

Town Deal Full Business Case Summary

Project Title	Carlisle Digital Learning & Community Hub
Project Description	
<p>The Digital and Community Learning Hub will be located in The Lanes Shopping Centre, in the heart of Carlisle's retail and leisure economy. The project site is currently occupied by Carlisle Library. The project will offer a new multifunctional space offering a blend of opportunities for learning, skills, digital connectivity, library and community focused offer.</p>	
<p>The existing library space is significant in size at 2,492 m² and already generates a healthy footfall of approximately 240,000 people per annum. This number is capable of further growth, through the diversification of the service offer.</p>	
<p>Digital skills are at the centre of this learning offer and a digital centre of excellence would occupy a significant proportion of the floor space, integrating with the core library offer but also acting as a catalyst to a more digitally enabled customer offer in line with the expectations of customers from a younger demographic and being more inclusive to those who do not currently access Community Learning or Library Services.</p>	
<p>The project would deliver a new hub and spoke model for digital skills with the Digital and Community Hub located in The Lanes Shopping Centre as the anchor, along with the Community Development Centres (CDCs) at Pennine Way, Upperby and Kingmoor being the formal spokes across Carlisle as outreach venues.</p>	
<p>There will be a wide range of learning options from a physical hub to community learning and a strong home learning dimension capitalising on the new technological capabilities and digital platforms delivered through this scheme. The improvements in the digital delivery methods will ensure that that disadvantaged communities are equally able to access the training and other services provided by the Hub.</p>	
<p>Course content will also be developed to ensure that opportunities to acquire skills in our most challenged areas are prioritised around skills gaps and levelling up educational attainment in the city. As such, and in line with the focus for Adult and Community Learning, the majority of courses will be at Level 2 and below, supporting customers to upskill and/or develop their digital literacy for employment or personal use.</p>	
<p>Cumbria County Council has recently secured funding from the British Library to host a Business Intellectual Property Centre (BIPC) in Cumbria, with Carlisle Library being one of the two anchor locations (Barrow being the other). The BIPC facility will deliver a range of services for small businesses, new starts and budding entrepreneurs to access a range of information that can help them develop or indeed start a business. The BIPC initiative coupled with the aspirations of the Digital Learning and Community Hub, will help to extend the library's customer base into the business community, supporting local economic growth ambitions and enabling the potential co-location of some business support services such as the Cumbria Chamber of Commerce, Cumbria Social Enterprise Partnership, CLEP and Barclay's Eagle Labs.</p>	
<p>The Council is currently in the process of appointing a design consultant to further develop the physical element of the Digital Learning and Community Hub with the intention that the design and layout are as flexible as possible, underpinned by a requirement to create an inspirational, interactive, and accessible space. With the intention to expand the customer base, the new facility will incorporate space for classroom learning, seminars, computer</p>	

and other digital devices, traditional library services as well as the potential to host larger events such as Jobs Fairs, school visits and business networking functions. The Digital Learning and Community Hub will deliver a modern community asset in the heart of the town centre, increasing footfall in the area and supporting the retail and leisure offer in and around The Lanes Shopping Centre.

Project Rationale

The largest urban settlement in Cumbria, the historic City of Carlisle, serves a wide geographical hinterland. It is the business, residential, educational, and retail capital of Cumbria and the wider rural Borderlands region, which encompasses a substantial portion of North West England and southern Scotland. Carlisle's role as a city serving a large rural geography makes it a strategically important hub for the wider Borderland's region. Carlisle's continued economic growth and resilience is being held back, however, in part by a lack of skills attainment and employment in high value industries. Lack of digital skills play a key role in preventing individuals from progressing into higher earning employment.

Carlisle faces a number of economic challenges including;

- The attainment of higher-level skills in Carlisle is lower than regional or national averages with 12% fewer people educated to NVQ4+ than the England average.
- Higher proportion of people residing in Carlisle are employed in low-skilled jobs with 40.6% compared with the GB average of 30.8%.
- Employment in Carlisle is concentrated in low-productivity sectors with employment concentrated in lower value industries.
- GVA per worker is almost £10,000 lower in Carlisle than the national average.
- Local businesses report difficulty in recruiting skilled workers, with lack of digital skills playing a key role.
- Declining working age population.
- Covid-19 has resulted in higher rates of unemployment in Carlisle with an additional 3000 people added to the claimant count in the last two years.
- Covid-19 has had a negative impact on footfall on Carlisle's high street.

The development of Digital Skills are, and will continue to be, a central pillar for employment in the UK. Currently many jobs have a digital element, with 82% of all job adverts requiring digital skills. This includes low skill jobs with 77% of low skilled job adverts requiring digital skills¹. It is predicted that within 20 years, 90% of all jobs will require some element of digital skills.² Effective provision is essential to ensure the workforce is prepared for this and future technological changes.

Libraries have an important role to play in making sure everyone, in every part of the country, makes the most of the digital economy. Over half of UK residents have a library card and 35.8% of people living in the most disadvantaged areas visit their library³. Libraries therefore, tackle the barrier of access by providing a trusted network of accessible locations with free Wi-Fi, computers, and other technology.

¹ [No Longer Optional: Employer Demand for Digital Skills \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

² [Review of Publicly Funded Digital Skills Qualifications 2016 FINAL.pdf \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

³ [Taking Part 2015/16 quarter 4 statistical release - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

In the UK there are still a significant proportion of the population who have only basic digital skills or have no digital skills at all. Essential digital skills data collected by Ipsos Mori⁴ indicates that 21% of the UK population equating to 11.0 million people are digitally disadvantaged and lacking Essential Digital Skills for Life. With 91% of this group (c.10.0 million) lacking the Foundation Level which includes:

- 10 million are not able to access the Internet themselves and lack the most basic digital tasks.
- 6.5 million cannot connect to Wi-Fi by themselves.
- 4.9 million cannot turn on a device and log into any accounts or profiles they have by themselves.

This skills deficit extends to the UK workforce. Approximately 12 million (36%) of the UK workforce lack Essential Digital Skills for Work. Of these, 8% lack the Foundation Level (the very fundamentals of connecting to the Internet) and whilst a further 7% have achieved this level, they lack any workplace digital skills⁵. This indicates that several workers still need the very essentials of digital skills before they can thrive in an increasingly digital UK.

Carlisle College is the primary training provider currently offering digital skills courses, and the College has a targeted offer for those aged 16-18. While Carlisle College does have an Adult Education budget, the majority of the College's offer is for Level 3 courses and above. There is a clear gap in the provision of training and courses in digital skills for adults at Level 2 and below, particularly provision in more informal, community settings which attracts a different demographic. This provides an exciting opportunity for the development of a Digital and Community Learning Hub which can target different community groups including the refugee community, those without English as a first language, single parents, those seeking to re-enter the labour market, and those who have been identified by partners including Job Centre+ as having Digital Skills needs.

The Carlisle Town Investment Plan's vision is that;

"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 and culture 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 Town Investment Plan also has five Strategic Objectives. These are;

- **Strategic Objective 1 – Growing City:** Growing the working-age population of Carlisle and expanding the business and employment base, through investment in housing, business growth, high-quality job creation, and education and skills.
- **Strategic Objective 2 – 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.
- **Strategic Objective 3 – 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.
- **Strategic Objective 4 – Destination City:** To grow Carlisle's visitor economy, attracting additional footfall, vibrancy and spending to the City.

⁴ [Essential Digital Skills - Consumer Digital Index - Lloyds Bank](#)

⁵ [Essential Digital Skills - Consumer Digital Index - Lloyds Bank](#)

- **Strategic Objective 5 - Resilient and Inclusive City:** To enable Carlisle's businesses, people and communities to be resilient to economic, social and environmental challenges including climate change, economic exclusion and unemployment, digital exclusion, and recovery from the Covid-19 pandemic.

The Digital Learning and Community Hub project will directly contribute towards the achievement of the vision for the city as well as more specifically Strategic Objectives 1, 2, 4 and 5.

Project Aims & Objectives

The development of the Digital Learning and Community Hub seeks to address the issues identified within the TIP as well those more specific challenges set out in the business case. Particularly those linked to the gap in digital skills attainment, engagement of excluded groups in learning as well as meeting the growing demand from businesses for their employees to be digitally literate.

The project vision is to;

- Reduce digital poverty by increasing access, skills, confidence and motivation to use digital skills.
- Increase employability through upskilling those disengaged from the labour market.
- Deliver significant community learning, digital skills, employability, customer, and library services at the heart of the city where families and visitors of all ages can be supported to read, learn and develop their skills, experience cultural events, access services and come together to build thriving communities throughout the city.
- Deliver a modern, inclusive, high quality and inspirational facility.
- Encourage business engagement with the Digital Skills and Community Learning Hub to support business start-up and growth – including Social Enterprises.

The specific and SMART objectives for this project are:

- One Digital and Community Learning Hub, located in the city centre at Carlisle Library and with state-of-the-art digital equipment and learning resources.
- 1,200 sqm of improved learning space within the Digital and Community Hub, at Carlisle Library.
- Three community venues providing outreach "digital community spokes" with mobile digital learning.
- Learning and skills contracts with 10 employers or training providers in year 1 rising to 50 in year 3.
- Increasing uptake by 500 new learners per annum.
- Increasing the number of digital learning and skills courses available from 13% to 25% of the total courses on offer.

Policy Context

The project supports the objectives within a number of key national and local policies and strategies. These are summarised below.

Policy document details	Description of policy document	Alignment with the Digital Skill and Community Learning Centre
National Policy		
Build Back Better	UK Government national strategy to support the economy as a result of the impact of Covid-19	Digital skills are highlighted as an important part of realising Build Back Better. Build Back Better presents evidence from the Industrial Strategy Council, forecasting that five million workers could become acutely under-skilled in basic digital skills by 2030. This project is directly aligned to and will help to implement the aspirations of Build Back Better.
UK Digital Strategy; Digital skills and inclusion	UK Government policy to promote Digital Skills	The UK Digital Strategy recognises the important of digital skills that individuals and companies across the country need in an increasingly digital economy and supports people to up-skill and re-skill throughout their working lives.
Integrated Communities Action Plan	Government's vision for building integrated communities where people – whatever their background – live, work, learn and socialise together, based on shared rights, responsibilities and opportunities.	Delivery of Language and Employability courses will also be delivered as part of the project proposal; this is directly aligned to the goals of the Integrated Communities Action Plan, which stresses the importance of boosting the English language skills and confidence of people who have moved to the UK without learning the language.
No Longer Optional: Employer Demand for Digital Skills	Department for Digital, Culture, Media and Sport	Emphasises that Digital Skills are increasingly required for jobs all across the UK, but that specific skills are local, reflecting trends at regional and local levels. In recognition of this, this project aims to provide predominantly Entry Level and Level 1 courses, reflecting the need among the local population in Carlisle.
Towns Fund Intervention Themes	Towns Deal prospectus	This project will support the implementation of the 'Skills Infrastructure' theme, which sets out to 'Increase in the capacity and accessibility to new or improved skills facilities.
Regional Policy		
Northern Powerhouse Strategy	The Northern Powerhouse strategy sets out the government's plans for delivering its vision for the North.	The Northern Powerhouse Strategy recognises the value of digital skills training in supporting adult education, so that all members of society can participate in the digital economy.
the Northern Digital Jobs Strategy	Strategy commissioned following the 2017 Digital Skills Action Summit	The project proposal is aligned to the following goals of the Northern Digital Jobs Strategy: Encouraging those from underrepresented groups into the digital sector; supporting people with advice and training to support them in their career; prioritise skilling up the local workforce to deal with the potential effects of Brexit.
Local Policy		
Cumbria LEP Local Industrial Strategy	Industrial strategy for the Cumbria region developed by the Cumbria Local Enterprise Partnership	Cumbria's Local Industrial Strategy focuses on improving connectivity (physical and digital); investing in skills development; capitalising on productivity, innovation and enterprise potential; and inclusive economic growth.

Cumbria LEP Local Skills Report	Cumbria LEP's Skills Report, produced by Skills Advisory Panels (SAPs) with support from the Department for Education.	The Local Skills Report for Cumbria presents five growth sectors, with ICT being one of these, where digital skills will be most relevant, but recognises that digital skills increasingly underpins all sectors and at all skill levels.
Carlisle Town Board (2021) Town Investment Plan	Town Investment Plan showcases the ambitious vision for the future of Carlisle at the heart of a thriving Borderlands economy. The Carlisle Town Deal Board outline their strategy and approach to delivery and engagement.	This project proposal is aligned to the following four aspects of the Carlisle Town Investment Plan: Resilient and Inclusive City - Equipping residents from excluded communities with the skills needed to secure jobs, boost earnings, and access digital services; Growing City - Improving the skills of the local workforce to take-up jobs in a growing economy; Connected City - Equipping local people with the digital skills they need to be digitally connected; and Vibrant City - Boost footfall by providing residents with new reasons to spend time in the city centre.
Carlisle City Council (2015) Local Plan	Carlisle City Council's Local Plan	This project supports key policies in the Local Plan, in particular: 'Strengthening and expanding the skills base available, diversifying the economy and improving enabling physical infrastructure'.
Cumbria County Council (2019), Joint Public Health Strategy	Cumbria County Council's strategy developed by the Cumbria Public Health Alliance.	This project supports the Joint Public Health Strategy. Through the provision of skills and promoting education through lifelong learning, the project proposal helps to support the implementation of the 'People: Nurturing our Human Assets' theme of the strategy.
Cumbria County Council (2018-2022), Customer Strategy	Cumbria County Council's strategy to put customers at the front of Council services	The project has been designed in the spirit of the Customer Strategy, whereby the needs of current Library customers and future customers of the Digital Skills and Community Learning Hub have been considered, including through the options appraisal process.

Outputs & Outcomes

The project will deliver the following direct outputs;

- 4 jobs created.
- 50 businesses supported.
- 3000 learners supported.
- 1200m² new/improved floorspace.
- 959 learners supported on digital provision.
- 246 learners supported on employability provision.

Value for Money

The Economic Case has been developed by an independent economist.

The Benefits to Cost Ratio (BCR) is an assessment of the relative costs of a scheme and the benefits that will be delivered. A BCR of between 0 and 1 is considered **Poor** value for money. A BCR between 1 and 2 is considered **Medium** value for money and a BCR of between 2 and 4 is considered **High** value for money.

The preferred option for the project delivers a Benefits to Cost Ratio of 2.78, which meets the HM Treasury Guidance criteria as delivering 'High' value for money.

Project Costs

The estimated total project cost is £2.7m. The request from the Town Deal is £1.75m of capital and £0.6m of revenue. Currently £0.35m of match funding has been identified from Cumbria County Council. £0.25m of this will be drawn down from the Planned Maintenance Budget and £0.1m from the ICT Renewal Fund. The match funding is indicative at this stage and will be confirmed once the final project costs have been agreed.

The capital costs have been estimated by the Capital Projects Team using the Building Cost Information Service (BCIS) average price for library refurbishments multiplied by the proposed floor area of 1,200sqm. This provides a robust estimation of the total project costs for all library refurbishments as BCIS is a reputable source that provide cost and price data for UK construction industry. These costs include capital costs, professional fees, statutory costs, surveys and fittings.

Contingency has been accounted for at 10% of total project costs to account for financial risks. Of note, the main financial risks relate to the current unpredictability of costs within the construction sector, including both raw materials and labour costs. The 10% figure is in line with the approach taken on other similar projects by the Capital Programmes Team.

As the scheme is progressed to detailed design, further development work will likely identify opportunities to deliver elements more cost-effectively than currently estimated, especially as design work reduces risks.

Cost Description	Estimated Cost
Construction Costs	£1,486,500
Professional Fees	£200,880
Statutory Costs	£10,000
Surveys	£6,000
Furniture, Fittings etc	£200,000
Contingency (10%)	£158,120
Total Capital Costs	£2,100,000
Staffing	£401,000
Marketing	£100,000
Room Hire & Course Development	£48,000
ICT (licences)	£51,000
Total Revenue Costs	£600,000
Total	£2,700,000

Funding Profile

The Town Deal funding is requested over a five-year period. The anticipated split of funding across each financial year is set out below.

Capital/Revenue	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Capital	32,000	1,137,500	876,120	£54,380	£0	£2,100,000
Revenue	£0	£0	£126,000	£237,000	£237,000	£600,000
Total	£32,000	£1,137,500	£1,002,120	£291,380	£237,000	£2,700,000

Risks

A full, live risk register is in place for the project. This is monitored regularly at the Project Board and risks escalated as relevant. A summary of the key risks at this stage is provided below.

Risk Description	Impact	Existing Controls
Failure to secure TIP funding.	Project undeliverable with insufficient funding to achieve objectives.	Development of Green Book Compliant Business Case.
		Project already has indicative funding allocation following TIP submission.
Match funding not secured thus impacting on ability to deliver full project scope.	Additional match identified to enhance the digital equipment and undertake upgrades such as boiler improvements. Without this project scope would need to reduce to absorb costs.	Match funding agreed indicatively subject to feasibility study.
		Clear plan of action to secure internal final approval of CCC match following feasibility study.
Capital project costs rise due to unforeseen circumstances.	Risk to delivery of intended project scope.	Tender for build contract to set out maximum budget available.
		Build contract will establish final, clear cost of works.
		Fully costed risk register will provide clear risk allowance.
Cost of capital works exceed the budget available.	Risk to delivery of intended project scope.	Build contract will provide final, clear cost of works.
		Fixed price contract to be established.
		Suitable contingency to be included in the cost plan.

Proposals fail to secure planning permission.	Risk to project delivery.	Pre-planning discussions to take place with Planners.
		Planning input to shape the final design.
Proposals fail to secure building owner's consent.	Risk to project delivery.	Early engagement underway with building owner.
Local Government Reorganisation process impacts on project delivery.	Risk of clawback of Town Deal Funding. Reputational risk to CCC and Cumberland Council. Risk to delivery of wider TIP.	Project objectives, milestones and deliverables set out in Funding Agreement.
		Funding Agreement to be transferred to new Cumberland Authority.
		Project details and resource requirements to be fed in to LGR process.
Further Covid-19 lockdown causes programme delay/cost increases.	Risk to project delivery on time and within budget. Reputational impact to CCC/Cumberland Council.	Highlighted as part of the Programme Risk Register and monitored accordingly.
		Comprehensive cost plan to be agreed with appropriate contingency.
Lack of anticipated learners leading to failure to deliver output targets.	Failure to delivery project and wider TIP objectives. Opportunity to increase digital skills lost. Reduction in people supported to gain digital skills qualifications.	Marketing and Engagement Strategy to be developed.
		Dedicated Carlisle Adult Learning brochure (physical/virtual) to be produced.
		Alignment of marketing activities with partners.
		Regular output/outcome monitoring to assess progress and inform strategy.