AGENDA

Executive

Tuesday, 31 August 2021 AT 16:00
In the Council Chamber, Civic Centre, Carlisle, CA3 8QG

APOLOGIES FOR ABSENCE

To receive apologies for absence.

DECLARATIONS OF INTEREST

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

PUBLIC AND PRESS

To agree that the items of business within Part A of the agenda should be dealt with in public and that the items of business within Part B of the agenda should be dealt with in private.

MINUTES OF PREVIOUS MEETINGS **7 - 16**

To agree the Minutes of the meeting of the Executive held on 2 August 2021.
[Copy Minutes herewith]

PART A

To be considered when the Public and Press are present

A.1 MEDIUM TERM FINANCIAL PLAN 2022/23 to 2026/27 **17 - 66**

(Key Decision – KD.08/21)

The Corporate Director of Finance and Resources to submit a report seeking consideration of the Council's Medium Term Financial Plan which will inform the budget process. The matter was considered by the Business and Transformation Scrutiny Panel on 26 August 2021.
(Copy Report RD.28/21 (amended) herewith and Minute Excerpt to follow)

A.2 CAPITAL INVESTMENT STRATEGY 2022/23 – 2026/27 **67 - 104**

(Key Decision – KD.08/21)

The Corporate Director of Finance and Resources to submit a report seeking consideration of the Council's Capital Investment Strategy which is intended to direct the Council's Capital Programme and the allocation of resources for the five-year period 2022/23 – 2026/27. The matter was considered by the Business and Transformation Scrutiny Panel on 26 August 2021.
(Copy Report RD.29/21 (amended) herewith and Minute Excerpt to follow)

A.3 ASSET MANAGEMENT PLAN 2022 TO 2027 **105 - 132**

(Key Decision – KD.14/21)

The Corporate Director of Governance and Regulatory Services to submit a report on the Council's Asset Management Plan 2022 - 2027. The matter was considered by the Business and Transformation Scrutiny Panel on 26 August 2021.
(Copy Report GD.47/21 herewith and Minute Excerpt to follow)

A.4 **CARLISLE PLAN 2021-2023** **133 - 170**

(Key Decision – KD.15/21)

The Deputy Chief Executive to submit a report on the new Carlisle Plan 2021 – 2023. The matter had been considered by the Business and Transformation Scrutiny Panel on 15 July; the Health and Wellbeing Scrutiny Panel on 22 July; and the Economic Growth Scrutiny Panel on 29 July 2021.
(Copy Report PC.27/21 and Minute Excerpts herewith)

A.5 **GAMBLING ACT 2005 - DRAFT STATEMENT OF PRINCIPLES 2022-2025** **171 - 232**

(Key Decision – KD.19/21)

The Corporate Director of Governance and Regulatory Services to submit the draft Statement of Gambling Policy 2022 – 2025 for review. The Licensing Committee considered the matter on 18 August 2021.
(Copy Report GD.49/21 and Minute Excerpt herewith)

Background Papers – are available on the following websites
https://www.gamblingcommission.gov.uk/print/guidance-to-licensing-authorities
https://www.legislation.gov.uk/ukpga/2005/19/contents

A.6 **NOTICE OF EXECUTIVE KEY DECISIONS** **233 - 244**

(Non Key Decision)

The Notice of Executive Key Decisions, published on 30 July 2021, is submitted for information.
(Copy Notice herewith)

A.7 **SCHEDULE OF DECISIONS TAKEN BY THE LEADER / PORTFOLIO HOLDER** **245 - 246**

(Non Key Decision)

A Schedule detailing decisions taken by the Leader / Portfolio Holders under delegated powers is attached for information.
(Copy Schedule herewith)

Background Papers – as detailed within the Schedule

A.8 SCHEDULE OF DECISIONS TAKEN BY OFFICERS **247 - 252**

(Non Key Decision)

A Schedule detailing decisions taken by Officers under delegated powers is attached for information.
(Copy Schedule herewith)

Background Papers – as detailed within the Schedule

A.9 JOINT MANAGEMENT TEAM **253 - 254**

(Non Key Decision)

The Minutes of the meeting of the Joint Management Team held on 2 August 2021 are submitted for information.
(Copy Minutes herewith)

A.10 OPTIONS FOR INCREASING THE DELIVERY OF AFFORDABLE HOUSING IN CARLISLE **255 - 280**

(Non Key Decision)

The Corporate Director of Economic Development to provide a response to a Council motion from November 2019 (detailed in Section 1.1. of the 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.
(Copy Report ED.28/21 herewith)

A.11 CARLISLE CITY CENTRE TASKFORCE **281 - 290**

(Non Key Decision)

The Corporate Director of Economic Development to submit a report providing an overview of proposal for a new City Centre Taskforce. The matter was considered by the Economic Growth Scrutiny Panel on 29 July 2021.
(Copy Report ED.29/21 and Minute Excerpt herewith)

A.12 **REVENUE BUDGET OVERVIEW AND MONITORING REPORT: APRIL TO JUNE 2021** **291 - 314**

(Non Key Decision)

The Corporate Director of Finance and Resources to submit a report providing an overview of the Council's overall budgetary position for the period April to June 2021 for revenue schemes only and provides details of the impact of Covid-19 on the revenue budget.
(Copy Report RD.32/21 herewith)

A.13 **CAPITAL BUDGET OVERVIEW AND MONITORING REPORT: APRIL TO JUNE 2021** **315 - 330**

(Non Key Decision)

The Corporate Director of Finance and Resources to submit a report providing an overview of the budgetary position of the Council's capital programme for the period April to June 2021.
(Copy Report RD.33/21 herewith)

A.14 **TREASURY MANAGEMENT: APRIL TO JUNE 2021** **331 - 344**

(Non Key Decision)

The Corporate Director of Finance and Resources to submit the regular quarterly report on Treasury Transactions, including the requirements of the Prudential Code.
(Copy Report RD.34/21 herewith)

A.15 **UPDATE TO MOBILE HOMES POLICY 2021** **345 - 364**

(Non Key Decision)

The Corporate Director of Governance and Regulatory Services to submit a report setting out the proposed updates to the Council's Mobile Homes Act Policy and charges for carrying out the new functions.
(Copy Report GD.51/21 herewith)

A.16 **CUMBRIA COVID-19 RECOVERY STRATEGY** **365 - 400**

The Town Clerk and Chief Executive to provide an update on the finalised Cumbria Covid-19 Recovery Strategy and recovery partnership structure.
(Copy Report PC.32/21 herewith)

PART B

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

- NIL -

Members of the Executive

Councillor J Mallinson (Leader's Portfolio)

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

Councillor N Christian (Environment and Transport Portfolio Holder)

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

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

Councillor P Nedved (Economy, Enterprise and Housing Portfolio Holder)

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

Notes to Members:

Decisions made at this meeting, if not subject to call-in, will normally become live on 10 September 2021.

EXECUTIVE

MONDAY 2 AUGUST 2021 AT 4.00 PM

PRESENT:

Councillor J Mallinson (Leader / Chair)
Councillor Ellis (Deputy Leader, and Finance, Governance and Resources Portfolio Holder)
Councillor Higgs (Culture, Heritage and Leisure Portfolio Holder)
Councillor Mrs Mallinson (Communities, Health and Wellbeing Portfolio Holder)
Councillor Nedved (Economy, Enterprise and Housing Portfolio Holder

OFFICERS:

Town Clerk and Chief Executive
Deputy Chief Executive
Corporate Director of Economic Development
Legal Services Manager
Revenues & Benefits Operations Manager
Health and Wellbeing Manager

APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor Christian (Environment and Transport Portfolio Holder), the Corporate Director of Governance and Regulatory Services and the Corporate Director of Finance and Resources.

DECLARATIONS OF INTEREST

Councillor Mrs Mallinson declared a disclosable pecuniary interest in accordance with the Council's Code of Conduct in respect of Agenda item A.10 – Application to Sustainable Warmth Competition (LAD Phase 3 and Home Upgrade Grants (HUG)). The interest related to the fact that Councillor Mrs Mallinson was a private landlord and she would leave the meeting prior to consideration of that item of business.

Councillor Mallinson (J) declared a disclosable pecuniary interest in accordance with the Council's Code of Conduct in respect of Agenda item A.10 – Application to Sustainable Warmth Competition (LAD Phase 3 and Home Upgrade Grants (HUG)). The interest related to the fact that Councillor Mallinson was a private landlord. He would leave the meeting prior to consideration of that item of business, and the Deputy Leader would assume the chair.

PUBLIC AND PRESS

RESOLVED – That the Agenda be agreed as circulated.

MINUTES

The minutes of the meetings of the Executive held on 6 April and 2 June 2021 were signed by the Chair as a true record of the meetings. The minutes of the meeting held on 5 July were agreed.

CALL-IN AND URGENCY PROCEDURES

The Leader reported that the Mayor had, on 23 July 2021, agreed that item A.10 - Application to Sustainable Warmth Competition (LAD Phase 3 And Home Upgrade Grants (HUG)) be exempt from call in as call-in procedures would overlap the deadline for the submission of the application.

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.

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.

Reasons for Decision

To consult with the Business and Transformation Scrutiny Panel on the draft Capital Investment Strategy 2022/23 to 2026/27.

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.

EX.68/21 ST CUTHBERT'S GARDEN VILLAGE – PROGRESS REPORT AND KEY NEXT STEPS
(Key Decision)

Portfolio Economy, Enterprise and Housing

Relevant Scrutiny Panel Economic Growth

Subject Matter

The Economy, Enterprise and Housing Portfolio Holder gave an update on the progress of the planning and delivery of St Cuthbert's Garden Village, the key next steps and set out details of the proposed workstream and funding profile which required authorisation. In addition authorisation was also requested to enable the Corporate Director of Economic Development to progress procurement, in consultation with the Portfolio Holder, and to award contracts in keeping with the Councils procurement guidelines with the exception of being satisfied it was on the basis of best value as opposed to simply lowest cost (ED.23/21).

The Economy, Enterprise and Housing Portfolio Holder thanked the Head of Planning Policy and the team for their continued hard work.

The Economy, Enterprise and Housing Portfolio Holder moved, and the Communities, Health and Wellbeing Portfolio Holder seconded the recommendations.

Summary of options rejected not to give authorisation to the Corporate Director of Economic Development

DECISION

That Executive:
1. Noted progress on the project including key achievements to date;
2. Approved the proposed next steps and hence indicative work programme for advancing the St Cuthbert's Garden Village project, including proposed indicative funding profile, set out at Section 4 of report ED.23/21;
3. Delegated authority to the Corporate Director of Economic Development to progress procurement, including contract awards, where in keeping with the indicative work package and budgets, following consultation with the Portfolio Holder for Economy, Enterprise and Housing.

Reasons for Decision
Approval for the indicative work packages and funding profile was required given the values involved and the need for transparency given the proposed expenditure of external grant funding. It also reflected that as a major corporate project that Executive were comfortable with both the progress of the project and the future direction of travel.

EX.69/21 USE OF AFFORDABLE HOUSING COMMUTED SUM FUNDING
(Key Decision – KD.18/21)

Portfolio Economy, Enterprise and Housing

Relevant Scrutiny Panel Economic Growth

Subject Matter

The Economy, Enterprise and Housing Portfolio Holder outlined the opportunity to use affordable housing commuted sum funding held by the Council, sourced from developers' planning obligations, to provide grants to Brampton Rural Housing Society, in order to bring longterm empty properties back into use in Brampton and Hallbankgate, to be let at an affordable rent to local people. The proposal would provide the combined benefits of bringing long-term empty properties back into use and delivering rural affordable housing (ED.25/21).

The Economy, Enterprise and Housing Portfolio Holder thanked the Housing Development Officer and the Empty Properties Officer for their work in securing the funding.

The Economy, Enterprise and Housing Portfolio Holder moved, and the Communities, Health and Wellbeing Portfolio Holder seconded the recommendations.

Summary of options rejected not to approve the proposal

DECISION

That the Executive:
1. Approved the proposal to provide grants to Brampton Rural Housing Society, from affordable housing commuted sum funding, towards the cost of acquiring and refurbishing long-term empty properties in Brampton and Hallbankgate, to be rented to local people at affordable rents.
2. Granted delegated authority to the Corporate Director for Economic Development, in consultation with the Portfolio Holder for Economy, Enterprise and Housing, to approve individual grants to speed up the process

Reasons for Decision
The proposal met the Carlisle Plan priorities to address current and future housing needs to protect and improve resident's quality of life.

EX.70/21 NOTICE OF EXECUTIVE KEY DECISIONS
(Non Key Decision)

Portfolio Cross-Cutting

Relevant Scrutiny Panel Health and Wellbeing; Economic Growth; Business and Transformation

Subject Matter

The Notice of Executive Key Decisions dated 2 July 2021 was submitted for information.

The Leader moved and the Deputy Leader seconded the paper.

Summary of options rejected None

DECISION

That, subject to the above, the Notice of Executive Key Decisions dated 2 July 2021 be received.

Reasons for Decision Not applicable

EX.71/21 SCHEDULE OF DECISIONS TAKEN BY THE LEADER / PORTFOLIO HOLDERS
(Non Key Decision)

Portfolio Cross-cutting

Relevant Scrutiny Panel Health and Wellbeing; Economic Growth; Business and Transformation

Subject Matter

Details of decisions taken by the Leader / Portfolio Holders under delegated powers were submitted.

The Leader moved and the Deputy Leader seconded the paper.

Summary of options rejected None

DECISION

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

Reasons for Decision Not applicable

EX.72/21 SCHEDULE OF DECISIONS TAKEN BY OFFICERS
(Non Key Decision)

Portfolio Cross-cutting

Relevant Scrutiny Panel Health and Wellbeing; Economic Growth; Business and Transformation

Subject Matter

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

The Leader moved and the Deputy Leader seconded the paper.

Summary of options rejected None

DECISION

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

Reasons for Decision Not applicable

EX.73/21 JOINT MANAGEMENT TEAM
(Non Key Decision)

Portfolio Cross-cutting

Relevant Scrutiny Panel Health and Wellbeing; Economic Growth; Business and Transformation

Subject Matter

The Minutes of the meeting of the Joint Management Team held on 5 July 2021 were submitted for information.

The Leader moved and the Deputy Leader seconded the Minutes.

Summary of options rejected None

DECISION

That the Minutes of the meeting of the Joint Management Team held on 5 July 2021, attached as Appendix C, be received.

Reasons for Decision Not applicable

EX.74/21 **APPLICATION TO SUSTAINABLE WARMTH COMPETITION (LAD PHASE 3 AND HOME UPGRADE GRANTS (HUG))

(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)

Councillors Mallinson (J) (Chair) and Mrs Mallinson, having declared disclosable pecuniary interests, retired from the meeting and took no part in the consideration of this item of business.

The Deputy Leader assumed the Chair.

Portfolio Economy, Enterprise and Housing

Relevant Scrutiny Panel Health and Wellbeing

Subject Matter

The Economy, Enterprise and Housing Portfolio Holder submitted a report seeking permission from the Executive for the City Council to make an application to BEIS Sustainable Warmth Competition as the lead authority of a Cumbrian consortium of district councils. (GD.46/21)

The Economy, Enterprise and Housing Portfolio Holder reported that the Sustainable Warmth competition was Phase 3 of the Local Authority Delivery of Green Homes Grants (LAD3) for mains gas connected homes and Home Upgrade Grants (HUG) for off- mains gas homes. It was proposed that the City Council would apply for around £25 million of funding on behalf of the Cumbrian consortium to address fuel poverty and improve energy efficiency and carbon savings in at least 1,000 mainly private sector properties.

The Economy, Enterprise and Housing Portfolio Holder moved, and the Culture, Heritage and Leisure Portfolio Holder seconded the recommendations.

Summary of options rejected not to make an application

DECISION

The Executive agreed for Homelife HIA to apply on behalf of a Cumbrian consortium for the award from Department for Business Energy and Industrial Strategy (BEIS) for the Sustainable warmth competition.

Reasons for Decision
Carlisle had over 2,250 owner-occupied and over 700 privately rented properties which had an EPC rating of E, F or G but which could achieve a minimum C Rating. This did not include the homes which did not have current EPCs but were still eligible for grant funding. The purpose of the Sustainable Warmth competition was to reduce carbon and make homes more energy efficient which would support the Council's credentials as climate change champions and add to the fuel poverty schemes already on offer. The scheme would also help boost the local economy.

Councillors Mallinson (J) and Mrs Mallinson returned to the meeting.

The Leader assumed the Chair.

EX.75/21 CHANGING FUTURES

Portfolio Economy, Enterprise and Housing

Relevant Scrutiny Panel Health and Wellbeing

Subject Matter

The Economy, Enterprise and Housing Portfolio Holder presented a report which outlined the purpose and principles of the Changing Futures Programme. (GD.45/21).

The Economy, Enterprise and Housing Portfolio Holder reported that the Council's expression of interest for the MHCLG Changing Futures: changing systems to support adults experiencing multiple disadvantages had not been successful, however, a number of funding streams had been identified based on the existing and emerging projects and there was still momentum behind the proposals with effective partner buy-in and considerable resources in the system across partners.

The Economy, Enterprise and Housing Portfolio Holder moved, and the Finance, Governance and Resources Portfolio Holder seconded the recommendations.

Summary of options rejected not to support the multi-agency recommendations

DECISION

That the Executive supported the multi-agency recommendations outlined by the Changing Futures Programme Board:

1. To commit to the purpose and principles of the Changing Futures Programme
2. Agree that the Changing Futures work will require organisations to work outside statutory thresholds to effect change for individuals identified
3. Recognise the realignment of existing and emerging organisational resources is critical to the success of the Changing Futures programme

Reasons for Decision

To address Carlisle's current and future housing needs.

EX.76/21 PUBLIC AND PRESS

RESOLVED – That in accordance with Section 100A(4) of the Local Government Act 1972 the Public and Press were excluded from the meeting during consideration of the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in the paragraph numbers (as indicated in brackets against the minutes) of Part 1 of Schedule 12A of the 1972 Local Government Act.

EX.77/21 LAND DISPOSALS TO ASSIST WITH DEVELOPMENT OF CARLISLE SOUTHERN LINK ROAD
(Key Decision – KD.17/21)
(Public and Press excluded by virtue of Paragraph 3)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Finance, Governance and Resources Portfolio Holder submitted private report GD.44/21 which provided an update on the negotiations which had taken place for the disposal of property assets which will assist with the development of the proposed Carlisle Southern Link Road.

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

Summary of options rejected that authority should not be granted

DECISION

That the Executive:
1) Note the negotiations that had been undertaken to the Acquiring Authority with the acquisition of land required to development the proposed CSLR and authorised the disposal of the Subject Assets. These are shown on the plan attached as Appendix 1 in GD.44/21. The Subject Assets that would be disposed of permanently were shown coloured pink and the ones that will would be disposed of temporarily were shown coloured green / hatched black.
2) Authorised the Corporate Director of Governance and Regulatory Services to agree and as necessary finalise the heads of terms for the disposal of the Subject Assets provided that the Property Services Manager was satisfied that the disposals represented best consideration.
3) Authorised the Corporate Director of Governance and Regulatory Services to progress further negotiation and finalise heads of terms, at an appropriate time, with the Acquiring Authority in respect of the elements that currently were Reserved Matters provided that the Property Services Manager was satisfied that the agreement of these Reserved Matters represented best consideration.
4) Authorised the Corporate Director of Governance and Regulatory Services to complete all necessary and other relevant documentation required to progress the disposal of the Subject Assets and in due course the Reserved Matters.

Reasons for Decision

As detailed within the report.

EX.78/21 OUTCOME OF OLD FIRE STATION TENDER
(Key Decision)
(Public and Press excluded by virtue of Paragraph 3)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Culture, Heritage and Leisure Portfolio Holder submitted private report GD.28/21 which outlined the outcome of the tender process to find a suitable operator for the Arts, Culture, Entertainment and Catering offer at the Old Fire Station.

The Culture, Heritage and Leisure Portfolio Holder commended officers on their continued hard work in finalising the tender process in such difficult times.

The Culture, Heritage and Leisure Portfolio Holder moved the recommendations, which were seconded by the Leader.

Summary of options rejected that the tender was not awarded

DECISION

That the Executive
1) accept the preferred supplier Greystone Developments Ltd and the process of entering a lease be commenced.
2) agreed that final sign off for the terms for the lease were delegated to the Property Services Manager following consultation with the Health and Wellbeing Manager and Portfolio Holder.

[The meeting ended at 4.17pm]

Report to Executive

Item A.1

Meeting Date:	31 August 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:	RD28/21 (amended)

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.

Following consideration by the Executive, final recommendations will be made to Council on 14 September 2021.

Recommendations:

The Executive is asked to:

(i) Comment and consider the comments made by the Business and Transformation Scrutiny Panel on the 26 August prior to making recommendations to Council on 14 September 2021.

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

6.1 The Executive is asked to:
Comment and consider the comments made by the Business and Transformation Scrutiny Panel on the 26 August prior to making recommendations to Council on 14 September 2021.

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

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

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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	Estimated TaxBase	35,013.07	35,363.20	35,716.84	36,074.01	36,434.75
£000		**£000**	**£000**	**£000**	**£000**	**£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)**
	City Council Tax					
£ 222.20	Band D Council Tax	£ 227.20	£ 232.20	£ 237.20	£ 242.20	£ 247.20
	Increase over Previous year:					
£5.00	£	£ 5.00	£ 5.00	£ 5.00	£ 5.00	£ 5.00
2.30%	%	2.25%	2.20%	2.15%	2.11%	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
Revenue Earmarked Reserves						
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

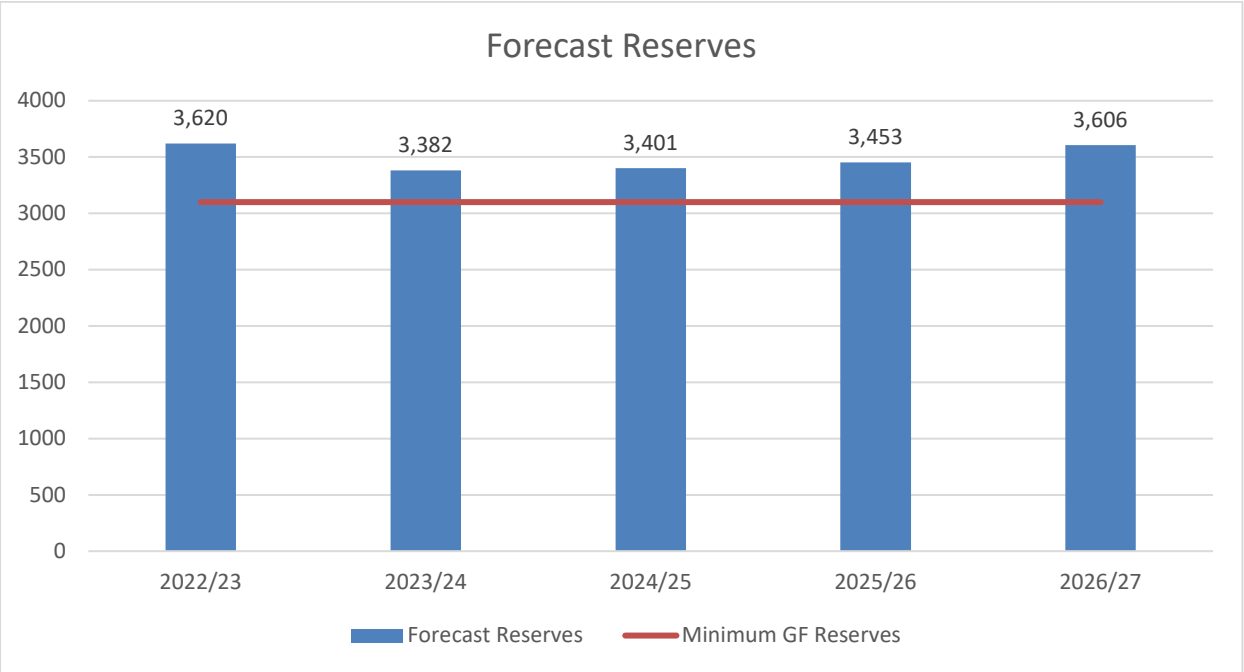
budget requirement,

- 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
	3,100	**4,091**
-25%	1,822	2,813
-10%	2,589	3,580
-5%	2,844	3,835
-1%	3,049	4,040
0%	3,100	4,091
1%	3,151	4,142
3%	3,253	4,244
5%	3,356	4,347
10%	3,611	4,602
25%	4,378	5,369

% Change in Property Income	Minimum Reserves £000	Reserves at 31/03/22 £000
	3,100	**4,091**
-25%	2,025	3,016
-10%	2,670	3,661
-5%	2,885	3,876
-1%	3,057	4,048
0%	3,100	4,091
1%	3,143	4,134
3%	3,229	4,220
5%	3,315	4,306
10%	3,530	4,521
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
Pay Award				
Likelihood of Change				
Impact of Change				
Salary Turnover				
Likelihood of Change				
Impact of Change				
Pensions				
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
Pay Award				
Likelihood of Change				
Impact of Change				
Salary Turnover				
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
Investment Income				
Likelihood of Change				
Impact of Change				
Property Fund Income				
Likelihood of Change				
Impact of Change				
Average Balances				
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
Increase to Borrowing Rate				
Likelihood of Change				
Impact of Change				
Increase to CFR				
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
Capital Reserves				
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
Revenue Reserves				
General Fund Reserve	3,100	To be a general working capital / contingency to cushion the Council against unexpected events and emergencies	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: - - 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 Approval to release funds from the reserve can only be given by the Council as part of the budget process, or through	This reserve is still required

Reserve	Balance 31/3/21	Purpose	Conditions of Use	Future of the Reserve
			consideration of supplementary estimates on an ad-hoc basis 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	
Projects Reserve	1,708	The balance at 31st 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)**

Report to Executive

Item A.2

Meeting Date:	31 August 2021
Portfolio:	Finance, Governance and Resources
Key Decision:	Yes: Recorded in the Notice Ref: KD08/21
Within Policy and Budget Framework	The YES
Public / Private	Public

Title:	CAPITAL INVESTMENT STRATEGY 2022/23 – 2026/27
Report of:	CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number:	RD.29/21 (amended)

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.

Following consideration by the Executive, final recommendations will be made to Council on 14 September 2021.

Recommendations:

The Executive is asked to:

(i) Comment and consider the comments made by the Business and Transformation Scrutiny Panel on the 26 August prior to making recommendations to Council on 14 September 2021.

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 The Executive is asked to:
Comment and consider the comments made by the Business and Transformation Scrutiny Panel on the 26 August prior to making recommendations to Council on 14 September 2021.

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 attached to report: **Appendix 1 – Capital Investment Strategy 2022/23 to 2026/27**

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

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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 D	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 Contributio	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	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**
	£000	£000	£000	£000	£000	£000	£000
Total Investments	15,091	16,289	13,808	11,040	9,285	8,555	7,724
Made up of:							
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.

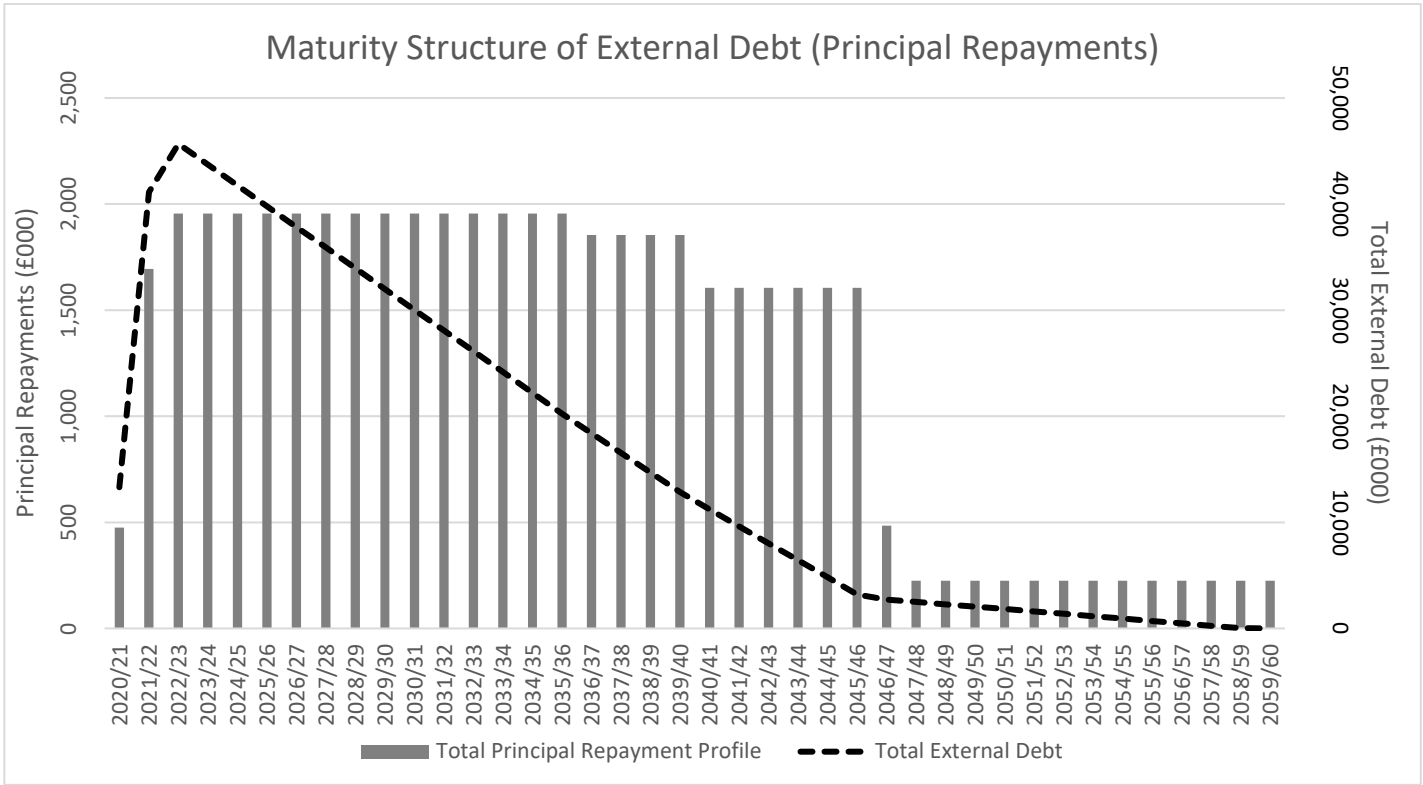
5.3.1 Debt Financing Costs

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:

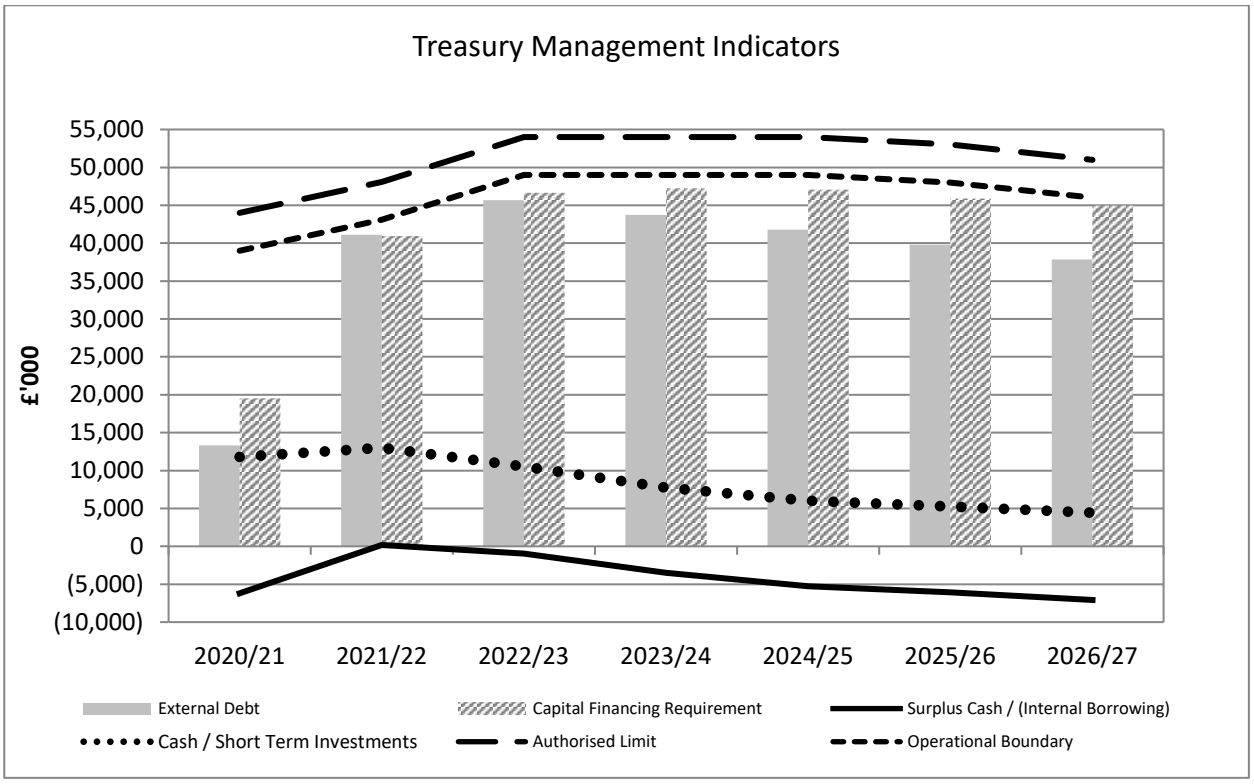


The following table shows the overall movement on external debt:

	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 it's 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**	**2021/22 estimate**	**2022/23 estimate**	**2023/24 estimate**	**2024/25 estimate**	**2025/26 estimate**
	£000	**£000**	**£000**	**£000**	**£000**	**£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

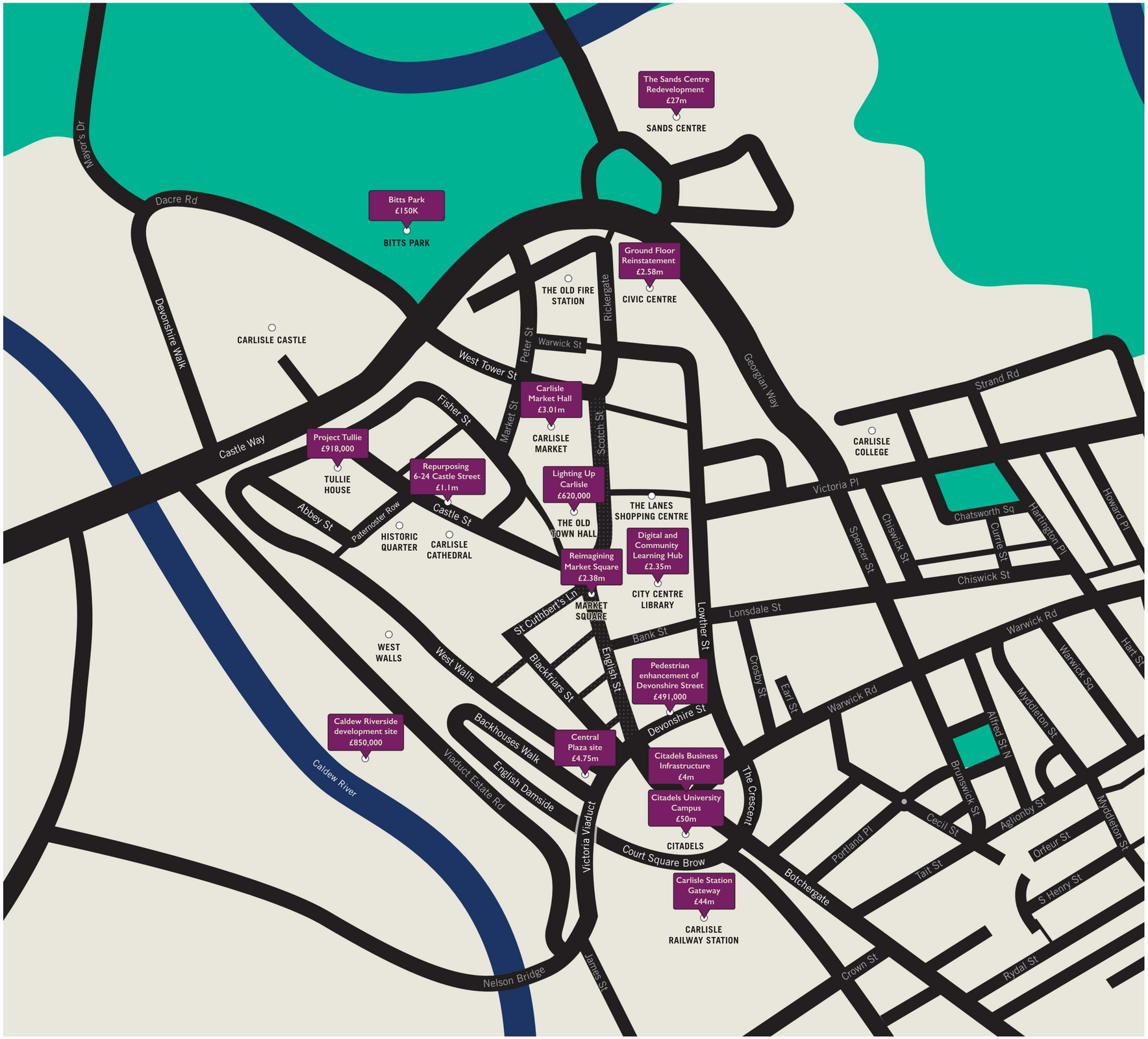
- More space for people to walk and spend time sitting outdoors

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

Report to Executive

Item A.3

Meeting Date:	31st August 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 47.21

Purpose / Summary:

The draft Asset Management Plan was considered by Executive on 2nd August 2021 before being referred to Business and Transformation Scrutiny Panel on 26th August 2021. The minutes from the meeting of the Panel are considered elsewhere on the agenda.

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

Recommendations:

The Executive considers the comments of Business and Transformation Panel and refer the Asset Management Plan to Council for adoption on 14th September 2021.

Tracking

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

Report to Executive

Agenda Item:

Meeting Date:	2nd August 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:	Draft Asset Management Plan 2022 to 2027
Report of:	The Corporate Director of Governance and Regulatory Services
Report Number:	GD 47.21

Purpose / Summary:

The Asset Management Plan is being updated to reflect the key issues and changes affecting the management and use of the City's property resources.

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

Recommendations:

The Executive notes the position and approves the update to the Draft Asset Management Plan in order for it to proceed for consideration by the Business and Transformation Scrutiny Panel, back to the Executive and then full Council.

Tracking

Executive:	2nd August 2021
Scrutiny:	26th August 2021
Executive:	31st August 2021
Council:	27th September 2021

1. BACKGROUND

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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.

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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,

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- 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 will go to Business and Transformation Overview & Scrutiny Panel on 26th August 2021 for consideration, comment and feedback.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

5.1.1. 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: Draft 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

CARLISLE CITY COUNCIL

www.carlisle.gov.uk

Managing property as a resource for the City

ASSET MANAGEMENT PLAN

2022 – 2027

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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

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:-

Condition Category (as a % of Gross Internal Area Operational Property)		**2020-25**	**2021-26**	**Sustainable Criteria**
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.

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)CO_2e

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 <u>Capital Works and Repairs</u>

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:

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**

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.

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.

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.

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.

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.

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.

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.

Executive

Item A.4

Meeting Date:	31st August 2021
Portfolio:	Leader
Key Decision:	Yes
Within Policy and Budget Framework	Yes
Public / Private	Public

Title:	Carlisle Plan 2021-2023
Report of:	Deputy Chief Executive
Report Number:	PC.27/21

Purpose / Summary:

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

Recommendations:

- That the Carlisle Plan is recommended to Council for adoption.

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.

2. PROPOSALS

2.1. Feedback from the EGSP has led to the following amendment to the text on the Citadels Business Infrastructure (Page 9 of the draft designed version):

> Citadels Business Infrastructure: Creating a new bespoke business hub ~~for the Creative and Digital sector~~, 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 ~~hyper fast digitally enabled~~ business interaction and accommodation space, linked to the University of Cumbria's flagship campus development.

2.2. A final designed version of the Carlisle Plan is presented in Appendix A. An updated Carlisle Plan on a Page is included as Appendix B, this is primarily an internal document for service planning and performance reporting. 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 Plan was concluded in July 2021.

4.2. A consultation survey has been in open since 9th July, amended as requested by scrutiny. Public consultation took place at the Assembly Room, Old Town Hall between 2nd – 6th August. Overall, we have 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 Leader made an announcement on this project at Council in July 2021 which set out the Council's position as:

The Leader indicated that the Victorian Health Suite was an important part of Carlisle's heritage and the authority was exploring how best to manage the facility following relocation of the Pools to the Sands Centre.

When the Pools were demolished new boilers would be required to replace the old Pools boilers and supply hot water. A budget had been identified within the Borderlands project to fund that - £200,000 funding to make good the external parts of the Turkish Baths post demolition of the Pools, and a further £200,000 to facilitate refurbishment of the building. Detailed surveys of the building had been undertaken to ensure that all relevant services would be available when the Pools were demolished. In addition, a Statement of Significance had recently been completed on the Baths which looked at the history of the site and its heritage value.

The Carlisle Station Gateway and Citadels project would regenerate the area around Carlisle Station, including the area where the Victorian Health Suite was located. Following consultation plans had been drawn up for the area.

In the meantime, GLL, who managed the Council's leisure facilities, were re-opening facilities in line with the Government's roadmap wherever possible.

The Leader added that the Turkish Baths were currently being used to facilitate safe and COVID secure swimming sessions for Schools. GLL was planning to re-open the Turkish Baths on 21 June 2021 so long as it was safe and Government restrictions permitted.

In terms of the long-term future of the Turkish Baths, the Leader could only say that he and his administration were much heartened by the intense social media interest evidenced in recent times; and took that as an indicator that the Turkish Baths were wanted and needed by the people of Carlisle. If that generated increased usage of the facility, then it could only bode well for the long-term future and preservation of a building of great historic interest.

For the avoidance of doubt the Leader stated that his administration had not, and never had, any interest in seeing the building demolished.

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 draft Plan inlcudes 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.

4.8. The draft 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.

4.9. 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 recommended to Council for adoption.

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 attached to report:	A: Carlisle Plan 2021-2023 designed version 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

CARLISLE CITY COUNCIL

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

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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.

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.

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.

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:

Photo: The Market Square, Carlisle

- 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.

- 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 (7.81acres) 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 hey 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.

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Carlisle 2021-23 Plan on a Page

CARLISLE CITY COUNCIL
www.carlisle.gov.uk

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)	**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)	**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

CARLISLE CITY COUNCIL

www.carlisle.gov.uk

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 got 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 Trial.

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 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 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.

Report to Executive

Item A.5

Meeting Date:	31st August 2021
Portfolio:	Finance, Governance and Resources
Key Decision:	Yes
Within Policy and Budget Framework	Yes
Public / Private	Public

Title:	Gambling Act 2005 - Draft Statement Of Principles 2022-2025
Report of:	Director of Governance and Resources
Report Number:	GD.49/21

Purpose / Summary:
Under the Gambling Act 2005 Local Authorities are required to consult and publish a statement of Gambling Policy every 3 years. The Council's Gambling Policy review must be published by 31st January 2022, the consultation period for this commenced on 20th August 2021 and will end on 8th October 2021.

Recommendations:

1. To note the current position regarding the consultation process
2. To offer a view on the Draft Gambling Policy and note that following a consultation period the Executive will have the opportunity to consider any amendments at its meeting on the 20th December 2021

Tracking

Licensing Committee	**18th August 2021 & 27th October 2021**
Executive:	**3rd August 2021 & 20th December 2021**
Scrutiny:	**TBC**
Council:	**4th January 2022**

1. BACKGROUND

1.1 Section 349 of the Gambling Act 2005 ("the Act") requires all licensing authorities to prepare and publish a Statement of Principles that they propose to apply in exercising their functions under the Act during the three year period to which the policy applies. A Statement of Principles will last for a maximum of three years, but can be reviewed by an authority at any time.

1.2 It is coming up to three years since the fourth policy was published and this must be reviewed and a new Gambling Policy, which includes the Council's Statement of Principles, published by 4th January 2022, to take effect on 31st January 2022.

2 Proposals

2.1 A draft Statement of Principles has been prepared for consultation and was approved by the Licensing Committee on 18th August 2021. This is based on the requirements of the Act and the current guidance issued by the Gambling Commission.

2.2 Members should note that there has been a limited number of changes to both regulation issued by the Secretary of State and guidance issued by the Gambling Commission in the intervening 3 year period, none of which materially affects the content of the current statement of principles.

2.3 Although there is no statutory duty on the Licensing Authority to complete an area profile, the authority has mapped out local areas of concern and this is included in the draft policy (paragraph 10.1–10.2 & Appendix 4)

3 RISKS

3.1 Failure to publish a revised Statement of Principles within the required timescale would leave Carlisle City Council in breach of its statutory obligations. This could lead to legal challenges, costs to the Council and adversely affect the Council's reputation.

4 CONSULTATION

4.1 The Act requires the Council consults on its Gambling Policy. Consultation is now taking place with the statutory organisations, companies and licence holders who have been identified as having interests in this area. A list of consultees is contained within the draft.

4.2 A press release has also been issued and details are contained within the consultation pages of the Council's website.

4.3 Following the consultation period the report will be presented back to the Executive on the 20th December 2021 with details of the responses and any amendments in order that the Policy can be approved to progress to Full Council.

5 **RECOMMENDATION**

- To note the current position regarding the consultation process
- To offer a view on the Draft Gambling Policy and note that following a consultation period the Executive will have the opportunity to consider any amendments at its meeting on the 20th December 2021 .

Contact Officer: **Nicola Edwards** **Ext: 7025**

Appendices attached to report: **1. Draft Statement of Gambling Policy 2022- 2025**

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:

- Gambling Commission Guidance to Licensing Authorities, 5th Edition, September 2015 (updated April 2021)
- Gambling Act 2005 (Licensing Authority Policy Statement) (England and Wales) Regulations 2006

CORPORATE IMPLICATIONS:

LEGAL – contained within report

FINANCE – The financial implications of adopting this policy can be accommodated from within existing base budgets

EQUALITY – The public sector Equality Duty and Equality Policy have been considered by the Licensing Manager in preparing this draft policy. The policy clearly states how it will protect children and whether any special considerations apply in relation to the protection of vulnerable persons, on a case by case basis, through a Local Area Profile.

INFORMATION GOVERNANCE – The Policy states it will work within the boundaries of the legislation

Gambling Licensing Policy

2022-2025

CARLISLE CITY COUNCIL

www.carlisle.gov.uk

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This Statement of Gambling Licensing Policy was approved by Full Council on (Date to be inserted)

All references to the "Guidance" refers to the Gambling Commission's Guidance to Local Authorities published 1st April 2021

PREFACE

The Gambling Act 2005 ('the act) contains the regulatory system to govern the provision of all gambling in Great Britain, other than the National Lottery and spread Betting. It received Royal Assessment on 7th April 2005.

The Gambling Commission (the Commission) is the unified regulator for gambling in Great Britain.

The Commission does not regulate spread betting, which remains the responsibility of the Financial Services Authority; nor the National Lottery, which is regulated by the National Lottery Commission. However the National Lottery Commission has been co-located with the Gambling Commission since 2013 and the Public Bill includes legislation to merge the two Commissions.

The Commission has responsibility for granting operating and personal licences for commercial gambling operators and personnel working in the industry. It also regulates certain lottery managers and promoters. The Act sets out different types of operating licence that cover the full range of commercial gambling activities conducted in Great Britain. It also makes provision for the Commission to have powers of entry and inspection to regulate gambling, with safeguards for those subject to the powers.

Licensing Authorities license gambling premises within their area, as well as undertaking functions in relation to lower stake gaming machines in club and miner's welfare institutes. The Act also provides a system of temporary and occasional use notices. These authorised premises that are not licensed generally for gambling purposes to be used for certain type of gambling, for limited periods.

Allerdale Borough Council, Barrow Borough Council, Carlisle City Council, Copeland Borough Council, Eden District Council and South Lakeland District Council continue to work together to share best practice in an effort to ensure, so far as practicable, consistency of approach across Cumbria. This statement of policy sets out the principles that Carlisle City Council propose to apply in exercising its functions under the Gambling Act 2005, in particular for managing the expectations in relation to operators with premises in the locality.

Under the Gambling Act 2005, each local authority is required to prepare and publish their statement of policy every three years which must be consulted on. A list of consultees is shown at Appendix 1.

PART A. Overview

1. The Licensing Objectives

1.1 In exercising most of their functions under the Gambling Act 2005, Licensing Authorities must have regard to the licensing objectives as set out in Section 1 of the Act. These are

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime
- Ensuring that gambling is conducted in a fair and open way
- Protecting children and other vulnerable persons from being harmed or exploited by gambling

1.2 It should be noted that the Commission has stated: "The requirement in relation to children is explicitly to protect them from being harmed or exploited by gambling".

1.3 This licensing authority is aware that, in making decisions about premises licences and temporary use notices it should aim to permit the use of premises for gambling in so far as it thinks it:

- in accordance with any relevant code of practice issued by the Gambling Commission
- in accordance with any relevant guidance issued by the Gambling Commission
- reasonably consistent with the licensing objectives and
- in accordance with the authority's statement of licensing policy

2 Authorised Activities

2.1 'Gambling' is defined in the Act as either gambling, betting or taking part in a lottery:

- 'gaming' means playing a game of chance for a prize;
- 'betting' means making or accepting a bet on the outcome of a race, competition, or any other event; the likelihood of anything occurring or not occurring; or whether anything is true or not true;
- A 'lottery' is where persons are required to pay in order to take part in an arrangement, during the course of which one or more prizes are allocated by a process which relies wholly on chance.

2.2 Private gaming in private dwellings and on domestic occasions is exempt from licensing or registration providing that no charge is made for participating; only equal chance gaming takes place; and it does not occur in a place to which the public have access. Domestic

betting between inhabitants of the same premises or between employees of the same employer is also exempt.

2.3 Non-commercial gaming and betting (where no parts of the proceeds are for private gain) may be subject to certain exemptions. Further advice should be sought from the Council's Licensing Team where appropriate.

3 Introduction

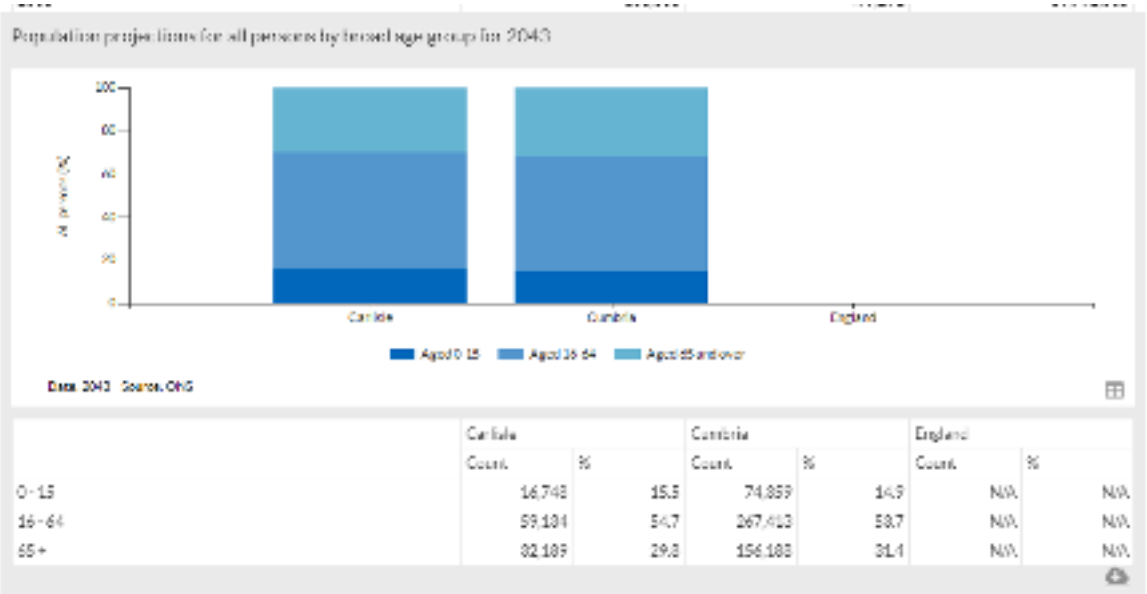
3.1 The district of Carlisle is situated within the county of Cumbria which contains 6 district Councils in total. The council area covers of approximately 1,042 sq km and has a population of 108,524[1]

3.2 The estimated population profile percentage for residents in 2020 is as illustrated below[2]:

Broad Age Group	% of total
0-14	16.7
15-29	15.9
30-44	17
45-59	21.3
60-74	18.9
75 +	10.2

[1] Office of National Statistics 2020, population estimate

[2] https://www.cumbriaobservatory.org.uk/population/report/view/32e912dc0fc8438f932399b24b848bea/E07000028



	Carlisle		Cumbria		England	
	Count	%	Count	%	Count	%
0-15	16,748	15.5	74,859	14.9	N/A	N/A
16-64	59,134	54.7	267,413	53.7	N/A	N/A
65+	32,189	29.8	156,183	31.4	N/A	N/A

3.3 In line with national trends, the most notable change is the decline in working age population and increase in the number of older people, projected to be 29.8% of the Carlisle population by 2043.

3.4 Approximately 68% of the population currently live within the urban area of Carlisle. In the rural areas a key feature is the sparse distribution of residents; on average there are 97 people per hectare in Carlisle's rural areas (compared to 477 regionally and 378 nationally).[3]

3.5 A map of the Council's area is included at Appendix 4. The key provided identifies the urban/rural areas

3.6 Licensing authorities are required by the Gambling Act 2005 to publish a statement of the principles which they proposed to apply when exercising their functions. This statement must be published at least every three years. The statement must also be reviewed from "time to time" and any amended parts re-consulted upon. The statement must be then re-published.

3.7 Carlisle City Council consulted widely upon this statement before finalising and publishing. A list of those persons this authority consulted is provided at Appendix 1.

3.8 The Gambling Act requires that the following parties are consulted by Licensing Authorities:

- The Chief Officer of Police;
- One or more persons who appear to the authority to represent the interests of persons carrying on gambling businesses in the authority's area;

[3] Carlisle District Local Plan 2015 - 2030

- One or more persons who appear to the authority to represent the interests of persons who are likely to be affected by the exercise of the authority's functions under the Gambling Act 2005.

3.9 Our consultation took place between (dates to be inserted).

3.10 The full list of comments made and the consideration by the Council of those comments is available by request to the person named below.

3.11 The policy was approved at a meeting of the Full Council on (date to be inserted). It was published on our website on and advertised in a local newspaper. Copies have been sent to the public libraries in the District as well as being available in the Council Offices.

3.12 Should you have any queries regarding this policy statement please send them via e-mail or letter to the following contact:

Licensing Manager
Carlisle City Council
Civic Centre
Carlisle
CA3 8QG

E-mail: licensing@carlisle.gov.uk
Tel: 01228 817523

3.13 It should be noted that this policy statement will not override the right of any person to make an application, make representations about an application, or apply for a review of a licence, as each will be considered on its own merits and according to the statutory requirements of the Gambling Act 2005.

4 Declaration

4.1 In producing the final statement, this licensing authority declares that it has had regard to the licensing objectives of the Gambling Act 2005, the Guidance to the Licensing Authorities issued by the Gambling Commission, and any responses from those consulted on the statement.

5 Responsible Authorities

5.1 The licensing authority is required by regulations to state the principles it will apply in exercising its powers under Section 157(h) of the Act to designate, in writing, a body which is competent to advise the authority about the protection of children from harm. The principles are:

- the need for the body to be responsible for an area covering the whole of the licensing authority's area; and
- The need for the body to be answerable to democratically elected persons, rather than any particular vested interest group.

5.2 In accordance with the suggestion in the Gambling Commission's Guidance to local authorities, this authority has consulted with both the Cumbria Safeguarding Children Board and Cumbria County Council Children's Services. This Authority considers that Cumbria County Council Children's Services is best able to fulfil the role of advising the Authority about the protection of children from harm for the purposes of Section 157(b) of the Act.

5.3 The contact details of all the Responsible Authorities under the Gambling Act 2005 are available via the Council's website at: www.carlisle.gov.uk and are listed at Appendix 2.

6 Interested Parties

6.1 Interested parties can make representations about licence applications or apply for a review of an existing licence. These parties are defined in the Gambling Act 2005 as follows:

"For the purposes of this Part a person is an interested party in relation to an application for or in respect of a premises licence if, in the opinion of the licensing authority which issues the licence or to which the applications is made, the person:

a) lives sufficiently close to the premises to be likely to be affected by the authorised activities,

b) has business interests that might be affected by the authorised activities, or

c) represents persons who satisfy paragraph (a) or (b)"

6.2 The licensing authority is required by regulations to state the principles it will apply in exercising its powers under the Gambling Act 2005 to determine whether a person is an interested party.

6.3 This authority will not apply a rigid rule to its decision making and each case will be decided upon its merits. It will consider the examples of considerations provided in the Gambling Commission's Guidance for local authorities at Paragraphs 8.11 to 8.18.

6.4 It will also consider the Gambling Commission's Guidance that "has business interests" should be given the widest possible interpretation and include partnerships, charities, faith groups and medical practices.

6.5 The Gambling Commission has recommended that the licensing authority states that interested parties may include trade associations and trade unions, and residents' and tenants' associations. This authority will not however generally view these bodies as interested parties unless they represent a member who can be classed as an interested person under the terms of the Gambling Act 2005 i.e. lives sufficiently close to the premises to be likely to be affected by the activities being applied for.

6.6 Interested parties can be persons who are democratically elected such as Councillors and MP's. No specific evidence of being asked to represent an interested person will be required

as long as the Councillor/MP represents the ward likely to be affected. Likewise, Parish Councils likely to be affected will be considered to be interested parties. Other than these however, this authority will generally require written evidence that a person/body (e.g. an advocate/relative) 'represents' someone who either lives sufficiently close to the premises to be likely to be affected by the authorised activities and/or has business interests that might be affected by the authorised activities. A letter from one of these persons, requesting the representation is likely to be sufficient.

6.7 If individuals wish to approach Councillors to ask them to represent their views then care should be taken that the Councillors are not a Member of the Licensing Committee dealing with the licence application. If there are any doubts then please contact the Council's Licensing Department.

7 Exchange of Information

7.1 Licensing Authorities are required to include in their statements the principles to be applied by the authority in exercising the functions under sections 29 and 30 of the Act with respect to the exchange of information between it and the Gambling Commission, and the functions under section 350 of the Act with respect to the exchange of information between it and the other persons listed in Schedule 6 to the Act.

7.2 The principle that this licensing authority applies is that it will act in accordance with the provisions of the Gambling Act 2005 in its exchange of information which includes the provision that the data protection law will not be contravened. The licensing authority will also have regard to any Guidance issued by the Gambling Commission on this matter, as well as any relevant regulations issued by the Secretary of State under the powers provided in the Gambling Act 2005.

7.3 Should any protocols be established as regards information exchange with other bodies then they will be made available. This authority will normally share the information it holds about licensed premises with the following persons or bodies:

- A constable or police force
- an enforcement officer
- another Licensing Authority
- HMRC
- The Gambling Appeal Tribunal
- The Secretary of State
- Scottish Ministers

The Licensing Authority will also exchange information as per section 13 of the Guidance issued to Local Authorities.

8 Enforcement

8.1 Licensing authorities are required by regulation under the Gambling Act 2005 to state the principles to be applied by the authority in exercising the functions under Part 15 of the Act with respect to the inspection of premises; and the powers in the Act to institute criminal proceedings in respect of the offences specified.

8.2 This licensing authority's principles are that it will be guided by the Gambling Commission's Guidance for local authorities and will endeavour to be:

- Proportionate: regulators should only intervene when necessary: remedies should be appropriate to the risk posed, and costs identified and minimised;
- Accountable: regulators must be able to justify decisions, and be subject to public scrutiny;
- Consistent: rules and standards must be joined up and implemented fairly;
- Transparent: regulators should be open, and keep regulations simple and user friendly; and
- Targeted: regulation should be focused on the problem, and minimise side effects.

8.3 As per the Gambling Commission's Guidance to Licensing Authorities, this licensing authority will endeavour to avoid duplication with other regulatory regimes so far as possible.

8.4 This licensing authority has adopted and implemented a risk-based inspection programme, based on;

- The licensing objectives
- Relevant codes of practice
- Guidance issued by the Gambling Commission, in particular at Part 36
- The principles set out in this statement of licensing policy

8.5 This may include test purchasing activities to measure the compliance of licensed operators with aspects of the Gambling Act. When undertaking test purchasing activities, this licensing authority will undertake to liaise with the Gambling Commission and the operator to determine what other, if any, test purchasing schemes may already be in place. Irrespective of the actions of an operator on their overall estate, test purchasing may be deemed to be an appropriate course of action.

8.6 The main enforcement and compliance role for this licensing authority in terms of the Gambling Act 2005 is to ensure compliance with the premises licences and other permissions which it authorises. The Gambling Commission will be the enforcement body for the operating and personal licences. It is also worth noting that concerns about manufacture, supply or repair of gaming machines are not dealt with by the licensing authority but should be notified to the Gambling Commission.

8.7 This licensing authority also keeps itself informed of developments as regards the work of the Office for Product Safety and Standards (OPSS) in its consideration of the Regulatory functions of local authorities.

8.8 Bearing in mind the principle of transparency, this licensing authority's enforcement policy is available upon request to the licensing department.

9 Local Risk assessments

9.1 The Commission's Licence Conditions and Code of Practice (LCCP) formalise the need for operators to consider local risks.

9.2 Social Responsibility (SR) code 10.1 requires licensees to assess the local risk to the licensing objectives posed by the provision of gambling facilities at each of their premises, and have policies, procedures and control measures to mitigate those risks. In undertaking their risk assessments, they must take into account relevant matters identified in this policy statement.

9.3 Licensees are required to undertake a local risk assessment when applying for a new premises licence. Their risk assessment must also be updated:

- When applying for a variation of a premises licence
- To take account of significant changes in local circumstances, including those identified in this policy statement
- Where there are significant changes at a licensee's premises that may affect their mitigation of local risks.

9.4 The Council will expect the Local Risk Assessment to consider as a minimum:

- The location of services for children and young people such as schools, colleges, playgrounds, leisure/community centres and other areas where children will gather
- The demographics of the area in relation to vulnerable groups
- Whether the premises is in an area subject to high levels of crime and/or disorder
- Local risk assessments should show how vulnerable people, including people with gambling dependencies are protected.

9.5 The SR provision is supplemented by an ordinary code provision that requires licensees to share their risk assessment with the licensing authority when applying for a premises licence or applying for a variation to existing licensed premises, or otherwise at the request of the Licensing Authority.

9.6 Where concerns do exists, perhaps promoted by new or existing risks, the Licensing Authority will request that the licensee share a copy of its own risk assessment which will set out the measures the licensee has in place to address specific concerns. This practice should

reduce the occasions on which a premises review and the imposition of license conditions are required.

9.7 Where this policy statement sets out its approach to regulation with clear reference to local risks, the licensing authority will facilitate operators being able to better understand the local environment and therefore proactively mitigate risks to the licensing objectives. In some circumstances, it might be appropriate to offer the licensee the opportunity to volunteer specific conditions that could be attached to the premises licence.

10 Local area profile

10.1 The Licensing Authority have found it useful to complete their own assessment of the local environment as a means of "mapping out" local areas of concern, which will be reviewed and updated to reflect changes to the local landscape. Such an assessment is known as the local area profile. There is no statutory duty on the Licensing Authority to complete an area profile, but there are significant benefits for both the Licensing Authority and Operators, in having a better awareness of the local area and risks. Importantly, risk in this context includes potential and actual risk, thereby taking into account possible future emerging risks, rather than reflecting current risks only.

10.2 To identify areas of concern the Licensing Authority mapped premises requiring permits and licences under the Gambling Act 2005 against vulnerable premises such as homeless shelters, education establishments and community centres. There are shown in Appendix 4 which shows there are no areas of concern; however this will be reviewed every 3 years in line with the review of this policy.

11 Licensing Authority Functions

Local Authorities

11.1 Licensing Authorities are required under the Act to:

- Be responsible for the licensing of premises where gambling activities are to take place by issuing Premises Licences
- Issue Provisional Statements
- Regulate members' clubs and miners' welfare institutes who wish to undertake certain gaming activities via issuing Club Gaming Permits and/or Club Machine Permits
- Issue Club Machine Permits to Commercial Clubs
- Grant permits for the use of certain lower stake gaming machines at unlicensed Family Entertainment Centres

- Receive notifications from alcohol licensed premises (under the Licensing Act 2003) for the use of two or fewer gaming machines
- Issue Licensed Premises Gaming Machine Permits for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where there are more than two machines
- Register small society lotteries below prescribed thresholds
- Issue Prize Gaming Permits
- Receive and Endorse Temporary Use Notices
- Receive Occasional Use Notices
- Provide information to the Gambling Commission regarding details of licences issued (see section above on 'information exchange)
- Maintain registers of the permits and licences that are issued under these functions
- Exercise its powers of compliance and enforcement under the Act, in partnership with the Gambling Commission and other relevant responsible authorities.

It should be noted that licensing authorities are not involved in licensing remote gambling at all, which is regulated by the Gambling Commission via operating licences.

The Gambling Commission

11.2 The Gambling Commission regulates gambling in the public interest. It does so by keeping crime out of gambling; by ensuring that gambling is conducted in a fair and open way; and by protecting children and vulnerable people. The Commission provides independent advice to the Government about the matter in which gambling is carried out, the effects of gambling and the regulations of gambling generally.

11.3 The Commission has issued guidance under Section 25 of the Act about the manner in which licensing authorities exercise their licensing functions under the Act and, in particular, the principles to be applied.

11.4 The Commission has also issued Codes of Practice under Section 24 about the way in which facilities for gambling is provided, which may also include provisions about the advertising of gambling facilities.

11.5 The Gambling Commission can be contacted at:

Gambling Commission
Victoria Square House
Victoria Square
Birmingham
B2 4BP

Website: www.gamblingcommission.gov.uk
Email: info@gamblingcommission.gov.uk

PART B. Premises Licences

12 General Principles

12.1 Premises licences are subject to the requirements set out in the Act and regulations, as well as specific mandatory and default conditions which will be detailed in regulations issued by the Secretary of State. The licensing authority is able to exclude default conditions and also attach others, where it is believed to be appropriate

12.2 This Licensing Authority is aware that in making decisions about premises licences it should aim to permit the use of premises for gambling in so far as it thinks it:

- in accordance with any relevant code of practice issued by the Gambling Commission;
- in accordance with any relevant guidance issued by the Gambling Commission;
- reasonably consistent with the licensing objectives; and
- In accordance with the authority's statement of licensing policy.

12.3 This authority will not regard moral objections to gambling as a valid reason to reject applications for premises licences (except as regards any 'no casino resolution' - see section on Casinos below) and also acknowledges that unmet demand is not a criterion for a licensing authority to consider. Further the authority is under a duty not to take other irrelevant matters into consideration eg; the likelihood of an applicant obtaining Planning Permission (see 11.11)

12.4 This licensing authority also notes the Gambling Commission guidance on ensuring that betting is the primary activity of a premises that only holds a betting premises licence. Gaming machines may be available for use in licensed betting premises only at times when there are also sufficient facilities for betting available. Operators will need to demonstrate that betting will continue to be the primary activity of the premise when seeking variations to licenses.

In making this determination, this licensing authority will have regard to the six indicators of betting as a primary gambling activity.

- the offer of established core products (including live event pictures and bet range)
- the provision of information on products and events
- the promotion of gambling opportunities and products
- the actual use made of betting facilities
- the size of premises
- the delivery of betting facilities

12.5 ***Definition of "premises"*** – In the Act, premises is defined as including "any place". Section 152 therefore prevents more than one premises license applying to any place. But a single building could be subject to more than one premises licence, provided they are for different parts of the building and the different parts of the building can be reasonably regarded as being different premises. This approach has been taken to allow large, multiple unit premises such as a pleasure park, pier, track or shopping mall to obtain discrete premises licences, where appropriate safeguards are in place. However, licensing authorities should pay particular attention if there are issues about sub-divisions of a single building or plot and should ensure that mandatory conditions relating to access between premises are observed.

12.6 The Gambling Commission states in the fifth edition of its Guidance to Licensing Authorities that: "in the Act, 'premises' is defined as any building including 'any place'. S125 therefore prevents more than one premises licence applying to any place. But, there is no reason in principle why a single building could not be subject to more than one premises licence, provided they are for different parts of the building, and the different parts of the building can reasonably be regarded as being different premises. This approach has been taken to allow large, multiple unit premises. This approach has been taken to allow large multiple unit premises such as pleasure parts, tracks or shopping malls to obtain discrete premises licence, where appropriate safeguards are in place. However, licensing authorities should pay particular attention if there are issues about sub-division of a single building or plot and should ensure that mandatory conditions relating to access between the premises are observed.

12.7 In most cases the expectation is that a single building/plot will be the subject of an application for a licence, for example, 32 High Street. That does not mean 32 High Street cannot be the subject of separate premises licences for the basement and ground floor, if they are configured acceptably. Whether different parts of a building can properly be regarded as being separate premises will depend on the circumstances. The location of the premises will clearly be an important consideration and the suitability of the division is likely to be a matter for discussion between the operator and the licensing authority.

12.8 The set out that the type and number of high-stake gaming machines allowable in a premise are restricted according to the type of licence or permit granted. For example, a converted casino licence allows for 20 gaming machines in categories B, C or D. With exception of AGCs and FECs, premises are not permitted to be used exclusively for making available gaming machines, but rather to provide the gaming facilities corresponding to the premises licence type. The Licence Conditions and Codes of Practice (LCCP), sets out in full the requirements on operators.

12.9 With exception of bingo clubs, tracks on race-days, and licensed family entertainment centres, children will not be permitted to enter licensed gambling premises. Therefore businesses will need to consider carefully how they wish to configure their buildings if they are seeking to develop multi-purpose sites.

12.10 This Licensing Authority takes particular note of the Gambling Commission's Guidance to Licensing Authorities which states that: "licensing authorities should take particular care in considering applications for multiple licences for a building and those related to a discrete part of a building used for other (non-gambling) purposes. In particular they should be aware of the following:

- The third licensing objective seeks to protect children from being harmed by gambling. In practice that means not only preventing them from taking part in gambling, but also preventing them from being in close proximity to gambling. Therefore premises should be configured so that children are not invited to participate in, have accidental access to or closely observe gaming where they are prohibited from participating.
- Entrances to and exits from parts of a building covered by one or more premises licences should be separate and identifiable so the separation of different premises is not compromised and people do not 'drift' into a gambling area. In this context it should normally be possible to access the premises without going through another licensed premises or premises with a permit.
- Customers should be able to participate in the activities named on the premises licence.

12.11 The Guidance also gives a list of factors which the licensing authority should be aware of, which may include:

- Do the premises have a separate registration for business rates
- Is the premises' neighbouring premises owned by the same person or someone else?
- Can each of the premises be accessed from the street or a public passageway?
- Can the premises only be accessed from other gambling premises?

This authority will consider these and other relevant factors in making its decision, depending on all the circumstances of the case.

12.12 **The Gambling Commission's relevant access provisions for each premises type are reproduced below:**

Casinos

- The principal access entrance to the premises must be from a street (as defined at 7.21 of the Guidance).
- No entrance to a casino must be from premises that are used wholly or mainly by children and/or young persons.
- No customer must be able to enter a casino directly from any other premises which hold a gambling premises licence.

Adult Gaming Centre

- No customer must be able to access the premises directly from any other licensed gambling premises.

Betting Shops

- Access must be from a street (as per para 7.21 Guidance to Licensing Authorities) or from another premises with a betting premises licence.
- No direct access from a betting shop to another premises used for the retail sale of merchandise or services. In effect there cannot be an entrance to a betting shop from a shop of any kind and you could not have a betting shop at the back of a cafe – the whole area would have to be licensed.

Tracks

- No customer should be able to access the premises directly from:
  - a casino
  - an adult gaming centre

Bingo Premises

- No customer must be able to access the premise directly from:
  - a casino
  - an adult gaming centre
  - a betting premises, other than a track

Family Entertainment Centre

- No customer must be able to access the premises directly from:
  - a casino
  - an adult gaming centre
  - a betting premises, other than a track

Part 7 of the Gambling Commission's Guidance to Licensing Authorities contains further guidance on this issue, which this authority will also take into account in its decision-making.

12.13 In determining applications, the Licensing Authority has the duty to take into consideration all relevant matters and not to take into consideration any irrelevant matters, in effect those not related to gambling and licensing objectives. One example of an irrelevant matter would be the likelihood of the applicant obtaining planning permission or building regulation approval for their proposal. Bearing in mind that once a premises licence comes into effect it authorises the premises to be used for gambling, a licence can only be issued once the Licensing Authority is satisfied that the premises is ready to be used for gambling in the reasonably near future.

12.14 If the construction of a premises is not yet complete, or if they need alteration, or if the applicant does not yet have a right to occupy them, then an application for a provisional statement should be made instead. See section 19 of this policy for further guidance.

12.15 In deciding whether a premises licence can be granted where there are outstanding construction or alteration works at a premises, this authority will determine applications on their merits, applying a two stage consideration process:-

- First, whether the premises ought to be permitted to be used for gambling
- Second, whether appropriate conditions can be put in place to cater for the situation that the premises are not yet in the state in which they ought to be before gambling takes place.

12.16 Applicants should note that this authority is entitled to decide that it is appropriate to grant a licence subject to conditions, but it is not obliged to grant such a licence.

12.17 **Location** - This licensing authority is aware that demand issues cannot be considered with regard to the location of premises but that considerations in terms of the licensing objectives are relevant to its decision-making. As per the Gambling Commission's Guidance to Licensing Authorities, this authority will pay particular attention to the protection of children and vulnerable persons from being harmed or exploited by gambling, as well as issues of crime and disorder. Should any specific policy be decided upon as regards areas where gambling premises should not be located, this statement will be updated. It should be noted that any such policy does not preclude any application being made and each application will be decided on its merits.

12.18 **Planning** - The Gambling Commission Guidance to Licensing Authorities states:

> (Para 7.58) In determining applications the licensing authority should not take into consideration matters that are not related to gambling and the licensing objectives. One example would be the likelihood of the applicant obtaining planning permission or building regulations approval for their proposal.

This authority will not take into account irrelevant matters as per the above guidance. In addition this authority notes the following excerpt from the guidance:

> (Para 7.65) When dealing with a premises licence application for finished buildings, the licensing authority should not take into account whether those buildings have to comply with the necessary planning or building consents. Nor should fire or health and safety risks be taken into account. Those matters should be dealt with under relevant planning control, building and other regulations and must not form part of the consideration for the premises licence. Section 210 of the Act prevents licensing authorities taking into account the likelihood of the proposal by the applicant obtaining planning or building consent when considering a premises licence

application. Equally, the grant of a gambling premises licence does not prejudice or prevent any action that may be appropriate under law relating to planning or building.

12.19 **Duplication with other regulatory regimes** - This licensing authority will seek to avoid any duplication with other statutory/regulatory systems where possible, including planning. This authority will not consider whether a licence application is likely to be awarded planning permission or building regulations approval, in its consideration of it. It will though, listen to, and consider carefully, any concerns about conditions which are not able to be met by licensees due to planning restrictions, should such a situation arise.

12.20 When dealing with a premises licence application for finished buildings, this authority will not take into account whether those buildings have to comply with the necessary planning or building consents. Fire or health and safety risks will not be taken into account, as these matters are dealt with under relevant planning control, buildings and other regulations and must not form part of the consideration for the premises licence.

13 Licensing Objectives

13.1 Premises licences granted must be reasonably consistent with the licensing objectives. With regard to these objectives, this licensing authority has considered the Gambling Commission's Guidance to local authorities and some comments are made below.

13.2 **Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime** - This licensing authority is aware that the Gambling Commission will be taking a leading role in preventing gambling from being a source of crime. The Gambling Commission's Guidance does however envisage that licensing authorities should pay attention to the proposed location of gambling premises in terms of this licensing objective. Thus, if an area should have known high levels of organised crime this authority will consider carefully whether gambling premises are suitable to be located there and whether conditions may be suitable such as the provision of door supervisors. This licensing authority is aware of the distinction between disorder and nuisance and will consider factors such as whether police assistance was required and how threatening the behaviour was to those who could see it, so as to make that distinction. This licensing authority is also aware that issues relating to nuisance are dealt with under separate legislation and not under the Gambling Act 2005.

13.3 **Ensuring that gambling is conducted in a fair and open way** - This licensing authority has noted that the Gambling Commission states that it generally does not expect licensing authorities to become concerned with ensuring that gambling is conducted in a fair and open way as this will be addressed via operating and personal licences issued by the Gambling Commission. There is however, more of a role with regard to tracks which is explained in more detail in the 'tracks' section below at Paragraph 17.

13.4 **Protecting children and other vulnerable persons from being harmed or exploited by gambling** - With limited expectations, the intention of the Gambling Act is that children and

young persons should not be permitted to gamble and should be prevented from entering those gambling premises which are adult-only environments. The objective refers to protecting children from being 'harmed or exploited by gambling'. That means preventing them from taking part in gambling and for there to be restrictions on adverting so that gaming products are not aimed at children or adverting in such a way that makes them particularly attractive to children, excepting Category D gaming machines. The licensing authority will therefore consider, whether specific measures are required at particular premises, with regard to this licensing objective. Appropriate measures may include supervision of entrances/ machines, segregation of areas etc.

13.5 This licensing authority is also aware of the Gambling Commission Codes of Practice as regards this licensing objective, in relation to specific premises.

13.6 The Act does not seek to prohibit particular groups of adults from gambling in the same way that it prohibits children. The Commission does not seek to define 'vulnerable persons', but it does for regulatory purposes assume that this group includes people who gamble more than they want to; people who gamble beyond their means; and people who may not be able to make informed or balanced decisions about gambling due to mental health needs, learning disability or substance misuse relating to alcohol or drugs. This licensing authority will consider, in relation to a particular premises, whether any special considerations apply in relation to the protection of vulnerable persons, on a case by case basis.

14 Conditions

14.1 Any conditions attached to licences will be proportionate and will be:

- relevant to the need to make the proposed building suitable as a gambling facility;
- directly related to the premises and the type of licence applied for
- fairly and reasonably related to the scale and type of premises;
- reasonable in all other respects

14.2 Decisions upon individual conditions will be made on a case by case basis, although there will be a number of measures this licensing authority will consider utilising should there be a perceived need, such as the use of door supervisors, appropriate signage for adult only areas etc. There are specific comments made in this regard under some of the licence types below. This licensing authority will also expect the licence applicant to offer his/her own suggestions as to the way in which the licensing objectives can be met effectively. It must be made clear that additional conditions will only be imposed where there is clear evidence of risk to the licensing objectives that requires that the mandatory and default conditions be supplemented.

14.3 This licensing authority will also consider specific measures which may be required for buildings which are subject to multiple premises licences. Such measures may include the supervision of entrances; segregation of gambling from non-gambling areas frequented by

children; and the supervision of gaming machines in non-adult gambling specific premises in order to pursue the licensing objectives. These matters are in accordance with the Gambling Commission's Guidance.

14.4 This authority will also ensure that where category D (for information about the different categories of machine, please see appendix 3) or above machines are on offer in premises to which children are admitted:

- all such machines are located in an area of the premises which is separated from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
- only adults are admitted to the area where these machines are located;
- access to the area where the machines are located is supervised;
- the area where these machines are located is arranged so that it can be observed by the staff or the licence holder; and
- At the entrance to and inside any areas where there are Category A, B or C machines, in such areas there must be prominently displayed notices indicating that access to the area is prohibited to persons under 18.

These considerations will apply to premises including buildings where multiple premises licences are applicable

14.5 This Licensing Authority is aware that tracks may be subject to one or more than one premises licence, provided each licence relates to a specified area of the track. As per the Gambling Commission's Guidance this licensing authority will consider the impact upon the objective to protect children and other vulnerable persons from being harmed or exploited by gambling and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.

14.6 It is noted that there are conditions which the licensing authority cannot attach to premises licences which are:

- any condition on the premises licence which makes it impossible to comply with an operating licence condition;
- conditions relating to gaming machine categories, numbers, or method of operation;
- conditions which provide that membership of a club or body be required (the Gambling Act 2005 specifically removes the membership requirement for casino and bingo clubs and this provision prevents it being reinstated); and
- Conditions in relation to stakes, fees, winning or prizes.

14.7 **Door Supervisors** – The Gambling Commission advises in its Guidance to Licensing Authorities that if a licensing authority is concerned that a premises may attract disorder or be subject to attempts at unauthorised access (for example by children and young persons) then it may require that the entrances to the premises are controlled by a door supervisor, and is entitled to impose a premises licence condition to this effect.

14.8 Section 178 of the Gambling Act 2005 sets out a definition of 'door supervisor', and provides that where a person employed in such a role is required to hold a licence issued by the Security Industry Authority (SIA), that requirement will have force as though it were a condition on the premises licence.

14.9 It should be noted that the above paragraphs relate to door supervisors only in relation to premises licences granted under the Gambling Act 2005. Where a premises licence has also been granted under the Licensing Act 2003 in relation to the same premises, there may also be conditions on that licence which relate to door supervisors. The premises licence holder should ensure compliance with those conditions.

14.10 The requirement for SIA licence door supervisors is relaxed when applied to door supervisors at casino or bingo premises. Where 'contract' staff are employed as door supervisors at casino or bingo premises, such staff will need to be licensed by SIA. However 'in- house' employees working as door supervisors at casino and bingo premises are exempt from these requirements.

15 Adult Gaming Centres

15.1 Persons operating an Adult Gaming Centre (AGC) must hold a gaming machines general operating licence (Adult Gaming Centre) from the Commission and must seek a premises licence form the licensing authority. They will be able to make category B, C and D gaming machines available to their customers.

15.2 This licensing authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to, for example, ensure that under 18 year olds do not have access to the premises.

15.3 This licensing authority will expect applicants to offer their own measures to meet the licensing objectives however appropriate measures/licence conditions may cover issues such as:

- Proof of age schemes
- CCTV – this should be of sufficient quality that it will be of use in evidence
- Supervision of entrances/machine areas
- Physical separation of areas

- Location of entry
- Notices/signage
- Specific opening hours
- Self-exclusion schemes – these are schemes whereby individuals who acknowledge they have a gambling problem ask to be barred from certain premises.
- Provision of information leaflets/helpline numbers for organisations such as GamCare.

This list is not mandatory, nor exhaustive, and is merely indicative of example measures which applicants can consider implementing.

15.4 The following mandatory conditions will be attached to adult gaming centre premises licences:

- A notice must be displayed at all entrances to AGCs stating that no person under the age of 18 years will be admitted to the premises.
- There can be no direct access between an AGC and any other premises licensed under the Act or premises with a Family Entertainment Centre, club gaming, club machine or licensed premises gaming machine permit. There is no definition of 'direct Access' in the Act or regulations. However, it could be said that there should be an area separating the premises concerned (for example, a street or café), which the public go to for purposes other than gambling, for there to be shown to be no direct access.
- Any ATM made available for use on the premise shall be located in place that requires any customer who wishes to use it to cease gambling at any gaming machine in order to do so.
- The consumption of alcohol in AGCs is prohibited at any time during which facilities for gambling are being provided on the premises. A notice stating this should be displayed in a prominent place at every entrance to the premises.

15.5 **Self Exclusion -** Social Responsibility Code Provision 3.5.6 requires that all non-remote casino (and bingo and better licences except those at a track) and holders of machine general operating licences for adult gaming centres must offer self-exclusion schemes to customers requesting such a facility.

16 (Licensed) Family Entertainment Centres (FEC)

16.1 The Act creates two classes of Family Entertainment Centres (FEC). This section of the policy concerns licenced FECs. Persons operating a licensed FEX must hold a gaming machine general operating licence (Family Entertainment Centre) from the Commission and must seek a premises licence from the Licensing Authority. They will be able to make category C and D gaming machines available to their customers. Unlicensed FECs provide category D machines only and are regulated through FEC gaming machine permits (see Section B of this policy).

16.2 This Licensing Authority will specifically have regard to the need to protect children and young persons. Children and young persons will be permitted to enter an FEX and may play on the category D machines. They are not permitted to play on a category C machines, and it is a requirement that there must be clear segregation between the two types of machines, so that children do not have access to category C machines.

16.3 This licensing authority will refer to the Gambling Commission's website to see any conditions that apply to operating licences covering the way in which the area containing the category C machines should be delineated. It will normally impose conditions on granting licences which accord with the above. This licensing authority will also make itself aware of and impose any mandatory or default conditions on these premises licences.

16.4 This Licensing Authority will expect applicants to offer their own measures to meet the licensing objectives however appropriate measures/licence conditions may cover issues such as:

- Proof of age schemes
- CCTV – this should be of sufficient quality that it will be of use in evidence
- Supervision of entrances/machine areas
- Physical separation of areas
- Location of entry
- Notices/signage
- Specific opening hours
- Self-exclusion schemes– these are schemes whereby individuals who acknowledge they have a gambling problem ask to be barred from certain premises
- Provision of information leaflets/helpline numbers for organisations such as GamCare.
- Measures/training for staff on how to deal with suspected truant school children on the premises

This list is not mandatory, nor exhaustive, and is merely indicative of example measures which applicants can consider implementing.

16.5 Mandatory conditions attached to FEC premises licences:

- The summary of the terms and conditions of the premises licence issued by the Licensing Authority under section 164(1) (c) of the Act must be displayed in a prominent place within the premises.
- The layout of the premises must be maintained in accordance with the plan.

- The premises must not be used for sale of tickets in a private lottery or customer lottery, or the National Lottery.
- No customer shall enter the premises directly from a casino, an adult gaming centre or betting premises (other than a track). There is no definition of 'direct Access' in the Act or regulations. However, it could be said that there should be an area separating the premises concerned (for example, a street or café), which the public got for purposes other than gambling, for there to be no direct access.
- Any ATM made available for use on the premises must be located in a place that requires any customer who wishes to use it to cease gambling at any gaming machine in order to do so.
- Over-18 areas within FECs that admit under-18s must be separated by a barrier with prominently displayed notices at the entrance stating that under -18s are not allowed in that area and with adequate supervision in place to ensure that children and young persons are not able to access these areas or the category C machines. Supervision may be done either by placing the terminals within the line of sight of an official of the operator or via monitored CCTV.
- The consumption of alcohol in licensed FECs is prohibited at any time during which facilities for gambling are being provided. A notice stating this should be displayed in a prominent position on the premises.

17 Casinos

17.1 Section 7(1) of the Act states that 'a casino is an arrangement whereby people are given an opportunity to participate in one or more casino games'. Casinos games are defined by the Act to mean a game of chance which is not equal chance gaming. Equal chance gaming is gaming which does not involve playing or staking against a bank, and where the chances are equally favourable to all participants.

17.2 Protection of children and young persons – No-one under the age of 18 is permitted to enter a casino and operators are required to display notices to this effect at all entrances to a casino. Children and young persons are not allowed to be employed at premises with a casino premises licence.

17.3 *No Casinos resolution* - This licensing authority has not passed a 'no casino' resolution under Section 166 of the Gambling Act 2005, but is aware that it has the power to do so. Should this licensing authority decide in the future to pass such a resolution, it will update this policy statement with details of that resolution. Any such decision will be made by the Full Council.

17.4 *Casinos and competitive bidding* - This licensing authority is aware that where a licensing authority area is enabled to grant a premises licence for a new style casino (i.e. the Secretary of State has made such regulations under Section 175 of the Gambling Act 2005) there are likely to be a number of operators who will want to run the casino. In such situations the local authority will run a 'competition' under Schedule 9 of the Gambling Act 2005. This

licensing authority will run such a competition in line with the Gambling (Inviting Competing Applications for Large and Small Casino Premises Licences) Regulations 2008, as well as following the procedure set out in Part 17 of the Guidance.

- *Licence considerations/conditions* – This licensing authority will attach conditions to casino premises licences according to the principles set out in the Gambling Commission's Guidance at paragraph 9, bearing in mind the mandatory conditions listed in paragraph 17 of the Guidance, and the Licence Conditions and Codes of Practice published by the Gambling Commission. The mandatory conditions attached to all casino premises are as follows: Access to the premises is regulated to add additional safeguards for both the public and industry. Mandatory conditions that must be attached to all casino premises licences require that the principal entrance to the casino should be from a street. A street is defined as including any bridge, road, lane, footway, subway, square, court, alley or passage (including passages through enclosed premises such as shopping centres), whether it is a thoroughfare or not.
- A mandatory condition requires that no customer must be able to enter the casino from any other premise holding a casino, bingo, AGC, FEC or betting premises licence, or from premise where a FEC, club gaming and club machine, or licensed premises gaming machine permit, has effect.
- There should be no access to a casino from premises wholly or mainly used by children and young persons.
- No other gambling equipment may be situated within two meters of any ordinary gaming table. For the purpose of these conditions an ordinary gaming table means one which is not wholly or partially automated.
- A maximum of 40 separate player positions may be made available for use in relation to wholly automated gaming tables at any time.
- All casinos must display the rules of each type of casino game that can be played on the premises in a prominent place within both the table gaming area and other gambling areas to which customers have unrestricted access. Licensees may do this either by displaying clear and legible signs or by making available to customers leaflets or other written material setting out the rules.
- ATMs must be positioned so that customers must cease to gamble at tables or gaming machines in order to use them.
- The default opening hours of all casinos are noon to 6am.

17.5 There are mandatory conditions relating to small casinos, large casinos, and converted casinos premises licence which are detailed in section 17 of the guidance.

17.6 *Betting machines* - This licensing authority will, as per the Gambling Commission's Guidance, take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable

people, when considering the number/nature/circumstances of betting machines an operator wants to offer.

18 Bingo Premises

18.1 This licensing authority notes that the Gambling Commission's Guidance states: 15.1 Licensing Authorities will need to satisfy themselves that bingo can be played in any bingo premises for which they issue a premises licence. This will be a relevant consideration where the operator of an existing bingo premises applies to vary their licence to exclude an area of the existing premises from its ambit and then applies for a new premises licence, or multiple licences, for that or those excluded premises

18.2 Under the Act, children and young persons (anyone under the age of 18) cannot be employed in providing any facilities for gambling or bingo premises, and children (under 16) cannot be employed, in any capacity at a time when facilities for playing bingo are being offered. However, young persons, aged 16 and 17, may be employed in bingo premises (while bingo is being played), providing the activities on which they are employed is not connected with the gaming or gaming machines.

18.3 Children and young people are allowed into bingo premises; however they are not permitted to participate in bingo and if category B or C machines are made available for use these must be separated from areas where children and young people are allowed.

18.4 Section 172(7) provides that the holder of a bingo premises licence may make available for use a number of category B machines not exceeding 20% of the total number of gaming machines which are available for use on the premises. Premises in existence before 13th July 2011 are entitled to make available eight category B gaming machines or 20% of the total number of gaming machines, whichever is the greater. There are no restrictions on the number of category c and D machines that can be made available. . Regulations state that category B machines at bingo premises should be restricted to sub-category B3 and B4 machines, but not B3A lottery machines.

For the purpose of calculating the category B machine entitlement in gambling premises, gaming machines should only be counted if they can be played simultaneously by different players without physical hindrance. This includes tablets.

Electronic Bingo Terminals (EBTs) that offer gaming machine content in addition to bingo content are gaming machines and subject to adherence the above. An EBT must only allow participation in one gambling activity at a time and should not contain functionality which allows participation in bingo and gaming machine activity simultaneously.

18.5 The gaming machines must remain within the licensed area covered by the premises licence. In the unusual circumstances that an existing bingo premises covered by one premises licence applies to vary the licence and acquire additional bingo premises licences (so that the area that was the subject of a single licence will become divided between a number of

separate licenced premises) is not permissible for all the gaming machines to which each of the licence brings an entitlement to be grouped together within one of the licensed premises.

18.6 **Self Exclusion** - Social Responsibility Code Provision 3.5.6 requires that all non-remote casino (and bingo and better licences except those at a track) and holders of machine general operating licences for adult gaming centres must offer self-exclusion schemes to customers requesting such a facility.

Bingo in clubs and alcohol-licensed premises

18.7 Bingo is a class of equal chance gaming permitted on alcohol-licensed premises, and in clubs and miners' welfare institutes, under the allowances for exempt gaming in Part 12 of the Act. There are regulations setting controls on this form of gaming, to ensure that it remains low stakes and prize activity.

18.8 Where the level of bingo played in these premises reaches a certain threshold (i.e. bingo played during any seven day period exceeds £2,000 either in money in taken or prizes awarded once in a year), there is a legal duty on the Licensee or club to inform the Commission as soon as is reasonably practicable. Stakes or prizes above that limit will require bingo operators' licence and corresponding personal and premises licence.

Conditions

18.9 The following mandatory conditions must be attached to a bingo premises licence:

- A notice stating that no person under the age of 18 years is permitted to play bingo on the premises shall be displayed in a prominent place at every entrance to the premises.
- No customer shall be able to enter bingo premises directly from casino, an adult gaming centre or betting premises (other than a track).
- Over 18 areas within bingo halls that admit under-18s must be separated by a barrier with prominently displayed notices stating that under-18s are not allowed in that area and with adequate supervision in place to ensure that children and young people are not able to access these areas or the category B or C machines. Supervision may be done either by placing the terminals within the line of sight of an official of the operator or via monitored CCTV.
- Any admission charges, the charges for playing bingo games and the rules of bingo must be displayed in a prominent position on the premises. Rules can be displayed on a sign, by making available leaflets or other written material containing the rules, or running an audio-visual guide to the rules prior to any bingo game being commenced.
- Any ATM made available for use on the premises shall be located in a place that requires any customer who wishes to use it to cease gambling in order to do so.

Default conditions to attach to bingo premises licence:

- Bingo facilities in bingo premises may not be offered between the hours of midnight and 09:00hours. However, there are no restrictions on access to gaming machines in bingo premises.

19 Betting Premises

19.1 Anyone wishing to operate a betting office will require a betting premises licence from the Council. Children and young persons will not be able to enter premises with a betting premises licence, although exemptions apply to tracks. Children and young persons are not allowed to be employed at premises with a betting premises licence.

19.2 Betting premises will be able to provide up to four gaming machines of category B, C or D. Regulations state that category B machines at betting premises are restricted to sub-category B2, B3 and B4 machines (the terminals commonly in use are able to provide both B2 and B3 content).

19.3 *Betting machines* - This licensing authority will, as per the Gambling Commission's Guidance, take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator wants to offer.

The following mandatory conditions will be attached to a betting premises licence

Mandatory conditions attaching to betting premises licences (other than track premises licences)

- The summary of the terms and conditions of the premises licence issued under section 164(1)(c) of the 2005 Act shall be displayed in a prominent place within the premises.
- The layout of the premises shall be maintained in accordance with the plan.
- The premises shall not be used for -

  (a) the sale of tickets in a private lottery or customer lottery, or

  (b) the sale of tickets in any other lottery in respect of which the sale of tickets on the premises is otherwise prohibited.

1. A notice stating that no person under the age of 18 years is permitted to enter the premises shall be displayed in a prominent place at every entrance to the premises.

2. (1) Access to the premises shall be from a street or from other premises with a betting premises licence.

(2) Without prejudice to sub-paragraph (1), there shall be no means of direct access between the premises and other premises used for the retail sale of merchandise or services.

3. Subject to anything permitted by virtue of the 2005 Act, or done in accordance with paragraphs 4, 5, 6 and 7 below, the premises shall not be used for any purpose other than for providing facilities for betting.

4. Any ATM made available for use on the premises shall be located in a place that requires any customer who wishes to use it to leave any gaming machine or betting machine in order to do so.

5. No apparatus for making information or other material available in the form of sounds or visual images may be used on the premises, except for apparatus used for the following purposes-

(a) communicating information about, or coverage of, sporting events, including-

(i) information relating to betting on such an event; and

(ii) any other matter or information, including an advertisement, which is incidental to such an event;

(b) communicating information relating to betting on any event (including the result of the event) in connection with which betting transactions may be or have been effected on the premises.

6. No publications, other than racing periodicals or specialist betting publications, may be sold or offered for sale on the premises.

7. No music, dancing or other entertainment shall be provided or permitted on the premises, save for entertainment provided in accordance with paragraph 5.

8. (1) No alcohol shall be permitted to be consumed on the premises at any time during which facilities for gambling are being provided on the premises.

(2) A notice stating the condition in sub-paragraph (1) shall be displayed in a prominent place at every entrance to the premises.

9. A notice setting out the terms on which customers are invited to bet on the premises shall be displayed in a prominent place on the premises to which customers have unrestricted access.

Default conditions attaching to betting premises licences (other than in respect of tracks)

1. No facilities for gambling shall be provided on the premises between the hours of 10pm on one day and 7am on the next day.

   The full set of conditions are contained within parts 1 and 2 of Schedule 5 of the Gambling Act 2005 (Mandatory and Default Conditions) (England and Wales) Regulations 2007

20 Tracks

20.1 Only one premises licence can be issued for any particular premises at any time unless the premises are a 'track'. A track is a site or venues where sporting events do or could take place, and accordingly could accommodate the provision of betting facilities. Examples of track include: A horse racecourse (racecourses)

- A greyhound track
- A point-to-point horserace meeting
- Football, cricket and rugby grounds
- An athletics stadium
- A golf course
- Venues hosting darts, bowls, or snooker tournaments
- A premises staging boxing matches
- A section of river hosting a fishing competition
- A motor racing event

20.2 Track operators are not required to hold an 'operator's licence' granted by the Gambling Commission. Therefore, premises licences for tracks, issued by the Council are likely to contain requirements for premises licence holders about their responsibilities in relation to the proper conduct of betting. Indeed, track operators will have an important role to play, for example in ensuring that betting areas are properly administered and supervised.

20.3 Although there will, primarily be a betting premises licence for the track there may be a number of subsidiary licences authorising other gambling activities to take place. Unlike betting offices, a betting premises licence in respect of a track does not give an automatic entitlement to use gaming machines.

20.4 This licensing authority is aware that tracks may be subject to one or more than one premises licence, provided each licence relates to a specified area of the track. As per the Gambling Commission's Guidance, this licensing authority will especially consider the impact upon the third licensing objective (i.e. the protection of children and vulnerable persons from being harmed or exploited by gambling) and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.

20.5 This authority will therefore expect the premises licence applicant to demonstrate suitable measures to ensure that children do not have access to adult only gaming facilities. It is noted that children and young persons will be permitted to enter track areas where facilities for betting are provided on days when dog-racing and/or horse racing takes place, but that they are still prevented from entering areas where gaming machines (other than category D machines) are provided.

- This licensing authority will expect applicants to offer their own measures to meet the licensing objectives; however appropriate measures/licence conditions may cover issues such as: Proof of age schemes
- CCTV– this should be of sufficient quality that it will be of use in evidence
- Supervision of entrances/machine areas
- Physical separation of areas
- Location of entry
- Notices/signage
- Specific opening hours
- Self-exclusion schemes– these are schemes whereby individuals who acknowledge they have a gambling problem ask to be barred from certain premises.
- Provision of information leaflets/helpline numbers for organisations such as GamCare

20.6 This list is not mandatory, nor exhaustive, and is merely indicative of example measures which applicants can consider implementing.

20.7 **Gaming machines** - Where the applicant holds a pool betting operating licence and is going to use the entitlement to four gaming machines, machines (other than category D machines) should be located in areas from which children are excluded.

20.8 **Betting machines** - Licensing authorities have a power under the Gambling Act 2005 to restrict the number of betting machines, their nature and the circumstances in which they are made available, by attaching a licence condition to a betting premises licence.

Similar considerations apply in relation to tracks, where the potential space for such machines may be considerable, bringing with it significant problems in relation to the proliferation of such machines, the ability of track staff to supervise them if they are scattered around the track and the ability of the track operator to comply with the law and prevent children betting on the machines.

This licensing authority will, as per Part 6 of the Gambling Commission's Guidance, take into account the size of the premises and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable

people, when considering the number/nature/circumstances of betting machines an operator proposes to offer.

20.9 **Condition on rules being displayed** - A condition will normally be attached to track premises licences requiring the track operator to ensure that the rules relating to tracks which are contained in the Act are prominently displayed in or near the betting areas, or that other measures are taken to ensure that they are made available to the public. For example, the rules could be printed in the race-card or made available in leaflet form from the track office.

20.10 **Applications and plans** – The Act (s51) requires applicants to submit plans of the premises with their application, in order to ensure that the licensing authority has the necessary information to make an informed judgement about whether the premises are fit for gambling. The plan will also be used for the licensing authority to plan future premises inspection activity (See Guidance, para 20.43).

20.11 Plans for tracks do not need to be in a particular scale, but should be drawn to scale and should be sufficiently detailed to include the information required by regulations (see Guidance, para 20.44).

20.12 This authority appreciates it is sometimes difficult to define the precise location of betting areas on tracks. The precise location of where betting facilities are provided is not required to be shown on the track plans, both by virtue of the fact that betting is permitted anywhere on the premises and because of the difficulties associated with pinpointing exact locations for some types of track. Applicants should provide sufficient information that this authority can satisfy itself that the [plan indicates the main areas where betting might take place. For racecourses in particular, any betting areas subject to the "five times rule" (commonly known as betting rings) must be indicated on the plan (See Guidance, para 20.46).

21 Travelling Fairs

21.1 This licensing authority is responsible for deciding whether, where category D machines and/or equal chance prize gaming without a permit is to be made available for use at travelling fairs, the statutory requirement that the facilities for gambling amount to no more than an ancillary amusement at the fair is met.

21.2 The licensing authority will also consider whether the applicant falls within the statutory definition of a travelling fair: For the purposes of this Act –

(a) "fair" means a fair consisting wholly or principally of the provision of amusements, and
(b) a fair held on a day in a calendar year is a "travelling fair" if provided-
    (i) wholly or principally by persons who travel from place to place for the purpose of providing fairs, and
    (ii) At a place no part of which has been used for the provision of a fair on more than 27 days in that calendar year.

21.3 It is noted that the 27-day statutory maximum for the land being used as a fair, applies on a calendar year basis, and that it applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land. This licensing authority will work with its neighbouring authorities to ensure that land which crosses our boundaries is monitored so that the statutory limits are not exceeded.

22 Provisional Statements

22.1 Developers may wish to apply to this authority for provisional statement before entering into a contract to buy or lease property or land to judge whether a development is worth taking forward in light of the need to obtain a premises licence. There is no need for the applicant to hold an operating licence in order to apply for a provisional statement.

- S204 of the Act provides for a person to make application to the licensing authority for a provisional statement in respect of premises that he or she: Expects to be constructed;
- Expects to be altered; or
- Expects to acquire a right to occupy.

22.2 The process for considering an application for a provisional statement is the same as that for a premises licence application. The applicant is obliged to give notice of the application in the same way as applying for a premises licence. Responsible authorities and interested parties may make representations and there are rights of appeal.

22.3 In contrast to the premises licence application, the applicant does not have to hold or have applied for an operating licence from the Gambling Commission (except in the case of a track) and they do not have to have a right to occupy the premises in respect of which their provisional application is made.

- The holder of a provisional statement may then apply for a premises licence once the premises are constructed, altered or acquired. The licensing authority will be constrained in the matters it can consider when determining the premises licence application, and in terms of representations about premises licence applications that follow the grant of a provisional statement, no further representations from responsible authorities or interested parties can be taken into account unless they: concern matters which could not have been raised by objectors at the provisional licence stage; or
- Reflect a change in the operator's circumstances.

- In addition the licensing authority may refuse the premises licence (or grant it on terms different to those attached to the provisional statement) only by reference to matters: Which could not have been raised by objectors at the provisional statement stage;
- Which in the authority's opinion reflect a change in the operator's circumstances; or

- Where the premise has not been constructed in accordance with the plan submitted with the application. This must be a substantial change to the plan and this licensing authority notes that it can discuss any concerns it has with the applicant before making a decision.

23 Review

23.1 Requests for a review of a premises licence can be made by interested parties or responsible authorities; however, it is for the Licensing Authority to decide whether the review is to be carried-out. This will be on the basis of whether the request for the review is relevant to the matters listed below:

- in accordance with any relevant code of practice issued by the Gambling Commission;
- in accordance with any relevant guidance issued by the Gambling Commission;
- reasonably consistent with the licensing objectives; and
- In accordance with this authority's statement of licensing policy.

23.2 The request for a review will also be subject to the consideration by the licensing authority as to whether the request is frivolous, vexatious, or whether it will certainly not cause this authority to wish to alter/revoke/suspend the licence, or whether it is substantially the same as previous representations or requests for review.

The licensing authority can also initiate a review of a particular premises licence, or a particular class of premises licence on the basis of any reason which it thinks is appropriate.

23.3 Once a valid application for a review has been received by the licensing authority, representations can be made by responsible authorities and interested parties during a 28 day period. This period begins 7 days after the application was received by the licensing authority, who will publish notice of the application within 7 days of receipt.

23.4 The licensing authority must carry out the review as soon as possible after the 28 day period for making representations has passed.

23.5 The purpose of the review will be to determine whether the licensing authority should take any action in relation to the licence. If action is justified, the options open to the licensing authority are:

- Add, remove or amend a licence condition imposed by the licensing authority;
- Exclude a default condition imposed by the Secretary of State (e.g. opening hours) or remove or amend such an exclusion;
- Suspend the premises licence for a period not exceeding three months; and
- Revoke the premises licence.

23.6 In determining what action, if any, should be taken following a review, the licensing authority must have regard to the principles set out in s153 of the Act, as well as any relevant representations.

23.7 In particular, the licensing authority may also initiate a review of the premises licence on the grounds that a premises licence holder has not provided facilities for gambling at the premises. This is to prevent people from applying for licences in a speculative manner without intending to use them.

23.8 Once the review has been completed, the licensing authority must, as soon as possible, notify its decision to:

- The licence holder;
- The applicant for review (if any);
- The Gambling Commission;
- Any person who made representations;
- The Chief Officer of Police or Chief Constable;
- Her Majesty's Commissioners for Revenues and Customs.

24 Rights of appeal and judicial review – Premises Licences

24.1 This section deals only with appeals relating to premises licensing and other decisions by the Licensing Authority. The avenues of appeal against decisions the Licensing Authority are set out in sections 206 and 209 of the Act.

24.2 If an application under Part 8 of the Act is rejected, only the applicant may appeal. If an application under Part 8 of the Act is granted, the applicant and a person who made representations may appeal. It does not automatically follow that the person who made the representations will be appellant. It could be the licensee who is appealing, because he or she considers conditions attached to the licence too onerous. Similar arrangements will apply in appeals against a decision not to take action following a review, and in relation to the grant of temporary use notices. The Licensing Authority will choose who it has as its witness.

24.3 If the Licensing Authority takes action or determines to take no action (which may include revocation or suspension of the licence, or the removal or addition of licence conditions) after the review of a licence, any of the following may appeal:

- The licence holder
- A person who made representations in relation to the review
- Where relevant, the person who applied for the review
- The Commission.

24.4 Where the Licensing Authority makes a decision in relation to the transfer of a premises licence, which may involve amending licence conditions, the licence holder and the applicant for transfer have a right of appeal.

24.5 Notice of an appeal must be given within 21 days of notice of the decision being received by the appellant. During that period, and until any appeal that has been brought has been finally determined, a determination or the other action by the Licensing Authority under Part 8 of the Action will not have effect unless the authority so directs (see section 208 of the Act).

24.6 In many cases, it is a requirement of the Act that Licensing Authority gives clear and comprehensive reasons for rejection of an application. It will give reasons for all its decisions (see section 165 of the act, which is also applied in relation to other applications under Part 8 of the Act). A failure to give reasons may compel a person to appeal, and may suggest that the Licensing Authority did not make its decision with regard to all the information that it should have regard to, and in line with its obligation under section 153 (regardless of the decision that was reached).

24.7 Any appeal against the Licensing Authority is made to the Magistrates court. The Magistrates court is located at:

The Court House, Rickergate, Carlisle CA3 8QH Telephone 01228 518800

24.8 An appeal has to be commenced by giving of a notice of appeal by the appellant to the local magistrate's court within a period of 21 days, beginning with the day on which the appellant was notified by the Licensing Authority of the decision being appealed.

24.9 It should be noted that unless he is the appellant, the licence holder or a person who has made application for a licence, a transfer or reinstatement of a Licence or a provisional statement is a respondent in any appeal, in addition to the Licensing Authority.

24.10 On determining an appeal, the court may:

- Dismiss the appeal
- Substitute the decision appealed against with any other decision that could have been made by the Licensing Authority
- Remit the case to the Licensing Authority to dispose of het appeal in accordance with the direction of the court.

Provisional Statements

24.11 A provisional statement can be refused on exactly the same grounds as a premises licence. The applicant may appeal against the rejection of an application of a provisional statement under section 206(1); and a person who made representations or the applicant may appeal against the grant of an application.

Judicial review

24.12 Any party to a decision may apply for judicial review if they believe that the decision taken by the Licensing Authority is:

- Illegal – that is beyond the powers available to the Licensing Authority
- Subject to procedural impropriety or unfairness – which is failure in the process of reaching the decision, such as not observing the 'rules of natural justice'
- Irrational – where a decision is so unreasonable that no sensible person could have reached it (in effect 'perverse' or 'Wednesbury' unreasonable).

24.13 For an application to succeed, the application must show that:

- The applicant has sufficient standing to make that claim
- The actions of the reviewed Licensing Authority give grounds for review

But the remedy is a discretionary one and the Court may decline judicial review if, for example, it considers that the applicant has an alternative remedy which is more appropriate to pursue, such as right of appeal, or has a private law claim against the defendant.

24.14 The applicant can ask the Court to grant a number of orders. A mandatory order compels the reviewed body to do something; a prohibition order compels it to refrain from doing something; a 'declaration' sets out the court's view on the legality of particular course of action, the applicant can seek an injunction which is, in practice, similar to a mandatory or prohibition order.

25 Unlicensed Family Entertainment Centre Gaming Machine Permits (Statement of Principles on Permits - Schedule 10 paragraph 7)

25.1 Family Entertainment Centres (FECs) are commonly located at seaside resorts, in airports and motorway service stations, and cater for families, including unaccompanied children and young persons. Unlicensed FECs are able to offer only category D machines in reliance on gaming machine permit. Any number if category D machines can be made available with such permit subject to other considerations, such as fire regulations and health and safety. Permits cannot be issued in respect of vessels or vehicles.

25.2 If the operator of a family entertainment centre wants to make category C machines available in addition to category D machines, the operator will need to apply for a gaming machine general operating licence (Family Entertainment Centre) from the Commission and a premises licence from the Licensing Authority.

25.3 Where a premises does not hold a premises licence but wishes to provide gaming machines, it may apply to the Licensing Authority for this permit. It should be noted that the applicant must show that the premises will be wholly or mainly used for making gaming machines available for use (s238 of the Act).

25.4 The Act states that a Licensing Authority may prepare a *statement of principles* that they propose to consider in determining the suitability of an applicant for a permit and in preparing this statement, and/or considering applications, it need not (but may) have regard to the licensing objectives and shall have regard to any relevant guidance issued by the Commission under section 25. The Gambling Commission's Guidance also states "In their three year licensing policy statement, Licensing Authorities may include a statement of principles that they propose to apply when exercising their functions in considering applications for permits, Licensing Authorities will want to give weight to child protection issues" (para, 24.6).

- Guidance also states: "... An application for a permit may be granted only if the Licensing Authority is satisfied that the premises will be used as an unlicensed FEC, and if the chief officer of police has been consulted on the application. Licensing Authorities might wish to consider asking applications to demonstrate: a full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed FECs;
- that the applicant has no relevant convictions (those that are set out in Schedule 7 of the Act; and
- That staff are trained to have a full understanding of the maximum stakes and prizes.

25.5 It should be noted that a Licensing Authority cannot attach conditions to this type of permit.

25.6 This Licensing Authority will expect the applicant to show that there are policies and procedures in place to protect children from harm. Harm in this context is not limited to

harm from gambling but includes wider child protection considerations. The efficiency of such policies and procedures will each be considered on their merits, however, they may include appropriate measures/training for staff as regards suspected truant school children on the premises, measures/training covering how staff would deal with unsupervised very young children being on the premises, or children causing perceived problems on/around the premises.

25.7 This Licensing Authority will also expect, as per Gambling Commission Guidance, that applicants demonstrate a full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed FECs; that the applicant has no relevant convictions (Schedule. 7 of the Act) and that staff are trained to have a full understanding of the maximum stakes and prizes.

26 (Alcohol) Licensed Premises Gaming Machine Permits - (Schedule 13 paragraph 4(1))

26.1 **Automatic entitlement: up to 2 machines** - There is provision in the Act for premises licensed to sell alcohol for consumption on the premises, to automatically have 2 gaming machines, of categories C and/or D. The operator of the premises merely needs to notify the Licensing Authority and pay the prescribed fee. The Licensing Authority can remove the automatic authorisation in respect of any particular premises if:

- provision of the machines is not reasonably consistent with the pursuit of the licensing objectives;
- gaming has taken place on the premises that breaches a condition of section 282 of the Gambling Act (i.e. that written notice has been provided to the Licensing Authority, that a fee has been provided and that any relevant code of practice issued by the Gambling Commission about the location and operation of the machine has been complied with);
- the premises are mainly used for gaming; or
- An offence under the Gambling Act has been committed on the premises.

26.2 **Permit: 3 or more machines** - If the operator of alcohol licensed premises wishes to have more than 2 machines, then an application must be made for a permit and the Licensing Authority must consider that application based upon the licensing objectives, any guidance and code of practice issued by the Gambling Commission issued under Section 24 & 25 of the Gambling Act 2005, and "*such matters as they think relevant*."

26.3 This Licensing Authority considers that "*such matters*" will be decided on a case by case basis but generally there will be regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machines. Measures which will satisfy the authority that there will be no access may include the adult machines being in sight of the bar, or in the sight of staff that will monitor that the machines are not being used by those under 18.

Notices and signage may also be a help. As regards the protection of vulnerable persons, applicants may wish to consider the provision of information leaflets/helpline numbers for organisations such as GamCare.

26.4 This Licensing Authority recognises that some operators of alcohol licensed premises may apply for a premises licence for their non-alcohol licensed areas. Any such application would most likely need to be applied for, and dealt with as an Adult Gaming Centre premises licence.

26.5 The Licensing Authority may decide to grant the application with a smaller number of machines and/or a different category of machines than that applied for. Conditions (other than these) cannot be attached.

26.6 The holder of a permit must comply with any Code of Practice issued by the Gambling Commission about the location and operation of the machine.

27 Prize Gaming Permits - (Principles on Permits - Schedule 14 paragraph 8 (3))

27.1 The Gambling Act 2005 states that a licensing authority may "prepare a statement of principles that they propose to apply in exercising their functions under this Schedule" which "may, in particular, specify matters that the licensing authority proposes to consider in determining the suitability of the applicant for a permit".

27.2 This Licensing Authority has prepared a Statement of Principles which is that the applicant should set out the types of gaming that he or she is intending to offer and that the applicant should demonstrate:

- that they understand the limits to stakes and prizes that are set out in Regulations;
- that the gaming offered is within the law;
- Clear policies that outline the steps to be taken to protect children from harm.

27.3 Prize gaming may be provided in bingo premises as a consequence of their bingo operating licence. Any type of prize gaming may be provided in adult gaming centres and licensed family entertainment centres. Unlicensed family entertainment centres may offer equal chance prize gaming under a gaming machine permit. Prize gaming without a permit may be provided by travelling fairs, providing that none of the gambling facilities at the fair amount to more than an ancillary amusement. Children and young people may participate in equal chance gaming only.23.4 In making its decision on an application for this permit the Licensing Authority does not need to have regard to the licensing objectives but must have regard to any Gambling Commission guidance (Schedule. 14 para. 8(3) of the Act).

27.4 It should be noted that there are conditions in the Gambling Act 2005 by which the permit holder must comply, but that the Licensing Authority cannot attach conditions. The conditions in the Act are:

- the limits on participation fees, as set out in regulations, must be complied with;

- all chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated; and the result of the game must be made public in the premises on the day that it is played;
- the prize for which the game is played must not exceed the amount set out in regulations (if a money prize), or the prescribed value (if non-monetary prize); and
- Participation in the gaming must not entitle the player to take part in any other gambling.

28 Club Gaming and Club Machines Permits

28.1 Members Clubs and Miners' Welfare Institutes (but not Commercial Clubs) may apply for a Club Gaming Permit. The Club Gaming Permit will enable the premises to provide gaming machines (3 machines of categories B3A, B4, C or D), equal chance gaming and games of chance.

Members Clubs and Miner's Welfare Institutes – and also Commercial Clubs – may apply for a Club Machine Permit. A Club Machine Permit will enable the premises to provide gaming machines (up to 3 machines of categories B, C or D). N.B. Commercial Clubs may not site category B3A gaming machines offering lottery games in their club.

This licensing authority notes that the Gambling Commission's guidance (para 25.44) states:

> The licensing authority has to satisfy itself that the club meets the requirements of the Act to obtain a Club Gaming Permit. It is suggested that applicants for permits should be asked to supply sufficient information and documents to enable to the licensing authority to take account of the matters discussed in paragraphs 25.45 to 25.47, at the time they submit their applications to the licensing authority. Licensing authorities should be particularly aware that club gaming permits may be misused for illegal poker clubs.

The club must be conducted 'wholly or mainly' for the purposes other than gaming, unless the gaming is permitted by separate regulations. The Secretary of State has made regulations and these cover bridge and whist clubs.

28.2 The Guidance also states that licensing authorities may only refuse an application on the grounds that:

- the applicant does not fulfil the requirements for a members' or commercial club or miners' welfare institute and therefore is not entitled to receive the type of permit for which it has applied;
- the applicant's premises are used wholly or mainly by children and/or young persons;

- an offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities;
- a permit held by the applicant has been cancelled in the previous ten years; or
- An objection has been lodged by the Gambling Commission or the police.

28.3 There is also a 'fast-track' procedure available under the Act for premises which hold a Club Premises Certificate under the Licensing Act 2003 (Schedule. 12 paragraph 10). As the Gambling Commission's Guidance for local authorities states: "Under the fast-track procedure there is no opportunity for objections to be made by the Commission or the police, and the grounds upon which an authority can refuse a permit are reduced." and "The grounds on which an application under the process may be refused are:

- that the club is established primarily for gaming, other than gaming prescribed under schedule 12;
- that in addition to the prescribed gaming, the applicant provides facilities for other gaming; or
- That a club gaming permit or club machine permit issued to the applicant in the last ten years has been cancelled".

28.4 There are statutory conditions on club gaming permits that no child uses a category B or C machine on the premises and that the holder complies with any relevant provision of a code of practice about the location and operation of gaming machines.

29 Temporary Use Notices (TUN)

29.1 The Gambling Act 2005 enables the holder of an operating licence to give a Temporary Use Notice in respect of premises.

The TUN authorises the premises to lawfully be used for short period to provide facilities for gambling without the appropriate premises licence. The gambling must be in accordance with the terms of the TUN.

TUNs can only be made by the holder of an operating licence authorising them to provide the gaming activity proposed under the TUN.

29.2 The holder of the operating licence must give notice to the Licensing Authority in whose area the premises are situated. The Secretary of State has prescribed the form of the notice which must specify information including:

- The type of gaming to be carried on
- The premises where it will take place
- The dates and times the gaming will take place
- Any periods during the previous 12 months that a TUN has had effect for the same premises.
- The date on which the notice is given

- The nature of the event itself.

29.3 The same set of premises may not be the subject of a TUN for more than 21 days in any 12-month period, but may be the subject of several notices provided that the total does not exceed 21 days.

29.4 If the premises have been the subject of one or more TUN for more than a total of 21 days in the past 12 months, the Licensing Authority will issue a counter- notice that has the effect of stopping the TUN coming into effect. Failure to comply with the counter-notice will be an offence. The Licensing Authority may issue a counter-notice which limits the number of days that the TUN comes into effect, bringing it within the 21-day limit. Such counter-notices require consultation with the applicant to ensure that the restrictions they impose do not result in an unworkable event.

29.5 As notices may be given by different operators in respect of the same premises, the Licensing Authority will always check whether a counter-notice is appropriate.

29.6 A notice may not be given in respect of a vehicle. A notice may be given in respect of a vessel, but only if it is a passenger vessel or a vessel that is situated at a fixed place. A vessel at a fixed place would include a structure on water that is not intended to be able to move (such as an oil rig, or an artificially constructed island in the middle of a lake). It should be noted that a notice can only be given in respect of a vessel that is moored permanently at place (i.e. it could move but it does not) if it is a passenger vessel.

29.7 A TUN must be lodged with the Licensing Authority not less than three months and one day before the day on which the gambling event will begin. The application, fee and counter-notices are specified by the Secretary of State. The application must be copied to:

- The Commission
- The Police
- HM Commissioners for Revenue and Customs
- If applicable, any other Licensing Authority in whose area the premises are situated

29.8 The person who is giving the TUN must ensure that the notice and the copies are with the recipients within seven days of the date of the notice. Where the premises are situated in the area covered by more than one authority, the person giving notice must send other notice to one authority and copy to the other(s).

29.9 Where the Licensing Authority receives a notice, it must send a written acknowledgement as soon as reasonably practicable. A written acknowledgement may include one sent by electronic mail.

29.10 The Licensing Authority and other bodies to which the notice is copied should consider whether they wish to give notice of objection. In considering whether to do so, they must have regard to the licensing objectives and if they consider that the gambling should not take place, or only with modifications, they must give a notice of objection to the person who gave the TUN. Such a notice must be copied to the Licensing Authority (unless it is

given by the Licensing Authority). The notice of objection and the copy to the Licensing Authority must be given within 14 days of the date of the TUN. An objection and the copy to the Licensing Authority must be given within 14 days of the date of the TUN. An objection may be withdrawn by giving written notice to those to whom the notice of objection was sent and copied.

29.11 The Licensing Authority has noted the timescales set out in the Act. The need to give a notice of objection within 14 days of the date of the TUN means that there must be procedures to ensure that such notices are considered without delay so that, where appropriate, the opportunity to lodge an objection is not missed.

29.12 If objections are received, the Licensing Authority must hold a hearing to listen to representations from the person who gave the TUN, all the objectors and nay person who was entitled to receive a copy of the notice. If all the participants agree that a hearing is unnecessary, it may be dispensed with.

29.13 Those who raise objections may offer modifications to the notice that will alleviate their concerns. Remedies may include a reduction in the number of days when gambling occurs or a restriction on the type of gambling is permitted. If the modifications are accepted by the applicant, a new TUN must be prepared and the original notice withdrawn. The three-month time limit and fee will not apply to the new notice. The person who made the original objection and proposed the modification may not object to the new notice, but others whom it is copied may object. If there are no new objections, there will be no need for a hearing.

29.14 If the Licensing Authority, after a hearing has taken place or has been dispensed with, considers that the TUN should not have effect, it must issue a counter-notice which may:

- Prevent the TUN from taking effect
- Limit the activities that are permitted
- Limit the time period of gambling
- Allow the activity to take place subject to a specified condition

29.15 If the Licensing Authority gives a counter-notice, it must give reasons for doing so and must copy the counter-notice to all those who receive copies of the TUN.

29.16 If the Licensing Authority decides not to issue a counter-notice, the TUN will take effect. The must give notice of its decision to the person who gave the TUN and others to whom it was copied.

29.17 An appeal against the Licensing Authority's decision may be made by the applicant, or any person entitled to receive a copy of the TUN, to the Magistrate's Court within 21 days of receiving notice of the Licensing Authority's decision. There is a further right of appeal to the High Court on a point of law.

29.18 If no objections are made within 14 days of the date of the notice, the Licensing Authority must endorse the notice as valid and return it to the person who gave it. If the endorsed

copy of the notice is list, stolen or damaged, the person who gave the notice may request a new endorsed copy from the Licensing Authority, subject to a payment of a fee.

29.19 Section 228 sets a time limit of six weeks for the completion of all proceedings on a TUN. This includes considering whether to give a notice objection; hold a hearing, if it is necessary; and giving a counter-notice or notice dismissing the objections.

29.20 The person who gives a TUN may notify the authority that it is withdrawn at any time up to and during the time it has effect. In those circumstances the notice will have no effect, and any un-lapsed period of time will not count towards the 21-day maximum for a TUN having effect on the premises.

29.21 While the gambling is taking place, a copy of the TUN must be displayed prominently on the premises. It is an offence not to produce the notice endorsed by the authority when request to do so by a constable, an officer of HM Revenue and Customs, an enforcement officer, or an authorised local authority officer.

30 Occasional Use Notices (OUN)

30.1 Section 38 of the Act provides that where there is betting on a track on eight days or less in a calendar year, betting may be permitted by an OUN without the need for a full premises licence.

30.2 While tracks are normally thought of as permanent racecourses, it should be noted that the meaning of 'track' in the Act covers not just horse racecourses or dog tracks, but also any other premises on any part of which a race or other sporting event takes place, or is intended to take place (section 353(1)).

30.3 This means that land which as a number of uses, one of which fulfils the definition of track, can qualify for the OUN provisions (for example agricultural land upon which a point-to – point meeting takes place). Land used temporarily as a track can qualify, provided races or sporting events take place or will take place there. The track need not be a permanent fixture.

30.4 The intention behind OUN is to permit licensed betting operators (with appropriate permission from the Commission) to use tracks for short periods for conducting betting, where the event upon which the betting is to take place is of a temporary, infrequent nature. The OUN dispenses with the need for a betting premises licence for the track in these circumstances.

30.5 OUN may not be relied upon for more than eight days in a calendar year. Note that the requirement relates to a calendar year (starting 1January) and not to any period of 12 months. The Secretary of State has the power to increase or decrease the number of OUN that are permitted, but there are currently no plans to use this power.

30.6 This Licensing Authority keeps a record of the number of notices served in relation to each track.

30.7 A notice must be served by a person who is responsible for the administration of events on the track or by an occupier of the track. The notice be served on the Licensing Authority and copied to the Chief Officer of Police for the area in which the track is located. The notice must specify the day on which it has effect. Notices may be given in relation to consecutive days, so long as the overall limit of eight days is not exceeded in the calendar year.

30.8 Provided that the notice will not result in betting facilities being available for more than eight days in a calendar year, there is no provision for counter-notices or objections to be submitted.

30.9 The Act does not require the applicant or the Licensing Authority to notify the Commission that an OUN has been given. However the Commission does require Licensing Authorities to submit returns showing how OUN may were received during each quarter.

30.10 It should be noted that betting operators cannot provide gaming machines at tracks by virtue of an OUN. Gaming machines may be made available by betting operators and this is reliant on a betting premises licence, which refers to a specific licensed area, but does not enable the operator to site gaming machines outside of that area.

31 Small Society Lotteries

31.1 A lottery is small if the total value of tickets put on sale in a single lottery is £20,000 or less and the aggregate value of the tickets put on sale in a calendar year is £250,000 or less.

31.2 Part four and five of Schedule 11 to the Act set out the requirements on both societies and licensing authorities with respect to the registration of small society lotteries.

31.3 This licensing authority will adopt the recommendation of the Commission that lottery tickets must not be sold to a person in any street. For these purposes 'street' includes any bridge, road, lane, footway, subway, square, court, alley or passage (including passages through enclosed premises such as shopping malls) whether a throughfare or not. Tickets, however, may be sold in a street from a static structure such as a kiosk or display stand. Tickets may also be sold door to door.

31.4 This licensing authority will adopt a risk based approach towards its enforcement responsibilities for small society lotteries. This authority considers that the following list, although not exclusive, could affect the risk status of the operator:

- submission of late returns (returns must be submitted no later than three months after the date on which the lottery draw was held);
- submission of incomplete or incorrect returns;
- breaches of the limits for small society lotteries.

32 Rights of Appeal

Permits

32.1 The process of appeals in respect of permits is different to that for premises licences and is set out in the following Schedules of the Act:

- Schedule 10 – Family entertainment centre gaming machine permits (further explained in paragraphs 12.16 – 12.17 of the guidance).
- Schedule 11 (Parts 4 and 5) – Small society lotteries (further explained in paragraphs 12.18 – 12.19 of the guidance).
- Schedule 12 – Club gaming permits and club machine permits (further explained in paragraphs 12.20 – 12.26 of the guidance).
- Schedule 13 – Licensed premises gaming machine permits (further explained in paragraphs 12.27 – 12.28 of the guidance).
- Schedule 14 – Prize gaming permits (further explained in paragraphs 12.29 – 12.30 of the guidance).

Temporary use notices

32.2 Appeals in relation to temporary use notices are detailed with in section 226 of the Act. This section grants the right to appeal to the magistrates' court to both the applicant and any person entitled to receive a copy of the notice (that is the Commission, local chief of police and HM Revenue and Customs). Appeals must be made within 21 days of receiving the notice of the Licensing Authority's decision. If the appeal is against the decision of the authority not to issue a counter-notice, then the person giving notice must be joined with the Licensing Authority as a respondent in the case.

32.3 The magistrates' court may take the following action: dismiss the appeal, direct the authority to take specified action, remit it back to the authority to decide in accordance with a decision of the court, and make an order for costs. It should be noted that if the decision is remitted to the authority, the same rights of appeal will apply as for the original decision.

32.4 There is no stay of proceedings in relation to temporary use notices (as there are in relation to applications under Part 8 of the Act). However, the time limits are such that the Commission would expect proceedings on appeal to be heard before the temporary use notice would otherwise take effect

APPENDIX 1 List of Consultees

- **Responsible Authorities**
  - The Gambling Commission
  - Cumbria Constabulary
  - Cumbria Fire and Rescue Service
  - Cumbria Safeguarding Children Partnership (CSCP)
  - HM Revenue and Customs
  - Planning Services, Carlisle City Council
  - Environmental Services, Carlisle City Council

- Elected Members, Carlisle City Council
- Cumbria Health and Wellbeing Board
- North Cumbria Community Safety Partnership
- Cumbria Chamber of Commerce
- William Hill
- Ladbrokes
- Bet Fred
- Paddy Power
- Gala Coral Group
- Association of British Bookmakers
- British Amusement Catering Trade Association
- Bingo Association
- Gamcare
- Gamblers Anonymous
- GambleAware
- Mencap
- NSPCC
- CAB
- Director of Public Health
- Carlisle College
- University of Cumbria

Note: This list is not intended to be exclusive. Comments and observations will be welcome from anyone who will be affected by this policy.

APPENDIX 2 Categories of Gaming Machines

Category of Machine	Maximum Stake	Maximum Prize
A	Unlimited – no category A gaming machines are currently permitted	
B1	£5	£10,000*
B2	£100	£500
B3A	£2	£500
B3	£2	£500
B4	£2	£500
C	£1	£100
D – non-money prize	30p	£50
D – non-money (crane grab machines only)	£1	£50
D – money prize	10p	£5
D – combined money and non-money prize	10p	£8 (of which no more than £5 may be a money prize)
D – combined money and non-money prize (coin pusher or penny fall machines only)	20p	£20 (of which no more than £10 may be a money prize)

* With option of maximum £20,000 linked progressive jackpot on premises basis only

** Stakes are subject to change

APPENDIX 3 Delegation of Functions

Matter to be dealt with	Full Council	Licensing Committee or Sub-committee	Officers
Final approval of three year licensing policy	X		
Policy not to permit casinos	X		
Fee setting (when appropriate)		X	
Application for premises licences		Where representations have been received and not withdrawn	Where no representations received/representations have been withdrawn
Application for a variation to a licence		Where representations have been received and not withdrawn	Where no representations received/representations have been withdrawn
Application for a transfer of a licence		Where representations have been received from the Commission	Where no representations received from the Commission
Application for a provisional statement		Where representations have been received and not withdrawn	Where no representations received/representations have been withdrawn
Review of a premises licence		X	
Application for club gaming/club machine permits		Where objections have been made (and not withdrawn)	Where no objections made/objections have been withdrawn
Cancellation of club gaming/club machine permits		X	
Applications for other permits			X
Cancellation of licensed premises gaming machine permits			X
Consideration of temporary use notice			X
Decision to give a counter notice to a temporary use notice		X	

X - Indicates at the lowest level to which decisions can be delegated.

APPENDIX 4 Local Area Profile

Image 1 – Overview of Premises is Carlisle District

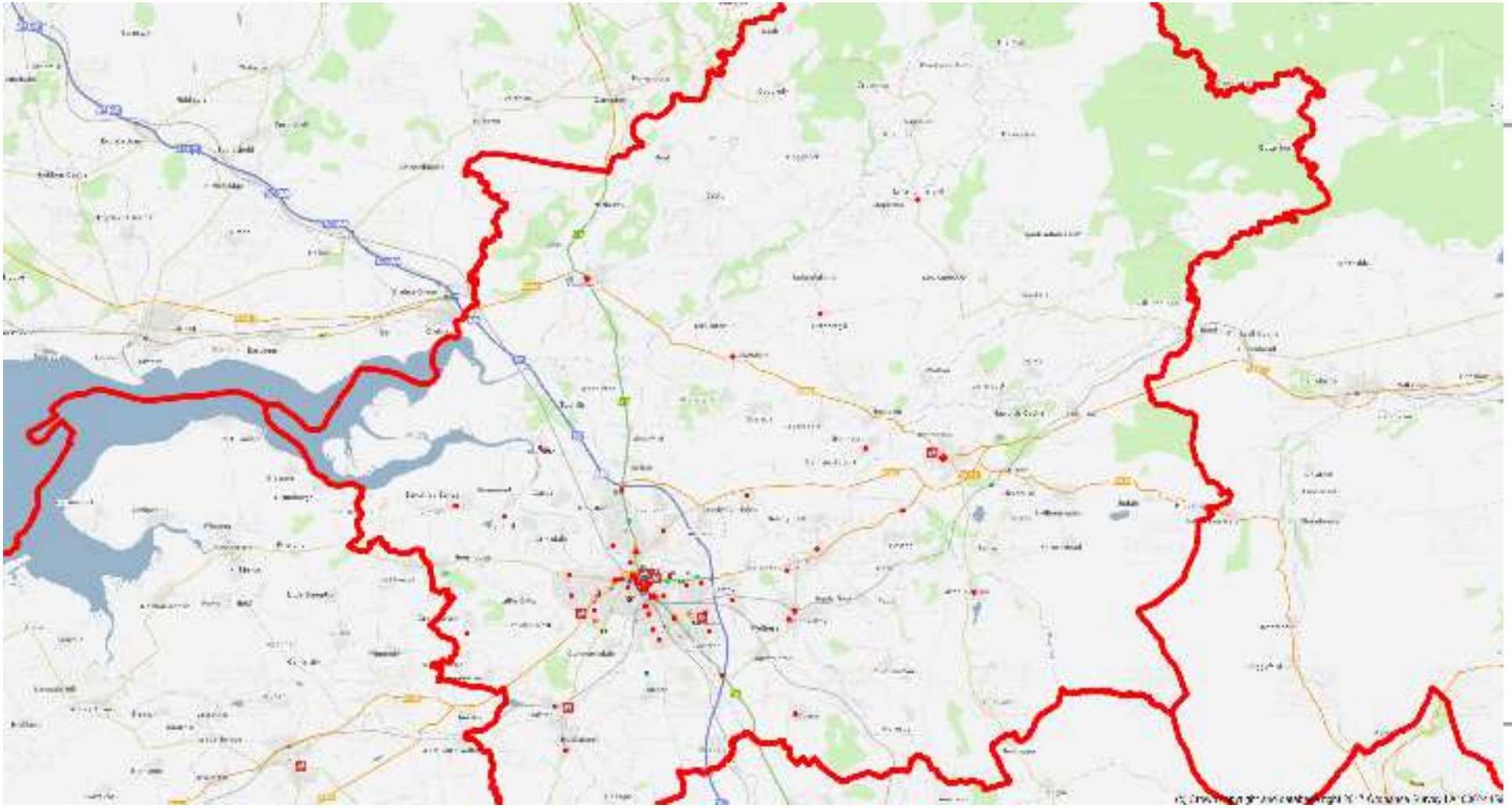


Image 2 – Gambling Premises in Carlisle

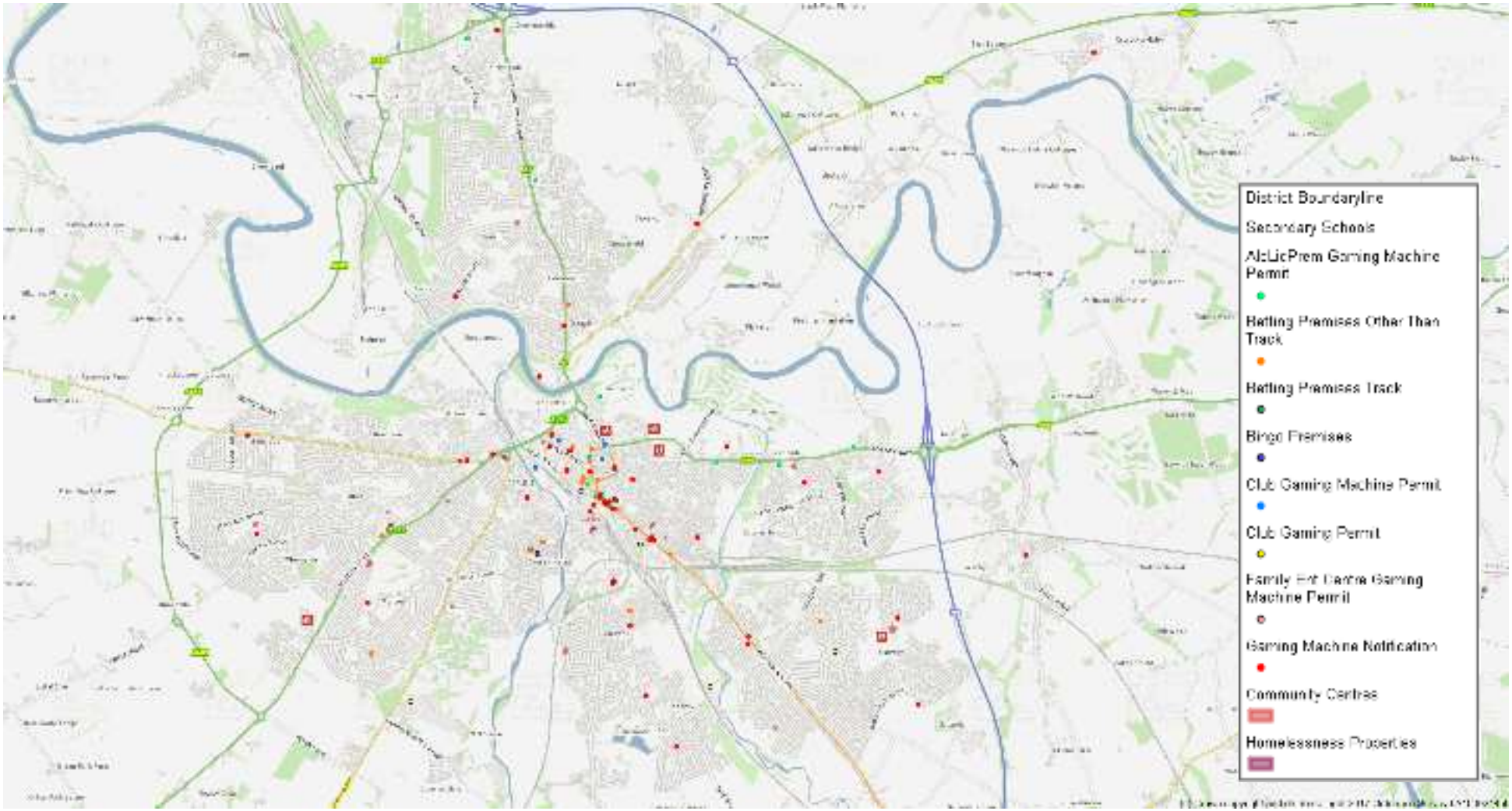


Image 3 – Gambling Premises in Carlisle city centre

Image 4 – Gambling Premises in Brampton

Image 5 – Gambling Premises in Longtown

EXCERPT FROM THE MINUTES OF THE LICENSING COMMITTEE HELD ON 18 AUGUST 2021

LC.24/21 GAMBLING ACT 2005 – DRAFT STATEMENT OF PRINCIPLES

The Regulatory Services Manager submitted the draft Gambling Act Statement of Principles (GD.48/21).

The Regulatory Services Manager reminded the Committee that the Gambling Act 2005 required all licensing authorities to prepare and publish a Statement of Principles that they proposed to apply in exercising their functions under the Act during the three year period to which the Policy applied. A new Policy must be published by the Authority by 4 January 2022 to take effect on 31 January 2022.

A draft Statement of Principles had been prepared for consultation and attached to the report, it was based on the requirements of the Act and the current guidance issued by the Gambling Commission. Members were asked to note that there had been a limited number of changes to regulation issued by the Secretary of State and guidance issued by the Gambling Commission, none of which materially affected the contents of the current statement of principles. Although there was no statutory duty on the Licensing Authority to complete an area profile, the authority had found it useful to complete an assessment as a means of mapping out potential local areas of concern. These were shown within the Appendix to the report

Following approval, the draft statement will be consulted upon with all Responsible Authorities and persons and organisations that were consulted in the original consultation. Details will be placed on the Council website, social media throughout the consultation period and a press release prepared.

In response to the Committee's questions the Regulatory Services Manager gave an overview of the changes to the Small Society Lotteries. Referring to the consultees he explained that the list included in the report could include additional consultees if the Committee requested it and he agreed to ask the Licensing Manager to look at the quality of the maps included and update them where necessary.

RESOLVED – That the draft Gambling Act Statement of Principles (GD.48/21) be approved for formal consultation, with the inclusion of Cumbria County Council Children's Services as a consultee, and following the consultation the Statement of Principles be resubmitted to the Licensing Committee on 27th October 2021.

CARLISLE CITY COUNCIL

www.carlisle.gov.uk

NOTICE

OF EXECUTIVE KEY DECISIONS

30 JULY 2021

Notice of Key Decisions

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

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

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

Publication Dates

4 June 2021	22 October 2021	18 February 2022
2 July 2021	12 November 2021	21 March 2022
30 July 2021	19 November 2021	
27 August 2021	17 December 2021	
24 September 2021	21 January 2022	

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

A Key Decision is an Executive decision which is likely –

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

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

The City Council's Executive Members are:

Councillor J Mallinson (Leader / Chairman)
Councillor G Ellis (Deputy Leader, and Finance, Governance and Resources Portfolio Holder)
Councillor N Christian (Environment and Transport Portfolio Holder)
Councillor S Higgs (Culture, Heritage and Leisure Portfolio Holder)
Councillor Mrs Mallinson (Communities, Health and Wellbeing Portfolio Holder)
Councillor P Nedved (Economy, Enterprise and Housing Portfolio Holder)

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

Index of Active Key Decisions

		Date Decision to be considered:	Date Decision to be taken:
KD.08/21	Medium Term Financial Plan and Capital Investment Strategy	2 August 2021 consultation period to include Overview and Scrutiny as appropriate	31 August 2021
KD.10/21	Budget Process 2022/23 – 2026/27	22 November 2021, 13 December 2021, 20 December 2021 consultation period to include Overview and Scrutiny as appropriate	19 January 2022
KD.14/21	The Asset Management Plan 2022 - 2027	2 August 2021 consultation period to include Overview and Scrutiny as appropriate	31 August 2021
KD.15/21	Carlisle Plan 2021 - 2023		31 August 2021
KD.19/21	Review of the Statement of Gambling Policy	31 August 2021	20 December 2021

Notice of Key Decisions to be taken by the Executive

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

Key Decision Reference:	KD.08/21
Type of Decision:	Executive
Decision Title:	Medium Term Financial Plan and Capital Investment Strategy
Decision to be taken:	The Executive will be asked to consider the Medium -Term Financial Plan 2022/23 – 2026/27 and Capital Investment Strategy reports and make recommendations to Council on 14th September 2021.
Date Decision to be considered:	2 August 2021 consultation period to include Overview and Scrutiny as appropriate
Date Decision to be taken:	31 August 2021
Is the Decision Public or Private?:	The decision will be taken in public
Documents submitted for consideration in relation to the Decision:	The report of the Corporate Director of Finance and Resources will be available five working days before the meeting
Contact Officer for this Decision:	Corporate Director of Finance and Resources, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Finance, Governance and Resources (Councillor Ellis)
Relevant or Lead Overview and Scrutiny Panel:	Business and Transformation Scrutiny Panel

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

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

Notice of Key Decisions to be taken by the Executive

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

Key Decision Reference:	KD.10/21
Type of Decision:	Executive
Decision Title:	Budget Process 2022/23 – 2026/27
Decision to be taken:	The Executive will be asked to: Consider strategic financial issues arising from the budget setting process: (a) Revenue Estimates including spending pressures, bids and savings (22nd November 2021) (b) Individual Charges Reviews (22nd November 2021) (c) Provisional Capital Programme including new spending proposals (22nd November 2021) (d) Corporate Assets – Repair and Maintenance Programme (22nd November 2021) (e) Treasury Management Base Estimates (22nd November 2021) (f) Local Taxation (including CTRS) (22nd November 2021) (g) Consideration of Scrutiny Consultation feedback (13th December 2021) (h) Draft Revenue Settlement Figures (if available) (20th December 2021) (i) Summary Revenue Budget (including decision on Business Rate Pooling) (20th December 2021) (j) Summary Capital Programme (if required) (20th December 2021) (k) Draft Treasury Management and Investment Strategy including MRP Strategy (20th December 2021) (l) Executive Draft Budget Proposals for consultation (20th December 2021) (m) Consideration of Final Budget Consultation (19th January 2022) (n) Draft Revenue Settlement Figures (if available) (19th January 2022) (o) Final Revenue Budget Summary (19th January 2022) (p) Provisional Capital Programme (19th January 2022) (q) Treasury Management and Investment Strategy including MRP Strategy (19th January 2022) (r) Executive's Final Budget Proposals (19th January 2022)
Date Decision to be considered:	22 November 2021, 13 December 2021, 20 December 2021 consultation period to include Overview and Scrutiny as appropriate
Date Decision to be taken:	19 January 2022
Is the Decision Public or Private?:	The decision will be taken in public.

Documents submitted for consideration in relation to the Decision:	The report of the Corporate Director of Finance and Resources will be available five working days before the meeting
Contact Officer for this Decision:	Corporate Director of Finance and Resources, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Finance, Governance and Resources (Councillor Ellis)
Relevant or Lead Overview and Scrutiny Panel:	Health and Wellbeing Scrutiny Panel - 22 November 2021, Economic Growth Scrutiny Panel - 2 December 2021, Business and Transformation Scrutiny 7 December 2021 and 6 January 2022

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

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

Notice of Key Decisions to be taken by the Executive

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

Key Decision Reference:	KD.14/21
Type of Decision:	Executive
Decision Title:	The Asset Management Plan 2022 - 2027
Decision to be taken:	The Executive will be asked to consider the Council's Asset Management Plan and make recommendations to Council on 14 September 2021.
Date Decision to be considered:	2 August 2021 consultation period to include Overview and Scrutiny as appropriate
Date Decision to be taken:	31 August 2021
Is the Decision Public or Private?:	The decision will be taken in public.
Documents submitted for consideration in relation to the Decision:	The report of the Corporate Director of Governance and Regulatory Services will be available five working days before the meeting
Contact Officer for this Decision:	Corporate Director of Governance and Regulatory Services, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Finance, Governance and Resources (Councillor Ellis)
Relevant or Lead Overview and Scrutiny Panel:	Business and Transformation Scrutiny Panel

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

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

Notice of Key Decisions to be taken by the Executive

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

Key Decision Reference:	KD.15/21
Type of Decision:	Executive
Decision Title:	Carlisle Plan 2021 - 2023
Decision to be taken:	The Executive will be asked to recommend the new Carlisle Plan 2021-2023 to Council for adoption.
Date Decision to be considered:	
Date Decision to be taken:	31 August 2021
Is the Decision Public or Private?:	The decision will be taken in public.
Documents submitted for consideration in relation to the Decision:	The report of the Deputy Chief Executive will be available five working days before the meeting
Contact Officer for this Decision:	Deputy Chief Executive, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Leader
Relevant or Lead Overview and Scrutiny Panel:	Business & Transformation Scrutiny Panel, Health & Wellbeing Scrutiny Panel, Economic Growth Scrutiny Panel

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

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

Notice of Key Decisions to be taken by the Executive

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

Key Decision Reference:	KD.19/21
Type of Decision:	Executive
Decision Title:	Review of the Statement of Gambling Policy
Decision to be taken:	The Executive will be asked to consider the draft Statement of Gambling Policy for the period 2022 - 2025
Date Decision to be considered:	31 August 2021
Date Decision to be taken:	20 December 2021
Is the Decision Public or Private?:	The decision will be taken in public.
Documents submitted for consideration in relation to the Decision:	The report of the Corporate Director of Governance and Regulatory Services will be available five working days before the meeting
Contact Officer for this Decision:	Corporate Director of Governance and Regulatory Services, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Finance, Governance and Resources (Councillor Ellis)
Relevant or Lead Overview and Scrutiny Panel:	Business and Transformation Scrutiny Panel

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

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

Notice prepared by Councillor John Mallinson,
Leader of Carlisle City Council

Date: 30 July 2021

Notice of Decisions taken by an Individual Portfolio Holder

Individual Portfolio Holder Decision Reference:	PF.02/21 Item A.7		
Subject Title:	Parish Burial Grants 2021/22		
Subject Matter:	Payment of Parish Burial Grants for 2021/22 for those parishes that provide burial services and for which accounts for burial services are in deficit. Four parishes complete burial accounts and for the year ended 2020/21, three, Brampton, Bewcastle and Dalston, were in deficit. As in previous years when concurrent grants were payable, the burial element of the grant was 40% of any deficit on burial services. Therefore, the following grants are due: Brampton - £2,044.32 Dalston - £2,271.20 Bewcastle - £140.00		
Relevant Portfolio Area:	Finance, Governance and Resources Portfolio Holder		
Decision Taken:	To pay total parish burial grants to Brampton Parish Council, Dalston Parish Council and Bewcastle Parish Council of £4,455.52		
Key or Non-Key Decision:	No	**Key Decision Reference:**	
Portfolio Holder who made Decision:	Councillor Mr Gareth Michael Ellis		
Date Decision Made:	11 August 2021		
Reports and Background Papers considered:	None		
Reasons for Decision:	Payment of grant to parish councils		
Summary of Options rejected:	None		
Interests declared:	None		
Date published:	11 August 2021	**Urgent decision not subject to call in:**	No
Consent of Chairman/ Deputy Chairman of Council to Urgency:	No		
Deadline for call-in:	5:00pm on 18 August 2021		

Notice of Decisions taken by an Individual Portfolio Holder

Implementation date if not called in:	19 August 2021
Relevant Scrutiny Panel:	Business & Transformation Scrutiny Panel
Call-in notified to and date notified:	
Approved for implementation on:	

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

Officer Decisions

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

Decision Ref No	Title: Subject and Decision Taken:	Reports and Background Papers considered:	Date Decision Taken:	Decision Maker:
OD.72/21	Discretionary Disabled Facility Grants (DFG) Repayment To waive the repayment of a Disabled facilities Grant (DFG) in the sum of £6322.27 (Ref number CL-000150).	Housing Renewal and Assistance Policy 2018 (paragraph 4.2) Letter from home-owner stating the reasons why she has decided to sell and move. The owner did not have any intention to move when they applied for the grant but had several accidents in the home and a suitable property that they can afford has become available at short notice. Not for publication by virtue of paragraph 1 of Part 1 of Schedule 12A to the Local Government Act 1972, as the report contains exempt information relating to any individual. The policy is that a charge may be placed on properties subject to a Grant over £5,000 where it is considered that the works add value to the property. Although the grant has increased the value of the property it is unlikely	22 July 2021	Corporate Director of Governance and Regulatory Services

		that the cost would be fully recouped when sold. The decision has also been made taking into consideration the extent to which the recipient would suffer financial hardship if the grant were reclaimed and also whether the disposal of the property is made for reasons of the recipient's mental or physical health or well-being.		
OD.73/21	Release of S106 Funds for Cycleway/Footpath Improvements in Melbourne Park to provide Footway Lighting. Section 106 funding of £79,580 was provided by Persimmon Homes, related to the site of the former Watts Yard. The funding to be spent before June 2023 on measures to improve the cycleway along the river Petteril at Melbourne Park. In 2013 when the first part of the funding was provided it was agreed that the funding would be used to provide footway lighting on sections of existing cycleway and new sections of cycleway would be constructed along the river to provide a link to the new development. Before work could be progressed the 2015 flood resulted in the Environment Agency having to investigate flood prevention measures at Melbourne Park. It was decided that work on the Cycleway would be delayed until the EA had designed and constructed their flood prevention works. The EA have now completed the main part of their flood prevention work which enables the work to provide footway lighting to take place. This ODN sets out the decision to release £22,175 of the funding to provide the footway lighting works, these involve the provision of a power supply and the installation of new lights. Work will take this summer so that lighting is in place before winter. The remaining funds of £57,405 to provide new sections of cycleway cannot currently be spent as the EA still have to undertake further flood prevention works in the area of the allotments. It is likely to be summer 2022 before this element of the work can take place.	None	25 July 2021	Deputy Chief Executive

OD.74/21	Uncovering Roman Carlisle - Community Archaeology Project at Carlisle Cricket Club Grounds. Update to OD.71/21 Updated text and value of the services being supplied by Tullie House Museum and Art Gallery (in italics). • Agree that Tullie House Museum and Art Gallery (TH) as project partner set out in a Collaboration/Grant Funding Agreement, is appointed to provide community engagement services (*including staff costs materials and equipment) for the sum of £30,700* allowing the Contract Procedure Rules (CPR 10 (c) to be applied for the following reasons: TH is the only museum based in Carlisle with a significant track record in local community engagement and engagement with local schools; TH has an in depth knowledge of the field of Roman archaeology in Carlisle and can use this to provide focused community engagement activities; TH is providing a high level of match -in kind services to the project; and there is no other provider that can provide this service.	LDN to Accept the National Lottery Heritage Fund Grant award for £99,900.	12 July 2021	Corporate Director of Economic Development
OD.75/21	Licensing Decisions taken between 1 July and 30 July 2021 The Licensing Manager has granted the attached licences or permissions under an express authorisation delegated to her and in accordance with the Council's policy requirements. (can be viewed on the Council website http://CMIS.carlisle.gov.uk/CMIS/CouncilDecisions/OfficerDecisions.aspx)	Applications for various licences. Private Not for Publication by Virtue of Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act.	02 August 2021	Licensing Manager
OD.76/21	Hammonds Pond Junior Play Area This project will deliver thoroughly upgraded junior (above 6 years of age) play provision at Hammonds Pond, Upperby, following an increase in user levels due to the construction of a new estate to the East of the park. Funding is in place from a Section 106 agreement between Story Homes (developers of the adjacent Ridings Estate) and the City Council, with a total of £174,588 available for the improvement of recreation facilities at Hammonds Pond. A detailed online and hard-copy consultation questionnaire for play area improvements was produced and widely advertised, with over 500 responses received during four weeks. The feedback received was used to draw up specification documents for a fixed budget project to deliver upgrades to the junior section of the play	Hammonds Pond play area feedback summary	02 August 2021	Deputy Chief Executive

	area. This was openly tendered via The Chest portal during November/December 2020. Designs and quotations were received from six play equipment suppliers and, following tender scoring, the decision was made to award the contract to Kompan Scotland Ltd for a total value of £47,775.50.			
OD.77/21	Regulatory Services Appointment of Agency Support for Health and Safety Advice Regulatory Services has appointed Agency Support for 6 months to review and provide assistance those business sectors enforced by the City Council under the Health and Safety at Work Act.	N/A	04 August 2021	Regulatory Services Manager
OD.78/21	Licence for Alterations Yewdale Community Centre Decision to grant a licence for alterations	None	06 August 2021	Property Services Manager
OD.80/21	Elected Member Training Councillor John Mallinson to attend District Council Network Conference on 21st October 2021	N/A	09 August 2021	Deputy Chief Executive
OD.81/21	Licence for Alterations Yewdale Community Centre Decision to grant a licence for alterations	None	06 August 2021	Property Services Manager
OD.82/21	The Redfern Inn, Kingmoor Road, Carlisle The decision, following consultation with Councillor Mallinson, Communities, Health and Wellbeing Portfolio Holder, is to list the Redfern Inn, Kingmoor Road, Carlisle, as a community asset under the Localism Act 2011.	PC 15/14 – Community Right to Bid report at Executive 15/12/14 Application form for Community Right to Bid - Private * Not for publication by virtue of paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972	12 August 2021	Town Clerk and Chief Executive
OD.83/21	HR and Payroll Systems renewal To renew the contract for HR and Payroll software, iTrent, through our existing partner, Insight, for a duration of 3 years. The purchase is on a like for like basis plus the addition of iTrent Shield to provide essential additional security through multi-factor authentication.Page 250 of 400	Report from the HR and Payroll Manager dated August 2021. Not for publication under Schedule 12 A - Local Government Act	17 August 2021	Town Clerk and Chief Executive

		1972, Paragraph 3: Information relating to the financial or business affairs of any particular person (including the authority holding that information).		
OD.84/21	Domestic Abuse grant funding 2021/22 To accept one-year grant funding (2021/22) of £185,000 from Cumbria County Council working in partnership to meet the requirements of the Domestic Abuse Act; and to provide specialist support to victims and their children in safe accommodation from 01 April 2021 to 31 March 2022	PF.005/17 – DCLG Domestic Abuse funding for Carlisle OD.025/18 – Acceptance of top up funding from the Ministry of Housing, Communities and Local Government OD. 60/20 – 2020/21 DA funding award acceptance	16 August 2021	Corporate Director of Governance and Regulatory Services
OD.85/21	Landlord's consent to a lease renewal To grant Landlord's consent to the grant of a new lease of unit 22, 8 Globe Lane at The Lanes shopping centre.	None	18 August 2021	Property Services Manager

JOINT MANAGEMENT TEAM

Item A.9

MINUTES – 2nd August 2021

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

Agenda Item 1 – Minutes of Meeting 5th July 2021	**Action**
Noted and agreed	
Agenda Item 2 – Local Government Reorganisation	
The Chief Executive updated attendees with information available at this time	
Agenda Item 3 - Updates on Borderlands; The Sands; Civic Centre; St Cuthbert's Garden Village; Central Plaza	
Members of SMT in attendance provided the Executive with their update on the current position regarding each area	
Agenda Item 4 – Future Items for Notice of Executive Key Decisions	
Noted and agreed	

Agenda Item 5 - JMT Forward Plan	
Noted and updated	

Report to Executive

Item A.10

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. The 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.

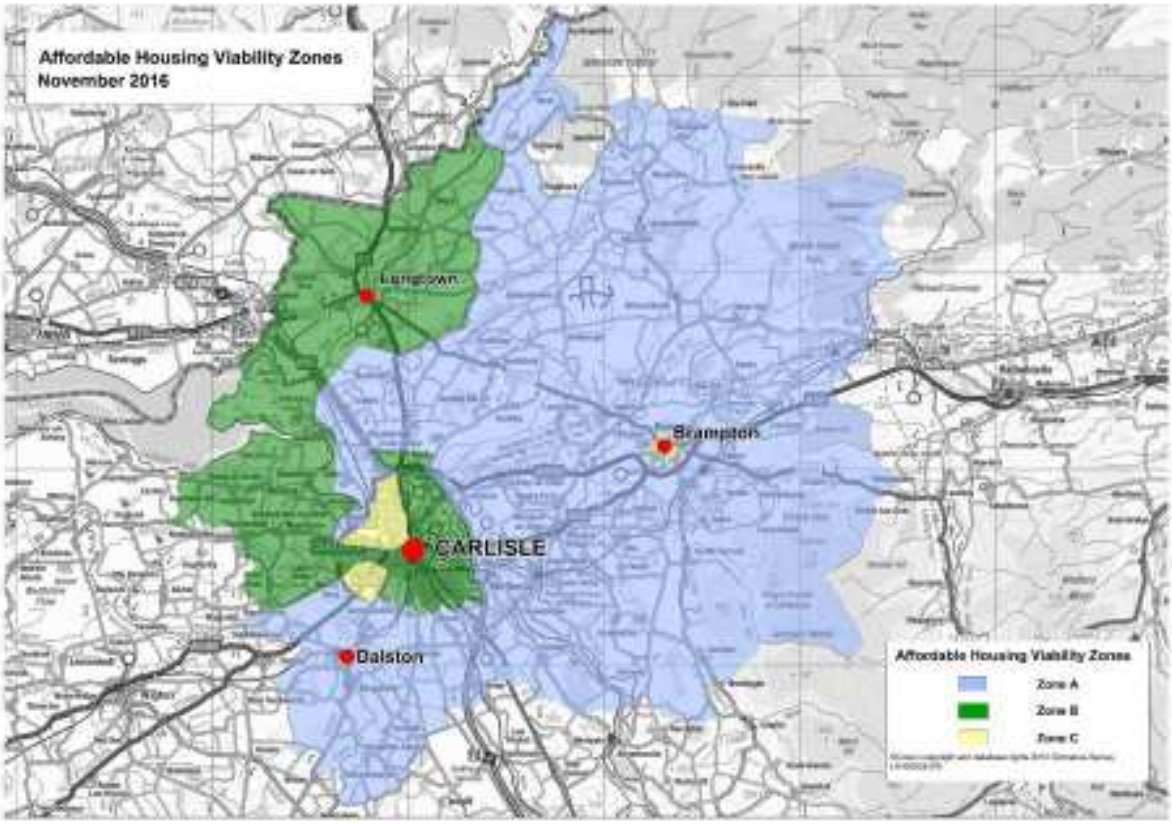
2. CONTEXT

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.

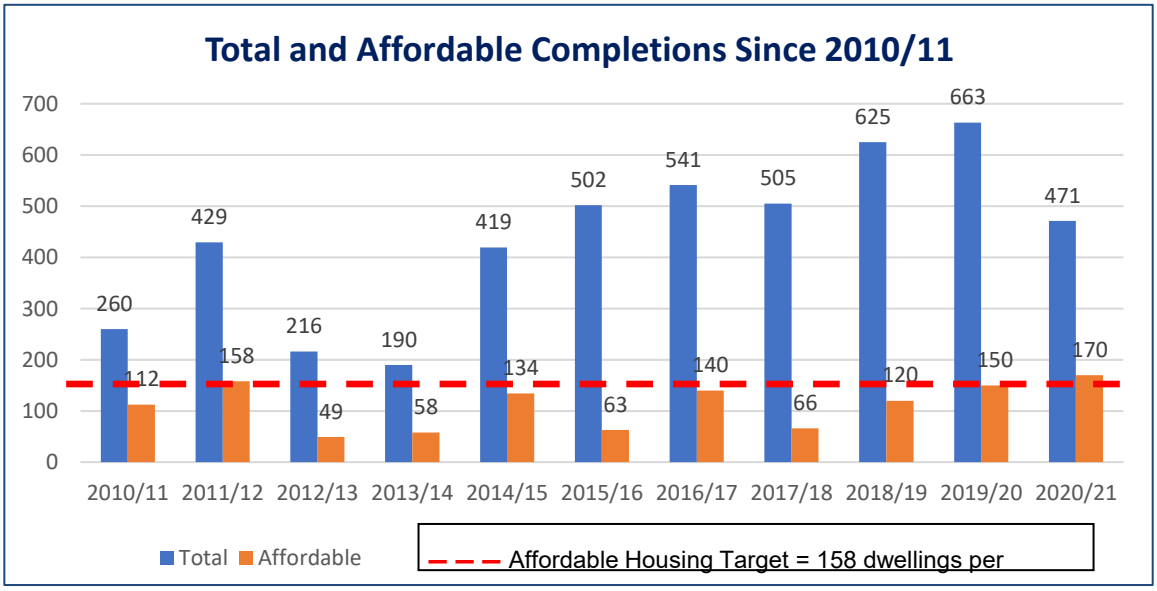
The increasing need for bungalows, and other property types suitable for older persons, due to the significant projected increase in the number of older people, is addressed in the Council's Affordable and Specialist Housing Supplementary Planning Document (SPD) adopted in early 2018. Data provided by 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 of 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 (*Demonstration Project*).
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 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 – 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.

REPORT TO ECONOMIC GROWTH OVERVIEW & SCRUTINY PANEL

Item A.11

Meeting Date:	31 August 2021
Portfolio:	Economy, Enterprise & Housing
Key Decision:	No
Policy and Budget Framework	No
Public / Private	Public

Title:	Carlisle City Centre Taskforce
Report of:	Corporate Director of Economic Development
Report Number:	ED.29/21

Purpose / Summary:
This report provides an overview of the proposals for a new city centre taskforce, made up of key stakeholders in the city centre, aimed at building new networks in the city to encourage greater vitality and viability in the city centre, and ensure resilience following the COVID 19 pandemic.

Recommendations:

1.1 It is recommended that the Executive:

i) Note the comments from Overview and Scrutiny regarding the establishment of a City Centre Taskforce

ii) Approve the establishment of a City Centre Taskforce, as per the Terms of Reference (appendix A), subject to any minor amends.

Tracking

Executive:	**31 August**
Scrutiny:	**29 July 2021**
Council:	

2. INTRODUCTION

2.1 Prior to the COVID-19 Pandemic, the continuing strain on high streets across the UK was evident. Changing consumer habits, particularly fuelled by the rise of online shopping and out of town retail centres, have caused retail to contract in high streets and city centres. Due to the city's role as a service centre for around 500,000, the city has fared comparably well against similar cities in the UK. The vacancy rate has remained steady, and close to the national average of 12% between 2012-2019. However, the city has clearly faced challenges prior to this, for example the loss of the key anchor site in the historic quarter, Hoopers Department store in 2012, which has negatively impacted the viability of retail in this area. Carlisle City Centre has remained retail dominant- however the changes the high street faces means that the city needs to diversify towards greater experiential offer for visitors and shoppers and offer a range of uses beyond shopping- including residential, office and hospitality.

2.2 The COVID-19 pandemic has exacerbated these challenges- and the closure of key retailers in Carlisle, including Topshop and Debenhams further exemplify the need for the city centre to adapt and change to the new role of high streets.

2.3 Carlisle City Council and its partners are in the process of securing over £100 million in funding for Carlisle City Centre. This transformational funding will be used to support the city's regeneration and allow Carlisle to grow and succeed in a new era for centres and high streets.

2.4 In 2020 the Carlisle's Town Deal Board was created to oversee plans for investment in Carlisle through the government's Towns Fund. This board is made up of key private and public sector organisations across the city- its remit covers the entirety of Carlisle's urban area. The Town Deal Board has overseen the creation of Carlisle's Town Investment Plan- submitted to government in October 2020 and is an example of successful collaboration working taking place to drive forward Carlisle's growth.

2.5 Alongside these activities, The Council is also looking to develop greater city-centre networks, to ensure greater city centre resilience going forward, through establishing the **City Centre Taskforce.** This will be a focussed collaboration, made up of key city centre- based organisations to identify the challenges and opportunities the city centre faces, and ensure local leadership for the city centre as it moves towards economic recovery following the impacts of COVID-19, and the delivery of significant city centre investment.

2.6 The Taskforce will aim to support greater collaboration working in the city centre, generating new ideas and gaining different perspectives on city centre economic issues.

2.7 Unlike many centres, Carlisle has does not have a Business Improvement District which has meant there is a gap in collaboration working for the city centre. The proposed task force would ensure that an effective collaboration body for the city

centre exists, this would also further support the plans and funds for the city centre coming forward- creating a strong forum for engagement across a range of projects.

3. The City Centre Taskforce

3.1 Remit

3.1.1 The role of the Taskforce is solely to act as an engagement group, providing feedback to Carlisle City Council on city centre regeneration activities. It will not have any formal decision-making status or financial implications for the Council, other than the costs of hosting the meetings.

3.1.2 The task force shall provide feedback to the Carlisle City Council on such matters including but not limited to:

a) The development of the regeneration projects in Carlisle City Centre, including Borderlands, Future High Street Fund and Town Deal projects.

b) Highlight city centre specific issues that will be reported to the Council

c) Identify further/future opportunities for Carlisle's growth and development

d) Support the City Council in formulating new strategies and plans for the city centre and seeking additional funding

3.2 Composition

3.2.1 Taskforce members will be nominated by the Council and include individuals from key city centre businesses and organisations. The membership would aim to reflect the key sectors based in the city centre for example, including organisations from:

- Retail and hospitality sectors
- Property and landlord sectors
- Professional service sectors
- Community and public sectors

3.2.2 The Taskforce shall meet as and when required- aiming to provide flexibility to changing demands and timescales of key projects, with an expected number of around 4-6 meetings taking place every year (with options to meet virtually, using teleconferencing facilities in place). 2 hours will be scheduled for each meeting.

3.2.3 The Taskforce will be chaired by Carlisle City Council's Portfolio Holder of Economy, Enterprise and Housing.

3.2.4 Support and administrative arrangements will be provided by the Council.

3.2.5 A full Terms of Reference is available below (Annex A)

3.3 **Progress on establishing group**

3.3.1 The Council is currently identifying potential members to be invited to join the taskforce, aiming to ensure that a broad representative membership is achieved, drawing on the range of sectors as above.

3.3.2 We are aiming to hold the inaugural of the Taskforce meeting by September 2021.

4. Consultation

4.1 A report (ED27/21) covering the establishment of a city centre taskforce was taken to Economic Growth Overview and Scrutiny Panel on the 29 July 2021.

4.2 The Panel were asked to provide feedback prior to submission to Executive, and the following comments where received:

- Members asked that efforts were made to ensure a diverse membership of the taskforce, including someone with an interest in / led on climate change.
- Members asked that consideration be given to opportunities to involve members of the public in the work of the Taskforce.

4.3 The Council, when identifying members, will ensure to target people who do not usually get involved in the work of the taskforce, and will keep scrutiny involved in the developments relating to the taskforce to ensure their input.

4.4 Input from the public on the work of the Taskforce will also be encouraged and facilitated, when appropriate.

5. Recommendations

5.1 It is recommended that the Executive:

i) Note the comments from Overview and Scrutiny regarding the establishment of a City Centre Taskforce

ii) Approve the establishment of a City Centre Taskforce, as per the Terms of Reference (appendix A), subject to any minor amends.

6. Contribution to the Carlisle Plan priorities

6.1 These activities will contribute to the following Carlisle Plan Priorities

P1: Supporting business growth and skills development to improve opportunities and economic prospects for the people of Carlisle.

P3: Improving the quality of our local environment and green spaces so that everyone can enjoy living, working and visiting Carlisle.

Contact Officer: **Jenson Kemp** **Ext: 7074**

Appendices attached to report: Appendix A: City Centre Taskforce 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 – There are no legal implications arising from this Report other than to comment that the Task Force would not be a decision making body and actions would lie with the different stakeholders.

PROPERTY SERVICES – No property comments

FINANCE – Other than the costs of hosting events and meetings, which will be funded from existing Economic Development budgets, there are no financial implications arising from the establishment of this taskforce.

EQUALITY – The Terms of Reference for the Taskforce state:

'The Taskforce is fully committed to equality, diversity and inclusion in all aspects of its work and will adhere to the Council's Equality Policy. Equality Impact Assessments will be carried out, as appropriate, when developing plans, policies and projects.'

INFORMATION GOVERNANCE – There are no information governance implications with this report

Carlisle City Centre Taskforce

Draft Terms of Reference

1. Purpose

The Carlisle City Centre Taskforce is a collaboration established to identify issues, and explore opportunities to support the growth of Carlisle City Centre, as well as support the City Council by sharing views on the emerging regeneration projects for Carlisle, as the city moves towards recovery from the impacts of Coronavirus pandemic.

2. Status

The City Centre Taskforce will act in as an engagement group to provide feedback on city centre issues and activities to Carlisle City Council (hereafter the Council).

3. Membership

The membership of the Taskforce aims to reflect the range of organisations based in the city centre, and includes representatives from key sectors, including retail; property; cultural/community organisations and professional services as well as the public sector.

The taskforce will be chaired by Cllr Paul Nedved, Portfolio Holder of Economy, Enterprise, and Housing of Carlisle City Council.

Membership may be changed at any time. Membership will be managed by the Council.

4. Remit

The Taskforce will operate as a stakeholder engagement group, providing feedback to the Council on such matters including but not limited to:

a) The development of the regeneration projects in Carlisle City Centre, including Borderlands, Future High Street Fund and Town Deal projects.

b) Highlight city centre specific issues that will be reported to the Council

c) Identify further/future opportunities for Carlisle's growth and development

d) Support the City Council in formulating new strategies and plans for the city centre and seeking additional funding

5. Meetings

The Taskforce shall meet as and when required- aiming to provide flexibility to changing demands and timescales of key projects, with an expected number of around 4-6 meetings taking place every year (with options to meet virtually, using teleconferencing facilities in place). 2 hours will be scheduled for each meeting.

In consultation with the Chair, members of the taskforce may nominate substitutes if they are not able to attend a meeting, taskforce members may invite colleagues to Board meetings to observe and provide technical support, as required.

All agendas, minutes, and supporting documentation will be circulated, electronically, to taskforce members five days before a meeting.

The quorum for any meeting of the Taskforce shall be **25%** of its membership, including the Chair.

6. Secretariat

Support and administrative arrangements will be provided by the Council.

7. Code of conduct and conflicts of interest

Each Taskforce Member is under an obligation to act in accordance with the Council Code of Conduct, i.e. in performing their duties, they must act with integrity, honesty, impartiality, objectivity and within the law.

Conflicts of interest may arise where an individual's personal, family, business or organisations interests and/or loyalties conflict with those of the group or meeting that taskforce members are attending. All Members will declare interests as set out in the Lead Council's Code of Conduct.

8. Complaints

Complaints received from stakeholders and members of the public will be considered and responded to in line with the Council's Complaints and Feedback Policy.

9. Data Protection

The General Data Protection Regulation (GDPR) policy and procedure of the Council will be applied in all cases.

10. Equality and Diversity

The Taskforce is fully committed to equality, diversity and inclusion in all aspects of its work and will adhere to the Council's Equality Policy. Equality Impact Assessments will be carried out, as appropriate, when developing plans, policies and projects.

11. Freedom of Information (FOI)

All Freedom of Information request will be dealt with in accordance with the Council's policy and procedure.

12. Amendments

Any of these procedures and terms of reference may be altered or amended from time to time by resolution of the Taskforce. Notice shall be given of the proposed alteration(s) in a paper for the meeting of the Taskforce at which they are to be discussed.

EXCERPT FROM THE MINUTES OF THE ECONOMIC GROWTH SCRUTINY PANEL HELD ON 29 JULY 2021

EGSP.48/21 CARLISLE CITY CENTRE TASKFORCE AND GRANTS PROGRAMME

The Corporate Director of Economic Development gave an overview of the proposals for a new city centre taskforce, made up of key stakeholders in the city centre, and the new City Centre Business Growth Grants, aimed at building new networks in the city, and providing new businesses with meaningful support, to encourage greater vitality and viability in the city centre, and ensure resilience following the Covid-19 pandemic. (ED.27/21)

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

- What work was being undertaken to ensure a diverse Membership, not just using existing contacts/ familiar faces, and was there 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 Taskforce. 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.

A Member asked that the Taskforce try and include someone who had a particular interest or led on climate change.

The Corporate Director of Economic Development confirmed that climate change ran through all of the work and she was happy to take nominations for Taskforce membership.

- Were Taskforces successful in other areas and would we pick up on their lessons learned?

The Corporate Director of Economic Development explained that other Taskforce's had been very successful, however, many were supported by BIDs. She added that learning came from other areas and the Grimsey Review to engage retailers and leisure operators to bring something different to the city centre.

The Economy, Enterprise and Housing Portfolio Holder commented that Carlisle was behind in the establishment of a Taskforce and he hoped once established it would be the pre cursor for the aspiration for a Carlisle BID.

- Referring to the Carlisle City Centre Business Support Grants, a Member asked:
  How the grants would be advertised?
  Could businesses who had been supported by the grants display a logo or some publicity?
  Would there be any merit in additional criteria which assisted 'green' businesses to qualify for the strong case £5,000?

The Corporate Director of Economic Development responded that there had been publicity and there was an application process in place for the grants. She supported the suggestion of a logo or publicity and the initiative would have to be considered further depending on how successful it was.

RESOLVED – The Panel:

1) noted the progress and updates relating to the City Centre Taskforce, and Business Grants which aimed to strengthen city centre resilience (ED.27/21);

2) provided feedback on the proposals for the establishment of a City Centre Taskforce;

3) asked that consideration be given to opportunities to involve members of the public in the work of the Taskforce.

Report to Executive

Item A.12

Meeting Date:	31 August 2021
Portfolio:	Finance, Governance and Resources
Key Decision:	No
Within Policy and Budget Framework	YES
Public / Private	Public

Title:	REVENUE BUDGET OVERVIEW & MONITORING REPORT: APRIL TO JUNE 2021
Report of:	CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number:	RD.32/21

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

Recommendations:

The Executive is asked to:

(i) Note the budgetary performance position of the Council to June 2021;

(ii) Note the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6;

(iii) Note the release of reserves as set out in the table at paragraph 2.2, and note the virements approved as detailed in Appendix A.

Tracking

Executive:	**31 August 2021**
Scrutiny:	**7 October 2021**
Council:	**n/a**

1. BACKGROUND INFORMATION AND OPTIONS

1.1 In accordance with the City Council's Financial Procedure Rules, the Corporate Director of Finance and Resources is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. Further details of virements processed can be found in **Appendix A**. It is the responsibility of individual Chief Officers to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the Corporate Director of Finance and Resources.

1.2 All Managers currently receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision making process.

1.3 Please note that throughout this report:

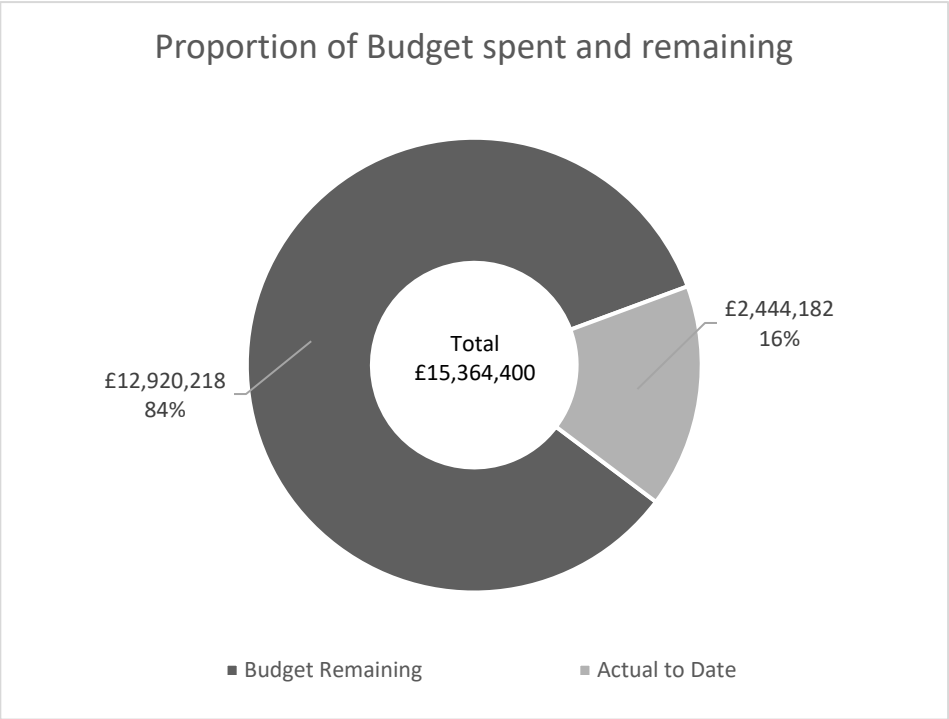
(i) the use of a bracket represents a favourable position i.e. either an underspend or additional income received,

(ii) the term 'underspend' is taken to include both reduced expenditure and/or increased income,

(iii) the term 'overspend' includes both spending above budget and/or shortfall in income.

2. 2021/22 REVENUE BUDGET MONITORING

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



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

		Original Budget £	Net Updated £	Net Budget to Date £	Net Spend to Date £	Variance £
Community Services	B1	9,480,600	11,556,900	2,187,811	2,050,347	(137,464)
Corporate Support	B2	2,632,600	321,300	402,745	412,419	9,674
Economic Development	B3	974,700	1,904,900	411,367	288,575	(122,792)
Finance & Resources	B4	2,054,500	2,098,600	849,747	752,835	(96,912)
Governance & Regulatory Services	B5	1,305,800	2,325,600	563,775	414,809	(148,966)
Corporate Management	B6	(3,042,200)	(2,900,700)	(199,824)	(144,751)	55,073
Service Expenditure		**13,406,000**	**15,306,600**	**4,215,621**	**3,774,234**	**(441,387)**
Exceptional Items	B7	(25,000)	57,800	(804,742)	(1,330,052)	(525,310)
Service Expenditure		**13,381,000**	**15,364,400**	**3,410,879**	**2,444,182**	**(966,697)**
Parish Precepts		708,300	708,300	708,300	707,086	(1,214)
Total		**14,089,300**	**16,072,700**	**4,119,179**	**3,151,268**	**(967,911)**
Transfers to/(from) Reserves						
Cremator Replacement Reserve		0	23,600			
Revenue Grants Reserve		0	(335,900)			
General Fund Reserve		466,600	(1,255,200)			
Planning Services Reserve		0	50,700			
Total Transfer to/(from) Reserves		**466,600**	**(1,516,800)**	**(480,204)**	**487,698**	**967,902**
Financed by:						
Precept from Collection Fund		(8,346,900)	(8,346,900)	(2,086,725)	(2,086,716)	9
Business Rate Retention		(6,209,000)	(6,209,000)	(1,552,250)	(1,552,250)	0
Total Grants		**(14,555,900)**	**(14,555,900)**	**(3,638,975)**	**(3,638,966)**	**9**
Total		**(14,089,300)**	**(16,072,700)**	**(4,119,179)**	**(3,151,268)**	**967,911**

2.3 Further details for each directorate can be found in **Appendices B1 – B6**. Each appendix shows a breakdown of the variances for the Directorate, with comments and a note of any performance issues. Although the net position is shown in the table above, the main variances are summarised in the table below.

Budget Area		Underspend £	Overspend £
Car Parking Income (excl. contracts)	B1	0	125,421
Recycling and Waste Management	B1	(94,007)	0
Development Control Income	B3	(82,905)	0
Loan Interest (incl. new borrowing)	B4	(102,543)	0
The Lanes Income	B5	0	88,158
Industrial Estates	B5	(60,383)	0
Profiled Budget Savings to Find	B6	0	103,756
Salary Turnover Savings	B6	(52,143)	0

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

- A shortfall in car parking income from tickets, permits and PCNs due to Covid-19.
- A net underspend in Recycling and Waste Services due to reduced transport costs and increased income from plastic and card recycling, sale of recyclates and Bring Sites.
- An increase in Development Control fee income due to a significant application fee being received.
- A saving from interest on borrowing due to no new borrowing scheduled for 2021/22 being entered into yet.
- Rental income losses from the Lanes to date. Projections for 2021/22 are being prepared and reviewed on a regular basis and the likely year end position will be reported more fully in a future monitoring report
- A net underspend on Industrial Estates due to additional income from rent reviews and backdated rent
- An overspend due to profiled budget savings to end of June for 2021/22 of £103,756. The annual position is reported more fully in paragraph 2.8.
- Additional salary turnover achieved against the budget to date.

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

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

		Original Budget £	Net Updated £	Net Budget to Date £	Net Spend to Date £	Variance £
Flood Related	B7	0	(10,500)	0	0	0
Covid-19 Related Expenditure	B7	0	93,300	23,353	88,052	64,699
Covid-19 Government Funding	B7	0	(25,000)	(25,000)	(616,032)	(591,032)
Covid-19 Government Grants	B7	0	0	(803,095)	(803,017)	78
Covid-19 Specific Grants	B7	0	0	0	945	945
Total Exceptional Items		**0**	**57,800**	**(804,742)**	**(1,330,052)**	**(525,310)**

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

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

	Charged to Core Services £	Exceptional Items £	Total £
Losses Reported on Covid Return	0	63,578	63,578
Reopening the High Street	14,930	0	14,930
Elections	18,353	0	18,353
Compliance and Enforcement	0	65,809	65,809
RBS New Burdens Expenditure	0	1,147	1,147
Rough Sleeping	5,384	0	5,384
Sales Fees & Charges Income Shortfalls	147,229	0	147,229
Sales Fees & Charges Reduction in Expenditure	(38,601)	0	(38,601)
Other Income Shortfalls	96,836	0	96,836
Commercial Income	60,430	0	60,430
Total Covid Pressures	**304,561**	**130,534**	**435,095**
Funding Received	0	(616,032)	(616,032)
Compliance and Enforcement Funding Applied	0	(65,809)	(65,809)
Reopening the High Street Funding Applied (to be claimed)	(14,930)	0	(14,930)
Additional Funding for Elections	(7,996)	0	(7,996)
General Fund Surplus June 2021	**281,635**	**(551,307)**	**(269,672)**
Accomodation and Support Charges	0	23,327	23,327
Government Grants to Businesses & Individuals	0	(803,017)	(803,017)
Covid-19 Specific Grants	0	945	945
Revised Net Position on Covid-19	**281,635**	**(1,330,052)**	**(1,048,417)**

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

2.8 The following table shows the position as at June 2021 of savings achieved against the budget savings targets to date.

Savings Target	Target (£)	Achieved (£)	(Overachieved) /Outstanding (£)
Inflation savings	21,900	48,300	(26,400)
Energy Savings	20,000	0	20,000
To be found from 2021/22 onwards	500,000	0	500,000
Net Recurring position 2021/22	**541,900**	**48,300**	**493,600**

The recurring savings targets will need to be achieved in accordance with the three current strands contained within the approved Savings Strategy i.e. Asset Strategy; Service Reviews; Core Budgets. £1.6million has been set aside in an earmarked reserve as part of the 2020/21 outturn which can be used on a non-recurring basis

to fund any savings unachieved in year subject to approval to release funds by The Executive. However, the required savings as at the end of June 2021 (£103,756) can be accommodated from other underspends in the revenue budget.

3. FORECAST OUTTURN POSITION 2021/22

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

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

3.2 The Council's financial position will continue to be closely monitored and the projected year end position will be reported more fully in a future monitoring report. It will be important to maintain a prudent approach to ensure a sustainable position for future years to avoid any significant variance at year end.

3.3 The areas of significant variance noted in this report will be scrutinised fully and incorporated into the 2022/23 budget process where necessary.

3.4 Members should note that the impact of Covid-19 on the Council's revenue budget and the level of funding received to date makes forecasting the outturn position particularly difficult.

4. IMPACT OF COVID-19

4.1 <u>Emergency Funding</u>

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

4.1.2 Government funding has also been received to distribute Covid-19 grants to businesses in the area and these have been distributed as quickly as possible. All grants paid are subject to a reconciliation process and any remaining balance of the grant income received will be required to be returned to Central Government.

4.2 Collection Fund

4.2.1 As a result of the 100% business rate relief provided to the retail, leisure and hospitality sector for the 1st quarter of 2021/22 and a 66% reduction from July 2021 to March 2022, the net business rates payable for 2021/22 has reduced by approximately £8.177million from £45.023million to £36.846million.

4.2.2 The Council will be recompensed during the year for the additional reliefs granted through a Section 31 grant so there will no cash flow or budget issues; however, the main risk relates to the receipt of the £37million payable from businesses and how these are affected by COVID-19 and economic recovery following lockdown. Collection rates are reported elsewhere on the agenda (RD33/21) and these will continue to be monitored to assess the financial impact on cash flow, bad debts and the potential for year-end deficits.

5. FUNDING

5.1 The main sources of funding for the Council are Council Tax Income and Business Rates income. Council Tax income does not vary in year from the amounts set at the budget, as any variation in Council Tax income received is usually adjusted in the Collection Fund Surplus/Deficit calculation for the following year's budget. However, the MHCLG has announced a 3-year deficit recovery period for any arrears as at 31st March 2021.

5.2 Business Rates Income is largely prescribed by the amounts submitted to MHCLG on the NNDR1 form which estimates Business Rate Income for the year when calculated in January, however, there are two elements of this income that can vary throughout the year, namely, section 31 grants paid by government for business rates reliefs granted, and the levy and pooling calculations to the Cumbria Pool.

5.3 The current estimates of Business Rates income for the quarter to the end of June has not yet been completed due to pooling information not yet being received and are therefore as per initial estimates submitted in January 2021 for 2021/22 and are shown in **Appendix D**.

The figures show that based on 2021/22 NNDR1 (prepared in January 2021), the Council may receive an extra £260,910 in business rates income over and above

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

6. BALANCE SHEET MANAGEMENT

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

Balance Sheet item	Balance at 31/03/2021	Balance at Jun 2021	Note
Investments	£14.29m	£20.79m	(i)
Loans	£13.30m	£13.30m	(ii)
Debtors System	£1.38m	£1.64m	(iii)
Creditors System	£0.007m	£0.228m	

(i) The anticipated annual return on these investments is estimated at £166,800 for 2021/22 with current forecasts anticipated to be in line with these projections. Further details on the overall Treasury Management performance can be found elsewhere on the agenda.

(ii) The cost of managing this debt (including any new debt budgeted for from 2021/22 onwards), in terms of interest payable, is budgeted at £624,900 in 2021/22 with costs currently showing a saving against budget due to new borrowing not entered into yet.

(iii) There may be a significant impact on the cash flow of the Council if outstanding debts are not received. Any debts deemed to be irrecoverable are written off against a bad debt provision set up specifically for this purpose.

Other significant debts relate to Council Tax, NNDR, and Housing Benefit overpayments.

(iv) The Council's VAT partial exemption calculation for the period ending June 2021 is currently 1.76%, well below the 5% limit.

7. BAD DEBT WRITE-OFFS

7.1 The Corporate Director of Finance and Resources has delegated authority for the write-off of outstanding debts for NNDR, Council Tax and Debtors (including Penalty Charge Notices). In accordance with this, the Executive is asked to note that debts totalling £435,997.78 have been written off during Quarter 1 to the end of June 2021. A summary of bad debts is given in Table 1 in **Appendix E** of this report and these costs will fall against the following:

	£
General Fund	4,207.31
Council Tax (Collection Fund)	37,602.05
NNDR	394,188.42
Total Write-offs	435,997.78

7.2 The "write-ons" itemised in Table 2 in **Appendix E,** totalling £6,015.71, are in respect of balances originally written off that have since been paid. The write-ons will be credited as follows:

	£
General Fund	0.67
Council Tax (Collection Fund)	2,791.91
NNDR	3,223.13
Total Write-ons	6,015.71

7.3 In the case of the General Fund, the write-offs will be charged against provisions for bad debts. However, VAT, which has been identified separately, will be recouped in future VAT returns. Any write-off/write-on of Council Tax/NNDR will fall against the provisions within the Collection Fund. Any Council Tax court costs written off will be charged against the Bad Debt Provision within the General Fund.

7.4 The level of outstanding debt has increased during the pandemic and although a 'soft' debt recovery process was initially agreed whereby letters were issued asking debtors to contact the Council to discuss flexible repayment terms, and a sign post to the CTRS scheme for council tax payers, more formal debt recovery procedures are now in place in order to safeguard the Council's cash position.

8. RISKS

8.1 The ongoing impact of issues identified will be monitored carefully in budget monitoring reports and appropriate action taken.

8.2 The main risk to the Council is the overall cost of COVID-19 in terms of additional costs and shortfalls of income and how this compares to the level of emergency funded provided to date, and any future funding package. The economic recovery of the city and surrounding areas is part of the Recovery Strategy and any financial impact will need to be closely monitored.

9. CONSULTATION

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

9.2 Consultation Proposed
Business and Transformation Scrutiny Panel will consider the report on 7 October 2021.

10. CONCLUSION AND REASONS FOR RECOMMENDATIONS

10.1 The Executive is asked to:

(i) Note the budgetary performance position of the Council to June 2021;

(ii) Note the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6;

(iii) Note the release of reserves as set out in the table at paragraph 2.2, and note the virements approved as detailed in Appendix A.

11. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

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

Contact Officer: **Emma Gillespie** **Ext: 7289**

Appendices attached to report: **A, B1 to B7, C to E.**

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- **None**

CORPORATE IMPLICATIONS:

LEGAL – The Council has a fiduciary duty to manage its finances properly and the proper reporting of the budget monitoring is part of this process.

PROPERTY SERVICES – Property asset implications are contained within the main body of the report.

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

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

INFORMATION GOVERNANCE – There are no information governance implications.

REVENUE BUDGET MONITORING 2021/22

VIREMENTS PROCESSED FOR PERIOD APRIL TO JUNE 2021

Date	Virement Details	Recurring/ Non-recurring	Value	Authorised By
Requested by Officers (under £35,000 or delegated authority)				
28/05/2021 & 15/06/2021	Release of funding from Revenue Grant Reserve for Supporting People	Non-recurring	31,900	Corporate Director of Finance and Resources
28/05/2021 & 04/06/2021	Release of funding from Revenue Grant Reserve for Rough Sleeping Initiative	Non-recurring	115,300	Corporate Director of Finance and Resources
28/05/2021 & 04/06/2021	Release of funding from Revenue Grant Reserve for Domestic Abuse Victim Support	Non-recurring	114,700	Corporate Director of Finance and Resources
28/05/2021, 04/06/2021 & 15/06/2021	Release of funding from Revenue Grant Reserve for Flexible Homelessness Support & Prevention	Non-recurring	0	Corporate Director of Finance and Resources
28/05/2021	Release of funding from Revenue Grant Reserve for Hadrian's Wall Partnership	Non-recurring	7,200	Corporate Director of Finance and Resources
04/06/2021 & 07/07/2021	Release of funding from Revenue Grant Reserve for Gas Safe	Non-recurring	1,800	Corporate Director of Finance and Resources
04/06/2021	Release of funding from Revenue Grant Reserve for St Cuthbert's Garden Village	Non-recurring	5,600	Corporate Director of Finance and Resources
04/06/2021	Release of funding from Revenue Grant Reserve for Sustainable Food Co-ordinator	Non-recurring	24,900	Corporate Director of Finance and Resources
06/07/2021	Release of funding from Revenue Grant Reserve for Local Strategic Partnership	Non-recurring	4,400	Corporate Director of Finance and Resources
07/07/2021	Release of funding from Revenue Grant Reserve for Town's Deal	Non-recurring	30,100	Corporate Director of Finance and Resources
Approved by Executive (£35,000 to £70,000 or delegated authority)				
Approved by Council (over £70,000)				
02/03/2021	Revenue Carry Forwards from 2020/21 into 2021/22	Non-recurring	750,400	Council RD.64/20
20/07/2021	Revenue Carry Forwards from 2020/21 into 2021/22	Non-recurring	971,400	Council RD.15/21

REVENUE BUDGET MONITORING 2021/22

COMMUNITY SERVICES Position as at 30 June 2021	Gross Expenditure £	Gross Income £	Recharges £	Total £
Annual Budget	20,802,200	(5,525,600)	(3,719,700)	**11,556,900**
Budget to date	4,716,288	(1,488,840)	(1,039,637)	**2,187,811**
Total Actual	4,554,024	(1,492,431)	(1,011,246)	**2,050,347**
Variance	**(162,264)**	**(3,591)**	**28,391**	**(137,464)**
Carry Forwards/Reserves & Provisions				**0**
Adjusted Variance	**(162,264)**	**(3,591)**	**28,391**	**(137,464)**

Analysis of Variances Service	Note	Expenditure Variance £	Income Variance £	Recharges Variance £	Adjusted Variance £
Car Parking	1	(19,553)	133,524	61	**114,031**
Healthy Cities	2	(78,714)	22,387	0	**(56,327)**
Other Green Spaces	3	285	(41,564)	64	**(41,215)**
Recycling and Waste Services	4	23,766	(115,527)	(2,245)	**(94,007)**
Miscellaneous	5	(88,048)	(2,410)	30,512	**(59,946)**
Total Variance to date		**(162,264)**	**(3,591)**	**28,391**	**(137,464)**

Note	Community Services - Comments
1.	Various minor underspends including premises related costs; Shortfall in ticket income, contract income and penalty charge notice income.
2.	Main underspend relates to expenditure at the Art Centre; shortfall in income due to the venue being closed as a result of Covid-19 restrictions
3.	Improved levels of income at Talkin Tarn & Boathouse Tea Room
4.	Underspend on transport costs, overspend on savings not yet achieved. Surplus income from Plastic and Card recycling, sale of recyclates and Bring Sites income.
5.	Minor underspends, increased in income and reduced trading income (recharges) across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

CORPORATE SUPPORT Position as at 30 June 2021	Gross Expenditure £	Gross Income £	Recharges £	Adjusted Total £
Annual Budget	3,757,700	(278,700)	(3,157,700)	**321,300**
Budget to date	1,400,153	(207,044)	(790,364)	**402,745**
Total Actual	1,402,556	(200,608)	(789,529)	**412,419**
Variance	**2,403**	**6,436**	**835**	**9,674**
Carry Forwards/Reserves & Provisions				**0**
Adjusted Variance	**2,403**	**6,436**	**835**	**9,674**

Analysis of Variances Service	Note	Expenditure Variance £	Income Variance £	Recharges Variance £	Adjusted Variance £
Customer Contact Centre	1	(22,819)	19,875	239	**(2,705)**
ICT Services	2	27,659	(39)	478	**28,098**
Miscellaneous	3	(2,436)	(13,400)	118	**(15,718)**
Total Variance to date		**2,403**	**6,436**	**835**	**9,674**

Note	Corporate Support - Comments
1.	Underspends on employee related costs; offset by shortfall in income. The loss of income is factored into the sales, fees & charges compensation claims to Government.
2.	Overspends on supplies and services including Microsift Licenses & IT Support.
3.	Minor underspends and increased income across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

ECONOMIC DEVELOPMENT Position as at 30 June 2021	Gross Expenditure £	Gross Income £	Recharges £	Adjusted Total £
Annual Budget	3,450,100	(1,037,800)	(507,400)	**1,904,900**
Budget to date	843,942	(305,573)	(127,002)	**411,367**
Total Actual	865,426	(449,984)	(126,867)	**288,575**
Variance	**21,484**	**(144,411)**	**135**	**(122,792)**
Carry Forwards/Reserves & Provisions				**0**
Adjusted Variance	**21,484**	**(144,411)**	**135**	**(122,792)**

Analysis of Variances Service	Note	Expenditure Variance £	Income Variance £	Recharges Variance £	Adjusted Variance £
Regeneration	1	67,101	(14,931)	0	**52,171**
Development Control	2	(7,105)	(82,905)	0	**(90,010)**
Building Control	3	(13,974)	(47,997)	0	**(61,971)**
Miscellaneous	4	(24,538)	1,422	135	**(22,982)**
Total Variance to date		**21,484**	**(144,411)**	**135**	**(122,792)**

Note	Economic Development - Comments
1.	Overspend in relation to ongoing revenue costs of Paton House which is due for demolition; overspend on project related costs of which external funding is anticipated or has been received.
2.	Underspend on supplies and services & consultants fees; increased fee income received.
3.	Underspend on employee related expenditure; increased fee income received.
4.	Minor overspends and shortfall in income across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

FINANCE AND RESOURCES Position as at 30 June 2021	Gross Expenditure £	Gross Income £	Recharges £	Adjusted Total £
Annual Budget	24,769,700	(19,758,600)	(2,912,500)	**2,098,600**
Budget to date	6,635,905	(5,247,957)	(538,201)	**849,747**
Total Actual	6,541,175	(5,250,779)	(537,561)	**752,835**
Variance	**(94,730)**	**(2,822)**	**640**	**(96,912)**
Carry Forwards/Reserves & Provisions				**0**
Adjusted Variance	**(94,730)**	**(2,822)**	**640**	**(96,912)**

Analysis of Variances Service	Note	Expenditure Variance £	Income Variance £	Recharges Variance £	Adjusted Variance £
Treasury and Debt Management	1	(101,789)	(861)	0	**(102,650)**
Miscellaneous	2	7,059	(1,961)	640	**5,738**
Total Variance to date		**(94,730)**	**(2,822)**	**640**	**(96,912)**

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

REVENUE BUDGET MONITORING 2021/22

GOVERNANCE AND REGULATORY Position as at 30 June 2021	Gross Expenditure £	Gross Income £	Recharges £	Adjusted Total £
Annual Budget	11,933,800	(5,835,200)	(3,773,000)	**2,325,600**
Budget to date	3,144,076	(1,635,965)	(944,336)	**563,775**
Total Actual	2,986,110	(1,637,543)	(933,758)	**414,809**
Variance	**(157,966)**	**(1,578)**	**10,578**	**(148,966)**
Carry Forwards/Reserves & Provisions				**0**
Adjusted Variance	**(157,966)**	**(1,578)**	**10,578**	**(148,966)**

Analysis of Variances Service	Note	Expenditure Variance £	Income Variance £	Recharges Variance £	Adjusted Variance £
Buildings & Facilities Services	1	(54,836)	(5,775)	10,183	**(50,428)**
Industrial Estates	2	8,598	(68,981)	0	**(60,383)**
The Lanes	3	3	88,158	0	**88,161**
Homeless Accommodation	4	(34,003)	57,734	0	**23,731**
Regulatory Services	5	(9,910)	(56,603)	(167)	**(66,680)**
Miscellaneous	6	(67,817)	(16,111)	562	**(83,366)**
Total Variance to date		**(157,966)**	**(1,578)**	**10,578**	**(148,966)**

Note	Governance & Regulatory Services - Comments
1.	Underspend on premises expenditure (including Public Conveniences and Civic Centre); additional rental income received; shortfall in trading income.
2.	Additional income received due to rent reviews and backdated rents.
3.	Shortfall in rental income.
4.	Underspend on employee related expenditure and supplies and services; shortfall in income as a direct result of Covid-19 as changes to occupancy levels and the available provision have had to be made to ensure the health and wellbeing of residents and staff.
5.	Various minor underspends; Additional licence income and agency fee income received.
6.	Minor underspends and increased income across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

CORPORATE MANAGEMENT Position as at 30 June 2021	Gross Expenditure £	Gross Income £	Recharges £	Adjusted Total £
Annual Budget	(1,558,300)	(1,342,400)	0	**(2,900,700)**
Budget to date	87,698	(287,522)	0	**(199,824)**
Total Actual	141,844	(286,595)	0	**(144,751)**
Variance	**54,146**	**927**	**0**	**55,073**
Carry Forwards/Reserves & Provisions				**0**
Adjusted Variance	**54,146**	**927**	**0**	**55,073**

Analysis of Variances Service	Note	Expenditure Variance £	Income Variance £	Recharges Variance £	Adjusted Variance £
Other Financial Costs	1	51,068	926	0	**51,994**
Miscellaneous	2	3,078	1	0	**3,079**
Total Variance to date		**54,146**	**927**	**0**	**55,073**

Note	Corporate Management - Comments
1.	Improvements in savings for Salary Turnover (£52,143) and shortfall in inflation savings to be found (£103,756).
2.	Minor overspends across other services within the Directorate.

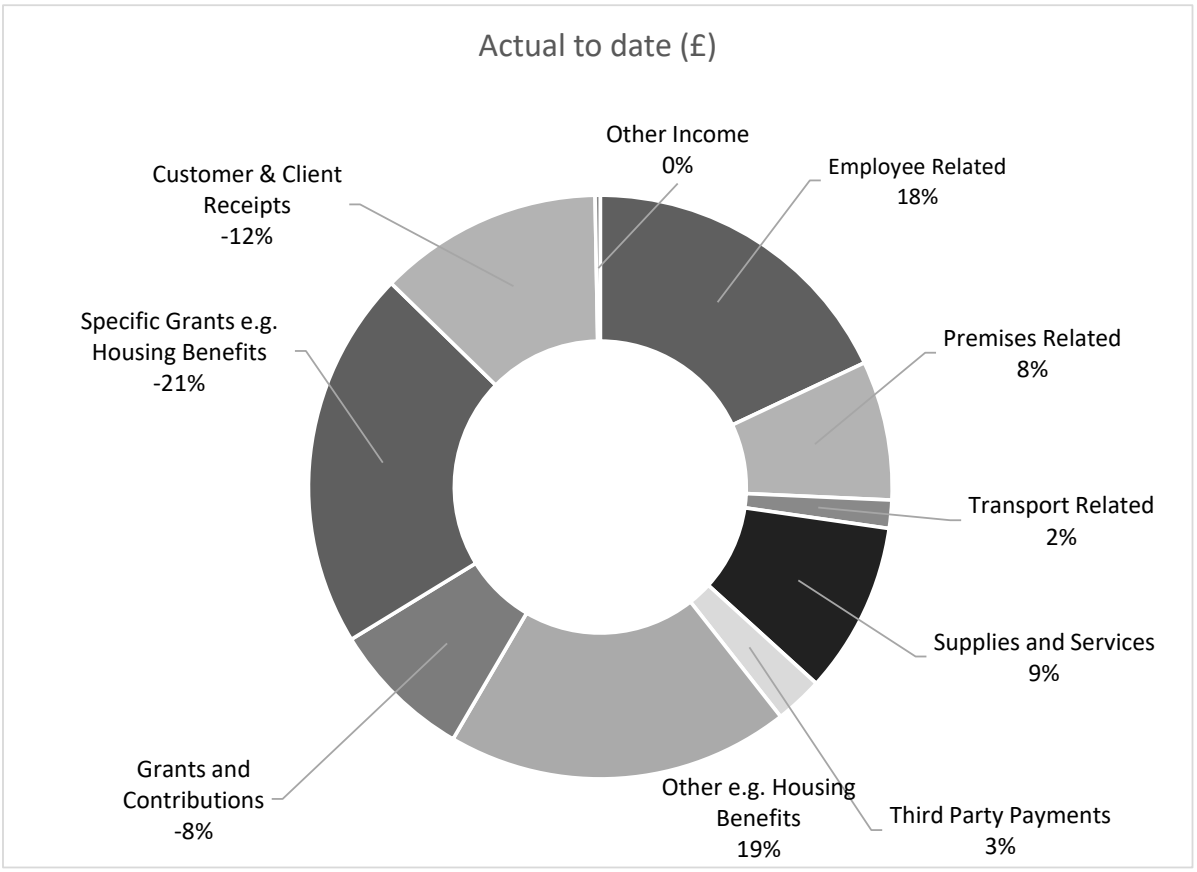
REVENUE BUDGET MONITORING 2021/22

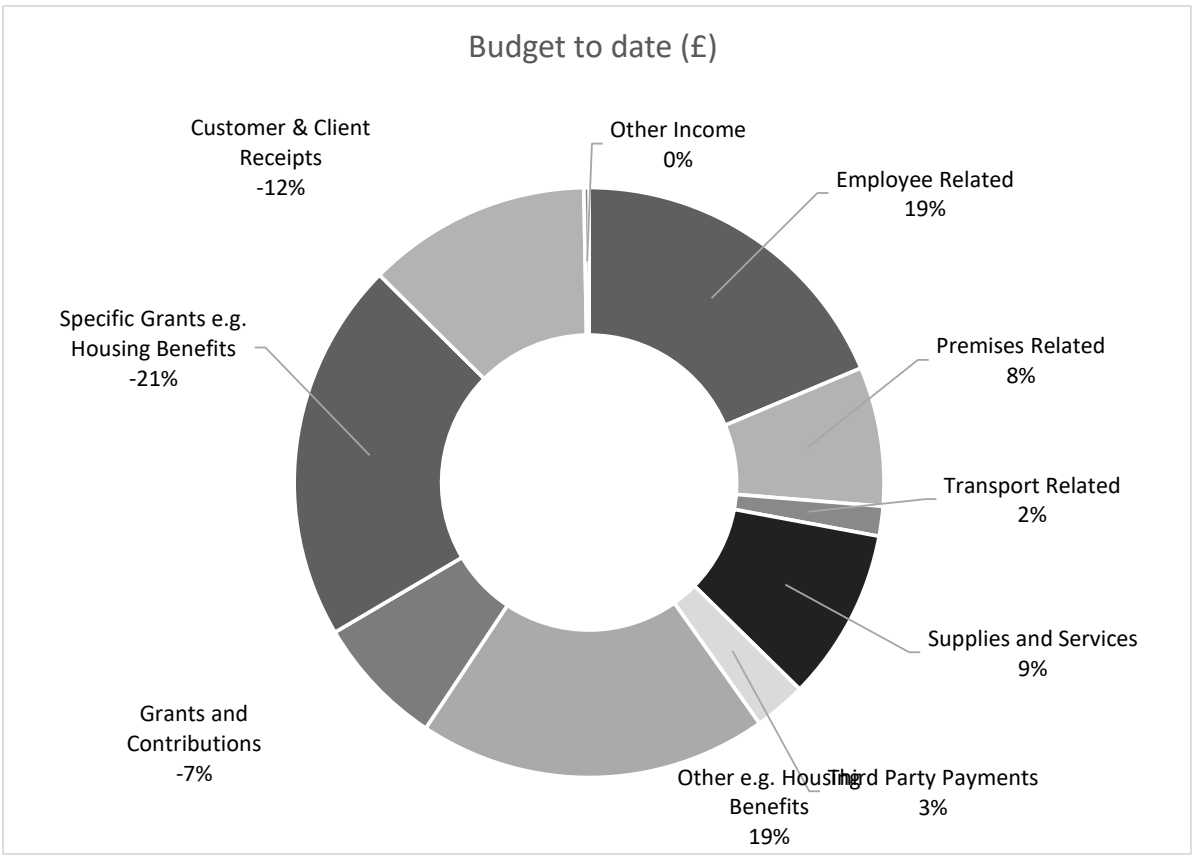
EXCEPTIONAL ITEMS Position as at 30 June 2021	Gross Expenditure £	Gross Income £	Recharges £	Adjusted Total £
Annual Budget	10,799,600	(10,741,800)	0	**57,800**
Budget to date	9,926,558	(10,731,300)	0	**(804,742)**
Total Actual	10,000,773	(11,330,825)	0	**(1,330,052)**
Variance	**74,215**	**(599,525)**	**0**	**(525,310)**
Carry Forwards/Reserves & Provisions				**0**
Adjusted Variance	**74,215**	**(599,525)**	**0**	**(525,310)**

Analysis of Variances Service	Note	Expenditure Variance £	Income Variance £	Recharges Variance £	Adjusted Variance £
Covid-19 Related Expenditure & Grants	1	69,793	(595,103)	0	**(525,310)**
Flood Recovery	2	4,422	(4,422)	0	**0**
Total Variance to date		**74,215**	**(599,525)**	**0**	**(525,310)**

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

SUBJECTIVE ANALYSIS





BUSINESS RATES INCOME

	2020/21 Outturn	2021/22 NNDR1	2021/22 Q1
Local Share of Income (Per NNDR1)	(17,018,157)	(17,415,961)	(17,415,961)
Renewables (Per NNDR1)	(376,067)	(378,052)	(378,052)
Renewables Bfwd (NNDR3 Previous Year)	4,686	4,122	4,122
Enterprise Zone (Per NNDR1)	(469,480)	(307,797)	(307,797)
Tariff (Per Final Settlement)	12,568,846	12,568,847	12,568,847
Section 31 Grants (reimbursement of funded reliefs)		(1,780,234)	(1,780,234)
Section 31 Grants (Flooding)	(11,188,692)	0	0
Section 31 Grant Expanded Retail Discount, Nursery and Local Newspaper		0	0
Section 31 Grant B/Fwd (Earmarked Reserve)	0	(9,463,000)	(9,463,000)
Estimated Collection Fund Deficit per NNDR1	216,038	9,265,582	9,265,582
Spreading of Deficit		197,036	197,036
Tax Income Guarantee Scheme Compensation	(22,487)	0	0
Tariff (Per Final Settlement)	1,256,125	1,439,547	1,439,547
Pool Redistribution	(712,221)	(600,000)	(600,000)
Total Income	**(15,741,409)**	**(6,469,910)**	**(6,469,910)**
Budget			
Baseline Funding	(3,335,200)	(3,335,200)	(3,335,200)
Business Rates Multiplier Grant	(133,700)	(173,800)	(173,800)
Additional Rates Income - Pooling/Growth	(2,400,000)	(2,700,000)	(2,700,000)
Total Budget	**(5,868,900)**	**(6,209,000)**	**(6,209,000)**
Additional Income retained	**(9,872,509)**	**(260,910)**	**(260,910)**

BAD DEBT PROVISION

TABLE 1 Type of Debt	Write-Offs June 2021 No.	 £	Comments
NNDR (General)	20	394,188.42	01/04/21 to 30/06/21
Council Tax	31	37,602.05	01/04/21 to 30/06/21
Debtors:			
Private Tenants	0	0.00	01/04/21 to 30/06/21
Housing Benefit Overpayments	14	2,133.13	01/04/21 to 30/06/21
General Fund	11	105.18	01/04/21 to 30/06/21
Penalty Charge Notices:			
On Street	0	0.00	01/04/21 to 30/06/21
Off Street	23	1,969.00	01/04/21 to 30/06/21
TOTAL	99	435,997.78	

TABLE 2 Type of Debt	Write-Ons June 2021 £	Comments
NNDR (General)	3,223.13	01/04/21 to 30/06/21
Council Tax	2,791.91	01/04/21 to 30/06/21
Debtors:		
Private Tenants	0.00	01/04/21 to 30/06/21
Housing Benefit Overpayments	0.00	01/04/21 to 30/06/21
General Fund	0.67	01/04/21 to 30/06/21
TOTAL	6,015.71	

Report to Executive

Item A.13

Meeting Date:	31 August 2021
Portfolio:	Finance, Governance and Resources
Key Decision:	No
Within Policy and Budget Framework	YES
Public / Private	Public

Title:	CAPITAL BUDGET OVERVIEW AND MONITORING REPORT: APRIL TO JUNE 2021
Report of:	CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number:	RD.33/21

Purpose / Summary:

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

Recommendations:

The Executive is asked to:

(i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to June 2021;

(ii) Note the adjustments to the 2021/22 capital programme as detailed in paragraph 2.1.

Tracking

Executive:	**31 August 2021**
Scrutiny:	**7 October 2021**
Council:	**n/a**

1. BACKGROUND

1.1 In accordance with the City Council's Financial Procedure Rules, the Corporate Director of Finance and Resources is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. It is the responsibility of individual Chief Officers to control income and expenditure within their areas of responsibility and to monitor performance, taking account of financial information provided by the Corporate Director of Finance and Resources.

1.2 All Managers receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision-making process.

1.3 Throughout the report, the use of brackets indicates a credit or income budget, and the term underspend also relates to additional income generated.

1.4 It is important to understand the distinction between capital and revenue expenditure.

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

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

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

2. CAPITAL BUDGET OVERVIEW

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

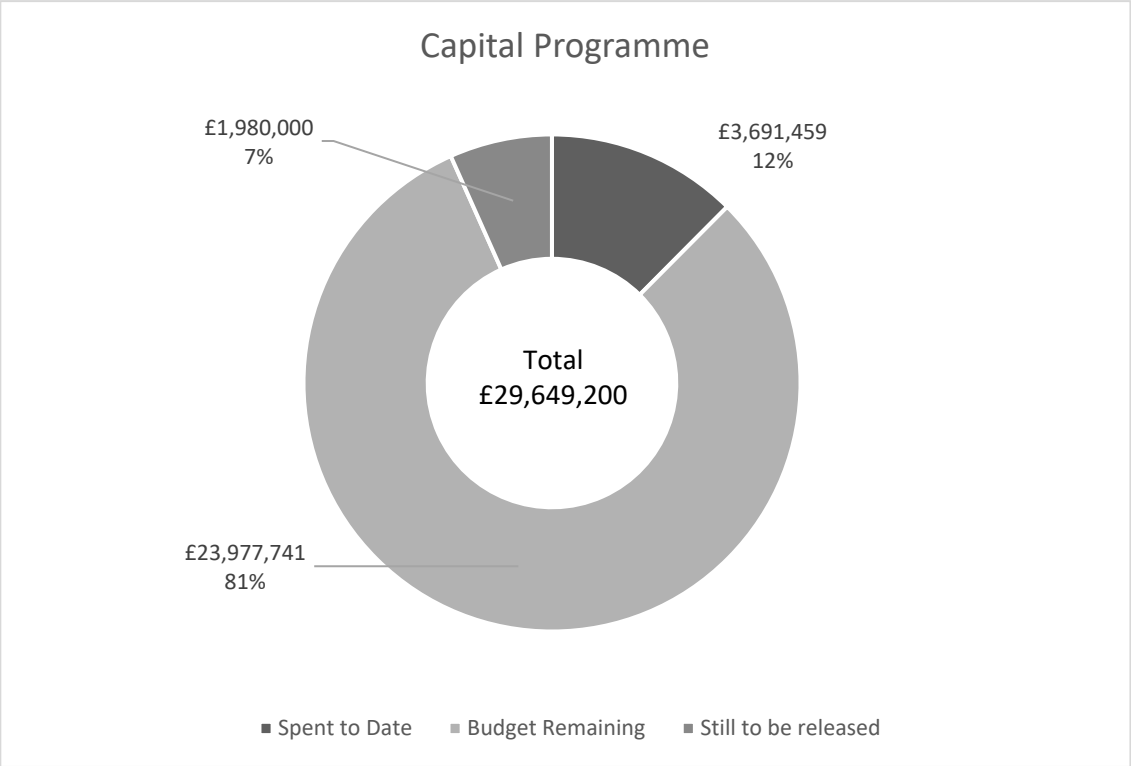
2021/22 Capital Budget	£
Original 2021/22 Programme (approved Feb 2021)	**19,070,400**
Carry forwards from 2020/21 (RD65/20 Council 02/03/21)	3,031,500
Carry forwards from 2020/21 (RD16/21 Council 20/07/21)	4,454,600
Increase for Empty Property Grants (GD13/21 Executive 08/03/21)	109,400
Increase from S106 contributions towards Play Area Improvements (OD26/21 & OD34/21)	153,200
Increase for Carlisle Citadels Project (LD02/21 23/02/21)	902,500
Increase for Swifts Wildlife Haven (OD27/21)	70,000
Increase for Bitts Park Water Feature (CS33/20 Executive 14/12/20)	10,500
Additional Disabled Facilities Grant (RD16/21 Council 20/07/21)	255,800
2021/22 Capital Programme (RD16/21 Council 20/07/21)	**28,057,900**
Increase for Tullie House Levelling Up Fund (ED17/21 Council 15/06/21)	1,500,000
Increase from S106 contributions for Bitts Park Public Realm (OD60/21)	32,000
Increase from S106 contributions towards Play Area Improvements (OD47/21)	5,000
Revenue Contribution towards Bitts Park Towns Deal	30,000
Increase for grant funding towards Litter Binfrastructure project	24,300
Revised 2021/22 Capital Programme (at Jun 2021)	**29,649,200**
Less Capital Reserves to be released by Executive (see para 3.7)	(1,980,000)
Revised 2021/22 Capital Programme (released)	**27,669,200**

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

3. 2021/22 BUDGET MONITORING

3.1 The position statement as at June 2021 can be summarised as follows:

Directorate	Revised Annual Budget £	Budget to Date £	Spend to date £	Variance to date £	Para. Ref.
Community Services	20,420,700	2,999,989	3,008,170	8,181	3.3
Corporate Support	313,700	16,836	16,840	4	3.4
Economic Development	1,927,200	100,622	100,598	(24)	3.5
Governance & Regulatory Services	4,997,100	778,514	561,061	(217,453)	3.6
Exceptional Items	10,500	10,500	4,790	(5,710)	3.7
Total	**27,669,200**	**3,906,461**	**3,691,459**	**(215,002)**	
Reserves to be released	1,980,000	0	0	0	3.9
Total	**29,649,200**	**3,906,461**	**3,691,459**	**(215,002)**	



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

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

3.2 As at the end of June, expenditure of £3,691,459 has been incurred on the Council's core capital programme. When considered against the profiled budget of £3,906,461 this equates to an underspend of £215,002.

3.3 There are no significant variances to report in Community Services.

3.4 There are no significant variances to report in Corporate Support.

3.5 There are no significant variances to report in Economic Development.

3.6 The variance in Governance & Regulatory Services is attributable to an underspend of £225,529 on Disabled Facilities Grants. Spend in the first quarter of 2021/22 was £428,974 which is considerably higher than the expenditure in the first quarter of 2020/21 (£274,286). The position is being closely monitored.

3.7 There are no significant variances to report in Exceptional Items (Flood Recovery capital expenditure).

3.8 The unspent balance remaining of the revised annual budget of £27,669,200 is £23,977,741. A review of the 2021/22 capital programme will be undertaken to identify accurate project profiles for the remainder of the financial year and any potential slippage into future years.

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

Scheme	Budget £	Note
Cemetery Infrastructure	30,000	
Crematorium Infrastructure	350,000	
Future High Street Fund - Market Square	100,000	1
Tullie House Levelling Up Fund	1,500,000	
Total	**1,980,000**	

Note: (1) This budget was approved for release by the Executive on 5th July 2021.

4. FINANCING

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

	Annual Budget £	Current Programme £
Total Programme to be financed (para 2.1)	**29,649,200**	**27,669,200**
Financed by:		
Capital Receipts / Borrowing	1,491,000	1,491,000
Receipts Used to fund resources	(112,000)	(112,000)
Borrowing Requirement (in year)	21,439,700	19,809,700
Capital Grants		
• Disabled Facilities Grant	2,155,600	2,155,600
• General	2,349,900	2,349,900
Direct Revenue Financing	2,128,300	1,778,300
Other Contributions	196,700	196,700
Total Financing	**29,649,200**	**27,669,200**

5. CAPITAL RESOURCES

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

	2021/22 Annual Budget £	2021/22 Actual £	2021/22 Variance £	Note
Capital Receipts				
· Asset Review	(1,491,000)	0	1,491,000	1
· Used to fund resources	112,000	0	(112,000)	1
· Vehicle Sales	0	(13,360)	(13,360)	2
Capital Grants				3
· Disabled Facilities Grant	(2,155,600)	(2,155,574)	26	
· Future High Street Fund	0	(1,164,790)	(1,164,790)	
· Sands Centre	(134,000)	0	134,000	
· On Street Charging	(102,800)	(2,292)	100,508	
· General	(124,300)	(24,336)	99,964	
Capital Contributions				
· Section 106	(164,700)	(4,745)	159,955	4
· Disabled Facilities Grants	0	(9,831)	(9,831)	
· General	(32,000)	(32,000)	0	
Total	**(4,092,400)**	**(3,406,928)**	**685,472**	

Notes:

1. Receipts for 2021/22 are anticipated to be received from asset review sales (£1,491,000).

2. Included within vehicle sales are receipts of £13,360 for individual vehicle sales that are below the de minimis for capital receipts. These will be transferred to revenue at the year end and will be used to fund the capital programme in line with the capital strategy.

3. Capital grants are generally received once associated capital expenditure has been incurred and the amounts then reclaimed from the sponsoring body. Capital grant in relation to Future High Street Fund has however been received in advance on expenditure and reports have now been approved by Executive and Council for budgets to be updated and the projects to progress as per the terms and conditions set out within the grant award.

4. Contributions from Section 106 agreements to Open Space Improvements (£164,700).

6. BALANCE SHEET MANAGEMENT

6.1 In line with CIPFA guidance and best practice, information relating to significant capital items on the Council's balance sheet is provided in this section. The information concentrates on those items that may have a material impact on the Council if not reviewed on a regular basis and will ensure that the Council is using

its resources effectively and that appropriate governance arrangements are in place around the use of Council assets and liabilities.

6.2 Fixed assets are revalued annually to ensure that an up to date value is held in the balance sheet. The revaluation programme is the responsibility of Property Services. It should be noted that some expenditure will be incurred during the course of the year which can be correctly classified as capital expenditure, but which will not increase the value of any of the Council's assets. This expenditure is written off to the revaluation reserve or through the Comprehensive Income and Expenditure Account as appropriate.

6.3 The value of fixed assets is a significant part of the balance sheet. In the 2020/21 accounts, fixed assets totalled £185million (2019/20 £187million). This represents 97% of the net current assets of the City Council.

6.4 Debtors

This relates to the amount of income due to the Council that has not yet been received. For capital items, this mainly relates to grants and contributions that the Council is able to claim towards funding capital expenditure. Generally capital debtors arise due to timing differences where a cut off point occurs (e.g. the financial year-end) and/or expenditure has been incurred in advance of making the grant claim. As at June 2021 debtors of £189,750 (£298,188 at 31 March 2021) were outstanding for capital grants, contributions and receipts.

6.5 Creditors

This is the amount of money due to be paid by the Council for goods and services received from its external customers and contractors. For capital schemes this also includes retentions i.e. the amount due to the contractor after a specified period (normally one year) following the completion of a project; this time is used to assess and correct any defects outstanding on the scheme. Amounts earmarked for retention as at June 2021 totalled £243,727 (£1,487,658 at 31 March 2021).

7. PERFORMANCE

7.1 The 2021/22 programme has been kept to a level that takes account of the Council's ability to deliver schemes with regard to capacity and available resources. Work is ongoing to continue to monitor the profiling of budgets, and these are adjusted to reflect progress in current capital schemes. It is likely that there will still be a requirement for some carry forwards at the year end due to further slippage and delays on projects. Members are reminded that budgets now totalling £1,980,000 are being held in reserves until approved by Executive for release.

7.2 The Senior Management Team will provide strategic overview and monitor the effectiveness of the overall programme of work in delivering the Council's priorities and objectives. Technical project support and quality assurance of business cases and associated project management activities will be managed by a Transformation Sub-Group chaired by the Chief Executive. Decisions to proceed or otherwise with proposed projects will be made in the usual way in accordance with the Council decision making framework.

7.3 A review of all capital expenditure incurred is ongoing to ensure that the expenditure has been correctly allocated between revenue and capital schemes. This will facilitate the year end classification of assets.

8. RISKS

8.1 Individual capital schemes have different risks involved. A risk assessment of the overall capital programme is included in **Appendix G**.

9. CONSULTATION

9.1 Consultation to Date

SMT & JMT have considered the issues raised in this report.

9.2 Consultation Proposed

Business & Transformation Scrutiny Panel will consider the report on 7 October 2021.

10. CONCLUSION AND REASONS FOR RECOMMENDATIONS

10.1 The Executive is asked to:

(i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to June 2021;

(ii) Note the adjustments to the 2021/22 capital programme as detailed in paragraph 2.1.

11. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

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

Contact Officer: **Emma Gillespie** **Ext: 7289**

Appendices attached to report: **A to G**

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- **None**

CORPORATE IMPLICATIONS:

LEGAL – The Council has a fiduciary duty to manage its finances properly and the proper reporting of the budget monitoring is part of this process.

PROPERTY SERVICES – Property asset implications are contained in the main body of the report.

FINANCE – Financial implications are contained in the main body of the report.

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

INFORMATION GOVERNANCE – There are no information governance implications.

2021/22 CAPITAL PROGRAMME **APPENDIX A**

Scheme	Original Capital Programme 2021/22 £	Carry Forwards from 2020/21 £	Carry Forwards from 2020/21 £	Other Adjustments £	Revised Capital Programme 2021/22 £
Current non-recurring commitments					
Sands Centre Redevelopment	15,236,700	700,000	985,900	0	16,922,600
Civic Centre Development	1,020,600	1,150,000	(89,000)	0	2,081,600
Energy Monitoring System	12,000	0	0	0	12,000
Savings to Fund Civic Centre	*(200,000)*	*0*	*0*	*200,000*	0
Cemetery Infrastructure	0	5,700	0	0	5,700
Skew Bridge Deck	0	68,500	(1,500)	0	67,000
Towns Deal - Bitts Park Improvements	0	125,000	(25,800)	30,000	129,200
Planning Software	0	150,000	0	0	150,000
Play Area Improvements	0	36,500	0	158,200	194,700
Carlisle Citadels	0	0	32,200	902,500	934,700
Towns Deal - Caldew Riverside	0	0	842,500	0	842,500
On Street Charging Points Infrastructure	0	0	102,800	0	102,800
Gateway 44	0	0	896,200	0	896,200
LED Footway Lighting Installation	0	0	29,700	0	29,700
Rough Sleeping Initiative	0	0	10,000	0	10,000
Swifts Wildlife Haven	0	0	0	70,000	70,000
IC All Risks - Bitts Park Water Feature	0	0	0	10,500	10,500
Bitts Park Public Realm	0	0	0	32,000	32,000
	16,069,300	**2,235,700**	**2,783,000**	**1,403,200**	**22,491,200**
Recurring commitments					
Planned Enhancements to Council Property	250,000	145,800	63,000	0	458,800
Vehicles, Plant & Equipment	255,000	0	781,600	(200,000)	836,600
Recycling Containers	45,000	0	0	24,300	69,300
ICT Infrastructure	101,300	150,000	62,400	0	313,700
	651,300	**295,800**	**907,000**	**(175,700)**	**1,678,400**
Disabled Facilities Grants					
Private Sector Grants	1,899,800	500,000	731,600	255,800	3,387,200
Empty Property Grants	0	0	3,000	109,400	112,400
	1,899,800	**500,000**	**734,600**	**365,200**	**3,499,600**
TOTAL	**18,620,400**	**3,031,500**	**4,424,600**	**1,592,700**	**27,669,200**
Capital Reserves to be released					
Crematorium Infrastructure	350,000	0	0	0	350,000
Future High Street Fund - Market Square	100,000	0	0	0	100,000
Cemetery Infrastructure	0	0	30,000	0	30,000
Tullie House Levelling Up Fund	0	0	0	1,500,000	1,500,000
	450,000	**0**	**30,000**	**1,500,000**	**1,980,000**
REVISED TOTAL	**19,070,400**	**3,031,500**	**4,454,600**	**3,092,700**	**29,649,200**

JUNE 2021 - CAPITAL BUDGET MONITORING **APPENDIX B**

COMMUNITY SERVICES

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Vehicles & Plant	836,600	40,000	46,950	6,950	Replacement of vehicles will be contained within overall annual budget.
Cemetery Infrastructure	5,700	1,427	0	(1,427)	For further improvements to Fairy Beck due to be carried out in 2021/22.
Civic Centre Development	2,081,600	741,882	741,793	(89)	Project progressing as planned.
Play Area Developments	194,700	4,406	4,745	339	Projects progressing as planned.
Towns Deal - Bitts Park Improvements	129,200	32,339	39,098	6,759	Funding received from the Town Deal Capital Accelerated Fund and presented and approved by Executive 14/12/2020.
Skew Bridge Deck	67,000	0	(820)	(820)	Budget earmarked towards this scheme as part of the 2020/21 budget process. Released by Executive 13/01/2021.
Swifts Wildlife Haven	70,000	7,994	8,000	6	Externally funded project to transform the former Swifts driving range into an urban site for wildlife and people following the end of its use as a leisure facility.
Bitts Park Public Realm	32,000	0	0	0	Externally funded project to undertake public realm improvement works at Bitts Park.
Sands Centre Redevelopment	16,922,600	2,145,785	2,145,249	(536)	Capital expenditure for the enhancement work to Leisure Facilities. Progress is being monitored and is currently on schedule.
Waste Minimisation	69,300	23,152	23,155	3	Purchase of waste receptacles.
Energy Monitoring System	12,000	3,004	0	(3,004)	To provide an Energy Management System to be installed to monitor energy usage across Council owned property.
Grand Total	**20,420,700**	**2,999,989**	**3,008,170**	**8,181**	

JUNE 2021 - CAPITAL BUDGET MONITORING **APPENDIX C**

CORPORATE SUPPORT

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
ICT Infrastructure	313,700	16,836	16,840	4	Part of ICT Strategy Business Case.
Grand Total	**313,700**	**16,836**	**16,840**	**4**	

JUNE 2021 - CAPITAL BUDGET MONITORING **APPENDIX D**

ECONOMIC DEVELOPMENT

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Carlisle Citadels	934,700	45,182	45,159	(23)	Project approved as per Leader Decision Notice (LD.02/21) and is due to complete in 2021/22.
Towns Deal - Caldew Riverside Remediation	842,500	55,440	55,439	(1)	Funding received from the Town Deal Capital Accelerated Fund and presented and approved by Executive 14/12/2020.
Planning Software	150,000	0	0	0	Project yet to start.
Grand Total	**1,927,200**	**100,622**	**100,598**	**(24)**	

JUNE 2021 - CAPITAL BUDGET MONITORING **APPENDIX E**

GOVERNANCE & REGULATORY SERVICES

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Planned Enhancements to Council Property	458,800	55,290	65,236	9,946	Individual projects progressing as planned.
Rough Sleeping Initiative	10,000	0	0	0	Capital grant received from MHCLG for the development of the Rough Sleeping Initiative.
Gateway 44	896,200	35,580	35,585	5	Development and Improvement costs associated with the Junction 44 retail development.
Disabled Facilities Grants	3,387,200	654,503	428,974	(225,529)	Mandatory Grants. Grant work is picking up but it is still uncertain how this year's expenditure will be affected. The position is being closely monitored.
Empty Property Grants	112,400	0	(1,875)	(1,875)	Discretionary grants to assist getting empty properties back into use.
On Street Charging Infrastructure	102,800	20,302	20,301	(1)	To install Electric Vehicle charge points at locations within Carlisle where residents have no access to off-street parking to encourage the uptake of electric vehicles. This project is fully funded by external grant.
LED Footway Lighting Installation	29,700	12,839	12,840	1	To upgrade Footway Lights to LED lanterns throughout the District resulting in energy savings and increased reliability of the lights which should reduce future maintenance costs.
Grand Total	**4,997,100**	**778,514**	**561,061**	**(217,453)**	

JUNE 2021 - CAPITAL BUDGET MONITORING **APPENDIX F**

EXCEPTIONAL ITEMS CAPITAL EXPENDITURE

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
IC Buildings Flood Capital	10,500	10,500	4,790	(5,710)	Budget carried forward in relation to approved expenditure on the reinstatement of Bitts Park.
Grand Total	**10,500**	**10,500**	**4,790**	**(5,710)**	

APPENDIX G

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.

Report to Executive

Item A.14

Meeting Date:	31 August 2021
Portfolio:	Finance, Governance and Resources
Key Decision:	No
Within Policy and Budget Framework	YES
Public / Private	Public

Title:	TREASURY MANAGEMENT: APRIL TO JUNE 2021
Report of:	CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number:	RD.34/21

Purpose / Summary:
This report provides the regular quarterly report on Treasury Transactions including the requirements of the Prudential Code.

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

Tracking

Executive:	**31 August 2021**
Audit Committee:	**24 September 2021**
Council:	**Not applicable**

1. BACKGROUND

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

(i) **Appendix A** sets out the schedule of Treasury Transactions for the period April– June 2021

- **Appendix A1 –** Treasury Transactions April to June 2021
- **Appendix A2 –** Investment Transactions April to June 2021
- **Appendix A3 –** Outstanding Investments at June 2021

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

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

2. RISKS

2.1 The Council's Treasury Management function is responsible for investing the Council's surplus cash balances and managing cash flows appropriately. The Treasury Management Strategy Statement and the Treasury Management Practices are completed and approved in line with the CIPFA Code and include appropriate mechanisms for dealing with the Council's investments and borrowing needs.

3. CONSULTATION

3.1 Audit Committee will consider the report on 24 September 2021.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

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

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

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

Contact Officer: **Emma Gillespie** **Ext: 7289**

Appendices attached to report:

Appendix A1 – Treasury Transactions
Appendix A2 – Investment Transactions
Appendix A3 – Outstanding Investments
Appendix B1 – Prudential Code background
Appendix B2 – Prudential Indicators

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 – Treasury Management activities are delegated to the Corporate Director of Finance and Resources and Financial Procedure Rule 3.19 requires that she prepare an annual report on the topic. This Report fulfils that obligation.

Property Services – Not applicable

Finance – Included in the report

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

Information Governance – No implications

APPENDIX A1

TREASURY TRANSACTIONS
APRIL to JUNE 2021

1. LOANS (DEBT)

1.1 Transactions April to June 2021

	Raised		Repaid	
	£	%	£	%
P.W.L.B	0	0.00	0	0.00
Local Bonds	0	0.00	0	0.00
Short Term Loans	0	0.00	0	0.00
Overnight Borrowing	0	0.00	0	0.00
	0		**0**	

This provides a summary of any loans that have been raised or repaid, analysed by type, since the previous report.

1.2 Loans (Debt) Outstanding at end of June 2021

	£
PWLB	13,287,500
Short Term Loans	12,800
	13,300,300

1.3 Loans Due for Repayment (Short Term)

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

2. INVESTMENTS

	Made		Repaid	
	£	%	£	%
Short Term Investments	20,700,000	0.01-0.190	10,700,000	0.01-0.01
	20,700,000		**10,700,000**	

A full schedule of investment transactions is set out in Appendix A2. Appendix A3 shows outstanding investments at end of June 2021. The weighted average return achieved on all investments as at the end of June was 0.79%. Bank base rate is currently 0.10%.

3 REVENUES COLLECTED

To: June 2021		Collected £	% of Amount Collectable %
2021/22	Council Tax	20,326,669	28.88
	NNDR	8,764,152	32.61
Total		**29,090,821**	**29.61**
2020/21	Council Tax	18,885,338	28.22
	NNDR	6,493,519	28.27
Total		**25,378,857**	**28.23**
2019/20	Council Tax	18,583,582	29.07
	NNDR	13,667,431	31.14
Total		**32,251,012**	**29.92**

4 BANK BALANCE

At end of June 2021, £1,172,032 in hand.

This is the Council's bank balance at the end of the last day covered by the report.

5 PERFORMANCE ON TREASURY MANAGEMENT BUDGET TO END OF JUNE 2021

April – June 2021

	Profiled Budget £000	Actual £000	Variance £000
Interest Receivable	(42)	(43)	(1)
Interest Payable	103	0	(103)
Less Rechargeable	0	0	0
	103	**0**	**(103)**
Principal Repaid (MRP)	0	0	0
Debt Management	12	13	1
NET BALANCE	**73**	**(30)**	**(103)**

The profiled budget is to the end of June 2021.

Interest receivable is in line with current budget expectations.

The dividends received from the property fund have maintained an income of approximately £33,000 per quarter. The yield to the end of June was 4.18%. The valuation of the investment at the end of June was £3,402,054.

Interest payable is currently below budget due to no new borrowing entered into yet.

APPENDIX A2

INVESTMENT TRANSACTIONS APRIL TO JUNE 2021

INVESTMENTS MADE			INVESTMENTS REPAID	
	£			£
HSBC	4,000,000.00		HSBC	3,000,000.00
HSBC	5,200,000.00		HSBC	3,200,000.00
Goldman Sachs	1,000,000.00		HSBC	1,500,000.00
Goldman Sachs	1,000,000.00		HSBC	3,000,000.00
Goldman Sachs	1,000,000.00			
HSBC	2,000,000.00			
Standard Chartered	1,000,000.00			
Standard Chartered	1,000,000.00			
Standard Chartered	1,000,000.00			
HSBC	3,500,000.00			
TOTAL	**20,700,000**			**10,700,000**
			Bfwd	14,289,358
			Paid	20,700,000
			Repaid	10,700,000
			Total	**24,289,358**
			CCLA	**112,696**
			Total	**24,402,054**

Outstanding Investments as at 30 June 2021

Category	Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Days to maturity at execution	Total Interest Expected (£)
O	HSBC UK Bank Plc (RFB)	8,000,000	0.01%		Call1		
R	Goldman Sachs International Bank	1,000,000	0.13%	29/04/2021	30/07/2021	92	328
O	HSBC UK Bank Plc (RFB)	2,000,000	0.10%		Call31		
R	Goldman Sachs International Bank	1,000,000	0.16%	29/04/2021	27/08/2021	120	526
R	Goldman Sachs International Bank	1,000,000	0.19%	29/04/2021	24/09/2021	148	770
R	Standard Chartered Bank	1,000,000	0.11%	16/06/2021	29/10/2021	135	407
R	Standard Chartered Bank	1,000,000	0.12%	16/06/2021	26/11/2021	163	536
R	Standard Chartered Bank	1,000,000	0.15%	16/06/2021	24/12/2021	191	785
R	Santander	2,000,000	0.58%		Call180		
R	Santander	3,000,000	0.58%		Call180		
	Total Investments	**£21,000,000**	**0.19%**			**142**	**£3,352**

Borrower	Current Market Value (£)	Current Yield	Start Date	Initial Investment (£)	Initial Market Value (£)	Unrealised Growth (£)	% Growth
CCLA Property Fund	**3,402,054**	**4.18%**	31/07/2014	3,000,000	2,836,896	**402,054**	13.4%

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

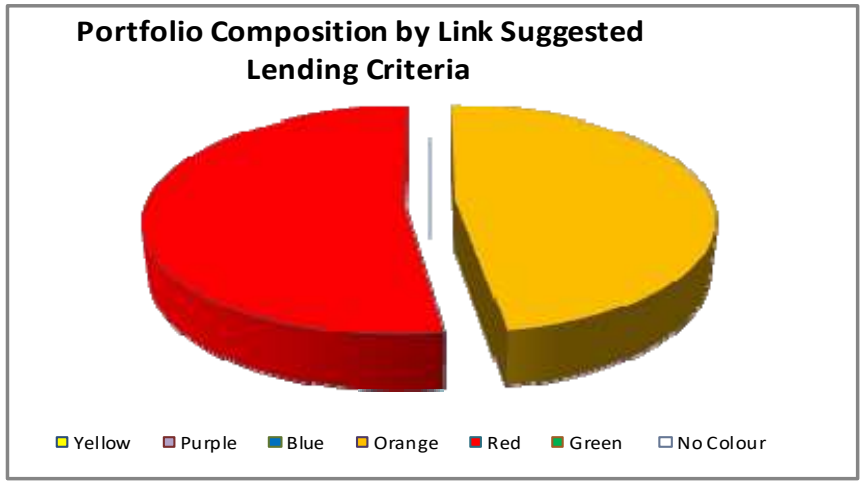
N.B Interest is recognised in the appropriate financial year in which it is due.

Investment Summary

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	Weighted Average Rate of Return	Weighted Average Days to Maturity	Weighted Average Days to Maturity from Execution
Yellow	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Purple	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Blue	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Orange	47.62%	10,000,000	100.00%	10,000,000	47.62%	0.03%	7	7
Red	52.38%	11,000,000	45.45%	5,000,000	23.81%	0.34%	138	159
Green	0.00%		0.00%	-	0.00%	0.00%	0	0
No Colour	0.00%	-	0.00%	-	0.00%	0.00%	0	0
	100.00%	**21,000,000**	**71.43%**	**15,000,000**	**71.43%**	**0.19%**	**76**	**87**

Risk Score for Colour (1 = Low, 7 = High)	Jun-21	Mar-21	Dec-20	Sep-20
1	0.00	0.0	0.2	0.2
2	0.0	0.0	0.0	0.0
3	0.0	0.0	0.0	0.0
4	1.9	2.2	2.1	1.9
5	2.6	2.3	1.3	1.5
6	0.0	0.0	0.0	0.0
7	0.0	0.0	0.0	0.0
	4.5	**4.5**	**3.6**	**3.6**
Normal' Risk Score	**3.5**	**3.5**	**3.5**	**3.5**

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



APPENDIX B1

THE PRUDENTIAL CODE AND PRUDENTIAL BORROWING

1. Introduction

1.1 The Local Government Act 2003 brought about a new borrowing system for local authorities known as the Prudential Code (the Code). This gives to Councils much greater freedom and flexibility to borrow without government consent so long as they can afford to repay the amount borrowed.

1.2 The aim of the Code is to support local authorities when making capital investment decisions. These decisions should also be in line with the objectives and priorities as set out in the Council's Corporate Plan.

1.3 The key objectives of the Code are to ensure, within a clear framework, that the capital investment plans of the Council are affordable, prudent and sustainable, or if appropriate, to demonstrate that they may not be. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability. These objectives are consistent with and support local strategic planning, local asset management planning and proper option appraisal. They also encourage sound treasury management decisions.

2. Prudential Indicators

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

2.2 Appendix B2 sets out the latest performance indicators for the current year.

3. Supported and Unsupported (or Prudential) Borrowing

3.1 Local authorities have always funded a substantial element of their capital programme via borrowing. This continues to be the case but until the introduction of the Prudential Code any local authority borrowing was essentially based upon a government 'permission to borrow'. Following the introduction of the Prudential Code in 2003, the permission to borrow was essentially withdrawn and Councils were given greater freedom to borrow so long as they can demonstrate that the

revenue consequences of such borrowing (i.e. the cost of the debt) are sustainable, affordable and prudent in the medium to long term.

APPENDIX B2

PRUDENTIAL INDICATORS

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

(a) Affordability

	2021/22 Original Estimate £	2021/22 Current £
(i) Capital Expenditure	19,070,400	29,649,200
(ii) Financing Costs		
Total Financing Costs	458,100	(42,612)
(iii) Net Revenue Stream		
Funding from Govt Grants/Local Taxpayers	13,848,000	13,848,000
(iv) Ratio of Financing Costs to Net Revenue Stream	3.24%	(0.31%)
The figures monitor financing costs as a proportion of the total revenue stream from government grants and local taxpayers. The increase in the ratio of financing costs is mainly attributable to the forecast reduction in investment income.		
(v) Incremental Impact on Council Tax	12.82	18.54
This indicator allows the effect of the totality of the Council's capital investment decisions to be considered at budget setting time.		
(vi) Authorised Borrowing Limit	45,100,000	48,100,000
Maximum Level of Borrowing and Other Long term Liabilities	34,380,000	34,380,000
The authorised borrowing limit is determined by Council prior to the start of the financial year. The limit must not be altered without agreement by Council and should not be exceeded under any foreseeable circumstances.		

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

(b) Prudence and Sustainability

	2021/22 Original £
(i) New Borrowing to Date	0
No Long Term Borrowing has been taken in 2021/22 to date	
(ii) Percentage of Fixed Rate Long Term Borrowing	
at June 2021	100%
(iii) Percentage of Variable Rate Long Term Borrowing	
at June 2021	0%
Prudent limits for both fixed and variable rate exposure have been set at 100%. This is due to the limited flexibility available to the authority in the context of its overall outstanding borrowing requirement.	
(iv) Minimum Level of Investments Classified as Specified	50.00%
Level of Specified Investments as at June 2021	100.00%
As part of the Investment Strategy for 2021/22, the Council set a minimum level of 50% for its specified as opposed to non specified investments. The two categories of investment were defined as part of the Strategy but for the City Council non specified investments will presently refer mainly to either investments of over one year in duration or investments placed with building societies that do not possess an appropriate credit rating. These tend to be the smaller building societies.	

Report to Executive

Item A.15

Meeting Date:	31st August 2021
Portfolio: (Cross)	Finance, Governance and Resources Economy, Enterprise and Housing
Key Decision:	NO
Policy and Budget Framework	No
Public / Private	Public

Title:	Update to Mobile Homes Policy 2021
Report of:	Corporate Director of Governance and Regulatory Services
Report Number:	GD.51/21

Purpose / Summary:

This report sets out the proposed updates to the Council's Mobile Homes Act Policy, to include the Mobile Homes (Requirement for Manager of Site to be Fit and Proper Person) (England) Regulations 2020 ("the Regulations") and sets out the charges for carrying out the new functions from 1st July 2021.

Recommendations:

The Executive is asked to agree the changes to the policy as detailed and set out in the report and accompanying Appendices.

Tracking

Executive:	
Scrutiny:	
Council:	

1. BACKGROUND

1.1 In 2014, the Executive approved the adoption of the Mobile Homes Act 2013 Implementation Policy 2014. The Policy acts as a backdrop to the work within the Environmental Health team around the licensing and enforcement of residential caravan sites it provides clear direction for those Officers authorised to undertake enforcement and includes the associated charging structures for any licensing and enforcement.

1.2 The latest update is to reflect new powers enacted by Her Majesty's Government to update the licensing regime, to include a Fit and Proper person element to ensure that those that own and manage residential caravan sites are deemed to be fit and proper persons.

2. PROPOSALS

2.1 The Mobile Homes (Requirement for Manager of Site to be Fit and Proper Person) (England) Regulations 2020 ("the Regulations") introduces a fit and proper person test for mobile home site owners or the person appointed to manage the site, unless exempted by the Regulations.

The legislation came in on 1 July 2021 and site licensees have until 1 October 2021 to demonstrate they are being managed by a fit and proper person. The report and appendices sets out how the local authority are currently preparing to implement the new regulations to enable site owners, or the person appointed to manage the site, to make their applications to be included on the register of fit and proper persons.

2.2 The legislation makes allowances for Local Authorities to charge for the process of administering the licensing regime and keeping a Fit and Proper Person register.

Carlisle City Council will write to owners of protected sites before 1st October 2021 to advise that they need to apply to be added to the register of fit and proper persons and will provide the relevant application form. It is a criminal offence for site manager/owners not to apply.

3. RISKS

3.1 In order to enforce the legislation and make a charge for the licence process the Authority need to have an adopted mobile homes implementation policy which covers enforcement and a charging policy, without this in place we risk

a legal challenge should we choose to take enforcement or recover any debts associated with the licensing process.

4. CONSULTATION

4.1 As these statutory changes have been widely consulted on by central government before they were introduced there is no need to undertake any additional consultation or local consultation.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

5.1 The revised policy will enable officers to apply the licensing regime and any enforcement in a fair and consistent manor in recognition of the Enforcement Concordat and the Regulators' Compliance Code.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

6.1 It is considered the proposals will support the following priorities:-

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

Contact Officer:	**A Morphet**	**Ext:**	**7341**

Appendices attached to report:

Appendix A - The Mobile Homes Implementation Policy update 2021, including appendices to the policy. (1 to 4)
Appendix 1 Exemptions
Appendix 2 Charges
Appendix 3 Fit and Proper Person Procedure
Appendix 4 Risk matrix for Fit and Proper person register

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 report sets out the Council's response to the Mobile Homes (Requirement for Manager of Site to be Fit and Proper Person) (England) Regulations 2020. These

Regulations, along with the Mobile Homes Act 2013 and the Caravan Sites and Control of Development Act 1960, are the responsibility of the Executive, save as regards the issuing of a licence which is the responsibility of the Council's Regulatory Panel. Further, the proposed new charge in Appendix 2, being a new charge, also falls to the Executive for approval, in line with Financial Procedure Rule D31.

PROPERTY SERVICES - No property implications

FINANCE – The proposed new charge in relation to the Mobile Homes (Requirement for Manager of Site to be Fit and Proper Person) (England) Regulations 2020 is set out in Appendix 2. Any additional income expected from this new charge will be considered as part of the Director's Corporate Charging report considered each year as part of the annual budget cycle.

EQUALITY – None

INFORMATION GOVERNANCE – The Council must ensure that related documentation is updated to reflect the additional processing of personal data, to determine whether an individual is considered a fit and proper person. This will involve amendments to the application form and related privacy notice.

Appendix A

The Mobile Homes Act 2013

Implementation Policy

2014

Updated 2021

1. BACKGROUND

The mobile homes Act 2013 came about when the Department of Communities and Local Government (DCLG) proposed major reforms to the caravan site legislation with the aim of giving greater protection to occupiers of residential caravans and mobile homes). DCLG stated in their Impact Assessment of the consultation "A Better Deal for Mobile Home Owners Changes to the Local Authority Site Licensing Regime" (published November 2012) that the existing legislation did not allow local authorities to charge fees for issuing and monitoring site licenses, or allow local authorities to take enforcement action if conditions were not met. They added that in practice, this severely limited local authorities resources to provide effective scrutiny of the sector.

The Mobile Homes Act 2013 (MHA 2013) was therefore introduced, receiving royal assent on 26 March 2013 with some parts implemented on 26 May 2013. The MHA 2013 introduced some important changes to park home site licensing on 1 April 2014 due to it's amendments to CSCDA 1960. These changes include the ability for Local Authorities to charge site owners a fee for applying for a site licence, for amendments or transfers of existing licences, and for annual fees. Site owners may recover the annual fees through an increase in pitch fees, however, residents will benefit as these fees will help Local Authorities to increase their activity in an area that has historically been under-resourced.

Section 29 of the 1960 Act defines what constitutes a caravan and caravan site, and these are commonly known as park homes and park home sites. This definition was amended by the Mobile Homes Act 2013, (Park homes site licensing definition of relevant protected sites)

As part of the changes the Council must produce a policy on charging fees. This Policy therefore sets out the Councils policy for implementation of a fee charging structure, the park home sites licence conditions and procedures for enforcement under the Mobile Homes Act 2013.

2. THE APPLICATION OF THE MOBILE HOMES ACT 2013 IN CARLISLE

2.1 SETTING LICENCE FEES AND CHARGES

The Act enables Local Authorities to fix different fees or to determine that no fee is required to be paid in certain cases. The fees associated with applying initially for a new site licence, for transfers, standard amendments, site expansion amendments and for annual fees are detailed in **Appendix 2.**

On 1 January 2021 the Council was administering site licenses for 19 residential caravan sites, 8 of which are single mobile homes sites and non-commercial, plus 2 showman's guild sites, this would mean that under the new licensing criteria for Fit and Proper person test, only 9 sites would be required to reapply for the licence. leaving 10 exempt according to the list and guidance issued which is contained within **Appendix 1** fall under the mobile homes act 2013 licensing regime.

Licences can only be issued to the owners of sites that have obtained valid planning permission.

2.2 TIME WHEN FEES ARE PAYABLE

Section 10A(5) of the Amended Act states that the Fees Policy must include provision about the time at which the annual fee is payable. For the purpose of this policy the period covered by the annual fee will mirror the financial year (1 April to 31 March) and will be paid in advance. Invoices will be sent out during the month of April requiring payment within 30 days. Where a new site is licensed part way through the year then an invoice with the same payment terms will be sent shortly after the licence is issued for the pro-rata amount.

Where a site is expanded part way through the year to include additional units the corresponding higher fee would apply from that point. In such cases an invoice with the same payment terms, covering the difference between the original and increased fee for the remainder of the financial year will be sent shortly after the amended licence has been issued.

2.3 FIT AND PROPER PERSON UPDATE

The MHA 2013 makes provisions for regulations to be made requiring site owners to be "fit and proper persons" and for Local Authorities to keep such registers up to date. This Policy has been updated in 2021 to reflect the introduction of the The Mobile Homes (Requirement for Manager of Site to be Fit and Proper Person) (England) Regulations 2020 and the guidance issued by government. The procedure note for applicants is contained in **Appendix 3.** The Fit and Proper person test will not apply to the non commercial family protected sites.

Regulation 10 permits the local authority to charge a fee for the processing of applications for Fit and Proper person tests. A local authority is not permitted to make a profit from the fees and therefore the proposed fees updated annually will continue to be based on the cost of administering the regime. The Regulations state that the same fee must be charged for all FPP tests, regardless of the size of site or reputation of the owner or manager. The costs will be calculated on the likely costs of administering these tests and calculate the time that that it will take, on average for these tests.

In most cases the person would remain on the register for 5 years and after that time, or when there was a change of management or ownership, a new fee would be payable.

This does not include the costs of enforcement, for which charges may be separately levied when enforcement action is necessary. The details of the charges are contained in **Appendix 2**

An owner (occupier) of land will commit an offence if they causes or permits any part of the land to be used as a “relevant protected site” without the manager of the site being registered with the local authority as a fit and proper person.
An applicant also commits an offence if he withholds information from a registration application or includes false or misleading information in a registration application or fails to comply with a condition imposed under Regulation 6(2)(b) or Regulation 8(1) An owner (occupier) of land who is guilty of an offence is liable on summary conviction to a level 5 fine (unlimited).
Where an owner (occupier) of land who holds a site licence in respect of that land contravenes the relevant Regulations, the First Tier Tribunal may, on application by the authority, make an order revoking the site licence in question on the day specified in the order. If this owner is convicted of three such offences, the court may revoke the Licence

2.4 SITE RULES

Site rules are different to site licence conditions in that they are neither created nor enforced by Local Authorities. They are a set of rules created by the site owner which residents have to comply with. They may reflect the site licence conditions but will also cover matters unrelated to licensing. The Site Rule Regulations come into force on the 4 February 2014 and set out a 12 month period, within which site owners will need to replace existing site rules with new ones. These rules will need to be deposited with the Local Authority. A fee is built into the charging structure for depositing these rules.

A detailed copy of site rules is contained within appendix 4 and sites should base any rules on this locally adopted set of rules.

Local Authorities will need to satisfy themselves that replacement or new rules deposited with them have been made in accordance with the statutory procedure. They will also be required to establish, keep up to date, and publish a register of site rule. And the Local Authority may levy a fee for the depositing of site rules, or the variation or deletion of site rules.

2.5 SITE CONDITIONS

The legislation allows the authority to adopt model standard for site conditions which will form part of the site licence.

The extent of any remedial works that maybe required under new site conditions will vary according to size, complexity, and whether there are issues arising with residents. Any works required will be agreed with individual site owners and time scales agreed for implementation in line with the enforcement policy.

3. ENFORCEMENT OF THE MOBILE HOMES ACT 2013

Subject to those exemptions detailed in **appendix 1** there is a requirement for site owners to ensure that their park home sites are licensed. Failure to do so would be an offence under Section 1(2) of the CSCDA 1960 which can attract a fine not exceeding level 4 (currently £2500) on the standard scale upon summary conviction.

From the 1st April 2014 The MHA 2013 introduces the ability for Local Authorities to serve enforcement notices and to carry our works in default to remedy breaches of site licence conditions. The legislation also allows Local Authorities to charge a fee in relation to this.

Any enforcement will be inline with the authorities existing enforcement policies and based on the principles of openness, clear standards, proportionality, consistency of approach, targeting to areas of greatest need, and transparency as contained in the Enforcement Concordat issued by the Cabinet Office.

4 CHARGES FOR ENFORCEMENT UNDER THE ACT

In order to set the charging fee at an appropriate level, research has been undertaken into similar fee structures within the Council and the charges reflected in this policy are based on an hourly officer rate determined by how much time is taken to carryout the enforcement, the rate was set at £67.40 per hour 2021/22 for Regulatory Services. As part of this policy any future amendments to officer rates will be automatic.

The cost associated with administering the works in default for park home site enforcement will be set at 15% of the total cost of the works.

5 DETERMINING INSPECTION FREQUENCY

Each site will be risk assessed annually using a risk rating tool. The risk the site presents will be categorised as Low, Medium and High.

Low risk commercial sites will be inspected annually and therefore only pay one inspection fee. However medium sites will be inspected two times a year and their annual fee will therefore be double. A high risk site will be inspected four times a year and their annual charge will therefore be multiplied by four.

Family sites that are non-commercial sites as indicated under the new regulations, will be moved to the lowest risk and be removed from the inspection schedule completely, Officers will only inspect those sites if any complaints arise or matters come to an Officer attention during the bi annual Traveller, Gyspy and Show person caravan count. A standard questionnaire will be put into place to enable those sites who are non-commercial to provide any safety documentation every 3 year to satisfy the requirements of the licence, but a fit and proper person test will not apply.

6 COMPLAINTS

In the event that an individual or company is not satisfied with the Service or they do not agree with the action taken by the investigating officer, they should first contact the relevant section manager who will then escalate the complaint to a Senior Manager if appropriate. If this does not resolve your complaint the Council also has a formal complaints system

List of Appendices

Appendix 1, Exemptions
Appendix 2, Charges
Appendix 3, Fit and Proper person update 2021
Appendix 4, Risk scoring matrix for determining a Fit and Proper person

Appendix 1 - Exemptions

The first schedule of the Act sets out cases where a site licence is not required, including:

- Local Authority-owned sites
- Use incidental to a dwelling house within the same cartilage
- Sites where a single caravan is stationed on land for not more than two nights and not more than 28 days in any 12 month period
- Sites where caravans are stationed on land not less than five acres for not more that 28 days and no more than three caravans are stationed at any one time
- Sites where caravans are solely for seasonal agricultural/forestry workers employed on land owned by the site owner
- Sites where caravans are solely for workers employed in building or engineering operations on that or adjacent land
- Sites used by travelling showmen who are members of a relevant organisation
- Sites occupied by organisations holding a certificate of exemption

Appendix 2, charging report update for Fit and Proper Person test

Application verification of person for register	Time	
Check documentation provided is completed and is a full and valid application	**45min**	
register application on CIVICA	**15 mins**	
Check licence file and CIVICA for existing licence holder and conditions	**45 min**	
Carryout background checks, to include:	**60 mins**	
the owners past compliance with the site licence		
the long-term maintenance of the site		
Have representations been made the the Residents Association		
whether the person has a sufficient level of competence to manage a site		
the management structure and funding arrangements for the site or proposed management structure and funding arrangements		
Verify information received with Partner agencies and any conditions		
Preliminary Decision Notice with conditions or without	**45 min**	
take into account written representations	**30mins**	

Final Decision Notice	**30 mins**	
update notice register and CIVICA	**30mins**	
	5 hours	**£337.00**
	Hourly rate Reg Services	**£67.40**

Appendix 3

Mobile Homes Act update

Fit and Proper Person Test - Guidance note for applicants

Introduction

The Mobile Homes (Requirement for Manager of Site to be Fit and Proper Person) (England) Regulations 2020 ("the Regulations") introduced a fit and proper person test for mobile home site owners or the person appointed to manage the site, unless exempted by the Regulations.

It is important to highlight that from 1 July 2021 until 1 October 2021 protected sites, operated on a commercial basis, must be shown to be being managed by a fit and proper person.

The local authority are currently preparing to implement the new regulations to enable site owners, or the person appointed to manage the site, to make their applications to be included on the register of fit and proper persons.

Carlisle City Council will write to owners of protected sites before 1st October 2021 to advise that they need to apply to be added to the register of fit and proper persons and will provide the relevant application form.

It is a criminal offence for site manager/owners not to apply.

What is a fit and proper person?

The applicant wishing to be included on the register will have to show that there are suitable financial and management arrangements in place for the site and to provide information relating to their conduct in relation to any of the following:

- Offences relating to fraud, dishonesty, violence, arson or drugs or listed in schedule 3 of the Sexual Offences Act 2003.
- Contraventions of law in relation to: housing, caravan sites, mobile homes, public health, planning or environmental health or landlord and tenant law.
- Contraventions of law in relation to the Equality Act 2010, or in connection with the carrying out of any business.
- Harassment of any person in connection with the carrying out of any business.
- Insolvency within the last 10 years.
- Disqualification from acting as a company director within the last 10 years.
- Has the right to work in the UK

<u>Site Owner Guidance for Fit and Proper Person</u>

Does it apply to all protected sites?

No, only park home sites, which operate on a commercial basis, where units are sold or rented to residents. Park Home sites which are only occupied by the site owner or members of the site owner's family do not need to apply. However, if circumstances change, and units are rented out to non-family members, then the owner or site manager will need to apply to be included on the register.

Who will need to apply?

Under the legislation the fit and proper person must be the person with day-to-day responsibility for managing a site, whether that is the site owner, or a person appointed to undertake the task on the owner's behalf.

Anyone currently with a licence of a protected site, applying for a new site licence, or the transfer of a site licence to a new owner, will need to apply to have themselves and the site manager included on the register. This may in some cases be more than one person and any registered companies it would be appropriate for any active Director to apply.

How do you apply to be put on the register of fit and proper persons?

You must submit an application between the 1 July 2021 and by midnight of 30 September 2021 inclusive to be assessed as a Fit and proper Person.

If you are operating a site and fail to comply with the fit and proper person test it is a criminal offence and if found guilty you would be liable, on summary conviction, of a fine up to level 5 (unlimited).

Applying for inclusion on the register will have a reasonable fee attached and this should be included with the submitting application.

The applicant seeking entry on the register will need a basic DBS certificate (dated no more than 6 months before the date of the application) and this must be included with the application. The DBS certificate must be from an approved supplier. Information about how to arrange a DBS check can be found on the Government's web site:

- **https://www.gov.uk/request-copy-criminal-record**

As previously stated, an application form and guidance for applicants will be sent out to relevant site owners in due course.

What we'll consider on receipt of the application?

To be sure that the relevant person is a fit and proper person to manage the site, and to add them to the register, we will consider:

- the owners past compliance with the site licence
- the long-term maintenance of the site
- whether the person has a sufficient level of competence to manage a site
- the management structure and funding arrangements for the site or proposed management structure and funding arrangements

We also consider whether the relevant person:

- has the right to work within the UK

We also may consider the conduct of any person associated or formerly associated with the relevant person (whether on a personal, work or other basis), if it appears that person's conduct is relevant. We can also consider any evidence on any other

relevant matters from third parties, to include our Partner agencies, Cumbria Constabulary, Cumbria Fire and Rescue Services and any active residents association.

Decision

As soon as is reasonably practicable after a full and complete application is received (including the relevant fee) the local authority must make a decision on the application and either serve a Final Decision Notice without conditions and include the relevant person on the register for 5 years, or serve a Preliminary Decision Notice on the applicant and accept written representations from the applicant within 28 days. Once written representations have been received the authority may then make a final decision which may include approving an application subject to specific conditions.

Appeals

Where the authority may seek to remove a relevant person from the register or to impose further conditions a Notice of Proposed Action will be issued in accordance with the Regulations. Again, any relevant person may make written representations within 28 days of such a notice being issued. A person on whom a final decision notice or a notice of action is served may appeal to a First-tier Tribunal (FTT) against the decisions made.

No compensation may be claimed for loss suffered, pending the outcome of the appeal, in consequence of the local authority making a final decision or taking action relevant to Regulation 8(1)(a), (b) or (c).

Register

The Regulations require a local authority to establish and keep up to date a register of persons who they are satisfied are fit and proper persons to manage a relevant protected site in their area and to make the register open to inspection by members of the public at the offices of the local authority during normal office hours.
The authority must also publish the register online and the contents of the register will be in accordance with the Regulations.
A person's inclusion in the register has effect for a maximum period of 5 years.

If the application is not approved then the applicant is **NOT** entitled to a refund, as the application has been processed.

If you have any questions about the regulations or how they will affect you, please email EnvironmentalHealth@carlisle.gov.uk or contact the department on 01228 817200.

DRAFT

Fit and Proper Person Risk Register (2021)		Scores/Pass or Reject
Applicant		
Site		
other connected applicants (site owners, Company Directors, Secretary, Manager only)		
submited a DBS/Criminal Records check		Reject/Accept for review
Is the applicant permited to live/work in the UK		Yes/No (Reject)
Audit Subject		
Compliance with Site Licence Conditions (LA assessed)	Full compliance	5
	Minor issues, advice provided	10
	Repeated Failings, formal writtern advice	15
	Signifcant Failings, compliance notice, court action/prosecution	20
General Maintenance of site	High standards, execptionally well maintained	5
	Minor issues at site visit and reported by residents	10
	Major issues noted on inspection or reported by residents	15
	Statutory Notice issued/Prosecution for non compliance	20
Comptence demonstrated by licensee or management	Applicant has competently managed the site of more than 5 years	5
	Applicant has compently managed the site for 1 - 5 years or has managed another site for more than 5 years	10
	Applicant has managed the site for less than 1 year	15
	Applicant is unable to demonstrate comptence, based on compliance with enforcement or with civil disputes	20
Offences commited relevant to Fit and Proper Person Test (offences with notifcation requirements)	Person has never commited an offence	5
	Person has no criminal or recorded offences in last 7 years	10
	Person has commited an offence in the last 5 years	15
	Person has commited more than one offence in the last 5 years	20

	Person has commited such an offence in the last 12 months	25
	Person as commited an offence which would lead to automatic rejection	Pass/Reject
Comments/Feedback received from multi agency partners on licence applicant suitability	Applicant application to register is positvely suported, no comments made	5
	Partner Agency has some reservations	10
	Partner Agency would want additional conditions around management	20
	More than one Partner or department have made comment on additional conditions	25
	Partner Agency would object to the applicant being deemed a Fit and Proper Person	50
	More than one Partner agency have objected to the suitability	75
Complaint history from residents actionable or not)	No complaints to the Local authority, Site management support residents assocation	5
	No complaints, no engagement with residents assocaition or no association present	10
	Minor issues reported, leading to site inspection	15
	minor issues reported, leading to more than two site visits a year	20
	Major issues between site management and residents being reported	25
Contraventions of any law, housing, caravan sites, mobile homes, public health, planning, environmental health, landlord/tenant	Person has never commited an offence	5
	Person has no offences in last 7 years	10
	Person has commited an offence in the last 5 years	15
	Person has commited more than one offence in the last 5 years	20
	Person has commited such an offence in the last 12 months	25
	Person as commited an offence which would lead to automatic rejection	Pass/Reject
Has been in the last 10 years personally insolvent or disqualified as a company Director	Yes	40
	No	
		0
has any person connected to the management or site ownership been disqualfied or insolvent	Yes	20
	No	0
If any other Local Authrity have rejected an application to the register in the last 3 years	Yes	50

No	0

Score

Criteria

Reject Application more than 175
Scored between 175 and 100, impose condition relevant
99 and 50, Consider additional conditions
49 and below, no additions

Note, the above will be on top of standard conditions to all applicants

Executive

Item A.16

Meeting Date:	31 August 2021
Portfolio:	Cross-cutting
Key Decision:	No
Within Policy and Budget Framework	Yes
Public / Private	Public

Title:	Cumbria Covid-19 Recovery Strategy
Report of:	Chief Executive
Report Number:	PC.32/21

Purpose / Summary:

The purpose of the report is to update Executive on the finalised Cumbria Covid-19 Recovery Strategy and recovery partnership structure.

Recommendations:

To agree to support the Cumbria Covid-19 Recovery Strategy and its delivery through existing strategic partnerships.

Tracking

Executive:	**31/8/21**
Scrutiny:	**Health & Wellbeing Scrutiny Panel 2/9/21**
Council:	**N/A**

1. BACKGROUND

1.1. The Cumbria Local Resilience Forum (CLRF) transitioned from response to recovery in April 2021, with the Strategic Recovery Coordination Group (SRCG) formally taking responsibility when the Strategic Coordination Group (SCG) was stood down. This report updates the Executive on the finalised Recovery Strategy and the recovery partnership structure.

Recovery Strategy

1.2. The finalised Cumbria Covid-19 Recovery Strategy (Recovery Strategy, attached as an appendix) sets out the overarching recovery principles and priorities for Cumbria's recovery from the pandemic. Importantly, the delivery of this strategy is mainly through existing partnerships supported by the lead organisations that would normally be the case when operating as business as usual. A list of the partnerships is included in the strategy, in Appendix C.

1.3. The main partnerships (Health and Wellbeing Board, Safer Cumbria, Children's Trust Board, Cumbria Local Economic Partnership) have political oversight from each agency through their existing governance arrangements and for the partnership element, through the SRCG Chair's Forum. All statutory duties remain the responsibility of individual organisations or partnerships and the SRCG will not make decisions on their behalf.

Recovery Structure

1.4. The structure and arrangements for the SRCG uses the existing workstreams and will remain dynamic and responsive to any future needs. These will either feed in via the Health Protection Tactical Oversight Group or the Tactical Recovery Coordinating Group.

1.5. The Health Protection Board now meets monthly, and its Tactical Oversight Group meets fortnightly. The Tactical Oversight Group focuses on the people aspects of recovery, it has the following sub groups:

- Tactical Operational Group
- Tracing Operational Group
- Death Management Group
- Incident Management Hub
- Care Settings Outbreak Control Team
- Education Outbreak Control Team
- Compliance and Enforcement Sub Group

1.6. The Place Tactical Recovery Group meets fortnightly and has one sub group, the Tactical Visitor Management Group. The meetings have a standard agenda around the following topics:

- Update from Visitor Management Group
- Update from Health Protection Board – place activity related
- Regeneration and Economic Activity
- By exception only - individual Organisation Updates and matters for escalation to SCRG

1.7. The Strategic Media Advisory Cell (SMAC) remains responsible for collaborative communications, this group has now been in place for over 18 months and meets weekly.

1.8. The Community Resilience Group continues to meet monthly, with the Carlisle Community Resilience Group (One of the 6 locality groups) now also meeting monthly. The Multi-agency Information Cell (MAIC) consistently provides the management information for the Health Protection Board, publishing a weekly situation report on the County Council's website (https://www.cumbria.gov.uk/publichealth/covid19outbreakcontrol.asp).

1.9. The Compliance and Enforcement Sub Group (formally Enforcement Sub Group) continues to meet fortnightly. The Terms of Reference were amended in February 2021 to reflect the Government's national roadmap.

2. PROPOSALS

2.1. The SRCG have requested that all the local authorities support the delivery of the Recovery Strategy. The recommendation is to agree to support the Cumbria Covid-19 Recovery Strategy and its delivery through existing strategic partnerships.

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. A draft Recovery Strategy was developed and published in 2020, and a period of public consultation and engagement was held from 1 January 2021 to 25 April 2021. Over 350 different people, organisations, groups, or partnerships fed into the process and the draft Strategy was discussed at all of the Strategic Partnerships (Appendix C).

4.2. An online survey was in place and the details were circulated through the CEO's email bulletin. Health & Wellbeing Scrutiny Panel were updated on the open consultation in February 2021.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

5.1. The Recovery Strategy is for the whole of Cumbria, developed and owned by SRCG. This Group is chaired by the County Council's Chief Executive and has executive leadership representatives from across Cumbria. This Recovery Strategy has been shaped by all partners at a county and local level.

5.2. The SRCG agreed the final version in June 2021, it will monitor the success of the strategy. The SRCG have requested that all the local authorities support the delivery of the Recovery Strategy.

5.3. The recommendation is:

- To agree to support the Cumbria Covid-19 Recovery Strategy and the delivery through will the existing strategic partnerships.

6 CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

6.1 The delivery of the recovery priorities is directly linked to the programmes within the Carlisle Plan.

Contact Officer:	**STEVEN O'KEEFFE**	**Ext:**	**7258**

Appendices attached to report: Cumbria Covid-19 Recovery Strategy

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers: None

CORPORATE IMPLICATIONS:

LEGAL - The Council has the legal powers to work in partnership with the other organisations. Further, appropriate Governance is in place with the SRCG having terms of reference in place (Recovery Strategy, Appendix A).

FINANCE – There are no specific financial implications of the Council supporting the Cumbria Recovery Strategy, the principles of which will be delivered through existing strategic partnerships.

EQUALITY – The equality impacts will be considered within the delivery programmes and projects.

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

INFORMATION GOVERNANCE – None.

Cumbria Covid-19 Recovery Strategy

BUILDING A **BETTER**, **STRONGER** AND MORE **INCLUSIVE CUMBRIA** FOR OUR RESIDENTS, OUR COMMUNITIES, VISITORS AND BUSINESSES

Message to Cumbria's residents, communities, businesses and visitors from the Chair and Members of the Strategic Recovery Coordination Group

Cumbria is a unique place with strong communities who have come together to respond to the Covid-19 pandemic and Cumbria deserves a recovery that is ambitious and minimises inequalities right across all of our systems.

Our Recovery will be demanding but leaders and decision makers are absolutely committed to the recovery aims which are: **to build a better Cumbria where people are healthy and safe and people want to visit, communities are inclusive, connected and thriving and our economy is growing, sustainable and benefits everyone.**

For many of us the pandemic was, and continues to be, an extremely sad time. Families have lost loved ones and whilst the vaccine rollout is giving us renewed hope for the future we must remain vigilant whilst we can be cautiously optimistic.

We are grateful to the thousands of critical and key workers who have responded in an exceptional way to support our communities every single day. Everyone, without exception, has pulled together to protect and support the most vulnerable people in our communities. Health and care services have been at the forefront of the response to the pandemic and many of the primary impacts of Covid-19 will continue to be experienced across all of our population.

During Covid-19 the importance of Cumbria's third sector, voluntary organisations and volunteers also became clear with thousands of volunteers mobilized to support Cumbria and its communities.

An environment was created that provided a focus and sense of pace around keeping people safe, people were actively supporting each other within their communities. Elected members, services and all sectors of society embraced digital solutions and we witnessed people adapt and flex to work and live in new ways, show kindness and support for their neighbours and use public services responsibly.

For Cumbria, we want to reflect just how important our health and wellbeing is and how essential our businesses are to the economic wellbeing of Cumbria as well as the people who visit our beautiful county. Equally, we want to build on the strong partnerships we have developed with our communities.

Businesses have faced the most challenging economic environment in living memory and yet have demonstrated significant resilience in continuing to trade, protect jobs, the health of their workforce and provide vital services to the nation. Going forward we will work with our businesses to support their recovery and to make sure that Cumbria benefits from future growth opportunities.

And where would Cumbria be without our unique landscape - from the Solway to the Westmorland Dales, from Morecambe Bay to the northern Pennines, and that's not even to mention the National Parks - and the rare flora and fauna it supports, we want to ensure our Recovery cherishes our fantastic assets for generations to come.

Development of the Strategy

The Recovery Strategy is for the whole of Cumbria. It has been developed and is owned by The Strategic Recovery Group for Cumbria (The SRCG: See Appendix A for full Terms of Reference and membership). This Group is chaired by the County Council's Chief Executive and has executive leadership representatives from across Cumbria. The Group has been developing this Strategy since June 2020, when the Pandemic was still in its first phase and the UK was emerging from Lockdown 1.0.

At that time, the group concentrated on exploring and understanding what were termed "primary" and "secondary" impacts of Covid-19. Evidence of impact was drawn from a great many sources: analysed and distilled by the Multi Agency Intelligence Cell. The group also received presentations from each of the 6 localities, the Children's Trust Board, The Local Enterprise Partnership and other bodies – to help understand the local and sector impacts right across Cumbria for adults, children, businesses, the economy, visitors and the wider public sector. Over the weeks and months, the Group were able to spend time clarifying those that were the most significant for Cumbria.

A draft Recovery Strategy was developed and published, and a period of public consultation and engagement was held from 1 January 2021 to 25 April 2021. Over 350 different people, organisations, groups or partnerships fed into the process and the Draft Strategy was discussed at all of the Strategic Partnerships - all of this feedback was used to refine the priorities and measures included in the final version of the strategy.

Oversight of the development of the Strategy has been through a Chairs Forum – consisting of the Chairs of:

- Health and Wellbeing Board
- Safer Cumbria
- Children's Trust Board
- Cumbria Local Enterprise Partnership

This Forum offers partnership buy in and ownership, ensuring that the Strategy fulfils the widest needs of Cumbria.

A competition for Cumbrian Children and Young People has resulted in photographs of what Recovery means for them, and these are included within the strategy and will also be used on the Recovery website. A huge thank you to the Cumbria Children in Care Council who facilitated and publicised the competition.

Each agency and partnerships that is represented at the SRCG, formally agreed and signed off the Strategy at its meeting on 3rd June 2021.

DELIVERY OF THE STRATEGY

In the main, delivery of the Recovery Strategy will be through the existing strategic partnerships with oversight by each agency through their existing governance arrangements.

Each of the Strategic Partnerships (See Appendix B for a full list of all the Strategic Partnerships and Appendix C for a list of other relevant partnerships for delivery) has confirmed that the priorities within this strategy and the measures of progress are deliverable and covered in their Business Plans, Action Plans and strategies.

An Outcomes Framework is being developed to sit alongside this strategy so that the effectiveness and impact of the Strategy can be measured, monitored and adapted if necessary. Oversight of delivery will be through the SRCG.

Recovery for Cumbria

We have used the feedback from our businesses, groups and residents to inform this recovery strategy – if you would like any further information about how we conducted the consultation or to see the results in full, then please email **recovery@cumbria.gov.uk**

When business, groups and residents were asked what recovery would mean for them they gave a variety of responses and we have used these below to demonstrate Recovery for Cumbria.

STRATEGY THEMES

This strategy is adapted from the "five capitals" model proposed by Forum for the Future as a framework for sustainable systems (see Appendix D). Interpreted for the purposes of the Cumbria Public Health Strategy, this model suggests that a community is healthy and sustainable when it has:

- **Natural assets:** A high quality natural environment that provides opportunities for engagement with the natural world.
- **Human assets:** People with the skills, knowledge, and experience that give them the capacity to take part in society and have meaningful and fulfilling lives.
- **Social assets:** A good social infrastructure, with networks and institutions that allow people to connect to each other.
- **Physical assets:** A good physical infrastructure including housing, transport, and a commercial environment that promotes healthy behaviours.
- **Financial assets:** Adequate financial resources that are fairly distributed.

A key feature of this model is that it emphasises the importance of building all five types of community assets without degrading any of them. It therefore sets a positive vision of building a better society in which everyone is able to maximise their potential for health and wellbeing. This can however be challenging in reality, as often there are actual or perceived competing demands. In particular, the requirement for increased housing or business infrastructure can compete with the desire to protect natural assets.

So too can economic growth, which relies on all the other assets but can damage them if not thoughtfully and carefully pursued. The Public Health Strategy for Cumbria 2019-2029 commits policy and decision makers to consider all these factors in the round when assessing proposals for action and therefore it makes sense following the biggest Public health Crisis in Global history should have at the heart of its recovery the Public Health Strategy.

We believe that through effective recovery plans we can build a better future for us all.

Now is the time to look to the future. We can build a better life, embrace a different way of working and make plans to help support an inclusive, thriving and strong Cumbria.

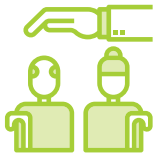
Our approach to recovery builds on work already underway being delivered in the main through our existing strategic partnerships and retains many of our aspirations. It is designed to be embedded into the very heart of our existing governance structures, so that recovery becomes part of our everyday business.

The NHS Long-Term Plan includes a focus on population health and prevention, personalised care, and addressing health inequalities, all of which will deliver benefits for people in Cumbria.

RECOVERY PRIORITIES

Cumbria will **reflect, rethink** and **reimagine** a future where:

The **climate** is protected and we actively support sustainable, greener travel



Older people are valued as part of the community and supported to live as **independently** as possible

Young people can fulfil their true potential and in particular a future where we attract and retain young people to address the current future workforce **skills** gap

We have happier, healthier **communities**, with a clear focus on quality health and wellbeing

Communities are **strong, inclusive** and make time for each other. They are actively engaged in recovery and supported to thrive

Public services work together for the benefit of their communities, placing people and those in need at the very heart of all our services

Cumbria is a great place to work, a place where work is rewarding and all jobs enjoy and offer a good **work life** balance

The valuable role of voluntary organisations and **volunteers** is embraced and supported as an essential component to our future

We have a range of high quality, energy efficient, **affordable homes** that meet the need of a changing population and workforce

Everyone is encouraged to live, work and invest in Cumbria and 'Think Local' – supporting the **reinvention** of our town centres

You can do sustainable **business** anywhere

We are committed to **economic** recovery and ensuring that all businesses have the necessary support to grow their businesses in a way that is sustainable and resilient

Our Recovery Strategy, principles and themes

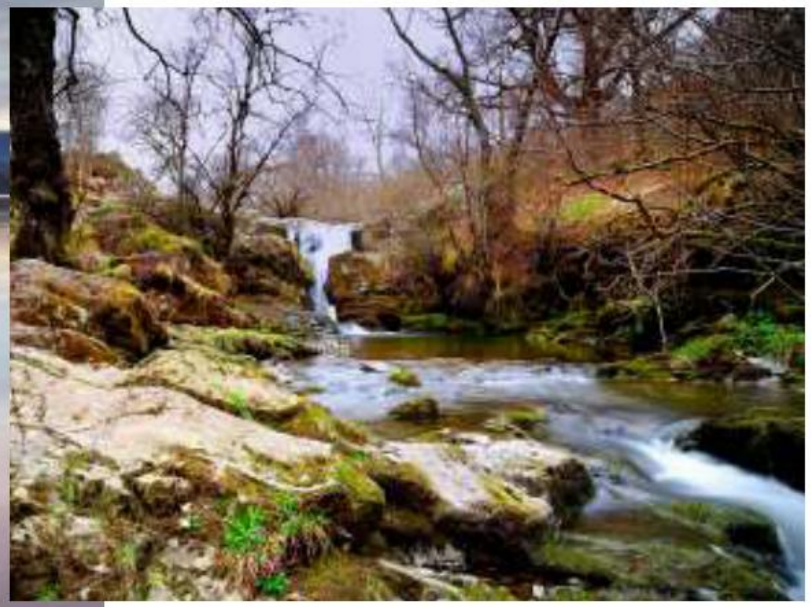
This Covid-19 Recovery Strategy has been shaped by all partners at a county and local level. Strategic Partnerships and individual organisations have recovery plans that are will be clearly articulated in their programmes and plans.

These plans will be monitored for success by Cumbria's Strategic Recovery Coordination Group.

Our guiding principles for recovery will be 'Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty, Leadership'.

Recovery Themes

PROTECTED AND ENHANCED ENVIRONMENT IN CUMBRIA



PLANET

Cumbria's natural environment will be protected and enhanced. Sustainability will be at the heart of future development and Cumbria will reduce its ecological footprint even as it develops economically.

Priorities for Recovery

- To achieve a net zero carbon position for the county by 2037 and to mitigate the likely impact of existing climate change in a way that delivers better public health, reduced inequalities, a healthier environment and thriving local economies
- Increase active travel provision - making it safe and easy for people to walk, cycle and work remotely
- Nationally, the NHS is responsible for 40% of the public sector's carbon footprint. As an anchor institution, the NHS in Cumbria will set an example by reducing its environmental impact, including committing toward delivering a net zero NHS. This will help ensure its goal of furthering health and wellbeing for today's population is not at the expense of future generations
- Support the wellbeing of people and the environment through access to nature, ability to exercise and access to essential services
- Develop low-carbon infrastructure and activities that support economic recovery - due to increased home-working and less office heating
- Develop low carbon infrastructure that supports local economic recovery from coronavirus
- Embrace the natural environment to support Cumbrian farmers and farming and harnessing new technologies
- Explore and exploit the opportunity of broadening our visitor demographic to everyone, to benefit the health and well-being of society at a local, regional, national and international level

MEASURES OF PROGRESS

- Reduced fuel consumption & mileage
- Reduced carbon emissions
- Preparation of a nature recovery strategy
- Change in visitor demographics to reflect wider society representation
- Improved digital connectivity to promote new ways of working and learning
- Funding and plans in place for more joined up walking and cycling networks Local Cycling and Walking Infrastructure Plans (LCWIPs).

“SAFE, HEALTHY AND FULFILLING LIVES FOR ALL

PEOPLE

Everyone in Cumbria will have the opportunity to develop and use their skills and talents in a way that recognises the value they bring to society and to enjoy a safe, healthy, varied and fulfilling life whilst achieving their potential.

Priorities for Recovery

- Explore and minimise the primary and secondary impacts of Covid-19 on the people of Cumbria to:

  - reduce the inequalities to physical health created and compounded by long covid or reduced access to health services

  - reduce the inequalities in emotional well-being and mental health created and compounded by experiences of domestic abuse, substance misuse or isolation

- Further develop equitable, person-centred, joined-up preventative services to reduce the risk factors for ill-health and Covid-19, including tobacco, alcohol and other substance misuse as well as healthier weight initiatives for all ages.

- Implementation of the Early Help Strategy and SEND (Special Educational Needs and Disability) Improvement programme to support schools and the wider Safeguarding system to minimise demand across the system and improve educational outcomes for children and young people

- Reduce inequalities for those people with additional needs who may have been further marginalised or de-skilled through the work of all of our partnerships

- Learn from this experience and work towards building a better health, care and wellbeing system that serves all the people and communities of Cumbria

- Integrated Care Communities will help deliver prevention, early intervention, screening/diagnosis and treatment, ensuring it is accessible and equitable, based on local needs enabling people to be treated and supported at the right time and in the most appropriate setting, embedding person-centred care and shared decision-making to provide a positive and joined-up experience. With a focus on self-care and support for citizens and carers, people will be enabled to take more control of their own health and care, and increasingly receive rehabilitation/reablement at home to maintain independence.
- Develop an inclusive vision and plan for Education in Cumbria

MEASURES OF PROGRESS

- Reduced numbers of people reporting as feeling isolated
- Increase the number of adults with learning disabilities who are able to live independently
- More children and young people, and adults are physically active
- Reduced numbers of children and young people Not in Education, Employment or Training
- Improved educational outcomes for all children
- Reduced number of children receiving statutory services
- Self-reported measure of people's wellbeing (Healthwatch)
- Reduction in the rate of people being admitted to hospital for substance misuse harms
- Increased proportion of the population with basic skills, including digital skills, enabling access to better work and improved prospects
- Equitable access to prevention, screening/ diagnosis and treatment for: people living in less well-off communities; people from ethnic minority backgrounds; people suffering with severe and/or long-term mental illness; and people with learning disabilities and/or autism.
- Reduced hospital attendance, admissions, length of stay and movement across the system.
- Reduced residential and nursing home admissions and length of stay, and increase in people being able to die at home rather than in hospital, should they wish
- Increase in the number/proportion of people reporting feeling safe and supported
- Reduction of repeat Domestic Abuse incidents
- The instigation of measures to mitigate identified risks to population mental wellbeing and mental health arising from Covid-19

STRONG, INCLUSIVE AND THRIVING COMMUNITIES

PARTICIPATION

Cumbrian communities will be strong, resilient and inclusive, with well-developed social networks and widespread engagement with community life.

Priorities for Recovery

- Continue to learn and adapt from our experience (and that of others regionally, nationally and globally), building on positive changes and letting go of unhelpful ways of working, and support people as they learn to work in new ways
- ICCs will work to enable increased engagement of local organisations such as schools, employers, third sector groups in promoting health choices and communities.
- Building on the community response to Covid-19 - supporting people and communities in Cumbria to thrive
- Adopt a collaborative co-production approach, engaging with others in the community who haven't naturally participated, capturing the community spirit which has been on show throughout Cumbria
- Involving a wide range of people, communities and organisations we will support voluntary sector organisations to increase their skills and capabilities, enabling them build resilience and thrive.

MEASURES OF PROGRESS

- Stronger communities: reduction in the gap - indices of deprivation
- Social inclusion: self-isolation, adult social care users and in particular those with Special Needs and disabilities having as much social contact as they would like
- Service user feedback: reporting improved access to services
- Better ways of working between public sector and community/ voluntary groups with evidence of greater co-production.

“CUMBRIA, AN ATTRACTIVE PLACE TO WORK AND LIVE

PLACE

Cumbria's physical infrastructure will promote health and wellbeing with access to good quality suitable housing to meet needs, high quality urban environment with good access to the services needed for a healthy and safe life. All contributing to making Cumbria an attractive place to live, work and visit and encouraging sustainable growth.

Priorities for Recovery

- Support housing market recovery through the key themes of the Cumbria Housing Statement
- Promote health and wellbeing with access to good quality housing to meet identified need
- Work collaboratively to identify projects and seek external funding opportunities that can support local recovery, employment and housing and unlock economic growth.
- Seek opportunities for infrastructure (roads, rail, place and built environment) and leisure and culture, to progress Recovery priorities
- Deliver the Cumbria Digital Infrastructure Strategy
- Develop more accessible and affordable recreational options for children and families
- Ensure there is reliable and sustainable public transport, good parking facilities and other alternative transport options to improve town centres and access to services
- Implement plans to safely manage Cumbria as the UNESCO tourist destination that is first-class for visitors and our communities
- As an anchor institution, the NHS in Cumbria will help support communities through quality placement and employment opportunities, and by purchasing locally and for social benefit

MEASURES OF PROGRESS

- Reduction in homelessness and the number of rough sleepers
- More homes are delivered across the County
- Increase in digital connectivity across Cumbria
- Effective delivery of agreed programmes within Town Deals and Borderlands
- Increased property transactions and private lettings back to pre Covid-19 levels.

A SUSTAINABLE, GROWING ECONOMY FOR CUMBRIA

PROSPERITY

Cumbria's economy will develop sustainably, with growth particularly focussed on tackling poverty and providing quality employment for all.

Priorities for Recovery

- Working in partnership to ensure Cumbria's businesses can continue to operate in a Covid-19 secure way reflecting on the huge impacts Covid-19 has had on all sectors on busineses in Cumbira (specifically visitor, culture and non-essential retail)
- Build on the Cumbria wide plan to rethink our economic future making sure that Cumbria's economy develops sustainably, with growth particularly focussed on tackling poverty and providing quality employment for all.
- Develop the areas where Cumbria has genuine competitive advantage and there is policy and investment traction
- Work with government to secure investment and policy support for Cumbria
- Ensure that Inclusive Growth, net zero carbon emissions and increased productivity are at the heart of recovery
- Work with key business sectors, such as hospitality, to implement recovery plans
- Recognizing the symbiotic nature of poverty and health inequalities, develop and implement a Poverty Framework to ensure priorities and work programmes reflect the impact of Covid-19 poverty and contribute to our Recovery ambitions

MEASURES OF PROGRESS

- Economic Impact Assessment developed and implemented
- Accurate understanding of Economic Impact available and used to inform activity
- Impact on Cumbria's economy is less detrimental than forecasted in July 2020
- Effective package of mitigation measures in place to offset the worst economic impacts including increased financial and policy support from central government
- Reduced number of children living in poverty
- A reduction in unemployment and universal credit clients

NATIONAL CONTEXT

National recovery planning is within the context of a world with Covid-19 which re-affirms the importance of simultaneous response and recovery within this unique global emergency.

People, of every age, as individuals and as part of families and communities are at the absolute heart of our recovery in Cumbria.

The Kruger report “Levelling up our communities: proposals for a new social covenant”, builds on the response phase and to sustain the community spirit which was evident during lockdown. Drivers going forward need to be community based and focus on harnessing opportunities that the pandemic has provided. This was hugely important in Cumbria – and engaging communities remains a commitment through our recovery.

In addition, there is a national emphasis on the need for green recovery. Economic recovery for all sectors with an emphasis on green recovery is equally evident within Cumbria’s Recovery Strategy.

“
RECOVERY WILL BE DEMANDING BUT OUR AIM IS TO BUILD A BETTER PLACE WHERE PEOPLE ARE HEALTHY AND SAFE, COMMUNITIES ARE INCLUSIVE, CONNECTED AND THRIVING AND OUR ECONOMY IS GROWING AND SUSTAINABLE

APPENDIX A

SRCG

The SRCG - Terms of Reference

a) Purpose:

- Facilitate and enable recovery of Cumbria from the Covid-19 pandemic, focusing on the impacts at community and countywide level, and the opportunities to reimagine and rebuild a better future for the county, its places, and communities.
- Promote collaboration across and through partnerships at countywide and locality level and support the development and delivery of recovery strategies and plans.
- Facilitate an approach to recovery in Cumbria that includes community voices, builds community resilience and so supports communities to thrive.

b) Role:

- Facilitate and enable effective recovery through Cumbria's partnerships a countywide and local level to maximise opportunities for Cumbria.
- Develop an approach to recovery that builds on our learning from previous events and the response phase to date, with the flexibility to incorporate emerging best practice.
- Understand the impacts of Covid-19 using a range of data and information, and support the development of appropriate plans to establish new ways of living and working for communities, organisations and businesses across Cumbria.
- Work collaboratively in aligning the work programmes between the strategic partnerships and locality partnerships within the context of recovery.
- Support strong collaboration and co-production with communities, and support the approach to recovery that builds resilience and supports communities to thrive.
- Work collaboratively with partnerships in developing and supporting delivery of recovery plans. Receive reports on a regular basis from each of the partnerships to capture recovery outcomes, identify opportunities and enable effective delivery at county and locality level.
- Advise the Chairs Forum on plans for recovery within Cumbria reflecting feedback from partnerships on emerging priorities, opportunities and delivery/action plans.
- Provide support to the Chairs Forum in achieving a coordinated approach to recovery, reducing duplication of effort or resources, and maximising opportunities.
- Collaborate with the Strategic Coordination Group and the Health Protection Board as appropriate whilst they are in operation.

APPENDIX A

- Liaise with government departments and officials on recovery and reporting, helping to influence the development of central government decision making and policy. Identify learning / good practice from other areas, and share notable good practice identified by Cumbria with other areas.

Key Principles: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty, Leadership

Membership:
Cumbria County Council (Chair)
Cumbria Constabulary (Vice Chair)
Allerdale Borough Council
Barrow Borough Council
Carlisle City Council
Copeland Borough Council
Eden District Council
South Lakeland District Council
Cumbria Community Foundation
CVS
Community Resilience Group
Cumbria Local Enterprise Partnership
Cumbria County Council
Lake District National Park Authority
Yorkshire Dales National Park Authority
North Cumbria Integrated Care
North Cumbria CCG
Bay Health and Care Partners
Public Health
Government Liaison - MHCLG

In attendance:
Local Government Association

APPENDIX B

KEY STRATEGIC PARTNERSHIPS

Safer Cumbria

CLEP
CUMBRIA
LOCAL
ENTERPRISE
PARTNERSHIP

safeguarding adults at risk
a cumbria partnership

Cumbria Health and Wellbeing Board

Cumbria Children's trust

CSCP

APPENDIX C

LIST OF PARTNERSHIPS

Countywide

Cumbria Health and Wellbeing Board
Cumbria Housing Group
Cumbria Safeguarding Adults Board
Cumbria Safeguarding Children Partnership
Cumbria Local Enterprise Partnership
Cumbria Local Resilience Forum
Cumbria Strategic Flood Partnership
Cumbria Strategic Waste Partnership
Public Health Alliance
Safer Cumbria
The Cumbria Children's Trust Board
Zero Carbon Cumbria Partnership

Locality/District

6 Health and Wellbeing Fora
6 Locality Children's Partnerships
3 Community Safety Partnerships
Borderlands
Future High Street Fund Partnerships
Town Fund Partnerships
Heritage Action Zone Partnerships
High Street Task Force Partnerships

Local partnerships and networks

This is not a comprehensive list of all the active partnership work in Cumbria.

APPENDIX D

The Five Capitals

This strategy is built around the "five capitals" model proposed by Forum for the Future as a framework for sustainable systems. Broadly speaking this starts from a recognition that society is a sub-system of the broader ecosystem, and that the economy is a sub-system of society. At each of these levels there are different assets, collectively referred to as "capital", that can be exploited and/or developed.

Natural capital, sometimes also referred to as environmental or ecological capital, is made up of all those natural resources and processes that people depend on. This includes obvious natural resources such as land, water, air, timber, and animals, but also natural processes such as the water cycle and climate regulation, sometimes referred to as "ecosystem services". Natural capital is the basis of all other capitals. It can be utilised to support the development of other capitals – for example building things essentially turns natural capital into manufactured capital and financial capital – but it has to be utilised sustainably in order to ensure that people can have a good quality of life today, and to avoid damaging the prospects of future generations.

Most obviously, **human capital** encompasses people's skills, knowledge and experience, the things they draw on every day in living and contributing to society. Less obviously it also includes people's motivations, their capacity for things like empathy, passion and joy, and also their intellectual output such as art and other cultural expressions.

Social capital refers to the connections between people, and to the various groups, institutions and social norms that help to create, foster and regulate these connections. This can include informal social networks involving family and friends, voluntary and community organisations, and more formal institutions such as workplaces, trade unions, faith groups and governmental organisations. It also includes cultural norms – shared expectations about how society works – that are often unspoken but are critical to whether people trust each other and work well together.

The concept of **manufactured capital** is a broad one, encompassing for the purposes of this strategy any material goods or infrastructure that have an impact on people's quality of life. Because of both its reliance and its impact on natural capital, it is critical that growing and improving manufactured capital is done in a way that is sustainable, minimising the use of natural resources and maximising the use of human skills and ingenuity.

Financial capital is essentially the amount of money available within the local economy, and is the form of capital most commonly considered and pursued as a goal of social and economic policy. At one level it is clearly critical for public health: within the normal range of experience, more affluent people are generally also more healthy, across almost all measures of health. However at a broader level **financial capital** has no intrinsic value: it plays an important role in enabling other forms of capital to be owned and traded, but it is only representative of these other forms of capital. Because of this, financial capital cannot grow sustainably without growth in the other forms of capital as well. Interpreted for the purposes of a public health strategy, this model suggests that a community is healthy and sustainable when there is an appropriate stock of all five capitals.

A key feature of this model is that it emphasises the importance of building all five capitals without degrading any of them. It sets a positive vision of building a better society in which everyone is able to maximise their potential for health and wellbeing.

Contact

recovery@cumbria.gov.uk

Further Information

https://cumbriarecovery.org/

If you require this document in another format (e.g. CD, audio cassette, Braille or large type) or in another language, please telephone 01228 606060

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