

Carlisle Town Deal Board

Minutes

26th July 2022

9:45am

MS Teams

No.	Item
1	<p>Welcome and apologies</p> <p>Attendees:</p> <p>Emma Porter (EP) Jane Meek (JaM) Cllr Marilyn Bowman (MBow) Steven Robinson (SR) Cllr John Mallinson (JoM) Debbie Kavanagh (DK) Alison Hatcher (AH) Jo Lappin (JL) Mark Boyling (MBoy) Mark Nott (MN) Paul Musgrave (PN) Cyril Weber (CW) Cllr Lisa Brown (LB) Julie Mennell (JM) Samantha Aly (SA)</p> <p>Apologies:</p> <p>Andrew Mackay (Tullie House) Rob Brittain (Castle and Coasts) Brittany Mason (BEIS) Elaine Herbert (DWP)</p>
2	<p>Programme and Project update</p> <p>DLUHC have recently approved six business cases and funds have been released to enable these projects to be moved forward to delivery and implementation. The projects that have been approved are: Start with the Park, Southern Gateway, Project Tullie, Lighting Up Carlisle, Digital and Community Learning Hub, and Carlisle Business Exchange Centre.</p>
3	<p>Funding</p> <p>Funding has been released by DLUHC. Project Sponsors have now been updated and will now begin planning for next phase. Meetings have been arranged with CuCC and further meetings with other delivery partners will be arranged to release funding in tranches.</p>

	<p>CW – Given the current escalation of costs how strong are the schemes with regards to these rises?</p> <p>SR – Aware of escalation in costs of capital project delivery. Projects will need to be progressed according to funding envelopes. Spending will be kept under review. If there are challenges then the board would meet to discuss the options.</p> <p>JaM – Rising costs are on the risk register for the Town Deal projects and continue to be under review to assess if projects are still deliverable at each stage. There is a need to ensure that risk is kept under review and that project quality is high. If required, a change control will be brought to the board.</p> <p>JL – Would have been helpful for board to have sight of the risk register for the programme to help understanding of risk and mitigations.</p> <p>JaM – The risk register can be shared with the board</p> <p>Actions:</p> <ul style="list-style-type: none"> - Allocations to be added to budget - CaCC - Conversations to be arranged with Project Sponsors with regards to Grant Funding Agreements (GFAs) – SR - Risk Register to be shared with board ahead of next meeting – PMO (Programme Management Office)
4	<p>Market Hall Project</p> <p>The business case for the Market Hall has not been finalised so has therefore not been submitted to DLUHC. An extension had been agreed until June and it has now been agreed to move this to December following continued challenges relating to the acquisition of the head lease of the Hall. Detailed survey work and schedule for repair has revealed substantial repair liability which does not fit with the asking price the vendor is seeking. Discussions continue to seek a substantial reduction in price as the project cannot be delivered within the funding envelope at the current asking price. CaCC are committed to the project to drive forward regeneration of the city centre. CaCC remain optimistic about finding a solution.</p> <p>JoM – How keen are the vendors to sell the property? Are CaCC in a good bargaining position?</p> <p>JaM – BAE are very keen to sell.</p> <p>SR - The Hall currently has two good tenants which are a good income source. The value of the Hall comes from the income potential versus the liabilities of the upkeep and the maintenance of the freehold interest. There has been a previous focus on tenant income but the repair liability has now been highlighted. The current asking price is £1.75 million and the repair liability is estimated to be £1 million required immediately and up to £3 million in the short to medium term. Negotiations are challenging and are ongoing.</p> <p>JL – If there is no agreement by the December deadline is there a plan B?</p> <p>SR – Specialists are currently working on negotiations with a deadline set for end of August to seek a mutually acceptable price. If the August deadline is not met then we will begin to look at a contingency plan and change control options will be</p>

	brought to the board. If this happens then we need to ensure that funding is not lost and that this is redirected in the most appropriate way.
6	<p>Next steps</p> <p>AH – Board need oversight of the progress of all Town Deal projects. Board need to be sighted on where changes are emerging.</p> <p>JuM – Are the board clear on role? Are the board fulfilling obligations?</p> <p>JaM – The purpose of this meeting was to keep the projects on the radar of the board and inform the board of the recent milestone of business plan approval from DLUHC. The next step will be for a full Town Deal board meeting to discuss the projects in more detail. A meeting will be arranged for September.</p> <p>SR – This meeting was to update the board on the milestone of business plan approval and to highlight the challenges that are ongoing with the Market Hall. The meeting in September will be good to bring the options/recommendations for the Market Hall and discuss the six Grant Funding Agreements for the already approved projects.</p> <p>MBow – Report was taken to CaCC exec team yesterday (25/7/22) and it was approved for the Council to be the accountable body for the Town Deal Programme and for the projects to be added to the Council’s capital programme to enable grant funding agreements to be drawn down. There will be a 10 day call in period.</p> <p>CW – Can funding be moved between Town Deal Projects and Future High Street Fund projects?</p> <p>SR – There is no potential to move funding between programmes but there is potential to move funding within projects subject to change control.</p> <p>Actions:</p> <ul style="list-style-type: none"> - Meeting to be arranged for September – PMO - A pack will be issued to board members ahead of the September meeting to ensure that members are fully informed - PMO
7	<p>AOB</p> <p>DK – Packs are ready for Head of Terms discussions with Project Sponsors.</p> <p>SR – There were press releases with regards to business case approval last week. Project Sponsors will now release own comms regarding their projects.</p>