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# **RESOURCES OVERVIEW AND SCRUTINY PANEL**

## ***Panel Report***

**Public**

**Date of Meeting:** THURSDAY 13th OCTOBER 2011

**Title:** REGIONAL GROWTH FUND

**Report of:** The Strategic Director

**Report reference:** SD06/11

### **Summary:**

This report seeks to provide members of the Resources Overview and Scrutiny Panel with an overview of the Governments Regional Growth Fund process. It also notes the outcome of round one of the fund.

### **Questions for / input required from Scrutiny:**

Members asked to note the contents of the report and raise any relevant questions with the Strategic Director and Portfolio Holder.

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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

## **1.0 Introduction and background**

- 1.1 The Government launched the £1.4 billion Regional Growth Fund (RGF) for England in late 2010 with the objective of stimulating private sector investment in significant projects that stimulate long term economic growth and the creation of new, sustainable private sector jobs. The fund seeks to support this investment to ensure that these projects are developed and delivered.

The fund is also specifically targeted at those areas and communities that are currently dependent on the public sector for jobs. The objective being to assist these areas in making a transition to private sector led growth.

- 1.2 The Department for Business, Innovation and Skills have set out key criteria for RGF projects, these are:
- Projects must create additional sustainable private sector growth
  - The minimum threshold for bids is £1M
  - All funds received must be spent by 2013/14
  - Projects should help rebalance the economy in those areas currently dependent on the public sector
  - Projects must demonstrate excellent value for money and be state aid compliant
  - Finally RGF will only support projects that would not go ahead without RGF support

A set of RGF Frequently Asked Questions is attached to this report (appendix A). Additionally the BIS RGF homepage can be found at <http://www.bis.gov.uk/RGF>

## **2.0 Response to the Regional Growth Fund opportunity in Cumbria and Carlisle**

- 2.1 Round 1 of the RGF was launched on November 2010 with a closing date for applications 21<sup>st</sup> January 2011.
- 2.2 Applications for Round 1 were considered by the new Cumbria Local Enterprise Partnership Shadow Board (the new partnership was formally established in April 2011).
- 2.3 Carlisle Tourism Partnership and Carlisle City Council submitted an application to Round 1, seeking support to develop the visitor economy across the district. A copy of this application can be found at appendix B. Six other Round 1 bids were submitted from Cumbria along. Across the country 464 bids totalling £2.78 billion were submitted to BIS.
- 2.4 Disappointingly the Carlisle bid failed to achieve funding (as did all Cumbrian bids), although the fund panel recognised the quality of the bid and the impact it could make in the sub-region.
- 2.5 An analysis of successful Round 1 bids can be found on the BIS website at <http://www.bis.gov.uk/policies/economic-development/regional-growth-fund/regional-growth-fund-round-1-analysis>

2.6 Round 2 of the RGF opened spring 2011, with a closing date of 1<sup>st</sup> July 2011. Again the fund was heavily subscribed, 492 applications were placed from across the country, totalling £3.3 billion. Round 2 RGF fund applications were again considered by the Local Enterprise Partnership. The exact number of bids to Round 2 from Cumbria is as yet unknown. A number of bids submitted were not publically disclosed.

2.7 It is expected that an announcement on the outcomes of Round 2 will be made early to mid October 2011.

2.8 Due to the quality and number of applications received for Round 2 of the fund we are told not to expect any further rounds at present.

## Impact assessments

**Does the change have an impact on the following?** – This section is not applicable to this report.

Equality Impact Screening	Impact Yes/No?	Is the impact positive or negative?
Does the policy/service impact on the following?	Not applicable	-
Age		
Disability		
Race		
Gender/ Transgender		
Sexual Orientation		
Religion or belief		
Human Rights		
Health inequalities		
Rurality		

**If you consider there is either no impact or no negative impact, please give reasons:**

The report is for information only.

**If an equality Impact is necessary, please contact the P&P team.**

# Appendix A



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## Frequently Asked Questions

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[Q: Can other sources of financial support be used to match fund support from the Regional Growth Fund?](#)

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[Q: An SME is putting together a research bid with a university. The guidance suggests that for industrial research they can only apply for 50% funding, although this rises to 60% as an SME and 70% if they are in partnership with a research organisation. Does the higher percentage apply across the whole bid?](#)

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## **Objectives and Criteria**

### **Q: What are the objectives of the Regional Growth Fund?**

A: The Regional Growth Fund is a £1.4 bn fund operates over 3 years from 2011 to 2014. The objective is to stimulate private sector investment by providing support for projects that offer significant potential for long term economic growth and the creation of additional sustainable private sector jobs.

The Fund aims particularly to help support those areas and communities that are currently dependent on the public sector to make the transition to private sector led growth and prosperity.

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### **Q: What are the Criteria for the Regional Growth Fund?**

A: To qualify for support from the Regional Growth Fund, projects should demonstrate that they:

- create additional sustainable private sector growth;
- rebalance the economy in those areas currently dependent on the public sector;
- would not otherwise go ahead without support from the Regional Growth Fund;
- offer value for money; and
- state aid compliant.

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### **Q: What is the bid threshold?**

A: The minimum threshold for bids is £1m of RGF assistance.

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**Q: Over what timescale must the money be spent?**

A: The Regional Growth Fund is a three year fund from 2011/12 to 2013/14.

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**Who can bid?****Q: Who can bid?**

A: Private sector companies and public/private partnerships. Proposals from the public sector alone are not eligible for support under the Regional Growth Fund.

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**Q: What is meant by Private Sector?**

A: By Private Sector we mean all non-state organisations, encompassing private business and social enterprise and charities. If uncertain you should refer to Treasury guidance on the private/public definition [http://www.hm-treasury.gov.uk/d/classification\\_sector.pdf](http://www.hm-treasury.gov.uk/d/classification_sector.pdf)

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**Q: How do I know whether my organisation is public or private sector?**

A: The most common definitions for the legal status of bidders are in the application form guidance. But they are not exhaustive and ultimately it is for each body to determine if it is private sector or not. The test becomes less important if the undertaking in any event needs a private sector partner to lever investment to be able to undertake the project as proposed.

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**Q: Are universities eligible to bid for the RGF?**

A: Universities are regarded as private sector organisations for the purposes of the RGF. They can bid in their own right or as part of a partnership so long as they meet the objectives and criteria of the Fund.

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**Q: If a university part owns a company through which it develops and promotes innovations but which acts as a private company, can they bid together as a public private partnership?**

A: It is for partners to determine the nature and scale of any partnership and justify it in the context of a bid which must meet the objectives and criteria. Public funding routed through a private sector company will not be treated as private sector funding. Moreover, the costs included must be relevant to the project and not simply be running costs for an on-going activity.

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**Q: Would an Arms Length Management Organisation registered as a private company but whose shareholder is a Local Authority be eligible to bid?**

A: Yes. However public sector funding routed through the private sector body would not be regarded as private sector investment.

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**Q: Can a private sector organisation submit 2 bids, one on its own and one as a partnership of a package of bids?**

A: Yes. However, the same bid should not be submitted twice. Assuming it is not the same bid, the applicant will need to be sure it has

the resources to manage both projects at the same time as this may be a risk to the success of both and would need to be taken into account. Bids from or involving the same organisation should be cross referenced.

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### **Q: Can a company registered abroad but with an office in the UK bid for funding to deliver a project in England?**

A: Yes.

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### **Q: Can SMEs come together to submit a bid?**

A: Yes and they may also come together to submit a package of projects which make a coherent whole but which individually would not meet the minimum bidding threshold of £1m.

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### **Q: Are inward investment projects eligible to bid?**

A: Yes so long as they meet the objectives and criteria of the Fund.

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### **Q: What is meant by Civil Society Organisations?**

A: This is a term used by Government to refer to voluntary and community groups, charities and social enterprise. If uncertain you should refer to Treasury guidance on the private/public definition [http://www.hm-treasury.gov.uk/d/classification\\_sector.pdf](http://www.hm-treasury.gov.uk/d/classification_sector.pdf)

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### **Q: Can charities apply?**

A: Yes to the extent that they are private sector entities they can bid in the same way as any other private sector entity. Projects must however meet the Fund objectives and criteria.

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### **Q: How are charities and social enterprises classified for bidding to the Fund?**

A: Due to the diversity within civil society organisations (such as voluntary and community groups, charities and social enterprise), it is not possible to be definitive about whether a particular organisation is classed as either private or public sector; ultimately that is a matter for each organisation.

If uncertain you should refer to Treasury guidance on the private/public split [http://www.hm-treasury.gov.uk/d/classification\\_sector.pdf](http://www.hm-treasury.gov.uk/d/classification_sector.pdf)

Question 3 of the application form guidance defines the most common options for identifying the legal status of recipients as:

- (a) Company
- (b) Sole proprietor
- (c) Partnership
- (d) Public corporation/nationalised body
- (e) Local authority

(f) Non-profit body

While not exhaustive, the list captures the common options for identifying the legal status of recipients, which would include the legal status of many charities and social enterprises

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## Public/Private Partnerships

### Q: What legal form should public/private partnerships take?

A: That is a matter for the partners to establish and justify as part of their application. They should demonstrate in particular that the partnership is robust. Partners should also bear in mind that in the event of a successful bid, government will need to enter into contract with a legal entity that will be responsible for the delivery of the project.

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### Q: Can the public sector partner lead the partnership?

A: It is entirely possible that the public sector partner in a private/public partnership or programme bid would be best placed to lead the bid and provide project management expertise so long as the private sector involvement in the project or programme is clear and demonstrable.

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### Q: Can the private sector contribution in a partnership bid be other than cash?

A: The private sector contribution to a project need not always be cash. If the private sector is funding the administration of a scheme then that is acceptable. Private sector contributions do however have to be able to be cashable and comparable.

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### Q: Is it better for private sector companies to bid on their own or in partnership?

A: That is for the bidder to decide.

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### Q. The LEP in [place name] has not yet been established. Won't that mean that the area will be disadvantaged when it comes to bidding for the Fund?

A: Bids to the Regional Growth Fund are invited from private sector bodies and public private partnerships. These partnerships may be LEPs and LEPs may play a role in coordinating bids in the areas they cover, but there is no requirement for LEP involvement in order to submit a bid. Bids will be judged against the Fund's objectives, not on who submitted them. We do however anticipate that there will be considerable interest from LEPs in making Programme Bids.

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### Q. Can a non-legally constituted LEP be the front organisation for a private-public partnership?

A: The government will need a legal entity with which to contract.

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## Programme Bids

### **Q: How do Projects and Programmes differ?**

A: The key difference between Programmes and Projects is that programme proposals will need to demonstrate a clear over-arching investment strategy for a specific geographical area.

With a Programme the ultimate recipients of the RGF funding may not be known at the time of application and the applicant will apply to distribute part of the RGF. The objectives of each Programme will need to be aligned with the core objectives of the RGF. This is designed to make provision for a collaborative approach to delivering smaller end proposals that are too diffuse to be included within specified project packages, yet fall within the broader remit of a strategy for economic growth. Each Programme will need to meet the Bid Threshold of £1m. The investment group or organisation putting forward the proposal will commit to acting as the accountable body for the investment made and due diligence will be carried out in contract with that body.

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### **Q: Are sectoral bids programmes or projects?**

A: If a bid focuses on delivering a specific service on a repeated basis, such as training or SME support, it does not fit into the definition of a Programme ("a clear over-arching investment strategy for a specific geographic area") and should bid either as a Project or Package of projects.

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### **Q: How do Public Sector Procurement Rules apply to projects delivered through Programmes?**

A: If awarding contracts for service delivery the accountable body which is managing the Programme should ensure compliance with public sector procurement rules where relevant and ensure fair and open competition. Public sector procurement rules do not apply to the award of grants, but programmes should ensure the projects granted funding are value for money which may be through a competition for subsidy. In the event of a private sector body acting as the accountable body, special considerations apply to the funding of public works contracts subsidised by a contracting authority.

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### **Q: Who covers the due diligence costs for Programmes before award of contract?**

A: As with Projects this cost should be born by the bidder.

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### **Q: Does the Programme also have to bear accounting costs for monitoring delivery and outcomes?**

A: Programmes will be required to provide a regular report on progress and delivery while any claims for payment of agreed tranches of RGF support will need to be covered by certification from an independent auditor. The accountable body running the programme will be responsible for commissioning the auditor and liable for its costs. The accountable body should also be prepared to carry out a full impact evaluation of the programme at its own cost. An evaluation plan will be required at the application stage. Advice and information on evaluation and monitoring is provided in the guidance notes available on the RGF web page ([www.bis.gov.uk/rgf](http://www.bis.gov.uk/rgf)).

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### **Q: How can a Programme ensure compliance with State Aid when they do not have an overview of other public funding in their area?**

A: The accountable body should require all recipients of funding through the Programme (whether delivery projects funded through grant/loan or contract) comply with State Aid limits and declare if they are in receipt of public funding.

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**Q: Does a Programme need planning permission for parts of its strategy in advance?**

A: As with Projects, planning permission does not already need to be in place in advance of bidding, however if planning permission is not already in place, the RGF would wish to see; detail on the risks of not obtaining this permission, if permission fits in with the Local Authority's planning strategy, and if planning permission has previously been rejected for the same or similar project.

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**Q: How can social enterprises and charities bid to run Programmes where their governing documents may not allow them to bear the liability of an accountable body?**

A: In this case charities should consider partnering other bodies (either private or public sector) who may be able to administer the programme jointly in the local area.

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**Q: If a programme is run by a social enterprise or charity which is unable to borrow, how can it access funding in advance of need?**

A: In general payment will be phased in line with capital expenditure and/or employment milestones, depending on the specific terms of the contract agreed for individual proposals. In exceptional cases payment may be made on need where this is objectively justifiable, and a proposal on payment schedules should be included in the programme bid alongside an explanation of why this is necessary.

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**Q: What about conflicts of interest if the private companies on the LEP board running a Programme win the contracts or are awarded the grants for the Programme delivery?**

A: All public/private partnerships should declare how they will ensure value for money for the projects which deliver the various components of a programme. This should also explain how any potential conflicts of interest would be managed.

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**Q: Can a local authority take on the accountable body role to deliver the project as part of a public private partnership?**

A: Yes, a public sector organisation could manage the project or programme and provide the lead in the public / private partnership as long as the private sector involvement in the project or programme is clearly demonstrated.

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**What projects are supportable****Q: What projects are eligible for support?**

A: The Regional Growth Fund will provide a mixture of direct support for private sector investments and private public partnerships. All projects should lever private sector investment for long term growth and private sector employment.

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**Q: Can you be more specific?**

A: Government has deliberately avoided an overly prescriptive approach. Examples of what projects the RGF might support include investments where we have a comparative advantage. This might include part funding for R&D, training and/or productivity boosting technology. Support for some basic infrastructure which as part of a wider investment unlocks specific business investments such as interventions to improve basic services such as energy and transport or land remediation and improvements to the physical environment could also be included.

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### **Q: Does this include joint university and SME research projects?**

Yes to the extent that they meet the objectives and criteria of the Fund.

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### **Q. Can bids be made for capital investment projects?**

A: Yes. However, direct support to large companies for capital investment can only be given to projects that take place in the Assisted Areas.

<http://stats.bis.gov.uk/regional-aa/aa2007.asp>

<http://www.bis.gov.uk/files/file38642.png>

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### **Q. Is the fund able to support transport/housing/construction projects etc?**

A: Proposals which include support for basic infrastructure which unlock specific business investment that leads to sustainable employment, and meet the other Fund criteria and objectives, are welcomed and will be assessed alongside other bids.

The Regional Growth Fund is not a Fund that simply supports speculative commercial developments, housing or other construction/infrastructure projects per se.

In respect of infrastructure projects construction jobs will not be regarded as sustainable for project purposes.

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### **Q: Can the RGF support the construction of social housing?**

A: All projects must meet the objectives and criteria of the RGF. Proposals which include support for basic infrastructure which unlock specific business investment that leads to sustainable employment will be considered alongside other bids.

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## **What areas can bid?**

### **Q: Will the Fund be available across the UK?**

A: No. The Fund will operate in England only.

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### **Q: How will the Fund be allocated to particular sectors or places?**

A: The Regional Growth Fund is a challenge fund and not ring-fenced or pre-allocated in any way.

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### **Q: Are any areas in England targeted by / excluded from applying for the Fund?**

A: Bids from any part of England are eligible under the Regional Growth Fund, although bidders should have regard for the second objective of the Fund and be aware that some parts of the country, particularly where there is currently high employment, low-levels of deprivation and a vibrant private sector, may struggle to demonstrate how they meet that objective.

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### Q. How much will each area be able to bid for?

A: Decisions on funding will be based upon an assessment of the proposals against the objectives and criteria; each bid will be considered on its merits. Given the high levels of interest in the Fund, bidders need to present realistic and competitive bids. Bids will not be subject to negotiation.

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### Q: Is there a minimum size of geographic area envisaged?

A: No. The geographic area affected by the project should be meaningful, realistic and provide for measurable outcomes.

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### Q: Is there any limit to the number of bids an applicant may make?

A: No. But the RGF is a challenge fund and all bids are in competition with one another. We recommend focusing effort on bids that fully meet the Fund objectives and criteria and on quality as opposed to quantity. In addition bidders should consider the impact of state aid rules on cumulation.

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### Q: Will bids for capital investment projects in Tier 1 and tier 2 Assisted Areas be given any preference?

A: No. All bids will be assessed equally against the objectives and criteria of the RGF.

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### Q: can projects that take place in affluent areas but provide benefits for deprived areas be supported?

A: Schemes that take place in an affluent area but which clearly benefit or create employment in a disadvantaged area should make the location of the economic impact of the project clear in the application. State Aid rules will apply.

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### Q: What measure of geographic area does the RGF assessment focus upon?

A: The focus of the Regional Growth Fund is on functional economic areas rather than on formal local authority geographies. However, in order to assess reliance using official data, we need to rely upon Local Authority Districts (LADs) and Unitary Authorities (UAs) as the building blocks. The reason for using such data is that LADs and UAs are the most fine-grained geographic level at which many relevant statistics are published. This data can be flexibly aggregated to resemble the real functional geographies that the bid will cover (for example housing markets, travel to work areas or local enterprise partnerships).

In question 24 of the application form, bidders are invited to estimate the footprint of the project in terms of indirect and direct employment to be created. As shown in the illustrative table below, this allows bids to indicate which LADs the jobs will be created in, recognising that impacts could occur in areas which are not near to or border the project location. The purpose of this is to establish a unique geography for each bid against which reliance on the public sector will be assessed.

Area	Approximate proportion of employment impacts
e.g. Local Authority District A	60%

e.g. Local Authority District B	20%
Unknown Districts elsewhere in England	10%
Outside England	10%
Total	100%

In addition bidders should be aware that EU State aid restrictions mean that financial support for Capital Investment by large companies can only be provided if the project takes place in an Assisted Area. Information on Assisted Area status can be found at: <http://www.bis.gov.uk/policies/regional-economic-development/assisted-areas>

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## RGF Project Funding

### Q: What is eligible as private sector in-kind contributions for RGF projects?

A: For state aid purposes, private sector leverage is defined by the eligible costs of the exemption under which you are applying (training, R&D, SME or assisted area), this is set out in Annex B of the information for applicants document.

For competitive purposes, this will be judged by the panel. For example, if two projects were in all other ways similar and one had a cash contribution and the other had a contribution labeled as labour and expertise and not monetized, the former would be favoured.

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### Q: Does a commitment to private sector investment need to be in place up-front?

A: It is possible for a project or bid to include a commitment to private sector leverage that materialises late in the project lifetime. However this in itself is not an argument for projects then receiving RGF funding in advance of need. The bid would need to set out the reasoning behind the investment and spend profile for the projects and the risks associated with that. Bidders should also bear in mind that this is a challenge fund and bids with a lower risk spend profile and more robust private sector leverage will have a competitive edge.

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### Q: What sort of funding is available?

A: At the present time the RGF may provide funding in the form of grants, loans and/or loan guarantees. This approach will be kept under review by the Advisory Panel and Ministers.

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### Q: Are the external costs for any professional services support incurred by bidders to prepare their bids eligible costs for the Regional Growth Fund? Can such costs be reclaimed from the Fund?

A: No financial resources will be provided by HMG to assist bidders in compiling their applications.

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### Q: Is the level of funding dependent on any specific cost per job calculation?

A: No.

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**Q: Is a specific private to public sector investment ratio sought?****Q: What level of private sector leverage is required?**

A: No specific levels of private/public leverage are being sought. However, the fund is competitive and only those bids that best lever private sector investment, meet the Fund objectives and criteria, and offer the best value for money will be supported.

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**Q: Is there a specific/maximum intervention rate for Regional Growth Fund funds as a percentage of overall project costs (in an Assisted Area)?**

A: The maximum amount of RGF support / state aid that can be provided to a private sector undertaking must be assessed on a case by case basis. Applicants are encouraged to bid for the minimum amount of support needed to unlock a project – an assessment of whether that support can be provided in a state aid compliant manner will be made as part of the appraisal process.

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**Q: Can the Regional Growth Fund be used to match fund other sources of financial support?****Q: Can other sources of financial support be used to match fund support from the Regional Growth Fund?**

A: Bidders are encouraged to identify sources of match funding. There is no requirement or limit on match funding but the Local Growth white paper says that private sector investment is a key criterion. Where RGF and ERDF are used to provide a subsidy to an undertaking, the total subsidy is likely to be limited by state aid rules. S106 funds may not count as private sector contributions but they can be used to match fund private sector contributions.

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**Q: Is it possible to include incremental tax monies as match funding?**

A: No.

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**Q: Can the Regional Growth Fund be used to match fund ERDF support?**

A: Where a project is eligible under both schemes' objectives and criteria it is possible for a project bidding to the ERDF also to bid to the RGF. Whilst the timelines are broadly aligned for round 2 (from expressions of interest to final decision), the decision process is separate. Since the RGF is a challenge fund there is no certainty that support will be forthcoming until the bidding round has been decided.

For projects that do bid to both the ERDF and RGF and which are successful in both there will be close contact between the two funds at the contract stage, due diligence phase and monitoring. Please be aware, leverage of private sector investment is a key criteria for RGF support and ERDF funding will not be considered private sector funding in the RGF assessment process.

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**Q: How does the balance between Revenue and Capital in the available £1.4bn apply to bids to the Fund?**

A: It will have very little practical impact. It is largely an internal distinction and in any event most private sector projects comprise a mix of capital and revenue expenditure.

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**Q: Can Lottery Funding be used to fund a project?**

A: Lottery funding is not regarded as public sector funding so can be counted toward the private sector contribution to a project.

However, we anticipate that alongside leverage of fund, the private sector's stake in the outcome of the project has a bearing on how likely it is that it will be economically sustainable. Lottery funding will not give the Independent Advisory Panel much comfort that the project is economically sustainable.

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## Additionality

### **Q: We have started on our project but have seen that RGF funding might have been available. Can we apply retrospectively?**

A: The RGF is designed to provide the minimum amount of funding needed to enable projects to go ahead that would not otherwise have been able to do so. Projects that have obviously started will have a hard job demonstrating that they meet this “additionality” criteria. The test is whether the applicant has committed to carry out the project. Preparatory / scoping work that does not indicate an absolute commitment to carry out a project is fine, although very extensive work would weaken the additionality case.

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### **Q: Can bids seek funding to accelerate projects?**

A: Bids for funding to accelerate development are possible but the benefits will only be assessed as those occurring in the period between delivery and when the project would in any case have gone ahead. All projects must meet the objectives and criteria of the Fund.

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## EU State Aid Rules

### **Q: What are the state aid rules?**

A: The state aid rules are European competition law provisions set out in Articles 107 to 109 of the Treaty of the Functioning of the European Union (TFEU). The rules apply to all public funding in the EU. Funding which falls within the definition of state aid, set out in Article 107(1) of the TFEU is unlawful unless it complies with an exemption that has been approved by the European Commission or is approved by the European Commission through the notification process set out in Articles 108 and 109 of the TFEU.

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### **Q: Will state aid rules apply to the RGF?**

A: Where a bid involves support for an undertaking, that support must be compatible with state aid rules. Much of the information requested in the application form regarding project location and costs associated with certain types of activity (for example capital investment, R&D and training are critical for the assessment of state aid compliance.

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### **Q: What are the limits and constraints arising from the General Block Exemption Regulation? There is a danger expectations could be raised unnecessarily?**

A: Applicants must make a determination for themselves based on the nature and scale of their own projects based on the GBER. It is difficult to advise in the abstract however the table below should act as a guide.

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### **Q: What is the maximum percentage contribution allowed by state aid rules to a project not in an Assisted Area?**

A: See the table below which should be regarded as a guide.

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**Q: An SME is putting together a research bid with a university. The guidance suggests that for industrial research they can only apply for 50% funding, although this rises to 60% as an SME and 70% if they are in partnership with a research organisation. Does the higher percentage apply across the whole bid?**

A: Contributions may not exceed the applicable aid intensities for each activity and beneficiary as appropriate.

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**Q: Where state aid is present is it possible to use the De Minimis Regulation to support SMEs under RGF?**

A: In principle it will be possible to use the De Minimis Regulation<sup>1</sup> to provide state aid compliant RGF support to third parties. However, it will be considerably easier for applicants to demonstrate that programmes and packages are state aid compliant where RGF support is structured using General Block Exemption Regulations (GBER) provisions<sup>2</sup>. The cumulation provisions set out in Article 7 of the GBER mean that there is no advantage gained from applying both the GBER and De Minimis Regulation to the same project costs.

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**Q: Is it true that SMEs are eligible for up to 7.5m Euro per investment project?**

A: The General Block Exemption Regulation (GBER) allows up to €7.5m of investment and employment aid to be provided per undertaking per investment project. Aid of this type could be supplemented by other aid linked to different eligible costs, for example R&D and /or training costs. However, each individual component would have to satisfy the GBER requirements regarding eligible costs, aid intensity and cumulation.

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**Q: What is the definition of an SME?**

A: An SME is defined as in Annex I of the General Block Exemption Regulation (GBER) i.e. enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding Euro 50 million, and/or an annual balance sheet not exceeding Euro 43 million.

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**Q: What is the definition of a large company?**

A: Any company that does not meet the definition of an SME in the GBER.

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**Q: What is the relationship between EU State aid rules and UK competition law?**

A: With regard to the provision of RGF support to private sector undertakings, EU state aid rules and UK competition law are complimentary.

Where a bid will involve support for a private sector undertaking, that support must be compatible with state aid rules. Much of the information requested in the application form regarding project location<sup>3</sup> and costs associated with certain types of activity (for example capital investment, R&D<sup>4</sup> and training<sup>5</sup>) is critical for the assessment of state aid compliance.

UK competition law also needs to be taken into account. If a bid will involve a subsidy of more than £500,000 to an undertaking which has a market share exceeding 5 to 10 per cent of the affected market, HMG will carry out a "competition assessment" in line with OFT requirements. However, there are some circumstances where a competition assessment will not be required, namely if the support is provided under the Community Guidelines on State Aid to Promote Risk Capital Investments in Small and Medium Sized Enterprises, or where it is within the Community Framework for State Aid for Research, Development and Innovation<sup>6</sup>.

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**Q: Regarding capital investment by large companies, what is the situation if the project is not in an Assisted Area but its beneficiaries are?**

A: Within state aid rules, the Regional Aid Framework is the only route through which support for capital investment can be provided to large private undertakings. Under this framework support to large companies for capital investment through the RGF can only be provided for operations in an Assisted Area<sup>7</sup>. This is set out in Article 13 of GBER.

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**Q: Is there a limit to a capital investment project when it is led by a public agency in partnership with private sector businesses?**

A: No. But EU state aid restrictions will apply.

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**Q: Is the provision of equity counted as a state aid.**

A: Yes.

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**Q: Does an application impact on an applicant's ability to access R&D Tax Credits?**

A: Support for undertakings must be compatible with state aid rules. Much of the information requested in the application form regarding project location and costs associated with certain types of activity (for example capital investment, R&D and training) is critical for the assessment of state aid compliance.

Different elements of the R&D Tax Credit scheme are in a different state aid position. Parts of the scheme are considered to be a general measure which is not state aid, while other parts of the R&D Tax Credit scheme are. Generally if the applicant has benefited from an R&D Tax Credit which is considered to be state aid then he will need to take this into account if the eligible costs which were supported under the R&D Tax Credit are the same or overlap with those for which support under the RGF is requested. Further advice should be sought from the administrator of the Tax Credit scheme as to the status of the credits and whether additional support may be cumulated.

**Q: What if there are two different sources for funding or a consortium makes a joint proposal for RGF?**

A: RGF operates under the General Block Exemption regulation (GBER). Article 7 of the GBER deals with cumulation. In general when granting aid under the GBER you are allowed to cumulate this as long as the total aid from all sources for the same eligible costs does not exceed the maximum which would be permitted under the GBER.

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## Community Law on State Aid

State Aid regulations come under Article 107 of the Treaty.

State aid rules apply to any relevant State funding whether given directly or through an agent (including private banks) and apply to activities with a potential effect on Competition and Trade.

Deminimus aid falls outside scope of Treaty. Deminimus aid is any support less than €200,000 over three years - taking into account all source of state funding. There is however no deminimus level of aid for companies engaged in manufacturing transport vehicles.

State Aid Rules apply differently to different parts of the EU.

Assisted area can be Tier 1 or Tier 2 areas

Tier 1 areas are disadvantaged compared to EU average and:

- are areas where the standard of living is abnormally low or where there is serious underemployment and
- NUTS II regions with GDP lower than 75% of EU-25 average

Tier 2 areas are disadvantaged compared to the national average

Special rules apply to sensitive industrial sectors - audiovisual, broadcasting, coal , electricity, postal services and shipbuilding. Agriculture, forestry, fisheries and aquaculture have separate guidelines.

All aid over €7.5m must be notified to the European Union.

## Companies can be classed as Large, Medium or Small

Medium	Small	Micro
< 250 staff	<50 staff	< 10 staff
< €50m turnover	Turnover or Balance sheet € £10m	Turnover or Balance sheet €2m
< Bal Sheet €43m		

## General Block Exemption

Type	Intensity
Regional Aid (Investment and employment)	
Only available in Assisted areas mainly in the form of capital grants	
Operating Aid in can be provided in exceptional circumstances	
Ceiling on Eligible costs of €100m	Regional aid intensity according to Map (Tier 1 and Tier 2 with subdivisions by postcode)
	15%-50% depending on Map
	+20% Small enterprises
	+10% Medium enterprises

### Newly created small enterprises

€2m Ceiling in Tier 1	Tier 1 35% in first 3 years. 25% next two
€1m Ceiling in Tier 2	Tier 2 25% in next 2 years.

	15% two years afterwards
	Maximum of 1/3 of total allowed in each year

### SME Investment and Employment

Available outside assisted areas	
€7.5 per undertaking per project	20% small enterprises
	10% medium enterprises

### Small Enterprises - Start-ups by Female Entrepreneurs

€1m (33% annum)	15% for first 5 years
	Maximum of 1/3 of total allowed in each year

### Aid for consultancy SMEs

€2m per undertaking per project	50%
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### Risk Capital

Available to Small and Medium Sized Enterprises	
£1.5m per undertaking per 12 months	N/A

### R&D Aid

	Large / Medium / Small		
Fundamental €20m	100%	100%	100%
Industrial €10m	50%	60%	70%
Others €5M	25%	35%	45%
	15% Addition for collaboration (up to 80%)		

### Training Aid

€2m per project	25% specific training
	60% general
	+10% disabled
	+10% medium

	+20% small
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**Green Vehicles**

€7.5m per project	Large 35% Medium 45% Small 55%
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## Others subject to regulations

SME participation in fairs

Aid for technical feasibility

Disabled Workers

Cost of Environmental compliance for SMEs

Energy saving

Renewables

Co-regeneration

Environmental Studies SME

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## Operational issues

### Q: What support is available to help bidders?

A: BIS is holding a series of RGF Roadshows around the country. These will be booked through the RGF web page [www.bis.gov.uk/rgf](http://www.bis.gov.uk/rgf). In addition from Round 2 there is an Expressions of Interest phase where bidders can meet officials to discuss aspects of their bid on the basis a project overview.

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### Q: Can I make a national bid?

A: A bid covering all parts of England will be assessed on the same basis as any other bid. The Bid will have to set out clearly which areas will benefit from the funding and the amounts going to each area. It is up to those making the bid to determine how it meets the objectives of the Fund, especially the second objective.

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### Q: Can a bidder add its administration costs to the project costs?

A: Administration charges are not admissible for RGF funding and should be covered by other funding sources, potentially through private sector leverage.

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### Q: Does my project qualify?

A: It is for applicants first to decide if their project, package or programme addresses the objectives of the fund. The Government has deliberately avoided an overly prescriptive approach. From Round 2 there is an opportunity for bidders to submit one page project

outlines and have Expressions of Interest meetings with officials who will provide guidance on the proposal.

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### **Q: Is the information I submit treated confidentiality?**

A: Detailed information contained in individual application forms will be treated as commercially confidential but could be aggregated to form a public picture of the number, value and location of bids received. Bid information will be seen by an Independent Advisory Panel chaired by Lord Heseltine and ultimately ministers. The members of the panel were listed in the Local Growth White Paper - available on the BIS web-site.

The information could however be requested under the Freedom of Information Act 2000. In such circumstances the Department would need to consider whether an appropriate exemption applies (for example, there is an exemption relating to commercial information and information provided in confidence) and will seek your views on disclosure, although the decision whether or not to disclose must ultimately rest with the Department.

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### **Q: What is the difference between direct and indirect jobs?**

A: Direct jobs are jobs that are created or safeguarded by a project partner – i.e. they are jobs upon which it would be reasonable to make RGF funding conditional. Indirect jobs relate to employment impacts resulting from the project, for example in the supply chain, that are not specifically associated with a project or programme and upon which it would not be reasonable to make funding dependent.

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### **Q: How do I fit my package of projects into the application form?**

A: Applicants should complete individual forms for each project and submit them such as that it is obvious that each is part of a bigger package.

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### **Q: How should I submit my bid?**

A: Bids should be submitted by e-mail to arrive by the closing date and time. Only 1 application should be submitted per e-mail. If it is not possible to submit the bid electronically they may be delivered in hard copy. The Department will record the date and time of receipt. Your courier should also maintain a verifiable record of the time and date the bid was delivered.

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### **Q: Does it make any difference if an application is submitted early?**

A: No. However it is in the clear interest of bidders not to leave it until the last minute to submit.

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### **Q: Will any lee way be given for late bids?**

A: No. Applicants must ensure that their bids are received before the cut-off. It is in their clear interest not to leave it until the last minute to send them.

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### **Q: What is the maximum size of the file your system will accept, when emailing their bids?**

A: Please treat 5mb as the limit, which should be more than sufficient for most bids.



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### **Q: How can I enhance my chance of success?**

A: Your project must meet the RGF objectives and criteria. In a competitive bidding environment particular attention should be paid to the objective of rebalancing the economy of those areas dependent on the public sector, on leverage of private sector investment and on the creation of long term jobs. Anticipated outcomes should however be stated realistically and not over-estimated. Only projects that would not go ahead without support from the RGF will be funded.

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### **Q: How will inter-related bids be treated?**

A: Inter-related bids will have to deliver scheme specific outputs and outcomes which cannot be counted against more than one bid. We would not expect any individual project to include a risk that another bid was not supported. Interrelated bids should be fully cross-referenced.

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### **Q: What comprises a protected employment group?**

A: This is set out in the application form.

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## **Appraisal**

### **Q: How will projects be appraised?**

A: Projects will be appraised against the published objectives and criteria. As a competitive bidding process the government will want to ensure that projects meet the criteria, deliver the required outcomes and offer value for money. Costs and benefits should be presented over the economic lifetime of the project. Projects that would ordinarily go ahead without support from the Regional Growth Fund will not be awarded funding.

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### **Q: What is the definition of direct and indirect employment?**

A: Direct jobs are jobs that are directly created or safeguarded by a project or programme partner – i.e. they are jobs upon which it would be reasonable to make RGF funding conditional. Indirect jobs relates to employment impacts resulting from the supply chain of the project and jobs created as a result of the activity unlocked by the investment – this will particularly be the case for infrastructure bids.

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### **Q: Can jobs and expenditure be counted retrospectively for RGF purposes?**

A: No.

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### **Q: How should applicants assess the impact of public sector cuts in their areas?**

A: There is no need for applicants to assess the reliance of their area. We will provide the Independent Advisory Panel and Ministers with information on which to base their decisions. This will include official statistics, local evidence supplied in bids and the work of the DWP labour market group.

The official statistics which will be used in assessing location are listed below along with links to the source data.

Percentage of residents (aged 16-64 years old) claiming out of work benefits: [Nomisweb](#)

[Public sector employee job share:](#)

[Number of active enterprises per 1,000 resident population](#) (see also [Nomisweb](#)).

[Private sector employee job growth:](#)

This information is also available from the REG web page [www.bis.gov.uk/rgf](http://www.bis.gov.uk/rgf).

Taken together, such data will help us form a view of the current state of reliance on public sector employment. However, it will be important to consider other evidence, and bidders are asked to submit any other information they believe will help us in forming a good understanding of the relative reliance of the area the bid will cover.

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### **Q: To what extent is potential displacement resulting from my project considered?**

A: Part of the assessment process is to consider need and whether the project would duplicate existing provision with the attendant risk of displacing existing investments and jobs.

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### **Q: I have no knowledge of Treasury Green Book appraisal, am I at a disadvantage compared to other bidders?**

A: There is no benefit to knowing the Green Book appraisal process. Applicants should complete the application form using normal commercial terms that they use in their own regular investment appraisal processes.

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### **Q: If some bids making up a package are not successful and the total package therefore amounts to less than the £1m threshold will all the bids be excluded?**

A: This will be looked at on a case by case basis and the extent to which the remaining elements of the package remain cohesive.

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### **Q: Is there a requirement for potential bids to be “on display” in a visible location (national or LEP area web-site etc) prior to assessment?**

A: No. It is expected that bids will contain commercially sensitive information specific to the bidder regarding products and/or markets.

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## **Payment of Support**

### **Q: What form will support take?**

A: In most cases we anticipate support being in the form of a grant. However applications may also be made for loan or equity funding. The assessment of the project will take into account the amount and nature of the support requested in relation to the project details supplied.

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### **Q: How will the money be allocated from the Regional Growth Fund?**

A: Payments will normally be phased in line with certified evidence of expenditure and job creation and/or safeguarding depending on the terms of the contract agreed for individual proposals.

Support from the Fund will not be provided ahead of need. Where there is a strong case to provide support ahead of private sector funding this will normally be conditional on the provision of appropriate guarantees and recovery provisions in order to protect the public purse.

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### **Q: Do Project/Programme also have to bear accounting costs for monitoring delivery and outcomes?**

A: Projects and Programmes will be required to provide a regular report on progress and delivery while any claims for payment of agreed tranches of RGF support will need to be covered by certification from an independent auditor. The contracting party will be responsible for commissioning the auditor and liable for its costs. Advice and information on evaluation and monitoring is provided in the guidance notes available on the RGF web page ([www.bis.gov.uk/rgf](http://www.bis.gov.uk/rgf)).

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### **Q: No obligation to pay date?**

A: It is normal practice to include a no obligation to pay date in offer letters to ensure that there are no open ended commitments.

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### **Q: Payment profiles?**

A: Successful bidders will be asked to agree a spend profile which will be inserted in the formal contract between the bidder and the government. This will help ensure that the best use is made of the Fund over the three year period and that there are no open ended commitments beyond the life of the fund.

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### **Q: Is there a mechanism by which the grant giving body can clawback or recover funding if a project leads to “super profits” for a private sector applicants?**

A: In accordance with state aid and HM Treasury rules regarding the provision of aid to private sector undertakings a Regional Growth Fund offer letter may contain “clawback” provisions which will allow HMG to recover support made under the Fund if the contracted outputs of the projects (e.g. employment, private sector investment etc) are not delivered. Furthermore “overage” or other profit sharing provisions (e.g. equity warrants) may be part of the offer if the project has the potential to provide super-normal profits to the private sector. This mechanism will allow the public purse to share in any super-normal profits which result from RGF funding.

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### **Q: How much will due diligence cost?**

A: We haven't specified any figures, and this would be difficult due to the variety of bids we will receive. The cost of due diligence will depend on the complexity of the bid, but we will ensure that the level of due diligence required will be proportionate to the size of the bid eg. smaller bids would not need to use one of the big four to complete the process.

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## **Decisions**

### **Q: Who decides where the money goes?**

A: Decisions regarding support and prioritisation are made by a ministerial group chaired by the Deputy Prime Minister including the Chief Secretary to the Treasury and the Secretaries of State for: Business, Innovation and Skills; Communities and Local Government; Transport; and Environment Food and Rural Affairs. The ministerial group is being assisted by an Independent Advisory Panel chaired by Lord Heseltine which makes recommendations on which projects, packages and programmes best address the objectives of the

Regional Growth Fund.

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## Post Completion

**Q: The employment impacts table in the application form extend to 2020/21. Isn't that inconsistent with the fact that all support must be paid by 31 March 2014?**

A: No. The employment impacts may ramp up more slowly than spend. The continued delivery of project objectives will be monitored following the final payment being made and in the event that the contracted impacts are not realised or not sustained the government may act to recover the support provided under the RGF.

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**Q: How can you ensure that the delivered outcomes are sustainable?**

A: There will be a requirement for post-completion monitoring of projects to ensure that the assets and jobs are maintained, typically for a minimum period of 5 years. This period may be reduced to 3 years for SME projects.

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## Revised Application Form

**Q: Why have you changed the application form?**

A: Following on from the first round of bidding further improvements in the form and guidance were identified that should help applicants. In addition a new specific form has been introduced for Programme Bids and there is now an outline project proposal page for use during the Expressions of Interest phase.

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**Q: Should I add graphics, letter of support etc. to enhance my bid?**

A: The form allows bidders freedom to illustrate their applications with tables and graphs for the benefit of clarity. However they should refrain from providing additional supporting information or letters of support as these will not be taken directly into account during appraisal.

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**Q: Have the objectives and criteria changed since the first round?**

A: No. The objectives and criteria were published in the Local Growth White paper on 28 October 2010 and have not changed since.

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## Other

**Q: Will a private company just be able to get a Government handout and then reap all of the profits they make on the back of it?**

A: The amount of support applied for must be the minimum necessary to unlock the private sector investment and bids must demonstrate good value for money with respect to the public purse. Support will only be given to bids that would not ordinarily be pursued in the absence of funding from the Regional Growth Fund.

Consistent with the objectives of the Fund, the value for money assessment will have a particular focus on the creation and safeguarding of net additional employment, but other sources of public value (wider economic benefit) will also be considered. Profit sharing provisions (e.g. equity warrants) may be included as part of an offer of support made under the Fund if a project has the

potential to provide super-normal profits to the private sector.

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## Other sources of Funding

Depending on the type of project (e.g. R&D, Infrastructure, Rural, Low Carbon, Social Enterprise) bidders may also wish to consider other sources of bid funding for their projects which may be complementary to the Regional Growth Fund. See below for a non-exhaustive list of potential complementary funds. Please note however that funding from the Regional Growth Fund does not guarantee funding from any other fund or vice-versa, this will depend on the project competitively meeting the criteria from the fund.

### European Regional Development Fund

Aimed at economic regeneration projects promoted primarily by the public sector

<http://www.communities.gov.uk/regeneration/regenerationfunding/europeanregionaldevelopment/applying>

### Regional Development Programme for England (RDPE)

To develop wider rural businesses and enhance opportunities in communities where deprivation exists.

<http://ww2.defra.gov.uk/rural/rdpe/>

### Technology Strategy Board

For technological innovation projects

<http://www.innovateuk.org/>

### Green Investment Bank

For investment in infrastructure for a green economy and large-scale, late stage green technological innovation.

<http://www.bis.gov.uk/about/procurement/current-opportunities/green-investment-bank>

### Big Society Bank

Available to social enterprises, charities and voluntary organisations to encourage investment in social change.

<http://www.cabinetoffice.gov.uk/content/big-society-overview>

### Enterprise Finance Guarantee

Loan guarantee scheme aimed at facilitating additional bank lending to viable SMEs with no or insufficient security to secure a normal commercial loan.

<http://www.businesslink.gov.uk/bdotg/action/gsdDetail?itemId=1081834978>

### New Enterprise Allowance

Micro-loans to help unemployed people start their own business

<http://www.dwp.gov.uk/adviser/updates/new-enterprise-allowance/>

More information about these and other Business Support programmes can be found on the Business Link web-site

<http://online.businesslink.gov.uk/bdotg/action/bsf?lang=en&page=1&purposeId=0&r.s=b&viewPersonalList=false>

## Footnotes

1 The de minimus provision permits aid to private undertakings where that aid does not exceed a cash grant of EUR 500000 per undertaking (gross) [\[Back to answer\]](#) [\[Back to top of page\]](#)2 [http://ec.europa.eu/competition/state\\_aid/reform/gber\\_final\\_en.pdf](http://ec.europa.eu/competition/state_aid/reform/gber_final_en.pdf) [\[Back to answer\]](#) [\[Back to top of page\]](#)

3 Article 13 [\[Back to answer\]](#)[\[Back to top of page\]](#)

4 Articles 31-37 [[Back to answer](#)][[Back to top of page](#)]

5 Article 39 [[Back to answer](#)][[Back to top of page](#)]

6 Articles 87 and 88 [[Back to answer](#)] [[Back to top of page](#)]

7 Article 13 [[Back to answer](#)]

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# Appendix B



## REGIONAL GROWTH FUND

### Application form – Part 1

Department for Business, Innovation and Skills  
Department for Communities and Local  
Government  
HM Treasury  
Department for Transport  
Department for Food, Environment And Rural  
Affairs

**BIS** | Department for Business  
Innovation & Skills



**HM TREASURY**

*Department for*  
**Transport**





# Application Form Part 1

## General Guidance notes

*The Regional Growth Fund (RGF) application form consists of two parts. Part 1 (this document) contains 30 questions related to the project and its costs and benefits. Part 2 (the Financial Annex) is an Excel spreadsheet for the key financials of the project and should be used as a tool to complete the indicated Part 1 questions.*

*Both Part 1 and Part 2 of the application form should be completed as fully as possible. Bids are invited for projects that will directly create jobs through private sector enterprise and growth, and from projects that will enable or unlock future private sector jobs growth, particularly in those areas and communities that are currently dependent on the public sector.*

*We are using one application form for all types of bids - if a question does not apply to a specific bid, please mark the answer form N/A.*

*In the application form the word project is used to describe both single “Projects” and “Packages of Projects”. Applicants for Packages should make sure that each response adequately covers every individual component (sub-project) in the Package.*

*Please read the accompanying guidance notes carefully when completing the form to ensure you include the full set of information required.*

## Record keeping and Freedom of Information

*In order to meet the requirements of the Freedom of Information Act 2000 reasons for decisions about applications and claims must be recorded properly on file at all stages. This record keeping will also ensure that there is a clear audit trail for all applications. Administrative records will be maintained for all applications irrespective of whether they were successful.*

*Applicants should be aware that information provided in confidence is likely to be exempt information under the terms of Section 41 of the Freedom of Information Act 2000, and that the operating department will respect its confidentiality.*

## Applicant Information

<b>Applicant name (including title):</b>	Marie Whitehead
<b>Company / Organisation:</b>	Carlisle Tourism Partnership
<b>Position in Company / Organisation:</b>	Director
<b>Address:</b>	Civic Centre Carlisle CA3 8QG
<b>Telephone:</b>	01228 817161
<b>Mobile:</b>	07929 419424
<b>Email:</b>	<a href="mailto:mariew@carlisle tourism.co.uk">mariew@carlisle tourism.co.uk</a>
<b>Website:</b>	<a href="http://www.discovercarlisle.co.uk">www.discovercarlisle.co.uk</a>

## Section A: Project Description

*This section of the application form is designed to identify private and public sector partners involved in the project and seeks basic information about the nature of the project.*

1. What is the project title?

**Carlisle Tourism Partnership – Delivering a Contemporary Tourism Offer in an Heritage City to support private sector jobs through growth in the visitor economy**

2. What is the post code location(s) of the project?

Urban and Rural district of Carlisle encompassing all or part of the following postcode areas: CA1, CA2, CA3, CA4, CA5, CA6, CA8

3 What good(s) or service(s) will be offered to the market directly and indirectly as a result of the project? *Where possible and applicable, please provide the relevant SIC code (see application form guidance).*

(a) goods and services directly offered to the market by the project partners as a direct result of this investment?

The direct result of Regional Growth Fund investment would be a package of works that delivers a contemporary visitor offer for Carlisle, focused on delivering increased visitor numbers and spend. This package of works will provide direct employment to manage and deliver visitor facilities and accommodation which will stimulate a wide range of indirect private sector investment that will lead to jobs growth.

### Direct goods and services

- Hotels and similar accommodation – SIC 55.10
- Holiday and other short-stay accommodation – SIC 55.20
- Museum activities – SIC 91.02
- Operation of historical sites and buildings and similar visitor attractions – SIC 91.03

In addition, a skills for business project will focus and enhance the offer currently being developed by Carlisle College and partners as part of establishing a Retail and Hospitality Skills Academy. It is intended that this will positively impact on direct and indirect goods and services relating to Carlisle's visitor accommodation, food, drink and retail offer.

(b) if the project will create additional market opportunities, these should be listed here.

The additional market opportunities and benefits to the private sector that would be delivered as a consequence of the package of activities delivered through the Carlisle Tourism Partnership will include:

- Food and beverage service activities – SIC 56.1, 56.2, 56.3

- Publishing activities – SIC 58.11, 58.19
- City Centre retail activities – SIC 47
- Arts, entertainment and recreation – SIC 90
- Construction – SIC 41.1

4. Set out the main project activities and proposed timescale in which they will be carried out. Include costing for these in Part 2, Section C of the application form.

### ***Project Overview***

Carlisle is a compact, free-standing city at the heart of a largely rural hinterland. Its catchment reaches into the Lake District, West Cumbria, South-West Scotland, Hadrian's Wall Country and the northern Pennines. Its urban area has a population of 70,000, but Carlisle is also the natural focus for over 400,000 people who travel to work, learn and shop, as well as for leisure, sport and cultural activities.

Carlisle is an attractive historic city with a strong tourism offer and significant capacity to grow its visitor economy. Over the years Carlisle's tourism potential has been underexploited given a lack of strategic focus and relatively limited resources applied to destination marketing, and underinvestment in the visitor experience at some of the city's key heritage assets. Visitor and non-visitor research conducted in recent years (key evidence summarised below) demonstrates that the city has underperformed against key benchmark cities in the visitor sector.

Recent STEAM data calculates that Carlisle attracts an estimated 8 million visitors, generates £330 million from visitor activity to the Carlisle economy and supports approximately 5,000 direct and indirect jobs. However, based on previous studies drawing on STEAM data, historically, Carlisle has underperformed when set against other comparator heritage cities in Britain<sup>1</sup>. This is particularly seen in terms of three issues:

- Gross numbers of visitors attracted, with Carlisle some 36% below the comparator city average;
- Overnight stays, at 33% of the comparator city average; and
- Visitor spend, 70% of the comparator city average.

As set out in recent research by Britton McGrath Associates (2009), this is the result of two key factors - a lack of understanding of the Carlisle "offer", with the city viewed, particularly by non-visitors, as an industrial city or as a gateway to Scotland, the Lake District and Hadrian's Wall. There is also a perception that the quality of accommodation, attractions, shopping and scenery is not as high as competitors, despite Carlisle's obvious strengths as a destination relating to its heritage, architecture, events/festivals programme and retail offer.

As set out below, the Carlisle Tourism Partnership package of activities is focused on building on making the visitor offer more contemporary and better quality addressing some of the key pre-conceptions of the offer, in order to increase visitor numbers and expenditure, and in turn stimulate private sector investment in Carlisle's visitor accommodation, food, drink and retail offer.

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<sup>1</sup> *The Case for Tourism Development in Carlisle* (2007) sets out eight comparator heritage cities: Bath, Canterbury, Chester, Durham, Lincoln, Oxford, Stratford-upon-Avon, and York.

**(a) activities carried out by project partners as a direct result of this investment?**

The project activities of Carlisle Tourism Partnership, supported by the RGF, would be focused on a coordinated and planned set of activities that seek to increase visitor numbers and spend in Carlisle, achieves greater market penetration, and stimulates private sector confidence and investment leading to jobs growth. There is a 3 year timescale for the project with the focus for activity on three key areas.

**1. Capital improvements in contemporary infrastructure enhancements for jobs growth**

- *Accommodation Quality* - This project will assist up to 20 serviced accommodation businesses in Carlisle and intends to improve standards of accommodation and raise the performance of providers. The aim is to provide capital grants of between £25,000 and £60,000 to support significant improvement projects, using professional design, business planning and environmental advice. Some examples of activities that may be supported include: bedroom / bathroom upgrades; amalgamation / room upgrades; major dining or lounge improvements; significant kitchen expansions or improvements; conference facilities & meeting rooms; lobby, entrance & reception facilities; and, energy saving & environmental performance measures.

In all cases, applicants would need to demonstrate that the proposed improvements are part of a comprehensive scheme to raise quality, improve occupancy, grading, profitability and environmental performance.

The net result of these improvements to the accommodation offer in the district will be increased visitor stays and spend, allowing providers to grow their businesses and retain/recruit more staff to service this increased need.

- *Improving visitor orientation* – This would include investment in infrastructure to improve visitor orientation, navigation and interpretation around the city, with the priority investment being the redevelopment of the current Visitor Information Centre (VIC) in the Grade 1 Listed Old Town Hall (owned by Carlisle City Council), which has been a feature of the Market Place in Carlisle City Centre since the early medieval period.

This project aims to restore the Old Town Hall and to develop its role as a key gateway to Carlisle's Historic and Cultural attractions. The RGF investment would provide for comprehensive upgrading of the VIC, whilst enhancing the presence of this historic building within Carlisle as a significant and unique visitor attraction in its own right.

Visit England identify that VIC's play a clearly identified role in influencing visitors to stay longer in cities, creating additional expenditure and providing a service which modifies visitor behaviour in ways which benefits local attractions and visitor facilities.

For Carlisle, a recent survey has found that around 69% of visitors across the Northwest identified the Carlisle VIC as their only source of information prior to their visit, indicating that the VIC still plays a central role in promoting and selling the city to potential visitors.

The refurbishment of the Old Town Hall (with improved visitor information and orientation with enhanced advertising, public internet access, information and accommodation booking services and a commercial outlet) therefore offers an opportunity towards enhancement of the experience of Carlisle and seeks to influence visitors to extend their stay, leading to increased visitor spend in the city and area. If this is achieved then the VIC will fulfill an essential element of the customer journey whilst enhancing the economic impact of tourism in Carlisle and Cumbria.

- *Family Visitor Attractions – Walby Farm Roman Interpretation and Quality Active Play & Learn Experience*

Set up as a new farm diversification business in 2008, this project has become award-winning in a very short period of time. Its aim is to attract visitors and to provide education and entertainment through interaction with the Hadrian's Wall environment, its heritage and communities.

This is a capital project focused on creating new outdoor and indoor interpretation / interactive play facilities. The outdoor element would create an Iron Age roundhouse with Roman farm, whilst the indoor element involves the conversion of an existing mezzanine level to provide an active play and learn all-weather experience.

The Walby Farm Park proposals have the support of Hadrian's Wall Heritage, Cumbria Tourism and Carlisle City Council, as well as English Heritage.

## **2. Business skills development to maximise jobs access**

- *New Skills for the visitor economy* - This project is focused on enhancing the skills development offer currently being developed by Carlisle College, the University of Cumbria and partners to establish a Retail and Hospitality Skills Academy. The ambition is to develop new skills within retail and hospitality that are fit for jobs within the sector.

The bespoke training would focus on improving the tourism and retail offer of the city through improved levels of customer service, local knowledge and specialisms, incorporating 'world host' training, understanding food & wine, local tourism knowledge and the use of new technologies. This project will work with businesses and with schools and connexions to promote careers and apprenticeships within the sector through promoting understanding of career development and access to apprenticeships both traditional and higher level, management development and a masterclass programme for business owners and local tourism and hospitality leaders.

This project would also offer pre-employment training for unemployed individuals enabling them to access qualifications and 'employer led' training to equip them with the skills to move into sustainable employment.

## **3. City marketing for visitor and jobs growth**

- *Marketing campaigns and activity focused upon the visitor economy and promoting Carlisle* – This activity is focused on developing Carlisle's visitor economy by creating a step change in delivery and profile. The aim is to promote Carlisle as an historic and

contemporary visitor destination generating increased day visit trips and overnight stays.

It is intended to provide a suite of marketing materials relevant to Carlisle's various visitor markets and provide the opportunity to market Carlisle in new and innovative ways. Specific projects would include: visitor specific holiday guides; website management and marketing; participation in national and international marketing campaigns; and, prospectus information for potential investors.

This will enable Carlisle to market itself alongside national and international destinations and ensure we maximise market share and bring new spend, supporting new private sector jobs to Carlisle.

- *Events Programme* – Previous research undertaken by Arkenford (2007)<sup>2</sup> into why people choose not to visit Cumbria has shown that non-visitors to Carlisle choose not to visit because they do not understand the visitor offer in the city. As such, there is a challenge to provide a reason for people to visit. In addition, this research has shown that there is the need to extend people's stays to more than one night, and increase the amount of money they spend when they are in the city. As such, Carlisle Tourism Partnership needs to develop and invest in an events programme that over a period of years will be funded jointly by the public and private sector, and provide a fuller package of events/festivals rather than the current 2-3 events a year funded by the local authority. The events programme would include 2 events of national appeal, and at least 6 events of regional appeal each year.

Such an events programme will benefit and encourage businesses (particularly city centre retailers) to invest, increase jobs and maximise the benefits to themselves and their employees.

**(b)** other activities which may be carried out as an indirect result of this investment? *If it is not certain that an investment will go ahead, please estimate the likelihood of it going ahead with and without the project.*

It is expected that the investment in activities delivered by Carlisle Tourism Partnership would result in significant indirect impacts in terms of stimulating additional private sector investment in Carlisle's visitor accommodation, food, drink and retail offer. For example, for Christmas 2010, CTP organised an event called "Making Carlisle Magical This Christmas". An initial £5,000 public sector investment, resulted in a £100,000 Christmas event, bringing 11,000 additional visitors into the City and generating up to 42% increase in footfall for retailers. Private sector businesses engaged with the event in terms of special offers, promotions and shop and window dressing.

Carlisle City Council is aware of private sector interest in developing a 4\* hotel to serve the city. With RGF support the Carlisle Tourism Partnership's package of activity is expected to significantly increase confidence in the private sector to invest in a hotel development.

Dialogue between CTP and the University of Cumbria at Carlisle has revealed that there is some scope for increased visitor numbers and spend through the expansion of the

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<sup>2</sup> Cumbria Non Visitor Research, Arkenford Ltd for Cumbria Tourism, 2007

University, leading to increased student numbers, as well as encouraging a more dynamic and commercial relationship between the University and the local visitor economy.

In addition, there is growing interest and support amongst city centre businesses for the development of a Business Improvement District with formalised city centre management functions. There is full agreement from the City Centre Partnership Board (including private sector representation) to progress the BID concept to formal development, with the impact of the package of activity likely to increase support from businesses in the city.

**5.** Please summarise how the project will contribute to the objectives of the Regional Growth Fund. *See application form guidance. It is recommended that the answer to this question is no longer than 750 words.*

## Context

Carlisle is the principal urban centre for Cumbria and its largest employment centre. While not heavily reliant on the public sector for employment, the district is classed as vulnerable and lacking in resilience to economic shocks. Tourism is an important, but currently underperforming element of the city's economy, and it's attractiveness to investors. The Carlisle Economic Strategy notes that Carlisle has the potential to be a very successful visitor destination with a really good tourism offer, but that too many people, however, are still unaware of Carlisle's substantial heritage, attractions and its high quality environment.

There is an urgent need to develop a compelling tourism consumer brand and comprehensive marketing strategy to remedy the existing lack of awareness. This in turn will generate significant additional visitor income, and attract investment for the necessary improvements that are required to the City's tourism product. In the modern day competitive tourism world a good quality visitor experience is fundamental to a successful destination. So too is a universally recognised, well marketed consumer brand, which creates the initial awareness of that destination in the first place.

(a) stimulate enterprise by providing support for projects and programmes with significant potential for economic growth and create additional sustainable private sector employment;

The project seeks to support private sector jobs through growth in the visitor economy through:

- Investment in the accommodation provider sector, thus growing jobs and business enterprise, and improving the capacity of the sector to respond to increased visitor numbers/longer stays;
- Offering an improved level of skills within the local workforce to service the burgeoning visitor economy - through improved levels of customer service, local knowledge and specialisms;
- Investment in specific capital infrastructure to attract more visitors, improve orientation and navigation, thus encouraging visitors to stay longer, and spend more.

As a result, the following results should be achieved:



- the creation of 122 direct jobs (including construction), and 516 gross indirect jobs;
- Increasing visitor numbers by 2% year on year over three years, from 8.262m to 8.767m;
- Increasing the value of visitor spend to the district, from £332m to £352.789m;
- Leveraging in £2.107m of private sector investment;
- Support the growth of enterprise formation within the area – currently well below the national average.

The key parties that stand to gain from the investment are providers of accommodation in the area, and local businesses (retail, leisure etc) that service the visitor economy, particularly in the city of Carlisle itself. There will also be a proportional rise in visitor numbers and spend across the wider Cumbria sub-region, equivalent to around 1%.<sup>3</sup>

(b) support in particular those areas and communities that are currently dependent on the public sector to make the transition to sustainable private sector led growth and prosperity.

In 2008, of the 53,000 employees in the Carlisle District, public services employment (health, education, public administration) represented 27% of the total (14,600 jobs). This has grown by 11.4% since 2003, the eighth highest level of growth among local authorities in the North West. The level of private sector jobs has remained relatively stable in that period.

Data analysed on behalf of the NWDA shows that Carlisle stands to lose 3% of jobs in the public sector by 2015 as the impact of spending cuts plays out, resulting in Carlisle being classed as a vulnerable district.<sup>4</sup>

<b>Public sector jobs dependency</b>	<p>22.2% of all jobs in Carlisle are in the public sector (ranked 99 of 326 in England).</p> <p>Private sector jobs growth in Carlisle (1.7%) between 2003-2008 has been slower than the national average of 5.3%</p>
<b>Poor GVA &amp; competitiveness</b>	<p>Carlisle is one of the least competitive areas in the UK, ranked 283 from 379 local authority areas<sup>5</sup>.</p> <p>VAT registrations per 10,000 inhabitants (2007) in Carlisle are 25.6, below the national level of 34.0, and ranking the district 272<sup>nd</sup> out of 379 authorities.</p> <p>The number of active enterprises in 2009 per 1,000 resident population in Carlisle (36.9) is below the England average of 39.1.</p> <p>GVA per head of £18,147 (2007) is lower than the national average (£19,951).</p>
<b>Acute deprivation</b>	<p>The district has multiple deprivation, with six wards in urban Carlisle within the most deprived 20% of wards in England in the Index of Multiple Deprivation., including high levels of child poverty, workless households and health inequalities. According to the 2007 Index of Multiple Deprivation, the district ranked 110<sup>th</sup> most deprived in England (out of 354).</p>

<sup>3</sup> Cumbria Tourism

<sup>4</sup> Public Sector in the North West, presentation to the NWDA by Experian

<sup>5</sup> Huggins Competitiveness Indicators

	The proportion of resident population aged 16-64 claiming out of work benefits (April-June 2010) was 11.9%, compared with the national average (12%)
<b>Low earnings</b>	Wage levels (£444.60) fall below the national average (£490.20).

The project will invest directly in the Carlisle District, providing an economic stimulus and re-orienting the private sector element of the visitor economy towards enhanced growth.

In sum, it is forecast that this investment will drive forward growth in visitor numbers to Carlisle, and contribute as a result to the economic growth of the local economy, driven by private sector growth, thus contributing to the re-balancing of the local economy as private sector jobs fill the gap left by public sector job losses.

**6.** Which entity will be the recipient of RGF funds? Who are their immediate and ultimate parents? *Provide where appropriate details for each of these of legal status, entity name, address, company registration number or VAT registration number, sector, directors, principal shareholders, and contact details. Please also identify any recipients which are SMEs.*

The recipient of the RGF funds will be Carlisle Tourism Partnership (CTP) which currently operates as a private/public sector partnership (comprising the City Council, Cumbria Tourism, and Hadrian's Wall Heritage Ltd) under a collaboration agreement (available on request). It is the intention of the partnership to become a company limited by guarantee. Until this time, Carlisle City Council would be the accountable body for the RGF funds.

<b>Entity Name</b>	Cumbria Tourism	Hadrian's Wall Heritage Ltd	Carlisle City Council
<b>Postal Address</b>	Windermere Road Stavely Kendal Cumbria LA8 9PL	East Peterel Field Dipton Mill Road Hexham Northumberland NE46 2JT	Civic Centre, Carlisle, CA3 8QG
<b>Legal Status</b>	Company Limited by Guarantee	Company Limited by Guarantee	Local Authority
<b>Company Reg No.</b>	3027358	Registered Address: Stella House, Goldcrest Way, Newcastle Upon Tyne & Wear, NE15 8NY  Co. Reg. No.05820376	N/A
<b>VAT Reg No.</b>	334 975 625		257 225 166
<b>Sector</b>	Tourism	SIC 7487 – Other Business Activities	Local Government
<b>Directors</b>	Martin Hodgson (Company Secretary)  Robert Anthony Brunskill	Board members:  Ann Green CBE,	

	Andrew Edward Collard Amanda Jacqueline Dixon Kevin Victor Douglas Janet Fallon Marie Therese Fallon Councillor Brendan Jameson Timothy John Knowles Councillor Anthony Markley Eric Bell Robson Ian Stephens Visit Britain James Edward Walker Nigel Wilkinson Kenneth Michael Williams Councillor Marilyn Louise Bowman	Chairman Susan Achmatowicz Nick Brooks-Sykes Peter Henriksen Humphrey Welfare Eric Robson Christine Venus Peter Judge	
<b>Principal Shareholders</b>	N/A	N/A	N/A
<b>Contact Details</b>	Ian Stephens Chief Executive T. 01539 822222	T. 01434 609700	

**7. Are other organisations or companies part of this bid? YES**

**7(a)** *IF YES, please set out their role in the project, the relationship between different partners in delivering the project, and specify their legal status, entity name, address, company registration number or VAT registration number, sector, directors, principal shareholders, and contact details.*

Hadrians Wall Heritage Limited and Cumbria Tourism are founder and funding members of the tourism partnership and would assist in the delivery of some elements of the project. Details of these organisations are set out above in Question 6.

In addition, there is considerable support for the project from private and public sector organisations in Carlisle. Appendix I of this application sets out the letters of support received from:

- John Stevenson MP
- Virgin Trains

- Carlisle Racecourse Ltd
- Carlisle Cathedral
- Cumbria Tourism
- Richard Rose Academy (Sixth Form College)
- Tullie House
- The Carlisle Partnership
- Cumbria Local Enterprise Partnership
- The Lanes Shopping Centre
- Carlisle Leisure Ltd
- English Heritage
- Hadrian's Wall Heritage Ltd
- University of Cumbria

**8.** In addition to any RGF funds, how will the project be funded? *Please identify sources, amount of funding and terms of funding and indicate whether these have been confirmed. Show how these sources of funding along with the RGF support add up to the total cost of delivering the project set out in question 4.*

**(a)** funding for the investment itself?

To meet the costs of the package of activities, the breakdown of investment is as summarised below:

Source	2011/12	2012/13	2013/14	Total
<b>Marketing</b>				
Carlisle City Council (S)	80,000	80,000	80,000	240,000
Private sector - advertising and sponsorship	50,000	75,000	100,000	225,000
RGF	125,000	100,000	75,000	300,000
	<b>255,000</b>	<b>255,000</b>	<b>255,000</b>	<b>765,000</b>
<b>Events Programme</b>				
Carlisle City Council (S)	55,000	55,000	55,000	165,000
Private sector - advertising and sponsorship	25,000	50,000	75,000	150,000
RGF	100,000	75,000	50,000	225,000
	<b>180,000</b>	<b>180,000</b>	<b>180,000</b>	<b>540,000</b>
<b>Business Skills Development</b>				
DWP (Work Programme) (S)	40,000	40,000	40,000	120,000
Skills Funding Agency (ESF)	10,000	10,000	10,000	30,000
Skills Funding Agency (ARL)	10,000	10,000	10,000	30,000
Private Sector	20,000	30,000	40,000	90,000
RGF	40,000	35,000	25,000	100,000
	<b>120,000</b>	<b>125,000</b>	<b>125,000</b>	<b>370,000</b>
<b>Capital Improvements</b>				
<b>Accommodation Providers</b>				
Private Sector	300,000	600,000	600,000	1,500,000
RGF	100,000	200,000	200,000	500,000
	<b>400,000</b>	<b>800,000</b>	<b>800,000</b>	<b>2,000,000</b>
<b>Old Town Hall</b>				
English Heritage Partnership Scheme in Conservation Areas (S)	40,000	215,000		255,000

City Council (S)	18,105	290,150	7,435	315,690
RGF	31,895	511,149	12,899	555,943
	<b>90,000</b>	<b>1,016,299</b>	<b>20,334</b>	<b>1,126,633</b>
<b>Walby Farm</b>				
Private	142000			142,000
RGF	71000			71,000
	<b>213,000</b>	<b>0</b>	<b>0</b>	<b>213,000</b>
Total	1,258,000	2,376,299	1,380,334	5,014,633
Total RGF	467,895	921,149	362,899	1,751,943

S = Funding Secured

**(b)** funding of related or contingent investments?

N/A

## Section B: Without RGF support

*In order to maximise the impact of the Regional Growth Fund, Government support should be restricted to those instances where the market cannot, or will not fully or in-part, bring an investment forward in the absence of public support. This section will establish a rationale for Government support by enabling us to understand whether and why the project would not otherwise go ahead as proposed.*

**9.** In the absence of RGF support, will the project go ahead (and if so in what form)?

*Please provide commercial and economic reasoning to support your argument.*

**(a)** will the investment project go ahead (and in what form)?

RGF funding will enable us to create a more distinctive and contemporary visitor profile for Carlisle, stimulating and marking a new era for tourism delivery. Carlisle has the assets to promote itself successfully on a local, regional, national and international basis but over the years the area has underperformed and currently the visitor economy is not the driver of growth and employment that it has the potential to be.

In the absence of RGF, the local authority would continue to support tourism marketing and development in Carlisle. In real terms, the variation between RGF funded activity and non-RGF activity will be substantial, and damaging to aspirations of achieving fundamental change. If successful in securing RGF support, a combined package, leveraging in other public match funding, and private sector contributions, should amount to £3m. Failure to secure RGF will result in a considerable reduction in the confidence of the private sector that the revitalisation of the local visitor economy will be delivered<sup>6</sup>, and a lack of incentive for them to participate, meaning this additional funding will not be secured, and investment will revert to the local authority base budget of £80k.

The CTP will lose it's ability to react quickly to changing markets and market conditions, thus potentially losing market share, by needing to secure regulatory approval, often a long process, to participate in activities and programmes on an ad hoc and opportunistic basis.

In summary, with RGF support CTP will be able to make the step change that is necessary to enable Carlisle to achieve its potential, delivering substantial private sector jobs growth, enhance opportunities and wider economic outputs for the city of Carlisle.

**(b)** will the wider development of the area, if applicable, proceed (and in what form)?

As outlined in the answer to 9a, without RGF support, minimal activity will take place through traditional public sector delivery models, which will not result in tourism driving forward the economic prosperity of Carlisle.

**10.** Are there other ways of taking the project forward that will not require RGF support?

*Please outline what these are and why they are considered inferior:*

**(a)** ways of taking the investment project itself ahead?

The project relies upon a cocktail of funding from both the public and private sector, there

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<sup>6</sup> The last 18 months have proven that an effective private/public sector partnership (Carlisle Tourism Partnership) can unlock the door to private sector commitment and investment in a way that they are sometimes reluctant to do with a local authority driven partnership.

are no other ways to deliver the project without RGF support unless the scale of activity is substantially reduced which would prejudice our ability to secure a step change in the value of the visitor economy to the City.

There is a lack of alternative funding. Further to the 2010 Comprehensive Spending Review the Northwest Development Agency (NWDA) has significantly reduced funding for tourism across the region, in real terms this means that the budget available for all tourism and events in Carlisle in 2011/2012 will be in the order of £80K based upon Carlisle City Council investment, which would mean minimal marketing activity and the loss of the city centre events programme.

**(b)** ways in which the *wider development of the area would proceed?*

Without the public and private sector elements of the proposed package, investment in the Carlisle area will be significantly diminished. As a consequence, any wider development of the area would be constrained, not simply by a lack of monetary investment, but by a lack of confidence, especially from the private sector.

The wider development of the area would also be threatened by competitive pressure from further afield, in particular, Scotland. We understand that Visit Scotland is increasing its spending on tourism marketing and development, and given that Carlisle is in close geographic proximity to Scotland, and is clearly within its tourism catchment area, failure to develop the area would result in potential visitors to Carlisle being attracted elsewhere.

**11.** What is the minimum amount of RGF support required to allow the project to proceed? *Please provide analysis and evidence to justify the amount and timing of support, by year, and specify the type of financial instrument envisaged (e.g. grant, loan, loan guarantee).*

The minimum level of RGF required is £1,751,943m.

The current proposals represent a package of projects at a scale necessary to deliver meaningful impact. Failure to attract the specified amount of RGF would mean the project could not proceed, and therefore would not achieve the necessary step-change to allow Carlisle to fully realise its potential as a visitor destination. It would also result, in the short to medium term, in a loss of confidence from the private sector in the public sector's commitment to develop Carlisle fully.

Grant funding is envisaged, as profiled in question 8.

## Section C: Sustainable Private Sector Growth

*The Regional Growth Fund seeks to encourage sustainable private sector-led growth. This section will develop Government's understanding of the market context for the investment, and the likelihood that it will be deliverable and sustainable over the long term.*

*Questions 12-15 make reference to goods and services identified in Question 3. Where more than one good or service has been identified, the following questions should be answered separately for each good/service.*

**12.** Using the pro-forma in Part 2, Section A of the application form, please provide a simplified forecast project Profit & Loss and cashflow over the economic lifetime of the private sector aspect of the project and explain the basis for each of the assumptions underlying the cashflow. *The answer to this question should refer to goods and services identified in Question 3(a).*

N/A

Responses to parts (a) and (b) in Questions 13-15 should correspond to answers provided to the corresponding sub-sections of Question 3 i.e. when answering Questions 13(a), 14(a) and 15(a), responses should correspond to the goods and services identified in Question 3(a). When answering Questions 13(b), 14(b) and 15(b), responses should correspond to the goods and services identified in Question 3(b).

**13.** What are the characteristics of the market for the product(s) or service(s) directly or indirectly offered as a result of the project? *Please refer to product/service volumes and margins and identify key market participants.*

**(a)** Market for goods or services directly offered as a result of this investment?

The size of the tourism sector in Cumbria is significant, in 2009 it had 41 million visitors, made up of 36 million day trippers and 5 million overnight visitors. This brought in £2 billion to the sub region's economy and provided employment for 32,860 full time equivalent (FTE) posts.

In Carlisle the value of tourism in 2009 amounted to £332.44 million with the urban area accounting for £207.56M and rural area £124.88, with over 8 million visitors (including 6.9 million day visitors) supporting over 5,086 FTE posts. The table below sets out information relating to expenditure (drawing on STEAM data).

<b>Analysis by Sector of Expenditure</b>			
<b>(£'s millions)</b>	<b>2009</b>	<b>2008</b>	<b>% change</b>
Accommodation	21.67	21.77	-1
Food and drink	62.93	62.21	1
Recreation	35.49	35.13	1
Shopping	49.49	48.88	1
Transport	42.03	41.75	1
<b>Total Direct Revenue</b>	<b>211.61</b>	<b>209.75</b>	<b>1</b>
Indirect Expenditure	83.79	82.93	1



VAT	37.03	36.71	1
<b>TOTAL</b>	<b>332.44</b>	<b>329.38</b>	<b>1</b>

<b>Economic Impact Generated by:</b>			
<b>(£'s millions)</b>	<b>2009</b>	<b>2008</b>	<b>% change</b>
Serviced Accommodation	49.48	50.73	-2
Non-Serviced Accommodation	18.96	17.58	8
SFR	11.47	11.41	1
Day Visitors	252.53	249.67	1
<b>TOTAL</b>	<b>332.44</b>	<b>329.38</b>	<b>1</b>

In addition, Carlisle's one hour market catchment covers major tourist hot-spots including parts of the Lake District and the Hadrian's Wall World Heritage Site and long distance trail. This offers great potential for increasing the domestic and international day trip market to Carlisle.

The market for serviced and non-serviced accommodation in Carlisle and Cumbria remains strong as a result of the current UK 'staycation' trends and the growing interest in Carlisle as a weekend break destination. This growing interest is likely to be bolstered with the new investment in improved freight and passenger facilities at Carlisle Airport and the continued investment in West Coast rail services.

There has been an increase Carlisle's room occupancy rates in serviced accommodation has fluctuated significantly over the last five years. Typically it averages around 54-55% which is a few percentage points lower than the average for Cumbria as a whole. Highest room occupancy rates are achieved in May, August and September but there is less seasonality than in other parts of the county which are more dependent on leisure based trips.

Carlisle has a relatively strong business tourism market which accounted for some 20% of bednights in 2009. CTP believe that there is further scope to increase the occupancy levels in Carlisle's accommodation as a result of the activities proposed in the RGF programme; improved standards, an enhanced leisure and business offer together with better transport connections and awareness of the city's offer should increase the level of business by 2% per annum.

**(b) Market for other goods or services that may be indirectly created as a result of this investment?**

The city economy is well-served by a range of retail, leisure, and recreation businesses. Many of these are already engaged with the CTP, and have supported previous tourism development activity through increasing opening hours and promotional offers. This market stands ready to accommodate increased visitor numbers and to benefit from increased spend in the area.

**14. How is the market forecast to change over time?****(a) Market for goods or services directly offered as a result of this investment?**

In Carlisle tourist numbers and revenues rose by 1% between 2008 and 2009. This represented a substantial increase on previous figures, and contrasts with the national trend. However, without further stimulus to the visitor economy, it is anticipated that the potential market for visitors in Carlisle will stagnate in the short to medium term.

The stimulus package proposed by CTP provides an opportunity to make a substantial change to the prospects of the local visitor market, with the ambition of increasing visitor spend by 2% year on year. This will represent a significant step-change and growth in the visitor economy, of an order that has not previously been achieved in Carlisle, and thus enhance the district's position as a visitor destination and complement the outstanding offer in the Cumbria sub-region.

**(b) Market for other goods or services that may be indirectly created as a result of this investment?**

Despite the recent recession and economic downturn, retail and other city centre business activities have remained relatively strong. CTP anticipate that the market for these indirect services will continue to grow, reflecting the health of the local economy.

**15. What assumptions are being made about market share? *Include as appropriate information on customers, suppliers and competitors to support these assumptions.***

CTP expect that although the project will increase Carlisle's visitor numbers/spend, it will be complemented by similar increases within the Cumbria sub-region, thus resulting in the preservation of the current level of market share, as illustrated below.

Carlisle's market share in the Cumbrian context is illustrated below:

	Allerdale	Barrow	Carlisle	Copeland	Eden	S Lakes	LDNPA	Cumbria
Tourism Revenue (£m)	385.7	86.6	332.4	133.2	223.1	910.5	952.7	2071.5
Tourist Days (m)	10.1	3.1	8.3	4.3	6.9	21.5	23.1	54.3
Tourist Numbers (m)	7	2.7	7.4	3.2	4.4	16	15.8	40.8
Employment (FTEs)	6,514	1,441	5,086	2,109	3,623	14,086	15,244	32,860

Source STEAM 2009 Cumbria Tourism

The CTP has identified some particular segments (families and over-65s) in which they are aiming to increase our market share. CTP is also targeting increased numbers of visitors from North America/Canada and the pan-Asian market (who currently are not visiting Carlisle as part of a linked trip to the Lake District, Hadrian's Wall, or Scotland), as well as aiming to increase the number of visitors as a result of an expanding University.

**16.** What are the key risks, constraints and dependencies (e.g. planning consents) in executing the business plan and investment proposal? *Please demonstrate how these will be managed.*

**(a)** Risks etc. around activities carried out by project partners, directly related to the investment, as set out in Question 4(a)?

<b>Risk/constraint/dependency</b>	<b>Owner</b>	<b>Likely incidence of risk</b>	<b>Potential impact of risk</b>	<b>Mitigation actions</b>
Unsecured funding within the funding package	CTP	Medium – appraisal of funding already carried out as part of project development	High – failure to achieve will compromise impact of package	CTP and partners to underline and secure funding inputs
Limited take-up of business grant from accommodation providers	CTP	Low – similar schemes in the region (not available in the urban Carlisle area) have been over-subscribed	High – failure to develop the provider infrastructure will result in the step-change in visitor numbers being less likely to be achieved	CTP to promote and publicise scheme, together with examples of benefits from other areas
Old Town Hall re-development – lack of interest from building contractors	CTP	Low – significant awareness and interest already exists as a result of extensive preparation and feasibility work commissioned by the Council	High	CTP/Carlisle City Council to continue to alert potential developers to the opportunity (in train)
Failure of business, particularly in city centre, to respond to stimulus by extending opening hours, recruiting more staff etc	CTP	Low – CTP already has a strong relationship with city centre businesses and has worked with them on previous occasions to encourage participation and collaboration in events – resulting in the recruitment of more staff on casual and permanent basis	Medium/High	CTP to continue to engage with city centre businesses; evidence of successful events to be circulated and promoted, supplemented by any data on business performance as a result of participation
Capacity of CTP to deliver/manage programme	CTP	Medium	Medium	Possibility of migrating delivery within Carlisle City Council

**(b)** Risks etc. around activities not directly related to the project, in particular those set out in Question 4(b)?

<b>Risk/constraint/dependency</b>	<b>Owner</b>	<b>Likely incidence of risk</b>	<b>Potential impact of risk</b>	<b>Notes/Mitigation actions</b>
Hotel development – lack of private sector interest	CTP	Low - Private sector interest in the development of a 4* hotel already established, with a specific site already subject of discussion	High	CTP to actively promote concept further, and engage in dialogue with interested parties
Hotel development – planning consent	CTP/Carlisle City Council	Low – Carlisle City Council has a strong economic interest in project proceeding, potential site has an existing use	High	CTP to facilitate dialogue between developers and Carlisle City Council prior to planning application.
City Centre Management/BID – private sector not sufficiently engaged/enthused to commit time/funding	CTP	Medium – dependent to an extent on the success of activities set out in 4(a)	High	CTP to maintain dialogue over CCM/BID with private sector parties in order to build interest and commitment

**17.** How does the project fit with the economic priorities and prospects of the locality as a whole? Where possible, this should be linked to a wider economic vision for the area and actions and policies of local partners. *Please be specific when identifying economic priorities, actions and policies, and explain how the project links with them.*

### **Regional economic priorities and prospects**

The **North West Regional Economic Strategy** underlines the need for action and increased investment: “Given the importance of the tourism sector within the region, it is important that its quality and reach can be enhanced and that it is able to make a greater contribution to facilitating economic growth”, with RES action 115 particularly relevant to our proposals “Deliver sustainable growth through use of the region’s heritage environments and assets – especially World Heritage Sites, the cities of Chester, Lancaster and Carlisle and The Lake District.”

The **North West VIC and Segmentation Review** identifies Carlisle Old Town Hall as a Strategic VIC. Investment is supported by research commissioned by Cumbria Tourism (Provision of Visitor Information in Cumbria, 2008) which identified that “as the ‘anchor’ city for the NW border, and hub of Hadrian’s Wall, Carlisle is certainly a strategically important location for a hub visitor information centre and that the Old Town Hall is one of the key locations in the County where substantial investment is needed to develop it as a hub VIC focused upon Hadrian’s Wall Country.”

### **Sub-regional economic priorities and prospects**

Tourism is a major economic growth agent for the Carlisle District, and the County of

Cumbria, underpinning the generation of over £2 billion of revenue per annum and supporting as many as 56,500 jobs<sup>7</sup>. The **Cumbria LEP submission** states:

*“...the Cumbria LEP recognises the importance of supporting the improvement of the county’s tourism industry. Tourism also underpins real and potential benefits for the environment, culture and helps isolated communities and therefore should be a key objective of Cumbria’s economic future.”*

Carlisle’s tourism sector has strong potential for growth and as such our proposals will directly address many of the Cumbria LEP objectives specific to tourism:

- Seek to ensure the long-term attractiveness of Cumbria as a visitor destination;
- Facilitate effective networks to promote Cumbria and areas within it effectively;
- Encourage and facilitate businesses to improve their tourism offer, both accommodation and attractions, while maintaining Cumbria’s landscape, natural habitats and special character;
- Work to ensure high quality and appropriate public realm, tourist information provision, parking provision and transport links;
- Work across LEP boundaries to promote initiatives such as Hadrian’s Wall, Morecambe Bay, the Solway Firth and farm tourism.

The **Cumbria Economic Strategy 2008 – 2028 Tourism Strategy Action Plan** states that Carlisle has the opportunity to extend its appeal to a wider audience by developing its historic and cultural quarters. Along with the close proximity of Hadrian’s Wall and the Solway Estuary, the developments of Carlisle Airport will provide connectivity and opportunities to explore new markets.

Our proposals address many of the key actions identified in the Tourism Strategy Action Plan, specifically:

1. Better integrated Tourist Information offer across the County including the integrated management of Tourist Information Centres.
- 2. Step change in the quality of all accommodation types.**
- 3. Higher levels of skills across the sector.**
- 4. Promote Welcome host initiatives to instigate a step change in Customer Service.**
5. Implement a Sustainable Transport Strategy for Cumbria.
- 6. Extend the season and the offer outside of the core of the Lake District and promote the County as a whole.**
- 7. Marketing activity to support the above plus targeted activity to promote Carlisle, Hadrian’s Wall, West Cumbria and Furness.**
8. Improvements to public realm at key sites to add to the overall visitor experience.
9. Promote the links between the Visitor Economy and Primary Agriculture as custodians of the landscape through the development of a Green Infrastructure Strategy.

Exploiting the heritage of Carlisle’s Historic Quarter and its connections with Hadrian’s Wall World Heritage Site to attract new investment and visitors to the city is a priority in the Tourism Strategy for Cumbria 2008 – 2018 prepared by Cumbria Tourism.

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<sup>7</sup> Source: Cumbria Tourism

## **Local economic priorities and prospects**

Our proposals also address the “**Growing Carlisle**” **Economic Development Strategy** produced by the Economic Development and Enterprise Priority Group of the Carlisle Local Strategic Partnership.

Based upon an extensive SWOT exercise, Growing Carlisle outlines that while Carlisle has the potential to be a very successful visitor destination too many people are still unaware of Carlisle’s substantial heritage, attractions and its high quality environment.

A key weakness identified is the under-exploitation of Carlisle’s tourism potential, to date, with relatively limited resources applied to destination marketing, and under-investment in the visitor experience at some of the City’s key heritage assets our proposals building on the recent work of Carlisle Tourism Partnership will address this.

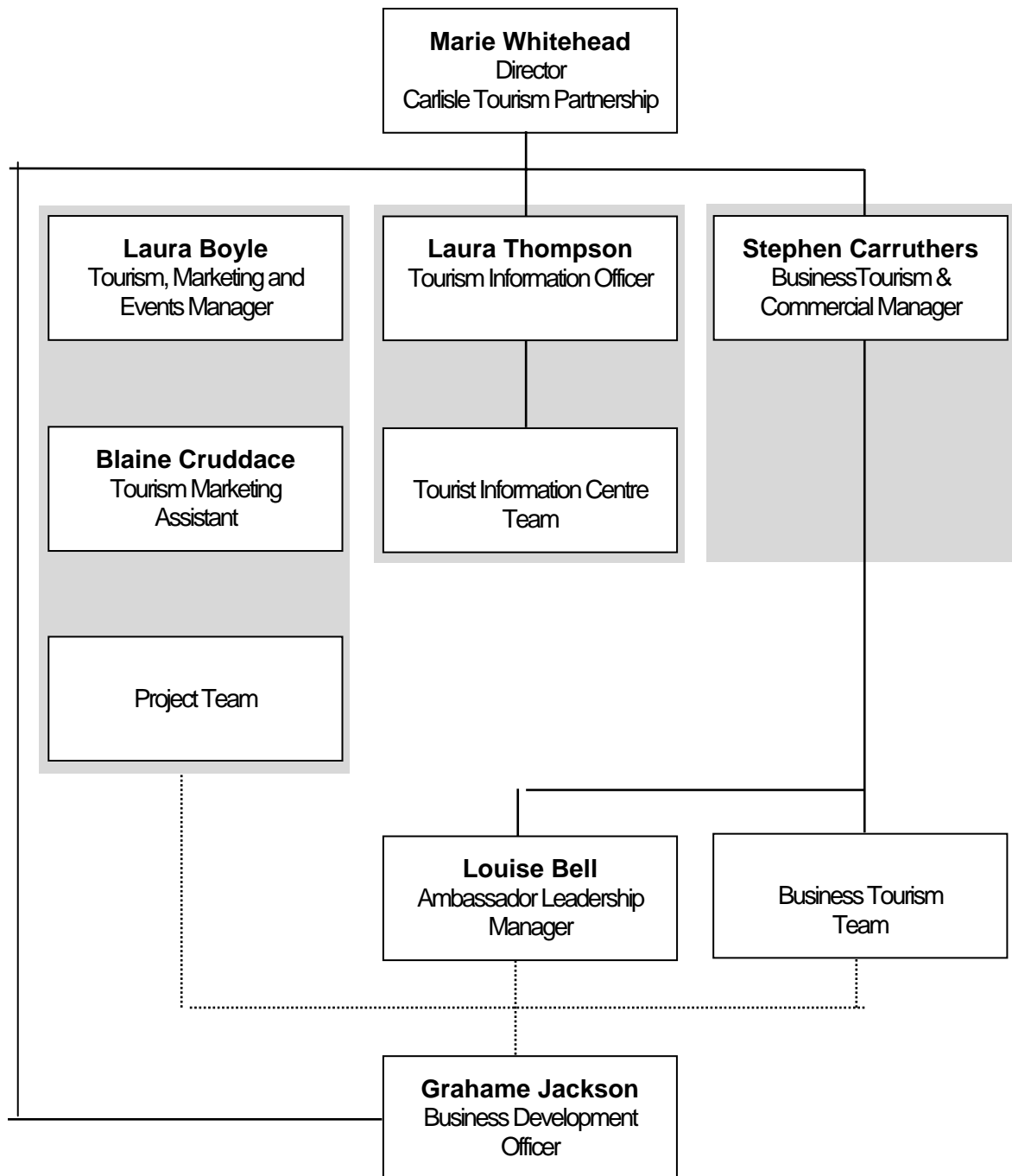
Activity to be delivered by the bid will contribute to regional investment priorities for tourism development as defined in the Strategy for Tourism in England’s Northwest, in particular;

- Enhanced communication with visitors
- For the people who work in the visitor economy to have, and to be using, improved levels of skill
- Higher levels of productivity and performance from the businesses operating in the visitor economy
- Improved products and higher quality visitor experiences for all visitors to the region
- Improved infrastructure for the visitor economy

**18.** Please provide a list of key project personnel who will be involved in delivering the project, including CVs.

The team structure and individual CVs are outlined below. Attached at Appendix II are pen portraits of the CTP Board.

## Carlisle Tourism Patnership - Team Structure



## **Curriculum Vitae**

**Marie Elaine Whitehead**

### **Current Role – Director of Carlisle Tourism Partnership**

#### **Education and Qualifications**

##### **Jan 2010-July 2010    Common Purpose 360 Cumbria Focus**

Once a year a number of leaders from the business, public and voluntary/community sectors across Cumbria come together for 6 full days to learn how to expand their networks and improve their capacity to lead, and this course provided insights into leading change in Cumbria.

##### **Sept 2008-Sept 2009    Masters in Business Administration (MBA) - University of Cumbria**

This Masters programme involves researching and understanding all aspects of strategic management. My dissertation focused on the motivation of staff and implementing complex changes in organisations.

##### **Sept 2007-Sept 2008    Post Graduate Diploma in Management Studies - University of Cumbria**

This one year post graduate course included modules on personnel management, strategic management, financial management and change management and control.

##### **October 2006    PRINCE 2 Foundation and Practitioner - Institute of Project Management**

This in depth course involved looking at all aspects of successful project management.

##### **Aug 2005- Sept 2006    Cumbria Leads- Director Development - Talent Engine**

This continuous Professional and personal development programme includes diagnostics, performance appraisals, professional coaching and support, and attendance at a number of courses, seminars and presentations.

Jan- Nov 2003 - Business Performance Cumbria - Profit Trough Productivity

Jan –Oct 2002 - Institute of Supervision and Management - Certificate in Management

Sept 1990- July 1993 - University of Manchester - BA Joint Hons in Business Management with Leisure and IT

My Degree course focused on the leisure and business industry included; marketing and management, tourism management, sports science, psychology, sociology, finance and quantitative analysis, Information technology and its applications, human resource management and effective management.

#### **Employment History**

##### **July 2009- Present    Director of Carlisle Tourism Partnership**

In my current role I am employed by Cumbria Tourism to manage a public/private sector partnership to promote and develop the tourism product in Carlisle. Although the role is ever changing, key responsibilities include:

- Development of strategic tourism plan for Carlisle incorporating events, marketing, city centre management and quality improvements.
- Management of the business tourism development for Cumbria including development and launch of a brand new ambassador programme for the whole county.
- Raising the profile of Carlisle as a world class visitor destination.
- Management and delivery of Business Training Programmes.
- Communicating and improving networks between the public and private sector.
- Recruitment and management of a public/private sector board



- Improving the quality of major events in Carlisle.
- Management of all HR functions.

**July 2006-July 2009     Sustainable Development Manager - Hadrian's Wall Heritage Limited**

In my role at Hadrian's Wall Heritage Limited (HWHL) I was responsible for the inception, management and delivery of capital and revenue projects along the Hadrian's Wall corridor. I worked closely with public and the private sector, as well as many regeneration agencies involved in the various areas. Most of my projects were based in the West of the HWHL area, particularly in Carlisle and West Cumbria. This involved offering business support, training and advice to a variety of companies, as well as working with them on recruitment, financial planning and marketing strategies. In addition to this, I was also Chair of Western Lake District Tourism Partnership, and assisted Cumbria Tourism and HWHL to secure the future of the organisation.

**Jan 2000- April 2006     Director of Operations - Whitehaven Development Company, Whitehaven**

Whitehaven Development Company (WDC) was set up to over see the regeneration of Whitehaven and to secure funding to undertake a wide variety of key projects. WDC was responsible for over £57 million worth projects and these were managed by a very small team of 3 full time employed directors, including myself.

As well as my direct responsibility for the Development Company, I was also involved in the following activities:

- Chairperson for the Western Lake District Tourism Partnership which is an organisation responsible for an area which includes all of Allerdale and Copeland Borough Councils. The group has over 500 members from the Public and Private sector and I have been asked to take this group forward for the next 3 years. As well as chairing meetings, I was the "voice" for the area and was responsible for all communications activity on an internal, local, national and international level.
- Spokesperson and Co-ordinator for Rediscover Whitehaven, a destination marketing activity where I was responsible for all marketing and developing a cohesive approach to development of the town centre. This includes representing the town on a local and national level.

**Jan 1996-Jan 2000     Business Development Manager - Kier Regional (Construction) Limited**

I was responsible for all Corporate Communication and Business Development Issues for Kier Regional Limited in Northern England and Southern Scotland.

**Oct 1993-Jan 1996     Financial Advisor - General Accident**

This Graduate management position included training and development in all aspects of business management.

**May 1991- Sept 1993     Tourist Information Assistant - Carlisle City Council Tourist Information Centre**

This Vacation employment gave me practical experience and a valuable insight into tourism and customer service.

## **Curriculum Vitae**

**Laura Boyle**

### Current Role – Tourism Marketing & Development Officer - Carlisle Tourism Partnership (CTP)

- To ensure the effective of operation of the Partnership and the development of the Action Plan for tourism in the Carlisle area. Responsible for the development and implementation of specific projects and leading on activities within the key areas of responsibility listed below:

#### Key Areas of Responsibility:

- Information Technology 'champion' for the CTP advising on, implementing and co-ordinating systems, website and electronic data gathering, marketing and communications, including advising on and putting into effect new methods of marketing including social networking and Mobile messaging
- 'Project Champion' within the Partnership for agreed tourism development projects and events, liaising with partner bodies and co-ordinating activity as directed.
- Responsible for the effective and proper management of project budgets as required by the Director
- Support the development and manage all aspects of the delivery of co-ordinated promotion and marketing campaigns with Hadrian's Wall Heritage Ltd, Cumbria Tourism and others
- To develop and manage a tourism photographic library for the CTP and to enable the private sector and public sector agencies to market and promote Carlisle in a professional way
- To maintain an overview of the content and quality of the publicity and P.R. linked to the Partnership's work programme.
- Implement and monitor a positive performance culture, complying with policies and procedures that enable delivery of agreed targets and service standards.
- To work with the Tourism Partnership Director to establish and maintain effective two-way communication with staff, colleagues from other relevant organisations, Elected & Partnership Board Members and tourism businesses, seeking out and responding to opinions in order to further enhance the quality of service delivery.

#### Employment History

April 1990 – Present - Carlisle City Council

- 1990 – 1992 – Tourism Assistant
- 1992 – 1999 - Assistant Tourism Development Officer
- 1999 – 2004 – Tourism Officer
- 2004 – 2009 - Tourism Marketing Officer
- 2009 – Present Tourism Marketing & Development Officer (Carlisle Tourism Partnership)

Previous employment and experience -

Experience within the tourism sector, understanding of the relevant aspects of tourism marketing, roles of public agencies in the support and development of the visitor economy including local authority procedures and protocols.

Jetsave Travel (Greyhound International) – Florida USA

Thomson Travel – Greece. Italy. Spain. Canary Islands.

Effective Marketing Management -Cranfield School of Management. Business Management - West Cumbria College. BTEC National Diploma – Travel & Tourism - Carlisle College

**Curriculum Vitae**  
**Laura Jane Thompson**

**Current Position – Tourism Information Officer**

**EDUCATION AND QUALIFICATION**

**Jan 2010 – Nov 2010 NVQ Management Level 3**

The NVQ course compulsory units were to ensure health and safety requirements are met, managing your own resources and professional development, providing leadership in your area of responsibility and allocating and monitoring the progress and quality of work. The optional units that I have completed are managing a project and partnership working and developing productive working relationships with colleagues.

**1998 – 2000 BTEC Travel and Tourism**

**BTEC Advanced in Travel and Tourism**

This course provided me a great insight into Tourism within the UK, focusing on customer service , UK Geography, The UK Travel and Tourism Industry and Business Skills for Travel and Tourism.

**PRESENT EMPLOYMENT**

June 2007 - Present TOURIST INFORMATION OFFICER - Full time: Carlisle TIC

In my current role I manage the operation of Visitor Information facilities in the Carlisle District, at present this is Carlisle Tourist Information Centre and Brampton Seasonal Tourist Information Centre. I work with Carlisle Tourism Partnership in the development and operation of a first class range of visitor services throughout the District. I work closely with the private sector promoting and offering support to accommodation providers and visitor attractions. I work in partnership with a range of local businesses offering local retail and tickets. I manage a function Room which is used by many local community groups and local business. I also work with the local college giving presentations and offering students work experience.

My Key responsibilities include:

- Responsible for the good appearance, cleanliness, efficient operation and day to day management of the premises from which visitor information or related services are delivered.
- To be responsible for retail sales and income generation at visitor information facilities, including the good appearance of the retail sales areas, the effective and efficient ordering and control of stock, maximising sales and income earning services, the monitoring of the income, and ensuring that all monies are handled in accordance with financial regulations.
- Responsible for the welfare, working arrangements, development of skills and training needs of all staff.

**PREVIOUS EMPLOYMENT**

April 2001- June 2007 TOURIST INFORMATION ASSISTANT - full time: Carlisle TIC

- Assessing customers holiday needs & suggesting relevant facilities and attractions to visit.

- Assessing visitors with finding accommodation.
- Resolving customer complaints.
- Involvement in city centre events.
- Creating promotion displays within the centre
- Selling tickets for major events
- Comprehensive use of the computers.
- Having the responsibility for keeping all the attractions up to date and having a good supply of leaflets in the office to give to visitors.

## Curriculum Vitae

**Stephen Matthew Carruthers**

**Current Role:** Business Tourism Manager – Carlisle Tourism Partnership

### CAREER / EMPLOYMENT HISTORY

#### **July 1997 – Present (Business Tourism Manager – Carlisle Tourism Partnership)**

I was appointed to the position of Business Tourism Manager, following the formation of the Carlisle Tourism Partnership. The initiative is led and operated as a public / private partnership and has a county wide remit. Although the tasks are wide ranging, the key accountabilities of the post are:-

- To work & support the Carlisle Tourism Partnership Director to develop, direct and implement business tourism strategies and policies to assist sector growth and economic regeneration
- To identify business tourism venues from across the county and encourage their participation in business tourism development programme[s] as directed, through marketing and soliciting to these venues and to achieve agreed targets.
- To raise and maintain the profile of the business tourism sector across the region of Cumbria by enhanced communications with the media and private sector partners as well as regional and national tourism bodies.
- To promote Carlisle and Cumbria as a quality business tourism venue by initiating quality accreditation schemes.
- To plan, develop and advocate appropriate marketing methods that are agreed with a private sector steering group and the Carlisle Tourism Partnership Director, whilst promoting the City of Carlisle and other regions within the county.
- To be responsible for the effective and proper management of project budgets as required by the Tourism Partnership Director
- To ensure that the overall Carlisle Tourism Partnership strategies and policies are built into the business tourism action plan, and to provide support to CTP, particularly for events and hospitality.
- To develop effective methods of linking with conference organisers, buyers and other appropriate business contacts in line with the agreed marketing strategy.
- To oversee the design, development and monitoring of the Carlisle and Cumbria Conference Group website.
- To organise and manage exhibitions, promotional initiatives and joint and individual familiarisation visits as required.
- To facilitate effective communication methods to enhance higher levels of conference enquiries, conversions and commissions.
- To administer, monitor and respond to conference enquiries to ensure Carlisle and Cumbria Conference Group businesses maximise revenue potential.
- To plan, develop and organise relevant market research.
- To provide written and verbal reports, and present them to relevant meetings.
- To organise and service steering group, sub group, and any other meetings as required.
- To monitor and review the Conference Group service and performance to measure current effectiveness, quality of service and future trends.
- To identify and disseminate relevant strategic information to the network of members.
- To identify and develop joint projects with other departmental officers to reach common or mutual goals.

**Previous Employment:** 1985 – 89 Royal Navy (Communicator), 89 – 91 Royal Yacht (Communications), 1991 Diplomatic Group (Sales), 1992 Svensons (Trainee Mgr), 1992 Research Resources (Telephone Canvasser), 1992 Diplomatic Group (returned after being approached by Sales Director), 1992 Cumbria County Council (Administrator), 1993 – 1997 AGT Ltd (Business Development), 1997 – 2009 Carlisle City Council (Conference Officer – Sales / Marketing / Customer Relations)

**Blaine Retson Cruddace**  
**Curriculum Vitae**

**Current Role – Tourism Marketing Assistant for Carlisle Tourism Partnership**

**Education - Degree**

2005 – 2008 Bsc (Hons) in I.T. (major) with Marketing (minor)      2:2

**Welcome to Excellence Courses**

Welcome to Excellence is the most successful customer service training initiative in the UK and has been running since 1993.

11<sup>th</sup> February 2010 - Welcome to Carlisle

This course was specifically designed to teach people about the history of Carlisle and on what there is in Carlisle today.

29<sup>th</sup> April 2010 – Welcome Host

The Welcome Host Customer Service Training Course helps participants to acquire new customer service and communication skills as well as improving knowledge of local facilities and services.

15<sup>th</sup> June 2010 – Welcome All

Welcome All recognises that it is the environment which causes problems for many people with mobility or sensory disabilities. The programme provides participants with practical advice and cost-effective ideas to enhance service quality for customers with disabilities and specific needs.

**Employment History**

**February 2010 – Present      Tourism      Marketing      Assistant,      Carlisle      Tourism Partnership**

Key responsibilities include:

- **Website ([discovercarlisle.co.uk](http://discovercarlisle.co.uk))** – I have been heavily involved with the new Carlisle tourism website. This has involved the design, population and daily running of the website. It has also involved working with local businesses in order for them to be a part of the website through our DMS (Data Management System).
- **Events Guide** – A regular guide I produce which lists events going on in the Carlisle area by numerous parties. This involves gathering event information and details and the design of the cover.
- **Events** – I have worked at many events that have been organized or sponsored by the Carlisle Tourism Partnership. Each of these has required different responsibilities to be carried out including working with the public, marketing and advertising of the event and the general running of the event.
- **CTP Publications** – I have worked on key tourism publications such as the 2011 Holiday Guide and Places to Visit.
- **Meetings** – I have on occasion represented the Carlisle Tourism partnership at business meetings.
- **Carlisle TIC** – I work at the Carlisle Tourist Information Centre on a regular basis. This mostly entails customer service but also the general running and day-to-day tasks for the visitor centre. Helping to raise the profile of Carlisle as a world class visitor destination.

## **Louise Bell - Curriculum Vitae**

**Current Role:** Business Tourism Coordinator - **myplacecumbria**

### **Education and qualifications**

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**Professional Qualifications – CIM Professional Certificate in Marketing**

Post-graduate course; Newcastle College 2009 - 2010

**BA/BSC Combined Award – Geography & History: 2:1**

Bath Spa University 2002 – 2005

### **Key Achievements**

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- Helped to develop and deliver a PR campaign to promote the Signature awards for excellence in December 2009.
- Planned and delivered a three day media launch for myplacecumbria in April 2010.
- Developed a PR strategy for fundraising across social media for Tullie House Museum and Art Gallery.
- Currently developing a conference ambassador programme across Cumbria with business tourism specialists.

### **Employment History**

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**May 2010 – Present - Business Tourism Coordinator – myplacecumbria**

Currently self-employed and contracted on a variety of projects for Cumbria Tourism, my main role is Business Tourism Coordinator. This involves initiating an ambassador programme across Cumbria to raise the county's business tourism offer by attracting association conferences. The project has received RDPE funding and will also work with businesses in the Solway, Border and Eden area, offering training to staff in accommodating conferences. Additionally, I am a member of the Meetings Industry International (MIA) Destination Group Steering Committee.

**March 2009 – May 2010 - Account Executive – Gravity Consulting**

Based in Durham, the company has a variety of clients in the public, private and third sectors, with a focus on travel, tourism and international communications. My responsibilities included securing media coverage for clients, writing press releases, undertaking telephone interviews, conducting desk-based research and organising market familiarisation itineraries for journalists.

**March 2009 – May 2010 – Account Executive – Heath Associates**

A full service agency working mainly with FMCG's in the high end food sector; day to day activities included sourcing photography, organising press releases and display advertisements, proof reading and visiting clients. I was responsible for a variety of accounts which involved creating proposals, managing budgets and invoicing.

**October 2005 – June 2007 – Account Executive - EPC direct**

The role involved working alongside the marketing department of Somerfield Stores to organise the print for the promotion of new stores and other seasonal events. This also included presenting designs and ideas to clients and required good knowledge of printing processes and the various promotion options available.

# Curriculum Vitae

## Anthony Grahame Jackson

### Overview

I am an enthusiastic individual able to drive business and work within a team. My experience spans many businesses whilst demonstrating loyalty and long-term commitment. Business development, troubleshooting and sales are my particular skill set with a passion for information technology. Good interpersonal skills enable me to hold a conversation, support and sell. Attention to detail and presentation are strong characteristics of my personality.

### Occupational history

#### Carlisle Tourism Partnership

January 2010 – current

Economic/Tourism Development; Business Development Support Officer

- Procurement/implementation/support of Carlisle tourism websites
- Destination Management System (DMS)
- Photography/Videography
- Welcome to Excellence: Carlisle
- Business support/consultation
- Web search engine optimisation (SEO)
- Web design/usability influence/strategy
- Liaise with agencies incl. New Vision Group and Cumbria Tourism

#### Sims Recycling Solutions

December 2009 – January 2010

Electronics recovery and recycling; Warehouse Operative (Temporary)

#### Comlongon Castle

August 2009 – October 2009

Wedding Venue; Business Development Manager

#### Digitl Ltd

June 2006 – current

Internet/Multimedia Services; Director (Sales)

Business management/direction  
Sales of computer hardware,  
multimedia and internet/web  
Onsite consultation/review  
Multimedia production/direction  
Web/print design consultation and  
application

Scottish Enterprise liaison/fund  
processing  
Member of Dumfries and Galloway  
Web Forum  
Search Engine strategies incl. Pay  
Per Click  
Social networking

*Grew customer base from 150 to 300 increasing turnover by 25%. Merged three smaller companies and rebranded Web Presentations to Digitl Ltd. Sold customer base in August 2009.*

#### DumfriesShopping.com Ltd

June 2006 – current

Hosting Services; Director

#### Web Presentations (merged to Digitl Ltd)

November 2002 – May 2006

Internet Services; Business Manager

*Grew customer base from 70 to 150 nationwide increasing turnover by 30%.*

#### West Skelston Services Ltd (merged to Burdens)

1997 – October 2002

Plant Hire/Sales; Information Technology Manager



# **Curriculum Vitae**

## **Jane Meek**

### **Career History**

#### **Assistant Director – Economic Development – January 2011**

To support the Chief Executive and the two Strategic Directors in the corporate and strategic management of the Council.

#### **Director of Mid Lancashire Partnership – Lancashire County Council – Jan 2010 – Sep 2010**

Mid Lancashire Partnership consisted of 5 District Councils and the County Council - Lancaster, Preston, South Ribble, Chorley and West Lancashire and Lancashire County Council. The 6 Local authorities came together to develop a Multi-Area Agreement and a Local Investment Plan. I was seconded to the County Council to lead the MAA and represent the authorities ensuring that the partnership remained on track. My role included Chairing the Mid-Lancashire Chief Officers Working Group, leading negotiations with Government Departments and development of the Local Investment Plan.

#### **Corporate Director - Chorley Borough Council – 2007 – 2010**

Member of Corporate Management team reporting directly to the Chief Executive. Responsible for the overall organisation, direction, control and performance of the Directorate, contributing to the effective management of the Council's services as a whole and the achievement of its corporate objectives and champion the cause of business as a customer across all services, re-engineering services where appropriate. Portfolio responsibilities included: Planning Policy, Development Control, Building Control, Regeneration, Economic Development and Strategic Housing, Town Centre and Markets. During this period my role included being Chair of a Business Transformation Board, successfully leading a number of S106 negotiations across a range of major developments and acting as an ambassador for the Council in hosting visits to the Borough from Government and external organisations and representing the Council at conferences and with the media.

#### **Director of Development and Regeneration – Chorley Council - 2004 – 2007**

Responsible for leading and managing the Development and Regeneration Department. Portfolio responsibilities included Planning Policy, Development Control, Building Control, Regeneration, Economic Development and Strategic Housing. Revenue Budget £2.36m (Income £1.53m).

#### **Head of Economic Regeneration – Chorley Council – 1999 – 2005**

Managing a team of 8 responsible for leading major development and regeneration projects; Economic development; Promotion and encouragement of inward and indigenous investment; Implementation and review of the Council's Economic Development Strategy including Town Centre.

#### **Projects Manager – Chorley Council – 1997 – 1999**

#### **Senior Planning Officer – Chorley Council – 1987 -1999**

# **Curriculum Vitae**

## **Jane Meek**

### **Education and Qualifications**

Member of the Royal Town Planning Institute – Elected 1987

Bsc (Hons) Town Planning (2:2)

Post Graduate Diploma Town Planning

## **Christopher Pearson, Economic Development Manager, Carlisle City Council**

### ***Curriculum Vitae***

Chris Pearson is the Economic Development Manager at Carlisle City Council. The work of the service comprises a blend of general business support , skills development programme, line management of the Tourist Information service, and programme management of a multi million pound capital programme including improvement works to key buildings such as the Old Town Hall , and public realm improvements such as the Roman gateway. Chris is the main contact points with private sector partners in delivering economic development projects.

From 2005 to 2010 Chris was the most senior Development Manager for the Carlisle Renaissance Programme working directly to the Programme Director and the Carlisle Renaissance Board. The role involved providing project and programme management of a multi faceted regeneration programme involving assessment of development of city centre assets, integration of planning and transportation issues, ensuring quality thresholds on building design and public realm works, and working with the private sector on employment land supply. Specifically Chris was the lead on liaising with the private sector on drawing up the City Centre Management Report, as well as engagement with private sector investors and developers.

From 2000 to January 2006 Chris was the Principal Regeneration Officer for Lancaster City Council, leading a team involved in regeneration projects in Lancaster and Morecambe involving a complex mixture of funding regimes including SRB, European and Lottery funding, with a personal caseload project value up to £4 Million within an overall £15 Million programme. This included considerable financial and performance management, and general accountability for the programme, which included interrelated projects ranging from community engagement, training and skills development, and business support. Chris's role included close working with private sector owners and investors on gap funded property development projects.

From 1994 to 2000 Chris was the SRB Programme Manager and Estates Officer for Barrow Borough Council with full responsibility for the full remit of estate management issues. The role included managing both the financial and performance of a SRB programme comprising a wide range projects including business support, skills, crime and safety, and physical and property improvement grants.

From 1992 – 1994 Chris was a member of the Special Projects Team within the Estates Department of Liverpool City Council with the work comprising Asset Valuations of a range of properties as well as handling sales of various land to private sector purchasers.

Between 1982 and 1992 he worked in the private sector in southern England undertaking a mixture of estate management and development work on behalf of a national minerals company, including planning and instigating projects for after use of worked out mineral workings. Chris also worked with a smaller property development and investment company focusing on property improvement and refurbishments, and maximisation of investment values by active management.

Chris has an Honours Degree in Valuation & Estate Management and has been a Chartered Surveyor (MRICS) since 1985

**19.** Who will be responsible for any liabilities associated with the project e.g. cost overruns or shortfalls in receipts?

The recipient of the RGF funds will be Carlisle Tourism Partnership who currently operate as a private/public sector partnership under a collaboration agreement. It is the intention of the partnership to become a company limited by guarantee and they will then be responsible for any liabilities associated with the project. Until this time, Carlisle City Council would be the accountable body for the RGF funds and take such responsibility.

**20.** Is the proposed level of RGF support considered to be compliant with European State aid regulations? *Please give a brief explanation of your assessment.*

All aspects of the proposal are compliant with state aid regulations:

In regard to marketing activity state resources are not providing a selective advantage to any particular undertaking and therefore there is no state aid.

Skills activity and grants to accommodation providers will be provided within the framework of the De Minimis rules (Reg 1998/2006 Official Journal L 379 of 28.12.2006) or within the framework of the “General Block Exemption Regulation”, Commission Regulation (EC) No. 800/2008 OJ L 214 09/08/2008 p 0003 - 0047.

The Old Town Hall project involves the development of infrastructure whose benefits are available to all on a non-discriminatory basis as such there is no state aid.

**21.** Are any of the project partners making (or intending to make) a separate bid to the RGF? *If so, please identify by project title and indicate whether these bids are considered to be mutually exclusive.*

Hadrian's Wall Heritage Ltd which is a founding partner of Carlisle Tourism Partnership will be making a Round 1 bid for the Roman Maryport Project but this is not mutually exclusive to the CTP proposals.

Hadrian's Wall Heritage Ltd is also intending to submit a programme bid in the second round of the RGF in order to complete stages two and three of the Company strategy of economic, social and cultural development in Hadrian's Wall Country. This will be for support of the Hadrian's Wall Country investment programme as a whole, covering capital works to improve accommodation, attractions and interpretation, with the associated marketing, brand building and events; capacity, knowledge and network building with businesses located in the area.

**22.** Is the project receiving or likely to receive other public support of any type? If so, please provide full details.

The project will receive £1,115,690 of public sector funding, primarily from Carlisle City Council, but also incorporating Department for Work and Pensions funding, and English Heritage funding.

Source	2011/12	2012/13	2013/14	Total
<b>Marketing</b>				
Carlisle City Council (S)	80,000	80,000	80,000	240,000
	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>	<b>240,000</b>

<b>Events Programme</b>				
Carlisle City Council (S)	55,000	55,000	55,000	165,000
	<b>55,000</b>	<b>55,000</b>	<b>55,000</b>	<b>165,000</b>
<b>Business Skills Development</b>				
DWP (Work Programme) (S)	40,000	40,000	40,000	120,000
Skills Funding Agency (ESF)	10,000	10,000	10,000	30,000
Skills Funding Agency (ARL)	10,000	10,000	10,000	30,000
	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>180,000</b>
<b>Capital Improvements</b>				
<b>Accommodation Providers</b>				
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Old Town Hall</b>				
English Heritage Partnership Scheme in Conservation Areas (S)	40,000	215,000		255,000
City Council (S)	18,105	290,150	7,435	315,690
	<b>58,105</b>	<b>505,150</b>	<b>7,435</b>	<b>570,690</b>
<b>Walby Farm</b>				
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total	253,105	700,150	202,435	1,155,690

**23.** Please provide a summary of the public support that any private sector partners involved in the project have received, or applied for, in the last three years.

None

## Section D: Costs and Benefits

*In order to ensure good value for money for the taxpayer, it is important that the additional economic benefits associated with supporting a project exceed the costs of Government support. This section seeks to identify and characterise the full range of economic costs and benefits associated with the intervention.*

**24.** Please provide an approximate estimate of the spread of employment impacts, by Local Authority District where possible. *Please fill in the table below, an example can found in the application form guidance.*

Area	Approximate proportion of employment impacts
Carlisle district	100%
Total	100%

**25.** We need to know the estimated number, type and location of jobs that will be created through this investment. These jobs can be directly or indirectly created. Indirect jobs can arise through:

- the activity of the investment, (ie through the supply chain); and
- wider economic benefits enabled or unlocked by the investment.

Please set out the gross number and type of jobs that will be:

**(a)** directly created and safeguarded by the project itself, using Part 2, Section B of the application form.

**(b)** indirectly created and safeguarded by the project. Where sufficient information and certainty exists, set out details using Part 2, Section B of the application form. Where less specific information is known, use the space below to summarise the indirect employment outcomes you expect from this investment. Please describe below how these impacts will occur (i.e. through the supply chain of the project itself, or as a result of the economic activity enabled by the investment), providing as much detail as possible in terms of employer name, job title, skill level, salary level, location and timing of impact.

### **(a) Direct employment impacts**

The package of activities supported through the CTP project would create and safeguard 35 gross direct jobs. This includes 25 FTE new jobs and 10 safeguarded jobs over the 3 years of the project.

Direct employment would also be created through construction activity. Based on Government guidance<sup>8</sup> the £3m investment in accommodation improvements and improved visitor orientation capital development will support 87 FTE construction jobs over the course of the three years of the project

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<sup>8</sup> OFPAT, 2009

**(b) Indirect Employment Impacts**

Indirect employment is a significant wider benefit of the project, generated through increased turnover in the visitor economy as a result of the package stimulus.

It is estimated that this project will result in the generation of an additional 2% of visitor spend per annum over three years. Based on current levels of spend (£332.441m), this would generate an increase in spend of £20.348m over 3 years. By applying the turnover required to support one FTE job within the tourism sector equating to £39,450 in the North-West region<sup>9</sup>, this would result in the project supporting 516 gross indirect jobs within the visitor economy over the lifetime of the project.

**(c) Additionality**

In accordance with BIS and HM Treasury Green Book guidance, the gross employment impact has been adjusted taking account of factors such as leakage, displacement, and deadweight to identify the net additional employment impact of the project.<sup>10</sup> The following additionality factors have been applied:

- ❑ **Deadweight** – the deadweight is considered to be zero, as per the response to Q.9 of the application which identifies that in the absence of RGF, the package of activities would not proceed;
- ❑ **Leakage** – a leakage factor of 5% has been applied. This reflects the fact that, as the principal urban centre in Cumbria and given the significant rural surrounds to the city, very little leakage of new jobs created is likely to be outside the area;
- ❑ **Displacement** – a displacement factor of 30% has been applied. This is a prudent assumption reflecting the spare capacity within the local economy in terms of the available workforce. The majority of the jobs that will be created will not require high skill/educational attainment levels as a prerequisite and the project will therefore match the skills profile of the local economy.

The table below demonstrates the impact of applying the above additionality assumptions to the gross employment figure:

<b>Gross indirect employment</b>	<b>516</b>
Less leakage @ 5%	(26)
Gross direct local employment	490
Less displacement @ 30%	(147)
Net local direct employment	343
Less deadweight	(0)
<b>Net additional employment</b>	<b>343</b>

**(d) Value for money – direct and indirect**

This project is seeking £1.75m of support through the RGF. Based upon the above which demonstrates its potential to create and safeguard 378 direct and indirect net

<sup>9</sup> BIS Small and Medium Sized Enterprise Statistics 2009

<sup>10</sup> A multiplier effect has not been applied given that this project is focused on new jobs created in the economy due to increased visitors and overnight stays, and as such this accounts for the multiplier.

additional jobs (excluding construction), this equates to a public sector cost per job of £4,635. This falls well within the relevant cost per job benchmarks for public sector investment in such projects and therefore represents excellent value for money<sup>11</sup>.

**26.** What, if any, research and development activities are planned as part of the project? *Please describe these activities below (including location, nature of activities, required inputs and expected outcomes) and complete the R&D expenditure profile in Part 2, Section C of the application form.*

N/A

**27.** What, if any, skills and training provision will be associated with the project? *Please describe these activities below (including location, type of training and qualification level) and where possible complete the skills and training expenditure profile in Part 2, Section C of the application form.*

Carlisle College and partners currently provide skills and training in the retail and hospitality sectors and are seeking to establish a Retail and Hospitality Skills Academy that offers new skills and training fit for jobs within the tourism and retail sector.

This project will enable a 30% increase in the number of apprenticeships available within the tourism and hospitality sectors (from 30 to 40 per annum) and would offer qualification based training across the NVQ spectrum. It is estimated that this project would deliver 1,000 qualifications within the tourism and retail sector per annum.

**28.** Please describe briefly, summarising and citing supporting analysis and evidence where possible, the wider secondary benefits/costs associated with the project. These cover non-employment related impacts only, as employment impacts have been addressed in Q25. If any of these wider benefits are “valued” or “monetised” in a Green Book compliant manner, the assumptions underlying the valuation must be clearly set out.

*Wider impacts are benefits/costs that are not directly captured by the recipients of RGF. The following list gives examples of wider impacts. However, this list is only indicative and it may not be applicable for all applicants. Projects do not need to produce wider secondary benefits in order to be eligible for RGF. Where possible please include details of when and where these benefits will accrue. **It is recommended that the answer to this question is no longer than 2000 words.***

- (a) Wider economic effects in the locality or nationally not captured in the rest of the form – if possible making reference to the identity of beneficiaries and the nature of these benefits and how these are related to the objectives of the scheme if appropriate.*
- (b) Environmental impacts - including positive or negative impacts upon greenhouse gas emissions, climate change adaptation, air quality, water quality, biodiversity, quality of place, noise, land remediation, waste, or the development of green technologies;*
- (c) Transport economic efficiency e.g. safety enhancements and time savings accruing to other businesses and consumers: Please present in the form of an Appraisal Summary Table (AST):*

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<sup>11</sup> As per English Partnerships' (now HCA) Best Practice Note 15 (October 2003) which identifies an upper cost per job benchmark limit of £42,000 for regeneration projects.



<http://www.dft.gov.uk/webtag/documents/project-manager/pdf/unit2.7.2.pdf>

- (d) *Real option value - where the project creates a significant incremental option to make follow-on investments, or flexibility to alter the investment at some point in the future;*
- (e) *Any implications for social cohesion and 'big society'; and*
- (f) *Integration to national or local government policies and strategies.*

The core components of the package of works to be delivered by Carlisle Tourism Partnership are primarily focused on ensuring that Carlisle is able to capitalise on the opportunities presented by a contemporary tourism offer, not just in terms of direct economic benefits such as employment and generating business and income for visitor businesses (many of whom are small/medium sized enterprises), but can also have wider impact and benefits on the growth prospects of Carlisle. This is particularly the case in terms of making Carlisle a more desirable place to live, and encouraging and stimulating private sector confidence in Carlisle which, will encourage greater private sector activity, increase values and raise the profile and image of the city for visitors.

These wider benefits are outlined below:

☐ ***Contribution to policy – integration to national or local government policies and strategies***

Carlisle has established itself as the principal urban and key employment and service centre for Cumbria and South-West Scotland, with a significant catchment population in excess of 450,000 within a one hour drive, with a critical mass that other urban areas within this catchment do not possess. As such, given Carlisle's importance as a sub-regional centre, there is a clear policy agenda as set out in 'Growing Carlisle – An Economic Strategy for the Carlisle City Region' (October, 2007) for Carlisle to progress with a growth agenda.

It is estimated that the population of the district could increase by as much as 20% to 125,000 by 2029 and that this will bring significant economic benefits to Carlisle as well as new challenges. Based upon the current working age population, the projected population increase is likely to lead to an increase in the district's working age population by an additional 10,000-15,000 people, with many of the additional jobs expected to be in professional services, retail and tourism/recreation and likely to be located within the city centre.

As such, the Carlisle Tourism Partnership package of activities form a key element of this growth agenda, with local public and private partners coming together to deliver a package of proposals focused on sustainable and balanced economic growth (in line with the *Local Growth White Paper*), that is seeking to improve the conditions to attract private sector investment, create new employment opportunities and meet the needs of the local communities.

☐ ***Contributing to the wider visitor economy***

Tourism is undoubtedly significant for the economies of Carlisle and Cumbria, contributing significantly to cultural, retail, food and drink and other sectors. Carlisle is an integral part of the visitor offer of Cumbria, which is the most popular visitor destination in England after London.

Cumbria offers an outstanding natural environment (including Areas of Outstanding Natural Beauty), Hadrian's Wall Country has World Heritage Status and the Lake District National Park is recognised as a truly world class tourism destination. Latest data from Cumbria Tourism indicates that in 2009 there were 5 million overnight visitors to Cumbria as well as 36 million day trippers. It is estimated that these visitors generate a total of £2 billion to the Cumbrian economy and support over 32,000 jobs.

Carlisle is an essential part of this visitor offer with its strength relating to its heritage, architecture, events and festivals and good quality retail offer. It is calculated that it attracts 8 million visitors, bringing in £330 million to the city per annum spending on a range of things such as accommodation, food and drink, visitor attractions, recreation, shopping, travel, parking and events. This supports approximately 4,000 jobs in the city and its surrounds.

As recognised in the Britton McGrath Associates (2009) report '*Carlisle: The Case for Investment in Tourism*' there remains significant potential to continue to develop the visitor economy of Carlisle as a key part of the wider package of attractions available in Cumbria. It is expected that additional investment in Carlisle's visitor economy will lead to increased visitor numbers and expenditure, and in turn stimulate additional private sector investment in Carlisle's visitor accommodation, food, drink and retail offer, thus contributing to a net gain in the overall visitor numbers and expenditure for Cumbria as a whole. Presuming that the planned uplift in visitor numbers/expenditure in Carlisle of 6% over 3 years is achieved, this would result in a 1% uplift to the Cumbria figures as a whole (this does not take account of potential multiplier effects).

#### **❑ Quality of place**

Underpinning wider investment in the city and beyond, the proposed package of investments to be delivered by the Carlisle Tourism Partnership is seen as an important component of the city growth agenda and long-term economic development ambitions.

Given the focus on growth, the quality of place is essential in the marketing and profile of Carlisle and in forming a catalyst to future development through encouraging new private sector investment from existing or new investors. As such, a key focus of the proposed package of activities is about making Carlisle an attractive and competitive location for business through the provision and promotion of quality accommodation, retail, recreation and leisure offer.

#### **❑ Equity – tackling deprivation and worklessness**

Carlisle district includes the urban centre but also an extensive rural area containing the market towns of Brampton, Dalston and Longtown. The district contains some pockets of severe deprivation, with a number of super output areas (SOA's) ranked in the worst 10% nationally in terms of total deprivation, particularly on a range of deprivation indicators including employment, health and educational attainment.

As set out in the '*Cumbria Local Economic Assessment*' (November, 2010) the unemployment rate in Carlisle (JSA Claimant) has increased in line with national and regional trends during the recent economic downturn, although the levels of unemployment (2.6%) are lower than regional (3.9%) and national averages (3.5%). However, the level of worklessness is higher in Carlisle (12.2%) than seen in Cumbria as

a whole (11.5%) although lower than across the wider region (15.7%). There are particularly high levels of workless households in some urban wards of Carlisle.

The local area therefore needs to reduce levels of deprivation and worklessness and deliver interventions and investments that will help create new employment opportunities. The opportunities created as a result of the Carlisle Tourism Partnership package of activities will support the efforts to address some of the socio-economic issues evident in the local economy, and will provide opportunities to work in tourism/recreation for residents living in deprived areas and workless households in Carlisle.

#### **□ *Social cohesion and the Big Society***

Connectivity with residents, strengthening communities and unlocking the energies and resources of local people are a vital part of the Tourism Strategy for Cumbria, the emerging Carlisle Tourism Strategy and the Cumbria Local Economic Partnership proposal. As such, the activities and opportunities to be created as a consequence of the package of works delivered by the Carlisle Tourism Partnership will deliver a range of lasting benefits and opportunities to the local community that would strengthen Carlisle's social fabric in line with the principles of the Big Society.

As the package of activities begin to create jobs and opportunities, the local communities will be connected to these through a range of activities including schools engagement, community awareness raising, volunteering schemes and skills development programmes. It is intended that a key outcome of the package of activities would be to engage local communities and provide them with opportunities to participate. As an example, a supported activity such as the events programme would incorporate social and community groups into the organisation and delivery of events. This can be evidenced through the success of recent events in Carlisle that have had regional, national and international impact with major community and social benefits. CTP would engage and work with local community groups to maximise their access to participation and provide opportunities to enhance people skills through volunteer programmes. Participation in say sports or arts events can result in raising self-esteem of individuals; and, permanent interest groups or classes in the local community can become established as a result of new or establishing forms of activity. For example, CTP will continue to work with young people through exciting initiatives such as Carlisle's Youth Zone. This represents a modern, engaging, exciting and relevant take on youth clubs of the past, open to all young people aged 8-21 (and up to 25 for those with disabilities and/or learning difficulties) and would serve the social, recreational and emotional needs of young people whenever their schools are closed, seeking to create healthy, positive, happy young adults through the provision of healthy living, social interaction, complementary learning and nurturing talent.

#### **□ *Environmental benefits***

A key objective in supporting improvements to the visitor offer of Carlisle is to ensure that businesses raise the quality of visitor accommodation and attractions, alongside seeking to improve environmental performance and energy saving. It is intended that the grant scheme for capital infrastructure investments will seek to improve energy management practices and promote the use of the latest energy efficient technologies (for example: installation of solar panels; energy efficient boilers; ground source heat pumps; use of

‘Thermafleece’ – sheepswool insulation), alongside the use of locally sourced materials and contractors.

#### **□ *Summary of wider benefits***

As set out above, in addition to the economic gains, the Carlisle Tourism Partnership package of activities would provide a number of wider benefits for Carlisle and its catchment population. This package forms a key component of the wider growth strategy for Carlisle. This would constitute a real commitment to engage the private sector (accommodation providers, food and drink service activities and city centre retailers) to invest in the visitor offer, and to connect with the local community. In effect, this investment will contribute to improving the attractiveness and image of Carlisle as a visitor destination and as a residential and business location, and provide essential recreation and amenity benefits and opportunities for both visitors and the local community.

**29.** For bids that involve a package of smaller projects, please identify and characterise the additional benefits associated with implementing the investment as a package rather than individual projects.

The package of projects has been designed to be mutually complementary and inter-dependent, with a clear logic chain from investment in marketing to develop increased interest, and capital investment to service and accommodate that interest. Each element is fundamentally linked to the others as part of a holistic approach to the challenge of effecting a radical step-change in the visitor offer and the visitor economy. Failure to implement all elements of the package will have a consequent effect on the impact of the package as a whole, and on the bringing forward of other elements such as the hotel development.

## Section E: Equality

**30.** Do you envisage that the project or its outcomes will have a disproportionate impact, whether positive or negative, on any of the following groups?

- (a) minority or majority ethnic communities
- (b) women or men, including transsexual people
- (c) disabled people
- (d) lesbians, gay men, bisexual or heterosexual people
- (e) people with particular religious or non-religious beliefs
- (f) people in particular age groups

If yes, please describe the impact or impacts the project is expected to have, the group or groups which may be affected, and any steps, if applicable, which have been taken to mitigate the impact(s).

No

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This publication is also available on our website at <http://www.bis.gov.uk>

Any enquiries regarding this publication should be sent to:

Department for Business, Innovation and Skills  
1 Victoria Street  
London SW1H 0ET

Tel: 020 7215 5000

# Regional Growth Fund

## Application Form - Part 2

- *The Regional Growth Fund (RGF) application form consists of two parts. Part 2 (this Excel workbook) is made up of four sections to capture the key financials of the project*
- *Sections A, B and C should be completed using the accompanying application form guidance*
- *Section D contains information on NVQ levels, to aid in the completion of Section B*
- *The purpose of these financial appendices is to provide a summary of the financial implications of the project. If they are completed correctly the application can be appraised more quickly. All of the information required should be readily available to most businesses.*
- *The financial appendices will be scrutinised in detail and you should be prepared to explain the basis of their contents. It is therefore recommended that all working papers etc relating to the completion of these forms be retained until an appraisal is completed.*

## Section A: Financial Summary

- This section corresponds to Q. 12 in Part 1 of the application form
- In cases where an intermediate investment will not result in a goods or services being offered to market through the private sector economic activity of a project partner, we will not expect or require these tables to be completed in order to appraise.
- Expand the tables below to cover the economic life of the project (or alternatively include an appropriate terminal year value).
- Present both i) a base case scenario; and ii) a realistic downside case for the project. At a minimum it should present a scenario where the project is delayed and where income from sales and profit margins are lower than forecast. The notes should set out why the forecasts represent a realistic downside scenario including sources of project risk and mitigating actions.
- Indicate estimated probabilities associated with the base case and downside scenarios (these should sum to 100%).

Scenario	Estimated Probability (%)
Base Case	
Downside	
<b>Total</b>	<b>100%</b>

### P&L

#### Base case scenario

	Notes	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	X
Income/Revenue	1											
Gross profit	2											
Gross profit margin (%)	3											
Overheads	4											
EBIT	5											
EBITDA	6											
Exceptional items	7											
<b>Normalised EBITDA</b>	<b>8</b>											

#### Downside case scenario

	Notes	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	X
Income/Revenue	1											
Gross profit	2											
Gross profit margin (%)	3											
Overheads	4											
EBIT	5											
EBITDA	6											
Exceptional items	7											
<b>Normalised EBITDA</b>	<b>8</b>											

#### P&L notes

1. Explain the source of project income, for example, providing a table of sales by end market and explain the assumptions underpinning this forecast (forecast size of market, assumptions about ability of project to capture market share etc).
2. The gross profit line should reflect reasonable assumptions about cost of sales and should be supported by documentary evidence as appropriate.

### Cashflow

#### Base case scenario

	Notes	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	X
<b>Operations</b>	<b>1</b>											
EBITDA												
Working capital	2											
<b>Investment</b>	<b>3</b>											
development	4											
Training	5											
Capital Expenditure	6											
<b>Operating free cashflow</b>	<b>7</b>											

#### Downside case scenario

	Notes	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	X
<b>Operations</b>	<b>1</b>											
EBITDA												
Working capital	2											
<b>Investment</b>	<b>3</b>											
development	4											
Training	5											
Capital Expenditure	6											
<b>Operating free cashflow</b>	<b>7</b>											

#### Notes

1. Provide notes for each line in the cash flow statements that describe the assumptions that have been made underpinning the forecasts.



## Section B: Employment Impacts

- This section corresponds to Q.25 in Part 1 of the application form
- In cases, in particular intermediate investments, where insufficient detail of employment impacts is known to complete the form below, bidders should provide as much information as possible on employment impacts in Part 1.
- Populate the table below indicating the number of full-time equivalent jobs created/safeguarded in each year of the project. This information should be recorded cumulatively i.e. if 10 sustainable jobs are created in 2011/12 and a further 15 jobs are created the following year, the job count in 2012/13 will be 25.
- The NVQ qualification levels are used as a common metric for expressing the skill level associated with a particular job. Guidance on classification is set out in Section D.
- Enter jobs created and jobs safeguarded on separate lines; jobs can only be considered safeguarded where there they will be lost if the project does not proceed. You will be asked to provide evidence of how the project will safeguard jobs.
- Fill in direct and indirect jobs in separate tables; direct jobs are those which are created or safeguarded directly by an identified project partner (although not necessarily a direct RGF support recipient). Indirect jobs are all other job impacts expected to occur outside of specified project partners. Where insufficient detail is known about indirect jobs resulting from the project please use space in Q25b to set out the relevant employment impacts.
- Expand the tables as required:

Table 1: Direct Jobs

Job Title	NVQ Qualification Level	2010 Salary £	Job Created or Safeguarded? (C/S)	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	Notes
				2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21		
Project Director (CTP)	5	40-50000	S	1	1	1									
Project Managers (CTP)	3 to 4	25-35000	S	4	4	4									
Administrative staff	2	12-18000	S	1	1	1									
Domestic services	2 to 3	12-20000	C	3	8	15									
Retail assistant (Walby Farm)	2 to 3	12-20000	C		1	3									
Visitor Information Manager	3 to 4	20-30000	S	1	1	1									
Visitor Information Advisors	2 to 3	12-20000	S	3	3	3									
Visitor Information Advisors	2 to 3	12-20000	C	2	2	2									
Skills Brokers	5	20-40000	C	5	5	5									
Construction jobs	1	15-20000	C	29	58	87									
Total				49	84	122									

Table 2: Indirect Jobs

Type and source of job (eg. supply chain, other users of infrastructure)	Employer	NVQ Qualification Level	2010 Salary £	Job Created or Safeguarded? (C/S)	FY	FY	FY	FY	FY	FY	FY	FY	FY 2020/21	FY 2020/21	Notes
					2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19			
Jobs within the visitor economy supply chain (hotel, retail, leisure etc)	Various	1 to 5	12-60000	Created	129	309	516								figures; net additional calculations are set out in Qn 25 of Part 1 and identifies 343 net indirect jobs.
<b>Total</b>					<b>129</b>	<b>309</b>	<b>516</b>								

## Section C: Eligible Costs

- This section corresponds to Q.4, Q.26 and Q.27 in part 1 of the application form
- If applicable, please populate the expenditure schedules below, recording expenditures in present day (2010) prices.
- The applicant should use the State aid guidance presented in Annex B of the "Information for applicants" document to identify the eligible costs of the project and include only these in Tables 1, 2 and 3. This guidance describes what expenditure can be considered an "eligible cost" with respect to State aid to a private sector undertaking.
- Only costs outlaid by the private sector should be included
- For R&D expenditure, please break down by key line items (e.g. personnel, instruments and equipment, land and buildings, purchase of
- For skills and training expenditure, please break down by key areas of expenditure (e.g. type of training and level of qualification)
- Expand the tables as required.

**Table 1. Project Capital Expenditure Profile**

Expenditure Items	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Capital Improvements (accommodation providers)	300000	600000	600000							
Capital Improvements (Walby Farm)	142000									
Marketing	50000	75000	100000							
Events Programme	25000	50000	75000							
Regional Growth Fund	427895	886149	337899							
<b>Total</b>	<b>944895</b>	<b>1611149</b>	<b>1112899</b>							

**Table 2. Project Research and Development Expenditure Profile**

Expenditure Items	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
<b>Total</b>										

**Table 3. Project Skills and Training Expenditure Profile**

Expenditure Items	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Business Skills Development	20000	30000	40000							
Regional Growth Fund	40000	35000	25000							
<b>Total</b>	<b>60000</b>	<b>65000</b>	<b>65000</b>							

**Table 4. Additional expenditure not included within eligible costs**

Expenditure Items	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Capital Improvements - Carlisle City Council (Old Town Hall)	18105	290150	7435							
Capital Improvements - English Heritage (Old Town Hall)	40000	215000								
Marketing - Carlisle City Council	80000	80000	80000							
Events Programme - Carlisle City Council	55000	55000	55000							
Business Skills (DWP/Skills Funding Agency)	60000	60000	60000							
<b>Total</b>	<b>253105</b>	<b>700150</b>	<b>202435</b>							

## Section D: NVQ Guidance

- The table below sets out the various qualifications accepted as equivalent of National Vocational Qualifications:
- The information contained in this table should be used when completing Section B in this part of the application form

NVQ Level	Academic NVQ Qualification Name	Vocational Qualification Name	Description
Level 1	<ul style="list-style-type: none"> <li>• GCSE/SCE/O-level grades below C (or fewer than 5 at grades A-C)</li> <li>• CSE grades below 1</li> <li>• 1 AS level</li> </ul>	<ul style="list-style-type: none"> <li>• BTEC/SCOTBTEC/SQA-First Certificate</li> <li>• BEC/SCOTBEC – General Certificate /</li> <li>• City &amp; Guilds – Operative Awards</li> <li>• CPVE- Year 1 (Technician)</li> <li>• LCCI/RSA/PEI – Elementary/ First Level</li> <li>• RSA- Vocational Certificate</li> <li>• Foundation GNVQ/GSVQ</li> <li>• NVQ/SVQ Level 1</li> </ul>	<ul style="list-style-type: none"> <li>• Competence that involves the application of knowledge in the performance of a range of varied work activities, most of which are routine and predictable.</li> </ul>
Level 2	<ul style="list-style-type: none"> <li>• 5 or more GCSE/SCE/O-level grades at A – C</li> <li>• CSE grade 1</li> <li>• 1 A level pass</li> <li>• 2 or 3 AS levels</li> </ul>	<ul style="list-style-type: none"> <li>• BTEC/SCOTVEC/SQA-First Diploma</li> <li>• BEC/SCOTBEC/BTEC/SCOTVEC/SQA – General Certificate / Diploma with credit</li> <li>• City &amp; Guilds – Higher Operative / craft</li> <li>• LCCI – Certificate / Second Level</li> <li>• PEI – Stage 2</li> <li>• Pitmans – Intermediate Level 2 Diploma</li> <li>• RSA- Diploma</li> <li>• Intermediate GNVQ/GSVQ</li> <li>• NVQ/SVQ Level 2</li> </ul>	<ul style="list-style-type: none"> <li>• Competence that involves the application of knowledge in a significant range of varied work activities, performed in a variety of contexts.</li> <li>• Collaboration with others, perhaps through membership of a work group or team, is often a requirement.</li> </ul>
Level 3	<ul style="list-style-type: none"> <li>• 2 or more A level passes</li> <li>• 4 or more AS levels</li> </ul>	<ul style="list-style-type: none"> <li>• BEC/SCOTBEC BTEC/SCOTVEC/SQA – National OND</li> <li>• TEC/SCOTEC – Certificate / Diploma</li> <li>• City &amp; Guilds – Advanced Craft</li> <li>• LCCI – Third level Diploma</li> <li>• Pitmans – Level 3 Advanced Higher</li> <li>• RSA- Stage 3 Advanced Diploma</li> <li>• Advanced GNVQ/GSVQ</li> <li>• Access to Higher Education Courses</li> <li>• Advanced awards in ESOL and foreign languages</li> <li>• NVQ/SVQ Level 3</li> </ul>	<ul style="list-style-type: none"> <li>• Competence that involves the application of knowledge in a wide variety of contexts, most of which are complex and non-routine.</li> <li>• There is considerable responsibility and autonomy and control or guidance of others is often required.</li> </ul>
Level 4	<ul style="list-style-type: none"> <li>• Teaching qualifications (including PGCE)</li> <li>• First degree</li> </ul>	<ul style="list-style-type: none"> <li>• BEC/SCOTBEC BTEC/SCOTVEC/SQA – HND / HNC</li> <li>• TEC/SCOTEC – Higher Certificate / Diploma</li> <li>• LCCI – Advanced level</li> <li>• RSA - Advanced Certificate/ Higher Diploma</li> <li>• Diploma in Higher Education</li> <li>• Nursing (SRN)</li> <li>• Certificate in Higher Education</li> <li>• NVQ/SVQ Level 4</li> </ul>	<ul style="list-style-type: none"> <li>• Competence that involves the application of knowledge in a broad range of complex, technical or professional work activities performed in a variety of contexts and with a substantial degree of personal responsibility and</li> <li>• Responsibility for the work of others and the allocation of resources is often present.</li> </ul>
Level 5	<ul style="list-style-type: none"> <li>• Higher degree</li> </ul>	<ul style="list-style-type: none"> <li>• Continuing Education Diploma</li> <li>• Other high level professional qualification</li> </ul>	<ul style="list-style-type: none"> <li>• Competence that involves the application of a range of fundamental principles across a wide and often unpredictable variety of contexts.</li> <li>• Very substantial personal autonomy and often significant responsibility for the work of others and for the allocation of substantial resources features strongly, as do personal accountabilities for analysis, diagnosis, design, planning, execution and evaluation</li> </ul>

## **Appendix I**

### **RGF Letters of Support**



HOUSE OF COMMONS  
LONDON SW1A 0AA

Marie Whitehead  
Carlisle Tourism Partnership  
Civic Centre  
Carlisle

17<sup>th</sup> January 2011

Dear Marie

I write in support of the bid which Carlisle Tourism Partnership is submitting to the Regional Growth Fund to further improve provision for Tourism in Carlisle.

Tourism in Carlisle is currently supported by the public and private sector in our city. However tourism has underperformed over recent years even though Carlisle has an excellent offer e.g a castle, cathedral, museum and is in close proximity to Hadrian's Wall and the Lake District. It is therefore an area with potential for significant growth and improvement. I am confident that the private sector would further financially support the industry if their confidence was increased in Carlisle achieving a status of a city break destination.

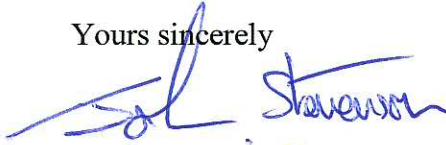
Carlisle has historically been a manufacturing area with many people on low wages. If Carlisle were to focus on tourism, a growing industry, there would be many more apprenticeships taken in the hospitality industry which would create a more skilled workforce for the city. The retail offer would increase, hotels would be encouraged to improve their facilities and hospitality businesses such as restaurants and cafes would grow to meet the demand. Such growth through tourism in this area would increase the possibility to attract large businesses and a 4\* hotel which would undoubtedly add to what Carlisle has to offer to tourists. In turn this would create more skilled jobs in the private sector which would certainly aim to retain those who participate in further or higher education courses in the city.

A successful Regional Growth Fund bid would enable Carlisle Tourism Partnership to market and sell Carlisle as a stand- alone tourist destination locally, regionally, nationally and internationally. Carlisle has quite simply punched below it's weight as a tourist destination, though through a successful bid this can change, and change quickly. Carlisle Tourism Partnership would be able to promote a clear vision of what Carlisle as a city has to offer by creating a 'holiday package' to demonstrate to tourists the wide range of activities which Carlisle has.



Carlisle Tourism Partnership has already increased the number of tourists visiting the city. A successful bid would allow them to raise the profile of the city more effectively by working closely with the private sector, allowing them the freedom to be proactive and become a competitor to destinations such as Durham and Lincoln.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'J. Stevenson', written over the printed name.

J. STEVENSON MP

A second handwritten signature in blue ink, written below the printed name.



Stuart Davison  
Station Manager Cumbria  
Virgin Trains  
Carlisle Citadel Station  
Court Square  
Carlisle  
CA1 5QZ

18<sup>th</sup> January 2011

Marie Whitehead  
Carlisle Tourism Partnership  
C/O John Stevenson MP  
Suite 1  
Carlyle's Court,  
St Mary's Gate,  
Carlisle  
CA3 8SX

Dear Marie,

Virgin Trains has served Carlisle since we took on the West Coast rail franchise in 1997. During that time we have supported the local economy by introducing new trains, faster and more frequent services and, crucially for visitor economy, weekend services which broadly mirror those on weekends.

We believe that there is significant scope for further growth in the Carlisle visitor economy and that the proposals in the Regional Growth Fund application can contribute to that growth. The prospects for further development of tourism in Carlisle will be enhanced by public and private sector collaboration. We look forward to continuing our work with local interests in the medium term, and in the long term if we are successful in the current competition to run the West Coast franchise from 2012 – 2026.

Kind Regards

A handwritten signature in blue ink, appearing to read "Stuart Davison".

Stuart Davison  
Station Manager Cumbria

Cc John Stevenson MP

Marie Whitehead  
Carlisle Tourism Partnership  
Civic Centre  
Rickergate  
Carlisle  
Cumbria  
CA3 8QG

12<sup>th</sup> January 2011

Dear Marie

Further to the recent presentation and our discussions I am writing to confirm our support for the Regional Growth Fund Bid.

As a private sector business in Carlisle we welcome any support for tourism in the region as this can only help grow our business and in turn help us provide jobs and support other businesses in the local economy. Carlisle Racecourse has already benefitted from the work of the tourism partnership and it would be disappointing if similar support were not available in the future.

As you will be aware, we ran numerous successful events last year with a record crowd for one fixture and are hoping to build on this for 2011. Any increase in tourism that can be generated would undoubtedly help with this.

Good luck with the bid and please do not hesitate to contact me if I can be of any further help.

Yours sincerely

Richard Clements  
**General Manager**





**FROM THE DEAN:** The Very Reverend Mark Boyling

The Deanery CARLISLE CA3 8TZ Tel. 01228 523335

E mail: dean@carlislecathedral.org.uk

11<sup>th</sup> January 2011

Marie Whitehead,  
Carlisle Tourism Partnership.

Dear Marie,

I write in full support of the Bid to the Regional Growth Fund to support tourism in the City of Carlisle.

As Chairman of the Historic Carlisle Partnership for the last 6 years, I have kept closely in touch with the aspirations and achievements of the significant heritage and tourism assets of the city. The HC Partnership has encouraged co-operative working between the heritage assets and has consistently argued for a dedicated officer to spearhead work to promote the City's tourism offer.

I believe there is very clear evidence of the important contribution the Carlisle Tourism Partnership has made over the last 12 months. It has generated increased foot-fall; it has boosted the local tourism and retail economy and created employment as a result.

I shall be very happy if this letter can be submitted along with the Bid.

Yours sincerely,

*Mark Boyling*

Mark Boyling  
Dean of Carlisle

**Dean's Secretary:** Cathedral Office 7 The Abbey CARLISLE CA3 8TZ  
Tel: 01228 548107 Fax: 01228 547049 E mail: karen@carlislecathedral.org.uk

17 January 2011

Marie Whitehead  
Carlisle Tourism Partnership  
Civic Centre  
CARLISLE  
CA1 9FY

Dear Mrs Whitehead

**REGIONAL GROWTH FUNDING BID FOR CARLISLE TOURISM  
PARTNERSHIP**

During the last two years the partnership between tourism businesses and public sector organisations in Carlisle has made great strides in raising the profile and performance of the city and its hinterland as a visitor destination. Yet there remains a great deal more to do and the application for Regional Growth Funding to encourage and lever further private sector investment for improved visitor facilities, skills training, new and upgraded accommodation and innovative marketing is crucial to the further growth of the City's visitor economy.

Cumbria Tourism supports the funding bid and will play its part in delivering the growth programme as a key partner in the Carlisle Tourism Partnership. There are currently over 100 tourism businesses in the Carlisle area who are members of Cumbria Tourism and over the coming years we will seek to increase their involvement and participation in the programme. Ideally we will also increase membership in the Carlisle area to reflect the growing opportunities for jobs and investment in the tourism and service sectors.

I wish the bid every success,

Yours sincerely



Ian Stephens  
**Chief Executive**



12.01.2010.

RICHARD ROSE FEDERATION

**SIXTH FORM COLLEGE**

**Re: Carlisle Tourism Partnership Bid to the Regional Growth Fund**

To Whom It May Concern,

I write in support of the above bid. My interest falls into two broad categories:

1. The employment and development potential offered by tourism to students
2. The increased cultural and social capital that tourism brings to Carlisle.

The Richard Rose Federation has expanded its post 16 provision from 150 to over 400 students in the last two years and we confidently predict we will exceed 600 before the raising of the participation age in 2015. As we, amongst other educators in the city, gradually increase the qualification and skills profile available to local and regional employers we are also keen to ensure that this intellectual capital remains in the locale and contributes to the economic recovery and further development of the locale. Clearly this is only going to be possible if enhanced employment opportunities are available to young people motivating them to achieve level 3 and 4 qualifications.

Classically those facilities enjoyed by tourists are also the facilities that appeal to a skilled local population with a sense of entitlement: the good restaurant, leisure and cultural offers identified in this bid provides part time employment for students whilst they develop their skills – thus supporting educational sector's work in keeping them engaged – and once they have qualified – thus retaining accrued technical, leadership and skills capital in a local economy sorely in need of all three engines of regeneration.

Secondly, as Ofsted and the DfE have repeatedly acknowledged young people in Carlisle grow up isolated from much of the social, political and cultural capital that their peers in wealthier or more metropolitan areas take for granted. This has an impact on social cohesion when those young people are viewed from the national perspective and it means that it is ever more important that visitors and the organisations that are present where they gather have a disproportionately positive effect on such a community. Cultural organisations visiting festivals, for example, are most impactful in communities least used to their presence both in terms of their own work and in terms of how the visitors such organisations attract creates diversity and enriches the civic life of the city they visit.

On both of these counts, in addition to the many others represented by the Carlisle Tourism Partnership bid, I strongly endorse the bid's plans and sincerely hope that it will be successful.

Yours sincerely

Kate Holt  
Principal

Richard Rose Federation of Academies

**Richard Rose Federation Sixth Form College, Wigton Road, Carlisle, Cumbria CA2 6LB.**

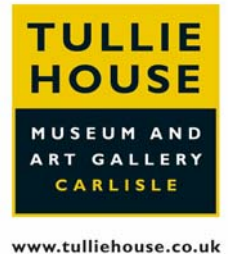
T: 01228 634 203 E: [info@rrsf.org.uk](mailto:info@rrsf.org.uk) WWW: [www.richardroseacademies.org](http://www.richardroseacademies.org)

Chief Executive Officer for the Richard Rose Federation: Mike Gibbons  
Academy Sponsors Brian Scowcroft and Andrew Tinkler supported by the University of Cumbria.

**Principal of Sixth Form College: Kate Holt**

Supported by the  
**department for  
children, schools and families**

**Marie Whitehead**  
Carlisle Tourism Partnership  
Carlisle City Council  
Civic Centre  
Rickergate  
CA3 8QG



18<sup>th</sup> January 2011

Dear Marie,

**Regional Growth Fund Bid – Carlisle Tourism Partnership  
Tullie House Museum and Art Gallery**

I understand that Carlisle Tourism Partnership is submitting an application to the Regional Growth Fund to support the tourism offer in Carlisle.

At Tullie House we are working towards creating a new gallery *The Roman Frontier* (due to open in June 2011) that will attract local audiences and tourists and we anticipate will generate new and additional visits for Carlisle, Hadrian's Wall and the region. The gallery is part of Carlisle's Roman Gateway project to establish Carlisle as the world-class gateway to the western end of Hadrian's Wall. By creating a "must-see" Roman Gallery it is anticipated that the project will attract in excess of 300,000 visitors per annum, with associated visitor spend.

Tullie House Museum and Art Gallery is an important asset for Carlisle and Cumbria attracting over 250,000 visitors per annum. The bid by Carlisle Tourism Partnership for Regional Growth Funds will support Tullie House's and Carlisle's ambitions to make Carlisle a "must see" destination capable of attracting and sustaining a growing number of visitors which will significantly impact on the local economy. Investment and support for Carlisle and the Historic Quarter through the Regional Growth Fund will attract visitors to the city and the Hadrian's Wall.

Tullie House wholeheartedly supports Carlisle Tourism Partnership's bid to the Regional Growth Fund and will work closely with the Partnership in delivering the investment programme.

Yours sincerely

Hilary Wade  
Director, Tullie House Museum & Art Gallery

Tel: 01228 618741  
hilaryw@carlisle.gov.uk

# The Carlisle Partnership

**Carlisle City Council Community Engagement Directorate**

**Chair: Trevor Hebdon**

Enquiries C/O Gavin Capstick

Carlisle Partnership Manager, Civic Centre, Carlisle, CA3 8QG

• Telephone (01228) 817000 • Fax (01228) 817369

• Typetalk 18001 01228 817000

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Marie Whitehead  
Director – Carlisle Tourism Partnership  
C/O Hannah Dolan  
Suite 1  
Carlyle's Court  
St. Mary's Gate  
Carlisle  
CA3 8SX

Please ask for:

Direct Line:

E-mail:

Your ref:

Our ref:

Trevor Hebdon  
C/O Gavin Capstick  
01228 817030

[gavincap@carlisle.gov.uk](mailto:gavincap@carlisle.gov.uk)

CP-CYPM1

18 January 2011

Dear Marie,

As you are aware, I am currently the Chair of the Carlisle Local Strategic Partnership. It is in this capacity that I write to you to support Carlisle City Council's and Carlisle Tourism Partnership's application to the Regional Growth Fund (RGF), of which I know you have been a key sponsor.

The Carlisle Partnership is responsible for developing and driving Carlisle's Sustainable Community Strategy. This strategy contains a specific aim to "deliver measured and long term economic growth and performance across the Carlisle district". Indeed, one of the partnership's priority working groups (our Economic Development & Enterprise Group) is dedicated wholly to advancing this aim.

To achieve this aim, the Carlisle Partnership is committed to delivering and/or supporting initiatives that will have a positive impact on a number of headline measures contained within the Community Strategy. Specifically these are:

- GVA
- Overall employment rate
- Total number of full-time jobs
- Average weekly earnings
- Proportion of people with no qualifications
- Number of businesses reporting skills gaps
- New business start-ups and new business survival rates

With this in mind, the Carlisle Partnership would like to collectively register our support for Carlisle City Council's and Carlisle Tourism Partnership's bid for RGF funding.

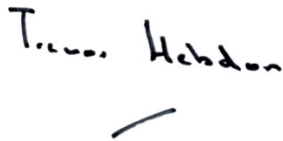
Tourism is absolutely critical to the local economy and to its future development given that it makes such a significant contribution to our economy as a whole. Any efforts to



strengthen its position and the contribution it makes would not only produce a direct and positive impact across our headline measures but, crucially, it could also have an indirect impact by stimulating growth across other sectors.

In short, the Carlisle Partnership believes that the proposed application fully supports the aims of Carlisle's Sustainable Community Strategy (2011-16) and represents a genuinely positive development for the local economy. As a partnership we would very much wish to register our support for the application.

Yours sincerely,

A handwritten signature in black ink that reads "Trevor Hebden". Below the signature is a single horizontal line.

Trevor Hebden  
Chair of the Carlisle Partnership

Cumbria Local Enterprise Partnership  
c/o Cumbria Chamber of Commerce  
Broadacre House  
16-20 Lowther Street  
Carlisle  
CA3 8DA

Marie Whitehead  
Director  
Carlisle Tourism Partnership  
Civic Centre  
Carlisle  
CA3 8QG

20<sup>th</sup> January 2011

Dear Marie

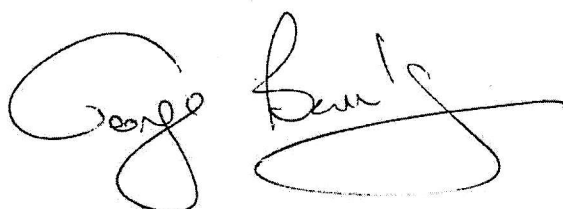
**Carlisle Tourism Partnership – Regional Growth Fund bid**

The formative Cumbria Local Enterprise Partnership has set in place a process for appraisal of Regional Growth Fund bids against Regional Growth Fund criteria and emerging LEP priorities. We have reviewed a number of projects through this process.

This project has a strong strategic fit given the importance of tourism to our local economy and employment.

On the basis of our appraisal we can confirm our support for the Carlisle Tourism Partnership bid to the Regional Growth Fund.

Kind regards

A handwritten signature in black ink, appearing to read 'George Beveridge', with a large, stylized flourish at the end.

George Beveridge  
Interim Chair – Cumbria Local Enterprise Partnership

18th January 2011

Marie Whitehead  
Director  
Carlisle Tourism Partnership  
7th Floor  
Civic Centre  
Carlisle  
CA3 8QG



Regional Growth Fund.

The Lanes Shopping Centre in Carlisle wishes to support Carlisle City Council and Carlisle Tourism Partnership in their bid for Regional Growth Funding. We feel their remit to grow tourism in Carlisle will benefit the city centre business by providing additional customers and lead to additional employment opportunities and generally strengthening economic development for the city.

Yours sincerely

Janet Murray  
Marketing Manager  
The Lanes Shopping Centre





Carlisle Leisure Limited  
Pacific House Business Centre  
Parkhouse  
Carlisle  
CA3 0LJ

January 20<sup>th</sup> 2011

**RE: Regional Growth Fund Application**

Carlisle Leisure Limited would like to place on record its support of the bid being made by the Carlisle Tourism Partnership.

In our opinion anything that enables an increase in the amount of marketing that can be carried out locally, regionally and nationally, which helps to raise the profile of the city is extremely worthwhile.

As a local business that would benefit from an increase in visitor numbers, we feel that the Tourism Partnership is a huge asset to the City and we have been hugely impressed with the contribution they have made in such a short space of time.

As an employer we would also benefit from being able to tap into the skills academy which would enable us to offer job opportunities to local young people.

Yours sincerely

Andy King  
Managing Director  
Carlisle Leisure Limited



ENGLISH HERITAGE

NORTH TERRITORY

Mrs M Whitehead  
Carlisle Tourism Partnership  
Civic Centre  
Carlisle

**Regional Growth Fund bid for Tourism in Carlisle**

Dear Marie

Thank you for your invitation to the very useful meeting on the 10<sup>th</sup> December 2010.

I'm writing in support of the application to the Regional Growth Fund to improve Tourism in Carlisle. As the operator of Carlisle Castle, which also houses Cumbria's Military Museum, English Heritage supports the application to the Regional Growth Fund.

Carlisle Castle currently welcomes over 55,000 visitors and I anticipate a new exhibition opening in spring 2012 at a cost of over £100,000. The combining of the tourism offer under the umbrella of the Regional Growth Fund bid will ensure the long term sustainability of the staff team at the Castle. Significant tourism growth would lead to an increase in staff numbers and associated secondary spends in the city.

I wish you the best of luck and please do be in touch if there is any further information you require.

Yours sincerely

Michael Constantine  
Assistant Visitor Operations Director - North



37 TANNER ROW YORK YO1 6WP

Telephone 01904 601901 Facsimile 01904 601999

[www.english-heritage.org.uk](http://www.english-heritage.org.uk)

*Please note that English Heritage operates an access to information policy.  
Correspondence or information which you send us may therefore become publicly available*

Marie Whitehead  
Director  
Carlisle Tourism Partnership  
Civic Centre  
Carlisle  
CA3 8QG

19 January 2011

Dear John

I am writing to you to offer Hadrian's Wall Heritage's support to Carlisle Tourism Partnership's application to the Regional Growth Fund: "Delivering a Contemporary Tourism Offer in an Heritage City to support private sector jobs through growth in the visitor economy".

Hadrian's Wall Heritage leads the development of Hadrian's Wall Country, an area which stretches across the North of England from Newcastle to Carlisle and out to the West Coast of Cumbria. Due to the diverse activities and experiences on offer in Hadrian's Wall Country, it is visited by a wide range of UK domestic and overseas. Development activities are very strongly focused at achieving a step change in the Hadrian's Wall Country visitor market as a leading European destination for heritage, landscape and outdoor activities. Increasing visitor numbers, increasing lengths of stay and higher expenditure levels per visitor are all core objectives.

Hadrian's Wall Heritage's strategy and investment programme for the World Heritage Site is designed to drive up not only the quality of the visitor offer at Hadrian's Wall sites, but the whole visitor experience – from marketing and branding, quality of the accommodation offer, to the opportunity to buy local produce and crafts, promoting change, supporting business growth, community engagement, and access and conservation to Hadrian's Wall Country as a visitor destination.

An Economic Impact Assessment, carried out by GENECON in August 2010, shows that Hadrian's Wall Country has the potential to generate between £70m and £200m of additional annual visitor revenues to the Hadrian's Wall Corridor by 2020, and potentially more than £300m per annum by 2029. At the 'Medium' growth scenario, the modelling has shown the potential to support circa 2,300 net additional jobs by 2020 and 3,700 by 2029. At the Optimum level, these figures have the potential to scale up by a further 60% to around 3,800 net additional jobs by 2020 and more than 6,000 by 2029.

Within this strategy Carlisle forms a key place to stay to explore Hadrian's Wall Country; our strategy positioning Carlisle as a critical part of Hadrian's Wall Country supported and maintained the funding of the new Roman Frontier Gallery at Tullie House, and we developed the 'Carlisle: Case for Investment' in order to establish wider understanding of the tourism potential of the City. HWWL was also instrumental in the setting up of the Carlisle Tourism Partnership. We therefore support the proposals for growth in the visitor economy set out by the Carlisle Tourism Partnership in its bid to the Regional Growth Fund subject to strong partnership discussions going forward.

Yours sincerely

*Linda Tuttiatt*

Linda Tuttiatt  
Chief Executive

20 January 2011

Marie Whitehead  
Director  
Carlisle Tourism Partnership  
7th Floor  
Civic Centre  
Carlisle  
CA3 8QG

Sent electronically to: [mariew@carlisletourism.co.uk](mailto:mariew@carlisletourism.co.uk)

Dear Marie

**Regional Growth Fund (RGF) Application: Carlisle Tourism Partnership**

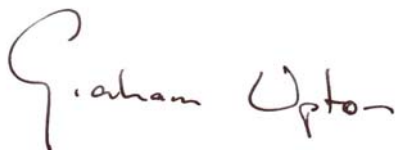
The University of Cumbria is a modern university and aims to prepare its graduates not only for world of work, but also for life. We work closely with employers, schools, colleges and other partners to develop and deliver our provision, and advise us on the skills that they need from our graduates. This helps to shape and promote social, cultural and economic development in support of the social inclusion and sustainable communities agenda.

Our course programmes provide opportunities for intellectual and personal development supported by practical work-based training, across the range of course types we provide. The RGF application focuses on enhancing the skills development offer which is closely aligned to our university based learning and embedded work based learning and placements leading to high levels of employability skills and experience.

The University of Cumbria welcomes the Carlisle Tourism Partnership's proposal to deliver a contemporary tourism offer in a heritage city and support private sector jobs through growth in the visitor economy. The University attracts a significantly high proportion of its students from outside of the region, which in turn increases demand for a high quality tourism offer as outlined in the application, for visiting friends and family.

This proposal would provide the urban and rural district of Carlisle with the much-needed resource to enable the economy to flourish and enhance the tourism offer in the region.

Yours sincerely



**Professor Graham Upton**  
Vice Chancellor

Fusehill Street  
Carlisle CA1 2HH

## **Appendix II**

### **CTP Board Member Biographies**

## **Carlisle Tourism Partnership – Private Sector Board Members**

### **Fiona Armstrong – Chair of Carlisle Tourism Partnership**

Fiona Armstrong is a broadcaster and writer. She is currently a newsreader on the BBC News Channel, but for the last 20 years she also presented and reported for Cumbria's local TV station, ITV Border/Tyne Tees. Fiona started in local radio in Reading and local TV in Manchester and Carlisle, before moving to London to work as a newsreader/reporter for ITN. After a short spell at breakfast TV (GMTV) she came north again. Since then she has presented and produced fishing programmes for Sky TV, and history and countryside programmes for ITV. She also fronted a series on business people for the American NBC network. Her work has taken her to Africa, where she covered the plight of AIDS orphans, and Cambodia to see the removal of landmines. Fiona has written two fishing books and two cook books and is currently researching a biography. She writes for magazines and newspapers about fishing and history. She chairs conferences all round the country - but for the past 25 years has based herself near Carlisle.

### **Richard Greenwood – Director of Development, Cumbria Tourism**

Director with Cumbria Tourism with responsibility for strategy, research, partnerships, policy and development. Wide ranging involvement with grant schemes at EC, UK and local levels to attract investment and raise the quality of the visitor experience- most notably in areas such as visitor accommodation, outdoor adventure and public realm improvement. Previously 25 years of work as planning policy, economic development and regeneration manager in Local Government based for the most part in Lancaster and South Lakeland. Trustee (and Vice Chair) of Morecambe Bay Partnership and the Storey Gallery in Lancaster.

### **David Gosling**

A retail professional with extensive experience of retail operations at store through to Director level, gained through a number of the UK's long established high street and tourism retailers. Experienced in the sports & leisure retail market with spells as a consultant, and as a director of merchandising, with a number of professional football clubs in England & Scotland. Developed and managed out of town shopping centres in the UK and Italy. Retail consulting experience with major high street fashion, manufacturing, sports marketing, tourism retail, general retailing and internet gaming companies. Also providing consultancy services for SME's in the Cumbria and the northwest of England as well as managing Signpost Restoration, a business restoring traditional fingerposts and mile markers throughout the UK. Companies worked with Prontaprint, Top Man, Principles, The Edinburgh Woollen Mill, McNaughton's of Pitlochry, Glasgow Rangers FC, Premium TV Ventures, Brentford FC, Newcastle United FC, Sunderland FC, Bet365, Pantheon Retail, ING Real Estate, Sprints, Metro Sports.

### **Andy Judge, Carlisle Airport Director**

Andy Judge has over 30 years experience in the field of aviation; after 17 years service as RAF aircrew he then moved into airport management at Bournemouth Airport, Leeds Bradford Airport and London Luton Airport as the Operations Director. He moved to Cumbria in late 2009 to join Stobart Air Ltd at Carlisle Airport (part of the Stobart Group) to take forward the development opportunities that the airport presents. Andy's experience includes a wide range of safety, security, operational, commercial, financial and personnel issues that contribute to running a heavily regulated business in a very competitive industry. This includes working with stakeholder groups, local authorities and government bodies.

### **Terry Hall – Managing Director CN Group**

Terry Hall, 50, is managing director of CN Group's Publishing Division, publishers of the News & Star, The Cumberland News, Cumbria Life, and a whole host of other daily/weekly newspapers and websites which represent towns across Cumbria. Terry has worked for CN Group for nearly 30 years and in this time has become widely regarded as one of Carlisle's media specialists. Carlisle born and bred, Terry has a vast amount of contacts and business associations across the North West region.

Terry has always taken a keen interest in supporting business and organisations and in particular ensuring they make the most of their brand and deliver high quality products and services to their customers. One of Terry's passions is to see Carlisle make the most of its position within the county. He has always believed, firstly as a Cumbrian, that we understate our heritage, community spirit, highly skilled and committed workforce and geographical location.

### **Harriett Sykes**

Started Tourism career in 1978 at Tourist Information Centre, Southwaite and Cumbria Tourist Board. Enjoyed 10 years in London with the British Tourist Authority and the English Tourist Board in their respective marketing departments. Joined the National Trust as Public Affairs Manager for their Northumbria region and took over the family holiday cottage business, Long Byres at Talkin Head, 17 years ago. Since then have expanded the capacity of the cottages and up-graded the facilities. Other roles have included Non-Executive Directorships of Carlisle Hospitals NHS Trust, Cumbria Tourism and the Cumberland Building Society. I live on the farm with the cottages and have a small Suffolk sheep flock as well as keeping pigs and poultry.

### **Ellis Butcher Public Relations**

Senior journalist with 15 years experience working for newspapers in Cumbria, Cambridgeshire and Leicestershire as well as national news agency UK News run by regional newspaper groups Northcliffe and Newsquest and Associated Newspapers (owners of the Daily Mail, Mail On Sunday, Evening Standard and Metro). Providing UK content for the global news agency Reuters. Also former Public Relations Manager of Cumbria Tourism, promoting the billion pound-a-year tourism industry to millions of annual visitors via national, international PR and marketing campaigns. Established successful Public Relations Business in 2006 and has won or been shortlisted for a number of PR Awards, including Gold for Best Viral Marketing Campaign (Sharrow Bay Sticky Toffee Pudding) on behalf of the Von Essen Hotels Group.

### **Neil Milbourn – Managing Director - Walby Farm Park**

Neil is a farmer who diversified into a farm based tourist attraction. Walby farm park is situated 3 miles from Carlisle and sits on top of Hadrian's Wall, the attraction includes many different types of farm animal, cafe, shop, indoor and outdoor play areas and also has many seasonal events throughout the year, these include maize maze, halloween fright nights and Christmas nativity. Educational visits are also very popular with local schools, nurseries and other groups. Walby has won many awards including Cumbria Tourism Large visitor Attraction 2009. Committee member for NFAN (National Farm Attraction Network), Chairman of sub committee looking into the industry response to ill health from animal contact at visitor attractions. Vice chair of Cumberland Agricultural Show 2008-2010, Chairman 2011.

### **Linda Tuttiett – Chief Executive - Hadrian's Wall Heritage Limited**

Linda Tuttiett, Chief executive of Hadrian's Wall Heritage Ltd has spent most of her career in tourism and culture development and marketing Britain overseas. Internationally, Linda was responsible for the markets of Ireland, Asia Pacific including managing Pakistan and India, operations manager for English Speaking markets including the USA, Canada, Australia, New Zealand and South Africa following earlier work in the Middle East. After spending six years as Manager- Ireland, developing Britain's fourth biggest international market and specialising in culture, heritage, landscape development and was five times winner of '*Best International Tourist Office*'. She returned to Britain to set up Enjoy England and initiate the strategic domestic marketing of England. Linda was previously Director External Relations for the Arts Council developing resources for the arts and extending arts engagement before becoming Chief Executive of Hadrian's Wall Heritage Ltd. HWHL is responsible for the economic, social and cultural development of Hadrian's Wall Country and works in partnership with stakeholders and communities to protect and enhance the World Heritage Site and help develop the tourism related economy of the North East and North West of England.