

AGENDA

Executive

**Monday, 02 August 2021 AT 16:00
In the Council Chamber, Civic Centre, Carlisle, CA3 8QG**

Apologies for Absence

To receive apologies for absence.

Declarations of Interest

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

Public and Press

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

Minutes of Previous Meetings

7 - 14

To confirm the Minutes of the meetings of the Executive held on 6 April and 2 June 2021.

[Copy Minutes in Minute Book Volume 48(1)]

To agree the Minutes of the meeting of the Executive held on 5 July 2021.

[Copy Minutes herewith]

PART A

To be considered when the Public and Press are present

- A.1 DRAFT MEDIUM TERM FINANCIAL PLAN 2022/23 - 2026/27 15 - 62**
- (Key Decision – KD.08/21)
- The Corporate Director of Finance and Resources to submit a report seeking consideration of the Council's Draft Medium Term Financial Plan which will inform the budget process.
(Copy Report RD.28/21 herewith)
- A.2 DRAFT CAPITAL INVESTMENT STRATEGY 2022/23 - 2026/27 63 - 98**
- (Key Decision – KD.08/21)
- The Corporate Director of Finance and Resources to submit a report seeking consideration of the Council's Draft Capital Investment Strategy which is intended to direct the Council's Capital Programme and the allocation of resources for the five year period 2022/23 – 2026/27.
(Copy Report RD.29/21 herewith)
- A.3 DRAFT ASSET MANAGEMENT PLAN 2022 - 2027 99 - 122**
- (Key Decision – KD.14/21)
- The Corporate Director of Governance and Regulatory Services to submit a report on the Council's Draft Asset Management Plan 2022 – 2027.
(Copy Report GD.47/21 herewith)
- A.4 ST CUTHBERT'S GARDEN VILLAGE - PROGRESS REPORT AND KEY NEXT STEPS 123 - 138**
- (Key Decision)
- (The Leader has agreed to this Key Decision item being considered at this meeting, although not in the Notice of Executive Key Decisions)
- The Corporate Director of Economic Development to submit a progress report regarding St Cuthbert's Garden Village.
(Copy Report ED.23/21 herewith)

Background Papers – Previous Executive reports ED.17/17, ED.07/20, ED.50/20, ED.10/21 are available on the Council’s website: <https://carlisle.cmis.uk.com/>

A.5 USE OF AFFORDABLE HOUSING COMMUTED SUM FUNDING 139 - 158

(Key Decision KD.18/21)

The Corporate Director of Economic Development to provide a report requesting delegated authority, in consultation with the Portfolio Holder for Economy, Enterprise and Housing, to authorise grants to Brampton Rural Housing Society from affordable housing commuted sum funding held, towards acquiring and refurbishing long-term empty properties in Brampton and Hallbankgate, to be rented to local people at affordable rents.

(Copy Report ED.25/21 herewith)

A.6 NOTICE OF EXECUTIVE KEY DECISIONS 159 - 170

(Non Key Decision)

The Notice of Executive Key Decisions, published on 2 July 2021, is submitted for information.

(Copy Notice herewith)

A.7 SCHEDULE OF DECISIONS TAKEN BY THE LEADER - PORTFOLIO HOLDER 171 - 176

(Non Key Decision)

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

(Copy Schedule herewith)

Background Papers – as detailed within the Schedule

A.8 SCHEDULE OF DECISIONS TAKEN BY OFFICERS 177 - 180

(Non Key Decision)

A Schedule detailing decisions taken by Officers under delegated powers is attached for information.

(Copy Schedule herewith)

Background Papers – as detailed within the Schedule

A.9 JOINT MANAGEMENT TEAM 181 - 182

(Non Key Decision)

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

(Copy Minutes herewith)

**A.10 APPLICATION TO SUSTAINABLE WARMTH COMPETITION 183 - 190
(LAD PHASE 3 AND HOME UPGRADE GRANTS (HUG))**

(Non Key Decision)

The Corporate Director of Governance and Regulatory Services to submit a report seeking permission to submit an application to BEIS Sustainable Warmth Competition as the lead authority of a Cumbria consortium of district councils.(Copy Report GD.46/21 herewith)

A.11 CHANGING FUTURES 191 - 212

(Non Key Decision)

The Corporate Director of Governance and Regulatory Services to submit a report outlining the purpose and principles of the Changing Futures Programme.

(Copy Report GD.45 /21 herewith)

PART B

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

**B.1 LAND DISPOSALS TO ASSIST WITH DEVELOPMENT OF
CARLISLE SOUTHERN LINK ROAD**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

B.2 OUTCOME OF OLD FIRE STATION TENDER

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

Members of the Executive

Councillor J Mallinson (Leader's Portfolio)

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

Councillor N Christian (Environment and Transport Portfolio Holder)

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

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

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

Notes to Members:

Decisions made at this meeting, if not subject to call-in, will normally become live on 12 August 2021

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

EXECUTIVE

WEDNESDAY 5 JULY 2021 AT 4.00 PM

PRESENT:

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

OFFICERS:

Town Clerk and Chief Executive
Deputy Chief Executive
Corporate Director of Governance and Regulatory Services
Corporate Director of Finance and Resources
Regeneration Manager

APOLOGIES FOR ABSENCE

There were no apologies for absence.

DECLARATIONS OF INTEREST

There were no declarations of interest affecting the business to be transacted at the meeting.

PUBLIC AND PRESS

RESOLVED – That the Agenda be agreed as circulated.

MINUTES

The Minutes of the meetings of the Executive held on 8 February; 15 February and 8 March 2021 were signed by the Chair as a true record of the meetings.

CALL-IN AND URGENCY PROCEDURES

The Leader reported that the Mayor had, on 26 June 2021, agreed that item A.2 Regeneration Programme Update and Economic Development Programme Management be exempt from call in as call-in procedures would overlap the City Council meeting on 20 July 2021 when the Council is scheduled to consider the matter.

EX.57/21 BUSINESS RATES OUTTURN 2020/21
(Key Decision – KD.13/21)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Finance, Governance and Resources presented the summary of the 2020/21 provisional outturn and performance position for Business Rates and the impact it would have on the overall General Fund Balance (RD.13/21). Section 2.6.1 of the report recommended that £9,463,000 of the additional income recorded in 2020/21 be transferred to an earmarked reserve at 31 March 2021 and released to General Fund in 2021/22. It was also recommended that responsibility for the reserve rested with the Corporate Director of Finance and Resources and that approval to release the reserve could be given by the Corporate Director of Finance and Resources via an officer decision notice.

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

Summary of options rejected None

DECISION

That the Executive noted the provisional outturn position for Business Rates at 31 March 2021 and approved the creation and transfer of a new earmarked reserve as outlined in paragraph 2.6.1 of report RD.13/21.

Reasons for Decision

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

****EX.58/21 REGENERATION PROGRAMME UPDATE AND ECONOMIC DEVELOPMENT PROGRAMME MANAGEMENT OFFICE**
(Key Decision – KD.16/21)

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

Portfolio Leader and Economy, Enterprise and Housing

Relevant Scrutiny Panel Economic Growth

Subject Matter

The Economy, Enterprise and Housing Portfolio Holder provided an update on the regeneration projects and set out the work programme and activities to be undertaken for the financial year 2021-22 (ED.19/21). Approval was sought to add projects, for which funding had been secured, to the capital programme and to delegate authority for some decision making to enable projects to move forward and key milestones to be met.

In order to undertake the role of Accountable Body for the major projects and programmes effectively, the report set out the proposal for the creation of an Economic Development Programme Management Office and an increase to the capacity of the Regeneration team to support the development and delivery of the projects.

The Economy, Enterprise and Housing moved, and the Leader seconded the recommendations.

Summary of options rejected Not to continue with the Future High Streets Fund projects. That no funding is provided to increase the capacity of the regeneration team or create a Programme Management Office.

DECISION

That the Executive

1. Noted the Future High Streets Fund (FHSF) Memorandum of Understanding included in Appendix A (ED.19/21), the provisions contained therein.
2. Gave approval to sign the FHSF Memorandum of Understanding and therefore confirm the Council's acceptance of the £9,124,606 grant funding offered.
3. Gave approval for the Council to be the accountable body for the FHSF programme, as per paragraph 2.11 of report ED.19/21.
4. Approved, for recommendation to Council, a budget of £6,742,839 (in addition to the Greenmarket scheme already included in the Council's capital programme) be added to the Council's Capital Programme, according the financial profile for the years 2021-22, 2022-23 and 2023-24 as set out in Table 3 of report ED.19/21.
5. Agreed to release the budget for the Greenmarket scheme already included in the capital programme in accordance with the Council's budget resolution agreed in February 2021.
6. Noted the Remediation Road Map for the Caldew Riverside site and the key decision points as set out in Table 5 of report ED.19/21.
7. Delegated authority, regarding the Caldew Riverside remediation strategy key decision points, to the Corporate Director of Economic Development following consultation with the Leader of the Council, Portfolio Holder for Economy Enterprise and Housing, Corporate Director of Finance & Resources and Corporate Director of Governance & Regulatory Services to:
 - a) implement the appropriate remediation strategy options.
 - b) Agree scope and contract amount for practical actions within the remaining budget.
8. Noted the progress on the development of the Carlisle Town Deal, the agreement of Heads of Terms (included in Appendix B), the agreed programme of projects as set out in Table 6 of report ED.19/21 and the programme of activity over the next twelve months to progress towards agreeing the Town Deal
9. Noted the additional resources required to deliver City Council's major economic development projects and the associated costs and that these costs will be offset using grant funding that has been secured.
10. Agreed to the establishment of a Major Projects Programme Management Office (PMO) for an initial 3 year period (subject to review) and increasing the capacity of the regeneration team.
11. Approved, for recommendation to Council, additional revenue budget of £91,545 for the financial year 2021/22 to fund the PMO and the regeneration team and an additional £82,560 for the following two years 2022-23 and 2023-24, as set out in Table 8 of report ED.19/21 and funded from Revenue Reserves.

Reasons for Decision

To meet strategic objectives of the Carlisle Future High Street Fund and move forward with the four projects which had £9.1m of funding awarded to them.

EX.59/21 NOTICE OF EXECUTIVE KEY DECISIONS
(Non Key Decision)

Portfolio Cross-Cutting

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

Subject Matter

The Notice of Executive Key Decisions dated 4 June 2021 was submitted for information.

The Leader moved and the Deputy Leader seconded the paper.

Summary of options rejected None

DECISION

That, subject to the above, the Notice of Executive Key Decisions dated 4 June 2021 be received.

Reasons for Decision Not applicable

**EX.60/21 SCHEDULE OF DECISIONS TAKEN BY THE LEADER / PORTFOLIO
HOLDERS**
(Non Key Decision)

Portfolio Cross-cutting

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

Subject Matter

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

The Leader moved and the Deputy Leader seconded the paper.

Summary of options rejected None

DECISION

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

Reasons for Decision Not applicable

EX.61/21 SCHEDULE OF DECISIONS TAKEN BY OFFICERS
(Non Key Decision)

Portfolio Cross-cutting

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

Subject Matter

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

The Leader moved and the Deputy Leader seconded the paper.

Summary of options rejected None

DECISION

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

Reasons for Decision Not applicable

EX.62/21 **JOINT MANAGEMENT TEAM**
(Non Key Decision)

Portfolio Cross-cutting

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

Subject Matter

The Minutes of the meeting of the Joint Management Team held on 2 June 2021 were submitted for information.

The Leader moved and the Deputy Leader seconded the Minutes.

Summary of options rejected None

DECISION

That the Minutes of the meeting of the Joint Management Team held on 2 June 2021, attached as Appendix C, be received.

Reasons for Decision Not applicable

EX.63/21 **RESTARTING COMMUNITIES FUND**
(Non Key Decision)

Portfolio Economy, Enterprise and Housing

Relevant Scrutiny Panel Economic Growth

Subject Matter

The Economy, Enterprise and Housing Portfolio Holder submitted report ED.18/21 which sought approval for an eligibility criteria and application process for the Restarting Communities Grant to be accessed by parish councils and urban communities within Carlisle District. The Grant would support economic recovery for local parishes and urban communities as match funding to aid recovery following the Covid pandemic.

The Economy, Enterprise and Housing Portfolio Holder moved the recommendation and it was seconded by the Leader.

Summary of options rejected not to agree the eligibility criteria

DECISION

That the Executive

1. approved the grant funding eligibility criteria and application process for parish councils and urban communities to access the Restarting Communities Fund; and
2. approved delegated authority to the Corporate Director of Economic Development in consultation with the Portfolio Holder for Economy, Enterprise and Housing to allocate funds in line with the eligibility criteria.

Reasons for Decision

The Restarting Communities would enable parish councils and community groups to open for business, in its widest sense, optimising on the opportunities to facilitate safe gatherings. Funding allocation would prioritise cultural events and beatification projects that would provide a 'safe' environment.

The Council in providing the grant directly from reserves rather than through the Reopening the High Street Safely Fund and Welcome Back Fund will allow greater flexibility on eligible projects being taken forward for funding, avoiding the stringent ERDF requirements of those funding sources.

EX.64/21 **END OF YEAR PERFORMANCE REPORT 2020/21**
(Non Key Decision)

Portfolio Economy, Enterprise and Housing

Relevant Scrutiny Panel Economic Growth

Subject Matter

The Finance, Governance and Resources Portfolio Holder submitted report PC.23/21 containing the End of Year 2020/21 performance against the current Service Standards, together with a summary of the Carlisle Plan 2015-19 actions as defined in the 'plan on a page'. Performance against the 2020/21 Key Performance Indicators (KPIs) was also included.

The Finance, Governance and Resources Portfolio Holder referenced the summary of exceptions which were a direct result of the Covid pandemic.

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

Summary of options rejected to not approve the Strategy for recommendation to Council

DECISION

That the Executive had considered the performance of the City Council as presented in Report PC.23/21 with a view to seeking continuous improvement in how the Council delivered its priorities.

Reasons for Decision

To consider the performance of the City Council with a view to seeking continuous improvement in how the Council delivered its priorities

[The meeting ended at 4.12pm]

Meeting Date: 2 August 2021
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Recorded in the Notice Ref: KD08/21
 Within Policy and Budget Framework YES
 Public / Private Public

Title: DRAFT MEDIUM-TERM FINANCIAL PLAN 2022/23 to 2026/27
 Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
 Report Number: RD28/21

Purpose / Summary:

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

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

Recommendations:

The Executive is asked to:

- (i) Comment on the draft MTFP for consideration by the Business and Transformation Scrutiny Panel on the 26 August 2021.

Tracking

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

1. BACKGROUND

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

2. KEY DATES

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

3. KEY MESSAGES

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

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

3.2 Local Government reorganisation

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

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

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

4. **RISKS**

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

5. **CONSULTATION**

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

- 5.2 The Business and Transformation Scrutiny Panel will consider the MTFP on 26 August, and recommendations made to full Council on 14 September.
- 5.3 The Budget Process and MTFP are also informed by consultation with wider stakeholders, including residents. Each year the Council consults with the Business Community and also carries out public consultations as appropriate

6. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 6.1 The Executive is asked to:
- (i) Comment on the draft MTFP for consideration by the Business and Transformation Scrutiny Panel on the 26 August.

7. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

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

Contact Officer: Alison Taylor **Ext:** 7290

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

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

- None

CORPORATE IMPLICATIONS/RISKS:

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

Finance – Contained within the MTFP.

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

Information Governance - There are no Information Governance Implications

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

Draft Medium-Term Financial Plan

Carlisle City Council

2022/23 to 2026/27

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1.0 Introduction

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

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

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

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

2.0 Financial Principles supporting the MTFP

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

Financial Principle 1 – Revenue Budget Strategy

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

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

Revenue Budget Assumptions:

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

Financial Principle 2 – Commercial and Income Generation

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

Charging/Income Assumptions:

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

Financial Principle 3 – Council Tax & Business Rates Policy

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

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

Council Tax and Business Rate Assumptions:

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

Financial Principle 4 – Treasury Management

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

Treasury Management Assumptions:

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

Financial Principle 5 – Capital Investment

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

Capital Investment Assumptions:

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

3.0 Links to other Strategies

3.1 The Carlisle Plan

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

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

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

3.1.4 The Medium-Term Financial Plan takes account of other Council Plans and Strategies of the Council, which have a potential impact on the use of resources by the Council. Particularly consideration is given to the following key strategies: -

- The Capital Investment Strategy, which provides information on the proposed level of investment in capital projects and the consequent impact on the revenue budget;
- The Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy, which sets out the assumptions for financing requirements and interest rates and their effect on the revenue budget;
- The Asset Management Plan, which provides forecasts of necessary investment in the Council's land and property portfolio;
- The Procurement and Commissioning Strategy;
- Local Plan/Local Development Framework;
- The ICT Strategy;
- The Organisational Development Plan, which highlights the need for a thorough review of the Council's staffing needs and skill levels to ensure that the Council improves its performance to deliver excellent services to the local community in the future;
- There are also a number of strategies, which set out policy direction for key Council priority areas, and these include the Economic

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

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

4.0 Revenue Budget Forecasts

4.1 Current Budget Forecast

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

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

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

Table 1a: Summary Budget Position (Expenditure)

The budget requirement is funded as follows:

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

Table 1b: Summary Budget Position (Funding)

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

4.1.4 Known budgetary changes

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

Tullie House Levelling Up Fund Bid

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

Economic Development Project Management Office

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

4.2 Funding Prospects

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

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

4.2.3 Spending Review

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

4.2.4 Fair Funding Review & Business Rate Retention

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

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

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

4.2.5 Business Rates Baseline

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

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

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

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

Table 2: Business Rates Funding

4.2.7 Council Tax

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

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

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

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

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

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

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

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

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

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

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

Table 4: Council Tax Funding

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

4.3 **Efficiency Strategy**

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

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

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

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

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

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

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

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

Table 5: Savings

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

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

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

5.0 Provisions, Reserves & Balances

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

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

5.2 General Fund

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

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

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

5.3 Earmarked Reserves

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

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

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

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

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

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

Table 6: Revenue Reserves

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

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

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

Table 7: Capital Earmarked Reserves

5.4 **Provisions**

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

5.5 **Charitable and Other Bequests**

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

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

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

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

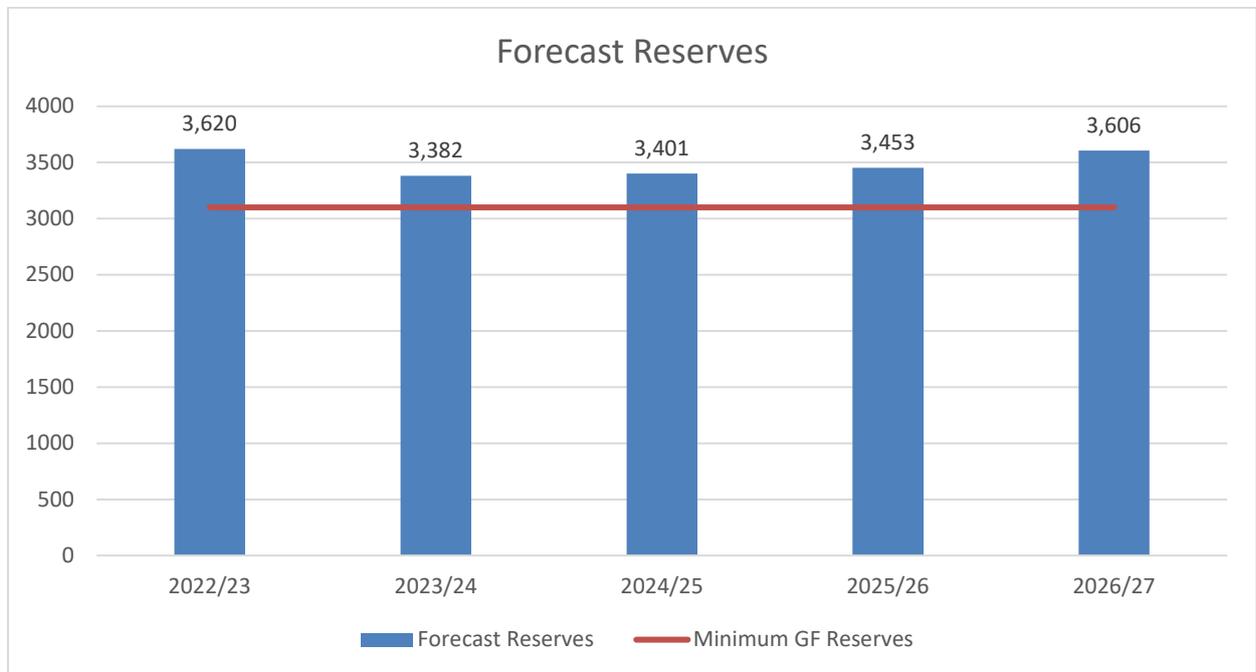
budget requirement,

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

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

5.7 Planned Use of Reserves

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



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

6.0 Income

6.1 Fees & Charges

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

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

Table 8: Main areas of Income

6.2 **Property Rentals**

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

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

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

Table 9: Property Income

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

6.3 **Income Levels and Financial Sustainability**

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

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

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

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

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

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

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

6.4 **Grants & Contributions**

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

6.4.1 **New Homes Bonus**

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

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

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

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

Table 10: New Homes Bonus

6.4.2 Housing Benefit Admin Grant

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

7.0 Assumptions

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

7.2 Pay

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

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

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

7.3 **General Inflation**

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

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

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

7.4 **Investment Income**

- Investment Returns – As included in the MTFP

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

- Investment Returns – Forecast as of July 2021

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

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

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

7.5 Borrowing

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

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

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

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

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

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

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

8.0 Appendices

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

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

Appendix B – Reserves & Provisions

Reserves

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

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

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

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

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

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

Provisions

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

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

Appendix C - Corporate Charging Policy

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

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

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

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

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

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

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

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

- Central government policy objectives

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

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

4. Trading

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

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

5. Value For Money

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

Appendix D – Gross Expenditure Breakdown

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

Meeting Date: 2 August 2021
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Recorded in the Notice Ref: KD08/21
 Within Policy and Budget Framework: The YES
 Public / Private: Public

Title: DRAFT CAPITAL INVESTMENT STRATEGY 2022/23 - 2026/27
 Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
 Report Number: RD29/21

Purpose / Summary:

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

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

Recommendations:

The Executive is asked to:

- (i) Comment on the draft Capital Investment Strategy for consideration by the Business and Transformation Scrutiny Panel on the 26 August 2021.

Tracking

Executive:	2 August 2021
Overview and Scrutiny:	26 August 20021
Executive	31 August 2021
Council:	14 September 2021

1. BACKGROUND

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

2. KEY MESSAGES

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

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

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

3. RISKS

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

4. CONSULTATION

- 4.1 The draft Capital Investment Strategy has been considered by the Senior Management Team and the Portfolio Holder for Finance, Governance and Resources.
- 4.2 The Business and Transformation Scrutiny Panel will consider the report on 26 August and recommendations made to full Council on 14 September 2021.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 5.1 The Executive is asked to:
Comment on the draft Capital Investment Strategy for consideration by the Business and Transformation Scrutiny Panel on the 26 August 2021.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

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

Contact Officer: Steven Tickner

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**Appendices
attached to report:**

Appendix 1 – Capital Investment Strategy 2022/23 to 2026/27

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

CORPORATE IMPLICATIONS/RISKS:

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

Finance – contained within the report

Equality – Strategy includes expenditure forecast for Disabled Facility Grants

Information Governance - There are no Information Governance Implications

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

Draft Capital Investment Strategy

Carlisle City Council

2022/23 to 2026/27

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1.0 Introduction

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

The objectives of the Capital Investment Strategy are to:

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

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

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

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

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

1.4 **Evaluation and Monitoring of Capital Projects**

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

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

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

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

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

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

1.6 **Current Asset Portfolio**

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

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

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

Investment Property (Non-Operational)

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

Surplus Assets (Non-Operational)

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

Assets Held for Sale (Non-Operational)

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

Land & Buildings (Operational)

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

Infrastructure (Operational)

These assets include bridges and footpaths

Community Assets (Operational)

These assets include parks and open spaces

Dwellings (Operational)

These assets are primarily homeshares used by the homelessness service

Vehicles, Plant and Equipment (Operational)

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

Heritage (Operational)

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

Assets Under Construction (Non-Operational)

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

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

2.0 Financial Principles supporting the Capital Investment Strategy

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

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

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

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

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

Capital Investment Assumptions:

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

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

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

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

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

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

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

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

3.0 Strategic Vision / Long-term ambitions

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

3.2 **Economic Strategy**

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

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

- ***Driving housing and population growth***
 - Production a Local Plan for St Cuthbert's Garden Village
 - Remediation of the Caldew Riverside site
 - Development and delivery of the first phase of 'Start with the Park'
- ***Growing our target employment sectors and levelling up our skills base and productivity***
 - Supporting the redevelopment of the Citadels
- ***Increasing city centre vibrancy***
 - Creation of a new events space at the Greenmarket
 - Redevelopment of the Sands Centre
 - Improvements to the Market Hall
 - Redevelopment of the Central Plaza site
- ***Enhancing digital and transport connectivity***
 - Supporting the delivery of Carlisle Station Gateway project
 - Supporting the delivery of the Southern Link Road and Gateway projects
 - Supporting the production of a Carlisle Local Cycling and Walking Infrastructure Plan
- ***Supporting rural development and innovation***
- ***Promoting Carlisle as a place to live, work and visit***

3.3 **Climate Change Strategy**

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

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

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

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

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

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

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

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

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

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

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

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

3.4 **Asset Management Plan**

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

Operational Property Investment Principles

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

Non-Operational Property Strategy

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

Non-Operational Property Investment Principles

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

Surplus Property Strategy

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

Surplus Property Principles

- operational and non-operational property will be sold unless occupied for service provision, used to deliver social, housing,

economic or environmental benefits meeting agreed priorities, or it is a long-term strategic investment.

Property Acquisition Strategy

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

Property Acquisition Principles

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

3.5 **External and Partner Influences**

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

Projects for inclusion in the capital programme arise from a variety of sources, some of them internally generated and some arising from external factors.

The more significant of these are summarised as follows:

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

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

- Central Government
- Other Local Authorities

- Health sector
- Further and Higher education sector
- Charity, social and not for profit sector
- Private sector
- Community Projects

4.0 Capital Expenditure

4.1 Capital Investment Priorities

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

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

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

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

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

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

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

Table 1: Current Capital resources

4.2 **Current Expenditure Forecast**

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

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

Table 2: Current Capital Programme

4.3 **Current Resource Forecasts**

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

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

Table 3: Current Proposed Resources

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

4.3.1 Capital Grants

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

4.3.2 Revenue Contributions and Reserves

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

4.3.3 Capital Receipts

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

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

4.3.4 Borrowing Requirement

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

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

4.4 **Asset Management**

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

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

5.0 Debt, Borrowing and Treasury Management

5.1 **Borrowing**

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

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

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

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

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

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

Where possible the Council will attempt to avoid using any debt financing for capital projects, however, it recognises that this is not always possible. In cases

where debt financing is unavoidable, the Council will consider robust business cases to ensure the servicing of debt costs can be adequately met from revenue resources without having an adverse impact on service delivery. Where possible, debt will be repaid at the earliest opportunity, and the type of borrowing undertaken will always reflect the need the Council has at the point in time it is taken out. The Council will look to repay all borrowing either before or upon its actual maturity profile.

5.2 **The Capital Financing Requirement**

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

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

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

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

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

Table 4: Capital Financing Requirement

Note 1: Includes the repayment of Transferred Debt

5.3 Investment and Reserve Balances

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

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

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

Table 5: Investments and Reserves

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

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

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

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

Table 6: Borrowing position

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

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

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

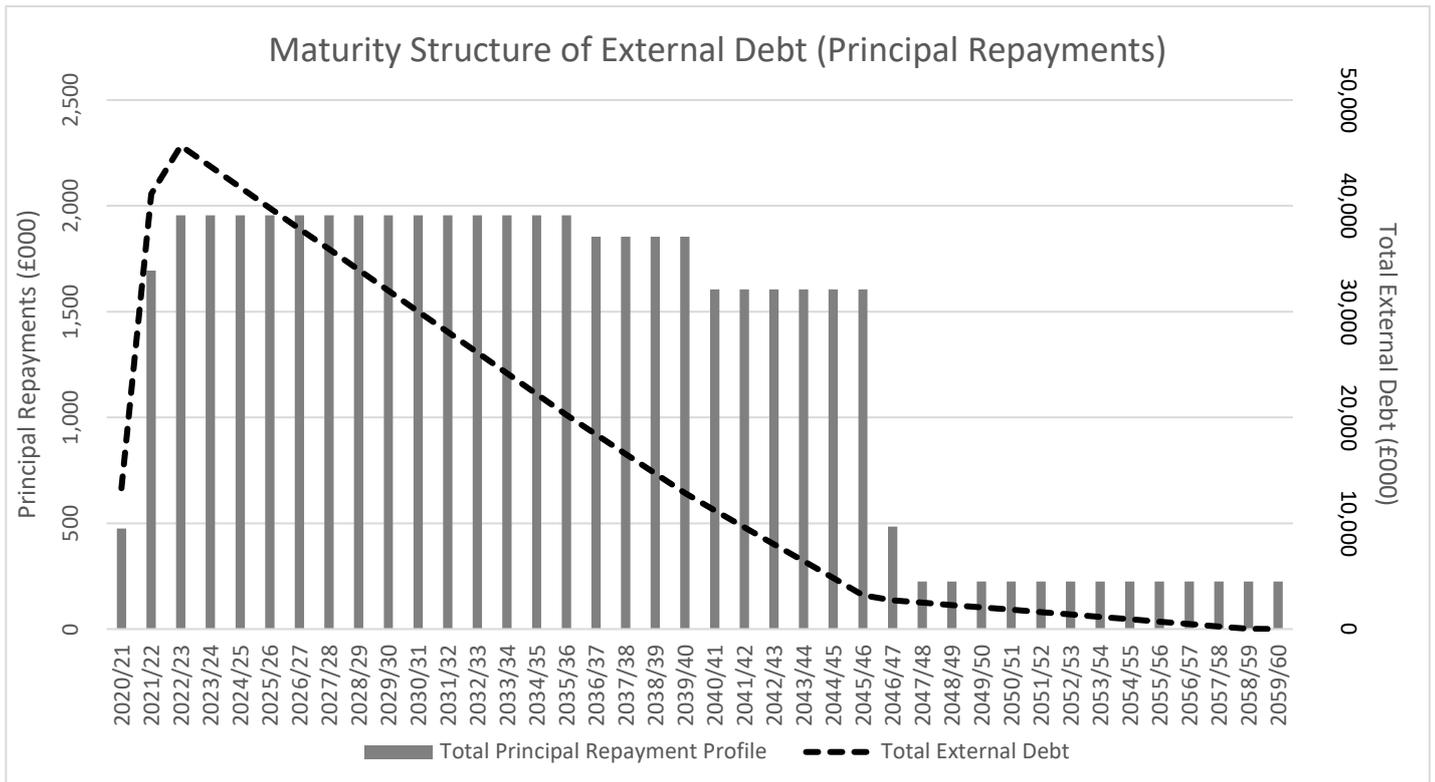
5.3.1 Debt Financing Costs

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

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

Table 7 Debt Financing Costs

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

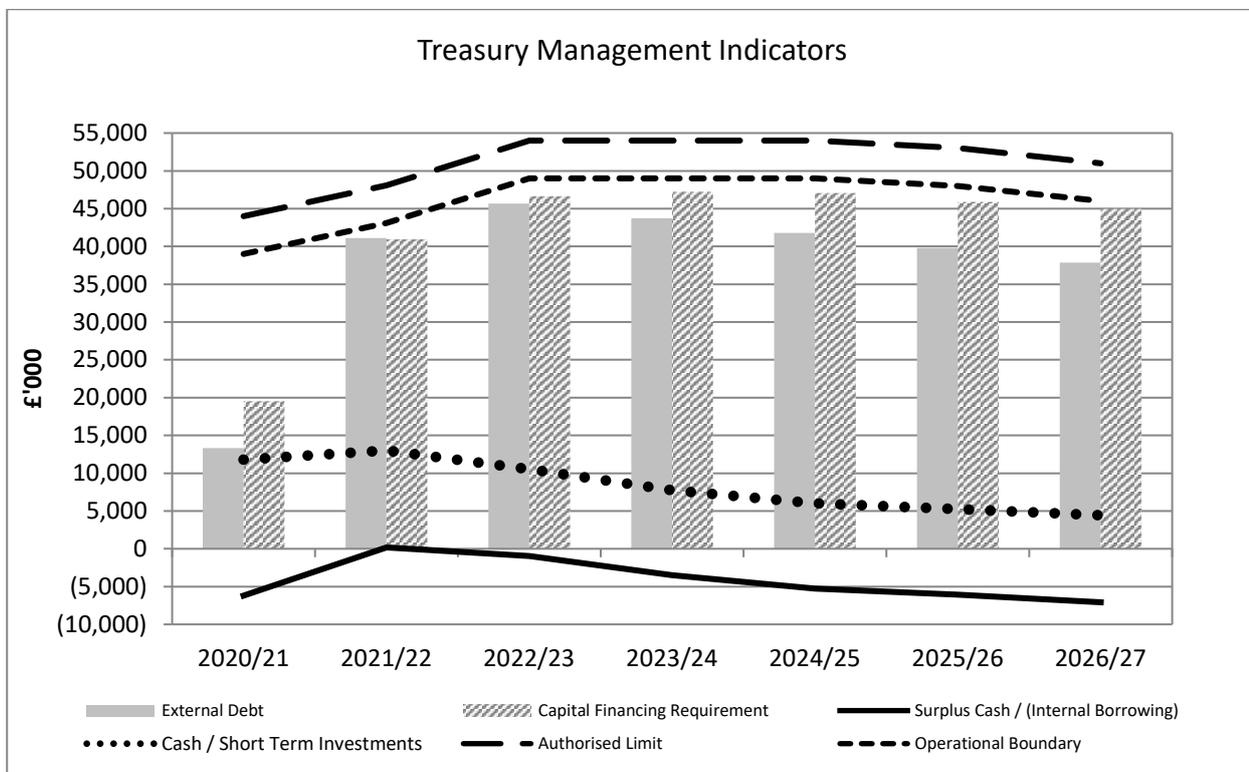


The following table shows the overall movement on external debt:

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

Table 8: External Debt

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



5.4 **Authorised Limit and Operational Boundary**

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

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

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

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

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

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

Table 9 Prudential Limits

6.0 Commercial Activity

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

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

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

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

6.2 **Prudential Code Considerations**

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

6.2.2 Having any "commercial activity" could hinder wider PWLB borrowing to support the capital programme. The revised Prudential Code is scheduled to be

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

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

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

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

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

7.0 Knowledge and Skills

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

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

7.3 **Finance**

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

7.4 **Property**

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

7.5 **Legal**

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

7.6 **External Advice**

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

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

APPENDIX A

Capital Programme – Risk Assessment

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

Report to Executive

Item
A.3

Meeting Date: 2nd August 2021
 Portfolio: Finance, Governance and Resources
 Key Decision: YES: Recorded in the Notice Ref: KD. 14/21
 Within Policy and Budget Framework: Yes
 Public / Private: Public

Title: Draft Asset Management Plan 2022 to 2027
 Report of: The Corporate Director of Governance and Regulatory Services
 Report Number: GD 47.21

Purpose / Summary:

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

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

Recommendations:

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

Tracking

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

1. BACKGROUND

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

2. PROPOSALS

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

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

3. RISKS

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

4. CONSULTATION

- 4.1 Internally via the Council's corporate structures and processes. The Draft Plan will go to Business and Transformation Overview & Scrutiny Panel on 26th August 2021 for consideration, comment and feedback.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

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

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

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

Contact Officer: Mark Walshe

Ext: 7427

Appendices attached to report: Draft Asset Management Plan 2022 - 2027

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

- None

CORPORATE IMPLICATIONS:

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

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

EQUALITY – None

INFORMATION GOVERNANCE – N/A



Managing property as a resource for the City

ASSET MANAGEMENT PLAN

2022 – 2027

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1. The Council

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

2. Purpose, Aims and Objectives

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

ASSET MANAGEMENT PLAN 2022-2027

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

3. Property Strategies and Principles

3.1 The Council has developed the following strategies and principles:

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

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

4. Value for money

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

5. Property Services

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

6. The Portfolio and Current Performance

6.1 Gross Asset Value as at 31 March 2021

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

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

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

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

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

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

6.6 Outstanding Maintenance

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

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

ASSET MANAGEMENT PLAN 2022-2027

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

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

6.9 Local Environment (Climate Change) Strategy

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

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

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

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

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- 6.14 Where assets have fallen below the required standard this has been assessed and maintenance work has been completed. During the past year a full re-survey and assessment of the Enterprise Centre was undertaken and consequent improvement works undertaken.
- 6.15 On a larger scale Capital works are completed to meet the relevant building standards and where financially viable and opportunities are available additional initiatives are being incorporated to further improve the energy standard of the asset stock.
- 6.16 The Sands Centre Redevelopment will have a significant impact on reducing the organisations carbon footprint. Initial calculations, based on the Consequential Improvements Report, estimate a reduction in production Greenhouse Gas (GHG) emissions of 96 tonnes per annum.
- 6.17 The Civic Centre Reinstatement Project will also bring improvements to the energy efficiency of the ground floor, the impact of which will be seen in changes in gas and electricity usage. The project also includes demolition of the Rotunda with associated Public Realm improvements and EV charging points in the extended Civic Centre car park.
- 6.18 The Property Services team have successfully completed the Footway lighting project which has resulted in the vast majority of the City Council's footway lighting portfolio being converted to LED's. The projected annual saving of production Greenhouse Gas (GHG) emissions is 93 tonnes, an estimated lifespan saving of 1,399 (t)CO_{2e}
- 6.19 The solar photovoltaic arrays at the Civic Centre and Sands Centre continue to be successful in terms of electricity generation and income received from the feed in tariff.
- 6.20 Capital Works and Repairs
- 6.21 The programme of works identified in the Capital Major Repairs Programme is initially shaped by a 5-year maintenance plan produced from condition surveys and adjusted each year to keep abreast with new legislation. The Council has a legal duty to maintain its properties and the programme is required to meet those statutory duties. Report GD.52/20 was presented to the Executive with proposals for capital investment for planned major repairs which was approved as follows:

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

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

Works Carried Forward From 2020 / 2021

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

7. Continuous Review and Challenge

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

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

7.2 Accommodation Review

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

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

7.10 Major Projects Team

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

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

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

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

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

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

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

8. Conclusion

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

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

Meeting Date: 2 August 2021
 Portfolio: Economy, Enterprise and Housing
 Key Decision: Yes
 Within Policy and Budget Framework: No
 Public / Private: Public

Title: St Cuthbert’s Garden Village – Progress Report and Key Next Steps
 Report of: Corporate Director of Economic Development
 Report Number: ED 23/21

Purpose / Summary:

To update Executive on the progress of the planning and delivery of St Cuthbert’s Garden Village, and to secure agreement to proceed with the key next steps in advancing the project.

Recommendations:

Executive is asked to:

1. Note progress on the project including key achievements to date;
2. Approve the proposed next steps and hence indicative work programme for advancing the St Cuthbert’s Garden Village project, including proposed indicative funding profile, set out at Section 4;
3. Delegate authority to the Corporate Director of Economic Development to progress procurement, including contract awards, where in keeping with the indicative work package and budgets, following consultation with the Portfolio Holder for Economy, Enterprise and Housing.

Tracking

Executive:	
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1. BACKGROUND

- 1.1** St Cuthbert's Garden Village (SCGV) is embedded in the adopted Carlisle District Local Plan 2015 – 2030, which identifies land to the south of the City (referred to as Carlisle South via Policy SP 3) for a major mixed-use development focussed on housing. The Policy commits the City Council to prepare a masterplan and a separate Development Plan Document (DPD). The DPD will be the St Cuthbert's Garden Village Local Plan.
- 1.2** The project was accepted into the Government's Garden Villages, Towns and Cities Programme in January 2017 and owing to its scale and the progress made was elevated to the Government's Garden Towns programme in early 2020.
- 1.3** Project governance was established in May 2017 (Exec Rpt ED 17/17), at which point four key project strands were identified comprised of Masterplanning; Plan Making; Carlisle Southern Link Road; and Delivery. To date, the Governance arrangements, which include a now well-established cross-party Members' Advisory Group, have provided a solid foundation to progress the Garden Village to this stage. Moving forward, we intend to review these governance structures to better reflect the changing nature of the work strands which are covered within this Report.
- 1.4** The project, including governance arrangements, continues to be consistently highlighted by Homes England as best practice who equally continue to identify it as amongst the highest performing in their wider garden communities programme. They and the Town and Country Planning Association also consistently cite our consultation methods as some of the best in the programme, including new initiatives such as the interactive portal, and the quality of consultation material employed (the TCPA 2021 'Technical guide to project and programme management for local authorities' cites St Cuthbert's garden village as a case study).

2. PROGRESS TO DATE

- 2.1** The last Executive progress report relating to St Cuthbert's was ED 17/20 in April 2020. Whilst Covid-19 has presented operational and logistical challenges, we have nevertheless made significant progress which is summarised below.
- 2.2** **The Stage 2 Masterplanning Framework** provides the technical detail such as the identification and selection of potential site allocations and land use designations as well as detailed strategic drainage, movement and green infrastructure frameworks.

Stage 2 was completed over several phases which delivered a baseline report, a range of technical information and the development and testing of options. This included a widespread public and stakeholder engagement on draft options between September and October 2019 and technical stakeholder engagement during the summer of 2020.

- 2.3** In October 2020, the Stage 2 Masterplanning Framework was finalised and comprises: the main Masterplan Framework with detailed framework plans; an Infrastructure Schedule; and Design Guidance. Executive approved its content as evidence to inform the emerging St Cuthbert's Garden Village Local Plan (ED50/20).
- 2.4** As the formal Development Plan Document, the **St. Cuthbert's Garden Village Local Plan** will comprise the key planning framework through which the project will be delivered. Upon adoption, it will become the starting point to guide and assess future planning applications and identify and support the timely delivery of infrastructure provision through both developer contributions and/or external funds.
- 2.5** Given the 30 year build out of the project, the emerging Local Plan will provide the planning framework for the first phase of delivery (*ie* up to 2030). Thereafter, future plan reviews will address subsequent phases.
- 2.6** Preparing a Local Plan is complex and must comply with the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended). Drawing from the Masterplanning Framework, the St. Cuthbert's Garden Village Local Plan Preferred Options Draft was subject to a 6 week consultation between November and December 2020 (with extensions of time granted to 13 January 2021). This proposed a suite of 10 policies addressing matters such as the scale and distribution of development, affordable housing, planning obligations and stewardship, low carbon development, strategic design, biodiversity, and sustainable transport and movement. In total, some 69 individuals and organisations responded to the consultation. In the main, whilst comments were broadly supportive, they do give rise to a series of actions that need to be considered prior to advancing the Plan to its next formal stage the Regulation 19 Publication Draft (considered further at Section 3).
- 2.7** The Local Plan is also being informed by a formal Sustainability Appraisal (SA) that requires all reasonable alternatives be taken into account for delivering the scale of development proposed and the planning policies that sit alongside the allocations. This ensures that we are doing this in a balanced way taking account of environmental, economic and social considerations. We also consulted on a formal

Habitats Regulations Assessment (HRA) which is required to identify the likely significant effects on the River Caldew, which is part of the River Eden and Tributaries Special Area of Conservation (SAC), a designation which denotes that the site is of European importance.

- 2.8** To support the early development phases of the Garden Village, in advance of the emerging Local Plan's adoption and to ensure quality is safeguarded from the outset, we committed to prepare the **Strategic Design Supplementary Planning Document (SPD)**. This commitment was also included as an obligation of the Housing Infrastructure Funding (HIF) agreement for the Carlisle Southern Link Road (CSLR) with Homes England. By law an SPD cannot contain policy, it can only amplify policy in an existing local plan, and hence provide further detail, and so does not carry the same weight as an adopted Development Plan Document. It does however, comprise a significant material consideration in the determination of planning applications.
- 2.9** In parallel with the consultation on the Local Plan Preferred Options, we also consulted on the Draft Strategic Design SPD. This attracted some 64 responses from 26 individuals and organisations. These comments were analysed in detail and where appropriate amendments to made to the SPD. In April 2021, Executive considered this in detail and approved its adoption (ED10/21).
- 2.10** The SPD promotes a positive planning process and establishes our expectations around the requirements for design quality for potentially early development proposals coming forward. It amplifies the key adopted Local Plan policies relevant to St Cuthbert's, and together with the National Design Code, defines the key structuring and place-making elements necessary to underpin good design and delivery. In this way it will provide a clear basis on which to develop detailed proposals in a coordinated way and provide a basis for consistent decision making.
- 2.11** To realise the full scale and ambition of SCGV, and to improve strategic connectivity between east and west Carlisle (and Cumbria), the **Carlisle Southern Link Road** is proposed to connect Junction 42 of the M6 and the A595. Led by Cumbria Council, this is to be delivered with contributions from ourselves and the County Council and an award of £134m through Homes England's Housing Infrastructure Fund (HIF).
- 2.12** In October 2020, the County Council formally granted planning consent to the CSLR and a CPO inquiry was held in June 2021 to formally secure the remaining parcels

of land. In parallel, Morgan Sindall have been awarded the Stage 1 contract for detailed design and delivery remains on track for completion by 2024.

3. KEY NEXT STEPS

3.1 The complex and challenging pace of work on the St Cuthbert's programme continues to build on what has been achieved to date and it is essential that momentum is maintained moving forward. A summary of the future key activities are detailed below and Section 4 outlines the funding profile for each.

St Cuthbert's Garden Village Local Plan

3.2 The next stage for the emerging Plan will be its advancement to the formal Regulation 19 ('Publication') draft. This would be the final stage prior to the Plan's submission to the Secretary of State for its formal examination. It would effectively constitute our 'last word' on the Plan.

3.3 At examination, plans must demonstrate they are legally compliant (eg the Duty to Cooperate with 'prescribed bodies') and 'sound' ie a plan that is:

- *Positively prepared* – meeting development needs and promoting sustainable development;
- *Justified* – considering alternative options and informed by up to date evidence;
- *Effective* – where the plan is deliverable eg there is a realistic prospect that allocations are viable and be delivered in in compliance with other relevant policies and that policies are clear and unambiguous;
- *Consistent with national policy (ie the NPPF).*

3.4 The examination is a critical stage and failure to demonstrate legal compliance or soundness could result in the Inspector recommending the Plan is withdrawn. It is worth noting that garden villages being promoted in both North East Essex and Tandridge, Surrey were withdrawn from the respective local plans in 2020 because they failed to demonstrate they were deliverable and viable.

3.5 To date, a key role of the emerging Plan has been to share information and gather views, in addition to informing its content through consultation with statutory and specialist bodies. As it now progresses to the Publication Draft and examination, emphasis must now turn to what can be realistically delivered by the end of the Plan period with an up to date understanding of the infrastructure requirements and development viability.

- 3.6** Using feedback from the previous consultation and having undertaken a review of the existing background evidence supporting the Plan, a series of workstreams are now identified that are considered necessary to further support the Plan as it heads towards the Publication Draft and examination.
- 3.7** **Technical evidence** relating to **infrastructure and viability** will be critical to demonstrate St Cuthbert's deliverability. This will continue to be an evolving exercise given St Cuthbert's scale and complexity and given the lessons learned from North East Essex and Tandridge. Evidence from the existing 'Infrastructure Schedule', will be updated in a number of key areas including:
- A Net Zero Smart Communities technical study to explore the opportunities, requirements and needs regarding digital infrastructure and low carbon energy supply and demands;
 - A Playing Pitch and Outdoor Sports Strategy working with Sport England and the relevant sport's governing bodies;
 - The Transport Improvement Study and Local Cycling and Walking Improvement Study which are both underway and due to report this summer;
 - A socio-economic study to confirm the quantum of employment and retail floorspace required within the proposed district centres and to inform whether there is justification to promote a strategic scale employment site;
 - A Green and Blue Infrastructure Delivery Strategy to further define the strategic green and blue infrastructure network (incorporating sustainable drainage) across the site and detail the action plan to deliver the network and include proposals or ongoing management, maintenance and stewardship.
- 3.8** The detail from the above workstreams along with ongoing engagement with wider infrastructure providers will feed into a new **Infrastructure Delivery Plan**, (as well as informing and underpinning the emerging local plan policies). This will set out the infrastructure required, the trigger points and costs at both a strategic scale (*ie* those elements to which all developers will be expected to contribute to) and the localised infrastructure requirements (which are more site specific in nature).
- 3.9** A **viability appraisal** will assess those updated infrastructure requirements and those relevant Plan policies affecting development viability (such as affordable housing and biodiversity net gain). This will inform the 'deliverability' of the Plan's policies and proposals and establish whether further adjustments are necessary in parallel with confirming those site allocations to be taken forward within the first phase of the Garden Village.

- 3.10** We will increasingly need to take on a greater coordinating role to ensure development is delivered in a comprehensive manner in accordance with our Garden Village principles. To facilitate this, it is proposed to prepare further detailed **area masterplanning frameworks** for key locations particularly where multiple land uses are proposed (eg homes, district centres, schools and wider infrastructure) located over multiple landownerships. These frameworks will further assist to better understand the infrastructure and phasing requirements.
- 3.11** **Landowner engagement, communications and marketing** will continue to be key elements to support the Plan. This will continue to provide a clear picture of those landowners actively looking to bring forward land (informing the Plan's deliverability) alongside managing their expectations on land values (taking into account infrastructure requirements) and to address potential blockages in the necessary land coming forward.
- 3.12** Previous years' Homes England Capacity Funding has also been used to increase internal resources within the Council, predominately via part funding the creation of additional posts within the Council's Communications team. This has enabled in-house ownership of the project branding and the production of consultation materials including feedback documents. It is an approach which has undoubtedly added value and an area which has been highlighted as best practice by Homes England given the results it has helped to produce. It is proposed to make a further contribution towards resources within this team across 2021/22, recognising forthcoming important consultation, including events.
- 3.13** The importance of creating a strong and distinctive landscape offer as part of St Cuthbert's is reflected in the overall vision and one of the project's 9 principles: 'Start with the Park'. The Masterplanning Framework identifies the east to west 'Greenway' which provides a strong spatial foundation to explore how key parts of the green/blue infrastructure can create an exciting and innovative feature within St Cuthbert's. It is important to define where we would like the park to start, so that green and blue infrastructure forms an integral and ideally early, part of the new community. Funding is now secured to progress a **Landscape Design Competition** and the Landscape Institute have been appointed as Competition Organisers and Hyas Associates as Co-ordinators. Between July 2021 and January 2022, the Competition will be held over two-stages (with both a professional and a student category) - the first stage inviting strategic design entries for a section of the new multi-modal Greenway forming the centrepiece of the Garden Village; whilst stage two will require shortlisted candidates to examine in greater detail, a more concise section of the Greenway. This two stage process would result in:

- A clear vision and concept for the whole Greenway, to guide future delivery and implementation and in the process, raise the profile of the project and engage the local community;
- A more detailed design and delivery plan for the first phase, to create a strong basis for implementation, which could potentially inform future delivery mechanisms for St Cuthbert's; and
- Informing the wider approach to place making and neighbourhoods within St Cuthbert's – encouraging green and blue infrastructure as an overall integral element; encouraging easy access to the greenway; informing how built form interacts with the landscape etc.

Longer Term Delivery

3.14 As a Garden Village, there is unanimous recognition and national expectation that St Cuthbert's should be a unique and high-quality development, with three high level aims:

- The delivery of high quality homes and jobs needed in the area over the long term to enable the growth ambitions of Carlisle and the Borderlands;
- The comprehensive provision of infrastructure for transport and telecommunications, education, health, community and cultural infrastructure required to create sustainable communities; and
- Ensuring the creation of quality places including the conservation and enhancement of the natural and historic environment, including landscape, together with an effective long-term approach to local stewardship.

3.15 To implement these ambitions, in addition to a robust planning framework, there needs to be a dedicated focus on longer term delivery, particularly for strategic infrastructure. Having a clear focus on the longer term options will primarily inform future Local Plans needed to progress future phases of the Garden Village.

3.16 In June 2021, we received confirmation that our bid to the Government's **New Development Corporation Competition** was successful which has allowed us to start to explore whether a public sector led delivery mechanism is required and if so, what form this should take eg a development corporation or an alternative and more innovative delivery model(s). In particular, it will allow us to:

- Investigate the business case for a new Parks Trust to implement the strategic green infrastructure, including a healthy capital assessment and potential landscape competition.
- Procure legal and financial support to develop an appropriate governance and finance structure, based on public/private partnership.

- Further landowner engagement, to create formal partnerships where required and identify areas for intervention as necessary.
- Detail financial viability and infrastructure work to assess the costs of delivery and understand where intervention is necessary and the benefits that can result.
- Promote St Cuthbert's as a location for investment.
- Investigate the potential for an energy company.
- Secure additional project management and design support.

3.17 The main aim of this workstream will be to explore and develop a business case for a new delivery model. It will be crucial to underpin the delivery of St Cuthbert's. At the time of writing, we are scoping out the programme and actions necessary to develop the business case with the short term focus likely to centre on progressing four key areas/workstreams: legal advice on new structures; corporate finance and private investment advice; landowner and market engagement; and the resources to manage the programme.

3.18 In parallel, we are exploring the potential from interested parties as to what role of a '**Master Developer**' could have operating separately or in conjunction with the council and other public bodies under a new style Development Corporation model. In theory, the master developer could lead in land assembly, infrastructure delivery and securing the relevant consents prior to disposing of land to a developer.

General Project Support and Other Matters

3.19 To increase capacity within the team as well as securing additional expertise and experience, we have retained the services of Hive Land and Planning (leading primarily on landowner and master developer engagement) and HYAS Associates (who have provided a more flexible support in response to workload peaks and specifically with regards to development corporation proposals and preparation of the Strategic Design SPD). To date, funding of these roles has been delivered from Homes England's Housing Capacity Fund. These existing arrangements will now extend into the year ahead utilising additional capacity funding received to do so. It is considered that this represents the most effective way to maintain the capacity and expertise available to the team, with any reduction having a significant adverse impact on the project's key milestones.

4. INDICATIVE WORK PROGRAMME AND FUNDING PROFILE FOR 2021/22

4.1 Much of the work to date on the project has been funded utilising Homes England's Housing Capacity Funding secured through the national garden communities programme. This year, we have now secured funding through the following key

sources to support the delivery of our proposed programme that will advance the next phase of the emerging Local Plan and the longer term delivery of the Garden Village:

- £475,000 from Homes England’s Housing Capacity Fund 2021/22 including a £42,200 carryover from the 2020/21 Fund;
- £745,000 from Government’s New Development Corporation Competition which covers a 2 year period with £345,000 allocated in the current financial year and £400,000 in 2022/23 – although it is pointed out that this is subject to the spending review;
- Up to £2,000,000 for the ‘Start with the Park’ project as part of our successful Towns Fund bid with an added £40,000 top up to undertake the Landscape Competition. In addition, United Utilities have confirmed its sponsorship of £20,000 towards the Competition.

4.2 It should however be noted that we did not receive the full funding requested from our respective bids. Hence, we have had to reprofile and re-prioritise a number of workstreams. It has however provided the opportunity to identify efficiencies from preparing joint work packages where there are clear overlapping outputs that will inform both the emerging Local Plan and Development Corporation Business Case.

4.3 Table 1 sets out key indicative work packages, including an indicative funding profile, for those workstreams where the funding is known. In due course, this will be supplemented by the necessary work packages identified to deliver the Development Corporation Business Case and its associated spend profile.

4.4 Executive approval is sought to the proposed workstreams and funding profile set out in Table 1. Delegated authority is also requested to enable the Corporate Director of Economic Development to progress procurement for these packages, in consultation with the Portfolio Holder, and to award contracts in keeping with the Council’s procurement guidelines with the exception of being satisfied it is on the basis of best value as opposed to simply lowest cost (quality is equally as important a consideration as price when assessing tenders).

Table 1: Proposed Workstreams and Funding Profile 2021/22

Work Package Description	Indicative Timescales	Indicative Cost and Funding Source
Additional capacity support (extension of HYAS Associates contract)	Across 2021/22	£80,000 (Capacity Funding)
Internal resource and capacity for the Communications team	Across 2021/22	£20,000 (Capacity Funding)
Landscape Design Competition	July ‘21 to January ‘22	£40,000 (Town Deal) £20,000 (United Utilities sponsorship)

		£10,000 carry forward from Local Plan Budget (2020/21)
Socio-Economic Study	August '21 – March '22	c. £25,000 (Capacity Funding)
Net Zero Smart Communities technical study	August '21 – March '22	c. £20,000 (Capacity Funding)
Playing Pitch and Outdoor Sports Strategy	August '21 – April '22	c. £20,000 (Capacity Funding)
Transport Improvement Study	To conclude August 2022	£23,000 (Capacity Funding)
A Green and Blue Infrastructure Delivery Strategy	August '21 – April '22	c. £100,000 (Capacity Funding)
Infrastructure Delivery Plan	August '21 – April '22	c. £20,000 (Capacity Funding)
Whole Plan Viability Appraisal	August '21 through to the Examination	c. £70,000 (Capacity Funding)
Continued Landowner Engagement Support (extension of Hive Land and Planning contract)	July '21 – March '22	c.£60,000 (Capacity Funding)
Site and Area Specific Masterplanning Frameworks	September '21 to – March '22	c.£60,000 (Capacity Funding)
HRA and Sustainability Appraisal	Ongoing to Examination	£8,500 (Capacity Funding)
Final Housing Delivery Statement	September '21	£10,000 (Capacity Funding)
Indicative Total		c.£576,500

- 4.5** Whilst the indicative total is reliant upon the Housing Capacity Funding, there remains a small surplus of some £2,700. Nevertheless, every endeavour will continue to be made to ensure that best value is achieved across all work packages and hence that the available budget goes as far as is needed. As outlined above, it is also anticipated that the programme will also be supported by those workstreams associated with the emerging Development Corporation Business Case and that further Housing Capacity Funding will also be forthcoming through the a future competitive bidding process in the Summer (2021).
- 4.6** The Council's Medium-Term Financial Plan and budgeting for 2021/22 has identified that the Garden Village project is a key priority for the City with Council funding being allocated to supplement the Capacity Funding bids received. This includes the provision of a £72,000 budget to support the emerging Local Plan through its Examination as well as an operational budget to cover costs associated with engagement such as venue and room hire etc.
- 4.7** The progression of the St Cuthbert's project continues to be driven by the Council's Local Plan's team. The project will however continue to necessitate wider resources in the form of support from the Council's legal department and communications team. Resources available to the project will continue to be kept under review and additional resources re-allocated to or bid for if required.

5. CONSULTATION

- 5.1** Progress to date has been underpinned by robust, extensive and innovative engagement (despite the impact of Covid) with this having added clear value to the emerging draft and high-level proposals for SCGV. This has included public engagement, dialogue with key stakeholders including infrastructure providers, dialogue and facilitated sessions with the local Parish Councils and with Members including the dedicated Member Advisory Group which now also includes parish council and County Council representatives. The Council's Economic Growth Scrutiny Panel also continue to be engaged at key stages of the project including the evidence base upon which the project continues to be progressed.
- 5.2** November and December 2020 saw extensive consultation in relation to the Local Plan Preferred Options and Strategy Design SPD on the three options for St Cuthbert's. Whilst we had hoped to continue engaging with our communities and stakeholders through a comprehensive suite of face to face events, Covid restrictions and Government announcements meant our engagement was largely confined to a digital platform. As a pre-emptive measure we undertook several 'pre-consultation' events during October 2020, specifically with landowners and other stakeholders to highlight the opportunity that is coming up, and in particular with the two parish councils in the garden village area, and one adjacent to the area. Awareness of the consultation was raised using a variety of means including leaflets and posters, the local media, our web site, the banner on the Civic Centre and through direct communication with those on our mailing list. In addition, the Communications team developed a virtual 360 consultation tool which allowed people to access a virtual setting and access the full range of documents. The Council's Facebook and Twitter mediums were also used. A consultation feedback report has recently been completed and published on the dedicated St Cuthbert's web pages and all respondents have been directly notified of its availability.
- 5.3** Further engagement will be undertaken with the emerging Local Plan associated with the formal Publication Draft Plan. The Landscape Competition itself will also provide communities with the opportunity to get involved in late 2021.

6. RISKS

- 6.1** A dedicated risk register is kept and regularly reviewed as part of the overall project management approach. The main risk continues to be centred on the continued availability of adequate resourcing (in terms of both staff time and budgetary provision) for undertaking the technical work and further engagement needed to maintain momentum and progress of each of the key project strands. Key to

managing this will be the continued availability of Government capacity funding which will continue to be bid for.

- 6.2** The overriding risk is that a failure to plan comprehensively for the growth of St Cuthbert's would result in growth occurring to the south of the city in a much more fragmented and incremental nature and not in alignment with the vision and principles established through Stage 1 Masterplanning. Such an approach would prejudice the delivery of the necessary infrastructure needed to support new communities; impact on the sustainability and overall quality of place; undermine strategic ambitions; and risk not delivering the mix of development needed nor at the pace required.
- 6.3** Finally, the timely delivery of the project is also an obligation of the successful HIF award for the Carlisle Southern Link Road given that the desired primary outputs of the investment are new homes as opposed to transport benefits.

7. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 7.1** Good progress continues to be made with both the planning and delivery aspects of St Cuthbert's Garden Village.
- 7.2** Executive's approval for the indicative work packages and funding profile is required given the values involved and the need for transparency given the proposed expenditure of external grant funding. It also reflects that as a major corporate project that Executive are comfortable with both the progress of the project and the future direction of travel.

8. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 8.1** St Cuthbert's Garden Village will have a significant influence in terms of shaping how Carlisle will grow and function long into the future. Accordingly, it will have a significant, direct and positive impact on a number of Carlisle Plan priorities including:
- *“supporting the growth of more high quality and sustainable business and employment opportunities”* – through identifying new sites for development and opportunities to better balance the local economy;
 - *“addressing Carlisle's current and future housing needs”* – through being the single largest development site and therefore contributor to supply across the latter stages of the current Local Plan period and much of the next one, including affordable and specialist housing;
 - *“working more effectively with partners to achieve the City Council's priorities”* – through recognition that the scale of the project requires the input, commitment and direct support of a wide array of stakeholders and partner agencies.

Contact Officer: Neil Cole

Ext: 07547 414560

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

- **ED 17/17 Report to Executive – St Cuthbert’s Garden Village**
- **ED 07/20 Report to Leader – St Cuthbert’s Garden Village – Key Next Steps**
- **ED 50/20 Report to Executive - St Cuthbert’s Garden Village Masterplan Framework**
- **ED 10/21 Report to Executive – Adoption of the St Cuthbert’s Garden Village Strategic Design Supplementary Planning Document**

CORPORATE IMPLICATIONS:

LEGAL – The procurement of additional legal and financial advice must be done through the Council’s relevant legal and finance departments. Paragraph 4.4 of the Report also makes reference to the potential award of contracts to other than the cheapest tender. Authority for this rests with the Executive unless the requirement is waived by the Executive (Schedule2, paragraph 2.1 of the Leader’s Scheme of Delegation).

FINANCE – The report outlines that there will be significant amounts of external funding allocated to the delivery of the next steps of the Garden Village Programme (Para 4.4). It should be noted that some of the allocations are not fully confirmed and are subject to the next Spending Review so there is a risk that the Council could over-commit to spending funding that may not materialise although it is realised that this risk may be low.

Budgets will need to be grossed up to match the funding received so that expenditure on the different workstreams can be captured and recorded accurately.

The viability appraisal (Para 3.9) and the ‘deliverability’ of the Plan, including its proposals and policies, will be fundamental in assessing the cost of delivery and will be used to inform further decisions which must be in accordance with the Council’s Medium Term Financial Planning processes.

The report outlines that there will be a need to undertake a variety of procurement packages (Para 4.4) to deliver the proposed workstreams and requests that Executive delegate authority to the Corporate Director of Economic Development the ability to award contracts that are not the lowest value due to the importance of quality. The scheme of Delegation of

Executive functions states that any decision to award other than to the lowest tenderer must be referred to the Executive unless this requirement is waived by the Executive.

A significant portion of the funding received is to progress looking at the delivery model for the projects and whether a development corporation in some form may be appropriate. Any new governance structure will need relevant financial and legal input to ensure it operates in both the Council's best interests and the wider projects interests.

EQUALITY – An EqiA has been completed on the Preferred Options Policies (December 2020), this will be refreshed in time for public consultation. A Health Impact Assessment has been drafted, based on the SPD. This will be developed further alongside the Plan, in time for public consultation.

PROPERTY – As plans progress the Council will need to decide how proactive it wants to be in land assembly to assist with delivery of the Garden Village. Property Services will be able to advise on this at the appropriate time and undertake any acquisitions required.

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

Report to Executive

Item
A.5

Meeting Date: 2 August 2021
 Portfolio: Economy, Enterprise & Housing
 Key Decision: Yes (KD.18/21)
 Within Policy and Budget Framework: Yes
 Public / ~~Private~~

Title: Use of Affordable Housing Commuted Sum Funding to bring empty properties back into use in collaboration with Brampton Rural Housing Society
 Report of: Director or Economic Development
 Report Number: ED.25/21

Purpose / Summary: The report outlines the opportunity to use affordable housing commuted sum funding held by the Council, sourced from developers' planning obligations, to provide grants to Brampton Rural Housing Society, in order to bring long-term empty properties back into use in Brampton and Hallbankgate, to be let at an affordable rent to local people. The proposal would provide the combined benefits of bringing long-term empty properties back into use and delivering rural affordable housing.

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

Tracking

Executive:	N/A
Scrutiny:	N/A
Council:	N/A

1. BACKGROUND

- 1.1 An opportunity has arisen to work in partnership with Brampton Rural Housing Society (BRHS) to bring empty homes back into use for affordable housing in Brampton and Hallbankgate, supported by grant funding from affordable housing commuted sum monies held by the Council, relating to Section 106 planning obligations.
- 1.2 Previously, the Council has delivered six properties at New Acres, Raffles and two dwellings at Dale Meadows, Cummersdale through this route, all new build homes for low cost home ownership through the Council's own discounted sale scheme. It has, however, been difficult to identify willing developers to use this funding on new build developments, as there is sometimes a reluctance to deliver additional affordable homes on private developments.
- 1.3 In respect of funding the proposed initiative, the majority of the affordable housing commuted sum funding currently held is allocated to be spent in the Carlisle Rural East housing market (which encompasses the Brampton area) or in some cases the District if a suitable scheme can't be identified in the market area. If the funding is not spent within a fixed period (usually ten years from receipt of the final tranche) then the funding has to be returned to the developer. The Council currently holds just over £600,000 of funding available for delivery in Carlisle Rural East, made up of a number of individual commuted sum receipts, listed in *Appendix 1*. These sums can be pooled to deliver affordable homes and the oldest funding pots (at greatest risk of being paid back to the developer) would be spent first.
- 1.4 BRHS have been providing quality affordable homes for rent to local people in Brampton and the surrounding area since 1926 and they currently own and manage 148 properties, with average rent levels at the end of 2020 an extremely competitive £81 per week, when compared with Housing Association rents in the area. A letter has been provided from BRHS's Business Manager & Secretary, included as *Appendix 2*, setting out their support for this proposal to deliver affordable rented housing through bringing empty homes back into use, as well as operational details of the organisation. A concise history of the Society is provided in *Appendix 3*, as well as a copy of BRHS's Annual Report 2020, included as *Appendix 4*. BRHS have indicated that they would initially be interested in acquiring six long-term empty properties in Brampton and Hallbankgate to bring back into use as affordable homes supported by Council grant; however, if the initiative proves successful they may be interested in delivering additional properties over time.

- 1.5** This proposed initiative would have dual benefits, as it would deliver affordable rural homes for rent - which is the greatest need by tenure identified in Carlisle's most recent SHMA (Strategic Housing Market Assessment) from 2019, while simultaneously bringing long-term empty properties, which can be a blight on local communities, back into use.

2. PROPOSALS

- 2.1** The following is a summary of the provisional headline arrangements recommended, following discussions between the two parties:-

- The Council's Empty Properties Officer would let BRHS know when suitable empty properties become available in Brampton or Hallbankgate (they will need to have been empty for a minimum six months to qualify for a grant)
- BRHS have indicated that they would primarily looking at investing in properties with a market value in the £100,000 to £150,000 price range, as the cost to BRHS and the level of Council grant required would be prohibitive on more expensive properties
- BRHS will have full discretion on whether they wish to proceed with individual empty properties – they are amenable to invest in properties requiring refurbishment (e.g. new kitchens and bathrooms) but would not wish to take on properties they considered were in an “irredeemable” state of disrepair
- Grant rates provided by the Council:-
 - 40% of market value of property (valuations would need to be approved by the Council's Property Services)
 - 50% cost of refurbishment (estimates to be provided to the Council)The balance would be paid by BRHS
- The Council would pay for property surveys (typically around £450)
- A legal agreement would need to be drawn up, including ‘clawback’ arrangements should there be any change of the tenure of any of these properties within a prescribed period (as detailed in section 2.3 of this report)
- Each organisation will fund their own legal fees (the Council would use the Affordable Housing budget to fund this – estimated cost: £1,100, based on the standard Section 106 fee).

- 2.2** The suggested grant rates were agreed between Council Officers and BRHS taking the following factors into account:-

- The 40% grant on the property value is slightly higher than the 30% previously allocated to New Acres and Dale Meadows; however, these properties were for

low cost home ownership (discounted sale) and the discount was based on the discount on the Council's low cost housing scheme with the remaining 70% being paid by an applicant on our register. In this case, the properties would be for an affordable rent requiring a long payback period on BRHS's investment. The Society would also be incurring ongoing maintenance costs as these are older properties, as well as management expenses (including staffing and maintain office premises in Brampton). Further information on BRHS's business model is included in *Appendix 2*.

- The 50% grant towards refurbishing the empty properties is based on a proposed arrangement whereby the cost of bringing the properties back to a lettable standard would be split evenly between the Council and BRHS. The Council currently pays between £3,000 and £5,000 to the owner or landlord on grants towards bringing properties that have been empty for two years or more back into use.

2.3 The following clawback arrangements would apply in the event of the sale or change of tenure of any properties benefitting from Council grants, prior to agreed timescales:-

- Empty properties (50%) – the grant would be repaid in full if the property was sold within five years (this is consistent with the Council's usual empty property grant policy).
- Property acquisition price (40%) – the grant would be repayable in full if the property was sold within five year, thereafter there would be a sliding scale until 20 years after the grant was awarded (e.g. if the property was sold after 10 years 50% of the grant would be refundable; of if it was sold after 15 years 25% of the grant would be refundable to the Council).

2.4 It is recommended that Executive should give delegated authority for the Corporate Director for Economic Development to approve individual grants in liaison with the Portfolio Holder. Otherwise, it is considered opportunities would be lost if BRHS are not in a position to make an offer as empty properties become available in Brampton and Hallbankgate, and they may lose out to other interested parties.

2.5 It had initially been considered that BRHS were the only practical partner to deliver this initiative in the Carlisle Rural East housing market area, due to the small-scale nature of the scheme, based on bringing individual long-term empty properties back into use, as they become available over a period of time. This is because, unlike BRHS, the local Housing Associations are Registered Providers, who can access

affordable housing grant from Homes England to develop at scale. However, following advice from Finance colleagues, an e-mail has been sent to all of the Registered Providers with general needs housing stock located in the Carlisle Rural East Housing Market Area: Riverside; Castles & Coasts; Home Group; and Eden Housing Association, to ensure the Council is operating in a transparent way, and not discouraging competition. All four Housing Associations have responded to confirm that they would not be interested in proceeding with this further, as the proposal doesn't fit with their business model, and would be happy for the initiative to be progressed with BRHS.

3. Empty Properties Perspective

3.1 The comments in section 3.2, below, have been provided by the Council's Empty Homes Officer. The more expensive property on the market at the time of writing, in the region of £250,000, would not be considered for this initiative.

3.2 "This represents an outstanding initiative to reinstate empty properties for local use and to help contribute to the reduction of substantial amount of empty homes that are in the district; whilst also providing much needed local support of affordable rental homes.

Communities are entitled to quiet enjoyment and high levels of empty properties are recognised as having a serious impact on the viability of communities in terms of blight on neighbourhoods and potential for anti-social behaviour to occur. Empty homes are also a wasted resource and when brought back into use contribute to an increase in the supply of housing. Dealing with empty properties can therefore have social, economic and regenerative benefits.

Government data released in November 2020 showed a massive year on year rise of over 42,000 to a total of 268,385 long-term empty homes in England. This is the biggest rise since current records began. Ministry of Housing Communities and Local Government (MHCLG) data showed that this was the fourth consecutive year in which figures had risen. Last year's rise of almost 20% means that the national total has increased by over a third (34%) since 2016. Meanwhile, in England it is reported that 98,300 homeless families, including over 129,000 children languish in often unsuitable and over-crowded temporary accommodation at a cost of £1.2billion a year.

According to the Council Tax Base (CTB) data released in Oct 2020 the North West is the worst affected region in the country, with Carlisle having the sixteenth worst

ranking of the 343 Local Authorities in England. Figures submitted to the Council Tax Base in September 2020 (this is an annual submission) indicate that Carlisle District had 1077 empty properties (residential dwellings) this equates to approximately 2.01% of homes in the District – this is double the national average of approximately 1.1%.

There are currently 23 empty properties within the Brampton and Hallbankgate community. An empty property is identified as being empty and unoccupied for 6 months or more and is substantially unfurnished. BRHS are clear that they are only interested in quality properties and within close proximity of the town centre. After a pre-selection discussion I recently sent a letter to 12 property owners highlighting the potential opportunity for BRHS and Carlisle City Council to purchase their properties.

I received four responses. One person had just sold his home at a significantly low value after 2 years of desperately trying to sell the property – he would have been very interested in the option had it been offered. The other 3 properties include a bungalow, a 3-bedroom house and a flat within Brampton and have current sale valuations of £250,000; £110,000; and £55,000 respectively. These properties are for sale on the open market and two have interest but, progress is worryingly slow for them and would be interested the proposal if offered at this juncture. Of note, the Executor carrying out the sale process of the bungalow would very much like to sell the house to the community as he sees that as a nice way to pass on the home in remembrance of his mother.

All contacts have been informed that the current consultation is still at the negotiation stage and requires procedures and agreements to be put in place before any formal arrangements could proceed (which could take some time) and therefore each property owner has been advised to continue with their current methods of disposal and not to rely on this potential offer.

It is suggested that a letter is sent out twice each year to potential owners. As highlighted earlier, an empty property is defined as being unoccupied for a minimum 6 months so this timeframe would capture new properties added to the list.

The process will need to be pre-defined and in place to operate quickly and efficiently to be attractive to potential sellers and to be successful. It is recommended that the funding is available for a minimum of 5 years.

Carlisle City Council is committed to tackling Empty Homes and uses multiple avenues to address this concern from providing support to enforcement but, it is evident that the District has an issue with level Empty Homes. The current proposed initiative to work in collaboration with The Brampton Rural Housing Society to purchase empty homes for local affordable rental provision is very warmly welcomed.”

4. RISKS

- 4.1** This would be a flexible arrangement for both parties – BRHS would only acquire properties they were interested in managing through this process, and the Council would still be able to look for other schemes to positively use its affordable housing commuted sum funding, should suitable opportunities arise.
- 4.2** All properties considered for grants would be subject to a property survey, such as a ‘Homebuyer’s Report’ and property valuations would be checked with Property Services.
- 4.2** BRHS have indicated they would typically be looking at properties up to a maximum of £150,000, so the 40% grant element on the purchase price would not usually exceed £60,000.
- 4.3** Although BRHS are prepared to invest in properties requiring refurbishment (e.g. new kitchens and bathrooms) they would not wish to take on properties they considered were in an “irredeemable” state of disrepair, which will keep the cost of repairs to a reasonable level. Property repair costs will be discussed through consultation with the Council’s Empty Homes Officer.
- 4.4.** BRHS are a respected provider of affordable housing, who have been established for almost a century. They have provided a copy of their Annual Statement for 2020 (included as *Appendix 4*) showing that the Society is in a sound financial position. The Statement also demonstrates that their properties are generally affordable, with average rents of £81 per week at the end of 2020; below typical rents for comparable Housing Association properties.
- 4.5** BRHS have confirmed that they have no intention of selling any empty properties brought back into use for affordable housing under this initiative in the short-term. However, section 2.3 of this report details the ‘clawback’ arrangements that would apply in the event that the properties were sold, or the tenure changed, before

agreed timescales. This would be set out in the legal document covering the grant agreement.

- 4.6** All Registered Providers owning general needs affordable housing stock in the Carlisle Rural East housing market area have been consulted and did not wish to take part in the initiative as it does not fit with their business model (as detailed in section 2.5 of this report) so it is considered BRHS are the only viable partner to deliver the initiative.
- 4.7** There is an inherent risk in not taking this initiative forward, as it has been difficult to find suitable schemes to spend affordable housing commuted sum receipts, and this is time-limited funding, and has to be returned to the developer if not spent within the period stipulated in the Section 106 Agreement (usually ten years from receipt of the final tranche).

5. CONSULTATION

- 5.1** The Council's Housing Development and Empty Homes Officers have held detailed online consultations with Brampton Rural Housing Society to develop this initiative, and the Empty Homes Officer has facilitated socially-distanced visits to empty properties in Brampton for BRHS's Manager and Board Members.

6. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 6.1** Approval of the recommendation would deliver the double-benefit of bringing long-term empty homes back into use while simultaneously providing affordable rented homes for local people in Brampton area. The Council's Empty Homes Officer has identified an interest in the proposed scheme from a number of owners of empty properties in Brampton, which would facilitate delivery of the initiative. It is recommended that as well as approving the affordable/ empty homes initiative, that Executive also gives delegated approval to the Corporate Director of Economic Development in consultation with the Portfolio Holder for Economy, Enterprise and Housing to approve grants to Brampton Rural Housing Society as suitable empty properties become eligible in Brampton and Hallbankgate. This approach would speed up the process to ensure that BRHS did not miss out on opportunities to bring long-term empty properties back into use as they become available.

7. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 7.1** "Address current and future housing needs to protect and improve residents' quality

INFORMATION GOVERNANCE – The service should review its existing privacy information against the data protection principles to ensure the intended contact with potential owners and stakeholders is addressed. This could then be signposted to in the letter.

Appendix 1 - Commuted Sum Funding Held for Carlisle Rural East

Planning Application Location	Balance Outstanding	Expiry date	HMA	Finance Ref
11/0181 Kingswood Educational Centre, Cumdivock	£23,580	10 years from receipt of final tranche (earliest 2031)	District	11045
13/0450 West Quarry House, Wetheral Pasture	£55,500	Dec 2026	Rural East	11056
16/0097 Village Green, Brunstock	£30,990	13/04/27	Rural East	11064
12/0811 Garth House, Greenfield Lane, Brampton	£78,450	17/06/29	District	11065
13/0456 Fallowfields, Wetheral	£57,000	??2028	Rural East	11069
16/0812 The Whins, Heads Nook	£232,496	July 2029	Rural East / District	11071
12/0678 Land between Lomond & Gladsmuir, Broomfallen Road, Scotby	£14,250	5 years from receipt of final payment (earliest July 2024)	District	11076
18/1114 Croft Villa, Wetheral	£108,550	10 years from receipt of final tranche – Feb 2031	Carlisle Rural East/ District	11084
	£600,816			

Appendix 2 – Brampton Rural Housing Society Supporting Letter

Brampton Rural Housing Society

The Old Brewery Craw Hall Brampton Carlisle CA8 1TR

Tel/Fax: 016977 2323

Office Opening Hours
Mon-Fri 9.00am-1.00pm

Jeremy Hewitson
Housing Development Officer
Economic Development
Carlisle City Council
The Civic Centre
CARLISLE
CA3 8QG

27 May 2021

Dear Jeremy

Purchase of Empty Properties in the Brampton & Hallbankgate areas

Further to the meeting this morning regarding the above, I confirm that Brampton Rural Housing Society (BRHS) would agree, in principle, to taking this scheme forward and feel that it would benefit the Brampton community and would also assist the City Council in both reducing the number of empty properties in the Carlisle District and in the provision of low cost housing in line with the policy on commuted sums.

In our discussions with yourself and Jack Dillely this morning, I understand that there is the potential for the City Council to offer funding for surveys (or House Buyer's Reports) for properties identified and deemed appropriate for the Society's needs, to provide 40% of the asking price of any property and 50% of any costs incurred in bringing properties up to a lettable standard. BRHS would pay the remaining cost of the property and repairs and any associated legal fees.

BRHS made the decision, a number of years ago, to dispose of its properties in more rural areas due to a lack of demand in those areas (partly due to the closure of schools and amenities in the smaller villages and the withdrawal of regular public transport making them less attractive to a high proportion of our housing applicants). They are put on the open market as and when they fall vacant. The proceeds from these property sales are held in reserves so that, when opportunities arise, the Society can increase its stock of properties in Brampton and Hallbankgate where there is still significant demand for good quality rented property.

In broad terms, when the Society sells a property in one of the outlying villages, it receives an average of £100,000 in funds, which falls significantly short of the open market value of *equivalent* properties for sale in Brampton or Hallbankgate, where the Society would estimate it would need to pay around £150,000 - £160,000 for like for like replacements. So, as the stock of properties in the outlying rural area has decreased, it has not been possible to fully match this with an increase of properties in Brampton or Hallbankgate.

Over the course of the last twelve years, the Society has invested £2.0m from capital reserves in acquiring three properties from a local private landlord, buying all ten low cost properties on the Story Homes development at Station Road in Brampton and building four properties at Greenhill, Brampton (having demolished two properties which were subsiding). In the same period a total of twenty properties have been sold in outlying rural locations and two demolished for the Greenhill development. The effect of this is that the Society's total stock of properties has dropped from 153 at the end of 2008 to 148 today. The cost of housing land in Brampton remains prohibitively expensive for social housing purposes whilst suitable sites are very thin to the point of non-existent.

As you know, we are now in the final stage of negotiation with Story Homes to purchase all ten of its social housing properties on the site at Carlisle Road, Brampton for which the Society has set aside £1.1m. All of these purchases and developments have been met from the Society's own funds (as is all property maintenance and refurbishment and administration costs) and we receive no grants or assistance from public funds. The Society's average rent at the end of 2020 stood at £81 per week (well below that charged by both social and private landlords in the area), and as our office is in Brampton, our Members and staff are well known and well respected by our tenants, our contractors, and the community at large.

The Society's voluntary Board members are keen to further increase its stock of properties in Brampton and Hallbankgate to meet the needs of those living and working in the area. There are currently fifty seven applicants on the Society's waiting list and, as our current tenants are part of very settled communities, we are unlikely to be able to accommodate even half of those wishing to be considered for properties with the Society over an outlook period of five to seven years. The Board is conscious though, that the funds currently held by the Society are to benefit those in housing need in and around Brampton in the most cost effective way possible, and to purchase properties at full market value (and to undertake any necessary repairs and improvements) would not be economically viable at this time. Therefore, the opportunity to purchase properties in partnership with the City Council, at a discount of 40% as discussed today, would be of huge benefit to this community for many years to come.

I attach the history of the Society and the Annual Report 2020 for information and trust you will contact me if you require anything else.

I hope that we can reach an agreement on the terms set out today and look forward to hearing from you.

Best Regards.

Yours Sincerely

Julie Whitlock
Business Manager and Secretary

A charitable Housing Association registered with the Registrar of Friendly Societies No. 10453R

Appendix 3 – A History of Brampton Rural Housing Society

Brampton Rural Housing Society is a special kind of local business. Many remember us as Brampton Public Utility Society. The change of name was made in 1998 to give a modern reflection of the services provided and which coincided with achieving charitable status. We exist to serve the people of Brampton and neighbouring parishes and our role is to provide good quality affordable housing for people living or working in our community, who cannot afford to buy a suitable home.

The Society was founded in 1926 by a group of local people including Charles and Lady Cecilia Roberts (of Boothby), their son Wilfrid Roberts and the local MP, Leif Jones, who were concerned at a shortage of decent, affordable homes to rent, at a time when the revolution in agriculture meant that many agricultural workers were not only losing their jobs to mechanisation, but losing their tied accommodation in consequence. It is probably the first example in the Country of a housing association set up specifically to meet the housing needs of a rural area.

With the initial help of a government loan and a small amount of capital from individual shareholders, the Society built over 100 houses in Brampton and the surrounding villages in the years between the wars. Although most of the houses were in Brampton itself, the Society was concerned that people employed in the rural community should have good quality housing close to where they worked. For this reason, homes were provided in villages east of Brampton to meet the needs of people who worked in local industries, such as mining and quarrying. Immediately after the war, 50 houses were built in Cotehill, for workers at British Gypsum's Cocklakes works.

We are a *charitable* housing association (though not a *Registered Social Landlord*) and exist for *public benefit* rather than private profit. The Society's income is generated from the rent it charges and no money from public funds is received, other than occasional grants available to landlords generally, relating to specific building or improvement works. The money we obtain from rents is ploughed back into maintaining and improving our homes. We ensure that the money we invest brings the homes that we offer for rent up to the best modern standards and makes them as warm and energy efficient as possible.

In the last few years, the Society's Board of Management have taken a decision to sell off properties in outlying villages as and when they fall vacant, due to falling demand for rented properties in these areas. When funds from the sale of outlying properties have accrued to a sufficient amount, the Society invests in more houses and flats in Brampton where there is still a demand for rental property. In 1991 Brampton Rural Housing Society completed building work on 24 two-bedroom flats at Allason Close, Brampton. It went on to build the Eco House at Elmfield in 2000 and in 2009 it purchased three properties in Dacre Road, Brampton. Over the course of 2011 and 2012, ten brand new properties were purchased from Story Homes on their Edmondson Close development, and in 2014 the Society built four new properties at Greenhill, Brampton. In total, since 1990, the Society has built 29 properties and purchased 13. During the same period, we have

disposed of 57 properties in the villages of Cotehill, Milton, Low Row, Sandysike, Kirkhouse and Halton-Lea-Gate. The Society currently has 148 properties.

Like all charities, we have to be accountable. This means we have to publish information about matters such as how we let our homes, set our rents, who the members of the Management Board are etc. Our accounts (which are independently audited) are available to anyone who wants to see them, and we produce an annual report that shows our performance over the last year.

We welcome applications from tenants, individuals and organisations who would like to become shareholding members of the Society, which requires that you buy a £1 share. Applicants for membership must first be approved by the Board of Management. Organisations must nominate a named person to be their Shareholding member. Members are our link with the community. They hold us to account, have the right to attend the Society's Annual General Meeting and elect the Board of Management from amongst the membership.

All members must be in sympathy with, and be prepared to uphold, the Society's aims. Individuals may join the Society if they live in the parishes of Brampton, Burtholme, Bewcastle, Carlatten, Castle Carrock, Cumrew, Cumwhitton, Farlam, Geltside, Hayton, Irthington, Kingwater, Midgeholme, Nether Denton, Upper Denton, Walton, Waterhead and Wetheral. Individuals may also join if they work for an agency or organisation which covers Brampton or any of the above parishes and has aims which are similar or complementary to the Society's aims. Organisations may join if they have social objectives which are broadly complementary to those of the Society and they have a base in, or provide services to, the community of Brampton or any of the parishes listed above.

The Board of Management must have between 7 and 15 members who are elected from amongst the membership at the AGM. In recent years we have found that a Board of ten works well for the Society. The Society's present board members embrace a range of professional skills including Architecture; Banking; Finance; Housing Management; Legal. The Board of Management are expected to attend five scheduled meetings over the course of the year and are occasionally called upon to attend additional meetings which have been called to deal with matters too urgent to wait until the next scheduled meetings. Board members also offer informal advice and support to the Society's four part-time members of staff who carry out the day to day work and help the Board deliver its policies and services. Board members receive no payment for their services and expertise, and neither they, nor any other shareholder, receive any dividend on their £1 share.

2020

Annual Report 2020

BOARD MEMBERSHIP

Prior to the Society's scheduled Board meeting in October 2020, Michael Barnes tendered his resignation. Mike joined the Society's Board in 2005, following his retirement as Senior Partner at Carlisle Shepherd Solicitors, and all members and staff, will sorely miss Mike's contribution to the Society's decision making and his good sense and good humour. I would like to acknowledge the many years he dedicated to his role as Board Member and his sound advice to Members and staff during that time.

The Society's Board Members attend approximately five formal meetings of the Board over the course of the year and give vital support behind the scenes, often reflecting areas of expertise or interest, in helping to deal with lettings, staffing appointments, repairs issues, and the finances of the Society. I would like to pay tribute to the work undertaken by members and also to acknowledge their support given to me throughout the past year. I, as always, wish to single out Douglas Thomas who, in his role as Vice Chairman, has worked tirelessly to advise and assist the Members of the Board as well as the Society's staff.

The Society welcomes applications to the Board from members of the community who are interested in the Society's work and feel that they have skills relevant to the Board. The Board are particularly keen to appoint an additional tenant member and any tenant interested in this role should contact the Society's office.

REPAIRS AND IMPROVEMENTS

Reactive and cyclical repairs totalling £120,980 were undertaken during the course of the year. In addition, spending on improvements to both vacant and tenanted properties totalled £115,186. These improvements included full and partial refurbishments to vacant houses and the provision of new kitchens and bathrooms to occupied properties. Some planned cyclical and improvement works had to be postponed due to the Covid-19 health crisis, but we hope that these works will be carried out over the course of 2021.

PROPERTY

At year end, the Society held 151 properties. Over the course of the year there were twelve vacant properties. At year end, two properties at South View, Kirkhouse and one property at Towthead Road, Colehill were vacant and for sale on the open market and a further three properties were vacant awaiting repairs works ahead of being re-let. One major refurbishment was required in 2020 and this work was still ongoing at year end. Minor works were undertaken to all other empty properties before re-letting.

The Society's Board continue to pursue possibilities to increase the stock of properties in Brampton in order to meet the housing needs of those living and working in Brampton and the immediate area.

I would like to remind tenants living in the Society's rural properties that they may be eligible to purchase their homes from Brampton Rural Housing Society at market value (this does not include tenants living in Brampton, Howgate or Halkarigate).

STAFFING

Iyn Bonis (Finance Officer), Jane Whitlock (Business Manager/Secretary), Sylvia Wattle (Housing Administrator) and Ruth Robson (Administration Assistant) continued to deal with the Society's day to day business facing with myself, and other members of the Board.

Because the Society has such a small staff, it is essential that they work well together and I would like to acknowledge publicly the hard work and support that all members of staff have given to the Society and each other during 2020. In particular, I would pay tribute to Julie and her staff's positive attitude in dealing with the complications of the pandemic.

COVID-19

All at Brampton Rural Housing Society acknowledge that 2020 was a challenging year for everyone. I know that some tenants continue to have financial difficulties because of the crisis and I would urge them to contact the Society's office if they are experiencing difficulties, particularly with rent payments.

The Society's Board suffered some disruption to regular meetings (including the AGM originally scheduled for May and postponed until June 2020), but the work of the Society has continued and the staff have maintained the office opening hours throughout the various restrictions.

The Society's regular contractors have also worked throughout the year and I would like to pay tribute to John Bell & Sons Plumbers, Thompson Heating Gas Engineers, Richard Mitchell Joiner, E & M Services (GB) Electrician, Andy Heap Electrical Contractor, Martin Dowdles Fencing Contractor & Dennis Wiggoff Building Contractor who have all ensured that tenants were able to have necessary repairs, improvements and safety checks carried out in spite of the ongoing health crisis. I know that tenants and staff are grateful for their responsiveness and care over such a difficult period.

I hope that you all continue to stay safe and well and I know that we all look forward to more hopeful days ahead.

John Holland, Chairman

Brampton Rural Housing Society

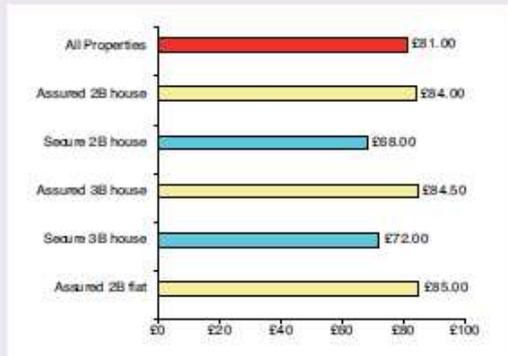
A Charitable Housing Association, Brampton Rural Housing Society Limited is a registered society under the Co-operative and Community Benefit Societies Act 2014 No. 10453R

The Old Brewery, Craw Hall, Brampton, Cumbria CA8 1TR Tel: 016977 2323

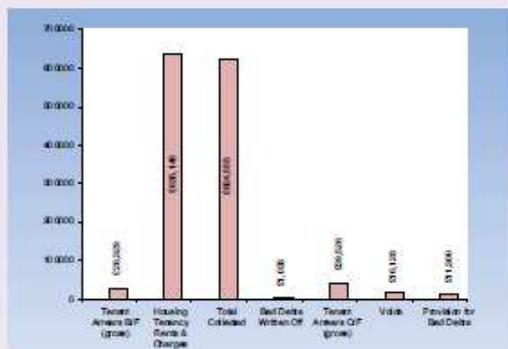
E-mail: ruralhousing@brhs1926.com

Our Performance

AVERAGE RENT LEVELS



RENT CHARGED AND COLLECTED



During 2020 housing rents and charges totalled £640,508 an increase of £22,936 over 2019. This increase was, in part, because 2020 was a 53 week rent year.

Rents and charges owed to the Society at the year-end (excluding provisions) stood at £39,526 an increase of £11,197 on 2019's figure. This increase was, to some degree, due to the Covid-19 crisis and the financial impact it had on some of the Society's tenants. Bad debts totalling £1,033 were written off during the year and the bad debt provision was increased by £6,200 to £11,300, to reflect the increase in amounts of individual arrears owed by tenants which may not be collected in future years.

No rent increases were applied in 2020 to acknowledge the financial difficulties experienced by many tenants.

A total of £16,128 (2.5%) rent has been foregone due to void periods. £8,277 (1.3%) rent was foregone on three properties that were held for sale over part of 2020 and remained vacant at year end.

LETTINGS – WHAT'S THE DEMAND?

At the 31 December 2020, there were 48 applicants on the waiting list. Our current stock of 151 properties is broken down as follows:

Area	Size	Type	Total
Allason Close, Brampton	2 Bed	Flat	24
Braeside, Milton	3 Bed	House	1
Capon Hill, Brampton	2 Bed	House	2
Crossgates Road, Hallbankgate	2 Bed	House	1
Crossgates Road, Hallbankgate	3 Bed	House	9
Dacre Road, Brampton	3 Bed	House	3
Dacre Road, Brampton	2 Bed	House	2
Denton Crescent, Low Row	3 Bed	House	2
Edmondson Close, Brampton	3 Bed	House	4
Edmondson Close, Brampton	2 Bed	House	6
Elmfield, Brampton	3 Bed	House	9
Greenhill, Brampton	3 Bed	House	29
Greenhill Court, Brampton	3 Bed	House	1
Greenhill Court, Brampton	2 Bed	House	3
Parkhead, Brampton	3 Bed	House	14
Parkhead, Brampton	2 Bed	House	20
Pennine Road, Halton Lea Gate	3 Bed	House	2
Howgate, Brampton	3 Bed	House	2
South View, Kirkhouse	3 Bed	House	2 (2 being sold)
Townhead Road, Cotehill	3 Bed	House	15 (1 being sold)

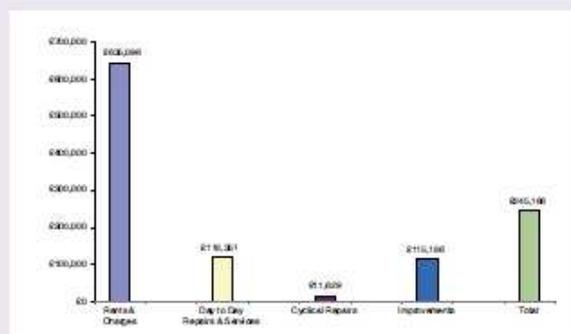
There were a total of 12 voids in 2020. There were six properties untenanted at year-end, three of which were on for sale on the open market, one which was undergoing a major refurbishment and two properties were awaiting minor repairs.

Brampton Rural Housing Society welcomed 6 new residents to the Society in 2020.

HOW WE LOOKED AFTER YOUR HOMES

This year we have spent £245,166 in repairing and improving your homes.

- £118,351 on day to day repairs and services
- £11,629 on cyclical maintenance (eg gas servicing and electrical testing)
- £115,186 on improving and refurbishing houses.



The Board of Management

Chairman: John Holland (b. 1947) joined the board in 1998. He is an Associate of the Chartered Institute of Bankers and is Chairman of Brampton Players, Carlisle and District Talking Newspapers and Friends of Brampton Hospital. John is Chairman of the Board of Highlights Rural Touring Network. He also Chairs Cumbria Third Sector Network Executive and attends the Cumbria Leadership Board.

Vice-chair: Douglas Thomas (b. 1943) has been a Board member since 1980 and Vice-Chairman since 1996. He is a retired Local Authority Treasurer and a retired Chartered Public Finance Accountant with a wide experience of public services and finance, including housing.

Dorothy Dalton (b. 1927) joined the board in 1992. She worked for Carlisle City Council's Housing Department for over 10 years, and managed the local housing office in Brampton between 1990-92. She holds the intermediate certificate of the Royal Institute of British Architects.

Tim Brown (b. 1960) joined the board in 2003. He lives and works in Hayton at his Architectural Practice, Ashton Design. He has gained a wide range of experience working throughout the North West on housing, leisure and commercial projects, often in conservation areas and on listed buildings. He is a member of the Royal Institute of British Architects, a Conservation Registrant (CR) on the Architects Conservation Register, a member of the Cumbrian Society of Architects, member of the Green Register, member of Brampton Preservation Trust, is an exhibiting artist, dances tango and plays the ukulele.

Michael Barnes (b.1909) joined the board in 2005. He moved to Brampton in 1969 as a Police Inspector and changed career to Solicitor in 1970. He worked for Cartmell Shepherd, running their Brampton office from 1986 and retired as Senior Partner in 2005. He has lengthy legal experience in conveyancing and landlord and tenant matters. Mike resigned from the Board in October 2020.

John Little (b 1949) joined the board in 2009. John retired after working for 40 years as a Senior Housing Manager, originally with Carlisle City Council's Housing Department and for 7 years at Riverside Housing Association. He specialised in providing a range of services for older people. John is married with two grown up children and four grandchildren. He has lived and worked in Carlisle all his life.

Hilary Holland (b 1955) joined the board in 2015. She is a retired Partner of Cartmell Shepherd Solicitors, with extensive knowledge of property law. Hilary is a Parish Councillor, Chairs Wilson Memorial Homes, is a board member of the Friends of Brampton Hospital and Chairs the Castle Carkock Allotments Association.

Monica Hendry (b 1954) joined the board in 2015. Monica worked for almost twenty years as the Practice Manager for Cartmell Shepherd Solicitors. Prior to that, she worked in Local Government in Cultural Services and Arts and Education. She is an Associate Member of the Chartered Institute of Personnel and Development and a Fellow of the Chartered Institute of Library and Information Professionals. Monica is a volunteer Adviser with Carlisle and Eden Citizens Advice. She has lived in Brampton for more than twenty years.

Jane Porter (b 1940) joined the board, as tenant representative, in 2016. Jane worked at House of Fraser in Carlisle for 33 years where she was Manager of Fashions. She was a committee and acting member of Brampton Players for a number of years. Jane has a son, daughter in law and three grandchildren. She was born in Brampton Hospital and has lived at Greenhill for 80 years.

Julia Latimer (b 1957) joined the board in October 2018. Julia was brought up on a farm at Lees Hill before moving to Brampton, where she has lived for over forty years. Julia has three grown up children and four grandchildren. She has worked for Carlisle City Council for most of her working life (originally in the Housing Department) and currently works in the Council's Benefits Advice Service as a Welfare Advice Officer.

THE STAFF

Julie Whitlock
Business Manager/
Secretary (P/T)

Julie has worked at the Society for over ten years and has previously worked for Carlisle City Council's Housing Department and Carlisle Housing Association (Riverside).

Sylvia Wardle
Housing Administrator
(P/T)

Sylvia joined the Society in June 2019. She worked in a cottage letting business for 16 years, and has also worked at Carlisle Magistrate's Court. She has extensive managerial experience in administration, accounting, maintenance and allocation of properties.

Ruth Robson
Administration
Assistant (P/T)

Ruth joined the Society in June 2015. As well as experience gained whilst working for Two Castles Housing Association, Ruth has also worked for Dumfries and Galloway Housing Partnership.

Lyn Banks
Finance Officer (P/T)

Lyn joined the Society in June 2019. She is an AAT qualified Accounting Technician and has been running her own bookkeeping business since early 2019. Previously she was employed with Cumbria Constabulary for over 14 years in a variety of roles. Lyn has lived in Brampton for 5 years with her partner and young children.

**CARLISLE
CITY COUNCIL**



www.carlisle.gov.uk

Item
A.6

NOTICE OF EXECUTIVE KEY DECISIONS

2 JULY 2021

Notice of Key Decisions

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

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

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

Publication Dates

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

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

A Key Decision is an Executive decision which is likely –

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

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

The City Council's Executive Members are:

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

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

Index of Active Key Decisions

		Date Decision to be considered:	Date Decision to be taken:
KD.08/21	Medium Term Financial Plan and Capital Investment Strategy	2 August 2021 consultation period to include Overview and Scrutiny as appropriate	31 August 2021
KD.10/21	Budget Process 2022/23 – 2026/27	22 November 2021, 13 December 2021, 20 December 2021 consultation period to include Overview and Scrutiny as appropriate	19 January 2022
KD.14/21	The Asset Management Plan 2022 - 2027	2 August 2021 consultation period to include Overview and Scrutiny as appropriate	31 August 2021
KD.15/21	Carlisle Plan 2021 - 2023		31 August 2021
KD.17/21	Land disposals to assist with development of Carlisle Southern Link Road		2 August 2021
KD.18/21	Use of Affordable Housing Commuted Sum Funding to bring empty properties back into use in collaboration with Brampton Rural Housing Society		2 August 2021

Notice of Key Decisions to be taken by the Executive

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

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

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

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

Notice of Key Decisions to be taken by the Executive

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

Key Decision Reference:	KD.10/21
Type of Decision:	Executive
Decision Title:	Budget Process 2022/23 – 2026/27
Decision to be taken:	<p>The Executive will be asked to: Consider strategic financial issues arising from the budget setting process:</p> <ul style="list-style-type: none"> (a) Revenue Estimates including spending pressures, bids and savings (22nd November 2021) (b) Individual Charges Reviews (22nd November 2021) (c) Provisional Capital Programme including new spending proposals (22nd November 2021) (d) Corporate Assets – Repair and Maintenance Programme (22nd November 2021) (e) Treasury Management Base Estimates (22nd November 2021) (f) Local Taxation (including CTRS) (22nd November 2021) (g) Consideration of Scrutiny Consultation feedback (13th December 2021) (h) Draft Revenue Settlement Figures (if available) (20th December 2021) (i) Summary Revenue Budget (including decision on Business Rate Pooling) (20th December 2021) (j) Summary Capital Programme (if required) (20th December 2021) (k) Draft Treasury Management and Investment Strategy including MRP Strategy (20th December 2021) (l) Executive Draft Budget Proposals for consultation (20th December 2021) (m) Consideration of Final Budget Consultation (19th January 2022) (n) Draft Revenue Settlement Figures (if available) (19th January 2022) (o) Final Revenue Budget Summary (19th January 2022) (p) Provisional Capital Programme (19th January 2022) (q) Treasury Management and Investment Strategy including MRP Strategy (19th January 2022) (r) Executive's Final Budget Proposals (19th January 2022)
Date Decision to be considered:	22 November 2021, 13 December 2021, 20 December 2021 consultation period to include Overview and Scrutiny as appropriate
Date Decision to be taken:	19 January 2022
Is the Decision Public or Private?:	The decision will be taken in public.

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

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

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

Notice of Key Decisions to be taken by the Executive

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

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

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

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

Notice of Key Decisions to be taken by the Executive

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

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

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

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

Notice of Key Decisions to be taken by the Executive

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

Key Decision Reference:	KD.17/21
Type of Decision:	Executive
Decision Title:	Land disposals to assist with development of Carlisle Southern Link Road
Decision to be taken:	The Executive will be asked to note the negotiations that have taken place with regard to the disposal of some parcels of land within the Council's ownership adjacent to the Newby West roundabout (Wigton Road / Peter Lane) Morton, Carlisle and approve their disposal on the terms agreed so as to assist with the development of the Carlisle Southern Link Road
Date Decision to be considered:	
Date Decision to be taken:	2 August 2021
Is the Decision Public or Private?:	The decision will be taken in private. The report is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.
Documents submitted for consideration in relation to the Decision:	The report of the Corporate Director of Governance and Regulatory Services will be available five working days before the meeting
Contact Officer for this Decision:	Corporate Director of Governance and Regulatory Services, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Finance, Governance and Resources (Councillor Ellis)
Relevant or Lead Overview and Scrutiny Panel:	Business and Transformation Scrutiny Panel

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

Notice of Key Decisions to be taken by the Executive

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

Key Decision Reference:	KD.18/21
Type of Decision:	Executive
Decision Title:	Use of Affordable Housing Commuted Sum Funding to bring empty properties back into use in collaboration with Brampton Rural Housing Society
Decision to be taken:	The Executive will be asked to grant delegated authority to the Corporate Director for Economic Development, in consultation with the Portfolio Holder for Economy, Enterprise and Housing, to authorise grants to Brampton Rural Housing Society from affordable housing commuted sum funding held, towards acquiring and refurbishing long-term empty properties in Brampton and Hallbankgate, to be rented to local people at affordable rents.
Date Decision to be considered:	
Date Decision to be taken:	2 August 2021
Is the Decision Public or Private?:	The decision will be taken in private. The report is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as the report contains exempt information relating to the financial or business affairs of any particular person (including the authority holding that information)
Documents submitted for consideration in relation to the Decision:	The report of the Corporate Director of Economic Development will be available five working days before the meeting
Contact Officer for this Decision:	Corporate Director of Economic Development, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Economy, Enterprise and and Housing (Councillor Nedved)
Relevant or Lead Overview and Scrutiny Panel:	Economic Growth Scrutiny Panel

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

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

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

Date: 2 July 2021

Notice of Decision taken by The Leader – Councillor John Mallinson

Leader's Decision Reference:	LD.06/21
Subject Title:	Representative on Outside Bodies 2021/22: Carlisle Partnership Executive Carlisle Healthy City Steering Group
Subject Matter:	<p>The Executive was asked to make representations to outside bodies on 2 June 2021 (report GD.36/21).</p> <p>The Carlisle Partnership Executive requires four nominations and it had been agreed that one nomination be the Leader of Opposition. At Annual Council the Leader of the Opposition changed from Councillor Glover to Councillor Dr Tickner, therefore the appointment to the Carlisle Partnership Executive requires amendment.</p> <p>The Carlisle Healthy City Steering Group requires three nominations which include the relevant Portfolio Holder and two cross party members. The appointment to this Group had been made before the new Shadow Executive team had been established. Councillor Miss Sherriff had been appointed; however the new Shadow Portfolio Holder for Communities, Health and Wellbeing is Councillor Patrick therefore the appointment to the Carlisle Healthy City Steering Group requires amendment.</p>
Relevant Portfolio Area:	Cross Cutting
Decision Taken:	That Councillor Dr Tickner be appointed to the Carlisle Partnership Executive. That Councillor Patrick be appointed to the Carlisle Healthy City Steering Group.
Key or Non-Key Decision:	NO
	YES – Key Decision Reference:
Date Decision Made:	23 June 2021
Reports and Background Papers considered:	Report GD.36/21 – Executive 2 June 2021
Reasons for Decision:	To ensure that the Council are represented on outside bodies within the Community.
Details of alternative options considered	Not to change the Member representation on the Carlisle Partnership Executive and Carlisle Healthy City Steering

and rejected:	Group.	
Interests Declared:	None	
Date published:	24 June 2021	
Urgent Decision not subject to call in:	NO	
Consent of Chairman/Deputy Chairman of Council to Urgency:	N/A	
Deadline for call-in:	1 July 2021 @ 17:00 hours	
Implementation date if not called in:	2 July 2021	
Relevant Scrutiny Panel:	Business and Transformation Scrutiny Panel, Economic Growth Scrutiny Panel, Health and Wellbeing Scrutiny Panel	
Call-in notified to and date notified:		
Approved for implementation on:	2 July 2021	

Signed Signature has been redacted

Date __23rd June 2021__

All public reports can be viewed on the Council's website www.carlisle.gov.uk

Notice of Decision taken by The Leader – Councillor John Mallinson

Leader's Decision Reference:	LD.07/21
Subject Title:	Draft version of Carlisle Plan 2021-2023

Subject Matter:	The Leader has agreed to issue a new draft version of Carlisle Plan 2021-23 for public consultation and scrutiny.
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Relevant Portfolio Area:	Leader's
Decision Taken:	24/6/21

Key or Non-Key Decision:	YES – Key Decision Reference: KD.15/21
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Date Decision Made:	24/6/21
Reports and Background Papers considered:	PC11/21 Carlisle Plan
Reasons for Decision:	To progress the adoption of the Carlisle Plan 2021-23
Details of alternative options considered and rejected:	None
Interests Declared:	None
Date published:	29 June 2021
Urgent Decision not subject to call in:	No
Consent of Chairman/Deputy Chairman of Council to Urgency:	Not applicable

Deadline for call-in:	6 July 2021 @ 5:00pm
Implementation date if not called in:	7 July 2021

Relevant Scrutiny Panel:	Business and Transformation Scrutiny Panel, Economic Growth Scrutiny Panel, Health and Wellbeing Scrutiny Panel
Call-in notified to and date notified:	N/A
Approved for implementation on:	6 July 2021

Signed _____

Date _____ 28th June 2021 _____

All public reports can be viewed on the Council's website www.carlisle.gov.uk

Notice of Decision taken by The Leader – Councillor John Mallinson

Leader’s Decision Reference:	LD.08/21
Subject Title:	Uncovering Roman Carlisle - Community Archaeology Project at Carlisle Cricket Club
Subject Matter:	<p>Uncovering Roman Carlisle is a community archaeology project that has been submitted to and been successful in receiving a grant of £99,900 from the National Heritage Lottery Fund. The project partners included Carlisle Cricket Club, Wardell Armstrong Archaeology Team, Tullie House and Carlisle City Council. The project will continue the excavation of the Roman Bathhouse discovered on the grounds of the Cricket Club. Volunteers including school groups will be involved in the project. A pop-up museum and excavation lab will be on site with talks and site tours made available by the project partners.</p> <p>The grant funding is for 100% of the costs of the project and the Council is not required to provide a financial contribution. Carlisle City Council will be the grant recipient for the project, and officer time will contribute to the match in-kind element of the funding. The Hadrian’s Wall Officer based at Carlisle City Council, with support from the member of the Regeneration Team, will provide the day to day management required of the accountable body.</p>
Relevant Portfolio Area:	Economy, Enterprise and Housing Culture, Heritage and Leisure
Decision Taken:	<ul style="list-style-type: none"> • Accept the National Lottery Heritage Fund Grant award for £99,900. • Agreed that Carlisle will be the recipient of the grant and manage the project expenditure, reporting to funders and monitoring and evaluation of the project.
Key or Non-Key Decision:	NO
	YES – Key Decision Reference:
Date Decision Made:	5 July 2021
Reports and Background Papers considered:	OD.46/21– Uncovering Roman Carlisle (12 April 2021)
Reasons for Decision:	Uncovering Roman Carlisle (URC) is an 18-month, programme of community archaeological investigation and engagement exploring Carlisle’s Roman remains.

	<p>In 2017/18, site investigation at Carlisle Cricket Club discovered a high-ranking Roman bathhouse or Imperial hotel. Subsequent investigation by archaeologists and volunteers found many artefacts of high significance.</p> <p>URC capitalises on the continued interest from these excavations to be a unique urban, community project on Hadrian's Wall.</p>
Details of alternative options considered and rejected:	Not to accept the grant
Interests Declared:	None
Date published:	6 July 2021
Urgent Decision not subject to call in:	YES
Consent of Chairman/Deputy Chairman of Council to Urgency:	YES
Deadline for call-in:	N/A
Implementation date if not called in:	N/A
Relevant Scrutiny Panel:	Economic Growth Scrutiny Panel
Call-in notified to and date notified:	N/A
Approved for implementation on:	6 July 2021

All public reports can be viewed on the Council's website www.carlisle.gov.uk

Officer Decisions

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

Decision Ref No	Title: Subject and Decision Taken:	Reports and Background Papers considered:	Date Decision Taken:	Decision Maker:
OD.55/21	Elected Member Training Councillor Marilyn Bowman to attend Institute of Licensing Virtual Event on 21 st June 2021	N/A	21 June 2021	Deputy Chief Executive
OD.56/21	Elected Member Training Councillor David Morton to attend Institute of Licensing Virtual Event on 21 st June 2021	N/A	21 June 2021	Deputy Chief Executive
OD.57/21	Landlord's consent to a new letting & lease variation To grant Landlord's consent to the letting of unit 6 and a lease variation of unit 33 at The Lanes shopping centre.	None	26 June 2021	Property Services Manager
OD.58/21	Unit 7 South George Business Square, Robert Street, Carlisle Unit 7 – small storage unit The decision being taken is to agree terms for the Council to take a new five year lease on this property so as to assist the Development department (Homelessness Prevention & Accommodation) with its service delivery objectives	None	25 June 2021	Property Services Manager
OD.59/21	Unit 7 South George Business Square, Robert Street, Carlisle To make funding available for the term of the lease and associated costs for the above-named storage unit.	Officer Decision Notice - OD.58/21	25 June 2021	Homeless Prevention and Accommodation Services Manager
OD.61/21	Licensing decisions taken between 1 June and 30 June 2021 The Licensing Manager has granted the attached licences or permissions under an express authorisation delegated to her and in accordance with the Council's policy requirements. (can be viewed on the Council website http://CMIS.carlisle.gov.uk/CMIS/CouncilDecisions/OfficerDecisions.aspx)	Applications for various licences. Private Not for Publication by Virtue of Paragraph 1 of Part 1 of	30 June 2021	Licensing Manager

	Partnerships 29,300 Investment & Policy 5,600 Regeneration 37,300 Homeless Accommodation 5,600 Homeless Prevention and Welfare 256,300 Regulatory Services 1,800 335,900 The use of this reserve is set out within the Council's MTFP and can only be released, under delegated powers, by the Corporate Director of Finance and Resources.			
OD.69/21	The Salutation Inn, Irthington The decision is to de-list The Salutation Inn, Irthington, Carlisle, CA6 4NJ as a community asset under the Localism Act 2011	PC 15/14 – Community Right to Bid report at Executive 15/12/14 Application form for Community Right to Bid - Private * Not for publication by virtue of paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972	13 July 2021	Town Clerk and Chief Executive
OD.70/21	Carlisle Collaborative Funding Pilot Outline Proposal Carlisle Partnership will submit an outline proposal to The National Lottery (TNL) requesting £141,939 to deliver collaborative funding pilot to test a new approach to investing in our civil society.	N/A	14 July 2021	Deputy Chief Executive
OD.71/21	Uncovering Roman Carlisle - Community Archaeology Project at Carlisle Cricket Club Grounds. <ul style="list-style-type: none"> To agree to signing up to a Collaboration/Grant Funding Agreement with project partners including the Carlisle Cricket Club, Tullie House and Wardell Armstrong setting out the terms under which the project will proceed. Agree that Wardell Armstrong (WA), as project partner set out in a Collaboration/Grant Funding Agreement, is appointed to provide archaeological services for the sum of less than £35,000 allowing the Contract Procedure Rules (CPR 10 (c) to be applied. 	Leader's Decision Notice LD.08/21 to Accept the National Lottery Heritage Fund Grant award for £99,900 5 th July 2021.	12 July 2021	Corporate Director of Economic Development

	<p>following reasons: WA's involvement in previous excavations on the Cricket Club grounds resulting in the discovery of the Roman Bathhouse; their track record of managing community involvement in the Roman Bathhouse excavation; their offer of in-kind support to this project; and that they offer best value to the project.</p> <p>Agree that Tullie House Museum and Art Gallery (TH) as project partner set out in a Collaboration/Grant Funding Agreement, is appointed to provide community engagement services for the sum of less than £20,000 allowing the Contract Procedure Rules (CPR 10 (c) to be applied for the following reasons: TH is the only museum based in Carlisle with a significant track record in local community engagement and engagement with local schools; TH has an in depth knowledge of the field of Roman archaeology in Carlisle and can use this to provide focussed community engagement activities; TH is providing a high level of match -in kind services to the project; and there is no other provider that can provide this service.</p>			
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JOINT MANAGEMENT TEAM

Item
A.9

MINUTES – 5th July 2021

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

Agenda Item 1 – Minutes of Meeting 2nd June 2021	Action
Noted and agreed	
Agenda Item 2 – Old Fire Station	
Members of the Executive and SMT received a presentation	
Agenda Item 3 – Development of the Local Hub in Carlisle	
The Deputy Chief Executive reviewed with JMT the content of the Report circulated previously on this subject	
Agenda Item 4 - Updates on Borderlands; The Sands; Civic Centre; St Cuthbert’s Garden Village; Central Plaza	
Members of SMT present and the Regeneration Manager provided the Executive with their update on the current position regarding each area	

Agenda Item 5 – Future Items for Notice of Executive Key Decisions	
Noted and agreed	
Agenda Item 6 - JMT Forward Plan	
Noted and updated	

Meeting Date: 2 August 2021
 Portfolio: Economy, Enterprise & Housing
 Key Decision: No
 Policy and Budget Framework: No
 Public / Private: Public

Title: Application to Sustainable Warmth Competition (LAD Phase 3 and Home Upgrade Grants (HUG))
 Report of: Corporate Director of Governance and Regulatory Services
 Report Number: GD.46/21

Purpose / Summary:

A report seeking permission from the Executive for the City Council to make an application to BEIS Sustainable Warmth Competition as the lead authority of a Cumbrian consortium of district councils. The Sustainable Warmth competition is Phase 3 of the Local Authority Delivery of Green Homes Grants (LAD3) for mains gas connected homes and Home Upgrade Grants (HUG) for off- mains gas homes. It is proposed that The City Council will apply for around £25 million of funding on behalf of the Cumbrian consortium to address fuel poverty and improve energy efficiency and carbon savings in at least 1,000 mainly private sector properties.

Recommendation:

The Executive:

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

Tracking

Executive:	2 August 2021
Scrutiny:	
Council:	

1. BACKGROUND

- 1.1** On 16th June 2021, BEIS opened the Sustainable Warmth competition encouraging Local Authorities to apply for around £25 million funding to help them install energy saving upgrades and low carbon heating in low-income households. This is the fourth round of funding for local authorities to help save households money; cut carbon; and create green jobs. The City Council did not apply for the first round of Green Homes Grant delivery grants (GHG) due to the tight application timetable. In December 2020 the Council did decide to apply for the second round of the Local Authority Delivery Scheme (LAD Phase 1B) but were unsuccessful. The City Council are part of a Cumbrian consortium led by Eden District Council for LAD2 funding, but this project has suffered delays and is due to end in December 2021 so has very little time left in which to deliver measures for households.
- 1.2** The primary purpose of the Sustainable warmth competition is to raise the energy efficiency rating of low income and low Energy Performance Certificate (EPC) rated households (those with E, F or G, although D is also in scope), this is expected to result in the following outcomes:
- a. Tackle fuel poverty by increasing low-income household's energy efficiency rating while reducing their energy bills.
 - b. Deliver cost effective carbon savings to carbon budgets and progress towards the UK's target for net zero by 2050.
 - c. Support clean growth and ensure homes are thermally comfortable, efficient, and well-adapted to climate change.
 - d. Support economic resilience and a green recovery in response to the economic impacts of Covid-19, creating thousands of jobs; and
 - e. Use learnings from the delivery experience to inform the development and design of further energy efficiency and heat schemes.
- 1.3** The competition encompasses two existing schemes:
- Local Authority Delivery Phase 3 (LAD3):** a third phase of the Local Authority Delivery scheme. LAD3 has a refined scope to support low-income households heated by mains gas. The average cost per owner occupied home set at £10K
- Home Upgrade Grant Phase 1 (HUG1):** Scheme for low-income households with homes off-gas grid through the HUG scheme. The amount per home can be up to a maximum of £25K depending on the EPC rating and fuel type. Targeted funding will support the installation of multiple measures in these homes, which can face higher upgrade costs, to substantially improve their energy performance.

- 1.4** If approved by the Executive the City Council is ready to apply before the deadline of 4th August 2021 to request funding to support low carbon energy efficiency and heating for at least 1,000 private sector homes across Cumbria. The consortium bid is supported by all the Cumbrian district authorities. Carlisle City Council bid for around £6.5 million based on an estimate £10,000 average retrofit cost per property for 650 homes with mains gas heating and around £15 million for 650 plus homes with non-gas heating plus funding for administration and ancillary costs. Data from specially designed Pathways software, the open-source Landmark EPC register (August 2020) and a recent BRE Housing Stock Modelling Report enables us to target wards and properties that meet the criteria for this funding. In broad terms Carlisle has over 2,250 owner-occupied and over 700 privately rented properties which have an EPC rating of E, F or G and capable of achieving a minimum C Rating. More homes who do not have a current EPC are also likely to qualify. If successful in the bid the City Council, as the lead applicant, will be expected to assume the role of Accountable Body for the grant funding and its use across Cumbria.
- 1.5** The Government expects local authorities to take a fabric first approach and focus on measures that will help lower household energy bills such as insulation. This includes, but is not limited to, energy efficiency measures (such as wall, loft, and underfloor insulation) and low carbon heating technologies (such as heat pumps and solar) – but excludes heating systems which are solely fuelled by fossil fuels such as gas and oil.
- 1.6** Funding to eligible owner-occupied households is expected to cover the cost of upgrading a home but residents can contribute if the cost exceeds the maximum grant available. Funding must be targeted at low-income households likely to be in fuel poverty, for which local authorities can continue to use the criteria of a combined household annual income of no more than £30,000 gross, before housing costs and where benefits are counted towards this figure or use alternate methodologies such as our criteria for our ECO flexible eligibility based on household size. The scheme is primarily designed for private sector housing. Landlords whose tenants are eligible for funding (private and social) would provide at least 33% contribution towards the cost of the upgrades and the subsidy would not exceed £5,000 on average per household.
- 1.7** BEIS aim to allocate funding to successful projects by the end of 2021. Projects must be completed by 31 March 2023.

It is likely that a decision on the Grant application will be made by BEIS sometime in the Autumn 2021.

2. PROPOSALS

- 1.1** To apply to the Sustainable Warmth competition for funding to tackle fuel poverty and improve energy efficiency and carbon savings in private sector homes across Cumbria. The project will be delivered by the Homelife HIA within Regulatory Services under a Memorandum of Understanding with Secretary of State for Business, Energy and Industrial Strategy and with MOUs with the other Cumbrian district local authorities.
- 1.2** The funding would allow a maximum of 15% administration costs and it is proposed to allocate some of this funding to the other districts to employ fixed term staff in each district to help deliver the scheme across the district authorities. The amount allocated to Carlisle for administration will reflect the additional responsibilities as lead authority such as reporting to BEIS and procurement.
- 2.2** A further Report will come to the Executive in the autumn to accept any award from Department for Business Energy and Industrials Strategy (BEIS) for the Sustainable Warmth competition.

3. RISKS

- 3.1** There are no penalties associated with an underspend and should the Department for Business Energy and Industrial Strategy (BEIS) and the City Council be unable to agree how any unspent grant funding will be used, in line with the expected outcomes of the Sustainable warmth competition, the City Council would repay the unspent grant, which will be reflected in the Memorandum of Understanding that is required for the acceptance of the Grant. BEIS have published the draft MOU.
- 3.2** The following risks have been identified in the delivery of the scheme:
 - a.** Installations not meeting quality standards – a procurement exercise will ensure the competency of contractors. It is a condition of the grant that all measures must be compliant with the most up to date “PAS 2035 Retrofitting dwellings for improved energy efficiency. Specification and guidance” (PAS 2035). Installers are required to have the appropriate certifications for the eligible measures that they are installing and be Trustmark registered.
 - b.** Claims made for installations that haven’t happened, haven’t been completed, or that took place prior to launch date of the scheme - approval

required before works commence and delivery through approved contractors as is usual process through grants delivered through the HIA.

- c.** Identity theft or falsely claiming low-income status – administrative checks on eligibility.
- d.** Installers overinflating costs – procurement exercise and prior approval of contractors.
- e.** Insufficient demand from potential recipients – demand identified but no penalty for underspend. Access to 'Pathways' software that enables local authorities to identify and target potential eligible homes.
- f.** Insufficient capacity to match demand – prior approval required before works commence so budget management will cover approved works.
- g.** Supply problems – the retrofit assessment identifies a medium-term plan so sets out a suite of potential measures that can be used for future. Multiple delivery partners preferred.
- h.** Failure of systems and/or processes which have been included within the Risk Register – project will have its own project management framework including risk register. Monthly reporting on the project is required to be made to BEIS.
- i.** Inappropriate measures installed – it is a requirement of the grant that all retrofitted measures must comply with the new PAS 2035 guidance and an independent retrofit assessment preferred. A risk assessment taking into account the particular issues of both the household and property, including potential conservation issues, must be made as part of the process. The HIA is already carrying these assessments out on all new energy efficiency grant applications.

4. CONSULTATION

- 4.1** The City Council has consulted with the North West Local Energy Hub, who advised that consortium applications involving multiple local authorities are preferred by BEIS and applications made by local authorities who have not previously been allocated funding. The Local Energy North West Hub is overseen by the five local enterprise partnerships in the North West.
- 4.2** Lead housing officers from each of the District Councils meet weekly to discuss Sustainable Warmth project. Each of the Cumbrian District Local authorities support the Cumbrian consortium bid. The other Cumbrian authorities, except Eden, do not have a Home Improvement Agency experienced in delivering grant funded energy efficiency projects. Eden is the only Cumbrian authority to have received funding in

the 3 previous rounds and so would unlikely be awarded funding for a fourth time if they were lead authority.

- 4.3** The City Council's Grants and External Funding Procedure provided the structure for the consultation process with the: Portfolio Holder for Economy, Enterprise & Housing; the Corporate Director of Governance and Regulatory Services; the Corporate Director of Finance and Resources, and the Funding Officer, who have been consulted on the proposed application.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 5.1** Carlisle has over 2,250 owner-occupied and over 700 privately rented properties which have an EPC rating of E, F or G but which can achieve a minimum C Rating. This is not including the homes who do not have current EPCs but are still eligible for grant funding. The purpose of the Sustainable Warmth competition is to reduce carbon and make homes more energy efficient which will support the Council's credentials as climate change champions and add to the fuel poverty schemes already on offer. The scheme will also help boost the local economy.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 6.1** Address current and future housing needs to protect and improve residents' quality of life.
- 6.2** Support business growth and skills development to improve opportunities and economic prospects for the people of Carlisle.
- 6.3** Support Carlisle City Council's Climate change strategy.

Contact Officers: Scott Burns scott.burns@carlisle.gov.uk
Regulatory Services Manager
Emma-Kate Bishop emma.bishop@carlisle.gov.uk
HIA Team Leader

Appendices attached to report: (DRAFT) MEMORANDUM OF UNDERSTANDING FOR SUSTAINABLE WARMTH COMPETITION found at: <https://www.gov.uk/government/publications/apply-for-the-sustainable-warmth-competition>

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

- None

CORPORATE IMPLICATIONS:

LEGAL – It is appropriate to request Executive approval for this application for funding as if successful, the Council will be required to deliver the purpose of the Grant and also act as Accountable Body for the other Cumbrian Authorities. A further Report will be brought to the Executive should the bid be successful. Appropriate funding agreements must be in place with the other Councils.

PROPERTY SERVICES – No property implications with this report.

FINANCE – This report seeks Executive approval for an application for around £25 million of funding on behalf of a Cumbrian consortium of district Council's to address fuel poverty and improve energy efficiency and carbon savings in at least 1,000 mainly private sector properties. If successful, the Council would act as accountable body for the scheme and allocate the funding to the other partners. If the application is successful a further report will also be presented to the Executive detailing the next steps and to formally accept the funding.

The application allows for 15% of the funding for administration costs in delivering the scheme and this will be shared between the Consortium's partners.

If the application is successful, there would need to be a procurement process to appoint appropriate contractors to deliver the works outlined in the scheme. Due to the value of the funding, any procurement would be over EU thresholds for works contracts.

EQUALITY – None

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

Meeting Date: 02 August 2021
 Portfolio: Economy, Enterprise, and Housing (Cllr Nedved)
 Key Decision: No
 Policy and Budget Framework: No
 Public / Private: Public

Title: Changing Futures
 Report of: Corporate Director of Governance and Regulatory Services
 Report Number: GD.45/21

Purpose / Summary:

The purpose of this report is to outline the purpose and principles of the Changing Futures Programme.

Recommendations:

For Executive to support the multi-agency recommendations outlined by the Changing Futures Programme Board:

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

Tracking

Executive:	02 August 2021
Scrutiny:	
Council:	

1. BACKGROUND

- 1.1 On the 10th December 2020, MHCLG launched a ***Changing Futures: changing systems to support adults experiencing multiple disadvantage*** Prospectus for local Expressions of Interest (Eol).
- 1.2 Cumbria County Council agreed to act as lead partner and submit an Eol on behalf of Cumbrian partners (multi-agency). The MHCLG prospectus asked any Eol to address a number of areas:
- Focus on the most excluded adults – those experiencing multiple disadvantages and placing repeated demand on local response services, but for whom current systems of support are not working.
 - Adults experiencing **three or more** of the following five: **homelessness, substance misuse, mental health issues, domestic abuse, and contact with the criminal justice system.**
 - Particular focus on reaching those not well connected to existing support services.
 - Cohort who often face other needs where a coordinated, ‘whole person’ approach is required.
- 1.3 There was significant interest from partners, including all District Councils, Cumbria Police, OPCC, National Probation Service, Community Rehabilitation Company, Health and the Third Sector; with recognition there is a cohort of high impact individuals who are currently potentially falling between different services and thresholds.
- 1.4 An Eol was agreed by partners and submitted to MHCLG (**refer to appendix 1**).
- 1.5 The Eol set out a model based on use of the district-based Focus Hubs where existing and emerging services would be aligned. These could include:
- Development of District based Focus Hubs (Police/Office of the Police and Crime Commissioner (OPCC) - match funding in kind)
 - The establishment and support for multidisciplinary teams to undertake case spotting and management (all partners match funding in kind)
 - The Community Rehabilitation Company and the National Probation Service would commit resource to hubs (either virtual or in person) either probation officer or probation support officer – and be able to provide administrative support (NPS and CRC match funding in kind)
 - Recommissioning the addiction support services to fit with the proposed model (Cumbria County Council - match funding in kind)
 - Work with high risk domestic abuse perpetrators (Victim Support - match funding in kind)
 - Use of Health and Wellbeing Coaches to support individuals. (Cumbria County Council - match funding in kind)
 - Potential to link to district-based women centres and services for men (OPCC exploring commissioning opportunities – potential match funding in kind)

- Winter Wellness Hubs – (Morecambe Bay CCG – potential match funding in kind)

1.6 In addition there are a number of other developments that are being pursued by partners which could potentially align to the Changing Futures model.

Pathways

The OPCC and Police are developing a Cumbria Out of Court disposal framework together with an early intervention offender management programme.

Community Mental Health Transformation Funding

Changing ways of working for people with severe mental illness and adopting a partnership approach across health, social care, housing, substance use and voluntary services.

Focused Families

Expand the Focused Families outreach service provision - improve joined up working with marginalised and excluded adult family members.

MHCLG Domestic Abuse Funding

From April 2021, Upper Tier local authorities will receive grant funding to enable them to fulfil their new duty with respect to supported accommodation for victims of domestic abuse for Cumbria this is £995,000. This will enable a refreshed look at how victims with multiple complex needs are helped to recover from their abuse.

Rough Sleepers Initiative

Cumbria has been working in partnership to address and meet the needs of rough sleepers across the county since 2019. District housing authorities have committed resource and receive grant funding from the MHCLG to achieve key objectives.

Health Outreach

Work has been undertaken to ensure the health system wraps around the provision for homeless and temporarily housed, with Integrated Care Communities ensuring holistic assessments and referral into health services.

Agreement has been reached that these will be aligned to the Hub model.

1.7 To enable these currently disparate initiatives to be aligned, the Changing Futures bid set out a number of areas where a whole system approach would be developed to ensure coordination and alignment of these services and resources. To support this a number of system changes would need to be developed and embedded, including:

- Formation of multi-disciplinary teams with support mechanisms
- Standard Operating Procedures
- Common referral mechanisms
- Data sharing systems
- Revised information governance arrangements

1.8 As a result, at the operational level, there would be greater integration and collaboration across services, more effective support and reduced “demand” on

reactive services. This would ensure fewer gaps between services and a reduction in people being passed between services.

- 1.9** Unfortunately, despite the work put into the bid, on 26th February 2021 we were informed that the bid was not successful. Since then partners have reaffirmed their interest in continuing to explore the proposed model with potential new ways of working and the alignment of existing and new services to provide a systemwide response.

2.0 ACCOMMODATION

- 2.1** In addition to the work taken on Changing Futures there has been considerable discussion about support for individuals with complex needs who also have housing needs. This is a long standing challenge but has been risen sharply during the pandemic and the Governments “Everyone In” policy has shone a spotlight on the issue of homeless people who cannot sustain general needs or low level supported accommodation due to multiple complex needs.
- 2.2** As a result of conversations between the District Councils and Cumbria County Council it has been agreed that these partners remain supportive of the Changing Futures concept and there is synergy between the Homelessness and Rough Sleeper Strategies and the Changing Futures proposal.
- 2.3** It is recognised that a multi-disciplinary case management approach to complex individuals is core to the thinking - bringing together Housing, Adult Social Care, Mental health, Drug and Alcohol Services, Offender management, Police, Third Sector Providers, etc.
- 2.4** This would overlap and complement the existing and suggested pipeline projects such as: MHCLG Rough Sleeper Project Officers; Domestic Abuse funding; 2021 RSAP (Rough Sleepers Accommodation Programme) grant; Rapid Rehousing Pathway Officers and Accommodation for Ex-Offenders.
- 2.5** There is also a commitment to MEAM (Making Every Adult Matters) methodology and to co-production, building capacity through greater alignment and coordination of existing resources.

3.0 CHANGING FUTURES BOARD

- 3.1** As an outcome of these discussions a multi-organisational Changing Futures Board has been established.
- 3.2** The inaugural meeting of the Board identified a number of areas which placed barriers or challenges in the way of support:
1. Individuals not meeting statutory thresholds and hence not receiving any support
 2. No one single point of contact and perceived silo working arrangements. This is backed by the lived experiences of survivors.

3. Information Sharing between organisations is limited by data protection regulation and institutional reluctance.
4. Duplicated work leading to an inefficiency in current resourcing.
5. Support is closed to individuals who make risky personal choices or do not engage in the support available.
6. Assessment Refusals due to intoxication. Service users may be unable to deal with addiction due to other unsupported underlying needs.
7. Commissioning of services often do not look at the wider picture. Process based KPIs drive services towards easy/quick wins rather than complex or hard to manage cases.
8. Employees are already stretched due to COVID-19 pressures.
9. Buy-in from Members and Leaders to agree to working “up-stream” of the statutory minimums.

3.3 After consideration of these barriers, partners restated an in principle, commitment to the Changing Futures model. It was agreed that a covering paper and the Terms of Reference (**refer to appendix 2**) be circulated to partner organisations to ensure that the relevant internal governance routes were followed to allow appropriate individual organisational sign-off.

4.0 FUNDING IMPLICATIONS

4.1 As the Changing Futures bid has not been successful, and there is no additional government funding, the capacity to progress the development of a new model is reduced. However, the Changing Futures bid did not rely on any newly commissioned services as it did not want to face a funding cliff edge after the one-off funding ended– rather it was based on the realignment of existing or emerging services and projects.

4.2 There were a number of funding streams identified through the Changing Futures EoI which were not dependent on the bid being successful. There is still momentum behind the proposals with effective partner buy-in and considerable resource in the system across partners.

4.3 It is the intention these will be more effectively aligned and mobilised through the development of a co-ordinated model. This will have implications for system and organisational working and it is recognised that, due to the partnership nature of the Board, that decisions, especially those that require commitment of resources, may have to be approved through the internal governance process of individual organisations.

4.4 Access to funding to support this development is being pursued by Cumbria County Council through the COMF grant. The proposal, in principle, has been endorsed by the Health Protection Board and more detailed proposals are in development subject to final decision making. This would allow pump-priming money to be used to fund the system development work outlined in paragraph 3.2.

4.5 To complement this work, one off funding by Cumbria County Council through COMF is also being sought to allow a shift in current accommodation model to ensure that sufficient suitable accommodation is available on a sustainable basis for those identified and prioritised with multiple complex needs.

5. RISKS

5.1 The key risk for Carlisle City Council will be managing capacity challenges and partners expectations around suitable available accommodation options (including emergency accommodation); balancing statutory responsibilities and demands with discretionary placements as part of the Changing Futures commitment.

However as previously stated, Carlisle City Council already delivers several key projects for non-statutory cases and provides support to those experiencing homeless, ex-offenders, rough sleeping or at risk of rough sleeping and domestic abuse. Many of these cases already have complex needs and experience multiple disadvantage.

5.2 A key component for the board will be to work through the issues associated with case identification, assertive outreach, and triage to ensure it is those individuals with sufficient complexity and impact that are covered by the Changing Futures programme model. Partners may well be coming from different perspectives around needs and risks, as such the board will need to triangulate between potentially competing prioritisation and resource.

6. CONCLUSION AND REASONS FOR RECOMMENDATIONS

6.1 Executive are asked to support the multi-agency recommendations outlined by the Changing Futures Programme Board:

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

7. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

7.1 Addressing Carlisle's current and future housing needs

Contact Officer: Tammie Rhodes **Ext:** 7217

Appendices attached to report: A1. MHCLG Changing Futures Expression of Interest
A2. Changing Futures Programme Board Terms of Reference

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

- None

CORPORATE IMPLICATIONS

LEGAL: The Council has the legal power to work in Partnership with the other organisations. Further, appropriate Governance is in place with the Programme Board having terms of reference and operational procedures. The aspiration is to coordinate activities help people in need who otherwise would not qualify for such help. In working such a manner the Council must have regard to the statutory rules and guidance to which it is subject.

FINANCE: Any financial implications arising from this report will be contained within existing budgets and resources.

EQUALITY: Terms of Reference for the Changing Futures Programme Board states: 'Many people in this situation may also experience poverty, trauma, physical ill-health, and disability, learning disability, and/or a lack of family connections or support networks.'

INFORMATION GOVERNANCE: All data sharing / info governance arrangements and documentation is to be developed and agreed by all parties; Carlisle City Council Information Governance Manager to be engaged in this process.#



Ministry of Housing,
Communities &
Local Government

Changing Futures: changing systems to support adults experiencing multiple disadvantage

Expression of Interest (Eoi) form

Please email your form to MCN@communities.gov.uk no later than **23:55 on 21 January 2021**

Please include 'Changing Futures' and the name of your local area in the subject line.

December 2020
Ministry of Housing, Communities and Local Government

Applicant

1.1 Area	Cumbria	
1.2 Named contact (a) name (b) main role	(a) Derek Houston	(b) Senior Manager – Health and Care Integration
1.3 Address	Cumbria County Council Cumbria House 107-117 Botchergate Carlisle CA1 1RZ	
1.4 Telephone number (a) organisation (b) contact	(a) 01228 606060	(b) 07771 975902
1.5 Email address of named contact	derek.houston@cumbria.gov.uk	

Co-applicants details

Please provide named contacts supporting the EoI from each of the core partners listed in section 2.4 of the Prospectus.

	Name	Organisation	Job Title	Email address
2.1 Local Political lead (required)	Deborah Earl	Cumbria County Council	Cabinet Member for Public Health and Communities	Deborah.Earl@cumbria.gov.uk
2.2 Local Authority contact (at least one name required)	John Readman	Cumbria County Council	Executive Director – People	John.Readman@cumbria.gov.uk
	Barry Chambers	Allerdale Borough Council	Safety Resilience and Homelessness Manager	barry_chambers@allerdale.gov.uk
	Jan Sharp	Barrow Borough Council	Assistant Director of Housing	jsharp@barrowbc.gov.uk
	Mark Lambert	Carlisle City Council	Corporate Director of Governance and Regulatory Services	mark.lambert@carlisle.gov.uk

	Amanda Starr	Copeland Borough Council	Housing Strategy and Social Inclusion Manager	amanda.starr@copeland.gov.uk
	Les Clark	Eden District Council	Director of People and Place	les.clark@eden.gov.uk
	Simon Rowley	South Lakeland District Council	Director of Customer Services	s.rowley@southlakeland.gov.uk
2.3 Health contact (at least one name required)	Julia Westaway	Morecambe Bay CCG	Population Health and Childrens System Senior Manager	Julia.Westaway@MorecambeBayCCG.nhs.uk
	Anita Barker	North Cumbria CCG	Deputy Director (Commissioning)	Anita.Barker@northcumbriaccg.nhs.uk
2.4 Police contact (at least one name required)	Sarah Jackson	Cumbria Constabulary	Acting Assistant Chief Constable	Sarah.Jackson@cumbria.police.uk
	Vivian Stafford	Office of the Police and Crime Commissioner	Chief Executive	Vivian.Stafford@cumbria.police.uk
2.5 National Probation Service contact (at least one name required)	Lisa Thornton	National probation Service	Interim Head of Cluster	lisa.thornton1@justice.gov.uk
2.6 Voluntary and community sector contact (at least one name required)	Carolyn Otley	Cumbria CVS	Community Resilience Coordinator	CarolynO@cumbriacvs.org.uk

Guidance notes

- Please refer to the [prospectus](#) when completing this form, including section 2.1 on the aims of the programme; 2.2 on defining the cohort; 2.3. on core delivery principles; and 2.4 on core partnership requirements.
- To note, the goal of the programme is to generate learning and test a new partnership approach between government and local areas. Therefore, we are seeking a balance of different areas of the country, scales of operation, partnership structures and delivery models to maximise learning. This light-

touch EOI process is an opportunity to learn more about interested local areas' current delivery, priorities and plans to inform this selection process.

- Information in your application may be shared with other government colleagues for the purpose of developing our understanding and informing wider policy development and best practice.
- Additional supporting material will not be accepted. Please use black type, Arial font 12.

1. Existing partnership work to address multiple disadvantage

Provide a brief summary of existing partnership work that supports adults experiencing multiple disadvantage in your area, and how this aligns with local strategic ambitions and priorities.

Maximum 300 words

Over the last few years Cumbria has developed stronger partnership working:

- The Health and Wellbeing Board has established the Public Health Alliance – an innovative partnership of the county council, district councils, the Police and Crime Commissioner and the voluntary and community sector - which is responsible for developing and delivering the Public Health Strategy across Cumbria.
- Both North Cumbria and Morecambe Bay Integrated Care Partnerships have developed health and care system strategies which embed population health approaches.
- Safer Cumbria, the countywide criminal justice and community safety partnership, is adopting the public health approach to crime and is concentrating on harm reduction for vulnerable individuals.
- The longstanding and robust countywide partnership Cumbria Housing Group, which includes the County and District councils, has a sharpened focus on housing, homelessness and wellbeing.

Strategic Priorities

The multi-agency Cumbria Strategic Recovery Coordinating Group is producing the recovery strategy for Cumbria - providing the overarching strategic ambitions and priorities for a reinvigorated Cumbria following Covid.

During Covid organisations have been more agile and responsive with traditional barriers being broken down. The emphasis of the recovery strategy is to capture and build on the more integrated and innovative ways of working that are evident both systematically but also by developing the relationship-based collaboration across a wider range of organisations, including community groups.

The recovery strategy is very firmly based on an asset-based approach. Fundamental to this is recognising the role that individuals and communities have in taking ownership of and co-producing services. An approach which is also fundamental to this bid.

In addition, the recovery strategy recognises that Covid has exacerbated inequalities and has had a particularly large impact on members of the Changing Futures cohort. This is recognised within the strategy by setting specific targets around members of this cohort.

2. Evidence of local need

Set out evidence of local need relating to adults facing multiple disadvantage, as defined in section 2.2 of the prospectus.

We acknowledge that at this stage there will be evidence and data gaps around the most excluded and 'hard to reach' individuals, so please set out:

- a) Evidence and available data on local need and supporting evidence for any local priority groups identified, including with reference to protected characteristics.
- b) How you would plan to address evidence gaps and improve data and mapping of the cohort through participation in the programme, and to engage people who are currently not well-connected to support services.

Maximum 400 words

Data collected shows:

- For 2020 the police recorded 5559 incidents where vulnerable adults were flagged - 3398 had mental health and 920 with substance abuse issues – both increasing by over 40%.
- The police recorded 8020 domestic abuse incidents with 1534 (19%) being related to mental health and 2465 (31%) related to substance abuse.
- For NPS the overall caseload is 788. Of those 413 (52%) have 3 or more identified needs.
- For CRC the overall caseload is 1068. Of those 993 (93%) have 3 or more identified needs.
- This year to date, Districts councils recorded 126 repeat homelessness cases - 114 (90%) of those having three or more specified need areas.
- The Troubled Families programme shows that from April 2015 the number of adults known to have the markers for “contact with the criminal justice system”, “mental health issues”, “substance misuse” and/ or “domestic abuse” is 2905.
- Alcohol consumption is higher in Cumbria than nationally. Despite this, only about 19% of the 5,373 individuals with an alcohol dependency are currently in treatment.
- 50-60% of all clients entering treatment also have a Mental Health need identified, and approximately 25% of these were not currently receiving treatment.

This bidding partnership has identified a need for a more mature data collection, sharing and analysis arrangements in place across sectors and partners to enable a more comprehensive understanding of needs – both at an individual and system level. In addition, the collection and analysis of data on those with protected characteristics is not as well developed as it could be. There is also a need to move from to outcome measures rather than process measures.

A key part of the proposal is to ensure that organisations and systems develop a shared information collection protocol based on a common standard, with investment into data analysis and evaluative techniques to build an evidence informed approach to interventions.

As well as using data from public bodies there is a commitment to use a wider range of evidence. This will include voluntary and community groups, however key to this is how the lived experience of people who have multiple complex needs will help shape services and evaluate the effectiveness of interventions.

If the bid is successful, we will use the opportunity to develop an asset-based approach to capture direct experience of services to generate co-production of formal and informal services and support mechanisms – both at a local and strategic level.

3. Proposed delivery model and theory of change

Provide an initial proposal that sets out how you would build on existing work to improve support for adults experiencing multiple disadvantage in line with the core principles set out in section 2.3 of the prospectus. Your response should:

- a) Provide a summary of multi-agency partnership arrangements that would operate at an operational and strategic level to support delivery of the programme and provide local governance and oversight.
- b) Articulate how your proposed approach would lead to improved outcomes at the individual, service and system level as set out in section 2.1 of the prospectus.

Maximum 750 words

Partners have agreed a model that will address the unique circumstances in Cumbria. As the second largest county in England, the diverse nature of the county - with deprived urban areas and sparsely populated rural areas - means that the volume and type of need and the ability to access support varies across the county.

The model will also have to achieve the following design principles:

1. Redesign services around lived experience
2. Work using Making Every Adult Matter methodology
3. Building capacity through greater alignment and coordination of existing resources
4. Developmental approach to coproduction of community assets
5. Building the skills to work collaboratively with users (and other organisations)

The bid sets out a two-pronged approach to ensure the greatest impact:

- Creation of countywide system architecture that will make more effective use of existing and proposed operational capacity.
- Development of community assets to meet the needs of the different communities in Cumbria.

Operational Arrangements

Underpinning the model will be an operational framework that ensures that there is an aligned approach across different partnerships, organisations and professionals.

The backbone of this approach will be the six district-based Local Focus Hubs - locality-based forums for discussing complex multi-agency issues. All partners have committed to supporting their development to ensure that they can become the spine around which the operational model is built.

Set out in the next section there are a number of initiatives which are currently being developed by partners. Agreement has been reached that these will be aligned to the Hub model.

As a result, at the operational level there would be greater integration, collaboration across services, more effective support and reduced “demand” on reactive services. This will ensure fewer gaps between services and a reduction in people being passed between services.

A number of system changes will be developed and embedded, including:

- Formation of multi-disciplinary teams with support mechanisms
- Standard Operating Procedures
- Common referral mechanisms
- Data sharing systems
- Revised information governance arrangements.

However, as well as these transactional system changes, it is also recognised that work will be required to develop more transformational cultural changes. A key part of the bid is therefore investing in building the skills for collaborative working to create lasting change.

Asset Development

The Hubs will also provide a focus for generating a better understanding of both the needs and available assets currently in a local community. Working with local partners, community groups and with people with lived experience they will build community infrastructure and social capital.

This will build on award winning good practice, which is being further embedded by Hilary Cottam and Cormack Russell, in a local District to create a stronger, asset-based relationship between individuals and formal and informal support mechanisms.

Impact on Individuals

As a result of this approach, an individual would expect to see the following changes:

- Individuals being supported in a coherent manner coordinated across both formal and informal support mechanisms
- A single point of contact to support the individual
- Working with the individual to enable them to build the confidence and self-esteem to change and take back control of their lives
- Individuals active in identifying their priorities and support needs
- Help to build social network and connect to community support - family, friends, neighbours
- A no wrong door approach
- An ongoing support process – with no arbitrary cut-off point

Target Cohorts

Using the learning from the MEAM approach, the model is intended to be a targeted rather than universal approach with a focus on individuals whose behaviours/circumstances are having a high impact on themselves, others, communities, or services.

We will take a harm reduction approach providing particular support for those individuals who are vulnerable to exploitation. This will include, but is not limited to:

- Women within or at risk of entering into the criminal justice system;
- Individuals at risk of multiple exclusion linked to repeat homelessness and rough sleeping;
- High risk domestic abuse perpetrators
- Repeat offenders;
- Young adults in transition from children's services.

Strategic Governance

Overarching the proposal are new governance arrangements which will bring together all partners, including the voice of those with lived experience.

The model will use existing partnership arrangements and create a cross partnership group that reports into Safer Cumbria, the Public Health Alliance and the Cumbria Housing Group.

This will provide strategic oversight of the programme with evidence-informed decisions about prioritisation through robust analysis of a shared data set and evaluation of effectiveness of the programme; coupled with a rapid escalation mechanism to tackle barriers at senior level.

4. Commitment to lasting system change

Set out your commitment to driving lasting system change so that the benefits of the Changing Futures programme are sustained beyond the lifetime of the initial funding. Please also set out commitments to provide match-funding from partner agencies, either through direct funding or in-kind contributions as set out in section 2.6 of the prospectus. To note: we are looking to understand level of commitment from partners at this stage, and detailed match-funding commitments can be developed further at the delivery plan stage.

Maximum 300 words

An explicit and intentional design principle for this model is to ensure that it will be sustainable. To enable this the model has focussed on three key areas to ensure that there is no funding cliff edge:

- Long-term system capacity improvement through realignment of existing and proposed services to provide a more coherent and efficient support offer.
- Use of the programme monies to produce the system architecture to support this – including supporting the development of a new shared culture.
- Use of the programme monies to develop localised and self-sustaining community assets including those designed, developed and delivered by people with lived experience.

Partners have welcomed the opportunity to rethink the system response to individuals and have committed to the long-term realignment of services to support this. This includes:

- Development of District based Focus Hubs (Police/OPCC - match funding in kind)
- The establishment and support for multidisciplinary teams to undertake case spotting and management (all partners match funding in kind)
- CRC and NPS would commit resource to hubs (either virtual or in person) either probation officer or probation support officer – and be able to provide administrative support (NPS and CRC match funding in kind)
- Recommissioning the addiction support services to fit with the proposed model (Cumbria County Council - match funding in kind)
- Work with high risk domestic abuse perpetrators (Victim Support - match funding in kind)
- Use of Health and Wellbeing Coaches to support individuals. (Cumbria County Council - match funding in kind)
- Potential to link to district-based women centres and services for men (OPCC exploring commissioning opportunities – potential match funding in kind)
- Winter Wellness Hubs – (Morecambe Bay CCG– potential match funding in kind)

In addition to the services outlined above, partners have agreed that the developments set out in the next section will also align with the bid model.

5. Overlap with existing projects

A range of government or local programmes are underway led by different parts of the public sector or targeting specific groups with high levels of multiple disadvantage, such as (but not limited to): Rough Sleeping Initiative funding; NHS England long-term plan mental health funding; or other Shared Outcomes Fund programmes.

Please provide:

- a) A summary of other government funding and local programmes impacting adults with multiple disadvantages in your area
- b) Set out how involvement in the Changing Futures programme would provide additionality to complement and enhance these other programmes and interventions as part of a whole system approach.

Maximum 400 words

Some key programmes linked to Changing Futures are set out below. As part of the revised governance arrangements, connections between Changing Futures and these programmes will be established.

Operationally there will be seamless connections to ensure that systemic barriers to support – which will be broken down through Changing Futures– do not re-emerge when linking into these other programmes.

Pathways

The OPCC and Police are developing a Cumbria Out of Court disposal framework together with an early intervention offender management programme, providing a disposal framework in Cumbria known as Pathways.

This is a culture changing initiative that seeks to address the root cause of offending at an earlier stage of the “offending journey” and to address the consequences of those actions.

Involvement in the Changing Futures programme would assist to improve delivery of Pathways with collaboration with local partners across government departments, NHS, Voluntary and community sector.

Mental Health

Community Mental Health Transformation Funding is about changing ways of working for people with severe mental illness and adopting a partnership approach across health, social care, housing, substance use and voluntary services.

This will close the gap between primary and secondary care for people with severe mental illness many of whom have co-existing issues with substances, employment, accommodation etc. Integral to this is a co-production and a partnership approach to re-designing services which will link to the Changing Futures programme.

Troubled Families

The team are keen to expand the Troubled Families outreach service provision and it is envisaged the work through the Changing Futures programme would improve joined up working with marginalised and excluded adult family members, thereby improving relationships and reducing service duplication.

MHCLG Domestic Abuse Funding

From April Upper Tier local authorities will receive grant funding to enable them to fulfil their new duty with respect to supported accommodation for victims of domestic abuse. This will enable a refreshed look at how victims with multiple complex needs are helped to recover from their abuse.

Rough Sleepers Initiative

Cumbria has been working in partnership to address and meet the needs of rough sleepers across the county since 2019. District housing authorities have committed resource and receive grant funding from the MHCLG to achieve key objectives.

Health Outreach

During the pandemic work has been undertaken to ensure the health system wraps around the provision for homeless and temporarily housed, with Integrated Care Communities ensuring holistic assessments and referral into health services.

CHANGING FUTURES PROGRAMME BOARD

TERMS OF REFERENCE

PURPOSE

People with multiple complex needs are:

adults experiencing **three or more of the following five: homelessness, substance misuse, mental health issues, domestic abuse, and contact with the criminal justice system.**

Many of these individuals are not well connected to existing support services and it is recognised that there are many who fall outside single agency statutory thresholds but cumulatively have high impact on themselves, communities and service provision.

Many people in this situation may also experience poverty, trauma, physical ill-health and disability, learning disability, and/or a lack of family connections or support networks.

The role of the programme board is to provide the whole system oversight and coordination required to develop and deliver a “Changing Futures” model for supporting this cohort of people with multiple complex needs – as set out in the previously agreed Expression of Interest.

The Changing Futures model develops a coordinated, ‘whole person’ approach taking account of the full range of a person’s needs, strengths and resources. This will ensure that systemic, multi-agency, arrangements for people with multiple complex needs are put in place to ensure that the most vulnerable are able to be supported by a holistic range of services.

PRINCIPLES

In order to achieve change the programme Board will work to the following principles:

1. Co-produce the redesign of services around lived experience
2. Work using Making Every Adult Matter methodology
3. Support for service users to take account of the individual’s circumstances and context and should include support for families and personal support networks as necessary
4. Building capacity through greater alignment and coordination of existing resources
5. Developmental approach to coproduction of community assets
6. Building the skills to work collaboratively with users (and other organisations)
7. Recognition that statutory thresholds for services may not be an appropriate gatekeeping method in many cases

WORKSTREAMS

To enable this to happen there are three related workstreams

Systems - putting in place systems to ensure effective data management, case spotting, triage, assertive outreach multi-organisational working and evaluation; ensuring that there is an agreed process for case managing individuals

Commissioning - a review of commissioning practice to ensure that there are no gaps in service for those who do not meet statutory requirements and are complex or challenging. Ensure that there is appropriate support for service users to access.

Accommodation – to develop a sustainable accommodation market for those with multiple complex needs

FUNCTIONS OF THE GROUP

- Maintain an overview of performance issues across Cumbria.
- Provide analysis and challenge performance across the county against agreed evaluation outcomes.
- Develop and deliver an action plan to deliver the Changing Futures programme priorities.
- Support implementation of national and local new initiatives related to this issue.
- Provide oversight to operational task and finish groups and respond to issues escalated from those groups.
- Identify and respond to emerging threats, trends and opportunities.
- Develop and enable implementation of operational systems.

MEMBERSHIP

Work on addressing the needs of people with multiple complex needs can only be effective if multi-agency cooperation is achieved. The services, expertise and resources that partner agencies can bring to the development and delivery of a strategy are crucial to its success. Organisations from all sectors, statutory, voluntary and private, have a contribution to make.

Members are expected to:

- Regularly attend (or ensure attendance of a named deputy) and actively contribute to the group.
- Have sufficient authority and seniority to drive forward recommendations on behalf of the agency they represent.
- Commit to working in partnership to ensure a coordinated response to promote joint working, cooperation and mutual support.
- Ensure that relevant information from their organisation/sector is made available to the board and that information is communicated back to the organisation/sector they are representing, ensuring that Data Protection rules apply.

- Champion the cause individually, and take responsibility to make links to this work at other meetings and in their organisation.

Membership

Chair – Joint Chair by a District and County Council Officer
 Representative from each of the 6 Districts
 Adult Services, CCC
 Children Services, CCC
 Commissioning, CCC
 Public Health, CCC
 Cumbria Constabulary
 Office of the Police & Crime Commissioner
 National Probation Service/Community Rehabilitation Company
 Representative from Bay Health and Care Partners
 Representative from North Cumbria Integrated Health and Care system
 Representative from Third sector
 Representative from housing provider
 Department of Work and Pensions

NB members should identify a named deputy to ensure consistent attendance.

QUORACY

For a meeting to be quorate, either the Chair or Vice Chair must be in attendance, plus three other members from separate agencies.

REPORTING

The Group is accountable to, and will make recommendations to, Safer Cumbria - Community Safety Group and the Cumbria Housing Group.

For the use of the COMF Funding – this Board will report to the Health Protection Board as required.

It is recognised that there will be many organisations and funding streams supporting this work and the Programme Board will provide updates to support governance requirements associated with these.

DECISION MAKING

Decision will be made by consensus but if voting is required, decisions will be made by simple majority vote of all members present at any given meeting. It is recognised that, due to the partnership nature of the Board, that decisions, especially those that require commitment of resources, may have to be approved through the internal governance process of individual organisations.

MEETING ARRANGEMENTS

Frequency of meetings – Teams meetings every two months

Meeting Structure

In addition to the formal meetings of the Changing Futures Partnership Board, we will have alternative mechanisms in place for effective consideration of operational proposals and engagement with the full range of partners and stakeholders. Different types of meetings will be held – which will happen in the following formats:

- **Changing Future Partnership Board**– Formal meeting providing interface with reporting mechanisms. Consideration of Action plan to deliver priorities. Co-ordination of multiagency activity. Oversight of task and finish groups.
- **Task and Finish Groups** – Small groups set up to consider specific issues and to produce recommendations for adoption by the Board
- **Developments Sessions** –Deep dive sessions to focus on single area for action and provide mechanisms for wider engagement with stakeholders around a specific issue.

