

Carlisle Town Deal Board Update

Tuesday 26 July 2022 9:30-10:30

AGENDA

Item no.	Item	Paper	Time
1	Welcome	N	9:30
2	Programme / project update	Y	9:40
3	Funding	Y	9:55
4	Market Hall Project	Y	10:05
5	Next Steps	Y	10:15
6	AOB	N	10:25

Carlisle Town Deal Board

Minutes

26th July 2022

9:45am

MS Teams

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

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

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

Carlisle Town Deal Board	
Paper	Town Deal progress update
Date	18 July 2022
Reporting Officer	Steven Robinson, Head of Regeneration – Carlisle City Council

Summary

On 24 March 2022 six project business cases were submitted to the Department for Levelling Up, Housing and Communities (DLUHC) for approval. 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

The DLUHC has confirmed that the six business cases have passed through their review process and are now approved. The allocation for Year 1 of the project funding has now been released to the Council to allow the implementation of the Town Deal projects to proceed.

The Council has agreed a further extension of time with the DLUCH for the seventh and final project, Carlisle Market Hall, until 31 December 2022 to enable additional project development work to be undertaken and the business case completed.

Recommendations:

It is recommended that the Board:

1. Note the six business cases that have been approved by the DLUHC and that the City Council will now add the projects to its capital / revenue programme(s).
2. Note that the City Council will progress the preparation of the grant funding agreements with delivery partners – Cumbria County Council, University of Cumbria and Tullie House – to enable the next stage of project development to commence
3. Note the update on the progress of the Market Hall project and the business case submission date extension until 31 December 2022.

Introduction:

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.
2. An overview of each project 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 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. The Heads of Terms document set out a period of twelve months for the development and submission of the business cases to Government.
4. Six of the seven project 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
5. The Council agreed an extension of time with the DLUCH for the seventh and final project, Carlisle Market Hall, until December 2022, to enable additional project development.

Programme Update

6. The DLUHC has confirmed that the six business cases have passed through their review process and are now approved. The allocation for Year 1 of the project funding is in the process of being released to the Council to allow the

implementation of the Town Deal projects to proceed. The DLUHC have advised that each following year's funding will be delivered based on progress.

7. This decision formally triggers the Council's Town Deal programme management / accountable body function – in terms of enabling the release of the allocated funding to allow project delivery.
8. The next stage in the process is for the six approved projects and their associated budgets to be added to the Council's capital programme. This will allow the allocated funding to be released and consequently, enable contracting and grant funding agreements to be drawn up for the projects to be delivered by external third parties. A report will be considered by the Council executive on the 25 July 2022 in this regard.
9. A condition of receiving Towns Fund funding will be providing regular feedback on progress, to allow for monitoring and evaluation of projects. At least every six months the Council will be required to provide government with a comprehensive set of data relating to each Town Deal project, including both total and forecast spend and output metrics. These requirements will be reflected in the grant funding agreements.

Market Hall project update

10. The development of the business case for the Market Hall project is progressing, with survey work, negotiations for the acquisition of the head lease, design and costing work all underway.
11. The survey work that has underpinned the negotiations for the acquisition of the head lease for the market hall has flagged up a repair liability on the property in excess of £3m over the next 3 years or – with approximately £1m of this being necessary immediate M&E works required within the next 12-18 months. This repair liability has put additional costs onto the cost plan for the project that more than the current funding envelope for the project
12. The Council has agreed a further extension of time with the DLUHC for the seventh and final project, Carlisle Market Hall, until 31 December 2022 to enable these repairs issues to be considered and addressed – and the additional project development work to be undertaken and the business case completed.

Next steps

- Add the approved Town Deal projects to the Council's capital programme

- Begin discussions with delivery partners regarding grant funding agreements, starting with the agreement of heads of terms.
- Agree the monitoring and evaluation framework that will be embedded into the grant funding agreements
- Continue to develop the Market Hall project – exploring how the repairs costs can be addressed within the current funding envelope – keeping the Board updated on progress.

Carlisle Town Deal: Communications & Engagement Working Group

Tuesday 22nd March 2022

Agenda no.	Item	Action
1	<p>Welcome and apologies</p> <p>Steven Robinson Carlisle City Council (Regeneration Team)</p> <p>Ken Lau Carlisle City Council (Regeneration Team)</p> <p>Sarah Irving Carlisle City Council (Communications Team)</p> <p>Kate Stark Cumbria County Council</p> <p>Apologies:</p> <p>Lynn Bewley UOC</p> <p>Katie Mills UOC</p>	
2	<p>Actions from previous meeting</p> <p>Completed and Agreed</p>	
3	<p>Project & Programme Updates</p> <p>SR Town Deal Update 6/7 Business cases completed with a Town deal board on 17th to sign off on those. Business cases to be submitted on 24th March to government.</p> <p>SR: there is a little window of opportunity for a press release after the town deal board has signed off on the business cases.</p>	SR to send over Part B report
4	Consultation activity: Current & Planned	

	<p>KS: Press releases will be done before purdah and any other good news stories</p> <p>SI: Borderlands newsletter has gone out but we need to do the towns deal newsletter</p> <p>SR: we will need to pull a town deal newsletter together post submission. Will need to go back to the board to ask if they want a regular newsletter.</p>	
5	<p>Engagement Plan</p> <p>SR: A stakeholder engagement plan will be put together and a document will be circulated and views will be welcomed. Barrow town deal stakeholder engagement plan will be worth looking into.</p>	
6	AOB	

Town Deal Project Delivery Group
Monday 21 February 2022- 11:00-12:00

AGENDA

Agenda No.	Item	Actions
1	<p>Welcome and Apologies Steven Robinson (CaCC) Ken Lau (CaCC) Jillian Hale (CaCC) Ged Acton (CuCC) Paul Walker (CaCC) Kate McLaughlin-Flynn (UOC) Matthew Lambert (MM) Gabrielle Heffernan (TH) Paul Musgrave (CuCC)</p> <p>Apologies: Mark Walshe (CaCC)</p>	
2	<p>Review of actions from previous meeting</p> <p>Notes agreed and all actions completed.</p>	
3	<p>Programme & Project Update</p> <p>SR to review and provide comments on BC on UOC</p>	
4	<p>Update from Mott Macdonald ML Updating on Business Cases</p>	
5	<p>Assurance Review DK Updating on Assurance processes</p> <p>DK: Have comments been address on UOC Business Case KMF: Comments have been on process have been addressed. DK: All business cases will go to Town Deal Board for sign off on the 3rd March. The town deal board will review all the business cases and reviews to ensure that they are happy for them to be submitted to DLUHC. KMF: When do we think when we will be able to get comments back from DLUHC. SR: We should be able to get feedback from the business cases relatively quickly to enable us to start delivery. Submission from business cases in March will be available for draw down in June. KMF: Will there be a grant funding agreement to be signed. What will be the timeline for a draft GFA. SR: There will be a grant funding agreement however there needs be an offline conversation re GFA as it is a little more complicated as there are various interdependencies. We do have a GFA template ready to go but we would like to get the process going as soon as possible after submission.</p>	

6	Monitoring and Evaluation Plan SR updating on M&E Plan. SR: The Business cases have taken precedence for now, we will pick up with the PMO and get this progressed. DK: We will get various documents and legal processes sorted and distributed around the group and get things moving.	
7	Next Steps & Key Actions Business Cases. M&E Framework. Scoping out legal work.	
8	AOB None.	