	(1,055)	(1,288)	(1,253)
Change in Underlying need to borrow	21,427	5,676	590	(166)	(1,158)	(956)
CFR Brought Forward	19,521	40,948	46,624	47,214	47,048	45,890
CFR Carried Forward	40,948	46,624	47,214	47,048	45,890	44,934
Adjustment A Revision	(4,426)	(4,426)	(4,426)	(4,426)	(4,426)	(4,426)
Adjustment for Assets Under Construction	(19,165)	(20,520)	0	0	0	0
CFR FOR MRP PURPOSES	17,357	21,678	42,788	42,622	41,464	40,508

Table 4: Capital Financing Requirement

Note 1: Includes the repayment of Transferred Debt

5.3 Investment and Reserve Balances

An important consideration to understand when making capital investment decisions, especially when a borrowing requirement exists is the relationship between the Council's available cash investment balances and its reserves.

At 31 March 2021, the Council had cash and investments of £15.091million. If all revenue and capital budgets are spent in line with the budget and all receipts are received in line with expectations then at 31 March 2022, investment balances would be £16.289million. The following table shows the breakdown of the investment balance and what the cash relates to:

	Outturn	Forecasts					
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Total Investments	15,091	16,289	13,808	11,040	9,285	8,555	7,724
<i>Made up of:</i>							
General Fund Reserves	5,436	4,091	3,620	3,382	3,401	3,453	3,606
Capital Reserves	90	105	120	135	150	165	180
Earmarked Revenue Reserves	16,879	7,066	6,166	6,166	6,166	6,166	6,166
Provisions	1,964	1,964	1,964	1,964	1,964	1,964	1,964
Collection Fund Adj Account	(9,570)	(107)	(107)	(107)	(107)	(107)	(107)
Capital Grants Unapplied	126	126	126	126	126	126	126
Total Reserves	14,925	13,245	11,889	11,666	11,700	11,767	11,935
Cash Backed Reserves %	101%	123%	116%	95%	79%	73%	65%
Working Capital	6,368	2,868	2,867	2,867	2,867	2,867	2,867
Capital Receipts applied	0	0	0	0	0	0	0
Total Working Capital & Reserves	21,293	16,113	14,756	14,533	14,567	14,634	14,802
(Surplus Monies) / Internal Borrowing	6,202	(176)	948	3,493	5,282	6,079	7,078

Table 5: Investments and Reserves

The figures above are based on assumptions regarding budgets being fully spent with no over/under spends and reserves utilised as per current budget projections.

The surplus monies / internal investments position represents how much of any borrowing requirement identified can be met from internal resources (internal borrowing) or how much will need to be met from actual external borrowing up to 2026/27. Where there is an internal investment shown this represents the use of the Council's own investments to support the borrowing requirement, i.e. internal borrowing. As interest rates are extremely low at the moment, there is little value added by holding cash in investments whilst undertaking external borrowing at higher rates. However, this position also has to be balanced by the Council having enough cash to pay for day to day expenditure. The need to borrow externally at the most appropriate time is constantly reviewed and updated to ensure that the Council borrows at the best available rates and at the most appropriate time.

This can also be shown when comparing the difference in the CFR (underlying need to borrow) and the actual borrowing level.

	Outturn	Forecasts					
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
CFR (Underlying Need to borrow)	19,521	40,948	46,624	47,214	47,048	45,890	44,934
Total Borrowing	13,319	41,124	45,676	43,721	41,766	39,811	37,856
(Over)/Under Borrowing Position	6,202	(176)	948	3,493	5,282	6,079	7,078
Less Capital Receipts Applied	0	0	0	0	0	0	0
(Over)/Under Borrowing Position	6,202	(176)	948	3,493	5,282	6,079	7,078

Table 6: Borrowing position

Therefore, the Council is utilising £6.202million of its cash balances to support the borrowing requirement. This is due to the repayment of the Stock Issue loan of £15m in 2020/21 which was not replaced by any new borrowing. Where actual debt is greater than the CFR, the Council holds this surplus cash in its investment balances, and this is known as over-borrowing.

The position shown above shows that by 2026/27 the Council is forecast to be in an under-borrowed position (i.e. its actual external debt is less than the borrowing requirement) and would need to meet this borrowing requirement through the use of its own cash balances (internal borrowing) or by taking out additional external debt if no new capital resources (i.e. receipts or grants) can be generated.

As the figures shown above are based on forecast levels of expenditure linked to current budgets and anticipated receipts, actual figures will vary in each year depending upon actual expenditure and income levels.

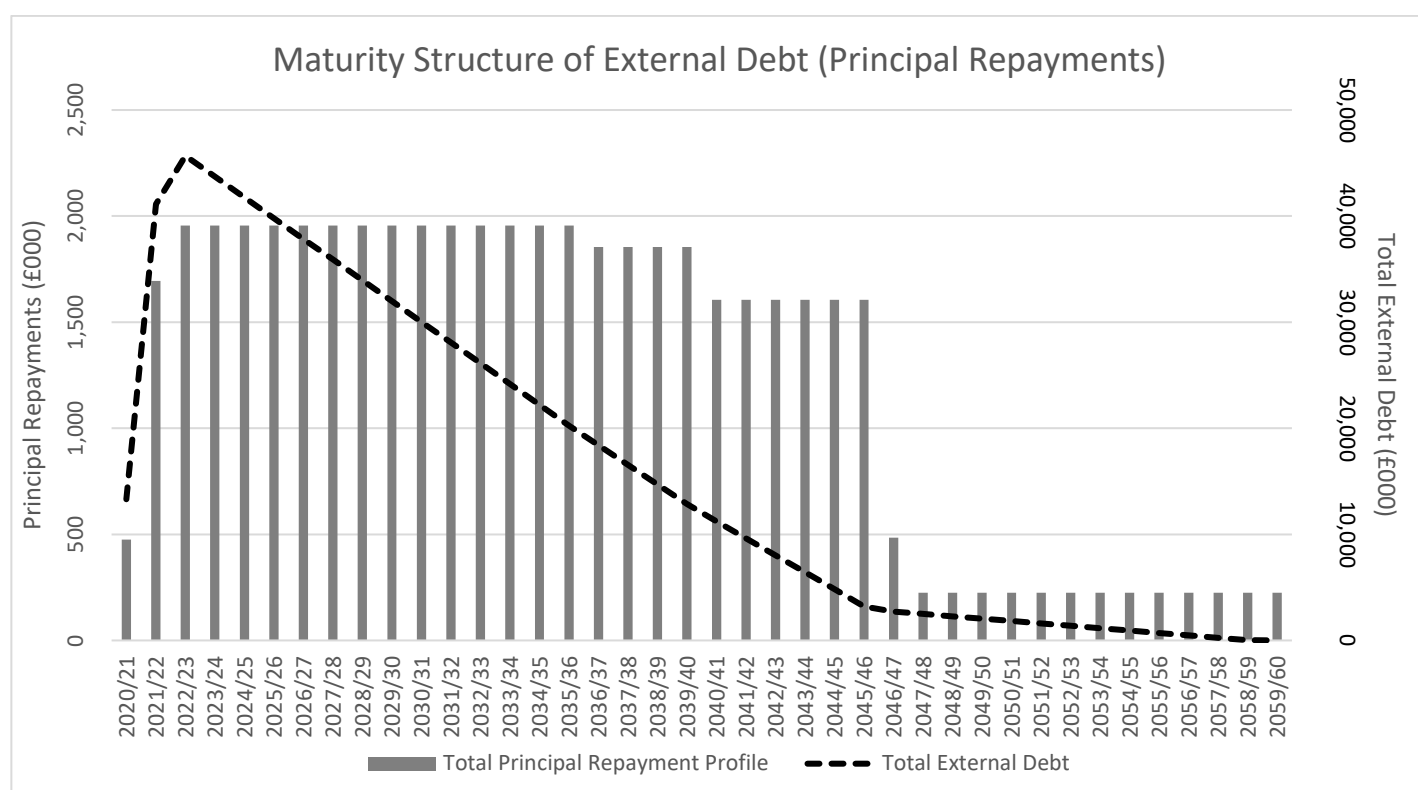
5.3.1 Debt Financing Costs

The table below shows the actual and forecast debt financing costs (Interest) for actual and forecast debt and compares to the Council's budget requirement. Interest and MRP are charges against the Council's revenue budget and any changes to the profiling of external borrowing or changes to interest rate assumptions are included in the Treasury Management forecasts when the budget is set.

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Total Borrowing	41,124	45,676	43,721	41,766	39,811	37,856
Interest	658	734	705	674	645	615
Capital Financing Cost (MRP)	0	280	409	1,043	1,279	1,244
Total Capital Financing Cost	658	1,014	1,114	1,717	1,924	1,859
City Council Budget Requirement	13,848	12,393	12,721	13,146	13,486	13,832
% Financing Costs to Budget Requirement	5%	8%	9%	13%	14%	13%

Table 7 Debt Financing Costs

The repayment profile of the Councils actual and forecast external debt is as follows:

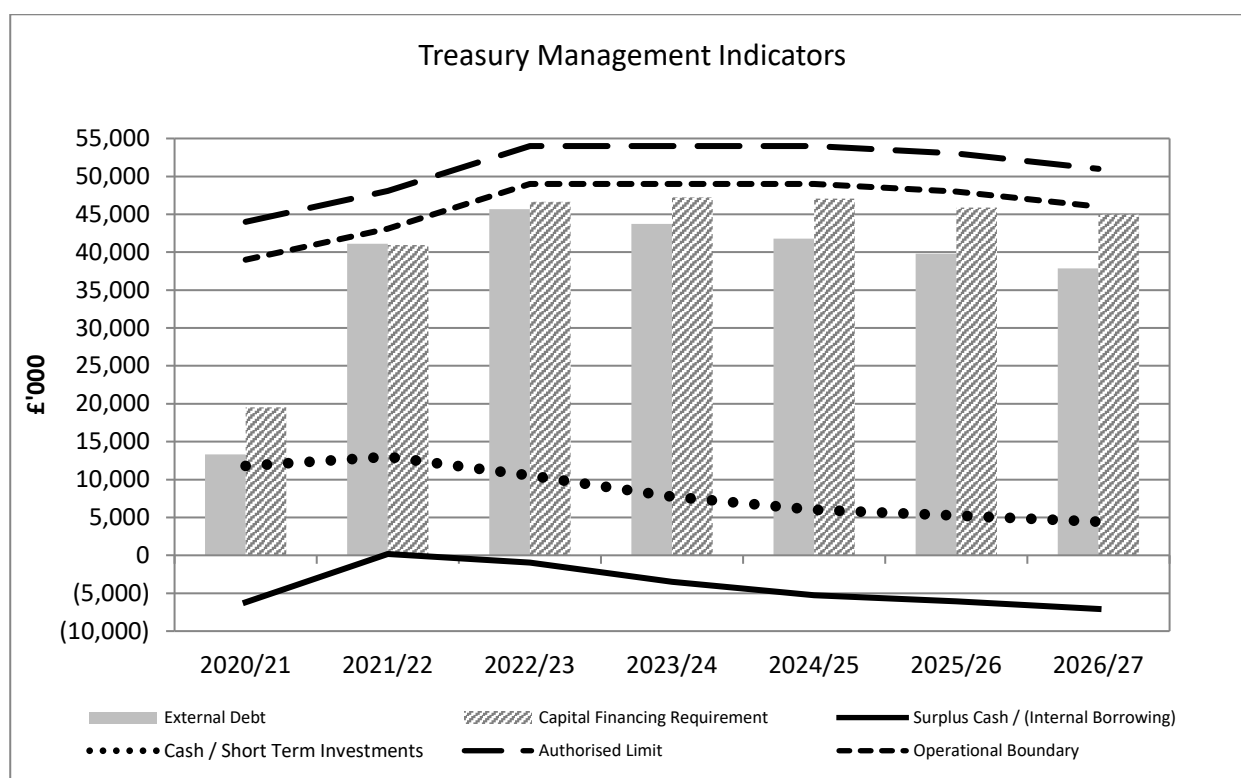


The following table shows the overall movement on external debt:

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
External Debt B/Fwd	13,319	41,124	45,676	43,721	41,766	39,811
New External Debt	29,500	6,507	0	0	0	0
Principal Repaid	(1,695)	(1,955)	(1,955)	(1,955)	(1,955)	(1,955)
External Debt C/Fwd	41,124	45,676	43,721	41,766	39,811	37,856

Table 8: External Debt

The graph below shows the forecast overall level of external debt compared to the Capital Financing Requirement (Borrowing requirement).



5.4 **Authorised Limit and Operational Boundary**

The Authorised Limit and Operational Boundary are set in line with the requirements of the Prudential Code and are included in the Treasury Management Strategy Statement and approved by Council in February each year.

The Authorised Limit is consistent with the authority's current commitments, plans and proposals for capital expenditure and its financing. **However, the**

overall authorised limit should not be exceeded without prior Council approval.

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

The limits shown below will be reviewed during the consultation process of the Capital Investment Strategy and recommendations will be made in the final versions to be considered by Council in September 2021 on adjusting the limits in line with the current projections for the CFR.

PRUDENTIAL INDICATOR TREASURY MANAGEMENT INDICATORS	2020/21 actual £000	2021/22 estimate £000	2022/23 estimate £000	2023/24 estimate £000	2024/25 estimate £000	2025/26 estimate £000
Authorised Limit for External Debt:						
- Borrowing	44,000	48,000	54,000	54,000	54,000	53,000
- Other Long Term Liabilities	100	100	100	100	100	100
TOTAL	44,100	48,100	54,100	54,100	54,100	53,100
Operational Boundary for external debt:						
- Borrowing	39,000	43,000	49,000	49,000	49,000	48,000
- Other Long Term Liabilities	100	100	100	100	100	100
TOTAL	39,100	43,100	49,100	49,100	49,100	48,100

Table 9 Prudential Limits

6.0 Commercial Activity

6.1 The Council has used its asset portfolio to operate in a commercial manner for many years. Much of the investment property portfolio is held on long term leases which provide a guaranteed rental return from the asset with regular rental review built into the terms of each lease. This way of operating therefore provides some certainty about the income levels receivable.

With reductions in funding the Council is having to look at commercial activities to supplement its income and support service delivery. However, to minimise risk of potential loss of income in the longer term it needs to ensure that any investment opportunities are based upon sound decision making that consider the future likelihood of investment income reducing.

Therefore, when making commercial investment decisions the Council will follow the principles set out below:

- Commercial capital investments will only be made to enhance the Council's asset portfolio and will be linked to the delivery of the Carlisle Plan;
- Consideration will be given to the economic development potential of any investment decision;
- Expert advice will be sought to ensure any investment decision is based upon sound market intelligence, forecasts for future investment returns and yields that offer a sound investment return without risking the capital invested;
- Any borrowing linked to investment opportunities is secured upon the potential guaranteed element of the investment return so that any liability can be met from the activity undertaken;
- Investment opportunities will always ensure that the Council's investment is protected as far as possible either through increases in capital value or from guaranteed revenue income;
- Capital investment decision will be subject to the usual governance processes of consideration by Executive, scrutiny by the appropriate panel and Council approval where a budget is required to be established.

6.2 **Prudential Code Considerations**

- 6.2.1 The recent consultation by HM Treasury on updates to the Prudential Code states, "Local authorities must not pursue a deliberate strategy of using private borrowing or internal borrowing to support investment in an asset that the PWLB would not support and then refinancing or externalising this with PWLB loans. Under the Prudential Code, local authorities cannot borrow from the PWLB or any other lender for speculative purposes and must not use internal borrowing to temporarily support investments purely for yield."
- 6.2.2 Having any "commercial activity" could hinder wider PWLB borrowing to support the capital programme. The revised Prudential Code is scheduled to be

published later in 2021 and will include further definitions of what is deemed to be commercial activity.

6.2.3 Local authorities are to be required to submit their high-level capital and financing plans to MHCLG and will be required to split these into the following categories to ensure that capital projects are not being used to buy investments for yield:

- Service Spending
- Housing
- Regeneration
 - Addressing economic or social market failure
 - Making a significant investment in the asset beyond its purchase price
 - Projects that generate significant additional activity that would not happen without the local authorities intervention
 - Rental income generated are recycled within the project or applied and related to regeneration projects rather than applied to wider services
- Preventative Action
 - Prevents a negative outcome
 - No realistic prospect of support from a source other than the local authority
 - The local authority has an exit strategy
 - The intervention generates a balance sheet asset
- Treasury Management

6.2.4 The guidance issued by HM Treasury states that assets bought primarily for yield would usually have one of the following characteristics:

- Buying land or existing buildings to let out at market rate
- Buying land or buildings which were previously operated on a commercial basis which is then continued by the local authority without any additional investment or modification
- Buying land or existing buildings other than housing which generate income and are intended to be held indefinitely, rather than until the achievement of some meaningful trigger such as the completion of land assembly.

7.0 Knowledge and Skills

7.1 The Council utilises the knowledge and skills of its internal officers when considering capital investment decisions and where necessary it also relies on the expert knowledge of specialist external advisors.

7.2 The Council employs professionally qualified legal, finance and property officers who are able to offer advice and guidance when considering any capital investment decisions.

7.3 Finance

Finance staff are professionally qualified to advise the Council on all financial aspects of capital decisions. They also have the necessary experience of how the Council works having been in post for a number of years. Finance staff also undertake Continuous Professional Development and the Council is an accredited body of the CIPFA (Chartered Institute of Public Finance Accountancy) CPD scheme. They maintain knowledge and skills through regular technical updates from appropriate bodies.

7.4 Property

The City Council's in-house property team is made up of a number of Chartered Surveyors who advise the Council on all property matters. They are all members of the Royal Institution of Chartered Surveyors (RICS) and comply with the RICS's rules in relation to Continuing Professional Development. The Property Services Manager is also an RICS Registered Valuer. The Council is a member of ACES – the Association of Chief Estates Surveyors and Property Managers in the Public Sector. The team have extensive property knowledge and have worked for the Council for a number of years.

7.5 Legal

Legal Staff are professionally qualified as either solicitors or legal executives and are regulated by their respective professional bodies (Solicitors Regulation Body/Institute of Legal Executives). The staff undertake Continuing Professional Development and their rules of conduct require that they have an appropriate level of skill and expertise to deal with the particular matter with which they are dealing. All staff are aware of the operational structure of the Council. They maintain knowledge and skills through regular technical updates from appropriate bodies.

7.6 **External Advice**

The Council uses external advisors where necessary in order to complement the knowledge its own officers hold. Some of these advisors are contracted on long term contracts or are appointed on an ad-hoc basis when necessary. The main advisors the Council uses are as follows:

- **Link Asset Services** – Treasury Management, including Cash investments, borrowing and capital financing
- **ChanceryGate** – Property and Asset Management and asset development opportunities in relation to Kingstown Industrial Estate

APPENDIX A

Capital Programme – Risk Assessment

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	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.	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. MHCLG 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.

Carlisle Plan Map

Bitts Park
£150K

- Improvements to Bitts Park
- Affordable space for new ventures

Carlisle Market Hall
£3.01m

- Improving 2350M2 of floor space
- Upgrading 1 heritage building
- Supporting 60 businesses
- Creating/supporting 127 jobs
- Generating 20,800 additional visitors (per annum)
- £1,328,000 visitor spend (per annum)

Project Tullie: Welcome & Entrance to Tullie House Museum
£918,000

- Improving 412M2 of floor space
- 7,500 additional visitors (per annum)
- £478,000 visitor spend (per annum)
- 9 jobs supported/created

Repurposing 6-24 Castle Street
£1.1m

- Repurposing vacant units for residential uses
- Increasing both weekend and weekday footfall

Pedestrian enhancement of Devonshire Street
£491,000

- More space for people to walk and spend time sitting outdoors

Caldew Riverside development site
£850,000

- Remediation of a 3.16 Ha (7.81 acres) site
- Potential riverside residential development

Preparing former Central Plaza site for redevelopment
£4.75m

- Redevelopment opportunity



The Sands Centre Redevelopment
£27m

- Hosting an extensive Musculoskeletal Unit
- Sustainable features
- Improve the access opportunities
- Improve the existing opportunities for The Sands to host performances, cultural events, and conferences

Ground Floor Reinstatement
£2.58m

- New entrance, foyer, and Customer Contact Centre
- New Council Chamber
- New staff welfare facilities

Lighting Up Carlisle
£620,000

- 100,000 visitor (per annum)
- £6,180,000 additional visitor spend
- Upgrading 7 heritage buildings
- Supporting 115 jobs
- 300 businesses supported

Digital and Community Learning Hub (City Centre Library)
£2.35m

- Accessible digital skills and community learning hub
- 13 community venues.
- Improving 1,200 M2 of floorspace
- Supporting 1,500 learners
- Supporting 50 businesses
- Supporting 900 people to progress into jobs/self employment
- 4 jobs created/supported

Reimagining Green Market/ Market Square as Carlisle's events space
£2.38m

- 6,000 square metres public events space

Citadels Business Infrastructure
£4m

- 888M2 new business space
- Supporting/creating 149 jobs over 7 years
- Supporting 25 businesses (per annum)

Citadels University Campus
£50m

- New campus for University of Cumbria
- New gateway for Carlisle City Centre
- Attracting inward investment
- Increased footfall in city centre
- Inclusive growth
- Improve skills and productivity

Carlisle Station Gateway
£44m

- New gateway for Carlisle City Centre
- Attracting inward investment
- Increased footfall in city centre
- Inclusive growth
- Improve skills and productivity

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 2 AUGUST 2021

EX.66/21 DRAFT CAPITAL INVESTMENT STRATEGY 2022/23 – 2026/27
(Key Decision – KD.08/21)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Finance, Governance and Resources Portfolio Holder submitted the Council's draft Capital Investment Strategy which was intended to direct the Council's Capital Programme and the allocation of resources for the five-year period 2022/23 to 2026/27 (RD.29/21). The guidance in the strategy complements and supplements the Medium-Term Financial Plan.

Following consideration by the Executive, the Business and Transformation Scrutiny Panel would consider the draft on 26 August, with final recommendations to Council on 14 September 2021.

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

Summary of options rejected none

DECISION

That the Executive had considered the draft Capital Investment Strategy 2022/23 to 2026/27 as appended to Report RD.29/21; and made it available for consideration by the Business and Transformation Scrutiny Panel on 26 August 2021.

EXCERPT FROM THE MINUTES OF THE BUSINESS AND TRANSFORMATION SCRUTINY PANEL HELD ON 26 AUGUST 2021

BTSP.64/21 DRAFT CAPITAL INVESTMENT STRATEGY 2022/23 – 2026/27

The Corporate Director of Finance and Resources submitted the Council's draft Capital Investment Strategy which was intended to direct the Council's Capital Programme and the allocation of resources for the five-year period 2022/23 to 2026/27 (RD.29/21). The guidance in the strategy complements and supplements the Medium-Term Financial Plan.

The Corporate Director of Finance and Resources highlighted the key messages as detailed in section 2 of the report, which included the announcement on the Local Government Reorganisation.

The Executive had considered the Draft Capital Investment Strategy 2022/23 - 2026/27 at their meeting on 2 August 2021 (Minute Excerpt EX.66/21 refers) and made the report available to the Panel for scrutiny.

In considering the Draft Capital Investment Strategy Members raised the following comments and questions:

- The current asset portfolio supported operational and non-operational activities; how confident could the Council be that the income could be relied on given the current downturn in retail.

The Corporate Director of Finance and Resources responded that the projections had been reduced previously and work would be undertaken with Property Services to determine how realistic the projections were now and what budget pressures there could be as a result of the current economic situation.

The Finance, Governance and Resources Portfolio Holder reminded the Panel that although high street retail was struggling the Industrial Estates were performing well and were more robust. The Property Services Manager agreed that the large Industrial Estate portfolio, which included Gateway 44, were performing well as out of town retail continued to be successful.

RESOLVED – That the Panel had considered and commented upon the draft Capital Investment Strategy 2022/23 - 2026/27 (RD.29/21).

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 31 AUGUST 2021

EX.85/21 **CAPITAL INVESTMENT STRATEGY 2022/23 – 2026/27
(Key Decision – KD.08/21)

(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

Pursuant to Minute EX.66/21, the Finance, Governance and Resources Portfolio Holder submitted report RD.29/21 (amended) presenting the Council's Capital Investment Strategy 2022/23 - 2026/21, which was intended to direct the Council's Capital Programme and the allocation of resources over that five-year period. The guidance contained therein also complemented and supplemented the Medium Term Financial Plan.

The background position; key messages; and risks were as detailed within the report.

The Business and Transformation Scrutiny Panel had considered and commented upon the draft Capital Investment Strategy 2022/23 - 2026/27 at their meeting on 26 August 2021 (BTSP. 64/21 referred).

The Chair of the Business and Transformation Scrutiny Panel had been invited to speak on the matter but was not in attendance.

The Finance, Governance and Resources Portfolio Holder moved the recommendation set out in the report, which was duly seconded by the Leader.

Summary of options rejected

That the Capital Investment Strategy should not be referred to Council for approval

DECISION

That the Executive had considered the comments of the Business and Transformation Scrutiny Panel on 26 August 2021 as detailed within Minute BTSP.64/21; and referred the Capital Investment Strategy 2022/23 - 2026/27 to the meeting of the City Council on 14 September 2021 with a recommendation that the Strategy be approved.

Reasons for Decision

To consider the comments of the Business and Transformation Scrutiny Panel on the Capital Investment Strategy prior to recommending the Strategy to Council for approval.

Report to Council

Item
(iii)

Meeting Date: 14 September 2021
Portfolio: Finance, Governance and Resources
Key Decision: YES: Recorded in the Notice Ref: KD 14.21
Within Policy and Budget Framework Yes
Public / Private Public

Title: Asset Management Plan 2022 to 2027
Report of: The Corporate Director of Governance and Regulatory Services
Report Number: GD 58/21

Purpose / Summary:

The draft Asset Management Plan was considered by Executive and scrutinised by the Business & Transformation Scrutiny Panel. Executive approved the draft Asset Management Plan for recommendation to Council at its Meeting on 31 August 2021 (min ref: EX.86/21).

The Plan will also report on the current position and performance of the Portfolio, and the Asset Disposal Programme.

Recommendations:

The Executive recommends that Council approve and adopt the Asset Management Plan.

Tracking

Executive:	2 nd August 2021
Scrutiny:	26 th August 2021
Executive:	31 st August 2021
Council:	14 September 2021

1. BACKGROUND

- 1.1. The Council's property assets are one of the essential resources used to carry out our day to day business, generating income to support services, and delivering economic development goals and housing opportunities.
- 1.2. The Asset Management Plan (AMP) outlines how the Council's strategies and policies for its property portfolio are used to support corporate priorities and directorate service plans.
- 1.3. The AMP outlines the overall performance of the asset base, what it is costing and producing, and how it is being used and reviewed. It also takes account of, and links into, the Council's Medium Term Financial Plan (MTFP) and the Capital Strategy (CS), which provides guidance on the Capital Programme and use of resources. The AMP is part of the Council's Budget.
- 1.4. For a number of years, the Council has been working towards the recommendations within the Asset Review Business Plan, approved by Council in January 2011. Along with the redefining of the Portfolio, the Business Plan proposed staffing and management structures should be realigned to provide the appropriate resources, skills and experience to run each category of asset. This has happened in the context of service transformation and is continually evolving.
- 1.5. An appraisal of the property portfolio identified a requirement to rationalise and consolidate assets and a programme of disposals has taken place to re-engineer the investment portfolio. A revised Disposal Programme was approved by the Executive in December 2018 with the aspiration to generate £10m in capital receipts.
- 1.6. Because of service transformation the Council has been looking at its operational assets. The Accommodation Review aims to more efficiently and cost effectively meet future service delivery, identifying savings and opportunities to generate additional income.
- 1.7. The AMP is reviewed annually and updated, along with the MTFP and CS, all documents forming part of the Council's Budget (Article 4 of the Constitution).

2. PROPOSALS

- 2.1 The AMP provides a succinct document that reflects;
 - The Asset Review Business Plan & Disposal Programme – progress on the implementation and the impact on the Portfolio and its future management,
 - Structural changes in the portfolio – the makeup of the operational and non-operational assets, current capital worth and rental levels,

- Performance of the assets and how these are constantly reviewed and challenged,
- Condition of the Portfolio – the standard of our properties, current maintenance requirements, suitability and sustainability for future use, and the steps which are being taken to improve energy efficiency,
- Accommodation Review – the outcomes, achievements and next steps to improve the use and efficiency of our operational property portfolio,
- Capital Schemes and Maintenance Budget – where the money is going,
- Property acquisitions – what has been done to reinvest in assets to produce income, maintain service delivery, support economic development initiatives and deliver services,
- Future Asset Management Options at our Kingstown and Parkhouse estates, and
- How our Economic Development property portfolio is being managed to support economic growth.

3. RISKS

- 3.1 By having an Asset Management Plan the Council can ensure that it uses its assets efficiently and that they support the Council's priorities.

4. CONSULTATION

- 4.1 Internally via the Council's corporate structures and processes. The Draft Plan was considered by Business and Transformation Overview & Scrutiny Panel on 26th August 2021

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 5.1 To update the Council's Asset Management Plan and the position of the property portfolio in the light of the Asset Review Business Plan and Disposal Programme and other corporate initiatives.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 6.1 The proper management of the Council's property resource makes an essential contribution the achievement of the Council's action plans and priorities.

Contact Officer: Mark Walshe

Ext: 7427

Appendices attached to report: Asset Management Plan 2022 - 2027

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

LEGAL - The Council has a fiduciary duty to properly manage its assets and the Asset Management Plan is a vital part of this process. It is also a designated budget document in accordance with the Council's Budget & Policy framework and, as such, as the report indicates, it is required to follow the usual route of consideration by Scrutiny and, thereafter, recommendation by the Executive to the Council.

FINANCE – The Asset Management Plan provides details on the Council's asset portfolio and the issues around the management of these assets. This will be used to inform the Medium Term Financial Plan and budget setting process for 2022/23 to 2026/27.

EQUALITY – None

INFORMATION GOVERNANCE – N/A



Managing property as a resource for the City

ASSET MANAGEMENT PLAN

2022 – 2027

CONTENTS

	Page
1. The Council	3
2. Purpose, Aims and Objectives	3
3. Property Strategies and Principles	4
4. Value for Money	5
5. Property Services	5
6. The Portfolio and Current Performance	6
7. Continuous Review and Challenge	12
8. Conclusion	18

1. The Council

- 1.1 Carlisle City Council delivers services to around 108,000 people and for the year 2021/22 has a net revenue budget of £15.1 million and capital expenditure budget of £28.06 million. The Council uses its property resources to deliver services, either directly or through the rental income it earns, and improve the quality of life for local people.
- 1.2 The Council's asset base produces a rental income of around £4.69 million per annum from its non-operational property, with a net asset value of circa £89.38 million.

2. Purpose, Aims and Objectives

- 2.1 The Asset Management Plan sets out the Council's approach to managing its land and property assets and aligns to Council's policies and strategies, particularly the Carlisle Plan, Directorate and Service Plans, the Medium-Term Financial Plan and Capital Strategy.
- 2.2 The aim is to own assets which are fit for purpose and sustainable, to enable services to be delivered effectively and with equality of access, and to meet the strategic objectives outlined below:
 - Identify all property the Council owns or uses, maintaining accurate records, establishing its value and the function it performs, ensuring a reliable and accurate property management system is in place.
 - Make services aware of the costs of occupying property, maximising the use of the asset base, identifying 'expensive' and 'obsolete' assets.
 - Respond to changing property needs for service delivery improvements, identifying improvements to assets or the asset base to enhance service delivery, disposing of assets no longer required for operational purposes and acquiring new assets to support service delivery.
 - Generate capital for investment purposes aligned to corporate objectives.
 - Ensure a healthy and safe environment for property users.

- Apply “Green Design” principles to construction, refurbishment and maintenance projects and encourage environmentally sustainable management of operational properties.
- Encourage community and partnership use of assets by identifying opportunities for shared services, liaising with partners and working with the community.
- Contribute to the Council’s Medium-Term Financial Plan and Capital Strategy, identifying investment opportunities.
- Provide sustainable planned maintenance programmes for a 5-year period by undertaking and reviewing condition surveys.

3. Property Strategies and Principles

3.1 The Council has developed the following strategies and principles:

- **Operational Property Investment Principles** – Investment will be made where a property is required for the medium or long-term use, enhances service delivery, improves environmental sustainability, improves utilisation, increases efficiency, adds value, and addresses statutory obligations.
- **Non-Operational Property Strategy** – to own property that supports the growth of Carlisle and the Economic Development Strategy, provides a sustainable income stream, is a key component of the Medium-Term Financial Plan.
- **Non-Operational Property Investment Principles** - commercial property will only be held where it provides an acceptable financial return, there is potential to deliver economic development objectives, it contributes to the delivery of other Council priorities, it addresses legal or contractual liabilities and obligations.
- **Surplus Property Strategy** – the Council will dispose of surplus assets on a freehold or leasehold basis at best consideration. Disposals at less than best consideration may be agreed subject to the necessary statutory and Council approvals.
- **Surplus Property Principles** - operational and non-operational property will be sold unless occupied for service provision, used to deliver social, housing, economic or environmental benefits meeting agreed priorities, or it is a long-term strategic investment.

- **Property Acquisition Strategy** - the Council will acquire assets; that improve service delivery, assist with delivery of Economic Development policy, develop opportunities to assemble sites to deliver Council objectives, improve the financial returns and deliver the Asset Review Business Plan.
- **Property Acquisition Principles** - property will only be acquired where whole life costings and option appraisal exercises are undertaken and meet set target criteria around risk, income returns and yields.

4. Value for money

- 4.1 There is a Council-wide approach to managing assets as a corporate resource, using assets to help to deliver social, environmental and economic outcomes for local communities.
- 4.2 Collaborating with partner organisations on strategic asset management planning is an important requirement. The Council will continue to develop its strategic approach to working with other bodies to identify opportunities for shared use and alternative options for the management and ownership of its assets.

5. Property Services

- 5.1 Property Services are responsible for managing the City Council's extensive property portfolio. The multi-disciplinary team cover everything from ad-hoc property repairs to multi-million-pound developments such as the Sands Centre and Civic Centre refurbishment. The service is supplemented by external resources when specialist assistance is required.
- 5.2 The property team face many challenges in supporting the Council with the competing pressures to deliver income whilst supporting the delivery of front-line services and realising ambitions for economic growth. The Council's core values, clear, committed, and confident, are embedded within the team and our aim is to provide a first-class property service for the City Council.

6. The Portfolio and Current Performance

6.1 Gross Asset Value as at 31 March 2021

	Operational assets		Non-operational assets		Total
	Community Assets	Land & Buildings	Investment	Surplus	
No of assets	77	67	49	15	208
Total income	£22,600	£4,036,300*	£4,143,200**	£0	£8,202,100
Capital value	£4,195,000	£50,298,000	£89,379,000	£1,143,000	£145,015,000
Capital Expenditure	£102,647	£1,710,664	£4,603,133	£31,221	£6,447,665
Outstanding Maintenance		£2,209,200	£2,000,000	-	£4,209,200
* Income from operational assets (i.e. car parks, crematorium, Civic Centre rents)					
** Rental income from investment assets					

6.2 The total capital spend on property assets in 2020/21 was £9.75million a significant increase on the 2019/20 investment of £3.18 million, predominately down to the Gateway 44 retail park development.

6.3 The figure for the outstanding maintenance on the operational buildings is based on a costed 5-year plan. The condition surveys were last undertaken in the summer of 2018. The information which has been derived from the surveys has been considered to assess the current condition of the portfolio, whilst further having regard to the work undertaken during the same financial period. Outstanding maintenance has reduced from circa £2,380,200 to £2,209,200. The Pools continue to be removed from the programme given their impending closure as part of the Sands Centre redevelopment.

6.4 We are currently spending £250,000 p.a. to enhance our operational portfolio as detailed below in a bid to reduce the risk of major long-term capital expenditure being required.

6.5 Non-operational outstanding maintenance relates primarily to historical infrastructure costs associated with our industrial estate ground rent portfolio. We

ASSET MANAGEMENT PLAN 2022-2027

intend to review this as and when resources allow and anticipate that the level of outstanding maintenance will reduce given the asset disposals and investment undertaken at Durranhill and Kingstown Industrial Estates.

6.6 Outstanding Maintenance

	21/22	22/23	23/24	24/25	25/26	26/27
Total Revenue Budget	£760,700	£776,000	£791,500	£807,400	£823,500	£840,000
Capital Schemes Special Projects	£250,000	£250,000	£250,000	£250,000	£250,000	£250,000
Ratio Planned: Reactive Maintenance	76 : 24	76 : 24	76 : 24	76 :24	76:24	76:24

6.7 Based upon the final condition surveys, the annual planned maintenance programme has been further developed for the operational assets. As discussed above, there is unplanned maintenance currently assessed at £2,209,200 for the portfolio of operational buildings. The planned delivery programme to reduce this, incorporates a degree of flexibility to respond to the demands of service delivery, asset review, and other circumstances which may arise during the programme. Members approved a 3-year programme of planned and reactive maintenance on 9 November 2020 (report reference GD.52/20). In condition category terms the split is:-

ASSET MANAGEMENT PLAN 2022-2027

Condition Category (as a % of Gross Internal Area Operational Property)			Sustainable Criteria
	2020-25	2021-26	
A. (Excellent)	0.73%	0.75%	Yes
B. (Good)	89.42%	89.20%	Yes
C. (Mediocre)	9.85%	10.05%	Review
D. (Poor)	0%	0%	No

6.8 The table above shows the condition categories of the operational portfolio. There has been a slight change to the condition categorisation of operational assets over the last year as work undertaken has focused on addressing maintenance issues rather than improvements. The condition is continually reviewed and for around 90% of the portfolio classed as either excellent or good, is a testimony to the proactive management regime, which would otherwise leave the portfolio falling short of that required to provide the Council's services.

6.9 Local Environment (Climate Change) Strategy

6.10 In March 2019 Carlisle City Council declared a Climate Change Emergency. In March 2021 the Council adopted its Local environment (Climate Change) Strategy with the ambition of getting to net zero by 2037.

6.11 Work is being undertaken to further understand the energy consumption across our portfolio and to assess our carbon footprint, this will establish a baseline from which improvements can be assessed and monitored.

6.12 The operational and investment portfolio has been assessed to produce up to date Display Energy Certificates (DECS) and Energy Performance Certificates (EPCS) where required. This exercise has created an understanding of the implications of the Minimum Energy Efficiency Standards (MEES) on the sale and let ability of the non-operational assets and provide a benchmark from which to improve the CO2 emissions of the publicly funded buildings.

6.13 The data forms part of the wider consideration of the asset management of the property portfolio and particularly when assessing the viability of the long-term use, maintenance and ownership of the assets.

ASSET MANAGEMENT PLAN 2022-2027

- 6.14 Where assets have fallen below the required standard this has been assessed and maintenance work has been completed. During the past year a full re-survey and assessment of the Enterprise Centre was undertaken and consequent improvement works undertaken.
- 6.15 On a larger scale Capital works are completed to meet the relevant building standards and where financially viable and opportunities are available additional initiatives are being incorporated to further improve the energy standard of the asset stock.
- 6.16 The Sands Centre Redevelopment will have a significant impact on reducing the organisations carbon footprint. Initial calculations, based on the Consequential Improvements Report, estimate a reduction in production Greenhouse Gas (GHG) emissions of 96 tonnes per annum.
- 6.17 The Civic Centre Reinstatement Project will also bring improvements to the energy efficiency of the ground floor, the impact of which will be seen in changes in gas and electricity usage. The project also includes demolition of the Rotunda with associated Public Realm improvements and EV charging points in the extended Civic Centre car park.
- 6.18 The Property Services team have successfully completed the Footway lighting project which has resulted in the vast majority of the City Council's footway lighting portfolio being converted to LED's. The projected annual saving of production Greenhouse Gas (GHG) emissions is 93 tonnes, an estimated lifespan saving of 1,399 (t)CO₂e
- 6.19 The solar photovoltaic arrays at the Civic Centre and Sands Centre continue to be successful in terms of electricity generation and income received from the feed in tariff.
- 6.20 Capital Works and Repairs
- 6.21 The programme of works identified in the Capital Major Repairs Programme is initially shaped by a 5-year maintenance plan produced from condition surveys and adjusted each year to keep abreast with new legislation. The Council has a legal duty to maintain its properties and the programme is required to meet those statutory duties. Report GD.52/20 was presented to the Executive with proposals for capital investment for planned major repairs which was approved as follows:

ASSET MANAGEMENT PLAN 2022-2027

Property	Description of works	Estimated Cost
Cemeteries	Resurfacing	£30,000
Tullie House	Plant Replacement	£20,000
Raffles Community Hall	Roller Shutter Replacements	£15,000
Botcherby CC	Replace Timber Windows	£20,000
Morton CC	Main Hall Flooring replacement	£15,000
Morton CC	Overhaul Timber Windows (Listed Building)	£20,000
Upperby Cemetery Lodge	Property upgrade - to include rewire, kitchen, bathroom, external doors & windows	£30,000
Civic Centre	Upgrade heating & ventilation to floor 8	£25,000
Civic Centre	Fire safety enhancement works	£20,000
Civic Centre	Replace flat roof to 1st floor (around rates hall)	£10,000
Civic Centre	Upgrade WC's to 2nd & 7th floors	£20,000
Stony Holme	Car park surface overlay	£25,000
	Total	£250,000

ASSET MANAGEMENT PLAN 2022-2027

6.22 Key staff leaving the team and Covid-19 had a significant impact on the 2020/21 capital works programme due to a number of staff shielding and supply chain issues resulting in a number of projects being deferred to 2021/22.

Works Carried Forward From 2020 / 2021

James Creighton Memorial	Clean & refurbish	£10,000
James Steel Statue	Clean & refurbish	£10,000
Various Properties	Legionella RA's	£5,000
Civic Centre	Roof Beam Covers	£5,200
Tullie House	Pitched Roof repairs	£10,000
Bousteads	Resurfacing	£8,500
Talkin Tarn	Fire escape stair renewal	£14,300
Civic Centre	Lift motor bearing renewal	£10,000
Enterprise Centre	Fire alarm system renewal	£20,000
Tullie House	Plant Replacement	£20,000
Bousteads	Roller shutter renewals	£10,000
Crematorium	Flat roof renewal	£15,000
Cemetery	Surfacing	£30,000
Dixons Chimney	Stone repairs etc	£21,400
Greystone CC	Pointing & masonry repairs etc	£5,000
Currock CC	Flat roof renewal	£14,400
Total C/F:		£208,800

7. Continuous Review and Challenge

7.1 The Council continuously reviews and challenges how to best use its asset portfolio;

- The Council holds a significant, numerous and diverse portfolio of assets across the city, which generates considerable income and which has an important impact on the local economy. The Council uses property well to meet its aims and is planning future investment and development to allow it to continue to do this.
- The Council has a highly rationalised operational portfolio, however the significant level of maintenance yet to be carried out will present challenging issues going forward. New investment in assets such as the Sands will help alleviate issues by removing older, poorly functioning assets such as the current Pools facility.
- The accommodation review and Asset Review Business Plan is an ongoing programme that will continue to deliver efficiency benefits.
- The Council has a diverse and mixed non-operational portfolio which, through rationalisation, is becoming more efficient but has considerable further potential. This will be further explored and actions taken to realise efficiencies with the resources currently available.
- The Council is taking a more commercial approach to the management of the portfolio in order to strategically balance the need for operational assets, income generation and economic development, in support of the local economy, the protection of public services and other priority objectives.
- The Transformation Programme has identified the need for further rationalisation and consolidation of the operational property to improve access to public services and efficiency. The accommodation review will address these needs.

7.2 Accommodation Review

7.3 An Accommodation Review of both back office and front public facing service delivery assets is ongoing. This comprises an analysis of accommodation needs and the existing provision, exploring future solutions and implementing the most beneficial models for the Authority.

ASSET MANAGEMENT PLAN 2022-2027

- 7.4 It seeks to deliver effective and efficient accommodation that suits the needs of each service, establish a more corporate approach to accommodation, make more effective use of space, improve the working environment and make the accommodation as productive as possible.
- 7.5 The first phase of the redevelopment of the Civic Centre ground floor project is virtually complete with phase 2, the demolition of the Octagon and external landscaping, scheduled for completion by year end. The new accommodation will allow modern ways of working to be embraced, with more flexible multi-purpose space available. The design has incorporated flood resilience and energy efficiency measures where possible.
- 7.6 The new multi-functional chamber and enhanced parking facilities will also provide income generating opportunities.
- 7.7 The current programme of works is the first phase of a wider scheme to maximise space occupancy within the Civic Centre. The current pandemic has shown that alternative forms of working can be successful and the challenge going forward will be to incorporate these opportunities for greater space utilisation throughout the building. Past occupational models where every employee based at the Civic Centre has their own desk have been shown to be unnecessary and offer the opportunity to generate significant savings.
- 7.8 Agile working has not only cost benefits but others such as improving the attractiveness of the organisation to potential employees, improving both the health and well-being of staff and the local environment by reducing the need for travel.
- 7.9 We already have a number of public sector partners co-locating with the City Council and we are working with partners through the One Public Estate programme to encourage greater take up of vacant space in the building which will generate additional income as well as reducing the overall public sector property costs.

7.10 Major Projects Team

Funding was secured to via a budget bid, to secure a major projects team within Property Services. The team are responsible for delivery of all large construction projects on behalf of the City Council. This will ensure that the Council has the knowledge and expertise to deliver major construction projects on time and on budget.

ASSET MANAGEMENT PLAN 2022-2027

- 7.11 Covid and Brexit have offered up the perfect storm however the knowledge and experience within the team has ensured that the Council has been able to limit exposure to cost overrun on the Sands Centre and Civic Centre developments.
- 7.12 Going forward it is envisaged that the team will be delivering the construction projects associated with the Council's economic growth agenda.
- 7.13 Sands Centre redevelopment
- 7.14 The £27m redevelopment of the Sands Centre is progressing well on site, despite the implications of Covid and Brexit however supply chain issues are causing difficulties.
- 7.15 One notable success has been the temporary accommodation developed at the former Newman School to accommodate GLL & the NHS. The decision was taken to lease space at the former school and refurbish rather than take temporary portacabin accommodation to not only minimise cost but also to provide a more suitable temporary leisure facility and leave a legacy for the city once we vacate. On the back of the refurbishment works undertaken the remainder of the buildings on-site has been brought back into use with Carlisle College, the catholic diocese and a local undertaker now in occupation.
- 7.16 Asset Review Business Plan
- 7.17 An asset review and investigation into the options for the development of a new approach to the management and use of the portfolio was concluded in 2010 with the adoption by Council of an Asset Review Business Plan (Report Ref. CE 39/10 refers).
- 7.18 Work continues on the implementation of the Business Plan as detailed below:
- 7.19 Disposal Programme
- 7.20 In December 2018 a revised disposal programme was approved by the Executive with the aspiration of generating £10m to assist with funding major developments such as the Sands Centre and Gateway 44 scheme.

ASSET MANAGEMENT PLAN 2022-2027

- 7.21 Additional staff resources were engaged to deliver this 5-year programme. From July 2019, two new additional surveyors (one full-time / one part-time) were employed by the Council to progress the disposal of properties identified in the 2018 Asset Disposal Plan. They were supported from November 2019 by a dedicated solicitor on a part-time basis.
- 7.22 Capital receipts of £2,468,500 were generated in 2020/21 with a total of £4,624,520 being generated to date.
- 7.23 Extensive due diligence is required to bring the other disposal assets forward. This work has slowed significantly due to Covid and wider resource issues within the Property Services team due to staff departures and work pressures. Firstly the part-time Disposals Surveyor left the Council in February 2020 and, it has been considered prudent to redeploy the Senior Disposal Surveyor to a wider role managing the surveyors engaged in the estate management and valuation team. This change took place with effect from February 2021. The impact of these changes has inevitably been that there is less dedicated resource to the Asset Disposal Plan so the rate of disposals is likely to decrease.
- 7.24 Despite the reduction in resources significant work has been progressed as detailed below:
- 7.25 Carlisle Enterprise Centre
- 7.26 Energy Performance Certificates - during 2020/21 a full re-survey and assessment of the property was instructed in order to obtain updated EPCs that will both assist with the disposal of the property and ongoing lettings. With the exception of a few small units in the property, the Council now has a full set of compliant EPCs. In tandem with this Property Services has been working with Legal Services to ensure that any new lettings are on a more appropriate basis and at increased rents. This approach not only will help improve the short-term income stream but also the disposal as and when this is possible.
- 7.27 Stanwix House / Cottage – The University of Cumbria have given notice that they intend to vacate these properties in the summer of 2021. Property Services are currently engaged in trying to settle a dilapidations claim with the University whilst looking at future options.
- 7.28 Land at Longtown – Following the failure of a proposed sale in FY 2020/21, this asset is being re-marketed for sale.
- 7.29 Former Harraby Community Centre – To progress the disposal of the site, the demolition of the old building is being progressed. It is hoped that the demolition will be completed this summer.

ASSET MANAGEMENT PLAN 2022-2027

- 7.30 Durranhill Industrial Estate – detailed enquiries are being undertaken to identify all of the various interests held by the Council and other parties in order to help determine the best disposal strategy and bring together the copious legal documentation that will be required to effect a disposal
- 7.31 Land at Morton – Work is being stepped up to develop the masterplan for the employment land that forms this site. The Council's external consultants are currently engaging with several major potential occupiers in a bid to identify an appropriate anchor tenant / occupier for the scheme. Property Services have also had lengthy discussions with Cumbria County Council in order to arrange the disposal of assets required for the CSLR. The capital receipt that will result from this will be reported to the Executive next month
- 7.32 Update to Asset Disposal Plan
- 7.33 Given the due diligence work that has been done and changes in the market, Property Services intend to bring forward an update to the Asset Disposal Plan later this year. This will look to re-profile some of the disposal assets as well as identify others that are considered appropriate for disposal.
- 7.34 Reinvestment Options
- 7.35 The Business Plan envisages capital receipts will be used to generate additional revenue and support purchases in the economic development and operational property portfolios.
- 7.36 Opportunity purchases into the Economic Development portfolios are being progressed to support the aspirations of the Borderlands Growth Deal and are discussed further in section 7.44 below.
- 7.37 We continue to look for opportunities to enhance income generating opportunities for the City Council however changes to the Prudential Code, as discussed in the Capital Investment Strategy, will impact on the Council's ability to fund such activities.
- 7.38 Chancerygate – Kingstown and Parkhouse
- 7.39 Chancerygate, the Council's appointed asset managers for their Kingstown & Parkhouse assets, continue to make good progress with the management and development of our portfolio north of the City.

ASSET MANAGEMENT PLAN 2022-2027

- 7.40 Gateway 44 retail park was completed on time and within budget and the development is now 100% under offer despite Covid and the turmoil in the retail sector.
- 7.41 A further 10 rent reviews were completed during the year adding a further £135,158 p.a. to the rent roll.
- 7.42 In addition to this Property Services and their other advisors have completed 10 reviews during 2020/21 increasing rental levels by circa £9,000 p.a.
- 7.44 Economic Development Portfolio
- 7.45 The assets within this portfolio are directed towards supporting and creating opportunities for the growth of the City using employment, housing and retail development land.
- 7.46 The Council and its partners has been incredibly successful in securing over £250 million investment into the City by way of various central Government funding streams including Borderlands Growth Deal, Future High Street Funding, Towns Deal Accelerated Fund, Town Deal and HIF funding.
- 7.47 The Council has a significant role to play in these projects through both use of its assets and also the expertise of the professional teams. During the last financial year we have acquired the leasehold interest of Paton House as part of the Borderlands University of Cumbria campus proposal. We have also agreed terms with the County Council to transfer land to facilitate the Southern Link road.
- 7.48 As the various projects are progressed we anticipate a significant role for the Council and its property assets.
- 7.49 Coronavirus pandemic
- 7.50 The Coronavirus pandemic continues to have a major impact on the operations of the City Council.
- 7.51 From an operational perspective many buildings remain closed and colleagues continue to work from home where possible. The pandemic has however demonstrated that large sections of the Council can work remotely and there is no longer the need for staff to be permanently based in offices such as the Civic

Centre. Agile working is likely to become the norm in the future and now is the perfect time for the Council to grasp the opportunity.

- 7.52 There are a number of benefits for the Council; cost savings by reduced floor space requirements; environmental improvements with fewer people travelling into the city reducing pollution; improved staff retention and recruitment, greater flexibility around the workplace is attractive to many especially younger job seekers who see agile working as an essential part of the package.
- 7.53 The UK economy has experienced a period of severe contraction due to the Covid-19 pandemic. Short term income has been reduced and tenants will continue to vacate despite the significant assistance provided by Central Government. The long-term impact is still not clear; however it is likely that values will continue to fall impacting on the investment portfolio although this will vary between sectors with the High Street witnessing major structural change. The Council aims to minimise the long-term effect on its income levels through proactive property management.
- 7.54 Along with Covid, the impact of the UK's withdrawal from the European Union (EU) is impacting on construction projects, with delays and shortages of materials now common place. At this stage we have no indication on how long it will take for the sector to return to normality.
- 7.55 The assets (and the values that will be realised from them) within the Disposals Programme will not be immune from the market influences and therefore the values achieved over the next few years may not be as great as previously forecast.

8. Conclusion

- 8.1 The Council has a highly rationalised and suitable service occupied portfolio. Despite the challenges presented by the Covid-19 pandemic the Council has shown that it can quickly adapt to rapidly changing situations. As and when normality returns a key challenge will be to build on the opportunity that the pandemic has given us in relation to agile working.
- 8.2 The completion of the Civic ground floor redevelopment will provide an enhanced customer services operation and entrance to the building. Opportunities to co-locate with other public sector partners will be pursued.

ASSET MANAGEMENT PLAN 2022-2027

- 8.3 The Sands Centre redevelopment offers an opportunity to enhance leisure facilities within the city it will also reduce our maintenance liability and support our aspirations for economic growth.
- 8.4 The Council has a significant investment property portfolio; the challenge will be to protect this income stream as the long-term effects of the pandemic become clearer.
- 8.5 The unprecedented Government investment into Carlisle offers a once in a lifetime opportunity to grow the City and the Council needs to be ready to utilise its property assets and experience to ensure that opportunities for growth are maximised.

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 2 AUGUST 2021

EX.67/21 DRAFT ASSET MANAGEMENT PLAN 2022-2027
(Key Decision – KD.14/21)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Finance, Governance and Resources Portfolio Holder presented the draft Asset Management Plan 2022 to 2027 which was being updated to reflect the key issues and changes affecting the management and use of the City's property resources. (GD.47/21). The Plan also reported on the current position and performance of the Portfolio, and the Asset Disposal Programme.

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

Summary of options rejected none

DECISION

That the Executive:

1. Noted the position as set out in Report GD.47/21.
2. Approved the update to the draft Asset Management Plan in order for it to proceed for consideration by the Business and Transformation Scrutiny Panel, before coming back to the Executive and then full Council in September 2021.

Reasons for Decision

To update the Council's Asset Management Plan and the position of the property portfolio in the light of the Asset Review Business Plan and Disposal Programme and other corporate initiatives.

EXCERPT FROM THE MINUTES OF THE BUSINESS AND TRANSFORMATION SCRUTINY PANEL HELD ON 26 AUGUST 2021

BTSP.65/21 DRAFT ASSET MANAGEMENT PLAN 2022 TO 2027

The Property Services Manager presented the draft Asset Management Plan 2022 to 2027 which was being updated to reflect the key issues and changes affecting the management and use of the City's property resources (GD.54/21). The Plan also reported on the current position and performance of the Portfolio, and the Asset Disposal Programme.

The Property Services Manager was delighted to report that the Gateway 44 project had been completed on time, under budget and was fully let out. Given the circumstances of the last 18 months this had been an excellent achievement for the Property Services Team.

The Executive had considered the Draft Asset Management Plan 2022 to 2027 at their meeting on 2 August 2021 (Minute Excerpt EX.67/21 refers) and made the report available to the Panel for scrutiny.

In considering the Draft Asset Management Plan Members raised the following comments and questions:

- Chancerygate had successfully carried out many rent reviews, would their contract be renewed?

The Property Services Manager acknowledged the work that Chancerygate had carried out in securing evidence for the rent reviews and added that the five-year contract with Chancerygate would end in October. Discussions were taking place to determine the best options moving forward.

- The Pools had been removed from the outstanding maintenance programme due to the impending closure, did this include the Victorian pools and health suite?

The Property Services Manager confirmed that all of the pools and health suite were excluded from the programme at this time. However, the Borderlands project included work to identify what repairs were necessary to the buildings, when the work was finished the Victorian pools and health suite would be incorporated back into the maintenance programme.

- Who was leading on the work to understand the energy consumption across the Council's portfolio and the assessment of the carbon footprint and when would the baseline be ready?

The Property Services Manager explained that a team of people with a variety of knowledge and skills were working to establish a baseline as well as trying to secure funding to support the work. It was hoped that the baseline would be established by the end of the financial year.

- A Member sought confirmation that removal of the older, poorly functioning assets such as the Pools was with regard to just the 1970s pool.

The Property Services Manager confirmed that the removal was the actual swimming pool element which would be transferred to the Sands Centre as a modern facility.

- When would the feasibility study which had been undertaken on the health suite be available so Members could understand the implications of the recommendations?

The Chair informed the Panel that the Economic Growth Scrutiny Panel were scheduled to scrutinise the report at their meeting on 21 October 2021.

- Were the rent reviews up to date?

The Property services Manager explained that the rent reviews would be an ongoing project each year. Evidence had to be gathered to support any reviews, Chancerygate had been very good at providing open market evidence to support reviews but the process took some time.

RESOLVED - That the Panel had considered and commented upon the draft Asset Management Plan 2022 to 2027 (GD.54/21).

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 31 AUGUST 2021

EX.86/21 **ASSET MANAGEMENT PLAN 2022 TO 2027
(Key Decision – KD.14/21)

(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

Pursuant to Minute EX.67/21, the Finance, Governance and Resources Portfolio Holder submitted report GD.47/21 presenting the Asset Management Plan 2022 to 2027.

The Asset Management Plan was reviewed annually and updated, along with the Medium Term Financial Plan and the Capital Investment Strategy; and provided a succinct document which reflected the issues identified at paragraph 2.1 of the report.

The Business and Transformation Scrutiny Panel had considered and commented on the Asset Management Plan 2022 to 2027 at their meeting on 26 August 2021 (BTSP.65/21 referred).

The Chair of the Business and Transformation Scrutiny Panel had been invited to address the Executive but was not in attendance today.

The Finance, Governance and Resources Portfolio Holder concluded his presentation by moving the recommendation, which was duly seconded by the Leader.

Summary of options rejected

That the Asset Management Plan should not be referred to Council for adoption.

DECISION

That the Executive had considered the comments of the Business and Transformation Scrutiny Panel on 26 August 2021 as detailed within Minute BTSP.65/21; and referred the Asset Management Plan 2022 to 2027 to Council on 14 September 2021 with a recommendation that the said Plan be adopted.

Reasons for Decision

To update the Council's Asset Management Plan and the position of the property portfolio in the light of the Asset Review Business Plan and Disposal Programme and other corporate initiatives

Report to Council

Item
(iv)

Meeting Date: 14 September 2021
Portfolio: Leader
Key Decision: Yes
Policy and Budget Framework: Yes
Public / Private: Public

Title: Carlisle Plan 2021-2023
Report of: Deputy Chief Executive
Report Number: PC.28/21

Purpose / Summary:

To progress the adoption of a new Carlisle Plan, which forms part of the Council's Policy Framework.

Recommendations:

- That Council adopts the Carlisle Plan.

Tracking

Executive:	31 August 2021
Scrutiny:	Business & Transformation Scrutiny Panel 15 July 2021 Health & Wellbeing Scrutiny Panel 22 July 2021 Economic Growth Scrutiny Panel 29 July 2021
Council:	14 September 2021

1. BACKGROUND

- 1.1. The final draft version of the Carlisle Plan for public consultation was agreed by the Leader in June. A draft designed version and a digital illustrated map, showcasing the investment and economic benefits, in terms of jobs and visitors, accompanied the public consultation.
- 1.2. The Executive considered the final draft alongside the feedback from scrutiny panels and the summary of consultation responses on 31st August 2021. Executive made amends to the content of the Carlisle Plan; these are outlined in the section 4.

2. PROPOSALS

- 2.1. A designed version of the Carlisle Plan is presented in Appendix A. An updated Carlisle Plan on a Page is also included as Appendix B, this is primarily an internal document for service planning and performance reporting.
- 2.2. Progress on the programmes underpinning the Carlisle Plan will be reported in the quarterly performance report, the first round of reporting to scrutiny panels is in August/September with the report presented at Executive in September.

3. RISKS

- 3.1. The risks associated with the delivery of the Carlisle Plan will be managed in accordance with the Risk Management Assurance Framework Policy.

4. CONSULTATION

- 4.1. Initial consultation with the three scrutiny panels was completed in April 2021, a second round with an updated draft Carlisle Plan was concluded in July 2021.
- 4.2. A consultation survey opened on 9th July, amended as requested by scrutiny. Public consultation took place at the Assembly Room, Old Town Hall between 2nd – 6th August. Overall, we had 100 responses to the consultation to the draft plan, the vast majority through the online survey (80).
- 4.3. Summarising from all the consultation responses, the draft Carlisle Plan has been received positively, the vision and two new priorities are understandable, clear, and concise. The programmes and projects are considered a good fit with the priorities, several additional areas are suggested for consideration:
 - The impact of Local Government Reorganisation decision on the implementation of the Plan.
 - Future of Victorian Health Suite and Turkish Baths.
 - Regional approach to integration of public transport.

- A greater focus on views and needs of young people.
- Specific needs of rural communities and rural towns.

4.4. The Government has announced its intention to progress the West Cumbria and East Cumbria proposal for reorganisation of local government in Cumbria. The Council will work to ensure that the next stage of the local government reorganisation happens as smoothly as possible. A lot of key projects are underway or planned for the city. These will carry on as planned and we will continue to drive them forward.

4.5. The Victorian Health Suite and Turkish Baths reopened on Monday 19th July. The building is part of the Carlisle Station Gateway and Citadel Project, within the Borderlands Inclusive Growth Deal Programme. The Executive have amended the Carlisle Plan to include the following, under the Borderland Inclusive Growth Deal Programme:

- Turkish Baths – finalise studies including Statement of Significance and Feasibility Study. Implement works to the exterior of the building and the installation of new utilities systems, to ensure that the building can be operated independently.

4.6. Integrated public transport, across the region, is included in the Carlisle Station Gateway Project. The second round of public consultation in January and February 2020 set out the following objectives for the project:

- Maximising the historic asset
- Encouraging investment
- Supporting passenger growth
- Growing the regional role of the station
- Creating a gateway
- Future proofing

4.7. The Executive also added an additional line on the Carlisle Lake District Airport:

- We will continue to support the aspiration for Carlisle Lake District Airport to develop as a regional gateway, with the potential to build on economic relationships between the Borderlands, Northern Ireland and the Isle of Man.

4.8. The Plan includes the commitment, as part of our ongoing work, 'to develop all our communities we will engage young people and make sure the Carlisle Plan helps to deliver their aspirations for Carlisle'. Now that all the Covid-19 restrictions have been lifted future consultation and engagement that requires more face-to-face outreach work will be possible.

4.9. The Plan recognises the rurality of the district and includes a commitment ‘to ensuring our growth agenda is as inclusive as possible, we will ensure that our activities benefit our rural communities’. In particular:

- Support and lobby for the improvement/increased coverage of rural public transport networks, including the reopening of Gilsland railway station and Borders rail feasibility study.
- Destination Borderlands (Hadrian’s Wall): Seeking to work with key partners such as Tullie House Museum and Art Gallery to bring investment to the western side of the Wall, boost visitor numbers, create new jobs and support rural communities.
- Digital Voucher Scheme: providing opportunity for greater broadband speed for rural communities and businesses.
- Development of a Rural Strategy: to explore opportunities and issues, building on the learning from the Place Planning work in the Borderlands Inclusive Growth Deal.

4.10. A summary of the consultation response is presented in Appendix C.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

5.1. The commitment of investment in Carlisle and development of clear programmes and strategies now means that it is an appropriate time to update the Carlisle Plan.

5.2. The recommendation is:

That the Carlisle Plan is adopted.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

6.1. The draft Carlisle Plan sets out the new priorities:

- Economic growth
- Health and wellbeing

Contact Officer:	STEVEN O’KEEFFE	Ext: 7258
Appendices	A: Carlisle Plan 2021-2023 designed version	
attached to report:	B: Carlisle Plan 2021-2023, Plan on a Page	
	C: Summary of consultation responses	

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 Carlisle Plan 2021-23 replaces the previous Carlisle Plan 2015-18 and forms part of the Council's Policy Framework. In exercising some statutory powers, the Council must have regard to its approved Plan.

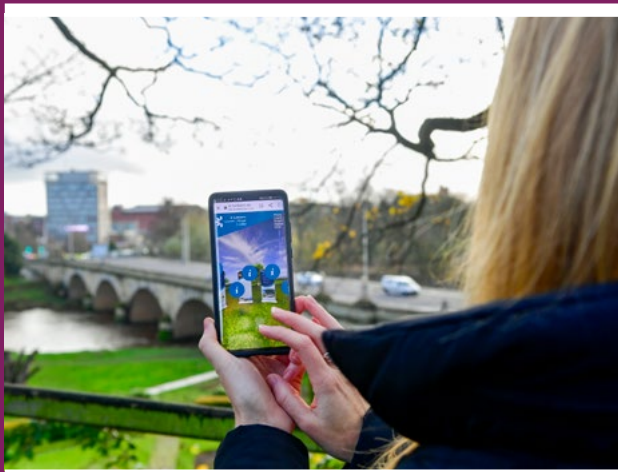
FINANCE – There are no specific financial implications of adopting the Carlisle Plan, however the plan will be used to inform future budget processes to align council resources to the priorities contained within it.

EQUALITY – None. The equality impacts will be considered within the programmes and projects of the two priorities.

PROPERTY – Carlisle City Council has an extensive property portfolio that can assist in delivering the aspirations of the plan.

INFORMATION GOVERNANCE – None

Carlisle Plan 2021-2023



The Vision

To enable Carlisle to grow and prosper as the capital of the Borderlands region, benefiting the health and wellbeing of the people of Carlisle.

We will work in partnership so that all can enjoy the benefits of new opportunities and choices, whilst rising to the challenges of a changing climate.

Carlisle Plan 2021 - 2023

Contents

Foreword	3
Introduction	4
The Vision	4
Principles	6
The Seven Principles of Public Life	6
Clarity, confidence, and commitment	6
Priorities	7
Economic growth	7
Key economic growth programmes and projects	8
Health and wellbeing	13
Key health and wellbeing programmes and projects	14
Performance Monitoring	17



Foreword

As Leader of Carlisle City Council, it is my privilege to present the Carlisle Plan - an ambitious plan to deliver growth. It has been an unprecedented period and the Covid-19 pandemic has tested our resilience and impacted on all our lives.

Working with partners, more than £250 million of government funding has been secured to deliver housing, infrastructure, and regeneration projects. This is in addition to the two major projects already underway - The Sands Centre Redevelopment and the reinstatement of the ground floor of the Civic Centre.

Carlisle is now well placed to bounce back from the impact of the pandemic and the programmes and projects in this Plan will make a tremendous contribution to this recovery. The Council is the lead for programmes and projects including, St. Cuthbert's Garden Village, the Future High Street Fund and Town Deal.

In simple terms this means supporting existing jobs and developing new jobs, building new homes, and creating new opportunities for economic growth. The health and wellbeing of all our residents remains the focus of the response and recovery from the pandemic, this Plan will continue to support the good, lifelong health and wellbeing of our residents and visitors.

In my time as Leader of the Council I have been consistently impressed at how the Council delivers good quality services, delivered in a customer friendly way. The recent response of all staff to the pandemic has been truly magnificent, a real credit to the Council at a time of great need.

The focus on two priorities, economic growth and health and wellbeing, will continue to guide our use of new and existing resources. This is in addition to the daily delivery of all the Council services, which are equally important but often less visible.

Working together we can deliver economic growth and improve health and wellbeing.

A handwritten signature in blue ink, appearing to read 'J. Mallinson', with a horizontal line underneath.

Leader of Carlisle City Council, Cllr John Mallinson

Introduction

The Carlisle Plan, the third of its kind, is an ambitious plan setting out the Council's vision, priorities and key actions.

Carlisle is the capital of Cumbria with a population more than 108,000. The city is recognised as the capital of an economic region serving 1.1 million people who live in Cumbria, Northumberland, and Southern Scotland.

The City of Carlisle is the largest settlement in the district with more than two thirds of the population. The remaining population is distinctly more rural and in places extremely sparse. The most significant rural populations are in smaller market towns and large villages spread across the district, including Brampton, Dalston, Longtown and Wetheral.

Across the district, there are a wealth of natural and cultural assets making Carlisle a great place to live, work and visit. Carlisle draws strength from its strategic location, with heritage and environmental sites of national and international importance (Solway Coast and North Pennines) and good connections to national infrastructure.

Now is a golden opportunity for growth and development, Carlisle can build on its established economic role whilst encouraging the development of new sectors and entrepreneurship.

Carlisle is set within some of the country's most spectacular natural scenery and the city is the final stop for three of the country's scenic railway lines (Settle to Carlisle, Cumbria Coast Line and Tyne Valley Line). Landmark buildings and heritage sites such as Carlisle Castle, Carlisle Cathedral, Lanercost Priory and Hadrian's Wall attract visitors from across the world.

The Covid-19 pandemic has had a significant impact on our local economy. The impact has highlighted the importance of health and wellbeing across all communities reminding us that Carlisle is a place focused on tackling health inequalities and enabling communities to thrive and be healthy. This Plan will help Carlisle to bounce back from this public health emergency, with greater confidence and commitment to meet future challenges.



Photo: Hawker Festival 2021

The Vision

To enable Carlisle to grow and prosper as the regional capital, benefiting the health and wellbeing of the people of Carlisle.

We will work in partnership so that all can enjoy the benefits of new opportunities and choices, whilst rising to the challenges of a changing climate.

The Council plays a key role in enabling growth and prosperity, building on Carlisle's reputation as a regional economic capital. Our focus is on raising prosperity levels across the district as the primary purpose of the Plan; prosperity being the most important determinant of health and wellbeing. Improving health and wellbeing and tackling Climate Change will run through all our plans and services.

There are challenges ahead that will impact especially on our rural areas due to their ageing population, accessibility and often higher living and infrastructure costs. Knowing these issues and adapting policies and practices to meet the needs of rural areas will be vital to fulfilling the Vision.



Photo: Public footpath beside the River Petteril

Many of our activities and assets have a significant impact on the wider social, economic, and environmental determinants of health and wellbeing. Our employees work to address health inequalities daily and have a positive impact on the lives of some of the most vulnerable residents in Carlisle. We will continue to support the work of the Carlisle Healthy City partnership and the aspirations outlined in the Phase VII World Health Organisation Healthy City Plan.

We will be the best possible partner to organisations, communities and individuals that share our commitment, clarity, and confidence in Carlisle. We will help shape the future of Carlisle, delivering the priorities in the Plan whilst operating a highly effective organisation where employees are supported to be the best they can be. We will continue to adapt to meet the financial challenges of the future by carefully and confidently allocating our resources whilst seeking to develop new income streams that add value to the local economy.

Principles

The seven principles of public life

All officers and Carlisle City Councillors adhere to The Seven Principles of Public Life (also known as the Nolan Principles):

- Selflessness.
- Integrity.
- Objectivity.
- Accountability.
- Openness.
- Honesty.
- Leadership.

Clarity, confidence, and commitment

Three principles have been developed by our staff and Councillors to guide how we will deliver the vision for Carlisle:

- Clarity.
- Confidence.
- Commitment.

We are a clear, committed, and confident Council.

By setting out our vision, we show that we understand the needs of Carlisle's residents, businesses, and visitors. Our plans to respond to these needs are clear and straightforward. We know what is expected of us and do our best to create clarity in how we work.

We are committed to achieving our vision for Carlisle. We will ensure that our day to day work and resources are consistent with the priorities.

We will continue to work effectively with partners to drive positive change for Carlisle and will celebrate our successes and achievements. As part of our ongoing work to develop all our communities we will engage young people and make sure the Carlisle Plan helps to deliver their aspirations for Carlisle.

Priorities

Economic growth

We will continue to prioritise the current response to and rapid recovery from the economic impacts of the Covid-19 pandemic on the local economy.

We aim to deliver inclusive and sustainable economic growth, ensuring we provide opportunities for all our communities to prosper. We will boost the local economy, making Carlisle a more attractive place for investment, improving skills and drive key sector development. Committed to ensuring our growth agenda is as inclusive as possible, we will ensure that our activities benefit our rural communities. We see improving connectivity as a key driver, both through the delivery of transport and digital connectivity, as well supporting the development of low carbon transport.

Carlisle's population will increase through housing-led growth and the delivery of St Cuthbert's Garden Village (SCGV). This will add to the vibrancy and activity in Carlisle City Centre, creating a thriving community for students, residents, businesses, and workers using the City Centre for education, housing, work, and leisure activities, during the day and into the evening. We will also grow Carlisle's visitor economy, attracting additional footfall and spending to the city. We will continue to support the aspiration for Carlisle Lake District Airport to develop as a regional gateway, with the potential to build on economic relationships between the Borderlands, Northern Ireland and the Isle of Man.



Photo: Lighting-up Carlisle project 2019, Court Square

Key economic growth programmes and projects

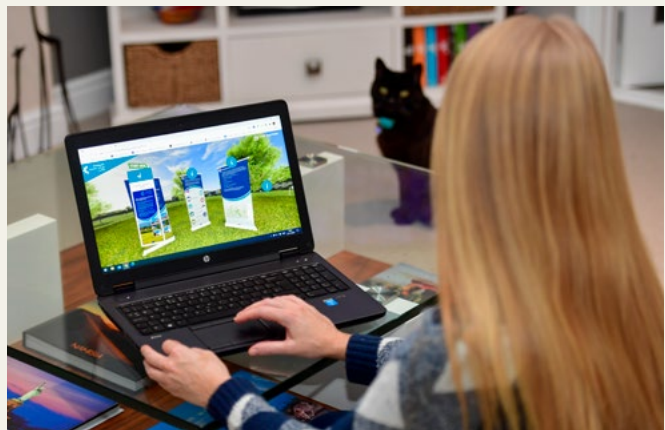
Delivering the Borderlands Inclusive Growth Deal:

- **Carlisle Station Gateway:** improving the railway station and surrounding public spaces as the key transport hub for the Borderlands and preparing for HS2, high speed railway linking London, the North and Central Scotland. The investment will transform the station and strengthen the strategic connectivity to Carlisle and to the wider Borderlands region. The Carlisle Station Gateway project includes:
 - **Northern Gateway:** Partial pedestrianisation of Court Square, enhancements to the space for passengers to enter and exit the station with easy access to ticket purchasing facilities. It will significantly reduce vehicular movements to the North of the station and Court Square, with improved connection to the city centre.
 - **Station Building and Interior:** Enhancements to the access to the platforms from the north and the undercroft using an easily accessible stairway. The undercroft will also be enhanced to provide a secure and welcoming entrance to the station from the South. Secure cycle parking, an improved historic entrance from the north, and improved/modernised passenger facilities are also included.
 - **Southern Gateway:** A new southern entrance and car parking facility will be created at the Southern part of the station. A total of 423 station car parking spaces is proposed, including disabled and electric bays. Together with the parking, coach services, rail replacement services and pick-up and drop-off will also be relocated to the southern side of the station.
 - **Enabling Streets and Junctions:** Junction improvements at Victoria Viaduct / James Street, Water Street, Crown Street and Court Square Brow to improve access to the station, particularly for pedestrians.
 - **Turkish Baths:** Finalise studies including Statement of Significance and Feasibility Study. Implement works to the exterior of the building and the installation of new utilities systems, to ensure that the building can be operated independently.



Photo: Carlisle Station

- **Citadels University Campus:** developing a new City Centre campus/headquarters for the University of Cumbria. Investing in the university to attract greater student numbers and boost the number of Higher Education (HE) learners and graduates in Carlisle. The Citadels are a major gateway into the city and are a key part of the history and identity of Carlisle. As part of the Borderlands Inclusive Growth Deal, £50 million of funding has been allocated for the second phase the Growth Deal to bring new purpose to The Citadels and adjacent site. Plans are now in place to transform the Citadels Buildings and the adjacent site to become a new home for the University of Cumbria. The project is being developed jointly by Cumbria County Council, Carlisle City Council and the University of Cumbria working with Cumbria LEP as a key partner.
- **Citadels Business Infrastructure:** Creating a new bespoke business hub, supporting the growth of an emerging high value sector in the city to boost productivity, reputation, and reach. This will be 888 square metres of business interaction and accommodation space, linked to the University of Cumbria's flagship campus development.
- Support and lobby for the improvement/ increased coverage of rural public transport networks, including the reopening of Gilsland railway station and Borders rail feasibility study.
- Improving digital infrastructure and access through the Borderlands digital voucher scheme, providing a new innovation centre for the digital sector at the Citadels and improving skills through the proposed digital and community learning hub.
- **Delivery of the Longtown Place Plan:** Working with local communities in Longtown to develop a locally owned place plan for Longtown, to seek investment in the town from the Borderlands Inclusive Growth Deal.
- **Destination Borderlands (Hadrian's Wall):** Seeking to work with key partners such as Tullie House Museum and Art Gallery to bring investment to the western side of the Wall, boost visitor numbers, create new jobs and support rural communities.
- **Digital Voucher Scheme:** providing opportunity for greater broadband speed for rural communities and businesses.



Photos from the top: One of the Citadels;
Viewing a digital exhibition; Hadrian's Wall

Delivering St Cuthbert's Garden Village:

- Delivery of 10,000 new homes and over 9,000 direct jobs south of Carlisle. St Cuthbert's Garden Village (SCGV) is one of the largest developments of its kind nationally and the largest in the north of England in terms of new homes, supporting facilities and infrastructure.
- Establishing new communities where population health, wellbeing and environmental sustainability goals are at the heart of good design and land use.
- Providing improved walking and cycling infrastructure through projects such as St Cuthbert's Garden Village, Southern Link Road and Town Deal.
- Through our successful bid to the Government's New Development Corporation Competition (£745,000), we will explore with MHCLG options for appropriate delivery mechanisms to deliver the St Cuthbert's Garden Village and ensure the long-term management and maintenance of the community infrastructure that will be created.



Photo: Land to the south of Carlisle

Delivering the Future High Street Fund, Towns Fund, Town Deal Accelerated Fund, and related regeneration projects:

- Reimagining the Market Square. The Market Square is the most substantial public space in the city centre, spanning 6,000 square metres, through improvements to the infrastructure and public realm of the square, it will become more of a focal point for residents and visitors.
- Repurposing 6-24 Castle Street. As part of moving away from a reliance on retail in the city centre, current vacant units could be used for several non-retail purposes that attract people to the city centre. This could help reactivate Carlisle's Historic Quarter increasing both weekend and weekday footfall.
- Pedestrianised improvements to Devonshire Street. Reducing the carriageway on Devonshire Street could provide more space for pedestrians and businesses to spill into, which would encourage activity and dwelling time in the street. The businesses currently located on the northern edge of the street offer a possibility to create a spacious outdoor seating area.



Photo: The Market Square, Carlisle

- Redevelopment of the former Central Plaza site. The Central Plaza was a Grade II Listed building which was previously a hotel until it closed in 2004. It occupies a key site on Victoria Viaduct, and its deterioration has arguably blighted this part of the city centre relative to other areas. With the site now cleared and £4.7m grant funding available, a number of the redevelopment options have become viable.
- Start with the Park (St Cuthbert's Garden Village). The 'Start with the Park' project will provide the 'Greenway' a connective, multi-modal green travel route connecting the key settlements of SCGV with Carlisle City Centre and providing high quality leisure and recreation facilities. The project will position SCGV as a unique and attractive destination for working-age families, delivering 7km of new/improved walking and cycling infrastructure and 5Ha of public realm/green space, setting the scene for future phases of development.
- Project Tullie, Welcome & Entrance to Tullie House Museum: Part of a wider programme of investment at Tullie House Museum, this project will better connect the Museum to the surrounding streetscape, increasing its visibility by providing a clear and contemporary point of arrival for visitors.
- Digital and Community Learning Hub. Investing in community learning to improve the local skills base. The refurbishment of the City Centre Library will create an accessible digital skills and community learning hub. This includes the installation of digital equipment and training materials in 13 community venues.
- Market Hall. This investment is to improve the infrastructure and internal structure in the Market Hall, to improve the experience for shoppers and visitors and explore options to create a food court and events space.
- Lighting-up Carlisle project (event and infrastructure). This investment of capital funding in digital lighting equipment is to support an expand the events programme.

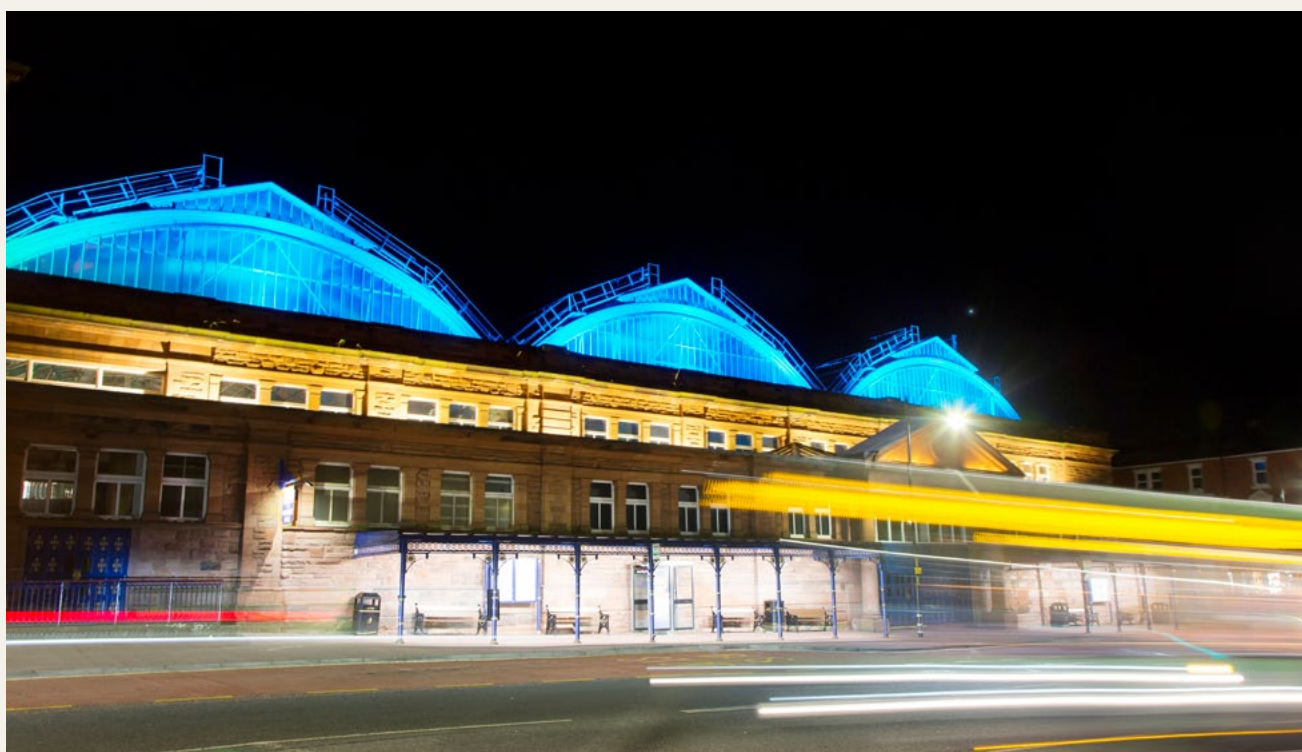


Photo: Lighting-up Carlisle project 2019, the Market Hall, Carlisle

- Citadels Business Infrastructure (Linked to Borderlands Inclusive Growth Deal). This is part of a wider development scheme to bring a new University campus on the grade I listed Citadels site, this project will create a purpose built hyper fast digitally enabled business interaction and accommodation space, linked to the University of Cumbria's flagship campus development.
- Caldew Riverside: Remediation of development site with potential to provide new city centre living opportunities. Caldew Riverside is a 3.16 ha (7.81 acres) site located within an Edge of Centre location to the South of Carlisle City Centre, within 200 metres from Carlisle Railway Station and 40 metres from the historic quarter. The site is the best and only available location for the delivery of strategic scale residential development close to centre. Due to its location, it has the potential to deliver a high quality, transformational riverside residential development that will showcase and catalyse the city centre living market in terms of both supply and demand. This development site can accommodate an estimated 120 - 150 homes as identified in the current local plan period, with 20% affordable housing policy compliance within the designated zone.



Photo: Caldew Riverside, Carlisle

- Creation of a temporary, modular 'pod village' in Bitts Park, providing a vibrant small business hub. The temporary Bitts Park courtyard will be based close to the car park. It will be populated by local businesses and will provide additional amenities for the benefit of park users. It will be constructed from six upcycled containers and will house up to 13 small independent businesses, with a diverse mixture of tenants that includes food and drink, retail and arts. Tenants will be either start-ups, looking to grow or well-established in the local area, which will ensure a collaborative, diverse and progressive working environment.

Building on success through new economic opportunities:

- Kingmoor Park Enterprise Zone: continuing support for the first Enterprise Zone in Cumbria as a local hub for key sectors such as manufacturing and logistics and an environment that welcomes new investors and high growth organisations.
- Development of a Rural Strategy: to explore opportunities and issues, building on the learning from the Place Planning work in the Borderlands Inclusive Growth Deal.
- Proactively position Carlisle for future investment: encourage private and public sector investment in Carlisle to improve productivity, help grow and boost the city; bringing in key employers and more high value jobs, while also ensuring we have investment in our infrastructure to help build Carlisle's future. Making it clear to government and the private sector alike that Carlisle is open for business.
- Grow our visitor economy: ensuring that Carlisle's strong potential as a tourist destination is realised, through providing an enhanced visitor experience with new attractions and increased vibrancy, whilst continuing work to promote the city through the Discover Carlisle brand. Developing a national marketing campaign for Carlisle that showcases the inward investment and the 2000 years of history.
- Working in partnership to tackle the carbon footprint of tourism.

Health and wellbeing

We will continue to prioritise the current response to and rapid recovery from the health and wellbeing impacts of Covid-19 pandemic.

We will work with our partners in the public, health, private and voluntary sectors to deliver a broad programme that will support the good, lifelong health and wellbeing of our residents and visitors. This priority builds on the framework of the Cumbria Public Health Strategy and WHO Healthy City Programme with projects and programmes that will focus on the determinants of health; a sense of place and safety; the quality of the local environment and tackling Climate Change together.



Photo: the Plant, Food and Wellbeing event 2021, Bitts Park

Housing and a sense of home is fundamental to health and wellbeing. We will continue to tackle homelessness and rough sleeping with a strategic focus on early intervention and prevention rather than crisis management. We will also seek to improve the homes of residents in most need, ensuring that everyone has access to safe, warm, affordable housing.

As a Sustainable Food City, we will promote a vibrant and diverse food economy, with local communities having access to a range of healthy and affordable food options. We will continue to reduce waste and increase recycling and energy recovery, helping to reduce the Carbon footprint of our current lifestyles.

All communities will have good access to a wide range of recreational, leisure and exercise opportunities, that are both diverse and affordable. We will encourage opportunities to participate in and engage with the arts and culture, the strategic focus will be on establishing Carlisle as a central hub for culture within the wider region. Accessible green spaces have a vital role in human health and wellbeing as well as providing opportunities to increase net biodiversity gains through improved wildlife habitats.

Making Carlisle a great and safe place to walk, cycle, and use electric vehicles, alongside public transport systems will increase activity and reduce the Carbon footprint of local journeys.

Key health and wellbeing programmes and projects

Delivering the Phase VII World Health Organisation Healthy City Plan:

- Work with partners to deliver on key district wide actions associated with the WHO six Ps (People, Place, Prosperity, Planet, Peace, Participation).
- Via the County-wide Public Health Strategy and WHO six Ps sustain a focus on delivering projects and programmes that address - healthy weight management, physical activity levels, developing a child friendly city, supporting vulnerable adults, addressing mental health management particularly post Covid19 restrictions.
- Continue to influence and shape public planning policy for key developments such as the St Cuthbert's Garden Village, city centre redevelopment and other key place-based developments.

Delivering The Sands Centre Redevelopment project:

- The delivery of a new £27 million flagship sport, leisure, and entertainment facility at the heart of the City will transform the quality and accessibility of health and leisure provision in our district. The new facilities will also enhance our strong partnership relationships with NHS providers focused on improving population health. The Sands Centre will host an extensive Musculoskeletal Unit designed to offer patients treatment and preventative services in a leisure setting.



Photo: The Sands Centre re-development in progress

- The design and development of the new facilities include a range of sustainable features which will support the Council's plans for reducing Carbon emissions, improving energy efficiency, and providing sustainable, healthy transport options.
- The new extension will significantly improve the access opportunities for all our communities to use and enjoy the facilities and services. Access to the building will be significantly improved from all points as will the internal layout. The development of the project has used an inclusive design approach to ensure equal access and wellbeing. This will assist users with physical and other conditions such as dementia to make full use of the site and surroundings.
- The facilities will also improve the existing opportunities for The Sands to host performances, cultural events, and conferences.

Support the delivery of partnership plans:

- Deliver the National Lottery funded Place Standard programme to engage with local communities across the district to identify and work together on addressing local issues of concern.
- Develop and deliver an application to the National Lottery Partnership Fund to seek support for a project that will improve our ways of securing and delivering community funding programmes.
- Work with key partners to build on the work of the Carlisle Resilience Group and develop a stronger communities' network that can continue to support residents to participate in community action.

Delivering the Homelessness Prevention and Rough Sleepers Strategy:

- Reduction of multiple exclusion homelessness and rough sleeping.
- Prioritising early intervention and prevention of homelessness.
- Promoting safeguarding and harm minimisation support for victims of domestic violence.
- Increasing access to flexible move on accommodation and support options available for people experiencing homelessness.
- Improve experiences and opportunities for young people and children experiencing homelessness.
- Increase key partnerships to respond effectively to local emergency situations.
- Meeting the Council's commitments via the Armed Forces Covenant by providing housing choices and support for those leaving the services.

Delivering the private sector housing standards to include a range of grants, advice, support and regulation:

- Programme of Disabled Facilities Grant and discretionary grants funded through the Better Care Fund.
- Hospital Discharge Grants to anyone who is in hospital, or has recently been discharged, and requires emergency repairs or measures to get them home.
- Working to address fuel poverty, improve energy efficiency and reduce Carbon emissions.
- Work to help bring empty homes back into use.

Delivering the Local Environment (Climate Change) Strategy

Climate Change presents new challenges and opportunities for our whole region. In partnership we are committed to working towards a net zero Carbon future for Carlisle, Cumbria, and the Borderlands. Through programme and partnership working we can realise the cross-cutting co-benefits presented by the two priorities of economic growth and health and wellbeing. There are clear health benefits from improved air quality, healthier diets and more walking and cycling. The drive for clean growth has the potential for industrial and commercial opportunities.

The strategy has the following objectives:

- Reducing emissions from the City Council estate and operations.
- Reducing energy consumption and emissions from homes and businesses in Carlisle and tackling fuel poverty, by promoting energy efficiency measures, sustainable construction, renewable energy sources and behaviour change.
- Reducing emissions from transport by promoting sustainable transport, reducing car travel and traffic congestion, and encouraging behaviour change.
- Reducing consumption of resources, increasing recycling, and reducing waste.
- Supporting council services, residents, and businesses to mitigate against and adapt to the impacts of Climate Change.

Delivering the Green Spaces Strategy and supporting the delivery of the Local Cycling and Walking Infrastructure Plan (CWIP):

- To make sure that Carlisle's reputation as a place that is enriched by its wealth of green spaces is enhanced as the city continues to grow and develop, recognising the health benefits from contact with green space and the natural environment and maintaining the current standard of 3.6ha of green space per 1000 population.
- To meet and exceed a set of challenging quality standards for all green spaces which will ensure they are safe, attractive, and welcoming for everyone who visits them.
- To make sure that all residents and our visitors have easy access to our inspirational green spaces, whatever their level of physical ability and that we take every opportunity to link and connect green spaces, walking and cycling routes, nature reserves and riversides.
- To manage our green estate as a diverse and flourishing natural resource which provides a range of environmental services including resilience against future flooding, reducing the impacts of and mitigation against Climate Change and enhancing biodiversity to provide rich and varied wildlife habitats.
- To nurture and support the role of our communities in caring for our green spaces and natural resources, encouraging them to take a leading role where appropriate and promoting green spaces as a primary resource in the cultural life of the city including as venues for events, play, sports and recreational activities.
- Make an ongoing and effective contribution to the development of extensive cycling and walking infrastructure plans for Carlisle, building on the existing infrastructure, increasing and improving the range of cycle and walking options and ensuring that these safe routes are widely publicised and sign posted.

Developing the new Cumbria Waste Strategy:

- Development of the new Waste and Recycling Strategy which presents an opportunity to reflect the aims and objectives of the Resources & Waste Strategy, the Environment Bill, Clean Growth Strategy and Litter Strategy. The strategy will bring together the strategic aims of these national strategies with a focus on waste reduction, Carbon impacts, and future waste management infrastructure.

Supporting the delivery of the Carlisle Cultural Framework:

- Placing culture at the heart of Carlisle's ambitions for environmental sustainability, inclusive economic prosperity, and good health for all.
- Embedding culture within regeneration and local planning to attract investment for city centre transformation and infrastructure development.
- Playing a full and active role in Carlisle's ongoing commitment as a World Health Organisation, Healthy City, using culture to improve the wider determinants of health, wellbeing, and community cohesion.
- Supporting artists and venues to emerge stronger from the COVID-19 crisis.
- Co-ordinating and promoting an exciting, wide-ranging, and inclusive programme of events in the city centre and across the district.

Performance Monitoring

The Carlisle Plan priorities and projects, and all other council services, will be delivered in line with the Council's Budget and Policy Framework.

We will measure progress against the plan through an updated performance framework.

This framework will include progress in key projects, risks, and opportunities.

A new set of measures will be agreed with Service Managers and the Senior Management Team.

We will present these measures under each priority; their purpose will be to help steer services and projects towards the benefits we want to achieve by implementing the plan. The performance framework will be monitored through Directorate Management Team meetings and a quarterly report to Senior Management Team. A quarterly summary of performance will be reported to Executive and Overview and Scrutiny.

The Carlisle Plan will be reviewed annually before the setting of service plans within our Directorates.

If you require an alternative language or format please contact us to discuss your needs.

policy@carlisle.gov.uk

01228 817200

Produced by Carlisle City Council.

Images courtesy of: Jonathan Becker Photography; D&H Photographers and Stuart Walker Photography

Carlisle 2021-23 Plan on a Page

Vision	To enable Carlisle to grow and prosper as the capital of the Borderlands region, benefiting the health and wellbeing of the people of Carlisle. We will work in partnership so that all can enjoy the benefits of new opportunities and choices, whilst rising to the challenges of a changing climate.	
Principles	Clarity, confidence and commitment.	
Priorities	Economic Growth	Health and Wellbeing
Key Actions/ Project and Programmes (Directorate)	<ol style="list-style-type: none"> 1. Delivering the Borderlands Inclusive Growth Deal. (Economic Development) 2. Delivering St Cuthbert's Garden Village. (Economic Development) 3. Delivering the Future High Street Fund, Towns Fund, Town Deal Accelerated Fund, and related regeneration projects. (Economic Development) 4. Building on success through new economic opportunities. (Economic Development) 	<ol style="list-style-type: none"> 5. Delivering the Phase VII World Health Organisation Healthy City Plan. (Community Services) 6. Delivering The Sands Centre Redevelopment. (Community Services) 7. Delivering the Homelessness Prevention and Rough Sleepers Strategy. (Governance and Regulatory Services) 8. Delivering the private sector housing standards to include a range of grants, advice, support, and regulation. (Governance and Regulatory Services) 9. Delivering the Green Spaces Strategy and supporting the delivery of the Local Cycling and Walking Infrastructure Plan (CWIP). (Community Services) 10. Developing the new Cumbria Waste Strategy. (Community Services) 11. Delivering the Local Environment (Climate Change) Strategy. (Community Services, Economic Development, Governance and Regulatory Services) 12. Supporting the delivery of the Carlisle Cultural Framework. (Community Services) 13. Supporting the delivery of partnership plans. (Community Services) 14. Responding to and recovering from the impacts of the Covid-19 Pandemic. (Community Services)

Corporate Plan 2021-2023 Summary

Purpose: Enabling the fulfilment of the Carlisle Plan whilst ensuring the efficient and effective delivery of all Council services.

The Corporate Plan is a signpost to the following strategic documents, plans and projects, within which we set out how services will be improved, and key projects resourced and delivered:

- **Medium Term Financial Plan (MTFP):**
A comprehensive plan for strategic finance decision-making
- **Asset Management Plan (AMP):**
- **Workforce Plan (WFP):**
The Workforce Plan provides a framework for dealing with challenges in a consistent way.
- **Customer Service Charter:**
The customer charter outlines how our principles are at the heart of everything we do. Our promise is to continue to innovate so our customers can access council services anytime, anywhere.
- **Project Management Handbook:**
A toolkit for project management.
- **Performance Framework:**
This framework draws together all the activities that contribute to our performance.
- **Risk Management Assurance Framework:**
This framework clearly sets out how we manage operational, strategic and major project risks.
- **Information Governance Framework:**
This framework provides an over-arching basis of the Council's approach to the governance of its information.

Business change plans and strategies:

Together these documents will enable agile working, compliance with the new rules on data and improve the tasking and coordination of demand-led services.

- Business Continuity Planning.
- Dispersed and agile working.
- ICT Strategy and programme.
- Transformation Board actions.
- Directorate Planning & Service Planning: Service planning sets out what needs to be delivered, how, when and by whom, in the context of the Carlisle Plan, Corporate Plan and statutory/service responsibilities.

Appendix C: Summary of all consultation responses

Introduction

Overall, we have had 100 responses to the consultation to the draft Carlisle Plan, the vast majority through the online survey (80).

Overview

The draft Carlisle Plan has generally been positively received. The vision and two new priorities are understandable, clear, and concise. The programmes and projects are considered a good fit with the priorities, several additional areas are suggested for consideration:

- The impact of Local Government Reorganisation decision on the implementation of the Plan.
- Future of Victorian Health Suite and Turkish Baths.
- Regional approach to integration of public transport.
- A greater focus on views and needs of young people.
- Specific needs of rural communities and rural towns.

Survey responses

What are your opinions on this vision for Carlisle?

Summary:

Most of the responses were a straight forward, positive 'yes' to the vision, recognising Carlisle as a regional capital. There is praise for the level of optimism, ambition, and funding as well as the focus on people and inclusion of health and wellbeing.

The negative responses ranged from the need to consider a changing world, as well as the changing climate to opinions on local issues such as St. Cuthbert's Garden Village and recent planning approvals. More leadership, urgent and major action on the climate change is called for, in particular action which can also tackle the inequalities that are seen as key determinants for health and wellbeing issues. This included a call for a citizens' jury for Carlisle.

The perception is that there is a conflict between protecting the environment, biodiversity, health and wellbeing and new developments. There is disappointment with the lack of emphasis on heritage and role of heritage assets (2000 year heritage of the city) for tourism and health and wellbeing. The Victorian baths & Edwardian Turkish baths are cited as a potential project that has not been directly mentioned but could, if developed, meet the priorities. There is also a challenge that we should be focused on the existing city, city centre and infrastructure where the investment is needed, including school places and digital infrastructure.

Alternatively, a simpler call for jobs and investment, as everything else comes from having money to do it.

There is also a broader challenge around both the development of the vision, an alternative approach being developed by the people of Carlisle, and the Plan being a collection of individual projects which will require more joining up into a clear vision, cohesive strategy and a longer term plan. There is also a call for more of a focus and outreach to those living outside of the main towns.

How clear, concise, and understandable do you feel these priorities are?

Summary:

Most of the responses were positive, with the comments acknowledging that they were concise and clear.

The negative responses include concerns on focusing on one or two major projects and the likelihood of delivery, more focus is needed on investment and employment growth. There is a call for more clarity, more detail on how the major project outcomes, such as becoming more sustainable, will be achieved. For example, making the links between economic growth and health and wellbeing within each of the major projects. Once again, the use of assets, especially heritage assets, and needs of rural areas are flagged as an opportunities to further the priorities.

There is a call for action on climate change and environmental crises as the top priority, as we build back from the pandemic, ensuring that health and wellbeing runs through everything the Council does. There is a challenge to go further with a more sustainable model of economic growth which is beneficial for health, wellbeing, and the environment.

There is concern for how all the plans will link up, especially when making decisions on developments.

How well will these programmes and projects (the things we will do) help to make these priorities happen? To what extent do you think these are the right things for us to be doing?

Summary:

Overall, the projects and programmes are considered right for the priorities, especially while recovering from the pandemic. There are points made on the wide range of projects and need to maintain consultation and engagement as they are developed, as part of a strategic master plan including culture and heritage. There is also a call for a more cohesive strategy for the city centre and market square.

The recent announcement on Local Government Reorganisation is flagged as an omission and whether this will have an impact on any projects that have not commenced.

The potential role of the Turkish Baths in improving health and wellbeing as well as economic growth is also raised as a potential addition.

The project on Cycling and Walking Investment Plan (CWIP) is welcomed, issues like flooding, wildlife, traffic congestion and air pollution are all identified, as is the potential of Food City. There is a call for more and better integrated public transport across the region, with parking and ride schemes as a consideration, with the Council lobbying for this. It is hoped that reducing consumption, food waste, upcycling, repair, and reuse will be included in the Cumbria Waste Strategy.

There are asks to focus on young people, housing care leavers, mental health, and the specific needs of rural communities. The entertainment offer for young people is considered important for a vibrant city. A key point being the affordability of the new offer around health and wellbeing is also seen as important.

The loss of competition sized swimming pools and need for a competition athletics track in Cumbria, making us one of the few counties unable to welcome national and international events is noted.

Carlisle's railway heritage and opportunities for scenic rail journeys is considered as something the Council should lobby for more promotion of and investment in.

There is a suggestion for a permanent memorial either in court square or the city centre for International Workers Memorial Day.

Please add below any further comments you would like to make regarding the draft Carlisle Plan 2021-23.

Plan does not address the existential threat to humanity down to the combined climate and environmental emergencies. The Plan should be setting out a sustainable future.

Perceive conflict between the existing economic model, economic growth as a priority and climate change. A more holistic approach is required.

Involvement of communities, especially young people, in setting vision, plans and in determining solutions.

Very city centric, need to consider support of rural towns as well.

Need to encourage a network of hubs in the stations in the surrounding district so that people leave their vehicles there and take the train or a bus into the city.

Prosperity is not the most important determinant of health. It is one of various determinants with others as important if not more so. And in our city at present inequalities are a key determinant in health. Those who are more socially and materially deprived have worse health than those with wealth. And the important thing is the gap between the richest and poorest in our society. More equal societies have better health and social outcomes on a whole series of measures. So what is needed is not prosperity for all but a levelling up of the lowest incomes and a fairer distribution of wealth across the city.

Keep the Turkish baths and the preserve the heritage.

Focus more economic growth and make Carlisle a prosperous and open city. A place that businesses look to and say, "we want to open up here".

There is no reference to Local Government re-organisation and how that process will fit with the Carlisle Plan priorities.

Build or convert an existing building into a dedicated concert venue to attract big names and therefore more visitors to the city.

Provision of cultural opportunities must include access to well-paid employment for graduates of the Arts who graduate from University is Cumbria.

Only appears to be interested in more houses and improving university facilities. Nothing about improving existing infrastructure.

Carlisle needs to develop more leisure facilities (spas, bike tracks, climbing walls) and more variety

Much more ambitious from a reduction of carbon output, more support of electric vehicle charging, green public transport, cycling and walking. New housing/ buildings should have solar panels and green heating.

Improve cycle ways.

This almost looks as if you're regarding the current population of Carlisle and are preparing to replace them with a completely new population of people who have no ancestral connection to this part of the land.

Green spaces are precious, especially when they are adjacent to a nature reserve. Deer Park field should be made part of Kingmoor Sidings nature reserve.

This plan lacks excitement, creativity and out of the box thinking we need to really create a vibrant city of growth.

The council should find a way of working with Carlisle United to deliver a new multipurpose sports arena and associated facilities such as athletics which could include an indoor running track for use of

the football club and the public and develop a sports academy to help produce future sporting stars for the city.

A public footpath is a top priority between Fir Ends crossroads and Smithfield before someone is fatally or seriously injured. The A6071 is like a racetrack.

No mention of public toilets at the park and in the city centre. The pods at Bitts Park are temporary, how long for and why aren't the empty units in the market hall being used for this? Why aren't the brown field sites being used for new housing?

The Station Southern Gateway should be visually dramatic if it's replacing the existing entrance as the first impression visitors have of Carlisle. Those first moments are crucial to shaping perceptions and punching a hole in the southern wall onto a surface car park is insufficiently grand or welcoming.

The reinstatement of gap sites should be a top priority throughout the urban core, especially along Botchergate. It would be good to bring some consistency to these sites in terms of either design, materials and/or use class.

St Cuthberts needs to be much more than homogenous housing and a few trees tied to stakes. It needs extensive woodland and a linear park drawing on the best placemaking from leading outdoor attractions like The Helix, with play equipment from companies like Ziegler Spielplatze and interconnecting pedestrian/cycle routes meandering along water courses which are proven to aid mental health and wellbeing.

Central Plaza and Caldew Riverside must be home to developments of (a) genuine architectural value and (b) mixed-tenure sites which drive footfall to this corner of the city centre. At present, it feels rather unwelcoming.

Market Hall has potential to become another Leeds Corn Exchange or Belfast St George's Market, but at present, it falls way short of these ideals. It needs wholesale repurposing, driven by the council and incorporating everything from live music to food festivals and well-publicised events.

Bitts Park has incredible potential for street food venues and events spaces to complement the pod village. This should be made permanent, like Boxpark in Shoreditch - a home for creative industries and start-ups which can put the city on the map in the long-term.

I'm sure CCC is already reaching out to technology firms like Amazon and Tesla, but a single factory at KPEZ would dramatically improve the city's employment, while stimulating demand for housing and supporting businesses in the north of the city.

Planning is being denied to small businesses for shop fronts in the town centre, but accepted for shipping containers outside of the main town in Bitts Park, why? why are we stopping businesses opening/expanding in the town centre?

Face to face feedback (2nd – 6th August)

Impressed with the city and the plans.

Interest in Citadel site plans and what will happen with existing university sites?

Nothing new, artistic vision, missed opportunity

Retain Turkish Baths

Too much building on green sites

SCGV – lack transport links

Poor bus provision out of Carlisle

Talkin Tarn – no buses, consider diversification e.g. camping pods, bring back the warden

Use new flood defences as cycleway and light up as a route for kids to use

Market hall could be used as workshops to foster and showcase local business/trades/enterprises

Lack of city centre toilets

What's happening with Bitts Park lodge?

Carlisle needs a small theatre but bigger than the Green Rooms
Need a day pass for multiple attractions e.g. castle, Tullie, etc and day pass to park in multiple car parks
Consider putting skips in residential areas to help with fly tipping / HWRC being booking only.
The map of investments would be good to put on public display in the library.

More Climate change focus.

Tullie House – local people having to pay for entry into Tullie house – marginalises poorest communities and local people using it.

What's going to happen to the University building if citadels is taken over?

There is no mention of the Turkish Baths in the Carlisle Plan.

There are plenty of projects but clear masterplan, especially area around the viaduct development and links to the Turkish Baths. There are opportunities here to improve accessibility and public greenspaces, for health and wellbeing. A good example of using underpasses for public art is Leake Street Arches (Waterloo, London), here local graffiti artists have space to demonstrate their skills.

The historic properties in the City, in and around the Historic Quarter, would benefit from a 'blue window sticker' campaign such as the one down Crystal Palace/Penge Heritage Trail.

With the closure of Morton Academy Pool will there be enough provision for swimming in Carlisle?

Plan lacks a proper vision; ideas lack detailed plans. Projects are just tweaking what we already have and won't improve the city long term. We have no unique selling point to make Carlisle a destination. Need to future proof. Should be a boulevard running from St Nicholas (A6) to Bitts Park all pedestrianised and made up of urban woodland and pop up shops with city branding and areas for performing arts. Place an old dockland crane at St Nicholas and repurpose the listed gasworks at Bousteads Grassing to be a scalable concert venue/performing area in Bitts Park.

SCGV – need to attract new jobs first

More public toilets

Play area in middle of city

Xmas market in front of train station

Simple transport system round outside of city centre and more charge points.

Pedestrianise Castle Street. Consider Kendal Brewery Arts type development for old Bulloughs building or Tullie House 2.

Flower market in Fisher Street

Vertical garden on Civic Centre

Inner city beaches at Sands Centre and Stoneyholme. Introduce canoe hire.

Put Castle Way underground

Consult more with young people.

Make better use of Hadrian's Wall history.

Plan lacks ambition. Actions don't demonstrate how the vision will be achieved.

Mock-up of city centre improvements would be useful.

Large parts of the plan contradict the Local Environment (Climate Change) Strategy. Whole model needs to change away from using resources and move towards circular economy, creating community wealth, social capital.

Rotterdam is a good example

Confusion from councillors as to whether southern link road is related to SCGV project or not.

Participatory budgeting

Make use of old train infrastructure round the city

Improved energy creation schemes – solar, tidal etc

Not enough in the plan about improving green spaces, protecting biodiversity.

Retain Turkish baths and improve marketing.

Citizens jury would improve local democracy.

Knock the civic centre down.

Written responses

Members of Brampton PC considered the plan at the last meeting and asked that I respond with the following: There should be more focus on economic activity for Brampton. The City Council should be more supportive of rural settlements and enhance rural town centres.

The plan is stated to be 2021 - 2023. I find it impossible to believe what the plan promises can be achieved within that time frame.

The plan provides no indication on where we are with the Local Plan, such as are we meeting housing targets, are we exceeding them or are we not meeting them.

The plan contains many inconsistencies such as promoting more high value homes to attract good calibre people to the area but at the same time hanging its major strategy on housing led growth which in effect means low cost, poor quality housing.

The plan fails to address the lack of educational provision in north Carlisle which will become the responsibility of the new Council when the County Council is terminated.

The plan fails to address many unanswered questions over the Garden Village project.

The plan fails to properly address climatic change. It comes up with no realistic ideas or any timetable to implement measures to reduce carbon emissions. It does however demonstrate how we can increase emissions by allowing more houses to be built, an incinerator at Kingstown and increased traffic throughout the City.

Carlisle is an important city with a history dating to Roman times if not before. It formed the furthest north west boundary of the Roman Empire. Yet there is little in the plan to enhance such history and attract visitors. Carlisle is a tourist and agricultural centre; it will always remain so due to its geographical position and distance from other centres. As a city it is unique and should be allowed to remain so without the interference of external consultants and blue sky thinking Council employees.

EXCERPT FROM THE MINUTES OF THE BUSINESS AND TRANSFORMATION SCRUTINY PANEL HELD ON 15 JULY 2021

BTSP.52/21 CARLISLE PLAN 2021-2023

The Policy and Communications Manager submitted an update on the new Carlisle Plan 2021-2023 (PC.24/21). Following the previous scrutiny of the Plan it had been possible to arrange public consultation between 2 and 6 August, consultation was online and physically in the Tourist Information Centre and Bitts Park.

The Policy and Communications Manager had circulated the design draft of the Plan and reported that an illustrated map had been designed to showcase the developments in both the urban and rural areas.

In considering the report Members made the following comments and suggestions in relation to the contents of the Carlisle Plan:

- There should be a stronger message regarding transport and improved connectivity;
- The Plan should be clearer about the work being undertaken in rural areas;
- There should be a stronger message about tourism as an economic driver in Carlisle;
- The Plan was more accessible but still required some further work to ensure the whole document was in plain English;
- The Plan referred to 'economic growth' and 'sustainable growth', it was felt that this was a mixed message in terms of the Council's climate change strategy and should be changed to sustainable growth only;
- The climate emergency was more apparent in the Plan, however, Members wanted to see this underpinned in all of the strategies and vision for Carlisle;
- The consultation questions did not prompt individuals to share their vision for Carlisle and it was suggested that they be changed and more open questions be included to engage with people;
- Could examples of the viable options for the Central Plaza site be included in the Plan and could the consultation include a question which allowed the public to put forward their suggestions for the site;
- Add information explaining how the Market Square would be reimagined to become a focal point;

In response the Policy and Communications Manager clarified the following:

- The Carlisle Plan gave a commitment to the preparation of a Rural Strategy
- Transport improvements work may be better placed within the Economic Strategy work

The Town Clerk and Chief Executive informed the Panel that Officers had received a clear directive to develop a Rural Strategy as a priority and the Corporate Director of Economic Development was progressing with the work.

The Panel asked that the Carlisle Plan refer to the Rural Strategy as part of the vision of the Carlisle Plan and make it clear what this meant for urban and rural residents.

A Member asked how the progress on the programmes which underpinned the Carlisle Plan would be reported within the quarterly performance report?

The Policy and Communications Manager explained that the Panel would have the opportunity to consider how the performance would be monitored when the performance report was submitted to the next meeting.

The Panel urged officers to engage with local rural communities outside of the Parish Councils as part of the consultation process.

RESOLVED – That the Panel had scrutinised the draft Carlisle Plan 2021-20523 (PC.24/21) and asked the Executive to consider their comments and suggestions as set out above as part of the consultation process.

EXCERPT FROM THE MINUTES OF THE HEALTH AND WELLBEING SCRUTINY PANEL HELD ON 22 JULY 2021

HWSP.49/21 CARLISLE PLAN 2021-23

The Policy and Communications Manager gave an overview of the progress made regarding the adoption of a new Carlisle Plan, which formed part of the Council's Policy Framework (PC.25/21).

In considering the update the Panel raised the following comments and questions:

- In discussing the consultation a Member asked:
if it would be possible to amend the questions to add some closed response questions?
would the Panel have the opportunity to view the consultation responses?
could the consultation responses be monitored to give an idea of the demographic of responders?

The Policy and Communications Manager responded that the questions had been amended following suggestions from the Business and Transformation Scrutiny Panel, he agreed to look at the questions and create a blend of open and closed questions. He added that a summary of the consultation responses would be prepared for the Executive and could be shared with the Panel and he agreed to look at how the responses could be monitored to profile where they were coming from.

- The Panel had, at their meeting in April, had concerns that the words "prosperity being the most important determinant of health and wellbeing" had been included in the Plan and felt that the word 'most' could be changed to 'an important'. The Member questioned whether this had been considered by the Executive and, if so, why it had not been changed.

The Deputy Chief Executive responded that it was difficult to determine what the most important driver for a good quality of life was and prosperity reflected the direction of the Executive. The feedback had been that work, employment and level of salary was important and was highlighted at the start of the document, this also tied in with the future aspirations of the City.

The Finance, Governance and Resources Portfolio Holder added that the term would not be changed. He felt strongly that an impoverished city could not improve the health and wellbeing of its citizens and that prosperity was a driver for everything else.

The Panel asked that the Executive reconsider the comments of the Health and Wellbeing Scrutiny Panel and the Business and Transformation Scrutiny Panel and re word the line to 'prosperity is an important determinant of health and wellbeing'.

- The Plan only made one reference to mental health. The pandemic had affected the mental health of many people and the Plan should have clear steps to show how the Council supported mental health, managing and addressing mental health were two separate issues which needed to be dealt with as such.

The Deputy Chief Executive highlighted a number of areas which the Council worked, with partners, to manage and support mental health issues. He agreed to include some of the key areas within the Plan.

- The Local Government Reform announcement had been made and it was suggested that Copeland and Allerdale Councils Plans be considered to begin the process of aligning the vision for the new Council footprint.
- Could a timeline for projects be included within the Plan?

The Policy and Communications Manager informed the Panel that the Executive had asked for an overview map to be prepared which would show the area of investments and the outcomes. The Business and Transformation Scrutiny Panel had asked for a timeline of projects to be prepared alongside the map; this would be important during the Local Government Reorganisation to drive the projects.

The Deputy Chief Executive explained that the period the Plan covered had taken into account the Local Government Reorganisation, although the Plan was up to 2023 the projects contained within it would continue far past that year.

- A Member was concerned that the Plan's only reference to the rural area was the development of the Rural Strategy.

The Policy and Communications Manager informed the Panel that the Business and Transformation Scrutiny Panel had raised the same issue. The Rural Strategy would be a separate detailed Strategy prepared by the Corporate Director of Economic Development.

RESOLVED – 1) That the Panel had considered and commented on the draft Carlisle Plan (PC.25/21)

2) That the consultation responses summary be circulated to the Panel at the relevant time.

3) The Panel asked the Executive to reconsider the comments of the Health and Wellbeing Scrutiny Panel and the Business and Transformation Scrutiny Panel and re word the line 'prosperity being the most important determinant of health and wellbeing' to 'prosperity is an important determined of health and wellbeing.'

EXCERPT FROM THE MINUTES OF THE ECONOMIC GROWTH SCRUTINY PANEL HELD ON 29 JULY 2021

EGSP.45/21 CARLISLE PLAN 2021-2023

The Policy and Communications Manager submitted an update on the new Carlisle Plan 2021-2023 (PC.24/21). Following the previous scrutiny of the Plan it had been possible to arrange public consultation between 2 and 6 August, consultation was online and physically in the Tourist Information Centre.

The Policy and Communications Manager had circulated the design draft of the Plan and reported that an illustrated map had been designed to showcase the developments in both the urban and rural areas.

The Panel discussed the wording in The Vision. Some Members felt strongly that the line 'prosperity being the most important determinant of health and wellbeing' should be reconsidered by the Executive. They agreed that prosperity was important but felt that it was not the most important and asked that their views be taken into consideration. They asked, unless the statement was evidence based, that the word most be removed or reworded.

The Finance, Governance and Resources Portfolio Holder explained that the Executive believed that an impoverished city could not improve the health and wellbeing of its residents, there could not be a distribution of wealth if there was no wealth. The Executive had listened to the concerns of the Scrutiny Panels but believed that prosperity was still the most important determinate.

Some Members of the Panel did not agree that the wording should be amended, and it was moved and seconded that the Panel support and endorse the Carlisle Plan as written.

It was then moved and seconded that the Executive reconsider the wording of The Vision and either remove the word most or reword it.

Following voting it was

RESOLVED – That the Economic Growth Scrutiny Panel support and endorse the Carlisle Plan as written (PC.26/21)

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 31 AUGUST 2021

EX.87/21 **CARLISLE PLAN 2021-2023
(Key Decision - KD.15/21)

(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 Leader

Relevant Scrutiny Panel

Health and Wellbeing; Economic Growth; and Business and Transformation

Subject Matter

The Leader presented progress on the adoption of a new Carlisle Plan, which formed part of the Council's Policy Framework (PC.27/21).

The Leader reported that the Carlisle Plan had been subject to public consultation, 100 responses had been received and a summary of the responses had been included in the report. The Plan had been scrutinised by all three Scrutiny Panel (BTSP.52/21; EGSP.45/21; and HWSP.49/21 referred).

The three Chairs of the Scrutiny Panels had been invited to speak on the matter but were not in attendance.

The Leader moved the recommendation to Council to adopt the Carlisle Plan with the following additions:

“Airport -

We will continue to support the aspiration for Carlisle Lake District Airport to develop as a regional gateway, with the potential to build on economic relationships between the Borderlands, Northern Ireland and the Isle of Man.

Turkish Baths –

Finalise studies including Statement of Significance and Feasibility Study. Implement works to the exterior of the building and the installation of new utilities systems, to ensure that the building can be operated independently.”

The Finance, Governance and Resources Portfolio Holder seconded the recommendation and new additions. He highlighted the comments and resolutions of the three Scrutiny Panels, which the Executive had considered and reiterated that an impoverished city could not improve the health and wellbeing of its citizens.

The Environment and Transport Portfolio Holder thanked the officers for their work in preparing the Carlisle Plan and commented on the clear ties with the Medium-Term Financial Plan and allocation of resources. The Plan showed the serious commitment to the investment in Carlisle with a focus on health and wellbeing and the environmental agenda.

The Culture, Heritage and Leisure Portfolio Holder added that prosperity meant looking forward and hope and felt that it was appropriate that people looked forward and hoped for a better future. He thanked Scrutiny for their input and officers for their work in bringing the Carlisle Plan together.

The Economy, Enterprise and Housing Portfolio Holder also thanked officers and highlighted the emphasis in the Plan on economic growth and development projects which were critical to the future growth and sustainability of the city.

The Communities, Health and Wellbeing Portfolio Holder noted that the Carlisle Plan was critical to support the health agenda moving forward.

Summary of options rejected

That the Carlisle Plan 2021-2023 should not be referred to Council for approval.

DECISION

That the Executive recommended the Carlisle Plan 2021-2023 (PC.27/21) to Council for adoption with the following additions:

“Airport -

We will continue to support the aspiration for Carlisle Lake District Airport to develop as a regional gateway, with the potential to build on economic relationships between the Borderlands, Northern Ireland and the Isle of Man.

Turkish Baths –

Finalise studies including Statement of Significance and Feasibility Study. Implement works to the exterior of the building and the installation of new utilities systems, to ensure that the building can be operated independently.”

Reasons for Decision

The commitment of investment in Carlisle and development of clear programmes and strategies now meant that it was an appropriate time to update the Carlisle Plan.

Meeting Date: 14 September 2021
Portfolio: Economy, Enterprise & Housing
Key Decision: No
Policy and Budget Framework: Yes
Public / Private: Public

Title: Carlisle Economic Strategy
Report of: Corporate Director of Economic Development
Report Number: ED.34/21

Purpose / Summary:

This report provides an overview of the draft economic strategy for the Carlisle District, which is included as Appendix 1. The Strategy sets out the Council's priorities, objectives and actions to drive economic growth and recovery from the Covid-19 pandemic for the next five years. The Strategy has been developed in consultation with members of the Executive, the Economic Growth Scrutiny Panel and the Senior Management Team.

Recommendations:

It is recommended that the Council:

- I. Approve the adoption of the Economic Strategy and Action Plan, setting Carlisle City Council's vision, strategic objectives, and key activities to deliver economic growth for Carlisle.

Tracking

Executive:	20 July 2020 2 June 2021
Scrutiny:	21 January 2021 29 July 2021
Council:	14 September 2021

1. INTRODUCTION

- 1.1 The production of the updated economic strategy has very much been evidence-led in order to ensure that it is developed to respond to local needs and opportunities. Up-to-date data has been used to ensure that the approach is pertinent to the current economic climate and challenges.
- 1.2 The Strategy also takes account of existing economic development strategies developed on a wider geographical scale relevant to the District including the Borderlands Inclusive Growth Deal and the Cumbria Local Industrial Strategy. The recently produced Carlisle Town Investment Plan has also informed the approach.

2. BACKGROUND

- 2.1 The first stage in the production of the Strategy involved the collation of a comprehensive evidence base document. This included data on the entire district of Carlisle (as well as, where relevant exploring differences between the rural and urban areas) under the following headings:
 - Population
 - Economy
 - Place
 - Transport
 - Digital Infrastructure and connectivity
 - Environmental sustainability and low carbon
- 2.2 Members will also be aware of the COVID-19 economic impact study that has recently been commissioned. This has had a major bearing on the development of the Strategy in terms of the emergent challenge of driving the recovery and renewal of the local economy.

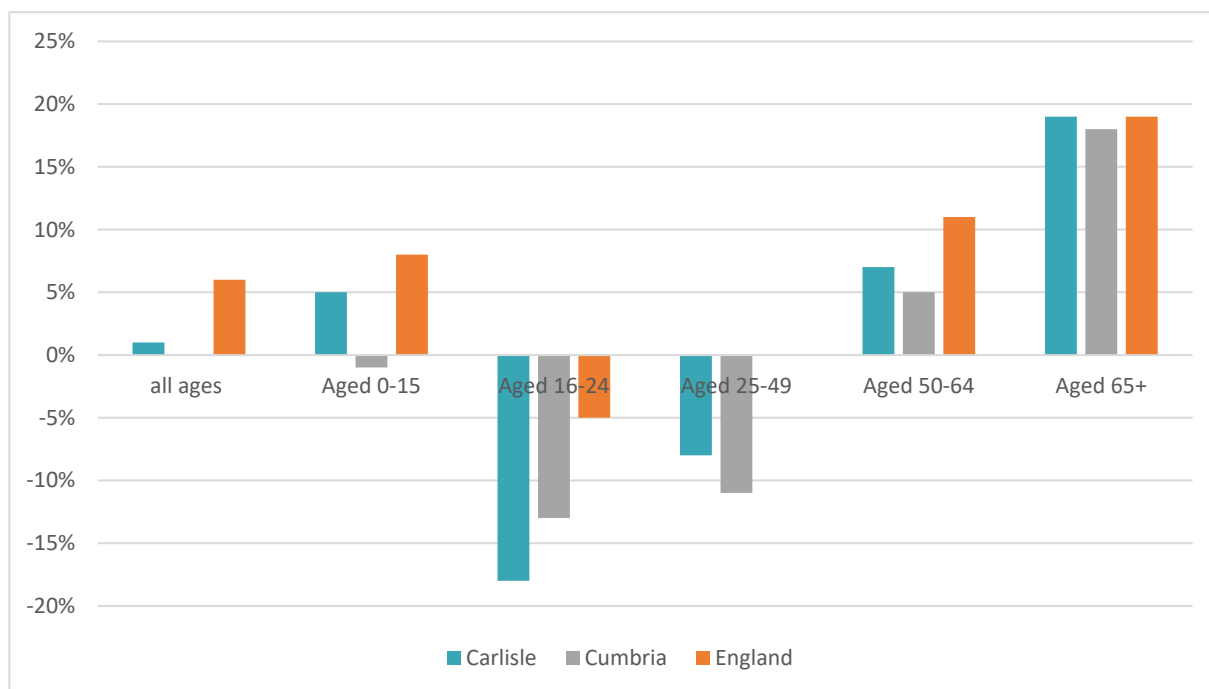
3. STRATEGY – CHALLENGES FACING CARLISLE

3.1 CHALLENGE 1 - DECLINING WORKING AGE POPULATION

- 3.1.1 Carlisle in line with Cumbria and the wider Borderlands area has a declining working age population. Figure 1 shows the 16-24 age group has seen a decline -18%, and the 25-49 group, -8% between 2011-2019. Coupled with an increasing retirement

population of 19%, Carlisle has a high old age dependency ratio of 36.35, compared to 29.5 in England¹.

Figure 1: Population change in Carlisle, Cumbria and England among age groups, 2011-2019



Source: ONS: Population estimates based by single year of age 2019

3.1.2 These statistics indicate that there is a need to improve the offer for young people in the City. Carlisle's position as a university city is key to this. The University of Cumbria enrolled 6300 full-time equivalent students in 2019², however many graduates tend to move on elsewhere to continue their post graduate careers. Evidence suggests that Carlisle lacks strength in key sectors, such as creative and digital, which account for only 2% of employment in Carlisle, to retain graduates, particularly given the strengths of the university in such sectors³.

3.1.3 If this ageing demographical trend continues unchecked, it will have significant impacts on the provision of services and the local economy: creating dual problems of a lack of available and skilled labour force and an increased number of people reliant on key services including health and social care.

¹ Based on ONS population estimates 2019

² Access and Participation Plan 2019-20, University of Cumbria

³ Identification of future growth opportunities: Carlisle, Regeneris Consulting 2017

3.2 CHALLENGE 2 - LOW SKILL LOW WAGE ECONOMY

- 3.2.1 Carlisle has a high number of people concentrated in low skilled low wage sectors, such as retail (making up nearly one fifth of total employment)

Table 1: Qualification levels by adult population (%) in Carlisle, Cumbria and England

Qualification level	Carlisle	Cumbria	England
NVQ4+	28	32.5	40
NVQ3+	51.7	55.4	58.5
NVQ2+	67.7	74.3	75.7
NVQ1+	85.2	89.4	85.8
Other Qualifications	8.4	5.2	6.7
No Qualifications	6.4	5.4	7.5

Source: APS, ONS 2019

- 3.2.1 As the table above indicates, Carlisle has a relatively low skilled population- with 12% holding NVQ4+ qualifications than the England average (4.5% less than Cumbrian average).
- 3.2.2 Alongside this, Earnings in Carlisle are below that of both Cumbria and England, with a median annual salary of £20,929, compared with £24,003 and £25,118 for Cumbria and England respectively⁴.
- 3.2.3 This influences the low productivity of the city, with the average GVA per worker in Carlisle 90% of England average and 92% of North West average⁵. Low productivity and low skills base results in difficulty attracting high value sector employers to invest in Carlisle, while local employers regularly cite difficulty in recruiting skilled workers in the city. This is a significant impediment to local economic and business growth.

3.3 CHALLENGE 3 - LACK OF CITY CENTRE VIBRANCY

- 3.3.1 While the city centre has a strong sense of place, there is evidence that it lacks the vibrancy necessary to perform to its full potential as a regional hub.

⁴ ASHE, ONS: 2019

⁵ Sub regional productivity, ONS 2018

- 3.3.2 The city centre economy currently relies heavily on its retail offer and this makes Carlisle highly vulnerable to fluctuations and further contraction of the retail sector – exemplified by the closure of Debenhams and stores within the Arcadia group. Only 8% of businesses in the city centre retail core contribute to the evening economy⁶. This means that city centre vibrancy is significantly reduced after 5pm.
- 3.3.3 Only 4,250 people live in the city centre area. The ‘offer’ of housing in the city centre is generally perceived to be low and particularly unsuitable for young professionals, who are the largest market for city centre living⁷. The absence of a strong city centre residential community contributes significantly to the lack of evening activity. Increasing city centre living will also help create a greater demand for the city centre evening economy.
- 3.3.4 Carlisle has a relatively weak visitor sector when compared to other small cathedral cities, such as York, Norwich and Lincoln. Between Carlisle 241,000 visitor trips, against 356,000 in Lincoln, 633,000 in Norwich and 1.24 million in York⁸. Despite its beautiful location and strong heritage offer, Carlisle underperforms as a visitor destination.
- 3.3.5 Improving vitality and viability of the city centre - through the diversification of uses and improving the residential, leisure and culture offer - is therefore a priority. A focussed strategy and intervention is necessary to avoid an accelerated decline in footfall and increased vacancy rates. A poorly-performing city centre would have a significant impact on the Carlisle’s role as a regional economic hub, the strength of the local economy – and income to the Council via business rates.
- 3.4 CHALLENGE 4 - INCONSISTENT PROVISION OF GOOD DIGITAL AND TRANSPORT CONNECTIVITY
- 3.4.1 Public transport provision throughout the district is generally considered (as with many rural districts) inconsistent, with infrequent bus services to the city, particularly in remote rural areas. Bus journeys are also consistently longer than comparative journeys by car, and most junctions prioritise motor vehicles above both pedestrians and cyclists. Consequently, over 60% of travel-to-work journeys to Carlisle city centre are made by car⁹. This makes Carlisle’s transport emissions high and discourages healthy and active lifestyles.

⁶ Carlisle city centre Health Check, 2019

⁷BBC (2018) ‘The UK’s rapid return to city centre living’ available at: <https://www.bbc.co.uk/news/uk-44482291> [accessed 27.02.2020]

⁸ Mott Macdonald, 2020

⁹ Mott Macdonald, Carlisle City Centre Transport and Movement Plan 2020

- 3.4.2 There is a lack of integrated walking and cycling routes into and out of the city, and particularly a lack of cycle routes into the city centre, which further entrenches vehicular dominance. Encouraging and facilitating active travel is one of the key ways in which Carlisle City Council can contribute and support the city's transition to a net-zero carbon city, through working in partnership with Cumbria County Council as the Highways Authority.
- 3.4.3 Only 46.2% of people have access to superfast broadband in Carlisle, compared to 95% nationally¹⁰, indicating that the city has a lack of digital infrastructure. There is now widespread recognition that digital infrastructure is central to supporting local economies. Connectivity is one of the most significant barriers to growing the population and economy of Carlisle. The District is perceived as a peripheral location, but with improved digital connectivity perceptions of remoteness can be changed.
- 3.4.4 Poor digital and transport connectivity holds our city back: The dominance of vehicles on highways impacts on the health, wellbeing of our communities and the local environment. Meanwhile the lack of good digital infrastructure and connectivity makes the businesses, residents and education centres across Carlisle less resilient to the shocks caused by the COVID 19 pandemic.

4 STRATEGY – OPPORTUNITIES FOR CARLISLE

4.1 OPPORTUNITY 1 - HIGH QUALITY OF LIFE OFFER

- 4.1.1 Carlisle is an affordable place to live- with an average house price of 136,721, significantly lower than the England average of £248,083¹¹. This makes Carlisle potentially attractive for first time buyers. Carlisle unsurprisingly has high levels of home ownership, 6% above the national average at 68%¹².
- 4.1.2 The city is set in beautiful rural surroundings and acts as a gateway to two UNESCO world heritage sites and is home to two Areas of Outstanding Natural Beauty (Solway Coast and North Pennines). Carlisle's beautiful natural heritage helps make it an attractive place to live.
- 4.1.3 Together the affordability and unrivalled natural capital give Carlisle a strong quality of life offer, which can make the city an attractive place to live in and invest in. Changes in lifestyle after COVID19 make living in Carlisle a more realistic offer for

¹⁰ Connected nations update: Spring 2019 dashboard, Ofcom 2019

¹¹ UKHPI December 2019

¹² Census 2011

more people, as proximity to workplace becomes important, and flexible working arrangements are likely to become more commonplace.

4.2 Opportunity 2 – Carlisle as the regional capital of the borderlands

4.2.1 As the only city and the largest settlement of both Cumbria and the wider Borderlands region, Carlisle acts as a regional capital of the Borderlands.

4.2.2 Carlisle is the economic driver of Cumbria and the Borderlands, generating £2.83 billion of GVA per year- making up a quarter of the total Cumbrian GVA¹³. The city is the regional centre for the Borderlands area, acting as a hub for 1.1 million (10% of the UK landmass). This context makes Carlisle both regionally and nationally strategically important.

4.2.3 Carlisle acts as a civic hub for the area- and hosts a number of key public services and institutions, including Cumbria County Council, NHS, and the University of Cumbria.

Table 1: Employment rate (%) for Carlisle, Cumbria and England (as of March 2020)

	Carlisle	Cumbria	England
Males aged 16-64	82.8	82.5	80.2
Females aged 16-64	79.8	75.4	72.3
All persons aged 16-64	81.3	78.9	76.2

Source: DWP, 2020

4.2.4 Due to its role as a sub-regional hub, Carlisle has a high level of employment and economic activity. 81% of adults in the city are in employment. Carlisle has historically had high levels of employment, and despite the impacts of coronavirus, which has led to an increase in unemployment across the UK, Carlisle's level remains below the national average¹⁴.

4.2.5 This role and these assets give Carlisle a weighted importance above similarly sized comparable settlements. There is an opportunity to capitalise on Carlisle's role as a strategic location for housing, employment and commercial growth – given its size and connectivity.

¹³ Sub regional productivity, ONS 2018

¹⁴ DWP 2020

4.3 OPPORTUNITY 3 - EXCELLENT STRATEGIC CONNECTIVITY

- 4.3.1 As well as being the geographical centre of the Borderlands region, Carlisle forms part of the geographical centre of the UK. This makes the city well connected to the rest of the UK.
- 4.3.2 Carlisle is situated on the West Coast Mainline and has good rail connectivity: approximately 1 hour from Glasgow and Edinburgh, 2 hours from Manchester, 3 hours from London and Birmingham by rail. Local rail links such as the Cumbrian Coastline and the Glasgow and South West Line makes the city well connected to other regional centres and act as an interchange for South West Scotland and West Cumbria.
- 4.3.3 Situated on the M6 corridor, Carlisle is equally well served by road- well connected to Scotland via the A/M74, the south of England via the M6 and Newcastle and the North East via the A69.
- 4.3.4 This makes the Carlisle easily accessible from most parts of the UK, reversing misconceptions of isolation, and instead putting the city at the heart of the UK, and a significant link between the Scottish and English economies.

4.4 OPPORTUNITY 4 - GROWTH POTENTIAL

- 4.4.1 Carlisle has significant growth potential and is already embarking on a significant growth journey. Carlisle is set to grow its population with the development of 10,000 new homes through St. Cuthbert's Garden Village. This development will help provide over 9,000 new jobs and support the reversal of the declining working age population.
- 4.4.2 Carlisle also has clear potential to support business growth. There is good availability of employment land across the district (80Has)¹⁵. The city is home to Kingmoor Park Enterprise Zone, the only Enterprise Zone in Cumbria, with over 30 Has of development land available, and new developments already underway such as the ModVillage.
- 4.4.3 Carlisle is a base for both manufacturing and transport and logistic industries, scoring highly on the index of specialisation. Manufacturing accounts for around 12% of employment. Meanwhile, transport and storage accounts for 7.9% of employment compared with Cumbrian and England averages of 4.7%¹⁶. Building on the

¹⁵ Annual Monitoring Study, 2019

¹⁶ BRES, ONS, 2018

specialisms of the University, Carlisle has the potential to grow its creative and digital sector, a growing high value sector across the country.

- 4.4.4 Carlisle can grow in a way that no other area in the Borderlands region can. And as the only city, and a service centre for 1.1 million, the success of our growth agenda is critical to the growth of the wider Borderlands area.

5 IDENTIFICATION OF PRIORITIES

- 5.1 The overarching corporate economic development objective is growth – both population and employment. In order to achieve this, there are five key building blocks:
1. Housing offer – quality, mix and affordability
 2. Business space – quality / flexible that caters for a broad range of sectors
 3. Connectivity – excellent / reliable digital and transport infrastructure
 4. Environment – high quality built / natural environment
 5. City Centre – a vibrant city centre that provides range of uses / experience
- 5.2 In order to achieve our growth agenda and meet our climate change obligations, this growth (and the five key building blocks) must be delivered in a way that is clean, inclusive and sustainable. These three principles have been woven into the strategy as three key cross-cutting themes and presented as strategic priorities that form the ‘golden threads. The intention is to establish and embed them as critical success factors that will inform our future corporate decision-making and appraisal of projects and activities.
- 5.3 Carlisle City Council recognises the impacts of climate change locally. Climate change has caused more extreme weather more often, locally this has been felt with serious flooding events in Carlisle in recent years. In 2019 Carlisle City Council declared a climate change emergency and have produced a Climate Change Strategy, which prioritises investment to support clean green growth and highlights the opportunity for climate change interventions to drive the growth of the local economy. The strategy sets out a number of objectives to reduce the carbon footprint for the whole of Carlisle and achieve a goal of net zero emissions by 2037. Therefore, it is important that the actions of the Economic Strategy are aligned to and support the achievement of this target.
- 5.4 It is recognised that there are inequalities across the District, in terms of pay, employment and education. Some communities have been ‘left behind’ and it is vital

that the future growth and recovery creates opportunities and increases prosperity for all. This Strategy reinforces the commitment of the Council to deliver inclusive growth and ensure that our activities provide meaningful outcomes for all communities - from creating new jobs, delivering new homes, providing greater training opportunities, promoting health and wellbeing and improving the leisure and cultural offer.

- 5.5 Additionally, a further priority is to respond the challenges presented by the Covid-19 pandemic and plan for the recovery and renewal of the local economy. COVID-19 has exacerbated the trends in the retail industry. Trading restrictions and reduced footfall have pushed many businesses into permanent closure. This highlights the need for Carlisle city centre to adapt to changing behaviours to maintain vitality and viability. There are opportunities that have arisen as a result of the pandemic that could accelerate development of the Carlisle economy, the most obvious being the positive environmental impacts brought about by the general reduction in travel and much greater prevalence of home working.
- 5.6 Drawing on the evidence of needs, challenges assets and opportunities, the following six priorities have been identified for the Economic Strategy, along with key actions for delivery.
- 5.7 PRIORITY 1- DRIVING HOUSING AND POPULATION GROWTH
- 5.7.1 A strategy of driving housing and population growth will address the shift in the age distribution of the population and increase the working-age population in the District. This will support economic growth by creating an available and skilled labour force and reducing the number of people reliant on key services including health and social care.
- 5.7.2 It is imperative that this growth is delivered in a way that is clean, inclusive and sustainable. Therefore, careful consideration must be given to the climate change credentials of new developments.
- 5.7.3 Key Actions:
- 1 **Production a Local Plan for St Cuthbert's Garden Village** – Develop and adopt the Local Plan that will provide the planning framework to support the planned delivery of 10,000 new homes and over 9,000 jobs to the south of city
 - 2 **Review of the Carlisle Local Plan** – undertake a review of the Local Plan, which was adopted in 2015, to ensure an adequate supply of deliverable housing and employment land.

- 3 **Remediation of the Caldew Riverside site** – Undertake detailed site investigation works and remediation of the site to enable the delivery a city centre living scheme to increase the city centre population to be progressed
- 4 **Development and delivery of ‘Start with the Park’** – Develop and deliver the project to improve cycling and walking connectivity to the Garden Village and the creation green infrastructure for the communities of Carlisle and future residents of the Garden Village

5.8 PRIORITY 2 – GROW OUR TARGET EMPLOYMENT SECTORS AND LEVEL UP OUR SKILLS BASE AND PRODUCTIVITY

5.8.1 Carlisle must not only grow our local economy but increase its reliance. Therefore, the focus must be on consolidating our strengths in areas such as advance manufacturing and logistics, but also growing smaller and formative sectors such as professional services and digital and creative.

5.8.2 It is clear that there are inequalities across our communities and therefore this strategy must address this by ‘levelling up’ and ensuring all our residents are able and encouraged to access training and learning opportunities. There is a need up upskill our local workforce and improve productivity to make Carlisle a more attractive place to invest and attract higher value sectors and employers.

5.8.3 Key Actions:

- 1 **Supporting the redevelopment of the Citadels site** – support the delivery of the scheme Deal to create a new campus for the University of Cumbria, to attract greater student numbers and boost the number of HE learners and graduates in Carlisle
- 2 **Supporting the delivery of a Business Innovation Hub in the City Centre** - support the delivery of the project to create a new business hub for the creative and digital sector, to support the growth of an emerging high value sector in the city to boost productivity
- 3 **Supporting the delivery of Digital and Community Learning Hub** - support the delivery of the project to create new learning hubs in the city centre and local centres, to improve digital access and skills.
- 4 **Facilitating the continued growth of Kingmoor Park Enterprise Zone** – Continue to support Enterprise Zone to grow and develop key employment sectors such as manufacturing and logistics

5.9 PRIORITY 3 - INCREASING CITY CENTRE VIBRANCY

- 5.9.1 For the strategy of driving housing and population growth to succeed, Carlisle needs to be an attractive place to live, work and visit and the city centre plays a key role in that overall offer. A vibrant city centre that functions as a hub for cultural, leisure and economic activity is a prerequisite for a younger demographic and therefore, key to increasing the working age population.
- 5.9.2 Increasing the mix of uses in the city centre will generate different kinds of footfall through the day and into the evening and increase the perception of vibrancy. The shift from a retail centre to a multifunctional hub will enhance the overall experience of the city centre and reposition it as a visitor destination.
- 5.9.3 The Council is proposing the formation of a new City Centre Taskforce ensure our strategies and activities for city centre regeneration are shaped by key city centre stakeholders. The membership would aim to reflect the key sectors based in the city centre, including organisations from retail, property/real estate, professional services and cultural/community sectors. The group will provide feedback on our activities as below, as well as any future plans/strategies for the city centre. More detail on this proposal is available in report ED27/21.
- 5.9.4 Key actions:
- 1 **Creation of a new events space at the Greenmarket** – Upgrading of the area and the installation of infrastructure to create a focal point for the hosting of events in the city centre
 - 3 **Redevelopment of the Sands Centre** – Investment in Sand Centre to improve the offer and experience and enhance the cultural and leisure offer in the city
 - 3 **Improvements to the Market Hall** – Investment in the Market Hall, to improve the offer and experience, support local businesses and enhance the cultural and leisure offer in the city
 - 4 **Progressing the redevelopment of the Central Plaza site** – progress the redevelopment of the site to support the businesses on Victoria Viaduct and the regeneration of the wider Station Gateway area.

5.10 PRIORITY 4 - ENHANCING DIGITAL AND TRANSPORT CONNECTIVITY

- 5.10.1 To ensure our local communities and businesses are not left behind and that growth is clean and sustainable, Carlisle needs to improve both transport and digital connectivity.

5.10.2 The lack of good digital infrastructure and connectivity makes the area less attractive to potential investors. The COVID-19 crisis has also increased the strategic importance of digital infrastructure to allow effective remote working through access to digital applications, services, and data.

5.10.3 Key actions:

- 1 **Supporting the delivery of Carlisle Station Gateway project** – support delivery of the scheme to upgrade the station, increase passenger usage and prepare it for HS2
- 2 **Supporting the delivery of the Southern Link Road and Gateway projects** - support delivery of the schemes to create a new connection to Junction 42 of the M6 and improve the highway network and streetscape within the city centre
- 4 **Supporting the production of a Carlisle Local Cycling and Walking Infrastructure Plan** – support production of a LCWIP that sets out a strategic approach to identifying improvements required in the City, to identify projects to improve the local cycling and walking networks.
- 5 **Supporting the development of the Borderlands Digital Programme** – Contribute to the development of a 4G mobile infrastructure in-fill programme to improve digital connectivity across the District.

5.11 PRIORITY 5 - SUPPORTING RURAL DEVELOPMENT AND INNOVATION

5.11.1 Carlisle has a large rural hinterland, whose communities account for around 30% of the total population of the District. The agricultural sector is very important to the local economy and the strength of the associated supply chain further increases its significance.

5.11.2 A key priority is to improve productivity whilst supporting natural capital. In areas of high quality land can be turned over to more productive uses that are compatible with local natural capital. The growing market for energy, fibre, pharmaceutical and industrial crops is an opportunity. Poorer land that cannot show a margin could be taken out of arable production and planted to trees or wildlife habitat to enhance local natural capital. There are substantial opportunities, as companies are now seeking carbon or biodiversity offsetting.

5.11.3 Key actions:

- 1 **Produce a Place Plan for Longtown** - Working with local businesses and communities in Longtown to develop and produce develop a Place Plan, to access funding for capital regeneration projects from the Borderlands Inclusive Growth Deal
- 2 **Produce a Rural Strategy** – Develop and produce a rural strategy to identify new priorities and actions, to support the development of the rural economy and respond to the challenges and opportunities presented by Brexit.
- 3 **Secure investment in the western route of Hadrian's Wall** - Working with the Hadrian Wall Partnership, develop and produce a strategy for investment in the section of the wall that runs through the Carlisle District, to access funding from the Borderlands Growth Deal to improve the experience and boost visitor numbers
- 4 **Support the development of Natural Capital Innovation Zone** - Contribute to the development of natural capital investment programme funded through the Borderlands Growth Deal, to develop trials and sector strategies to capture the benefits of the region's natural capital.

5.12 PRIORITY 6: PROMOTING CARLISLE AS A PLACE TO LIVE, WORK AND VISIT

5.12.1 To realise our growth strategy and grow our target employment sectors and attract investment, we must raise the profile of Carlisle as a place to invest and do business in and to live, work and visit.

5.12.2 This requires a multifaceted approach encompassing marketing and promotional activity, capitalising on our networks and activities with local, regional and national partners and working with government departments.

5.12.3 Key actions:

- 1 **Produce an investment prospectus** - Develop and produce an investment prospectus that can be used to market Carlisle to national and international investors and developers.
- 2 **Capitalise on the opportunities presented by the England's Originals consortia** – Develop and deliver the suite of augmented reality products to promote the District and grow domestic and international visitor numbers.
- 3 **Develop a marketing strategy for the City** – Explore new and innovative ideas to promote a strong and coherent image of Carlisle to a national and international audience.
- 4 **Support and strengthen the Carlisle Ambassadors network** - Continue to support the activities of the Ambassadors network and expand activity into

business support and mentoring, to increase entrepreneurial activity and new business start-ups in the District.

6 CONSULTATION

- 6.1 A report outlining the key challenges economic challenges presented by Covid-19 pandemic and the implications for the national and local economy was considered by the Executive in July 2020. The also report set out the emerging thinking regarding the role of the Council's emerging economic strategy in the recovery and renewal process. Feedback from the Executive was that the strategy should be evidence-led in order to ensure that it responds to local needs and opportunities
- 6.2 A workshop was held with the Economic Growth Scrutiny Panel on 30 November, where an evidence base document was presented and considered by Members. The session focussed on agreeing what were the key needs / challenges facing the District from an economic growth perspective, then then opportunities / strengths that should be capitalised upon and finally, the priorities upon which the Strategy should focus.
- 6.3 An updated draft of the strategy was taken to the Economic Growth Scrutiny Panel on the 21 January 2021. Members of the Panel recommended that narrative around the Strategy delivering inclusive growth and ensuring that that activities and investments generate benefits for all communities should be strengthened. Further refinement of the Strategy and in particular, strengthening of Strategic Priority 3 (delivering clean green growth) and Objective 5 (supporting rural development and innovation) and Objective 6 (promoting Carlisle as a place to live, work and visit) were key outcomes.
- 6.4 The strategy was amended in line with these comments and approved by Executive for submission to Council on 2 June 2021.
- 6.5 Economic Growth Overview & Scrutiny Panel reviewed the Strategy on the 29 July 2021. The Panel requested further detail on monitoring and evaluation processes for the Strategy. A Monitoring and Evaluation Framework has been developed for the Strategy (Section 8 of the Strategy). Reports will be submitted to scrutiny for individual projects and an annual overview report will be submitted to the Panel, as per the framework, to ensure monitoring of the action plan as a whole.

- 6.6 The strategy will be submitted for consideration of Full Council on the 14 September 2021.

7 CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 7.1 This Strategy sets out a framework - based on a clear rationale, reflecting analysis of the key issues, challenges and opportunities - to drive clean, inclusive and sustainable urban and rural growth within the Carlisle District.
- 7.2 The production of Strategy has very much been evidence-led in order to ensure that it is developed to respond to local needs and opportunities. Up-to-date data has been used to ensure that the approach is pertinent to the current economic climate and challenges.
- 7.3 The Strategy recognises the role this Council has to play in delivering the Strategy through leadership, proactively using our resources and available powers where appropriate and utilising the land and property assets we own. Nevertheless, it equally recognises that that Council does not have control over all of the actions and activities required to deliver it. Therefore, it reinforces the commitment to working in partnership with our public, private and voluntary sector partners to deliver the objectives and outcomes.
- 7.4 It is recommended that the Council:
- I. Approve the adoption of the Economic Strategy and Action Plan, setting Carlisle City Councils vision, strategic objectives, and key activities to deliver economic growth for Carlisle.

8 CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 8.1 The Economic Strategy will contribute to all five of the Carlisle Plan priorities:
- P1: Supporting business growth and skills development to improve opportunities and economic prospects for the people of Carlisle.
- P2: Further develop sports, arts and cultural facilities to support the health and well-being of our residents.
- P3: Improving the quality of our local environment and green spaces so that everyone can enjoy living, working and visiting Carlisle.
- P4: Address current and future housing needs to protect and improve residents' quality of life.

P5: Promoting Carlisle regionally, nationally and internationally as a place with much to offer - full of opportunities and potential.

Contact Officer: Steven Robinson

Ext: 7535

Appendices attached to report: Appendix 1 – Draft Carlisle Economic Strategy 2021-2026

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

LEGAL – The Economic Strategy is a policy reserved to full Council as per Article 4 of the Constitution. Accordingly, full consultation is required so that the Executive are able to benefit from Overview & Scrutiny's input and advice. The proposed policy will subsequently be recommended to Council for approval and adoption.

PROPERTY SERVICES – The Council owns a significant property portfolio that can assist with delivery of the strategy however careful consideration will be necessary to ensure that income generation is retained/maximised.

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

EQUALITY – The declining working age population is a challenge within the Economic Strategy.

INFORMATION GOVERNANCE – There are no information governance implications with this report

Carlisle Economic Strategy

2021-2026

September 2021

V13

Contents

1. Introduction.....	3
2. The District of Carlisle in Context	4
3. Needs and challenges.....	6
4. Strengths and Opportunities.....	10
5. Our Strategy in Context.....	13
6. Priorities and objectives	18
7. Action Plan.....	22
8. Monitoring and Evaluation Framework	27
.....	29
Table 2: Monitoring toolkit:.....	29

1. Introduction

- 1.1** The District of Carlisle comprises of large rural hinterland that encompasses the only city in Cumbria and the wider Borderlands region. This distinctive profile is a key strength and asset that amplifies the economic potential of Carlisle and generates significant opportunities for both urban and rural growth.
- 1.2** However, there are number of interconnected weaknesses and challenges that must be addressed in order for this potential to be fully unleashed.
- 1.3** This Strategy sets out a framework - based on a clear rationale, reflecting analysis of the key issues, challenges and opportunities - to drive clean, inclusive and sustainable urban and rural growth.
- 1.4** City Council recognises the role it has to play in delivering the Strategy through leadership, proactively using our resources and available powers where appropriate and utilising the land and property assets we own.
- 1.5** Nevertheless, we equally recognise that we do not have control over all of the actions and activities required to deliver

this Strategy. Therefore, the City Council is committed to working in partnership with our public, private and voluntary sector partners, as well as ensuring support is secured from our local communities.

- 1.6** The Strategy identifies the six priorities we will focus our resources and energies on across the next ten years to grow our local economy:
 - (1) Accelerate housing and population growth
 - (2) Grow our target employment sectors and level up our skills base and productivity
 - (3) Drive the regeneration and transformation of the city centre
 - (4) Improve digital and sustainable transport connectivity and access
 - (5) Support rural development and innovation
 - (6) Promote Carlisle as a place to live, work and visit

2. The District of Carlisle in Context

- 2.1** Carlisle serves a wide geographical hinterland and has a substantial and uncontested sphere of influence. It is the business, residential, educational and retail capital of Cumbria and the wider rural Borderlands region, which encompasses a substantial portion of North West England and southern Scotland with a population of around 500,000 people.



- 2.2** Consequently, Carlisle has a large economic functional area with a high degree of self-containment and a large labour pool to draw upon.

- 2.3** Many of Carlisle's strengths are closely linked to its location, its physical infrastructure and the quality of its urban and rural environments.

- 2.4** The city enjoys excellent north-south road connectivity via the M6 and is similarly advantaged by west to east road and rail links. With a principal train station on the West Coast Main Line, London is under three and a half hours by direct services to the south with Glasgow and Edinburgh an hour to the north. This strategic positioning reinforces the District's role as a regional transport hub and a gateway to significant markets including Scotland, the North East, and the wider North West, as well as the opening up of international markets enabled by the airport.

- 2.5** Carlisle is a vibrant historic city and has a rural and stunningly beautiful hinterland with the Solway Estuary to the west; the Pennines to the east; the northern Lake District World Heritage Site to the south; the Eden Valley to the south-east; and Northumberland National Park in the north east. Coupled with the world heritage site of Hadrian's Wall and the city's distinctive shopping, leisure and cultural offerings, Carlisle is a popular destination for tourism, with visitor numbers and associated expenditure growing year on year.

Map showing Carlisle's Geographical Context and Sphere of Influence to be inserted...

- 2.6** Carlisle has a business base of around 6,000 active businesses, employing approximately 55,000 people which represents 25% of Cumbria's total workforce. A 3% increase in the number of employees has been observed in Carlisle between 2010 and 2015, supporting that there is job growth in the economy. 99.5% of Carlisle's businesses are defined as Small and Medium Enterprises (SMEs) which are categorised as those which employ less than 250 employees.
- 2.7** In 2019, East Cumbria (Carlisle, Eden and South Lakeland local authority areas combined) generated £6 billion in Gross Value Added (GVA). This accounts for 54% of Cumbria's £11.2 billion total. As East Cumbria's largest economy Carlisle is a key contributor to this figure and highlights its important role within the county.
- 2.8** Carlisle's key sectors, those which are the highest value in terms of GVA and where it has competitive advantage relative to other areas are manufacturing (both advanced and food), logistics and storage, construction, and agriculture. The district also has a number of enabling sectors, which are not necessarily high value in terms of GVA but play an important role in fulfilling Carlisle's role as a regional capital. These are

retail and leisure, health and social care and professional services.

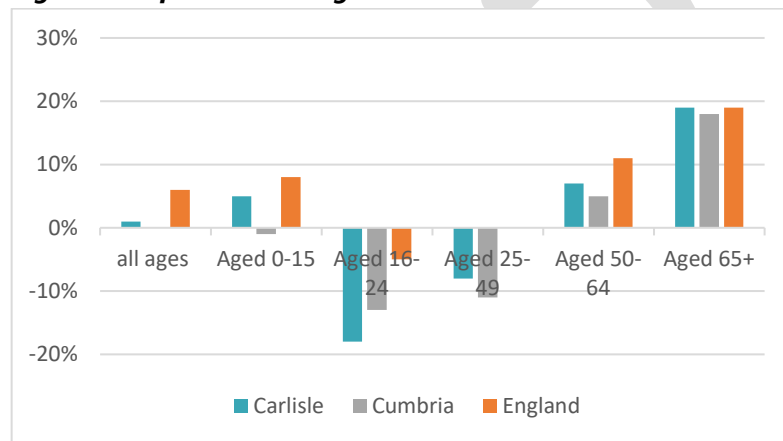
- 2.9** The digital and creative industry is an emerging sector in Carlisle's economy and whilst this currently has a low value in terms of GVA, there is real opportunity to nurture growth. There is significant potential presented by the strength of arts and creative provision at the University of Cumbria and the anticipated growth in young people stemming from the planned housing growth centred on St. Cuthbert's Garden Village.
- 2.10** It is imperative that the actions of this Strategy seek to support Carlisle District's key sectors to grow and prosper, for enhancement in our enabling sectors linked to enhancing Carlisle's sub-regional role and for the incubation of our aspirational sectors to support a transition towards a higher-skilled and higher-wage economy.

3. Needs and challenges

3.1 Challenge 1- Declining working age population and retaining young people

3.1.1 Carlisle, in line with Cumbria and the wider Borderlands area, has experienced shift in the age distribution of its population. Figure 1 explains this trend, illustrating declines of 18% and 8% in the 16-24 and 25-49 age group respectively between 2001-2019. Conversely over the same period there has been an increase 19% in the 65+ age group.

Figure 1: Population change 2001-2019



Source: ONS, 2019

3.1.2 Consequently, the old age dependency ratio in the District is higher than the national average, with a ratio of 36.4 in the Carlisle compared to 29.5 in England¹. This indicates that greater proportion of the population is likely to be economically inactive due to old-age and, based on the shift in the age distribution, that the working age population is declining.

3.1.3 These trends demonstrate the need for Carlisle to grow its population and economy in order to stabilise and increase its working age population. To achieve this objective Carlisle must improve the liveability offer and critically, employment prospects for a younger demographic.

3.1.4 Carlisle lacks strength in key sectors, such as creative and digital and professional services to attract and retain graduates and young professionals. Despite the University of Cumbria enrolling over 6000 full-time equivalent students per academic year, the majority of graduates left the area to commence their postgraduate careers².

3.1.5 If these demographic trends continue there will be significant implications for the District: impacts on the provision of

¹ The ratio of the number of people of pensionable age and over per 1,000 people (ONS, 2019)

² Access and Participation Plan 2019-20, University of Cumbria

services and the sustainability and performance of the local economy. A declining working age population creates a dual problem of a lack of available labour force and an increased number of people reliant on key services including health and social care.

3.2 Challenge 2 - Low skill low wage economy

3.2.1 A high proportion of the economically active population in Carlisle are concentrated in low skilled low wage sectors, such as manufacturing, retail and leisure. These sectors collectively account for nearly 25% of employment in the District.

3.2.2 As Table 1 indicates, Carlisle has a relatively low skilled population with only 28% of the population holding NVQ4+ (or equivalent) qualifications, compared to the county and national averages of 32.5% and 40% respectively.

Table 1: Qualification levels by adult population (%)

Qualification level	Carlisle	Cumbria	England
NVQ4+	28	32.5	40
NVQ3+	51.7	55.4	58.5
NVQ2+	67.7	74.3	75.7
NVQ1+	85.2	89.4	85.8

Other Qualifications	8.4	5.2	6.7
No Qualifications	6.4	5.4	7.5

Source: APS, ONS 2019

3.2.3 Consequently, average earnings in Carlisle are well below county and national averages, with a median annual salary of £20,929, compared with £24,003 and £25,118 for Cumbria and England respectively³.

3.2.4 The skills and qualifications of workers, the nature of employment and cost of labour all influence levels of productivity. This explains the relatively low productivity of the District, with the average GVA per worker in Carlisle only 90% of national average⁴.

3.2.5 The twin problems of a low skills base and low productivity results in difficulty in attracting high value sectors and employers to invest in Carlisle. Similarly, local employers regularly cite difficulty in recruiting for specialised posts due to a lack of skilled local labour.

3.2.6 Upskilling the local labour force and improving productivity is vital to drive economic growth in the District and grow our enabling and emerging sectors such as professional services, information and communications and digital and creative. In

³ ASHE, ONS: 2019

⁴ Sub regional productivity, ONS 2018

addition is also fundamental that the right infrastructure is delivered and available to ensure that the right kind of premises and workspaces are available to encourage and accommodate the growth of these enabling and emerging sectors.

3.3 Challenge 3 - Lack of city centre vibrancy:

3.3.1 While the city centre has a strong sense of place, there is evidence that it lacks the vibrancy necessary to perform to its full potential as a regional hub.

3.3.2 The city centre economy currently relies heavily on its retail offer. The over-reliance on retail makes Carlisle highly vulnerable to fluctuations and further contraction of the retail sector and in order to improve the economic resilience and sustainability of Carlisle, the city centre must diversify with a greater leisure, cultural, residential and employment offer.

3.3.3 Only 8% of businesses in the city centre retail core contribute to the evening economy⁵. This means that city centre vibrancy is significantly reduced after 5pm, with local residents

identifying that the isolated streets in the evening can feel threatening.

3.3.4 Only 4,250 people live in the city centre area. The 'offer' of housing in the city centre is generally perceived to be low and particularly unsuitable for young professionals, the largest market for city centre living in the country⁶. The absence of a strong city centre residential community contributes significantly to the lack of evening activity. Increasing city centre living will also help create a greater demand for the city centre evening economy, as more people will live close to shops and bars, and therefore the city centre operates as a neighbourhood- as per the principles of a '15 minute city'⁷

3.3.5 Carlisle has a relatively weak visitor sector when compared to other small cathedral cities, such as York, Norwich and Lincoln. Between Carlisle 241,000 visitor trips, against 356,000 in Lincoln, 633,000 in Norwich and 1.24 million in York⁸. Despite its beautiful location and strong heritage offer, Carlisle is clearly underperforming as a visitor destination.

3.3.6 Improving vitality and viability of the city centre - through the diversification of uses and improving the residential, leisure and culture offer - is therefore a priority.

⁵ Carlisle city centre Health Check, 2019

⁶BBC (2018) 'The UK's rapid return to city centre living' available at: <https://www.bbc.co.uk/news/uk/44482291> [accessed 27.02.2020]

⁷ <https://www.15minutecity.com/> [accessed 10.12.20]

⁸ Mott Macdonald, 2020

3.3.7 Without intervention and a focussed strategy, the city centre could experience an accelerated decline in footfall and increased vacancy rates. This would have a significant impact on the Carlisle's role as a regional economic hub, the strength of the local economy – and income to the Council via business rates.

3.4 Challenge 4 - Inconsistent provision of good local digital and transport connectivity:

3.4.1 Public transport provision throughout the district is inconsistent, particularly in rural areas. Bus journeys are also consistently longer than comparative journeys by car. There is a lack of integrated walking and cycling routes into and out of the city, and particularly a lack of cycle routes into the city centre

3.4.2 Consequently, over 60% of travel-to-work journeys to Carlisle city centre are made by car⁹. Therefore, working in partnership with Cumbria County Council as the Highways Authority to encourage and facilitate greater levels of sustainable and active travel is a key priority. This model shift will contribute and support the ambition to transition to a net-zero carbon city.

3.4.3 Only 46.2% of people have access to superfast broadband in Carlisle, compared to 95% nationally¹⁰, indicating that the city has a lack of digital infrastructure

3.4.4 There is now widespread recognition that digital infrastructure is central to supporting local economies. Connectivity is one of the most significant barriers to growing the population and economy of Carlisle. The District is perceived as a peripheral location, but with improved digital connectivity perceptions of remoteness can be changed.

3.4.5 Poor digital and transport connectivity is holding the District back. The dominance of vehicles on highways and the lack of alternative sustainable / active transport mode choices impacts on the health and wellbeing of our communities and the local environment. Meanwhile the lack of good digital infrastructure and connectivity makes the area less attractive to potential investors and reduces the resilience of local businesses and residents to economic shocks such as the COVID 19 pandemic.

⁹ Mott Macdonald, Carlisle City Centre Transport and Movement Plan 2020

¹⁰ Connected nations update: Spring 2019 dashboard, Ofcom 2019

4. Strengths and Opportunities

4.1 Opportunity 1 - High quality of life offer

- 4.1.1** Carlisle is an affordable place to live- with an average house price of 136,721, significantly lower than the England average of £248,083¹¹. This makes Carlisle potentially attractive for first time buyers. Carlisle unsurprisingly has high levels of home ownership, 6% above the national average at 68%¹².
- 4.1.2** The city is set in beautiful rural surroundings and acts as a gateway to two UNESCO world heritage sites and is home to two Areas of Outstanding Natural Beauty (Solway Coast and North Pennines). Carlisle's beautiful natural heritage helps make it an attractive place to live.
- 4.1.3** Together the affordability and unrivalled natural capital give Carlisle a strong quality of life offer, which can make the city an attractive place to live in and invest in. Changes in lifestyle after COVID19 make living in Carlisle a more realistic offer for more people, as proximity to workplace becomes important, and flexible working arrangements are likely to become more commonplace.

4.2 Opportunity 2 – Carlisle as the regional capital of the Borderlands

- 4.2.1** As the only city and the largest settlement of both Cumbria and the wider Borderlands region, Carlisle acts as a regional capital of the Borderlands.
- 4.2.2** Carlisle is the economic driver of Cumbria and the Borderlands, generating £2.83 billion of GVA per year- making up a quarter of the total Cumbrian GVA¹³. The city is the regional centre for the Borderlands area, acting as a hub for 1.1 million (10% of the UK landmass). This context makes Carlisle both regionally and nationally strategically important.
- 4.2.3** Carlisle acts as a civic hub for the area and hosts a number of key public services and institutions, including Cumbria County Council, NHS, and the University of Cumbria.

¹¹ UKHPI December 2019

¹² Census 2011

¹³ Sub regional productivity, ONS 2018

Table 1: Employment rate (%)

	Carlisle	Cumbria	England
Males aged 16-64	82.8	82.5	80.2
Females aged 16-64	79.8	75.4	72.3
All persons aged 16-64	81.3	78.9	76.2

Source: DWP, 2020

4.2.4 Due to its role as a sub-regional hub, Carlisle has a high level of employment and economic activity. 81% of adults in the city are in employment. Carlisle has historically had high levels of employment, and despite the impacts of coronavirus, which has led to an increase in unemployment across the UK, Carlisle's level remains below the national average¹⁴.

4.2.5 This role and these assets give Carlisle a weighted importance above similarly sized comparable settlements. There is an opportunity to capitalise on Carlisle's role as a strategic location for housing, employment and commercial growth – given its size and connectivity.

4.3 Opportunity 3- Excellent strategic transport connectivity:

4.3.1 As well as being the geographical centre of the Borderlands region, Carlisle forms part of the geographical centre of the UK. This makes the city well connected to the rest of the UK.

4.3.2 Carlisle is situated on the West Coast Mainline and has good rail connectivity: approximately 1 hour from Glasgow and Edinburgh, 2 hours from Manchester, 3 hours from London and Birmingham by rail. Local rail links such as the Cumbrian Coastline and the Glasgow and South West Line makes the city well connected to other regional centres and act as an interchange for South West Scotland and West Cumbria.

4.3.3 Situated on the M6 corridor, Carlisle is equally well served by road- well connected to Scotland via the A/M74, the south of England via the M6 and Newcastle and the North East via the A69.

4.3.4 This makes the Carlisle easily accessible from most parts of the UK, reversing misconceptions of isolation, and instead putting the city at the heart of the UK, and a significant link between the Scottish and English economies.

4.4 Opportunity 4 - Growth potential:

4.4.1 Carlisle has significant growth potential and is already embarking on a significant growth journey. Carlisle is set to grow its population with the development of 10,000 new homes through St. Cuthbert's Garden Village. This

¹⁴ DWP 2020

development will help provide over 9,000 new jobs and support the reversal of the declining working age population.

4.4.2 Carlisle also has clear potential to support business growth. There is good availability of employment land across the district (80Has)¹⁵. The city is home to Kingmoor Park Enterprise Zone, the only Enterprise Zone in Cumbria, with over 30 Has of development land available, and new developments already underway such as the ModVillage.

4.4.3 Carlisle is a base for both manufacturing and transport and logistic industries, scoring highly on the index of specialisation. Manufacturing accounts for around 12% of

employment. Meanwhile, transport and storage accounts for 7.9% of employment compared with Cumbrian and England averages of 4.7%¹⁶. Building on the specialisms of the University, Carlisle has the potential to grow its creative and digital sector, a growing high value sector across the country.

4.4.4 Carlisle can grow in a way that no other area in the Borderlands region can. And as the only city, and a service centre for 1.1 million, the success of our growth agenda is critical to the growth of the wider Borderlands area.

¹⁵ Annual Monitoring Study, 2019

¹⁶ BRES, ONS, 2018

5. Our Strategy in Context

5.1 Driving recovery from COVID-19

5.1.1 COVID-19 has brought unprecedented social and economic challenges around the world. Measures brought in by governments across the world throughout 2020 and into 2021 put serious restrictions on certain sectors and have had a major impact on the economy.

5.1.2 Over the year of 2020, GDP in the UK contracted by 9.9%, the most significant falls on record¹⁷. Continued changes to restrictions to manage the virus spread have created a challenging economic environment for businesses, with rising unemployment and high debt.

5.1.3 Evidence from Summer 2020, when lockdown restrictions were eased, gives some degree of optimism about the potential for the economy to 'bounce back' once restrictions are eased. Despite this it is important to recognise that COVID-19 has exacerbated many of our challenges and altered the national and local context that we operate in. A

study into the impacts of COVID-19 have highlighted the following issues and opportunities¹⁸:

5.1.3.1 Issues:

- COVID-19 has exacerbated the trends in the retail industry. Trading restrictions and reduced footfall have pushed many businesses into permanent closure. This highlights the need for Carlisle city centre to adapt to changing behaviours to maintain vitality and viability.
- Unemployment has risen during the crisis, and the inability to return many furloughed jobs has the potential to further increase unemployment. Job creation is therefore crucially important to driving recovery - underpinned by upskilling our labour force to increase the level of high-skilled employment.
- Poor Broadband connectivity in parts of the district have held some business and communities back during the pandemic, as more homeworking and

¹⁷ ONS: GDP Quarterly Accounts, October-December 2020

¹⁸ Mott Macdonald: Carlisle COVID Baseline 2021

online activity is likely to be sustained after the pandemic - it is vital that this is addressed.

5.1.3.2 Opportunities:

- Carlisle has the opportunity to become a key long-distance commuter base, due to the potential for increased homeworking, comparatively low house prices and strong transport links- driven by its high quality of life offer and significant housing growth planned in coming decades.
- Due to proximity to the Lake District, as well as key assets in the District, such as Hadrian's Wall, Carlisle has the potential to benefit from a sustained increase in staycations, however, the hotel offer will have to develop to meet the demand.
- COVID-19 has prompted many people to change how the travel from place to place. Coupled with an increase in homeworking, there is an opportunity to encourage permanent shift in behaviour that reduces motor vehicle uses and increases active travel. This trend would improve healthy lifestyles and reduce vehicle emissions.

5.2 Brexit

5.2.1 Following the vote to leave the EU in June 2016, and the completion of negotiations between the UK and the EU, UK has now left the EU. The Brexit 'transition period' ended on the 1 January 2021 following the agreement of a new Free Trade Agreement (FTA) between the UK and the EU. This brings the UK out of the EU's trading frameworks, including the Single Market and Customs Union, and ends freedom of movement between the UK and EU¹⁹

5.2.2 The full effect of Brexit on our local economy will become clearer as time goes on and the new arrangements have become more established, however early analysis outlines the following²⁰:

- The FTA ensures tariff free and quota free trade between the UK and the EU, however there are changes in import and export rules and process that

¹⁹ UK Government, UK-EU Trade and Cooperation Agreement Summary, 2020

²⁰ UK Government, UK-EU Trade and Cooperation Agreement Summary, 2020

export businesses will need to transition to, for example Rules of Origin.

- Business mobility rights have been agreed, allowing for short term travel (up to 90 days within a 180-day period) to other EU nations. New immigration rules have come into effect. This 'points-based system' will impact on businesses which currently rely on workers from the EU and prioritises skilled workers.
- Between 2021 and 2027 the Basic Payments (the current farming subsidy system). The Government aims to refocus the way it provides subsidies and is launching an Environmental Land Management scheme which offers incentives for the provision of 'public goods' for example, clean air and water, mitigation of climate change and protection of natural heritage. The government is also launching a Farming Investment Fund to support investment in technology and infrastructure to increase productivity in UK farms²¹.

5.2.3 While a deal with the EU has been agreed, global trade remains an ever-evolving picture for the UK. New opportunities will arise for exporters and importers based in Carlisle as the UK agrees new trading relationships with other countries around the world.

²¹ DEFRA, Farming is Changing (2020)

5.3 Climate change and green growth

5.3.1 Climate change remains an ever-pressing issue, and the UK government has committed to making the UK a net-zero emissions economy by 2050.

5.3.2 Carlisle City Council recognises the impacts of climate change locally. Climate change has caused more extreme weather more often, locally this has been felt with serious flooding events in Carlisle in recent years. In 2019 Carlisle City Council declared a climate change emergency, and there is a local as well as national drive to ensure we transition towards a green economy.

5.3.3 The Climate Change Strategy²² outlines how the Council aims to de-carbonise its own activities and services. The Strategy prioritises investment to support clean green growth and highlights the opportunity for climate change interventions to drive the growth of the local economy.

²² Carlisle City Council, Climate Change Strategy, 2020

5.3.4 The strategy sets out a number of objectives to reduce the carbon footprint for the whole of Carlisle and achieve a goal of net zero emissions by 2037. Therefore, it is important that the actions of the Economic Strategy are aligned to and support the achievement of this target.

5.4 Aligning with other Local, regional, and national initiatives

5.4.1 This Strategy sits within a framework for local growth formed through strategies of the City Council and its local and regional, and national partners. We recognise that we share challenges and opportunities with other areas nearby, and that through close partnership working we can maximise the benefits of our joint actions. This includes working with partners such as Cumbria County Council, our neighbouring local authorities, the Borderlands Partnership and Cumbria LEP.

5.4.2 We will ensure that our strategy and activities continues to align closely with various local and regional initiatives and strategies, including:

- **Borderlands Inclusive Growth Deal:** The £452m deal is the first rural deal to be developed, and the only

deal to cross the Anglo-Scottish Border. It includes six core investment themes: Business, Digital, Energy, Place, Destination, and Rural Innovation.

- **Cumbria LEP Local Industrial Strategy²³** sets strategic objectives that address Cumbria's key challenges and opportunities: improving connectivity (physical and digital); investing in skills development; capitalising on productivity, innovation and enterprise potential; and inclusive economic growth.
- **Cumbria LEP Strategic Economic Plan²⁴** outlines key issues across the County that create a barrier to growth: low productivity, low skills base within the labour force, an underperforming visitor economy and comparably poor digital connectivity.
- **Cumbria County Council Economic Strategy²⁵** has a vision for Cumbria to be 'one of the fastest growing economies in the UK' by delivering innovative and sustainable projects that will secure a better quality of life for current and future generations.
- **Carlisle City Council's Local Plan (2015-30)** sets out a long-term spatial vision and strategic objectives to support the development of a thriving district.
- **Carlisle Town Investment Plan (2020-2030)** Establishes a vision for the City of Carlisle to be a "thriving centre for businesses, residents, education

²³ Cumbria...the place to grow: Cumbria's Local Industrial Strategy (March 2019)

²⁴ The Four-Pronged Attack: Cumbria Strategic Economic Plan 2014-24

²⁵ Cumbria Economic Strategy 2009-2019: Cumbria County Council

and culture” – consolidation of the city’s position as the cultural, economic, population and employment centre of the Borderlands region.

- **Northern Powerhouse Strategy (2016)** sets out the Government’s approach to “unleash the full economic potential of the North”. It explains how Government will work with local stakeholders to address key barriers to productivity including: improving in transport and digital connectivity to raise skill levels and encourage business start-up and growth.

- **Cumbria Creative and Cultural Strategy and Carlisle Cultural Prospectus** set out the key role of the creative and cultural industries in making Cumbria and Carlisle great places to live, work, study and do business.

6. Priorities and objectives

6.1 One of key strategic priorities for economic development in the District is population and employment growth. However, in order to achieve this, there are five key preconditions or building blocks that must be in place for this to occur:

1. An **appealing housing offer** in terms of quality, mix and affordability
2. A good supply of **high-quality business space** that is flexible and adaptable
3. **Excellent connectivity** underpinned by fast, reliable and accessible digital and transport infrastructure
4. An **attractive built and natural environment** that contributes to quality of life and wellbeing.
5. A **vibrant city centre** that includes range of different uses and provides an experience to visitors

6.2 In order to achieve these preconditions and increase our working age population, housing and employment growth must be delivered in a way that is clean, inclusive and sustainable. The City Council has declared a climate change emergency and therefore our approach to growth must reflect our obligations to support Carlisle in becoming a net-zero carbon District.

6.3 Levelling up our communities is also a key strategic priority. There are inequalities across the District, in terms of pay, employment and education. Some communities have been 'left behind' and it is vital that the economic strategy creates opportunities and increases prosperity for all.

6.4 This Strategy reinforces the commitment of the Council to deliver inclusive growth and ensure that our activities provide meaningful outcomes for all communities - from creating new jobs, delivering new homes, providing greater training opportunities, promoting health and wellbeing and improving the leisure and cultural offer.

6.5 Additionally, a further key strategic priority is to respond the challenges presented by the Covid-19 pandemic and plan for the recovery and renewal of the local economy. There are opportunities that have arisen as a result of the pandemic that could accelerate development of the Carlisle economy, the most obvious being the positive environmental impacts brought about by the general reduction in travel and much greater prevalence of home working.

6.6 Therefore, there are three key cross-cutting themes are presented as strategic priorities and form the 'golden threads' that are woven throughout the Strategy:

- Strategic Priority 1 – Driving the recovery from Covid-19
- Strategic Priority 2 – Levelling up our communities

- Strategic Priority 3 – Delivering clean, green growth

6.7 Taking account of the three strategic priorities and drawing on the evidence of the needs and challenges of the District and also its strengths and opportunities, the following six priorities have been identified:

6.8 Objective 1- Driving housing and population growth:

6.8.1 A strategy of driving housing and population growth will address the shift in the age distribution of the population and increase the working-age population in the District. This will support economic growth by creating an available and skilled labour force and reducing the number of people reliant on key services including health and social care.

6.8.2 It is imperative that this growth is delivered in a way that is clean, inclusive and sustainable. Therefore, careful consideration must be given to the climate change credentials of new developments and ensure that efforts to maximise energy efficiencies and reduce carbon footprints have been made.

6.8.3 This strategy will enable Carlisle to continue to fulfil its important role as the city of the county and the wider Borderlands region.

6.9 Objective 2 – Growing our target employment sectors and levelling up our skills base and productivity:

This strategy involves targeting sectors that will not only grow our local economy but increase its reliance. Therefore, the focus must be on consolidating our strengths in areas such as advance manufacturing and logistics, but also growing smaller and formative sectors such as professional services and digital and creative.

It is clear that there are inequalities across our communities and therefore this strategy must address this by 'levelling up' and ensuring all our residents are able and encouraged to access training and learning opportunities. There is a need up upskill our local workforce and improve productivity to make Carlisle a more attractive place to invest and attract higher value sectors and employers.

6.9.1 In addition to skills of the local workforce, is also vital that the right infrastructure, premises and workspaces are available to encourage and accommodate the growth of these target sectors. This means ensuring that there is a varied supply, particularly in strategic locations such as Kingmoor Park Enterprise Zone and the city centre.

6.10 Objective 3 - Increasing city centre vibrancy:

6.10.1 For the strategy of driving housing and population growth to succeed, Carlisle needs to be an attractive place to live, work and visit and the city centre plays a key role in that overall offer. A vibrant city centre that functions as a hub for cultural, leisure and economic activity is a prerequisite for a younger demographic and therefore, key to increasing the working age population.

6.10.2 Carlisle City Centre is heavily reliant on its retail function and has comparatively small leisure and cultural sectors and a weak night time economy. The residential population is modest and there is been a trend of office-based businesses relocating to modern premises on the periphery of the city.

6.10.3 The changes on the high street and contraction of the retail sector has highlighted the vulnerability of the City Centre and therefore a strategy of diversification must be pursued. Encouraging and where possible, facilitating leisure, cultural, employment and residential development must be a priority.

6.10.4 Increasing the mix of uses in the city centre will generate different kinds of footfall through the day and into the evening and increase the perception of vibrancy. The shift from a retail centre to a multifunctional hub will enhance the overall experience of the city centre and reposition it as a visitor destination.

6.11 Objective 4 - Enhancing digital and transport connectivity:

6.11.1 The strategy to enhance digital and transport connectivity is vital to our economic growth objectives, given that they are particularly essential to the employment sectors targeted for growth: manufacturing, logistics, professional services and digital and creative.

6.11.2 The lack of good digital infrastructure and connectivity makes the area less attractive to potential investors. The COVID-19 crisis has also increased the strategic importance of digital infrastructure to allow effective remote working through access to digital applications, services and data.

6.11.3 The lack of alternative sustainable / active transport mode choices means that car dependency in Carlisle is high, which at times causes significant congestion and also impacts on the health and wellbeing of our communities and the local environment.

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

6.12 Objective 5 - Supporting rural development and innovation:

6.12.1 Carlisle has a large rural hinterland, whose communities account for around 30% of the total population of the District. The agricultural sector is very important to the local economy and the strength of the associated supply chain further increases its significance.

6.12.2 Brexit has increased the level of uncertainty in the agricultural sector and the wider rural economy, with the planned end of direct payment subsidies and traders currently facing extra costs with checks and additional paperwork for food exports.

6.12.3 Whilst the Covid-19 has presented challenges to the rural economy, it has had resulted in increase demand for locally produced food. This trend is likely to endure and filter into industrial food manufacturing and therefore, there is an opportunity for local producers to increase production to supply this growing demand.

6.12.4 A key priority is to improve productivity whilst supporting natural capital. In areas of high quality land can be turned over to more productive uses that are compatible with local natural capital. The growing market for energy, fibre, pharmaceutical and industrial crops is an opportunity. Poorer land that cannot show a margin could be taken out of arable production and planted to trees or wildlife habitat to enhance local natural capital. There are substantial opportunities, as companies are now seeking carbon or biodiversity offsetting.

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

6.13.1 To realise our growth strategy and grow our target employment sectors and attract investment, we must raise the profile of Carlisle as a place to invest and do business in and to live, work and visit.

6.13.2 This requires a multifaceted approach encompassing marketing and promotional activity, capitalising on our networks and activities with local, regional and national partners and working with government departments such as the Department for International Trade.

6.13.3 From a promotional perspective, we can capitalise on our strategic location on the border of two nations, our position as the only city in the county and wider Borderlands region, our rich heritage and exceptional natural assets.

6.13.4 We can also champion the planned investment in our District which cumulatively is over £200m and includes the government funded projects through the Borderlands Growth Deal, Housing Infrastructure Fund, Future High Street Fund and Town Deal. This instils confidence and make a persuasive case for Carlisle as a place for further investment.

7. Action Plan

Objective 1: Driving housing and population growth:	
Key Actions	
1	Production a Local Plan for St Cuthbert's Garden Village – Develop and adopt the Local Plan that will provide the planning framework to support the planned delivery of 10,000 new homes and over 9,000 jobs to the south of city
2	Review of the Carlisle Local Plan – undertake a review of the Local Plan, which was adopted in 2015, to ensure an adequate supply of deliverable housing and employment land.
3	Remediation of the Caldew Riverside site – Undertake detailed site investigation works and remediation of the site to enable the delivery a city centre living scheme to increase the city centre population to be progressed
4	Development and delivery of the first phase of 'Start with the Park' – Develop and deliver the project to improve cycling and walking connectivity to the Garden Village and the creation green infrastructure for the communities of Carlisle and future residents of the Garden Village

Objective 2: Growing our target employment sectors and levelling up our skills base and productivity	
Key Actions	
1	Supporting the redevelopment of the Citadels site – support the delivery of the scheme Deal to create a new campus for the University of Cumbria, to attract greater student numbers and boost the number of HE learners and graduates in Carlisle
2	Supporting the delivery of a Business Innovation Hub in the City Centre - support the delivery of the project to create a new business hub for the creative and digital sector, to support the growth of an emerging high value sector in the city to boost productivity
3	Supporting the delivery of Digital and Community Learning Hub - support the delivery of the project to create new learning hubs in the city centre and local centres, to improve digital access and skills.
4	Facilitating the continued growth of Kingmoor Park Enterprise Zone – Continue to support Enterprise Zone to grow and develop key employment sectors such as manufacturing and logistics

Objective 3: Increasing city centre vibrancy	
Key Actions	
1	Creation of a new events space at the Greenmarket – Upgrading of the area and the installation of infrastructure to create a focal point for the hosting of events in the city centre
3	Redevelopment of the Sands Centre – Investment in Sand Centre to improve the offer and experience and enhance the cultural and leisure offer in the city
3	Improvements to the Market Hall – Investment in the Market Hall, to improve the offer and experience, support local businesses and enhance the cultural and leisure offer in the city
4	Redevelopment of the Central Plaza site – progress the redevelopment of the site to support the businesses on Victoria Viaduct and the regeneration of the wider Station Gateway area.

Objective 4 - Enhancing digital and transport connectivity	
Key Actions	
1	Supporting the delivery of Carlisle Station Gateway project – support delivery of the the scheme to upgrade the station, increase passenger usage and prepare it for HS2
2	Supporting the delivery of the Southern Link Road and Gateway projects - support delivery of the schemes to create a new connection to Junction 42 of the M6 and improve the highway network and streetscape within the city centre
4	Supporting the production of a Carlisle Local Cycling and Walking Infrastructure Plan – support production of a LCWIP that sets out a strategic approach to identifying improvements required in the City, to identify projects to improve the local cycling and walking networks.
5	Supporting the development and delivery of the Borderlands Digital Programme – Contribute to the development and delivery of a 4G mobile infrastructure in-fill programme to improve digital connectivity across the District.

Objective 5: Supporting rural development and innovation	
Key Actions	
1	Produce a Place Plan for Longtown - Working with local businesses and communities in Longtown to develop and produce develop a Place Plan, to access funding for capital regeneration projects from the Borderlands Inclusive Growth Deal
2	Produce a Rural Strategy – Develop and produce a rural strategy to identify new priorities and actions, to support the development of the rural economy and respond to the challenges and opportunities presented by Brexit.
3	Secure investment in the western route of Hadrian's Wall -Working with the Hadrian Wall Partnership, develop and produce a strategy for investment in the section of the wall that runs through the Carlisle District, to access funding from the Borderlands Growth Deal to improve the experience and boost visitor numbers
4	Support the development of Natural Capital Innovation Zone - Contribute to the development of natural capital investment programme funded through the Borderlands Growth Deal, to develop trials and sector strategies to capture the benefits of the region's natural capital.

Objective 6: To raise the profile of Carlisle as a place to invest and do business in and to live, work and visit:	
Key Actions	
1	Produce an updated investment prospectus for Carlisle - Develop and produce an investment prospectus that can be used to market Carlisle to national and international investors and developers.
2	Capitalise on the opportunities presented by the England's Originals consortia – Develop and deliver the suite of augmented reality products to promote the District and grow domestic and international visitor numbers.
3	Develop a marketing strategy for the City – Explore new and innovative ideas to promote a strong and coherent image of Carlisle to a national and international audience.
4	Support and strengthen the Carlisle Ambassadors network - Continue to support the activities of the Ambassadors network and expand activity into business support and mentoring, to increase entrepreneurial activity and new business start-ups in the District.

Table 1: Delivery Programme

The below table outlines the delivery programme for our key activities above over the lifespan of this strategy (2026).

Objective	Action	Council Led	2021-22	2022-23	2023-24	2024-25	2025-26
1	Production a Local Plan for St Cuthbert's Garden Village	Y					
1	Review of the Carlisle Local Plan	Y					
1	Remediation of the Caldew Riverside site	Y					
1	Development and delivery of the first phase of 'Start with the Park'	Y					
2	Supporting the redevelopment of the Citadels site	N					
2	Supporting the delivery of a Business Innovation Hub in the City Centre	N					
2	Supporting the delivery of Digital and Community Learning Hub	N					
2	Facilitating the growth of Kingmoor Park Enterprise Zone	Y					
3	Creation of a new events space at the Greenmarket	Y					
3	Redevelopment of the Sands Centre	Y					
3	Improvements to the Market Hall	Y					
3	Redevelopment of the Central Plaza site	Y					
4	Supporting the delivery of Carlisle Station Gateway project	N					
4	Supporting the delivery of the Southern Link Road and Gateway projects	N					
4	Supporting the production of a Carlisle Local Cycling and Walking Infrastructure Plan	N					
4	Supporting the development and delivery of the Borderlands Digital Programme	N					
5	Produce a Place Plan for Longtown	Y					

5	Produce a Rural Strategy	Y					
5	Secure investment in the western route of Hadrian's Wall	Y					
5	Support the development of Natural Capital Innovation Zone	N					
6	Produce an updated investment prospectus for Carlisle	Y					
6	Develop a marketing strategy for the City	Y					
6	Capitalise on the opportunities presented by the England's Originals consortia	Y					
6	Support and strengthen the Carlisle Ambassadors network	Y					

Project Development	
Project Delivery	

8. Monitoring and Evaluation Framework

8.1 Regular monitoring of our actions and the wider economic context of Carlisle is crucial to ensure that our growth agenda is delivered and any new issues and opportunities arising are identified and responded to. An annual monitoring report will be taken to Economic Growth Scrutiny Panel and Carlisle City Council Executive showing:

- Progress on delivery of the specific actions listed outlined in section 6, including analysis of outputs, outcomes and issues.
- Progress of the Carlisle's economic growth measured against the key indicators.

8.2 This will also support reflection on which objectives Carlisle is delivering and where challenges still lie; supporting amends to activities, refocussing energies and ensuring the Strategy remains 'live' and flexible to respond to a changing context. This annual report will be supplemented by reports and updates to relevant committees and partners on a case-by-case basis for each activity as and when appropriate.

8.3 In order to ensure we are delivering on our objectives we will undertake regular monitoring of our six objectives, measuring key indicators relating to each objective.

8.4 The below table provides a monitoring toolkit for this strategy, these high-level measures will be used to track Carlisle against characteristics of good growth, and against the

8.5 six objectives of this strategy. Where available the data for Carlisle will be benchmarked against the regional (Cumbria/Northwest averages) and National (England/UK averages) or against similar areas of the country, to put the data into appropriate context. The indicators selected are closely linked to our objectives, using sources that provide good quality data that is regularly available. Where useful, much of this data can be analysed by smaller geographical areas, for example the urban/rural geography, wards and LSOAs- which will be used to measure the delivery of inclusive growth.

8.6 These indicators will be reviewed over time to ensure continued fit with our priorities and relevance to this strategy's aims.

8.7 Due to the nature of the objectives and outputs that will be used to measure the success of these actions, as well as the timescales for each action, certain outputs will be measured with a different frequency than others.

8.8 Some outputs will need to be monitored regularly throughout the life of this strategy, to ensure that key changes are identified. Whereas other outputs- namely those that experience a gradual

rate of change, do not require regular monitoring as to do so would only highlight less meaningful changes. This framework will outline the key outputs measured, the data sets used and frequency of monitoring.

DRAFT

Table 2: Monitoring toolkit:

Objective	Indicator	What does this show?	Source(s)	Baseline Data	Frequency of monitoring/reporting	Target direction of travel
Driving housing and population growth	number new homes built (completions) per year	Is Carlisle delivering the resources for population growth?	Carlisle City Council records	663 (2019/20)	annually	Maintain
Driving housing and population growth	Total population by age cohort	Is Carlisle reversing its declining working age population?	ONS- Population estimates – Local Authority based by single year of age	Total population: 108,678 (0-15: 18%, 16-24: 9%, 25-49: 30%, 50-64: 20%, 65+: 30%) (2019)	bi-annually? By 2026 (review when 2021 census based LA estimates are released- March 2022)	maintain/increase working age population (16-64)
Grow our target employment sectors and level up our skills base and productivity	people employed in growth sectors as a percentage of all jobs in Carlisle (Creative, Digital and IT, manufacturing and logistics)	Is Carlisle growing/maintaining its key sectors	ONS Business Register and Employment Survey Employee jobs by industry	Information and Communication (J): 1.4%, Arts, Entertainment and Recreation (R) 2.2%, Manufacturing (C): 10.3%, Transportation and Storage (H): 8.6%	by 2026	Increase J & R, Maintain C & H
Grow our target employment sectors and level up our skills base and productivity	Percentage of population qualified to NVQ4+	Is Carlisle growing its local skills base?	ONS Annual Population Survey: Qualifications	28% (2020)	Annually	Increase
Grow our target employment sectors and level up our skills base and productivity	Percentage of workers in managerial, professional and technical occupations (SOC 1-3)	Is Carlisle's proportion of high skilled workforce growing?	ONS Annual Population Survey: Employment by Occupation	37.5% (2020)	Annually	Increase
Grow our target employment sectors and level up our skills base and productivity	Median annual resident salary	Are earnings for average workers growing in real terms?	ONS: ASHE	£20,929 (2019)	Annually	Increase
Grow our target employment sectors and level up our skills base and productivity	GVA	Is Carlisle increasing output and closing the productivity gap with other areas of the U.K.?	GVA- ONS Regional GVA(I) by local authority in the UK	2.7bn (2017)		Increase
Increasing city centre vibrancy	City Centre vacancy rate	Is Carlisle maintaining city centre viability and supporting diversification where necessary?	City Centre Health Check	13% (2019)	Annually	Maintain
Increasing city centre vibrancy	Percentage of evening economy businesses	Is Carlisle growing its city centre evening economy?	City Centre Health Check	8% (2019)	Annually	Maintain/increase
Increasing city centre vibrancy	Footfall Counting	Is Carlisle city centre sustaining footfall despite the challenges to retail, maintaining its position as a regional hub?	City centre health check (springboard?)	N/A	Annually (monthly?)	Maintain
Enhancing Digital and Transport connectivity	Air Quality Monitoring: NO2 annual mean Ivl of Exceedance in AQMAs	Is air quality improving in AQMAs? (indicating an improvement in transport connectivity)	Air Quality Annual Status Report- Carlisle City Council	34.9-42.7 (2019)	Annually	Decrease
Enhancing Digital and Transport connectivity	KM of cycling and walking paths created/improved by end of strategy	Are active travel routes and options improving in Carlisle?	Cumbria County Council/Carlisle City Council	N/A	by 2026	Increase
Enhancing Digital and Transport connectivity	Access to superfast broadband	Is digital connectivity improving across Carlisle?	Ofcom: connected nations update	46.20%	Annually	Increase
Supporting Rural Development and Innovation	GVA - Agriculture, Forestry and Fishing	is production in rural based industries being maintained?	ONS: Regional GVA (I) by local authority in the UK	£72 million	Annually	Maintain
Promoting Carlisle as place to live, work and visit	Number of Carlisle Ambassador Members	Is the Carlisle Ambassador network growing, increasing partnerships across the city?	Carlisle Ambassadors	307	Annually	Maintain
Promoting Carlisle as place to live, work and visit	Number of visitors to Carlisle per year	Is Carlisle improving its visitor offer and growing visitor numbers to the district?	STEAM	9.04 Million (2019)*	Annually	Increase
Inclusive growth measures	Economic Activity rate	Is Carlisle maintainng its high economic activity rate?	ONS Annual Population Survey: Economic Activity	83% (2020)	Annually	Maintain
Inclusive growth measures	Gender Pay Gap	Is the gender pay gap reducing in Carlisle?	ONS: Annual Gender Pay Gap Estimates (home geography)- Based on ASHE	16.10%	Annually	Decrease
Inclusive growth measures	number of affordable new homes built	Is Carlisle delivering enough affordable homes to ensure housing is available for all income groups?	Carlisle City Council records	151 (2019/20)	Annually	Maintain

8.9 At the end of the strategy's timeframe in 2026, a Monitoring and Evaluation report will be produced, using the above indicators (incorporating any amends to the above toolkit) as well as project specific evaluations under each activity listed in section 6.

8.10 The Monitoring and Evaluation report will identify where objectives have been met, where challenges still lie, and support the production of an Economic Evidence Base report which will include recommendations for a new Economic Strategy, based on the challenges and opportunities facing Carlisle in 2026, as well as an opportunity to reflect on 'lessons learned' from 2021-2026 to ensure the Council and its partner's activities continue to respond to the ever changing economic challenges and opportunities in an optimised manner.

EXCERPT FROM THE MINUTES OF THE ECONOMIC GROWTH SCRUTINY PANEL HELD ON 21 JANUARY 2021

EGSP.07/21 CARLISLE ECONOMIC STRATEGY

The Corporate Director of Economic Development submitted report ED.04/21 which provided an overview of the emerging Economic Strategy for Carlisle District, developed following a virtual meeting with the Panel on 30 November 2020. The Strategy sat within a suite of documents including the Borderlands Inclusive Growth Deal, The Cumbria Industrial Strategy and the Towns Deal Plan. It took into account the impact of the Covid 19 pandemic and was a prerequisite for submitting bids to the Shared Prosperity Fund.

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

- Was there any action the Council could take to address the issue of the median average salary in the district being below the county and national average figures?

The Corporate Director responded that it was a complex matter to address, making Carlisle an attractive place to live, encouraging businesses to the district to increase the number and variety of jobs as well as retaining a university in the city were factors that may contribute to increasing the average wage in the district.

A Member commented that whilst she supported the measures outlined by the Corporate Director, she considered that many low income jobs provided important services as had been seen during the Covid Pandemic, therefore it was important that such roles were not denigrated.

The Regeneration Manager agreed that low income jobs were important and considered that the Strategy should articulate that progression and development opportunities should be available to those who wished to take them.

- In relation to Connectivity priority, the cost of public transport within the urban area could be restrictive, could that be addressed?

The Corporate Director explained that the cost of public transport was out with the Council's control. However, through variety of projects and policies the Council aimed to increase choice of transport methods, for example cycling and walking.

A Member commented that rural transport links and costs were also important, given the low level of high speed broadband available in the district and the high level of journeys being made by car highlighted the importance of the Connectivity priority.

- City Centre Vibrancy – in the report Carlisle had been compared with other cities – York, Norwich and Lincoln, had others been considered?

The Corporate Director confirmed that Officers did look at and engage with other cities of a similar size, both formally through groups such as the Historic Cities Group as well as informally with a view to looking at initiatives and support offered, etc.

Working towards the City Centre Vibrancy Priority, the Towns Deal Fund and the Future High Street funding allocations, amounting to £9.1M, would support the diversification of the city

centre through the expansion of the culture, leisure, business and residential uses, it was hoped that the increased range of uses would increase footfall and vibrancy in the city centre.

A Member felt that maximising the city's heritage and culture would support a more active visitor economy and that the matter needed to be addressed. He further considered that expanding the hotel accommodation offer to include venues for business tourism would be beneficial, and wished the matter to be included in the Action Plan.

The Corporate Director agreed the importance of the city's cultural and heritage offer. She noted that the Borderlands Inclusive Growth Deal had a strong focus on the issue and in response had developed a Destination Programme and a Place Programme. She also supported the Member's comments in relation to business tourism and work was being undertaken to attract a known brand from that sector.

- What impact would the Covid 19 pandemic restrictions have on high street trends?

The Corporate Director considered it likely that once restrictions were lifted, there would be a return of customers to the high street, as shopping was social and leisure activity for people. In the medium to long term retailers were likely to transition into smaller units due to the increased prevalence of online shopping.

- Were there plans to create a Member Advisory Group for the city centre?

The Corporate Director advised that as part of the work relating to the Town Investment Plan a board had been created with members from both the public and private sector to scrutinise the Council's plans. The Economy, Enterprise and Housing Portfolio Holder had requested that a Taskforce be established in relation to the city centre and work was underway to progress that.

- A Member considered that the Strategy focussed on the physical aspects of economic growth, she felt it was important that 'softer' areas such as social capital were included too.

The Corporate Director responded that the Strategy aimed to address areas such as education, culture and wages by providing the infrastructure need to support them. A strong economy would support the health and wellbeing of people in the city.

The Economy, Enterprise and Housing Portfolio Holder stated that the Economic Strategy was a living document that would continue to evolve in response to new challenges.

The Communities, Health and Wellbeing Portfolio Holder commented that the Council also undertook much work to support the health and wellbeing of residents, for example being a World Health Organisation Health City.

The Member further commented that, given the Council's commitments to addressing climate change, the Strategy needed greater emphasis on "green growth".

- The City was strategic placement meant that transport links were vital to its connectivity, therefore it was important that the Council lobbied for improvements to the A69 and the A595.

The Corporate Director acknowledged the Member's comments and considered that in addition to road links, railway connectivity was also essential. The Borderlands Inclusive Growth Deal

would support two projects in that area: the Station Project in Carlisle which would make the facility HS 2 ready, and the Borders Rail project.

- In relation to Priority 5 – Supporting Rural Development and Innovation a Member commented that he wished employment opportunities for Brampton to be included.

The Chair summed up the discussion noting Members had highlighted the importance of the visitor economy and felt that the Strategy needed to better articulate a softer approach including areas such as culture so that it was not so infrastructure focussed. The priorities within the Strategy should further emphasise: the importance of digital connectivity to support rural growth; local employment centres; links to local training and employment opportunities and, green growth.

RESOLVED – 1) That the framework and context of the Economic Strategy for the Carlisle District and the challenges, opportunities and priorities identified be noted.

2) That in developing the next iteration of the Strategy Officers take into account the Panels comments set out above.

EXCERPT FROM THE MINUTES OF THE ECONOMIC GROWTH SCRUTINY PANEL HELD ON 29 JULY 2021

The Corporate Director of Economic Development provided an overview of the updated draft Economic Strategy for the Carlisle district (ED.26/21). The Strategy set out the Council's priorities, objectives and actions to drive economic growth and recovery from the Covid-19 pandemic for the next five years. The Strategy had been developed in consultation with the Executive, the Economic Growth Scrutiny Panel and the Senior Management Team.

In considering the Economic Strategy the Panel raised the following comments and questions:

- A Member asked that the number of houses and affordable housing that was being developed be reported to the Panel on a regular basis.

The Corporate Director of Economic Development reminded the Panel that the Housing Strategy report was presented to the Panel on a regular basis and included the details of housing developments and affordable housing.

- Who had been consulted on the Strategy?

The Corporate Director of Economic Development confirmed that key stakeholders had been consulted on the draft Strategy, details of which could be found in the Economic Action Plan – responding to Covid-19 in Carlisle City Centre which had been circulated to the Panel.

- The city centre had an excellent bar and restaurant scene, how did this fit in with the statement in the report that only 8% of business in the city centre retail core contributed to the evening economy?

The Corporate Director of Economic Development agreed to investigate the statistic further and provide a written response.

- How would the Panel monitor the outcomes of the action plan?

The Corporate Director of Economic Development felt that the action plan would lead the work programming for the Panel in places. Reports would be submitted to scrutiny for individual projects and an annual overview report would be submitted to the Panel to monitoring of the action plan as a whole.

RESOLVED – That the Panel

1) noted the contents of the Carlisle Economic Strategy in terms of challenges, opportunities, strategic priorities and objectives articulated(ED.26/21);

2) noted the framework and context for the production of the updated Economic Strategy, particularly the impact of Covid-19 and Brexit;

3) noted that reports on individual projects and an annual action plan monitoring report would be submitted for scrutiny;

4) asked the Corporate Director of Economic Development to provide further information to the Panel on the statistic that only 8% of business in the city centre retail core contributed to the evening economy as detailed in the report.

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 2 JUNE 2021

EX.55/21 CARLISLE ECONOMIC STRATEGY
(Non Key Decision)

Portfolio Economy, Enterprise and Housing

Relevant Scrutiny Panel Economic Growth

Subject Matter

The Leader gave an overview of the updated draft Economic Strategy for the Carlisle District (ED.16/21). The Strategy set out the Council's priorities, objectives and actions to drive economic growth and recovery from the Covid-19 pandemic for the next five years. The Strategy had been developed in consultation with members of the Executive, the Economic Growth Scrutiny Panel and the Senior Management Team.

The Economic Growth Scrutiny Panel had received the Strategy at their meeting held on 21 January 2021 (EGSP.07/21 refers) and asked that the Panel's comments were taken into account when developing the next iteration of the Strategy.

The Leader moved the recommendations which were seconded by the Deputy Leader.

Summary of options rejected to not approve the Strategy for recommendation to Council

DECISION

That the Executive:

- (i) noted the contents of the Strategy in terms of the challenges, opportunities, strategic priorities and objectives articulated.
- (ii) noted the framework and context for the production of the updated Economic Strategy, particularly the impacts of Covid-19 and Brexit.
- (iii) approved the Strategy, for recommendation to Council, subject to any final necessary amendments.

Reasons for Decision

This Strategy sets out a framework - based on a clear rationale, reflecting analysis of the key issues, challenges and opportunities - to drive clean, inclusive and sustainable urban and rural growth within the Carlisle District. The Strategy contributes to all five of the Carlisle Plan priorities.

Report to Council

Item
16.

Meeting Date: 14 September 2021
Portfolio: Economic Development
Key Decision: No
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: Options for Increasing the Delivery of Affordable Housing in Carlisle
Report of: Corporate Director of Economic Development
Report Number: ED.33/21

Purpose / Summary:

The Council passed a motion in November 2019 (C.153/19 Notice of Motion) for the Executive to consider a number of specific measures in respect of enhancing affordable housing delivery in Carlisle and report its conclusions back to Council. Report ED 28/21 (included as *Appendix 1* of this report) was presented to Executive on 31 August 2021, and provides a detailed response to each of the individual issues raised in the motion, as well as looking at wider potential options for the delivery of increased levels of affordable housing in Carlisle

Recommendations:

1. That the Council notes the work undertaken to date to deliver affordable homes in Carlisle.
2. That the Council notes the potential delivery options set out in the Executive report for increasing the level of affordable housing.
3. That the Council supports the Executive's decision that, in view of Local Government Reorganisation, the new Unitary Council will be best placed to review these potential delivery options.

Tracking

Executive:	31 August 2021
Scrutiny:	
Council:	



Report to Executive

**Agenda
Item:**

Meeting Date: 31 August 2021
Portfolio: Economic Development
Key Decision: No
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: Options for Increasing the Delivery of Affordable Housing in Carlisle
Report of: Corporate Director of Economic Development
Report Number: ED 28/21

Purpose / Summary:

This report provides a response to a Council motion from November 2019 (detailed in Section 1.1. of this report) for the Executive to consider a number of specific measures in respect of enhancing affordable housing delivery. The report provides a response to each of the individual issues raised in the motion, as well as looking at wider potential options for the delivery of increased levels of affordable housing in Carlisle.

Recommendations:

1. That Executive notes the work undertaken to deliver affordable homes in Carlisle.
2. That Executive considers the potential options set out in the report for increasing the level of affordable housing delivery.
3. That, in view of Local Government Reorganisation, the matter is reviewed by the new Unitary Council.

Tracking

Executive:	N/A
Scrutiny:	N/A
Council:	14 September 2021

1. BACKGROUND

- 1.1** In November 2019 a motion was sent to Council regarding affordable housing provision. The motion was passed and then went to the Executive in December 2019. The outcome was an agreement to ask officers to prepare a paper on the matter for submission to a future meeting of the Executive.

The Council resolved on 5 November 2019:-

“To ask the MPs who represent the council area to lobby the Government on our behalf to:

- *Change and define in an equal and fair way ‘affordable social housing’ for local people as linked to their local income and revisit the affordable rented homes policy to reflect this.*
- *Review the right to buy system in a way so that it is fairer and to look at giving this Council and other Council authorities the option of building much more badly needed local social rented housing.*
- *Transform the planning system with an end to the ‘viability’ loophole that lets some developers put off their responsibilities.*

That we publicly support and join the LGA and George Clarke in their campaign to have Government work with councils on an ambition to build 100,000 council homes a year.

That Carlisle City Council’s Executive look into the benefits, social value and business case for new council house provision in Carlisle and its districts and report back its conclusions to Full Council” (C.153/19 Notice of Motion).”

- 1.2** Due to the impact of Covid-19 and prioritising major delivery projects, such as St Cuthbert’s Garden Village and the Town Deal, there has been a delay in responding to the motion.

It should also be noted that the local government landscape in Cumbria has changed significantly since the motion was originally tabled, following the Government announcement in July 2021 that Carlisle City Council would become part of a larger Unitary Authority from 1 April 2023. The economies of scale offered by the new Unitary Council potentially provides increased opportunities to deliver affordable housing.

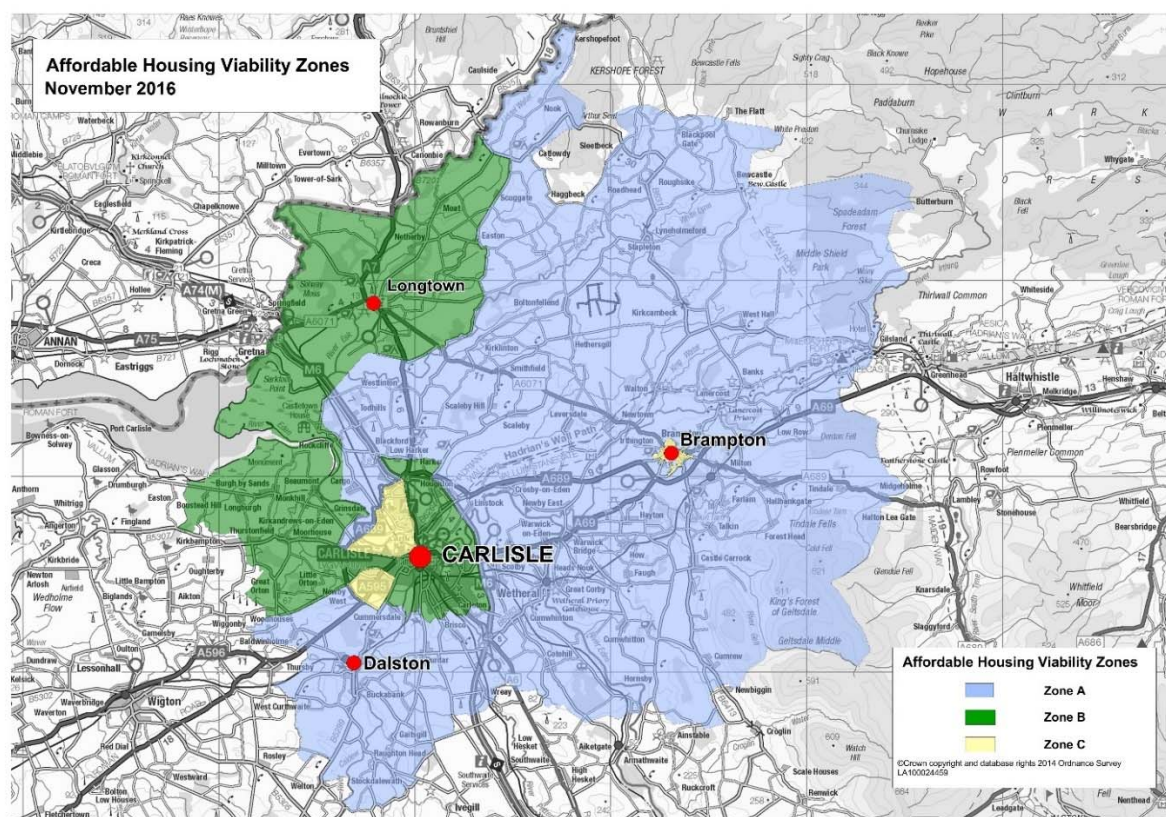
2. CONTEXT

2.1 How is Affordable Housing Delivered?

Carlisle District Local Plan policy HO 4 Affordable Housing requires applicants to provide a percentage of affordable housing (usually on the application site) on residential schemes of eleven or more dwellings (subject to viability.) A more

detailed commentary on site-based viability assessments is included in Section 3.3 of this report. The affordable housing requirement is 30% in Affordable Housing Viability Zones A and C, and 20% in Zone B, as set out in *Figure 1*, below.

Figure 1: Affordable Housing Viability Zones Map



The affordable requirement in St Cuthbert's Garden Village will be 20% - this is lower than in Zones A and C due to the additional requirement on developers of funding the necessary infrastructure to bring forward the Garden Village.

Policy HO 4 requires that on site affordable housing is provided on an equal 50:50 basis between Social Rent or Affordable Rent (usually delivered through a Housing Association) and “intermediate” low-cost home ownership, such as discounted sale (at a fixed percentage discount); shared ownership; or the Government’s new *First Homes* scheme (also based on a percentage discount). The provision of First Homes properties (which will make up 25% of the overall affordable housing requirement) will see a parallel reduction in the delivery of other intermediate tenures and will not lead to a reduction in the number of Social or Affordable Rented homes delivered through the planning system.

In Affordable Housing Zone A, an affordable housing “commuted sum” payment is required on sites of between six and ten units to make a financial contribution towards affordable housing within the Housing Market Area. These contributions

are pooled towards funding affordable housing within that Housing Market Area, but this is on a comparatively small scale, as the sums involved are relatively limited. To date, nine discounted sale homes have been provided using this funding: six at New Acres (Raffles); two at Cummersdale; and one at Cumwhinton. Executive, on 2 August 2021, also agreed a new proposal to bring empty homes back into use in Brampton and Hallbankgate to be used as affordable rented housing in collaboration with Brampton Rural Housing Society (ED.25/21).

The level of affordable housing delivery can be reduced through economic viability assessments, submitted on behalf of the developer, in respect of sites where it can be demonstrated that low anticipated sales values, high development costs, and abnormal costs (e.g. linked to site remediation on Brownfield sites) would prevent the viable delivery of the site if the full Section 106 obligations were applied. In these cases, Planning Officers arrange for the viability information provided to be robustly challenged by an experienced specialist Chartered Surveyor, with the fees split equally between the Council and the developer. The Affordable and Specialist Housing Supplementary Planning Document (SPD) 2019, sets out the Council's standardised approach to viability assessments, and the Council's position has been strengthened by the recently updated National Planning Policy Framework (NPPF) with viability assessments now in the public domain.

In addition to new homes delivered through the planning system, Housing Associations deliver 100% affordable schemes supported by capital grant funding from Homes England, supplemented by the Association's own borrowing and resources. The Council works proactively with local Housing Association partners to increase affordable delivery, through supporting grant funding bids; making land available at prices affordable to the Associations; signposting opportunities through providing advice and assistance on suitable development sites; and maintaining up to date evidence bases on affordable housing need by property type and tenure. The Government's Planning White Paper (2020) consulted on proposals to replace Section 106 Agreements with a new levy to deliver affordable housing and infrastructure, though it remains unclear as to whether this will be included as part of the Government's anticipated planning reforms.

2.2 Affordable & Specialist Housing Need

Carlisle's most recent SHMA (Strategic Housing Market Assessment) covering the five-year period to July 2024 identifies a need for 158 affordable dwellings per annum across Carlisle District.

The housing need, in respect of tenure and property size is summarised below:-

- Tenure: 60% social/ affordable rent & 40% intermediate low-cost home ownership;
- Property type: approximately 65% 1-2 bedroom & 35% 3/ 3+ bedroom.

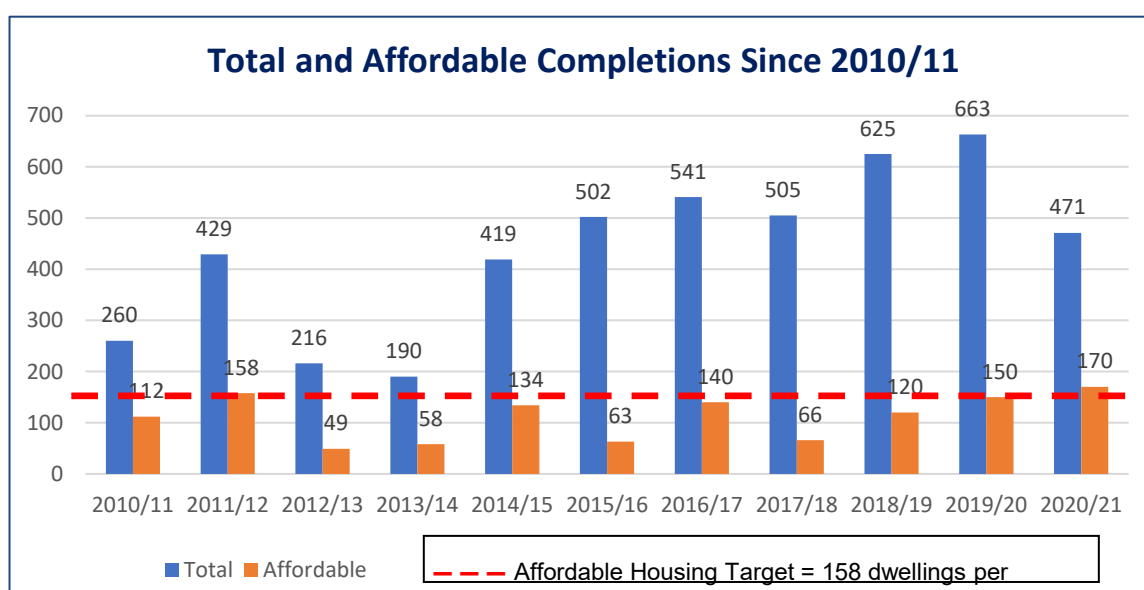
The increasing need for bungalows, and other property types suitable for older persons, due to the significant projected increase in the number of older people, is addressed in the Council's Affordable and Specialist Housing Supplementary Planning Document (SPD) adopted in early 2018. Data provided by POPPI (Projecting Older People Population Information) projects a 33.5% increase in the no. of people aged 65 and over across Carlisle District between 2020 and 2040, including a particularly significant increase in people aged 85 and over.

The SPD, which is a material consideration in determining planning applications, recommends that 5% of dwellings on sites of 50-99 units and 10% on sites of 100 units or more are bungalows or other accessible property types, suitable for older persons (applicants are encouraged to provide accommodation suitable for older persons where possible on smaller sites).

2.3 Annual Market and Affordable Housing Delivery

The graph below (*Figure 2*) demonstrates the significant increase in the overall number of housing completions in Carlisle District since the local housebuilding industry recovered from the “credit crunch”; with net completions in excess of 500 homes in each of the four financial years prior to the last year where completions were lower, totalling 471, due to the impact of Covid-19 (with sites being stalled, estate agents closed, and restrictions on people moving house during the first wave of the pandemic) compounded by delays linked to shortages of some building materials, post-BREXIT. Completions reached a record 663 in 2019/20, and it is anticipated delivery levels will return to pre-Covid levels now restrictions have been relaxed. The Council's Planning Policy team have worked proactively to encourage a wider range of developers to build in Carlisle – the “*Help us Build our Growing City*” prospectus was designed as a promotional vehicle to increase delivery across the District – the document was refreshed in 2020 to ensure it remains fit for purpose, including updates on St Cuthbert's Garden Village.

Figure 2: Carlisle's Total and Affordable Completions



Affordable completions have averaged 129 dwellings per annum over the last five years, and 160 over the last two years, compared to an annual delivery target in Carlisle's latest SHMA (Strategic Housing Market Assessment) covering the five years from 2019 of 158 affordable homes. The variance in the level of annualised affordable figures demonstrates that there is only a limited correlation between the number of total and affordable completions. Although increased levels of overall completions should lead to a parallel increase in the number of affordable units delivered through Section 106 planning obligations, this would not apply to the significant number of residential completions on smaller sites below the threshold where onsite affordable housing is required in the Council's Local Plan policy (as detailed in section 2.1 of this report) particularly in rural areas. The planning system alone would not be able to deliver enough affordable homes to meet the level of need identified in the SHMA, and the Council supports local Housing Associations in bringing forward new 100% affordable schemes, supported by grant from Homes England, towards meeting the shortfall. The effect of this is that affordable completions can vary significantly from year to year, which means as grant-funded completions tend to be more cyclical, linked to grant funding programmes, rather than following an annual pattern. For example, the significantly lower level of affordable completions in some years (most recently 2017-18) reflects that there will have been few, if any, grant funded schemes in those years.

In respect of rural affordable housing, 33 of the 170 affordable completions in 2020/21 were in rural areas of Carlisle District, equating to just under 20% (split roughly evenly between our two rural Housing Market Areas – Carlisle Rural East: 15 and Carlisle Rural West: 18). This is approximately a third below the 30% total rural completions for the year, reflecting the issue noted in the previous paragraph that it can be more difficult to deliver affordable housing through the planning system in rural areas, as many sites fall below the affordable housing threshold. As noted in section 2.1 of this report, Executive approved a proposal on 2 August to use some of the Council's affordable housing commuted sum funding to work with Brampton Rural Housing Society to bring empty properties back into use to be let as affordable rented homes in Brampton and Hallbankgate, reflecting the Council's commitment to rural affordable housing. The Council's Housing Development Officer also works with local Housing Associations to support rural affordable schemes coming forward. Most of the £636,000 affordable housing commuted sum funding held by the Council relates to the Rural Carlisle East Housing Market Area and could support the delivery of approximately ten affordable homes.

Making local authority (or other public sector) land available for affordable housing can make a significant difference to the number of affordable completions. For instance, the graph demonstrates that a significant number of affordable homes

were delivered in 2010/11 and 2011/ 12. This was partly due to discounted land made available for affordable and specialist housing at Heysham Gardens Extra Care scheme (60 units, over two-thirds affordable); Heysham Drive (29 affordable units); and Irthing Close, Brampton (21 affordable units). Similarly, the above average affordable completions in 2014/15 included 37 new homes built at Raffles on land made available by the Council. In the latest year, the 170 affordable completions for 2020/21 include 50 homes built by Riverside on land made available for affordable homes through the Council's most recent affordable homes initiative - the "Demonstration Project" at Beverly Rise, Harraby - including practical onsite training opportunities for students from Carlisle College. All of these affordable schemes, made possible by the provision of Council land at prices affordable to local Housing Associations, have also made a significant contribution to the total completions in those years.

2.4 Identifying Affordable Housing Sites

As identified in the previous section, overall delivery has been operating at record levels in Carlisle over the four years prior to Covid impacting on delivery in 2020/21; however, affordable completions represent more of a mixed picture. Recent meetings between the Council's Planning Policy team and local Housing Associations have identified that the major barrier to the Associations delivering more affordable homes is securing suitable sites. The Associations have the necessary development expertise, and they have indicated that they have the capacity to increase affordable delivery (following improved availability of grant through Homes England) but they struggle to compete with private developers in securing the better sites.

The key challenge is therefore to help local Housing Associations to secure sites – including larger strategic sites. In the past, the Council has helped by making sites available at less than market value for affordable housing (or specialist housing, such as the Heysham Gardens Extra Care scheme). However, the Council only has a finite supply of sites.

2.5 Low-Cost Home Ownership

The Council has operated a low-cost home ownership scheme for approximately 20 years, and now manages a portfolio of 480 discounted sale properties. Most of these properties are sold at a discount of 30% from open market value (which applies upon each successive resale); although the discounts are smaller on some of the older properties.

The Council could potentially add to this low-cost housing stock, through borrowing money to buy additional properties on new developments, or older properties on the market. There would be potential drawbacks to this approach, as this would not necessarily be the most cost-effective method and would not be increasing the

overall housing stock. It should also be noted that there is a greater overall need for affordable homes to rent.

2.6 Local Housing Companies (including Joint Ventures)

Over recent years an increasing number of Local authorities have looked into setting up Local Housing Companies as a means of securing new sources of revenue in the face of Government budget cuts, and as a mechanism for developing new homes outside government-imposed borrowing restrictions (although concerns remain that these properties could become subject to the *Right to Buy*, following proposals set out in the 2017 Housing White Paper) – currently up to 200 homes can be owned through a Local Housing Company before a stock-transfer local authority such as Carlisle would be required to establish a Housing Revenue Account.

Research published by the Chartered Institute of Housing (CIH) in December 2016 (based on a *Freedom of Information Act* request to all councils in England) identified that 98 of 252 councils responding to their survey had established, or were planning to set up, a private housebuilding company.

Local Housing Companies (LHCs) are diverse entities with a variety of models, covering a wide range of development ambitions, and meeting a range of objectives:-

- Housing Companies can focus on delivering affordable homes; market homes; or private rental homes (or a mix of tenures) – it is also possible to set up more than one company.
- A LHC could include a particular focus on meeting gaps in housing need, such as delivering more bungalows for older residents or specialist housing, such as Extra Care.
- Most councils with Local Housing Companies have indicated that receipts will go into the council's General Fund; although some councils intended to use the income generated to tackle homelessness within their district.
- Some Companies are Joint Ventures, with partners such as Housing Associations and institutional investors (contributing finance and expertise) – this can be an effective partnership model to develop Council owned sites in the case of stock transfer authorities, who no longer manage their own stock. Challenges to identifying a suitable partner for an affordable housing Joint Venture in Carlisle include:-
 - Limited supply of “shovel ready” sites in the Council's ownership. By comparison, Gateshead Regeneration Partnership (a Local Asset Backed Vehicle (LABV) using council land) was predicated on bringing forward 2,400 houses over 15 years, working on a joint venture basis with partners (who contribute finance and expertise);
 - Rent levels are relatively low in Carlisle (detailed in section 3.1, below) – especially in respect of affordable housing, where (e.g.) a Housing Association may require discounted land just to make a scheme viable, so there may not be any surpluses to share.

If a local authority's rationale is primarily to deliver affordable housing, tendering surplus sites (as the Council has successfully done in the past) may be a simpler, quicker, and less resource intensive option than setting up a Local Housing Company.

Cumbrian Context

Discussions with other local authorities in Cumbria have identified that two district councils have recently set up or are looking to set up their own housing companies:-

- Eden District Council ("Heart of Cumbria Limited") – a report to Eden's Council in January 2017 recommended setting aside £1 million within its 2017-18 capital programme to be made available to *Heart of Cumbria* – £500,000 to purchase affordable homes and a further £500,000 towards investment in commercial and/ or residential investment property, using New Homes Bonus and Section 106 (planning gain) funding. It is understood that EDC have recently purchased 3 properties from a local developer to be let at an affordable rent, with more in the pipeline.
- South Lakeland District Council – SLDC engaged a consultant to provide a report on affordable housing delivery options, including setting up a joint venture company. Their preferred option was for SLDC on-lending, with the Council providing loans to local Housing Associations. SLDC and Eden DC both put a significant level of New Homes Bonus into affordable housing.
- Allerdale have recently initiated plans to develop a Local Housing Company (LHC) and although there have been delays (mainly due to the pandemic) progress has been made. From a legal perspective the LHC is now in existence and the conversion of a former retail site at Otley Road in Keswick is well underway. The old toilet block in Maryport which was converted into two flats some time ago continues to be utilised as temporary accommodation since it became apparent that this would be needed during the first lockdown. The aim will be for further sites to be developed with work commencing in forthcoming years. Allerdale will be part of the same Unitary Council as Carlisle, so there are potentially opportunities to tap into their experience of setting up a Local Housing Company.

3. RESPONSE TO THE COUNCIL MOTION – 5 NOVEMBER 2019

A concise analysis is provided below for each of the issues raised at Council on 5 November 2019.

3.1 *Change and define in an equal and fair way 'affordable social housing' for local people as linked to their local income and revisit the affordable rented homes policy to reflect this.*

“Affordable” rents of up to 80% of a local market rent (including service charges) were introduced as a replacement for social rents by the Coalition Government in 2011 - the rationale being to reduce grant rates following the “credit crunch”. However, in practice the reduction in grant rates was at least partially offset by a simultaneous increase in the Housing Benefit bill.

Many local authorities and Housing Associations in higher value areas voluntarily capped these rents locally at below the maximum 80% of a market rent, as they were clearly not “affordable” to people on modest incomes. However, the implementation of affordable rents was never as much of an issue in Carlisle as many other areas of the country, due to the relatively low rents.

The following table (*Figure 3*) based on Office for National Statistics data, compares average rents in Carlisle with South Lakeland (which are the highest in Cumbria), London and England, over the 12 months to 31 March 2021.

Figure 3: Median Monthly Rents by Property Size – Year to 31 March 2021

Location	1-bed (£)	2-bed (£)	3-bed (£)	4/4+ bed (£)	Average (£)
Carlisle	380	450	570	750	465
South Lakeland	540	650	775	1,073	675
North West	475	550	670	925	585
England	650	700	800	1,350	730

(Source: Office for National Statistics (ONS) Private Rental Market Statistics, published 16.06.21.)

The data in *Figure 3* compares median (or typical) private sector rents in Carlisle with national and regional (North West) rents, as well as those in South Lakeland, which are the highest in Cumbria. The average rents in the final column include room and studio rents (not detailed in the table, as they are not typical of Housing Association stock) which has made the average rents appear lower than might be expected from the other rents in the table.

The table demonstrates that median rents in Carlisle are well below the national and regional averages, and also the more expensive areas of Cumbria. The median rent across all property types in Carlisle of £465 per month (£107.30 per week) is approximately 79% of regional rents for the North West; 69% of the highest Cumbrian rents in South Lakeland; and 64% of national rents for England. The above figures are averages, and will vary within the District – for instance, rents at Wetheral would typically be higher than in Carlisle South.

However, typical Affordable Rents (including service charges) based on the maximum 80% of the District Average market rent, by property size, are set out in *Figure 4*, below:-

Figure 4: Carlisle Affordable Monthly & Weekly Rents by Property Size – September 2019

Affordable Rent @ 80% market rent	1-bed* (£)	2-bed (£)	3-bed (£)	4/4+ bed (£)	Average (£)
Carlisle (Month)	304	360	456	600	372
Carlisle (Week)	70	83	105	138	86

(*self-contained)

All of the above figures are within Local Housing Allowance (LHA) rates for private sector rents in Carlisle, detailed in *Figure 5*, below, so tenants would be eligible for full Housing Benefit (now part of Universal Credit) based on a typical median rent.

Figure 5: Local Housing Allowance Rates for Carlisle

Property Type	Weekly LHA Rate (£)	Monthly LHA Rate (£)
1-bed in a shared house	68.00	295.48
1-bed self-contained (bedsit or flat)	80.55	350.01
2-bed	97.81	425.01
3-bed	120.82	524.99
4-bed	155.34	674.99

The Local Housing Allowance (LHA) rates for Carlisle, included in *Figure 5*, above, have been in place with effect from 1 April 2020. LHA relates to private sector tenants, and uses a flat rate allowance, based on the size of the tenant's household and area in which the property is located, to determine the maximum housing element of Universal Credit they will receive.

The following average Social and Affordable Rental data for Carlisle in *Figures 6 & 7* has been provided by our two largest local Housing Associations.

Figure 6: Castles & Coasts Affordable and Social Rents

Castles & Coasts Carlisle Rents	Typical Weekly Affordable Rent (£)	Typical Weekly Social Rent (£)
1 bed-flat/ bungalow	85.95	80.15
2 bed-house	98.16	92.82
3 bed-house	110.52	107.66
4 bed-house	123.28	122.09

Figure 7: Riverside Social and Affordable Rents

Carlisle	Typical Weekly Affordable Rent (£)	Typical Weekly Social Rent (£)
1 bed-flat/ bungalow	80.00 - 85.00	75.00-80.00
2 bed-house	78.00 - 90.00	80.00-90.00
3 bed-house	95.00 -105.00	95.00-105.00
4 bed-house	105.00 -115.00	110.00-115.00

As the Housing Association rental data shows, there is relatively little difference between a Social Rent and an Affordable Rent in Carlisle, due to rents in the District being significantly below the national average. The range of rents provided by Riverside reflects the fact that rents are lower on older stock transferred from the Council through *the Large-Scale Voluntary Transfer* (LSVT) in 2002.

In respect of the Council motion, there would not appear to be sufficient justification to ask local MPs to lobby Government on this matter, as rents in Carlisle are well below the national average, and relatively “affordable” compared to many other areas. The average median rent for Carlisle of £465 per month, detailed in *Figure 3*, equates to 21.3% of the median income for Carlisle of £26,154 per annum (based on 2021 *CACI Paycheck* data) - Housing charity *Shelter* defines affordable housing as ‘no more than 35% of your household income after tax and benefits.’ Although we are dealing in averages here, and there will inevitably be some households facing difficulties, the important issue around capping Affordable Rents, or linking them to local incomes, seems more pertinent to those local authorities in other areas of the country, where rents and affordability issues are significantly higher. Furthermore, local Housing Associations need to achieve these rent levels to enable them to deliver new affordable homes for rent through bids to Homes England or Section 106 planning obligations and invest in retrofitting existing stock; otherwise, these schemes would not be viable and new affordable homes for rent would not come forward.

The main issue of affordability in the social housing sector for tenants paying the rent through benefits, relates to those who are classed as under-occupying their homes who are subject to regulations concerning the removal of the spare room subsidy (also known as “Bedroom Tax”) who would face a deduction in benefits of 14% of the rent for one spare bedroom and 25% for two spare bedrooms.

3.2 *Review the Right to Buy system in a way so that it is fairer and to look at giving this Council and other Council authorities the option of building much more badly needed local social rented housing.*

Carlisle City Council ceased being a landlord following the LSVT (large scale voluntary transfer) of its housing stock to the Riverside Group in December 2002. By the time of the transfer the stock had fallen to approximately 7,200, from its peak

of around 13,000, prior to the introduction of the Right to Buy policy in the early 1980s (alongside the selective demolition of around 600 properties at Raffles).

Riverside subsequently lost further rented properties to Right to Buy sales over the following years, and their stock was down to just under 6,100 as of September 2019 (although they currently have two schemes on site, totalling nearly 120 properties). Data from the Regulator of Social Housing identifies that in 2019 there were approximately 7,700 Housing Association rental properties in Carlisle's District, equating to approximately 15% of the overall housing stock.

Should the Council wish to consider a return to developing Social or Affordable Rented housing, there are a number of issues which would need to be considered; especially as the Council no longer has a Housing Revenue Account (HRA) which is used to fund council housing by stock-holding local authorities, in accordance with the Housing Act 1985 Part II) since stock transfer. The following information and quotations are taken from *Local Authority Direct Delivery of Housing: Continuation Research* - a research paper published by the RTPI (Royal Town Planning Institute) in July 2019 (with additional explanatory text in brackets in *italics*).

The report highlights the following key motivations and barriers for local authorities engaging in direct delivery:-

- Motivations: meeting local housing requirements and tackling homelessness (followed by income generation and improving design quality);
- Barriers: lack of funding; lack of land; and lack of expertise (pages 54-55).

"All councils (*including those that no longer have a Housing Revenue Account*) have powers to build housing including using powers for land, they can provide housing to meet wellbeing outcomes using *2000 Local Government Act s2* wellbeing duty and the powers to act as a company in the Localism Act 2011 (s1-7). All local authorities can establish a company, a joint venture with another partner, a community benefits society, become a registered provider (*housing association*) or build and hold housing in the general fund account of the council" (page 92).

The RTPI report identifies three main ways in which local authorities can hold housing within their ownership:-

- i) " ... within a Housing Revenue Account (HRA) - *Carlisle has not had an HRA since stock transfer*. In practice, a council can hold up to 200 homes using this legal provision without opening a Housing Revenue Account if they do not have one, but they are required to obtain permission for this from MHCLG (*Ministry of Housing Communities & Local Government*) which is a formality.
- ii) Councils can also hold housing for commercial reasons – that is to generate income. This housing might be held within a property or development

company and can be for all tenures and can be for all tenures and can be let at social rent although not with the same security of tenure as those provided using the *Housing Act 1985*. This might be done using Sections 1-7 of the *Localism Act 2011*.

- iii) The third main way that councils can hold housing is to support wellbeing purposes within Section 2 of the Local Government Act 2000. In this case, homes might be held in specific tenures or locations to meet the wellbeing of the area including the need to support economic and social objectives and may also be offered at social rent but without the same security of tenure as those held under the Housing Act 1985. Only tenants of homes held within the Housing Act 1985 powers are eligible for Right to Buy. If councils use the other powers to hold housing, then it can offer rolling tenancies of up to five years” (pages 35-36).

The Government has allocated £7.4 billion (outside London) to its delivery agency, Homes England, through the Affordable Homes Programme 2021-26. The Programme includes a requirement for 50% of the affordable homes delivered to be for shared ownership, reflecting the Government’s strong commitment to increasing levels of home ownership, which will inevitably lead to a reduction in the overall proportion of grant-funded homes for Affordable or Social Rent. Other priorities include a commitment to deliver 10% supported housing and 10% rural housing within the Programme, together with encouraging providers to deliver more homes through modern methods of construction (MMC).

The key problem emerging from Right to Buy sales is that most of the proceeds were not re-invested in new social or affordable housing. However, due to the high level of discounts and relatively low valuations it is acknowledged that these receipts would not have been anywhere near enough to fund one-for-one replacements. Over recent years local Housing Associations have stepped up delivery of new Affordable Rented housing - with the three largest schemes currently on site, or recently completed, delivering 184 new affordable homes. Most of these new properties are family homes (reflecting the fact most of the social homes sold through Right to Buy were family units) as well as a number of two-bedroom bungalows, meeting the needs of the ageing population.

Going forward, all of our largest Housing Association partners have expressed a keen interest in developing new affordable homes in Carlisle, particularly in respect of new development opportunities at St Cuthbert’s Garden Village.

Regardless of whether the Council decided to lobby local MPs on this policy, the Government has recently announced the introduction of a new Right to Buy shared ownership policy, as part of its commitment to home ownership, so it is unlikely the Right to Buy policy will be withdrawn nationally. The Council does have powers to return to council house building if it so wishes, as detailed above, but this would be very resource intensive in terms of both capital and revenue (especially as all the

Council's housing management staff; repairs surveyors etc. were TUPE'd over to Riverside). Based on the current positive levels of development by local Housing Associations across a range of new sites and their keen interest in securing further sites in Carlisle (especially through opportunities arising from St Cuthbert's Garden Village) the Council needs to consider whether the best option might be to continue to support increased development of social and affordable rented homes through its Housing Association partners.

The Council has previously helped to increase affordable delivery through making sites in its ownership available for affordable housing – most recently the “Demonstration Project” site, completed in 2020, delivering 50 new affordable homes for affordable rent, as well as providing training opportunities for students at Carlisle College. The Council may wish to consider tendering any suitable surplus sites for affordable housing to increase delivery (this would often need to be at below market value to be viable for 100% affordable housing developments) as an alternative to returning to direct council house building.

3.3 *Transform the planning system with an end to the ‘viability’ loophole that lets some developers put off their responsibilities.*

Viability is enshrined within the NPPF (National Planning Policy Framework) which stipulates that: “viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan.”

The Council requires any applicant who claims that their site cannot viably deliver the required percentage of affordable housing set out in the Council's Affordable Housing policies to provide a detailed viability appraisal. This will then be robustly scrutinised by an experienced Chartered Surveyor – the Council negotiates fees arrangements with firms specialising in site-based viability work, whereby the cost is split 50/50 between the Council and the applicant.

The Council's Affordable and Specialist Housing Supplementary Planning Document (SPD) from 2019 includes a detailed section on what information the Council expects applicants to provide in support of an Economic Viability Assessment and provides a standard viability template. The SPD makes it clear that: “Land value – applicants should ensure that all planning obligations are factored into the land transaction price (securing an option to buy sites subject to securing planning permission is advisable). This approach embeds the requirement for affordable housing into land values, improving the transparency and consistency of the viability process” (SPD paragraph 8.4).

Despite the provisions set out in the Housing SPD, there are still a relatively small number of genuine cases, where a site cannot viably deliver all of the affordable housing and/ or other Section 106 requirements – especially, as property prices

have been relatively static in Carlisle for some time, while there is evidence that build costs have been increasing. For instance, Brownfield sites (such as former industrial units or landfill sites) often incur high abnormal site remediation costs before they can be re-developed. Sites of this nature are also more likely to be situated in areas where property prices are relatively low, meaning they may not generate sufficient profit to fund the level of affordable housing required. It also needs to be recognised that affordable housing is often just one Section 106 requirement, alongside a requirement to provide a range of other contributions – e.g. infrastructure, highways, green spaces, education.

In some cases, a reduced affordable housing contribution has been negotiated with the applicant, following a detailed appraisal of the figures by the Chartered Surveyor; however, it is extremely rare for an agreement to be reached whereby there would be no affordable housing on the application site. A rare example being one of the phases of Lovell's redevelopment of Raffles, due to the relatively low sales values in the area, combined with site-specific costs of redeveloping this Brownfield site. However, this is unusual, and on a number of other sites the Chartered Surveyor's viability check has confirmed the site can deliver the full affordable housing requirement and all associated Section 106 costs – a recent example being the Carleton Clinic site, where the applicant's original figures showed a shortfall of several hundred thousand pounds, but following viability negotiations, the required onsite affordable housing contribution and related infrastructure costs have now all been agreed in full. The Council always encourages applicants to bring forward any viability concerns up front; however, on occasion viability challenges are received after developments have commenced, which is frustrating, but applicants are allowed to do this in accordance with National Planning Practice Guidance (NPPG).the NPPF.

The Council only actually receives a relatively limited number of viability assessments – the table below (*Figure 8*) sets out the proportion of affordable housing approvals on sites allocated in the Local Plan as a percentage of overall approvals, based on an exercise carried out in 2019 by the Local Plans team.

Figure 8: Affordable Planning Permissions (Local Plan Allocated Sites)

Total Approvals	Affordable %age	Affordable no.	Rent	Intermediate
3373	25.4%	855	476	379

The total number of affordable approvals of 25.4% is in the middle of the affordable housing targets of 20% for Zone B and 30% for Zones A & C, with almost 56% of these 855 affordable permissions being for rent - very close to the SHMA need assessment of 60% rental accommodation. The number of affordable rental permissions is higher than intermediate low-cost home ownership, due to a small

number of Housing Association led schemes. It should be noted that the above table only refers to sites allocated in the Local Plan and does not include 'windfall' or 'exception' sites.

It is also worth noting that, following an update to the National Planning Policy Framework (NPPF) in 2018, economic viability assessments linked to planning applications must now be made publicly available, making the process more transparent.

Any reduction in affordable housing contributions, due to site-based economic viability assessments, has been extremely limited. In the small number of cases where a reduction in affordable housing provision has been accepted, this has only been agreed based on the professional advice of an experienced Chartered Surveyor, where this has been substantiated following a robust evaluation process. This would not appear to justify any further change in the planning system – the 2018 update of the NPPF has already introduced stricter guidelines on viability assessments, which is supported locally by the economic viability provisions set out in the Council's Affordable and Specialist Housing SPD.

Concerns that a property market crash might follow in the aftermath of Covid-19 have to date proved unfounded, with property prices holding up unexpectedly well; although this is at least partly due to supply and demand, with less people moving following successive lockdowns, including restrictions on people moving home during the first lockdown. The Stamp Duty 'holiday', which ended on 30 June 2021, also helped to sustain property prices during this potentially turbulent period for the housing market. The longer-term picture may change once the Government's 'furlough' scheme ends. The cost of some building materials has risen significantly, however, with shortages linked to BREXIT and Covid-19 also leading to delays in new build properties and sites being completed. The Council will continue to ensure these assessments are robustly appraised by an experienced Chartered Surveyor, taking full account of any fluctuations in market sales values and the cost of materials, and they will not be subject to any viability 'loophole'. Only two viability assessments were received in 2020 and two so far in 2021.

3.4 *That we publicly support and join the LGA and George Clarke in their campaign to have Government work with councils on an ambition to build 100,000 council homes a year.*

The petition, launched by TV presenter and architect George Clarke, to build 100,000 Council homes every year for the next 30 years, due to the impact of Right to Buy sales leading to high waiting lists for social housing in many areas. Over 269,000 people have signed the petition.

The shortfall of affordable homes is much less significant in Carlisle, compared to other areas of the country, notably London and other big cities. As detailed in

section 2.3 of this report, the annual housing need of 158 affordable units per annum over the next five years (both rental and intermediate) compares with annual affordable completions of 129 over the last five years and 160 over the last two years. Officers continue to work with a range of partners, including Homes England, and local Housing Associations to meet. and where possible exceed (as in 2020/21) our affordable housing targets.

4. AFFORDABLE HOUSING DELIVERY OPTIONS

- 4.1 There are a number of options the Council could consider, to sustain and even increase affordable housing delivery. These delivery methods, including the opportunities and risks for each option, are considered in *Figure 9*, below.

Figure 9: Affordable Housing Delivery Options

Delivery Method	Opportunities	Risks
Make Council land available for affordable housing development	The Council has a previous successful track record of tendering sites on this basis and would be utilising existing resources so minimising costs. Although affordable housing sites would usually need to be sold at below market value, they would still generate a capital receipt. Much quicker and simpler process than setting up a company.	Finite supply of “shovel ready” sites in Council’s ownership – many sites already sold. Likely to impact on asset disposal income targets.
Prudential borrowing to invest in affordable housing	Some Councils have used their prudential borrowing powers to provide loans to Housing Associations to deliver new affordable homes. This could help with securing sites – feedback from local Housing Associations is land is the greatest barrier, as they are usually outbid for the best sites by private developers.	Housing Associations have indicated they can afford to finance their own schemes – the major problem they are facing is securing quality sites. There would therefore appear to be no obvious benefit at this time.
Set up a Council led Housing Company	Companies already set up cover a range of models – could generate income over time. If the Council invested in land, this could bring in delivery partners (e.g. Housing Associations; investors; Homes England) with development	Financial and staffing resources would need to be fully appraised, and delivery model clearly established. Establishing a new company would require significant upfront investment.

	expertise. St Cuthbert's Garden Village would have potential.	
Delivery Method	Opportunities	Risks
Establish a Joint Venture (JV)	Joint ventures do not always require setting up a Housing Company and might relate only to a specific site or project. For instance, the Council could provide a site for affordable development in partnership with a Housing Association, in return for a share of the rental income (creating a long-term income stream) in lieu of a capital receipt. The model could also generate a capital receipt but with a greater share of reward and risk.	It could potentially take much longer to recoup the Council's investment under the JV model, compared to a land disposal. Depending on the structure, the Council may have to share risks; including upfront legal costs, which could be abortive in the event of the JV not being formally established. Relative shortage of "shovel ready" sites in the Council's ownership and low rental yields in Carlisle may limit interest from a JV partner.
Use of New Homes Bonus (NHB) receipts	Some local authorities, including Eden and South Lakeland have invested NHB receipts in delivering affordable housing. Funding could be used towards acquiring affordable sites; joint initiatives with partners; or bringing empty properties back into use on an affordable basis (either through a rolling capital programme or through providing grants to landlords – which would need significantly less funding per unit and bring more properties back into use).	Using NHB to increase affordable housing delivery would inevitably reduce investment in other service areas; given it essentially helps to offset wider reductions in Government funding.
Rural Exception sites	Local Plan policy HO 5 allows for the development of small sites to meet an affordable housing need in locations where market housing would not ordinarily be acceptable – an element of enabling market housing may be acceptable, if justified by a viability appraisal. There is currently a strong interest from a number of local Housing Associations.	Exception sites need to be located in sustainable locations: adjoining settlements with local services and facilities or benefitting from good public transport links to larger settlements. Perceived lack of confidence in planning system from local communities.

5. PRACTICAL DELIVERY OPTIONS

Having considered the options set out above in Section 4, it is considered that the most appropriate potential options to increase the delivery of affordable housing in Carlisle are:-

- 5.1 Setting up a Local Housing Company
- 5.2 Establishing a Joint Venture with a delivery partner (options 5.1 and 5.2 have been considered in more detail in Section 2.6);
- 5.3 Making Council owned land available for affordable housing delivery.

A SWOT Analysis (strengths; weaknesses; opportunities; threats) is included in the table below (*Figure 10*) to consider the potential of these three options in additional detail.

Figure 10: Practical Delivery Options - SWOT Analysis

5.1 Local Housing Company (LHC)	
Strengths	Council-owned delivery vehicle, with the ability not just to increase overall supply, but simultaneously enable the Council to help “plug gaps” in the housing market to meet identified local needs – e.g. providing more affordable bungalows for older people or specialist supported housing, such as Extra Care.
Weaknesses	Resource intensive: setting up a LHC would require additional staff, as well as significant borrowing to develop sites, as well as potentially purchasing development sites, as the Council has a limited number of “shovel ready” sites left which are suitable for housing development. It is understood the Council would be required to re-establish a Housing Revenue Account once its stock reached 200 properties. The stock may become eligible for Right to Buy in future, depending on Government policy.
Opportunities	St Cuthbert’s Garden Village. Local Government Reorganisation – other local authorities Carlisle will be joining in the new Unitary Council have experience of setting up a Local Housing Company or ownership of sites and a larger Council would have greater access to borrowing.
Threats	Competition from the Housing Association sector and private landlords, who are already established. Potential that properties could be eligible to be sold through Right to Buy, subject to the outcome of current Government pilot.
5.2 Joint Venture (JV)	
Strengths	Opportunity to pool resources and skills, thereby sharing risk and reward with a carefully selected housing delivery partner (establishing clearly defined management, governance & decision-making protocols). A JV could involve the Council providing land and the

	housing partner (e.g. a Housing Association) bringing development and housing management skills. A JV is less resource intensive than setting up a LHC – and could potentially be managed within existing staffing resources. This approach provides options in respect of financial reward, including an upfront capital receipt; phased payments; or longer-term income stream for the Council.
Weaknesses	Potential delay in getting the JV off the ground, as this could involve a lengthy tendering/ procurement and legal process. Limited supply of “shovel ready” sites in the Council’s ownership. Rent levels in Carlisle are well below the national average, meaning affordable rental schemes would probably not deliver any surplus income stream – Housing Associations often require discounted land just to make the scheme break even.
Opportunities	Local Housing Associations have expressed interest in developing a number of sites in Council ownership. As detailed in 5.2, above, economies of scale relating to a new Unitary Authority could also provide greater opportunities for setting up a Joint Venture.
Threats	A JV will only be successful if the Council partners with a housing partner who brings complementary skills to the JV and shares the Council’s goals and objectives – it is crucial to select the right delivery partner.
5.3 Making Council Owned Land Available for Affordable Housing	
Strengths	Least resource intensive option in respect of staffing time – could be managed within existing staffing resources. Would require a procurement exercise (could cover more than one site) involving Housing, Planning, Procurement, Legal & Property staff. The Council have previous experience of successfully tendering for partner organisations to deliver sites for Extra Care Housing (Heysham Gardens) and affordable housing: Heysham Drive; Irthing Close (Brampton) & most recently Beverley Rise, Harraby (<i>Demonstration Project</i>).
Weaknesses	It is likely the sites would need to be sold at below market value to make them “stack up” financially for a 100% affordable development.
Opportunities	Officers are aware of existing interest from local Housing Associations in developing a number of sites in Council ownership.
Threats	It is possible there may not be interest in certain sites (e.g. where the location is not considered suitable, or there are concerns over flood risk or site remediation costs); however, this risk could be mitigated through “soft market testing” prior to any tendering exercise.

6. RISKS

6.1 The risks relating to the three key options are detailed in the ‘Threats’ section of the SWOT analysis, above. A further risk summary is included below:-

- Option 5.1 - Setting up a Local Housing Company: would carry the greatest level of risk as it would involve borrowing millions of pounds to build

properties, purchase housing sites (this could be reduced if the Council were able to use a number of its own sites) and employ additional staff to maintain the new Council homes. Once the number of properties surpassed 200 homes, the Council would be required to set up a Housing Revenue Account, and properties would be at risk through the Right to Buy. It would be a long time before the company broke even, as the income stream would be based on sub-market rents.

- Option 5.2 – Establishing a Joint Venture: some of the issues relating to setting up a Local Housing Company would still apply; however, the risks could be shared under this approach. Potentially, the Council may be able to partner with another organisation, such as a Housing Association, who are already geared up to managed and develop housing, and make land available at no cost, potentially in return for a share of the rents, but this is unlikely to be a significant amount due to the partner's cost of developing and managing the scheme and level of Affordable Rents in Carlisle District, which are well below national and regional averages.
- Option 5.3 – Making Council land available for affordable housing: less of a risk to the Council; although there is a risk there may not be significant interest in some sites currently in the Council's ownership, as many of the better, more readily developable sites suitable for housing have already been sold.

Pursuing options 5.1 or 5.2 would potentially benefit from advice from an expert consultant – the Council has considerable previous experience of delivering affordable housing through option 5.3.

7. CONSULTATION

- 7.1** Proactive discussions have been held between Housing and Planning Officers, and also Property Services regarding potential housing sites. Briefing papers were discussed by SMT and JMT in 2020.
- 7.2** Officers will be liaising with colleagues in other local authorities, who will be part of the new Unitary Council, to explore opportunities for increasing affordable housing delivery, through the Cumbria Housing Group and other countywide housing fora.

8. CONCLUSION AND REASONS FOR RECOMMENDATIONS

8.1 Council Motion

The motion from the 5 November meeting Council meeting requires that a report be taken back to Council. The Council's options in respect of the motion are considered in detail in Section 3 of this report. To summarise, this report's conclusions on the recommendations are:-

- Affordable Rent levels: Market rents, as well as Social and Affordable Rent levels, in Carlisle are significantly below the national average. It may therefore be more appropriate for local authorities in higher rental value areas to ask their MPs to lobby Government on this issue (detailed in section 3.1).
- Reforming Right to Buy: The Government re-affirmed its commitment to the Right to Buy policy in the March 2020 budget. If the Council were still minded to ask local MPs to lobby Government on this issue, it would therefore seem unlikely to have any significant impact, based on prevailing Government policy, which is strongly focussed on supporting home ownership (detailed in section 3.2).
- Closing the Economic Viability 'Loophole': There has been relatively little reduction in affordable housing contributions, due to economic viability assessments, in Carlisle. The comparatively small number of planning applications where there has a reduction from policy have been genuine cases, which have only been approved based on the expert advice of an experienced Chartered Surveyor, following robust scrutiny of the figures. The most recent updates to the NPPF have already made viability procedures more robust and transparent, so it is not considered any further lobbying of Government is required (detailed in section 3.3).
- Support the petition by George Clarke and the LGA to increase Council House Building to 100,000 per year: Most of the affordable housing need in Carlisle is currently being met through new supply and re-lets of existing stock, making this more of an issue for other areas where there is a clear under supply of affordable homes (detailed in section 3.4).

8.2 Housing Delivery Options

Overall housing delivery in Carlisle had been operating at record levels for the four years prior to the pandemic (there was inevitably a reduction in completions in 2020-21 due to the impact of Covid-19, compounded by delays due to materials shortages linked to BREXIT) with a number of new developers now operating in the

District; however, annual affordable completions vary significantly. To some extent, this is linked to Homes England funding programmes; however, there is also an underlying problem in respect of local Housing Associations struggling to access sites (including larger strategic sites, which could be built out over a number of years) as they generally lose out to private developers, who are able to pay more for the better sites.

A recent report by Lloyds Banking on the UK's most affordable cities has shown that Carlisle is the second most affordable place to live –

<https://www.lloydsbankinggroup.com/media/press-releases/2021/halifax/londonderry-tops-uk-affordable-cities.html>

Section 5 of this report sets out three priority options for increasing the delivery of affordable housing. Options 5.1 and 5.2 (setting up a Local Housing Company or a Joint Venture) would require more detailed exploratory work to establish the legal, financial and procurement implications of the preferred approach; while option 5.3 – making Council land available for affordable (or specialist) housing, is a tried and tested model the Council has previously utilised successfully, notably with the 60 unit Heysham Gardens extra care housing scheme and most recently with the 50 new homes completed at Harraby in 2020, through the Demonstration Project scheme. These options can be considered in more detail by the new Unitary Council.

The new Unitary Authority offers opportunities around increased economies of scale to seek new strategies for delivering affordable housing, as detailed in sections 4 and 5 of this report. In the interim, Officers will now be able to take the opportunity to hold preliminary discussions, looking into the practical delivery options (set out in section 5 of this report) further with local authorities who will be part of the new Unitary Council (including through established fora, such as the Cumbria Housing Group) and other potential delivery partners, such as local Housing Associations, in advance of the new Unitary coming into operation from 1 April 2023.

9. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

9.1 Delivery of affordable housing fulfils both the Economic Growth and Health and Wellbeing priorities in the Carlisle Plan.

Contact Officer: Jeremy Hewitson

Ext: 7519

Appendices None
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 – There are no legal implications arising from this Report as its purpose is to provide an overview so further detailed legal work would be required should any particular course of action be chosen. The Report accurately quotes the Local Authority Direct Delivery of Housing: Continuation Research - a research paper published by the RTPI (Royal Town Planning Institute) in July 2019 which references the s2 Local Government Act 2000 as the appropriate power. This was, however, revoked in 2011 and replaced by the power of general competence (Localism Act 2011).

PROPERTY SERVICES – The Council has property assets that could be used to deliver affordable housing however this would need to be balanced with its desire to generate capital receipts to assist with delivery of other Council objectives.

FINANCE – The report outlines various proposals for improving availability of affordable housing in the area. Members are asked to give opinions on the various options discussed. Each option will have its own challenges in terms of appropriate procurement and financial implications, for example, the use of Council land, using various delivery structures or the potential to use prudential borrowing to deliver the objectives. Once these preferred options are narrowed down, these implications will be able to be considered in more detail. At present, there are no allocations for financial support to be able to deliver any housing schemes in the Council's capital programme and any revenue costs would need to be met from base budgets.

EQUALITY – The report identifies the challenge of meeting the needs of the ageing population. The increasing need for bungalows, and other property types suitable for older persons, due to the significant projected increase in the number of older people, is addressed in the Council's Affordable and Specialist Housing Supplementary Planning Document (SPD) adopted in early 2018. Data provided by POPPI (Projecting Older People Population Information) projects a 33.5% increase in the no. of people aged 65 and over across Carlisle District between 2020 and 2040, including a particularly significant increase in people aged 85 and over.

INFORMATION GOVERNANCE – There are no Information Governance Implications with this report.

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 31 AUGUST 2021

EX.93/21 **OPTIONS FOR INCREASING THE DELIVERY OF AFFORDABLE HOUSING IN CARLISLE

(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 Economy, Enterprise and Housing

Relevant Scrutiny Panel Health and Wellbeing

Subject Matter

The Economy, Enterprise and Housing Portfolio Holder presented the response to a Council motion from November 2019 (detailed in Section 1.1 of report ED.28/21) to consider a number of specific measures in respect of enhancing affordable housing delivery. The report provided a response to each of the individual issues raised in the motion, as well as looking at wider potential options for the delivery of increased levels of affordable housing in Carlisle.

The Economy, Enterprise and Housing Portfolio Holder drew particular attention to section 8.1 which summarised the report's conclusions on the recommendations set out in the motion. He thanked the Housing development Officer for the report.

The Economy, Enterprise and Housing Portfolio Holder moved the recommendations, which were seconded by Leader.

Summary of options rejected none

DECISION

That the Executive:

- 1) noted the work undertaken to deliver affordable homes in Carlisle;
- 2) considered the potential options set out in report ED.28/21 for increasing the level of affordable housing delivery;
- 3) recommended that, in view of the Local Government Reorganisation, the matter be reviewed by the new Unitary Council.

Reasons for Decision

To provide a response to a Motion agreed by full Council on 5 November 2019

Meeting Date: 14 September 2021
Portfolio: Finance, Governance and Resources
Key Decision: Not applicable.
Policy and Budget Framework: No
Public / Private: Public

Title: Temporary Appointment of Members to Farlam Parish Council
Report of: Corporate Director of Governance and Regulatory Services
Report Number: GD.57/21

Purpose / Summary:

Farlam Parish Council currently has insufficient Members to be quorate. This Report seeks authority to make an Order under s.91 of the Local Government Act 1972 to appoint Cllrs Meller, Mitchelson and Tinnion to Farlam Parish Council in order that a quorate meeting of the said Parish may take place and co-opt new Members.

Recommendations:

That Council :

1. By order made pursuant to s91 of the Local Government Act 1972 appoint Councillors Meller, Mitchelson and Tinnion as temporary members of Farlam Parish Council;
2. Stipulate that such appointments cease at the conclusion of the Farlam Parish Council Meeting at which sufficient persons are appointed by co-option such that the said Parish Council is thereafter able to hold quorate meetings.
3. Authorise the Corporate Director of Governance and Regulatory Services to draft and complete the Order and serve it as appropriate.

Tracking

Executive:	
Scrutiny:	
Council:	14 September 2021

1. BACKGROUND

- 1.1** Farlam Parish Council has eleven seats but, due to resignations, currently only has three Members which is, according to their standing orders, an insufficient number to hold a quorate meeting. This means that it is unable to hold meetings and take decisions and is thus ineffective as a body of local government.

2. PROPOSALS

- 2.1** Section 91(1) of the Local Government Act 1972 provides that where there are so many vacancies in the office of parish councillor that the parish council are unable to act, the [city] council may by order appoint persons to fill all or any of the vacancies until other councillors are elected and take up office.
- 2.2** The City Councillors for the Farlam Parish Council area are Councillors Meller, Mitchelson and Tinnion and it is proposed that they each be appointed to Farlam Parish Council as described so that it will be able to hold a proper Meeting which will be able to appoint new Parish Council Members. Once the Parish Council has co-opted new Members, the City Councillors will cease to be Members of the Parish Council.
- 2.3** Once an Order pursuant to s91 is made, two copies must be sent to the Secretary of State.
- 2.3** If persons do not come forward to be co-opted then the Returning Officer has the power (s39 of the Representation of the People Act 1983) to order an election to be held. This would cost the Parish Council a significant amount of their resources and is hoped to be avoided.

3. RISKS

- 3.1** The risk would be that the Parish Council remains inquorate and unable to act.

4. CONSULTATION

- 4.1** The City Councillors referred to in the Report have been consulted and are agreeable to the proposal.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 5.1** That the Council, pursuant to s91 of the Local Government Act 1972, appoint the named Councillors as temporary members of Farlam Parish Council in order that it may meet to conduct its business.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 6.1** The proposal contributes to the delivery of local democracy.

Contact Officer: Mark Lambert

Ext: 7019

Appendices attached to report: None.

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 – Contained within the body of the Report.

PROPERTY SERVICES – None.

FINANCE – The costs of drafting the Order and the ongoing advice to Farlam Parish can be met from within existing Council resources.

EQUALITY – Any person is entitled to be co-opted or elected in accordance with electoral law.

INFORMATION GOVERNANCE – None.

Report to COUNCIL

Item
18.

Meeting Date: 14th September 2021
Portfolio: Finance, Governance and Resources
Key Decision: No
Policy and Budget Framework: Yes
Public / Private: Public

Title: Community Governance Review: "Stanwix Village"
Report of: Corporate Director of Governance and Regulatory Services
Report Number: GD.56/21

Purpose / Summary: To consider a petition requesting a Community Governance Review (CGR) of the proposed "Stanwix Village" parish area and, what the remit and scope should be.

Recommendations:

1. That Council agrees to carry out a Community Governance Review of the proposed "Stanwix Village" parish area to consider the establishment of a separate parish council for "Stanwix Village" and associated electoral arrangements.
2. That the Terms of Reference for the Community Governance Review, as set out at Appendix 1 to the report, are agreed.
3. That a Community Governance Review Working Party consisting of members from the Stanwix & Houghton ward and Stanwix Urban division be established to co-ordinate the review and to make final recommendations to Council.

Tracking

Executive:	
Scrutiny:	
Council:	14 September 2021

1. BACKGROUND

A petition calling for the establishment of a separate parish council for the Stanwix Village area, coterminous with the current Stanwix Urban County Council division, was submitted on 1st September 2020. The petition contained 330 valid local government elector signatures which is the minimum number required to trigger a review of that area. It was felt prudent to await the ending of social distancing regulations in order to facilitate proper community engagement in relation to the proposal.

2. PROPOSALS

Section 83 of the Local Government & Public Involvement in Health Act 2007 requires a district council to undertake a review where a valid petition is received which relates to whole or part of the council's area and where the council is not currently carrying out a review of the area and has not carried out a review in the two years preceding. As the conditions are met then the council has a duty under the legislation to carry out the review as requested in the petition.

The legislation requires that a review is concluded within 12 months from the date the council begins the review. It is anticipated that the review therefore should be concluded by the autumn of 2022 with an effective date of April 2023. The outcome of the Community Governance Review must be recommendations as to what new parish or parishes (if any) should be constituted in the area under review. If the outcome of a review is that a new parish council is to be established then elections must be held as soon as the council is established, potentially May 2023. The councillors would serve a four-year term of office, which would bring it in line with the new unitary council elections.

3. RISKS

The procedure for conducting a Community Governance Review is set out in legislation. Appropriate guidance and advice will be sought at all stages to ensure compliance with the statutory requirements.

4. CONSULTATION

The focus of the work of the CGR's will be in connection with planning and delivering a strategy of public engagement and from the outcome of that and consultation with other key stakeholders, draft Orders will be prepared. It is suggested that this work should be carried out by a working group comprising the elected members from the relevant Carlisle City Council ward and Cumbria County Council division, supported by the Electoral Services team and with input from the Communications team, Legal team and Finance as required. As Carlisle City Council is the responsible body for the CGRs then the working group must comprise Carlisle City Councillors. The working group will not have any delegated decision-making powers beyond agreeing the programme of consultation, the timetables for the reviews and making final recommendations to

Council. The Council must agree the Terms of Reference of any CGR before it commences, the draft Terms of Reference are set out at Appendix 1.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

As the petition meets the legal requirements and as the council is not currently reviewing that area, nor has it reviewed it within the past two years, then council is duty bound to conduct a review. To decide not to conduct a review would be unlawful. The outcome of the review will be for Council to decide once the process has concluded.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

The CGR will determine whether there are improvements able to be made to the delivery of local government in the Stanwix area.

Contact Officer:

Sally Little

Ext: 7555

Appendices attached

Terms of Reference

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 – Implications for electoral administration of the parish.

PROPERTY SERVICES – **None.**

FINANCE – The duty to carry out a Community Governance Review and to bear the associated costs rests with Carlisle City Council as the principal authority. The costs will mainly arise from staff resources, the cost of public consultation events and from the running of working group meetings.

EQUALITY – All persons may contribute to the consultation.

INFORMATION GOVERNANCE – All data will be processed in accordance with the General Data Protection Regulations.

Carlisle City Council**Community Governance Review of proposed “Stanwix Village” parish area****Terms of Reference**

In undertaking the review, the Council will be guided by the relevant parts of the Local Government and Public Involvement in Health Act 2007, the relevant parts of the Local Government Act 1972 and Guidance on Community Governance Reviews issued by the Department of Communities and Local Government and the Electoral Commission. These terms of reference will set out the matters on which the review is to focus.

Why is the Council Undertaking the Review?

The Council has received a valid petition from local government electors in the Stanwix Urban County Division of Cumbria County Council seeking a Community Governance Review with the view to establishing a separate parish council for Stanwix Village.

What will the Review consider?

The review will consider whether to establish a separate parish council for Stanwix and the electoral and all other arrangements of a new parish council.

All local government electors for the area under review and any other person or body who appears to have an interest in the review, will be consulted on the proposals and their representations will be considered as part of the review.

The Council must have regard to the need to secure that the community governance arrangements for the area reflect the identities and interests of the community in the area and are effective and convenient.

Parish Governance

The Council wants to ensure that there is clarity and transparency to the area that the parish council represents and that the electoral arrangements are appropriate, equitable and readily understood by the electorate.

In its White Paper, *Strong and Prosperous Communities*, the Government emphasised that “Ultimately, the recommendations made in a community governance review ought to bring about improved community engagement, more cohesive communities, better local democracy and result in more effective and convenient delivery of local services”.

How the Council proposes to conduct consultations during the Review?

In deciding what recommendations to make, the Council will need to take account of the views of local people. The Local Government and Public Involvement in Health Act 2007 requires the Council to consult the local government electors for the area under review and any other person or body who appears to have an interest in the review and to take the representations that are received into account.

The Council will consult in an appropriate manner within the review area, ensuring that those affected are given the opportunity to respond. In accordance with the Local Government and Public Involvement in Health Act 2007, representations received in connection with the review will be considered and consultees will be informed of the outcome of the review.

Any decisions made and the reasons for those decisions will be published following the review. The mechanism for this will be through the Council's website, issuing press releases, personal communications where appropriate and through posting notices within the area affected by the review.

The Community Governance Review Working Party Terms of Reference

1. The Working Party will consider and determine the following stages of the Community Governance Review for the proposed Stanwix Village Parish area:

- (a) Agree the review Terms of Reference for publication as the first phase of Consultation.
- (b) Consider responses from the first phase of consultation.
- (c) Consult on parish boundaries and electoral arrangements for a parish council for Stanwix Village as the second phase of consultation.
- (d) Consider responses from the second phase of consultation.
- (e) Consider and determine any other matters in connection with the review.

2. The Working Party will make final recommendations to the Council on the content of the draft Community Order for the “Stanwix Village” parish area.

3. The Working Party will comprise of members of the following City wards/County divisions:

- Stanwix & Houghton
- Stanwix Urban

4. The quorum for the Working Party will be four members.

How to contact us or make a representation

Contact details for the duration of the review are as follows.

Any representations should also be sent to this address. Representations should include the full name and contact details for the person or organisation making the representation: -

Sally Little
Electoral Services Officer
Sally.Little@carlisle.gov.uk
01228 817555

Electoral Services
Civic Centre
Carlisle
CA3 8QG

Report to Council

Item
21.

Meeting Date: 14 September 2021

Portfolio: Cross-cutting

Key Decision: Not applicable

Policy and Budget Framework Not applicable

Public / Private Public

Title: OPERATION OF THE PROVISIONS RELATING TO CALL-IN AND URGENCY

Report of: Corporate Director of Governance and Regulatory Services

Report Number: GD.59/21

Purpose / Summary:

To report on the operation of call-in and urgency since the previous report to Council on 14 September 2021.

Recommendations:

That the position be noted.

Tracking

Executive:	N/A
Scrutiny:	N/A
Council:	14 September 2021

1. BACKGROUND

Rule 15(i) of the Overview and Scrutiny Procedure Rules deals with the procedure in respect of occasions where decisions taken by the Executive are urgent, and where the call-in procedure should not apply. In such instances the Chairman of the Council (i.e. the Mayor) or in her absence the Deputy Chairman of the Council must agree that the decision proposed is reasonable in the circumstances and should be treated as a matter of urgency.

The record of the decision and the Decision Notice need to state that the decision is urgent and not subject to call-in. Decisions, which have been taken under the urgency provisions, must be reported to the next available meeting of the Council together with the reasons for urgency.

Furthermore, Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 prescribes that the intention to hold a meeting in private must be published at least 28 clear days prior to that meeting.

Where the date by which a meeting must be held makes compliance with the regulation impracticable, the Chair of the relevant Scrutiny Panel or the Chairman of the Council may agree that the meeting is urgent and cannot reasonably be deferred.

2. OPERATION OF THE PROVISIONS RELATING TO CALL IN AND URGENCY

The Executive, at their meeting held on 2 August 2021, considered a report regarding an Application to Sustainable Warmth Competition (LAD Phase 3 And Home Upgrade Grants (HUG)).

If a call-in was received, the call-in procedures would overlap the deadline for the submission of the application. Any delay caused by the call-in process would prejudice the Council's interests in terms of submitting the application.

The Mayor therefore agreed that the above decision was urgent and, for the reasons set out, that the call-in process should not be applied to the decision.

Furthermore, the Executive, at their meeting held on 31 August 2021, considered the following reports which were referred to Council:

Medium Term Financial Plan 2022/23 – 2026/27

Capital Investment Strategy 2022/23 – 2026/27

Asset Management Plan 2022 – 2027

Carlisle Plan 2021 – 2023

Delivery of Affordable Housing in Carlisle

All Members will have received copies of the reports and minutes with the Summons for the Council meeting and will have the opportunity to consider the items at the Council meeting on 14 September 2021.

It was considered that any delay caused by a call-in would prejudice the Council's interests in delaying approval of the matters. The Mayor therefore agreed that the above decisions

were urgent and, for the reasons set out above, that the call-in process should not be applied to the decisions..

3. CONCLUSION AND REASONS FOR RECOMMENDATIONS

3.1 That the position be noted.

Contact Officer: Rachel Plant

Ext: 7039

Appendices None
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:

- Carlisle City Council's Constitution

<https://www.carlisle.gov.uk/Council/Council-and-Democracy/Constitution>

- The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

CORPORATE IMPLICATIONS:

LEGAL – Report is by the Corporate Director of Governance and Regulatory Services and legal comments are included.

PROPERTY SERVICES – Not applicable

FINANCE – Not applicable

EQUALITY – Not applicable

INFORMATION GOVERNANCE – Not applicable

