

Town Deal Board

Wednesday 28th September 2022 14:30-16:30

Eden Room, Civic Centre, Carlisle

AGENDA

Agenda No.	Item	Officer	Paper
1	Welcome / Apologies	Chair	N
2	Terms of Reference	KL	Y
3	Assurance Framework	SR	Y
4	Review of minutes & actions from previous meeting	DK	Y
5	Update from Project Delivery Group	KL	Y
6	Programme / Project updates	DK	Y
7	Market Hall update	SR	Y
8	Next Steps & AOB	Chair	N

TERMS OF REFERENCE

Carlisle Town Deal Board

1. Purpose

The Town Deal Board (“the Board”) will be the vehicle through which the Town Investment Plan is delivered, ensuring that the projects delivered support the realisation of the vision and objectives of the Town Investment Plan.

2. Status

The Board will act in an advisory capacity to the Carlisle City Council (“the Lead Council”)

3. Membership

The chair of the Board should represent a private sector business or organisation and be reviewed every three years. The current sitting Town Deal Board Chair is Emma Porter of Story Contracting.

The Board membership maybe revised, as required, to best support the evolving nature of the programme, provided the core membership remains in line with government guidance. The decision to appoint or alter the membership of the Board rests with the Corporate Director of Economic Development of the Lead Council, in consultation with the Leader of the Lead Council.

As appropriate, the Board may set up sub-groups or task and finish groups to focus or manage aspects of the Town Investment Plan and any subsequent Town Deal. All such groups will report to the Board. The current members of the town deal board are:

Emma Porter - Story Contracting (Chair)
John Stevenson - MP
Cllr John Mallinson - Carlisle City Council
Cllr Marilyn Bowman - Carlisle City Council
Cllr Cyril Weber - Cumbria County Council
Professor Julie Mennell - University of Cumbria
Niall McNulty - Cumbria CVS
Andrew Mackay- Tullie House Museum
Elaine Herbert - DWP
Rev. Mark Boyling - Carlisle Cathedral
Jo Lappin - Cumbria LEP
Rob Brittain- Castle and Coasts Housing Association

Non-Member attendees

The following Officers attend Board meetings to provide support and advice to Carlisle Town Deal Board on a regular basis:

Jane Meek- Carlisle City Council
Steven Robinson- Carlisle City Council
Debbie Kavanagh – Carlisle City Council
Samantha Aly – Carlisle City Council
Ken Lau – Carlisle City Council
Alison Hatcher- Cumbria County Council
Paul Musgrave- Cumbria County Council

Non-Members may take part in discussions, however, do not have voting rights.

4. Remit

The Board shall advise the Lead Council on such matters including but not limited to:

- a) The development of business cases, the application of the approved local assurance framework and the readiness for submission to government
- b) The ongoing development of the Town Deal projects as they proceed through the design stages towards implementation
- c) The monitoring and evaluation of the programme, including the achievement of project milestones / progress, spend, outputs and outcomes
- d) The managing the risks associated with the delivery of the Town Deal programme.
- e) Wider community and stakeholder involvement in delivery of the Town Investment Plan

5. Geography

The Carlisle Town Deal area is shown in Appendix 1.

6. Meetings

The Board shall meet on a minimum of a quarterly basis, with a forward plan of scheduled meetings established. This programme will be supplemented, as necessary, with meetings convened with the agreement of the Chair of the Board.

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

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

The quorum for any meeting of the Board shall be **at least 50%** of its membership, including the Chair. Each and any decision taken by the Board requires that over 50% of members are involved in decision making.

7. Secretariat

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

8. Code of conduct and conflicts of interest

In becoming a member of Carlisle's Town Deal Board, each Board Member agrees and is under an obligation to act in accordance with the Lead Council Code of Conduct, i.e., in performing their duties, they must act with integrity, honesty, impartiality, objectivity and within the law. Members must adhere to the 7 principles of public life, (the Nolan Principles) when carrying out their responsibilities as Board Members:

- **Selflessness:** Holders of public office should act solely in terms of the public interest;
- **Integrity:** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships;
- **Objectivity:** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias;
- **Accountability:** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this;
- **Openness:** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing;
- **Honesty:** Holders of public office should be truthful; and
- **Leadership:** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

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

9. Complaints

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

10. Data Protection

The General Data Protection Regulation (GDPR) policy and procedure of the Lead

Council will be applied in all cases.

11. Equality and Diversity

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

12. Freedom of Information (FOI)

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

13. Amendments

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

Annex 1: Carlisle Town Deal Area



Town Deal Area
Map (August 2020 re

Carlisle Town Deal Assurance Framework

September 2022



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1. Introduction

Vision and Investment Plan

In Autumn 2019, Carlisle was announced as one of the 101 places invited to develop a Town Deal as part of the £3.6 billion Towns Fund. The Town Deal will secure investment to support the regeneration of the city, support skills and business development and improve digital and physical connectivity.

Carlisle City Council has convened a Town Deal Board made up of people from some of Carlisle's key public and private sector organisations to create a Town Investment Plan to drive this investment. The Town Investment Plan includes projects that will be taken forward as part of Carlisle's Town Deal.

Carlisle's Town Deal Board submitted its Town Investment Plan to government in October 2020.

The Investment Plan sets a vision for Carlisle, developed by the Board in consultation with key stakeholders and local communities and businesses:

“By 2030 Carlisle will be a thriving centre for businesses, residents, education, and culture providing new jobs, thousands of extra homes, better skills, a high-quality leisure offer, a clean environment, and a great quality of life for a growing resident population and workforce. It will be a flourishing visitor destination, welcoming tourists to the City and offering an attractive gateway to the beauty of the wider Cumbrian and Borderlands region.”

The following strategic objectives have also been developed, to help achieve this vision:

- **Growing City:** To grow the working-age population of Carlisle and expand the business and employment base, through investment in housing, business growth, high-quality job creation, and education & skills
- **Vibrant City:** To increase vibrancy and activity in Carlisle city centre, creating a thriving community of students, residents, businesses and workers using the centre for education, housing, work and leisure activities, during the day and into the evening.
- **Connected City:** To make Carlisle a highly accessible and connected city, supporting growth by making it easier for residents, workers, students and businesses to arrive at and move around the City.
- **Destination City:** To grow Carlisle's visitor economy, attracting additional footfall, vibrancy and spending to the City.
- **Resilient and Inclusive City:** To enable Carlisle's businesses, people and communities to be resilient to current and future economic and environmental challenges including climate change, economic exclusion and unemployment, and recovery from the Covid-19 pandemic.

In March 2021 the government confirmed that Carlisle has been successful in securing £19.7 million from the Towns Fund.

Carlisle Town Deal Board

The Carlisle Town Deal Board is the vehicle through which the vision and strategy for the Town Deal has been defined. The Board is made up of 15 representatives from key public and private sector organisations in the city.

The Board provides a leadership role for the City of Carlisle, challenging partners and working collaboratively to ensure the shared vision for Carlisle is realised. Each board member is an advocate for Carlisle. Since its inception in 2020 the Board has worked to agree a vision for Carlisle and develop the Investment Plan, ensuring that this plan is embedded in evidence and sets a strategy and objectives that are distinctive for Carlisle.

As the Town Deal enters its next phase, the Board will continue to provide strategic oversight of the delivery of the Town Deal programme.

Local Assurance Framework

This Local Assurance Framework (LAF) sets out how the Carlisle Town Deal Board will effectively undertake its role in relation to good governance and allocation of public funds it is responsible for. It identifies the roles to be taken by Carlisle Town Deal Board and its sub-groups, and by the Accountable Body. This includes the process of ensuring value for money, prioritisation, appraisal, business case development and risk management.

It also sets out the process to be followed in selecting priorities for the Towns Fund. Carlisle Town Deal Board is fully committed to ensuring the highest standards of governance, accountability and transparency across all aspects of its activities and will review the LAF annually and make any changes in line with changes made to the Local Growth Assurance Framework to ensure consistency and full compliance. The Local Growth Assurance Framework has been used as a guide for the development of this Framework in the absence of an overarching assurance framework for the Towns Fund programme.

Carlisle City Council is the Accountable Body, and therefore has responsibility for ensuring this LAF is in place, meets the standards set out by Government and that all funding decisions are made in accordance with it. The Section 151 Officer will provide assurance of proper use of Government Funds and Governance Procedures within the Carlisle Town Deal Board activities.

Carlisle City Council and the Carlisle Town Deal Board will notify the Department for Levelling Up, Housing and Communities (DLUHC) of any significant changes made to the LAF.

2. Governance

The Carlisle Town Deal Board has clear processes, rules and systems in place to ensure that decision making is transparent and decisions are made by the appropriate persons/groups with appropriate skills and ability.

Members of the Carlisle Town Deal Board and other subgroups will work within the agreed governance structures and will always demonstrate the highest standards of conduct. Any third party involved with the Carlisle Town Deal Board or who is providing a service to the Carlisle Town Deal Board will be made aware they are expected to act within the governance system and that their conduct is expected to be consistent with the standards applicable to members of the Carlisle Town Deal Board.

As per the Towns Fund Prospectus, the Government expect that Town Deal Boards align with governance and policies of the Lead Council (Carlisle City Council). This includes whistle blowing, conflicts of interest and complaints.

Carlisle City Council expects employees and its Members to adhere to the seven Nolan Principles of public life. Therefore, Members of the Carlisle Town Deal Board, and its working groups are expected to adhere to those same principles of:

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

Each Board member is required to submit a signed version of the Register of Interest, Terms of Reference and Code of Conduct (Appendix 1 and 2) in order to become a member. These are published on Carlisle City Council's Regeneration page at: <https://www.carlisle.gov.uk/regeneration/Projects/towns-fund>

In light of COVID-19, meetings may be held in person or virtually, the same rules apply in both settings.

An agenda, including reports presented to the Carlisle Town Deal Board is required to be circulated to all Board Members 5 working days prior to a Board Meeting and will be published on the Regeneration Webpage.

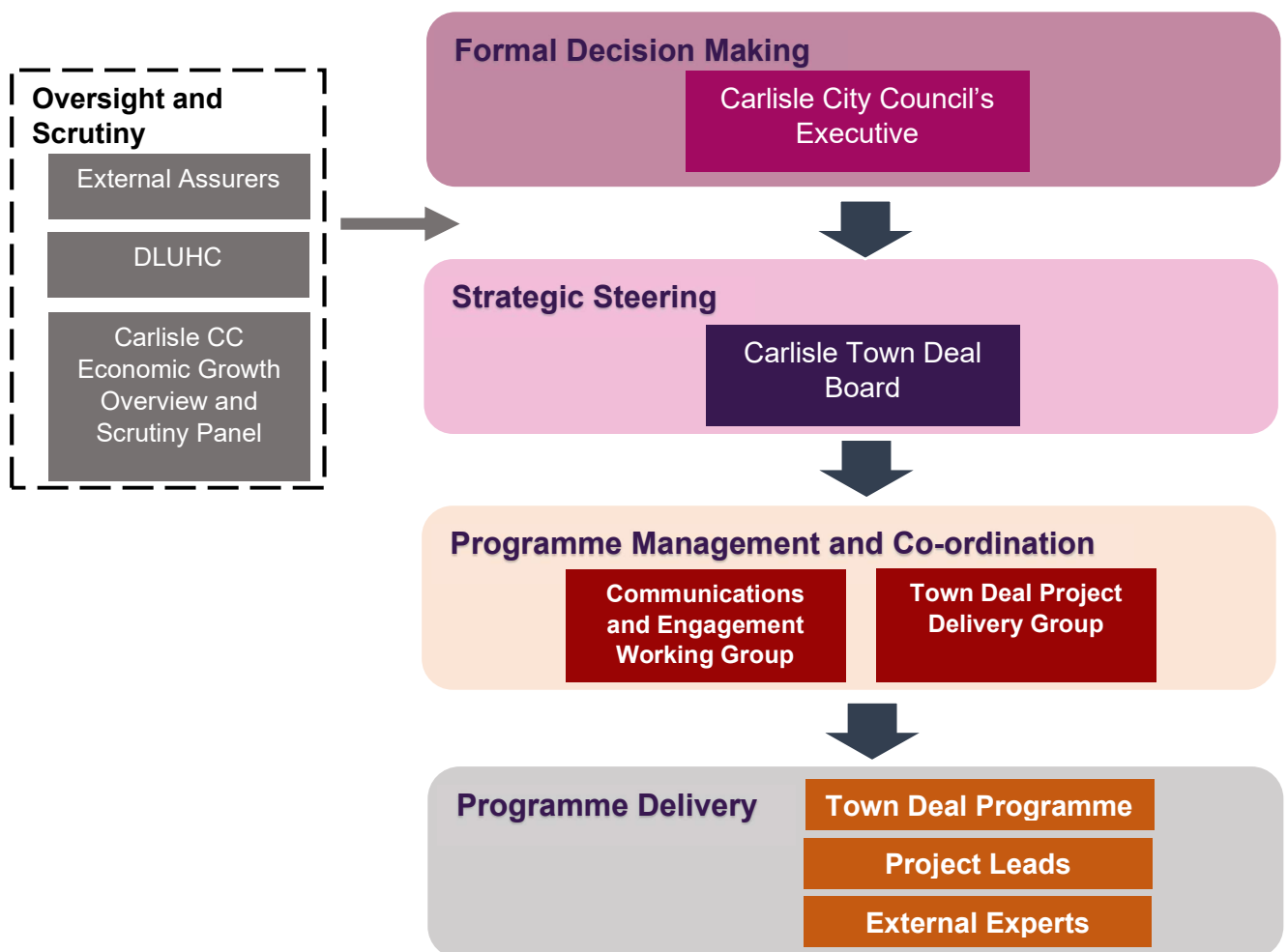
An item of business not included in the agenda for a meeting may be considered by the meeting for reasons of urgency, if the person presiding at the meeting considers it appropriate and necessary to do so. Only in the most exceptional circumstances might it be considered necessary and appropriate for a matter of strategic importance to be dealt with in this manner.

Minutes and actions from Board meetings are required to be published and circulated to Board Members no more than 10 working days following a Board meeting.

Structure

Governance Structure

The Governance Structure for the Town Deal is as follows:



- Carlisle Town Deal Board provides a strategic 'steering' function advising and providing recommendations to Carlisle City Council.
- Carlisle City Council is the Accountable Body (and Lead Authority), therefore formal decision-making responsibilities lie with Carlisle City Council.
- Programme Management and Co-ordination is delivered through the Project Delivery Group and Communications and Engagement Working Group
- The Town Deal Programme Lead and individual project leads are responsible for programme delivery, working with external experts as required.
- Oversight and Scrutiny is ensured through engagement with DLUHC, Carlisle City Council's Economic Growth Overview and Scrutiny Panel, and the appointment of external assurers to assure the business cases.

Board Representatives and Structure

The Board comprises of 15 public and private organisations, including from local government, education sector, the creative/cultural sector, the voluntary sector and business.

The Board has the following representatives:

- **Chair:** The Chair leads and facilitates the meetings, providing strategic direction, and is filled by a private sector representative. The Chair will be reviewed on an annual basis.
- **Board Members:** Representatives from a range of sectors, including from local government, education sector, the creative/cultural sector, the voluntary sector and business. The Board takes decisions on a collective basis, there may be one vote per member. The Board membership maybe revised, as required, to best support the evolving nature of the programme, provided the core membership remains in line with government guidance. The decision to appoint or alter the membership of the Board rests with the Corporate Director of Economic Development of the Lead Council, in consultation with the Leader of the Lead Council.
- **Substitute Members:** In consultation with the Chair, members of the Board may nominate substitutes if they are not able to attend a meeting, Substitute members are required to follow the governance process.
- **Advisors and technical support:** Advisors are invited by Board Members to participate in the meetings but have no voting rights or ability to make decisions on behalf of the Board.

The Cities and Local Growth Unit (a partnership between the Department for Business, Energy and Industrial Strategy and the Ministry of Housing, Communities and Local Government) Area Lead will attend board meetings in an observer capacity.

The Lead Authority

Carlisle City Council is the Lead Authority and Accountable Body, and the following Committees, Officers and Teams fulfil the following roles in the Town Deal:

- **The Executive:** Recommendations made by the board require approval by the Council's Executive Committee, or the Leader of the Council (as the Portfolio Holder for Regeneration), or a relevant officer, provided that an appropriate scheme of delegation is in place.
- **The Corporate Director of Economic Development:** The Corporate Director of Economic Development attends Board meetings to advise the Board and works closely with the Chair to ensure management of the programme.
- **The Regeneration Manager:** The Regeneration Manager is the Programme Manager and provides day-to-day management of the programme.
- **Secretariat:** The Council provides the secretariat function for the Board Meetings.
- **S151 Officer:** The Council's S151 Officer will ensure compliance with all necessary financial regulations, in order to protect the accountable body and ensure proper administration of all financial affairs.
- **Economic Development Programme Management Office (PMO):** The PMO will lead a wider management and support function of the Programme, with additional support provided by the Council's Governance and Finance teams as required.

Roles and Duties as the Accountable Body

- Develop a delivery team, delivery arrangements and agreements
- Ensure decisions made by the board are made in accordance with good governance principles
- Ensure transparency requirements are met through publication of information on their website
- Develop agreed projects in detail and undertaking any necessary feasibility studies - undertaking any required Environmental Impact Assessments or Public Sector Equalities
- Develop detailed business cases for projects
- Liaise with potential private investors in identifying local projects
- Agree and Sign the Heads of Terms Agreement with government
- Lead and manage the delivery of public sector projects within the TIP
- Work with partners on the delivery of joint private and public sector projects
- Monitor and evaluate the delivery of individual projects
- Submit regular monitoring reports on all TIP projects to the DLUHC
- Receive and account for any project funding including Towns Fund monies

Working groups

Two working groups, the Communication and Engagement Working Group, and Project Delivery Group have been formed, that report to the Board. Both groups meet on a 6 weekly basis and include representation from relevant officers from the project sponsor organisations, who are each Board members. This Includes:

- Carlisle City Council
- Cumbria County Council
- Tullie House
- University of Cumbria

Project Delivery Group

The Project Delivery Group is responsible for leading the delivery of the projects within the Town Deal programme, providing updates and information to the Lead Authority and Town Deal Board to ensure the programme is effectively managed across the partnership.

The group is comprised of project managers and project officers responsible for each project, and includes representation from both Councils, the University of Cumbria, and Tullie House.

Communications and Engagement Working Group

The Communications and Engagement Working Group is responsible for co-ordinating all communication, promotion and engagement required for the delivery of Town Deal projects. The group will take responsibility for programme level engagement, while reviewing and supporting project level engagement work taken by project sponsor organisations.

The group is comprised of communications representatives from each of the project sponsor organisations, alongside the Programme Manager and a supporting officer from the Lead Authority. Other project officers may be invited to attend as required.

3. Scheme of Delegation

The Town Deal Board acts as a steering board, which is responsible for providing strategic direction with regard to the Town Deal programme, this includes approving strategies and plans (including the TIP and any alterations to the TIP), and decisions regarding any alterations to the projects in the Town Deal programme.

Decisions will generally be taken during Board meetings; a clear majority of Board member votes is needed in order for any decision to be considered valid. Any decision that needs to be made that does not fit within the timeframe of scheduled meetings can be decided through the written procedure:

- Only with the Chair's approval may a decision be taken through the written procedure.
- A report covering the matter at hand will be circulated to Board members, with a recommended action for the Board to take, to ensure Board members are consulted, Board members will be given the chance to comment within 5 days.
- The decision may then be made, with agreement of the Chair.
- If a majority of Board members indicate that they are not comfortable with the decision being made within the 5 days (by notifying the Chair and Lead Authority), the decision will be taken at the next available Board meeting- Board meetings may be brought forward in cases of clear urgency.

Formal decision-making with financial implications must be ratified by Carlisle City Council as the Lead Authority. The Council will ensure that all decisions made by the Board is in line with its own governance processes.

The Corporate Director of Economic Development, in liaison with the S151 Officer will ensure compliance with all necessary financial regulations, in order to protect the accountable body and ensure proper administration of all financial affairs.

4. Code of Conduct

All Members of the Board, sub-boards or Panel or any other Group will be required to sign up to and act in accordance with the Board Members Code of Conduct, which incorporates the Nolan Principles, included as part of the Town Deal Board Terms of Reference.

If any Member's conduct falls short of the standards set in the Member's Code of Conduct, they may be dismissed from any or all, of their roles by a majority vote of the Board.

The member in question will not be allowed to participate in this vote. This will also apply if there has been any proven misconduct in a non-Town Fund role or illegal activity that may bring the Town's Fund activity into disrepute.

Whistleblowing

If a Board Member, officer, third party stakeholder, or member of the public, becomes aware of any activity undertaken by the Board or its members that they perceive as illegal, improper, unethical or otherwise inconsistent with the Code of Conduct, they should report this matter in line with Carlisle City Council's Confidential Reporting Policy, this is available at: <https://www.carlisle.gov.uk/open-data/Publication-Scheme/Our-policies-and-procedures>

5. Communication, Publications and Engagement

Publication of reports and documents

Carlisle Town Deal Board papers are published on the Carlisle Regeneration webpage.

These are published in line with the Best Guidance Practice Guidance in accordance with the Local Government Act 1972, meeting agendas and papers are published 5 working days before the meeting takes place and draft minutes of the meeting are published within 10 working days of the meeting taking place.

Any declaration of interest made at the meeting will be included in the minutes.

Carlisle City Council, as the Accountable Body, determine whether information is treated as public or private (not for publication). The Board and Lead Authority are committed to transparency and openness, and aim to ensure information regarding the Board and projects is readily available, unless there is reason for exemption, as per The Local Authorities-Executive Arrangements Meetings and Access to Information Regulations 2012:

1. Information relating to any individual.
2. Information which is likely to reveal the identity of an individual.
3. Information relating to the financial or business affairs of any person (including the Authority holding that information).
4. Information relating to any consultations or negotiations, or contemplated consultation or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6. Information which reveals that the authority proposes:
 - a. To give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - b. To make an order or direction under any enactment.
7. Information relating to any action taken or to be taken in connection with the prevention, investigation, or prosecution of crime.

Carlisle City Council has in place appropriate data protection arrangements in line with the General Data Protection Regulations (GDPR) and the Data Protection Act 2018. The Council is the Data Controller for the Board in its capacity as Accountable Body.

Consultation and engaging with stakeholders

Carlisle Town Deal Board and Carlisle City Council are committed to ensuring effective engagement and collaboration with all partners and stakeholders to support the Board in its role as an effective advocate for Carlisle, and communicate key information relating the Town Deal Projects.

Examples of engagement activities include:

- Consultation with partners, stakeholders and local communities on the Town Deal projects.
- Regular engagement with local media on the project updates.
- Regular social media and webpage updates
- Organising focussed sessions with key stakeholders, including young people and local businesses.

Engagement is used to shape project development, inform key decisions and help set priorities for future strategy development.

The Town Investment Plan, together with strategic documents produced by Carlisle City Council and its partners, help provide the context, rationale and up to date evidence base for project and programme development.

Carlisle Town Deal Board will remain in regular communication with DLUHC and the Towns Fund Delivery Partner and other towns who have received investment from the Towns Fund to ensure a collaborative approach to sharing ideas and support on any challenges.

Branding

A brand for all Town Deal publications has been developed by Carlisle City Council's Design Team. This will be used for all publications and can only be used with the Council's permission. Any development of the brand will be led by Carlisle City Council. All project publications must adhere to the branding guidance.

Carlisle City Council will lead on any general Town Deal communications (including announcements and reaction to press enquiries). Press releases and statements to be approved the Corporate Director of Economic Development, the Leader of Carlisle City Council, and the Chair of the Town Deal Board prior to issue.

Project lead organisations will work with the City Council as the Lead Authority to sign off any project level communications, ensuring that the Council is involved in project level communications, and that the material appropriately references Carlisle Town Deal.

For major announcements, HM Government and the Town Deal Board will be notified in advance. The ability to provide any printed material is limited at present. Copies of

printed publications will be made available only where there are no other means of sharing the information.

All communications will need to adhere to the government's Towns Fund Communications and Branding guidelines.

6. Financial Regulations

Carlisle City Council must conduct its business efficiently and ensure it has sound financial management policies in place, including arrangements to monitor compliance.

Carlisle City Council's statutory Section 151 Officer is also charged with ensuring that proper financial management processes are in place.

Carlisle City Council's financial regulations provide clarity about the financial accountability of individuals.

The regulations identify responsibilities of individuals across all levels. Written records are a requirement where decision making has been delegated to members of staff in order to give assurance that tasks or decisions have been performed in accordance with the Financial Regulations.

A scheme for further delegations will be put in place by the Accountable Body with specific reference to the delegation of authority for the Towns Fund programme. This proposal will ensure the most efficient and timely management of the programme, in the context of the delivery timeframes.

7. Procurement

Carlisle City Council, as the Accountable Body carries out all procurement processes on behalf of Carlisle Town Deal Board. As a public sector body, the Council follows rigorous procurement processes in full compliance with HMT regulation on tendering and procurement and is a 'contracting authority' under the Public Contracts Regulations.

8. Inclusion and Sustainability

Carlisle Town Deal Board looks to enable inclusivity and sustainability in all its decision-making processes and strategic development.

The Board will consider how projects will improve the economic, social, and environmental well-being of Carlisle, how equality issues are considered, and how such improvements can be secured in the Town Investment Projects.

Carlisle Town Deal Board is committed to securing social value within the project designs.

All of the Carlisle Town Deal Board strategies set out the inclusive ambitions and all decisions for capital funding must take into consideration the relevant charter which requires all projects to align their construction and development projects to a set of principles which create sustainable Economic, Environmental and Social impacts.

Each project as part of the Green Book Business Case should include details of how it meets the governments clean growth principles and Public Sector Equality Duty (PSED).

9. The Projects and Assurance Process

In October 2020, Carlisle submitted the Carlisle Town Investment Plan, which outlines seven projects to drive Carlisle's growth and regeneration over the next 10 years.

These projects are:

- **Start with the Park, St. Cuthbert's Garden Village:** The 'Start with the Park' project will provide the 'Greenway' a connective, multi-modal green travel route connecting the key settlements of SCGV with Carlisle City Centre and providing a high quality leisure and recreation facilities. The project will position SCGV as a unique and attractive destination for working-age families.
- **Southern Gateway:** An integrated programme of investments in active and sustainable travel and public realm to better connect key developments in the Southern Gateway area of Carlisle, including the Railway Station, Citadels, Devonshire Street and the former Central Plaza site, and to connect St. Cuthbert's Garden Village with the City Centre.
- **Welcome & Entrance to Tullie House Museum, Project Tullie:** part of a wider programme of investment at Tullie House Museum, this project will better connect the Museum to the surrounding streetscape, increasing its visibility by providing a clear and contemporary point of arrival for visitors.
- **Lighting Up Carlisle:** Investment of capital funding in digital lighting equipment to support an expanded and transformed events programme.
- **Digital and Community Learning Hub:** Refurbishment of the City Centre Library to create an accessible digital skills and community learning hub, and installation of digital equipment and training materials in 13 community venues.
- **Citadels Business Infrastructure:** A purpose-built hyper fast digitally enabled business interaction and accommodation space, linked to the University of Cumbria's flagship campus development on the Citadels site.
- **Carlisle Market Hall:** Investment to improve the infrastructure and internal structure in the Market Hall to improve the experience for shoppers and visitors and exploring options to create a food court and events space.

Business Cases

Carlisle Town Deal Board are required to approve Business Cases for each project identified in the Town Investment Plan. Board Approval must also be formally ratified by Carlisle City Council as the Accountable Body. It is the responsibility of the Project Delivery Group to develop, and the Programme Manager submit the Business Cases for assessment.

The Business Case is a document setting out the case for investment used to justify the use of public spending and will set out the Case for Change, demonstrate that the investment is good value for money, affordable and deliverable. The Business Cases should be developed in accordance with the following government guidance documents; HM Treasury Green Book, HM Treasury Guide to developing a Business Case, Department for Levelling Up, Housing and Communities (DLUHC) Appraisal Guidance, DfT Transport Appraisal Guidance, DfT Appraisal and Modelling Strategy.

The Business Cases should be structured on 5 key dimensions, as referred to in the HM Treasury Green Book and referred to as the '5 Case Model'

The Strategic Case should cover:

- Baseline analysis of the study area identifying key challenges to be addressed
- Review of relevant local, regional and national strategic policies
- Develop and agree a clear vision and objectives with stakeholders
- Analyse the need for intervention
- Project prioritisation to identify option for investment
- Develop a clear theory of change for the investment
- Assess how the investment fits in with other investments including consideration of dependencies.

The Economic Case should cover:

- Identify key benefits based on the theory of change
- Identify ways of modelling and monetarising benefits based on departmental guidance and considering the risk of double counting
- Determine costs, setting out clearly what they include and apply relevant adjustment factors
- Value for money assessment over the appraisal period including sensitivity tests
- Consideration of non-monetary benefits including social value.

The Financial Case should cover:

- Identify project costs including capital and operating costs and risks over time
- Ensure funding and financing are both covered
- Assess funding sources, project cash flows over time and the funding ask in a financial model
- Assess overall affordability of schemes

- Consider wider financial implications such as balance sheet treatment and tax issues
- Provide information on due diligence that has been undertaken to ensure the project costs are robust and sensitivity testing to understand a range of possible outcomes.

The Commercial Case should cover:

- Identify who the scheme/promoter is.
- Develop the procurement strategy
- Set the commercial strategy and set out contract arrangements including implications
- Consider social value in procurement
- Demonstrate market testing or other evidence that there is a market to deliver the project
- Determine the allocation of risks

The Management Case should cover:

- Identify governance including roles and responsibilities
- Develop a programme for investment with key milestones and decision points clearly identified
- Develop a stakeholder engagement and communications strategy
- Assess project risks and dependencies
- Develop a benefit realisation plan and monitoring & evaluation strategy

A Business Case must be developed for each of the selected projects in line with the conditions set in the Heads of Terms document. If a project consists of a package of smaller interventions these can be grouped into one Business Case as long as the strategic case is put forward demonstrating how the separate interventions link together to deliver a coherent vision. The value for money assessment must cover the project as a whole but each intervention must be costed in the financial case.

A Public Sector Equality Duty (PSED) should be fulfilled through a programme-level impact assessment; a relevant project-level impact assessment should also be undertaken. The Supplier assigned to develop the Business Case should work with the Accountable Body to produce a Summary Document for submission to DLUHC within 12 months of signing the Heads of Terms document. Environmental Impact Assessments should also be undertaken when required.

Green Book compliant Business Cases should be developed for each project. Business Cases should include:

- The evidence for the intervention using rigorous analysis of quality data and the application of best practice.
- An assessment of value for money. Attention should be given to how different types of projects will be compared and assessed. Typically, this would include the following considerations at a level proportionate to the scale of funding required for the proposal:

- A clear economic rationale that justifies the use of public funds in addition to how a proposed project is expected to contribute to strategic objectives
- Clearly defined inputs, activities, outputs and anticipated outcomes, ensuring that factors such as displacement and deadweight have been considered
- Benefits that exceed the costs of intervention using appropriate value for money metrics
- Appropriate consideration of deliverability and risk along with appropriate mitigating action (the costs of which must be clearly understood).

Recognising the diversity of market conditions and the acute nature of the Covid-19 impact in some localities, no minimum value for money threshold is set for Towns Fund projects. However, to follow best practice, all Business Cases must contain robust value for money assessments. If value for money values are low, then additional justification should be provided. A variety of measures can be used to summarise value for money, this includes estimates for:

- Net Present Social Value - defined as the present value of benefits less the present value of costs. It provides a measure of the overall impact of an option.
- Benefit-Cost Ratios - defined as the ratio of the present value of benefits to the present value of costs. It provides a measure of the benefits relative to costs

Net present social value and benefit-cost ratios should not be treated as a full representation of value for money. Rather, they should be used to summarise the benefits and costs that can be readily monetised or quantified. There may be wider strategic or social value to an intervention which may not be easily assimilated into calculations.

Business Cases should address, in a proportionate manner, the five cases set out in the HM Treasury Green Book. The Green Book has recently been updated to ensure the methodology supports the delivery of Government's levelling up ambitions and other policy priorities. These updates include a much stronger emphasis on the strategic case backed up by rigorous theory of change analysis, and renewed clarity on what constitutes value for money.

Business Cases should be developed to meet the assurance requirements of the Accountable Body. In addition to the Green Book, other appraisal guidance should be followed for specific thematic interventions where available.

All Final Business Cases must be signed off by the Carlisle Town Deal Board and Carlisle City Council to be considered a complete and final document. A Summary Document of the Full Business Case must be produced for each project. This should be submitted to DLUHC within 12 months of signing the Heads of Terms for the Town Investment Plan in order for funds to be released, save for any revenue or capitalised funding received in advance.

It may be permitted by DLUHC that all or a proportion of project funding can be released at an earlier date (fast tracked) before a Full Business Case has been

developed where there is a clear case for funding being needed to enable/support project progression. Release of funding will be conditional on the submission of Summary Documents, appropriate monitoring & evaluation agreements made between the Board and the project lead and completed within 12 months of the Heads of Terms Agreement. Therefore, Full Business Cases will still need to be worked up for all projects. Should the project not progress during the development of FBC the accountable body may seek to claw back funds from a project lead organisation.

It is possible that some projects may have to submit 'Conditional Business Cases' for Board and Accountable Body approval at the 12-month stage. Conditional Business Cases may be necessary where progress is dependent on procedures and permissions beyond the control of the project sponsors (e.g. the granting of full planning permission or other third party processes). In these cases, the qualification must be clearly stated, and an appropriate risk analysis included.

The Assurance Process

Independent Assurers will be appointed to assure, appraise and evaluate all business cases submitted to ensure that they comply with the following:

- They adhere to the process as set out above in the 'Business Cases' section.
- They adhere to the guidance provided by government, are Green Book compliant and meet the 5-case model.
- The project clearly resembles that developed as per the project proformas developed for stage 1 (October 2020) and stage 2 (where applicable, May 2021)- although recognising that further development may have resulted in some minor changes.

Upon submission of the Full Business Cases, the appointed Assurer will be required to evaluate the documents in line with the required structures and methodologies set out in the Green Book to ensure compliance with the Town Board requirements and governance needs.

The appointed Assurer is expected to meet the deadlines outlined and led by Carlisle City Council and show commitment and integrity in delivering to a fast pace, changeable agenda.

Any changes to deadlines and timescales must be agreed with and approved in writing by the Authorities representative.

The steps for the assurance process and submission of Business Cases are as follows:

1. Following the completion of the independent assurance process, the Assurer shall send their feedback to the Programme/Project Lead. If the assurer is able to provide a recommendation to approve the Business Case, it will then be taken to the Town Deal Board with the Assurer's comments included. If the assurer does not recommend approval as they have concerns that need to be

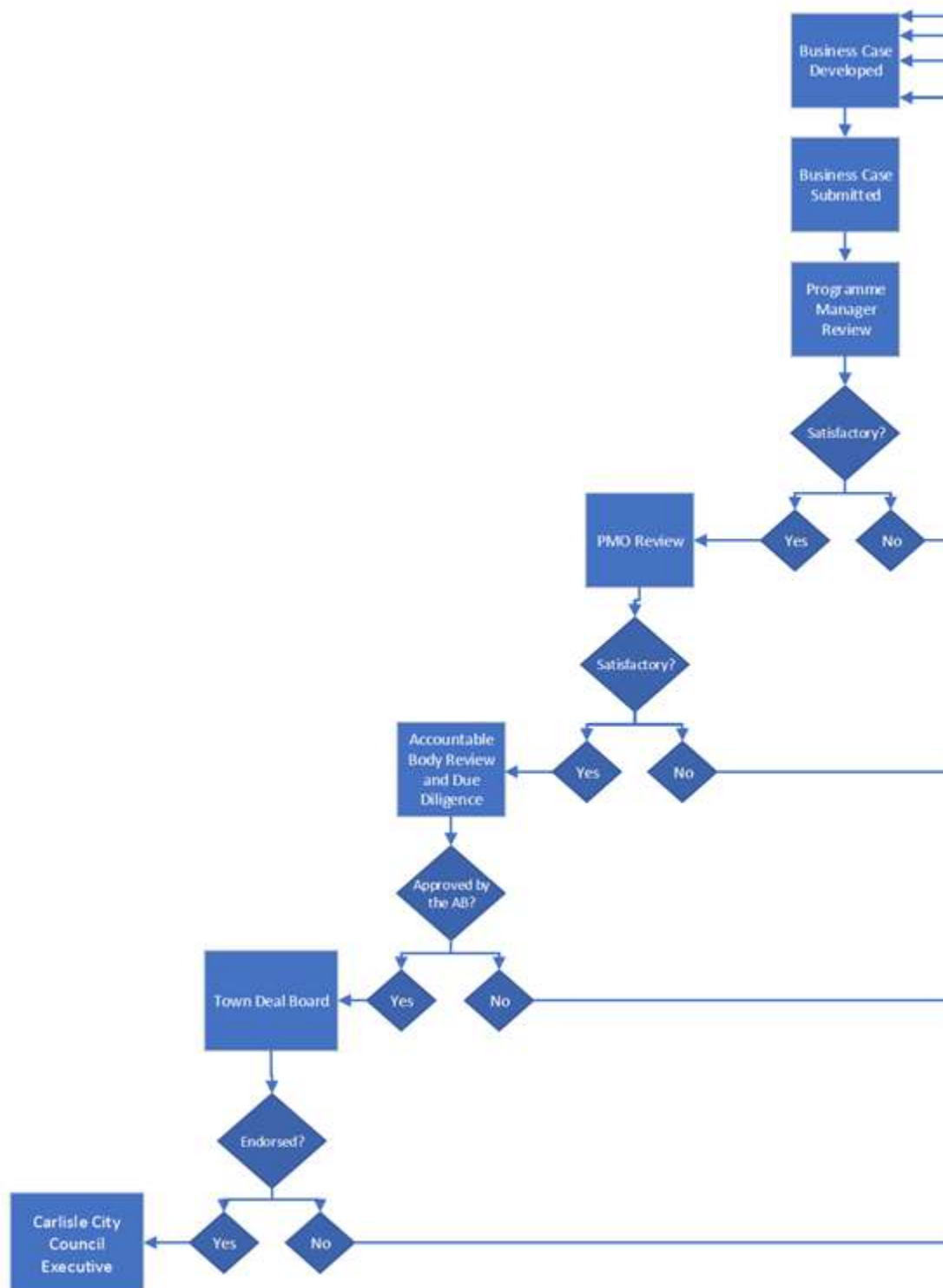
2. Once the independent assurance has been provided, the Business Case will be taken to the Town Deal Board for endorsement. If the Board endorses the submission of the Business Case, the Business Case will be taken through Council Approval. If the Board do not endorse the Business Case as they have concerns that need to be addressed, the Business Case will be reviewed by the supplier and project sponsors before resubmission to the Town Deal Board
3. Following an endorsement by the Board, the Business Case will be taken to Carlisle City Council's Executive for final approval ahead of submission to government. If the Executive does not approve the Business Case as they have concerns that need to be addressed, the Business Case will be reviewed by the supplier and project sponsors before resubmission to the Executive.
4. Provided that the Business Case has been independently assured, endorsed by the Town Deal Board and approved by the Accountable Body's Executive, the Business Case will be submitted to the Department for Levelling Up, Housing and Communities (DLUHC).

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graph TD; A((Draft Business Case submitted to Independent Assurer)) --> B((Town Deal Board scrutinise draft Business Case and oversee project programme and key milestones)); B --> C((Town Deal Board advise Carlisle City Council as Accountable Body)); C --> D((Executive Decision)); D --> E((Submission of summary to DLUHC)); E --> F((GFA if Project Lead is not the Accountable Body)); F --> A;
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The diagram illustrates a six-step process for the Project Lead to become the Accountable Body. The steps are arranged in a circle, connected by arrows indicating a clockwise flow. The steps are:

- Draft Business Case submitted to Independent Assurer**
- Town Deal Board scrutinise draft Business Case and oversee project programme and key milestones**
- Town Deal Board advise Carlisle City Council as Accountable Body**
- Executive Decision**
- Submission of summary to DLUHC**
- GFA if Project Lead is not the Accountable Body**

Arrows connect the steps in a clockwise cycle, with an additional arrow pointing from the 'GFA' step back to the 'Draft Business Case' step, completing the loop.



Where there is a change in personnel within the team assuring the Business Case, this must be managed by the appointed Assurer in a reasonable manner to ensure that the service is not affected.

All information included in the Business Case(s) should be kept private and confidential by the appointed Assurer and must not be shared with third parties, unless agreed with Carlisle City Council as the Accountable Body.

Value for Money

Carlisle City Council, and the Carlisle Town Deal Board will need to have full assurance that the projects are deliverable and represent good value for money. Project sponsor organisations are responsible for ensuring sufficient independent evidence that the project delivers the required value for money in line with the Green Book principles. The Project Delivery Group and Accountable Body are responsible for appointing appropriate external consultants working on the Business Case development to consider VFM and make recommendations to the Lead Authority, the Board, and Project Sponsors.

The evidence and information provided will vary from project to project due to the nature and priorities of the project.

Carlisle Town Deal Board will be responsible for ensuring value for money for all Town Deal Projects. The consultants secured for developing the business cases will include this assessment within the business case development, which will be scrutinised by the independent assurer. All business cases will be signed off by the Accountable Body and the Carlisle Town Deal Board.

10. Programme Management

Carlisle City Council, as Lead Authority and Accountable Body, is committed to ensuring that all projects within the Town Deal programme and which are delivered utilising Town Deal funding are managed within the context provided by this Assurance Framework.

Carlisle City Council, acting as Accountable Body, will hold Town Deal funding and make payments based on the terms set out in the appropriate Grant Funding Agreements or Memorandums of Understanding, whichever is applicable.

The purpose of the Town Deal Board is to advise Carlisle City Council, as Lead Authority and Accountable Body, on the delivery of Town Programme. Its responsibilities include overseeing programme assurance, identifying risks to agreed financial or performance outputs and recommending on appropriate mitigation actions.

Contracting

Carlisle City Council, acting as Accountable Body, will enter into funding agreements with individual promoting authorities and these will be developed and issued in line with the requirements of the Town Deal funding programme. The funding agreements will include:

- The agreed overall level of funding for the scheme
- The agreed funding profile of the scheme across financial years
- General approval conditions
- Any scheme-specific conditions
- Agreed contract outputs, profiled across financial years.

Before any funding is released, the scheme promoter will need to agree to the funding and the conditions for its use through the signing of the funding agreement. Any pre-conditions imposed as part of the investment decision must be satisfactorily resolved before funding is released to the scheme promoter. Once the funding agreement has been approved, the scheme promoter will be responsible for funding any cost increases from its own resources.

Carlisle City Council will be responsible for holding and maintaining records of all Town Deal funding agreements.

Monitoring, Evaluation and Payments

Carlisle City Council, acting as Accountable Body, will develop an agreed Monitoring and Evaluation Plan, which covers the activities funded as part of the Town Deal programme and outlines reporting timescales and procedures. The Town Deal board will review progress against the Plan.

Each project will complete monitoring returns, as directed within the individual funding agreement. Project monitoring returns will contain information including, but not limited to:

- Level of project spend
- Achievement of outputs
- Update on risk
- Any alterations to output of spend forecast
- Planned activity during the next reporting period

Carlisle City Council, acting as Accountable Body, will review and verify all monitoring returns and arrange for payment in line with the agreed profile.

Scheme Changes

Carlisle City Council, acting as Accountable Body, will put in place a transparent methodology to actively manage the Town Deal budget to respond to changed circumstances including scheme slippage as well as to changes in scheme scope and/or costs.

Carlisle City Council, acting as Accountable Body, will consider if any notified scheme variation represents a material change to the project. A material change would include, but is not limited to:

- Variation to delivery timescales
- Variation to funding package
- Variation to project outputs
- Variation to project scope or scale

Where a material change is proposed, a Change Control will be considered by the Carlisle City Council, acting as Accountable Body, who will need to consider if delivery of the proposed changes would mean that:

- The project still fits strategically with the objectives of the Carlisle Town Investment Plan and the wider Town Deal programme
- The project will still deliver acceptable benefits and value for money
- The project is still allowable within the context of the Subsidy Control regime
- If the project can be delivered within the required timescales
- If the proposed changes raise the risk to delivery to an unacceptable level.

If Carlisle City Council, acting as Accountable Body, agrees to support the proposed Change Control, then a Project Adjustment Request (PAR) will be made to the DLUHC. If the PAR is approved, then any subsequent necessary amendments will be made to the funding agreement.

Risk Management

Each project will develop and maintain an individual risk register and plan. This will be reviewed as part of ongoing project monitoring. Each project is required to highlight to Carlisle City Council, as Lead Authority and Accountable Body, at the earliest opportunity any significant risks to successful delivery of a scheme.

It is the responsibility of the Project Delivery Group to monitor risk via the register, and individual project leads to provide update the group on any escalation of risk relating to their project(s). The risks of each project are RAG rated using a matrix based on likelihood and impact that each risk presents. Mitigation actions are also included.

Risks will be reported to the Town Deal board at each meeting and at least quarterly. The Town Deal board will be responsible for scrutinising the approach of the Carlisle City Council, acting as Accountable Body, to managing risk at both project and programme level.

Carlisle City Council, acting as Accountable Body, through regular project monitoring will be in a position to identify where projects are likely to underspend, overspend, underperform and demonstrate non-compliance with the conditions of funding. Such concerns will be reported at the earliest possible stage to the Town Deal board through reporting against the Risk Register.

In exceptional circumstances, the Carlisle City Council, acting as Accountable Body, may need to take a decision as to whether it is able to recover some or all funding from a project. In each circumstance a report will be taken to the Town Deal board seeking agreement for a proposed course of action.

Carlisle Town Deal Board

DRAFT 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>

Town Deal Project Delivery Group
Friday 26th August 2022- 11:00-12:00

Minutes

Agenda No.	Item	Actions
1	<p>Welcome and Introductions Debbie Kavanagh (CaCC) Ken Lau (CaCC) Ged Acton (CuCC) Paul Walker (CaCC) Kate McLaughlin-Flynn (UOC) Jackie Hayhow (CuCC) Emma Robinson (CuCC) Sandra Hill (CuCC)</p> <p>Apologies: Amy Walker (TH) Jillian Hale (CaCC) Steven Robinson (CaCC) Paul Musgrave (CuCC)</p>	
2	Terms of Reference	
3	<p>Grant Funding Agreements DK: Feedback has been received by KMF and GA on GFA, comments to be returned ASAP so that they can go up to our legal and be turned around as soon as possible. GA: ER and SH CuCC colleagues to work to together to coordinate on their legal sides. More likely to have HofT signed off in a short space of time than the GFA. KMF: Will need to check what the governance process will be on the GFA. DK: Carlisle local committee 12th then the next is 7th November.</p>	<i>Project leads to provide feedback on Heads of terms.</i>
4	<p>Project Updates Update provided by project leads.</p>	
5	<p>Monthly & Quarterly Reporting DK Updating on Assurance processes</p> <p>DK: DLUHC will require us to do a full report 6 monthly as a minimum. We have created proformas to help support with this reporting. This will be a trial run so we can iron out creases and flag anything that is overly onerous so that we can tweak it.</p> <p>KMF: could we try and align the reporting as there is reporting due to with Northumberland.</p> <p>DK: we have extracted the information which DLUHC have sent to us to try and make this as straightforward as possible.</p>	KL to send project update proforma's to project leads.

	<p>GA: could we have sight of the timeline so we can align with our internal timelines.</p> <p>DK: We will get forms and reporting schedules out today.</p>	<p>PMO to provide updated timeline for project update returns.</p>
6	<p>Future Meeting Dates</p> <p>DK: schedule next meeting dates ahead of the DLUHC deadlines.</p>	
7	<p>A.O.B</p> <p>GA: Some amendments to profile, is there any opportunity to revise the profile ahead of signing of the HofT.</p> <p>DK: updates in the proformas would be helpful, this would be useful to get any requests into DLUHC.</p> <p>KMF: Covenant in HofT need some clarity on this.</p> <p>DK: We will check those back with legal and get those aligned.</p> <p>ER: Consultation to 5th and 6th September for Digital learning and community project.</p> <p>GA: Comms plans might be useful to bring to next C&E WG. Clear plans on Comms going forward would be useful.</p>	

CARLISLE TOWN DEAL BOARD

Wednesday 28th September 2022, 14:30 to 16:30
Eden Room, Civic Centre

ITEM 6: Programme / Project Update Report

1. Purpose of the Report

1.1. The purpose of this report is to provide the Town Deal Board on the of the Town Deal programme and projects: Southern Gateway; Carlisle Business Exchange Centre; Start with the Park; Lighting up Carlisle; Digital and Community Learning Hub; Project Tullie and Carlisle Market Hall.

2. Recommendations

2.1. The board is asked to:

- Receive this programme update.
- Note the Project Status reports; Programme Highlight Report and Risk Register
- Note the Monitoring and Reporting cycle to DLUHC

3. Background

3.1 In March 2022, six of the seven project business cases (Southern Gateway; Carlisle Business Exchange Centre; Start with the Park; Lighting up Carlisle; Digital and Community Learning Hub; Project Tullie) were endorsed by the Town Deal Board, approved by Carlisle City Council Executive and submitted to the Department of Levelling Up, Housing and Communities (DLUHC) by the deadline of 31 March 2022. An overview of each project approved by DLUHC is detailed in table 1 below:

Table 1: Town Deal Programme of approved projects

Project name	Delivery Organisation	Project outline	Town Deal Funding
Start with the Park	Carlisle City Council	The project will deliver the 'Greenway' a connective, multi-modal green travel route connecting the key settlements of SCGV with Carlisle City Centre and providing a high-quality leisure and recreation facilities.	£2,000,000

Southern Gateway	Cumbria County Council	The project will deliver investments in active and sustainable travel and public realm to better connect key developments in the Southern Gateway area of the city centre (including the Railway Station and the Citadels) and to connect St. Cuthbert's Garden Village with the City Centre.	£6,600,000
Tullie House Welcome & Entrance	Tullie House Trust	Part of a wider programme of investment at Tullie House Museum, the project will connect the Museum to the surrounding streetscape, increasing its visibility by providing a clear and contemporary point of arrival for visitors.	£918,000
Lighting Up Carlisle	Carlisle City Council	The project will deliver investment in digital lighting equipment to activate key heritage buildings in the city centre support an expanded and transformed events programme.	£620,000
Digital and Community Learning Hub	Cumbria County Council	The project will deliver a refurbished City Centre Library to create an accessible digital skills and community learning hub, and installation of digital equipment and training materials in 13 community venues.	£2,350,000
Carlisle Business Exchange Centre	(University of Cumbria)	Part of a wider development scheme to bring a new University campus on the grade I listed Citadels site, this project will create a purpose built hyper fast digitally enabled business interaction and accommodation space, linked to the University of Cumbria's flagship campus development.	£4,000,000
Carlisle Market Hall	Carlisle City Council	The project will deliver improvements to the infrastructure and internal structure of the Market Hall to improve the experience for shoppers and visitors and exploring options to create a food court and events space.	£3,015,000
Programme Management	Carlisle City Council	Programme management to support the delivery of the Town Deal in terms of project assurance, contracting, monitoring and evaluation.	£197,000
			£19,700,000

3.2 As part of the submission to DLUHC, an early release capital payment (10% of the total grant award of £19.7M) was agreed and profiled as set out in table 2 below.

Table 2: CDEL Capital Release

The following table sets out the CDEL allocation per project as agreed with DLUHC:

Project	CDEL Used	Funding Required 22-23 (as per business case)	CDEL Allocation
Carlisle Business Exchange Centre	No	£56,568 has already been committed by the University of Cumbria to progress the design of the scheme to RIBA Stages 3/4 to enable a planning application to be submitted for the scheme.	A CDEL payment of £56,568 will be made to the University in 22-23 following DLUHC sign-off of the business case and the signing of the GFA between the University of Cumbria and the Accountable Body (Carlisle CC)
Start with the Park	No	Up to £500,000 will be required to complete Stage 1 Land Assembly work - progressing and completing the Compulsory Purchase Order - to be concluded Q4 22-23.	<p>An initial CDEL payment of £100,000 will be made to Carlisle City Council in 22-23 following DLUHC sign-off of the business case. The City Council will then add the project to the Capital Programme and commence the CPO activity.</p> <p>A request to DLUHC for further draw-down will be made once the City Council are in a position to acquire the land and make the payment.</p>
Lighting up Carlisle	No	£180,000 has been allocated to the project - to enable the commencement of the delivery of Phase 1 installation works to be completed by Q4 22-23.	<p>An initial CDEL payment of £98,025 will be made to Carlisle City Council in 22-23 following DLUHC sign-off of the business case. The City Council will then add the project to the Capital Programme and commence spend.</p> <p>A request to DLUHC for further draw-down will be made once the £98,025 has been spent.</p>
Southern Gateway	No	£259,681 project development costs will have been incurred by Cumbria County Council – relating to RIBA 3 design development - by the end of 22-	A CDEL payment of £259,681 will be made to Cumbria County Council in 22-23 following DLUHC sign-off of the business case and the signing of the GFA

		23 according to the programme set out in the business case.	between the County Council and the Accountable Body (Carlisle CC)
Digital and Community Learning Hub	No	£1,000,000 project development costs will have been incurred by Cumbria County Council – relating to RIBA 3 design development and capital works - by the end of 22-23 according to the programme set out in the business case.	An initial CDEL payment of £200,480 will be made to Cumbria County Council in 22-23 following DLUHC sign-off of the business case and the signing of the GFA between the County Council and the Accountable Body (Carlisle CC) A request to DLUHC for further draw-down will be made once the County Council are in a position to commence the capital works and refurbishment of the library.
Project Tullie	No	£265,246 project development costs – relating to RIBA 3 design development - will have been incurred by the Tullie House Trust by the end of 22-23 according to the programme set out in the business case.	A CDEL payment of £265,246 will be made to Tullie House in 22-23 following DLUHC sign-off of the business case and the signing of the GFA between Tullie House Trust and the Accountable Body (Carlisle CC)
		Total CDEL	£971,000

- 3.3 On 6 June 2022, DLUHC confirmed that the six projects had passed through their summary document review process which triggered the Accountable Body function for Carlisle City Council. A report was taken to the City Council's Executive on 25 July 2022 to request approval for the six projects to be added to the capital programme and enable grant funding agreements to be drawn up.
- 3.4 Heads of Terms have been drawn up for each project and draft Grant Funding Agreements issued for four of the projects (Southern Gateway, Digital and Community Learning Hub; Project Tullie and Carlisle Business Exchange Centre). Memorandums of Understanding are drafted for Start with the Park and Lighting Up Carlisle setting out the same requirements for monitoring and reporting, grant draw down and required reporting to comply with DLUHC returns.
- 3.5 Any early release of the CDEL is reliant on acceptance of the terms set out within the Grant Funding Agreement.

4. Monitoring and Reporting

- 4.1. The Department of Levelling Up, Housing and Communities (DLUHC) have set a minimum for monitoring and reporting of twice each year on 1st June and 1st December.

- 4.2. To enable effective project monitoring and reporting to the Accountable Body and facilitate early identification of any issues or risk, a quarterly reporting will be required, linked to the drawdown of grant funding.
- 4.3. To assist project leads in providing the information required for reporting returns, a template has been developed which addresses all the requirements for the DLUHC returns. These have already been issued to each project lead to provide a 'base line' position for the purposes of reporting to the Town Deal Board. Appendix 1 comprises of the Progress and Monitoring Reports received from the six approved projects: Carlisle Business Exchange; Start with the Park; Lighting up Carlisle; Southern Gateway; Digital and Community Learning Hub and Project Tullie.
- 4.4. It should be noted that is the first Progress and Monitoring report provided by project leads as a base line position to update the Town Deal Board and in preparation for the completion of the return to DLUHC in October. The documents submitted to the Programme Management Office attached at Appendix 1 do have some omissions or gaps in the information provided, however these will be addressed through the next update in October 2022.
- 4.5. The Programme Management Office will be scheduling a Project Delivery Group meeting in early October followed by a series of individual project meetings to support project leads in the completion of the Progress and Monitoring Reports in order to address any queries or concerns and complete the information required by DLUHC.

5. Programme Update: Highlight Report & Risk Register

- 5.1 An overarching programme highlight report is attached at Appendix 2. This captures key information from project update reports for the Town Deal Board.
- 5.2 A programme risk register is attached at Appendix 3. This captures high level programme risks identified for all projects within the programme and is incorporated within the reporting to DLUHC.
- 5.3 The Town Deal Board are asked to note the following issues raised:
- **Carlisle Business Exchange** – Within the next reporting period, a change request will be issued for approval, which will re-profile the drawdown schedule to align with the RIBA Stage 3 Cost Plan.
 - **Digital and Community Learning Hub** - Development and delivery of digital offer will need to be fluid over next 2 years until end of capital build to meet the future needs of the service.
 - **Southern Gateway** –
 - A programming exercise is required to ensure coordinated delivery through effective scheduling of construction in relation to adjacent developments at the Citadels University Campus and Carlisle Station.
 - Construction inflation has exceeded the Building Cost Information Service Construction Data (BCIS) forecast in the months since the project cost plan was established in January 2022, prior to business case submission.

- A review of costs will be incorporated early in the next stage of the project, with regard to the level of inflation that has occurred since the cost plan was developed.
- **Lighting Up Carlisle** - Floodlighting Carlisle Cathedral is subject to planning permission and consent from the Cathedral Fabric Committee. Timescales for these may vary.
- **Project Tullie** - Delays due to ownership/lease of property between Carlisle City Council, Tullie House and The Arts Council England have been agreed in principle but require legal consensus. This is gradually being resolved but until confirmed, this programme item is still to be completed. Ownership has to be complete before full funding envelope (in particular ACE funding) can be confirmed. Procurement of Project Management Services and Design Team Services are continuing to programme, and without full confirmation of funding. The risk for this sits with the delivery organisation, Tullie House Trust.
- **Start with the Park** - There is an Overage Deed in place on part of the land. This in effect means that there should be no development on the property during the overage period, which is 80 years. If development does take place the previous owner is entitled to an additional payment. The in-house legal team and Gateley Hamer are investigating the implications of this. However, as the proposed use of the land is as a park, the uplift in land value is likely to be low.

5.4 Overall the Programme Management Office is satisfied with the Progress Monitoring information provided for this first baseline report and will continue to work closely with project leads to prepare the information required for the first full monitoring return to DLUHC in October.

6. Next Steps

6.1 The next cycle will include:

- Completion and sign off of four Grant Funding Agreements and two Memorandum of Understanding.
- First round of grant payments
- Business Case development and Appraisal – Market Hall project.

Officer

NAME	DESIGNATION	CONTACT DETAILS
D Kavanagh	Head of Programme and Administration	Debbie.kavanagh@carlisle.gov.uk

Annexes

Appendix 1: Progress and Monitoring Reports (PRIVATE)

Appendix 2: Programme Highlight Report

Appendix 3: Programme Risk Register

APPENDIX 1

PRIVATE

Programme / Project	Lead Org / Project Manager	Status	RAG Rating	Next Milestone date	Key Updates	Next Steps	Current Governance Status	Governance Next Steps	Comms / If and When
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APPENDIX 2

Town Deal Highlight Report – September 2022

Programme / Project	Lead Org / Project Manager	Status	RAG Rating	Next Milestone date	Key Updates	Next Steps	Current Governance Status	Governance Next Steps	Comms / If and When
Southern Gateway	CuCC /			Award of GFA with CuCC	Business Case submitted to DLUHC. Approval from Towns Fund received. CuCC wanting to go to RIBA designs - awaiting funding release.	GFA issued and first grant payment made from 5% CDEL To go to Council at next meeting. •Sign-off the GFA following legal input and internal governance •Procure consultants through our Professional Services Framework (PSF 4) to develop preliminary designs •Initiate stakeholder engagement, including public consultation •Develop designs and review risks (particularly costs)	Awaiting approval from Executive for the release of funding into the Capital Programme		
Digital and Community Learning Hub	CuCC/			Award of GFA with CuCC. An advance payment of	'Business Case submitted to DLUHC. Approval from Towns Fund received.	GFA issued and first grant payment made from 5% CDEL	Awaiting approval from Executive for the release of		

Programme / Project	Lead Org / Project Manager	Status	RAG Rating	Next Milestone date	Key Updates	Next Steps	Current Governance Status	Governance Next Steps	Comms / If and When
				£120,000 will be made in 2022/23 on sign-off of the GFA.	Consultant (Architect) appointment from February 2021. Contract awarded in March 2022. Concept design development underway with extensive stakeholder engagement held in September 2022 to shape design submission. Final concept designs due to be delivered in October 2022.	To go to Council at next meeting to release funds. November 2022 – SIG Gateway 2 (permission to procure) Continued detailed design until March 2023 with regular engagement with staff, customers, and community groups to advise on accessibility and inclusivity.	funding into the Capital Programme		
Project Tullie	Tullie House/AW	The revised scope and funding envelop for the project is now fully confirmed: Town Deal, ACE, FHSF, and TH Reserve.		Contract exchange for property Freehold: Imminent / Sept 2022 Grant Funding Agreements to complete: Sept 2022 Appointment of Design Team: October 2022	PM Services appointed start of Aug 2022. Contract for the transfer of freehold properties is on-going. Grant Funding Agreements in progress - GFA conditions, conditions of payment and reporting schedule to be confirmed. Design Team ITT went live on 09/09/2022.	GFA conditions, conditions of payment and reporting schedule to be confirmed. •Design Team to be appointed. •QS ITT to be published. •Exhibition Design ITT to be published.	Tullie House Trust Board updated July 2022	Project Tullie Project Board update on 09 September 2022.	No public immediate communications planned. Comms plan to be reviewed.

Programme / Project	Lead Org / Project Manager	Status	RAG Rating	Next Milestone date	Key Updates	Next Steps	Current Governance Status	Governance Next Steps	Comms / If and When
Lighting Up Carlisle	CaCC / PW			Executive Report for release of funds to Capital Programme with delegated authority to Deputy Chief Exec for the project. City of Lights 21-23 October.	Business Case submitted to DLUHC. Approval from Towns Fund received. Paul now has a finance code to charge against as needs to deliver Christmas lights. City of Lights – Artwork production underway for event dates 21, 22 and 23 October. 50% payment made to contractor. Winter Lights - A tender process has been completed for the Winter Lights project. Floodlighting Carlisle Cathedral – Tender drafted and circulated for comment to Carlisle City Council and Cumbria County Council.	Release of funding required in order to facilitate procurement - first grant payment to be made from 5% CDEL (urgently). To go to Council at next meeting. Floodlighting Carlisle Cathedral is subject to planning permission and consent from the Cathedral Fabric Committee. Timescales for these may vary.	Awaiting approval from Executive for the release of funding into the Capital Programme	Agenda TBC	
Carlisle Business Exchange Centre	UoC /			Award of GFA with UoC	Business Case submitted to DLUHC. Approval from Towns Fund received. Planning application approved 5/8/22. Contracts for	GFA issued and first grant payment made from 5% CDEL To go to Council at next meeting to release fund. To ensure programme is maintained, RIBA Stage 4	Awaiting approval from Executive for the release of funding into the Capital Programme	Within the next reporting period, a change request will be issued	The next major communication on the project will be issued in consultation when

Programme / Project	Lead Org / Project Manager	Status	RAG Rating	Next Milestone date	Key Updates	Next Steps	Current Governance Status	Governance Next Steps	Comms / If and When
					acquisition of the County Council and City Councils' freehold interests have been exchanged.	design has commenced. Value engineering options are being explored (due to be concluded in October 2022) to ensure the project is delivered within the £77.5m budget envelope		for approval, which will re-profile the drawdown schedule to align with the RIBA Stage 3 Cost Plan.	the CPO is approved by Carlisle City Council in October.
Start with the Park (Town Deal)	CaCC/NC			Executive Report for release of funds to Capital Programme with delegated authority to Corporate Director of Economic Development	A report was taken to Executive in March 2022 (ED 13/22) to update Exec on progress with the project and to secure agreement to proceed with key next steps leading to, and including, the making of a Compulsory Purchase Order (CPO).	Release of funding required in order to facilitate procurement - first grant payment to be made from 5% CDEL (urgently). To go to Council at next meeting. To move the CPO forward under the Town and Country Planning Act the site will need the benefit of planning permission. A planning application for change of use from agricultural land to a park/public open space will be submitted by mid September. As required notice has been served on the two landowners	Awaiting approval from Executive for the release of funding into the Capital Programme		

Programme / Project	Lead Org / Project Manager	Status	RAG Rating	Next Milestone date	Key Updates	Next Steps	Current Governance Status	Governance Next Steps	Comms / If and When
						indicating that the council intends to submit this planning application.			
Market Hall	CaCC / MW			Report to SMT / JMT setting out options for project delivery prior to finalising Business Case for Assurance	Surveys of the Market Hall have flagged up issues relating to the viability of the project in relations to the acquisition of the head lease and the repairs liability. An extension to 31 December 2022 has been agreed with DLUHC for the submission of the final business case. Deadline of 31/8/22 for negotiation discussions with BAE before considering alternative options. MW has meeting 17/8/22 with assets.	Continue negotiations for acquisition of the Market Hall with a view to securing a significant reduction in the asking price before proceeding with the production of a fully costed Green Book compliant business plan for submission to DLUHC.			

APPENDIX 3

Town Deal Risk Register - September 2022

Risk	Project	Risk Detail	Action	Owner	Likelihood (1 to 5)	Impact (1 to 5)	Risk Rating	Movement	Proximity	Comments	Last Updated
PRG1	Programme Level	Local government reorganisation will impact on decision-making processes	Close collaborative working between the 2 tier authority during LGR	SR	1	1	1	Static ↔	3 - Approaching (next 6 months)		26/07/22
PRG2	Programme Level	Disruption to supply chain due to impacts of Brexit and COVID pandemic causes delays to projects due to staff and material shortages or increasing costs	Monitor availability / price of material via live projects and feed back to the EDMPB	SR	5	4	20	Increasing ↑	4 - Close (next 3 months)		26/07/22

Risk	Project	Risk Detail	Action	Owner	Likelihood (1 to 5)	Impact (1 to 5)	Risk Rating	Movement	Proximity	Comments	Last Updated
PRG3	Programme Level	Programme and procurement allocation too short	Realistic programme and subsequent procurement timescales to be included in the procurement strategy	SR	3	2	6	Static ↔	3 - Approaching (next 6 months)	Increased costs of materials is already impacting on live projects	26/07/22

Risk	Project	Risk Detail	Action	Owner	Likelihood (1 to 5)	Impact (1 to 5)	Risk Rating	Movement	Proximity	Comments	Last Updated
CB01	CB01	Town Deal / Carlisle Business Ex	Land Purchase not secured in a timely manner. Failure to complete land assembly required and project cannot proceed or is delayed	SR	2	5	10	Increasing ↑	4 - Close (next 3 months)	CPO process commenced for the Woolworths Building. Three leaseholders have accepted HoTs - contracts being formalised. One leaseholder unwilling to agree to valuations offered - discussions ongoing.	21/09/22
CB02	CB02	Town Deal / Carlisle Business Ex	Construction price inflation affecting estimated costs beyond budget and cost planned figures, making it difficult to agree a contract price within the budget allocation.	UoC	4	4	16	Static ↔	4 - Close (next 3 months)		21/09/22

Risk	Project	Risk Detail	Action	Owner	Likelihood (1 to 5)	Impact (1 to 5)	Risk Rating	Movement	Proximity	Comments	Last Updated
CB03	Town Deal / Carlisle Business Ex	Failure to secure planning permission and listed building consents required to enable the delivery of the scheme. Archaeological impacts cause programme delay.	Pre-planning discussions have been held with Historic England engaged in the process. In review via DAY/ Oxford Archaeology/ SRM. Surveys commissioned.	JM / CH	3	5	15			4 - Close (next 3 months)	21/09/22
DCLH01	Town Deal / Digital LH	Capital Programme escalation of costs due to ongoing price rises for resources and materials or unknown hidden defects to the existing building.	Close financial monitoring. Contingency budgeting.	BD	2	4	8	Static ↔		4 - Close (next 3 months)	21/09/22

Risk	Project	Risk Detail	Action	Owner	Likelihood (1 to 5)	Impact (1 to 5)	Risk Rating	Movement	Proximity	Comments	Last Updated
DCLH02	Town Deal / Digital LH	Delays to construction programme due to access issues, contactor availability.	Robust Procurement process with clear timeframes identified.	BD	2	3	6	Static ↔	4 - Close (next 3 months)		21/09/22
DCLH03	Town Deal / Digital LH	Lack of community engagement to develop design of new building to encompass inclusive accessible facilities and resources for all.	Robust stakeholder management with utilising all available channels of communication to facilitate meaningful engagement.	DS.C	2	3	6	Static ↔	4 - Close (next 3 months)		21/09/22

Risk	Project	Risk Detail	Action	Owner	Likelihood (1 to 5)	Impact (1 to 5)	Risk Rating	Movement	Proximity	Comments	Last Updated
LUC01	Town Deal / Lighting Up	Unable to secure consents for installation or consenting process significantly delayed	Carlisle City Council is the licencing authority, and the licencing panel has already declared their support for an events programme, subject to all fire/risk/health and safety assessments being in place. Carlisle City Council has proactively engaged with the relevant stakeholders to reduce the risk of any unforeseen delays. In addition, the team has substantial prior experience delivering these types of projects and as such is familiar with the consent process.	PW	2	4	8	Static ↔	4 - Close (next 3 months)		21/09/22

Risk	Project	Risk Detail	Action	Owner	Likelihood (1 to 5)	Impact (1 to 5)	Risk Rating	Movement	Proximity	Comments	Last Updated
LUC02	Town Deal / Lighting Up	Less interest in events than has been anticipated	Realistic number of visitors for events and visitor spend; evidence based on previous projects in Carlisle including City of Lights. A high- quality event will need to be accompanied by a solid PR and comms policy to ensure that profile/awareness is raised.	PW	1	3	3	Static ↔	3 - Approaching (next 6 months)		21/09/22
LUC03	Town Deal / Lighting Up	Programme and procurement allocation too short	Realistic programme and subsequent procurement timescales to be included in the procurement strategy. Carlisle City Council has developed a detailed procurement strategy to identify a supplier.	PW	2	3	6	Static ↔	4 - Close (next 3 months)		21/09/22

Risk	Project	Risk Detail	Action	Owner	Likelihood (1 to 5)	Impact (1 to 5)	Risk Rating	Movement	Proximity	Comments	Last Updated
MH01	Town Deal / Market Hall	Failure to agree purchase of Market Hall and project articulated in the Carlisle TIP cannot be delivered	Property services currently progressing negotiations with BAE (head leaseholder)	MW / SR	3	5	15	Increasing ↑	5 - Imminent (next month)	Surveys of Market Hall flagged up repairs issues - particularly with the roof which will need to be considered in the context of the acquisition of the head lease and price agreed.	26/07/22
MH02	Town Deal / Market Hall	Failure to submit business case for Market Hall by end of December 22	Contract with specialists to produce a design, cost plan and commercial feasibility assessment for the repurposing of the indoor market hall to support the business case	MW / SR	2	5	10	Increasing ↑	3 - Approaching (next 6 months)	Consultants appointed to progress technical design work to support business case. Site visit and walk round held 26 April to inform concept designs.	26/07/22

Risk	Project	Risk Detail	Action	Owner	Likelihood (1 to 5)	Impact (1 to 5)	Risk Rating	Movement	Proximity	Comments	Last Updated
PT01	Town Deal / Tullie House	Cost of works exceeds the available budget.	Cost Plan updated. 10% contingency for construction applied by QS. 7% design risk contingency allowed for. Pre-determined list of value engineering will be developed that can be implemented should there be emerging cost pressure either from market-forces or discovery. 10% contingency attached to professional fees.	TH	3	4	12	Static ↔	3 - Approaching (next 6 months)		21/09/22

Risk	Project	Risk Detail	Action	Owner	Likelihood (1 to 5)	Impact (1 to 5)	Risk Rating	Movement	Proximity	Comments	Last Updated
PT02	Town Deal / Tullie House	Unknown hidden building defects and conditions, causing delays and/or increased costs.	Updated Asbestos surveys will be undertaken as part of the planned enabling works to assist further with earlier site discovery. Cost overruns will be dealt with through a pre-agreed value engineering strategy developed during the design stage which can be implemented in response to the emerging cost pressure.	CaCC/TH	2	3	6	Static ↔	3 - Approaching (next 6 months)		21/09/22
PT03	Town Deal / Tullie House	Delays due to ownership/lease of property	Existing lease between Carlisle City Council and Tullie House Trust has been approved for extension by Council Executive. Detailed negotiations to extend the lease to 30 years agreed between Carlisle City	CaCC/TH	2	5	10	Static ↔	5 - Imminent (next month)		21/09/22

Risk	Project	Risk Detail	Action	Owner	Likelihood (1 to 5)	Impact (1 to 5)	Risk Rating	Movement	Proximity	Comments	Last Updated
SG01	Town Deal / Southern Gateway	The project cannot be delivered within the programme - Project delivery is not achieved within the funding deadline, putting funding at risk	Due to the proximity of other projects there are some 3rd party project dependencies that may impact on the programme. The float within the programme will help to mitigate this risk. Delivery arrangements reflect best practice and utilise systems and processes embedded within the Council's Capital Programme.	CuCC	2	4	8	Static ↔	1 - Remote	Work is predominantly within the public highway and classified as permitted development.	21/09/22

Risk	Project	Risk Detail	Action	Owner	Likelihood (1 to 5)	Impact (1 to 5)	Risk Rating	Movement	Proximity	Comments	Last Updated
SG02	Town Deal / Southern Gateway	Project cost exceeds available funding - The scheme may need to be scaled back by reducing the coverage or amending the specification (materials)	Cost plan developed in January 22 to reflect some increase in inflation and an allowance is included in the risk contingency. Costs to be reviewed at earliest opportunity in the next phase of design development. Regular communication with partners, who understand the need to ensure the project stays within budget.		2	3	6	Static ↔	3 - Approaching (next 6 months)		21/09/22
SG03	Town Deal / Southern Gateway	Project outputs cannot be delivered within the available budget	Outputs in the business case have some flexibility, with potential to reduce the specification of materials or sqm of improved public realm if required.	CuCC	2	3	6	Static ↔	2 - Distant (next 12 months)		21/09/22

Risk	Project	Risk Detail	Action	Owner	Likelihood (1 to 5)	Impact (1 to 5)	Risk Rating	Movement	Proximity	Comments	Last Updated
SWTP01	Town Deal / SWTP	Revenue funding is not secured	Carlisle City Council are committed to delivering this project - it aligns with multiple council objectives and is mentioned in key policy documents, including the Town Investment Plan		1	2	2	Static ↔	1 - Remote	DLUHC approved the business case following their review process awarding £2m to the project.	22/07/22
SWTP02	Town Deal / SWTP	Cost over-runs	Close financial management throughout delivery, following financial modelling undertaken for the business case.		1	2	2	Static ↔	1 - Remote		26/07/22

Risk	Project	Risk Detail	Action	Owner	Likelihood (1 to 5)	Impact (1 to 5)	Risk Rating	Movement	Proximity	Comments	Last Updated
SWTP03	Town Deal / SWTP	Scheduling over-runs	Realistic programme and procurement timescales included in the procurement strategy/contract with Gately Hamer. Gillespies (winners of the Landscape Competition briefed on the position and final designs to be developed in line with the funding envelop available –following confirmation of land acquisition costs.		1	2	2	Static ↔	1 - Remote		22/07/22
TD01	Town Deal Programme	Failure to establish internal assurance process to enable completed business cases to be considered by TDB and Executive in order to be submitted	To agree PMO and AB appraisal process, roles. Requirements and timescales	SR	1	5	5	Decreasing ↓	1 - Remote	TDB endorsement of 6 of 7 business cases. Executive approved 6 business cases for submission	26/07/22

CARLISLE TOWN DEAL BOARD

Wednesday 28 September 2022 14:30 – 16:30

ITEM 7: Carlisle Market Hall Project Update

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to provide an update on the progress of the Carlisle Market Hall project (the Project)

2. RECOMMENDATIONS

2.1 The Board is asked to:

- **Note the progress in the development of the business cases for the Carlisle Market Hall project and the scheme designs included in Appendix 1.**
- **Note the additional costs to the project as a result of the repairs liabilities that have been identified through the survey works undertaken.**
- **Note that an offer is currently being considered for the purchase of the head lease by the vendor, taking into account the repairs liabilities.**
- **Note the updated programme for the production, assurance and submission of the business case to DLUHC included in Appendix 3.**

3. BACKGROUND

- 3.1 In March 2021 Carlisle received a Heads of Terms agreement of £19.7 million from the government for its Town Deal, following submission of the Town Investment Plan in October 2020. In May 2021 the Town Deal Board agreed a £19.7 million programme based on seven projects, which was confirmed by in July 2021.
- 3.2 An overview of the programme and the allocated Town Deal funding is detailed in the Table below:

Project name	Delivery Organisation	Project outline	Town Deal Funding
Start with the Park	Carlisle City Council	The project will deliver the 'Greenway' a connective, multi-modal green travel route connecting the key settlements of SCGV with	£2,000,000

		Carlisle City Centre and providing a high-quality leisure and recreation facilities.	
Southern Gateway	Cumbria County Council	The project will deliver investments in active and sustainable travel and public realm to better connect key developments in the Southern Gateway area of the city centre (including the Railway Station and the Citadels) and to connect St. Cuthbert's Garden Village with the City Centre.	£6,600,000
Tullie House Welcome & Entrance	Tullie House Trust	Part of a wider programme of investment at Tullie House Museum, the project will connect the Museum to the surrounding streetscape, increasing its visibility by providing a clear and contemporary point of arrival for visitors.	£918,000
Lighting Up Carlisle	Carlisle City Council	The project will deliver investment in digital lighting equipment to activate key heritage buildings in the city centre support an expanded and transformed events programme.	£620,000
Digital and Community Learning Hub	Cumbria County Council	The project will deliver a refurbished City Centre Library to create an accessible digital skills and community learning hub, and installation of digital equipment and training materials in 13 community venues.	£2,350,000
Carlisle Business Exchange Centre	(University of Cumbria)	Part of a wider development scheme to bring a new University campus on the grade I listed Citadels site, this project will create a purpose built hyper fast digitally enabled business interaction and accommodation space, linked to the University of Cumbria's flagship campus development.	£4,000,000
Carlisle Market Hall	Carlisle City Council	The project will deliver improvements to the infrastructure and internal structure of the Market Hall to improve the experience for shoppers and visitors and exploring options to create a food court and events space.	£3,015,000
Programme Management	Carlisle City Council	Programme management to support the delivery of the Town Deal in terms of project assurance, contracting, monitoring and evaluation.	£197,000
			£19,700,000

- 3.3 The Heads of Terms document set out a period of twelve months for the development and submission of the business cases to Government. Six of the seven business cases were submitted to the Department for Levelling Up, Housing and Communities (DLUHC) for approval on 24 March 2022. These projects were
- Start with the Park
 - Carlisle Southern Gateway
 - Tullie House Welcome and Entrance
 - Lighting up Carlisle
 - Digital and Community Learning Hub
 - Carlisle Business Exchange Centre
- 3.4 The DLUHC has confirmed that the six business cases have passed through their review process and are now approved. The Council agreed an extension of time with the DLUHC for the seventh and final project, Carlisle Market Hall, until December 2022, additional project development work to be undertaken and the business case completed.

4. PROJECT UPDATE

Business Case

- 4.1 The production of the business case by Mott MacDonald is currently underway, following the completion of the technical surveys, design work and cost plan having been completed by Montague Evans.
- 4.2 The designs for the Project are included in Appendix 1, which illustrate the creation of a new food, drink and entertainment space within the Hall complimented by a redesigned retail offer.
- 4.3 The survey work has identified a repair liability on the property in excess of £3m over the next five years. Approximately £1m of these are necessary immediate mechanical and electrical systems works required within a 1-2 year timeframe and therefore, must be integrated into the scope of the Town Deal project.
- 4.4 The current cost plan for the project, including repairs is £4.5m. This exceeds the current funding envelope of £3.265m (£3.015m Town Deal and £0.25m Carlisle City Council). Consequently, the following options are currently being explored:
1. Further review of the repairs schedule to ascertain whether any of the works could be deferred to a later date

2. Further value engineering work to reduce the costs of the repurposing / refurbishment works
3. The potential to phase the works, potentially focussing on the delivery of the new food, drink and entertainment space with the Town Deal investment.
4. Using the income stream from the occupational tenants within the Hall (Wilkos and TK Maxx) to fund prudential capital borrowing to increase the budget for the project.

Acquisition

- 4.5 The negotiations regarding the acquisition of the head lease continue to be progressed. Prior to the surveys, a purchase price of £1.5m-1.75m had been discussed with the agents acting for the vendor. However, with repairs liabilities of £1m that will need to be addressed within the next 1-2 years, the Council's agents have indicated that a purchase price of £500-750k would be more appropriate. The vendor's agents are now considering this offer.

5. PROGRAMME

- 5.1 The work programme for the Town Deal project is included in Appendix 2, which sets out all the key milestone dates to enable the business case to be submitted before 31 December as agreed with DLUHC. The key dates are
 - Draft of business case by 24 October
 - Assurance process 24 October – 11 Nov
 - Final business case by 11 Nov
 - Town Deal Board 23 – 25 Nov
 - Executive papers 30 Nov (with delegation for amends to the business case and documentation to be submitted – allowing for final amends)
 - Executive meeting 19th Dec
 - Submission to DLUHC 20 Dec

OFFICER NAME	DESIGNATION	CONTACT DETAILS
Steven Robinson	Head of Regeneration Carlisle City Council	steven.robinson@carlisle.gov.uk

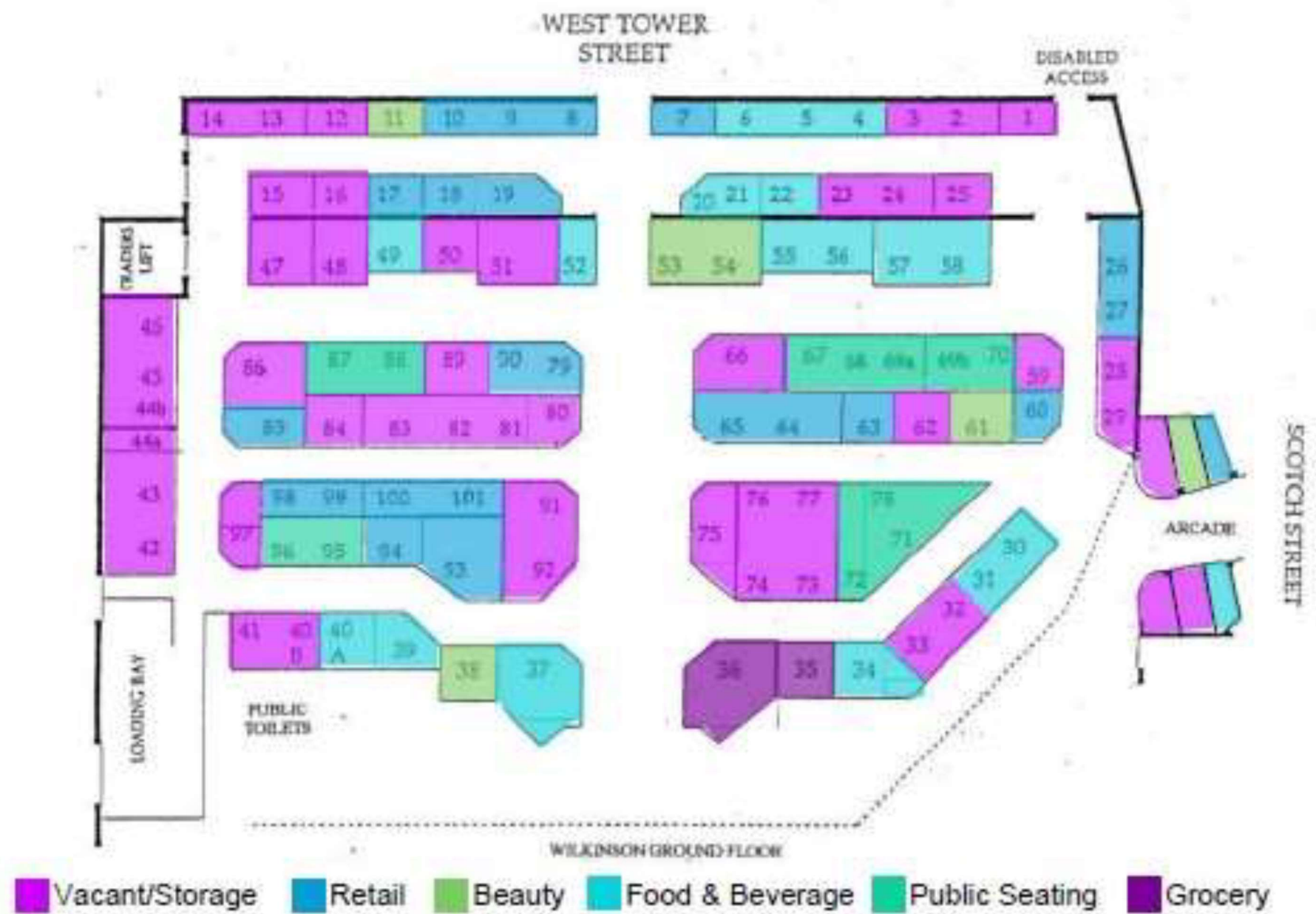
APPENDICES ATTACHED TO REPORT:

- A1 – Market Hall Scheme Designs
- A2 – Market Hall Existing Layout
- A3 – Market Hall project programme

Appendix 1: Market Hall Scheme Design



Appendix 2: Market Hall Current Layout



Appendix 2: Market Hall Project Programme

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