

Carlisle Town Deal Board

AGENDA

Monday 10 May 2021, 15:45-17:15

MS Teams Meeting

No.	Item	Time	Owner	Paper
1	<p>Welcome and apologies</p> <p>Attendees:</p> <p>Emma Porter (Chair) - Story Contracting Cllr John Mallinson – Carlisle City Council Cllr Colin Glover - Carlisle City Council Cllr Paul Nedved – Carlisle City Council John Stevenson MP Jo Lappin- Cumbria LEP David Allen – Cumbria CVS Rob Brittain – Castles and Coasts Housing association Cllr Cyril Weber- Cumbria County Council Jane Meek- Carlisle City Council Mark Boyling – Carlisle Cathedral Julie Mennell– Cumbria University Paul Musgrave – Cumbria County Council Andrew Mackay – Tullie House Sami Falou- Cities and Local Growth Unit Peter Graham – New Skills Consulting Helen Joicey- New Skills Consulting Michael Barry- Cumbria County Council Judith Wilkinson- <i>DWP (Deputising for Elaine Herbert)</i> Steven Robinson – Carlisle City Council Jenson Kemp – Carlisle City Council</p> <p>Apologies:</p> <p>Elaine Herbert - DWP</p>	15:45	EP	N
2	<p>Minutes from previous meeting</p> <p>Minutes from previous meeting were agreed by the Board.</p>	15:50	EP	Y
3	<p>Progress update</p> <p>EP- Stage one process to identify savings undertaken, which identified around half of savings needed, stage 2 has been undertaken by the team working with project sponsors, which has identified some options for the Board's consideration today in order to finalise this process and agree the projects taken forward with government.</p>	15:55	EP/JM	N
4	<p>Stage 2 project assessment results and selection</p>	16:10	PG / SR	Y

<p>PG presenting: projects have been re-evaluated and assessed, using the new proformas and details completed by the project sponsors, focusing on strategic fit, deliverability, match funding/additionality, options have then been considered for removing or reducing scope of the lowest ranking projects. PG presented options and outlined that the issues with removing one project is that it would have an impact on the outputs, as the programme together delivers very well across all the outputs identified by the Towns Deal guidance and TIP. Therefore, Option E, which sees all projects delivered, but at a reduced scope, (most significantly Start with the Park, which will now be phased) is recommended. The final decision however is ultimately for the Board to take.</p> <p>PN: Asks for clarification on output tables, some of the projects have zeroes attributed to them for certain outputs such as job creation, does this not warp our perception, as they would have an impact on this?</p> <p>PG: Highlights that projects need to directly contribute to outputs in order to score here, projects like the Market Hall will contribute directly to job creation by creating new positions and opportunities where as some may have indirect effects on this, they don't directly contribute to certain outputs and therefore do not score under this output.</p> <p>EP: Recognises that it is difficult to put together an evidence base to demonstrate clearly that they are providing jobs.</p> <p>JS: Suggests that Board debates the merits of the specific projects are rather than salami slicing the projects. Highlights that infrastructure projects like Southern Gateway and Start with the Park can be undermined by cost savings and may open further scrutiny by Treasury.</p> <p>EP: Time is identified today to discuss and debate this, and it is important to ensure this is an honest and open discussion and everyone's voices can be heard.</p> <p>PG: In the heads of terms offer all the project passed the gateway, the assurances are to be agreed by the Board through a local assurance process rather than by government.</p> <p>EP: noted that ARUP has also passed the assurances.</p> <p>SF: Confirmed that is the board's decision on which projects go forward, and that the board needs to consider what delivers the outputs and objectives set out in the TIP.</p> <p>JL: In terms of going forward, what kind of flexibility do we have. Once we have received the envelope there generally is no reopening the envelope.</p> <p>JS: If we go ahead with funding and one of the projects being the flounder can we reallocate the funding to another project.</p> <p>PG: This is potentially an option, but it would need to be agreed with MHCLG, on deliverability, all projects have passed the deliverability test twice now, some of the projects come with complex risks, but there is nothing that we have seen in the risks that are unusual at this stage.</p> <p>MB: It is challenging to make savings of this size; the scale of the projects has been had a large impact on our thinking but does not seem that the projects have been fatally compromised.</p> <p>SR: In terms of SWTP there has been a significant reduction in the budget, and we need to have a look whether it can deliver significant output with the reduction and something meaningful. The types of intervention we can bring with a reduced budget still brings additionality, I understand the concerns on reduced budget however it is bringing that glue in terms of additionality and</p>			
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	<p>impact. I just want to reassure the board that a strong business case could be presented.</p> <p>There was a discussion among board members about which option would be best, Board members recognised that this was a difficult decision to make, and would prefer to be in a position where all projects could go forward with the full original funding package. There was a general consensus among for 'Option E', as this provided the greatest balance of outputs.</p> <p>JS: Felt that 50% reduction on SWTP would be questioned, and would prefer to consider removing a project, but accepted that there was a consensus among the board for option E.</p> <p>CJM: Supports the comment from JS.</p> <p>EP: it does seem people are broadly conformable will supporting Option E, if people aren't comfortable with supporting E we need to know</p> <p>A vote was called on the selection of option E</p> <p>10 board members supported option E: EP, MB, CW, RB, AM, DA, CG, JL, JW JuM</p> <p>2 board members supported removing one project, rather than option E: JS, CJM</p> <p>1 Board member abstained: PN.</p>			
5	<p>Working Groups: Communications and Engagement and Project Delivery</p> <p>JK- Presented proposals to establish two subgroups: Communications and Engagement working group and Project Delivery Working Group, which will sit under the governance arrangements of the Board and report to the Board. Seeking board approval for the establishment of these groups.</p> <p>Board endorsed establishment of these groups.</p>	16:50	JK	Y
6	<p>Next steps</p> <ul style="list-style-type: none"> - Complete project confirmation forms and documentation for MHCLG submission on the 24 May. - Consider for next meeting consideration of future strategic role for the board now that the TIP has been submitted. Learning from Barrow - EP to meet with Steve Cole, Barrow TDB chair to gain insights on evolution of their board. - Establish new working groups and work with sponsors to agree communications to announce the agreed funding package. 	17:05	EP	N
7	<p>AOB</p> <p>None.</p>	17:10	ALL	N

CARLISLE TOWN DEAL BOARD

MONDAY 10TH MAY 2021, 15:45-17:15

ITEM 4: Prioritisation of Town Deal Funding Offer - Final Options and Recommendations

1. Purpose of the Report

- 1.1 To provide a final update on progress towards identifying the target £5.3m reduction in the Town Deal funding requirement.
- 1.2 To provide an update on the results of the stage 2 project assessment and prioritisation process.
- 1.3 To present options for allocating the available £19.7m Town Deal funding to alternative packages of projects, and the implications of each option.
- 1.4 To identify a recommended / preferred option to allocate the available Town Deal funding, needed to finalise the Heads of Terms agreement with MHCLG.

2. Recommendations

2.1 The Board is asked to:

- Consider the results of the stage 2 assessment process and project rankings.
- Consider the funding allocation options presented in this report.
- Endorse option E as the preferred option.
- Authorise Carlisle City Council and the project team to confirm the preferred option with MHCLG, as the basis of the final Town Deal Heads of Terms Agreement.

3. Background

- 3.1 MHCLG has made a Town Deal Heads of Terms offer to Carlisle for Towns Funding totalling £19.7m, which is available to support seven strategic projects as identified in the Town Investment Plan (TIP). As a result, it is necessary to identify a reduction of £5.3m in the Towns Fund request, compared to the £25m included in the original TIP submission. It was agreed by the Board that the funding reduction should be sought by re-assessing the costs, funding, outcomes and impacts of the seven Town Deal projects through a two-stage process.
- 3.2 At its meeting on 23rd April 2021, the Board considered the outcomes from stage 1 of the process, through which all projects were asked to explore opportunities to secure additional match funding from alternative sources and/or to reduce project costs in

order to reduce the Town Deal funding ask. For some projects, this involved making changes to scope, scale, outputs and outcomes. On completion of the stage 1 process, the Town Deal funding ask had been reduced by a total of £2.88m. Therefore, a further Town Deal reduction of £2.42m is required to meet the target of £5.3m. As a reminder, the outcomes from stage 1 of the process are presented in Appendix 1 (at the end of this report).

- 3.3 At the 23rd April meeting, Board members commented on which of the seven projects they would prefer to see prioritised for funding, within the reduced allocation available. The projects most commonly identified as priorities by the greatest number of Board members were: Citadels Business Infrastructure; Southern Gateway; and Tullie House. However, other projects were also identified as priorities, and some of the Board members did not express their preferences.
- 3.4 As the stage 1 process did not result in the full £5.3m saving being identified, the Board approved the project team to progress to stage 2, in which projects were to be scored and ranked against a set of objective assessment criteria based on: strategic impact; deliverability; and value for money. It was agreed that, while having an understanding of the priority projects of Board members provided valuable context and transparency, nevertheless the stage 2 project assessments should go ahead, as this would help to ensure that the final decision on the allocation of funding is supported by an objective assessment.
- 3.5 The Board commented on and agreed the stage 2 assessment criteria, weightings and scoring framework. The intention was that the projects ranked lowest through this process would either be deselected from the Programme or would be subject to the largest reductions in Town Deal funding.
- 3.6 Stage 2 of the process was completed on 4th May 2021, and the outcomes are summarised below.
- 3.7 A final decision on the allocation of the £19.7m Town Deal funding must be reached at the Board meeting on 10th May as the deadline to confirm the final package of projects with MHCLG, needed to finalise the Heads of Terms agreement, is 17th May 2021.

4. Outcomes from Stage 2 Project Assessment Process

- 4.1 Project sponsors submitted completed Stage 2 Assessment Forms, providing evidence to demonstrate how their project meets each of the agreed assessment criteria (strategic impact; deliverability; and value for money). The assessments were based primarily on information provided in these forms, although in cases where there were gaps or weaknesses, the Project Team also took account of information provided by project sponsors previously in the Town Deal process (including the detailed project proformas developed in support of the Town Investment Plan).
- 4.2 Table 1 below summarises the results of the assessment and ranking process.

Table 1 - Project assessment results and rankings

Ranking	Project Title	Total Score	Strategic Impact	Deliverability	Value for Money	Key issues	Town Deal Ask (£)	S1	S2	S3	S4	S5	D1	D2	D3	D4	D5	D6	D7	V1	V2	V3	V4
		Max 240	Max 100	Max 80	Max 60			TIP Strategy	Strategic investments	Private sector growth	Direct benefits	Additionality and minimum funding	Maximise match funding	Match funding secure	Control land / buildings	Statutory consents	Other key risks	Feasibility and sustainability	Management and delivery	TD intervention less than 80%	Cost per output / outcome	Job creation	Direct measurable benefits
1	Citadels Business Infrastructure	188	100	46	42	Some delivery risks, high TD intervention rate	4,000,000	20	20	20	20	20	12	6	6	4	4	4	10	8	4	20	10
2	Lighting Up Carlisle	178	64	58	56	Project could potentially be delivered on a smaller scale, although this would risk scale of benefits.	620,000	12	12	12	20	8	20	6	6	10	6	4	6	20	10	20	6
3	Market Hall	162	68	52	42	Some delivery risks (e.g. building purchase, planning consent)	3,015,151	12	12	12	20	12	20	6	4	4	4	4	10	12	4	20	6
4	Tullie House	146	68	48	30	Delivery risks, mainly assembling match funding package for wider project	913,684	12	12	12	20	12	12	4	10	6	6	4	6	8	4	12	6
5	Digital and Community Learning Hub	138	56	54	28	Lack of match funding. Limit impact on private sector-led growth and job creation.	2,350,000	12	12	8	12	12	8	4	6	10	10	6	10	8	6	8	6
6	Southern Gateway	132	64	54	14	Lack of match funding, benefits largely indirect and no job creation, all impacting on VfM	7,806,415	12	20	12	12	8	4	4	10	6	10	10	10	4	6	0	4
7	Start with the Park	130	68	40	22	Delivery risks, including control of land and statutory consents. Benefits largely indirect and no job creation, impacting on VfM	3,167,424	12	20	12	12	12	12	4	2	4	4	4	10	12	6	0	4

4.3 The key issues relating to each project, as highlighted by the assessment process, are summarised very briefly below.

Table 2 - Project assessment and rankings: key issues

Ranking	Project Title	Key issues
1	Citadels Business Infrastructure	<ul style="list-style-type: none"> • Scores highest of all projects on strategic impact, private sector-led growth, and job creation. • Potential delivery risks (interdependencies with wider Citadels development), and high Town Deal intervention rate.
2	Lighting Up Carlisle	<ul style="list-style-type: none"> • Scores well on strategic impact, private sector-led growth, job creation, and value for money. • Scored down on additionality as the project could arguably be delivered on a smaller scale, although this would reduce impacts.
3	Market Hall	<ul style="list-style-type: none"> • Scores well on strategic impact, private sector-led growth, and job creation. • Potential delivery risks, associated with building purchase and planning consent.
4	Tullie House	<ul style="list-style-type: none"> • Scores well on strategic impact, private sector-led growth, and job creation. • Potential delivery risks (mainly assembling match funding package for wider project), and high Town Deal intervention rate.
5	Digital and Community Learning Hub	<ul style="list-style-type: none"> • Delivers greatest direct benefits for local people and communities, of all the Town Deal projects. • Limited direct impact on private sector-led growth and job creation. Lack of match funding / high Town Deal intervention rate.
6	Southern Gateway	<ul style="list-style-type: none"> • Scores well on strategic impact. • Benefits are largely indirect, with no direct job creation, and indirect effect on private-sector investment. • Lack of match funding and mainly indirect impacts affects VfM score.
7	Start with the Park	<ul style="list-style-type: none"> • Scores well on strategic impact. • Potential delivery risks (including control of land and statutory consents). • Benefits are largely indirect, with no direct job creation, affecting VfM score.

5. Options and packages

- 5.1 Based on the assessment results and the project rankings, the Project Team has considered options for allocating the available £19.7m Towns Funding to alternative packages of projects, and the implications of each option on programme impacts, outputs, and outcomes.
- 5.2 The Board is asked to consider these options and to reach a final decision on the preferred approach to allocating the available Town Deal funding.

Option A - Remove lowest ranked project

- **Description** - Lowest ranked project (Start with the Park) excluded from the package.
- **Town Deal Ask** - Reduced to £18.96m, from total £19.7m available. Balance of £0.74m to support other projects.
- **Issues and implications**
 - **Outputs / outcomes** - 80% reduction in km walking and cycling routes; 99.5% reduction in ha green infrastructure / green space.
 - **Strategic impact**
 - Significantly weakens low carbon impacts of TIP (including green / active travel) which is a very important focus of Carlisle TIP and Towns Fund.
 - Lost opportunity to set the tone by placing green infrastructure from the outset at the heart of the St Cuthbert's Garden Village development.
 - Weakens active travel connectivity between SCGV and city centre, by diluting complementary linkages with Southern Gateway.

OPTION A	Ranking	Town Deal Ask (£m)	Jobs created (total)	Jobs supported (pa)	GVA (gross pa) (£m)	Businesses supported (inc start ups)	Learners supported	People progressing into jobs / self-emp	Additional visitors pa	Additional visitor spend pa (£m)	Sq m new / improved floorspace (inc business space)	Km new / upgraded walking and cycling routes (km)	Sq m new / upgraded road infrastructure	Ha public realm / green space developed
Citadels Business Infra	1	4,000,000	175	75	3.47	25	0	0	0	0.00	1,000	0	0	0
Lighting Up Carlisle	2	620,000	115	115	5.32	300	5,500	0	100,000	6.18	0	0	0	0
Market Hall	3	3,015,151	127	91	4.21	60	0	0	20,800	1.33	2,350	0	0	0
Tullie House	4	913,684	9	9	0.42	0	0	0	7,500	0.48	412	0	0	0
Digital Community and Learning Hub	5	2,350,000	4	4	0.18	50	1,500	900	0	0.00	1,200	0	0	0
Southern Gateway	6	7,806,415	0	0	0	0	0	0	0	0	0	3	3,380	1
Start with the Park	7													
Sub-total		18,705,250	-	-	-	-	-	-	-	-	-	-	-	-
Programme Management Costs		250,000												
ORIGINAL TOTAL (as per TIP)		25,000,000	454	318	14.70	435	7,375	900	145,800	9.30	4,962	15	3,830	201
REVISED TOTAL		18,955,250	430	294	13.59	435	7,000	900	128,300	7.99	4,962	3	3,380	1
Change compared to TIP		-6,044,750	-24	-24	-1.11	0	-375	0	-17,500	-1.31	0	-12	-450	-200
			-5%	-8%	-8%	0%	-5%	0%	-12%	-14%	0%	-80%	-12%	-99.5%

Option B - Remove second lowest ranked project

- **Description** - Second lowest ranked project (Southern Gateway) excluded from the package.
- **Town Deal Ask** - Reduced to £14.3m, from total £19.7m available. Balance of £5.4m to support other projects.
- **Issues and implications**
 - **Outputs / outcomes** - 40% reduction in km walking and cycling routes; 100% reduction in new / upgraded road infrastructure.
 - **Strategic impact**
 - Significantly weakens low carbon impacts of TIP (including green / active travel) which is a very important focus of Carlisle TIP and Towns Fund.
 - Lost opportunity to raise the quality of transport infrastructure and public realm quality / attractiveness at the key gateway to the City, complementing Citadels and Station Gateway developments.
 - Weakens active travel connectivity between city centre and SCGV, by diluting complementary linkages with SCGV.

OPTION B	Ranking	Town Deal Ask (£m)	Jobs created (total)	Jobs supported (pa)	GVA (gross pa) (£m)	Businesses supported (inc start ups)	Learners supported	People progressing into jobs / self-emp	Additional visitors pa	Additional visitor spend pa (£m)	Sq m new / improved floorspace (inc business space)	Km new / upgraded walking and cycling routes (km)	Sq m new / upgraded road infrastructure	Ha public realm / green space developed
Citadels Business Infra	1	4,000,000	175	75	3.47	25	0	0	0	0.00	1,000	0	0	0
Lighting Up Carlisle	2	620,000	115	115	5.32	300	5,500	0	100,000	6.18	0	0	0	0
Market Hall	3	3,015,151	127	91	4.21	60	0	0	20,800	1.33	2,350	0	0	0
Tullie House	4	913,684	9	9	0.42	0	0	0	7,500	0.48	412	0	0	0
Digital Community and Learning Hub	5	2,350,000	4	4	0.18	50	1,500	900	0	0.00	1,200	0	0	0
Southern Gateway	6													
Start with the Park	7	3,167,424	0	0	0	0	0	0	0	0	0	9		100
Sub-total		14,066,259	-	-	-	-	-	-	-	-	-	-	-	-
Programme Management Costs		250,000												
ORIGINAL TOTAL (as per TIP)		25,000,000	454	318	14.70	435	7,375	900	145,800	9.30	4,962	15	3,830	201
REVISED TOTAL		14,316,259	430	294	13.59	435	7,000	900	128,300	7.99	4,962	9	0	100
Change compared to TIP		-10,683,741	-24	-24	-1.11	0	-375	0	-17,500	-1.31	0	-6	-3,830	-101
			-5%	-8%	-8%	0%	-5%	0%	-12%	-14%	0%	-40%	-100%	-50%

Option C - Remove third lowest ranked project

- **Description** - Third lowest ranked project (Digital and Community Learning Hub) excluded from the package.
- **Town Deal Ask** - Reduced to £19.77m, from total £19.7m available. Further saving of £70,000 to be found.
- **Issues and implications**
 - **Outputs / outcomes** - 100% reduction in people supported into jobs / self-employment; 25% reduction (1,500 fewer) learners supported to develop skills.
 - **Strategic impact**
 - Significantly weakens impact of TIP on local people and communities, which is a very important focus of Carlisle TIP and Towns Fund.
 - Of all the Town Deal projects, this one delivers the greatest and most visible benefits for local people.
 - Lost opportunity to extend reach of Town Deal into communities across Carlisle, through investment in 13 local community hubs.

OPTION C	Ranking	Town Deal Ask (£m)	Jobs created (total)	Jobs supported (pa)	GVA (gross pa) (£m)	Businesses supported (inc start ups)	Learners supported	People progressing into jobs / self-emp	Additional visitors pa	Additional visitor spend pa (£m)	Sq m new / improved floorspace (inc business space)	Km new / upgraded walking and cycling routes (km)	Sq m new / upgraded road infrastructure	Ha public realm / green space developed
Citadels Business Infra	1	4,000,000	175	75	3.47	25	0	0	0	0.00	1,000	0	0	0
Lighting Up Carlisle	2	620,000	115	115	5.32	300	5,500	0	100,000	6.18	0	0	0	0
Market Hall	3	3,015,151	127	91	4.21	60	0	0	20,800	1.33	2,350	0	0	0
Tullie House	4	913,684	9	9	0.42	0	0	0	7,500	0.48	412	0	0	0
Digital Community and Learning Hub	5													
Southern Gateway	6	7,806,415	0	0	0	0	0	0	0	0	0	3	3,380	1
Start with the Park	7	3,167,424	0	0	0	0	0	0	0	0	0	9		100
Sub-total		19,522,674	-	-	-	-	-	-	-	-	-	-	-	-
Programme Management Costs		250,000												
ORIGINAL TOTAL (as per TIP)		25,000,000	454	318	14.70	435	7,375	900	145,800	9.30	4,962	15	3,830	201
REVISED TOTAL (after Stage 1 project changes)		19,772,674	426	290	13.41	385	5,500	0	128,300	7.99	3,762	12	3,380	101
Change compared to TIP		-5,227,326	-28	-28	-1.29	-50	-1,875	-900	-17,500	-1.31	-1,200	-3	-450	-100
			-6%	-9%	-9%	-11%	-25%	-100%	-12%	-14%	0%	-20%	-12%	-50%

Option D - Remove fifth lowest ranked project

- **Description** - Fifth lowest ranked project (Market Hall) excluded from the package.
- **Town Deal Ask** - Reduced to £19.1m, from total £19.7m available. Balance of £0.6m to support other projects.
- **Issues and implications**
 - **Outputs / outcomes** - 36% reduction in jobs created; 36% reduction in GVA generated; 26% to 28% reduction in visitor numbers and visitor spend.
 - **Strategic impact**
 - Market Hall is one of the key job creation projects in the Town Deal package. If it is removed, the direct impact on job creation will be significant.
 - Project plays a key role in ensuring the success of the Future High Streets Fund programme, by boosting vibrancy in the city centre.
 - Lost opportunity to give Carlisle a new and distinctive leisure attraction that will benefit local people and the evening economy, as well as attracting visitors.

OPTION D	Ranking	Town Deal Ask (£m)	Jobs created (total)	Jobs supported (pa)	GVA (gross pa) (£m)	Businesses supported (inc start ups)	Learners supported	People progressing into jobs / self-emp	Additional visitors pa	Additional visitor spend pa (£m)	Sq m new / improved floorspace (inc business space)	Km new / upgraded walking and cycling routes (km)	Sq m new / upgraded road infrastructure	Ha public realm / green space developed
Citadels Business Infra	1	4,000,000	175	75	3.47	25	0	0	0	0.00	1,000	0	0	0
Lighting Up Carlisle	2	620,000	115	115	5.32	300	5,500	0	100,000	6.18	0	0	0	0
Market Hall	3													
Tullie House	4	913,684	9	9	0.42	0	0	0	7,500	0.48	412	0	0	0
Digital Community and Learning Hub	5	2,350,000	4	4	0.18	50	1,500	900	0	0.00	1,200	0	0	0
Southern Gateway	6	7,806,415	0	0	0	0	0	0	0	0	0	3	3,380	1
Start with the Park	7	3,167,424	0	0	0	0	0	0	0	0	0	9		100
Sub-total		18,857,523	-	-	-	-	-	-	-	-	-	-	-	-
Programme Management Costs		250,000												
ORIGINAL TOTAL (as per TIP)		25,000,000	454	318	14.70	435	7,375	900	145,800	9.30	4,962	15	3,830	201
REVISED TOTAL		19,107,523	303	203	9.39	375	7,000	900	107,500	6.66	2,612	12	3,380	101
Change compared to TIP		-5,892,477	-151	-115	-5.32	-60	-375	0	-38,300	-2.64	-2,350	-3	-450	-100
			-33%	-36%	-36%	-14%	-5%	0%	-26%	-28%	0%	-20%	-12%	-50%

Option E - Share remaining Town Deal funding reduction between two lowest ranked projects

- Description**

- Focus remaining Town Deal funding reductions on the two lowest ranked projects (Start with the Park and Southern Gateway), retaining scaled back versions of both projects within the Programme.
- The project sponsors have identified how the projects can be scaled-back and savings achieved sufficient to reach the revised Town Deal funding target of £19.7m.

- Town Deal Ask - Reduced to £19.7m (target achieved).**

- Issues and implications**

- Outputs / outcomes** - 20% reduction in new / upgraded walking and cycling routes; 97% reduction in ha public realm / green space developed.
- Strategic impact**
 - The low carbon impacts of the TIP (including active sustainable travel, and some green infrastructure) would be retained, albeit at a scaled-back level.
 - The opportunity to raise the quality of transport infrastructure and public realm quality / attractiveness at the key gateway to the City, complementing Citadels and Station Gateway developments, would be retained.
 - Project sponsors are content that scaled-back projects will still deliver the types of impacts and benefits identified originally in the TIP (albeit at reduced scale).
 - The key changes to these two projects are described in more detail below.

OPTION E	Ranking	Town Deal Ask (£m)	Reduction Compared to TIP (£m)	Jobs created (total)	Jobs supported (pa)	GVA (gross pa) (£m)	Businesses supported (inc start ups)	Learners supported	People progressing into jobs / self-emp	Additional visitors pa	Additional visitor spend pa (£m)	Sq m new / improved floorspace (inc business space)	Km new / upgraded walking and cycling routes (km)	Sq m new / upgraded road infrastructure	Ha public realm / green space developed
Citadels Business Infrastructure	1	4,000,000	0	175	75	3.47	25	0	0	0	0.00	1,000	0	0	0
Lighting Up Carlisle	2	620,000	305,000	115	115	5.32	300	5,500	0	100,000	6.18	0	0	0	0
Market Hall	3	3,015,000	1,010,000	127	91	4.21	60	0	0	20,800	1.33	2,350	0	0	0
Tullie House	4	918,000	82,000	9	9	0.42	0	0	0	7,500	0.48	412	0	0	0
Digital and Community Learning Hub	5	2,350,000	500,000	4	4	0.18	50	1,500	900	0	0.00	1,200	0	0	0
Southern Gateway	6	6,600,000	1,350,000	0	0	0	0	0	0	0	0	0	2	3,380	1
Start with the Park	7	2,000,000	2,000,000	0	0	0	0	0	0	0	0	0	10	0	5
Sub-total		19,503,000	5,247,000	-	-	-	-	-	-	-	-	-	-	-	-
Programme Management Costs		197,000	53,000												
ORIGINAL TOTAL (as per TIP)		25,000,000	-	454	318	14.70	435	7,375	900	145,800	9.30	4,962	15	3,830	201
REVISED TOTAL		19,700,000	-	430	294	13.59	435	7,000	900	128,300	7.99	4,962	12	3,380	6
Change compared to TIP		-5,300,000	-	-24	-24	-1.11	0	-375	0	-17,500	-1.31	0	-3	-450	-195
				-5%	-8%	-8%	0%	-5%	0%	-12%	-14%	0%	-20%	-12%	-97%

Option E - Key changes to projects and implications

Start with the Park

The proposed changes involve taking a phased approach to the delivery of Start with the Park. Phase 1, which will be funded through the Town Deal, involves focusing on walking and cycling infrastructure improvements by developing new and improved routes from the SCGV area to the city centre (providing a total of 10km of walking and cycling routes). The project will continue to align with the Southern Gateway, ensuring infrastructure improvements between the two areas are closely linked, providing a cohesive active travel network from the new development at St Cuthbert's Garden Village into the city centre.

The initial infrastructure delivered in Phase 1 will support the future unlocking of 200 hectares of new green infrastructure / green space through the delivery of subsequent phases of Start with the Park. Phase 1 will directly deliver 5 hectares of new green infrastructure / green space and will fund the design competition and masterplan for the Park. The masterplan will inform the design and delivery of the later phases.

Southern Gateway

The original Southern Gateway proposal involved developing new cycling and walking routes, providing improved active travel connectivity between the city centre and St Cuthbert's Garden Village, alongside the key focus on transport and public realm improvements in the main gateway area of the city.

The revised project will focus investment more strongly on delivery of infrastructure within the city centre, in the English Street and Botchergate areas, providing an attractive, high quality gateway to the City, complementing the Citadels and Station Gateway developments. This will include improvements to the existing road network (2km of walking and cycling routes within the city centre core, alongside 3,380 sq m of upgraded road infrastructure), delivering improved urban active travel routes around the Southern Gateway area of the city centre.

Between the two projects, there will be a small net loss in km of upgraded walking and cycling routes developed across the SCGV and Southern Gateway areas combined (from 15km in the original TIP proposal, to 12km under the new proposals). However, the delivery of this infrastructure will mean that we integrate active, sustainable travel opportunities, with the health benefits that comes with this, both for our existing local communities and at the outset of the new Garden Village community.

The main impact of the changes to the projects is the loss of green space developed in the SCGV area, which will reduce from 200 ha (direct) in the original TIP proposal, to 5 ha (direct) under the new proposal. However, the initial green space provided will set the tone and pave the way to unlock significant new green space in future phases of the SCGV development.

6. Conclusions and recommendations

- 6.1 By ranking the projects against agreed criteria, stage 2 of the assessment process has identified opportunities to reduce the Town Deal funding ask to within the revised allocation of £19.7m.
- 6.2 Several alternative options have been considered which involve removing (in their entirety) the lower ranking projects from the package. While these options have the effect of reducing the Town Deal request to within the £19.7m available, each option comes at a very high cost in terms of significantly reducing the strategic impact of the overall Town Deal programme in key priority areas (e.g. job creation, low carbon impacts, benefits for local people and communities) and significantly reducing the quantity of outputs and outcomes the combined package of projects will be able to deliver.
- 6.3 An alternative approach has been considered which, rather than removing an entire project from the package, would instead focus the remaining funding reductions on the two lowest ranked projects (i.e. Start with the Park and Southern Gateway). The sponsors have revisited the design of these projects and have identified opportunities to reduce project scope and scale in a way that reduces the Town Deal funding ask, while retaining the same types of benefits and impacts (although the scale of benefits will naturally be reduced). These changes are presented in Option E of this report.
- 6.4 Option E represents a balanced package, capable of delivering the required reduction in Town Deal funding, at the same time as retaining the integrity of the programme. It would allow Carlisle to deliver benefits across all five objectives, and across all outcome and impact types, as identified in the original Town Investment Plan. It would deliver impacts across all three of the broad Towns Fund intervention themes.
- 6.5 The Board is asked to:
- Consider the results of the stage 2 assessment process and project rankings.
 - Consider the funding allocation options presented in this report.
 - Endorse option E as the preferred option.
 - Authorise Carlisle City Council and the project team to confirm the preferred option with MHCLG, as the basis of the final Town Deal Heads of Terms Agreement.

Officer

NAME	DESIGNATION	CONTACT DETAILS
Steve Robinson	Regeneration Manager – Carlisle City Council	Steven.robinson@carlisle.gov.uk

Appendix 1

Outcomes from Stage 1 of Project Review Process

The attached spreadsheet (Annex A, sent previously to Board members with the papers for 23rd April 2021 meeting) shows the original costs for each of the seven projects as per the Town Investment Plan, including Towns Fund request, and match funding, as well as the original outputs / outcomes. It also shows the revised project details following the stage 1 review process, including revised Towns Fund request and match funding, value and percentage change to the Towns Fund ask, and updated outputs and outcomes. The spreadsheet also includes a final column with notes highlighting how any reduction in the Towns Fund request has been achieved for each project.

The key messages following completion of stage 1 are:

- The Town Deal funding ask has been reduced by a total of £2.88m through the stage 1 review. A further Town Deal reduction of £2.42m is required to meet the target of £5.3m.
- Six of the seven projects have reduced the Towns Fund request.
- In most cases, the Towns Fund request has been reduced as a result of cost savings, rather than increases in match funding. In total, an additional £110,000 of match has been identified by the six projects. Match funding contributes £1.9m (8%) towards the total cost of all seven projects combined. The overall Town Deal intervention rate is high, at 92%.
- Some projects have identified significant savings, reducing their Towns Fund request by up to one-third. Other projects have identified only minimal savings.
- The balance of Towns Funding between investment themes is broadly unchanged following the stage 1 review. Originally 48% of funding was allocated to Urban Regeneration; 28% Skills and Enterprise, and 24% Arts, Heritage and Culture. The revised balance is 50% Urban Regeneration; 29% Skills and Enterprise; and 21% Arts, Heritage, and Culture.
- Three of the seven projects have slightly reduced outputs to reflect changes in the scale and scope of the project. This does not have a material impact on outputs and outcomes at the overall programme level.
- The changes identified to individual projects to date are summarised in Table A.

Table A - Project level changes following stage 1 review

Project	Project Sponsor	<u>Original</u> Towns Fund Request (£)	<u>Revised</u> Towns Fund Request (£)	Reduction (£)	Reduction (%)	Increase in Match Funding	Summary of Changes
Arts, Culture and Heritage							
Lighting-Up Carlisle	Carlisle City Council	£925,000	£620,000	£305,000	33%	Yes	<ul style="list-style-type: none"> Removed request for Town Deal revenue funding. Additional £70,000 revenue match identified. Some revenue costs capitalised. Outputs adjusted to take account of changes e.g. 115 new jobs (139 previously); 100,000 new visitors pa (117,500 pa previously); £6.18m additional visitor spend (£7.48m previously)
Carlisle Market Hall	Carlisle City Council	£4,025,000	£3,015,151	£1,009,849	25%	Yes	<ul style="list-style-type: none"> Additional £40,000 match funding identified from City Council Purchase price of Market Hall reduced Outputs are unchanged
Tullie House	Tullie House	£1,000,000	£913,684	£86,316	9%	No	<ul style="list-style-type: none"> Cost savings identified (professional fees, contingency budget, project management) Outputs are unchanged
Skills and Enterprise Infrastructure							
Citadels Business Infrastructure	Cumbria County Council	£4,000,000	£4,000,000	£0	0%	No	<ul style="list-style-type: none"> Information not yet provided on revised project costs and funding Assume no change to Towns Fund request, match funding, and outputs

Project	Project Sponsor	<u>Original</u> Towns Fund Request (£)	<u>Revised</u> Towns Fund Request (£)	Reduction (£)	Reduction (%)	Increase in Match Funding	Summary of Changes
Digital and Community Learning Hub	Cumbria County Council	£2,850,000	£2,350,000	£500,000	18%	No	<ul style="list-style-type: none"> Revenue savings achieved by reviewing delivery timescales (e.g. funding for marketing only required in year 1; development of course content from year 3) Capital savings achieved by bringing work in-house, and reducing work specification Outputs are unchanged
Urban Regeneration							
Southern Gateway	Cumbria County Council	£7,950,000	£7,806,415	£143,585	2%	No	<ul style="list-style-type: none"> Cost savings identified by removing a short section of resurfacing, and by delivering a lower cost solution to road treatment on Botchergate. Reduction of 450sqm in road infrastructure and in public realm improvements.
Start with the Park	Carlisle City Council	£4,000,000	£3,167,424	£832,576	21%	No	<ul style="list-style-type: none"> Cost savings achieved by reducing project scale and scope. Outputs adjusted to take account of changes i.e. 9km new cycling and walking routes (12km previously); 100ha of new public space (200ha previously); 1 new recreational area (3 previously)
TOTAL		£24,750,000*	£21,872,674	£2,877,326	12%		

*£25m Town Deal ask includes £250,000 towards programme management costs

CARLISLE TOWN DEAL BOARD

Monday 10th May 2021, 15:45-17:15

ITEM 5: Working Groups: Communications and Engagement Working Group and Project Delivery Working Group

1. Purpose of the Report

- 1.1 To outline the proposal for a Communications and Engagement Working Group to oversee and take responsibility for Town Deal project engagement.
- 1.2 To outline the proposal for a formalised Project Delivery Working Group to support the delivery of the Town Deal Projects

2. Recommendations

2.1 The Board is asked to:

- Endorse the establishment of a Communications and Engagement Working Group, as set out in the draft Terms of Reference.
- Endorse the establishment of a Project Delivery Group.

3. Background

- 3.1 As Carlisle moves into the next phase of delivering its Town Deal, with the funding and Heads of Terms now agreed subject to the production of satisfactory business cases, formalised working groups to support the Board and Lead Authority in delivering the Town Deal programme are proposed to help ensure the programme and projects are well governed across the Town Deal Board partnership. Two groups are proposed: Communications and Engagement Working Group, and Project Delivery Group.
- 3.2 The Heads of Terms offer from government to Carlisle's Town Deal Board in March 2021 of 19.7 Million for the Town Deal Programme is subject to relevant conditions being met. One of these is ensuring a more developed strategy to Stakeholder (private sector and community) engagement. As part of this, Carlisle City Council is working on an updated stakeholder engagement strategy. Part of this strategy includes a regular working group to take responsibility for stakeholder engagement, and co-ordinate individual project level engagement work across the Town Deal Programme.
- 3.3 Since Autumn 2021 officers from relevant project sponsor organisations have worked to inform the development of projects for the Town Investment Plan, and further refine projects following the Heads of Terms offer in March 2021. It is proposed that this group is formalised as the Project Development Working Group as Carlisle moves into the Business Case phase of the Town Deal programme.

4. Communications and Engagement Working Group:

4.1 Purpose

4.1.1 The purpose of this group will be to plan, oversee and review the engagement activities and communications for Town Deal projects. This will include:

- Responsibility for reviewing the webpage and advising of any changes and updates that need made
- Responsibility for developing and reviewing the projects communication and engagement programme, including planning consultations, surveys and workshops
- Co-ordinating project level consultation that will be led by Project Sponsors, ensuring clear, consistent and timely messaging.

4.2 Governance

4.2.1 The Group will sit within the governance structure of the Town Deal Board and will report to the Board. The group will therefore meet ahead of Board meetings and the actions of the meeting will be reported to Board meetings for review.

4.2.3 Formal approval of consultation dates and materials will lie remain the responsibility of the Town Deal Board.

4.3 Membership

4.3.1 It is proposed that the group will be made up of relevant officers from Project Sponsor organisations:

- CaCC Regeneration team
- CaCC Communications team
- CaCC planning policy team
- CuCC project/area officer
- CuCC Communications team
- Tullie House

4.3.2 The opportunities for CVS to input into this group would be welcome and can be explored.

5 Project Development Working Group

5.3 A working group made up of officers from project sponsor organisations was established in Autumn 2021 in an informal basis to inform the development of projects for the Town Investment Plan, since then the project team have worked with those

relevant officers to further refine projects, it is proposed that this group is formalised as the Project Development Working Group.

5.4 The purpose of this group will be to co-ordinate the delivery of the Town Deal programme and projects through:

- Overseeing the delivery programme, with members taking responsibility to update and advise of any changes relevant to their projects
- Supporting the procurement processes for future stages of the programme (including business cases and contracting)
- Advising the Working Group and the Board of project level updates
- Outlining issues and risks at project level, to help collate programme level information that will be reported to the Board

5.5 It is proposed that membership is made up of the officers from relevant project sponsor organisations, as per structure of the existing informal group, ensuring that there is an officer with the relevant expertise for each of the Town Deal Projects.

5.6 It is proposed that the group meets ahead of each Town Deal Board meeting, with the first meeting taking place before the next meeting, the first meeting will look to formalise a Terms of Reference, and consider the best approach for business case development. The group will report to the Board.

6 Next Steps

6.3 Subject to the Board's approval, the Communications and Engagement Working Group will be convened later in the month, first key actions for the group will include:

- Refining and agreeing the Terms of Reference
- Prepare communications and press releases for publishing the TIP & Town Deal Funded projects
- Review Stakeholder Engagement Plan
- Prepare and co-ordinate summer consultation of Town Deal Projects (with individual project sponsor partners taking a lead on the project-level engagement relating to their projects.)

6.4 Subject to the Board's approval, the Project Delivery Working Group will be convened ahead of the next board meeting first key actions of the group will include:

- Establishing a Terms of Reference
- Consideration of the strategy for business case development to make recommendations to the Board.

Officer

NAME	DESIGNATION	CONTACT DETAILS
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Jenson Kemp	Economy and Enterprise Officer – Carlisle City Council	Jenson.Kemp@Carlisle.gov.uk
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Annexes

Communications Working Group Draft Terms of Reference

Communication and Engagement Working Group

Terms of Reference (Draft)

Purpose:

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.

Responsibilities

1. To develop and review the projects communication and engagement programme, including planning consultations, surveys and workshops
2. To co-ordinate project level consultation that will be led by Project Sponsors, ensuring clear, consistent and timely messaging.
3. To provide information and guidance relevant to own area of expertise.
4. To support in identifying and engaging with external stakeholders.
5. To engage with relevant project teams to ensure consistency in approach.
6. Reviewing the webpage and advising of any changes and updates that need made.
7. To provide an update to the Town Deal Board as required.
8. To sign off recommendations to the Board.

Members

The group will have membership from all project sponsor parties for the Town Deal projects:

- Carlisle City Council regeneration team
- CaCC comms team
- CaCC planning policy
- CuCC project/area officer
- CuCC comms team
- Tullie House

Meetings

Meetings will take place approximately every 6 weeks, ahead of the Town Deal Board, more meetings may be scheduled as required.

Governance

The group reports to the Town Deal Board for all projects and activities relating to Town Deal, The Town Deal Project Delivery Group will be provided with updates from the group for information and comment.