



Kim Webber B.Sc. M.Sc.  
Chief Executive  
52 Derby Street  
Ormskirk  
West Lancashire  
L39 2DF

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Monday, 5 September 2016

**TO: COUNCILLORS I MORAN, T ALDRIDGE, Y GAGEN, J HODSON, I MORAN,  
J PATTERSON, K WILKIE, K WRIGHT AND C WYNN**

Dear Councillor,

A meeting of the **CABINET** will be held in the **CABINET/COMMITTEE ROOM - 52 DERBY STREET, ORMSKIRK L39 2DF** on **TUESDAY, 13 SEPTEMBER 2016** at **7.00 PM** at which your attendance is requested.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Kim Webber', written over a horizontal line.

Kim Webber  
Chief Executive

**AGENDA**  
**(Open to the Public)**

- 1. APOLOGIES**
- 2. SPECIAL URGENCY (RULE 16 ACCESS TO INFORMATION PROCEDURE RULES)/URGENT BUSINESS**

If, by virtue of the date by which a decision must be taken, it has not been possible to follow Rule 15 (i.e. a matter which is likely to be the subject of a key decision has not been included on the Forward Plan) then the decision may still be taken if:

- a) The Borough Solicitor, on behalf of the Leader, obtains the agreement of the Chairman of the Executive Overview and Scrutiny Committee

- that the making of the decision cannot be reasonably deferred,
- b) The Borough Solicitor, on behalf of the Leader, makes available on the Council's website and at the offices of the Council, a notice setting out the reasons that the decision is urgent and cannot reasonably be deferred.

**3. DECLARATIONS OF INTEREST** 447 - 448

If a member requires advice on Declarations of Interest, he/she is advised to contact the Borough Solicitor in advance of the meeting. (For the assistance of members a checklist for use in considering their position on any particular item is included at the end of this agenda sheet.)

**4. PUBLIC SPEAKING** 449 - 452

Residents of West Lancashire, on giving notice, may address the meeting to make representations on any item on the agenda except where the public and press are to be excluded during consideration of the item. The deadline for submissions is 5.00pm on Thursday 8 September 2016.

**5. MINUTES** 453 - 462

To receive as a correct record the minutes of Cabinet held on 14 June 2016

**6. MATTERS REQUIRING DECISIONS**

6a Garage Strategy 2016-20 463 - 482  
(Relevant Portfolio Holder: Councillor J Patterson)

6b Local Plan Review - The Local Development Scheme and Regulation 483 - 514  
18 "Scoping" Consultation  
(Relevant Portfolio Holder: Councillor J Hodson)

6c Liverpool City Region Statement of Co-operation 515 - 578  
(Relevant Portfolio Holder: Councillor J Hodson)

6d Community Infrastructure Levy Funding Programme 2017/18 579 - 620  
(Relevant Portfolio Holder: Councillor J Hodson)

6e Use of Section 106 monies in Burscough 621 - 628  
(Relevant Portfolio Holders: Councillors Y Gagen & J Hodson)

6f Forming a development company - Options Appraisal Supporting Construction Development 629 - 694  
(Relevant Portfolio Holders: Councillors J Patterson & I Moran)

6g Risk Management 695 - 704  
(Relevant Portfolio Holder: Councillor C Wynn)

6h A Market Town Strategy for Ormskirk - Final Report of the Corporate & Environmental Overview and Scrutiny Committee 705 - 752  
(Relevant Portfolio Holder: Councillor I Moran)

6i	Quarterly Performance Indicators Q1 2016-17 (Relevant Portfolio Holder: Councillor I Moran)	753 - 766
6j	Capital Programme Outturn 2015-16 (Relevant Portfolio Holder: Councillor C Wynn)	767 - 780
6k	Capital Programme Monitoring 2016-17 (Relevant Portfolio Holder: Councillor C Wynn)	781 - 786

## 7. **EXCLUSION OF PRESS AND PUBLIC**

It is recommended that members of the press and public be excluded from the meeting during consideration of the following item of business in accordance with Section 100A(4) of the Local Government Act 1972 on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 (financial/business affairs) of Part 1 of Schedule 12A to the Act and as, in all the circumstances of the case the public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

(Note: No representations have been received about why the meeting should be open to the public during consideration of the following item of business).

### **Part 2 (Not open to the public)**

## 8. **MATTER REQUIRING DECISION**

8a	Hall Green Option Appraisal (Relevant Portfolio Holder: Councillor J Patterson)	787 - 800
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**We can provide this document, upon request, on audiotape, in large print, in Braille and in other languages.**

**FIRE EVACUATION PROCEDURE: Please see attached sheet.**

**MOBILE PHONES: These should be switched off or to 'silent' at all meetings.**

For further information, please contact:-  
Sue Griffiths on 01695 585097  
Or email [susan.griffiths@westlancs.gov.uk](mailto:susan.griffiths@westlancs.gov.uk)

**FIRE EVACUATION PROCEDURE FOR:  
COUNCIL MEETINGS WHERE OFFICERS ARE PRESENT  
(52 DERBY STREET, ORMSKIRK)**

**PERSON IN CHARGE:** Most Senior Officer Present  
**ZONE WARDEN:** Member Services Officer / Lawyer  
**DOOR WARDEN(S)** Usher / Caretaker

**IF YOU DISCOVER A FIRE**

1. Operate the nearest **FIRE CALL POINT** by breaking the glass.
2. Attack the fire with the extinguishers provided only if you have been trained and it is safe to do so. **Do not** take risks.

**ON HEARING THE FIRE ALARM**

1. Leave the building via the **NEAREST SAFE EXIT**. **Do not stop** to collect personal belongings.
2. Proceed to the **ASSEMBLY POINT** on the car park and report your presence to the **PERSON IN CHARGE**.
3. **Do NOT** return to the premises until authorised to do so by the **PERSON IN CHARGE**.

**NOTES:**

Officers are required to direct all visitors regarding these procedures i.e. exit routes and place of assembly.

The only persons not required to report to the Assembly Point are the Door Wardens.

**CHECKLIST FOR PERSON IN CHARGE**

1. Advise other interested parties present that you are the person in charge in the event of an evacuation.
2. Make yourself familiar with the location of the fire escape routes and inform any interested parties of the escape routes.
3. Make yourself familiar with the location of the assembly point and inform any interested parties of that location.
4. Make yourself familiar with the location of the fire alarm and detection control panel.
5. Ensure that the zone warden and door wardens are aware of their roles and responsibilities.
6. Arrange for a register of attendance to be completed (if considered appropriate / practicable).

**IN THE EVENT OF A FIRE, OR THE FIRE ALARM BEING SOUNDED**

1. Ensure that the room in which the meeting is being held is cleared of all persons.
2. Evacuate via the nearest safe Fire Exit and proceed to the **ASSEMBLY POINT** in the car park.
3. Delegate a person at the **ASSEMBLY POINT** who will proceed to **HOME CARE LINK** in order to ensure that a back-up call is made to the **FIRE BRIGADE**.
4. Delegate another person to ensure that **DOOR WARDENS** have been posted outside the relevant Fire Exit Doors.

5. Ensure that the **ZONE WARDEN** has reported to you on the results of his checks, **i.e.** that the rooms in use have been cleared of all persons.
6. If an Attendance Register has been taken, take a **ROLL CALL**.
7. Report the results of these checks to the Fire and Rescue Service on arrival and inform them of the location of the **FIRE ALARM CONTROL PANEL**.
8. Authorise return to the building only when it is cleared to do so by the **FIRE AND RESCUE SERVICE OFFICER IN CHARGE**. Inform the **DOOR WARDENS** to allow re-entry to the building.

**NOTE:**

The Fire Alarm system will automatically call the Fire Brigade. The purpose of the 999 back-up call is to meet a requirement of the Fire Precautions Act to supplement the automatic call.

**CHECKLIST FOR ZONE WARDEN**

1. Carry out a physical check of the rooms being used for the meeting, including adjacent toilets, kitchen.
2. Ensure that **ALL PERSONS**, both officers and members of the public are made aware of the **FIRE ALERT**.
3. Ensure that **ALL PERSONS** evacuate **IMMEDIATELY**, in accordance with the **FIRE EVACUATION PROCEDURE**.
4. Proceed to the **ASSEMBLY POINT** and report to the **PERSON IN CHARGE** that the rooms within your control have been cleared.
5. Assist the **PERSON IN CHARGE** to discharge their duties.

It is desirable that the **ZONE WARDEN** should be an **OFFICER** who is normally based in this building and is familiar with the layout of the rooms to be checked.

**INSTRUCTIONS FOR DOOR WARDENS**

1. Stand outside the **FIRE EXIT DOOR(S)**
2. Keep the **FIRE EXIT DOOR SHUT**.
3. Ensure that **NO PERSON**, whether staff or public enters the building until **YOU** are told by the **PERSON IN CHARGE** that it is safe to do so.
4. If anyone attempts to enter the premises, report this to the **PERSON IN CHARGE**.
5. Do not leave the door **UNATTENDED**.



# Agenda Item 3

## MEMBERS INTERESTS 2012

A Member with a disclosable pecuniary interest in any matter considered at a meeting must disclose the interest to the meeting at which they are present, except where it has been entered on the Register.

A Member with a non pecuniary or pecuniary interest in any business of the Council must disclose the existence and nature of that interest at commencement of consideration or when the interest becomes apparent.

Where sensitive information relating to an interest is not registered in the register, you must indicate that you have an interest, but need not disclose the sensitive information.

Please tick relevant boxes

Notes

	General		Notes
1.	I have a disclosable pecuniary interest.	<input type="checkbox"/>	<i>You cannot speak or vote and must withdraw unless you have also ticked 5 below</i>
2.	I have a non-pecuniary interest.	<input type="checkbox"/>	<i>You may speak and vote</i>
3.	I have a pecuniary interest <b>because</b> it affects my financial position or the financial position of a connected person or, a body described in 10.1(1)(i) and (ii) <b>and</b> the interest is one which a member of the public with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice my judgement of the public interest or it relates to the determining of any approval consent, licence, permission or registration in relation to me or a connected person or, a body described in 10.1(1)(i) and (ii) <b>and</b> the interest is one which a member of the public with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice my judgement of the public interest	<input type="checkbox"/>          <input type="checkbox"/>	<i>You cannot speak or vote and must withdraw unless you have also ticked 5 or 6 below</i>          <i>You cannot speak or vote and must withdraw unless you have also ticked 5 or 6 below</i>
4.	I have a disclosable pecuniary interest (Dispensation 16/7/12) or a pecuniary interest but it relates to the functions of my Council in respect of:  (i) Housing where I am a tenant of the Council, and those functions do not relate particularly to my tenancy or lease.  (ii) school meals, or school transport and travelling expenses where I am a parent or guardian of a child in full time education, or are a parent governor of a school, and it does not relate particularly to the school which the child attends.  (iii) Statutory sick pay where I am in receipt or entitled to receipt of such pay.  (iv) An allowance, payment or indemnity given to Members  (v) Any ceremonial honour given to Members  (vi) Setting Council tax or a precept under the LGFA 1992	<input type="checkbox"/>          <input type="checkbox"/>          <input type="checkbox"/>          <input type="checkbox"/>          <input type="checkbox"/>          <input type="checkbox"/>	<i>You may speak and vote</i>          <i>You may speak and vote</i>          <i>You may speak and vote</i>          <i>You may speak and vote</i>          <i>You may speak and vote</i>          <i>You may speak and vote</i>
5.	A Standards Committee dispensation applies (relevant lines in the budget – Dispensation 20/2/13 – 19/2/17)	<input type="checkbox"/>	<i>See the terms of the dispensation</i>
6.	I have a pecuniary interest in the business but I can attend to make representations, answer questions or give evidence as the public are also allowed to attend the meeting for the same purpose	<input type="checkbox"/>	<i>You may speak but must leave the room once you have finished and cannot vote</i>

**'disclosable pecuniary interest'** (DPI) means an interest of a description specified below which is your interest, your spouse's or civil partner's or the interest of somebody who you are living with as a husband or wife, or as if you were civil partners and you are aware that that other person has the interest.

### Interest

Employment, office, trade, profession or vocation

Sponsorship

### Prescribed description

Any employment, office, trade, profession or vocation carried on for profit or gain.

Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M.

	This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	Any tenancy where (to M's knowledge)— (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
Securities	Any beneficial interest in securities of a body where— (a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

*"body in which the relevant person has a beneficial interest" means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest; "director" includes a member of the committee of management of an industrial and provident society;*

*"land" excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income; "M" means a member of a relevant authority;*

*"member" includes a co-opted member; "relevant authority" means the authority of which M is a member;*

*"relevant period" means the period of 12 months ending with the day on which M gives notice to the Monitoring Officer of a DPI;*

*"relevant person" means M or M's spouse or civil partner, a person with whom M is living as husband or wife or a person with whom M is living as if they were civil partners;*

*"securities" means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.*

**'non pecuniary interest'** means interests falling within the following descriptions:

- 10.1(1)(i) Any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority;
- (ii) Any body (a) exercising functions of a public nature; (b) directed to charitable purposes; or (c) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union), of which you are a member or in a position of general control or management;
- (iii) Any easement, servitude, interest or right in or over land which does not carry with it a right for you (alone or jointly with another) to occupy the land or to receive income.
- 10.2(2) A decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a connected person to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward, as the case may be, affected by the decision.

**'a connected person'** means

- (a) a member of your family or any person with whom you have a close association, or
- (b) any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
- (c) any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
- (d) any body of a type described in sub-paragraph 10.1(1)(i) or (ii).

**'body exercising functions of a public nature'** means

Regional and local development agencies, other government agencies, other Councils, public health bodies, council-owned companies exercising public functions, arms length management organisations carrying out housing functions on behalf of your authority, school governing bodies.

A Member with a personal interest who has made an executive decision in relation to that matter must ensure any written statement of that decision records the existence and nature of that interest.

**NB** Section 21(13) of the LGA 2000 overrides any Code provisions to oblige an executive member to attend an overview and scrutiny meeting to answer questions.



## **PUBLIC SPEAKING – PROTOCOL**

**(For meetings of Cabinet, Overview & Scrutiny Committees, Audit & Governance Committee and Standards Committee)**

### **1.0 Public Speaking**

1.1 Residents of West Lancashire may, on giving notice, address any of the above meetings to make representations on any item on the agenda for those meetings, except where the public and press are to be excluded from the meeting during consideration of the item.

1.2 The form attached as an Appendix to this Protocol should be used for submitting requests.

### **2.0 Deadline for submission**

2.1 The prescribed form should be received by Member Services by 5.00 pm on the Thursday of the week preceding the meeting. This can be submitted by e-mail to [member.services@westlancs.gov.uk](mailto:member.services@westlancs.gov.uk) or by sending to:

Member Services  
West Lancashire Borough Council  
52 Derby Street  
Ormskirk  
West Lancashire  
L39 2DF

2.2 Completed forms will be collated by Member Services and circulated via e-mail to relevant Members and officers and published on the Council website via the Council's Information System (CoInS). Only the name of the resident and details of the issue to be raised will be published.

2.3 Groups of persons with similar views should elect a spokesperson to speak on their behalf to avoid undue repetition of similar points. Spokespersons should identify in writing on whose behalf they are speaking.

### **3.0 Scope**

3.1 Any matters raised must be relevant to an item on the agenda for the meeting.

3.2 The Borough Solicitor may reject a submission if it:

- (i) is defamatory, frivolous or offensive;
- (ii) is substantially the same as representations which have already been submitted at a previous meeting; or
- (iii) discloses or requires the disclosure of confidential or exempt information.

#### **4.0 Number of items**

- 4.1 A maximum of one form per resident will be accepted for each Agenda Item.
- 4.2 There will be a maximum of 10 speakers per meeting. Where there are more than 10 forms submitted by residents, the Borough Solicitor will prioritise the list of those allowed to speak. This will be dependent on:
  - a. The order in which forms were received.
  - b. If one resident has asked to speak on a number of items, priority will be given to other residents who also wish to speak
  - c. If a request has been submitted in relation to the same issue.
- 4.3 All submissions will be circulated to relevant Members and officers for information, although no amendments will be made to the list of speakers once it has been agreed (regardless of withdrawal of a request to speak).

#### **5.0 At the Meeting**

- 5.1 Speakers will be shown to their seats. An item 'Public Speaking' will be included on the agenda to enable local residents to make their representations within a period of up to 30 minutes at the start of the meeting. Residents will have up to 3 minutes to address the meeting when introduced by the Chairman for that meeting. The address must reflect the issue included on the prescribed form submitted in advance.
- 5.2 Members may discuss what the speaker has said along with all other information, when the item is being considered later on the agenda and will make a decision then. Speakers should not circulate any supporting documentation at the meeting and should not enter into a debate with Councillors.
- 5.4 If residents feel nervous or uncomfortable speaking in public, then they can ask someone else to do it for them. They can also bring an interpreter if they need one. They should be aware there may be others speaking as well.
- 5.5 Speakers may leave the meeting at any time, taking care not to disturb the meeting.



## REQUEST FOR PUBLIC SPEAKING AT MEETINGS

**MEETING & DATE** .....

**NAME** .....

**ADDRESS** .....

.....

Post Code .....

**PHONE** .....

**Email** .....

Please indicate if you will be in attendance at the meeting

<p><b>YES/NO*</b></p> <p>*delete as applicable</p>
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Note: This page will not be published.

(P.T.O.)

PLEASE PROVIDE DETAILS OF THE MATTER YOU WISH TO RAISE

Agenda Item Number .....

Title .....

Details .....

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Name ..... Dated .....

*Completed forms to be submitted by 5.00pm on the Thursday of the week preceding the meeting to:-*

*Member Services, West Lancashire Borough Council, 52 Derby Street, Ormskirk, Lancashire, L39 2DF or Email: [member.services@westlancs.gov.uk](mailto:member.services@westlancs.gov.uk)*

*If you require any assistance regarding your attendance at a meeting or if you have any queries regarding your submission please contact Member Services on 01695 585065 or 01695 585097*

Note: This page will be published.

# Agenda Item 5

**CABINET**

**HELD: Tuesday, 14 June 2016**

Start: 7.00 pm

Finish: 7.25 pm

**PRESENT:**

Councillor: Councillor I Moran (Leader of the Council, in the Chair)

Portfolio

Councillors:	Councillor Y Gagen	Deputy Leader of the Council and Portfolio Holder for Leisure & Human Resources
	Councillor T Aldridge	Portfolio Holder for Older People
	Councillor J Hodson	Portfolio Holder for Planning
	Councillor K Wright	Portfolio Holder for Health and Community Safety
	Councillor C Wynn	Portfolio Holder for Finance

In attendance: Mrs Blake, Cotterill, Pendleton (part) and D Westley

Councillors

Officers: Chief Executive (Ms K Webber)  
Director of Housing and Inclusion (Mr B Livermore)  
Director of Leisure and Wellbeing (Mr D Tilleray)  
Borough Solicitor (Mr T Broderick)  
Borough Treasurer (Mr M Taylor)  
Principal Member Services Officer (Mrs S Griffiths)

**1 APOLOGIES**

Apologies for absence were submitted on behalf of Councillors Patterson and Wilkie.

**2 SPECIAL URGENCY (RULE 16 ACCESS TO INFORMATION PROCEDURE RULES)/URGENT BUSINESS**

There were no items of special urgency.

**3 DECLARATIONS OF INTEREST**

1. Councillor Aldridge declared a non-pecuniary interest in agenda item 7(a) – 'Use of S106 monies in Skelmersdale' as a Member of Lancashire County Council, as did Councillor Gagen as an employee of Lancashire County Council.

2. Councillors Aldridge and Wright declared non-pecuniary interests in agenda item 7(e) – ‘Environmental Improvements Budget’ as they are either tenants of council accommodation or they have a connected person who is a tenant of rented Council accommodation. Insofar as that interest becomes a disclosable pecuniary/pecuniary interest they declared that interest but considered that they were entitled to speak and vote by virtue of an exemption as nothing in this report relates particularly to the relevant tenancy or lease.

#### 4 **PUBLIC SPEAKING**

There are no items under this heading.

#### 5 **MINUTES**

RESOLVED That the minutes of the Cabinet meeting held on 15 March 2016 be received as a correct record and signed by the Leader.

#### 6 **CONFIRMATION OF PROCEDURAL MATTERS**

- RESOLVED
- A. That the appointment of Cabinet, Committees, Panels and Working Groups for 2016/17, as circulated at the Annual Meeting of the Council on 18 May 2016, with the terms of reference included in the Constitution, be noted.
- B. That the ‘Proper Officer Provisions and Scheme of Delegation to Chief Officers’, insofar as they are executive functions, and the Scheme of Delegation to Cabinet Members, as set out in the Constitution, be noted.

#### 7 **MATTERS REQUIRING DECISIONS**

Consideration was given to the report relating to the following matters requiring decisions as contained on pages 1 - 366 and 437 – 440 and page 445 of the Book of Reports.

#### 8 **USE OF SECTION 106 MONIES IN SKELMERSDALE**

Councillor Gagen introduced the joint report of the Director of Leisure & Wellbeing and Director of Development and Regeneration which considered a proposal for the use of Section 106 monies received from housing developers for the enhancement of public open space and recreation provision in Skelmersdale.

In reaching the decision below, Cabinet considered the details as set out in the report before it and accepted the reasons contained therein.

RESOLVED That the use of S106 monies to fund the proposed project to install seating and rest areas along the proposed cycle route in Tawd Valley Park, be approved.

**9 USE OF SECTION 106 MONIES IN UP HOLLAND**

Councillor Gagen introduced the joint report of the Director of Leisure & Wellbeing and Director of Development and Regeneration which considered a proposal for the use of Section 106 monies received from housing developers for the enhancement of public open space and recreation provision in Up Holland.

In reaching the decision below, Cabinet considered the details as set out in the report before it and accepted the reasons contained therein.

RESOLVED That the allocation of £8,836 from the S106 agreement from Land at Crawford Arms to contribute towards the proposed installation of new play facilities at Crawford Village Green, be approved.

**10 ADOPTION OF THE WEST LANCASHIRE STATEMENT OF COMMUNITY INVOLVEMENT**

Councillor Hodson introduced the report of the Director of Development and Regeneration which sought approval for the adoption of the West Lancashire Statement of Community Involvement.

In reaching the decision below, Cabinet considered the details as set out in the report before it and accepted the reasons contained therein.

RESOLVED A. That, following consideration of the Consultation Report at Appendix B and the Adoption Statement at Appendix C, the West Lancashire Statement of Community Involvement ('SCI') at Appendix A be adopted subject to any amendments made by the Director of Development and Regeneration in consultation with the relevant Portfolio Holder, following consideration of the SCI by Planning Committee, as per resolution B. below.

B. That the Director of Development and Regeneration be authorised, in consultation with the relevant Portfolio Holder, to make any necessary amendments to the SCI in the light of agreed comments from Planning Committee, before the document is published.

**11 PROVISION FOR TRAVELLER SITES DEVELOPMENT PLAN DOCUMENT**

Councillor Hodson introduced the report of the Director of Development and Regeneration which sought approval for suspension of the preparation of the document entitled "Provision for Traveller Sites Development Plan".

In reaching the decision below, Cabinet considered the details as set out in the report before it and accepted the reasons contained therein.

**RESOLVED** That the preparation of the Provision for Traveller Sites Development Plan Document ('Traveller Sites DPD') be suspended and that it be noted that the issue of Traveller site allocations will instead be dealt with as part of the future review of the Local Plan.

**12 ENVIRONMENTAL IMPROVEMENT BUDGETS**

The Leader introduced the report of the Director of Housing and Inclusion which considered an approach for the priority for investment of the Environmental Improvements Budget and the Visual Appearance of Render Pilot Scheme Budget.

A motion from the Leader was circulated at the meeting.

Minute no. 6 of the Landlord Services Committee (Cabinet Working Group) held on 8 June 2016 was circulated at the meeting.

In reaching the decision below, Cabinet considered the motion from the Leader, the minute of the Landlord Services Committee (Cabinet Working Group) and the details set out in the report before it and accepted the reasons contained therein.

**RESOLVED**

A. That the Director of Housing and Inclusion, in consultation with the relevant Portfolio Holder, be authorised to utilise the £100,000 set aside within the Environmental Improvements Budget, together with any monies remaining out of the £15,000 within the Visual Appearance of Render Pilot Scheme Budget, towards meeting the cost of providing additional car parking at certain sheltered accommodation schemes within the Borough commencing with Holly Close, Westhead.

B. That, subject to available funding remaining within the two aforementioned budgets, the Director of Housing and Inclusion, in consultation with the relevant Portfolio Holder, be authorised to invest funding into the remodelling of communal bin store areas on a priority basis in order to address issues of crime and disorder.



**13 ONE FOR ONE CAPITAL RECEIPTS**

The Leader introduced the report of the Director of Housing and Inclusion which sought approval of the use of one for one retained capital receipts to deliver affordable new housing which would remove the requirement to return capital monies to the Government.

Minute no. 8 of the Landlord Services Committee (Cabinet Working Group) held on 8 June 2016 was circulated at the meeting.

In reaching the decision below, Cabinet considered the minute of the Landlord Services Committee (Cabinet Working Group) and the details set out in the report before it and accepted the reasons contained therein.

- RESOLVED
- A. That the financial implications of utilising the retained one for one capital receipts as outlined in section 6 of the report, be noted.
  - B. That the Director of Housing and Inclusion, in consultation with the Housing Portfolio Holder, identify a site for development within the Borough and seek all necessary planning approvals as required to deliver additional affordable homes.

**14 WHITTLE DRIVE PLAYING FIELDS**

Councillor Gagen introduced the joint report of the Director of Leisure & Wellbeing and Director of Development and Regeneration which considered a request from West End Football Club to revise arrangements for the Club's use of football pitch and changing rooms at Whittle Drive Playing Fields, Ormskirk.

In reaching the decision below, Cabinet considered the details as set out in the report before it and accepted the reasons contained therein.

- RESOLVED
- A. That to give effect to the arrangements at resolution B, the Director of Leisure & Wellbeing be authorised to terminate the existing lease and negotiate and complete a new lease with West End Football Club, subject to any necessary statutory consultations being undertaken and consents being obtained.
  - B. That the Director of Leisure & Wellbeing be authorised to enter into a new 25 year lease with West End Football Club in relation to land and changing pavilion at West End Playing Fields (shown hatched red on the plan at Appendix 1 to the report).

**15 ORMSKIRK TOWN CENTRE RESEARCH FINDINGS AND ACTION PLAN**

The Leader introduced the report of the Director of Development and Regeneration which provided an update on the findings and recommendations of the Ormskirk Town Centre Destination Research project and their effect on the adopted Ormskirk Town Centre Strategy Action Plan.

A motion from the Leader was circulated at the meeting.

In reaching the decision below, Cabinet considered the motion from the Leader and the details as set out in the report before it and accepted the reasons contained therein.

- RESOLVED
- A. That in light of the Ormskirk Town Centre Destination Research project findings no changes be made to the adopted Ormskirk Town Centre Strategy or its associated Action Plan (appendix 2 to the report).
  - B. That no changes be made to the historical associations of Ormskirk as a market town as a result of the Ormskirk Town Centre Destination Research findings.

**16 QUARTERLY PERFORMANCE INDICATORS Q4 2015-16**

The Leader introduced the report of the Borough Transformation Manager & Deputy Director of Housing and Inclusion which presented performance monitoring data for the quarter ended 31 March 2016.

Minute no. 7 of the Landlord Services Committee (Cabinet Working Group) held on 8 June 2016 was circulated at the meeting.

In reaching the decision below, Cabinet considered the minute of the Landlord Services Committee (Cabinet Working Group) and the details set out in the report before it and accepted the reasons contained therein.

- RESOLVED
- A. That the Council's performance against the indicator set for the quarter ended 31 March 2016 be noted.
  - B. That the call-in procedure is not appropriate for this item as the report is being submitted to the next meeting of the Corporate & Environmental Overview and Scrutiny Committee on 14 July 2016.

**17 LOCAL LAND CHARGES RULES 2017**

The Leader introduced the report of the Borough Solicitor which sought approval to the Council's response to the Land Registry's consultation in relation to draft Local Land Charges Rules 2017.

In reaching the decision below, Cabinet considered the details as set out in the report before it and accepted the reasons contained therein.

- RESOLVED
- A. That the consultation response at Appendix 1 to the report be approved for submission.
  - B. That call-in is not appropriate for this item as the consultation exercise closes on 11 July 2016.

**18 EXCLUSION OF PRESS AND PUBLIC**

RESOLVED That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of that Act and as, in all the circumstances of the case, the public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

**19 MATTERS REQUIRING DECISIONS**

Consideration was given to the report relating to the following matters requiring decisions as contained on pages 367 – 436 and 441 – 444 of the Book of Reports.

**20 HALL GREEN OPTIONS APPRAISAL**

The Leader introduced the report of the Director of Housing and Inclusion which advised on the outcome of an option appraisal exercise undertaken in relation to Hall Green.

Minute no. 10 of the Landlord Services Committee (Cabinet Working Group) held on 8 June 2016 was circulated at the meeting.

Revised recommendations of the Director of Housing and Inclusion were circulated at the meeting.

In reaching the decision below, Cabinet considered the minute of the Landlord Services Committee (Cabinet Working Group), the revised recommendations of the Director of Housing and Inclusion and the details set out in the report before it and accepted the reasons contained therein.

- RESOLVED
- A. That the option to further consider the redevelopment of the Hall Green site be approved and that the next steps as outlined in paragraph 6 of the report, be noted.
  - B. That following the outcome of the further work, a report be submitted to Cabinet in September 2016.

21 **192-198 ENNERDALE (FORMER HOUSING OFFICE)**

The Leader introduced the report of the Director of Housing and Inclusion which reviewed progress on the lease for 192-198 Ennerdale, Skelmersdale.

Minute no. 9 of the Landlord Services Committee (Cabinet Working Group) held on 8 June 2016 was circulated at the meeting.

In reaching the decision below, Cabinet considered the minute of the Landlord Services Committee (Cabinet Working Group) and the details set out in the report before it and accepted the reasons contained therein.

- RESOLVED
- That the Director of Housing and Inclusion continue negotiations in pursuance of agreeing the lease with TCL and, if no reasonable progress can be made, organise the demolition of the building.

22 **ORMSKIRK BUS STATION & POTENTIAL MOOR STREET GATEWAY**

The Leader introduced the report of the Director of Development and Regeneration which gave consideration to the way forward in relation to a potential 'Moor Street Gateway' project.

In reaching the decision below, Cabinet considered the details as set out in the report before it and accepted the reasons contained therein.

- RESOLVED
- That soft market testing to identify options for suitable development of the Ormskirk Bus Station site be undertaken as set out in Section 5 of the report, and a further report be submitted to Cabinet in due course.

Note

No representations had been received in relation to the above items being considered in private.

.....  
**Leader**





CABINET: 13<sup>th</sup> September 2016

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**Report of: Director of Housing and Inclusion**

**Relevant Portfolio Holder: Councillor J. Patterson**

**Contact for further information: Mr S. Jones (Extn. 5208)**  
(E-mail: [steve.jones@westlancs.gov.uk](mailto:steve.jones@westlancs.gov.uk))

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**SUBJECT: GARAGE STRATEGY 2016-20**

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Wards affected: Borough wide

## **1.0 PURPOSE OF THE REPORT**

1.1 To approve the Garage Strategy 2016-20.

## **2.0 RECOMMENDATIONS TO CABINET**

2.1 That the Garage Strategy 2016-2020 attached at Appendix A be approved.

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## **3.0 BACKGROUND**

3.1 The Council has 1589 garages, of which 426 are currently void. The majority of the garages are situated in Skelmersdale (95%), with 1.5% in Ormskirk and 3.5% in the more rural areas of the Borough. Currently 96% (383) of our void garages are in Skelmersdale where many of the more deprived wards are situated and where car ownership tends to be low. Additionally, the Council own a number of garage sites (both surfaced and un-surfaced) across the Borough for which an annual charge is applied.

3.2 Despite previous intervention activity there continue to be issues with high levels of garages being vacant with a current void rate of 27%.

3.3 In 2012 the Tenant Scrutiny Group (TSG) reviewed the garage service and made a number of recommendations including a suggestion that the Council carries out an option appraisal of each of our garage sites to arrive at appropriate recommendations for each area.

3.4 The Strategic Asset Management Plan (SAMP) has recommended that in the main, the garage stock within Skelmersdale should be retained in order to allow

for future consideration and possible development of certain sites. The SAMP is due to be completed at the end of the year. In some of the more rural areas, it may make be more appropriate to consider disposal of the land as it would have a potential higher value if developed.

- 3.5 The TSG review of garages also included a customer satisfaction survey. Those currently renting a garage are generally satisfied and feel it offers good value for money. Most of the current tenants have rented their garage for over two years. One of the key drivers for renting a garage is the location, with those on the waiting list stating that they have turned down garage offers because they were not physically close to their homes. This leaves some garages void for long periods of time. Many of those surveyed on the waiting list stated that they had been waiting for a garage for over a year. However it may be that certain garages are void due to a lack of active promotion of them, due to their appearance and general condition, or it could be solely due to their location. Current tenants surveyed told us that they found out about renting a garage through making their own enquiry or by word of mouth. None of them reported that they found out about the service due to marketing. Some tenants were attracted by the option of receiving additional services for an additional fee, and stated that they would like electricity included as an additional rental charge.
- 3.6 A pilot advertising project was conducted in 2015 where three garage sites in Skelmersdale were actively marketed with “To Let” boards, location specific leafleting and advertisements on the Homefinder website to generate a wider awareness of and a higher level of interest in our garage stock. The advertisements were removed after a few weeks when all available void garages on the sites became occupied. This demonstrated a clear and successful link between advertising void stock and the take up although there are costs to this work if taken forward and more widely adopted.
- 3.7 The TSG Review also raised concerns regarding the current physical and aesthetic condition of the garages, the numbers of void garages, and the harmful environmental effect this was felt to have on the perception of surrounding areas. The condition of the garages also detracts from the level of visual estate improvement delivered by the PVCu window and door replacement investment programmes.
- 3.8 The garage survey also highlighted that there was limited interest from garage waiting list applicants to rent a garage specifically for storage purposes. This could be related to the current perception of limited security of the existing garages and their location to where customers live.
- 3.9 Also in 2015 The Housing and Inclusion’s Property Services Team undertook a Garage Sustainability Review of all our garage stock. This identified, from a property asset perspective, potential solutions for each of the garage blocks across the Borough. This was a purely physical assessment and did not factor in potential latent demand as a result of more focussed promotion and marketing or consideration of alternative use options.
- 3.10 Current revenue expenditure on garages relates mainly to reactive repair works and there is no defined long term investment strategy specifically for the garage stock. Clearly there has been a continuing priority on the current investment programme in our dwellings and prior to this in relation to achieving the previous decent homes standard.



- 3.11 This will continue to be an area where a balance will need to be considered in the context of the degree of investment needed for garages and the potential to increase garage rental levels without impacting on demand.

#### **4.0 CURRENT POSITION**

- 4.1 Attached at Appendix A is a Garage Strategy for 2016-20 which details the assessment framework that we will apply to our garage stock to rationalise, improve, demolish and dispose of by sale the current level of stock on a site by site basis as appropriate.
- 4.2 The document also provides an analysis of the key issues and outlines how the assessment framework will be applied and to which areas it will focus on during the next two years.
- 4.3 The Strategy contains a two year action plan which will be limited and contained to within budget. Further action beyond 2017/18 will need to be reviewed in the context of the progress made in delivering the Action Plan and the level of resource we can continue to allocate to this area of work.

#### **5.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 5.1 The HRA Business Plan identifies a sum of £115,000 for 2016/17 that will be applied to delivering the 2016/17 Action Plan priorities.
- 5.2 Further resource requirements will need to be considered for 2017/18 in the context of the effectiveness of the first year of the action plan and other competing resource needs.
- 5.3 It is expected that the impact of the action plan will demonstrate improved income returns from the overall garage stock and rationalise the stock base to ensure a positive return on these assets.

#### **6.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

- 6.1 Improvements to our garage stock will support the overall attractiveness of our estates, particularly those that have already had investment made in the homes and support our drive to let those garages with long term sustainability.

#### **7.0 RISK ASSESSMENT**

- 7.1 There is a risk of continued financial loss to the HRA Business Plan if we do not positively implement the assessment framework outlined in the Strategy.

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#### **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

### **Equality Impact Assessment**

There is a direct impact on members of the public, employees, elected members and / or stakeholders. Therefore an Equality Impact Assessment is required. A formal equality impact assessment is attached as an Appendix to this report, the results of which have been taken into account in the Recommendations contained within this report.

### **Appendices**

Appendix A - Garage Strategy 2016-20

Appendix B – Equality Impact Assessment

Appendix C – Minute of the Landlord Services Committee held on 8 September 2016 (to follow)



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## Garage Strategy 2016-2020

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## **1. Executive Summary**

Garage void rates have remained relatively high and there has been less active management of this asset as the focus has been on our dwelling investment programme.

Previous plans and interventions have made limited but not sustained improvement.

Following a review of the garage stock usage by the Tenant Scrutiny Group in 2014 a comprehensive Garage Sustainability study was completed in 2015. This calculated the Net Present Value of each garage and an estimated 5 year investment profile. This study also proposed action for each garage or block of garages. This identified an investment profile of approximately £2 million.

However this study was primarily a property based analysis and did not factor in additional influencing elements particularly around latent demand, marketability or potential for alternative use. The use of an Assessment Framework is a broader scoping tool to assess each garage area to generate options for how we should reach a longer term position on our garage stock.

Whilst our priority remains the management and maintenance of our dwellings our garage stock represents a significant asset in its own right and its effective management contributes to the general look and feel of the surrounding environment. It is also important to maximise the income generated from this asset base particularly given the current financial position of the Housing Revenue Account up to 2020.

Our primary objective by utilising the Assessment Framework will be:

***To maximise the use our garage stock (including garage sites) to maintain and improve rental income levels and contribute to estate environmental improvement***

Given the geographic spread of our garage stock and the fact that no effective overall marketing plan has been developed it is important to use an assessment framework that can be applied across all the garage stock that will identify what appropriate adjustments can be made that are in line with the available budget provision over the next four years. The assessment process will be applied initially in areas of high void rate.

Following approval of the strategy work will commence immediately in areas of high void rates.

After assessing stock against the assessment framework the following broad actions will be recommended where appropriate:

- Market exercise
- Incentivisation
- Alternative use
- Sale
- Improvement
- Rationalisation of stock by combining single garages to larger units
- Adjustment of rental levels to maximise income i.e. to increase take up by lower rental levels or increase where demand is higher i.e. differential rents.
- Site rationalisation through selective demolition e.g. to improve estate environmental aspect, remove long term void garages or site clearance

During the assessment process there will be on-going consultation with local tenants/ residents and relevant ward councillors.

## 2. Council Garage Stock Profile

### 2.1 Stock Numbers

The Council has 1590 garages across the Borough, approximately 90% of which were built by the former Skelmersdale Development Corporation in the late 1960's and early 1970's. These vary in type and style across Skelmersdale and include integral garages underneath flats, standalone blocks and some within the curtilage of a dwelling.

A detailed breakdown can be seen in Table.1

In addition to these the Council also charges a ground rental at 10 different sites across the Borough and permits the erection of temporary garages following an approval process.

Ward Code	Garage Type				Total
	Block	Integral	Undefined	Within Curtilage	
AP	14				14
ASH	77	1	2		80
BIRCH	144	11			155
BURSE	1		7		8
DIG	88	81	24	88	281
DOWN	11				11
KNOWS	8		6		14
MOOR	84	11	17	14	126
NM	8				8
SCOTT	2		7		9
SKN	281	19	18	3	321
SKS	109	70	13	29	221
TAN	318		5	5	328
UPHN	9				9
UPHS	4	1			5
<b>Total</b>	<b>1158</b>	<b>194</b>	<b>99</b>	<b>139</b>	<b>1590</b>

Table 1 - Stock Breakdown

Garage stock levels have remained relatively static over the past 10 years with only a few sold or demolished as part of other projects.

### 2.2 Demand

Whilst the Council holds some applications from interested parties these tend to be very location specific and related to where the applicant lives. The letting of garages is now done by advertising them on the HomeFinder website, similar to the Council's housing. Demand for garages is at its lowest in areas where the garages are integral within a block of flats and it is unusual to let these to applicants who are not living in that block.

## 2.3 Vacant Garages

Out of the current stock of 1590 garages 22% (347) are currently vacant. Whilst this figure has climbed steadily over the past 5 years it now appears to have stabilised over the past 12 months with the current rate broadly similar to last year's figure. Of these empty garages a high percentage have been unused for over a year with 206 garages now vacant for 5 years or more (See Table 2).

### Number of Vacant Garages

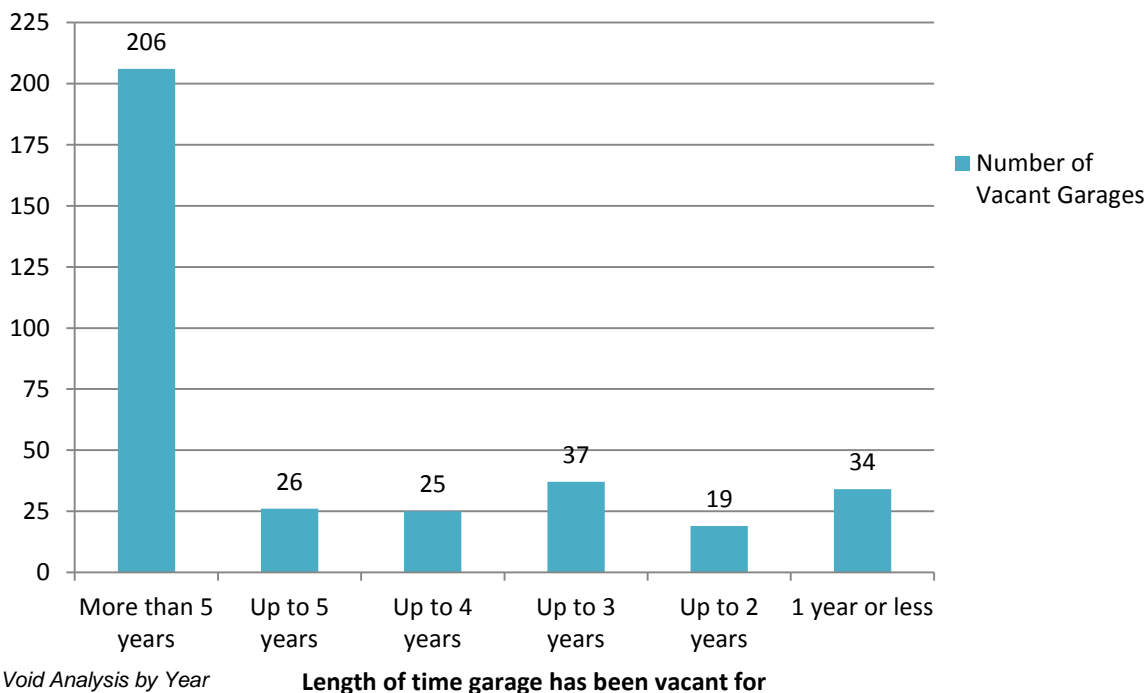


Table 2 - Void Analysis by Year

## 2.4 Rental Income

Over the past ten years garage rents have only been increased twice with a 4% increase on £5.75 in 2002 making them £5.98 for council tenants and £7.18 inclusive of Value Added Tax (VAT) for other residents. A further increase of 0.9% was applied in 2016/17, raising levels to £6.03 for council tenants and £7.24 per week inclusive of VAT for other residents.

Total garage rental yield for 2015 was £393,545. However estimated rental loss from void garages is running at £90,000 per annum

Table 3 below provides annual rent debit compared with income from garages. The difference arises due to debt collection from former garage tenants and tenants paying in advance.

	Total Charges	Total Receipts	Difference
2010	£417,244.32	-£419,866.30	-£2,621.98
2011	£411,238.81	-£414,771.37	-£3,532.56
2012	£406,530.93	-£402,808.51	£3,722.42
2013	£386,130.50	-£402,313.52	-£16,183.02
2014	£381,475.00	-£385,335.83	-£3,860.83
2015	£387,961.09	-£393,545.92	-£5,584.83
<b>Total</b>	<b>£2,390,580.65</b>	<b>-£2,418,641.45</b>	<b>-£28,060.80</b>

Table 3 – Garage Rental Charges & Receipts

## 2.5 Comparative Garage rent levels

The rents charged by the Council are not too dissimilar to those of neighbouring organisations (Table 4)

Provider	Weekly Rental Charges
Knowsley Housing Trust	Between £6.00 & £13.00 (based on area)
Wigan & Leigh Housing	£6.00 (average)
One Vision Housing	£7.50 (average)
West Lancashire Borough Council	£6.03 (tenants) £7.24 (other residents)

Table 4 - Rent comparison

## 2.6 Repairs

Total expenditure on garage repairs is on a rising trend over the past five years as shown in table below

Year	Amount spent on repairs
2012	£23,320.21
2013	£35,006.42
2014	£30,593.50
2015	£35,765.39
Total spend	£124,685.52

Table 5 – Expenditure on repairs

Total day-to-day and void repair costs for 2015/16 amounted to £35,765.39, which equates to 9.22% of the total rent debit for the same period.

There is no planned programmed maintenance on our garage stock.

Whilst there is no formally accepted “decent standard” for the condition of garages, the stock sustainability study did highlight a wide range of work to bring the stock up to an acceptable state of repair as specified by the inspecting surveyor. Total additional garage repair costs across the Borough are estimated in excess of £65,000 excluding work on long term void garages.

Additionally there are issues around the current repair specifications for both doors and locks. One of the issues raised from the customer survey related to providing higher specification security locks to improve garage security and was felt to be an aspect that would improve the take up of garages.



### **3. Associated Garage Use Issues**

It is important to consider these associated issues as a further element of the Assessment Framework process where relevant

#### **3.1 Garage Sales**

Garage sales are considered on a case by case basis with less than 3 being sold over the past ten years. However this has created some anomalies in the stock particularly where a garage exists within the curtilage of a property. A garage is not automatically included in the offer for sale when a right to buy (RTB) is exercised. This has resulted in property being sold with a garage within the boundary of the property which is rented to another party.

Including the garage as part of the RTB would mean it would be valued but would be eligible for the relevant discount calculation and only 25% of this discounted sale value would be available for alternative Council use.

If the sale is completed outside of the statutory RTB process these rules would not apply. Therefore applications to purchase garages will continue not be included as a normal part of the RTB process but may be considered at a later stage.

Garage sales will not be considered where they are within designated blocks or integral under flats.

#### **3.2 Garage Sites**

In addition to the traditional garage stock the council also own garage sites for which an annual rent is charged. Residents are allowed to erect their own garages or sheds on the site following Council permission. Rent is set at £45 per annum for un-surfaced sites and £70 for surfaced and a number of sites are rented at a peppercorn rent of £1 to Lancashire County Council.

Un-surfaced garage sites are located at:

- Graham Avenue, Appley Bridge
- Hesketh Road, Burscough
- Highgate Road, Up Holland
- Mill Damn Lane, Burscough
- Mossfields, Wrightington
- Stockley Crescent, Bickerstaffe

Surfaced garage sites are all located in Skelmersdale at:

- Field Street
- Hawthorn Crescent
- Lime Grove
- Oak Crescent

The ground rent charges have remained static for many years with a total of just £3465 debited across all sites for the 2015/16 financial year.

#### **3.3 Garages allocated at no rental cost or at peppercorn rates**

There are many garages used by charities, other Council Services, LCC that are rented at nil cost or at a peppercorn rate per annum of £1.

Whilst it is important to support good causes it is important to protect the income derived from our garage stock.

The default position is for all garages to be rented at the relevant rate.

Therefore a garage will not be let at a reduced rate from 1<sup>st</sup> October 2016 unless a case has been approved by the Director of Housing and Inclusion in consultation with the Portfolio Holder for Housing and Landlord Services. Application for a reduced rental must outline any social value it contributes and its relevance to delivering benefits to the community.

Garages rented to Council Services and LCC will need to be charged at the appropriate rate from 1st April 2017 unless an application for reduced rental should apply as detailed above.

As part of the Action Plan 2016/17 work there is a task to identify all the relevant garages and garage sites for mapping purposes.

Data collection has identified an unusual issue with rented dwellings that have a garage within the curtilage. Historically no additional charge above the dwelling rental has been levied to reflect this garage facility.

Any new lettings from 1<sup>st</sup> October 2016 that fall into this category will have an additional rental charge applied to reflect use of the garage.

### **3.4 Data Cleansing And Reconciliation**

Further detailed work is on-going to identify and reconcile garage stock data and garage sites data with on-site based physical assessments to ensure all council garage stock is identified.

## 4. Assessment Framework

### 4.1 Framework

The Assessment Framework will be applied to defined geographical areas that contain garage stock or garage sites.

The framework will be rolled out over the 4 year strategy period and as we learn from its application it will be refined and the lessons we learn will be rolled out to similar sites.

Any assessment tool will always have some degree of subjective element. The criteria will be allocated a value from 1 to 10, with the most adverse assessment being 10 and moving down to reflect a more beneficial rating. Therefore the higher the total numerical value, the more necessary an intervention. Subjective considerations will be tested and balanced when we undertake the location specific consultation.

### Assessment Framework

Criteria	Value
Void Length	
Demand Pattern	
Physical condition	
Garage Types – Integral / Separate Blocks / Within the curtilage	
Estimated Cost of Improvement/Refurbishment	
Location (UPRN reference)	
Impact on surrounding environment	
Garage Number/UPRN	
Garage Site	
Reduced rental levels charged	

### 4.2 Intervention Options

Once we have established that some intervention is required there will be a range of solutions that will be applicable to the location. These interventions will cover the following activities although this is not an exhaustive list:

- Market exercise
- Incentivisation
- Alternative use
- Sale
- Improvement
- Rationalisation of stock by combining single garages to larger units
- Adjustment of rental levels to maximise income i.e. to increase take up by lower rental levels or increase where demand is higher i.e. differential rents.
- Site rationalisation through selective demolition e.g. to improve estate environmental aspect, remove long term void garages or site clearance

Following identification and costing of the range of possible interventions we will then undertake location specific consultation with tenants, residents and ward councillors.

We will implement the agreed solutions as quickly as possible within the constraint of the total budget allocation.

Progress will be reported back to Members in 12 months although ward councillors will be aware of changes being implemented where appropriate

## **5. Funding the Strategy**

Our priority, as currently agreed with Members and tenants, is to continue to deliver our investment programme in our homes. There is clearly a balance in finding significant additional resources to meet a projected investment in garage stock in excess of £2 million as identified in the Garage Sustainability study.

Previous low levels of investment may have contributed in some way to a decrease in demand for garages and the specification of some repairs such as improved security locks.

Use of the assessment framework will be key to delivering on sustainable long term improvement in usage and rental income.

Currently the Housing Revenue Account Business Plan has a provision of £115,000 that can be used to deliver changes in the Action Plan at Appendix A.

Members will need to consider, as part of the annual budget setting process, the level of appropriate on-going funding allocated to delivering the strategy given the challenges facing the HRA Business Plan up to 2020.

## **6. Monitoring the Action Plan**

The Action Plan for 2016/17 attached at Appendix A will be monitored as part of the normal Service Action Plan process.

Members will receive a report on progress in one year.

Action Plan 2016/17

A Areas to commence assessment by October 2017:

- 1 Tanhouse
- 2 Digmaor
- 3 Surfaced and Un-surfaced garage sites

B Implement agreed interventions after consultation January-March 2017

C Review all nil or peppercorn rented garages and garage sites by November 2017





# Equality Impact Assessment Form



<b>Directorate: Housing and Inclusion</b>	<b>Service: Support Services</b>
<b>Completed by: Steve Jones</b>	<b>Date: 18/8/16</b>
<b>Subject Title: Garage Strategy 2016-2020</b>	
<b>1. DESCRIPTION</b>	
Is a policy or strategy being produced or revised:	Yes
Is a service being designed, redesigned or cutback:	No
Is a commissioning plan or contract specification being developed:	No
Is a budget being set or funding allocated:	No
Is a programme or project being planned:	Yes
Are recommendations being presented to senior managers and/or Councillors:	Yes
Does the activity contribute to meeting our duties under the Equality Act 2010 and Public Sector Equality Duty ( <b>Eliminating unlawful discrimination/harassment, advancing equality of opportunity, fostering good relations</b> ):	No
Details of the matter under consideration:	Developing a Strategy to deal with the Councils current garage stock.
<p><i>If you answered <b>Yes</b> to any of the above <b>go straight to Section 3</b></i>  <i>If you answered <b>No</b> to all the above <b>please complete Section 2</b></i></p>	
<b>2. RELEVANCE</b>	
Does the work being carried out impact on service users, staff or Councillors (stakeholders):	
If <b>Yes</b> , provide details of how this impacts on service users, staff or Councillors (stakeholders): <i>If you answered <b>Yes</b> go to <b>Section 3</b></i>	
If you answered <b>No</b> to both Sections 1 and 2 provide details of why there is no impact on these three groups: <i>You do not need to complete the rest of this form.</i>	
<b>3. EVIDENCE COLLECTION</b>	
Who does the work being carried out impact on, i.e. who is/are the stakeholder(s)?	Applying the Assessment Framework may impact on current garage tenants
If the work being carried out relates to a universal service, who needs or uses it most? (Is there any particular group affected more than others)?	Not Applicable

Which of the protected characteristics are most relevant to the work being carried out?	
Age	No
Gender	No
Disability	No
Race and Culture	No
Sexual Orientation	No
Religion or Belief	No
Gender Reassignment	No
Marriage and Civil Partnership	No
Pregnancy and Maternity	No
<b>4. DATA ANALYSIS</b>	
In relation to the work being carried out, and the service/function in question, who is actually or currently using the service and why?	Residents and tenants renting Council garages
What will the impact of the work being carried out be on usage/the stakeholders?	Removal/Improvement/Cost adjustment of current garage
What are people's views about the services? Are some customers more satisfied than others, and if so what are the reasons? Can these be affected by the proposals?	Tenant negative views on environmental appearance will be reduced
What sources of data including consultation results have you used to analyse the impact of the work being carried out on users/stakeholders with protected characteristics?	Not applicable
If any further data/consultation is needed and is to be gathered, please specify:	Each location will be considered against the Assessment Framework
<b>5. IMPACT OF DECISIONS</b>	
In what way will the changes impact on people with particular protected characteristics (either positively or negatively or in terms of disproportionate impact)?	Not applicable
<b>6. CONSIDERING THE IMPACT</b>	
If there is a negative impact what action can be taken to mitigate it? (If it is not possible or desirable to take actions to reduce the impact, explain why this is the case (e.g. legislative or financial drivers etc.)	Reducing non-productive garage stock and improving financial performance
What actions do you plan to take to address any other issues above?	Local resident/tenant consultation and discussions with ward councillors
<b>7. MONITORING AND REVIEWING</b>	
When will this assessment be reviewed and who will review it?	On-going assessment by Steve Jones as part of Strategic Action Plan process



**CABINET: 13 September 2016**

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**Report of: Director of Development and Regeneration**

**Relevant Portfolio Holder: Councillor J Hodson**

**Contact for further information: Mr Peter Richards (Extn. 5046)  
(E-mail: [peter.richards@westlancs.gov.uk](mailto:peter.richards@westlancs.gov.uk))**

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**SUBJECT: LOCAL PLAN REVIEW – THE LOCAL DEVELOPMENT SCHEME AND  
REGULATION 18 “SCOPING” CONSULTATION**

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Wards affected: Borough wide

## **1.0 PURPOSE OF THE REPORT**

1.1 To make Cabinet aware of the commencement of work towards the Local Plan Review, including the new Local Development Scheme, and to seek authorisation to undertake an initial “scoping” consultation exercise in relation to the Local Plan Review with key stakeholders.

## **2.0 RECOMMENDATIONS**

2.1 That the commencement of a Local Plan Review in order to update the current West Lancashire Local Plan be endorsed and that the Local Development Scheme provided at Appendix 1 be adopted with effect from 1 October 2016.

2.2 That the initial Regulation 18 “scoping” consultation on the Local Plan Review with key stakeholders described at paragraph 4.7 of the report be authorised.

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## **3.0 BACKGROUND**

3.1 The West Lancs Local Plan 2012-2027 was adopted in October 2013, but such is the nature of national and local planning, that the Council must begin to prepare a new one already. National planning policy is constantly evolving at the moment, sometimes making even recently adopted local planning policy less relevant and in need of review or update. Locally, it is important to ensure that

the Local Plan is maintaining a supply of deliverable sites for new development and that the supply enables the demand and need for different types of new development to be met in a flexible fashion. While the current Local Plan is by no means out-of-date, it is important that the Council starts work on a new Local Plan now so as to stay ahead of the game.

- 3.2 As such, the Council is embarking on a Local Plan Review to identify which Local Plan policies need updating in light of new evidence or changes to national policy and whether more land needs to be made available for development in the Borough as a result. This will lead to the preparation of a new Local Plan.
- 3.3 In order to undertake this Local Plan Review and prepare a new Local Plan, the Council will need to revisit a wide range of supporting evidence and consider its implications for local planning policy. This will range from considering the latest evidence on environmental matters such as flood risk or ecology to economic and social matters such as the objectively-assessed need for housing and employment land to the need for services and infrastructure such as transport infrastructure, retail provision and public open space.
- 3.4 Alongside this evidence gathering, the Council will need to consult extensively with key stakeholders, including West Lancashire residents and the general public, local businesses, planning professionals (and those from other, related professions) the development industry, neighbouring authorities and a wide range of bodies and organisations, including utility providers, with specific interest in one or more topics that will appear in the Local Plan.
- 3.5 In particular, and even more so than previously, the Council will need to liaise closely with other local authorities in the Liverpool City Region, Greater Manchester and Central Lancashire given the potential for cross-boundary issues affecting development and the need to work together in identifying and meeting development needs on a wider basis than district-level.
- 3.6 Therefore, the Local Plan Review and preparation of a new Local Plan will be a lengthy process, taking approximately four years (barring unforeseen circumstances) until adoption of a new Local Plan, and so this lengthy and complicated process needs to be managed carefully and planned properly. The Local Development Scheme (LDS) is a key tool for this, and one that the Council is required to prepare. It effectively sets out the timetable for preparing the Local Plan and associated local planning policy documents and enables progress with the review and preparation of the Local Plan to be monitored as we move through the process.

#### **4.0 CURRENT POSITION**

- 4.1 A new LDS has been prepared (see Appendix 1) and, subject to Cabinet's approval, as per recommendation 2.1, will be published on the Council's website. Broadly speaking, the LDS sets out the following timetable for the Local Plan Review:

Issues & Options Consultation	February / March 2017
Preferred Options Consultation	January / February 2018
Publication / Pre-Submission Consultation	October / November 2018
Submission to Planning Inspectorate	December 2018
Examination Period (inc. Hearings)	January-November 2019
Adoption	December 2019

- 4.2 Therefore, the plan is to prepare the Local Plan and submit it for Examination by the end of 2018 and then, subject to the length of time the Examination requires, adopt it by end of 2019.
- 4.3 As such, in preparing the Local Plan, it is envisaged that the Plan will have a base date of 1 April 2020. Local Plans typically plan for a 15-20 year Plan period, but must also consider development needs beyond the Plan period where Green Belt release is necessary, so as to avoid repeatedly amending the Green Belt boundary when a new Local Plan is prepared. If Green Belt release is identified as being required as part of the Local Plan Review, the Local Plan will effectively need to plan for 30 years to ensure flexibility and to release land from the Green Belt so that the new Green Belt boundary endures.
- 4.4 Whether Green Belt release will be required in the next Local Plan should be identified fairly early in the Local Plan Review, as the Liverpool City Region Strategic Housing and Employment Land Market Assessment (LCR SHELMA) currently being undertaken on behalf of the City Region authorities and West Lancashire is due to be finalised in Autumn 2016, and this will identify the Objectively-Assessed Need (OAN) for both new housing and new employment land for each Authority over the next 25 years. This, in turn, will form the basis of conversations and negotiations between the City Region Authorities (including West Lancs) on how development needs should be addressed and distributed across the City Region (including West Lancs) as well as similar discussions with other neighbouring authorities such as Wigan.
- 4.5 The process for preparing a Local Plan is governed by the The Town and Country Planning (Local Planning) (England) Regulations 2012, in particular part 6 of those regulations. Regulation 18 sets out the first steps required in preparing a Local Plan and states:

18.—(1) A local planning authority must—

(a) notify each of the bodies or persons specified in paragraph (2) of the subject of a local plan which the local planning authority propose to prepare, and

(b) invite each of them to make representations to the local planning authority about what a local plan with that subject ought to contain.

(2) The bodies or persons referred to in paragraph (1) are—

(a) such of the specific consultation bodies as the local planning authority consider may have an interest in the subject of the proposed local plan;

(b) such of the general consultation bodies as the local planning authority consider appropriate; and

(c) such residents or other persons carrying on business in the local planning authority's area from which the local planning authority consider it appropriate to invite representations.

(3) In preparing the local plan, the local planning authority must take into account any representation made to them in response to invitations under paragraph (1).

4.6 Most Authorities fulfil the requirements of Regulation 18 through several stages of consultation (and informally through the periods between those consultations), and in terms of the timetable at paragraph 4.1 above, the first three stages of Local Plan preparation will fulfil the above requirements for West Lancashire.

4.7 The first of these three stages is a "scoping" stage where, at this stage only, the Council will consult with certain key stakeholders (as opposed to the general public) on the scope of the new Local Plan, i.e. what the Local Plan should cover. Appendix 2 sets out the proposed letter to be sent to those key stakeholders as part of this first stage of consultation and Appendix 3 sets out the list of key stakeholders it is proposed to send the letter to. As per recommendation 2.2 above, Cabinet is being asked to approve this initial stage of consultation on the scope of the Local Plan.

## **5.0 NEXT STEPS**

5.1 Should Cabinet authorise the "scoping" consultation, the letter at Appendix 2 will be sent out to those bodies listed in Appendix 3 no later than 30 September 2016, and they will be given four weeks to provide feedback on the scope of the Local Plan. The feedback received will be used to inform the preparation of the next stage of the Local Plan – the Issues and Options Paper, which is explained in the LDS.

5.2 In line with the timetable set out in the LDS, officers will continue to prepare evidence on a wide range of issues to inform the Local Plan.

## **6.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

6.1 While there are no direct implications for sustainability or the community strategy of the recommendations Cabinet are being asked to consider in this report, the outcome of a Local Plan Review (i.e. a new Local Plan) clearly will have implications for sustainability and the community strategy, but it is impossible to predict what those may be at this very early stage.

- 6.2 However, the Council are required to prepare a Sustainability Appraisal (SA) of the Local Plan as it progresses through preparation, with the SA directly informing the policy formulation of the Local Plan, and so the issue of sustainability will be directly addressed and the principle of sustainable will necessarily run through the Local Plan as a key guiding principle (or golden thread, as the NPPF calls it).
- 6.3 The first stage in the SA is to prepare a Scoping Report setting out the sustainability issues in West Lancashire and based on those, setting a framework of SA Objectives against which the Local Plan will be assessed at each stage of preparation.

## **7.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 7.1 It is anticipated that costs associated with the Local Plan Review and the preparation of the new Local Plan will be met from existing budget provisions of the Development and Regeneration Service. However, the Examination of the Local Plan, once it has been prepared and submitted for Examination, will be a significant separate cost that will require additional funding at that time.

## **8.0 RISK ASSESSMENT**

- 8.1 There are no risks associated with the recommendations above, although there are risks associated with the preparation of a Local Plan in general, most notably the cost implications should a change of national policy or any other factor result in a delay to the preparation of the Local Plan.
- 8.2 However, the risks of not preparing a Local Plan are far greater, as this will inevitably lead to a situation where there is insufficient land released for new development, meaning that economic and housing growth cannot take place and needs cannot be met. In addition, an out of date Local Plan carries limited weight in the decision making process and consequently the Council would likely be left in a situation whereby decisions relating to the location of development especially in relation to housing developments are made by the Planning Inspectorate via the appeal process rather than by the Borough Council.

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### **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

### **Equality Impact Assessment**

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

### **Appendices**

1. Local Development Scheme (September 2016)
2. Proposed Letter to Key Stakeholders on Regulation 18 “Scoping” Consultation for Local Plan Review
3. Proposed list of Key Stakeholders to be consulted on Regulation 18 “Scoping” Consultation for Local Plan Review





## **Local Development Scheme**

### **West Lancashire Borough Council**

September 2016

**WEST LANCASHIRE**



**LOCAL PLAN**

**John Harrison, DipEnvP, MRTPI**

Director of Development and Regeneration

West Lancashire Borough Council

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## Chapter 1 Introduction

- 1.1 The Local Development Scheme (LDS) is a project plan for the Local Plan for West Lancashire. The production of an LDS is a requirement on Local Planning Authorities arising from the Planning and Compulsory Purchase Act 2004, as amended by Section 111 of the Localism Act 2011. Furthermore, the Council's adherence to the timescale it has set itself within the LDS will be used as a performance measure.
- 1.2 This Local Development Scheme provides a guide for the preparation of a Local Plan Review which will culminate in a new Local Plan for West Lancashire as well as selected Supplementary Planning Documents that will also need to be prepared. This version of the LDS replaces that previously produced in May 2013, which was the final LDS for the now adopted, West Lancashire Local Plan 2012-2027. It includes the following Chapters:
- Chapter 1 provides an introduction and offers a background to why we have prepared an LDS and what the purpose of it is, as well providing a list of the current set of local planning policy documents;
  - Chapter 2 identifies the topics that we envisage will make up a new Local Plan for West Lancashire and the likely timescale for preparing the Local Plan;
  - Chapter 3 looks at the evidence base that will underpin the production of the Local Plan;
  - Chapter 4 identifies the resources available to the Development and Regeneration Service of the Council to support the preparation of a new Local Plan; and
  - Chapter 5 considers the risks that exist which could slow progress on the Local Plan and some of the mitigation measures which can be put in place.

### Background

- 1.3 The current West Lancashire Local Plan 2012-2027 was adopted in October 2013 and while it is barely three years old, the context surrounding planning and development is constantly changing and national planning policy is evolving with it. This means that local planning policy, such as Local Plans, can quickly become out of date if they are

not reviewed and updated accordingly, which can have two main negative consequences.

- 1.4 First, an out-of-date Local Plan can stymie necessary growth, both economically and in terms of providing the right kind of development in the right place in a timely fashion. Secondly, if local planning policy is out of date it can be ineffective in managing and guiding where appropriate development should take place and can lead to a situation where the Council has less control or choice in its decisions.
- 1.5 Therefore, while the current adopted Local Plan for West Lancashire is not out of date at this point in time, it is considered prudent to begin work on a Local Plan Review with the aim of preparing a new Local Plan, especially given that the gathering and review of all evidence, the preparation of a Local Plan and the Examination of the final document by a Planning Inspector can, all together, take several years. However, all policies in the current, adopted Local Plan will remain effective and a part of the Development Plan for the Borough until they are replaced by new policies in a newly adopted Local Plan.
- 1.6 Producing any Local Plan is a major project that requires significant resources in order to prepare it and a project management approach is vitally important to enable production within a given timescale. The Council views the LDS as a key project management tool in the production of its Local Plan.
- 1.7 The LDS has three main purposes:
  - To inform people of how the Local Plan will be prepared and the likely timescale involved;
  - To establish work priorities and enable work programmes to be formed; and
  - To set a timescale for the monitoring and review of the preparation of such documents.
- 1.8 This LDS contains all those Development Plan Documents (such as a Local Plan) and Supplementary Planning Documents for which a timetable is known as at September 2016 that the Council is responsible for. Minerals and Waste matters are the responsibility of Lancashire County Council, although the relevant Development Plan Documents (DPDs) related to those matters do form part of the Development Plan for West Lancs.

1.9 It is possible that in the future further documents will be added. These will only be added into this document, however, when a detailed timetable for the work can be established.

### **Current Local Planning Policy documents**

1.10 The current adopted Development Plan for West Lancashire is made up of three documents:

- The West Lancashire Local Plan 2012-2027 DPD (October 2013); and
- The Joint Lancashire Minerals and Waste Development Framework Core Strategy DPD (February 2009)
- The Joint Lancashire Minerals and Waste Local Plan: Site Allocation and Development Management Policies (September 2013)

1.11 In addition, one policy from the West Lancashire Replacement Local Plan 2001-2016 was saved at the time of the adoption of the current Local Plan. Policy DE4 – Caravan Sites for Gypsies and Travelling Show People – is therefore currently still part of the Development Plan.

1.12 The Council has a number of Supplementary Planning Documents (SPDs) that are current and several Supplementary Planning Guidance documents (SPGs) that have been retained and are still relevant:

- Development in the Green Belt SPD (October 2015)
- Yew Tree Farm, Burscough Masterplan SPD (February 2015)
- Provision of Public Open Space in New Residential Developments SPD (September 2014)
- Skelmersdale Town Centre Masterplan SPD (September 2008)
- Design Guide SPD (January 2008)
- Accommodation for Temporary Agricultural Workers SPG
- Affordable Housing SPG
- Design Guide for Shop Fronts SPG
- Natural Areas and Areas of Landscape History Importance SPG

- [Trees and Development](#) SPG
- [Site Planning - Layout and Design](#) SPG
- [Dalton Village Design Statement](#) SPG
- [Whalleys Housing and Mixed Use Sites](#) SPG
- [Whitemoss Business Park](#) SPG
- [Land West of Stanley Industrial Estate](#) SPG

1.13 The Council also recently adopted (in June 2016) a new **Statement of Community Involvement** (SCI). The SCI sets out who we will consult on various aspects of planning, and what methods we will use.

#### **Community Infrastructure Levy (CIL)**

1.14 CIL is not technically local planning policy, or a matter that is required to be reported on in the LDS, but it is inextricably linked to local planning, being a levy that is placed on new development at the time permission is granted. As a new Local Plan is prepared, it is inevitable that a new CIL Charging Schedule will need to be prepared in order to ensure that CIL is charged at the correct level based on viability evidence that incorporates the new local planning policy context. The Council will determine in due course the most appropriate time to review the CIL Charging Schedule.

## Chapter 2 A Local Plan Review – a timetable

2.1 The timetable for the Local Plan Review and preparation of a new Local Plan is set out in the chart on the following page, but there are a number of key stages in the process that it is worth explaining a little more:

### **Regulation 18 “Scoping” consultation and Preparation of Evidence**

2.2 In order to begin to satisfy the first part of Regulation 18 of The Town and Country Planning (Local Planning) (England) Regulations 2012 (and alongside the publication of this LDS) the Council has written to a wide range of key stakeholders to consult on the scope of the Local Plan Review, i.e. what topics a new Local Plan for West Lancashire should cover and what time period it should cover. Feedback from this consultation will steer the Council in terms of areas to focus work on in reviewing current, and preparing new, local planning policy.

2.3 Preparation of evidence to better understand key planning issues is an essential part of the Local Plan Review and directly informs the preparation of new local planning policy and so the Council have already begun to collate the evidence needed to formulate policies for a Local Plan, and will consider collating further evidence as necessary based upon the feedback in the above scoping consultation with key stakeholders. Preparation of evidence is covered in greater detail in the next chapter but it will include undertaking some studies in-house and, in other cases, commissioning consultants to prepare studies where the Council does not have the relevant expertise in-house.

### **Issues & Options stage**

2.4 Following the scoping consultation, the Council will prepare an Issues & Options Paper for the Local Plan Review, with a view to publicly consulting on the Paper in February / March 2017. This Issues & Options Paper is a key stage in the early preparation of the new Local Plan, as it will set out the full range of potential planning-related issues in West Lancashire and begin to consider how those issues can be addressed through a Local Plan (i.e. policy options).

2.5 These issues will vary greatly, and will vary by location as well, but it is important that this Paper is as comprehensive as possible whilst still being accessible for the general public in order to gain their input. Consideration of these issues will also lead to a draft Vision and Objectives for the Local Plan, which will form part of the consultation.

Local Plan Review Timetable  
September 2016

Document / Stage	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
<b>Local Plan Review</b>														
Preparation of Evidence														
Regulation 18 "Scoping" Consultation														
Preparation of Issues & Options Paper														
Issues & Options Consultation														
Preparation of Preferred Options														
Preferred Options Consultation														
Preparation of Publication version														
Publication / Pre-Submission Consultation														
Submission to Planning Inspectorate														
Examination in Public (inc. Hearings and any Modifications consultation)														
Receipt of Inspector's Report														
Adoption of Local Plan														
<b>Affordable &amp; Specialist Housing SPD</b>														
Prepare Draft SPD														
Consult on Draft SPD														
Amend SPD														
Adopt SPD														



- 2.6 Overlying the consideration of the Issues, the Paper would also propose a series of Strategic Options for the amount of development (housing and employment land) and the spatial distribution of that development. These Strategic Options would be informed by the Objectively-Assessed Need (OAN) for both housing and employment land for West Lancashire and by discussions with neighbouring authorities about cross-boundary strategic planning issues and whether any authority may struggle to meet their own OAN.
- 2.7 The Strategic Options may therefore identify the possibility of West Lancashire meeting some of their neighbours' unmet development needs (or our neighbours meeting some of West Lancashire's) and any proposals for growth above and beyond the OAN figure in West Lancashire where this is justified and deliverable. Consideration of such options is vital in light of the Duty to Co-operate placed upon Local Planning Authorities.

### **Preferred Options stage**

- 2.8 Following the consultation on the Issues & Options Paper, the Council would need to start narrowing down to a single, preferred option for the amount of new development to be included in the Local Plan and the spatial distribution of that new development. It is at this point that specific sites can be brought into the equation to consider which sites would need allocating in order to meet the development needs of the Borough in the locations that the Council considers most appropriate.
- 2.9 Whichever option is ultimately settled on, it is likely that every part of the Borough will need to see some new development in order to meet local needs, and in many locations this could well involve Green Belt release due to the way that the Green Belt boundary is so tightly defined around West Lancashire's settlements. Therefore, a wide range of sites will need to be assessed.
- 2.10 The culmination of this stage of the Local Plan Review is a Preferred Options Paper, which is essentially a draft Local Plan, with proposed policies included in draft and proposed site allocations. This Paper would be publicly consulted on in January / February 2018. This stage, together with the previous Issues & Options stage, forms the bulk of the requirements of Regulation 18.

## **Publication of Pre-Submission Local Plan, Submission and Examination and Adoption**

- 2.11 The final few stages of the Local Plan Review reflect the more formal stages of the a Local Plan preparation, starting with the publication of the Pre-Submission version of the Local Plan. This is essentially the “final draft” version of the Local Plan which the Council wishes to submit for Examination. It is published to give members of the public and other stakeholders the opportunity to make formal representations on the Pre-Submission version of the Local Plan. These representations are then submitted, with the Local Plan, to the Secretary of State for the Examination of the Local Plan.
- 2.12 As such, this “publication” stage is not consultation, but simply seeking representations, and so the only events the Council would have at this stage would be exhibitions for information only, to help individuals to make their representations.
- 2.13 Following this publication period, the Council would then decide on whether to submit the Local Plan for Examination. Once the Local Plan is submitted, it is then in the hands of the Planning Inspectorate to appoint an Inspector to undertake the Examination and write a report concluding whether or not the Local Plan is sound, and outlining any changes that are necessary to make it sound. Once the Local Plan has been found sound, the Council can adopt it. If there are significant changes proposed by the Inspector (known as main modifications) there may need to be a further stage of consultation during the Examination, with all responses ultimately being considered by the Inspector.

## **Other local planning policy documents**

- 2.14 As well as the Local Plan, the Council will be preparing at least one new SPD. There may well be more as the Local Plan progresses and specific matters arise which are best addressed in detail through an SPD, but at this time there is only one SPD with a timetable.
- 2.15 A year ago, the Council were preparing an Affordable and Specialist Housing SPD, and even consulted on a draft version. However, uncertainty about the status of national guidance on affordable housing in the Planning Practice Guidance following a challenge in the Court of Appeal and the subsequent introduction of Starter Homes as

affordable housing caused the Council to pause work on the SPD until greater clarity was available.

- 2.16 That clarity is beginning to emerge and so it is expected that the Council will be able to re-consult on a draft Affordable and Specialist Housing SPD in early 2017, with a view to adopting the SPD before the Summer of 2017.

### Summary of Planning Policy documents to be produced

<b>West Lancashire Local Plan</b>															
Document Details	<p>Role &amp; Content: Sets out the main planning context of the Borough, the development strategy for the Borough and priority locations for development, development management policies and site allocations;</p> <p>Status: Development Plan Document (DPD);</p> <p>Chain of Conformity: The Local Plan should conform with the National Planning Policy Framework (NPPF). Any additional DPDs or SPDs, and any Neighbourhood Plans, should conform with the Local Plan;</p> <p>Geographic Coverage: Whole Borough.</p>														
Timetable	<table> <tr> <td>Initial Regulation 18 Scoping Consultation</td> <td>October 2016</td> </tr> <tr> <td>Issues &amp; Options Consultation</td> <td>February / March 2017</td> </tr> <tr> <td>Preferred Options Consultation</td> <td>January / February 2018</td> </tr> <tr> <td>Publication / Pre-Submission Consultation</td> <td>October / November 2018</td> </tr> <tr> <td>Submission to Planning Inspectorate</td> <td>December 2018</td> </tr> <tr> <td>Examination Period (inc. Hearings)</td> <td>January-November 2019</td> </tr> <tr> <td>Adoption</td> <td>December 2019</td> </tr> </table>	Initial Regulation 18 Scoping Consultation	October 2016	Issues & Options Consultation	February / March 2017	Preferred Options Consultation	January / February 2018	Publication / Pre-Submission Consultation	October / November 2018	Submission to Planning Inspectorate	December 2018	Examination Period (inc. Hearings)	January-November 2019	Adoption	December 2019
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Submission to Planning Inspectorate	December 2018														
Examination Period (inc. Hearings)	January-November 2019														
Adoption	December 2019														
Arrangements for Production	<p>Prepared by Strategic Planning &amp; Implementation Team;</p> <p>Input from other Council services;</p> <p>Input and approval from Members via Cabinet, Local Plan Cabinet Working Group, Planning Committee, Executive Overview &amp; Scrutiny Committee and, for submission and adoption, Council;</p> <p>Adequate staffing resource is available within Department for production.</p>														

<b>Affordable &amp; Specialist Housing SPD</b>	
Document Details	<p>Role &amp; Content: Provide further policy guidance on the delivery of affordable and specialist housing within market housing schemes;</p> <p>Status: Supplementary Planning Document (SPD);</p> <p>Chain of Conformity: The SPD must conform with the Local Plan and the NPPF;</p> <p>Geographic Coverage: Whole Borough.</p>
Timetable	<p>Consultation on Draft SPD      February / March 2017</p> <p>Adoption of SPD                      June 2017</p>
Arrangements for Production	<p>Prepared by Strategic Planning &amp; Implementation Team;</p> <p>Input from the Housing Strategy and Development Programme Manager and the Development Management Team;</p> <p>Input and approval from Members via Cabinet and Planning Committee;</p> <p>Adequate resources available within Department for production.</p>

## Chapter 3 The Evidence Base

3.1 A Local Plan Review requires an extensive evidence base covering a wide range of topics and the following provides a summary of what evidence the Council intend to collect, and when, to inform the Local Plan Review. This list could well change, especially if feedback from the scoping consultation identifies a gap in the proposed evidence base.

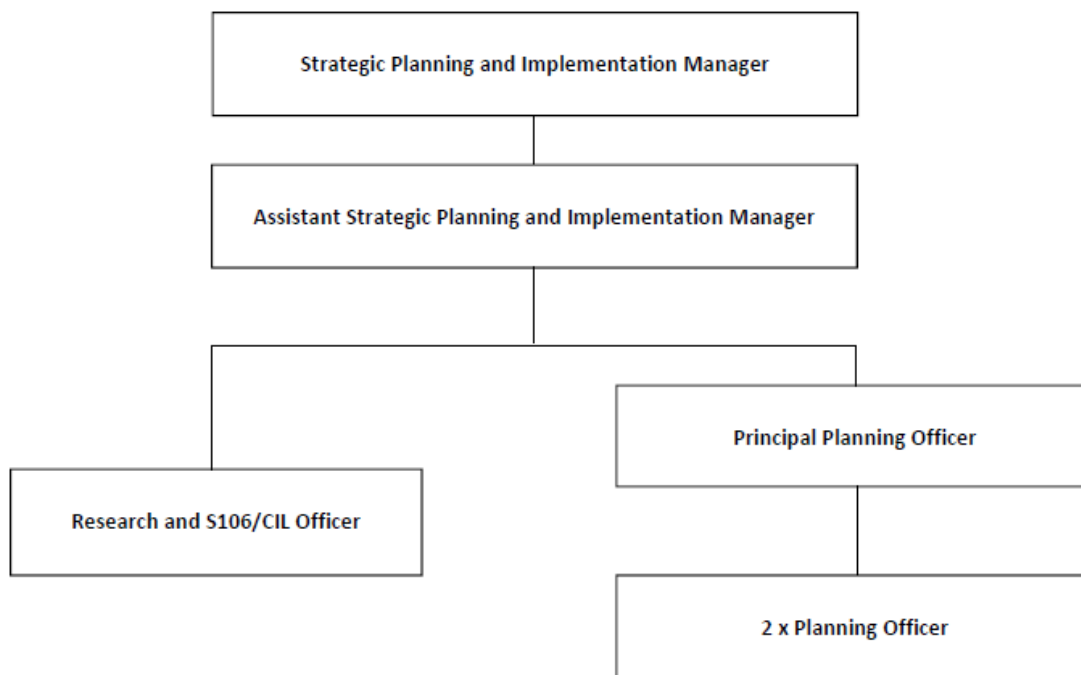
Topic Area	Evidence Base	
	2016/17	2017/18
Strategic Matters [Housing and Economic – Objectively-Assessed Need]	<i>Liverpool City Region Strategic Housing and Employment Land Market Assessment (SHELMA)</i> Strategic Housing and Employment Land Availability Assessment (SHELAA)	SHELAA cont. Assessment of Potential Site Allocations <i>Housing Needs Assessment [includes assessment of older persons accommodation and Travellers]</i> <i>Review of Economy Study</i>
Transport & Movement	<i>Highways / Traffic &amp; Transport Assessment – Options</i>	<i>Highways / Traffic &amp; Transport Assessment – Site Allocations</i>
Infrastructure & Services	Infrastructure Delivery Plan Sustainable Settlement Study	Infrastructure Delivery Plan cont. <i>Retail &amp; Commercial Leisure Study</i>
The Natural Environment	<i>Review of Local Nature Conservation Sites and Ecological Framework</i> Green Infrastructure Strategy <i>Habitats Regulations Assessment</i>	<i>Open Space Study and Playing Pitch Strategy Update</i> Landscape Assessment Update <i>Habitats Regulations Assessment</i>
Climate Change	SFRA Level 1 <i>Renewables / Low Carbon Development Study</i>	SFRA Level 2
Higher Education	Student Accommodation Needs Assessment	
General Evidence	Thematic & Spatial Evidence Papers Sustainability Appraisal Scoping Report & Sustainability Appraisal Options Report Health and Equality Impact Assessments – Options	Sustainability Appraisal Report <i>Viability Assessment</i> Health and Equality Impact Assessments – Preferred Option

N.B. text in *italics* denotes an evidence document which requires external or consultancy expertise.

## Chapter 4 Resources

- 4.1 The Local Plan Review and subsequent new Local Plan will be produced by the Council's Strategic Planning & Implementation Team but a document as wide ranging as a Local Plan will inevitably involve input from various parts of the Council as well as from external partners.
- 4.2 The Strategic Planning & Implementation Manager will take the lead role in developing the Local Plan Review, project managing the process and the preparation of a new Local Plan and all other local planning policy documents and CIL documents.
- 4.3 The Strategic Planning & Implementation Team will liaise closely with a number of other Council sections in developing the Plan, including:
- The Development Management Team (who will use the Local Plan to make decisions on planning applications)
  - The Heritage & Environment Team (on design, heritage, trees and landscaping)
  - The Economic Regeneration Team (on economic development and regeneration matters, and employment land)
  - The Housing Strategy and Development Programme Manager (on affordable and specialist housing)
  - The Leisure and Wellbeing Service (on leisure / public open space and health matters)
- 4.4 The staffing resource of the Strategic Planning & Implementation Team is as per the team structure chart below. It is considered that this level of staff and the existing financial budget of the team is sufficient to adequately resource the preparation of a new Local Plan, and its evidence, up to the point of submission as well as the following:
- Preparation of all other local planning policy documents;
  - Responding to new Government planning policies, and other Government strategies and plans related to Planning;
  - Engaging with adjacent authorities and other agencies on planning matters;
  - All monitoring required to prepare the Annual Monitoring Report and Housing Land Supply;
  - The on-going maintenance of the Infrastructure Delivery Plan and Infrastructure Delivery Schedule;

- Administration of the Community Infrastructure Levy and how it is spent;
- Implementation of key projects to help deliver the proposals within the Local Plan and other documents, particularly transport and infrastructure related;
- Involvement in the preparation of key Council strategies; and
- Advising the Council's Development Management Team on the interpretation of planning policies and, where necessary, attending planning appeals.



*Figure 1: Strategic Planning & Implementation Team Structure*

4.5 Given that West Lancashire Borough Council is a two-tier Authority with Lancashire County Council, the Strategic Planning & Implementation Team will also continue to liaise closely with the County, especially on issues of highways and transportation, as well as having reference to the County's planning policy work on Minerals and Waste and their role as Education Authority. On the issue of transport, the Strategic Planning & Implementation Team also liaise closely with Merseytravel as the public transport executive for Merseyside, extending into parts of West Lancashire, and Transport for Greater Manchester.

4.6 Resources have also been, and will continue to be, saved through effective partnership working with neighbouring Local Authorities. The Strategic Planning &

Implementation Team are working closely with their peers in Merseyside, Lancashire and Greater Manchester in order to deliver "joined-up" cross-border planning on many issues that are not restricted by Local Authority boundaries. This also helps to fulfil the Duty to Co-operate introduced by the Localism Act 2011.

- 4.7 The Strategic Planning & Implementation Team will also continue to liaise closely with a wide range of infrastructure providers to ensure that development is located where infrastructure is already provided or to consider how infrastructure can be provided over the Local Plan period to meet the needs created by development in the Local Plan.

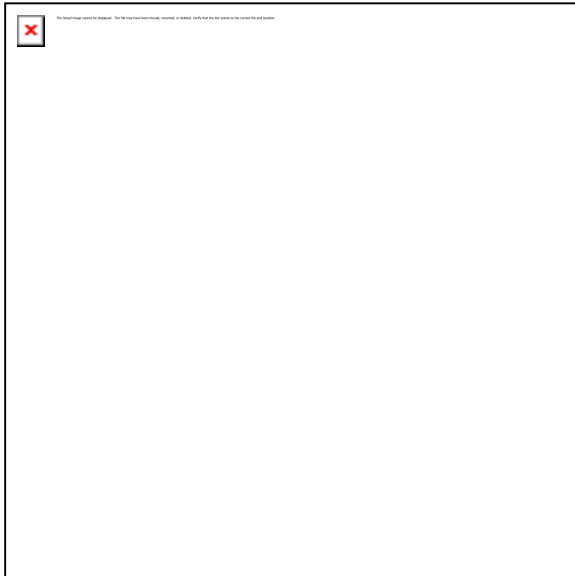


## Chapter 5 Risk Assessment

- 5.1 The planning system requires effective project management techniques to ensure, as far as possible, that stated timetables for Local Plan, and other local planning policy document, preparation are adhered to. Through the use of such techniques, the Strategic Planning & Implementation Team will endeavour to ensure that progress is kept 'on track', in accordance with the dates set out within this LDS. However, there are a variety of circumstances which alone, or in combination, can conspire to delay the preparation process.
- 5.2 It is important that the Council, the local community and all other stakeholders in the planning process, are aware of the possible risks to preparation. This is so that the risks can be minimised or mitigation measures put in place in the case of delays being occasioned. The following table identifies some of the more likely risks that could prejudice Local Plan preparation and the mitigation measures that could be employed.

Risk	Mitigation
<p><b>Legislation / Government Guidance</b></p> <p>Publication of national planning policy statements can generate new issues that the Local Plan, or its preparation, must address, sometimes causing delays.</p>	<p>Maintain close liaison with latest national guidance and its preparation.</p> <p>Revise Local Plan timetable if necessary.</p> <p>Adequate budgetary provision for consultancy support if required.</p>
<p><b>Planning Inspectorate</b></p> <p>Delays could be caused if the Local Plan or other documents takes longer than expected in the Examination process.</p>	<p>Keep in touch with Inspectorate and advise them of requests for Examinations at the earliest possible time.</p> <p>The Council will monitor Inspector's decisions elsewhere to seek to ensure the Council is following best practice.</p>
<p><b>Legal / Soundness</b></p> <p>Local Plan fails tests of soundness which would significantly delay process.</p> <p>Legal challenge to document could see Local Plan, or part of it, quashed.</p>	<p>Ensure robust evidence base and use soundness self-assessment toolkit.</p> <p>Draw on external expertise where necessary to ensure evidence and approach to policy is robust.</p> <p>Ensure procedures, Acts and Regulations are complied with.</p>

Risk	Mitigation
<p><b>Other External Bodies</b></p> <p>The planning system involves complex arrangements for co-operation, consultation, engagement and evidence gathering. Failure on the part of other bodies to respond on time or to provide adequate responses (which require subsequent clarification) could cause significant delay to work programmes.</p>	<p>Contact external bodies at the earliest opportunity and communicate clearly and regularly with them to minimise risk of no / poor responses and therefore delays.</p>
<p><b>Joint Working</b></p> <p>There can be challenges in achieving joint working with other local authorities on evidence base and ensuring that the Duty to Co-operate is fulfilled as each authority is working to their own programme and has their own particular concerns with regard an area of evidence. As such, projects / evidence studies can take longer when joint working is involved.</p>	<p>Establish clear working arrangements with other local authorities and ensure strong programme / project management.</p>
<p><b>Staffing</b></p> <p>Individual absences due to leave, personnel changes or sickness can cause delays in document production.</p> <p>Staff could leave the authority and could be difficult to replace, therefore causing delays to document production while the team is under-strength.</p>	<p>Local Plan timetable should be set on a realistic basis taking into account the staff resources available.</p> <p>Ensure quick replacement of staff wherever possible.</p> <p>Flexibility of staff within the Development and Regeneration Service enables secondment opportunities from other planning-related teams in the Service to help with workload.</p> <p>Some elements of work can be undertaken by consultants where there is financial resource available.</p>
<p><b>Political Direction / Management</b></p> <p>Members requiring late amendment to proposed documents or not willing to approve a document for consultation / submission / adoption.</p>	<p>Early consultation and information sharing with Members will reduce the likelihood of late amendments being required or documents being rejected.</p>
<p><b>Reduced Council Resources</b></p> <p>In the current climate of austerity, and reducing Council budgets, it is possible the resource available to the Development and Regeneration Service would be reduced affecting the speed at which a Local Plan can be prepared.</p>	<p>Explore all opportunities for joint working and service sharing.</p> <p>Maximise flexibility across the service.</p> <p>Revise Local Plan timetable if necessary.</p>



## Appendix 2

### Directorate of Development and Regeneration Services

**John R Harrison DipEnvP, MRTPI**  
**Director of Development and Regeneration**

PO Box 16, 52 Derby Street  
Ormskirk, West Lancashire, L39 2DF  
Telephone: 01695 577177  
Website: [www.westlancs.gov.uk](http://www.westlancs.gov.uk)  
Email: [peter.richards@westlancs.gov.uk](mailto:peter.richards@westlancs.gov.uk)

Date: 30<sup>th</sup> September 2016  
Your ref:  
Our ref:  
Please ask for: Peter Richards  
Direct dial no: 01695 585046  
Extension: 5046

Dear Sir / Madam

#### **A Local Plan Review for West Lancashire**

As a key stakeholder in relation to planning and development in West Lancashire I am writing to you to inform you that the Council's Cabinet recently endorsed a proposal from officers to begin a review of the current West Lancs Local Plan 2012-2027 with a view to preparing a new Local Plan for the Borough.

As part of that resolution to endorse a Local Plan Review, the Cabinet also approved a consultation exercise with key stakeholders such as yourself on what the scope of the Local Plan Review, and subsequent new Local Plan, should be, in accordance with Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012.

As such, I invite your organisation to comment on the matters and issues that a new Local Plan for West Lancashire should seek to address, and the time period that the Plan should cover.

It is the Council's intention to prepare an Issues & Options Paper for the Local Plan Review for public consultation in February / March 2017 and so your input at this initial stage will be crucial in guiding which issues that Paper should cover but we will of course invite further representations from you on the Issues & Options Paper in the New Year, as well as all subsequent consultations on the Local Plan.

In order to inform your thoughts on any representation at this initial scoping stage, at the present time the following list of policy areas reflects the initial thoughts of the Council on what the Local Plan should cover.

**Kim Webber B.Sc., M.Sc.**  
**Chief Executive**

Possible Policy Areas for the Local Plan, and their scope, include:

- Strategic Policies – encompassing the key sustainable development framework for the Borough, requirements for residential and employment development, releasing land from the Green Belt (if required) and the allocation of strategic development sites
- General Development Policies – encompassing development management policies that affect several types of development / land-use, including policies on settlement boundaries, safeguarded land, the design of development, and demonstrating viability in applications
- Economic Policies – policies setting out the strategy for economic development in the Borough, including allocations for employment areas and protection of existing employment sites
- Residential Policies – policies setting out the strategy for residential development in the Borough, including housing allocations, provision of affordable, specialist and older persons' housing, accommodating travellers and caravans / house boats, and student accommodation
- Infrastructure and Services Policies – policies guiding transport and highways matters, general utilities infrastructure, provision of community facilities and services and developer contributions towards new infrastructure
- Environmental Policies – policies guiding protection and enhancement of the natural and built environment, habitats for protected species, public open space and other green infrastructure and policies related to climate change

In addition, the Council are seeking your views on the length of time that the Local Plan should cover. Typically, Local Plans cover a 15-year period, but often have to safeguard land for beyond that timescale, particularly where Green Belt release is required in the Plan. This helps to protect the new Green Belt boundaries from encroachment and provides a greater degree of certainty and permanence about the Green Belt boundary beyond the Plan period.

However, recent planning appeal decisions across the country have made safeguarded land a more vulnerable designation than it once was, and instead safeguarded land is often used to provide flexibility where development is perhaps a little slower on allocated sites in the Plan (and even where it is not).

As such, one possible approach is to consider a longer Plan period that then does not require safeguarded land to be designated and gives the public more certainty over whether a site is allocated for development or not but also gives the development industry greater flexibility and choice. A longer Plan period also allows the Council and its partners to think longer-term in planning for infrastructure and growth and delivery of housing and employment land.

In this way, an argument could be made for a 20, 25 or even 30-year Plan period, and the Council would welcome your thoughts on this subject.

If you have any specific views on these proposed policy areas or believe that additional issues that have not been considered in the list above should be included, or you have

views on the length of the Plan period, please make your representation to the Council by **5pm on Friday 28<sup>th</sup> October 2016**, making clear reference to the Local Plan, either by post or email at the following addresses:

Peter Richards  
Strategic Planning & Implementation Manager  
West Lancashire Borough Council  
52 Derby Street  
Ormskirk  
L39 2DF

Email: [localplan@westlancs.gov.uk](mailto:localplan@westlancs.gov.uk)

If you have any queries regarding this letter or the Local Plan, please contact Peter Richards on 01695 585 046 or at the above email address.

For your information, the Council has also published a new Local Development Scheme (LDS) for the preparation of the Local Plan Review, and so if you wish to find out more about the process the Council will go through in reviewing the Local Plan and preparing a new one, you can download the LDS at:

<http://www.westlancs.gov.uk/planning/planning-policy.aspx>

I look forward to hearing from you.

Yours faithfully

**Peter Richards**  
Strategic Planning & Implementation Manager



## Appendix 3

### Key Stakeholders to consult on the Local Plan Review Regulation 18 “Scoping” consultation

September 2016

#### **Duty to Co-Operate Bodies:**

The Localism Act 2011 and the 2012 Regulations prescribe the following bodies that are subject to the Duty to Co-operate in relation to Development Plan Documents where they relate to a strategic, cross-boundary matter. These duties also apply to the Local Planning Authorities and County Councils. This reflects Appendix A to the Council’s Statement of Community Involvement.

- Lancashire County Council (as County Council, transport authority, highway authority, education authority and as minerals and waste authority)
- Sefton Metropolitan Borough Council (MBC) (as neighbouring authority and neighbouring highway authority)
- Knowsley MBC (as neighbouring local planning authority (LPA) and neighbouring highway authority)
- St Helens MBC (as neighbouring LPA and neighbouring highway authority)
- Wigan MBC (as neighbouring LPA and neighbouring highway authority)
- Chorley Borough Council (neighbouring LPA)
- South Ribble Borough Council (neighbouring LPA)
- Fylde Borough Council (neighbouring LPA)
- Highways England
- Environment Agency
- Historic England
- Natural England
- Civil Aviation Authority
- Homes and Communities Agency

- Lancashire Care NHS Foundation Trust (as the Primary Care Trust)
- Office of Rail Regulation
- Merseytravel
- Transport for Greater Manchester
- Marine Management Organisation
- Lancashire Enterprise Partnership
- Lancashire Local Nature Partnership

**Other Specific Consultation Bodies:**

These incorporate Statutory Consultees, where they are not already covered above, and reflects Appendix B of the Council's SCI, plus selected other bodies that it is considered sensible to consult on the scope of the Local Plan Review.

- Shadow Lancashire Combined Authority
- Liverpool City Region Combined Authority
- Greater Manchester Combined Authority
- Liverpool City Region Authorities (not already listed above)
- Lancashire Authorities (not already listed above)
- Association of Greater Manchester Authorities (AGMA)
- Liverpool Enterprise Partnership
- Greater Manchester Local Enterprise Partnership
- Parish Councils
- Telecommunications companies
- Utilities companies (electricity, gas, sewerage, water):
  - United Utilities
  - National Grid
  - Electricity North West
  - Scottish Power
- Emergency services



- North West Ambulance Service
- Lancashire Police
- Lancashire Fire & Rescue Service
- Health services
  - Southport and Ormskirk Hospital NHS Trust
  - NHS West Lancashire Clinical Commissioning Group
- Rail Service Providers
  - Merseyrail
  - Northern Rail
- Network Rail Infrastructure Limited
- The Coal Authority
- Liverpool City Region Local Nature Partnership
- Greater Manchester Local Nature Partnership
- Department for Environment, Food and Rural Affairs (DEFRA)
- Campaign to Protect Rural England (CPRE)
- RSPB
- Wildlife Trust for Lancashire, Manchester and North Merseyside
- Friends of the Earth
- Forestry Commission
- Canal & River Trust
- The National Trust
- Sport England
- West Lancashire Council for Voluntary Service (CVS)
- Ormskirk Community Partnership
- Well North and Well Skelmersdale
- Age UK
- Disability Rights Commission

- Church Commissioners
- Diocesan Board of Finance
- Gypsy Council, and other organisations representing Gypsies and Travellers
- Home Builders Federation
- National Housing Federation North West
- National Federation of Property Professionals
- North and Western Lancashire Chamber of Commerce
- Peel Ports Mersey



CABINET: 13 September 2016

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**Report of: Director of Development and Regeneration**

**Relevant Portfolio Holder: Councillor J Hodson**

**Contact for further information: Mr Peter Richards (Extn. 5046)**  
**(E-mail: peter.richards@westlancs.gov.uk)**

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**SUBJECT: LIVERPOOL CITY REGION STATEMENT OF CO-OPERATION**

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Wards affected: Borough wide

## **1.0 PURPOSE OF THE REPORT**

- 1.1 To seek Cabinet's endorsement of the Liverpool City Region Statement of Co-operation.

## **2.0 RECOMMENDATIONS TO CABINET**

- 2.1 That the Liverpool City Region Statement of Co-operation provided at Appendix 1 be adopted.
- 

## **3.0 BACKGROUND**

- 3.1 The Localism Act 2011 introduced the Duty to Co-operate ("the Duty") on local planning authorities which requires each authority to co-operate with neighbouring authorities and a number of statutory bodies in preparing their Local Plan (and to co-operate with their neighbouring authorities as they prepare their Local Plans). This Duty must be evidenced as part of the Local Plan submission for Examination. If the Examining Inspector considers that an Authority has not fulfilled the Duty he/she can find that the Local Plan preparation has not complied with the necessary legal requirements and fail the Local Plan, thus requiring the authority to start preparation all over again.
- 3.2 Even if the Inspector does not fail the Local Plan on legal compliance, the Duty can still be considered when the Inspector assesses whether the Local Plan is

“sound”, as if the authority is considered not to have co-operated, or not arrived at reasonable decisions based on that co-operation, with neighbouring authorities or the prescribed statutory bodies, the Inspector may find the Local Plan unsound. Therefore, fulfilling the Duty is a key requirement of any authority preparing a Local Plan.

- 3.3 Therefore, to help demonstrate the fulfilment of the Duty, officers from the Liverpool City Region authorities (Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral) and West Lancashire agreed to prepare the Statement of Co-operation (Appendix 1). The Duty requires co-operation at officer level, but also at elected Member level and so, while the Chief Executives from each authority have agreed upon this Statement and endorsed it, it also needs to be endorsed by elected members.
- 3.4 To this end, the Statement of Co-operation was adopted by the Combined Authority Board on 15<sup>th</sup> July, with a recommendation that it “should be presented to each Constituent Council (plus West Lancashire) for adoption”. This report seeks Cabinet adoption of the Statement of Co-operation as part of the process of meeting the Duty to Co-operate.
- 3.5 With regard the Statement of Co-operation itself (Appendix 1 to this report), it covers a number of strategic, cross-boundary, planning-related issues and sets out the current position in the City Region (including West Lancs) regarding those issues and identifies future approaches to working together on those issues, including a summary of actions.
- 3.6 It is intended that the Statement will be updated regularly, so that the latest evidence of co-operation between authorities can be documented and used to demonstrate the fulfilment of the Duty at Examination.
- 3.7 As well as co-operating with Liverpool City Region Authorities, the Council also has a duty to co-operate with neighbouring authorities in Lancashire and Greater Manchester and continues to do so. In particular, the Council is engaging with the proposed Lancashire Combined Authority and engaging with the planning-related topic areas that the proposed Combined Authority is working on.

#### **4.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

- 4.1 This report has little or no implications for sustainability or the community strategy.

#### **5.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 5.1 There are no financial and resource implications of the Statement of Co-operation other than a minimal amount of Council officer time providing input to its preparation.

## **6.0 RISK ASSESSMENT**

- 6.1 There are no risks associated with the recommendations above, although there are risks associated with not contributing to / being a part of such a Statement of Co-operation, as the Council's evidence of fulfilling the Duty to Co-operate would be weaker.
- 
- 

### **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

### **Equality Impact Assessment**

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

### **Appendices**

1. Liverpool City Region Statement of Co-operation



## Appendix 1



# **Liverpool City Region Statement of Cooperation on Local Planning**

*March 2016*

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## Executive Summary

- 0.1 This document has been prepared by the Liverpool City Region District Planning Officers and Planning Policy Managers Groups on behalf of the Liverpool City Region Combined Authority Housing and Spatial Planning Board<sup>1</sup> with aims of helping to fulfil the Duty to Cooperate by:
- a. Providing an agreed position of how strategic planning is currently being undertaken;
  - b. Providing a description of those strategic thematic topics affecting the city region;
  - c. Providing an approved mechanism for future and ongoing strategic planning; and
  - d. Identifying those areas of joint working that will be required in the period 2016 to 2021
- 0.2 Chapter 1, the introduction, provides a discussion about the background to the Liverpool City Region<sup>2</sup>, the legal and policy requirements regarding joint working and an overview of how the Liverpool City Region currently operates. Chapter 2 provides a position statement of statutory development plan status for each participating authority when this document was prepared.
- 0.3 Chapters 3 through to 9 provide a discussion on the key topics and themes that have been screened as having strategic cross boundary issues. For each of these chapters, the current position in the Liverpool City Region is described and the key cross boundary strategic issues identified. Each chapter also identifies future approaches to working and provides a closing summary of key actions (including their timescales and who is undertaking them) and who the key prescribed and other bodies for the topic area would be. Chapter 10 provides a brief summary of the existing key documents which are shaping the Liverpool City Region.
- 0.4 The Liverpool City Region planning authorities view this Statement of Cooperation on Local Planning as an important element of strategic planning which will assist future joint working and act as a useful tool for all the individual authorities to shape their approaches to working with benefits for not only individual plan making but also the future place shaping of the Liverpool City Region.

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<sup>1</sup> The LCR H&SPB comprises Councillors representing the six LCR Combined Authority members of Halton, Knowsley, Liverpool, Sefton, St.Helens and Wirral, with West Lancashire Borough Council attending by request as an Associate Member of the Combined Authority. It is supported by an Officer Coordination Group.

<sup>2</sup> For the purposes of this Statement of Cooperation, the Liverpool City Region (LCR) is taken to be the area of the six LCR Combined Authority member Councils plus West Lancashire Borough Council

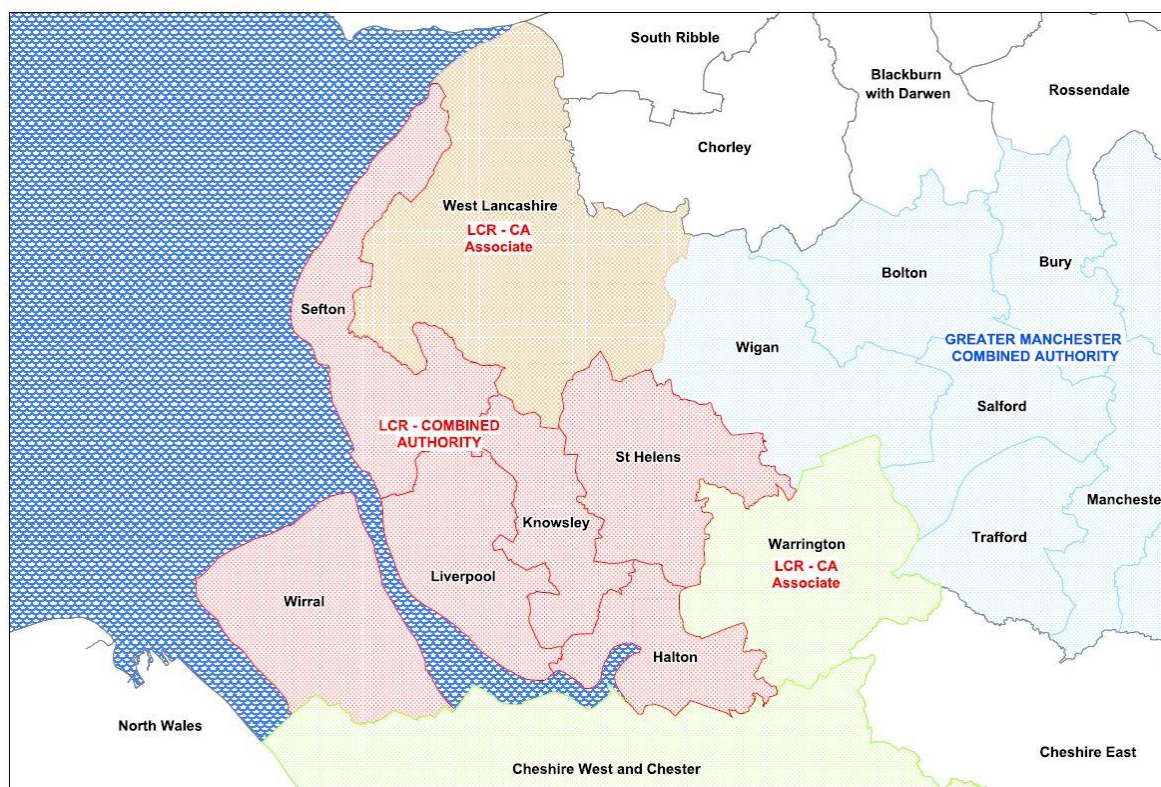
# 1. Introduction

- 1.1. The Duty to Cooperate became a statutory requirement on the 15th November 2011. It is a legal duty on Local Planning Authorities and certain public bodies to engage constructively, actively and on an on-going basis to maximise the effectiveness of Local Plan preparation relating to strategic cross boundary matters.

## *The Liverpool City Region*

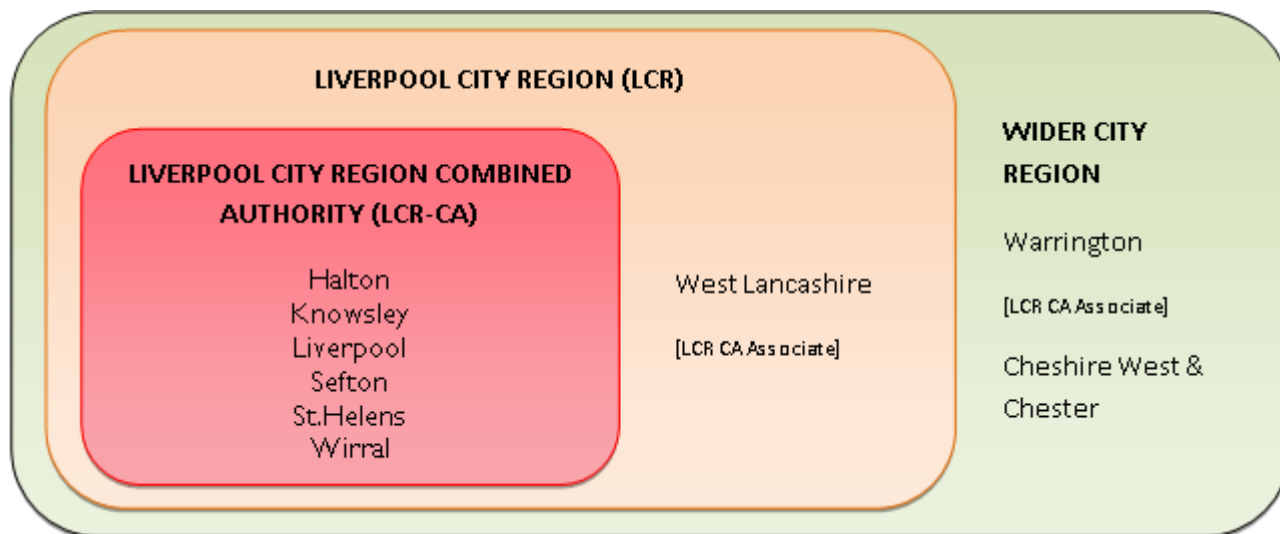
- 1.2. The Liverpool City Region (LCR) Combined Authority comprises the local authorities of Halton, Knowsley, Liverpool, Sefton, St. Helens, and Wirral. Warrington and West Lancashire are also associate members of the LCR Combined Authority. For spatial planning matters West Lancashire are seen as part of the LCR whilst Warrington position themselves with the former Cheshire authorities, Greater Manchester and the LCR.

*Figure 1 – The Liverpool City Region Context and Setting*



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Figure 2 – Authorities comprising the Liverpool City Region Combined Authority and those associated with it.



1.3. The Liverpool City Region local authorities have a long history of collaboration on spatial planning and economic issues and have well-established partnership arrangements. Examples of past joint planning work include joint research and policy development for the Regional Spatial Strategy for the North West (RSS) through the Merseyside Policy Unit and the Merseyside Partnership, and currently through the Combined Authority<sup>3</sup> Housing and Spatial Planning Board (H&SPB), the H&SPB Officer Coordinating Group, Planning Officer level groups (District Planning Officers, Planning Policy Managers and Development Management Officers) and through the Liverpool City Region Local Enterprise Partnership (LCR LEP)<sup>4</sup>.

*Statement of Cooperation*

1.4. This Statement of Cooperation has been produced, and will be kept up to date by the Planning Policy Managers Group, with approval by the District Planning Officers Group. It has been prepared to help to outline the practical steps that are being taken to meet the Duty to Cooperate.

- 1.5. The aim of this document is as follows:
- To document how co-ordination on strategic planning matters is currently being undertaken;
  - To provide a description of the strategic thematic topics affecting the Liverpool City Region;

<sup>3</sup> West Lancashire Borough Council (WLBC) is an Associate member of the LCR Combined Authority

<sup>4</sup> WLBC is a corporate member of the LCR LEP

- c. To provide an approved mechanism for future and ongoing strategic planning; and
  - d. To identify those areas of joint working that will be required in the period 2016 to 2021.
- 1.6. This document forms part of the evidence base and support for each authority's requirement to meet the statutory Duty to Co-operate established through the Localism Act 2011 and required through the National Planning Policy Framework (NPPF).

#### *Overview of Duty to Cooperate requirements*

- 1.7. The Localism Act (2011) and the National Planning Policy Framework require local planning authorities specifically to cooperate with other planning authorities, public bodies and stakeholders on strategic planning matters affecting two or more planning areas.

#### *The Localism Act 2011*

- 1.8. The key legislation governing the Duty to Cooperate is the Planning and Compulsory Purchase Act 2004 (PCPA 2004), as amended by the Localism Act 2011. Section 33A of the PCPA 2004 (as amended) requires local planning authorities to “.....*engage constructively, actively and on an on-going basis.....*” with other local planning authorities, County Councils and other prescribed public bodies when preparing development plan documents and other local development documents. The Duty to Cooperate also includes supporting activities, such as the preparation of the evidence base, and the consideration of preparing agreements on joint approaches to strategic planning.
- 1.9. The Duty to Cooperate should be applied to any ‘strategic matter’ related to the preparation of the document. A strategic matter is defined as “*sustainable development or use of land that has or would have a significant impact on at least two2 planning areas including (in particular) sustainable development or use of land for or in connection with infrastructure that is strategic and has or would have a significant impact on at least two planning areas*” ( PCPA 2004 section 33A (4) (a)). The aim of such cooperation is to maximise the effectiveness of the documents. It is worth noting that whilst Combined Authorities are not specified as organisations to which the duty applies, the LCR authorities consider that they fall within the definition of ‘other bodies’ carrying out the activities in s33A (PCPA 2004) relating to ‘strategic matters’.

### *National Planning Policy Framework*

1.10. Paragraphs 178-181 of the National Planning Policy Framework (NPPF) provide guidance on planning strategically across local boundaries. Paragraph 181 states that:

*“Local planning authorities will be expected to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examination. This could be by way of plans or policies prepared as part of a joint committee, a memorandum of understanding or a jointly prepared strategy which is presented as evidence of an agreed position. Cooperation should be a continuous process of engagement from initial thinking through to implementation, resulting in a final position where plans are in place to provide the land and infrastructure necessary to support current and projected future levels of development”.*

1.11. Paragraph 178 of the NPPF also states that *“public bodies have a duty to cooperate on planning issues that cross administrative boundaries, particularly those which relate to the strategic priorities ...”* The NPPF (paragraph 156) states that such priorities should include strategic priorities to deliver:

- a. the homes and jobs needed in the area;*
- b. the provision of retail, leisure and other commercial development;*
- c. the provision of infrastructure for transport, telecommunications, waste management, water supply, wastewater, flood risk and coastal change management, and the provision of minerals and energy (including heat);*
- d. the provision of health, security, community and cultural infrastructure and other local facilities; and*
- e. climate change mitigation and adaptation, conservation and enhancement of the natural and historic environment, including landscape.*

1.12. The NPPF, however, makes it clear this list is not exhaustive.

### *The Liverpool City Region in Context*

1.13. Wirral and Halton share a boundary with Cheshire West & Chester, to the south of the LCR. St Helens and West Lancashire share a boundary with Wigan, to the east of the LCR. Additionally West Lancashire shares a boundary with Chorley and South Ribble, who along with Preston form the Central Lancashire spatial planning area. The boundary between Wirral and Wales (Flintshire) is formed by the River Dee. These adjacent authorities will, therefore, be engaged closely on strategic, cross boundary issues for the LCR under the Duty to Co-

operate, especially given the significant economic links these authorities have with the LCR.

- 1.14. The borough of Warrington, whilst outside the Liverpool City Region, forms part of the Mid-Mersey Strategic Housing Market Area with Halton and St.Helens and therefore has strong links to the City Region authorities.
- 1.15. Looking wider, the LCR represents one of two major metropolitan areas in the North West of England, and so engagement and co-operation with the Greater Manchester authorities will be an important cross-boundary issue, especially in light of the move towards a 'Northern Powerhouse' and the 'One North' agenda for transport infrastructure. The LCR also has significant linkages to North East Wales, with Wirral and Cheshire West and Cheshire forming part of the Mersey Dee Alliance, which addresses shared economic, social and environmental issues.

### *Governance Structures*

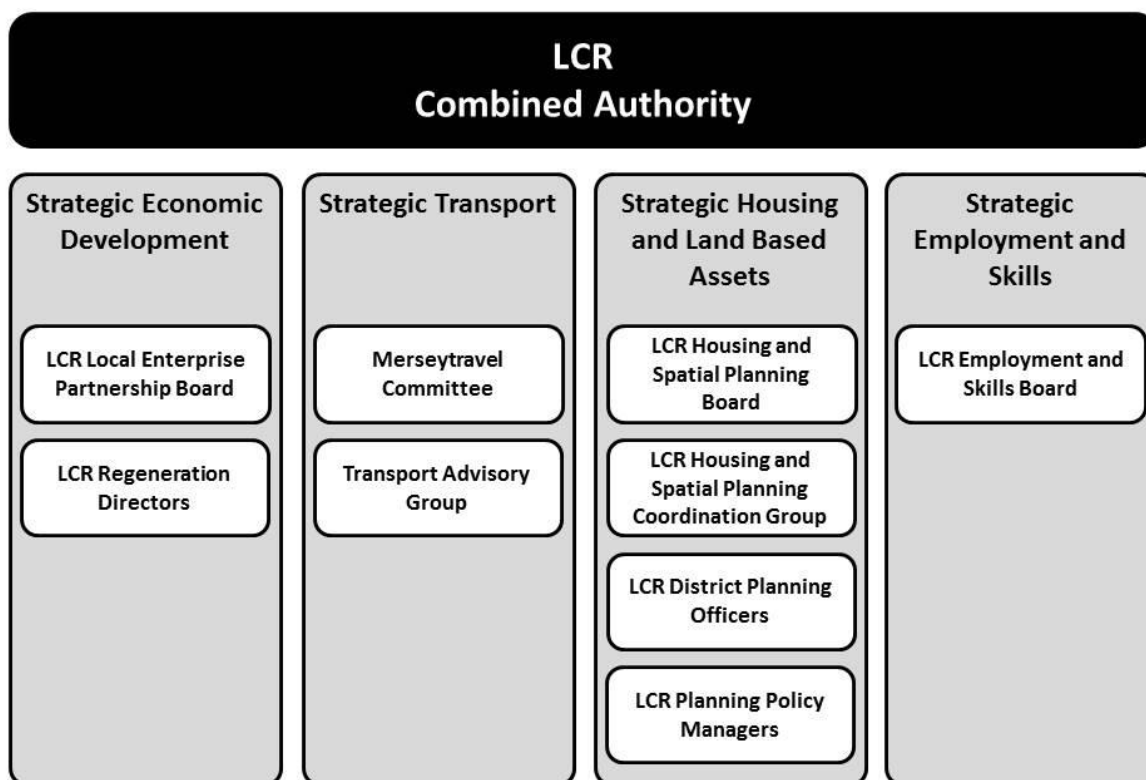
- 1.16. The LCR Combined Authority was established on 1<sup>st</sup> April 2014 covering the authorities of Halton, Knowsley, Liverpool, Sefton, St.Helens and Wirral. In late 2014 West Lancashire became an associate member of the Combined Authority and in mid-2015, Warrington also became an associate member. The remit of the LCR Combined Authority are the strategic economic development, regeneration, transport, strategic housing and employment and skills functions that can be better delivered collaboratively across the Liverpool City Region.
- 1.17. A Liverpool City Region Devolution Agreement was signed on 17<sup>th</sup> November 2015 between Halton, Knowsley, Liverpool, Sefton, St.Helens, Wirral and the Government, under which a new, directly elected Liverpool City Region Mayor will act as Chair to the Liverpool City Region Combined Authority. The Mayor will exercise the following powers and functions devolved from central government:
- Responsibility for a devolved and consolidated local transport budget, with a multi-year settlement to be agreed at the Spending Review.
  - Responsibility for franchised bus services.
  - Powers over strategic planning, including the responsibility to create a Single Statutory City Region Framework, a Mayoral Development Corporation and to develop with government a Land Commission and a Joint Assets Board for economic assets.
- 1.18. The Liverpool City Region Mayor will be required to consult Combined Authority Members on his/her strategies and spending plans, which the Combined Authority may reject if two-thirds of the constituent council members agree to

do so. A further Devolution Deal was announced on 16 March 2016 with further (non-planning) powers being devolved.

1.19. The development of a Single Statutory City Region Framework is intended to support the delivery of strategic employment and housing sites throughout the City Region. It will be focussed on high priority sites and schemes across the LCR CA area and the policies that are necessary to deliver these. Districts will still have their own plans to deal with detailed policies and allocations. The agreement states that the Framework would require approval by a unanimous vote of members appointed to the Combined Authority by the constituent councils, and that the LCR SSF approach must not delay the development of local plans. The Local Authorities within the LCR CA committed to delivering local plans by early 2017, pooling resources across the city region as necessary to do so, and these will support development of the single City Region Framework. The Statement of Cooperation will aid the process of preparing the SSF by identifying where joint work is required and will be updated when necessary to reflect emerging actions identified for the delivery of the SSF.

1.20. The Combined Authority discharges the thematic functions through the following arrangements:

Figure 3 – LCR Themes and Governance



1.21. Of particular relevance to joint strategic planning is the role of the Housing and Spatial Planning Board. This Board has been in operation since 2008 with a focus on looking at joint housing and planning matters. On the strategic planning side the work of the Housing and Spatial Planning Board is supported by LCR District Planning Officers (DPO) which itself is supported by the LCR Planning Policy Managers (PPM) group. Whilst both DPO and PPM primarily consist of representatives from the LCR authorities, papers are circulated to partners in the wider area who also have an open invite to attend meetings as and when particular issues arise.

1.22. Both LCR DPO and PPM Groups have been meeting for in excess of 10 years prior to the establishment of the Combined Authority. LCR DPOs comprises each authority’s Head of Planning (or equivalent) with the Chair also attending the Housing and Spatial Planning Board as a key link officer. The DPOs provide a strategic level of discussion with additional attendees from Merseytravel<sup>5</sup>, Merseyside Environmental Advisory Service (MEAS)<sup>6</sup> and the LCR Local Enterprise Partnership (LEP). DPOs delegate items to the PPMs group who operate as a working level group on particular tasks. Additionally groups of Development Control Officers and Conservation Officers also meet regularly.

Figure 4 – Joint Working Structures



<sup>5</sup> Merseytravel – the Integrated Transport Authority for the LCR

<sup>6</sup> MEAS – provide environmental, ecological, waste and minerals advice to the LCR



*Agreeing a List of Relevant Strategic Cross Boundary Issues*

1.23. The LCR authorities have been undertaking a focused piece of work on how best to work together and fulfil the Duty to Cooperate. This work commenced more formally in June 2014 where the LCR authorities (and others) participated in a workshop facilitated by the Planning Advisory Service. This workshop provided an initial methodology for identifying cross boundary issues. Since then the work has continued and has been refined through the LCR PPMs group which has culminated in the production of this Statement.

1.24. The key strategic issues requiring co-operation at the City Region level which are covered in the following sections include:

- Housing
- Economic Development (including Superport)
- Transport
- Infrastructure (Utilities and Community)
- Environment
- Retail, Leisure and Tourism

1.25. Other cross-boundary issues may exist between individual City Region authorities or between City Region authorities and neighbours or partners elsewhere that will be addressed individually between these authorities without the need for City Region wide agreement or working.

## 2. Local Planning

2.1. The current local planning position will be kept up to date on an annual basis. As of 1<sup>st</sup> March 2016, four of the authorities within the LCR have an adopted 'post 2004' development plan. Halton, Knowsley and St. Helens have each adopted a Core Strategy and West Lancashire a new style Local Plan. Additionally a Joint Waste Local Plan covering the LCR Combined Authority<sup>7</sup> was adopted in 2013. These Plans completed their examinations and were adopted post introduction of the NPPF and the Duty to Cooperate. In that respect they are considered up to date. The table below summarises the position of adopted Development Plans as of March 2016.

*Table 1 – Summary of Adopted Development Plans at March 2016*

<b>Local Planning Authority</b>	<b>Pre 2004 Development Plans Part Saved</b>	<b>Post 2004 Adopted Development Plan</b>
<b>Halton</b>	Unitary Development Plan 2005	Core Strategy 2013
<b>Knowsley</b>	Unitary Development Plan 2006	Core Strategy 2016
<b>Liverpool</b>	Unitary Development Plan 2002	-
<b>Sefton</b>	Unitary Development Plan 2006	-
<b>St. Helens</b>	Unitary Development Plan 1998	Core Strategy 2012
<b>Wirral</b>	Unitary Development Plan 2000	-
<b>West Lancashire</b>	Replacement Local Plan 2006	Local Plan 2014
<b>LCR Combined Authority</b>	-	Joint Halton & Merseyside Waste Local Plan 2013

2.2. All of the authorities are working on new Development Plans either whole new Local Plans or separate documents to support the delivery of adopted Core Strategies.

- a. Halton is working on a Delivery and Allocations Local Plan to supplement its Core Strategy and has undertaken a Regulation 18 consultation.
- b. Knowsley adopted their Core Strategy in 2016 and are updating their evidence base;
- c. Liverpool is preparing a Local Plan and has undertaken a Regulation 18 consultation.
- d. Sefton is preparing a Local Plan, this was submitted to the Secretary of State in August 2015, and has been subject to Examination. The Council are now preparing Modifications to the Plan;

<sup>7</sup> West Lancashire is covered by the Lancashire Minerals and Waste Local Plans

- e. St Helens is preparing a Local Plan and has undertaken a Regulation 18 consultation.
- f. Wirral is preparing a Core Strategy Local Plan and has undertaken consultation on a proposed Submission Draft, however a further consultation is expected on a revised proposed Submission Draft later in 2016.

2.3. The LCR authorities will continue to ensure that any studies or other research being produced for the LCR area for planning, housing, economic development and transport (and others) will be publicised to relevant LCR authorities and groups so they can have input and ensuring the resulting evidence can inform multiple work streams and ensure consistency. The H&SPB Coordinating Group, Regeneration Directors Group, DPOs and PPMs groups will notify each other of any such opportunities. An example of this in practice is the Economic Forecasts being produced in 2016 by the LEP and Merseytravel for the LCR area. These forecasts will inform the LEPs' Single Growth Strategy, Merseytravel's strategies and the LCR SHELMA and potentially other work, ensuring a consistency of approach.

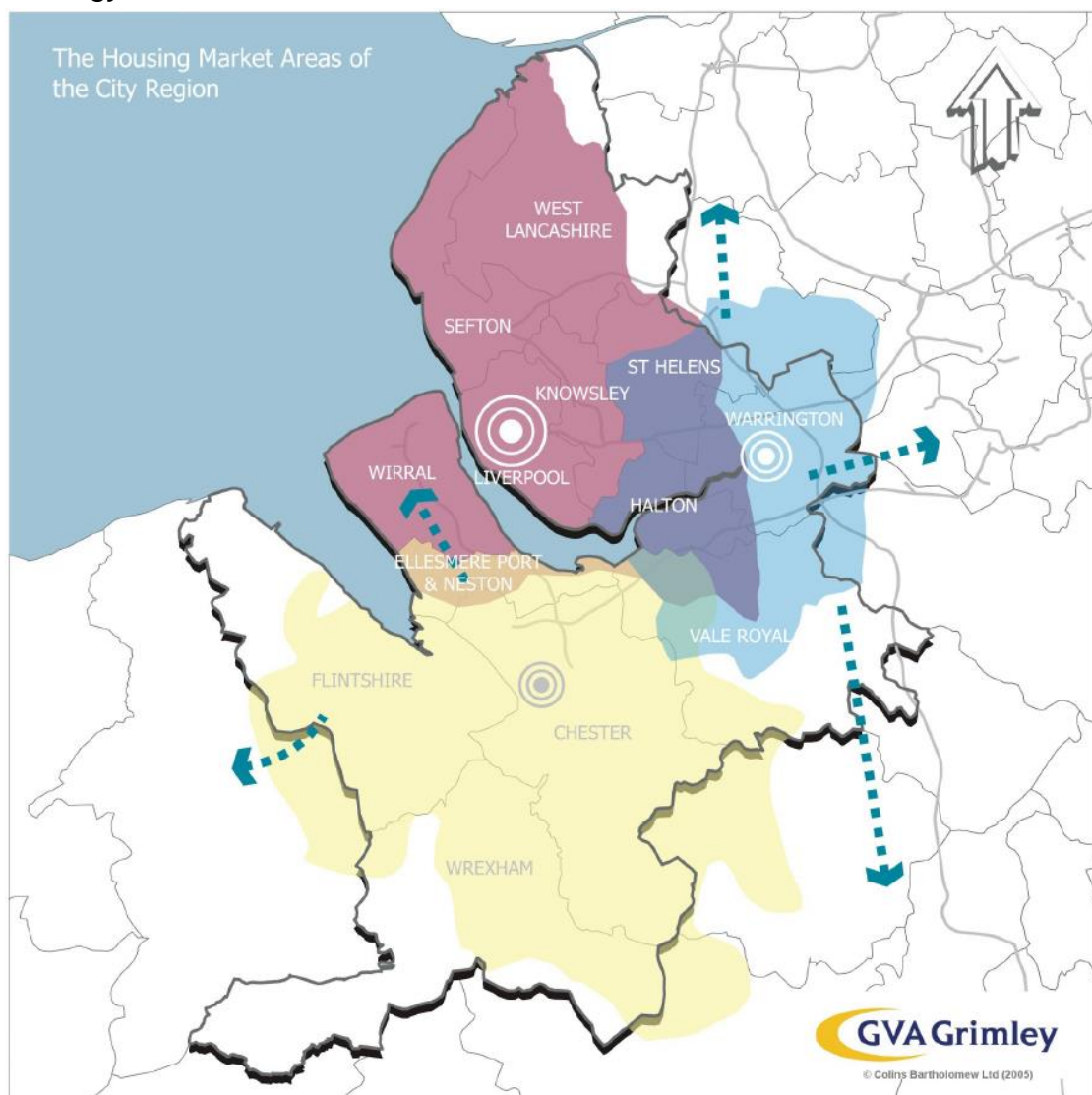
## 3. Housing

### *Current Position*

#### *Housing Market Areas*

3.1. The Liverpool City Region Housing Strategy of 2007 identified two key Housing Market Areas (HMAs). Firstly, a Northern Liverpool Housing Market Area – incorporating Knowsley, Liverpool, Sefton, West Lancashire and Wirral. Secondly, an Eastern Liverpool Housing Market Area – incorporating Halton, St Helens and Warrington, and also known as the Mid-Mersey HMA. Such HMAs do not adhere neatly to local authority boundaries and there was significant overlap between the two HMAs and those outside the LCR. These are illustrated in the plan below from the 2007 Strategy.

*Figure 5 – LCR Housing Market Areas from Liverpool City Region Housing Strategy 2007*



- 3.2. Data from the 2011 Census indicates that the Mid-Mersey area still represents a logical Housing Market Area (with 75% of local moves being within or between the three authorities). Whilst initial analysis of migration data supports the fact that Liverpool, Sefton and Wirral could each be considered a self-contained housing market area given that each show a greater than 70% self-containment in terms of migration<sup>8</sup>. However, neither Knowsley nor West Lancashire can show such high levels of self-containment, and so a future Strategic Housing Market Assessment (SHMA) will need to define the most appropriate housing market area(s) so that the housing market area(s) identified can show greater than 70% self-containment.
- 3.3. It should also be noted that some LCR authorities also have housing market links with surrounding HMAs outside the LCR, including HMAs covering Wigan (West Lancashire, St Helens and Warrington) and Cheshire West & Chester and Wales (Wirral, Halton and Warrington).
- 3.4. Within any HMA there are localised housing markets as well, with some authorities having a stronger level of self-containment in housing market terms as a result (for example Wirral) and others having particularly close housing market ties between parts of their authorities (for example between North Sefton and western West Lancashire). These factors will be taken account of when agreeing the appropriate geographies of housing markets in the LCR going forward.

#### *Household Projections*

- 3.5. National Planning Practice Guidance (PPG) emphasises the use of official population and household projections as a starting point for assessing housing need, as these are based on nationally consistent assumptions and methodology. The 2012-based Household Projections for the Liverpool City Region are set out in Table 3.

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<sup>8</sup> National Planning Practice Guidance, Reference ID: 2a-011-20140306

Table 2 - Household Projections

<b>Local Authority</b>	<b>2012-based Household Projections (average annual housing projection) (2012~37)</b>
<b>Knowsley</b>	233
<b>Liverpool</b>	1,238
<b>Sefton</b>	533
<b>West Lancashire</b>	140
<b>Wirral</b>	610
<b>“Northern HMA” Total</b>	2,754
<b>Halton</b>	235
<b>St Helens</b>	450
<b>Warrington</b>	826
<b>“Eastern HMA” Total</b>	1,511
<b>LCR TOTAL</b>	4,265

*Objectively Assessed Need*

- 3.6. The Mid-Mersey SHMA (January 2016) identifies an Objectively Assessed Housing Need (OAN) for Halton, St Helens and Warrington of 1,756 homes per year. Knowsley’s Local Plan found an Objectively Assessed Need (OAN) of 450 homes per year and the Sefton Local Plan Inspector’s Initial Findings (February 2016) supported an OAN of 640 homes per year.

*Provision for Travellers and Travelling Show People*

- 3.7. In relation to provision for Travellers, the authorities of Knowsley, Liverpool, Sefton, St Helens, West Lancashire and Wirral recently completed a Merseyside and West Lancashire Gypsy & Traveller Accommodation Assessment (GTAA) that identified the specific need for Gypsy, Traveller and Travelling Showpeople provision within each authority to 2033. It is agreed between the six authorities that this is the need for each authority, to be taken forward in each authority’s Local Plan. The Assessment identified the need for 42 permanent pitches for Gypsy and Travellers and 1 plot for Travelling Showpeople, as well as 22 transit pitches across the study area.
- 3.8. Halton has previously worked with the former Cheshire authorities on gypsy and traveller matters, and it was deemed appropriate (cost, methodology, timing) to continue to work on this basis for the latest Gypsy, Traveller and Travelling Showpeople Accommodation Assessment (GTTSA) covering the period 2012 to 2028. This quantified the needs of the Gypsy, Traveller and

Travelling Showpeople community arising in Cheshire, the study area, as an additional 175 pitches for Gypsy and Travellers and 44 plots for Travelling Showpeople.

#### *Emerging Evidence Base*

3.9. The seven Liverpool City Region authorities are preparing a Strategic Housing and Employment Land Market Assessment (SHELMA). This will consider what Housing Market Area(s) and Functional Economic Market Area(s) exist in the Liverpool City Region and set out the Objectively Assessed Need within the area of the seven City Region authorities in terms of housing numbers and employment land. It will take account of economic forecasts for the Liverpool City Region being prepared by the LCR LEP and other economic factors, such as the impact of SuperPort and other significant economic impacts. The SHELMA will inform the emerging LCR Housing Strategy, LCR Single Spatial Framework and Local Plans in the LCR area. Work has commenced in early 2016 and it is due to complete in Autumn 2016.

#### *Strategic Cross Boundary Issues*

3.10. While the previous section demonstrates that the LCR authorities have co-operated on the strategic, cross-boundary issue of housing delivery in the preparation of the current iteration of Local Plans, it is recognised that even closer co-operation will be required to prepare future iterations of Local Plans across the LCR in order to ensure the delivery of sufficient new housing to meet the needs and growth aspirations of the LCR overall.

3.11. Several Liverpool City Region authorities have reviewed and amended, or are currently reviewing, their Green Belt boundaries in order to address their housing (and in some cases employment) requirements. Even where authorities have not had to do this, it is likely that the supply of land suitable for housing that is not within the Green Belt will be limited and may not be sufficient to meet housing requirements (collectively) across the LCR in the next iteration of Local Plans. For this reason, the LCR authorities recognise the need to continue their commitment to co-operate on this key issue in line with Policies in the National Planning Framework (NPPF).

3.12. Where strategic Green Belt release is necessary now or in the future, the LCR authorities are committed to considering the review and amendment of Green Belt boundaries in a consistent manner in accordance with NPPF and with regard to the impact on the wider Merseyside Green Belt as a whole.

3.13. With regard to provision for Travellers, all authorities involved have accepted the findings of the Merseyside and West Lancashire GTAA and will seek to

address their need for Traveller provision within their boundaries subject to the Local Plan preparation process and appropriate evidence gathering. This is with the exception of West Lancashire, who, though they accept the findings of the GTAA, are unable to identify sufficient sites to meet their full need at this time.

3.14. Halton have accepted the findings of the Cheshire, Halton and Warrington GTTSA and will seek to address their need for Gypsy and Traveller provision within the borough.

*Future Co-operation, Joint Work and Monitoring*

3.15. The LCR authorities are committed to working together on the LCR SHELMA. The SHELMA will inform the emerging LCR Housing Strategy, LCR Single Spatial Framework and Local Plans in the LCR area.

### Housing Summary

Action	Timescale	Who
Prepare a LCR SHELMA to determine HMA(s) and identify OAN within the LCR area	Ongoing, due to complete September 2016	All LCR authorities (Halton, Knowsley, Liverpool, Sefton, St Helens, Wirral and West Lancashire)
<b>Relevant Prescribed Bodies to consult</b> (as appropriate)		<b>Other key stakeholders to consult</b> (as appropriate)
Neighbouring Authorities (especially Wigan, Flintshire, Warrington and Cheshire West & Chester); Lancashire County Council; Homes and Communities Agency; LCR LEP; Lancashire LEP; and Cheshire and Warrington LEP.		Housing Developers Registered Providers



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## 4. Economic Development

### *Current Position*

#### *Functional Economic Market Area*

- 4.1 A Functional Economic Market Areas (FEMA) relates to the actual area that an economy operates within rather than simply looking at areas in terms of their administrative boundaries. Defining FEMAs is important to ensure that decisions and interventions on the economy are undertaken at the right spatial level. There is no universally agreed approach to defining FEMAs and no definitive map of FEMAs. They vary in size and boundary, depending on the issue under consideration (e.g. retail catchments, travel to work areas) and the criteria used to define them.
- 4.2 In 2004 the Northern Way defined the LCR (comprising of Halton, Knowsley, Liverpool, Sefton, St. Helens and Wirral) as was one of eight city regions within the North of England, based on an analysis of FEMAs. The defined extent of the LCR FEMA was informed by an analysis of travel-to-work data to major employment nodes (Liverpool)<sup>9</sup>. Liverpool was found to be the main driver and employment centre in a typical polycentric city region structure. This methodology was adopted as the best indicator available for an economically based definition, i.e. the flow of labour. It was accepted that the boundaries of city regions are 'fuzzy' and that the analysis of different geographical relationships, such as for example travel-to-shop, travel-to leisure or housing markets, gave rise to different geographies, but an economically based approach was considered most suited to a strategy aimed at enhancing economic performance.
- 4.3 A 2007 Local Government Association Study called 'Thriving Local Communities – Mapping Sub Regions' sought to map sub-regional economies. It considered travel-to-work data and sensitivity to different criteria, such as self-containment and minimum size (100,000 jobs), and took account of migration flows from the 2001 Census and markets for Goods and Services using the Annual Business Inquiry. This produced many different possibilities, split by catchment size, catchment self-containment, professional class, markets and migration. The preferred sub-regional economies showed were a Merseyside and Chester sub-regional economy, which included the authorities of Halton, Knowsley, Liverpool, Sefton, St. Helens, West Lancashire and Wirral, and also parts of the former Chester, Ellesmere Port and Neston Council and Vale Royal local authority

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<sup>9</sup> Moving Forward: The Northern Way First Growth Strategy Report (2004)

areas (now within Cheshire West and Chester), alongside some of Warrington and Wigan local authority areas.

- 4.4 The North West Regional Spatial Strategy (RSS) (2008) did not define a FEMA for the LCR, but did define the LCR for "the purposes of articulating RSS policy" as covering six local authorities<sup>10</sup> and also stated that the LCR "extends as far as Chester, Ellesmere Port and Neston, Vale Royal and West Lancashire." Similarly a 2011 report, 'Liverpool City Region - Building on its Strengths', stated that the LCR has a population of around 1.5 million, but when catchment areas of "Liverpool city centre shops, and of specialist health and education facilities... the spread of the Merseytravel train network, travel to work flows, the spread of housing markets, and the areas served by sports, entertainment and cultural facilities" are considered, an urban region centred on Liverpool that spreads from Wrexham and Flintshire to Chester, Warrington, West Lancashire and across to Southport with a population of 2.3 million can be identified.

#### *Joint Working*

- 4.5 Liverpool City Region Development Programme was agreed in 2005 by The Mersey Partnership and its private, public and third sector partners, including the Merseyside local authorities. The LCR CA authorities collaborated on the production of a Regional Economic Strategy (2006) through the North West Regional Assembly and this informed various successful European Union funding bids.
- 4.6 The LCR local authorities have previously worked together to produce joint Local Plan evidence based studies in relation to economic development including the Merseyside Employment Land Study (2004), Merseyside Green Belt Study (2004), 2010 Joint Employment Land and Premises Study (Halton, Knowsley, Sefton and West Lancashire Councils) and the 2011 Housing and Economic Development Evidence Base Overview Study (all LCR authorities).

#### *Travel to Work*

- 4.7 Travel-to-work data from the 2011 Census was released in 2014 and will be used to inform future work to define FEMA(s) within or covering the LCR area as part of the SHELMA.

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<sup>10</sup> Halton, Knowsley, Liverpool, Sefton, St. Helens and Wirral

*Liverpool City Region Local Enterprise Partnership (LEP)*

4.8 The LCR LEP has responsibility for strategic economic development in the LCR CA and is the principal structure for economic development cooperation in the LCR CA area. West Lancashire is part of the Lancashire LEP but also a Corporate member of the LCR LEP.

4.9 The EU Structural and Investment Funds Strategy 2014-2020 (SIF Strategy) forms a key part of the LEP's Strategic Economic Plan. Development of the SIF Strategy included the integration of wider City Region strategies including the Liverpool City Region Employment and Skills Strategy (2010). With an EU funding allocation of £190m, City Region partners have prepared a programme to maximise investment opportunities and tackle barriers to growth.

*Emerging Evidence Base*

4.10 The Liverpool City Region is preparing a Strategic Housing and Employment Land Market Assessment (SHELMA). This will set out the Objectively Assessed Need for the City Region in terms of housing and employment land requirements, including the anticipated economic growth generated through the Superport proposals (where appropriate). The SHELMA will review the FEMA geography for the LCR using the latest Travel to Work data from the 2011 census, which was released in 2014. Initial analysis by LCR planning officers indicates that past linkages remain broadly the same. More detailed analysis of this data is required to confirm the FEMA. The SHELMA will also take account of new economic forecasts being prepared by the LCR LEP.

4.11 Pending the outcome of the SHELMA, the LCR area will continue to be recognised as the FEMA within which the LCR local authorities sit for planning purposes, however it is recognised that commuting patterns and business catchment areas do not stop at the LCR FEMA boundary and that there are important economic linkages to parts of Cheshire, North Wales and Warrington. Equally it is also recognised that the LCR is not an island economy and has significant economic linkages with other city regions in the North West, including Greater Manchester and Central Lancashire.

*Strategic Cross Boundary Issues*

4.12 The LCR LEP Strategic Economic Plan (2014) has identified an £8.2bn output gap between the LCR and the national average, with average GVA per head in the City Region at 75% of the national average. To tackle this gap, the Strategic Economic Plan indicates that the LCR needs:

- 18,500 businesses to match the UK average business density

- An additional 35,000 individuals to be economically active to match the national average
- An additional 46,200 individuals in employment
- Respond to the shortfall of 90,000 jobs in our economy
- Increase household income– the deficit is equivalent to £1,700 per head

4.13 The Liverpool City Region Spatial Investment Plan Liverpool City 2014-2017 (2013) found there to be a rapidly diminishing supply of available and good quality land for industrial and distribution type uses across the LCR. The Investment Plan indicated that this land shortfall should be recognised as an urgent economic development priority for the City Region.

4.14 The Liverpool City Region Partners Housing and Economic Development Evidence Base Overview Study (2011) also found there to be a long term employment land undersupply of 386 hectares to 2031 across the LCR. This undersupply was based on employment land requirements identified at the local authority level, which were identified using both take-up based and labour demand based calculations, with the preferred models identified based on local justification and relevance.

### *SuperPort*

4.15 SuperPort is the name given to the cluster of projects, investment and activity across and beyond the Liverpool City Region to develop a multimodal freight hub. The vision of SuperPort is to bring together and integrate the strengths of the ports, airports and freight community to create a SuperPort for freight and passenger operations within the Liverpool City Region. Superport is one of the LEP's four "transformational priorities" and a major part of the Growth Deal with Government and is recognised as a key opportunity to stimulate growth in the region. Superport, the Port of Liverpool and transport infrastructure implications are discussed in more detail in chapter 5, and the potential implications for employment land demand are discussed here.

4.16 The growth of the Port of Liverpool, which spans areas in Sefton, Liverpool and Wirral, will be greatly enhanced by the construction of the Seaforth River Terminal (Liverpool 2), a deepwater container terminal in Sefton. It is due to open in Summer 2016 and will enable the Port to accommodate container ships more than three times the size of those which can currently use the Port (13,500 TEU<sup>11</sup> as opposed to 3,500 TEU). Port expansion will create significant job

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<sup>11</sup> TEU stands for a "Twenty-foot Equivalent Unit", the standard 20 feet long, 8 foot tall shipping container.

opportunities for communities across the Liverpool City Region, both directly at the Port and through a wide range of other businesses which depend on goods brought in and out of the Port, and it will impact on the demand for employment land.

- 4.17 In March 2014 the LCR LEP published a study on SuperPort<sup>12</sup>, which assessed the overall demand and supply of land for logistics and manufacturing up to 2034. Demand from three sources was assessed: that derived from economic activity; additional demand from changes to the Port of Liverpool; and secondary demand generated through multiplier effects. The projected long term demand for logistics and manufacturing facilities was estimated at 634 hectares (net) up to 2034. This implies that annual average take up of logistics space will almost double over a twenty year period. The study indicates a shortfall of suitable available land, and does not indicate where the land should be provided. Also, the employment land targets for each LCR authority have not yet taken account of the additional demand created by the SuperPort. The LCR Authorities consider that the SHELMA should consider the implications of the Superport for employment land requirements in the LCR, and so the SHELMA will review the impact of the Superport on the demand for employment land.

*Future Cooperation, Joint Working and Monitoring*

- 4.18 The LCR authorities are committed to working together on the LCR SHELMA, which will take account of employment land needs, including the implications of Superport. The SHELMA will inform the emerging LCR Single Spatial Framework and Local Plans in the LCR area.

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<sup>12</sup> LCR LEP and Superport partners: Superport: Global Freight & Logistics Hub, May 2014

<sup>12</sup> Liverpool City Region, SuperPort. An Analysis of the Supply Of, And Demand For, Distribution Space within the Liverpool City Region (NAI Haywards, March 2014)

Action	Timescale	Who
Prepare a LCR SHELMA to review FEMA for the LCR and determine employment land requirements for the LCR area	Ongoing, due to complete September 2016	Halton, Knowsley, Liverpool, Sefton, St Helens, Wirral and West Lancashire
<p><b>Relevant Prescribed Bodies to consult</b> (as appropriate)</p> <p>Neighbouring Local Authorities ((including Lancashire County Council, Warrington, Wigan, Flintshire and Cheshire West &amp; Chester)</p> <p>Liverpool LEP</p> <p>Cheshire and Warrington LEP</p> <p>Lancashire LEP</p> <p>Homes and Communities Agency</p>	<p><b>Other key stakeholders to consult</b> (as appropriate)</p> <p>Port of Liverpool and ABP and associated shipping lines, logistics companies, hauliers, warehousing and distribution centre operators</p> <p>Liverpool John Lennon Airport</p> <p>Land agents</p> <p>Key LCR employers</p> <p>Business community</p> <p>Universities and colleges</p> <p>Utility providers</p> <p>Chambers of Commerce</p> <p>The Mersey Dee Alliance</p>	

## 5. Transport

5.1. Transport infrastructure and networks are key enablers of economic growth and prosperity and are essential to the quality of life of the city region. The transport network supports the economic growth of the City Region by providing the necessary transport conditions for inward investment and business relocation, through improved connectivity to local and national destinations. Crucially the transport network supports the movement of goods and people, enabling them to access work, training, shopping and leisure opportunities.

### *Current Position*

5.2. The Merseyside Local Transport Plan 3 provides a long-term strategy and delivery programme of transport investment and service improvements. It aims to give Merseyside a safer, sustainable, efficient and integrated transport network, accessible to all. The Plan is operational from 2011 until 2024 and covers Knowsley, Liverpool, Sefton, St Helens and the Wirral. The Local Transport Plan 3 for Halton (2011 to 2025) provides the long term strategy for transport in Halton and provides the detail of how the strategy will be delivered in the shorter term. The LCR CA now has statutory responsibility for LTPs, and as such has adopted the Merseyside and Halton LTPs as the policy position. The Local Transport Plan 3 for Lancashire (2011-2021) provides a similar role for West Lancashire, with a West Lancashire Highways & Transport Masterplan (2015) providing more detail on how Lancashire County Council and West Lancashire Borough Council see transport infrastructure evolving in West Lancashire in the future.

5.3. The Liverpool City Region Combined Authority document 'A Transport Plan for Growth' (March 2015) aims to improve the social, environmental and economic wellbeing of the city region, by delivering a world-class transport network. Recognising the policy position set by the LTPs, the Transport Plan for Growth guides a single strategic investment framework and delivery plan to support the long term LTPs. The Transport Plan for Growth has been developed to provide a clear vision for a successful transport provision in the city region, and act as an investment plan to promote and support economic growth. The LCR CA authorities and Merseytravel will continue to work together to deliver the LTPs and the Transport Plan for Growth, monitoring progress on an annual basis and producing updates to the TPfG when necessary.

5.4. Historical partnerships with Lancashire, Cheshire, Wales and Warrington still exist, covering areas such as road safety, policing and long term maintenance contracts, those wider partnerships are understood to be likely to continue into the foreseeable future.

- 5.5. Under the Localism Act, 2011 the Liverpool City Region Combined Authority assumed the role of the Integrated Transport Authority. The Transport Authority will continue with and develop the various relationships required to deliver the vision for transport in the Liverpool City Region Combined Authority area which cover the following areas:
- a. Freight and logistics
  - b. Housing and land-use planning
  - c. Economic development and regeneration
  - d. Employment and skills
  - e. Health and wellbeing
  - f. Carbon reduction and air quality
  - g. Connecting Communities
  - h. Visitor Economy
- 5.6. Work conducted on behalf of the Combined Authority with regard to Transport matters include:
- a. Long Term Freight Strategy;
  - b. Rail North Strategy
  - c. Electric Vehicle Strategy

#### *Emerging Evidence Base*

- 5.7. Each local authority, as part of the preparation of its Local Plan, has produced an Infrastructure Delivery Plan (IDP), within which the key issues relating to transport infrastructure within the relevant district are highlighted, alongside the presentation of on-going and forthcoming infrastructure developments. The LCR authorities have engaged with key stakeholders, with each other and with other adjoining authorities outside the LCR, in preparing their IDPs.

#### *Strategic Cross Boundary Issues*

- 5.8. Transport networks do not generally finish at the edge of the Liverpool City Region and the wider links across the country will need consideration. The key issues for the City Region are set out below:

#### *Mersey Gateway*

- 5.9. The Mersey Gateway will provide a new crossing of the Mersey between Widnes and Runcorn (both in Halton) and could have significant impacts on the traffic movements within the sub-region. It will provide a second road crossing of the Mersey and will continue to provide, alongside the Silver Jubilee Bridge, an important alternative to the M6. The bridge is currently under construction, and is expected to be completed in 2017.



*Sea ports and SuperPort*

- 5.10. Superport is the name given to the cluster of projects, investment and activity across and beyond the Liverpool City Region to develop a multimodal freight hub. The vision of Superport is to bring together and integrate the strengths of the ports, airports and freight community to create a SuperPort for freight and passenger operations within the Liverpool City Region.
- 5.11. The expansion of the Port of Liverpool is one of the key elements of the Liverpool City Region Local Enterprise Partnership (LEP)'s vision for a Superport, a global freight and logistics hub across the City Region.
- 5.12. The Port of Liverpool spans areas in Wirral, Liverpool and Sefton. It is one of the busiest and most diverse ports in the UK, handling over 30million tonnes of cargo every year and serving more than 100 destinations around the world. Associated British Ports (ABP) operates the Port of Garston at Garston in South Liverpool, which handles around 500,000 tonnes of cargo each year.
- 5.13. The growth of the Port of Liverpool and its integration with the Manchester Ship Canal (to Salford) should bring major economic benefits for the Liverpool City Region and the wider national economy by increasing opportunities for trade with the rest of the world, including key markets in the Far East and the Americas. Taking advantage of its central location in the UK, and being situated in the largest economic region in the UK outside of London, the Port of Liverpool is ideally located to move people and freight both at the lowest possible cost and with fewest carbon emissions.
- 5.14. The growth of the Port of Liverpool will be facilitated by the construction of the Seaforth River Terminal (Liverpool 2), which is currently underway and is due to be completed in Summer 2016. This will deliver a deepwater container terminal with the ability to accommodate some of the world's largest container ships (13,500 TEU as opposed to the maximum 3,500 TEU the Port can currently accommodate).
- 5.15. The City Region is working with the Government and Highways England to identify appropriate solutions to increase highway capacity to and from the Port, and wish to see the project included within national infrastructure planning. Improving access to the Port involves the delivery of packages of measures to improve access to the Port across all modes. Different modes impact on different authorities. For example, inland shipping, along the Manchester Ship Canal has specific implications for Warrington (where road swing-bridges are required to 'open' to allow ships to pass, causing traffic congestion). Strategic rail aspects may impact more on Liverpool or Sefton, while improved road access is likely to have the greatest impact on Sefton and Knowsley.

5.16. The following table provides a summary of the port and port-related infrastructure located within each authority in the City Region.

*Table 3 – Ports and port-related infrastructure in the LCR*

<b>Local Authority</b>	<b>Sea Ports (Ports of Liverpool and Garston)</b>	<b>SuperPort</b>
Knowsley		<ul style="list-style-type: none"> <li>• Potter Logistics Rail Freight Terminal</li> <li>• M57 Motorway</li> <li>• M62 Motorway</li> </ul>
Liverpool	<ul style="list-style-type: none"> <li>• Princes Dock</li> <li>• Port of Garston (ABP)</li> </ul>	<ul style="list-style-type: none"> <li>• Garston Freightliner Terminal</li> <li>• Liverpool John Lennon Airport</li> </ul>
Sefton	<ul style="list-style-type: none"> <li>• Seaforth Dock</li> </ul>	<ul style="list-style-type: none"> <li>• The Seaforth Rail Freight Terminal</li> </ul>
West Lancashire		<ul style="list-style-type: none"> <li>• M58 Motorway</li> </ul>
Wirral	<ul style="list-style-type: none"> <li>• Birkenhead Dock Estate – including Mersey Waters Enterprise Zone and International Trade Centre</li> <li>• Twelve Quays Ro-Ro</li> <li>• Cammell Laird</li> <li>• Tranmere Oil Terminal</li> <li>• Bromborough Wharf</li> </ul>	<ul style="list-style-type: none"> <li>• Manchester Ship Canal</li> <li>• Twelve Quays</li> <li>• M53 motorway</li> </ul>
Halton		<ul style="list-style-type: none"> <li>• Mersey Gateway</li> <li>• The Mersey Multimodal Gateway (3M)</li> </ul>
St Helens		<ul style="list-style-type: none"> <li>• M62 Motorway</li> <li>• M6 motorway</li> </ul>
Warrington		<ul style="list-style-type: none"> <li>• M62 motorway</li> <li>• M6 motorway</li> </ul>

### *Links into High Speed Rail*

5.17. There is a need for co-operation within the Liverpool City Region and wider to ensure that the area can capitalise on Government investment in High Speed 2 (HS2). HS2 should provide fast rail links between the North West, the Midlands and the south east and London. HS2 provides the opportunity to improve the business and tourism connectivity of the region and increase freight capacity by freeing capacity on the West Coast Main Line for freight services. Across the City Region, that will mean planning development to make the most of potential links to HS2 and to potential for increased levels of freight.

5.18. There may also be a need for co-operation in relation to High Speed 3 (HS3), to support any additional proposed improvements to the rail network incorporate links to the Liverpool City Region, and to ensure that they are well planned for.

HS3 is a proposal to link the northern cities of England together with fast rail connections.

#### *Liverpool John Lennon Airport*

- 5.19. Liverpool John Lennon Airport has the potential to be a key driver in the local economy. Providing jobs, attracting businesses and delivering visitors to the area. The operational area of the airport is within Liverpool but is also in close proximity to Halton and Knowsley.
- 5.20. National Aviation Policy published in March 2013 makes it clear that land outside existing airports which may be required for airport development in the future needs to be protected against development which would be incompatible with the potential development of future runways.
- 5.21. The Liverpool John Lennon Airport Masterplan (November 2007) looks to provide further airport infrastructure improvements including a runway extension, the development of enhanced freight facilities and a new eastern access road. The Airport Surface Access Strategy (2011) looks to strengthen services between key interchanges and improve access to passenger transport facilities.
- 5.22. Liverpool John Lennon Airport Masterplan considers the potential to provide a new Eastern Access Road to serve the airport. Although this is mostly located within Halton, it is considered that it is likely to be necessary to co-operate with the wider City Region to ensure that the appropriate route is identified and any impacts are mitigated appropriately. The Masterplan is due to be updated in 2016.

#### *Connectivity*

- 5.23. It is expected that there will be a need for the Liverpool City Region to co-operate internally and externally in relation to other strategic elements of transport infrastructure, which will help to improve local, regional and national connectivity of the City Region. This will encompass projects and schemes such as the Borderlands Line enhancement, Halton Curve, Skelmersdale Rail Link, Burscough Curves, Rail Electrification, motorway junction improvements on the M56 and M58 and improved walking and cycling routes as part of Green Infrastructure across the region and beyond.

*Future Co-operation, Joint Work and Monitoring*

5.24. The LCR authorities will continue to liaise and cooperate on cross boundary transport issues through planning policy officers sharing information at DPOs and PPMs meetings, which Merseytravel attend. The LCR CA authorities and Merseytravel will continue to work together to deliver the LTPs and the Transport Plan for Growth, monitoring progress on an annual basis and producing updates to the TPfG when necessary.

5.25. On-going review of transport infrastructure provision will be undertaken on a local authority basis, through the preparation and review of Local Plans and supporting IDPs.

Action	Timescale	Who
Take account of Superport in LCR SHELMA study	SHELMA due to complete in September 2016	All LCR Authorities
Deliver the LTPs and the Transport Plan for Growth, monitoring progress on an annual basis and producing updates to the TPfG when necessary	Ongoing	All LCR CA Authorities
<b>Relevant Prescribed Bodies to consult</b> (as appropriate)	<b>Other key stakeholders to consult</b> (as appropriate)	
<ul style="list-style-type: none"> <li>Merseytravel</li> <li>Neighbouring Highways Authorities (especially Warrington, Wigan and Cheshire West &amp; Chester)</li> <li>Neighbouring Local Authorities (especially Warrington, Wigan and Cheshire West &amp; Chester)</li> <li>Civil Aviation Authority</li> <li>Office of Rail and Road (ORR)</li> <li>Network Rail</li> <li>Highways England</li> <li>Department for Transport</li> <li>Marine Management Organisation</li> <li>Liverpool City Region LEP</li> <li>Cheshire and Warrington LEP</li> <li>Lancashire LEP</li> <li>Lancashire County Council</li> <li>Welsh Government (Transport)</li> </ul>	<ul style="list-style-type: none"> <li>Port of Liverpool and associated shipping lines, logistics companies, hauliers, warehousing and distribution centre operators</li> <li>Liverpool John Lennon Airport</li> <li>Rail North</li> <li>Canal and River Trust</li> <li>Atlantic Gateway</li> <li>Land agents</li> <li>Key employers</li> <li>The Mersey Dee Alliance</li> </ul>	

## 6. Utilities Infrastructure

6.1. In order to deliver successful new development, it is essential to ensure adequate provision of utilities infrastructure. This includes: water; waste water; electricity; gas; renewables; decentralised energy; waste collection, recycling and disposal; and, telecommunications infrastructure. Waste is also discussed in the Environment chapter. The need to ensure the alignment of the City Region's investment and growth plans with the plans of utility providers is highlighted within the Liverpool City Region Growth Plan.

### *Current Position*

6.2. Utilities infrastructure can operate at a range of different geographies:

- a. Water and waste water infrastructure operates across the North West region and Wales. Water supply for the Liverpool City Region comes from a range of local and more distant sources, including most significantly sources in Cumbria and North Wales.
- b. Waste water infrastructure has a drainage function, which should be considered alongside the geography of flood catchment areas, flood plains and river drainage channels, as well as the physical location of waste water treatment works. The main river catchments affecting the Liverpool City Region include the Mersey Basin catchment and the River Alt catchment, with the River Douglas catchment also affecting a large part of West Lancashire and the River Dee catchment affecting parts of Wirral. The Sankey Brook covers most of St. Helens and north west Warrington, draining into the River Mersey.
- c. The high voltage electricity transmission networks are operated nationally by National Grid and provide grid connection points at Prenton (Wirral) and Lister Drive (Liverpool). The electricity is distributed locally in the Liverpool City Region by two Distribution Network Operators (DNO) at 132kV and below. Scottish Power Energy Networks covers the core of the City Region, specifically Halton, Knowsley, Liverpool, Sefton and Wirral and parts of St. Helens, Warrington and West Lancashire. Electricity North West is the DNO that covers the periphery of the City Region, specifically most of West Lancashire and parts of St. Helens and Warrington.
- d. National Grid owns and operates the national transmission system for gas throughout most of the UK, and also operates the low and medium pressure local gas distribution network across the whole of the Liverpool City Region.
- e. Telecommunications have a fluid geography, dependent on technology, particularly given the prevalence of broadband facilities in the City Region and increased reliance on wireless technologies.

- f. Decentralised energy production by definition is located close to the load it serves, rather than being part of the centralised transmission network. This can include renewable energy or other small scale energy generation.
- g. District heating is a system for distributing heat generated in a centralised location for residential and commercial heating requirements within a particular defined area. The heat generation can be from local scale fossil fuel burning or renewable technologies.
- h. The location of renewable energy technology is dependent on the type of technology employed. Wind farms can only successfully be located in on or off shore areas prone to high levels of wind, similarly, solar panels are best deployed on south facing slopes and roofs. Tidal technologies can clearly only be located in coastal areas, and geothermal technologies can only be deployed in areas of suitable geology. There is scope for a variety of these technologies within the Liverpool City Region. Electricity generation from these technologies are either used on or near to sites, but can also be related back to distribution networks.
- i. Waste collection is dealt with by individual authorities with disposal and recycling coordinated by the Merseyside Recycling and Waste Disposal Authority (MRWA). There is an existing network of waste management facilities, both publicly and privately owned, all of which are required to manage the identified waste management needs for Merseyside and Halton. The Merseyside and Halton Joint Waste Local Plan identifies the need for additional waste management facilities up to 2027.

### *Emerging Evidence Base*

- 6.3. Each local authority, as part of the preparation of its Local Plan, has produced an Infrastructure Delivery Plan (IDP), within which the key issues relating to utilities infrastructure within the relevant district are highlighted, alongside the presentation of on-going and forthcoming infrastructure developments. The LCR authorities have engaged with key utilities infrastructure partners, with each other and with other adjoining authorities outside the LCR, in preparing their IDPs.
- 6.4. These partners have primarily been engaged through meetings with local authorities to discuss investment plans. Utilities partners have also directly approached local authorities in relation to specific projects, e.g. by United Utilities in relation to its Water Resources Management Plan.
- 6.5. The co-operation between local authorities and utilities infrastructure providers has been positive. Examples of evidence or joint projects completed include:

- a. **Infrastructure Delivery Plans:** All Local Authorities have produced an IDP to support Local Plans which has been prepared in consultation with utilities providers.
- b. **Water Cycle Studies:** Wirral Council and Liverpool City Council commissioned a joint Water Cycle Study to identify capacity and constraints to growth that may be imposed by the water cycle and how these can be resolved. The study demonstrated that while there are some potential local limitations to achieving growth, no show-stoppers have been identified. Cross boundary issues were identified for the Sandon dock waste water treatment works and associated sewer network, as the catchment also includes parts of neighbouring Sefton Council and Halton Borough Council. A Mid-Mersey Water Cycle Study was prepared in 2011 for the Halton, St.Helens and Warrington Council areas. The Study concluded that there are no major constraints to growth within the Mid-Mersey area, however issues related to wastewater infrastructure capacity and water quality issues will need to be addressed.
- c. **Water Infrastructure:** Water Treatment & Water Supply Local Authority Sub-regional Working (Duty to Cooperate) meeting held on 30th January 2014.
- d. **Electricity Infrastructure:** A meeting was held between Electricity North West and Scottish Power and representatives of the LCR LPAs on 15th August 2013 to assist in the preparation of Local Plans and also to influence the provision of infrastructure improvements by electricity distributors
- e. **West Lancashire Statement of Common Ground with United Utilities:** A statement was jointly drafted in advance of the Local Plan Examination hearings setting out the up to date position in respect of water utilities infrastructure capacity and how this can accommodate planned growth.
- f. **Liverpool City Region Renewable Energy Capacity Study:** This joint commission provided the technical evidence base to support local planning authorities in setting out a policy framework for low and zero carbon development. It identified priority zones and projects for different types of renewable energy infrastructure to be included in Local Plans.
- g. **Merseyside Connected:** aims to bring Superfast Broadband and improved broadband speeds to businesses and communities across Merseyside. The project is a collaboration between Knowsley, Liverpool, Sefton, St Helens and Wirral Councils, with a total budget of £5.46 million in phase 1 and £700,000 in phase 2, funded by Broadband Delivery UK (BDUK).
- h. **Waste:** Merseyside and Halton Waste Local Plan 2013 (see chapter 8 for more detail) and the Joint Recycling & Waste Management Strategy (2011-2041), produced by the Merseyside Recycling & Waste authority (MWRA).

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*Strategic Cross Boundary Issues*

- 6.6. The effective operation of utilities infrastructure which serves the Liverpool City Region's communities must be an on-going strategic priority for all local authorities. All authorities must recognise and respond to the additional pressure placed on utilities infrastructure facilities as a result of new development.
- 6.7. Key issues affecting all local authorities include:
- a. Waste water management capacity:** United Utilities have informed local authorities about capacity of selected waste water treatment works, and the need to ensure that surface water drainage from new development is minimised through the use of Sustainable Drainage Systems.
  - b. Potable water supply:** The North West is classed as water neutral in that as much water is used as is received. Consequently the City Region does not currently suffer from water stress in terms of supply. However, this could change as a result of climate change, the Habitats Directive effects and the demand of local development which are predicted to diminish the yield of drinking water resources in the region.
  - c. Utilities provision for large development sites:** Major development sites, particularly those at the edge of the existing urban area, need to be supported by suitable utilities infrastructure, including District heating Schemes (where feasible).
  - d. Coordinating with utilities companies asset management plans:** All areas must continue to maximise opportunities to align Local Plan preparation with the preparation of (typically) 5-year asset management and infrastructure investment programmes of utilities providers.
  - e. Digital infrastructure:** Digital infrastructure is key to the success of growth sectors across the City Region.
  - f. Waste:** implementing, monitoring and reviewing the Joint Waste Local Plan
- 6.8. Key issues affecting selected local authorities include:
- a. Renewable energy take up:** Opportunities for the take up of renewable technology will need to be considered as part of the preparation and implementation of Local Plans. Strategic infrastructure such as wind farms, solar farms and tidal schemes will only be feasible in certain parts of the City Region.
  - b. Electricity distribution capacity:** Scottish Power Energy Networks Manweb is responsible for the distribution of electricity across much of the Liverpool City Region. Whilst capacity of the network is, in the main, good, there are a couple of areas where capacity is less than 2 MVA and deemed to be under pressure. These areas include the Sefton Coast, Ainsdale to



Southport along the West Lancashire boundary and Kirkby and Simonswood in Knowsley and West Lancashire and parts of Bromborough in Wirral.

- c. **Implementation of district heating schemes:** There may be significantly greater opportunities for district heating schemes in areas where there is a sufficient market for heat and power, e.g. industrial parks or major new mixed use schemes, such as Wirral Waters.
- d. **Waste water management capacity:** This issue needs to be considered on a cross-boundary basis, as waste water treatment works catchments do not align with local authority boundaries. Given links to flood risk, drainage and river courses, this can affect different combinations of authorities, requiring careful joint working.
- e. **Major new development:** Where a local authority is planning a major development within its Local Plan, or there is a major development proposal, whether this is a regeneration scheme, urban extension or infrastructure project, there will be a need to consider impacts on utilities provision in that district, but also potentially in neighbouring districts where the development is close to a local authority boundary, e.g. electricity and gas network capacity.

#### *Future Co-operation, Joint Work and Monitoring*

- 6.9. On-going review of utilities infrastructure provision will be undertaken on a local authority basis, through the preparation and review of Local Plans and supporting IDPs. Regular review of the type, location and geographical catchments of utilities infrastructure across the city region can be a key part of this work.
- 6.10. It is expected that as existing evidence begins to age, e.g. Water Cycle studies or Renewable energy feasibility evidence, this will be reviewed on a sub-regional or joint authority basis, where appropriate.

## Utilities Infrastructure Summary

Action	Timescale	Who
Review of utilities infrastructure provision: liaison with infrastructure providers and neighbour LPAs when there are cross-boundary issues, preferably on a service catchment basis	On-going annual review	All LCR Authorities
Review of existing evidence base studies: Liaison with appropriate partners when there are cross-boundary issues	On-going annual review	All LCR Authorities
Individual Infrastructure Delivery Plans: Liaison with appropriate partners when there are cross-boundary issues	On-going annual review	All LCR Authorities
<b>Relevant Prescribed Bodies to consult</b> (as appropriate)	<b>Other key stakeholders to consult</b> (as appropriate)	
Neighbouring Authorities (especially Wigan, Flintshire and Cheshire West & Chester) Lancashire County Council Environment Agency Natural England Marine Management Organisation Nature Connected (the Local Nature Partnership for Merseyside)	Merseyside Recycling & Waste Authority Natural Resources Wales Mersey Dee Alliance Utility Providers <i>Strategic utilities infrastructure partners include the following:</i> United Utilities – water and waste water Dwr Cymru Welsh Water – waste water National Grid – Gas transmission and distribution, electricity transmission Scottish Power – Electricity distribution Electricity North West – Electricity distribution Environment Agency Mobile Operators Association BT - telecommunications Virgin – telecommunications Strategic pipeline operators	

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## 7. Community Infrastructure

7.1. Community infrastructure is at the heart of successful places. It ensures provision of critical services including healthcare and education. Its importance is reflected in the Liverpool City Region Growth Plan, which emphasises the role of different elements of community infrastructure in facilitating economic growth. Institutions such as universities, colleges and hospitals are identified as strategic assets in supporting key growth sectors.

### *Current Position*

- 7.2. Community infrastructure can operate at a range of different geographies:
- a. The geography of school education infrastructure is defined at the strategic level by the formal Local Education Authority (LEA) boundaries (i.e. unitary or county council boundaries), and more locally, by school catchment areas.
  - b. Similarly, the geography of primary care infrastructure is formally defined, for example by NHS England, Clinical Commissioning Groups (CCGs) and NHS Foundation Trusts. CCG boundaries generally follow those of Local Authorities, whereas NHS Foundation Trusts have varied geographies, including across Local Authority boundaries. These organisations are complemented by local health centres, GP surgeries, dentists and pharmacists.
  - c. Emergency services infrastructure was traditionally aligned to the previous County boundaries, for example the Fire and Rescue and Police Services which operate across Merseyside, Cheshire and Lancashire, with localised community stations located across the geographical area. The Ambulance Service has been re-organised and now operates across the North West of England region.
  - d. Prison and probation services may be located in a particular area, but do not necessarily serve that geographical catchment, due to the way prison and probation spaces are allocated. It is therefore helpful to consider this infrastructure within the national operation of the Prison Service.
  - e. Social care geography is defined by the geography of the relevant local authorities, which hold statutory responsibility for care. Many additional types of local community infrastructure are operated by local authorities, including libraries, community centres, community safety services, parks, leisure and sports facilities, cemeteries and crematoria.
  - f. The geography of cultural infrastructure is more loosely defined, and may operate at a local community level, such as a church or community centre, or a more strategic level across the City Region, for example, the large museums, galleries and other visitor attractions within Liverpool city centre and other locations.

- g. Higher education institutions, including the several major Universities in the City Region serve national and international communities of students and researchers. There are other major cultural and leisure attractions, such as football stadia, which also attract a wider international audience.
- h. Private sector providers of community infrastructure, for example private hospitals and schools, may have greater freedom to define their own catchment areas in comparison to public services. This issue also relates to newly privatised services such as the Royal Mail.

#### *Emerging Evidence Base*

- 7.3. Each local authority, as part of the preparation of its Local Plan, has produced an Infrastructure Delivery Plan, within which the key issues relating to community infrastructure within the relevant district are highlighted, alongside the presentation of on-going and forthcoming infrastructure developments. The LCR authorities have engaged with key community infrastructure partners, with each other and with other adjoining authorities outside the LCR, in preparing their IDPs.

#### *Strategic Cross Boundary Issues*

- 7.4. The effective operation of community infrastructure which serves and supports the Liverpool City Region's communities must be an on-going strategic priority for all local authorities. All authorities must recognise and respond to the additional pressure placed on community infrastructure facilities as a result of new development.
- 7.5. Community infrastructure which operates on a geographical basis greater than an individual local authority area, which operates across authority boundaries or utilises built infrastructure located on or near to local authority boundaries can present strategic cross boundary issues. Key issues affecting all local authorities, that affect the whole City Region or that have cross-boundary implications include:
  - a. **Education:** ensuring successful delivery of pre-school, primary and secondary schooling services, working with private sector and academy partners where appropriate.
  - b. **Higher Education:** working with colleges and Universities to deliver higher education facilities which service a local, national and international audience. (affects universities / campuses in Liverpool, Halton and West Lancashire).
  - c. **Strategic cultural infrastructure:** maintaining and developing major museums, galleries and other tourist attractions and working with private sector providers e.g. football clubs operating stadia.

- d. **Local authority services:** ensuring successful delivery of key statutory and optional community infrastructure services run by local authorities, accounting for the financial issues associated with continued funding of these.
  - e. **Health services:** working with NHS and CCG partners to ensure successful delivery of primary care and other health services for communities within the City Region and working with NHS foundation trusts to ensure that specialist services associated with particular hospitals are delivered for the benefit of communities across the City Region (e.g. affects all authorities with specialist hospitals and those where hospital services are provided across a number of authorities).
  - f. **Emergency services:** working with police, fire and rescue and ambulance service providers to ensure successful delivery of emergency services across the City Region.
- 7.6. Two of the four key priority areas identified in the LCR's Growth Deal relate directly to community infrastructure, and must therefore be considered as strategic cross-boundary issues, as follows:
- a. **Skills and Education:** the provision of skills to enable economic growth including education and apprenticeships, not just at the higher education level but at further education level and through specialist colleges in the SuperPORT/logistics, Advanced Manufacturing, Visitor Economy and Low Carbon, Financial and Professional Services and Life Sciences sectors.
  - b. **Visitor Economy:** Building on the revival of Liverpool city centre as a world class business and leisure destination – i.e. Visitor attractions, museums, galleries, cultural offers, leisure facilities and other aspects of the visitor economy, such as hotels and restaurants, must be considered as an offer across the sub-region, as any visit to the sub-region may call on facilities in a number of different local authority areas.

*Future co-operation, joint work and monitoring*

- 7.7. On-going review of community infrastructure provision will be undertaken on a local authority basis, through the preparation and review of Local Plans and supporting IDPs, including liaison with appropriate partners when there are cross-boundary issues. Regular review of the type, location and geographical catchments of cultural infrastructure across the city region can be a key part of this work.

## Community Infrastructure Summary

Action	Timescale	Who
Review of community infrastructure provision: Liaison with appropriate partners when there are cross-boundary issues	On-going annual review	All LCR Authorities
Review potential to expand the scope of existing meetings to consider community infrastructure issues	Complete by end of May 2016	All LCR Authorities via DPOs/PPMs
<b>Relevant Prescribed Bodies to consult</b>		<b>Other key stakeholders to consult</b>
<p>Neighbouring Education Authorities (including Lancashire, Wigan and Cheshire West &amp; Chester)</p> <p>Neighbouring Authorities (especially Wigan and Cheshire West &amp; Chester)</p> <p>Lancashire County Council</p> <p>Primary Care Trusts(now replaced by NHS England and Clinical Commissioning Groups (CCGs)</p> <p>LCR LEP</p> <p>Lancashire LEP</p>	<p>Education Authorities</p> <p>Higher Education Institutions</p> <p>Health Services (Including NHS England and relevant CCGs and NHS Trusts)</p> <p>Emergency Services</p> <p>National Museums Liverpool</p> <p>Religious organisations</p> <p>Tourism Boards (including Visit Liverpool)</p> <p>Prison Service (as part of Ministry of Justice)</p> <p>Visitor Attractions</p>	

## 8. Environment

8.1. The local planning authorities of the City Region have a history of working together to identify and jointly address strategic environmental issues. One of the principle means available to them in this regard is the jointly-funded Merseyside Environmental Advisory Service (MEAS) which provides local planning authority-specific services and collaboration across administrative boundaries for plans and projects. MEAS plays a role in joint commissioning and joint evidence base work for biodiversity and nature conservation, waste, minerals, contaminated land, renewable energy and the historic environment.

### *Current Position*

8.2. The Liverpool City Region has a rich and varied Natural Environment, including important natural habitats and a range of urban parks, designed landscapes and other features important for amenity purposes. Green Infrastructure and its natural environment benefits are both a local and strategic issue for the City Region and links to a number of key agendas including health and well-being, biodiversity, visitor economy and historic environment.

8.3. The Liverpool City Region also has a coastline and contains a number of rivers, canals and water bodies. By their nature, watercourses do not respect administrative boundaries and the current national approach is to manage them on a catchment basis under the leadership of the Environment Agency. The City Region contains four coastal or estuarine authorities (Halton, Liverpool, Sefton and Wirral) associated with the Rivers Mersey and Alt and West Lancashire has the Ribble estuary as one of its boundaries. Wirral is also bounded by the River Dee estuary.

8.4. A particular area for co-operation has been the management of flood risk, particularly given the naturally trans-boundary nature of river basins and the additional responsibilities recently given to Councils by the Flood and Water Management Act. With the exception of West Lancashire (who come under Lancashire County Council's authority on this matter), all the LCR authorities are now Lead Local Flood Authorities for their areas. The City Region is potentially vulnerable to flooding events from tidal sources, watercourses and groundwater sources, as well as from blocked, damaged and overloaded drainage infrastructure and failure of canal and reservoir structures.

8.5. The proximity of strategic urban redevelopment areas to European Natura 2000 nature conservation sites and their supporting habitat has rendered the Habitats Regulations of particular importance for the City Region. Following the

Habitats Regulations amendment, which explicitly identified the requirement for assessment of Local Plans, an approach across the LCR was explored and implemented from 2006. The number and importance of internationally designated sites in the city region relates directly to the need for a consistent approach across authority boundaries. The LCR CA authorities (except St.Helens) have contracted specialist consultants through MEAS to look at HRA matters in the area.

- 8.6. The local authorities of Knowsley, Liverpool, Sefton, St. Helens and Wirral jointly support the Merseyside Historic Environment Record (HER), which came under the management of MEAS in April 2014. Halton and West Lancashire are part of the Cheshire HER and Lancashire HER respectively. The HER is a key information source for the historic environment evidence base, covering both built and archaeological heritage, and provides a co-operation mechanism with other historic environment services in Cheshire, Greater Manchester and Lancashire through participation in the regular regional HER Working Group and Association of Local Government Archaeology Officers meetings.
- 8.7. Information provided by the HER informs both Local Plan and development management processes, though there are a limited range of strategic matters requiring action through the Duty to Co-operate, as most issues are site and District specific matters.
- 8.8. Halton, Knowsley, Liverpool, Sefton, St. Helens, Warrington and Wirral are Minerals Planning Authorities. West Lancashire is a two-tier authority area, where Lancashire County Council is the Mineral Planning Authority. As a heavily developed urban area, Merseyside is a significant consumer of aggregate minerals. The area is not a significant producer of land-won minerals but its port facilities are important for the landing and transhipment of minerals from marine and other sources and the area is a significant market for recycled and secondary aggregates. This includes participation in the Managed Aggregate Supply System (MASS) by monitoring activity in the LCR area and by participating in the work of the local Aggregate Working Party (AWP). In addition, the NPPF requires MPAs to produce an annual Local Aggregate Assessment for their area. The Liverpool City Region Authorities (excluding West Lancashire) are grouped together with Warrington and the 10 Greater Manchester authorities for the purposes of the MASS aggregate apportionment set out by Government, and have chosen to work jointly to produce a Local Aggregate Assessment for the whole of the apportionment area, which covers 17 local authorities. LAAs, which are subject to robust consultation through the AWP, have been completed on this basis in 2013 and 2014. This work is led on behalf of the LCR authorities by MEAS.



- 8.9. Each of the unitary authorities of the City Region is a Waste Planning Authority. As a two-tier authority area, Lancashire County Council is the Waste Planning Authority covering West Lancashire. Waste matters have strategic implications beyond individual authority boundaries and need to be considered accordingly, particularly as the Merseyside Recycling and Waste Authority (MRWA) exists to implement waste management across the City Region (excluding West Lancashire). The Joint Merseyside and Halton Waste Local Plan, which was adopted in 2013, provides a common policy and evidence base for the management of waste developments to 2027. The principal forum for co-operation is the District Planning Officers Group but additional requirements for co-operation with MRWA and authorities outside the city region will be needed from time-to-time.

### *Joint Working*

- 8.10. There are a number of areas of existing and emerging joint working in relation to environmental matters in the City Region. Examples include:
- a. Support for Merseyside Biobank and Cheshire rECOrd (the local record centres).
  - b. Contributing to the development of the North Merseyside Biodiversity Action Plan and an emerging Ecological Framework for the City Region.
  - c. A series of joint training events for LCR planners in Local Plans and Development Management on the Habitats Regulations and implications for future timescales, outputs and integration of Habitats Regulations Assessment into decision-taking across the LCR. MEAS also facilitate two joint contracts for provision of Habitats Regulations advice to Local Plan teams, providing a shared approach with reduced costs and enabling a consistent approach to be taken.
  - d. The Regional Flood and Coastal Committee (RFCC), which is a committee established by the Environment Agency under the Flood and Water Management Act 2010 that brings together members appointed by Lead Local Flood Authorities (LLFAs) and independent members with relevant experience.
  - e. Engagement with the statutory undertaker, United Utilities, through existing mechanisms such as the Environment Agency's River Basin Management Plans, to develop Local Flood Risk Management Strategies and to discharge the duties of Sustainable Drainage (SUDS) Approval Bodies and a consenting role for works to Ordinary Watercourses.
  - f. The establishment of the Merseyside Strategic Flood and Coastal Risk Management Partnership, which comprises representatives of the local authorities of Knowsley, Liverpool, Sefton, St Helens and Wirral.
  - g. The Merseyside Flood Risk Co-ordinator, which is a multi-disciplinary role that, in addition to supporting the Merseyside Flood & Coastal Risk Management (FCRM) Partnership, also supports the Strategic and

- Tactical groups of elected members and officers in the management of Flood and Coastal Erosion Risks on Merseyside.
- h. Engagement with the North West England and North Wales Coastal Group, which was set up to bring together experts from a number of organisations across the region with coastal defence responsibilities.
  - i. Joint working with Natural England, partly through the LCR Deal with Government and the Local Nature Partnership (Nature Connected), which has enabled progress to be made on the identification of future evidence and research related to functionally-linked habitats that support the internationally designated sites.
  - j. Continued participation in the Managed Aggregate Supply System (MASS) by monitoring activity in the LCR area and by participating in the work of the local Aggregate Working Party (AWP).
  - k. A Merseyside and Halton Joint Waste Local Plan - the Liverpool City Region authorities (excluding West Lancashire) have worked together to develop and adopt a joint Waste Local Plan and are continuing to work together on its implementation, monitoring and review arrangements.
  - l. Engagement with the Cheshire and Merseyside Contaminated Land Officers Group (CLOG), which includes representatives from the LCR authorities (excluding West Lancashire), the Cheshire authorities, the Environment Agency and Public Health England.

#### *Emerging Evidence Base*

8.11. The LCR CA authorities are currently working together on an Ecological Framework.

#### *Strategic Cross Boundary Issues*

8.12. The environment presents a number of planning issues for all of the City Region, particularly given the proximity of and ease of travel from strategic urban redevelopment areas to European Natura 2000 nature conservation sites and their supporting habitat, the presence of protected species in the City Region, and broader aspirations to improve environmental quality for both ecological and social benefit. Although many issues can be managed locally by individual authorities, issues affecting key sites and their connectivity often require trans-boundary approaches.

8.13. The main strategic cross-boundary issues are:

- a. Increasing recreational pressure on HRA sites from residents visiting from all LCR authorities and areas further afield;
- b. In combination harm to designated sites through water abstraction and/or water discharge;

- c. Implementation of the relevant River Basin Management Plans and Shoreline Management Plan – both of which are currently managed and operated under different regimes; and
- d. The management of flood risk and flooding, including:
  - the development of Local Flood Risk Management Strategies for each authority),
  - discharging the duties of the SuDS Approval Bodies, and
  - management of coastal protection (including the implementation of the SMP) for the coastal authorities.
- e. Ongoing co-operation both within LCR and beyond (e.g. North West Waste Network) on management of strategic cross border waste movements and monitoring and review of the Joint Waste Local Plan;
- f. Continued ongoing co-operation on production of Local Aggregates Assessment both within LCR and with Warrington and Greater Manchester.

*Future Co-operation, Joint Work and Monitoring*

- 8.14. Given the strategic cross-boundary issues relating to the environment, there are several areas of potential future co-operation and joint working for the LCR authorities. These could include:
- a. Development of a joint LCR SuDS SPD
  - b. Development of a Coastal Strategy for each individual coastal authority which implements the Shoreline Management Plan
  - c. Continuing co-operation on flooding and flood risk issues
  - d. Cooperating with neighbouring (and more distant) authorities to safeguard important minerals and aggregates
  - e. Safeguarding of wharfrage and other facilities for the transport and processing of minerals and aggregates
  - f. Monitoring of site requirements for built waste and recycling facilities within each authority area in line with the agreed Local Plan, which reflect other assumptions about how each waste stream will be managed in the future, including improvements in recycling and re-use
  - g. Assessment and annual monitoring of joint Waste Local Plan
  - h. Complete preparation of LCR Ecological Network as part of Local Plans evidence base.
- 8.15. In addition, the LCR authorities, MEAS, Natural England and Natural Resources Wales will need to work together to identify and deliver mitigation measures to protect HRA sites, potentially including enhanced access and habitat management, the provision of alternative recreational space away from the sensitive European sites and consideration of any potential water-related HRA issues.

## Environment Summary

Action	Timescale	Who
Continuing co-operation on flooding and flood risk issues across catchment areas (where appropriate)	On-going	All LCR authorities
Cooperating with neighbouring (and more distant) authorities to safeguard important minerals and aggregates resources and associated port, transport and processing infrastructure	On-going	All LCR authorities (Halton, Knowsley, Liverpool, Sefton, St Helens, Wirral through MEAS)
Working with neighbouring (and more distant) authorities to monitor the sales and movement of aggregates and to produce a joint Local Aggregate Assessment	Ongoing	All LCR authorities (Halton, Knowsley, Liverpool, Sefton, St Helens, Wirral through MEAS)
Monitoring of site requirements for built waste and recycling facilities	On-going	All LCR authorities (Halton, Knowsley, Liverpool, Sefton, St Helens, Wirral through MEAS)
Assessment and annual monitoring of joint Waste Local Plan	On-going	Halton, Knowsley, Liverpool, Sefton, St Helens, Wirral through MEAS
Complete LCR Ecological Network as Local Plan evidence base	March 2016	Halton, Knowsley, Liverpool, Sefton, St Helens, Wirral through MEAS
<b>Relevant Prescribed Bodies to consult</b> (as appropriate) Natural England Historic England Nature Connected (the Local Nature Partnership for Merseyside) Natural Resources Wales Neighbouring Authorities including Flintshire, Chester & Cheshire West and Warrington The Environment Agency Marine Management Organisation Merseyside Recycling and Waste Authority Forestry Commission	<b>Other key stakeholders to consult</b> (as appropriate) Lancashire Wildlife Trust Wirral Wildlife Natural Resources Wales United Utilities Dwr Cymru Welsh Water Merseyside Strategic Flood and Coastal Risk Management Partnership The Mersey Dee Alliance North West England and North Wales Coastal Group Cheshire Local Nature Partnership Cheshire Wildlife Trust Aggregates Working party North West Waste Network	

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## 9. Retail, Leisure and Tourism

### *Current Position*

- 9.1. Retail catchment areas within the sub-region are dependent upon the type and nature of the retail offer. Comparison goods shopping generates a wider catchment area as shoppers are prepared to travel further afield, whereas convenience shopping is more localised in nature. Retail is a continuously changing area as markets develop and approaches to retail change such as the rise of internet shopping.
- 9.2. Liverpool City Centre is the Regional Centre and is fundamental to the economic growth of the City Region. It forms a strategic hub with significant comparison retail floorspace, leisure, cultural and tourist facilities. It is the primary retail centre within the sub-region and is therefore the highest level of centre both within the City and sub-region hierarchy of centres. The City Centre is one of 4 key priorities in the LEP Strategic Economic Plan.
- 9.3. Birkenhead (Wirral), Southport (Sefton) and St Helens form the second tier of sub-regional centres across the City Region, which sit below and complement Liverpool City Centre as the Regional Centre. Below these centres, each borough has a range of other centres including town, district and local centres which meet localised needs within the area.
- 9.4. As retail catchment areas do not adhere to local authority boundaries it is recognised that there are overlapping catchment areas within the region with regard to these centres, with a number meeting some of the needs of communities in adjoining boroughs. This includes the following:
- Liverpool City Centre – meets some of the comparison shopping and leisure needs of the whole LCR
  - Southport – serves North Sefton and much of West Lancashire
  - St Helens – catchment area extends into Halton, Knowsley and Wigan
  - Bootle – serves the needs of residents in North Liverpool as well as South Sefton
- 9.5. Centres outside the Liverpool City Region will also meet some of the shopping and leisure needs of LCR residents, in particular including Manchester City Centre, the Trafford Centre, Warrington, Cheshire Oaks, Chester and Wigan.

*Leisure, Tourism and the Visitor Economy*

- 9.6. The Liverpool City Region has a strong leisure and tourism (visitor economy) sector, with 58.7million day and staying visitors in 2015 to the LCR CA area in 2014. Significant visitor attractions include:
- built heritage and architecture (including the UNESCO World Heritage site Liverpool Waterfront),
  - museums and heritage assets such as National Museums Liverpool, Beatles related tourism and industrial heritage e.g. Catalyst Widnes
  - theatres, art galleries and music venues
  - conference facilities including ACC Liverpool and Southport Classic Resort
  - sports stadia such as Everton FC, Liverpool FC, St.Helens RLFC, Tranmere FC and Widnes Vikings RLFC,
  - race courses at Aintree and Haydock
  - the extensive coastlines of Sefton and Wirral,
  - golf tourism (especially the Golf Coast in Sefton and the Wirral),
  - country parks and countryside recreation (e.g. Knowsley Safari Park, Bold Forest Park and Dream, St.Helens, Spike Island, Halton)
  - Liverpool One retail and leisure
- 9.7. The visitor economy is recognised in the LCR Growth Plan as one of the key growth sectors for the LCR. It is worth around £3.8bn to the economy and supporting around 49,000 jobs directly and indirectly in the accommodation, food and drink, recreation, shopping and transport sectors<sup>13</sup>. There were 192 hotels with 11,902 rooms in the LCR-CA area, with 68 and 7,847 in Liverpool alone, by the end of 2015. The LEP acts as the official Tourist Board or Destination Management Organisation (DMO) for Liverpool City Region. The LCR-CA and the LEP intend to strengthen and expand the Visitor Economy, and the LEP produced a Visitor Economy Strategy and Destination Management Plan in November 2014 for the period 2015-2020. This aims to increase visits to attractions, overnight stays, visitor rankings, value of tourism, and jobs supported.
- 9.8. The visitor economy is recognised in the LCR Growth Plan as one of the key growth sectors for the LCR. It is worth around £3.8bn to the economy and supporting around 49,000 jobs directly and indirectly in the accommodation, food and drink, recreation, shopping and transport sectors . There were 192 hotels with 11,902 rooms in the LCR-CA area, with 68 and 7,847 in Liverpool alone, by the end of 2015. The LEP acts as the official Tourist Board or Destination Management Organisation (DMO) for Liverpool City Region. The LCR-CA and the LEP intend to strengthen and expand the Visitor Economy, and the LEP produced a Visitor Economy Strategy and Destination

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<sup>13</sup> LCR LEP Tourism Data Summary, February 2016, based on 2014 STEAM data

Management Plan in November 2014 for the period 2015-2020. This aims to increase visits to attractions, overnight stays, visitor rankings, value of tourism, and jobs supported.

- 9.9. Strategic planning helps deliver many of the drivers of the visitor economy, such as safeguarding and enhancing the built heritage and natural environment, built attractions, hotels and infrastructure. Existing cultural infrastructure (also covered in chapter 7, Community Infrastructure) plays an important role in the visitor economy. The implications of the visitor economy for cross boundary planning has not been significant in the past, but the implications of future developments and the need to cooperate in planning for future visitor economy development will be kept under review and liaison promoted.

#### *Emerging Evidence Base*

- 9.10. With regard to objectively assessed need for retail, each local authority has conducted its own studies as set out in the table below, many of which also consider the need for commercial leisure.

*Table 4 – Retail Evidence*

<b>Local Authority</b>	<b>Retail Evidence Studies</b>
<b>Liverpool</b>	<ul style="list-style-type: none"> <li>• District and Local Centre Study (2009)</li> <li>• Quantitative Retail and Commercial Leisure Study (2011)</li> <li>• Liverpool Retail and Leisure Study Update 2015 (in preparation)</li> </ul>
<b>Wirral</b>	<ul style="list-style-type: none"> <li>• Wirral Town Centre Retail and Leisure Study (2009)</li> <li>• Integrated Retail Study for Birkenhead and Wirral Waters (2010)</li> <li>• Wirral Town, District and Local Centre Study and Delivery Framework (2011)</li> <li>• Retail Study Update (2012)</li> <li>• Retail and Leisure Study Update 2016</li> </ul>
<b>Sefton</b>	<ul style="list-style-type: none"> <li>• Retail Strategy Review (2012)</li> <li>• Sefton District Centres, Local Centres and Shopping Parades Study</li> <li>• Bootle and Southport Health Checks (2012)</li> </ul>
<b>Knowsley</b>	<ul style="list-style-type: none"> <li>• Knowsley Town Centres and Shopping Study - Stage 1 (2009)</li> <li>• Knowsley Town Centres and Shopping Study - Stage 2 (2010)</li> </ul>
<b>St Helens</b>	<ul style="list-style-type: none"> <li>• St Helens and Earlestown Retail and Town Centre Uses Study (2012)</li> <li>• St Helens District &amp; Local Centres Study (2006)</li> </ul>
<b>West Lancashire</b>	<ul style="list-style-type: none"> <li>• Retail and Leisure Study (2011)</li> </ul>
<b>Halton</b>	<ul style="list-style-type: none"> <li>• Halton Retail and Leisure Study (2009)</li> <li>• Halton and Local Centres Review (2015)</li> <li>• Halton Retail Study (2016)</li> </ul>

*Strategic Cross Boundary Issues*

9.11. Retail habits tend to be personal with shoppers rarely considering whether they remaining within one local authority or shopping across multiple boundaries. Other factors more likely to contribute to shop locational choice such as goods to be purchased, access to parking or transport hubs, social activities, range and variety of goods available and the weather on the day.

9.12. Key issues for the City Region are likely to be:

- a. Ensuring a **vibrant Liverpool City Centre**, given its importance to the sub-region as the primary economic driver and its role in meeting a proportion of comparison and leisure needs across the City Region.
- b. The **vitality and viability of other centres** across the sub-region and their ability to meet more localised shopping needs.
- c. Considering the implications of **large scale retail and leisure developments**.
- d. Considering the implications of **development that is located close to authority boundaries**.

*Future co-operation, joint work and monitoring*

9.13. On-going review of retail and leisure provision will be undertaken on a local authority basis, through the preparation and review of Local Plans. Regular review of the type, location and geographical catchments of retail centres across the city region can be a key part of this work.

Action	Timescale	Who
Review of retail and leisure provision studies by individual LPAs, liaising with neighbouring LPAs when catchments overlap	On-going annual review	All LCR Authorities
Cross-boundary implications of the visitor economy to be kept under review	On-going	All LCR Authorities
<b>Relevant Prescribed Bodies to consult</b> (as appropriate) Neighbouring Authorities (especially Warrington, Wigan and Cheshire West & Chester) LCR LEP (as the Tourist Board) Lancashire LEP		<b>Other key stakeholders to consult</b> (as appropriate) Tourism Boards (including LEP / Visit Liverpool) Visitor Attractions



## 10. Implementation

### *Strategic Planning Within the LCR*

- 10.1. In the process of developing individual Local Plans the authorities will ensure engagement with their neighbours on two levels. Firstly, through PPMs and DPOs broad strategies for Local Plan development will be tabled so that all in the LCR are appraised on what each other is doing and the need for any joint evidence base work identified and commissioned. Secondly, the individual authorities will engage with their neighbours through focused one-to-one meetings and discussions on cross boundary strategic issues.
- 10.2. Where agreement cannot be reached through the focused meetings and there are outstanding matters then the concerns will be escalated referred to DPOs level for the Heads of Planning for discussion. If there are still outstanding matters of disagreement then the authorities will agree to undertake to prepare a joint statement identifying the outstanding issues which can be tabled to a Planning Inspector at any relevant Local Plan Examination.

### *Strategic Planning Outside of the LCR*

- 10.3. The LCR is not a standalone area and it interacts with other areas beyond on many issues. To the north it interacts with Central Lancashire, to the East with the Greater Manchester area and Warrington, to the south and west with two Cheshire authorities and Wales. The nature of the relationship varies dependent on the topic. The LCR outer authorities relate particularly to their neighbouring areas, for example, St.Helens has close links with Wigan and Warrington.
- 10.4. On most topics the individual authorities concerned will liaise with their neighbours on particular cross boundary strategic issues. Where this occurs, they will keep the rest of the LCR authorities appraised of discussions through the PPMs group. Any more serious issues will be fed up through DPOs and above where necessary. MEAS also provide joint responses to neighbouring authority consultations where appropriate on strategic environmental matters including waste, minerals and ecology.

## Appendix 1 – Action Plan for Continued Joint and Strategic Working

Item and Description	Timescale and Status	Who
<b>Housing</b>		
Prepare a LCR SHELMA to determine HMA(s) and identify OAN within the LCR area	Ongoing, due to complete September 2016	All LCR authorities (Halton, Knowsley, Liverpool, Sefton, St Helens, Wirral and West Lancashire)
<b>Economic Development</b>		
Prepare a LCR SHELMA to review FEMA for the LCR and determine employment land requirements for the LCR area	Ongoing, due to complete September 2016	Halton, Knowsley, Liverpool, Sefton, St Helens, Wirral and West Lancashire
<b>Transport</b>		
Take account of Superport in LCR SHELMA study	SHELMA due to complete in September 2016	All LCR Authorities
Deliver the LTPs and the Transport Plan for Growth, monitoring progress on an annual basis and producing updates to the TPfG when necessary	Ongoing	All LCR CA Authorities
<b>Utilities Infrastructure</b>		
Review of utilities infrastructure provision: liaison with infrastructure providers and neighbour LPAs when there are cross-boundary issues, preferably on a service catchment basis	On-going annual review	All LCR Authorities
Review of existing evidence base studies: Liaison with appropriate partners when there are cross-boundary issues	On-going annual review	All LCR Authorities
Individual Infrastructure Delivery Plans: Liaison with appropriate partners when there are cross-boundary issues	On-going annual review	All LCR Authorities
<b>Community Infrastructure</b>		
Review of community infrastructure provision: Liaison with appropriate partners when there are cross-boundary issues	On-going review	All LCR Authorities
Review potential to expand the scope of existing meetings to consider community infrastructure issues	Complete by end of May 2016	All LCR Authorities via DPOs/PPMs
<b>Environment</b>		
Continuing co-operation on flooding and flood risk issues across catchment areas	On-going	All LCR authorities

(where appropriate)		
Cooperating with neighbouring (and more distant) authorities to safeguard important minerals and aggregates resources and associated port, transport and processing infrastructure	On-going	All LCR authorities (Halton, Knowsley, Liverpool, Sefton, St Helens, Wirral through MEAS)
Working with neighbouring (and more distant) authorities to monitor the sales and movement of aggregates and to produce a joint Local Aggregate Assessment	On-going	All LCR authorities (Halton, Knowsley, Liverpool, Sefton, St Helens, Wirral through MEAS)
Monitoring of site requirements for built waste and recycling facilities	On-going	Halton, Knowsley, Liverpool, Sefton, St Helens, Wirral through MEAS
Assessment and annual monitoring of joint Waste Local Plan	On-going	Halton, Knowsley, Liverpool, Sefton, St Helens, Wirral through MEAS
Complete LCR Ecological Network as Local Plan evidence base	March 2016	Halton, Knowsley, Liverpool, Sefton, St Helens, Wirral through MEAS
<b>Retail, Leisure and Tourism</b>		
Review of retail and leisure provision studies by individual LPAs, liaising with neighbouring LPAs when catchments overlap	On-going annual review	All LCR Authorities
Cross-boundary implications of the visitor economy to be kept under review	On-going	All LCR Authorities
<b>Other Items</b>		
Annual review of Statement of Cooperation on Local Plans	Annual	District Planning Officers and Planning Policy Managers
Maintain updated list of evidence base studies produced by LCR Local Planning Authorities	Ongoing	Planning Policy Managers

## Appendix 2 – Prescribed Bodies Involvement

Prescribed Body In Act and Regulations <sup>14</sup>	Relevant Body within LCR	Relevant Body Outside of LCR	Relevant Issues
Neighbouring authorities (as appropriate)	All LCR LPAs	As appropriate: Cheshire West and Chester Chorley Flintshire Lancashire CC South Ribble Warrington Wigan	Various (as appropriate): Housing Economic Development Transport
Environment Agency	Environment Agency	Environment Agency	Utilities Infrastructure Environment
Historic Buildings and Monuments Commission for England (Historic England)	Historic England (North West)	Historic England (North West)	Environment
Natural England	Natural England (North West)	Natural England (North West)	Environment
The Mayor for London	N/a	N/a	
Civil Aviation Authority	Civil Aviation Authority	Civil Aviation Authority	Transport
Homes and Communities Agency	Homes and Communities Agency	Homes and Communities Agency	Housing Economic Development
Clinical Commissioning Group (replacing CCGs)	All CCGs operating in LCR	All CCGs operating adjacent to LCR	Community Infrastructure
NHS England (replacing CCGs)	NHS England	NHS England	Community Infrastructure
Office of Rail and Road	Office of Rail and Road	Office of Rail and Road	Transport
Transport for London	N/a	N/a	
Integrated Transport Authority	Merseytravel	Transport for Greater Manchester Lancashire ITA Cheshire ITA	Transport
Highway Authority	Each LCR authority Highways England Department for Transport	Neighbouring Authorities (including Lancashire CC) Highways England	Transport
Marine Management Organisation	Marine Management Organisation	Marine Management Organisation	Transport
Local Enterprise Partnerships (LEP)	Liverpool City Region LEP	Cheshire & Warrington LEP Lancashire LEP	Housing Economic Development Tourism
Local Nature Partnership (LNP)	Nature Connected (Merseyside's LNP) Cheshire LNP (Halton)	Cheshire Local Nature Partnership Lancashire Local Nature Partnership	Utilities Infrastructure Environment

<sup>14</sup> Town and Country Planning (Local Planning) Regulations (2012)

## Appendix 3 – Other key stakeholders to be involved as appropriate

<b>Relevant Issue</b>	<b>Relevant Body to LCR</b>
Housing	Housing Developers Registered Providers
Economic Development & Superport	Port of Liverpool and ABP and associated shipping lines, logistics companies, hauliers, warehousing and distribution centre operators Liverpool John Lennon Airport Land agents Key LCR employers Business community Universities and colleges Utility providers Chambers of Commerce The Mersey Dee Alliance
Transport	Department for Transport Network Rail Welsh Government (Transport) Port of Liverpool and associated shipping lines, logistics companies, hauliers, warehousing and distribution centre operators Liverpool John Lennon Airport Rail North Canal and River Trust Atlantic Gateway Land agents Key employers The Mersey Dee Alliance
Utilities Infrastructure	Merseyside Recycling & Waste Authority Natural Resources Wales Mersey Dee Alliance Utility Providers, including: United Utilities – water and waste water Dwr Cymru Welsh Water – waste water National Grid – Gas transmission and distribution, electricity transmission Scottish Power – Electricity distribution Electricity North West – Electricity distribution Mobile Operators Association BT - telecommunications Virgin – telecommunications Strategic pipeline operators
Communities Infrastructure	Education Authorities Higher Education Institutions Health Services (Including NHS England and relevant CCGs and NHS Trusts) Emergency Services National Museums Liverpool Religious organisations Tourism Boards (including Visit Liverpool) Prison Service (as part of Ministry of Justice) Visitor Attractions

<p>Environment</p>	<p>Natural Resources Wales          Merseyside Recycling and Waste Authority          Forestry Commission          Lancashire Wildlife Trust          Wirral Wildlife          Natural Resources Wales          United Utilities          Dwr Cymru Welsh Water          Merseyside Strategic Flood and Coastal Risk Management Partnership          The Mersey Dee Alliance          North West England and North Wales Coastal Group          Cheshire Local Nature Partnership          Cheshire Wildlife Trust          Aggregates Working party          North West Waste Network</p>
<p>Retail, leisure &amp; tourism</p>	<p>Tourism Boards (including LCR LEP / Visit Liverpool)          Visitor Attractions</p>

## Appendix 4 – Key Sub Regional Policy Documents

Given the historic and ongoing working relationships there are already a suite of documents pertaining to the Liverpool City Region. Most of these have a relevance to joint Strategic Planning Matters. These documents are summarised below but this list is by no means exhaustive and will continue to change over the next five years.

### LCR Devolution Agreement

See chapter 1 for details of the LCR Devolution Agreements.

[LCR Devolution Agreement](#)

### LCR Growth Deal

The LCR Growth Deal was awarded to the LCR LEP on 7<sup>th</sup> July 2014 allocating over £232 million of funding to the LCR CA sub-region. A further £31.6 million was given in January 2015. The Growth Deal focuses on four priority areas:

- Creating a **freight and logistics hub** which will put the city region in the best place to respond to changes in the UK and international logistics market
- Building on the revival of **Liverpool city centre** as a world class business and leisure destination
- Driving the transfer of the city region's energy supply to **low carbon** and renewable sources as part of the LCR2Energy initiative
- Skills and business support to enable growth

The Growth Deal award is supported by the Liverpool City Region Growth Plan and Strategic Economic Plan (SEP) which, provide the strategic framework for interventions to drive new job creation and growth in the City Region. The Growth Plan and SEP articulate the ambitions of the City Region in terms of stimulating job creation as well as providing the rationale for intervention with a particular emphasis placed on enabling private sector investment and growth.

Liverpool City Region's Growth Plan takes a twin-track approach. First, where the City Region has genuine comparative strengths and competitive advantages investment will be prioritised and targeted to drive economic growth. Second, and across all aspects of the economy and in all sectors, the City Region will ensure that it creates an environment that supports growth and that will see all people and places benefit in a sustainable way.

[LCR Growth Deal](#)

### **LCR Spatial Investment Plan**

LCR Spatial Investment Plan was prepared in November 2013 with the aim of:

- Spatially mapping and categorise different types of employment sites
- Providing a market summary that assesses the prospects for different types of commercial investment
- Spatially mapping all the current housing sites under construction in the City-Region
- Identifying the short and medium term housing supply
- Identifying the potential constraints that could limit the speed and scale of private sector investment in new housing stock
- Making some initial policy recommendations based on the assessment of demand constraints and site availability
- Making some initial recommendations to help shape a future delivery strategy

The report was intended to contribute both to the investment planning of the LEP and the emerging strategic role of the Combined Authority.

[LCR Spatial Investment Plan](#)

### **LCR Local Investment Plan**

The LCR Local Investment Plan 2 (LIP2) was completed and approved by the City Region Cabinet in November 2011 with three primary aims:

- A prospectus for housing and regeneration investment in the LCR
- To clarify LCR's priorities to support economic growth while maintaining the momentum of regeneration
- Inform Homes and Community Agency's (HCA) business plan by setting clear priorities for future investment in the LCR

[LCR Local Investment Plan 2](#)

### **Local Transport Plans / Plan for Growth**

Prior to the establishment of the Liverpool City Region Combined Authority in April 2014, Halton was a separate Integrated Transport Authority (ITA) from MerseyTravel who act as the ITA for the Merseyside authorities, with each preparing its own separate (though closely aligned) Local Transport Plans (LTPs). Lancashire County Council is the ITA for their area including West Lancashire.



- The Merseyside Local Transport Plan 3 provides a long-term strategy and delivery programme of transport investment and service improvements. It aims to give Merseyside a safer, sustainable, efficient and integrated transport network, accessible to all. The Plan is operational from 2011 until 2024 and covers Knowsley, Liverpool, Sefton, St Helens and the Wirral.
- The Local Transport Plan 3 for Halton (2011 to 2025) provides the long term strategy for transport in Halton and provides the detail of how the strategy will be delivered in the shorter term.
- The Local Transport Plan 3 for Lancashire (2011-2021) provides a similar role for West Lancashire, with a West Lancashire Highways & Transport Masterplan (2015) providing more detail on how Lancashire County Council and West Lancashire Borough Council see transport infrastructure evolving in West Lancashire in the future.

The Liverpool City Region Combined Authority document 'A Transport Plan for Growth' aims to improve the social, environmental and economic wellbeing of the city region, by delivering a world-class transport network. The Transport Plan for Growth has been developed to provide a clear vision for a successful transport provision in the city region, and act as an investment plan to promote and support economic growth.

[Merseyside LTP3](#)

[Halton LTP3](#)

[Lancashire LTP3](#)

[A Transport Plan for Growth](#)

In West Lancashire transport infrastructure is governed through Lancashire County Council. The West Lancashire Highways and Transport Masterplan was issued in October 2014 and outlines the ambitious and wide-ranging vision to transform the transport network in West Lancashire over the coming decades.





CABINET: 13 September 2016

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**Report of:** Director of Development and Regeneration

**Relevant Portfolio Holder:** Councillor J Hodson

**Contact for further information:** Mr Peter Richards (Extn. 5046)  
(E-mail: peter.richards@westlancs.gov.uk)

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**SUBJECT: COMMUNITY INFRASTRUCTURE LEVY (CIL) FUNDING PROGRAMME  
2017/18**

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Wards affected: Borough wide

## **1.0 PURPOSE OF THE REPORT**

1.1 To propose for consultation the possible options for a CIL Funding Programme for 2017/18 based on the CIL monies anticipated to have been collected by the Council by 31 March 2017.

## **2.0 RECOMMENDATIONS**

2.1 That the updated Infrastructure Delivery Schedule (IDS) provided at Appendix 2 be noted.

2.2 That the public consultation for four possible options for spending CIL monies in 2017/18 set out in paragraph 4.11 of the report be approved.

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## **3.0 BACKGROUND**

3.1 The Council adopted a CIL Charging Schedule in July 2014, and has been charging CIL since 1 September 2014. In March 2015, the Council approved a CIL Governance Framework which set out how decisions would be made on the spending of CIL monies by the Council, amongst other matters. Key to this Framework is the production each year of a CIL Funding Programme to prioritise how the CIL funds raised in a given financial year will be spent the following financial year. A draft of this CIL Funding Programme must be publicly consulted

upon before Cabinet make a final decision on it in January of any given year in readiness for spending the monies from April that year.

- 3.2 This report marks the preparation of the second such CIL Funding Programme prepared by the Council and offers possible options on how CIL monies already collected by the Council since 1 September 2014 and those anticipated to be collected by 31 March 2017 could be spent in 2017/18. The options have thus far been prepared in line with the approach set out in the CIL Governance Framework.
- 3.3 The 2016/17 CIL Funding Programme allocated funding to three projects as follows:
- Car parking improvements at Station Approach, Ormskirk - £15,000
  - New allotments, Skelmersdale - £20,000
  - Boardwalk at Haskayne Cutting Nature Reserve - £8,000
- 3.4 A key document in the process of preparing a CIL Funding Programme is the Infrastructure Delivery Schedule (IDS). The IDS is a database of infrastructure projects that are planned or desired to take place during the current Local Plan period. It originally formed part of the evidence base for the Local Plan and the CIL Charging Schedule but has become more of a “live” document now, allowing monitoring of all infrastructure projects in the Borough and so monitors how the Local Plan is performing in delivering this key aspect of sustainable development.
- 3.5 Many projects on the IDS should have a connection to new development in that they are needed or demanded because of the new development proposed and being delivered through the Local Plan. However, other projects are not necessarily linked to new development in this way, but are still needed to upgrade existing infrastructure provision or reflect aspirations that infrastructure providers have and which, in some cases, may enable further new development in the future.
- 3.6 In relation to CIL, therefore, the IDS provides the basis for assessing which infrastructure projects CIL monies should be spent on, although it should be clarified that not all projects on the IDS will be eligible for and / or need CIL monies. This is discussed further below.
- 3.7 Infrastructure providers, ward councillors, parish councils and relevant council officers have all been given opportunity to input ideas and suggestions on schemes that could go into the latest update of the IDS, and to update details of schemes that are already in the IDS. This has enabled officers to update the IDS (see Appendix A) and then, based on the information submitted, to rank proposed schemes to inform recommendations on how CIL monies could be spent.
- 3.8 In terms of CIL monies collected thus far or anticipated to be collected by 31 March 2017:
- £45,703 was collected in 2014/15
  - £144,959 was collected in 2015/16

- £75,866 has thus far been collected in 2016/17 (at the time of writing this report)
  - A further £446,773 (minimum) is anticipated to be collected by 31 March 2017
- 3.9 This therefore provides an anticipated total income in 2016/17 of £522,639. This total may however increase if a development comes forward sooner which was not anticipated to come forward this year or decrease if a developer fails to pay the required CIL charge when it is due.
- 3.10 Of this total, 5% is allocated to the Council's administrative costs of running CIL and 15% is allocated in accordance with statutory requirements to the Parish Councils in which the developments paying CIL take place. We call this the neighbourhood portion. Where there is no Parish Council, the Borough Council must spend this neighbourhood portion within the non-parished areas it has derived from. No CIL income has thus far been received from developments in non-parished areas. The remaining 80% of CIL is retained by the Borough Council for use on strategic infrastructure.
- 3.11 Of the £266,528 total CIL income received to date at the time of writing this report, the strategic portion equates to £213,787. Subtracting those strategic CIL monies previously allocated through the 2016/17 CIL Funding Programme (£43,000) (as set out at paragraph 3.3 above) means that there is currently **£170,787** of CIL monies available to spend by the Council across the Borough in 2017/18 from the "strategic" portion, which may rise to £528,205 if all that is anticipated to be collected through CIL between now and 31 March 2017 is realised.

#### **4.0 PROPOSED FUNDING PRIORITIES FOR 2017/18**

- 4.1 The IDS now contains over 100 potential projects but the vast majority are not deliverable within the next year. However, many of those that are not immediately deliverable are projects that will deliver infrastructure that is needed and that might become deliverable in the near future. Therefore, a balance must be struck between funding appropriate and deliverable projects now with the CIL monies available and consideration for "saving" CIL monies to contribute to bigger, more beneficial projects that the infrastructure provider can work towards making deliverable while the necessary CIL monies are "saved up".
- 4.2 In addition, the IDS also serves a function as "living" evidence base to support monitoring and delivery of the current Local Plan and will inform the preparation of the next Local Plan, and so it includes all suggested infrastructure projects in the Borough, regardless of whether that infrastructure is directly related to new development or requires CIL monies to fund it. Therefore, some IDS projects will not meet a local need or demand that has arisen from new development, which is a key test of whether CIL monies can be spent on a project, and / or may not require CIL monies as the scheme has secured funding from another source.
- 4.3 To help inform deliberation on whether a project is eligible for CIL funding and then to assist in prioritising those eligible projects, council officers have used the information collated on each project to assess schemes against six key criteria:

1. Are CIL monies needed to deliver the project?
  2. Does the project meet a local need or demand that has arisen from new development?
  3. Does the infrastructure fall under the Regulation 123 list, which sets out what type of infrastructure the Council will spend CIL monies on?
  4. When can the infrastructure be delivered?
  5. Does the project help meet at least one of the Council's Corporate Priorities?
  6. Is the project identified within a relevant local strategy, e.g. the Local Plan, the Highways & Transport Masterplan and the Leisure Strategy?
- 4.4 The first criterion ensures that all infrastructure projects on the IDS which do not require CIL monies are separated off at the outset, reducing unnecessary assessment of projects. The second and third criteria are essential as CIL monies can only be spent on infrastructure that meets a local need or demand that has arisen from new development and on types of infrastructure that are on the Regulation 123 list (<http://www.westlancs.gov.uk/media/132578/Regulation-123-list.pdf>). At this point, we have effectively ruled out all infrastructure projects from further assessment which would never receive CIL monies based on the current information.
- 4.5 The fourth criterion is necessary to understand whether the project is deliverable by 31 March 2018 and so might benefit from having CIL monies allocated to it for spending in the next financial year. The fifth and sixth criteria are necessary to help differentiate and prioritise between projects, where several meet all of the first four criteria.
- 4.6 A further consideration is also the cost of the project and what CIL monies are required to deliver it, so as to encourage greater value for money by using CIL monies to lever in other funding.
- 4.7 When applying the above criteria, it has been concluded that at the current time there are a number of projects on the IDS that are potentially eligible for, and have a need for, CIL funding and which the submitter considers has the potential to be delivered by 31 March 2018, or are at least worth discussion and consideration. However, not all may be suitable at this time. All of these projects require fairly small sums of CIL monies (£10,000 to £60,000) with the exception of the Canal Towpath improvements in Burscough (£150,000). These projects are discussed in more detail in Appendix 1.
- 4.8 As time progresses, and development occurs throughout the Borough, then the 15% "neighbourhood" portion of CIL that Parish Councils hold (or that the Council holds in unparished areas to be spent in that area) will grow and could be utilised on lower cost projects, where sufficient funding is available, or expected to be available, from the "neighbourhood" portion. That being the case, the larger portion of CIL monies that the Council retains can instead be spent on larger, more strategic projects. At the current time, the 15% "neighbourhood" portion has not raised significant funds within the areas that the projects discussed in Appendix 1 are located but given major housing allocations in the Local Plan that

are due to come forward through the planning process shortly, it is reasonable to assume that the areas of Burscough, Ormskirk and Halsall may have “neighbourhood” portion CIL monies available in the next few years.

4.9 Looking further ahead to projects on the IDS in the medium-term delivery category (1-5 years) that would be unlikely to be delivered by 31 March 2018, there are a great many projects that the Council could choose to save CIL monies toward, some of which are very significant and may offer more strategic benefit and value for money than some of the projects listed above. Some of the more significant projects in the medium-term delivery category that may require some level of CIL funding (total estimated cost in brackets) are:

- A new Skelmersdale Leisure Centre (£12million, CIL funding could only provide a small proportion of this)
- Improvements to, or replacement of, Park Pool, Ormskirk (£12million, CIL funding could only provide a small proportion of this)
- Improvements to Burscough Sports Centre (£5million, CIL funding could only provide a small proportion of this)
- Improvements to enhance open space provision in the Tawd Valley in Skelmersdale (£300,000)
- Redevelopment of Birleywood Health Centre, Skelmersdale (unknown, but Health funding likely to provide vast majority of funds)
- Investment in health facilities in Burscough (unknown, but Health funding likely to provide vast majority of funds)
- Investment in health facilities in Northern Parishes (unknown, but Health funding likely to provide vast majority of funds)
- Ormskirk to Skelmersdale Linear Park (unknown)
- River Douglas Linear Park, Tarleton / Hesketh Bank (unknown, but Section 106 funding and on-site delivery within a development site will provide some of the funding needed)

4.10 Predicting how much CIL income may be collected in future years is extremely difficult given the number of variables involved, not least uncertainty over when sites will actually commence on site (which is when CIL can begin to be collected). However, based on the anticipated delivery of CIL-chargeable housing to 2021 in West Lancashire and a conservative average house size of 80m<sup>2</sup>, a rough estimate of income over the next five years would be in excess of £3million. This is important to consider if the Council is to think about saving CIL monies towards a larger project to be delivered in the next five years.

4.11 Taking into account all of the above information, and that provided in Appendices 1 and 2, it is therefore recommended that the Council consult on four options for spending CIL monies in 2017/18:

- 1) That one strategic project is prioritised and has CIL monies allocated to it for spending in 2017/18, (with the remaining “strategic” CIL monies saved for spending in future years):
  - *Canal Towpath Improvements between Burscough Wharf and Glovers Swing Bridge (CIL expenditure: £150,000)*

This project would upgrade a key section of a strategic route for cycling and walking on the Pier-to-Pier route and on the West Lancs Wheel and so sits within wider proposals contained and supported by the Leisure Strategy, Economic Development Strategy and LCC’s West Lancashire Highways & Transport Masterplan. The project could be delivered by 31 March 2018 by the Canal and River Trust, who would contribute £30,000 to the project as well.
  
- 2) That several smaller projects are prioritised and have CIL monies allocated to them for spending in 2017/18, but that the majority of the anticipated “strategic” CIL monies are saved for spending on projects in future years:
  - *Stanley Coronation Park Play Area, Skelmersdale (CIL expenditure: £20,000)*

This project would enhance a priority site in the Council’s Play Area Strategy and could be delivered by 31 March 2018. The CIL monies would be matched by £20,000 of funding from the Council’s Capital Programme.
  - *New changing facilities at Whittle Drive playing fields, Ormskirk (CIL expenditure: £60,000)*

This project would deliver new changing facilities to serve well-used playing pitches in an area (Ormskirk) that has seen significant new development and will see more in the coming years. The project could be delivered by 31 March 2018.
  - *Improvements to Cheshire Lines Cycle / Footpath in Great Altcar and Downholland (CIL expenditure: £40,000)*

This project would invest in improvements to an existing strategic cycle / footpath which provides connections into the wider sub-regional and national cycling network. The project could be delivered by 31 March 2018.
  
- 3) A hybrid of the first two options incorporating the Canal Towpath Improvements between Burscough Wharf and Glovers Swing Bridge and one or two other projects from option 2, depending on how much “strategic” CIL monies are actually collected by 31 March 2017. This would only mean a small proportion of the anticipated “strategic” CIL monies would be saved for spending in future years.
  
- 4) That all “strategic” CIL monies raised by 31 March 2017 are saved for spending on projects in future years, e.g. towards improved facilities in



Tawd Valley Park, one of the Borough's proposed Linear Parks or towards new / improved built leisure facilities.

## **5.0 NEXT STEPS**

5.1 Should Cabinet resolve in accordance with the Recommendation at paragraph 2.2 above, the options set out at paragraph 4.11 will be publicly consulted upon. Should Cabinet put forward an alternative resolution, the proposals / options within that resolution would be publicly consulted on instead. The consultation will include all infrastructure providers, as well as the general public and other stakeholders, and will seek views on the options for spending CIL monies in 2017/18 put forward or whether other projects in the IDS should be prioritised instead or whether entirely new projects should be considered by the Council.

5.2 The Council will publicise and consult through the following methods:

- Press release
- Information on the Council's CIL webpages and consultation webpages
- Electronic / paper mail out to all consultees registered on the Local Plan consultation database, parish councils and Members
- Electronic mail out to all infrastructure providers
- Printed information available at libraries and council offices
- Electronic and paper based survey forms will be available to complete
- "West Lancs Now"

## **6.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

6.1 The delivery of new infrastructure funded by CIL monies will have positive implications for sustainability and contribute to the delivery of the development allocated in the West Lancs Local Plan 2012-2027 in a sustainable manner. Depending on which projects are ultimately selected for spending CIL monies on, various objectives of the Council's Sustainable Community Strategy will be contributed towards by these decisions.

## **7.0 FINANCIAL AND RESOURCE IMPLICATIONS**

7.1 There is no additional cost to Council resources of preparing and consulting on a CIL Funding Programme given that any projects prioritised for funding will be funded by CIL monies and, in some cases, match-funded identified by the infrastructure provider from other sources; the administration of CIL (including the CIL Funding Programme) is covered by the 5% administration fee retained by the Council from CIL receipts together with the Planning Services revenue budgets.

## **8.0 RISK ASSESSMENT**

- 8.1 There are no significant risks related to this report, which is for consultation on the potential allocation of CIL funding to a variety of infrastructure schemes, but it must be stressed that the availability of CIL funds towards projects in 2017/18 beyond the £170,787 currently collected and available to allocate cannot be guaranteed at this time because the Council does not control when development that has permission will commence (and so be required to pay their CIL liability).

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### **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

### **Equality Impact Assessment**

There is a direct impact on members of the public, employees, elected members and / or stakeholders. Therefore, an Equality Impact Assessment is required. A formal equality impact assessment is attached as an Appendix to this report, the results of which have been taken into account in the Recommendations contained within this report.

### **Appendices**

Appendix 1 – Projects which potentially fulfil the six key criteria

Appendix 2 – Infrastructure Delivery Schedule

Appendix 3 – Equality Impact Assessment

## **Appendix 1 – Projects which potentially fulfil the six key criteria**

### *Stanley Coronation Park Play Area, Skelmersdale*

Stanley Coronation Park is one of six play areas identified in the Skelmersdale / Up Holland area that is a “priority” site for enhancement in the Council’s Play Area Strategy because it is high value but of a low quality. The proposed project has a cost of £40,000 but only £20,000 of CIL monies is being sought as the Council’s Capital Programme is contributing the other half of the funding required. Given this match funding, and the fact that the Council’s Leisure service would deliver the project, it is likely that the project would be deliverable by 31 March 2018.

As a fairly strategic public open space asset adjacent to the local centre at Sandy Lane, it serves a fairly wide area which would include the Firwood Road housing allocation on the western edge of Skelmersdale as well as other, smaller, unallocated potential housing sites in the area when they deliver housing, although there has not yet been a significant amount of development in that area in recent years.

### *Tanhouse Community Leisure Complex, Skelmersdale*

The Tanhouse Community Leisure Complex project involves the upgrade / creation of a Leisure Complex around the Tanhouse community centre through the construction of a new bowling green and upgrading of outside football pitch, skate-park, teenage shelter, the MUGA and the landscape surrounds. The cost of the project is estimated to be £75,000 and £43,000 of CIL monies is being sought to help meet these costs (the other £32,000 is proposed to come from S106 monies but this has not been agreed by the Council).

Tanhouse ward has seen the most housing development since 1 April 2012 of all Skelmersdale wards (and over half of all such development in Skelmersdale) but, even so, the actual quantum of new housing is not especially large and Tanhouse is not expected to see significantly more housing development in the coming years. In addition, while some of the proposals in this project are referred to in the Leisure Strategy, they are listed as a high priority and do not form part of the Action Plan. Given this, and the uncertainty of match-funding and deliverability, it is not recommended that this project is allocated CIL funding at this time.

### *Thompson Avenue Play Area, Ormskirk*

The Thompson Avenue Play Area was assessed as high value, high quality in the Play Strategy but there are improvements that could be made to improve the play area further. The proposed project has a cost of £60,000 which would need to be entirely funded through CIL and is deliverable by 31 March 2018 as a project put forward by the Council’s Leisure Service.

However, while Derby ward (which the play area falls within) has seen the second highest level of housing development of all West Lancashire wards since 1 April 2012, the entrance to the play area is not especially close or accessible to any new

development or any housing allocations or other potential housing sites. It may be more appropriate to consider this project in the future (together with the Ormskirk allotments project below) once further consideration has been given to an improved access to this site.

#### *New Allotments in Ormskirk*

This project proposes the creation of new, additional allotment plots at Thompson Avenue / Tower Hill Road in Ormskirk. As such the project would serve the whole of Ormskirk and surrounding areas, where at least 750 dwellings are proposed in the Local Plan. A site is available that is in Council ownership, although the current access arrangements for the site are far from ideal, and the Council's Leisure Service are well equipped to be able to deliver the new plots by 31 March 2018, subject to planning permission.

The cost of the project is estimated to be £20,000 and would need to be entirely funded by CIL monies. Given the uncertainty surrounding the accessibility of the site, it may be more appropriate to consider this project in the future (together with the Thompson Avenue Play Area project above) once further consideration has been given to an improved access to this site, as it may be that an alternative site needs to be identified if a suitable access solution cannot be achieved.

#### *New changing facilities at Whittle Drive Playing Fields, Ormskirk*

Whittle Drive Playing Fields are well-used but could be used more if the changing facilities were upgraded. This project seeks to deliver that upgrade at a cost of £60,000 and would be entirely funded by CIL monies. The Council's Leisure service has confirmed that this project could be delivered by 31 March 2018 if it were to receive CIL funding.

Ormskirk has seen plenty of new development in recent years, and more is to come with the Grove Farm housing site in particular, and playing fields such as Whittle Drive serve clubs that draw players from across the town (and beyond), so CIL funding could be invested in this project.

#### *Station Approach Linear Park, Ormskirk*

This project would form the first section of the Ormskirk-Skelmersdale Linear Park, utilising the former railway line to create a new cycle / footpath from Station Approach to the bridge at Dark Lane. The Council's Leisure service could deliver this section for £40,000 (all CIL monies) but it may not be deliverable by 31 March 2018.

The section of Linear Park is part of a strategic cycle route identified in the Local Plan, West Lancashire Highways & Transport Masterplan and is also in an area (Ormskirk) where there has been recent development and more is to come. However, there is no urgent need for this link until there is more certainty on the remainder of the Ormskirk-Skelmersdale Linear Park route.

### *Canal Towpath Improvements between Burscough Wharf and Glovers Swing Bridge*

This project has been submitted by the Canal and River Trust (CRT) and fits within proposals in the Leisure Strategy, Economic Development Strategy and LCC's West Lancashire Highways & Transport Masterplan to improve the well-used and popular canal towpath between Burscough and Parbold as part of the Pier-to-Pier and West Lancs Wheel cycle routes. The towpath is in need of an upgrade, particularly to facilitate cycling. The cost of the project is estimated to be £180,000 and the CRT is seeking £150,000 of CIL monies toward these costs. Given the CRT's track-record in West Lancs and elsewhere, there is every reason to consider that this project would be delivered by 31 March 2018.

Due to the wider context this project sits within it can be considered to be of strategic importance and so can be considered to serve a wide area where there has been significant levels of development, with even more proposed. As such, this project is very appropriate for the use of CIL monies.

### *Burscough Cricket Club / School Lane connectivity and canal enhancement*

The project is to create a cycle / footpath route from School Lane and the Cricket Club to the canal and to improve the amenity of land fronting the canal to enhance canal users and visitor's enjoyment of the canal-side. Therefore, there is some overlap and mutual benefit with the Canal Towpath Improvements between Burscough Wharf and Glovers Swing Bridge.

The cost of the project is approximately £79,000, and Burscough Parish Council is seeking £22,000 of S106 monies to use on this project and has secured £10,000 from Tesco. Depending on what other funding the Parish Council can secure for the project, it is unclear how much CIL monies would be needed to fund this project. Burscough Parish Council stand to receive a very large "neighbourhood" portion of CIL monies as developments such as Yew Tree Farm commence, and so the Parish Council may, in due course, have their own CIL monies to apply to this project.

There has been new development in the Burscough area in recent years and significantly more is proposed, and the project sits alongside the wider set of projects to enhance the canal corridor between Burscough and Parbold.

Given the uncertainty over the funding for the project, while the Parish Council do have fairly detailed plans for the improvements proposed, it is uncertain whether the project would be deliverable by 31 March 2018. Therefore, it may be appropriate to focus CIL funding on the associated project identified above (canal towpath improvements) in 2017/18 and for funding to be considered for this project at a later date once the main towpath improvements have been completed.

### *Heathfields connectivity and canal enhancement, Burscough*

This project is to improve access to the canal from Heathfields and to improve connectivity with shops, schools and local amenities in the centre of Burscough, while

enhancing the canal as a leisure facility, by providing a pedestrian bridge over the canal. Burscough Parish Council is seeking £10,000 initially to fund a feasibility study into the proposals.

While there has been new development on the Heathfields estate recently (Ivy Close), it is not a substantial addition, but it does exacerbate the existing need to better connect Heathfields with Burscough Town Centre. The proposal would also complement other improvements proposed along the canal corridor. However, at this point in time, there are more deliverable and higher priority needs on this strategic canal corridor (such as the main canal towpath improvements discussed above) and it may be more appropriate for the Parish Council to utilise the CIL monies from the “neighbourhood” portion as and when they receive it on the feasibility study.

#### *New Allotments in Burscough*

This project requires the allocation of £30,000 of CIL monies to deliver allotment plots in the Burscough area (approximately 20 plots), where 850 new homes are planned over the Local Plan period. As such, this project would meet all the key criteria. However, delivery of this project is dependent upon identifying a suitable site and securing any necessary planning permission and so there can be no certainty of the project being deliverable by 31 March 2018 until a site is identified and secured.

#### *Bickerstaffe Gateway to Green Spaces*

This project is essentially for new / improved car parking facilities to access the recent improvements in leisure / open space facilities in Bickerstaffe. The cost of the project is uncertain, with the Parish Council asking for between £10,000 and £35,000 of CIL monies depending on which option for improvements that they take forward. The project would appear deliverable by 31 March 2018. However, Bickerstaffe has seen very little new development in recent years, and no new development of any significant size is anticipated.

#### *Halsall Memorial Hall Extension*

This project was submitted by Halsall Parish Council and is to provide additional facilities at Halsall Memorial Hall where the current facilities are insufficient and too small to satisfy the community demands, which will only increase given recent development in Halsall and the two housing allocations in the Parish in the Local Plan. The Parish Council have sought £30,000 of funding from other sources and so is seeking £30,000 of match funding from CIL monies. This project would meet all the key criteria (with the exception of being identified within a local strategy) and would be deliverable by 31 March 2018, subject to detailed design and any necessary planning permission.

However, there has been little new development in Halsall in recent years to justify this new infrastructure, though two allocated sites on the Sefton boundary are expected to come forward with new housing in the coming years. As such, it may be more appropriate to consider this project at a later date, when the new housing developments

are coming forward and generating the demand for this improved facility, by which stage the Parish Council will be in receipt of the “neighbourhood” portion of CIL monies from those developments which would likely cover the £30,000 being sought.

#### *Refurbishment of Haskayne Pavilion*

This project is a proposal from Downholland Parish Council to refurbish the disused pavilion building to acceptable standards to provide a safe environment for young people’s activities in a very rural area. Part of the proposed usage is a youth club and a rehearsal studio for local musicians. The project has a total cost of £14,500 and the Parish Council are seeking £13,500 of CIL monies towards that cost.

Haskayne has seen some development in recent years (Former LO Jeffs site), but is unlikely to see much more in the coming years, and it is unclear whether the need for this facility is genuinely arising from (or exacerbated by) the increased population created by the recent development.

#### *Improvements to Cheshire Lines Cycle / Footpath in Great Altcar and Downholland*

This project seeks to invest in improvements to the existing strategic cycle / footpath route known as the Cheshire Lines which cuts across the south-west corner of West Lancashire providing links to Formby and Southport and to Maghull and beyond as part of a national cycle route. The project would cost £40,000 and would be entirely funded by CIL monies. The Council’s Leisure service has confirmed that this project could be delivered by 31 March 2018 if it were to receive CIL funding.

Given its location, the project is not in the vicinity of new development, but it is a strategic route that serves a much wider area being part of a national cycle route, and is part a strategic network of cycle routes, and so CIL funding could be invested in the project.

#### *Mere Sands Wood Visitor Centre, Rufford*

This project seeks the extension and refurbishment of Mere Sands Wood visitor Centre to improve public facilities and financial sustainability of attraction. It would cost £400,000, but only £10,000-15,000 of CIL monies would be required to lever in other funding sources. The Wildlife Trust has submitted this project and would deliver it. However, while the Wildlife Trust are a reliable delivery body for this project, given that other sources of funding have not yet been identified for the project, it is unlikely that the project would be delivered by 31 March 2018.

Little development has been delivered recently in Rufford, although a housing development at Sluice Lane is anticipated to come forward in the near future, but Mere Sands Wood Nature Reserve is a strategic facility that attracts visitors from across West Lancashire and beyond.





Infrastructure Delivery Schedule - Current Schemes

The information in this IDS is updated regularly based on information from the infrastructure providers. Blank spaces or unknowns indicate that information has not been provided to us.

#	Project Name	Project description	Location	Proposer	Lead agency	Does the project help meet at least one of the Council's Corporate Priorities?	Is the project identified within a relevant strategy?	Does the infrastructure fall under the CIL R123 list?	Does it meet a need created by new development?	When can the infrastructure be delivered?	Anticipated cost of the project?	Is match funding available?	Are CIL monies required to deliver the project?	How will the project be maintained?
<b>Children, Young People &amp; Schools</b>														
20	Extension to Burscough primary school	Potential extension to increase a 1 form entry to a 2 form entry primary school.	Burscough	WLBC/LCC	LCC - Education	No	YTF Masterplan SPD	No	Yes	Beyond 5 years (long term)	Unknown	Unknown	None. Education provision does not form part of the Borough Council's Regulation 123 list and will continue to be provided for through individual S106 contributions and planning conditions.	Unknown
21	Increase secondary provision in the Burscough area	Increase secondary provision in the Burscough area	Burscough	WLBC/LCC	LCC - Education	No	YTF Masterplan SPD	No	Yes	Beyond 5 years (long term)	Unknown	Unknown	None. Education provision does not form part of the Borough Council's Regulation 123 list and will continue to be provided for through individual S106 contributions and planning conditions.	Unknown
<b>Green</b>														
73	Allotments in Skelmersdale	Provision of new allotment facilities in Skelmersdale	Skelmersdale	WLBC	WLBC - Leisure & Wellbeing	Yes	-	Yes	Yes	Up to 1 year (short term)	£50,000	Yes. £50,000 WLBC Capital.	£20,000 - GRANTED Jan 2016 for expenditure in 2016/17	Seeking management agreement with local allotment society
81	New allotments in Burscough	Creation of new allotment facility	Burscough	WLBC	WLBC - Leisure & Wellbeing	Yes	Local Plan.	Yes	Yes	Up to 1 year (short term)	£30,000	Not known	£30,000	Parish Council / Allotment Society

#	Project Name	Project description	Location	Proposer	Lead agency	Does the project help meet at least one of the Council's Coporate Priorities?	Is the project identified within a relevant strategy?	Does the infrastructure fall under the CIL R123 list?	Does it meet a need created by new development?	When can the infrastructure be delivered?	Anticipated cost of the project?	Is match funding available?	Are CIL monies required to deliver the project?	How will the project be maintained?
123	Flood prevention works, Bickerstaffe	Installation of flood prevention infrastructure in consultation with LCC flood management team	Two areas of Bickerstaffe Ward flooded in December 2015 a) Coach Road, Barrow Nook b) Royal Oak, in relation to flooded culverts of Knoll Brook	Clr Cotterill	To be confirmed	Yes	Not specific to these areas, as flood risk only relatively recently recognised for this area, but inclusion sought in keeping with other flood alleviation works included in existing IDS (May 2016)	No	Yes	Up to 1 year (short term)	Not yet known	An application is being developed for the LCC flood alleviation fund, but the allocation of £5,000 per household (some of this already spent on household protection) may not be sufficient, and CIL may have to be drawn on. An application for a contribution will also probably be made to the landowner.	None. Infrastructure type not included on the R123 list.	Infrastructure will be on lord Derby land and it is expected that tenant farmer will maintain in keeping with other drainage maintenance/clear out.
31	Community Woodland	New community woodland to be created in Burscough	Burscough	WLBC	WLBC - Leisure & Wellbeing	Yes	Local Plan	Yes	No	Beyond 5 years (long term)	£200,000	Not known	£100,000	Adoption of site by WLBC / LCC
33	New Allotments in Newburgh	New Allotments in Newburgh	Eastern Parishes	WLBC	WLBC - Leisure & Wellbeing	Yes	-	Yes	No	1-5 years (medium term)	£30,000	No	£30,000	Parish Council / Allotment Society
34	New Allotments in Parbold	New Allotments in Parbold	Eastern Parishes	WLBC	WLBC - Leisure & Wellbeing	Yes	-	Yes	No	1-5 years (medium term)	£30,000	No	£30,000	Parish council / Allotment society

#	Project Name	Project description	Location	Proposer	Lead agency	Does the project help meet at least one of the Council's Coporate Priorities?	Is the project identified within a relevant strategy?	Does the infrastructure fall under the CIL R123 list?	Does it meet a need created by new development?	When can the infrastructure be delivered?	Anticipated cost of the project?	Is match funding available?	Are CIL monies required to deliver the project?	How will the project be maintained?
107	Flooding - Hurlston Brook Study	Various improvements to infrastructure to alleviate flooding issues - recommendation of study on Hurlston Brook. In relation to Halsall Lane, Altys Lane, Railway Path, Cottage Lane. Various locations in Ormskirk.	Ormskirk	LCC	LCC	Yes	-	No	No	1-5 years (medium term)	LCC 20/07/2016 - Study underway with funding from Defra including provision funding for £1.8million for (as yet) unspecified works. Delivery is likely to fall beyond 2017/18.	Unknown	None. Infrastructure type not included on the R123 list.	Unknown
108	Flooding - Surface water study investigation	Surface water study investigation into flooding - Parrs Lane / Prescott Road & Town Green Lane, Aughton	Aughton	LCC	LCC	Yes	-	No	No	1-5 years (medium term)	£5000	Unknown	None. Infrastructure type not included on the R123 list.	Unknown
109	Installation of dedicated highway surface water drainage system	Installation of dedicated highway surface water drainage system - Tarleton Highway surface water infrastructure	Tarleton	LCC	LCC	Yes	-	No	Yes	1-5 years (medium term)	£155,000	Unknown	None. Infrastructure type not included on the R123 list.	Unknown
119	Environmental improvements to Tanhouse street scene	Replanting the landscape area on spine road	Tanhouse	Cllr Pendleton	To be confirmed	Yes	West Lancs Leisure Strategy	Yes	Yes	1-5 years (medium term)	£100,000	No	£100,000	To be confirmed
122	Swells Wood,	Development of this area as part of potential Ormskirk-Skem Linear park route	Swells Wood, Bickerstaffe	Cllr Cotterill	To be confirmed	Yes	Local plan aspiration, initial study 2006	Yes	Yes	1-5 years (medium term)	Not known	Possible Parish Council CIL? Unknown match funding.	Unknown	Via Parish Council?

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Leisure

#	Project Name	Project description	Location	Proposer	Lead agency	Does the project help meet at least one of the Council's Corporate Priorities?	Is the project identified within a relevant strategy?	Does the infrastructure fall under the CIL R123 list?	Does it meet a need created by new development?	When can the infrastructure be delivered?	Anticipated cost of the project?	Is match funding available?	Are CIL monies required to deliver the project?	How will the project be maintained?
70	Cheshire Lines Path	Improvements to access, signage, surfacing and interpretation.	Great Altcar/Downholland	WLBC	WLBC - Leisure & Wellbeing	Yes	GI Strategy	Yes	No	Up to 1 year (short term)	£40,000	No	£40,000	Maintained through WLBC revenue provision
79	Richmond Park Pavilion Extension	Extension of existing changing pavilion to accommodate new officials changing facility at Richmond Park, Burscough	Burscough	WLBC	WLBC - Leisure & Wellbeing	Yes		Yes	No	Up to 1 year (short term)	£20,000	£14,000 from S106 monies	None	WLBC
80	New changing facilities - Whittle Drive, Ormskirk	Improvement / re-building of existing changing facility	Whittle Drive playing fields	WLBC	WLBC - Leisure & Wellbeing	Yes	Playing Pitch Strategy	Yes	No	Up to 1 year (short term)	£60,000	Not known	£60,000	WLBC
113	Thompson Avenue play area	Upgrade play area at Thompson Avenue public open space	Thompson Ave, Ormskirk	WLBC Leisure	WLBC - Leisure & Wellbeing	Yes	Leisure Strategy (high priority)	Yes	No	Up to 1 year (short term)	£60,000	No	£60,000	Yes. Will be added to WLBC maintenance schedule at approx. cost of £4000 per annum.
114	Stanley Coronation Park play area	Upgrade / extension of existing play area	Stanley Coronation Park, Skelmersdale	WLBC	WLBC - Leisure & Wellbeing	Yes	WLBC Leisure Strategy. Play provision - development of strategic play areas.	Yes	Yes	Up to 1 year (short term)	£40,000	Yes. WLBC capital funding.	£20,000	WLBC will maintain facilities

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117	Bickerstaffe Gateway to green spaces	Car parking facilities / improvements (including flood risk management) for access to open green space, park area, sports facilities, outdoor gym, football pitch, play area and off-road pedestrian cycle access to the cycle trails	Bickerstaffe QE2 field in trust, Hall lane, Bickerstaffe	Bickerstaffe Parish Council	To be confirmed	Yes	It is hoped that this project will be included as a recreational facility and green space project in a future parish council local plan to increase sporting and leisure opportunities. Recent provision of a new play area through capital funding from WLBC, an outdoor gym from S136 monies, and development of the colliery cycle trails facility through a joint LCC/Lancs Environmental fund and Bickerstaffe parish council partnership, all contribute to the necessity for the enhancement of car parking facilities.	Yes	Yes	Up to 1 year (short term)	Various, dependent on level of work.	Option 1- Complete relying and foundations with new drains and permeable surfaces = £48,394 (of which £5000 is available, requiring £34,716 of CIL monies) Option 2 - Resurfacing with semi-permeable surface and new drains = £23,300 (of which £2500 is available, requiring £17,140 of CIL monies) Option 3 - New drains and filling of holes and re-skimming surface = £1000 (of which £1000 available, requiring £9762 of CIL monies)	£9800 - £35,000 dependent on level of work	Option 1 - None - project has a lifetime guarantee at this level Option 2 - None anticipated - perhaps some patching in the long term which the PC would pay for Option 3 - Some patching would be needed - the PC would cover this
50	Touring Caravan Pickup Point	New Touring Caravan pick up point at Beacon Country Park	Skelmersdale & Up Holland	WLBC	WLBC - Leisure & Wellbeing	Yes	-	Yes	No	1-5 years (medium term)	£50,000	No	£50,000	WLBC, self-funded through income generation
74	Playing field drainage improvements in Ormskirk & Burscough	Extensive drainage works to playing fields in Ormskirk & Burscough (Abbey Lane)	Burscough	WLBC	WLBC - Leisure & Wellbeing	Yes	Leisure Strategy & Playing pitch strategy	Yes	Yes	1-5 years (medium term)	£240,000	£65,000 Sport England - secured £77,000 WLBC - secured £98,000 Football Foundation - secured	No. Full monies secured.	Maintenance will be responsibility of Burscough Juniors FC, with £5000 per year revenue support from WLBC

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75	Ormskirk bowling greens	Construction of 2 new bowling greens in Ormskirk	Land adjacent Ormskirk Cricket Club	WLBC	WLBC - Leisure & Wellbeing	Yes	New Leisure Strategy	Yes	Yes	1-5 years (medium term)	£176,000	All £176K is available and approved through existing S106 funding.	None. Funded through S106.	All maintenance will be the responsibility of Ormskirk bowling club, who will be working in conjunction with Ormskirk cricket club, as adjacent landowner.
92	High Sands Play Area, Rufford	Replacement of old play area at High Sands Play Area, Rufford	Rufford	WLBC	WLBC - Leisure & Wellbeing	Yes	Site is seen as high value in new Play Strategy	Yes	No	1-5 years (medium term)	£40,000	No	£40,000	Maintenance through WLBC playground maintenance contract
93	Aveling Drive Sports Pavilion	Construction of new purpose built pavilion	Aveling Drive, Banks	North Meols parish council	North Meols Parish Council	Yes		Yes	Yes	1-5 years (medium term)	£150,000	Not aware of any	£150,000	Yes, would fall under remit of North Meols Parish Council
95	Hesketh Avenue Sports pavilion	Construction of a new purpose built pavilion	Hesketh Avenue, Banks	North Meols parish council	North Meols Parish Council	Yes	-	Yes	Yes	1-5 years (medium term)	£150,000	Not aware of any	£150,000	Yes, would fall under remit of North Meols Parish Council
8	Mere Sands Wood Visitor Centre	Extension and refurbishment of Mere Sands Wood visitor Centre to improve public facilities and financial sustainability of attraction.	Borough wide	Lancashire Wildlife Trust	Wildlife Trust	Yes	GI Strategy	Yes	No	Up to 1 year (short term)	£400,000	£30,000 secured. Applications will be made to Heritage Lottery, Lancashire Environmental Fund and charitable trusts for the remainder	Uncertain at this stage; dependent on other funding secured. CIL monies would be used to lever in other funding for grant applications. Estimate £10,000-15,000	Lancashire Wildlife Trust will maintain the building from its own funds

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97	Halsall Memorial Hall Extension	Construction of additional facilities at Halsall Memorial Hall	Halsall	Halsall parish council	Halsall Parish Council	Yes		Yes	Yes	Up to 1 year (short term)	£75,000	Match funding applied for (Awards for all) S106 funding for external POS uses. Breakdown to be advised.	£30,000	Infrastructure will be maintained through existing HPC revenue funding.
116	Haskayne Pavillion	Refurbishment of existing pavillion at School Lane, Haskayne		Downholland Parish Council	To be confirmed	Yes		Yes	Yes	Up to 1 year (short term)	£14,500	£1000	£13,500	Precept
98	Improvements to play area/field at Appley Lane South	-	Appley Bridge	Wrightington parish council	To be confirmed	Yes	-	Yes	No	Unknown	Unknown	Unknown	Unknown	Unknown
99	Improved drainage at Mossy Lea playing fields	Improved drainage at Mossy Lea playing fields	Wrightington	Wrightington parish council	To be confirmed	Yes	-	Yes	No	Unknown	Unknown	Unknown	Unknown	Unknown
47	New changing facilities at Tower Hill	New football changing facilities at Tower Hill, Up Holland	Skelmersdale & Up Holland	WLBC	WLBC - Leisure & Wellbeing	Yes	Leisure Strategy - Playing Pitch Strategy	Yes	No	Beyond 5 years (long term)	£80,000	No	£80,000	Football Club
49	New Visitor Centre at Beacon Country Park	New Visitor Centre at Beacon Country Park	Skelmersdale & Up Holland	WLBC	WLBC - Leisure & Wellbeing	Yes	Leisure Strategy. Local Plan.	Yes	No	Beyond 5 years (long term)	£750,000	No	£750,000	WLBC and income generation
22	Burscough library	Provision of a new library of appropriate size in central location to support additional development	Burscough	WLBC/LCC	To be confirmed	Yes	YTF Masterplan SPD	Yes	Yes	1-5 years (medium term)	Unknown	Unknown	Unknown	Unknown

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29	Burscough Sports Centre	The existing sports centre will be upgraded	Burscough	WLBC	WLBC - Leisure & Wellbeing	Yes	Leisure Strategy. Local Plan.	Yes	Yes	1-5 years (medium term)	£5,000,000	Not known	£5,000,000	Through managing agents / West Lancs Leisure Trust
40	Coronation Park	Coronation Park - final phase of environmental and facility improvements (art, water features, stone wall repairs, flower beds)	Ormskirk & Aughton	WLBC	WLBC - Leisure & Wellbeing	Yes	Leisure Strategy. Local Plan.	Yes	Yes	1-5 years (medium term)	£30,000	No.	£30,000	Wall improvements to be maintained by local church, other park improvements to be maintained by WLBC
41	Park Pool	Improvements to existing facilities	Ormskirk & Aughton	WLBC	WLBC - Leisure & Wellbeing	Yes	Leisure Strategy. Local Plan.	Yes	Yes	1-5 years (medium term)	£5,000,000	Not known	£5,000,000	Managing agents through West Lancs Leisure Trust
48	New changing facilities at Chequer Lane	New football changing facilities at Chequer Lane, Up Holland	Skelmersdale & Up Holland	WLBC	WLBC - Leisure & Wellbeing	Yes	Leisure Strategy	Yes	Yes	1-5 years (medium term)	£80,000	Possibly	£80,000	Club will be engaged to manage and maintain facility
51	Skelmersdale Sports Centre	New £12 million sports centre to replace the existing sports centre	Skelmersdale & Up Holland	WLBC	WLBC - Leisure & Wellbeing	Yes	Leisure Strategy. Local Plan.	Yes	Yes	1-5 years (medium term)	£12,000,000	No	£12,000,000	Through management agents
58	Tawd Valley Improvements	Improvements to enhance the Tawd Valley, including possible new BMX / mountain bike track (from Concourse area up to Cobbs Clough)	Skelmersdale & Up Holland	Cllr Cotterill	WLBC - Leisure & Wellbeing	Yes	Leisure Strategy. Local Plan.	Yes	Yes	1-5 years (medium term)	Not known, but will exceed £300,000	I advocate a bid to Parks for People for a significant sum, as well as possible Section 106 monies from new housing as it comes on stream	Not known currently	Yes. WLBC / LCC. P4P bid process will identify likely management arrangements



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59	New changing facilities at Bramble Way, Parbold	New changing room facilities at Bramble Way, Parbold	Parbold	WLBC	WLBC - Leisure & Wellbeing	Yes	Leisure Strategy	Yes	Yes	1-5 years (medium term)	£50,000	-	£50,000	Maintained by Parish Council
61	Hunters Hill Country Park	Improvements to Hunters Hill Country Park	Parbold	WLBC	WLBC - Leisure & Wellbeing	Yes	Leisure Strategy	Yes	Yes	1-5 years (medium term)	£60,000	£60,000	No	Maintenance through WLBC
82	Investment in health facilities in Tarleton, Hesketh Bank and Banks	Upgrade and develop services in this locality to address locality demand constraints and infrastructure issues	Tarleton, Hesketh Bank, Banks	CCCG	CCCG	Yes	The CCG is currently undertaking a review of its estate infrastructure and capacity needs as a consequence of its developing commissioning strategy and implementation plan. A proposed locality investment plan is currently being worked up by the CCG, NHSE and NHS Property Services.	Yes	Yes	1-5 years (medium term)	Final capital costs are being scoped as part of the detailed planning and option appraisal process.	Unknown	None. To be provided by CCCG	to be determined.

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83	Redevelopment of Birleywood Health Centre	Upgrade and extension to Birleywood health centre to address locality demand constraints and infrastructure issues	Birleywood , Skelmersdale	CCCG	CCCG	Yes	The CCG is currently undertaking a review of its estate infrastructure and capacity needs as a consequence of its developing commissioning strategy and implementation plan. This scheme is currently being worked up by the CCG, NHSE and NHS Property services and has been identified as the highest priority.	Yes	Yes	1-5 years (medium term)	Final capital costs are being defined as part of the detailed planning process but the likely estimate is circa £2.5 m	Unknown	None. To be provided by CCCG	Maintenance will be undertaken by NHSPS as landlord.
84	Investment in health facilities in Burscough	Upgrade and develop services in Burscough to address locality demand constraints and infrastructure issues	Burscough	CCCG	CCCG	Yes	The CCG is currently undertaking a review of its estate infrastructure and capacity needs as a consequence of its developing commissioning strategy and implementation plan. A proposed development is currently being worked up by the CCG, NHSE and NHS Property services.	Yes	Yes	1-5 years (medium term)	Final capital costs are being scoped as part of the detailed planning and option appraisal process.	Unknown	None. To be provided by CCCG	to be determined.
94	North Meols Community Centre	Renovations for existing community centre	Hoole Lane, Banks	North Meols parish council	North Meols Parish Council	Yes		Yes	Yes	1-5 years (medium term)	£15,000	Not aware of any	£15,000	Remit of North Meols Parish Council

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125	Up Holland library and community meeting room	Internal re-arrangement work to provide flexible space for community facilities	Up Holland library, Hall Green, Up Holland	Up Holland Parish Council	To be confirmed	Yes		Yes	Yes	1-5 years (medium term)	Unknown	Unknown	Unknown	Yes. By Parish Council

Social / Green

78	Station Approach Linear Park	Creation of a green link between public open space sites on the old railway line, Ormskirk	Ormskirk	WLBC	WLBC - Leisure & Wellbeing	Yes		Yes	Yes	Up to 1 year (short term)	£40,000	No	£40,000	WLBC
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111	New allotments in Ormskirk	Creation of new allotment site in Ormskirk	Ormskirk	WLBC	WLBC - Leisure & Wellbeing	Yes	Local Plan; Leisure Strategy - new allotment development	Yes	Yes	Up to 1 year (short term)	£20,000	Possible contribution if Tower Hill land is sold.	£20,000	Maintenance will be undertaken by an allotment society established specifically for this site.
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118	Tanhouse community leisure complex	Upgrade Leisure Complex around community centre through construction of new bowling green and up-grading of outside football pitch, skate park, teenage shelter, the MUGA and the landscape surrounds	Land adjacent Tanhouse Community Centre	Clr Pendleton	To be confirmed	Yes		Yes	Yes	Up to 1 year (short term)	£75,000	£32,000 from S106 monies in Tanhouse	£43,000	WLBC are responsible for Maintaining M.U.G.A & the allweather pitch, as well as the landscaping. It is proposed that Tanhouse Community Enterprise manage the Bowling Green through a membership/maintenance scheme already devised and costed
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120	Heathfields Connectivity and Canal Enhancement Plan	To improve access to the canal from Heathfields and to improve connectivity with shops, schools and local amenities, while enhancing the canal as a leisure facility by providing a pedestrian bridge over the canal	From canal bank at Clough Drive or Delph Avenue to Canal Towpath, Burscough	Burscough Parish Council	To be confirmed	Yes	While the project is not specifically listed, the Local Plan refers to Policy IF 2 Enhancing Sustainable Transport Choice: - Tackling congestion in key service centres of Burscough and Ormskirk - Improving road safety especially for pedestrians and cyclists - Encouraging sustainable forms of transport	Yes	Yes	Up to 1 year (short term)	£15,000 feasibility study estimate based on other schemes across UK No figures are available for bridge.	£5,000 for feasibility study. TBA for the construction	£10,000 for feasibility study TBA for the construction	Maintenance costs will be determined in the feasibility study.

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124	Burscough cricket club / School Lane connectivity and canal enhancement	To create a route from School Lane and the Cricket Club to the canal and on to Burscough Village Centre, and to improve the amenity of land fronting the canal to enhance canal users and visitor's enjoyment of the canalside.	Land at Cricket Club School Lane Burscough and fronting leeds-liverpool canal	Burscough Parish Council	To be confirmed	Yes	GI Strategy.  While the project is not specifically listed, the Local Plan refers to Policy IF 2 Enhancing Sustainable Transport Choice: Tackling congestion in key service centres of Burscough and Ormskirk, Improving road safety especially for pedestrians and cyclists, Encouraging sustainable forms of transport.  Furthermore, the project will contribute to delivery of a West Lancs Wheel as outlined in the WL Highways and Transport Master Plan	Yes	Yes	Up to 1 year (short term)	£78,943.40 (inc VAT)	£10,000 has been secured from Tesco. The project is expected to be able to secure further funding.	TBA  BPC have also bid for S106 monies for this project (£22,000)	This will be maintained by the Cricket Club.
30	New Burscough Park	New Park proposal as part of Yew Tree Farm Development	Burscough	WLBC - Local Plan	Private developer	Yes	Local Plan and YTF Masterplan SPD	No	Yes	1-5 years (medium term)	unknown	developer to fund	nil	Yes, developers responsibility

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88	Improvements to Skelmersdale employment areas	Improvements to infrastructure within Skelmersdale employment areas including entrance signage, green spaces, public realm and car parks to improve attractiveness of areas for business purposes	Skelmersdale	WLBC	WLBC	Yes	Economic Development Strategy	Yes	No	1-5 years (medium term)	Unknown	Unknown	Unknown	Unknown
<b>Transport</b>														
106	Skelmersdale subway improvements	Urban Art project with local young people to repaint 8 subways	Skelmersdale	LCC	LCC - Transport	Yes	Issue raised in Skelmersdale Town Centre SPD	No	No	Up to 1 year (short term)	£40,000		£35,000	
32	Appley Bridge Park and Ride	Park and Ride facilities and accessibility improvements at - Appley Bridge	Eastern Parishes	WLBC	GMPTA	Yes		Yes	Yes	Unknown	Unknown	Unknown	Unknown	Unknown
115	Improvements to railway stations	To deliver enhancements at railway stations eg. CCTV, customer information systems, help-points, heated waiting shelters			Network Rail	To be confirmed		No		Yes	No	Unknown	Unknown	Unknown
24	Reinstatement of Burscough Curves	Reinstatement of the Burscough Curves to Link Ormskirk - Southport - Preston.	Burscough	WLBC/LCC	LCC - Transport	Yes	West Lancs Highways & Transport Masterplan	Yes	Yes	Beyond 5 years (long term)	Unknown	Unknown	None. CIL monies will not be required	Unknown

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25	Electrification Ormskirk - Preston; First phase Burscough Junction	Electrification of the Liverpool - Ormskirk Line to Burscough Junction to open up the Liverpool travel to work area. Second phase to extend Burscough Junction to Preston.	Burscough	WLBC/LCC	LCC - Transport	Yes	West Lancs Highways & Transport Masterplan, West Lancs Local Plan	Yes	Yes	Beyond 5 years (long term)	Unknown	Unknown	None. CIL monies will not be required	Unknown
45	Skelmersdale rail connection	Provision of a rail connection, together with a rail/bus interchange and parkway facilities, to serve Skelmersdale, with services to both Manchester and Liverpool	Skelmersdale & Up Holland	WLBC/LCC	LCC - Transport	Yes	West Lancs Local Plan West Lancs Highways & Transport Masterplan	Yes	Yes	Beyond 5 years (long term)	Unknown	Likely to be funded through LEP or DfT funding	nil	Yes, responsibility of Network Rail
65	Skelmersdale Public Transport Connectivity and New Interchange	New bus station and interchange facilities to support cycling and links with rail facility	Skelmersdale	WLBC/LCC	LCC - Transport	No	LCC Transport Masterplan	Yes	Yes	Beyond 5 years (long term)	Unknown	Unknown	Unknown	Unknown

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4	Ormskirk Town Centre Movement Strategy	Package of measures to address congestion and movement in Ormskirk.	Borough wide	WLBC/LCC	LCC - Transport	Yes	West Lancs Highways & Transport Masterplan	Yes	Yes	1-5 years (medium term)	Unknown	Unknown	Several individual highway schemes are being considered as part of package. 'Moor St gateway' project has been submitted for preliminary consideration by LEP. Remains at early stage for funding under Growth Deal 3, but prudent to consider and earmark CIL.	Unknown
36	Green lane link road	Green Lane Link Road. Required to remove HGV traffic off rural road network in Tarleton.	Northern Parishes	WLBC/LCC	LCC - Transport	Yes	West Lancs Highways & Transport Masterplan	Yes	Yes	1-5 years (medium term)	Unknown	To be funded through LTP	None. CIL monies will not be required	Responsibility of LCC Highways
39	Ormskirk bus station	Ormskirk bus station upgrade	Ormskirk & Aughton	WLBC/LCC	LCC - Transport	Yes	LCC Transport Masterplan & LTP	Yes	No	1-5 years (medium term)	£1,000,000	Funded through LTP	Several individual highway schemes are being considered as part of package. 'Moor St gateway' project has been submitted for preliminary consideration by LEP. Remains at early stage for funding under Growth Deal 3, but prudent to consider and earmark CIL.	Yes, unknown



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42	Cycle links between Edge Hill University and Ormskirk rail & bus stations	Upgraded pedestrian links and new cycle links between Edge Hill University and Ormskirk rail & bus station	Ormskirk & Aughton	WLBC/LCC	LCC - Transport	Yes	LCC Transport Masterplan & LTP	Yes	Yes	1-5 years (medium term)	Unknown	Potential £700k from S106 and LTP monies	Several individual highway schemes are being considered as part of package. 'Moor St gateway' project has been submitted for preliminary consideration by LEP. Remains at early stage for funding under Growth Deal 3, but prudent to consider and earmark CIL.	Yes, LCC as Highways Authority
43	Tawd Valley cycle path linking Skelmersdale with West Lancs College	Improvement to access through Tawd Valley to link Skelmersdale local neighbourhoods and West Lancashire College / town centre	Skelmersdale & Up Holland	WLBC/LCC	LCC - Transport	Yes	LTP and Highways & Transport Masterplan	Yes	Yes	1-5 years (medium term)	£472,000 / TBC	To be funded through S106 monies (£200,000) and LCC	Risk that the requirements of a planning permission may escalate costs and render the scheme unaffordable under its current budget allocation. Considered prudent to submit as potential scheme for CIL funding to meet any small shortfall.	Yes, LCC to maintain
44	Skelmersdale Movement Strategy	Package of measures to improve connectivity throughout Skelmersdale and open up public realm	Skelmersdale & Up Holland	WLBC/LCC	LCC - Transport	Yes	West Lancs Highways & Transport Masterplan	Yes	Yes	1-5 years (medium term)	Unknown	Unknown	Unknown	Unknown

#	Project Name	Project description	Location	Proposer	Lead agency	Does the project help meet at least one of the Council's Coporate Priorities?	Is the project identified within a relevant strategy?	Does the infrastructure fall under the CIL R123 list?	Does it meet a need created by new development?	When can the infrastructure be delivered?	Anticipated cost of the project?	Is match funding available?	Are CIL monies required to deliver the project?	How will the project be maintained?
52	Demand Responsive Transport System	Demand Responsive Transport System serving Skelmersdale and Up Holland residents wishing to access employment on the Pimbo estate	Skelmersdale & Up Holland	WLBC - Local Plan	WLBC - Local Plan	Yes		No	Yes	1-5 years (medium term)	£1000 per annum	None	None	No. Service will be maintained through S106 monies
63	Yew Tree Farm to Burscough Town Centre access improvements	Provide widened footway to cater for cyclists on the west side of Liverpool Road between the new access junction (south of Higgins Lane) to Lord Street and to include pedestrian improvements at the Trevor Road signals.	Burscough	WLBC	LCC - Transport	Yes	YTF Masterplan SPD LCC Transport Masterplan	Yes	Yes	1-5 years (medium term)	Unknown	Unknown	Unknown	Unknown
64	Burscough Town Centre Public Realm Improvements	Public realm improvements and shared space scheme on Liverpool Road between Mill Lane and Bobby Langton Way.	Burscough	WLBC	LCC - Transport	Yes	LCC Transport Masterplan LTP	Yes	Yes	1-5 years (medium term)	Unknown	Unknown	Unknown	Unknown
66	Route management opportunities	Effective route management for HGVS as a result of the Switch Island link road	Borough wide	WLBC/LCC	LCC - Transport	Yes	LCC Transport Masterplan	Yes	Yes	1-5 years (medium term)	Unknown	Unknown	Unknown	Unknown

#	Project Name	Project description	Location	Proposer	Lead agency	Does the project help meet at least one of the Council's Corporate Priorities?	Is the project identified within a relevant strategy?	Does the infrastructure fall under the CIL R123 list?	Does it meet a need created by new development?	When can the infrastructure be delivered?	Anticipated cost of the project?	Is match funding available?	Are CIL monies required to deliver the project?	How will the project be maintained?
100	Puffin pedestrian crossing, Ormskirk Parish Church	Construct a staggered puffin pedestrian crossing on the A570 at the junction of Derby Street West / Southport Road / Church Street	Ormskirk	LCC	LCC - Transport	No	West Lancs Highways & Transport Masterplan	Yes	No	1-5 years (medium term)	£125,000	Unknown	None. This has been included in the county's road safety programme to be delivered in the current year (16/17)	Unknown
101	Cycle footpath linking to industrial estates in Skelmersdale (Whiteledge South to Nipe Lane)	Cycle footpaths linking to industrial estates. 2 schemes possible. Scheme A - Whiteledge South footbridge to Nipe Lane	Skelmersdale	LCC	LCC - Transport	Yes	LTP / Highways and Transport Masterplan	Yes	No	1-5 years (medium term)	Scheme A £79,000 - Whiteledge South footpath to Nipe Lane - ranked 2nd in proposals priorities (15/16) and has a high LRP score of 18 Scheme B £47,400 - Nipe Lane to Pimbo Road - ranked 4th in proposals priorities (15/16) and has a high LTP score of 17	Unknown	Unknown	Unknown
102	Off road cycle path at Whitehey Lane, Skelmersdale	Off road cycle path at roundabout linking to industrial estate and footway linking to bus stop	Skelmersdale	LCC	LCC - Transport	Yes	LTP / Highways and Transport Masterplan	Yes	No	1-5 years (medium term)	£55,300	Unknown	Unknown	Unknown
103	Refuge and footway improvement	Refuge and footway improvement on A5147 Wainshar Lane, Haskayne (35m north of Rosemary Lane)	Haskayne	LCC	LCC - Transport	No	LCC Transport and Highways Masterplan	Yes	No	1-5 years (medium term)	£40,000	Unknown	Unknown	Unknown

#	Project Name	Project description	Location	Proposer	Lead agency	Does the project help meet at least one of the Council's Coporate Priorities?	Is the project identified within a relevant strategy?	Does the infrastructure fall under the CIL R123 list?	Does it meet a need created by new development?	When can the infrastructure be delivered?	Anticipated cost of the project?	Is match funding available?	Are CIL monies required to deliver the project?	How will the project be maintained?
104	Zebra crossing at Aughton St, Ormskirk	Construction of a zebra crossing at junction of Aughton St / Bridge St, Ormskirk	Ormskirk	LCC	LCC - Transport	Yes	LCC Transport & Highways Masterplan Ormskirk Town centre movement strategy	Yes	No	1-5 years (medium term)	£35,000	Unknown	Unknown	Unknown
105	Burscough Transport Interchange	Relocation of existing library into a larger more suitable premises. Dual project with ticketing and transport office	Burscough	LCC	LCC - Transport	Yes	LCC draft Property Strategy	Yes	No	1-5 years (medium term)	£100,000	Unknown	Unknown	Unknown
110	Cycle footpath linking to industrial estates in Skelmersdale (Nipe Lane to Pimbo Road)	Cycle footpaths linking to industrial estates. Scheme B - Nipe Lane to Pimbo Road	Skelmersdale	LCC	LCC - Transport	Yes		Yes	No	1-5 years (medium term)	Scheme A £79,000 / Scheme B £47,400	Unknown	Unknown	Unknown
121	Car parking resurfacing, Canal side, Parbold	Resurfacing works on waste ground to formal car parking	Land adjacent to Station Road, Parbold	Parbold Parish Council	To be confirmed	No		Yes	Yes	1-5 years (medium term)	£80,000 Figure based on what it has cost to resurface Bramble Way car park and additional legal costs re ownership issues	It has not yet been put to the parish council but there is a possibility some funding may be found here. However, the land is not owned by the parish council and currently there is no budget in place for land within the parish council ownership	£80,000	If successful in achieving project, parbold parish council will be requested to undertake future maintenance, as they currently maintain other car parks within the village

Page 6 of 11

Transport / Green

#	Project Name	Project description	Location	Proposer	Lead agency	Does the project help meet at least one of the Council's Corporate Priorities?	Is the project identified within a relevant strategy?	Does the infrastructure fall under the CIL R123 list?	Does it meet a need created by new development?	When can the infrastructure be delivered?	Anticipated cost of the project?	Is match funding available?	Are CIL monies required to deliver the project?	How will the project be maintained?
112	Burscough towpath improvements	Approximately 1.3km of towpath improvements and environmental enhancement between Burscough Wharf and Glovers Swing Bridge.	Burscough	Canal & Rivers Trust and Burscough Parish Council	Canal & Rivers Trust	Yes	Local Plan Policy EN3; Local Transport Plan; GI Strategy  The Local Transport Plan identifies one of its 7 Transport Priorities as – Providing safe, reliable, convenient and affordable transport alternatives to the car. The overall principle is to provide safe and convenient new infrastructure for walking and cycling.  The canal towpath is part of the proposed West Lancashire Wheel identified in the draft West Lancashire Economic Strategy.	Yes	Yes	Up to 1 year (short term)	£180,000	Burscough Town Council Lancashire Environment Fund  £unknown at present	£150,000	The towpath will need maintaining into the future – it is estimated that the material to be used will have a natural lifespan of years.  We will look to secure an 'adoption' of the canal through Burscough following on from this project from a local group. Adoption models have worked well when employed elsewhere on the canal network. They secure buy-in from the local community (in its widest sense – schools, businesses, volunteers) and enable us to secure the benefits of our projects longer into the future. They add value to the general works that Canal & River Trust are bound to undertake as part of its charitable objectives within the resources it has available.

#	Project Name	Project description	Location	Proposer	Lead agency	Does the project help meet at least one of the Council's Coporate Priorities?	Is the project identified within a relevant strategy?	Does the infrastructure fall under the CIL R123 list?	Does it meet a need created by new development?	When can the infrastructure be delivered?	Anticipated cost of the project?	Is match funding available?	Are CIL monies required to deliver the project?	How will the project be maintained?
96	Newburgh-Parbold Canal towpath improvements	Improvements to the towpath between Newburgh and Parbold	Newburgh	Newburgh parish council	Newburgh Parish Council	Yes	Delivery of project needs support of Canal & Rivers Trust. CRT have already informed Newburgh Parish Council that the works are not in their implementation schedules, or identified as being necessary works	Yes	No	Unknown	Unknown	No details of any match funding	Unknown	Unknown
10	River Douglas Linear Park	New multi use linear park providing an off road path linking Hesketh Bank to Tarleton	Tarleton/Hesketh Bank	WLBC	To be confirmed	Yes	West Lancs Local Plan	Yes	Yes	1-5 years (medium term)	Unknown	Unknown	Unknown	Unknown
11	Ormskirk to Burscough Linear Park	New multi use linear park providing a largely off road path linking Ormskirk to Burscough	Ormskirk to Burscough	WLBC	To be confirmed	Yes	West Lancs Local Plan, Yew Tree Farm Masterplan SPD, Grove Farm Development Brief and West Lancashire Highways & Transport Masterplan	No	Yes	1-5 years (medium term)	Unknown	S106 monies from two applications totalling £229k potentially available (£100k received and committed; £129k yet to be received)	None. CIL monies will not be required	Yes, but funding unknown
12	Ormskirk to Skelmersdale Linear Park	New multi use linear park providing a largely off road path following route of former railway line	Ormskirk/Skelmersdale	WLBC	To be confirmed	Yes	West Lancs Local Plan, Firwood Road Development Brief and West Lancashire Highways & Transport Masterplan	Yes	Yes	1-5 years (medium term)	Unknown	Unknown	Unknown	Unknown
13	Banks Linear Park	New multi use linear park providing an off road path following former railway line	Banks	WLBC	WLBC	Yes	West Lancs Local Plan and West Lancashire Highways & Transport Masterplan	Yes	Yes	1-5 years (medium term)	Unknown	Unknown	Unknown	Unknown

#	Project Name	Project description	Location	Proposer	Lead agency	Does the project help meet at least one of the Council's Coporate Priorities?	Is the project identified within a relevant strategy?	Does the infrastructure fall under the CIL R123 list?	Does it meet a need created by new development?	When can the infrastructure be delivered?	Anticipated cost of the project?	Is match funding available?	Are CIL monies required to deliver the project?	How will the project be maintained?
76	Burscough-Parbold Towpath Improvements	Improvement works to the towpath between Parbold and Burscough, in particular the section between Ring O'Bells Lane and Spencer's Bridge	Burscough / Parbold	WLBC	LCC	Yes	LCC Transport Masterplan LTP	Yes	No	1-5 years (medium term)	Unknown	Unknown	Unknown	Unknown
89	(re) Cycle to Work	Scheme provided for Skelmersdale and Up Holland residents, working on Pimbo or White Moss employment areas, and earning under £25k per annum, to provide them with reconditioned cycles to access work/encourage sustainability	Skelmersdale and Up Holland	WLBC	WLBC - Local Plan	Yes		No	Yes	1-5 years (medium term)	£1000 per annum	Funded through S106 monies (Walkers & Maple View)	No	No
<p style="text-align: center;">Page 615</p> <p><b>Utilities &amp; Waste</b></p>														
6	New Lane WWTW	Solution for waste water treatment capacity issue at New Lane	Catchment for New Lane WWTW	United Utilities	United Utilities	Yes	Local Plan	No	Yes	Unknown	Unknown	To be funded by UU	None. Not on R123 list.	Unknown
7	Water supply	Upgrade the Southport boreholes and Bickerstaffe water treatment works	Borough wide	United Utilities	United Utilities	Yes		No	No	Unknown	Unknown	To be funded by UU	None. Not on R123 list.	Unknown

#	Project Name	Project description	Location	Proposer	Lead agency	Does the project help meet at least one of the Council's Coporate Priorities?	Is the project identified within a relevant strategy?	Does the infrastructure fall under the CIL R123 list?	Does it meet a need created by new development?	When can the infrastructure be delivered?	Anticipated cost of the project?	Is match funding available?	Are CIL monies required to deliver the project?	How will the project be maintained?
27	Burscough drainage	In addition to usual on-site SuDS, surface water removal from existing system	Burscough	WLBC	Private developer	Yes	YTF Masterplan SPD	No	Yes	1-5 years (medium term)	Unknown	Improvements to be funded by developer	None. Not on R123 list.	Unknown
28	Ormskirk drainage	In addition to usual on-site SuDS, surface water removal from existing system	Ormskirk	WLBC	Private developer	Yes	Grove Farm Development Brief	No	Yes	1-5 years (medium term)	Unknown	Improvements to be funded by developer	None. Not on R123 list.	Unknown



# Equality Impact Assessment Form



<b>Directorate: Transformation</b>	<b>Service: Planning</b>
<b>Completed by: Helen Hatch</b>	<b>Date: 22 July 2016</b>
<b>Subject Title: Community Infrastructure Levy (CIL) Funding Programme 2017/18</b>	
<b>1. DESCRIPTION</b>	
Is a policy or strategy being produced or revised:	No <span style="float: right;"><i>*delete as appropriate</i></span>
Is a service being designed, redesigned or cutback:	No
Is a commissioning plan or contract specification being developed:	No
Is a budget being set or funding allocated:	Yes
Is a programme or project being planned:	Yes
Are recommendations being presented to senior managers and/or Councillors:	Yes
Does the activity contribute to meeting our duties under the Equality Act 2010 and Public Sector Equality Duty ( <b>Eliminating unlawful discrimination/harassment, advancing equality of opportunity, fostering good relations</b> ):	Yes
Details of the matter under consideration:	The approval of public consultation on the proposed funding priorities for spending CIL monies in 2017/18.
<p><i>If you answered <b>Yes</b> to any of the above go straight to Section 3</i></p> <p><i>If you answered <b>No</b> to all the above please complete Section 2</i></p>	
<b>2. RELEVANCE</b>	
Does the work being carried out impact on service users, staff or Councillors (stakeholders):	Yes/No* <span style="float: right;"><i>*delete as appropriate</i></span>
If <b>Yes</b> , provide details of how this impacts on service users, staff or Councillors (stakeholders): <i>If you answered <b>Yes</b> go to Section 3</i>	-
If you answered <b>No</b> to both Sections 1 and 2 provide details of why there is no impact on these three groups: <i>You do not need to complete the rest of this form.</i>	-
<b>3. EVIDENCE COLLECTION</b>	
Who does the work being carried out impact on, i.e. who is/are the stakeholder(s)?	CIL provides funding to provide or improve infrastructure required as a result of new development and growth in the Borough. CIL expenditure will benefit the residents and

	<p>businesses within the Borough by delivering improvements to infrastructure. Infrastructure projects, identified as suitable for expenditure in 2017/18, have been shortlisted from the Infrastructure Delivery Schedule (IDS). The IDS has been compiled through consultation with infrastructure providers. Some schemes on the IDS will need to be delivered in partnership with the infrastructure providers and their deliverability, timescales and costs have been a consideration in identifying project priorities.</p>
<p>If the work being carried out relates to a universal service, who needs or uses it most? (Is there any particular group affected more than others)?</p>	<p>This report seeks approval to consult on the proposed funding priorities for spending CIL monies in 2017/18 but does not seek to make any final recommendations at this stage. Such recommendations will be made following receipt and consideration of consultation responses.</p> <p>The schemes proposed for funding serve to provide or make improvements to public open space, sports facilities and allotments in the Borough which arise as a result of new development. Such projects will be prepared in acknowledgement of equality and diversity to ensure that all groups may access the schemes.</p> <p>Consultation on the proposed schemes for delivery will be available to all, and materials may be accessed online, in libraries and council offices. Materials will be available in large print or translated into other languages upon request. Publicity will be undertaken through a range of media to ensure that protected characteristics groups have the opportunity to respond.</p>
<p>Which of the protected characteristics are most relevant to the work being carried out?</p> <p>Age Gender Disability Race and Culture Sexual Orientation Religion or Belief Gender Reassignment Marriage and Civil Partnership Pregnancy and Maternity</p>	<p style="text-align: right;"><i>*delete as appropriate</i></p> <p>Yes Yes Yes Yes No No No No No</p>
<p><b>4. DATA ANALYSIS</b></p>	
<p>In relation to the work being carried out, and the service/function in question, who is actually or currently using the service and why?</p>	<p>All groups must be given an equal opportunity to respond to consultation.</p> <p>Service-users will include, but not be limited to, members of the public, sports groups and local</p>

	community groups.
What will the impact of the work being carried out be on usage/the stakeholders?	Residents of the Borough will be given the opportunity to respond to consultation on which infrastructure schemes should be funded through CIL monies in 2017/18 and whether any CIL monies should be retained and carried into future years to fund costlier schemes.
What are people's views about the services? Are some customers more satisfied than others, and if so what are the reasons? Can these be affected by the proposals?	This consultation will seek to gather people's views on infrastructure schemes. Comments will be considered in preparing the final recommendations for CIL expenditure in 2017/18.
What sources of data including consultation results have you used to analyse the impact of the work being carried out on users/stakeholders with protected characteristics?	An equality survey form will be attached to all comments forms, although will not be a mandatory requirement for respondents to complete in order for their comments to be accepted. Any completed equality surveys will be analysed and reported on.
If any further data/consultation is needed and is to be gathered, please specify:	-
<b>5. IMPACT OF DECISIONS</b>	
In what way will the changes impact on people with particular protected characteristics (either positively or negatively or in terms of disproportionate impact)?	<p>This report seeks approval to undertake public consultation on the proposals for CIL expenditure in 2017/18. It does not seek to make any final recommendations at this stage.</p> <p>Public consultation will provide the opportunity for people with particular protected characteristics to respond on any issues that may potentially affect them should any of the IDS projects be brought into fruition.</p>
<b>6. CONSIDERING THE IMPACT</b>	
If there is a negative impact what action can be taken to mitigate it? (If it is not possible or desirable to take actions to reduce the impact, explain why this is the case (e.g. legislative or financial drivers etc.).	Any negative impacts identified through the public consultation will be considered and action taken to mitigate.
What actions do you plan to take to address any other issues above?	-  <i>If no actions are planned state no actions</i>
<b>7. MONITORING AND REVIEWING</b>	
When will this assessment be reviewed and who will review it?	Consultation will be undertaken on an annual basis, in line with the CIL Governance

	<p>Framework. Consultation methods will be reviewed annually. All comments we received will be considered in preparing the final recommendations for CIL expenditure in 2017/18. A feedback report will be prepared and published following consultation to document how we have considered all comments and any changes made as a result.</p>
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CABINET: 13 September 2016

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**Report of: Director of Leisure and Wellbeing  
Director of Development and Regeneration**

**Relevant Portfolio Holders: Councillor Y. Gagen/Councillor J. Hodson**

**Contact for further information: Mr S. Kent (Extn. 5169)  
(E-mail: [Stephen.kent@westlancs.gov.uk](mailto:Stephen.kent@westlancs.gov.uk))**

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**SUBJECT: USE OF SECTION 106 MONIES IN BURSCOUGH**

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Wards affected: Burscough East. and Burscough West wards

## **1.0 PURPOSE OF THE REPORT**

- 1.1 To consider a proposal regarding the use of section 106 monies received by the Council from housing developers, for the enhancement of public open space and recreation provision in Burscough.

## **2.0 RECOMMENDATION**

- 2.1 That the proposed project to enhance the public open space on the former landfill site adjacent to Mill Dam Lane, known as Burscough Brickpits, be approved and the section 106 sum of £17,672 generated in Burscough West be used for this project.

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## **3.0 BACKGROUND**

- 3.1 Members will recall that under policy LE13 of the Local Plan, developers must provide open space facilities as part of housing developments. Where developments are less than 20 dwellings or on sites where it is not reasonable to expect a development to provide on-site facilities, and where there is a deficiency of open space, the Council can require a commuted sum for the provision of new or the enhancement of existing areas of public open space within its area.
- 3.2 In accordance with the decision of the Planning Committee on January 10th 2002 the views of the relevant Parish Council/ward councillors are sought in respect of the potential use of this money.

- 3.3 In February 2011 an Officer S106 Agreements – Public Open Space working group was established to co-ordinate the receipt of S106 commuted sums and report to Cabinet on the use of S106 funding. A function of this group is to establish levels of uncommitted S106 funds across all wards and liaise with ward councillors and Parish Councils as to how this funding could be best utilised in line with the requirements of the S106 agreements.

#### **4.0 CURRENT POSITION**

- 4.1 The funding from a particular development can only be used in accordance with the terms of the related Section 106 agreement. The Council currently has received monies from two S106 agreements in Burscough West ward ( £15,463 from 5 Moss Lane, and £2,209 from land at 82 Orrell Lane). Following consultation with Burscough Parish Council and ward councillors there is one new proposal put forward from the Borough Council for consideration for existing Section 106 funding in Burscough West ward.

#### **5.0 PROPOSALS**

- 5.1 The Borough Council is currently working with Burscough Parish Council to develop a public open space on Council owned land on the former landfill site adjacent to Mill Dam Lane, known as Burscough Brickpits.(see appendix 1 – Burscough Brickpits site plan) The site is currently used for informal public access but is very overgrown and the access is in need of significant improvement.
- 5.2 A management plan recently produced has been based upon the development of a green open space/wildlife area, with appropriate public access. The plan involves creating a surfaced footpath around the site (see appendix 2 – Burscough Brickpits proposed new footpath), linked from new/upgraded access points. A programme of habitat management will help to develop three habitat types, meadow land, marshy grassland and scrub (see appendix 3 – Burscough Brickpits proposed habitat areas).These habitats will promote the wildlife interest of the site whilst encouraging buffers between the publicly accessible areas and the adjacent housing.
- 5.3 Running alongside the initial contract works will be the creation of a “Friends” group to foster local ownership, community engagement and site monitoring. The “Friends” will also have a direct input to the long term maintenance of the site, and will assist in the production of signage and information boards.

#### **6.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

- 6.1 Providing this facility would create a new, accessible green space in Burscough, helping to provide opportunities for healthy outdoor recreation. This would further the Councils aims for improvements to the health and wellbeing of its communities.

## **7.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 7.1 The estimated capital cost of the project is in the region of £37,555, with £12,000 requested from the S106 funds currently available.
- 7.2 The remaining £25,555 has been bid for from external grant schemes (Lancashire Environmental Fund £12,555, Tesco Bags of Help £8,000, Awards for All £5,000). Securing approval for the S106 allocation at this time will significantly improve the likelihood of achieving the other grant bids.
- 7.3 Future maintenance of the site will be a combination of small scale contractor involvement, funded through existing countryside revenue provision, and volunteer support from the Friends group and other organisations, co-ordinated by the Council's ranger service.

## **8.0 RISK ASSESSMENT**

- 8.1 This scheme will be heavily dependent in future years on the Friends group and involvement of local volunteers to contribute to on-going maintenance and management of the site. Burscough Parish Council has already established views of local residents through public meetings which have not only established support for the scheme, but have also indicated a significant interest in establishing a local voluntary group to help look after the site. The Parish Council themselves have also indicated their support for the project

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### **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

### **Equality Impact Assessment**

There is a direct impact on members of the public, employees, elected members and / or stakeholders. Therefore an Equality Impact Assessment is required. A formal equality impact assessment is attached as an Appendix to this report, the results of which have been taken into account in the Recommendations contained within this report.

### **Appendices**

1. Burscough Brickpits site plan
2. Burscough Brickpits proposed new footpath
3. Burscough Brickpits proposed habitat areas
4. Equality Impact Assessment

## Appendix 1 – Burscough Brickpits site plan



## Appendix 2 – Burscough Brickpits proposed new footpath





### Appendix 3 – Burscough Brickpits proposed habitat areas



- Compartment 1      Meadow
  - Compartment 2      Marshy Grassland
  - Compartment 3      Scrub
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## Equality Impact Assessment Form

<b>Equality Impact Assessment Form</b>	
<b>Directorate: Leisure and Wellbeing</b>	<b>Service: Leisure, Cultural &amp; Arts</b>
<b>Completed by: Stephen Kent</b>	<b>Date: 4/8/2016</b>
<b>Subject Title: Use of S106 monies in Burscough</b>	
<b>1. DESCRIPTION</b>	
Is a policy or strategy being produced or revised:	No <span style="float: right;"><i>*delete as appropriate</i></span>
Is a service being designed, redesigned or cutback:	No
Is a commissioning plan or contract specification being developed:	No
Is a budget being set or funding allocated:	Yes
Is a programme or project being planned:	Yes
Are recommendations being presented to senior managers and/or Councillors:	Yes
Does the activity contribute to meeting our duties under the Equality Act 2010 and Public Sector Equality Duty ( <b>Eliminating unlawful discrimination/harassment, advancing equality of opportunity, fostering good relations</b> ):	No
Details of the matter under consideration:	
<p><i>If you answered <b>Yes</b> to any of the above <b>go straight to Section 3</b></i>  <i>If you answered <b>No</b> to all the above <b>please complete Section 2</b></i></p>	
<b>2. RELEVANCE</b>	
Does the work being carried out impact on service users, staff or Councillors (stakeholders):	
If <b>Yes</b> , provide details of how this impacts on service users, staff or Councillors (stakeholders): <i>If you answered <b>Yes</b> go to <b>Section 3</b></i>	
If you answered <b>No</b> to both Sections 1 and 2 provide details of why there is no impact on these three groups: <i>You do not need to complete the rest of this form.</i>	
<b>3. EVIDENCE COLLECTION</b>	
Who does the work being carried out impact on, i.e. who is/are the stakeholder(s)?	Burscough residents
If the work being carried out relates to a universal service, who needs or uses it most? (Is there any particular group affected more than others)?	See above

Which of the protected characteristics are most relevant to the work being carried out?	<i>*delete as appropriate</i>
Age	Yes
Gender	No
Disability	No
Race and Culture	No
Sexual Orientation	No
Religion or Belief	No
Gender Reassignment	No
Marriage and Civil Partnership	No
Pregnancy and Maternity	No
<b>4. DATA ANALYSIS</b>	
In relation to the work being carried out, and the service/function in question, who is actually or currently using the service and why?	Site is currently being used by local residents on an informal basis, as a local public open space
What will the impact of the work being carried out be on usage/the stakeholders?	Works will provide an established public open space managed for safe and easy access for local residents and possible school use.
What are people's views about the services? Are some customers more satisfied than others, and if so what are the reasons? Can these be affected by the proposals?	Public meetings and communications from local residents have indicated a lack of satisfaction with the management of the site. Vegetation has been left to overgrow and paths are not maintained. These proposals will remedy these issues.
What sources of data including consultation results have you used to analyse the impact of the work being carried out on users/stakeholders with protected characteristics?	Public meetings have been used to steer the use of the site and support for the current proposals.
If any further data/consultation is needed and is to be gathered, please specify:	Future public meetings and establishment of local voluntary group.
<b>5. IMPACT OF DECISIONS</b>	
In what way will the changes impact on people with particular protected characteristics (either positively or negatively or in terms of disproportionate impact)?	New path construction will allow those with mobility issues to access the site.
<b>6. CONSIDERING THE IMPACT</b>	
If there is a negative impact what action can be taken to mitigate it? (If it is not possible or desirable to take actions to reduce the impact, explain why this is the case (e.g. legislative or financial drivers etc.).	On-going liaison with local residents and Parish Council will help to gather feedback and views on the project,. This will help to steer the future direction of the scheme.
What actions do you plan to take to address any other issues above?	On-going monitoring  <i>If no actions are planned state no actions</i>
<b>7. MONITORING AND REVIEWING</b>	
When will this assessment be reviewed and who will review it?	August 2017. Reviewing officer – Stephen Kent





CABINET: 13 September 2016

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**Report of: Director of Housing and Inclusion**

**Relevant Portfolio Holder: Councillor J. Patterson/Councillor I. Moran**

**Contact for further information: Mr B. Livermore (Extn. 5200)**  
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**SUBJECT: FORMING A DEVELOPMENT COMPANY – OPTIONS APPRAISAL  
SUPPORTING CONSTRUCTION DEVELOPMENT**

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Wards affected: Borough wide

## **1.0 PURPOSE OF THE REPORT**

- 1.1 To seek authority to investigate further the benefits of forming a Development Company which would drive forward the ambitions of the Council.

## **2.0 RECOMMENDATIONS**

- 2.1 That the Director of Housing and Inclusion investigate further the benefits of forming a Development Company or other appropriate vehicle for delivery of achievement of the Council's ambitions for development and facilitating development as set out in paragraph 5 of the report.
- 2.2 That up to £50,000 be made available to carry out initial investigations as set out in paragraph 6 of the report.

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## **3.0 BACKGROUND**

- 3.1 An increasing number of local authorities are becoming interested in setting up a trading company to improve efficiency and generate income. Council Officers have had recent experience of development for both commercial and residential purposes in the Greenshoots and Firbeck projects. Whilst these projects were undertaken primarily to support Council activity in providing support to businesses and regenerating the Firbeck area, the spin off has been that Council Officers could see the potential of undertaking greater work in these areas to support the Council's priorities and to generate income for the Council.

## **4.0 ACHIEVING THE COUNCIL'S PRIORITIES**

4.1 The Council's priorities are:

- Ambitious for our economy - Retain and grow jobs, increase skills and encourage business and wealth.
- Ambitious for our environment - Enhance the built and physical environment and its cleanliness.
- Ambitious for Health and Wellbeing – Improve the health and wellbeing of local communities.

4.2.1 **Ambitious for our Economy** – By developing commercial and residential property, this would assist our economy by:

- Supporting new and growing businesses
- Increasing residents in the area
- Increasing income to the Council by way of Council Tax or Business Rates
- Increasing footfall for retail businesses
- Increasing or maintaining employment in the construction industry
- Increasing skills for those wishing to work in construction
- Generally increase wealth within the Borough

4.2.2 **Ambitious for our Environment**

- Ensuring the built Environment is in-keeping with ambition

4.2.3 **Ambitious for Health and Wellbeing**

- By increasing wealth, formation of business and employment opportunities, residents will have a better chance of a healthy and well balanced lifestyle.

4.3 There appears to be significant benefits in meeting our priorities if we look to develop a vehicle that would support construction and development.

4.4 A simple commissioning and sharing of risk model which we have explored whilst working with the Homes and Communities Agency (HCA) on the Land Auction Pilot project has seen the potential to increase land value significantly.

4.5 The Council has some land holdings but few sites that would lead to major development opportunities and if the Council wished to investigate this matter further, then purchase of land either on a voluntary or compulsory basis and/or working in Partnership with other private sector landowners would have to be actively considered.

## **5.0 WHY CREATE A COMPANY?**

5.1 Council Officers are employed to support meeting the Council's priorities so why is it suggested that scarce resources of the Council be used to investigate the formation of a Development Company?

- 5.2 Whilst various Governments have increased powers available to Council's under the Local Government Act 2003 and the general power of competence under the Localism Act 2011 to undertake a range of activities to support their communities the basic principle remains that if trading is to be done in the wider commercial market with a view to generating a profit then the Council must set up a company.
- 5.3 From the experience gained from working with the HCA on the Land Auction Pilot Scheme, it has become apparent that by taking risks on the development of land, this could help achieve the Council's ambition and at the same time generate a profit for the Council to support its agenda. See paragraphs 4.2 above.
- 5.4 Officers are working up proposals to go to Council in October for the Westec Site which will, if approved, maximise the value of the Council owned land and assist with our experience of acting on a more commercial basis.
- 5.5 The activities that would be considered for the development company would be as follows:
- **Voluntary purchase of land to accelerate development of both residential and commercial/industrial uses**
  - **Working with the Council to assist it's compulsory purchase of land to accelerate development of both residential and commercial/industrial uses**
  - **Investing in de-risking sites in partnership with other developers/landowners and the Council.**
  - Bidding for LEP and other funding investing in infrastructure within sites to accelerate development
  - Supporting residential and commercial/industrial developments to grow the local area
  - **Consider establishing a dedicated work force for development purposes**
  - **Consider having a strategic alliance with local education/training establishments to provide skills training for local people**
  - **Consider other construction projects to balance workloads to meet market conditions**
- 5.6 The activities in 5.5 above support the Council's priorities as outlined in paragraph 4. The activities in **bold** are areas that could potentially generate profits and where consideration needs to be given to whether a company needs to be formed and which type of company would be best suited for the purpose.
- 5.7 In terms of generating possible profits, the areas that will be explored for the establishment of a company will be around commercial and residential redevelopment of Council owned land and the purchase of appropriate land to develop, both in and outside of the Borough.
- 5.8 It is to be appreciated that officers will consider with the benefit of expert advice, whether a company is the most suitable vehicle for delivery of the Council's ambitions. Other options will be developed for the consideration of Members should these be appropriate.

## 6.0 NEXT STEPS

- 6.1 If Members are comfortable with exploring the options including the company concept, I propose to strengthen the work outlined in paragraphs 4 & 5 around the strategic fit of future approaches with the Council's priorities.
- 6.2 Professional assistance will be commissioned to appraise the options available and developing a business case. Officers will develop a comprehensive brief so that this Council will receive bespoke advice on the options available, the costs and risks associated with each.
- 6.3 I attach Appendix A, a Policy Briefing from Local Government Information Unit which will be of assistance to Members. In particular, I would draw Members attention to the spreading the word model. This report highlights the strategic fit referred to in the initial box which then suggests that an Option Appraisal be undertaken. This is recommended as the way forward. Members will note that there is a great deal of work involved in taking this forward through various stages of setting up a Local Authority Trading Company and building a successful team to lead this should this prove to be the favoured option.
- 6.4 I also attach at Appendix B, a paper prepared by our auditors, Grant Thornton, entitled "Spreading their wings – building a successful local authority trading company". This explores why Councils are following this route and the steps that need to be taken to ensure the success of a project of this nature. Officers will support Members through this process and follow the advice in order to minimise any risks.
- 6.5 An officer working group, under the leadership of the Director of Housing and Inclusion will be set up to help steer the project. Staff from key service areas will undertake detailed work as part of the option appraisal process to evaluate the most appropriate way forward. As part of the work it is anticipated that Officers will:
- Undertake due diligence
  - Make site visits
  - Explore advantages and disadvantages with other Local Authority Trading Companies
  - Oversee the work commissioned
  - Satisfy themselves that any recommendations are in the interest of the Council and Council Tax payers.
- 6.6 It is estimated that over 50 Councils have formed companies to support their objectives so the path taken in creating a company is now well established and the costs and risks associated with this are often less prohibitive, although this will depend on the business case for the particular company. However, there will be costs associated with this and Members will need to consider this matter carefully.
- 6.7 To minimise costs, Officers are aware of neighbouring Councils who are at a similar stage to West Lancashire Borough Council and the possibility of a shared procurement process is being explored provided that it achieved an options appraisal proposal tailored to meet the requirements of the Council. Site visits to



other Councils who have already set up a development company are proposed to enable us to learn from their experiences.

## **7.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

- 7.1 The development of commercial and residential assets will ensure that modern up to date facilities are being provided for the business and residential community at a pace that the Borough Council can influence. This will aid in the timely and sustainable development of the Borough.
- 7.2 The formation of a development company to undertake the tasks detailed in the report can meet community strategy objectives by providing employment opportunities and the subsequent health benefits that will follow; also, by developing stronger communities by residential developments within the Borough.

## **8.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 8.1 A budget of £50K is sought for this project. If a joint procurement exercise is achievable, it is estimated the costs will be in the order of £30K. However, if a sole procurement process is undertaken, it is estimated that the cost will probably be around £50K and can be met from the major projects reserve.

## **9.0 RISK ASSESSMENT**

- 9.1 The process of commissioning work will inform Members of the options available and also the risks associated with these so that an informed judgement and decision is reached.
- 9.2 At this stage, the process recommended will ensure that Members are aware of the options and risks associated with the approach.
- 9.3 Whilst there would be risks associated with establishing a company, should this ultimately be the option chosen, there are also risks associated with not exploring such options, in the current financial scenario for Council, whereby it is anticipated that no Government Grant will be received by 2020.

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### **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

### **Equality Impact Assessment**

As this report is only requesting authority to 'investigate' the benefits of forming a Development Company, the decision does not have any direct impact on members of

the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

**Appendices**

Appendix A – Policy Briefing from Local Government Information Unit

Appendix B – Grant Thornton briefing note

Appendix C – Minute of the Landlord Services Committee held on 8 September 2016 – to follow

## **Local Authority Trading Companies: a Policy in Practice briefing**

10 December 2015

Alan Weaver LGiU associate

### **Summary**

- Local authorities are becoming more interested in Local Authority Trading Companies (LATCs), particularly for income generation purposes
- Local authorities can set up LATCs providing Teckal exemptions, and other statutory requirements are met
- LATCs are developing rapidly, particularly in areas like social care and housing
- There have been LATC successes, failures, and challenging circumstances, particularly for social care LATCs
- A useful methodology to apply to the setting up and development of LATCs is Grant Thornton's 'Spreading the Word' model
- Major issues or sticking points when developing LATCs include: strategic fit of the LA and the LATC; business planning; governance and staff.

### **Briefing in full**

#### **Background**

As councils have come under financial pressure, they have considered how to reduce costs, generate income and improve efficiency by developing commercial approaches to their services. Two recent briefings have dealt with commercial activity and income generation in local government. This briefing specifically deals with Local Authority Trading Companies (LATCs).

LATCs are bodies that are free to operate as commercial companies but remain wholly owned by the parent local authority. As trading bodies, they can provide their services to a much wider market than a council department. Part of the reason for the growing interest in LATCs is local government's desire to generate income to protect other services. But there are also secondary drivers including:

- the need for certain services to compete in a wider geographical area to be sustainable;
- a view that greater commercialisation will drive efficiency;
- a view that non-essential services would be better managed separately;

- a view that a different statutory and service environment will provide more flexibility and impact, eg housing development, social care.

Local authorities are also attracted to the fact that less bureaucratic organisations like LATCs may be able to react more quickly and sensitively to changes in markets. Also, unlike with outsourcing, the scope to retain control of the company and reverse their decision if things go wrong appeals to some local authorities.

This year, many local authorities have taken decisions to adopt LATCs. For example, Newcastle has established 'Newco' a new trading body to help the council expand its current trading ventures. East Cambridgeshire District Council is currently recruiting a Chairman of the Board to provide independent leadership and a strategic vision to its LATC.

## Legislation

The Local Government Act 2003 enables local authorities to establish LATCs to trade in a wide market. The General Power of Competence under The Localism Act 2011 allows local authorities to expand their trading activities into areas not related to existing functions. It also removes geographical boundaries to local authority activity so that they can set up a trading company that can trade anywhere in the UK or elsewhere.

If trading is to be done in the wider commercial market with a view to generating a profit (rather than just on a broad cost recovery basis) the council must establish a company. This can be a company limited by shares, a company limited by guarantee or an industrial and provident society. The 2009 Trading Order requires that a business case ('a comprehensive statement') be prepared and approved before exercising trading powers. Local authorities cannot trade in services they are already statutorily required to provide.

## Teckal

When councils want to sell goods or services to other councils or public bodies, they will only be dealing with each other and not operating in a wider market. These are 'shared services' or public-public partnerships. They do not have to put the work out to competitive tender, are still able to generate a profit and are not restricted to cost recovery – as long as they only trade with each other. This avoids the downside of a company status, including the need to pay VAT and corporation tax. If a local authority wishes to set up a company the EU procurement regulations usually require them to undertake a prescribed competitive tendering process before they can award work to the company. This poses a problem as there is no guarantee that the trading company will win the tender. However, local authorities can set up a company without competitive tendering provided they undertake not to trade significantly with external organisations. This is known as the 'Teckal' exemption from procurement rules.

The tests for whether a local authority owned company qualifies for the Teckal exemption are:

- The council(s) must control the company and its activities in the same way as their own departments and activities (control test);

- The company must predominantly undertake work for its controlling council(s) – any activity undertaken for external bodies is minimal (function test).

The council must have decisive influence and control over all decision making. A Teckal company cannot focus on trading commercially in the wider market. If councils are seeking to do this, they must put any work out to tender. A limit of 20% of turnover from external trading activity is now applied. In practice, an early decision the council should make is whether it wishes to use the company for commercial trading, or as a vehicle primarily for delivering the council's own services.

## Development of LATCs

Leading LATCs - LACTS have been around for over many years in the form of large, standalone bodies such as airports, and also organisations like Commercial Services (formerly Kent Commercial Services)- described in a recent briefing. LATCs have developed more recently into areas such as highways, housing and social care.

The best examples of recent successful LATCs include Norse Group, Kingstown Works Limited, and CORMAC.

Norse Group is by far the largest LATC in the country and has an annual turnover in excess of £250 million. It is a holding company owned by Norfolk County Council and the Group brings together three local authority trading companies concerned with: facilities management; property design and management consultancy; and providing residential care homes and 'housing with care' schemes. Collectively, the group employs over 10,000 people nationwide and have good relations with their staff and unions. UNISON has signed a recognition agreement with them and praised them for their staff training and development programme, apprenticeship schemes, staff morale and low turnover rates.

Kingstown Works Limited (KWL) is a LATC delivering building maintenance and repairs work to Hull City Council, but they also trade with other local councils and housing associations. Created in 2006, by 2012 it had returned over £3 million to Hull City Council in the form of surpluses. It employs 390 local people and has recruited 107 apprentices in the period 2007 to 2015.

CORMAC are two wholly owned companies of Cornwall Council which has been trading since 1982, and using the CORMAC brand since 1992. In 2012, two companies were formed into a Teckal company for the work passported from Cornwall Council; and a trading company. Since then CORMAC has increased its turnover by an additional £35m per year; increased staffing numbers by 16% and returned benefits to the Cornwall Council to the tune of £20m over three years through productivity improvements and from profit on external work. The vast majority of the work is in highways maintenance and construction. From April 2016, it will manage a 10 year joint venture company responsible for highways and fleet management services for Nottinghamshire County Council. CORMAC is a living wage employer and the majority of the 690 highways staff currently employed by Nottinghamshire CC will transfer to the new company with existing terms and conditions.

## Social Care

Social Care LATCS have become prevalent in the last six or seven years as demographic changes, continuing funding cuts, constraints on in-house service provision, and new Care Act responsibilities have increased pressures on local authorities. A key issue has been the barrier on service provision to those receiving direct payments – the principal customers for care and support and upon which the viability of community based provider services are

based. It has been estimated that about 20 social care LATCs are now trading in England and Scotland with many more in the pipeline. Examples of the more prominent social care LATCs are Buckinghamshire Care, ECL (formerly Essex Cares), Optalis (Wokingham), Olympus Care Services (Northampton), Your Choice (Barnet) and Tricuro (Dorset).

The sector has developed rapidly but it has not been without problems. Chelsea Care was set up by Kensington and Chelsea Council in 2008 as a wholly owned trading company to provide home care and brokerage services in the borough. After running into significant financial problems, Chelsea Care was put into liquidation in May 2011, when the council refused to inject further capital into the business to enable it to keep trading. ISSK was set up as a trading company owned by Stockport Council in 2009, with a view to making adult social care and support services more cost effective. However by 2012 the council had serious concerns about both the value for money and quality of care of the company. A period of consultation led to a decision to take back in-house some of the key services that had gone out to the company – reablement, intermediate care and night support teams. The council cited significant changes in the focus of services which meant that the trading company was no longer appropriate:

Essex Care became England's first successful social care LATC when it was launched in 2009 and quickly became a cash cow for the council. In 2010-11, it made a profit of £3.5m, but in 2012-13, the profit, though still healthy, had dropped to £1.5m and last year the company made a pre-tax loss of £828,000. The result has been a 'reshaping' of the organisation, with new multi-skilled community teams and cuts in administration and management. The company also acquired a new name ECL. ECL employs 900 staff and supports more than 50,000 mainly older or disabled people at home or in activity centres. Its services remain popular with high levels of customer satisfaction. It offers a wide range of workplace training and also has a contract with West Sussex County Council, providing reablement services to people who are regaining independence.

By the beginning of 2014, Optalis Ltd had been trading successfully for three years, increasing turnover to £12m and reaching savings targets. However, Optalis reported an operating profit of just £5K in year ending March 2014, a drop from £143K the previous year. Another social care LATC, Your Choice Barnet, set up in 2012 and projected to make a surplus of £500K by 2015-16, has also run into trouble. Staff salaries were recently reduced by 9.5% and a Care Quality Commission report earlier this year branded the company's supported living services inadequate.

Tricuro, launched in July 2015, is the first cross boundary social care LATC. The original plan was to set up a single plan for Dorset County Council but it was quickly realised that county wide company taking in Bournemouth and Poole would offer significant economies of scale. Its services include residential care, day services and catering and it is also the largest social care LATC, with a budget of more than £38 million and 1,200 staff.

## Housing

There has also been a proliferation of housing LATCs. A survey published in August 2015 indicated that more than 50 councils in England have either set up or are considering setting up their own housing company. This has been particularly attractive for those authorities who do not have sufficient borrowing headroom within their Housing Revenue Account (HRA) or who want to explore other funding opportunities to develop housing outside the HRA. The most common approach is the creation of a 100% council owned subsidiary or council owned company, usually constituted as a company limited by shares with council officers acting as directors and company secretaries. Purposes include the provision of new build private sale, mixed tenure and affordable homes; the purchase and repair of affordable homes; the provision of affordable rented property by leasing empty property, etc. However, not all local authorities are attracted to the idea. A common reason is that the expected

revenue is not high enough to make a business case for such a company. This is often the case where house prices are very low. Uncertainty also arises from a lack of clarity over the government's position and the threat to take measures against council owned housing companies that circumvent Right to Buy legislation.

There are also LATCs set up to provide DLO housing maintenance work or to include it within their proposed work, eg. Kingstown Works Limited.

Thurrock Council set up a wholly owned housing company, Gloriana Thurrock Ltd. Gloriana will enable the Council to kick start house building through directly developing around 1,000 new homes. It aims to accelerate housing delivery over the next five years and support regeneration objectives in growth locations. Council land is sold to the company at a commercially valued rate and Gloriana borrows prudentially against the council general fund to fund the housing development. Gloriana pays the interest on the loan through its rental income and the debt can be repaid when the homes are sold. The design of the first Gloriana development at the St Chad's scheme in Tilbury for over a hundred homes has secured a top national award

Nuneaton and Bedworth Council set up its trading established trading arm, named Nuneaton and Bedworth Community Enterprises LTD (NABCEL) in March 2014. The first business stream chosen for NABCEL was the purchase of properties to rent out at full market rent. As well as generating income, this also helps address the local need for affordable rented properties. A capital budget of £1m was approved as part of the 2014/15 budget. This has so far secured seven properties and with a further two to three being planned. Forecast income generation for 2015/16 is £50k, which will go towards protecting services and jobs.

Ashford Borough Council has set up a council owned housing company to build new homes for rent because its housing market is not keeping pace with demand for privately rented accommodation or providing alternatives for people without sufficient income to buy their own homes. The council is seeking to target this gap in the housing market through a new trading company to provide additional housing capacity. The new property company will be council owned and funded initially by council borrowing. The company will offer homes to rent and sale, with a mix of rent levels. It will also provide an income stream for the council through the borrowings.

South Cambridgeshire District Council set up Ermine Street Housing in 2014 and invested £7 million in property to rent as an "ethical commercial landlord". During the pilot Ermine Street Housing generated £100,000 of income for the Council. The company now owns 34 properties worth a total of £6,837,970 providing homes for people who cannot get an affordable housing tenancy. South Cambridgeshire District Council have now expanding a Council owned housing company investing £100 million to acquire a property portfolio of 500 homes over the next five years.

### Approaches to LATCs

A useful 'Spreading Their Wings' model to consider LATCs has been developed by Grant Thornton. Its three stage process and comprehensive range of steps model is listed below together with a link.

#### **SPREADING THEIR WINGS MODEL**

1. DECIDING TO SET UP A LATC	2. SETTING UP A LATC	3. BUILDING A SUCCESSFUL LATC
<ul style="list-style-type: none"> <li>• Consider the strategic fit of the company with the council's vision</li> <li>• Appraise options</li> <li>• Develop an outline business case</li> </ul>	<ul style="list-style-type: none"> <li>• Obtain the right professional advice</li> <li>• Company registration</li> <li>• Trading</li> <li>• People</li> <li>• Pensions</li> <li>• Governance</li> <li>• Financing and Taxation</li> <li>• Transfer of assets and support service costs</li> <li>• Performance Management and contracting</li> </ul>	<ul style="list-style-type: none"> <li>• Put the right leadership team in place</li> <li>• Create the right culture</li> <li>• Reconsider reward</li> <li>• Build a customer focus</li> <li>• Build an appropriate vision and gain the commitment of the local authority</li> <li>• Prepare for the future</li> <li>• Creating and promoting the brand</li> <li>• Get to grips with costs</li> <li>• Build appropriate risk management and group governance</li> </ul>

Each of the steps in developing a LATC merits careful examination or problems will be experienced. In addition, there are a range of major issues or sticking points which cause problems across most LATCs and these warrant closer attention.

Strategic Fit of the Company Vision with the Local Authority Vision – This is sometimes overlooked by local authorities because income generation usually overwhelms other considerations. But the strategic fit needs to be examined in far more detail. The council and the LATC need to have clarity about how the LATC will fit with the council's longer term strategic priorities and how the company will grow. A failure to properly address this can and will cause tensions between the council and the LATC, particularly over company growth and expansion and the redistribution of profits. In addition, it is almost inevitable that the vision and strategy will need to be refreshed as the company develops.

Grant Thornton feels that most problems arise when council and company are not on the same wavelength and where councils set 'heroic' savings targets. CORMAC appear to have negotiated this issue 'well'. The council was clear it was not just about achieving savings. It was about increasing its client base and offering increased job opportunities for the people of Cornwall. CORMAC sees commercial opportunities and partnerships with other councils as the future, while the council describes the current position as a "nice little corridor between the public and private sector".

Business Planning - Business planning is a key element. The lack of a business plan for the transfer of council services into the company is a common failing.

Buckinghamshire Care saw the first step as developing a business case as it enabled the council to determine whether the business would be a success but also gave a clear objective in the first year of trading.

For more details of LATC business planning, please access publicly available reports and models produced in respect of Tricuro. The report considered in October 2014 anticipated that the LATC would save £6.8m over five years or around £1.4 million per year from the base budget. The report contains a high level options appraisal and detailed business plan and a risk assessment, equality impact account, a five year profit and loss and balance



sheet forecast is presented. Details of staff consultation arrangements and results, market research, implementation and programme management sections are also available.

Governance – LATCs need appropriate governance, including board chairship and composition, and appropriate procedures, protocols and systems to support human resource and risk management and service planning and associated monitoring and reporting arrangements. How these are developed, managed and balanced within the context of a new relationship with the local authority can be fraught with ambiguity, controversy and problems.

Effective governance is key to protecting Norse and the councils working with Norse. Over time, Norse has established a clear governance structure that supports the business and provides surety to Norfolk County Council in risk management. Key factors are:

- The two council appointees on the board have double votes and therefore control of company decisions;
- A shareholder committee has oversight of the company and receives a quarterly report;
- Each group company has a liaison board that holds the company to account.

For Buckinghamshire Care, the council felt that it was important to give Buckinghamshire Care directors sufficient space and control to drive the growth and develop the company. They also wanted to maintain strong links with the company – through the shareholders' scrutiny group – ensuring the company's direction was in line with the council's objectives. They wanted to have the flexibility to incorporate additional services in the future. To achieve this, Buckinghamshire Care's shareholder scrutiny group includes two council members, the Section 151 officer, the director of adult services, the commissioning director and contracts manager. The group meets quarterly and aims to hold the company directors to account for the quality and value of the services provided to the council. This group is an essential component for the council to exert influence over the company and therefore meet the requirements of the Teckal exemption<sup>1</sup>. The structure aims to balance the council's need for control with the space the company needs to achieve the council's aims. The council remains 100% shareholder, thereby retaining a role in scrutiny and a level of control.

KWL is a company controlled by Hull City Council which is the sole shareholder. Democratic accountability is ensured through the Kingstown Works Limited Shareholding Committee which receives reports from the board of KWL, which is itself made up of eight elected members from Hull City Council. The organisational model developed by KWL prioritises tight financial controls ensuring that the company has the freedom to innovate and bid for work as it arises within an overall framework of democratic accountability. Indeed, one important condition of its success, as recognised by its Business Leader, is that the board offers an effective challenge and scrutiny to senior management.

Arrangements for social care and highways LATCS can be contrasted with some of the housing LATCs where service provision is more focused on discrete strategic outcomes with a small number of staff, and therefore less critical. For NABCEL, concerned with trading and the purchase of housing for rent in the private rental sector market, governance issues are slightly different.

For NABCEL, the company board structure comprises two non-executive directors – the council's director of finance and director of housing – and three executive directors who are councillors. NABCEL has an AGM which takes place at a full council meeting, as the council is the only shareholder in the company. NABEL has board meetings but there is no review by the council's scrutiny or audit committee.

In general, Grant Thornton believes shareholders committees are the most effective means of council governance.

People - The motivation and development of staff transferring to the LATC is a recurring and vital theme. Most LATCs cite this as a key factor in creating a successful company and it appears to have been a key feature of the success of successful companies like CORMAC, Kingstown Works Limited, Kent Commercial Services and Norsk Ltd.

LATCs have to find a way of **winning** the hearts and minds of **the staff** transferring into their LATC, and to tap into their **creative** potential and talents at a time when many may be feeling anxious, battered and bruised by threats of redundancy, a lack of information, and poorer terms and conditions.

Poorer terms and conditions **are real tangible** problems, often involving changes to sick pay, holiday entitlement, and pensions, although pension liabilities **are often** resolved by local authorities retaining responsibility for past and future pension liabilities associated with transferred staff.

Many LATCS have embraced organisational development interventions to help culture changes designed to build trust and flexibility within staff. Change agents or professional trainers are often engaged to develop commercial mindsets within their staff, when people are encouraged to develop and strengthen the business, and where they are trained, supported and developed.

At Ashford, taking a more entrepreneurial role in housing has enabled staff to develop new skills and services in house. The council now has its own architects for example.

Changing terms and conditions can provide opportunities to improve on some element eg reward mechanisms and improved rates of pay. At CORMAC, the initial TUPE transfer of staff to CORMAC gave employees the opportunity to move to CORMAC contracts. Key changes were on the sickness policy, with CORMAC not paying the first three days of sickness. This was mitigated with increases in rates for overtime pay and unsocial hours, where the council was struggling to offer competitive industry rates. In addition, a small bonus based on the profit share of the company was also part of the new CORMAC contracts. Take up of the CORMAC contracts was significant.

## Comment

LATCs are interesting developments in the local government world. Many members and officers may perceive LATCs as one of the more positive developments at a time when there appears to be little light at the end of the tunnel for local government resourcing and service delivery.

However, LATCS are not excluded from the prospects of a bumpy ride, not least because of continuing changes to the public service environment driven by central government, particularly in respect of housing and social care. That aside, when contemplating and planning the role of LATCS, local authorities need to think beyond shorter term public service environment, income generation, and Teckal considerations to the long term implications i.e. on the local authority side – to the acceptance of likely long term loss of direct control over discretionary service provision, on the LATC side to exposure to the vagaries to a commercial environment where growth or survival is dependent on the ability to adapt and develop new ways of delivering services, and where no safety net exists.

Within this context, the development of LATCs may present a way forward in many areas and some grounds for optimism.

### **Related briefings**

[Income Generation – Charging & Trading: Policy in Practice Briefing](#)

[Income Generation – General: Policy in Practice Briefing](#)

### **LGiU and Mears report**

[Under Construction](#)

### **Sources of information**

[Grant Thornton – Spreading their wings – Building a successful local authority trading company \(LACT\)](#)

Highlights key principles and details in developing successful LACTS. Considers TECKAL issues. Considers a range of detailed case studies.

[Grant Thornton – External Audit Update for the Corporate Governance and Standards Committee of Guildford Borough Council](#)

Contains a summary of the above and other relevant Grant Thornton financial reports but also a summary of existing local authority trading companies.

[LGA - Supporting housing – A Case Study Guide](#)

Provides examples of entrepreneurial activity led by councils to provide new homes in response to the demands of their local housing market and housing pressures and shares some of the learning from these councils. Considers a whole range of housing delivery options and case studies plus issues to consider in selecting the investment and delivery model, including those involved in council owned housing companies eg. Ashford – Housing, Thurrock - Housing.

[LGA – Enterprising Councils – getting the most from trading and charging Guide](#) designed to help councillors and senior officers to navigate their way through difficult choices to be made about engagement in trading activities. Includes 3 case studies (The South West Audit Partnership; Norse Group, Essex Cares, Kent County Council).

[Branch Unison Guide to local authority trading companies](#) A different perspective looking at LACTS and procurement rules, how they can be challenged and case studies.

[Capita – Creating council commercialism – A conversation](#) – The purpose of the paper is to unpack the notion of ‘commercialism’ applied to councils and to offer some observations about how the councils that wish to pursue a degree of commerciality potentially achieve it.

[Localis - Commercial Councils – The rise of entrepreneurialism in local government](#) – The report outlines how local government can secure its finances and boost local growth

prospects by developing entrepreneurial approaches. It has a range of case studies dealing with local authority traded services. (Civic Enterprise Leeds, Kent Commercial Services, Barnet and Capita Joint Venture).

Localis – Policy Platform – Trading Councils: How Local Authorities can innovatively use commercial powers. A range of local government leaders consider local authority capacity to trade and reap the rewards of commercial opportunities.

**Other Sources**

West Lindsey District Council Commercial Plan 2015 to 2020

South Hams District Council – Creating a LACT

Folkestone – Regeneration and Housing Company – Purpose and Options

Guardian – Gloriana Thurrock – Is this the future of council house building

AgendaNi – Service and Savings: the ALMO model

[www.dorsetforyou.com](http://www.dorsetforyou.com) Tricuro – LATC – Adult and Community Services in Dorset

Wokingham BC – range of LACTS

Range of articles and publications relating to the Barnet Group

Range of LGA Case studies

**For more information about this, or any other LGiU member briefing, please contact Janet Sillett, Briefings Manager, on [janet.sillett@lgiu.org.uk](mailto:janet.sillett@lgiu.org.uk)**

*Spreading their wings*  
*Building a successful local  
authority trading company*



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We would like to thank Brownie Jacobson for their contribution to the legal aspects of this report.

# Executive summary

Austerity has made a significant impact on local government. Our report 'Responding to the challenge: alternative delivery models in local government' looked at the increased use of alternative models to protect and develop services. This trend has continued over the last year.

This follow-up report focuses on local authority trading companies (LATCs) and is the first in a series looking at alternative service delivery models (ASDMs) in more detail.

While some councils have always had a commercial approach, many traditionally avoided commercial considerations. This is no longer the case. As councils have come under financial pressure, they have considered how to reduce costs, generate income and improve efficiency by introducing commercial structures. For many councils, the use of LATCs is a step towards becoming self-financing.

## The level of innovation has been impressive

Over the last five years, we have seen a significant increase in the use of different service delivery models by local government. The introduction of LATCs has been a key part of this innovation.

## LATCs now cover an ever-widening volume of services

While restricted initially to areas such as entertainment or airports – for example Birmingham's NEC and Manchester Airport – they have grown into new areas such as highways, housing and education. More recently, LATCs dedicated to the delivery of social care services have emerged.

## We predict that the number of LATCs will grow in the next five years

The main reason for this growth is local government's desire to generate income to protect other services. Secondary drivers include:

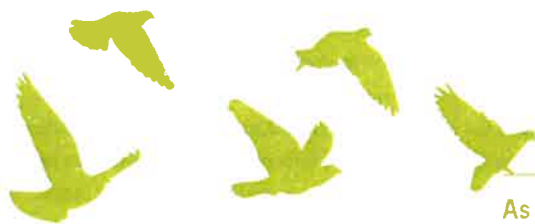
- the need for certain services to be separate from councils to allow them to compete in a wider geographical area
- a view that greater commercialisation will drive efficiency
- a view that certain services are non-essential to the council and would be better managed separately.

There are other reasons and there does not appear to be a common view on the reasons for setting up LATCs.

*“Increasing financial pressure on local councils has meant that they are having to evaluate different and sometimes radical ways to deliver their services. This has led to them considering a number of models, offering a variety of advantages and addressing a range of objectives.*

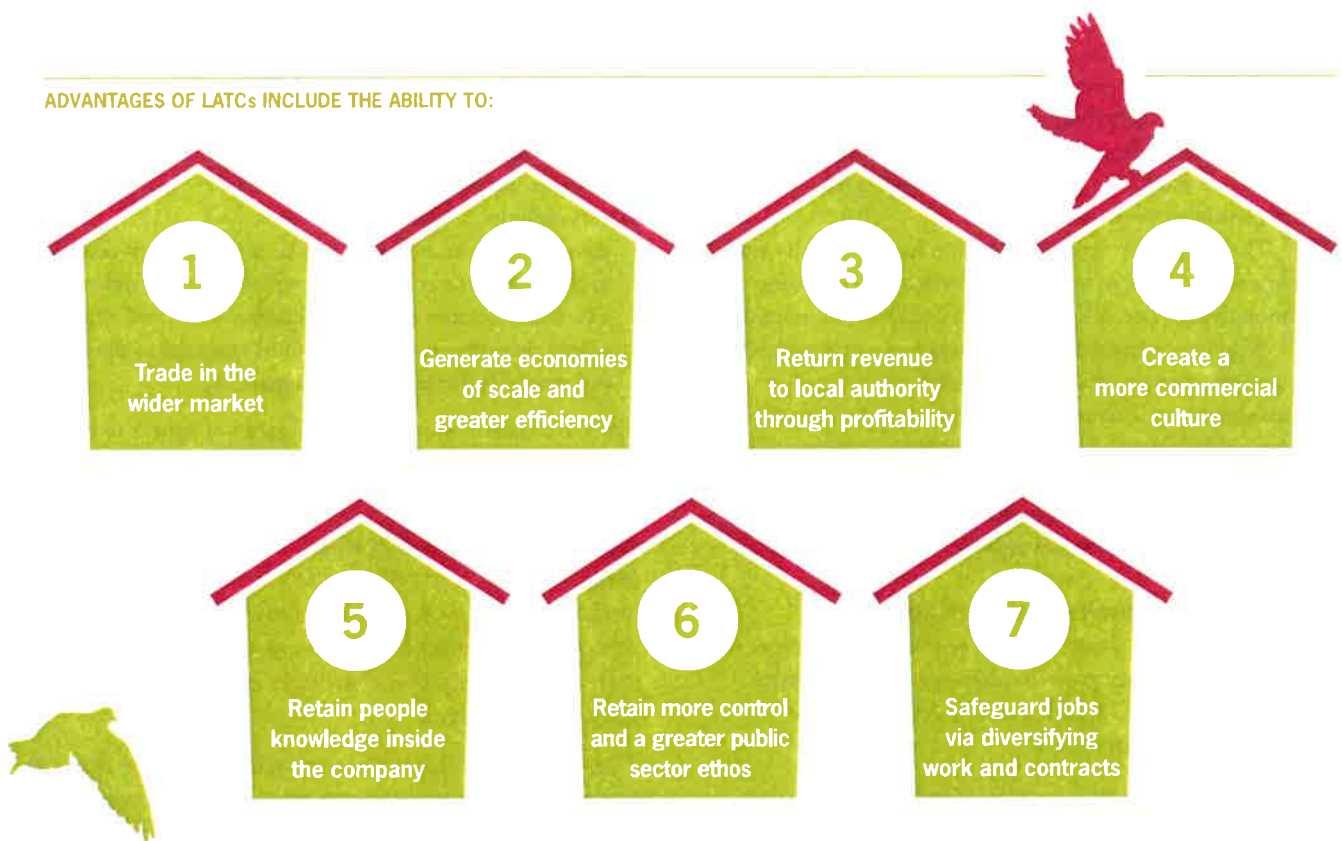
*The main drivers for local councils to change the way services are delivered are: achieving cost savings; adding social value; increasing economic activity; improving management skills and capacity; and being flexible enough to meet changing priorities. All these objectives can be met with a separate trading company.”*

**Peter Hawes, Board Member Norse Group, and Managing Director Norse Commercial Services**



As councils have come under financial pressure, they have considered how to reduce costs, generate income and improve efficiency by introducing commercial structures.

ADVANTAGES OF LATCs INCLUDE THE ABILITY TO:



### LATCs can be successful

There are already many examples of success such as the CORMAC, Essex Cares, KCC Commercial Services and Kingstown Works Limited. Our work with the sector confirms that councils and LATCs can be successful. If managed effectively, they can also provide significant opportunities for councils to provide better services and drive efficiencies. We believe that, as financial pressures continue, more councils will establish LATCs; and these LATCs could add significant value to the sponsor councils in the generation of income and efficiency. There does remain a risk of multiple LATCs competing for the same work. So some thought needs to be given to both the opportunity and the competition.

### Resistance can be expected

There is a resistance from some stakeholders who see LATCs as privatisation. Senior leaders, who need to ensure that the delivery model is appropriate and provides the right results, can also be hesitant. Their concerns are not unfounded. Moving services into the commercial world carries risk and is not easy. There are examples where inadequate planning has resulted in LATCs becoming loss making and leaders should take care before setting one up. However, these issues can be overcome with the right preparation and business processes.





### Effective LATCs build their success through a number of principles

Key principles are:

- the council and the company being clear on what they want to achieve, and having a clear vision of the future and how the company will grow
- creating a culture of trust between the council and the company
- making effective engagement with people a reality
- ensuring the company structure, governance and its operations are established appropriately
- obtaining professional advice and support where needed in specialist areas including finance, legal, tax and people
- creating the right business leadership, with the right commercial and market facing skills
- promoting cultural change and creating a commercial mindset in the people transferring to the new company.

### It is possible for LATCs to make a loss

A number of adult social care service LATCs have slipped into deficit or have been brought back in-house following concerns over service delivery and value for money.

A trading company entered into a large catering contract resulting in a substantial loss that required funding by the council.

A supplier of council house windows did not have a business plan outside of the 'decent homes' standards requirements. When this ended, the company required significant levels of interim financial support and restructure.

A company set up to tender for a large contract did not win the work. With no other strands to its business plan, it eventually became dormant and never managed to repay the initial working capital loan.

*“The overriding theme throughout the project was the need to be grown up. When issues arose we resolved them with grown up conversations and a constant reminder to keep our eyes on the prize.”*

**Strata**

This report sets out the initial stages that local councils need to follow before deciding to set up a local authority trading company; what to do when setting it up; and, probably more importantly, how to build a successful LATC.

Grant Thornton has worked with many LATCs and continues to support growth in this area. We have based this report on our own experience of working with LATCs, supporting councils to establish LATCs, market research and interviews with councils and LATCs. We have included case studies of new and long established LATCs. Taken as a whole, the report can be used as a handbook for practitioners looking to establish an LATC.

**We believe that, as financial pressures continue, more councils will establish LATCs; and these LATCs could add significant value to the sponsor councils in the generation of income and efficiency.**

## Deciding to set up a local authority trading company

It is not possible to talk about LATCs without considering the initial decision making process. Our research identified three essential steps in this process.

### 1 Consider the strategic fit of the company with the council's vision

Our research indicates that, at the start of the decision making process, it is essential that councils are clear on what they want to achieve, and have a clear vision of the future and how the company will grow.

For most of the LATCs reviewed, councils had thought about what they wanted to achieve, with income generation being the key focus. However, they neither had a particularly clear vision of the future – beyond the general aim of income generation – nor ideas about exactly how the companies would grow. In some cases, the lack of a vision and agreement had resulted in contention around the company's future strategy. At its most extreme it had resulted in LATCs 'going rogue', taking actions councils did not agree with, and being brought back in-house.

Our discussions with councils indicate that an essential part of the initial decision making process is determining a 'strategic fit'. In certain instances, establishing an LATC may not fit with a council's overall strategy and vision. For example, establishing a leisure company on the basis of income generation may not fit with a strategy of improved public health. Councils also need to think about whether a company structure would support or hinder a move to a combined authority or other forms of devolution.

#### Strategy and vision

**Nuneaton and Bedworth Borough Council** established NABCEL recently. A key factor in determining whether to set up the company was its strategic fit with the council's self-sufficiency agenda and the potential for income generation.

We also found that it is essential to determine what is culturally and politically acceptable. We identified examples where councils had initially considered an LATC even where it did not sit well with the council's culture or would not be politically supported and carried through. This had resulted in considerable delay in some instances in finding a solution for challenged services.

To overcome these issues, it is important that councils undertake a strategic review at the start of the LATC process. A fundamental question that many ask in this process is 'what sort of council do we want to be and will this change help deliver it?' They often supplement this by considering:

- what are the strategic benefits of implementing a new delivery model?
- how will this affect other parts of the strategy?
- do members and senior officers believe it is worth investing time?
- what are the objectives of the new service delivery model?



**It is important that councils undertake a strategic review at the start of the LATC process. A fundamental question that many ask in this process is 'what sort of council do we want to be and will this change help deliver it?'**

**2** Appraise options

An LATC is not the only ASDM. Other models include shared services, outsourcing and joint ventures. Different ASDMs have alternative characteristics and benefits. For example, they have different risk profiles and afford alternative levels of control to councils.

Option appraisal is a mechanism for assessing these different characteristics. This is an essential stage of the process and allows members and officers to debate the characteristics and risks fully. In all of the examples researched, councils did this appraisal fairly and objectively. Many councils commissioned external bodies to undertake the appraisal to ensure that expertise in tax, finance, legality and governance was driving the right decision.

**Option appraisal**

Different service models offer different benefits. It is important that councils recognise and consider these as part of the option appraisal process.

Our research noted one point of concern. In some cases, there were indications that councils could have appraised options earlier and thereby avoided delay further into the process.

**3** Develop an outline business case

The next stage of the business planning process is the production of an outline business case (OBC). This includes outline commercial strategies and business, financial and marketing plans. Councils have improved their business planning processes over the last five years and many of the successful case studies included in this report reflect this.

More generally, for many councils the establishment of an LATC will be a first step into a more commercial world. This increases the risk of producing an inadequate OBC. It perhaps explains why some LATCs have unplanned deficits in the first few years. Our research also identified that some LATCs had spent their first year developing business plans and had made little headway against their objectives. Other common issues identified by our research included heroic performance targets, and excessive levels of anticipated savings. There are also examples of councils having to bail out or dissolve failing LATCs where a good OBC process would have resolved the issues in advance.

Another issue arising from our research is the significant gap between what new LATCs can deliver in their first few years and the expectations of council members and officers. Given that the people, structures and policies will be essentially the same during the first six to 12 months, over-optimistic performance targets are unhelpful. This lack of realistic expectations is often a failure in the business planning process.



**Business planning process**

Common failings from our review include: the lack of a clear business plan for the transfer of other council services into the company; the lack of planning with regard to long-term or working capital financing; and the lack of clear plans with regard to the alignment of terms and conditions within the company.

While we have highlighted some concerns in this process, all of them can be overcome if there is appropriate strategic alignment, option appraisal and business planning.

The most notable example of success is the Norse Group established by Norfolk County Council. The company has expanded significantly since it was established and now has a turnover in excess of £300 million. Good business planning, a shared ethos and commitment from the council and the company have delivered success. In an interview with the New Local Government Network, the managing director said: “The benefits to the local authority of separate trading companies can be significant. But the path there needs careful planning, thorough and robust assessment of the objectives and, most of all, commitment on all sides.”

## Setting up a local authority trading company

Councils need to consider many areas in Setting up a local authority trading company. Based on our market research, our experience and discussions with LATCs and councils, we have highlighted a number of key steps.

### 1 Obtain the right professional advice

All of the councils we interviewed emphasised the need to engage with advisers that they could understand and trust. They saw this as essential to managing a number of risks and strengthening commercial skills, particularly in the areas of legality, finance and tax.

### 2 Company registration

The next step is to register the company. LATCs are registered under the Companies Act 2006. LATCs tend to be companies limited by shares or companies limited by guarantee. Our interviews indicated that the process of setting up the company was easy. Interviewees did indicate that they needed to give some thought to the articles of association because these steer the future direction and governance of the company.

It is important to agree at this stage what action the council would take if the company were to make significant losses. On paper, the 'limited by shares/guarantees' structure limits councils' liabilities. However, we are not aware of any councils that have allowed LATCs to fail without meeting their liabilities. Clarity is needed with regard to what interventions the council will make should the LATC make significant losses. An exit plan should also be agreed at this stage.

### 3 Trading

Step 3 is to consider whether the company will be set up to deliver council services or to trade, or both. This decision will guide compliance with procurement law.

Most LATCs begin with a period where contracts are awarded directly. This allows them time to increase their commerciality before entering markets that are more competitive. The so-called Teckal exemption allows councils to award contracts directly to LATCs and gives the company freedom to trade commercially for up to 20% of its turnover. Both the council and the company need to have clarity in this area.

State aid rules also apply where the company is trading. Some thought needs to be given to any support given, particularly with regard to the issue of grants, and charging for the use of assets and support services.

#### Teckal or trading

**NABCEL** was established immediately as a full trading company so that it would be able to trade externally in the private rented housing market and in any other markets deemed necessary.

**Acivico** was initially established as a 'Teckal' company with a five-year protected contract with the council.

**ip&e Ltd** has been set up with two trading arms to ensure that business can be placed in the most appropriate vehicle to benefit the council.



## 4 People

The motivation and development of the people transferring to the LATC was a recurring and vital theme in our interviews. Most LATCs cited this as a key factor in creating a successful company. Key aspects include creating a commercial culture, building commercial skills, developing staff, removing management layers, and developing a shared sense of purpose and creativity. In most LATCs these changes are made after the company is established but in our experience the process of change can take a considerable period and should be started as soon as possible. We consider the changes made in more detail in the section on ‘Building a successful company’.

For most of the LATCs interviewed, the transfer of people was a key stage in establishing the company. In most instances, the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended (TUPE) applied. This protects terms and conditions and is a complex area. In all instances, councils sought human resources and legal advice to ensure compliance.

Similarly, all the councils/LATCs had to manage the initial impact on morale of the people transferring. At a later stage, some also had to reorganise structures, and had needed to introduce change leaders and commercial training to improve productivity and to create a more commercial culture.

Cheshire East Council made a point of communicating to its people that it was looking at all ASDMs for its waste services and not just outsourcing. Ensuring proper engagement with the workforce on options and considering their views was important in getting people to buy in to the company model.

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*“Engagement with the workforce is key. If you don’t keep them on board and work closely with their representative, you’ll never get there.”*

**Ansa**

Terms and conditions featured prominently as a key business tool in all of the LATCs we researched. Most had reviewed, and many had altered, their terms and conditions. Some offered new contracts to people on the establishment of the company. More commonly, they offered different contracts with revised terms and conditions to new starters with the company.

All of the changes to contracts focused on making the LATCs competitive. Common changes included revised pension schemes and sickness absence policies. Not all of the changes were negative. In one instance, pay was increased to make it comparable to that offered by other firms. In another, a shorter working week was offered in exchange for transferring pensions schemes. Whatever the change, the key component is the need – especially where there is an objective of business growth – to benchmark contract terms against the market.

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*“We haven’t made any radical changes to terms and conditions but we are now able to focus on getting the employee mix right and doing things differently. For example, we have focused on wellbeing measures and employee recognition schemes; and introduced an apprentice programme to recruit and train new people.”*

**Ansa**

## 5 Pensions

Nearly all the LATCs we interviewed saw pension costs as a significant hurdle. Most viewed the cost of funding pension deficits as prohibitive. In all cases, any pension deficit remained the responsibility of the council; or the council issued a guarantee indemnifying the company. Some treated pension contributions as ‘pass through’ costs and added them to contract rates with the council. There was a clear message from LATCs that pension costs needed to remain with the council if the company was to be competitive.

Occupational pensions do not transfer under TUPE. However, transferring people are entitled to access a similar pension scheme to their current one. Most LATCs had therefore gained ‘admitted status’ to the Local Government Pension Scheme (LGPS). While the process to gain admittance is surmountable, the length of time it takes should not be underestimated.

Most of our interviews cited the local authority pension scheme as a significant commercial disadvantage. To overcome this issue, some of the LATCs had introduced new defined contribution schemes for new starters and anticipated reduced costs over time.

An important learning point from the councils we spoke to was to gain early pension advice to understand the full costs and to build these into any financial plans.

## 6 Governance

The next step is to put in place appropriate governance arrangements for the council and the company.

There are a number of practical steps that need to be taken before and after the company is established to ensure appropriate governance. These include agreeing the board chairman, board composition, operational plans, service and financial reporting, risk management processes and legal and human resources processes. LATCs and councils did not flag any of these areas as particularly divisive.

A theme emerging from our interviews was the balance needed between council influence and excessive interference. Striking the right balance can prove difficult and we identified a number of areas of contention between councils and companies. These included:

- whether company profits will be repatriated to council, invested in the company or some halfway house
- what role the council will play in major commercial decisions
- what role the council should take in evaluating the effectiveness of the board and its delivery of strategic objectives
- what the LATC will report to the council and how frequently
- what is the agreed level of internal audit and procurement reviews
- how directors who are also employees of the council should manage their conflict of interest.

Our work identified a variety of solutions available to councils including: procurement controls; shareholder committees or boards; and group reporting arrangements. In our experience, shareholder committees are the most effective means of council governance.

### Case study

#### Norse Group

Effective governance is key to protecting Norse and the councils working with Norse. Over time, Norse has established a clear governance structure that supports its business and provides surety to Norfolk County Council in risk management. Key factors are:

- the two council appointees on the board have double votes and therefore control of company decisions
- a shareholder committee has oversight of the company and receives a quarterly report
- advisory boards are used in key decision making
- each group company has a liaison board that holds the company to account.



### 7 8 Financing and taxation

Most LATCs we reviewed needed some form of working capital loan initially. Without this facility, most would not have been able to operate. In general, this was not contentious and the council made a ‘commercial rated’ facility available. Of more concern to LATCs was the lack of initial investment in the company to enable them to tackle longstanding productivity issues. While this had not stopped the establishment of the LATCs, it had delayed the speed at which they could improve productivity.

Many LATCs interviewed also took advice on taxation issues such as corporation tax, impacts on the VAT 5% ‘test of insignificance’ rule and dispensations and salary sacrifice schemes. However, while most LATCs flagged this as an area where they needed advisers, none considered it to have caused significant operational problems.

*“Don’t make it harder than it needs to be. It could easily have taken three years to make this transition from council services to a company structure.”*

**Ansa**



### 9 Transfer of assets and support service costs

The next step is to agree where the company will operate from and what other assets and support services it will provide.

A common solution is for the council to retain any assets and for the company to pay a fee for their use. This may be a pragmatic solution, but it leaves the cost of maintaining and replacing the assets with the council, and the company without any non-current assets on its balance sheet, which can affect its viability when tendering. Longer-term solutions applied by companies to this issue include cash generation to fund investment and the use of ‘order books’ as collateral on borrowing.

Our research indicates that support service costs are a significant area of contention between councils and LATCs. This is because, perhaps fairly, most LATCs consider council support services to be unresponsive and more expensive than commercial services. As a result, LATCs are keen to divest themselves of the support services to become more competitive. To avoid contention at a later stage, the council and company need to reach clear agreement as to the transition away from council support services. In most of the case studies, there were initial costs to the council in absorbing additional support service costs or related redundancies as part of this transition.



### 10 Performance management and contracting

The final step is to consider the performance and contract management arrangements.

This was another highly contentious area with a number of LATCs raising concerns around excessive contract management from councils. In some instances, this was considered to have affected service delivery and innovation. Significant contract functions are not always necessary. An alternative model is stakeholder committees supported by ‘light’ (reduced) client functions. These appear to strike a better balance between council governance and commercial freedom.

The 10 steps above provide a guide to key decisions. There will be other more localised issues, but a clear focus on the steps above will provide a good foundation for the council and the new company. While these steps are complex, they are manageable and all of the LATCs interviewed had taken a pragmatic ‘can do’ approach.

## *Building a successful local authority trading company*

**There are clear examples of successful LATCs such as CORMAC, Essex Cares, KCC Commercial Services and the Kingstown Works Limited. The newly formed LATCs that we include later in this report as case studies also give hope of further success.**

There are examples of failure and some councils have brought LATC services back in-house. Reasons that tend to be cited in such cases include lack of clear leadership of the company, lack of market research, poor business planning and lack of clarity around the council's role as the shareholder.

A key part of our research and case studies focused on the key steps to building a successful local authority company.

*“At times, it feels as if you are trying to change the engine of a car while it's still moving.”*

**Strata**

### 1 Put the right leadership team in place

The overriding determinant of a company's success is the drive and ambition of the people running the business. All of the LATCs we looked at took care in choosing the right leader. In a number, the CEO also needed to change the leadership team to create the right focus.

### 2 Create the right culture

As highlighted earlier, the motivation and development of people was a key theme in our interviews. Promoting a commercial mindset in the people transferring to the LATC is fundamental to its success, and can be difficult to create. In particular, an environment needs to be created where people are creative (identifying ways to develop and strengthen the business), where they are both accountable but are free to make decisions, and where they are trained, supported and developed. All of the LATCs we visited promoted a culture based on commercialism, learning and a shared sense of purpose.

We identified various methods used by LATCs to create this change. These included the use of 'change agents' (commercial and organisational development managers), restructuring of posts, revised (more commercial) job specifications, and reduced management layers. Others had employed commercial trainers and managers with a commercial background to establish a more commercial approach, or had applied lean systems to refresh and reduce processes.

Whatever technique is used it is clear that building good relationships with people can have a profound impact on the success of businesses. Where there is trust and flexibility, people are more willing to assist and help the company when it needs support. A number of LATCs have embraced this concept, for example, by introducing 'talent management' and business coaching alongside appropriate benefit packages for staff.

#### ASPECTS OF A SUCCESSFUL COMMERCIAL CULTURE





### 3 Reconsider reward

In all industries and organisations, reward including associated terms and conditions is a key mechanism for attracting and retaining people. LATCs used a wide range of tools to reduce costs and to motivate and retain staff. These included improved rates of pay, revised pension schemes, changes in sickness policies to promote the right behaviours and improved benefit packages. More detail of the decisions made by LATCs are included in the case studies included later in this report.

In our experience, there needs to be a continued transition to more commercial reward packages – particularly with regard to pensions – if LATCs are to be successful.

### 4 Build a customer focus

The transition from an internal department to an external supplier held accountable for delivery of performance measures can be difficult for new LATCs. In particular, treating the council as a client can be difficult for transferring people. All the LATCs we looked at had renewed their focus on the delivery of high quality, customer-focused services.

### 5 Build an appropriate vision and gain the commitment of the local authority

An appropriate and shared vision is fundamental to the success of LATCs. Even at the most successful companies, we identified tensions between the company and local authority over future growth strategies, efficiency expectations and people terms and conditions. LATCs need to keep focusing on refreshing and building this vision throughout their lifetime. To be successful, this requires a continuing dialogue between the council and the LATC, co-operation, mutual understanding and trust.

### 6 Prepare for the future

LATCs need to be able to diversify and grow to gain the full benefits available. The council and the LATC therefore need to agree at an early stage on:

- the council's support for growth
- whether they intend to expand into new areas by offering services to other local councils and the private sector
- whether they intend to break into new services or remain with existing service streams
- what processes or supply chains need to change.

While most LATCs want to grow, there is a lack of clarity with regard to these areas. In some cases, there is also a lack of clarity on how to achieve sustainable growth.

## 7 Creating and promoting the brand

Commercial companies invest significant amounts into marketing strategies, brand and market research into growth areas and competition. Some LATCs had already invested in these areas but many were at an early stage. These market processes are just as relevant to LATCs as any commercial operation. As LATCs look to expand, they will need to consider their approach to brand promotion and marketing.

Grant Thornton has worked with many LATCs and continues to support growth in this area. We believe that LATCs have a significant role in supporting local government to become more efficient and will support the move towards self financing councils.

We remain confident that local government will build on the examples of success we are seeing throughout the country.

## 8 Get to grips with costs

We have talked about reward and the actions needed to ensure that terms and conditions are commercially comparable. Many LATCs subjected both non-pay costs and support costs to similar scrutiny. They considered improved accountability, through agreed and delegated budgets and better management information to be essential to reducing pay and non-pay costs. They also saw reducing support service and pension costs as central to becoming competitive.



## 9 Build appropriate risk management and group governance

All business activities come with risk. A key element of making a company successful is understanding what the risks to the business are, and which of those risks can be tolerated. This is no different for LATCs. Both the council and the company need a good understanding of risk if they are to create an atmosphere of trust and suitable support. Some councils and LATCs had not achieved this and continued to be in dispute. Others had appropriate risk management and governance structures and worked in relative harmony.

LOCAL AUTHORITY COMPANIES BUILD THEIR SUCCESS ON A NUMBER OF PRINCIPLES



1

The council and the company being clear on what they want to achieve and having a clear vision of the future and how the company will grow

2

Creating a culture of trust between the council and the company

7

Promoting cultural change and creating a commercial mindset in the people transferring to the new company

3

Making effective engagement with people a reality

6

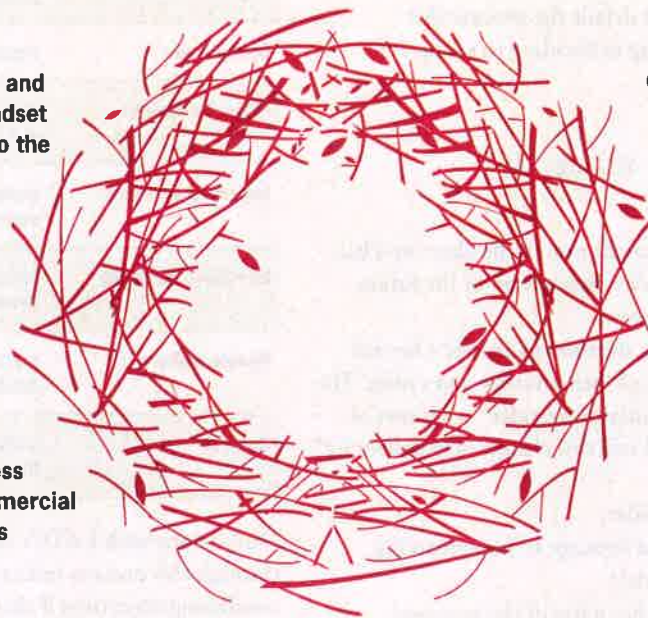
Creating the right business leadership with the right commercial and market facing skills

5

Obtaining professional advice and support where needed in specialist areas including finance, legal, tax and people

4

Ensuring the company structure, governance and its operations are established appropriately



## Section 1

# Deciding to set up a local authority trading company

Over the past few years, councils have seen considerable reductions in government funding, fees, charges and grants. Some are now reaching a point where they will have to reduce the level of service delivered, re-think how to provide services or find other means of generating income.

LATCs offer an opportunity to improve efficiency and income generation, to embrace enterprise and innovation, and to move quickly. Perhaps unsurprisingly, LATCs are becoming a more commonly used structure.

This section of our report details the process that councils should consider using in deciding to set up a local authority company.

### 1 Getting the right strategic fit

In establishing an LATC, councils need to be clear on what they want to achieve, and have a clear vision of the future and how the company will grow.

Councils should make any decision to change a service delivery model in the context of their strategy and vision. The strategic assessment should initially consider “what sort of council do we want to be and will this change help deliver it?”

The council should also consider:

- what are the benefits to the strategy of implementing a new service delivery model?
- how will this impact on other parts of the strategy?
- do members and senior officers believe it is worth investing time in?
- what are the objectives of the new service delivery model?

Establishing an ASDM may not fit with a council’s overall strategy and vision. Our research indicated that a key part of the initial decision making process is determining what makes sense in terms of the strategy. For example, establishing a leisure company to generate income may not fit with a strategy of improved public health. Councils also need to think about whether a company structure would support or hinder a move to a combined authority or other forms of devolution.

Councils vary significantly in their focus and there are conflicting objectives that they need to manage, such as:

<b>Income generation</b>	generating profits that contribute to service delivery
<b>Social value</b>	impacts of growth on communities
<b>Financial savings</b>	delivering comparable or improved services at a reduced cost
<b>Improved services</b>	delivering better or more comprehensive services at the same cost
<b>Increased flexibility</b>	being able to adapt quickly to future developments by using private sector vehicles
<b>People welfare</b>	maintaining the living wage and terms and conditions of people
<b>Control</b>	maintaining control over services to ensure that the council can manage future changes

Discussions with LATCs and councils that had worked through this process indicated a need to prioritise these conflicting objectives if they are to ensure a strategic fit.

### Strategy and vision

**Nuneaton and Bedworth Borough Council** established NABCEL recently. A key factor in determining whether to set up the company was its strategic fit with the council’s self-sufficiency agenda and the potential for income generation.



It is essential to determine what is culturally and politically acceptable. Some councils had considered models such as outsourcing, even where they did not sit well with the council's culture or would not be supported politically and carried through.

**Case study**

**ip&e Ltd**

The overall mission of ip&e Ltd is to deliver better outcomes ... designing everything around meeting customer needs. Retaining a focus on outcomes for local residents has enabled the council and the company to align their strategic vision closely.

Councils should also consider the long-term nature of ASDMs. Certain alternative models can remain contentious for considerable periods. An example of this is Service Birmingham which continues to receive both praise and criticism several years after its establishment. Councils may also consider other services such as leisure, museums or theatres to be central to the council and would not welcome the perceived loss of control from an ASDM.

The success of the chosen model is highly dependent on commitment from all sides. If any particular model is not culturally acceptable it should be excluded from the assessment.

Councils therefore need to be clear about what they want to achieve and which service delivery models are appropriate to their culture and community. In making this decision, engagement with members is key to ensuring that there is political will for change and to avoid embarking on detailed options appraisal for schemes that lack support.

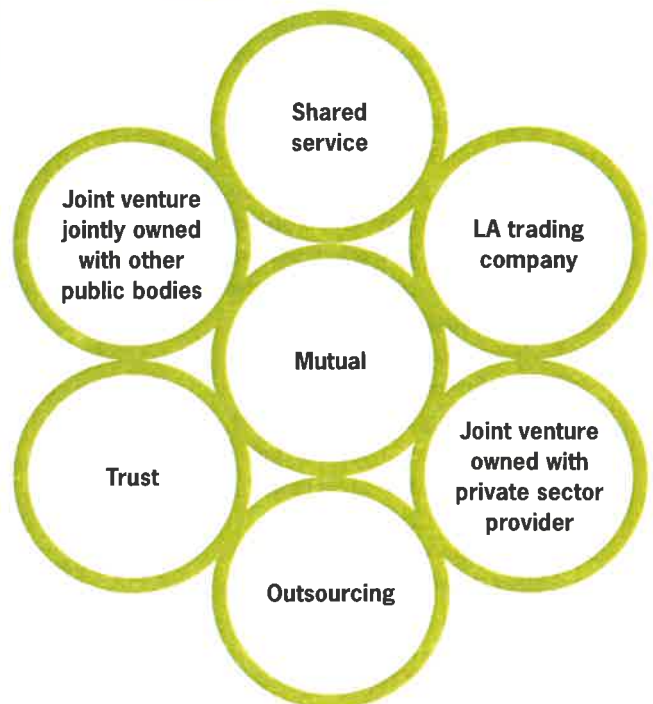
**2**

**Option appraisal – which alternative service delivery model is right?**

An LATC is not the only ASDM. Other models include shared services, outsourcing, joint ventures and the status quo. Different ASDMs have alternative characteristics and benefits. For example, they have varying risk profiles and give different levels of control to councils.

Below we have listed some of the most common models that councils use.

**TYPES OF ALTERNATIVE SERVICE DELIVERY MODELS**



Each ASDM has certain characteristics that councils need to assess before making a decision (see table overleaf).

**Key characteristics of LATCs**

Key features	Financial	Quality	Risk	Control
Creation of a wholly-owned company	Potential to reduce costs but likely to take two or more years to drive change	Potential to improve quality but is dependent on creating cultural change in organisation	Limited risk if providing services solely to council	High level of control retained
Greater freedoms	Savings of approximately 10% to 15% after two years		Greater risk exposure as services are traded to different bodies	
Risk and reward relatively low/slower to achieve	Some risk of loss if business planning is inadequate			
Preferred cultural fit where control or employees are factors				
Used for catering, building control, HR, housing, highways, facilities management, building design, social care, etc				

Option appraisal is a mechanism to assess these different characteristics. This is an essential stage of the process and allows both members and officers to debate fully the characteristics and risks. In all of the examples researched, we identified that councils had done this fairly and objectively.

Due to the level of scrutiny often involved in setting up an ASDM and the significant costs of making the wrong decision, many councils use external advisers to undertake this review. This ensures that expertise on tax, finance, legality and governance is driving the right decision.

**Options appraisal**

Standard options appraisal processes usually include an assessment of the:

- financial cost of the option
- contribution to strategic objectives
- future commissioning decisions for council requirements
- market for services in the present and near and longer term
- impact on service outcomes
- impact on other services
- extent to which risk can be managed.

Councils need to spend more time at the option appraisal stage. After the initial identification of an issue – which is usually financial – many councils begin to look at ASDMs but do not obtain senior officer and member buy-in and do not undertake sufficient preparations such as site visits or trade union negotiations. Consequently, they need to revisit option appraisals at a later stage, which can create significant delay.

A key message from our research is that, getting the right advice, appropriate buy-in and undertaking appropriate planning of the option appraisal process can avoid months of delay.

**Case study**

**Buckinghamshire Care**

The council paused the outsourcing process and considered a wider range of options for the delivery of services at day opportunity centres. The options appraisal recommended the preferred model of an LATC, with an expanded scope beyond day services.

## 3

## The outline business case

Where a council decides to establish an LATC, the next stage in the process is commonly the production of an OBC. Without an adequate OBC, the council will struggle to determine whether the business is likely to be a success and the LATC is likely to spend its first year developing business and finance plans instead of making headway on its objectives.

Councils have generally improved their business planning processes over the last five years. Many of the successful case studies in this report reflect this.

Some risks do remain. In particular, for many councils the establishment of an LATC will be a first step into a more commercial world. This increases the risk that the councils will produce an inadequate OBC. For example, some of the LATCs we looked at:

- had needed a council bail out or been dissolved
- had unplanned deficits in the first few years. A common issue flagged by LATCs was the inclusion of heroic performance targets or high levels of anticipated savings
- flagged significant expectation gaps between what they considered to be deliverable and the expectations of councils. Our research indicated that there is often increased expectation of improved performance in the first six months of a company's life. Given that the people, structures and policies will be essentially the same, this is over-optimistic.

All of these issues are avoidable with better business planning processes and due diligence of plan assumptions. Where managed successfully, the 'pay back' can be significant.

## Areas and questions often used in OBCs

Key areas	Key questions
<b>Strategic direction</b>	Are the objectives of the business model set out clearly and are these aligned with the strategic direction of the council?
<b>Business activity</b>	What service activities are included in the scope of the new company?
<b>Employment matters</b>	Have management capacity, TUPE, pay inflation and pension issues been considered appropriately?
<b>Support services</b>	What agreement has been reached over the provision of support services?
<b>Assets</b>	Does the business case identify significant assets and their proposed treatment?
<b>Governance arrangements</b>	Have the council and LATC reviewed governance arrangements and legal implications?
<b>Financial planning</b>	Are appropriate financial plans in place, and are they aligned with council spending plans? Have key financial assumptions been assessed?
<b>Markets</b>	Have market and growth assumptions been revised for reasonableness?
<b>Measuring outcomes</b>	How will success be measured?
<b>Exit strategy</b>	At what point should the council exit the arrangement?

**Without an adequate OBC, the council will struggle to determine whether the business is likely to be a success and the LATC is likely to spend its first year developing business and finance plans instead of making headway on its objectives.**



### Successful OBCs can pay significant dividends

**Birmingham Airport** has made significant dividend payments to the West Midlands Councils.

**Norse** delivers an average 10% saving on service delivery costs.

**Kingstown Works Limited**, owned by Hull City Council, has returned over £3 million to the council in surpluses.

**Essex Care** was established in 2009 and was the first adult care provider. It delivered significant surpluses up to 2013.

**Ubico** delivers environmental services. Since it began trading in 2012, Ubico has delivered savings of £2.5 million and the company is on target to achieve the forecast saving of £5 million in the first five years of trading.

### LATCs can make a loss

Common forms of failure arise due to: over optimistic growth assumptions; lack of sensitivity analysis with regard to future council budget assumptions; lack of modelling of revised contract terms, for example from block- to activity-based; and changes in methods of service delivery, for example from direct care to preventative services.

In particular, where LATCs have not diversified services, this can leave them highly exposed. In some instances, councils have needed to liquidate LATCs and bring services back in-house.

While we have highlighted some concerns in the initial decision making process, all of them can be overcome if there is appropriate strategic alignment, option appraisal and business planning. We highlight four case studies for Buckinghamshire Care, NABCEL, Streetwise and Mersey Gateway Crossings Board, who have successfully overcome these challenges.



## Case study 1

## Buckinghamshire Care

Buckinghamshire Care was set up in October 2013 to provide day care and reablement services in Buckinghamshire.

In 2012, Buckinghamshire County Council took a decision to outsource the Day Opportunity Centres and a market testing exercise resulted in a muted response from providers. The council paused the outsourcing process and considered a wider range of options for the delivery of services at day opportunity centres. The options appraisal concluded that there was no ideal model for the delivery of day services alone and recommended a preferred model of an LATC with an expanded scope beyond day services.

The LATC aimed to address three challenges. Services needed to adapt to demographic pressures alongside increasing personalisation. Financial constraints required an ambitious and innovative approach. It needed to develop options for income generation.

Subsequently it developed a strategic business case. This set out a clear rationale for the establishment of an LATC that would:

- deliver the required savings in the medium-term financial plan without having to cut services through the LATC's ability to improve performance, productivity and income
- be able to trade with self-funders and direct payment users
- grow more commercially to generate more income and share benefits with the council
- enable the council to fulfil its responsibilities as provider of last resort
- enable the council to reduce in a planned way the support service overhead
- enable the council to reduce the value of the contract over time as direct payments increase and therefore avoid double running costs
- support the creation of a more commercial service that is able to compete with other providers, enabling a future market test.

The first phase focused on undertaking due diligence, defining the strategic direction of the LATC, developing company governance and management arrangements and specifying the support services required by the LATC.

The council remained 100% shareholder, thereby retaining a role in scrutiny and a level of control.

The council also obtained legal advice on its Teckal exemption.

In establishing the governance structure, the council wanted to offer the LATC directors sufficient control to drive the growth and development of the company. It aimed to maintain strong links between the council and the company through the shareholders' scrutiny group, thus ensuring the company's direction is in line with the council's objectives, particularly regarding reablement and working with health services. The council also wanted to have the flexibility to incorporate additional services in the future.

The structure it established was as follows:

- LATC board managing two separate companies. One is a service delivery company and one is a support function company
- The board reports to the shareholder scrutiny group and this covers the shareholder scrutiny relationship
- The council support services and contracts unit have a contract monitoring and support services management relationship with the support company
- Both companies are limited by shares and the sole shareholder of both companies is the council. The structure provided the flexibility to add another company to deliver additional services in future if required. The governance and scrutiny is conducted through the board
- The support company is unregulated and includes the management and back office support people
- The care company is regulated and covers the day opportunity services, employment services, laundry services and reablement.

Continues ...

## Case study 1

## Buckinghamshire Care (continued)

The shareholder scrutiny group includes two council members, section 151 officer, director of adult services, commissioning director and contracts manager. The group meets quarterly and aims to hold the company directors to account for the quality and value of the services provided to the council.

The group is an essential component for the council to exert control and influence over the company and therefore meet the requirements of the Teckal exemption. The structure aims to achieve a balance between the council's need to control and influence and the space the company needs to develop to achieve the council's aims.

The company board is legally accountable to the shareholder – that is, the council – for the operations of the company. The board is responsible for setting the strategy and operational decisions to meet the objectives of the company. The board consists of an independent part-time chair, managing director, finance and commercial director and two or three part-time, non-executive directors, with the potential to include a service user representative.

The reporting structure is:

- the board to the commissioner (the commissioning director and the contracts manager) covering routine contract management
- the board to the shareholder scrutiny group covering quarterly performance reporting
- the board to the cabinet covering formal presentation of the annual accounts and report.

The LATC was established to buy back council support services for a minimum period of two years to minimise disruption to business. For each support service, a service level agreement was put in place covering outline costings and service specification.

In establishing the LATC, the council's forecast is that the company will secure savings of £2.25 million over five years, which are delivered through a reduced contract price.

The company started trading in October 2013 and the initial focus was on setting up appropriate internal governance while establishing the company in the marketplace. This involved establishing relevant management structures to deliver a good quality, safe service to customers and ensuring that the company operates within appropriate revenue and cost targets.

The company's future strategy aims to expand the services it offers and transform service delivery to meet the needs of the rapidly changing social care marketplace. The strategy intends the company to grow the customer base by providing services designed to offer choice, inclusion, independence and support opportunities for both individuals and their communities. Future growth of the company is anticipated through three main areas:

- additional service contracts with its major customer – the council. Two additional services have already been delivered by the company since April 2014
- retail growth of its supported employment services. For example, the farm (see below) is now open to the public for longer
- growth of private client numbers across all services – there has been a steady monthly growth since the beginning of April 2014.

The supported employment services included a farm which is open to the public who pay to visit. There is a café and garden centre on the site. The company changed the opening hours to include weekends and bank holidays. To do this, the company had to negotiate revised contracts with the TUPE people to cover seven day opening. The company provided clear business reasons for the change. As a result, the farm is showing increased revenues with employees offering suggestions on potential future improvements.

The company has expanded its activities and is now offering a gardening service. With the growth in activities and private client numbers, the company has had to assess its Teckal exemption earlier than expected. Work is ongoing with advisers to create a structure that enables the company to expand in a way that complies with tax and legal requirements.

The company continues to use the council's support services as it is within the initial two-year period. It has renegotiated the specification of the services to reflect the flexibility and agility of support that the company needs.



**The LATC was established to tackle three issues: personalisation of services, financial constraints and the need for income generation.**

## Case study 2

## NABCEL

NABCEL is a recently established, wholly-owned company of Nuneaton and Bedworth Borough Council. The council has set itself the long-term goal of being self-financing. NABCEL is part of this wider strategy and was established to provide the council with income streams that it may otherwise not be able to achieve.

The first income stream that the council has developed is the provision of housing in the private rental market. The council purchases properties through its general fund and then leases the properties to NABCEL (operating lease), which rents the properties out at market rates. The portfolio includes a mix of new and older properties in need of improvement. For the latter, the council is responsible for bringing them up to standard and can therefore reclaim the VAT on the works completed. An initial allocation of £1 million has been included in the capital programme to fund acquisitions. The properties are not subject to right to buy.

The council completed an options appraisal and a sensitivity analysis as part of the business case for the lettings business stream. It will also do this for the other business streams when they consider starting them up. The next business stream to consider as a trading operation is building control services. It is preparing a five-year business plan.

The company's board structure comprises two non-executive directors – the council's director of finance and director of housing – and three executive directors who are councillors. NABCEL has an AGM, which takes place at a full council meeting, as the council is the only shareholder in the company. NABCEL has board meetings but there is no review by the council's scrutiny or audit committee.

The council sought legal, accounting and tax advice before setting up the company.

Performance of the lettings income stream is managed through reports to the board on indicators such as income, number of tenants, voids and bad debts.

So far, the company has achieved the council's aims, although development of the business has taken longer than planned as NABCEL does not yet employ people to focus purely on the company. The ultimate aim is for it to have a company director once it has established additional business streams. The council currently provides support services to NABCEL and charges for these.

The key actions that the council have needed to take so far have been:

- ensuring appropriate officer and political buy-in across the council and showing how important NABCEL is to its strategic self-financing vision
- creating a commercial mindset about how the company should function and how it differs from other council services
- dealing with the logistics such as how its accounts are put together, Companies House requirements, VAT and corporation tax requirements
- ensuring that appropriate marketing of the properties are in place. Interestingly, while some potential tenants were put off renting a property due to links with social housing, others have welcomed the association with the council and its quality standards.



**The council completed an options appraisal and a sensitivity analysis as part of the business case for the lettings business stream. Both officers and members see the company as key to becoming self financing.**

## Case study 3

## Mersey Gateway Crossings Board

The Mersey Gateway Crossings Board Ltd is a wholly-owned subsidiary of Halton Borough Council. It operates as a not-for-profit organisation, set up with the delegated authority to deliver the Mersey Gateway bridge project and to administer and oversee the construction and maintenance of the new tolled crossings. These include the tolling of the existing Silver Jubilee Bridge.

The board's terms of reference and delegated authority are expressed in a governance agreement with the council. The purpose of the Mersey Gateway Crossings Board is to manage the contracts between Halton Borough Council and the Merseylink project company throughout the construction and subsequent operation of the infrastructure project over a 30-year contract period.

Before the company was established, the council had already worked with other local councils and businesses to get the project approved, to obtain funding and to progress the scheme through the procurement phase. As the project moved into the construction phase, the drive for the company structure came from the Department for Transport, which stipulated this as part of its grant offer.

Unlike other local authority companies, the Mersey Gateway Crossings Board is set up neither to provide greater flexibilities nor to secure savings, but to deliver and manage a specific scheme with a small team of people and some technical advisers, working at arm's length from the council. When the project enters its operational phase, this independence from the council is thought to be key. This is because the tolling arrangements designed to fund the project require commercial decisions which may be perceived to conflict with social and economic considerations.

Establishing the company at this earlier stage gave the project team time to deal with the growing pains and learn from their experiences at a stage in the project when independence from the council was not so critical. The management team recognise that, when setting up the company, it was difficult to know what they would be doing and when financial close would be, so they needed to adapt to change.

At times, they 'have had to sprint when they would have preferred to jog'. For example, procedures are working but management acknowledge that they are not as well defined and documented as they would have liked. The formal contractual and governance documentation is in place and is necessary but the success of the project relies on key relationships and flexibility of the partners to make things work.

With the transition into a company structure, the council's chief executive is to act as interim CEO of the Crossings Board for two years. This continuity has been important as it provides a

'foot in lots of camps' and helps to ensure that the pragmatic and informal discussions, which are key to the relationships between the different parties, can continue through this transition period.

This does, however, mean that all parties have to be mindful of the perceived threat to independence. The leader of the council and the portfolio holder for resources are also members of the Mersey Gateway Crossings Board along with two other non-executive directors and the two executive company directors. To avoid any conflict of interests arising, the council has amended its officer delegations, and members are required to declare their interests and withdraw from any decision making associated with the project.

No people transferred into the new company under TUPE. Instead, some people gave up their jobs at the council and took on a new role in Mersey Gateway Crossings Board. As a result, the company has the freedom to set terms and conditions that are appropriate to its business plans. Pension arrangements provided for former council employees to continue to participate in the local government pension scheme. This is because the company operates as an admitted body to the scheme but there is a new defined benefit scheme for new people not previously employed by the council.

The management team highlight a number of factors that they consider are critical for success:

- Set up a new venture well before you need the company to start operating. It takes more time than you think to address teething problems, so it is far better to have it up and running before you reach any critical milestones
- Invest in good quality financial and legal advice that offers some independence from the sponsor council and can reflect the commercial nature of the new venture aside from the social implications that are aligned with the council's responsibilities
- Focus on the practical impacts of ASDMs on the public. Remember that the public generally do not care who is providing the service. They may not draw a distinction between the responsibilities of the different organisations, nor attribute any communications to the right party. But the public will nevertheless expect you to route their questions, concerns or complaints appropriately and deal with them promptly
- Above all, ensure you have the right people to run the organisation.

## Case study 4

## Streetwise

Rushcliffe Borough Council is pursuing an innovative social franchise model for its long-standing Streetwise service, which provides a growing range of environmental, grounds maintenance and on-street services.

Since Autumn of 2014, Streetwise has operated as a wholly council-owned trading company subject to a Teckal exemption. This protects the core contract with Rushcliffe while allowing the company to demonstrate its competitiveness in the marketplace by trading work with the public and private sectors.

While continuing to clean and maintain the borough on behalf of the council, Streetwise has branched out to offer new services to businesses and public bodies including schools, parishes, sports clubs and voluntary organisations. It is still early days for the company, but there are promising signs for the future including a major contract about to be announced in the Nottingham area and work being commissioned by neighbouring boroughs.

The Streetwise workforce has benefited from the transition through access to a wider range of work and training opportunities, as well as flexible working and reward schemes that it has implemented successfully.

Social values and principles of local growth and employment are central to Streetwise. Through seeking to partner with small businesses, employing locally and offering routes to work for homeless and long-term unemployed residents, the company hopes to provide increasing social as well as economic and environmental benefits.

The Streetwise brand is also important. As well as providing a distinct identity for existing and future employees, Streetwise is already a visible and respected brand within the borough and Rushcliffe is recognised as one of the cleanest places in the country.

Building on this brand, the bold next step for Streetwise is to develop a social franchise model. This will enable other organisations to partner with Streetwise and provide services under a recognised banner while accessing the supporting infrastructure that Rushcliffe intends to provide.

The franchise model is seen as a way of de-risking and managing the cost of expansion for Rushcliffe, while offering other organisations a way to potentially reduce costs and improve service quality.



## Section 2

# Setting up a local authority trading company

Based on our market research, our experience and discussions with LATCs and councils, we have highlighted a number of key steps to consider when setting up an LATC.

### 1 Obtain the right professional advice

All of the councils we interviewed emphasised the need to engage with advisers that they could understand and trust. For many councils, the process of setting up a company will be unfamiliar so the right advisers are seen as essential to managing a number of risks and strengthening commercial skills – particularly in the areas of legal, finance and tax.

*“Make sure you invest in proper legal advice, as this is essential. Employ the right people and then trust their decision. It was important for us to recognise that, as local authority officers, we don’t necessarily have the right skills to set up companies, so we needed to use people who do.”*

Strata

### 2 Company registration

LATCs are ‘registered’ companies under the Companies Act 2006. The company is responsible for its activities, and its finances are separate to the finances of the council(s). LATCs tend to be companies limited by shares and companies limited by guarantee.

As part of the registration process, the company will need to prepare a memorandum of association and articles of association. Our interviews indicated that these are essential documents that will drive the strategy and governance of the LATC. Those involved need to spend sufficient time on getting these documents right.

On paper, the ‘limited by shares/guarantee’ limits councils liabilities. However, we are not aware of any councils that have allowed LATCs to fail without meeting their liabilities. Councils should consider at this stage what action they would take if the company did make significant losses and have an appropriate exit plan.

#### Characteristics of LATCs limited by shares and guarantee

Companies limited by shares	Companies limited by guarantee
The council is the main shareholder holding the majority of the share capital. The council’s responsibilities for the company’s financial liabilities are limited to the value of the shares it owns.	There is no share capital. Companies are guaranteed, usually by a nominal amount. The company must have one or more members, (rather than shareholders).
A company limited by shares: <ul style="list-style-type: none"> <li>• is registered at Companies House</li> <li>• has articles of association and directors</li> <li>• is subject to all the requirements of the Companies Act.</li> </ul>	A company limited by guarantee: <ul style="list-style-type: none"> <li>• is registered at Companies House</li> <li>• has articles of association and directors</li> <li>• is subject to all the requirements of the Companies Act, except those relating to shareholding.</li> </ul>
Company directors are not personally responsible for debts the business cannot pay, although this exemption does not apply where the law has been broken.	Company directors are not personally responsible for debts the business cannot pay, although this exemption does not apply where the law has been broken.
Unless the company is a public limited company (PLC), it may not offer shares or debentures to the public. There are few examples of LATCs that are PLCs.	

#### Case study

### Birmingham Airport

One of the main examples of a company limited by shares is Birmingham Airport. This company is partially owned by the West Midlands Metropolitan Councils but also has private sector ownership. The company continues to innovate, for example, by expanding runways, and continues to make a significant contribution to local councils through dividends and the support of business growth in the area.

### 3 Trading

Councils have significant powers to trade with each other and with other sectors. They can use the Teckal exemption in the early stages of a company's life to establish a market foothold. The key advantage of Teckal is that the company can enter into partial competition and retain the right to have contracts awarded directly by the council without competition.

Step 3 is to consider whether the company will be set up to deliver council services or to trade, or both.

In England and Wales, councils have powers under the Local Government Act 2003 to set up companies to trade with a view to making profit in areas relating to any of their existing functions. The Localism Act 2011 includes a general power of competence, which allows councils to do anything an individual or company may do, as long as other legislation does not prohibit it. Potentially, councils in England can trade in a wide number of service areas across the UK.

The impact of the 'procurement legislation' on the trading company differs depending on who the company trades with and the level of trading activity. We have summarised some of the key considerations in the following table.

#### Focus of local authority trading companies

Key focus	Key considerations
<b>Delivery of services to the council</b>	A council or councils may set up a wholly-owned subsidiary company, which is solely concerned with delivering a service back to that council(s) but does not trade with other organisations. This is likely to qualify for the Teckal exemption (now codified in the Public Contracts Regulations 2015) from procurement rules, which means that the council(s) can pass work to the company without having to put it out to competitive tender.
<b>Delivery of services to the council and some commercial services</b>	A council or councils may set up a company, which, in addition to delivering a service back to the council(s), will undertake a level of additional trading with other councils, public bodies or the private sector. Within certain trading limits (see Table 6), the company is also likely to qualify for the Teckal exemption.
<b>Delivery of all services on a commercial basis</b>	A council may set up a company to deliver services on a commercial basis to both the public and private sectors. The company is subject to European Union procurement regulations and the council can only give it work in compliance with those regulations. In all likelihood, the LATC will win all work via competition.

The Teckal case established that, under certain circumstances, a contract let to a company will not count as a public service contract if "the local authority exercises over the person concerned [that is, the company] a control which is similar to that which it exercises

over its own departments and, at the same time, that person carries out the essential part of its activities with the controlling local authority or councils". These two elements are known as the control and function tests.

#### The Teckal control and function tests

Test	Key considerations
<b>Control test</b>	The control test has been interpreted through various court cases. Essentially, there can be no private ownership of the company, the council(s) must have decisive influence over the strategic objectives and decisions of the company, and the constitution must be such that the purpose of the company is similar to that of the council(s). In summary, the council must be able to demonstrate that it can exert control in a similar way to that exercised over its own departments.
<b>Function test</b>	The function test concerns the level of activity undertaken for the local authority owner(s) and that carried out for other bodies. The case established that the majority of the company's activities must be carried out for its public sector owners. The activities carried out for others must be of marginal significance. The procurement directive requires that at least 80% of the activity of the Teckal company – that is, over 80% of its total turnover – must be for its public sector owners.  Any contracts with other public sector bodies or private sector entities will not benefit from the Teckal exemption and the company will have to tender in the ordinary way for such contracts in accordance with any applicable procurement legislation.

The Teckal exemption has been codified into a new EU Directive 2014/24, which has replaced Council Directive 2004/18. This has been transposed into UK law by the Public Contract Regulations 2015. Recital 32 of the directive confirms that: “...the controlled legal person carries out more than 80% of its activities in the performance of tasks entrusted to it by the controlling contracting authority or by other legal persons controlled by that contracting authority.”

The use of the Teckal exemption is complex and is subject to challenge. All of the LATCs and councils that we spoke to had sought legal advice before awarding work directly to their wholly-owned company, and before deciding to trade commercially. Some were monitoring their commercial trading activities closely to remain within the trading limits. Others had used group structures to set up joint ventures with other councils to allow work to continue to be awarded directly to the LATCs. A key consideration as LATCs grow and become more successful is whether they can continue to demonstrate the control test.

### Advantages of the Teckal exemption

The Teckal exemption potentially allows councils to:

- (in comparison to trading companies) establish new companies with reduced risk to the council and employees
- initially protect the company from market pressures
- generate income that can be used for other public services
- increase competition locally by allowing the companies to test the market via competition
- work co-operatively to identify economies of scale and service improvements.

Step 3 is to consider state aid legislation. State aid rules prohibit state aid, in whatever form, that could distort competition and affect trade by favouring certain undertakings or the production of certain goods. Examples of state aid include providing loans or grants or provision of support services below market rates.

In most of the cases we reviewed, LATCs considered that they were paying a commercial rate for all of the services received from the council. Our discussions with many newly established LATCs indicate that they could procure support services at a cheaper rate than those charged by their sponsor council. None considered that there was a risk with regard to state aid.

#### Case study

#### ip&e Ltd

Shropshire Council has ensured that it has not provided state aid to its trading company ip&e Ltd by charging for all support services including accommodation. This is in contrast to its provision of free accommodation to some of its other suppliers. However, the decision has ensured that the council is free from legal challenge.



**The use of the Teckal exemption is complex and is subject to challenge. All of the LATCs and councils that we spoke to had sought legal advice before awarding work directly to their wholly-owned company and before deciding to trade commercially.**



4 People

The motivation and development of the people transferring to the LATC was a recurring and vital theme in our interviews. Most LATCs cited this as a key factor in creating a successful company. Key aspects include creating a commercial culture, building commercial skills, developing staff, removing management layers, and developing a shared sense of purpose and creativity. In most LATCs these changes are made after the company is established but in our experience the process of change can take a considerable period and should be started as soon as possible. We consider the changes made in more detail in the section on 'Building a successful company'.

For most of the LATCs interviewed, the transfer of people was a key stage in establishing the company. In most instances the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended (TUPE) applied, protecting people's terms and conditions. This is a complex piece of legislation and, in all instances councils sought human resources and legal advice to ensure compliance. Under TUPE law, the contracts of employees must be transferred in full with all terms and conditions of employment remaining the same, from pensions to holiday entitlement.

There remains some flexibility within TUPE. People can voluntarily opt to change terms and conditions, and some LATCs had taken this opportunity to offer revised terms and conditions to transferring people. There is also an option to vary the terms of the contract one year following transfer. Also TUPE does not apply to new starters. In many cases LATCs had taken the opportunity to review terms and conditions of new starters. Our research indicates that changes to terms and conditions had helped the LATCs reduce costs, become more competitive, and safeguard jobs.

The decision to alter contracts and the continuation of contracts is not always simple. Companies need to consider any changes against equal pay and other legal requirements. They also need to consider them against policy initiatives such as the living wage. Companies should also benchmark the terms and conditions against the market as this will heavily influence the ability of the LATC to drive savings and compete for commercial contracts.

Case study

CORMAC

Cost savings have been achieved by being able to set different terms and conditions. The initial TUPE transfer of staff to CORMAC gave employees the opportunity to move to CORMAC contracts. Take up of the CORMAC contracts was significant. Key changes were on the sickness policy, with CORMAC not paying the first three days of sickness. This was mitigated with increases in rates for overtime pay and unsocial hours, where the council was struggling to offer competitive industry rates. In addition, a small bonus based on a profit share of the company was also part of the new CORMAC contracts.

Case study

Norse

In consultation with people and trade unions, service provider Norse has, where necessary, made a number of changes to terms and conditions. Norse is clear that this is not a pre-requisite to establishing a company but it can make the company more competitive and recognise market conditions. In some instances, this has resulted in increased salaries where the market conditions allow. For council contracts, many staff continue to have the same local government terms and conditions. However, Norse is clear that on commercial contracts it is not possible to offer people final salary pensions.

Norse has negotiated national agreements with four trade unions and its recent people surveys indicate a 94% people satisfaction rate for the company.

All of the LATCs interviewed were clear on the importance of good people relationships. They spent a significant amount of time communicating with people at the start of the project to ensure buy-in to the company. Many had also maintained strong trade union relationships, and offered significant benefit packages such as training, people consultation and social funds.

## 5 Pensions

Pension costs are a significant hurdle in the establishment of an LATC. New LATCs saw the cost of funding pension deficits as prohibitive. In all of the cases we looked at, pension deficits remained the responsibility of the council or it issued a guarantee. In some cases, the LATC treated increases in pension contributions as 'pass through' costs and added them to contract rates with the council. There was a clear message from LATCs that pension costs needed to remain with the council if the company was to be competitive.

Occupational pensions do not transfer under TUPE. However, transferring people are entitled to access a similar pension scheme to their current scheme. Most LATCs we looked at had therefore gained 'admitted status' to the local government pension scheme (LGPS).

Regulations require that to obtain admitted status the company must operate for a purpose other than gain and have sufficient links with a scheme employer to have a community interest; or provide a service or asset in connection with the exercise of a function of a scheme employer. The LATC may also be required to enter into an admission agreement with the trustee authority for the local scheme. While this is surmountable, our experience is that the length of time it takes to get the arrangements in place should not be underestimated.

In the short to medium term, most LATCs move to defined contribution schemes for new people. They see this as a pragmatic way to manage costs and to ensure their competitiveness. However, it takes time to fully transition to all people having a defined contribution scheme. A number of the LATCs we interviewed were clear that while people remained in the LGPS they were unlikely to be fully competitive in the market.

### Case study

#### Norse

Norse requires that past and future pension liabilities arising from final salary schemes remain the responsibility of the council. These are significant costs and it is not possible for companies to manage these liabilities. Norse agrees a contribution level as part of the contract and changes in liabilities remain the responsibility of the council. Any changes in pension contributions are a pass through cost of the contract. On many contracts this has enabled staff to remain within the LGPS.

### Pensions – key considerations

- Where the pension scheme is in deficit, who is responsible for the deficit funding and how will this affect employer contributions in the future? This can have a significant impact on a company's viability or leave the council with large unfunded costs
- Who is responsible for any potential pension liabilities that would arise should the company fail?
- Who is responsible for any potential pension liabilities that would arise should the company not undertake the specific contract that was a condition of employees being admitted to the LGPS scheme?
- How will any pension liability be treated on the opening balance sheet of the company? It may result in a deficit balance sheet, which may present difficulties when bidding for additional work or raising additional finance
- What form of pension scheme will be offered to new starters to the company?



## People and pension considerations

- Are you clear on the costs associated with the transferring workforce?
- Are there sufficient skills and expertise in the organisation to manage the transfer? Is additional legal or professional advice necessary and what are the costs?
- Who will manage the process and has sufficient time been allowed for all the necessary workforce consultation?
- How will communication with transferring people be managed?
- How will pension arrangements be made?
- Have discussions been held with any new pension scheme regarding admission criteria?
- Has sufficient time been built into the plan for admission agreements to be granted?
- Has the impact of any pension liabilities upon cessation been considered? How would these be mitigated?
- Has the impact on morale and people performance been considered?

## 6 Governance

Appropriate governance arrangements are important to both the council and the company. Our recent reports, 'Governance steps up a gear' and 'Plotting a new course to improved governance', provide practical information and guidance on ensuring appropriate governance of commercial bodies.

*"An effective board develops and promotes its collective vision of the company's purpose, its culture, its values and the behaviours it wishes to promote in conducting its business."*

**Financial Reporting Council 'Guidance on board effectiveness'**

*"The board should establish formal and transparent arrangements for considering how they should apply the corporate reporting and risk management and internal control principles and for maintaining an appropriate relationship with the company's auditor."*

**UK Corporate Governance Code, main principle C.3**

There are a number of practical steps that need to be taken before the LATC is established. These include agreeing the board chairman, board composition, division of responsibility between board members, meeting frequency and auditors. After establishment, it becomes important that the company develops an appropriate strategy, operational plans, service and financial reporting,

risk management processes and legal and human resources processes. LATCs and councils did not flag any of these areas as particularly divisive.

In all the cases that we looked at, the council had membership on the LATC board to enable it to influence the activity of the company. In some cases, the council board members had double votes to ensure that the council retained control of the company – a Teckal requirement.

### Case study

#### Ansa

The company's board includes council elected members appointed as directors. The challenge to the board is to ask the right questions of management to get the best out of the business.

A theme emerging from our interviews with LATCs and councils was the balance between council influence and excessive interference. It is important that the company board is allowed to deliver the strategic and operational plans of the company without excessive interference from the council, audit or procurement. It is equally important that appropriate governance structures are established to safeguard councils from excessive risk taking or poor performance.

The parties need to strike a balance between the LATC's rights and those of the council.

Operational management, corporate reporting, risk management, internal control and audit are the responsibility of the LATC board. The LATC is under no obligation to appoint the same external auditor, to have an internal audit service – or, if it does have one, to share internal audits reports – nor to report to council audit committees. However, councils need oversight of LATC activities and assurance that the LATC is following the strategic direction agreed, is not taking excessive risks and is delivering its service and financial performance.

In our experience, shareholder committees are an effective means of council governance. They provide:

- an effective focus for the contact between the company's management and the council
- a mechanism to communicate the shareholders' views to the company
- a means to evaluate the effectiveness of the board and the delivery of the company against strategic objectives.

If there is no shareholder committee, then group governance arrangements should operate to safeguard the council.

### Governance solutions

Our research identified a variety of solutions available to councils including:

- **procurement controls** – some councils had retained significant procurement oversight of the LATC. We discuss this further in step 10 but note that this was often seen as contentious by LATCs
- **shareholder committees or boards** – these are subcommittees of the council, comprising elected members and key officers reporting to cabinet
- **group reporting arrangements** – these are operated in a similar way to those in the commercial sector and ensure regular reporting of performance and financial information to officers within councils and to cabinet. For larger LATCs, we anticipate as a minimum narrative reporting on its strategy, business models, key performance indicators and key risks.

### Case study

#### Ansa

The governance structures put in place include a holding company and board to review the company's performance, consider the wider consequence of the board's decisions and to approve developments outside of the company's business plan.

The LATC is under no obligation to appoint the same external auditor, to have an internal audit service – or, if it does have one, to share internal audits reports – nor to report to council audit committees.

## 7

## Financing a local authority company

Agreement needs to be reached as to how the company will be financed – in particular, what working capital it will need to trade and whether the overall cashflow is sufficient to sustain trading/delivery of services.

Most LATCs that we reviewed had needed some form of working capital loan initially. Without this facility, most would not have been able to operate. In general, this was not contentious and the council made a ‘commercial rated’ facility available.

An area raised by some LATCs was the lack of initial investment in the company to enable it to tackle longstanding productivity issues. While this had not stopped the establishment of the LATC, it had delayed the speed at which it could improve productivity.

Other issues raised by LATCs were:

- the need to buy stock relating to its business and its trade debtor book from the council. This also needs to be financed
- the need to manage cash balances effectively. Most local councils hold significant cash balances so cash management is not an area of concern. This is not the case for new LATCs and thought needs to be given to cash management policies and processes, especially as delaying payments to suppliers may not be politically acceptable.

While an important step, the majority of LATCs we interviewed did not see their initial financing as an area of significant concern.

## 8

## Tax

The main taxes affecting business decisions for LATCs are corporation tax, value added tax and employer taxes. The LATCs interviewed did not consider this a particularly contentious area. However, they said that they did need external advice in this area.

### Key tax considerations

#### Corporation tax (CT)

CT is levied on the profits made by LATCs. Not all LATCs are subject to CT. Where the LATC is trading solely with the council, there is potential to apply to HMRC for a CT dispensation. However, as the company moves away from trading solely with the council this will become harder to retain. There is also some potential, where the council owns more than one LATC, to reduce tax liabilities through group relief, the offset capital gains or by considering inter-company charges and transfer pricing. Given the high profile nature of taxation, LATCs need to consider what is acceptable to the council and the public.

#### Value added tax (VAT)

Most LATCs will need to register for VAT. Key considerations are the VAT treatment of the goods or services provided, the ability to recover the VAT charged and the 5% ‘test of significance’ rule for exempt supplies. For example, LATCs cannot normally recover VAT on costs associated with the provision of welfare services, whereas councils can. Inappropriate planning can leave councils with unexpected costs.

#### Employer taxes

Councils are used to managing their employment tax obligations. For employment tax, the rules applying to councils are the same that apply to LATCs. However, there are practical considerations such as the need to: run separate payrolls (separate PAYE and CIS references should be used); agree any dispensations and settlement agreements with HMRC separately to the council; set up salary sacrifice schemes independently; and review any tax implications arising from changes in terms and conditions – particularly those arising from TUPE.

## 9 Transfer of assets and support service costs

Councils should consider what assets, if any, should transfer to the LATC. In many instances, we found that the local authority retained the assets – such as accommodation, vehicles or equipment – with the company paying a fee for using them.

While this may be a pragmatic solution, it leaves the cost of maintaining and replacing the assets with the council, and the company with a balance sheet without any non-current assets. LATCs also need to think about how they can generate capital to self-fund replacement assets or what collateral they can use to support borrowing. Longer-term solutions that companies have applied to this issue include cash generation to fund investment and the use of ‘order books’ as collateral on borrowing.

Our research indicates that support service costs are a significant area of contention between councils and LATCs. This is because, perhaps fairly, most LATCs consider council support services to be unresponsive and more expensive than commercial services. As a result, LATCs are keen to divest themselves of the support services to make themselves more competitive. To avoid contention at a later stage, the council and company need to agree on the transition away from council support services.

In most of the case studies we looked at there were initial costs to the council in absorbing additional support service costs or related redundancies as part of this transition. These costs are an inevitable part of the LATC process.

**Acivico** has a three- to five-year arrangement allowing it to move away from council provided support services.

**Norse** provides support services directly to any newly established company and does not continue with council provided support services. At times, it may accept the transfer of some support people, but in general, it is the council's responsibility to restructure support services within the council and to absorb any financial impacts.

## 10 Performance management and contracting

Performance management arrangements often cause conflict and it is important that these are designed to promote behaviours that benefit both parties. This was a significant area of concern for LATCs. Reasons for this include insufficient time allowed to implement changes before contract terms are enforced, or excessive assessment from procurement. One company indicated that it had five full-time procurement people dedicated to contract management. In some instances, this was considered to have affected service delivery and innovation.

Significant contract functions are not always necessary. An alternative model is to use stakeholder committees, liaison boards and ‘light’ client functions. These appear to strike a better balance between council governance and commercial freedom.

This is not to say that contracts and contract monitoring should not be in place. The more difficult question is the level of scrutiny and the period of grace granted to LATCs to improve performance.

While there are numerous steps that need to be considered in setting up an LATC, they can all be overcome with good planning. The following case studies – ip&e Ltd, Strata and Ansa – show how they have successfully overcome these challenges.

### Case study 1

#### ip&e Ltd

In May 2012, Shropshire Council committed to becoming a strategic commissioning council. ip&e Ltd was established to support the council in its vision to grow and develop out of the financial restraint it found itself in. ip&e Ltd stands for inspiring partnerships and enterprise and is a company wholly-owned by the council and limited by shares.

The overall mission of ip&e Ltd is to deliver better outcomes by creating and delivering top quality services and designing everything to meet customer needs and maximise public profit. Retaining a focus on outcomes for local residents has enabled the council and the company to align their strategic vision closely.

The directors of ip&e Ltd and the chief executive of the council consider that the greatest benefit of the company is the ability to work closely together to redesign services around the customer. This leads to savings and improves overall outcomes. Experience has shown that working together has led to a clear, shared understanding of goals in relation to outcomes. The company has the freedoms and flexibilities to embrace new and interesting ways of working while retaining the public sector ethos.

While the company is keen to progress quickly, it has been careful and measured in its approach to date. In August 2013, the council's media, PR and marketing team moved across under the title 'ip&e Communications'. From April 2014, the business design team was created, comprising Shropshire Council's programme management office and business design team. By March 2015, ip&e Ltd had 21 employees.

The ip&e communications team has supported customers in the local government and housing sectors, while also providing communications for the local office of the police and crime commissioner. Since its transfer to ip&e Ltd, the team has enjoyed steady growth and delivered improvements to clients in the fields of reputation management, emergency communications and brand development.

The business design team has led the redesign of many council services to date, most notably adult social care, transport and waste. In these cases, the business design

team supported existing council employees to think differently and change their own processes and systems to orientate around the whole needs of the customer. This has resulted in:

- a more efficient pathway for the service user or more efficient way of delivering the service
- greater impact on longer-term outcomes, for example, public health and education standards
- reduced call on council services by reducing demand or engaging other providers within the health or voluntary sectors
- smaller teams, which the company has managed through natural turnover of people so far.

It has measured success by improved outcomes or service targets, and by listening to the customer. An example of this success is the national acknowledgement that Shropshire Council has the lowest spend on adult social care services in the country, while maintaining the highest levels of satisfaction with the members of the community they work with.

The approach has bucked the national trend of cutting services in response to financial pressures, and instead focused on proactively helping and encouraging people to live healthier lifestyles, reducing or delaying the need for formal social care services. ip&e Ltd's business design and communications teams worked closely with Shropshire Council, concentrating on outcomes for customers and not just how to cut budgets.

They helped design and communicate the service from scratch, using an evidence- rather than opinion-based approach to finding out what works. This delivered tangible outcomes for residents and the council so that 73% of people calling its customer service point had their enquiry dealt with in the first instance, far outperforming other local authorities in the country. Together, an operating model was created that understood local residents' demands and responded rapidly to their needs.

Continues ...

## Case study 1

## ip&amp;e Ltd (continued)

ip&e Ltd is keen to expand the business design team's capacity, so that it can increase the speed at which it supports the council's services. This will also develop spare capacity so that it can market and sell their service redesign expertise to other providers.

While the company does want to drive to further efficiencies and deliver profits, these are seen as 'profits with a purpose' as they will all be reinvested in Shropshire on projects to improve wellbeing and outcomes for people in the county. Initially, to support the council in meeting its cost saving targets, the services have been transferred with contracts that reduce in value. This ensures that savings are delivered. It will direct anything in excess of this, as set up in the annual business plan, to support investment and dividends to the council, as appropriate.

While still a relatively new venture for the council, ip&e Ltd is aware that it still faces challenges to enable longevity and sustained delivery. The cabinet has been supportive of ip&e Ltd and had realistic expectations on the speed of services transferring and the financial return expected. There have been honest conversations and both sides are aware that this is a journey to become sustainable and not just a hasty, ill-thought-out rush to get to market. There is clear thinking and an agreed approach to success.

The ip&e Ltd directors confirmed that they have learned lessons in the early operation of the company. Areas where they have strengthened or are strengthening their performance include:

- **business planning** – while there is a rolling three-year business plan in place, the company also prepares an annual plan, which is approved by cabinet. This plan has and will continue to remain live to enable a rapid response when opportunities present themselves
- **individual business cases** – each service has a business case to support its transfer. Initially, these business cases only included service costs. However, ip&e Ltd and the council are working to develop a costing approach that includes overheads and on-costs to strengthen the information. Overheads and accounting for pension on-costs have been a significant cost for the company to date. Understanding the full cost is crucial when marketing and selling a service to others and it affects overall profitability
- **maintaining a strong balance sheet and I&E** – any organisation considering a contract with ip&e Ltd will undertake due diligence, so it is imperative that the financial health of the company is not compromised and significant liabilities, for example LGPS pension transfers, are supported appropriately and proactively by the owning authority. ip&e Ltd and the council are still working out how they manage these

- **TUPE** – legislation makes the transfer of people complex. While it is not uncommon for delays in transfers, the council has been able to second some people into ip&e Ltd while TUPE issues are worked through in a timely and supportive manner. This has provided more time to consider the issues while maintaining the momentum for transition, which is positive for driving the cultural change necessary
- **governance arrangements** – it is a fine balance to remove the unnecessary public sector bureaucracy in a private sector setting but maintain arrangements that still meet the corporate governance code and ensure that sufficient, robust, timely information is reported to provide the necessary assurance to the council. This will develop over time as a greater proportion of the council's services transfer, increasing the financial value and risk relating to the arrangements.

ip&e Ltd will receive the majority of Shropshire Council's services and the council will transform into a commissioning organisation estimated to require around 400 employees. Both parties have made steady progress with tendering and winning work outside Shropshire with particular success within Inspire to Learn, a joint initiative between the council and ip&e Ltd. This growth will support the council in delivering its vision to be financially self-sufficient.

Council services that are scheduled to join ip&e Ltd over the short term include:

- **business support and regulatory services** – to include a full range of planning, building control, environmental health, trading standards and licensing services
- **Inspire to Learn** – a partnership between Shropshire Council and ip&e Ltd, bringing experience in providing education services, such as school meals, education advice, library and music services together
- **Help2Change** – a range of health services to prevent illness and improve wellbeing, including: NHS health checks; Help2Quit; and Help2Slim.

Challenges will include the development of commissioning skills within the council. Another will be ensuring that contract negotiations remain flexible and focused on the overall vision. This vision is to deliver top quality services and focus on outcomes for local residents.



## Case study 2

## Strata

Strata was formed as a collaboration between Exeter City Council, East Devon District Council and Teignbridge District Council. The three councils own and control it equally and have set it up to provide ICT services to all partners. The company has a turnover of £6 million and employs 70 people across the three council sites. It also owns all the ICT infrastructure required to deliver the services. The project was also awarded a Transformation Challenge Award of £970,000.

The biggest driver in the formation of the company was the need to reduce costs while retaining a skilled group of people with a degree of resilience for the service. IT professionals across the county recognised that, with the current funding pressures, they were looking at having to make cuts to areas such as maintenance or insurance of ICT. These changes would increase the risk profile for the service, at a time when many other areas of the efficiency agenda were looking to IT to help them achieve savings in the medium to longer term.

Discussions with other public bodies across the county evolved over two years, until a natural partnership between the three district councils emerged. Various initial business cases were produced, looking at collaboration with other bodies and outsourcing as options. However the strongest case was for the formation of a mutual trading company. Officers and members of the three councils were quick to embrace the formation of the company. Final approval was granted on 31 July 2014, and the company started trading on 1 November 2014.

The key factors in getting to this point have been:

- a high level of commitment from all three councils at both officer and member level. Throughout the project, chief executives, leaders of the councils and directors have all worked together effectively to achieve the overall aim. Key decisions were made early in the process, and these have formed a solid foundation on which to build the business. Where issues have arisen, the key principles that have been followed are “the need to be grown up and keep your eyes on the prize”
- procuring the right specialist advice has been crucial, particularly around legal issues, but also for corporation tax and VAT. Officers recognised early on that, given their backgrounds and skill set in local government, it was important to gain access to the appropriate knowledge and support. A key part of this advice was the correct formulation of the company, which would ensure that the corporation tax liability was limited and that the company could pass maximum savings back to the three councils over the long-term

- the three councils have shared provision of support services, with each taking a lead on a particular stream. This helped improve the level of engagement and continued the commitment of the councils to the company
- all the people TUPE-transferred across to the new company remain members of the LGPS. The new company has only taken on responsibility for pension arrangements for future years. The original employing councils have taken on the deficit associated with these members. Effective communication with all people involved has helped ensure that the project has been implemented with few issues.

The company is in its infancy and some issues remain as work in progress, most notably the governance arrangements and performance monitoring. The governance arrangements were considered and included within the initial business case and this has been carried through.

The company board consists of an officer from each council involved and the chief operating officer. The board reports to the joint executive committee (JEC), which in turn consists of the three leaders of the councils involved with the three chief executives co-opted on.

All decisions must be unanimous and there is a framework that outlines the roles and responsibilities of those involved. It is also clear on the types of decisions that need to go back to each individual council for consideration and approval. The JEC has yet to meet, so the arrangements have not been put into practice.

Prior to the formation of the company, the performance of the individual ICT services was based on a custom and practice approach with no formal measures in place. In setting up the company, officers are keen that a framework is in place, including how prioritisation of projects and day-to-day activities are made from the resources of the company across the three partner councils. This is a key area that is currently under review.



**The biggest driver in the formation of the company was the need to reduce costs while retaining a skilled group of people with a degree of resilience for the service.**

## Case study 3

## Ansa

Ansa is a company owned and controlled by Cheshire East Council, set up in April 2014 to provide environmental services.

In 2012, the Council had originally approved a procurement route for household waste and recycling services, driven by the need to make efficiency savings and to plan for the renewal of waste contracts. In 2013, the Council set out its move towards strategic commissioning and an ambitious programme of service transformation, exploring ASDMs. With a renewed impetus for change, the Council approved a Teckal exempt, wholly-owned company limited by shares encompassing waste and recycling, fleet management and streetscape services.

Whereas the prospect of outsourcing had unsettled staff, this new direction along with a focus on effective engagement with the workforce, meant that the launch of a new arms-length company was better received. Noting the engagement with the workforce to be key, management are keen to encourage a 'can do' culture within the business, with all staff playing their part in identifying opportunities and ways of doing things differently to maximise the value of the services they provide.

Although Ansa has not done anything radical to employee terms and conditions, they can now do some things differently without exposing the Council to any significant risks. For example, the company has focused on wellbeing measures, employee recognition schemes and introduced an apprentice programme, one step in getting the staff mix right for the new business.

For the first few years, the company is committed to buy its support services from the Council, which provides stability during the transition as the company ensures its financial systems are fit for purpose and establishes more commercial practices in areas such as income collection. The challenge though is to ensure that the company's service needs are well defined and if costs are higher than they might be from an external provider, the company is able to drive efficiencies out of other aspects of its operating costs.

The company needs to grow its income stream in order to maintain and invest in the quality of its service but this strategy is within the framework of the Teckal company structure. Early developments have focused on identifying where the company has capacity within its existing resources, for example, introducing a pilot scheme for commercial waste collection and providing large goods vehicle training solutions. These services may be on a relatively small scale but, as well as covering costs, serve to build the reputation and brand awareness of the company, and establish networks to promote future service developments.

Reflecting on the process to set up the company, Ansa's management recognise that the project team were focused on managing the council's risks rather than the company's needs. They made sure that the project governance arrangements were in place, such as gateways for review and approval, but these processes needed to be carefully balanced against the need to progress the scheme and to be flexible and responsive.

The governance structures put in place include a holding company and board to review the company's performance, consider the wider consequence of the board's decisions and to approve for developments outside of the company's business plan.

The company's board includes council elected members appointed as directors. The challenge to the Board is to ask the right questions of management to get the best out of the business. The board is finding an appropriate balance for engagement at the right level, information to monitor and direct strategy and sufficient detail to inform decision making. Performance indicators are included in the contract but management have different and wider measures of success (eg staff survey results, health and safety performance, workforce statistics) that are being developed.

Throughout, management consider it is important to demonstrate how well they are doing, and that this is through their own efforts – not something that the council is doing for them. One year on, the challenge is to keep the momentum going.



**For the first few years, the company is committed to buy its support services from the council, which provides stability during the transition as the company ensures its financial systems are fit for purpose and establishes more commercial practices in areas such as income collection.**

## Section 3

# Building a successful local authority trading company

There are clear examples of successful LATCs such as CORMAC, Essex Cares, KCC Commercial Services and the Kingstown Works Limited. The newly formed LATCs included in this report as case studies also give hope of further success.

There are examples of failure and some councils have brought LATC services back in-house. Reasons that tend to be cited in such cases include the lack of clear leadership of the company, the lack of market research, poor business planning, and lack of clarity of the council's role as shareholder.

There are a number of key determinants to making a successful company. The drive and ambition of the people running the business is an essential characteristic of successful LATCs. This also needs to combine with the establishment of the right culture in the company and positive support and commitment from the local authority. Furthermore, if the company is to grow it needs to focus on innovation, expansion into new markets and diversification.

We have summarised the key steps that will affect the success and growth of LATCs below.

### 1 Put the right leadership team in place

The overriding determinant of a company's success is the drive and ambition of the people running the business. All the LATCs we looked at had taken care in choosing the right leader.

For a number of LATCs, the introduction of a new CEO was not sufficient, and they needed additional changes to the leadership team to create the right commercial focus. Where this occurred, it was supported by some form of re-organisation to introduce new management structures and/or the employment of managers from the commercial sector.

One interview described the management re-organisation as 'untypical' to the public sector. Instead of allowing voluntary redundancy to all people, the company decided to retain those best fitted to the roles. It rewrote management job descriptions to fit a more commercial approach, and required those in management positions to re-apply. While the cost was significant in terms of redundancy, the LATC established a reduced and more focused commercial management team.

Making this transition takes a bold and courageous leader. It has to be managed well and communicated effectively to all levels of the organisation to ensure that people understand the rationale for why their management team has changed.

### Common reasons for failure

It is possible for LATCs to make a loss. Common causes of failure are: weak leadership; poor business planning; lack of council support; over optimistic growth assumptions; lack of sensitivity analysis with regard to future council budget assumptions; lack of modelling of revised contract terms, for example, from block to activity based; and changes in methods of service delivery, for example, from direct care to preventative services. In particular, where companies have not diversified services this can leave them highly exposed. In some instances, councils have needed to liquidate companies and bring services back in-house.

## 2 Creating the right culture

Promoting cultural change and creating a commercial mindset in the people transferring to the LATC is fundamental to its success. All of the LATCs we visited promoted a culture based on commercialism, learning and a shared sense of purpose. They used the following methods to do this:

- **promoting a commercial culture** – a common thread from our review was concern about inheriting low standards of quality and productivity and poor processes. One company director described an ‘active resistance’ amongst some parts of management and people in reaction to change. This ‘active resistance’ is unsustainable and has resulted in a robust response from leadership teams. One company we spoke to had employed change agents to create the necessary cultural change. Others had looked at restructuring of posts or reviewed job specifications to introduce more commercial objectives into roles. Whatever the action taken, it is clear that establishing a commercial culture is critical to success
- **building commercial skills** – the change to a more commercial environment is a significant one. Some public sector employees may not have worked in a commercial setting before. Thought needs to be given to how to create a commercial mindset and an entrepreneurial approach to service delivery. Some of the LATCs we visited had employed commercial trainers and managers with a commercial background to establish this. Others had applied lean systems to refresh and reduce processes
- **removing management layers** – local government is a hierarchical system. The LATCs we interviewed indicated that removing management layers and devolving authority to frontline managers can improve performance significantly by increasing the speed of decision making and by allowing improvements in customer focus and innovation

### Case study

#### Shropshire Council

Shropshire Council has identified that shifting people into its company, ip&e Ltd, enabled many to flourish and feel less constrained by perceived bureaucracy. Employees were more confident to make suggestions for innovative changes to services. This benefited the service as they had a greater appreciation of the user’s experience.

- **improving information** – providing clearer management and financial information is essential in creating a commercial culture. A number of LATCs had strengthened both financial and performance information, enabling faster decision making and clearer accountability
- **performance management** – our experience is that objective setting and regular performance reviews are irregular in the public sector. Some of the LATCs reviewed took a more active approach to areas such as sickness management and underperformance
- **develop a shared sense of purpose** – building good relationships with people can have a profound impact on the success of businesses. Where there is trust and flexibility, people are more willing to assist and help the company when it needs support. A number of LATCs have embraced this concept. For example, one LATC introduced ‘talent management’ where emerging talent was identified and additional freedoms delegated alongside coaching. The development of new managers aligned to the vision had significantly benefited the business.

ASPECTS OF A SUCCESSFUL COMMERCIAL CULTURE



*“The staff now have a ‘can do’ attitude and are less risk averse, thinking about what the business can do to maximise the value of the services we provide.”*

**Ansa**

*“We believe that, from an employee’s perspective they found it easier to align with a growing company, and get on board with the vision. Many see the company as more stable than the council environment they came from which was frequently undergoing cuts and restructures. Now the workforce is getting cost of living increases which is something council workers are not getting. There is a real sense that everyone throughout the organisation is on board with the key objectives. Business unit managers are given more flexibilities, which is enabling growth and, as a company, we are starting to see some real entrepreneurs. People are genuinely excited to be given opportunities to grow their areas of speciality and are enjoying new challenges.”*

**CORMAC**



### 3 Reconsider reward

In all industries and organisations, reward – including associated terms and conditions – is a key mechanism for attracting and retaining people. We have seen LATCs use a wide range of tools to reduce costs and to motivate and retain staff. These included improved rates of pay, revised pension schemes, changes in sickness policies to promote the right behaviours and improved benefit packages.

Over its lifetime, an LATC may employ staff with different terms and conditions. This can be difficult to manage. LATCs with these arrangements will need sound human resource support to ensure that they treat employees in accordance with their contracts.

A key message from the interviews is the need for freedom for LATCs to move to more commercial terms and conditions if they are to offer comparable costs to the private sector and drive efficiencies.

### 4 Building a customer focus

The transition from an internal department to an external supplier held accountable for delivery to performance measures can be difficult for new LATCs. In particular, treating the council as a client can be difficult for transferring people. All the LATCs we looked at had renewed focus on the delivery of high quality, customer-focused services.

Our case studies also indicate that there is a shift in relation to ‘who is the customer?’ Traditionally, the customer has been the service user, but LATCs also need to regard service commissioners as customers. The main commissioner will usually be the council, but this could also include other public sector bodies and private companies as the portfolio base is expanded.

Based on our research, it can take considerable time to create this customer-focused mindset in people. The renewed focus on the customer needs to start as soon as the LATC gets the green light, rather than waiting until it starts trading.

### 5 Building an appropriate vision and gaining the commitment of the local authority

As we have discussed, establishing an appropriate strategic vision and the commitment of the council to the vision is fundamental to the success of LATCs. Our research showed a significant tension between some LATCs and their sponsor council.

We have already highlighted a number of areas of contention such as concerns over growth strategies and repatriation of profits. Our research into more established companies also highlighted that the initial vision may include the provision of a single service with a view to provide the services to other councils or commercially. Some councils have chosen to add other services in later, which has affected the risk profile and business knowledge of those running the LATC. While this is not necessarily the wrong thing to do, it does need appropriate planning.

Some of the costs of established LATCs are linked to decisions about the terms and conditions of people including the living wage and pension costs. In certain instances, this will result in the company being more expensive than the private sector. It is important that both sides understand this clearly as policy decisions can significantly impact on the commerciality and future of the LATC.

As the LATC develops, its vision and strategy and those of the council need to be refreshed. To be successful, this requires a continuing dialogue between the council and the LATC, co-operation, mutual understanding and trust.

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*“While still a relatively new venture for the council, ip&e Ltd is aware that there are still challenges facing them to enable longevity and sustained delivery. The cabinet has been supportive of ip&e Ltd and had realistic expectations on the speed of services transferring and the financial return expected. There have been honest conversations and both sides are aware that this is a journey.”*

**ip&e Ltd**

## 6

## Preparing for the future – growth, diversification and innovation

As LATCs develop, they are often presented with opportunities to diversify or invest in new ideas. If the strategy is to expand, it is important to have a clear view on:

- whether they intend to expand into new areas by offering services to other local councils and the private sector
- whether they intend to break into new services or remain with existing service streams
- what processes or supply chains need to be changed
- the council's support for growth.

Our research indicates that, while most LATCs want to grow, there is a lack of clarity with regard to these areas including council support for diversification.

For a council to gain the full benefit of the LATC, it will need to diversify and grow. Where opportunities do arise, each opportunity should be considered as a standalone proposal, supported by its own business case and financial plan. The LATC should show how each proposal will integrate with existing structures and governance arrangements.

*“The company needs to grow its income stream in order to maintain and invest in the quality of its service, but this strategy is within the framework of the Teckal company structure. Early developments have focused on identifying where the company has capacity within its existing resources.”*

Ansa

*“The strategy intends the company to deliver growth in the customer base by providing services designed to offer choice, inclusion, independence and support opportunities for both individuals and their communities.”*

Buckinghamshire Care

In considering plans for growth, diversification and innovation, our research indicates that companies also need to think about company structures, access to finance, the market and support. Areas to consider include:

- **the structure of the company** – as some LATCs have grown, they have created a number of wholly-owned subsidiaries which in turn hold investments in a number of joint ventures. Careful thought needs to be given as to the most appropriate structure
- **researching the market** – understanding the market is essential. Research into council markets (for example, the appetite of other councils to outsource services), commercial markets and competition (for example, how many suppliers are already in existence) will provide a sound platform for growth
- **ensuring appropriate access to finance** – our research highlighted this as a contentious area. For example, is the expectation that the company will reinvest its profits to allow expansion, or repatriate them to support the local authority? If it repatriates them, what borrowing will the company undertake to finance the business, and how will the local authority support it in raising this finance. LATCs are likely to need investment to replace capital equipment, invest in new products or to take on new contracts. Thought needs to be given to the development of business plans that show clearly how investments will be financed
- **connect with a network of ambitious business leaders** – we identified numerous support mechanisms available to LATCs including Local Enterprise Partnerships and various government sponsored programmes such as Growth Accelerator and Manufacturing Advisory Services. Connecting with the business community and obtaining the support available is a key factor in successful LATCs.

## Case study 1

## Acivico

In 2012, Birmingham City Council approved the transfer of urban design and building and consultancy services into a special purpose vehicle called Acivico. This was established as a wholly-owned company of the council. As well as providing ongoing services to the council, Acivico was structured so that it could provide services to other councils and to allow other councils to transfer services into the company structure as subsidiaries.

The council aimed to identify alternative proposals for innovative service delivery that would transform the business, protect the public sector ethos and respond to the fiscal challenges facing the council. The establishment of a wholly-owned company model was seen as the best mechanism to achieve these aims.

The council identified a number of financial advantages including cost reduction and the generation of target surpluses that Acivico would return to the council from the company's profits. One of the company's main objectives was to grow its business and maximise income. Achievement of this objective was based on a five-year exclusivity agreement for council work and expanding service provision to other public sector organisations.

Acivico has been running for two years, and the management team have faced a number of challenges.

A major test has been the transition of the workforce to Acivico. The creation of a commercial culture has been essential. Acivico has re-organised management and people structures to create the needed change. While this has been costly in the short term, management consider that it needed this change to create a more commercially focused company. Alongside this, they have introduced change management agents and commercial managers to create a more customer-focused organisation.

Other challenges have been changing the methods of working and raising quality standards and customer focus. The focus has been on moving away from a 'command and control' structure to create a more open operating environment with greater delegated authority and more innovation. Spotting emerging talent and greater delegation have been important mechanisms to create the change needed.

Relationships with the council have not always been easy. At times, the focus has been on contract compliance rather than a partnership approach. The company considers that a more rigorous review of contract conditions, key performance indicators and monitoring arrangements prior to signing the contract would have resulted in a better outcome for both the company and the council.

The team has also focused on cost reduction. As well as streamlining its own internal procedures and team, the company has needed to reassess the cost of support services to enable it to be competitive. A blended outcome has resulted, with human resources and legal people transferring to the company, other services moving to a 'pay as you go' contract, and others going to external procurement.

The company is planning to take over further council services such as catering and cleaning. It also focuses on external growth and has been successful in facilities management contract tenders with Virgin Trains and Heart of England NHS Foundation Trust.

The operational director said: "There was an expectation that we would transition to a commercial company overnight. This was not possible and we have needed to deal with an 'active inertia' in some parts of the company to create change. The organisation has become more commercial over the last two years but it is a continuing journey."

A major test has been the transition of the workforce to Acivico. The creation of a commercial culture has been essential. Acivico has re-organised management and people structures to create the needed change. While this has been costly in the short term, management consider that it needed this change to create a more commercially focused company.





## Case study 2

## CORMAC

CORMAC is a wholly-owned company of Cornwall Council, which has been trading since April 2012. Having been trading as a Highways Direct Labour Organisation since 1982, and using the CORMAC brand since 1992, CORMAC was well placed to be set up as a local authority company. The company was formed as a result of a strong vision from the council, and seen as a way to make cost savings whilst also finding a way to expand its trading activities. Two companies were formed – a Teckal company for the work passported from Cornwall Council, and a trading company. The combined turnover is in excess of £100 million, with over 90% of this coming from the council. The vast majority of the work is in highways maintenance and construction, but CORMAC is a diverse conglomerate with eight separate divisions.

The Council is clear that it is not just about achieving savings. In its first two years of operation, CORMAC has increased its client base, while offering increased job opportunities for the people of Cornwall. Staff who transferred into CORMAC are engaged with the new direction, with staff surveys showing that 84% of people are prepared to go the extra mile to deliver the vision.

Getting to this point has not been easy, and as the company continues to grow there remain challenges ahead. The key factors in getting to this point have been:

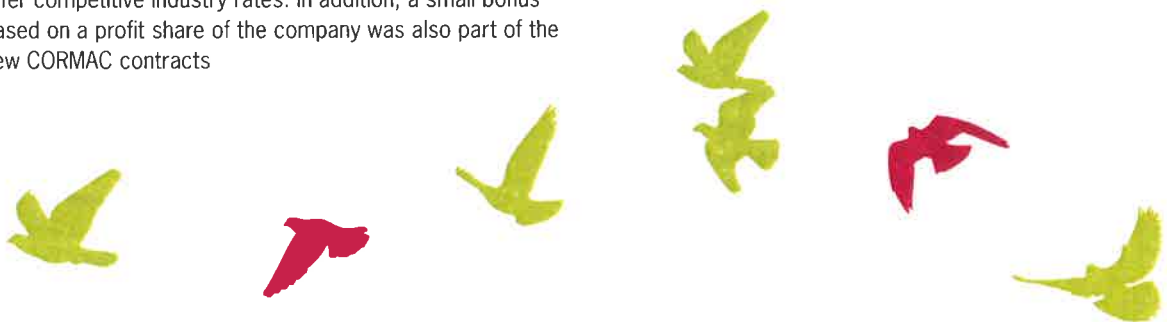
- a good understanding of the market. The current managing director of CORMAC already had good relationships with his peers and a deep understanding of the industry. This has enabled the company to build on market opportunities and grow
- cost savings have been achieved by being able to set different terms and conditions, and offer alternative pension schemes rather than the LGPS. The initial TUPE transfer of staff to CORMAC gave employees the opportunity to move to CORMAC contracts. Take-up of the CORMAC contracts was significant. Key changes were on the sickness policy, with CORMAC not paying the first three days of sickness. This was mitigated with increases in rates for overtime pay and unsocial hours, where the council was struggling to offer competitive industry rates. In addition, a small bonus based on a profit share of the company was also part of the new CORMAC contracts

- liquidity was a new issue for the company, and a working capital loan was needed from the council for the first year, and a further revolving loan in future years to ensure the company could grow. The company has also needed to balance its own need to create a working capital balance against the needs of local businesses and the council's priority of paying suppliers on time
- the pension liability remains a significant issue. The council needed CORMAC to pay for their pension liability, and to build this into their rates. However, slightly increased rates makes them more expensive which can impact on competitiveness. Accounting for the pension liability created a problem in terms of the balance sheet, but also the challenge around goodwill – the corresponding entry to having the deficit on – which caused issues around amortisation with HMRC. Eventually it was kept off the balance sheet by adding a guarantee, but it continues to create a problem as the legislation changes. This is an area that is revisited regularly in terms of how best to ensure the deficit is funded.

The continuing challenges for the council include:

- the complexities of the tax regime
- how best to deliver support services to the company and the role that the council plays in that
- developing a greater understanding of the governance issues for both officers and members
- the dichotomy of trying, at times, to operate as a public sector body in a private sector world.

Going forward, CORMAC sees commercial opportunities and partnerships with other local councils as the future, while the council describes the current position as a “nice little corridor between the public and private sector”.



## Case study 3

## Norse

Norse Group is a wholly-owned company of Norfolk County Council. The group brings together NPS (property consultancy), Norse Commercial Services (facilities management) and NorseCare (a social care provider). These companies are wholly-owned subsidiaries of Norse Group. Both NPS and Norse Commercial Services have a significant number of joint venture companies that are partially owned by the companies (80%) and the councils they have entered into partnership with (20%).

Norse Group is by far the largest and most successful LATC in the country and has an annual turnover in excess of £300 million. Collectively, the group's companies employ over 10,000 people nationwide. The group has made significant cost savings and efficiency improvements for the councils involved, providing a clear example of what local authority companies can achieve.

Achieving so much has not been a short-term undertaking and the board member, Peter Hawes, is clear that local authority companies should be seen as long-term ventures, should focus on growth and trade and should not be set up to simply deliver efficiency savings within council services.

Norse is also clear that it is possible for a local authority company to be competitive, to retain an appropriate focus on service and to act as a caring employer.

Norse highlights four critical success factors:

- the company needs to stand free of the council and have the ability to set its own direction and make management decisions without referral back to the council. It also needs freedom to provide its own back office services as better information and more timely support services are a key driver of change and the reduced costs are needed to compete commercially
- there needs to be an agreement that the company can transition away from council terms and conditions and move towards commercial terms and conditions that allow it to compete in the market. Norse is clear that this does not mean worse terms and conditions. Rather, the focus is on comparable market terms and conditions that allow it to compete commercially
- the company needs to be in charge of its own finances and have the ability to reinvest in its services and growth. From its inception, Norse has been able to retain 50% of its profits and has used these funds initially as working capital. Over the last few years, the profits have been used increasingly for capital projects as an alternative to borrowing

- the company must be able to bid for other work. The ability to diversify the services provided and to have a greater income base has enabled Norse to increase its service expertise, to benefit from economies of scale and to manage short-term performance issues or market downturns from a secure financial position. Norse considers that the key benefits of an LATC will only be delivered if it is allowed to grow and trade.

In Norse's experience, strategic alignment, option appraisal and due diligence are essential in deciding to set up a local authority trading company. Through experience, Norse now has a very fast take-on process for new ventures and companies. From the point of agreeing to work with a council, Norse can set up the joint venture and transfer services within six to 12 months. However, in the group's experience, most councils need to do more preparation before deciding to set up a company by themselves or before considering establishing a joint venture.

Important reasons for councils to look at an LATC are efficiency pressures or issues with contract delivery from within the council or a service provider. Norse's experience is that it can take up to three years before services are transferred to a joint venture with Norse or a local authority's own company. Causes of delay include the need to undertake a full option appraisal, getting officer and member buy-in, site visits and trade union negotiations. Norse recommends that councils undertake a strategic assessment and a full option appraisal when they start to look at ASDMs. These can reduce the timescales significantly.

Effective governance is key to protecting the councils working with Norse and the company. Over time, Norse has established a clear governance structure that supports its business and provides surety to Norfolk County Council in the management of risk. The governance structure has also ensured compliance with the Teckal requirement for Norfolk County Council to retain control. Key factors are:

- the board of Norse consists of five directors. These are the directors of the group companies and two council appointees, one of which is the chairman. The two council appointees have double votes and therefore have control of company decisions
- it has established a shareholder committee. This includes the nominated shareholder. This committee has oversight of the company and receives a quarterly report. A six monthly report is also taken to the council's policy and resources committee. Reports cover strategy, performance, investment and finance

Continues ...

## Case study 3

## Norse (continued)

- the use of advisory boards for important decisions. Norse is aware that a more usual board structure would include the managing directors of the companies and commercial non-executive directors. The advisory boards provide additional support on big decisions
- the group structure operates in a way that minimises risk. In addition to the wholly-owned subsidiaries, Norse group includes 26 joint ventures and eight specialist companies. The vast majority of these companies are limited by shares to protect the group and the council. The share ownership is 80% for Norse and 20% for the council entering into the joint venture
- all of the companies have a board that includes three representatives from Norse and two representatives from the council. This provides Norse with a veto over any major strategic changes that the company is considering. The need for this veto is not surprising as Norse underwrites the financial performance of the companies
- below each company board there is a liaison board. This consists of the local authority, residents, trade unions and any other interested parties. The companies issue a quarterly report to the liaison board ensuring clear accountability.
- Norse provides support services directly to the newly established company. At times, they may accept the transfer of some support people but, in general, it is the responsibility of the council to restructure support services within the council and to absorb any financial impacts
- flatten management structures. Norse considers that most services transferred into the group have more management tiers than they need. Restructuring will drive a less hierarchical approach with decision making undertaken closer to the point of delivery and without undue delay
- better information can drive significant efficiency savings. This includes system changes to achieve better budget information and more focus on targets and service performance. The company can use this to drive greater accountability and delivery
- reconsider terms and conditions to fit the market. In consultation with people and trade unions, service provider Norse has, where necessary, made a number of changes to terms and conditions. Norse is clear that this is not a pre-requisite to establishing a company but it can make the company more competitive and recognise market conditions. In some instances, this has resulted in increased salaries where the market conditions allow. For council contracts, many staff continue to have the same local government terms and conditions. However, Norse is clear that, on commercial contracts, it is not possible to offer people final salary pensions.

Norse considers that the relationships it enters into are partnership arrangements. It looks for long-term commitment from councils wishing to work together. The group uses standard 10-year contracts with a 12-month break clause. This minimises risk but also drives the core ethos of partnership. The agreement includes a 50% profit share, which establishes at an early stage how the partnership will work.

Norse recommends that councils steer away from large client functions and will not enter into a contract where there is a significant scrutiny from procurement.

Norse specifically requests a thin client and considers that the liaison boards provide sufficient scrutiny. Often the new company will take over the client function and use this to ensure appropriate reporting to the liaison board.

Norse has made a number of clear changes to ensure the commerciality and competitiveness of new companies:

- past and future pension liabilities arising from final salary schemes need to remain the responsibility of the council. These are significant costs and it is not possible for companies to manage these liabilities. Norse agrees a contribution level as part of the contract and changes in liabilities remain the responsibility of the council. Any changes in pension contributions are a pass through cost of the contract. In many instances this has allowed the people working for Norse to retain the LGPS

As a minimum, Norse considers that it can drive 10% savings. It says it would take a new start-up company two years to make similar savings. However, Norse makes the point that, if it is tied into local government pensions, it is not possible to offer market rates for services. It is honest in this conversation with councils. It is also clear that any organisation taking over these services will also have to comply with TUPE and absorb these costs.

Norse has negotiated national agreements with four trade unions indicating an acceptable way of delivering for people. Norse offers competitive terms and conditions, significant training packages, people consultation and social funds, and trade union representation. The blend of commerciality and public sector ethos appears to offer a happy balance for both people and the company. Norse's recent people survey supports this as it gave Norse a 94% endorsement rate.

The ethos is important to Norse. Being owned by the public sector means that there is no shareholder looking to capitalise on a market sale. As such, the company does not need to focus on capital growth or share value. This enables it to focus on the services it provides, its people and on managed growth.

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We regularly produce sector-related thought leadership reports, typically based on national studies, and client briefings on key issues. We also run seminars and events to share our thinking on local government and, more importantly, understand the challenges and issues facing our clients.

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EPI1158





**CABINET: 13 September 2016**

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**Report of: Borough Treasurer**

**Relevant Portfolio Holder: Councillor C. Wynn**

**Contact for further information: Rebecca Spicer (Extn. 5098)  
(E-mail: rebecca.spicer@westlancs.gov.uk)**

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**SUBJECT: RISK MANAGEMENT**

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## **Borough Wide Interest**

### **1.0 PURPOSE OF THE REPORT**

1.1 To set out details on the Key Risks facing the Council and how they are being managed.

### **2.0 RECOMMENDATION**

2.1 That the progress made in relation to the management of the risks shown in the Key Risks Register (Appendix A) be noted and endorsed.

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### **3.0 BACKGROUND**

3.1 Risk management is not about being 'risk averse' – it is about being 'risk aware'. Risk is ever present and some amount of risk taking is inevitable if the Council is to achieve its objectives. Risk Management is about effectively managing risks that could affect the Council and the community. It is also about making the most of opportunities and achieving objectives. By being 'risk aware' the Council is in a better position to avoid threats and take advantage of opportunities.

3.2 It is a best practice requirement that the Risk Management Policy and the Key Risks Register are reviewed and reported to Members on a regular basis. Consequently it is our standard practice to report on Key Risk Register issues to

Cabinet every 6 months. The next report to Cabinet in March 2017 will also include a review of the Risk Management Policy.

- 3.3 Risk Management covers the whole spectrum of risks and not just those associated with finance, business continuity, insurance and health and safety. It also considers risks associated with service provision, compliance with legislation, public image (reputation) and environment. Key Risks are defined as the highest priority risks that may prevent the Council from achieving its objectives, or may result in the failure of a service, or the failure to comply with legislation. The Key Risks Register gives a summary of these risks and the work that is being undertaken to mitigate them, although many of these risks will have already been the subject of separate committee reports. In addition each Service maintains its own Service risk register of the specific risks that they face.

#### **4.0 KEY RISK REGISTER**

- 4.1 The Key Risk Register attached (Appendix A) shows the current Key Risks and the measures in place to manage those risks. The regular reporting of the Register provides Members with an opportunity to scrutinize key risks and provides assurance that these risks are being effectively controlled.

The main change in the register since the last version was produced is that a General Revenue Account Policy Options report was presented to the July Council meeting to set out how the financial challenges facing the GRA will be addressed and to ensure that a balanced budget can be set for 2017/18. Similarly a Housing Revenue Account Policy Options report was presented to the same Council meeting to manage the risk of setting a balanced HRA budget.

- 4.2 There are no risks that have been assessed in the “very concerned” category that would require urgent action at the highest level to reduce the risk to an acceptable position. There are a number of risks that have been assessed in the concerned category, but in each case these have been either the subject of recent Committee reports or have been considered through the budget process.

#### **5.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

- 5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder. The report has no significant links with the Sustainable Community Strategy.

#### **6.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 6.1 The successful management of the key risks facing the Council will ensure that resources are used effectively and efficiently.

#### **7.0 RISK ASSESSMENT**



- 7.1 The continued identification and review of key risks is essential to ensure the management and mitigation of those risks, the successful achievement of the Authority's objectives, and the maximisation of opportunities. By continually monitoring and reviewing the Risks and the Risk Management Framework we will ensure that it continues to improve, develop and meet best practice requirements.
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### **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

### **Appendices**

Appendix A – Key Risks Register

### **Equality Impact Assessment**

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

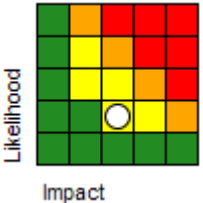


# Appendix A Key Risk Register



Service Area	Title	Potential Effect	Internal Controls	Responsible Officer	Latest Note	Current Risk Matrix	Current Risk Assessment and Score
Finance and HR Services Page 6999	Treasury Management Investments are riskier given current market conditions	The Volatility in financial markets has meant that investments are now less secure than previously. There is the potential that significant sums of money could be lost.	There is a treasury management policy and strategy in place. Well trained staff make investments with the guidance of brokers and treasury advisors. Investments can only be made in top rated UK based institutions or other local Authorities.	Borough Treasurer	Operational arrangements continue to be reviewed and monitored in light of current market conditions. There continues to be a limited number of secure investment options but the priority is the safety of the Council's investments.		5 Content
Finance and HR Services	Achieving a balanced General Revenue Account budget position for 2017/18	Ongoing reductions in Government funding will need to be addressed to meet the statutory requirement to set a balanced budget.	The medium term financial forecasting process and Policy Option will set out how this financial challenge will be met.	Borough Treasurer	A Policy Options Report on the Council's financial position was presented to Council in July 2016.		10 Concerned
Leisure & Wellbeing Services	Business Continuity - Potential for disruption	Lack of Business Continuity planning could have a severe impact on service provision across critical Service Areas.	Key Service areas have been identified and individual plans put in place. These plans are tested on a regular basis and updated accordingly.	Director of Leisure and Wellbeing	A review of this area is currently being undertaken.		3 Content

Service Area	Title	Potential Effect	Internal Controls	Responsible Officer	Latest Note	Current Risk Matrix	Current Risk Assessment and Score
Development & Regeneration Services	Land Auction	Potential loss of Capital Receipt if sales not secured within timescale of Department of Communities and Local Government.	Regular meetings with Homes and Communities Agency to maintain progress	Director of Development and Regeneration	Sale of Whalleys 4 is nearing completion. Series of options for the disposal of the remainder of the sites under construction.		8 Uneasy
Housing & Inclusion Services	Balancing the HRA Budget	Recent Government announcements will cause a significant reduction in income to the HRA which will result in a reduced capital programme, together with possible reduced services.	Budget meetings with staff and service managers will take place to identify savings to bridge the budget gap. In accordance with what was agreed in July Council, services and budgets will be realigned and reprioritised to balance the budget.	Director of Housing and Inclusion	There will be difficulties in balancing the HRA budget in light of new legislation regarding reduction in rental income (1% per annum from April 2016-April 2019), uncertainty around the size of the levies for High Value Council Housing & Pay to Stay.		8 Uneasy
Development & Regeneration Services	Delivery of the Housing Strategy	The Housing Strategy 2014 -2019 – is intended to deliver a series of plans across a range of housing objectives, namely:- <ul style="list-style-type: none"> <li>. Achieve the right supply of new homes including maximising affordable housing</li> <li>. Regenerate and remodel areas of Skelmersdale</li> <li>. Make the best use of all existing homes</li> <li>. Encourage well managed and maintained homes across all tenures</li> <li>. Encourage</li> </ul>	Regular monitoring will occur via the Service Action Plan (SAP) monitoring process. Each action contained in the Housing Strategy Action Plan will have its own delivery risks, however the current and target risk rating is based upon an overall consideration of risk across all the intended delivery actions that are shown in the Housing SAP.	Director of Development and Regeneration	The current risk level remains the same, although recent government announcements in relation to affordable housing and future homeownership approaches may prompt, in the future, an amendment to our local approach as it relates to procuring affordable housing in the Borough. There may also be implications in relation to housing market confidence which may influence future delivery of housing		9 Uneasy

Service Area	Title	Potential Effect	Internal Controls	Responsible Officer	Latest Note	Current Risk Matrix	Current Risk Assessment and Score
		investment to meet specialist housing requirements Deliver the Council's Sustainable Energy Strategy 2012-2020 Residential and Domestic Sector objectives.			strategy objectives following the EU referendum.		
Page 701 Legal and Democratic Services	Loss of personal data	The Information Commissioner can take a range of actions against the Council for breaches of the Data Protection legislation including issuing undertakings to commit the Council to a particular course of action to improve its compliance with DPA, audit, serve enforcement notices and Stop Now Orders and, in the case of a serious breach, can serve a Monetary Penalty Notice up to £500,000. A loss of personal data would result in negative press coverage, damage to the Council's reputation, officer time and resources in addressing the breach and potentially action against the Council by the data subject.	The Council has had Data Protection policies and associated working practices in place for some years. The corporate policy has been improved and updated and is subject to regular review, most recently in January 2016. Service specific policies and procedures are in place for all services. Management of Council contractors and retention arrangements remain a concern, although suitable requirements and actions are in place to address this. Senior Information Risk Owner (SIRO) arrangements are in place via an updated DP policy (reviewed annually). Comprehensive training has been organised and delivered, with annual refreshers training requirements identified. A detailed Action Plan remains in place and is	Chief Executive and Heads of Service.	The revised and updated Action Plan is in place to carry forward continuing obligations and new requirements. This will continue to be reviewed and developed accordingly. New corporate training has been identified and is being rolled out. SIRO training undertaken. All incidents are being actively handled.		6 Uneasy

Service Area	Title	Potential Effect	Internal Controls	Responsible Officer	Latest Note	Current Risk Matrix	Current Risk Assessment and Score
			managed on a quarterly basis to assist compliance with this ongoing obligation.				
Development and Regeneration Services Page 702	Failure to deliver Skelmersdale Town Centre Regeneration	<p>Opportunity - The project will provide a mix of residential, commercial, leisure and education accommodation opportunities.</p> <p>Threat - We could fail to address the economic issues, not address residents' requirements and have an impact on the Council's reputation.</p>	<p>1. Continue to consult with public where relevant.</p> <p>2. Collaboration agreement in place.</p> <p>3. Continue to engage with the "other" landowners to encourage their participation in the scheme.</p> <p>4. This risk is reviewed regularly as part of the ongoing project management.</p> <p>5. Maintaining regular contact with developer and potential retail/commercial/leisure occupiers.</p> <p>6. Project Board meets regularly to review progress.</p>	Director of Development and Regeneration	A major planning application by St Modwen for a scheme consisting of a multi-screen cinema, restaurants & bars, retail facilities, and major enhancements to the public realm, has been approved but is currently the subject of a legal challenge.		4 Content
Street Scene Services	TEEP - Compliance with the revised Waste Framework Directive, which requires waste collection authorities to collect recyclable material separately to improve the quality.	Increased cost in providing additional vehicles and increasing the current establishment.	A document has been devised that demonstrates compliance with The Waste (England and Wales) Regulations 2012 requiring Local Authorities to determine whether they are required to collect glass, plastic, metal and paper separately (Regulation 13). The document will be reviewed annually.	Director of Street Scene	Document was completed in February 2016		3 Content

Service Area	Title	Potential Effect	Internal Controls	Responsible Officer	Latest Note	Current Risk Matrix	Current Risk Assessment and Score
Street Scene Services	Expiry of the current Lancashire Waste Partnership Agreement in March 2018.	There could be a potential income loss of up to £950,000 per year from April 2018 which would have a significant impact on the GRA budget position.	Discussions are currently taking place between District Councils and the County Council on the new arrangements that will be put in place once the current agreement comes to an end.	Director of Street Scene	This issue is being considered through the budget setting and Policy Option processes.  The issue is now an agenda item at CEO and Leader meetings across Lancashire.		12 Concerned
Transformation	Failure to manage the impact of the Government's Benefit Reforms	The introduction of Universal Credit represents a significant change in benefit support. Impacts on benefit claimants and revenue collection including Council Tax and Council House rents are still emerging.	A working group with membership from WLBC, BTLS and the DWP to oversee and manage the changes and introduction of the various emerging changes regarding Welfare Reform is in place.	Borough Transformation Manager and Deputy Director of Housing and Inclusion	A Welfare Reform briefing presentation was provided for all Members in February 2016. Further information will be provided as appropriate dependent on the government timetable.		8 Uneasy

Level of Concern	Action Required
Very concerned	Urgent attention required at highest level to ensure risk is reduced to an acceptable level. Action planning should start without delay. Progress on actions should be reported to the Chief Executive and / or the Leader.
Concerned	Requires mitigation, contingency plan and identification of early warning indicators. Progress reported to CMT.
Uneasy	Acceptable. Requires mitigation. Reviewed at Head of Service Level.
Content	Acceptable. Keep under review but no action required unless changes occur.







**CABINET: 13 SEPTEMBER 2016**

**COUNCIL: 19 OCTOBER 2016**

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**Report of: Director of Leisure and Wellbeing (Lead Officer)**

**Relevant Portfolio Holder: Councillor I Moran**

**Contact for further information: Mrs C A Jackson (Extn.5016)  
(E-mail: [cathryn.jackson@westlancs.gov.uk](mailto:cathryn.jackson@westlancs.gov.uk))**

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**SUBJECT: A MARKET TOWN STRATEGY FOR ORMSKIRK - FINAL REPORT OF  
THE CORPORATE AND ENVIRONMENTAL OVERVIEW AND  
SCRUTINY COMMITTEE**

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Wards affected: Borough wide.

## **1.0 PURPOSE OF THE REPORT**

1.1 To consider the final report and recommendations of the Corporate and Environmental Overview and Scrutiny Committee following a review conducted entitled 'A Market Town Strategy for Ormskirk'.

## **2.0 RECOMMENDATIONS TO CABINET**

2.1 That the Corporate and Environmental Overview and Scrutiny Committee be complimented on their work.

2.2 That the following recommendations contained in the final report of the Corporate and Environmental Overview and Scrutiny Committee on A Market Town Strategy for Ormskirk be considered:

- (1)** That Lancashire County Council (LCC), as the Highways Authority, give due consideration to the following:
  - (i) the impact of heavy goods traffic in the refurbished area of Ormskirk Town Centre.
  - (ii) the on-going maintenance of the gullies and the monitoring of the effectiveness of the aggregate resin within them.
  - (iii) the refurbishment of Aughton Street to tie-in with the Moor Street improvements.
  - (iv) the impact of town centre congestion, including the bottle necks at Derby/Stanley Street/Wigan Road/Moor Street/Moorgate and Park Road.

- (v) the on-going improvements to the rail bridge and cycle link from the Town Centre to Edge Hill University, as contained in the West Lancashire Highways and Transport Masterplan.
  - (vi) encourage effective enforcement of the Traffic Regulation Orders (TROs) operating in Ormskirk Town Centre, particularly on Market Days by exploring:
    - (a) the provision of more clearer signage to alert drivers to the restrictions of the TROs;
    - (b) breaches of on-street parking.
  - (vii) in relation to finding a permanent solution to traffic management safety in the pedestrian area of Ormskirk by exploring:
    - (a) the provision of Gates at access points (Aughton Street, Church Street and Burscough Street with a “lift assist” bollards to Moor Street/Moorgate.)
    - (b) Hydraulic “lift assist” bollards in Church Street, Aughton Street, Burscough Street and Moor Street/Moorgate.
    - (c) Automatic Rise and Fall Bollards in the areas referred to above.
    - (d) the narrowing of the access points
- (2)** That the Portfolio Holder for Transformation and Regeneration, in consultation with the Director of Development and Regeneration give due consideration to the findings within the report to add to the emerging Ormskirk Town Centre Strategy to include the following:
- (i) In relation to ‘Events Square that it:
    - (a) is a flexible and multi-functional space;
    - (b) is adaptable for day and evening events.
    - (c) provides an opportunity for wider community use
    - (d) is adaptable and able to embrace new and emerging technologies.
    - (e) is well-managed and
    - (f) there is provision for a semi or permanent cover of the ‘Square’.
  - (ii) In relation to the Market Stalls that the:
    - (a) stall canopies be replaced with matching/branded ones.
    - (b) there is provision for a mixture of traditional and non-traditional stalls.
    - (c) there is adequate space around each stall
  - (iii) In relation to Car Parking that
    - (a) on-going discussions with Merseyrail continue in respect of car parking arrangements at Ormskirk rail station.
    - (b) alternative ways of paying for parking be considered as part of any future assessment of these facilities including cashless machines; CCTV and advances in technology.
    - (c) the revised Ormskirk Car Park Map be included on the web-site.
  - (iv) In relation to Technology and Marketing by exploring:
    - (a) the positioning of the Market and Town Centre locally and in the wider community.
    - (b) methods of promotion and advertising: Ormskirk’s historical and special character; embracing traditional and emerging technologies.

- (c) improvements to the Visitor Map of Ormskirk Town Centre with locations and insertion of the defibrillator icon inserted, as appropriate.
- (d) digital signage as an alternative to A-boards outside shops.
- (e) cultural tourism through its visitor attractions- Chapel Gallery; Vintage and Handcraft Fairs and exhibitions.
- (f) promoting Ormskirk as a tourist destination, to include promotion with the bus and tour operators as a visitor destination.

(v) In relation to Edge Hill University (EHU), continue the close association with EHU as a contributor to the economy.

**(3)** That the final report of the Corporate and Environmental Overview and Scrutiny Committee's review to be circulated to Love Ormskirk, Ormskirk Community Partnership, Marketing Lancashire, Edge Hill University, Edge Hill Students' Union and Business in the Community (BITC), scrutiny at Lancashire County Council and published on the Council and Centre for Public Scrutiny (CfPS) web-sites.

**(4)** That the Corporate and Environmental Overview and Scrutiny Committee review its recommendations in December 2016.

2.3 That the final report of the Corporate and Environmental Overview and Scrutiny Committee on A Market Town Strategy for Ormskirk, attached at Appendix A, be approved.

2.4 That the final report and recommendations (approved, subject to resources) be submitted to Council for approval on 19 October 2016.

2.5 That call in is not appropriate for this item as it has previously been considered by the Corporate and Environmental Overview and Scrutiny Committee.

### **3.0 RECOMMENDATIONS TO COUNCIL**

3.1 That the Corporate and Environmental Overview and Scrutiny Committee be complimented on their work.

3.2 That the final report of the Corporate and Environmental Overview and Scrutiny Committee on A Market Town Strategy for Ormskirk (attached at Appendix A) be noted and approved for formal publication, subject to resources.

3.3 That the Corporate and Environmental Overview and Scrutiny Committee review the recommendations contained in the report in December 2016.

### **3.0 BACKGROUND**

3.1 In July 2014 the Corporate and Environmental Overview and Scrutiny Committee commenced a review on the topic 'A Market Strategy for Ormskirk Town Centre'. The title of the review was subsequently revised to 'A Market Town Strategy for Ormskirk.' The purpose of the review was to look at themed topics, as part of the work being undertaken in relation to the Ormskirk Town Strategy.

3.2 The draft final report of the review topic was considered by the Corporate and Environmental Overview and Scrutiny Committee at its meeting on 14 July 2016 (Appendix B).

#### **4.0 CURRENT POSITION**

4.1 Members will find attached as Appendix A, the final report of the review 'A Market Town Strategy for Ormskirk'.

#### **5.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

5.1 Enhanced overview and scrutiny arrangements can give a greater level of involvement for non-cabinet members in the decision making process.

#### **6.0 FINANCIAL AND RESOURCE IMPLICATIONS**

There are some financial/resource implications arising from this report. The recommendations at paragraph 2.2 (2), if taken forward, will need to be resourced as part of budget allocation associated with the Ormskirk Town Centre Strategy. Recommendation 3, if endorsed, will be met using existing budgets.

#### **7.0 RISK ASSESSMENT**

7.1 Should any of the proposals at paragraph 2.2 (1), be taken forward the County Council should carry out a risk assessment to determine the impact of the proposals on local residents, business users and visitors, particularly options at (1)(vii) relating to traffic management safety in the pedestrian area of Ormskirk, which would need to be carefully managed and monitored.

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#### **Background Documents**

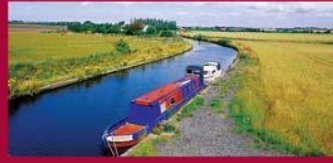
There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

#### **Equality Impact Assessment**

There will be a direct impact on members of the public, employees, elected members and / or stakeholders as a result of the recommendations, if implemented. The County Council (LCC) would need to undertake the appropriate assessment in relation to the proposals set down at paragraph 2.2 (1). In relation to proposals at recommendation (2), paragraph 2.2, if taken forward, an Equality Impact Assessment (EIA) would need to be undertaken as part of the process.

#### **Appendices**

- A Final report of the Corporate and Environmental Overview and Scrutiny Committee – 'A Market Town Strategy for Ormskirk'
- B Minute of Corporate and Environmental Overview and Scrutiny Committee – 14 July 2016 (Cabinet and Council)
- C Minute of Cabinet - 13 September 2016 (Council only)



# West Lancashire Borough Council

Report of the Corporate and Environmental Overview & Scrutiny Committee  
**'A Market Town Strategy for Ormskirk'**







## **A Market Town Strategy for Ormskirk Report of the Corporate and Environmental Overview & Scrutiny Committee**

### **FOREWORD by the Chairman Councillor Nikki Hennessy**



“The Corporate and Environmental Overview and Scrutiny Committee commenced a review on ‘A Market Town Strategy for Ormskirk’ in 2014/15 and completed its work, under the Chairmanship of Councillor Dowling in February 2016. This report sets down the outcomes of the work undertaken by Members of the Committee during that period.

In undertaking the review Members looked at various themed topics that comprised: ‘The Market’, ‘Car Parking’, ‘The Environment and Special Features’, ‘Leisure and the Night-time Economy’, ‘Technology and Marketing (including Tourism) and the contribution of Edge University, as part of the work being undertaken in relation to the Ormskirk Town Strategy.

During the course of the review the Committee held cross party workshops to obtain the wider views of Members and gain an on-going insight into the progression of the work, particularly related to Ormskirk Town Centre.

I would like to thank everyone, Members and Officers for their assistance and knowledge that has contributed to the outcomes of the review.”

Councillor N Hennessy  
July 2016





## **THE REVIEW**

### **BACKGROUND**

Following the submission of topics by the public, Members and Directorate Service Heads (DSH) and the subsequent scoring exercise, the Corporate and Environmental Overview and Scrutiny Committee at its meeting on 16 July 2014 agreed to undertake a review on the topic 'A Market Strategy for Ormskirk Town Centre'. The title of the review was subsequently revised to 'A Market Town Strategy for Ormskirk'.

### **TERMS OF REFERENCE**

Members of the Committee agreed:

1. To undertake a review entitled 'A Market Town Strategy for Ormskirk', comprising the themed topics: 'The Market'; 'Car Parking'; 'The Environment and Special Features'; Leisure and the Night-time Economy'; 'Technology and Marketing' (including Tourism) and the contribution of Edge Hill University, as part of the work being undertaken in relation to the Ormskirk Town Strategy.
2. To make interim reports to Cabinet, if appropriate, in relation to the themed topics.
3. To present a report of the Committee's findings to Cabinet and Council, as appropriate.

### **RECOMMENDATIONS**

The Corporate and Environmental Overview and Scrutiny Committee make the following recommendations:

- (1) That Lancashire County Council (LCC), as the Highway Authority, give due consideration to the following:
  - (i) the impact of heavy goods traffic in the refurbished area of Ormskirk Town Centre.
  - (ii) the on-going maintenance of the gullies and the monitoring of the effectiveness of the aggregate resin within them.
  - (iii) the refurbishment of Aughton Street to tie-in with the Moor Street improvements.
  - (iv) the impact of town centre congestion, including the bottle necks at Derby/Stanley Street/Wigan Road/Moor Street/Moorgate and Park Road.
  - (v) the on-going improvements to the rail bridge and cycle link from the Town Centre to Edge Hill University, as contained in the West Lancashire Highways and Transport Masterplan.
  - (vi) encourage effective enforcement of the Traffic Regulation Orders (TROs) operating in Ormskirk Town Centre, particularly on Market Days by exploring:
    - (a) the provision of more clearer signage to alert drivers to the restrictions of the TROs;
    - (b) breaches of on-street parking.
  - (vii) in relation to finding a permanent solution to traffic management safety in the pedestrian area of Ormskirk by exploring:

- (a) the provision of Gates at access points (Aughton Street, Church Street and Burscough Street with a “lift assist” bollards to Moor Street/Moorgate.
  - (b) Hydraulic “lift assist” bollards in Church Street, Aughton Street, Burscough Street and Moor Street/Moorgate.
  - (c) Automatic Rise and Fall Bollards in the areas referred to above.
  - (d) the narrowing of the access points
- (2)** That the Portfolio Holder for Transformation and Regeneration, in consultation with the Director of Development and Regeneration give due consideration to the findings within the report to add to the emerging Ormskirk Town Centre Strategy to include the following:
- (i) In relation to ‘Events Square that it:
    - (a) is a flexible and multi-functional space;
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    - (a) stall canopies be replaced with matching/branded ones.
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    - (c) improvements to the Visitor Map of Ormskirk Town Centre with locations and insertion of the defibrillator icon inserted, as appropriate.
    - (d) digital signage as an alternative to A-boards outside shops.
    - (e) cultural tourism through its visitor attractions- Chapel Gallery; Vintage and Handcraft Fairs and exhibitions.
    - (f) promoting Ormskirk as a tourist destination, to include promotion with the bus and tour operators as a visitor destination.
  - (v) In relation to Edge Hill University (EHU), continue the close association with EHU as a contributor to the economy.
- (3)** That the final report of the Corporate and Environmental Overview and Scrutiny Committees review to be circulated to Love Ormskirk, Ormskirk Community

Partnership, Marketing Lancashire, Edge Hill University, Edge Hill Students' Union and Business in the Community (BITC), scrutiny at Lancashire County Council and published on the Council and Centre for Public Scrutiny (CfPS) web-sites.

- (4) That the Corporate and Environmental Overview and Scrutiny Committee:review its recommendations in December 2016.

### **Membership of the Committee 2014/15**

**Chairman:** Councillor R Bailey

**Vice Chairman:** Councillor Mrs Blake

Councillors: Ashcroft, Mrs Baybutt, Delaney, Dereli, Devine, Mrs C Evans, Mrs R Evans, Fillis, G Hodson, J Hodson, L Hodson, Mrs Marshall, McKay Mee, Ms Melling, Wright and the late B Nolan.

### **Membership of the Committee 2015/16**

**Chairman:** Councillor G Dowling

**Vice Chairman:** Councillor West

Councillors: Mrs Atherley, S Bailey, Barron, Mrs Blake, Blane, Delaney, Devine, Greenall, G Hodson, L Hodson, Hudson, McKay, Mrs Marshall, Oliver, O'Toole and Savage

### **Membership of the Committee 2016/17**

**Chairman:** Councillor N Hennessy

**Vice Chairman:** Councillor West

Councillors: Barron, Mrs Blake, Blane, Cotterill, Currie, D Evans, Greenall, G Hodson, Kay, McKay, Nixon, Pryce-Roberts and Yates

### **Substitutes**

The following Members acted as substitute Members for one or more of the meetings held when considering the review:

Councillors: Mrs C Evans, Forshaw, Furey, Kay, Pryce-Roberts, Pendleton, Mrs Stephenson, Mrs M Westley and D Westley.

## **INFORMATION GATHERED**

### **Meeting of the Corporate and Environmental Overview and Scrutiny Committee held on 16 July 2014 the Council Chamber, 52 Derby Street, Ormskirk**

Following consideration of the results of the scoring exercise, the Technical Services Manager, who attended the meeting, provided additional information on the topic idea that had scored the highest namely 'A Market Strategy for Ormskirk Town Centre'.

Members discussed, raised questions and comments in respect of:

- The position of a Market Strategy, for Ormskirk, as part of the work on the Economic Development Strategy.
- Proposals in relation to the development of Moor Street and its impact on current market arrangements.
- Managing Market Traders / Visitors expectations – response to current and future trends / ventures.
- Raising the profile of the Market – branding; mix of trades;
- Current arrangement and aesthetics of the market stalls;
- The market in relation to other North West markets – best practice /establishing its own profile.

Members agreed to undertake an in-depth study on ‘A Market Strategy for Ormskirk Town Centre’.

### **Meeting of the Corporate and Environmental Overview and Scrutiny Committee held on 23 October 2014 the Council Chamber, 52 Derby Street, Ormskirk**

#### **Presentation 1 – The Role of Ormskirk Town Centre Market**

Members considered information presented by the Technical Services Manager on the role of Ormskirk Town Centre Market.

In the presentation it was explained that the two days (Thursday and Saturday), on which Ormskirk market was operational, were distinctly different. Members considered the information circulated.

Reference was made to recent changes to the market layout including relocation of food traders’ stalls from the Market Way car park, behind Moor Street, onto Moor Street itself that had resulted in those market traders reporting a rise in their food trade takings as well as an increased take up of food trade stalls. Other improvements over the past few years had included the provision of new stalls and covers.

The information presented (Table 1 & 2) showed that the Thursday market was currently well supported by traders, however, the number of permanent /casual stallholders trading on a Saturday was lower and the variety of commodities offered smaller. The main reasons suggested for this was the competition from other nearby local markets that also operated on Saturdays, which the Thursday traders attended, coupled with the variety of goods offered by those markets.

**Table 1: Number of stalls provided on each day and their occupancy**

	Day/Position	No. of stalls		
	THURSDAY	102		
	SATURDAY	101		
LAYOUT	MOOR STREET	55		
	AUGHTON STREET	42	(41 ON SATURDAY)	
	CHURCH STREET	5		
<b>Occupancy</b>	<b>Day</b>			
LICENSED TRADERS	THURSDAY	50	STALLS OCCUPIED	83
	SATURDAY	46	STALLS OCCUPIED	60
CASUAL TRADERS	THURSDAY	17	STALLS OCCUPIED	17
	SATURDAY	12	STALLS OCCUPIED	13

**Table 2: Commodities sold and mix of trades**

COMMODITY	STALLS THURSDAY	STALLS SATURDAY
Ladieswear	7	6
Bags	4	5
Bedding & Linen	4	4
Footwear	3	4
Menswear	7	4
Bread/Pies	3	2
Cakes	2	2
Cards	3	2
Coats & Outdoor Clothing	6	4
Fruit & Veg	4	2
Gifts	2	1
Household Goods	3	2
Jewellery & Watch Repair	1	1
Ladies Lingerie	4	2
Pet Supplies	2	2
Socks/Underwear etc.	6	6
Sweets	3	3
Towels	1	1
Blinds	1	1
Butchers	1	1
Cd's/DVD's/Games	0	1
Cheeses	1	1
Childrenswear	3	3
Cosmetics	2	1
Crockery	0	1
Dried Flowers	1	1
Flowers	0	1
Fresh Fish	1	1
Hair Accessories	1	1
Hot Food & Drinks	1	1
Material	2	0
Mobile Phone Accessories	1	1
Sportswear	2	0
<b>TOTAL</b>	<b>83</b>	<b>68</b>

Information was also provided in relation to the ‘The National picture – all markets’, extracted from the review, undertaken by the National Association of British Market Authorities (nabma), that through a survey carried out by the National Market Traders’ with their members, measured year on year changes in the performance of retail markets – comparing performance in March 2012 with March 2011 using a series of closed questions. (Table 3)

**Table 3 National (all markets) responses – detail 2012**

	Questions	Missing Responses	Decreased	Same	Increased	Grand Total
1	Total number of stalls let	1	88	78	112	352
		0%	32%	28%	40%	100%
2	Total number of traders standing	3	86	77	113	279
		0%	31%	28%	41%	100%
3	Number of market days	2	5	251	21	279
		0%	2%	90%	8%	100%
4	Footfall	83	62	89	45	279
		30%	22%	32%	16%	100%
5	Stall income	30	81	69	99	279
		11%	29%	25%	35%	100%
6	Operational/management staff employed	0	69	179	31	279
		0%	25%	64%	11%	100%
7	Profit/Loss (bottom line)	39	69	83	88	279
		14%	25%	30%	31%	100%
8	Trader turnover (sales)	167	49	46	17	279
		60%	18%	16%	6%	100%
9	Investment in market	51	40	122	66	279
		18%	14%	44%	24%	100%

Source: 2012 Retail Market Survey Report – The Market Alliance (nabma Oct 2012)

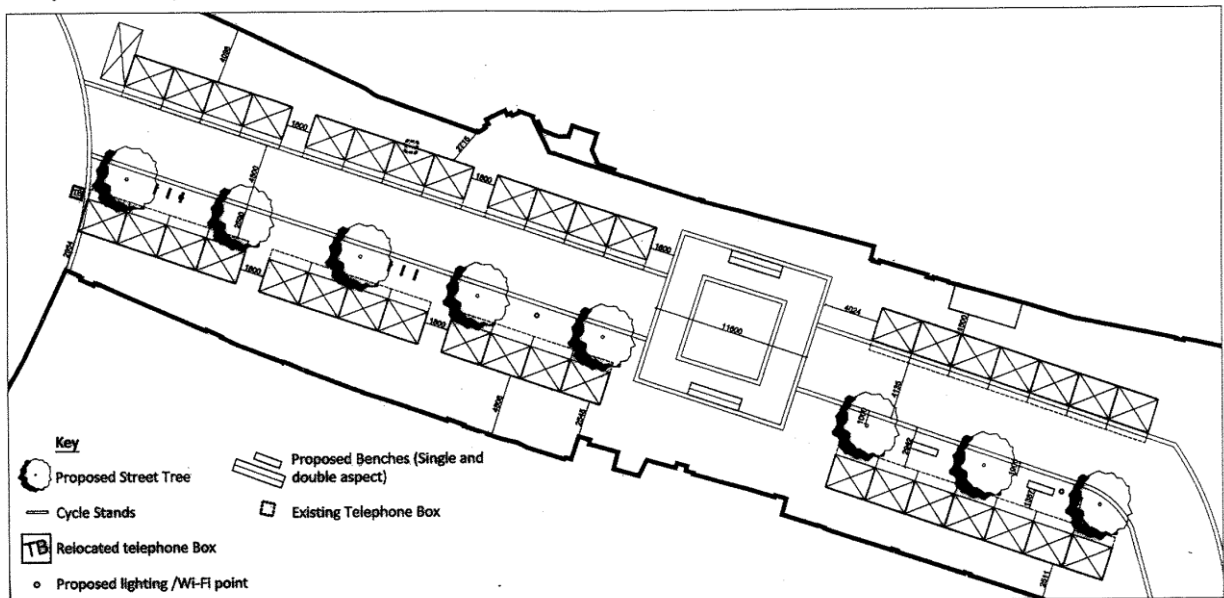
In relation to the aesthetics of the market, the Technical Services Manager referred to the potential use of “pop-up” / gazebo-type stalls, popular in other street markets. However, the practicalities and longevity of use of these types of stalls needed to be balanced against the, often blustery, weather conditions that existed in the location.

Reference was made to ‘The Environmental Improvement of Moor Street, Ormskirk’, supported by a visual example (Table 4) of how the Market stalls could be positioned on Moor Street on Market Days, that was providing an opportunity to look at:

- The impact of the Moor Street improvement works on the current market layout.
- The opportunities open to market traders, including those available to permanent traders / casual traders / start up traders.

**Table 4:**

**Proposed Layout [Market Day]**



**Summary**

- The above layout accommodates 39 stalls [4 less than existing market layout]
- No vehicles will be using the street during the time the market is on
- Stalls positioned to face inwards to maximise market atmosphere within the street
- The “pinch point” outside New Look and Clarks has been reduced, giving more space to get passed
- Seating, artwork and space for temporary events structure within “Events Space”

Additionally, it was reported that a revised Traffic Regulation Order would be sought as part of the Moor Street improvements restricting the movement of vehicles through Ormskirk Town Centre.

The review provided an opportunity to seek views in relation to:

- What type of layout should effectively be used? (back to back; one each side of street)
- Restricting vehicle access on Market Days.
- Consultation on proposals coming forward with Market Traders.
- Opportunities that could be afforded to Casual Traders.
- Attracting New Traders /commodities.
- Promoting Ormskirk Market as a destination.
- Creation of a “Events Space” in a central area of Moor Street.
- Improvements / knock-on effect on the town centre retailers.

Members discussed, raised questions and comments in relation to:

- Charges to Market Traders.
- Initiatives to attract more traders (examples included a regular “Continental Market”; “Local Produce” Market.)
- Prohibiting vehicles access through Ormskirk Town Centre (enforcement / restricted access during market operational times; provision of barriers or gates (Aughton Street); provision of clear signage.

- The changing face of the Town Centre (street scene; footfall; segregation of shared pedestrian/cycle routes; design of “safe” routes; opportunities for out-of-town shoppers (coach park; visitor parking; pick-up/drop-off points)
- Economic considerations – footfall; types of shops/retailers in the town centre; Ormskirk’s identity (“historic market town”); effect of national trends; the “shopping” experience.

**Meeting of the Corporate and Environmental Overview and Scrutiny Committee held on 4 December 2014 in the Council Chamber, 52 Derby Street, Ormskirk**

Following an indication at the previous meeting a few Members of the Committee had met, together with the Chairman, to discuss further lines of enquiry for the Review and the following themes had been identified:

- The Market
- Car Parking
- The Environment and Special Features
- Leisure and the Night-Time Economy
- Technology and Marketing (including tourism)
- Contribution of the University (Edge Hill)

Also identified was an amendment to the title of the review to ‘A Market Town Strategy for Ormskirk’.

A discussion ensued on the merits/practicalities of undertaking a wider scoped review. Issues raised included:

- Timescales – impact on agreed timetable with Lancashire County Council (LCC) relating to the commencement of the scheduled improvement works in Moor Street and re-siting of the Market in the interim.
- Issues relating to the scope of the additional themes.
- Duplication of the scrutiny role of Executive Overview and Scrutiny Committee on the ‘Ormskirk Town Centre Strategy’, due to go out for consultation in January 2015.

It was therefore proposed that, subject to the proposed wider scope of the Review to include additional themes, that the current priority for the review continue to be the work related to Ormskirk Market, as set down in its Project Plan, in order to bring forward recommendations on it following completion of the Moor Street improvement works.

Issues discussed as part of the Moor Street work included:

- Re-siting of the Market whilst the Moor Street improvement works were taking place.
- Layout of the Market and stalls following completion of the scheduled work.
- Vehicle restrictions in the pedestrian area of the Town Centre – Traffic Orders; management (Market Days); enforcement; physical barriers (Moor Street; Aughton Street; Burscough Street; Church Street)
- Bringing forward ideas to increase footfall in the Town Centre.




The Technical Services Manager attended the meeting, provided an overview of the current position in relation to the Moor Street improvement works, responded to questions and provided clarification on issues raised, including those related to the current and future arrangements of Ormskirk Market. A summary of proposals (Table 5) on the environmental improvement of Moor Street was circulated.

**Table 5:**


## The Environmental Improvement of Moor Street, Ormskirk

**Suggested Material Samples**




**Shop Thresholds**

- Yellow Rock Sandstone
- 120x80mm deep x random lengths
- Sawn and flame textured




**Market Place**

- Porphyry tumbled sets
- 80x80x80mm deep



**Channel/ Delineation**

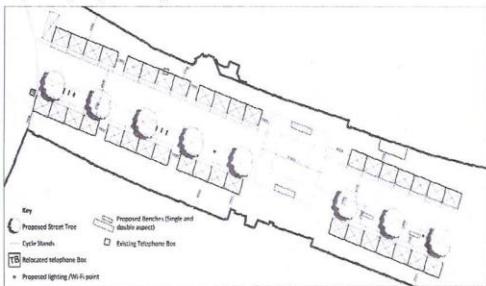
- "Poppy" Red Granite
- 250x100mm deep x random lengths




**Pedestrian "Footway"**

- Yellow Rock Sandstone
- 300x80mm deep x random lengths
- Flame textured

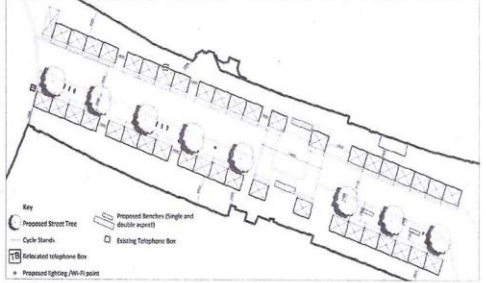
**Proposed Layout [Market Day]**



**Proposed Layout [Non Market Day]**



**Proposed Layout [Market Day] - Variation**



**Summary**

- The above layout accommodates 39 stalls [4 less than existing market layout]
- No vehicles will be using the street during the time the market is on
- Stalls positioned to face inwards to maximise market atmosphere within the street
- The "pinch point" outside New Look and Clarks has been reduced, giving more space to get passed
- Seating, artwork and space for temporary events structure within "Square"

**Summary**

- Street trees create a green "Spine" to the street, framing views to the Clock Tower whilst bringing structure, shelter and seasonal interest
- High quality stone paving will co-ordinate with the adjacent Aughton Street whilst defining areas for seating, market stalls, vehicles etc
- Bespoke artwork will be integrated into the paving and street furniture to reinforce the character of Ormskirk
- Creation of a "Square" in the middle of the street increases the flexibility of the street for hosting events, social activities or market stalls
- Street furniture will be provided at regular intervals to maximise the comfort and convenience of the street

**Summary**

- By using the "Square", the above layout accommodates 43 stalls [same as existing market layout]
- Less space for events within the "Square" when the market is on
- All other comments are as per first option

**The Proposals . . .**

**Agreed:**

1. Revision of the review title to 'A Market Town Strategy for Ormskirk'.
2. 'The Market' be the priority theme going forward.
3. Revision of the Project Plan populated to include, for future consideration, the "bite-size" themes:
  - (a) Car Parking
  - (b) The Environment and Special Features
  - (c) Leisure and Night-Time Economy
  - (d) Technology and Marketing (including tourism)
  - (e) Contribution by Edge Hill University.

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## **Workshop 1: “The Market” held on 20 January 2015 in the Cabinet and Committee Room, 52 Derby Street, Ormskirk**

The workshop session provided an opportunity for Committee Members and invited Councillors to consider the future of the Market and the proposed Moor Street works to be undertaken in early 2015. The themes / questions addressed and summary of the group work are appended below:

### **Moor Street Improvement Works – siting/relocation of the Market**

The groups put forward siting options for relocation of the Market.

#### Sites identified

- Coronation Park
- Morrisons Car Park
- Retention in Town Centre (Church Street; Burscough Street)
- Rows of stalls in Aughton Street
- Council Car Park (behind Tesco)
- Council Car Park (Bus Station)
- Bus Station (with stalls on Moor Street to link)

<p><b>Conclusion:</b> Whilst there was no ‘perfect fit’ for an alternative site, the Bus Station Car Park was felt by the majority to be the best one.</p>
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### **The ‘Events Square’ – ideas for its use on market days.**

The introduction of an ‘Events Square’ was discussed, ideas for its use and the practicalities associated with the area that included:

- Should the space be covered? (semi-permanent, canopied) – weather dependent
- Is a dais required?
- Flexibility and management of the space?

#### Ideas consider for use included:

As a:

- ‘multi-functional’ area.
- ‘piazza’ area (night-time economy / bars?)

For:

- ‘specialists stalls’ (pop-up shop area for use on non-market days)
- ‘prestigious events’
- ‘themed’ events
- ‘musical’ festivals / events
- ‘street arts / street entertainers’ (clog dancers; university students)

Collaborative/partnership working:

- Chapel Gallery

- Edge Hill University (EHU) – utilising / linking with creative arts / media at EHU, street theatre; business school.
- Local Schools / College (West Lancashire College)
- Local Community Groups (Lions; Rugby; Football Clubs et al)
- Town Twinning Liaison
- LCC Cultural Department: Culture of Lancashire

**Conclusion:** 1. The space needs to be flexible and multifunctional in its use, be it for specialists' stalls, promotional events; entertainment (day and night), wider community use and embrace new technology.  
 2. Thought should also be given to whether the space should be semi or permanently covered.  
 3. The overall space must be well-managed.

**What are the differences between the Thursday and Saturday market? What could be done to improve the Saturday market?**

Each Market day and ideas/themes related to “improvements for change” and the look of the stalls / environment were discussed.

**Table: 6**

Market Day	Perceptions
Thursday	Shoppers attracted – women / ‘older’ visitors
	Judged to be Ormskirk’s ‘Market Day’
Saturday	Shoppers attracted – families / couples / younger visitors
	Number of empty stalls

Source: Group Work (Workshop Jan 2015)

**Improvements for change** (ideas / themes)

- Identify target audience
- Creation of a Unique Selling Point (USP)
- Re-branding of market day names (Thursday is ‘Gingerbread Market’)
- Setting a ‘theme’ (Marketing Lancashire: ‘Farmers Market (promoting local food / drink products); cluster stalls; specialists’ stalls (hog roast/paella)
- Re-think on stall-holder position (volume by ‘Taylors’; promotion of other positions – Saturday)

**Look of stalls / environment** (idea / themes)

- Attracting non-traditional / experimental stalls (vintage; crafts/jewellery; high quality/niche end; local sources products; ‘would be’ or ‘start up’ entrepreneurs).
- Themed – entry stall; core stalls; themed spaces/cluster stalls.
- Using ‘columns’: lighting; banner arms.
- Appearance (single coloured awnings (burgundy/red with Borough crest); striped awnings with scalloped edges; displays and management of individual stalls.
- Use of technology (lighting; light shows; screens)
- Trialling ‘pop-up’ stalls.

**Conclusion:** 1. The Moor Street improvement works were providing an opportunity to look at how the Market is identified and positioned both locally and in the wider community.  
2. Market research and publicity could assist in ascertaining information in relation to current, future use and attraction.

### **What about the aesthetics of the Market? (its overall appearance, layout/look of the stalls and accessibility)**

Improvements for change – linked to ideas already raised

- Stop passageways being blocked
- Colour code awnings by product; colour mark up for awning representatives
- Uniformity with all the stalls.
- Groups products together (cluster or similar products in designated areas – comparative shopping)
- Better seating arrangements
- Light shows
- Accommodate outside table and chairs in cafes
- More traditional layout (flexibility of spacing of stalls)

**Conclusion:** The overall opinion was that there should be uniformity in the stalls with matching canopies; clustering; better seating and landscaping.

### **Meeting of the Corporate and Environmental Overview and Scrutiny Committee held on 19 February 2015 in the Council Chamber, 52 Derby Street, Ormskirk**

It was reported that the improvement works to Moor Street, being undertaken by Lancashire County Council, had commenced and that part of the Market had been relocated to the Bus Station Car Park for the duration.

### **Presentation 2 – Ormskirk Town Centre Strategy**

Members considered an update from the Senior Planning Officer (Housing and Regeneration) on the consultation that was taking place on the draft Ormskirk Town Centre Strategy 2015 and copies of the questionnaire were made available at the meeting.

The presentation included reference to the:

- length of the consultation period (three months) scheduled to conclude on 14 April 2015.
- comprehensive consultation being undertaken – including a series of 6 exhibitions (at Edge Hill University, Chapel Gallery, Ormskirk Library and Morrisons); the distribution of letters to every business in the town centre and the strategy and electronic surveys available on-line; papers surveys and other promotional material; press release and the features in the economic newsletter and Lancashire Life.

- consultation with organisations including Love Ormskirk, Ormskirk Community Partnership; Key Landowners; Edge Hill University; Lancashire County Council (LCC), Parish Church, Market Traders, representatives from Business in the Community West Lancashire College, West Lancashire College.

It was stated that, although in the early part of the process, over 50 responses, electronic and paper, had been received. At the conclusion of the consultation process a report outlining the responses received with appropriate responses would be produced.

In discussion questions and comments were raised in relation to:

- Involvement with Liverpool City Port – exploring the potential of the Borough to a wider audience (for example cruise liner passengers).
- Advertising the importance of local historical connections to the wider history of England and the rich heritage of the Borough.
- Promoting Ormskirk as a tourist destination - exploring its future potential.

**Meeting of the Corporate and Environmental Overview and Scrutiny Committee held on 9 July 2015 the Council Chamber, 52 Derby Street, Ormskirk**

Following consideration of the work undertaken in 2014/15, Members discussed and raised questions on the following:

- Work instigated on the Market element of the review.
- Methods to encourage stallholders (approach to advertising; shopper experience; embracing new technology)
- Stall layout and etiquette for the future (positioning of stalls; keeping pedestrian access clear; discouraging random displays of goods external to stalls)
- Link to Ormskirk Town Centre Strategy (branding of Ormskirk market; encouraging footfall; methods of advertising (local radio; links with local transport; posters at stations)
- Tourism (building on historical perspectives – tours of the Parish Church)
- Visitor Map (identification of venues; locations of “the Map” across the town; historical perspective; inclusion of defibrillator access points).

The Technical Services Manager confirmed that comments relating to issues raised previously in respect of the Market had been fed through, as appropriate and, as the Visitor Map was currently being updated, made an undertaking to pass on Members comments in relation to inclusion of the defibrillator icon to denote locations and suggested sites for the map, as appropriate.

<p><b>Agreed:</b> That the Visitor Map of Ormskirk Town Centre be improved with locations and insertion of defibrillator icon to be inserted, forward, as appropriate.</p>
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### Presentation 3 – Car Parking in Ormskirk Town Centre

Members considered information presented by the Technical Services Manager on car parking in the town centre, supporting information was circulated (Table 7 and 8) on car parking charges in the town’s Council car parks and revisions to the car parks map.

In the presentation it was explained that parking in town centres represents a complex of issues hampered by a number of significant problems, including the growth of car ownership, that has exceeded what many traditional urban centres can accommodate. It has had to be recognised that parking comes at a cost that needs to be covered by “someone, somewhere and somehow” but this has proved to be emotive. Car parking policies that are embedded in a holistic transport strategy remain problematic because of the numerous stakeholders involved all working to different objectives.

It is recognised that town centres today are exposed to intense competition and need to do what they can to ensure accessibility. Car use and ownership has continued to rise and saturation point is not expected until 2035.

#### Cost of Parking

The cost of car parking both to the ‘user’ and the Council or private companies, who need to cover their costs in relation to maintenance and management of car parks as well as long-term investment in the quality of the car parks, was referenced. Additionally, car parks also attract business rates that must be paid. Consequentially, neither on-street nor off-street parking is “free.”

**Table 7**

<p><b><u>PARKING CHARGES</u></b> - Council Car Parks in Ormskirk</p> <p>Current charges to use the council car parks in Ormskirk, applicable Monday – Saturday between the hours of 08.30am to 5.30pm are as follows:</p> <p><b>Short Stay Car Parks (up to 2 hours)</b></p> <p>Wheatsheaf Walk</p> <p>70p for up to 1 hour £1.10 for up to 2 hours</p> <p><b>Short Stay Car Parks (up to 4 hours)</b></p> <p>Park Road, Bus Station, Park Pool, Market Way and Lunesdale</p> <p>70p for up to 1 hour £1.10 for up to 2 hours £1.60 for up to 3 hours £2.00 for up to 4 hours</p> <p><b>Long Stay Car Parks (up to 9 hours)</b></p>
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### **The Stiles and Hutton Way**

70p for up to 1 hour  
£1.10 for up to 2 hours  
£1.60 for up to 3 hours  
£2.00 for up to 4 hours  
£3.00 for up to 9 hours

### **Derby Street**

70p for up to 1 hour  
£1.10 for up to 2 hours  
£1.60 for up to 3 hours  
£2.00 for up to 4 hours  
£3.00 for up to 9 hours

Up to 30 minutes free

Saturday free for up to 4 hours

### **Hants Lane**

40p for up to 1 hour  
60p for up to 2 hours  
£1.00 for up to 3 hours  
£1.20 for up to 4 hours  
£1.70 for up to 9 hours

*(as at February 2015)*

### Car Parks in the Town Centre

The Council-run car parks in Ormskirk town centre are controlled through “pay and display” There are 847 spaces on 10 car parks. Two other car parks, Finnegans Square and the Park and Ride car park at Ormskirk Station remain free of charge. Current charges to use the council car parks in Ormskirk are applicable Monday – Saturday between the hours of 08.30am – 5.30pm and details were provided on the income, charges and maintenance. Parking permits are also available costing £195 per year or £24 per calendar month.

Table 8

# Ormskirk Town Centre



Pay & Display FREE

Up to 2 hours pay & display  
Normal Spaces Disabled Spaces

1 Wheatsheaf	141	6
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Up to 4 hours - pay & display

2 Bus Station	50	2
3 Park Road	43	2
4 Market Way	55	5
5 Lunesdale	18	1
6 Park Pool	123	3

All day - pay & display

7 Hants Lane	91	3
8 The Stiles	132	3
9 Hutton Way	19	1
11 52 Derby Street*	146	3

\*Free - Up to 4 hrs on Saturday

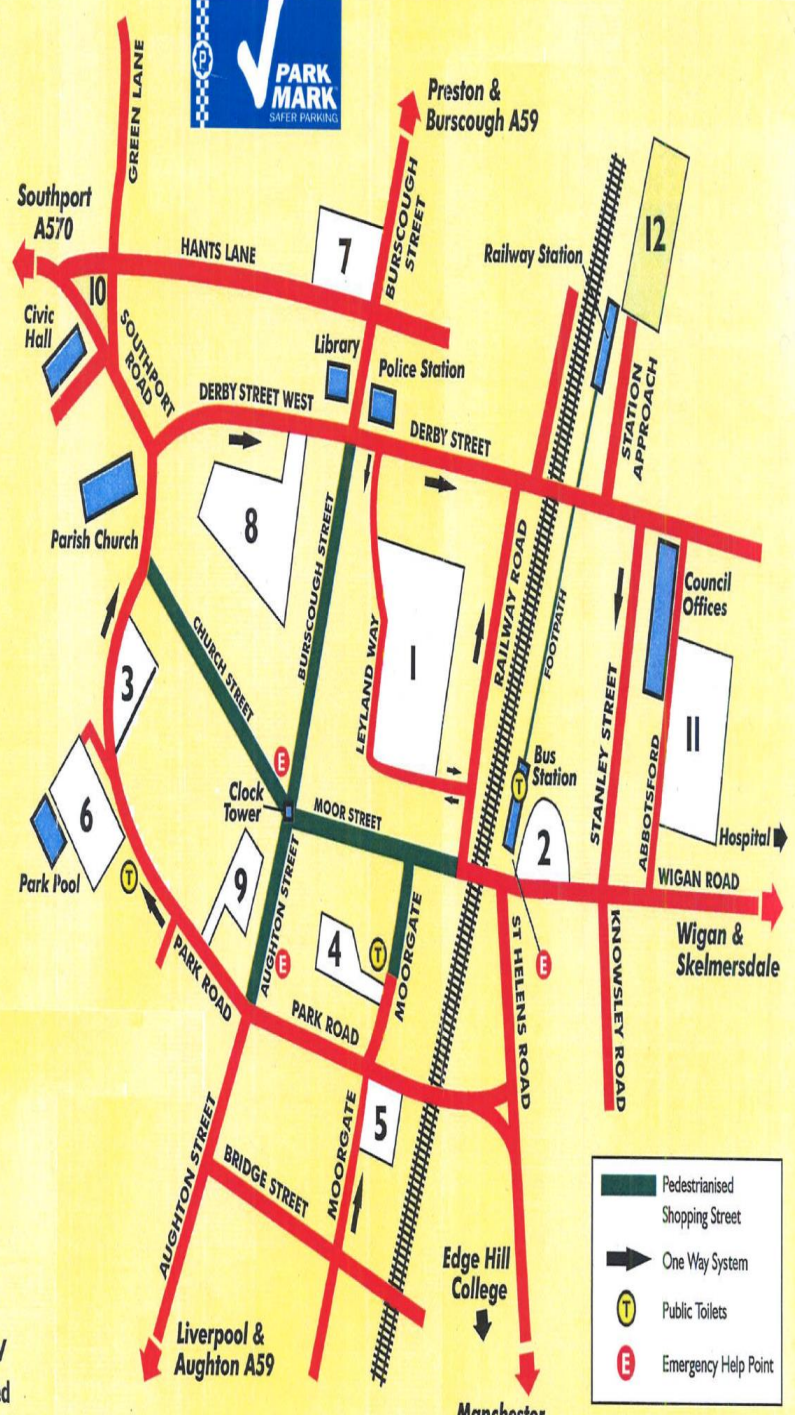
FREE - all day

10 Finnigans Square	12	0
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FREE - Park & Ride

12 Ormskirk Station	136	2
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All P&D car parks have 24 hour CCTV surveillance and have free unrestricted parking from 5.30pm on weekdays, and all day on Sundays and Bank Holidays



- Pedestrianised Shopping Street
- One Way System
- Public Toilets
- Emergency Help Point



## Enforcement

In relation to enforcement it was stated that the Borough Council are responsible for off-street car parking but it is the responsibility of Lancashire County Council to look after car parking breaches on-street (Monday to Saturday).

The processes in relation to the operation of enforcement including the difficulties encountered by enforcement officers; evidencing breaches and the exceptions that allow some users to park in restricted areas.

It was acknowledged that there had been problems associated with a privately-owned car park servicing the town centre.

## Car Parking – Findings of others

Information in relation to access and in particular improving the parking experience in town centres extracted from research undertaken by the Association of Town Centre Management (ATCM) was also circulated (Table 9).

The Genecon report on 'High Street Performance' issued in December 2011 to coincide with the launch of Mary Portas high street review assessed the causes of decline of the high street and prognosis for the future. Its findings on spacial and physical factors features were referred to as was an extract from the Alliance Boots 'Car Parking – A Retailer's View, featured by the Federation of Small Businesses, in particular the loss of customers to other destinations with insufficient / smart car parking; on-line and out of town retail parks being cited as causes.

## Table 9

### 9. Access

#### Improving the Parking Experience

There is no such thing as “free parking”. There is always a cost to someone, somewhere. The provision of totally free town centre parking for all town centre users is impossible. Not only that, but local authorities depend on the money from municipal parking. At the same time, Councils need to recognise the fundamental requirement for safe and affordable parking to encourage people back into shops and other town centre facilities by using Park Mark (r) and the Safer Parking Schemes etc. If there are charges, some income should be ring-fenced to benefit town users and businesses as appropriate.

Getting to the town centre, through its accessibility, to take advantage of the services offered (civic as well as economic, social and cultural) is easier because they are the natural hubs for all modes of transport; walking, cycling and all forms of public transport, not just for car owners. Contrast this with out-of-town retail and business parks where, without a car, you are effectively disenfranchised.

**We will work with partners to better understand the role of parking and prosperity.**

The relationship between “value for money” parking and town centres is not well understood, and must be fully explored and explained.

Town Centres could learn from shopping centres in this respect – the relative balance between day and night parking; the cross-subsidisation of activity for the greater good; and ensuring changes are cost-neutral – all can help improve the vitality of town centres.

**We will lobby local authorities** to consider car parking promotions and incentives to make town centres accessible to all.

**We will work with partners** to improve the safety, cleanliness and appearance of car parks to make them more attractive to visitors.

*“Remember that car parks are for people. The more you do to make parking attractive to the people you do want in them, the less attractive they are to the people you don’t want in them. Safer Parking attracts customers.”*

**Kelvin Reynolds**

**Dir. of Operations and Technical Services, BPA**

**If you do one thing....**

Have a car parking strategy for both public and private provision. This is a very important economic lever and far too important to be developed without taking into consideration the whole economic situation.

## Future developments

It was stated that the Council continues to respond to feedback and the experiences of other local authorities.

In relation to the use of technology for alternative methods of payment of the car parking fee, including those via mobile and smart phones, these would continue to be evaluated as were up-grades to the hand-held devices of enforcement officers.

In discussion questions and comments were raised in relation to:

- Pay & Display (P&D) (charges for long and short stays; allocation of disabled bays; facilities at/provision of “cashless” P&D machines; CCTV monitoring; costs associated with provision / maintenance of P&D machines.)
- Alternative methods of fee payment (use of advances in technology; payment via smart phones; credit / debit card payments.)
- Appeals Panel (membership and role of the Panel.)
- Car Parking Map of Ormskirk Town Centre (quality of information provided on the revised Map).

The Technical Services Manager responded to questions and provided clarification on issues raised in discussion. He confirmed, that the updated Ormskirk Town Centre map of council car parks, as circulated, would be included on the Council’s web-site.

- Agreed:**
1. Alternative methods of payments at Pay and Display machines be included as part of any future assessment of these facilities.
  2. Ormskirk Town Centre map of Council Car Parks, as revised to be included on the Council’s web-site.

**Meeting of the Corporate and Environmental Overview and Scrutiny Committee held on 15 October 2015 the Council Chamber, 52 Derby Street, Ormskirk**

**Presentation 4 – Ormskirk Town Centre – Technology, Marketing and the Contribution of Edge Hill University**

Members considered information presented by the Senior Planning Officer (Housing and Regeneration) in relation to technology, marketing and the contribution of Edge Hill University and the impact on Ormskirk Town Centre.

Brand and Marketing

The presentation highlighted the need for a single marketing brand for Ormskirk and proposals to establish a Marketing Stakeholder Working Group whose remit would include: undertaking market research to establish a customer base; exploring perceptions and USPs; using evidence to support the development of an “Ormskirk” brand; looking at web and social media; provision of a calendar of events; encouraging footfall through targeted marketing; exploration of the town’s wi-fi provision and other technology to assist marketing.

## Technology

Reference was made to the ideas in technology that had been put forward earlier in the review including the exploration of digital signage as an alternative to A-boards outside shops; the display of digital art in empty shops; exploration of a mobile app for Ormskirk (with assistance from Edge Hill University) and exploration of the establishment of a footfall base to assist the measurement / success of marketing.

## Contribution of Edge Hill University

The good working relationship of the Borough Council and Edge Hill University (Edge Hill) was referred to. During the development of the Ormskirk Town Centre Strategy the University and Students' Union had been fully involved and would continue to be part via the working group. The role of Edge Hill in contributing to the economy to benefit the town centre was highlighted. This included drawing on their technology expertise, particularly through the development of a mobile app; becoming more involved in the town centre; harnessing student spending power and encouraging visitors not to bypass the town.

In discussion questions and comments were made in relation to:

- Business in the Community – liaising with town centre business owners; traders; Love Ormskirk; effect of business rate on encouraging retail investment in the town.
- Marketing Stakeholder Working Group – composition / membership / remit.
- Research – updating market research; establishment of a footfall base; recognising “our customer and visitors”.
- Priorities for the future – bus station refurbishment; refinement of the bus /rail/ cycle link; coping with traffic congestion in the Town Centre; involvement with the West Lancashire Masterplan for Transport; Derby Street rail bridge (anticipated works); development of the park & ride facility at Ormskirk Station; improvement “visual” impact of visitors alighting from trains / buses into the Town Centre.
- Edge Hill / Ormskirk Bus Station bus service – access by the public to access events at the Ormskirk campus.
- Attracting visitors to the Town – “market day” special bus service (Ormskirk as a tourist destination); advertising more widely (bus shelter hoardings; on transport); improvements to rail station parking facility / access to the town centre; improving the perception of the town as a “whole week” experience, not just for 2 “market” days; impact of car parking charges.
- Role of Merseyrail – liaison; improvements to station approach footpath / car parking arrangements at the station.
- Traffic management - on-going problem of traffic lights combinations; increases in volume of through traffic; bottle necks (Derby /Stanley Street/Wigan Road; Moor Street/Moorgate/Park Road)
- Edge Hill – utilisation as a resource (marketing / business programmes /opportunities for student involvement)
- Investing in technology in the Town Centre – wi-fi accessibility; interactive /touch screens; “big screen” advertisement on “market days”.
- Events Square – exploring effective usage /function.

The Technical Services Manager provided an update in relation to proposed works on the Derby Street railway bridge. He made an undertaking to raise with Lancashire County Council: progress on the railway bridge improvements; the current position relating to traffic-light management in the Town Centre and the proposed cycle link from the town centre to Edge Hill University.

Additional clarification was provided by the Deputy Assistant Director Housing and Regeneration on points raised in respect of on-going discussions with Merseyrail in relation to land affecting improvements to car parking arrangements at Ormskirk Train Station and on the parallel process of the review with the development of the Strategy.

## **Presentation 5 – The Market and Moor Street Improvements**

The Technical Services Manager updated Members on the changes to the Market and Moor Street Improvements as part of the Committee's continuing review.

### The Market

The changes to the layout, including the location of stalls and the space that had been created in the town centre as a result of those changes.

Additionally, it was reported that the Market Traders' had made a request, since the introduction of the new arrangements, for additional space to be allocated to them in front of the stalls. This would only be for movable goods and would not include expansion of the canopied area over the additional space.

In consultation with the Council's Arts Development Manager, it was planned to introduce a 'vintage' element to the market. Discussions with existing stallholders in relation to this proposal were currently taking place and it was hoped to commence this venture from April 2016.

The 'branding' of the market was also something that had been referred to earlier in the review and it was anticipated that a relaunch would take place in Spring 2016 with the stalls displaying the new 'branded' canopies.

Members heard that the proposed market research into footfall would include consultation with current market traders as well as town centre retailers.

### Moor Street Improvements

The Technical Services Manager reported that the Moor Street Improvements were finished on 28 August 2015, immediately prior to the Motorfest event. Further environmental works, including seating and placement of "trees" was expected to be undertaken in November.

Reference was also made to the 'deep' drainage gullies that had been installed by the contractors were causing problems and that LCC, as the highway authority, would be undertaking remedial work on them. Whilst it was envisaged that the gullies would be replaced by shallower ones, to match those in Aughton Street, it was now understood that the depth of the existing gullies in Moor Street would be reduced with a resin bonded aggregate filler. It was stated that aggregate, whilst initially looking smart, was

prone to displacement and breakage, particularly from the weight of goods traffic. It was understood that this may be a temporary fix.

Members expressed concern about the use of the resin bonded aggregate as a permanent solution and advised Mr Brady to seek clarification from LCC on the decision to fill the gullies with bonded resin aggregate.

**Agreed:** Clarification to be sought from the County Council to establish if the use of bonded resin aggregate in the gullies on Moor Street is intended to be a temporary or a permanent solution.

## **Meeting of the Corporate and Environmental Overview and Scrutiny Committee held on 3 December 2015 the Council Chamber, 52 Derby Street, Ormskirk**

### **Presentation 6 – Regeneration, Leisure and the Night Time Economy**

Members considered information presented by the Economic Regeneration Manager and Arts Development Manager which was supported by a series of slides.

#### Ormskirk Town Centre Strategy

The Economic Regeneration Manager provided an update relating to the Ormskirk Town Centre Strategy, the draft of which had been approved by Cabinet at its meeting in September 2015 and reported that partner endorsement was being secured. She informed Members that four sub-groups had now been established namely, Market and Car Parks; Building and the Public Realm; BID and Marketing.

She then went on to explain the projects that the Marketing Sub-Group would be tasked with, to include: visitor profiling; shopping habits; perceptions; competitor analysis and the unique selling point (USP). It was envisaged that these would underpin the branding and subsequent marketing of Ormskirk.

An update in relation to events previously reported during the course of the review was provided. Actions delivered in the latter part of 2015 had included the Events Marquee and the expansion of events at the Chapel Gallery to include a vintage/handmade fair and the introduction, for Christmas 2015, of a "storyteller" narrating the Fairy Tale of Ormskirk, through banner and illuminated installations in empty shops.

It was acknowledged that the High Street was changing from the traditional shopping only purpose and its potential was now seen as more of a leisure destination.

#### The Arts as a tool for Regeneration

The Arts Development Manager explained that by looking at the experiences of other towns and cities who had explored an alternative approach, through innovative arts programmes, a quality experience for visitors could be achieved. It was explained that by drawing on a town's local heritage as an inspiration for an event the outcome could bring positive memories and encourage revisits.

## Cultural Tourism – West Lancashire

Members heard of the great potential in Ormskirk to attract visitors. Examples included the changes proposed at Chapel Gallery, as part of its exhibition and events programme and the potential of the High Street as a leisure destination.

In relation to the “High Street”, the various options to accomplish a change, through animating and improving the environment were referred to including: the introduction of visual sculpture; creating opportunities for animation (the festive displays in empty shops were an example of this); through the performing arts (street entertainers; drama; dance and storytellers) and exhibitions, arts and craft markets (Ormskirk Handmade and Vintage Fair).

It was emphasised that the provision of quality experiences within town centres for its visitors was likely to encourage revisits. The impact of the annual Motofest in Ormskirk town centre was cited as evidence of this.

Reference was also made to the success of the Sunday Summer Vintage and Handmade Fairs piloted in 2013/14 that saw an increase in visitor numbers to Chapel Gallery from 29,000 to 37,000, despite the small exhibition space.

In conclusion, the Arts Development Manager referred to potential ideas /actions for the future. These included the development of an annual fairy tale event; arts and crafts; vintage and handmade stalls alongside the more established traders on the Market, with an outcome, through the provision of a mix of activities, of an increase in the footfall across the town, including Chapel Gallery, thus attracting more visitors and adding to their overall experience of Ormskirk.

### **Presentation 7 – The Market and Moor Street Improvements**

Members considered an update from the Technical Services Manager on the Market and Moor Street Improvements. This also included an update on refurbishment work undertaken by Lancashire County Council on the gullies, an issue identified earlier in the review.

#### The Market and Moor Street Improvements

It was reported that resurfacing had been completed; bins installed and installation of the benches and lit street trees were scheduled to be completed during December.

In relation to improvements to the gullies, bonded aggregate had now been inserted and colour-matched to the channels. It was understood that Lancashire County Council (LCC) would be monitoring the effectiveness of the aggregate.

In discussion comments and questions were raised in relation to:

- Moor Street Improvements – effective drainage / performance of the gullies.
- Ormskirk Town Centre traffic management in the pedestrian area – methods to restrict vehicle access / indiscriminate vehicle movement; the effectiveness of enforcement; advantages/disadvantages and types of more physical solutions; restrictions for heavy goods vehicles.

- Derby Street Railway Bridge – proposed works; vehicle restrictions; impact on business deliveries; diversion of traffic.

In relation to questions raised on vehicle enforcement orders in force in the Town Centre, Members were informed that issues affected by these were regularly raised with Lancashire County Council (LCC), as the responsible highway authority.

During discussion on traffic management safety in the pedestrian area, solutions to deter misuse of vehicle access in / through the town centre were put forward including: narrowing the access points to the area; installation of gates; installation of automated barriers or rise/fall bollards. It was acknowledged that any proposals for more permanent “solutions” would need to include measures to allow access by the emergency services and delivery vehicles.

It was agreed that traffic management safety in the pedestrian area was an issue requiring further consideration and the Technical Services Manager was asked to provide further detail in relation to ideas raised and information on the Traffic Regulation Orders (TROs) covering the Town Centre. This was added to Project Plan was consideration at the next meeting (*18 February 2016*).

In answer to a Member question relating to maintenance of the gullies and the drainage problems that had been referred to, the Technical Services Manager undertook to raise the issue with LCC.

Members heard that since the provision of trade/stall data, earlier in the review, the popularity of stall trading on “Thursdays” had risen with a larger variety of goods now being made available. The demand for stalls by traders on Saturday remained high. The monitoring of the performance of the two market days would continue.

In relation to the provision of new canopies and re-launch of the Market covered earlier in the review, it was reported that the wet weather had impacted on some improvements and a re-launch of the Market was planned for Spring 2016.

### **Workshop 2: “The Market” held on 20 January 2015 in the Cabinet and Committee Room, 52 Derby Street, Ormskirk**

The workshop session provided an opportunity for Committee Members to look at key areas relevant to the review. These included ‘The Market’; Marketing and Branding; ‘Buildings and the Public Realm’. The themes addressed and summary of the group worked are appended below:

#### **The Market**

Each group discussed what had been undertaken so far in relation to refurbishment and its environment and looked to the future as to what else could be done to revitalise it.

In summary:

- The need for the Market to acquire its own unique identity.
- Replacement of the canopies.
- Methods of promoting the market – use of technology; wi-fi; twitter; facebook



- Other forms of promotion and advertising – ‘coach magazines’; promotional bags; incentive schemes.
- Diversification of stall trades.

Additionally, Members also referred to:

- Vehicle and enforcement in the town centre – the possible introduction of physical barriers / gates.
- Exploration of a ‘bus service’ – bespoke service on Market Days
- Handcrafted stalls – smaller stall space for handcrafted good

## **Market and Branding**

Members considered one of the actions within the Ormskirk Town Centre Strategy in relation to developing a dedicated website for Ormskirk town centre. Members discussed the practicalities of the arrangements, including regular updating, existing websites already promoting Ormskirk, including the Council’s Chapel Gallery, Visit Lancashire and Love Ormskirk. Ideas put forward included:

- Strong brand identity to promote Ormskirk
- Promotions and events – calendar of events, imaginative ideas for visitors.
- Greater use of new / emerging technologies (interactive “apps”; interactive screens)
- Utilisation of skills locally – Involvement of Edge Hill University; local schools and colleges.

Additionally Members referred to:

- Advantages/disadvantages of the existing website or creation of a new website
- Financial resource implications
- Cross-promotion via other web-sites.

## **Buildings and the Public Realm**

Each Group discussed the physical environment of Ormskirk Town Centre and the main issues / ranking of priorities for street scene improvement. Of importance was:

- Promotion of the historical / character of Ormskirk
- Use of a recognisable logo.
- Building on the improvements in the town (Moor Street) to other locations – exploring ideas for improvements: use of vacant shops; lighting; shop frontages (building on the character of the town)
- Coronation Park – increasing usage (festivals; family friendly events; seating improvements)

In conclusion, Members referred to the environmental improvements to the physical appearance of the town centre as important to help with the promotion of Ormskirk as a visitor destination as well as creating a sense of pride for residents and local business users.

## Meeting of the Corporate and Environmental Overview and Scrutiny Committee held on 18 February 2016 in the Council Chamber, 52 Derby Street, Ormskirk

Members reviewed, through an Interim report, worked undertaken during the previous twelve months and the findings to date.

In discussion comments and questions were raised in relation to:

- Improvement works undertaken in the Town Centre – visual results.
- Events in the Town Centre (Ormskirk Motorfest; Christmas Lights Switch-on) – Support from local businesses.
- Promoting/encouraging visitors to the Town Centre – “promotional offers”; involvement of bus/tour operators/local businesses / town centre traders.

**Agreed:** The promotion of Ormskirk as a visitor destination to encourage bus and tour operators into West Lancashire be taken forward, as appropriate.

### Presentation 8

The Technical Services Manager gave an update on the Market and Moor Street Improvements, including a further update on work undertaken by Lancashire County Council on the gullies.

#### The Market and Moor Street Improvements

It was reported that, as referred to at the Workshop Session, the branding and marketing of the Town Centre as part of the actions within the Ormskirk Town Centre Strategy was under consideration. In relation to the “branding” of the Market, the inclusion of the visual “sails” to enhance the street scene were welcomed by the traders.

Other areas currently being looked at by the Council and traders were the influence of social media and smart phones as promotional tools.

In relation to Moor Street it was reported that the planting of mature trees and the installation of bespoke benches in Moor Street had now been completed. The lighting that adorned the trees would be lit in the evenings.

In relation to the maintenance of the “gullies” it was reported that maintenance checks had been undertaken by LCC. Maintenance / cleanliness of the area would continue to be monitored.

The revised layout of the stalls (Thursdays and Saturdays) (Table 10 and 11) was also circulated.

Table 10



Printed: 15/02/2016

Table 11



Printed: 15/02/2016

In discussion comments and questions were raised in relation to:

- Facilities for coaches – long-term parking; pick up and drop off points.
- Catering truck (clock tower) – update on repositioning.
- Aughton Street – completion of refurbishment work to tie-in with Moor Street Improvements.

It was reported that negotiation with the coach tour operators was on-going with a view to providing a designated drop-off / pick up point in the Town Centre, with the coaches then parking up long-term on the former Hattersley' site.

**Agreed:** That consideration be given to refurbishment of Aughton Street to tie-in with the Moor Street improvements.

## Presentation 9

The Technical Services Manager provided details in relation to the management of traffic particularly in the pedestrian area of the Town Centre.

### Traffic Management Safety in the Pedestrian Area of Ormskirk

It was reported that the control of traffic in the pedestrian area was part of a Traffic Regulation Order (TRO) the details of which were related to the Committee.

Following a request from Members at the last meeting for further information, the Technical Services Officer circulated the results of a desktop exercise undertaken in relation to three possible traffic management solutions. The three options included:

- Option 1 - the provision of Gates (to Aughton Street, Church Street and Burscough Street with a “lift assist” bollards to Moor Street/Moorgate.
- Option 2 – Hydraulic “lift assist” Bollards in Church Street, Aughton Street, Burscough Street and Moor Street/Moorgate.
- Option 3 – Automatic Rise and Fall Bollards – in the same areas. However, it was reported that currently there were no budget allocations identified for any works in relation to these options and funding would therefore need to be approved by Cabinet for any proposed future works.

In discussion comments and questions were raised in relation to:

- Traffic management solutions - provisions for emergency vehicles.
- Practicalities associated with any proposed options
- Current TROs “signage” – Visually strong signage to alert drivers.
- Use of CCTV to assist enforcement.
- The impact of heavy goods traffic on the refurbished area.

**Agreed:** That when considering any future solutions relating to traffic management safety in the pedestrian area of Ormskirk that provisions for emergency vehicles are also considered.

## Other Information

Information that has assisted the work of the review and compilation of this interim report:

- The Environmental Improvement of Moor Street, Ormskirk – The proposals (*site diagram*)
- Ormskirk Town Centre Market – Statistical data (no. of stalls layout; licensed and casual traders (*Table 1*))
- Ormskirk Town Centre Market – Commodity data (*Table 2*)
- National picture (all markets) – Statistical data (*National Association of British Markets (nabma)(Table 3)*)

- Ormskirk Town Centre – Proposed layout (Market Day) (Table 4)
- The Environmental Improvement of Moor Street, Ormskirk (Table 5)
- Market Day – Perceptions (Table 6)
- Parking Charges – Council Car Parks in Ormskirk (Table 7)
- Ormskirk Town Centre – Car Park Locations (Table 8)
- Extract – Research undertaken by ATCM (Table 9)
- Ormskirk Market – Thursday Stall Layout (Table 10)
- Ormskirk Market – Saturday Stall Layout (Table 11)
- Regeneration, Leisure and the Night Time Economy (Presentation Slides – Regeneration and Cultural Tourism)
- Draft Ormskirk Town Centre Strategy 2015-2025 (Consultation Questionnaire)
- Views of Ormskirk Market and other markets (Lichfields; Wakefield; Skipton; Workingham) (Pictorial views)
- 2012 Retail Market Survey Report – The Market Alliance (Nabma Oct 2012) <http://www.nabma.com/>

#### Minutes:

- Minutes of the meeting of the Corporate and Environmental Overview and Scrutiny Committee held on 16 July, 23 October, 4 December 2014, 19 February, 9 July, 15 October, 3 December 2015 and 18 February 2016
- Notes of the Workshop Sessions held on 20 January 2015 and 19 January 2016.

#### Interim Reports

- Interim reports of the Corporate and Environmental Overview and Scrutiny Committee work undertaken in 2014/15 and 2015/16

#### Web links:

- <http://skiptonmarket.net/>
- <http://www.stockport.gov.uk/services/leisureculture/visitstockport/stockportmarket/>
- <http://markets.sthelens.gov.uk/markets/earlestown-market/>
- <http://www.burymarket.com/>
- <http://www.westlancs.gov.uk/news/january-news-2015/time-to-give-your-views-on-an-important-strategy-for-the-future-of-ormskirk-town-centre.aspx>
- <http://genecon.co.uk/news-comments/genecon-high-streets-review.aspx>

### **OFFICER SUPPORT**

- Lead Officer: Dave Tilleray, Director of Leisure and Wellbeing
- Scrutiny Support Officer: Cathryn Jackson, Principal Overview & Scrutiny Officer
- Officers Reporting: Colin Brady, Technical Services Manager  
Paula Huber, Economic Regeneration Manager  
Helen Juste, Arts Development Manager  
Dominic Carr, Senior Planning Officer (Regeneration)  
Kathryn Mulhearn, Senior Economic Regeneration Officer

Legal Officers: Tina Sparrow, Principal Solicitor  
Neil Astles, Assistant Solicitor

## **SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

There are no significant sustainability impacts associated with this report. There are links to the West Lancashire Economic Strategy that promotes the West Lancashire visitor economy and particularly the Ormskirk Town Centre Strategy developing to help deliver growth in Ormskirk Town Centre. The strategy aims to address a number of issues and the areas that have been looked at, as part of this review, will add to that work that includes such topics as improving the appearance of the town centre, developing a brand which can be promoted to encourage visitors developing the evening/night time economy and improving access into and out of the town centre.

Lancashire County Council were responsible for the works undertaken during the course of review in Moor Street. There are links to the West Lancashire Highways and Transport Masterplan that contains options for major improvements to railways, highways, public transport and walking and cycling facilities.

The improvements put forward in this report aims to assist in the reinvigoration of the Market Town, increase the footfall adding to the experience of Ormskirk as a visitor destination and work to help the Council deliver a strong and sustainable community.

## **FINANCIAL AND RESOURCE IMPLICATIONS**

There are financial/resource implications arising from this report. The recommendations at 2, if taken forward, will need to be resourced through the usual budget processes. Recommendation 3, if endorsed, will be met using existing budgets.

## **RISK ASSESSMENT**

Should any of the proposals at Recommendation (1) be taken forward, the County Council should carry out a risk assessment to determine the impact of the proposals on local residents, business users and visitors, particularly options 1(vii) relating to traffic management safety in the pedestrian area of Ormskirk, which would need to be carefully managed and monitored.

## **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this report.

## **Equality Impact Assessment**

There will be a direct impact on members of the public, employees, elected members and / or stakeholders as a result of recommendations that may come forward, if implemented. An EIA would be undertaken as part of that process.

## **Appendices**

(1) Project Plan

**CORPORATE AND ENVIRONMENTAL OVERVIEW & SCRUTINY COMMITTEE – PROJECT PLAN**

Title: **A MARKET TOWN STRATEGY FOR ORMSKIRK**

**MEMBERSHIP:**

2015/16

Chairman: Councillor Dowling      Vice-Chairman: Councillor West  
 : Councillors Mrs Atherley, S Bailey, Barron, Mrs Blake, Blane, Delaney,  
 Devine, Greenall, G Hodson, L Hodson, Hudson, McKay, Mrs Marshall,  
 Oliver, O’Toole, Savage

2014/15

Chairman: Councillor Bailey      Vice-Chairman: Councillor Mrs Blake  
 Councillors Ashcroft, Mrs Baybutt, Delaney, Dereli, Devine, Mrs C Evans,  
 Mrs R Evans, Fillis, G Hodson, J Hodson, L Hodson, McKay, Mrs Marshall,  
 Ms Melling, Wright

2015/16

Chairman: Councillor N Hennessy      Vice Chairman: Councillor West  
 Councillors: Barron, Mrs Blake, Blane, Cotterill, Currie, D Evans, Greenall,  
 G Hodson, Kay, McKay, Nixon, Pryce-Roberts and Yates

**TERMS OF REFERENCE**

1. To undertake a review entitled ‘A Market Town Strategy for Ormskirk’, comprising the themed topics: ‘The Market’ (priority topic); ‘Car Parking’; The Environment and Special Features’; Leisure and the Night-time Economy; Technology and Marketing (including Tourism) and the contribution of Edge Hill University, as part of the work being undertaken in relation to the Ormskirk Town Strategy.
2. To make interim reports to Cabinet, if applicable, in relation to the themed topics.
3. To present a final report of the Committee’s findings and recommendations to Cabinet and Council.

**OBJECTIVES**

**The present –**

**1. ‘The Market’**

- To understand the current arrangements of the market, including the existing layout of the market stalls, mix of traders and the aesthetics in relation to the style and look of the stalls.
- To understand the impact of the Moor Street improvement works on the current market layout.
- To explore the opportunities open to market traders, including those available to permanent traders / casual traders / start-up traders.
- To understand best practice from other thriving markets.

## **2. 'Car Parking'**

- To understand the current arrangements of the car parks serving the town centre, including location; number of spaces; access/proximity.

## **3. 'The Environment and Special Features'**

- To understand the composition and special character of Ormskirk and contribution/expectation of people who live, work and visit it.

## **4. 'Leisure and Night-Time Economy'**

- To understand Ormskirk's leisure, visitor economy and contributing factors.

## **5. 'Technology and Marketing' (including Tourism)**

- To understand Ormskirk's heritage and contemporary setting, tourism (brand and visitor economy) and how marketed in the wider community.

## **6. 'Edge Hill University'**

- To understand the impact of the University on the town centre and its contribution to the economy of the town.

### **The future –**

To ensure that future approaches and facilities are developed to meet local needs and preserve the special character of a market town.

#### **1. 'The Market'**

- To ensure that the new Ormskirk market layout fits in with the proposed Moor Street improvements.
- To ensure the direction and priorities for the market will enable it to be both sustainable / competitive and also ensure that its development is in keeping with the aspirations of the Ormskirk Town Centre Strategy.
- To explore further opportunities to diversify, for example more specialist markets (crafts, foods etc.).

#### **2. 'Car Parking'**

- To ensure that car parks are fit for purpose to meet future needs.

#### **3. 'The Environment and Special Features'**

- To explore further opportunities to preserve the special character of Ormskirk as a market town and its impact on those who work, live and visit it.

#### **4. 'Leisure and Night-Time Economy'**

- To continue the work being undertaken to promote West Lancashire as a Visitor destination and the work undertaken through our partners.

#### **5. 'Technology and Marketing'**

- To continue to promote Ormskirk as a visitor destination and contribution to the work undertaken through various partners, including Marketing Lancashire and Love Ormskirk.

#### **7. 'Edge Hill University'**

- To continue the close association with Edge Hill University through established forums and other initiatives.



## Comparison

Understanding the position of market towns in other areas and how their economies are being revitalised through the development of distinctive retail, cultural and heritage offers.

## Resources -

- The Council's Director of Leisure and Wellbeing will provide technical support and guidance, together with Officers from Development and Regeneration. Officers from across the Authority, including Housing and Inclusion and Street Scene, to be consulted as appropriate.
- External contribution, as appropriate.
- Any funding requirements will be included in the final recommendations of the Committee.

## INFORMATION

<http://skiptonmarket.net/>

<http://www.stockport.gov.uk/services/leisureculture/visitstockport/stockportmarket/>

<http://markets.sthelens.gov.uk/markets/earlestown-market/>

<http://www.burymarket.com/>

<http://www.westlancs.gov.uk/news/january-news-2015/time-to-give-your-views-on-an-important-strategy-for-the-future-of-ormskirk-town-centre.aspx>

<http://genecon.co.uk/news-comments/genecon-high-streets-review.aspx>

## Witnesses

Who?	Why?	How?
Others within the community that may be identified during the course of the review.	To provide feedback on opportunities/developments considered.	To be identified during the review
The Committee may wish to hear from:		
Relevant Portfolio Holders	Portfolio Holders whose remit includes the themes contributing to the Review.	Attendance at meetings as required.

## **ESTABLISH WAYS OF WORKING**

### **Officer Support**

#### **Lead Officer (Corporate and Environmental Overview & Scrutiny Committee) –**

Dave Tilleray, Director of Leisure and Wellbeing

**Scrutiny Support Officer (SSO) –** Cathryn Jackson, Principal Overview and Scrutiny Officer

**Legal Officers (LO) –** Tina Sparrow, Principal Solicitor & Neil Astles, Assistant Solicitor  
**Officers reporting as and when required –**

Colin Brady, Technical Services Manager.

Dave Tilleray, Director of Leisure and Wellbeing, or Officers on his behalf.

John Harrison, Director of Development and Regeneration, or Officers on his behalf.

Bob Livermore, Director Housing and Inclusion, or Officers on his behalf

Graham Concannon, Director Street Scene, or Officers on his behalf.

Ian Gill, Deputy Deputy Director Development and Regeneration, or Officers on his behalf

Shaun Walsh, Borough Transformation Manager & Deputy Director of Housing and Inclusion, or Officers on his behalf.

### **Reporting Arrangements**

- The Director of Leisure and Wellbeing, or Officers on his behalf, will contribute, as appropriate, to aspects of the review relating to Ormskirk Town Centre.
- The Director of Development and Regeneration, or Officers on his behalf, will contribute, as appropriate, to aspects of the review relating to the Ormskirk Town Centre Management, planning and development that includes regeneration of the town centre (Ormskirk Town Centre Strategy 2015-2025) .
- The Director of Housing and Inclusion and Borough Transformation Manager & Deputy Director of Housing and Inclusion will contribute, as appropriate, to aspects of the review relating to the Ormskirk Town Centre Strategy and aspects of the review relating to consultation and community engagement.
- The Director of Street Scene will contribute, as appropriate, to aspects of the review relating to maintenance of the environment (street scene, grounds maintenance).
- The Lead Officer (Director of Leisure and Wellbeing)/Principal Overview and Scrutiny will co-ordinate the generic elements of the review and submit progress reports as required.
- The Corporate and Environmental Overview and Scrutiny Committee to submit its final report and recommendations to Cabinet and Council September/October 2016.

### **TIME SCALES**

#### **Meeting 1 – 16 July 2014**

- Introduction on the theme of the topic from the Technical Services Manager, Community Services.
- Review confirmed to commence 2014/15.
-

**Meeting 2 - 23 October 2014**

- To consider the role of Ormskirk Town Centre Market, the co-ordinated approach of local partnerships in relation to the topic area and to debate strengths and weaknesses of current approaches.
- To agree the Project Plan.
- To identify the next steps in the project.

**Meeting 3 - 4 December 2014**

- To consider an update from the Technical Services Manager.
- To agree and review the Project Plan.
- To identify the next steps.

**Workshop Session – 20 January 2015. “The Market”****Meeting 4 – 19 February 2015**

- To receive feedback from the Workshop Session.
- To receive a presentation by, or on behalf of, the Deputy Assistant Director Housing and Regeneration on the consultation currently being undertaken in relation to Ormskirk Town Centre Strategy.
- To identify the next steps.
- To review the Project Plan.

**Meeting 5 - 9 July 2015**

- To consider the updated the Project Plan
- To consider an interim report of the work undertaken in 2014/15.
- To receive a presentation from the Technical Services Manager and consider the theme ‘Car Parking’.
- To identify/confirm the next steps in the review.

**Meeting 6 – 15 October 2015**

- To consider reports/presentations, as applicable, on the theme ‘Technology and Marketing (including Tourism) on behalf of the Assistant Director Housing and Regeneration and Transformation Manager with consideration also of the theme ‘Edge Hill University’
- To consider an update on the Market and Moor Street improvements from the Technical Services Manager.
- To identify/confirm the next steps in the review.
- To review the Project Plan

**Meeting 7 – 3 December 2015**

- To consider reports/presentations, as applicable, on the theme ‘Regeneration, Leisure and the Night-time Economy’ on behalf of the Assistant Directors Community Service and Housing & Regeneration.
- To consider an update on the Market and Moor Street improvements from the Technical Services Manager.
- To identify/confirm the next steps in the review.
- To review the Project Plan

**Workshop Session – 19 January 2016**

**Meeting 8 – 15 February 2016**

- To receive feedback from the Workshop Session.
- To consider traffic management safety in the pedestrian area of Ormskirk.
- To consider an interim report of the work undertaken in 2015/16.
- To identify/confirm the next steps of the review.
- To review the Project Plan

**Meeting 9 – 14 July 2016**

- To agree draft final report and final recommendations for submission to Cabinet and Council, if applicable, in September/October 2016

**Cabinet – 13 September 2016**

- Submission of the final report.

**Council – 19 October 2016**

- To receive the final report, if applicable.

**INFORMATION GATHERED**

16 July 2014	The Environmental Improvement of Moor Street, Ormskirk – The proposals (site diagram)
23 October 2014	Ormskirk Town Centre Market – Statistical data (no. of stalls layout; licensed and casual traders.
23 October 2014	Ormskirk Town Centre Market – Commodity data
23 October 2014	National picture (all markets) – Statistical data (nabma)
20 January 2015	Ormskirk Town Centre – Current and proposed layout (Market Day)
20 January 2015	Pictorial views of Ormskirk Market and other markets (Lichfield; Wakefield; Skipton; Wokingham;
19 February 2015	Draft Ormskirk Town Centre Strategy 2015-2025 – Consultation Questionnaire
9 July 2015	Ormskirk Town Centre – Map of council car parks
9 July 2015	Parking Charges – Current charges for council car parks in Ormskirk town centre (short & long stay pay & display)
9 July 2015	Car Park Income (1 April 2014 to 31 March 2015) – Wheatsheaf and Stiles
9 July 2015	Access and the Car Parking Experience - Association of Town Centre Management (ATCM)
9 July 2015	Alliance Boots, Car Parking – A Retailer’s View <i>sic</i> Federation of Small Businesses (FSB) (page 43 ‘Understanding High Street Performance’)
9 July 2015	Understanding High Street Performance - Department for Business Innovation & Skills (BIS) – A report prepared by Gencon LLP and Partners (December 2011)
15 October 2015	Ormskirk Town Centre – Current Situation ( <i>Town Centre Management; Branding &amp; Marketing; Technology &amp; Contribution of Edge Hill University</i> )
3 December 2015	Regeneration, Leisure and the Night Time Economy - ( <i>Presentation Slides – Regeneration and Cultural Tourism</i> )
3 December 2015	Draft Ormskirk Town Centre Strategy 2015 – Consultation Brochure
3 December 2015	Chapel Gallery – Exhibition Programme Oct 2015 – June 2016
3 December 2015	‘Let’s talk Business’- Ormskirk Town Centre Strategy Moves Forward

16 February 2016	'The Market' – Revised layout of stalls (Thursday and Saturdays)
16 February 2016	Ormskirk Town Centre Traffic Management Options (Desktop Study)

## CONCLUSION

### RECOMMENDATIONS

The Corporate and Environmental Overview and Scrutiny Committee make the following recommendations:

- (1)** That Lancashire County Council (LCC), as the Highway Authority, give due consideration to the following:
- (i) the impact of heavy goods traffic in the refurbished area of Ormskirk Town Centre.
  - (ii) the on-going maintenance of the gullies and the monitoring of the effectiveness of the aggregate resin within them.
  - (iii) the refurbishment of Aughton Street to tie-in with the Moor Street improvements.
  - (iv) the impact of town centre congestion, including the bottle necks at Derby/Stanley Street/Wigan Road/Moor Street/Moorgate and Park Road.
  - (v) the on-going improvements to the rail bridge and cycle link from the Town Centre to Edge Hill University, as contained in the West Lancashire Highways and Transport Masterplan.
  - (vi) encourage effective enforcement of the Traffic Regulation Orders (TROs) operating in Ormskirk Town Centre, particularly on Market Days by exploring:
    - (a) the provision of more clearer signage to alert drivers to the restrictions of the TROs;
    - (b) breaches of on-street parking.
  - (vii) in relation to finding a permanent solution to traffic management safety in the pedestrian area of Ormskirk by exploring:
    - (a) the provision of Gates at access points (Aughton Street, Church Street and Burscough Street with a "lift assist" bollards to Moor Street/Moorgate.)
    - (b) Hydraulic "lift assist" bollards in Church Street, Aughton Street, Burscough Street and Moor Street/Moorgate.
    - (c) Automatic Rise and Fall Bollards in the areas referred to above.
    - (d) the narrowing of the access points
- (2)** That the Portfolio Holder for Transformation and Regeneration, in consultation with the Director of Development and Regeneration give due consideration to the findings within the report to add to the emerging Ormskirk Town Centre Strategy to include the following:
- (i) In relation to 'Events Square that it:
    - (a) is a flexible and multi-functional space;
    - (b) is adaptable for day and evening events.
    - (c) provides an opportunity for wider community use
    - (d) is adaptable and able to embrace new and emerging technologies.
    - (e) is well-managed and
    - (f) there is provision for a semi or permanent cover of the 'Square'.

- (ii) In relation to the Market Stalls that the:
    - (a) stall canopies be replaced with matching/branded ones.
    - (b) there is provision for a mixture of traditional and non-traditional stalls.
    - (c) there is adequate space around each stall
  
  - (iii) In relation to Car Parking that
    - (a) on-going discussions with Merseyrail continue in respect of car parking arrangements at Ormskirk rail station.
    - (b) alternative ways of paying for parking be considered as part of any future assessment of these facilities including cashless machines; CCTV and advances in technology.
    - (c) the revised Ormskirk Car Park Map be included on the web-site.
  
  - (iv) In relation to Technology and Marketing by exploring:
    - (a) the positioning of the Market and Town Centre locally and in the wider community.
    - (b) methods of promotion and advertising: Ormskirk's historical and special character; embracing traditional and emerging technologies.
    - (c) improvements to the Visitor Map of Ormskirk Town Centre with locations and insertion of the defibrillator icon inserted, as appropriate.
    - (d) digital signage as an alternative to A-boards outside shops.
    - (e) cultural tourism through its visitor attractions- Chapel Gallery; Vintage and Handcraft Fairs and exhibitions.
    - (f) promoting Ormskirk as a tourist destination, to include promotion with the bus and tour operators as a visitor destination.
  
  - (v) In relation to Edge Hill University (EHU) continue the close association with EHU as a contributor to the economy.
- (3)** That the final report of the Corporate and Environmental Overview and Scrutiny Committees review to be circulated to Love Ormskirk, Ormskirk Community Partnership, Marketing Lancashire, Edge Hill University, Edge Hill Students' Union and Business in the Community (BITC), scrutiny at Lancashire County Council and published on the Council and Centre for Public Scrutiny (CfPS) web-sites.
- (4)** That the Corporate and Environmental Overview and Scrutiny Committee review its recommendations in December 2016.

**REVIEW DATE – December 2016**

**MINUTE OF THE CORPORATE AND ENVIRONMENTAL OVERVIEW AND  
SCRUTINY COMMITTEE HELD ON 14 JULY 2016**

**11. A MARKET TOWN STRATEGY FOR ORMSKIRK - DRAFT FINAL  
REPORT OF THE CORPORATE AND ENVIRONMENTAL OVERVIEW  
AND SCRUTINY COMMITTEE**

Consideration was given to the draft final report of the Committee, attached as Appendix A, on the findings of the review „A Market Town Strategy for Ormskirk“.

Members discussed the report, its findings and the recommendations within it.

In relation to actions on the recommendations it was noted that these would come back for consideration at the meeting of the Committee in December.

**RESOLVED:** That the draft final report and recommendations therein be approved and be submitted to Cabinet on 13 September 2016 and Council, as appropriate.







**CABINET: 13 SEPTEMBER 2016**

**CORPORATE & ENVIRONMENTAL  
OVERVIEW & SCRUTINY  
COMMITTEE:  
13 OCTOBER 2016**

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**Report of: Borough Transformation Manager and Deputy Director of Housing & Inclusion**

**Relevant Portfolio Holder: Councillor I Moran**

**Contact for further information: Ms A Grimes (Extn. 5409)  
(E-mail: [alison.grimes@westlancs.gov.uk](mailto:alison.grimes@westlancs.gov.uk))**

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**SUBJECT: QUARTERLY PERFORMANCE INDICATORS (Q1 2016/17)**

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Wards affected: Borough wide

## **1.0 PURPOSE OF THE REPORT**

1.1 To present performance monitoring data for the quarter ended 30 June 2016.

## **2.0 RECOMMENDATIONS TO CABINET**

2.1 That the Council's performance against the indicator set for the quarter ended 30 June 2016 be noted.

2.2 That the call-in procedure is not appropriate for this item as the report is being submitted to the next meeting of the Corporate & Environmental Overview & Scrutiny Committee on 13 October 2016.

## **3.0 RECOMMENDATIONS TO CORPORATE & ENVIRONMENTAL OVERVIEW & SCRUTINY COMMITTEE**

3.1 That the Council's performance against the indicator set for the quarter ended 30 June 2016 be noted.

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## **4.0 CURRENT POSITION**

- 4.1 Members are referred to Appendix A of this report detailing the quarterly performance data.
- 4.2 32 data items are reported quarterly, two of these are data only. Of the 30 PIs with targets reported:
- 19 indicators met or exceeded target
  - 3 indicators narrowly missed target; 4 were 5% or more off target
  - 2 indicators have data unavailable at the time of the report (*NI 191: Residual household waste; NI192: Percentage of household waste sent for reuse, recycling and composting*)
  - 2 indicators do not have data reported for Q1 (NI195a and NI195b).

As a general comparison, Q1 performance in 2015/16 gave 20 indicators (from 32 reported PIs) on or above target.

- 4.2 Performance plans prepared by service managers are already in place for those indicators where performance falls short of the target by 5% or more for this quarter, if such plans are able to influence outturn and will be relevant for future monitoring purposes.
- 4.3 These plans provide the narrative behind the outturn and are provided in Appendices B1-B4. Where performance is below target for consecutive quarters, plans are revised only as required, as it is reasonable to assume that some remedial actions will take time to make an impact.
- 4.4 For those PIs that have flagged up as 'amber' (indicated as a triangle), an assessment has been made at head of service level based on the reasons for the underperformance and balancing the benefits of implementing a performance plan versus resource implications. This is indicated in the table.
- 4.5 The performance indicator data appended to this report details the council's quarterly performance against key performance indicators. The performance information aims to help demonstrate performance against the corporate priorities as well as providing some service-specific information. The full suite of indicators for 2016/17 was agreed by Cabinet in March 2016. Annual outturn for the full suite is reported to Council within the Annual Report.

## **5.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

- 5.1 The information set out in this report aims to help the Council improve service performance and is consistent with the Sustainable Community Strategy aim of providing good quality services that are easily accessible to all.

## **6.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 6.1 There are no direct financial or resource implications arising from this report.

## **7.0 RISK ASSESSMENT**

- 7.1 This item is for information only and makes no recommendations. It therefore does not require a formal risk assessment and no changes have been made to risk registers as a result of this report. Monitoring and managing performance information data helps the authority to ensure it is achieving its corporate priorities and key objectives and reduces the risk of not doing so.

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### **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

### **Equality Impact Assessment**

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

### **Appendices**

Appendix A – Quarterly Performance Indicators for Q1 April-June 2016/17

Appendix B – Current Performance Plans

B1: NI 157b Processing of planning applications: Minor applications

B2: WL121 Working Days Lost Due to Sickness Absence

B3: HS1 % Housing repairs completed in timescale

B4: WL108 Average answered waiting time for callers to the contact centre (seconds)

Appendix C – Minute of Cabinet 13 September 2016 (Corporate & Environmental Overview and Scrutiny Committee only) – to follow



# APPENDIX A: QUARTERLY PERFORMANCE INDICATORS

Icon key					
PI Status		Performance against same quarter previous year			
	OK (within 0.01%) or exceeded	19		Improved	10
	Warning (within 5%)	3		Worse	11
	Alert (by 5% or more)	4		No change	7
	Data only	2	/	Comparison not available	2
	Awaiting data	2		Awaiting data	2
N/A	Data not collected for quarter	2			
Total number of indicators		32			

## Shared Services<sup>1</sup>

PI Code & Short Name	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16	Q1 2016/17	Current Target	Comments	Q1 16/17 vs Q1 15/16	Quarter Performance
	Value	Value	Value	Value	Value	Value	Value	Value	Value				
Paperwork ICT1 Severe Business Disruption (Priority 1) (ytd)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.0%			
ICT2 Minor Business Disruption (P3) (ytd)	100.0%	100.0%	99.0%	99.0%	99.0%	99.0%	98.0%	98.0%	98.0%	97.0%			
ICT3 Major Business Disruption (P2) (ytd)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	89.0%	92.0%	100.0%	98.0%			
ICT4 Minor Disruption (P4) (ytd)	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%	97.0%	98.0%	99.0%	98.0%			
B1 Time taken to process Housing Benefit/Council Tax Benefit new claims and change events(ytd)	6.79	7.66	8.23	6.62	8.89	8.07	8.00	7.02	7.22	12.00			
B2 Overpayment Recovery of Housing Benefit overpayments (payments received)	£34,524	£82,895	£130,906	£203,868	£67,408	£149,382	£207,159	£276,577	£79,368	£43,040			
R1 % of Council Tax collected	28.95%	56.11%	83.60%	96.03%	29.64%	56.69%	84.37%	97.02%	29.38%	29.09%			

PI Code & Short Name	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Current Target	Comments	Q1 16/17 vs Q1 15/16	Quarter Performance
	2014/15	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2015/16	2016/17				
	Value	Value	Value	Value	Value	Value	Value	Value	Value				
R2 % council tax previous years arrears collected	3.38%	12.36%	27.34%	33.56%	8.97%	25.31%	32.64%	37.31%	9.98%	5.0%		↑	✓
R3 % of Non-domestic Rates Collected	30.75%	58.26%	83.29%	96.40%	28.09%	54.83%	80.41%	98.32%	29.27%	27.76%		↑	✓
R4 % Sundry Debtors % of revenue collected against debt raised	62.59%	79.34%	86.49%	90.73%	72.0%	83.67%	88.84%	95.0%	66.42%	45.75%		↓	✓

### Leisure & Wellbeing Services



PI Code & Short Name	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Current Target	Comments	Q1 16/17 vs Q1 15/16	Quarter Performance
	2014/15	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2015/16	2016/17				
	Value	Value	Value	Value	Value	Value	Value	Value	Value				
PL08a Number of Crime Incidents	1,312	1,277	1,277	1,105	1,120	1,169	1,271	1,205	1,359			↓	
PL18 Use of leisure and cultural facilities (swims and visits)	310,875	315,366	254,704	322,129	314,915	303,157	215,442	331,443	307,707		Impacts on outturn include bad weather on kite flying event, cancelled park events and closed golf range.	↓	

### Development & Regeneration Services







PI Code & Short Name	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Current Target	Comments	Q1 16/17 vs Q1 15/16	Quarter Performance
	2014/15	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2015/16	2016/17				
	Value	Value	Value	Value	Value	Value	Value	Value	Value				
NI 157a Processing of planning applications: Major applications	100%	76.92%	44.44%	62.50%	100%	100%	100%	81.82%	100%	65.00%		▬	✓
NI 157b Processing of planning applications: Minor applications	74.67%	70.00%	70.59%	80.88%	72.22%	66.15%	67.14%	62.26%	70.97%	75.00%	Outturn is above the government target of 65%. Performance Plan attached at Appendix B1	↓	✗
NI 157c Processing of planning applications:	79.83%	76.10%	84.51%	88.71%	85.03%	83.33%	81.82%	80.00%	85.95%	85.00%		↑	✓













PI Code & Short Name	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16	Q1 2016/17	Current Target	Comments	Q1 16/17 vs Q1 15/16	Quarter Performance
	Value	Value	Value	Value	Value	Value	Value	Value	Value				
Other applications													

### Finance and HR Services

PI Code & Short Name	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16	Q1 2016/17	Current Target	Comments	Q1 16/17 vs Q1 15/16	Quarter Performance
	Value	Value	Value	Value	Value	Value	Value	Value	Value				
WL_121 Working Days Lost Due to Sickness Absence <sup>2,3</sup>	9.18	8.37	7.84	8.74	9.63	10.43	10.47	9.64	8.89	8.08	Performance Plan attached at Appendix B2		

### Housing & Inclusion Services

Page 759 Code & Short Name	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16	Q1 2016/17	Current Target	Comments	Q1 16/17 vs Q1 15/16	Quarter Performance
	Value	Value	Value	Value	Value	Value	Value	Value	Value				
99 % Housing repairs completed in timescale	96.36%	95.86%	96.58%	97.36%	97.04%	96.11%	97.02%	95.38%	94.93%	97.00%	Performance plan attached at Appendix B3		
HS13 % LA properties with CP12 outstanding	0.1%	0.04%	0.06%	0.1%	0.05%	0.01%	0.08%	0.13%	0.13%	0.00%	Reported performance is an average from months in the period.  Target based on legal requirement for all eligible properties to have certificate. No plan has been prepared but we continue to focus on rigorous procedures to ensure compliance.		
TS1 Rent Collected as a % of rent owed (excluding arrears b/f)	99.2	98.04	98.18	98.65	102.3	100.12	99.74	99.81	102.3	97.0%	Prioritisation of cases and recommended recovery actions means more efficient work from the team. This, together with the early intervention approach using money advisors, is helping minimise the impact of welfare reforms and means we can work to maximise an individual's income.  The first two weeks of the year are rent		

PI Code & Short Name	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16	Q1 2016/17	Current Target	Comments	Q1 16/17 vs Q1 15/16	Quarter Performance
	Value	Value	Value	Value	Value	Value	Value	Value	Value				
											non-collection weeks, and so no rent debit is raised. We continue to take payments at this time from those in arrears and so any monies received during this time help to reduce the arrears position, allowing above 100% collection to be achieved.		
TS24a GN Average time taken to re-let local authority housing (days) - GENERAL NEEDS	30.25	18.19	22.77	29.42	26.63	25.93	26.97	32.75	19.80	28.00			
TS24b SP Average time taken to re-let local authority housing (days) - SUPPORTED NEEDS	79.20	41.39	65.66	92.24	60.33	63.09	24.89	77.62	44.82	65.00			
Page 7/60 98 % invoices paid on time	96.53%	98.44%	98.73%	99.27%	99.06%	98.65%	99.28%	98.36%	98.54%	98.75%	Head of Service's amber assessment: performance plan not required.  Information has been circulated to staff to remind them of the guidance around processing of payments.		
WL90 % of Contact Centre calls answered	93.1%	93.6%	91.1%	91.6%	90.6%	93.8%	92.4%	91.1%	92.2%	91.0%			
WL108 Average answered waiting time for callers to the contact centre (seconds)	20.00	24.00	44.00	31.00	43.00	23.00	37.00	60.00	64.00	50.00	Performance plan attached at Appendix B4		
WL19bii Direct dial calls answered within 10 seconds <sup>2</sup>	82.01%	81.50%	82.13%	82.28%	81.34%	80.79%	82.35%	81.00%	80.15%	82.21%	This relates to 59,674 calls. 90.1% were answered within 20 seconds.  Head of Service's amber assessment: performance plan not required.  Information circulated to staff reminding them of the telephone protocols to put in place during absences from their desk.		



Street Scene Services

PI Code & Short Name	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16	Q1 2016/17	Current Target	Comments	Q1 16/17 vs Q1 15/16	Quarter Performance
	Value	Value	Value	Value	Value	Value	Value	Value	Value				
NI 191 Residual household waste per household (Kg) <sup>4</sup>	133.82	125.47	129.69	117.6	122.66	124.96	135.13	131.82		125	Awaiting external confirmation of data.		
NI 192 Percentage of household waste sent for reuse, recycling and composting <sup>4</sup>	50.88%	49.70%	41.66%	41.08%	51.08%	51.37%	43.21%	40.61%		50.00%	Awaiting external confirmation of data. Traditionally Q1 and Q2 provide the highest composting figures.		
NI 195a Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Litter	N/A	1.17%	1.00%	.33%	N/A	1.17%	1.17%	2.00%	N/A	1.61%	Survey carried out three times each year. No data for Q1.	/	N/A
NI 195b Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Detritus	N/A	2.75%	2.50%	8.89%	N/A	3.41%	5.97%	5.47%	N/A	5.00%	Survey carried out three times each year. No data for Q1.	/	N/A
WL01 No. residual bins missed per 100,000 collections	90.52	87.07	85.20	74.23	81.12	93.34	87.42	97.41	70.00	80.00			
WL06 Average time taken to remove fly tips (days)	1.12	1.06	1.08	1.09	1.07	1.05	1.06	1.08	1.07	1.09			
WL122 % Vehicle Operator Licence Inspections Carried Out within 6 Weeks	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%			

Notes:

<sup>1</sup> Managed through LCC/BTLS contract. Contractual targets are annual. Quarter targets are provided as a gauge for performance only. Performance plans are not provided since actions planned to improve performance are discussed and managed through contractual monthly Quality of Service meetings. ICT data and RBS data reflect progress to year end.

<sup>2</sup> WL19bii / WL121: Data does not include BTLS seconded staff.

<sup>3</sup> WL\_121: From 2016/17, quarter data shows a rolling 12 month outturn against the annual target rather than 'within quarter' performance. Outturns of previous quarters re-stated to show this.

<sup>4</sup> NI191-192: Data is provided to WLBC with a time lag due to time involved to confirm final figures.

'NI' and 'BV' coding retained for consistency/comparison although national reporting no longer applies.

Following the annual review of PIs, the following changes to QPIs were approved by Cabinet in March 2016 for 2016/17:

•TS24a Average time taken to re-let local authority housing (Supported Needs) – target changed from 50 to 65 to take account of low demand for sheltered housing; • WL108 Average answered waiting time for callers – target changed from 30 to 50s to reflect increased demand on operator time resulting from increased resolution at first point of contact; • WL121 Working days lost to sickness absence – outturn period changed from 'within quarter' performance to match internal management reports showing rolling 12 month 'outturn' against the annual target, previous quarter outturns restated to reflect this; • NI 191 Residual household waste per household – target changed from 495 to 500kg to reflect increase in street litter collected and increase in waste presented for collection; • NI 195c Improved street and environmental cleanliness (levels of graffiti) – indicator deleted as assessment includes private property where there is no control; • NI 195d Improved street and environmental cleanliness (levels of fly posting) – indicator deleted as assessment includes private property where there is no control; • BV8 % invoices paid on time – target changed from 98.24% to 98.75%

<b>PERFORMANCE PLAN</b>	
<b>Indicator</b>	NI 157b Processing of planning applications: Minor applications NI 157c Processing of planning applications: Other applications
<b>Reasons for not meeting target</b>	
<p>This performance level reflects a number of factors;</p> <ul style="list-style-type: none"> <li>- A reduced staffing resource as a result of maternity leave</li> <li>- A significant increase in workloads</li> </ul>	
<b>Additional commentary</b>	
<p>The development management section has now been experiencing high levels of workload for some time. This has coincided with several members of the team taking maternity leave. At present the section has two members of staff on maternity leave who will not return to work until next year.</p> <p>To manage the impact on performance of the loss of these two members of staff, the section has sought to fill maternity leave vacancies. There is however inevitably a delay between the post holder starting maternity leave and a temporary member of staff being appointed. Furthermore, once temporary members of staff are in post, there is often a lengthy training/mentoring period needed as new starters become familiar with the Council's planning policies and procedures. It is also the case that invariably, short term contracts attract applicants who are considerably less experienced in development management than the officers they are replacing. Given the above it is inevitable that performance will be affected when staff take extended maternity leave.</p> <p>Whilst the section will continue to seek to achieve the Councils performance targets, in the above context, the targets (which are higher than national targets) are extremely challenging and it may only be with the return of the experienced officers currently on maternity leave that the targets are consistently met.</p>	
<b>Resource Implications</b>	
As above	
<b>Priority</b>	
<b>Future Targets</b>	
The current target remains appropriate.	
<b>Action Plan</b>	
<b>Tasks to be undertaken</b>	<b>Completion Date</b>
See above comments	ongoing

<b>PERFORMANCE PLAN</b>	
<b>Indicator</b>	<b>WL121 Working Days Lost Due to Sickness Absence</b>
<b>Reasons for not meeting target</b>	
<p>The Council's target for 2016/2017 is to achieve (not more than) 8.08 working days lost per employee, measured on a rolling 12-month basis. For quarter 1 the outturn is 8.89, which is a significant improvement on the performance in quarter 3 (10.47) and quarter 4 (9.64) of 2015/16, although still below target.</p> <p>All cases continue to be closely monitored and are intensely managed by Service managers, assisted by the HR team. However, there remain a number of long term absence cases, which by their nature, have been complex and difficult to resolve quickly. The HR team and Managers continue to work closely with staff and trade unions to facilitate speedy solutions, such as exits from the organisation where appropriate.</p>	
<b>Additional commentary</b>	
<ul style="list-style-type: none"> <li>• Heads of Service will continue to closely monitor sickness levels within their respective service areas and take appropriate action as necessary in line with the Sickness Absence Policy</li> <li>• The Council will continue to focus on providing detailed management information to assist managers in identifying all short-term cases of sickness absence, which have exceeded the agreed 'trigger' levels, together with all on-going long-term cases of sickness absence.</li> <li>• The HR team will continue to meet with individual Heads of Service, where appropriate, to provide advice and support to ensure managers have the skills and confidence to address absence issues appropriately.</li> <li>• The Council will continue to work closely with the Occupational Health provider (OH Assist)</li> <li>• A high level review of the Council's approach to Absence management will be conducted in order to improve performance, including reviewing the policy along with a range of health and well being initiatives</li> <li>• Training has been delivered for assisting staff with stress related issues (for both officers affected by these conditions and for managers who need to manage these issues in the workplace).</li> <li>• The HR team has reviewed and enhanced the phased return process, which will help to facilitate earlier returns to work and promote a shared ownership of the responsibility for good attendance between managers and staff.</li> <li>• Managers will endeavour to engage with the Government's 'Fit for Work Scheme' to encourage planned returns to work at an earlier stage.</li> <li>• The HR team have distributed a handy leaflet to all staff which further publicises the requirements of the management of sickness absence policy.</li> <li>• The Health and Safety team are developing an eLearning tool for managers on health and safety in the workplace, which will offer advice to prevent illness, accidents and resultant absence.</li> <li>• An e-learning system is about to be implemented, which can be used to provide more effective training on sickness management.</li> </ul>	
<b>Resource Implications</b>	
Timely interventions by Managers and pro-active, practical support from the HR Team, together with OH Assist will help to maximise attendance levels.	
<b>Priority</b>	
High	
<b>Future Targets</b>	
Continue with existing target.	
<b>Action Plan</b>	
<b>Tasks to be undertaken</b>	<b>Completion Date</b>
See actions (above)	Ongoing

<b>PERFORMANCE PLAN</b>	
<b>Indicator</b>	HS1 % Housing Repairs completed in timescale
<b>Reasons for not meeting target</b>	
<p>The issue relates to poor performance on behalf of one of our Response Maintenance Contractors as well as one of their sub-contractors. The other contractors are consistently performing above target. This has been highlighted at previous Contract Progress meetings and discussed directly with the contractor concerned.</p> <p>Factors contributing to poor performance:</p> <ul style="list-style-type: none"> <li>• Adverse weather conditions have led to a high number of roofing repairs and other external works that could not be completed.</li> <li>• Not requesting extensions of time or properly following procedures regarding WIPs (Works In Progress).</li> <li>• Long term sickness of a key member of administrative staff at the local depot.</li> </ul>	
<b>Additional commentary</b>	
<p>Actions taken to improve performance following the Q1 outturn have been:</p> <ul style="list-style-type: none"> <li>• Performance was previously monitored on a monthly basis; weekly reports are now provided.</li> <li>• A meeting took place with the Contracts Manager to highlight the importance of adhering to the correct procedures with regard to WIPs and requests for extension of time.</li> <li>• Appointment of a new Contracts Manager in February 2016, allocation of additional resources to our contract area and replacement of the sub-contractor appear to have addressed this issue.</li> <li>• The key member of staff referred to above has since returned to work.</li> </ul> <p>Implementing this action plan has resulted in a continuous upward trend in performance for this contractor from 83.95% in March 2016 to 96.29% to date. It is anticipated that the contractor will meet the 97% performance target by the end of August 2016.</p> <p>It should be noted that because some jobs are issued with a completion target of 42 calendar days the figures do not necessarily relate to jobs issued in any one month; these jobs may also be subject to WIPs or extensions of time resulting in actual completions being further delayed. This means Quarterly outturn figures reported include works issued in the previous quarter which explains the incremental increase in performance as the contractor has to “catch up”.</p>	
<b>Resource Implications</b>	
Increased administration and monitoring/reporting arrangements.	
<b>Priority</b>	
High – action underway.	
<b>Future Targets</b>	
Target of 97% retained for 2016/17	
<b>Action Plan</b>	
<b>Tasks to be undertaken</b>	<b>Completion Date</b>
Weekly monitoring	ongoing

<b>PERFORMANCE PLAN</b>	
<b>Indicator</b>	WL108 – Average waiting time for callers to the Contact Centre (seconds)
<b>Reasons for not meeting target</b>	
It should be noted that the target was missed by 14 seconds. During the period, there have been increased call volumes due to the flooding incident in June, increased recovery action in relation to Council Tax and also some long term staff absences.	
<b>Additional commentary</b>	
<b>Proposed Actions</b>	
<ul style="list-style-type: none"> <li>• Continued close monitoring of call handling times.</li> <li>• Continued close liaison with our partners BTLS in relation to Revenue recovery calls.</li> <li>• Management of sickness absence in line with the Council's long-term absence management policy.</li> </ul>	
<b>Resource Implications</b>	
None	
<b>Priority</b>	
High	
<b>Future Targets</b>	
The current target remains appropriate.	
<b>Action Plan</b>	
<b>Tasks to be undertaken</b>	<b>Completion Date</b>
See above comments	ongoing



**CABINET: 13 September 2016**

**EXECUTIVE OVERVIEW &  
SCRUTINY COMMITTEE:  
29 September 2016**

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**Report of: Borough Treasurer**

**Relevant Portfolio Holder: Councillor C. Wynn**

**Contact for further information: Liz Fearn (Ext. 5605)  
(E-mail: [liz.fearn@westlancs.gov.uk](mailto:liz.fearn@westlancs.gov.uk))**

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**SUBJECT: CAPITAL PROGRAMME OUTTURN 2015/2016**

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Wards affected: Borough wide

## **1.0 PURPOSE OF REPORT**

1.1 To provide a summary of the capital outturn position for the 2015/2016 financial year.

## **2.0 RECOMMENDATIONS TO CABINET**

2.1 That the final position, including slippage, on the Capital Programme for the 2015/2016 financial year be noted and endorsed.

2.2 That Call In is not appropriate for this item as the report is being submitted to the next meeting of the Executive Overview and Scrutiny Committee on 29<sup>th</sup> September 2016.

## **3.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW AND SCRUTINY COMMITTEE**

3.1 That the final position on the Capital Programme for the 2015/2016 financial year be noted.

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## **4.0 BACKGROUND**

4.1 Members have been kept informed of the financial position of the Capital Programme with regular monitoring reports. This report provides Members with the final position on capital schemes for the 2015/2016 financial year.

- 4.2 It should be noted that the final accounts for the 2015/2016 year are subject to audit and the figures contained in this report are, potentially, subject to change. However, the Audit is nearing completion and no issues have been raised on the capital programme to date. Members will be informed in due course of any significant matters arising from the Audit.
- 4.3 The position on the current year's Programme for 2016/2017 is discussed elsewhere on this Agenda.

## 5.0 CAPITAL PROGRAMME

- 5.1 The Capital Programme of £26.661m at the end of the 2015/2016 financial year is analysed by Service in Appendix A. The key result for the year is that good progress has been made in delivering schemes.
- 5.2 The total capital expenditure for 2015/2016 was £17.470m which represents 66% of the total Budget for the year. This is slightly lower than recent programmes as indicated in Table 1:

Year	Expenditure £m	Budget £m	% Spend against Budget
2015/2016	17.470	26.661	66%
2014/2015	13.102	17.386	75%
2013/2014	15.129	19.503	78%
2012/2013	10.241	13.362	77%

- 5.3 In total spending was £4.3m more than 2014/2015 and £2.3m more than 2013/2014. However the percentage spend of 66% was lower than expectation and trend, mainly due to reduced expenditure on the Solar Panel Programme as a result of changes in Government rules on the amount to be paid for Solar PV energy, which was outside the control of the Council. The largest single area is the Housing Public Sector which achieved a total spend of £12.3m or 74% of its budget in 2015/16, compared to a total spend of £10.9m or 79% in 2014/15, showing an increased spend of £1.4m. Head of Service comments on the progress made on capital schemes are set out in Appendix B.

## 6.0 SLIPPAGE OF EXPENDITURE APPROVALS

- 6.1 100% spend against the Budget is never anticipated due mainly to reasons beyond the Council's control. For example, some schemes are reliant on a significant amount of match funding and external contributions, and others are demand led or dependant upon decisions made by partners.
- 6.2 Schemes that are not completed within the financial year for which they are scheduled are slipped into the following financial year along with their unused expenditure and resource approvals. The total slippage figure for capital schemes



from 2015/2016 is £5.751m. An analysis of schemes with a significant amount of slippage is provided in Appendix C.

## 7.0 SIGNIFICANT VARIANCES

7.1 There will always be some variances between the original estimated cost of a capital scheme and its final position and the Council has established budgetary management and control procedures in place to minimise such variances. While there have been a number of over and under spends this year, in total expenditure was £3.441m under budget, which is a variance of around 13%, which was primarily due to variances on the Housing Public Sector Programme and the Solar Panel Scheme. An analysis of significant variances by scheme is provided in Appendix D.

7.2 The variance on the Housing Public Sector programme was the result of a range of different factors including funding no longer being required, underspends, contract savings, and schemes being delivered through different routes. The funding that is no longer required was allocated at the July Council meeting.

## 8.0 CAPITAL RESOURCES

8.1 A breakdown of the budgeted resources of £26.661m identified to fund the programme is shown in Appendix A. The main area of the capital resources budget that is subject to variation is in relation to capital receipts. These are the useable proceeds from the sale of Council assets (mainly houses under Right to Buy sales) that are available to fund capital expenditure. These receipts can vary significantly depending on the number and value of assets sold.

8.2 57 Right to Buy Council House sales were generated against the target of 40 for the year with further monies received from the sale of land. This is analysed in Table 2 below:

Year	Estimate £'000	Actual £'000	% Received against Budget
Right to Buy Sales	320	338	106%
Other Sales	125	142	114%
Total	445	480	108%

8.3 Estimates for the year are based on historical averages as the actual pattern of sales is volatile.

8.4 In addition to the Usable Capital Receipt figures shown above, the Council is also able to retain a proportion of the proceeds generated by Council House sales for specific purposes. In this respect, by the end of the financial year £0.206m had been generated for "One for One Replacement Funding" and £0.755m was generated for "Debt Funding".

## 9.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 9.1 The Capital Programme includes schemes that the Council plans to implement to enhance service delivery and assets. Individual project plans address sustainability and Community Strategy issues and links to Corporate Priorities. The Capital Programme also achieves the objectives of the Prudential Code for Capital Finance in Local Authorities by ensuring capital investment plans are affordable, prudent, and sustainable.

## **10.0 RISK ASSESSMENT**

- 10.1 Capital assets shape the way services are delivered for the long term and, as a result, create financial commitments. The formal reporting of performance against the Capital Programme is part of the overall budgetary management and control framework that is designed to minimise the financial risks facing the Council.

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### **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

### **Equality Impact Assessment**

The decision does not have any direct impact on members of the public, employees, elected members and/or stakeholders. Therefore, no Equality impact assessment is required.

### **Appendices**

- A Capital Expenditure and Resources Compared to Budget
- B Heads of Service Comments
- C Analysis of Significant Slippage
- D Analysis of Variances
- E Minute of Cabinet 13 September 2016 (Executive Overview and Scrutiny Committee only)

**2015/2016 CAPITAL PROGRAMME  
EXPENDITURE AND RESOURCES BUDGET  
AT OUTTURN**

Service	Budget Approval	Actual		Variance		Slippage	
	£'000	£'000	%	£'000	%	£'000	%
<b>EXPENDITURE</b>							
<b>Central Items</b>							
Financial Services	35	18	53%	0	0%	16	47%
Central Schemes	738	39	5%	0	0%	699	95%
<b>Leisure and Wellbeing</b>							
Leisure and Wellbeing - General	1,814	1,184	65%	0	0%	631	35%
Housing Private Sector	697	584	84%	-7	-1%	106	15%
<b>Development and Regeneration</b>							
Planning	134	63	47%	-1	0%	70	52%
Regeneration & Estates	1,374	903	66%	9	1%	480	35%
Housing Strategy	70	67	96%	-0	0%	3	4%
<b>Street Scene</b>	40	40	100%	0	0%	0	0%
<b>Housing and Inclusion</b>							
Corporate Property	258	137	53%	0	0%	122	47%
Solar PV	4,440	1,928	43%	-2,512	-57%	0	0%
Transformation	461	251	55%	3	1%	213	46%
Housing Public Sector	16,601	12,255	74%	-934	-6%	3,411	21%
	<b>26,661</b>	<b>17,470</b>	<b>66%</b>	<b>-3,441</b>	<b>-13%</b>	<b>5,751</b>	<b>21%</b>
<b>RESOURCES</b>							
Capital Grants	1,257	1,162	92%	296	24%	391	31%
HRA Funding	8,773	8,773	100%	0	0%	0	0%
HRA Prudential Borrowing	7,729	3,124	40%	-1,193	-15%	3,411	44%
GRA Funding	1,354	1,241	92%	-93	-7%	20	1%
GRA Prudential Borrowing	4,966	1,945	39%	-2,541	-51%	480	10%
Capital Receipts	2,582	1,225	47%	91	4%	1,449	56%
	<b>26,661</b>	<b>17,470</b>	<b>66%</b>	<b>-3,441</b>	<b>-13%</b>	<b>5,751</b>	<b>21%</b>



**CAPITAL PROGRAMME OUTTURN 2015/2016**  
**HEADS OF SERVICE COMMENTS**

<b>Public Sector Housing</b>
<p>Expenditure in the year was £12.255m against a budget of £16.601m. This means that 74% of the programme was spent in year, which is similar to the performance that has been delivered in previous years. It is intended that £3.411m of the unused budget will be slipped into the next financial year to enable on going schemes to be delivered in line with our standard practice.</p> <p>Funding of £1.195m has been identified that is no longer required for its original purpose and it was approved by Council in July 2016 to use this amount towards funding the building or purchase of affordable housing.</p>
<b>Property Management</b>
<p>There was expenditure of £1.928m on the solar PV scheme, which was implemented in a short timescale during the course of the year. Just under 600 Council houses benefitted from this investment.</p> <p>The Corporate Property Programme comprises a number of projects within Property Services which were mostly completed within the financial year. Approval in year for the solar PV capital scheme has meant that some of these works have had to be put back into the next financial year.</p>
<b>Transformation</b>
<p>An ICT strategy has been agreed and the necessary funding put in place to deliver it. While actual expenditure by the year end did not reach the level of the budget target, the strategy should ensure that key issues will be addressed. Consequently the unused budgets at the year end have now been largely committed against specific projects within the agreed strategy.</p>

**CAPITAL PROGRAMME OUTTURN 2015/2016**  
**HEADS OF SERVICE COMMENTS**

<b>Housing Strategy</b>
<p>This budget has been earmarked for contributions to various sites that have attracted HCA funding and/or will be provided by our registered provider partner. Each site is different and delivery and timing is affected by various factors and this can create an element of slippage.</p>
<b>Regeneration and Estates</b>
<p>Work is continuing on the Greenwood Business Centre development incorporating 11 industrial/warehouse units at Gorseley Place Business Park. Budget slippage into 2016/2017 has been required to complete.</p>
<b>Planning</b>
<p>There are a number of schemes that are on-going and therefore the associated funding will need to be slipped into the new financial year.</p> <p>A number of OR recommendations are yet to be implemented and it is anticipated that additional Scanner requirements will be needed to support the new EDRM system. The Free Tree Scheme has been popular, and is complete for the year with a small overspend against budget being financed from a Revenue contribution. Demand for both Conservation Area Enhancement Grants and Buildings at Risk has been lower than anticipated and unused budgets have been slipped into the next financial year. The Skelmersdale Vision work is on-going and there will be a variety of potential costs associated with moving the project forward.</p>
<b>Street Scene</b>
<p>Hardware (In Cab Touch Screen Units) are now fitted to all the specified Refuse and Recycling Vehicles. Data exchange relating to individual household collection services and other collection criteria is currently being collected, validated and exchanged. First phase training of user group team (including BTLIS IT) has taken place. Further training and data input to build up a "current collection service provision" is on-going.</p>

**CAPITAL PROGRAMME OUTTURN 2015/2016**  
**HEADS OF SERVICE COMMENTS**

<b>Central Items</b>
<p>Progress made on delivering Parish Capital Schemes rests with individual Parishes and is not within the direct control of the Borough Council. The unspent balance on this budget has, therefore, been slipped into the new financial year.</p> <p>Funding for other Central Schemes has been fully allocated and so any unused amounts at the year end have been slipped into the next financial year.</p>
<b>Leisure and Wellbeing - Private Sector Housing</b>
<p>Both schemes in the Housing Private Sector Programme are demand led and expenditure each year can vary accordingly. The Disabled Facilities Grant Scheme budget was not fully used and the balance has now been slipped into 2016/2017. There was a small underspend on the Renovation Grant Scheme due to a lower demand than anticipated.</p>
<b>Other Leisure and Wellbeing</b>
<p>Good progress was made in delivering improvements to Ormskirk Car Parks and schemes for Parish Play Areas, the Leisure Trust scheme and Parks and Open Spaces.</p> <p>There have been some delays to the Chapel Gallery improvements scheme but this is now due for completion in Summer 2016. CCTV camera installation is progressing, and the Flood Alleviation Schemes are expected to complete during 2016/17.</p> <p>The Moor Street project is now complete with a small amount of slippage into 2016/17 to allow for any minor issues.</p>





**2015/2016 CAPITAL PROGRAMME OUTTURN**  
**HEADS OF SERVICE ANALYSIS OF SIGNIFICANT SLIPPAGE**

Scheme	Amount of	Reason for Slippage
	£'000	
<b><u>GENERAL CAPITAL PROGRAMME</u></b>		
ICT Development	204	This area provides the authorities IT strategy. Slippage is mainly due to committed projects not being completed and is therefore still required for 2016/17
Chapel Gallery Improvements	149	Scheme delayed pending the outcome of tenders. Work has now commenced and due for completion Summer 2016.
Sports fields	263	Delays were due to the delay in signing the transfer lease. Work has now started
Allotment Improvements	50	Scheme initially delayed pending outcome of the Leisure Strategy earlier in the year. Works is now scheduled for completion during Summer 2016.
Appley Bridge Quarry	75	Works delayed to contract specification changes due to Health and Safety issues.
Economic Regeneration Schemes	480	Continuing development of the Greenwood Business centre into 2016/17
Public Building Enhancements	122	Delays in technical specifications required to carry out specialist concrete repairs. Renovation works at Derby Street were delayed by contractor issues which have now been resolved.
Disabled Facilities Grants	106	Timing in demand for grants slower than anticipated. Slippage fully committed to payment of grants.
<b><u>HOUSING CAPITAL PROGRAMME</u></b>		
Heating System Upgrades	94	
Sheltered Housing Upgrades	275	
Windows and Doors	553	
Re-Roofing Works	88	
Adaptations for Disabled People	83	
Energy Efficiency	317	
Voids	112	
Communal Areas Improvements	107	
Firbeck Revival	590	

**2015/2016 CAPITAL PROGRAMME OUTTURN**  
**HEADS OF SERVICE ANALYSIS OF SIGNIFICANT SLIPPAGE**

Scheme	Amount of	Reason for Slippage
	£'000	
Lifts	231	
Walls	470	
Replace Balcony Surfaces Works	54	
Housing OR Recommendations	100	
Evenwood Court Re modelling	151	

**2015/2016 CAPITAL PROGRAMME OUTTURN**  
**HEADS OF SERVICE ANALYSIS OF SIGNIFICANT VARIANCES**

Scheme	Amount of Variance	Reason for Variance
	£'000	
<b><u>GENERAL CAPITAL PROGRAMME</u></b>		
Solar Panels Scheme	-2,512	Changes in the Government feed in tariff scheme and income incentives has reduced the requirement for 2015/16
<b><u>HOUSING CAPITAL PROGRAMME</u></b>		
Disabled Adaptations	-109	
Bathrooms	-378	
Electrical Work	-86	
Energy Efficiency Measures	-90	
Heating Systems	-294	
Lifts	-123	
Capital Contingency-Voids	-216	
Fees	57	
Sheltered Roof Spaces	81	

Note:- Reasons for variance for the Housing Capital Programme where provided in a report in July Council.

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**CABINET: 13 September 2016**

**EXECUTIVE OVERVIEW &  
SCRUTINY COMMITTEE:  
29 September 2016**

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**Report of: Borough Treasurer**

**Relevant Portfolio Holder: Councillor C. Wynn**

**Contact for further information: Liz Fearn (Ext. 5605)  
(E-mail: [liz.fearn@westlancs.gov.uk](mailto:liz.fearn@westlancs.gov.uk))**

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**SUBJECT: CAPITAL PROGRAMME MONITORING 2016/2017**

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Wards affected: Borough wide

## **1.0 PURPOSE OF REPORT**

1.1 To provide an overview of the current progress on the Capital Programme.

## **2.0 RECOMMENDATIONS TO CABINET**

2.1 That Members note the progress on the Capital Programme as at the end of July, 2016.

2.2 That Call In is not appropriate for this item as the report is being submitted to the next meeting of the Executive Overview and Scrutiny Committee on 29th September 2016.

## **3.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW AND SCRUTINY COMMITTEE**

3.1 That Members note the current progress on the Capital Programme.

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## **4.0 BACKGROUND**

4.1 It is an agreed policy and best practice that monitoring reports are produced on a regular basis to ensure that Members are kept informed of the financial position of the Capital Programme. This is the first such report for the 2016/2017 financial year.

## **5.0 CAPITAL PROGRAMME BUDGETS**

5.1 A Capital Programme totalling £15.818m was approved at Council on 24<sup>th</sup> February 2016. Slippage totalling £5.751 from the 2015/2016 Programme is included for consideration elsewhere on this Agenda and has been added to the 2016/2017 Programme. The Capital Programme for 2016/2017 is, therefore, now £21.569m and this is analysed by Service in Appendix A.

## **6.0 CAPITAL EXPENDITURE**

6.1 Normally, new capital schemes are profiled with relatively low spending compared to budget in the early part of the financial year with increased spending as the year progresses. This reflects the fact that many new schemes have considerable lead in times, for example, because of the need to undertake a tendering process and award contracts at the start of the scheme. Other schemes are dependent on external partner funding and these schemes can only begin once their funding details have been finalised.

6.2 This year so far there has been higher expenditure totalling £6.48m by the end of July compared to £2.23m at the same point in 2015/2016 and £2.15m in 2014/15. This is due to an additional £3.01m relating to the purchase of Wheatsheaf Walk, and £1.3m for the Firbeck Revival scheme.

6.3 It is anticipated that most schemes will progress and spend in line with their budget targets by the year end. All schemes, however, will be reviewed over the coming months and a Revised Medium Term Programme will be reported to Members in the Autumn taking into account new information and recent developments.

6.4 The Capital investment required to deliver the updated Greenshoots scheme, that was agreed at the July 2015 Council meeting was £1.704m based on external borrowing of 50% and 50% funding from reserves. The scheme was mainly completed in the 2015/2016 financial year with the remainder expected by the end of August 2016.

## **7.0 CAPITAL RESOURCES**

7.1 Total budgeted resources for the year are £21.569m. This is analysed in Appendix A and includes funding for slippage.

7.2 The main area of the capital resources budget that is subject to variation is in relation to capital receipts. These are the useable proceeds from the sale of Council assets (mainly houses under Right to Buy legislation) that are available to fund capital expenditure. These receipts can vary significantly depending on the number and value of assets sold. The budget for usable capital receipts to be generated from Council House sales in the year is set at £0.480m from 30 sales. By the end June 24 sales were completed generating £0.385m with a further 3 sales in July. In addition we also have £0.148m 141 capital receipt funding that was generated.

7.3 In addition to receipts from council house sales the Council also has a programme to sell plots of its land and other assets under the Strategic Asset Management Plan. The budget for this in the 2016/2017 Programme is £550,000 including an

estimate for the disposal of the Westec House site. By the end of the first quarter 3 land sales had taken place with a value of £144,000.

- 7.4 Overall budgeted capital receipts from in year asset sales provide a relatively small proportion of the total funding for capital schemes. If the level of receipts from asset sales falls below the budget target, then this position will be taken into account as part of the process for reviewing and updating the three year capital programme.

## **8.0 SUSTAINABILITY.IMPLICATIONS/COMMUNITY STRATEGY**

- 8.1 The Capital Programme includes schemes that the Council plans to implement to enhance service delivery and assets. Individual project plans address sustainability and Community Strategy issues and links to Corporate Priorities. The Capital Programme also achieves the objectives of the Prudential Code for Capital Finance in Local Authorities by ensuring capital investment plans are affordable, prudent, and sustainable.

## **9.0 RISK ASSESSMENT**

- 9.1 Capital assets shape the way services are delivered for the long term and, as a result, create financial commitments. The formal reporting of performance against the Capital Programme is part of the overall budgetary management and control framework that is designed to minimise the financial risks facing the Council. Schemes within the Programme that are reliant on external contributions or decisions are not started until funding is secured and other resources that are subject to fluctuation are monitored closely to ensure availability.

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### **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

### **Equality Impact Assessment**

The decision does not have any direct impact on members of the public, employees, elected members and/or stakeholders. Therefore, no Equality impact assessment is required.

### **Appendices**

- A Capital Programme Service Budgets





**2016/2017 CAPITAL PROGRAMME**  
**EXPENDITURE AND RESOURCES BUDGET**  
**as at July 2016**

Service	Budget Approval	Budget	Slippage	Budget
	£'000	£'000	£'000	£'000
<b>EXPENDITURE</b>				
Financial Services	45	45	16	61
Central Schemes	100	100	699	799
Leisure and Wellbeing				
Leisure and Wellbeing - General	648	648	631	1,279
Housing Private Sector	1,189	1,189	106	1,295
Development and Regeneration				
Planning	16	16	70	86
Regeneration & Estates	340	340	480	820
Housing Strategy	395	395	3	398
Street Scene	0	0	0	0
<b>Housing and Inclusion</b>				
Corporate Property	164	164	122	286
Transformation	497	497	213	710
Housing Public Sector	12,424	12,424	3,411	15,835
	<b>15,818</b>	<b>15,818</b>	<b>5,751</b>	<b>21,569</b>
<b>RESOURCES</b>				
Capital Grants	1,064	1,064	391	1,455
HRA	7,928	7,928	1	7,929
HRA Prudential Borrowing	4,607	4,607	3,410	8,017
GRA Reserve	163	163	20	183
GRA Prudential Borrowing	340	340	480	820
Capital Receipts	1,716	1,716	1,449	3,165
	<b>15,818</b>	<b>15,818</b>	<b>5,751</b>	<b>21,569</b>



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