



Cabinet

Tuesday, 3 July 2018

The following reports were received too late to be included on the main agenda for this meeting and were marked 'to follow'. They are now enclosed, as follows:

5	1 - 36	COASTAL REVIVAL FUND - NEW CALL FOR PROJECTS AND ACCOUNTABLE BODY ARRANGEMENTS
Agenda Item Number	Page	Title
7	37 - 88	EXECUTIVE TEAM: ROLES AND STRUCTURE

**CABINET**

## Coastal Revival Fund Co-Op Building Bid and Accountable Body Arrangements

**3 July 2018**

**v1.0**

### Report of Economic Development Manager

<b>PURPOSE OF REPORT</b>			
To provide information for Members on: the recent launch of a new round for the Government's Coastal Revival Fund (CRF); approval for to bid to CRF to support local community led business interest in redevelopment of the Co-Op Building for community use; to approve an application for a council partnership capital project to match fund the bid; and agreeing a protocol for considering any request from third party organisations for the council to act as the Accountable Body for their applications.			
<b>Key Decision</b>	<b>X</b>	<b>Non-Key Decision</b>	<b>Referral from Cabinet Member</b>
<b>Date of notice of forthcoming key decision</b>	8 <sup>th</sup> June 2018		
<b>This report is public</b>			

#### RECOMMENDATIONS

- (1) A bid for £40K CRF funds is made to help develop a community business led refurbishment proposal for the Co-Op building which could attract major funding in the future and to undertake some property stabilisation works to prevent further deterioration.
- (2) The CRF bid is matched with £36,565 current capital resources still held under the former Winning Back the West End scheme.
- (3) The council agrees to consider being the Accountable Body for third Party Coastal Revival Fund (CRF) applications subject to the review protocol and proportionate due diligence on any applicant/sponsor organisation as outlined in the report.
- (4) The Revenue Budget / Capital Programme is updated accordingly to reflect the outcome of the above.

## **1.0 Introduction**

- 1.1 The Ministry of Housing, Communities and Local Government (MHCLG) recently launched a new round and call for applications for a share of up to £50K of a new £1M Coastal Revival Fund (Prospectus attached in Appendix 1). Applications are not restricted to those communities that have secured Coastal Community Team (CCT) status. In summary the grant scheme is for capital projects and is seeking to:
- Support strategies or works which lead to the improvement or reuse of a local coastal heritage assets.
  - Encourage partnership working and the prospect of tangible benefit to the community and economy.
  - Access additional funding from the private and/or charity sectors.
- 1.2 The relatively straightforward application process was launched on 18 May with an application deadline of 5th July 2018. Funding is for the 2018/19 financial year only and must be spent by 31 March 2019. Applications are allowed from CCTs, local authorities, charities, community groups and organisations, including social enterprises. However, it is intended that funding is passed to local authorities to hold as accountable bodies and disburse on behalf of successful applicants. Money will be provided by MHCLG direct to the local authority through a non-ring-fenced Section 31 (s31) grant payment.
- 1.3 The council has received interest from the Exchange Creative Community Interest Company, as well as another local charity organisation, in working to bring forward the refurbishment and reuse of the Co-Op Building on Regent Road. The CRF funding presents a timely opportunity to fund a feasibility project to investigate the potential of this initiative with the intention to secure information for a major funding bid in 2019.

## **2.0 City Council CRF Proposal (Co-op Building)**

- 2.1 Morecambe and Heysham's Promenade to Port CCT area covers the six wards of Heysham South, Heysham Central, Heysham North, Harbour Poulton and Bare and contains 25% of Lancaster district's population. The four central wards are among the most deprived in the district suffer issues with health, wealth, housing, education, crime and employment that combined make the community least likely to take advantage of the positive economic opportunities in the district. Opportunities for community business start-ups and support for the communities that find starting out the hardest are minimal and not easy to access as they are not locally available in the heart of the CCT area.
- 2.2 Potential for creating new economic opportunities by providing business start-up space and workshops is limited in the West End. Unlike the predominantly residential terraced properties in the West End, the Co-Op Building offers a large amount of open floor space that can be converted to provide flexible business space.

- 2.3 In terms of the council's current approach to West End regeneration a business use for the Co-Op which builds upon community energy and social enterprises is preferable. Current community led activity in the West End is very positive and offers new opportunities for the Co-Op that were not previously possible. A number of local groups have emerged that have a local led dynamic to improve the area, the economy and the community and the council is working with them to investigate the potential to refurbish the Co-Op Building.
- 2.4 The Co-Op building (also known as Centenary House) was acquired by the council in 2005 with English Partnerships grant as part of a regeneration strategy to deal with large underused prominent buildings. The property comprises four floors over a basement with has a gross internal floor-space of 2,765 square metres. The department store closed in the early 1990s with the majority of the building standing empty ever since (Appendix 2 has more details photographs and plans of the building). The Co-op Late Shop is in year three of a ten year lease for 326sqm of the ground floor. The Late Shop rental income just covers the property holding costs.
- 2.5 However, the building is deteriorating and without significant investment in the near future will continue to impact negatively on the street scene and character the West End's major thoroughfare. This in turn will impact upon the success of recent private sector investment most notably PlaceFirst's West End One and West End Two developments.
- 2.6 A number of attempts have been made by officers to secure both public and private led solutions to bringing the building back into viable residential or commercial use including:
- 2010 Leeds based developers EIDO developed mixed use commercial and educational proposal, but struggled with viability.
  - 2012 Taylor Young/AECOM detailed feasibility for economic use including start up units, workshops and business space included detailed demand research to inform study proposals, but struggled with viability. This study also considered options for demolition and redevelopment that were expensive and there would be no demand for the cleared site and lead to the end of the Late-shop operation.
  - 2013 ERDF bid for business space refurbishment developed but not authorised for submission.
  - 2014 GVA residential feasibility study concluded the need for gap funding for residential and mixed residential commercial.
  - 2015 PlaceFirst produced plans for residential redevelopment but struggled on viability due to cost, absence of parking and rear outlook.

In summary, there was a shortfall between the capital investment and the expected returns via direct sale or through rental values for the conversion of the property into residential and/or commercial units is not a viable option. Comprehensive refurbishment for commercial/business purposes is still unlikely to be feasible/viable due to an anticipated lack of demand and/or high risk in terms of securing occupants, requiring a high level of public funding which is not easily achievable. The absence of any parking to serve the

property hinders the viability of any commercial or residential use.

- 2.7 Despite of considerable recent investment in the West End there has not yet been a significant shift in confidence and development values remain too low make investment viable. This is evidenced by a number of vacant development plots that remain undeveloped.
- 2.8 Exploring a more community led business proposal for the Co-Op is considered to offer advantages over previous options, principally with regard to aiding the overall project viability.
- 2.9 Previous feasibility studies considered comprehensive refurbishment to upgrade the building to modern standards. Recently there have been a number of examples of lighter touch refurbishment which retain more of the original fabric (driven by both cost saving and aesthetic principles). Officers have therefore been exploring a low cost incremental approach to bringing the building back into productive use with active community partners. Positive discussions have been held with the Exchange Creative Community Interest Company (CIC). There is further interest from Morecambe Bay Food Bank and local craft businesses.
- 2.10 There are significant advantages to community led schemes as they have access to a range of funding opportunities. However it is essential to undertake full consideration of all opportunities and develop a detailed business plan and funding strategy to take the project to the next stage. This includes the potential to set up a community based holding company to take forward major funding bids for the building and underpin a business plan. .
- 2.11 It is proposed to make a bid to CRF for a package of circa £76.5K to undertake the following:
  - identify building's users, occupants, functions and needs with a focus on community based economic development;
  - produce costed architectural plans to RIBA Stage 4;
  - produce a business plan;
  - define a community based organisational structure and governance strategy for any improved asset;
  - develop a funding package and engage with Big Lottery, specialist trusts, explore community share options, Power to Change match and community.
  - undertake essential stabilisation works to prevent the building deteriorating and enable safe access e.g. roof repairs, asbestos removal, electrical installations for access lighting and a sump pump for flooded basement.
- 2.12 The package will be made up of £40K CRF bid and council capital funds of circa £36.5K currently retained in the Winning Back the West End Account. Authority is sought to use these latter funds as match funding for the CRF partnership project proposal. It may also be possible to evidence "in kind" match funding through community partners time and other community resources applied in finding a solution. This could improve the bid's chances

of success.

- 2.13 Alongside this and to inform future options appraisal, further marketing of the building would also be undertaken, to ensure a current understanding of any prospects for disposal is gained

### **3.0 Approach to Third Party Coastal Revival Fund Applicants and Projects**

- 3.1 The CRF is open to bids from any eligible organisation, but all CRF applicants must ensure that a local authority is willing to act as their accountable body. Application should also be able to demonstrate support from the local CCT, in this case the local Promenade to Port CCT area would be required to give its support; and this is administered through the council's Economic Development Team.
- 3.2 At the time of writing the council had not been approached by any third party potential applicant. However, experience from the previous round of CRF means it is highly likely the council will be approached by a number of organisations. Previous experience also suggests that due to the size and nature of proposals Members need to consider taking on an accountable body role as a key decision. Due to the deadlines, a protocol will need to be established to allow appropriate delegation of this decision for individual applicants.
- 3.3 The council has experience in the level of control / management expected as an accountable body under the CRF. All requests for the council to act as an accountable body require appropriate due diligence to vet organisations, their systems and capacity with consideration to the amount of funding involved. Officers from Economic Development would be the principal contact for prospective bidders and liaise with Finance.
- 3.4 Given the CRF deadline it is intended that Members agree for any third party proposal / organisation to be reviewed by Economic Development and Finance staff and a recommendation be made to the Cabinet Portfolio Holder for Economic Regeneration and Planning on whether to endorse the proposal. Should there be an agreement to perform the role of accountable body for a particular organisation, Economic Development Officers will issue the supporting letter and also secure the required approval from the CCT. With this proposal there will be a transparent local mechanism in place to decide upon and support worthwhile CRF applications.

### **4.0 Details of Consultation**

- 4.1 The Co-op building is a longstanding council priority that has been subject to extensive consultation since 2004. The Housing Regeneration Cabinet Liaison Group (HRCLG) has received updates and discussed Centenary House in detail. The regeneration of the empty property attracted strong support and HRCLG are particularly keen to see this issue addressed. The outturn of the council's offer of the building to the wider developer market and housing associations has been discussed in broad terms.

## 5.0 Options and Options Analysis (including risk assessment)

5.1 The following options can be considered for bid to CRF for the Co-Op partnership project proposal:

	<b>Option 1: Do Nothing - continue to manage/maintain the Co-op building.</b>	<b>Option 2: Bid to CRF and use current capital resources to develop a community led refurbishment proposal for the Co-Op which could attract major funding in the future and to undertake property stabilisation works to prevent further deterioration, alongside further market testing.</b>
Advantages	<p>No immediate impact on the council's budget.</p> <p>Basic holding costs currently covered by income lease (due for renewal) with Late Shop.</p>	<p>Builds on community interest and energy in one of the district's more deprived areas.</p> <p>Positive community led business project has much greater chance of funding opportunity and success.</p> <p>Could lead to positive economic use of the Co-Op and the opportunity to successfully exit from ownership of building secure in the knowledge it has a sustainable future.</p> <p>A successful bid would help mitigate current adverse impact on street scene. This would aid the attractiveness of Chatsworth Gardens to prospective tenants and the overall viability of that project.</p>
Disadvantages	<p>Potential for future unplanned maintenance and capital spend given the age and structure of the building.</p> <p>Misses out on potential to test community based solutions and interest to transfer development and building risk away from the city council.</p> <p>Currently no prospect of securing grant aid from external sources for any major project.</p> <p>Continuing adverse impact on West End street scene.</p>	<p>Officers have to project manage a basic refurbishment/feasibility project.</p> <p>Budget provision of circa £36K capital to be sourced from existing Winning Back the West End grant funds.</p>
Risks	<p>The council would continue to hold a property which has the potential to become a serious liability without significant intervention in future.</p> <p>Likelihood of incurring cost without deriving a benefit.</p> <p>Negative impact on adjacent Chatsworth Gardens scheme</p>	<p>There is no guarantee that any funding bid will be successful.</p> <p>In the long-term stabilizing works are unlikely to be sufficient to mitigate the risks of holding a property which has the potential to become a serious liability without significant intervention in future.</p> <p>The goal of the initial investment would be to secure a long-term future in</p>

		association with community stakeholder interests.
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## 6.0 Officer Preferred Options (and comments)

- 6.1 With regard to the idea for the council to make a CRF application for the Co-Op building **Option 1: Do Nothing** is a continuing risky proposition as the council will be faced with unplanned capital expenditure in the medium and long term to meet repair obligations and secure the building for the benefit of the current Late Shop lease.
- 6.2 The Preferred Option is **Option 2: Bid to CRF and use current capital resources to develop a community led refurbishment proposal for the Co-Op which could attract major funding in the future and to undertake property stabilisation works to prevent further deterioration.**
- 6.3 It is intended to use the CRF proposal and initial funds as a first phase “jumping off” point for the development of a future major project which could bring significant resources to refurbish the building. If successful the project could provide an end to the council’s ongoing building liabilities and risks. A natural progression would be to follow up with a bid to a future round of the Coastal Communities Fund (CCF) main grants programme. CCF guidance is will only accept capital projects at an advanced stage of development and - capital projects need to be worked up to the RIBA Plan of Work Stage 4 technical design stage with detailed cost information.
- 6.4 There is no guarantee any bid will be successful as the MHCLG’s will undertake an assessment/scoring procedure and other national bids may be seen as simply a better ‘fit’ under the scheme. The market testing is to be undertaken alongside the main proposal may help identify other potential options for the building, but the outcome of this is very uncertain also.
- 6.5 Alongside the main proposal members should consider the positive benefits of additional external funding for the CCT area as ample justification for the council to agree to being the Accountable Body for third Party CRF applications subject to due diligence of the bidding organisations.

## 7.0 Conclusion

- 7.1 A CRF bid to develop the necessary plans and proposals for a community led refurbishment represents a good use of funds compared to other reasonable alternatives/ideas in the current market and the potential liabilities of ‘doing nothing’ given the building condition. There is no current or future prospect of external grant assistance to help deliver a way forward for the Co-op building outside of a community based solution. Working with the Exchange Creative CIC and other key local stakeholders offers the best chance of bringing an important and prominent West End building back into productive use.
- 7.2 The report has also appraised Members on the issues and duties required in



consideration of any future request for the council undertake an Accountable role for any application for funding under the current CRF.

**Appendices:**

Appendix 1 – Prospectus for Coastal Revival Fund 2018

Appendix 2 – Co-Op Building photographs and plans

**RELATIONSHIP TO POLICY FRAMEWORK**

In supporting this CRF proposal the council will be making progress against a number of its corporate objectives/outcomes as defined in the Corporate Plan 2018 - 22. Should the project be successful in generating a major refurbishment scheme and follow through to implementation it should actively support a Thriving and Prosperous Economy Sustainable Economic Growth outcomes, success, measures and actions.

**CONCLUSION OF IMPACT ASSESSMENT**

**(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)**

**Health & Safety:** None arising from accepting the role of Accountable Body.

**Equality & Diversity:** None arising from accepting the role of Accountable Body.

**Human Rights:** None arising from accepting the role of Accountable Body.

**Community Safety:** None arising from accepting the role of Accountable Body.

**HR:** Should the application be successful council officer resource will need to be applied as outlined in the report. In the main the implications will be on Regeneration and Planning Service and financial input from Resources service in dealing with offer letter and claims processes and managing the Co-op capital works and feasibility project with local stakeholders.

**Sustainability:** None arising from accepting the role of Accountable Body.

**Rural Proofing:** None arising from accepting the role of Accountable Body.

**LEGAL IMPLICATIONS**

Recent previous s31 grant made to third parties via the council outline the likely minimum requirements which must be met in order for any grant award to be progressed in a prudent manner. The council must effectively satisfy itself that the proposing organisation is a competent body and capable of dealing with legal and administrative requirements the council will impose to ensure the prudent expenditure of public funds. The route for the council to discharge its responsibilities as an Accountable Body under this fund is outlined in the report.

Any CRF grant award to third parties should be subject to a written funding agreement/contract administered by the Regeneration and Planning Service in line with processes used for similar third party grant initiatives.

The deadline for the bid submission is 5 July 2018 and before the end of the council's Call In period for Cabinet decisions. If the decision is subject to call in and the outcome negatively affects the CRF bid, then officers will retract the bid.

## FINANCIAL IMPLICATIONS

The matching funds for the CRF bid/project proposal of around £36,500 date from 2009. These are still being held in connection with Homes and Communities Agency funding matters linked to the former Winning Back the West End scheme, and it is considered that this proposal would be in line with associated funding conditions.

Once spending details of any successful bids (including those in relation to accountable body status) are known, the Revenue budget and/or Capital Programme would need to be updated accordingly and this is reflected within the recommendations.

The other resourcing implications of a successful bid would be in the application of officer time in dealing with the grant offer and claims processes / budgetary control.

Article 13.03(b) (v) of the Constitution provides that a decision is a Key Decision if it relates to proposals that involve taking on the role of Accountable Body for a particular initiative.

## OTHER RESOURCE IMPLICATIONS

### Human Resources:

Should any CRF application be successful council human resources will be used to support the grant offer and claim process as outlined in the report. The main operational issues will primarily involve Regeneration and Planning staff in managing offer/claims process.

Financial support from Resources service will be involved in reviewing third party applicants and any claims

### Information Services:

No implications.

### Property:

As referred to in the report.

### Open Spaces:

No implications

## SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and has contributed to the report. To inform a robust options appraisal, an up to date view of potential market interest and the possibility of disposal should also be considered, and this is reflected in the proposal.

## MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

## BACKGROUND PAPERS

**Coastal Revival Fund Prospectus and application form available at the following link:**

<https://www.gov.uk/government/publications/coastal-revival-fund-an-invitation-to-apply-for-funding>

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**Ref:**



Ministry of Housing,  
Communities &  
Local Government



# COASTAL REVIVAL FUND

**An invitation to apply for funding  
May 2018**

Perch Rock Lighthouse, New Brighton



Credits Nick Murphy  
ImagePlay Films



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## Ministerial foreword



Our coastline and coastal towns are special places. They hold memories not only for the 11 million who live along the coast, but also for the millions that visit each and every year. The sight of the sea and the buildings that define a coastal town hold a special place in the individual and national conscience that set the coast apart from other areas.

But all too often the piers and promenades, the ports, marinas, lidos, and lighthouses, and much more that define our coastal towns are often those assets that face the toughest challenges to survive in the 21<sup>st</sup> century. These buildings and structures are important to visitors and local communities alike. I would like to see them brought back to life with modern purposes that benefit and help grow the coastal towns they are in.

This is why I am delighted to be able to invite bids for a new round of the Coastal Revival Fund. There is £1m available to Coastal Community Teams and organisations looking to secure a new future for iconic coastal buildings and assets. Each application can bid for up to £50,000 to help fund either small capital works or feasibility studies that help identify a new role for these structures. This prospectus sets out how to apply for funding.

The government is committed to supporting our coastal towns and to help them grow. We are keen to see the heritage assets that define our coast deliver economic benefits for the communities that live in them and to become buildings that once again draw visitors to our coastlines.



Jake Berry MP

Minister for the Northern Powerhouse and Local Growth  
Minister for Coastal Communities





View from West Pier Lighthouse, Whitby

## Introduction

The government is committed to supporting coastal communities. The Coastal Revival Fund (CRF) was introduced in 2015-16 to help coastal areas bring at risk heritage and community assets back into economic use. We have provided £3.7 m to 92 successful projects which has helped unlock the economic potential of hard-to-tackle buildings, facilities and amusements such as piers, lidos and promenades.

The government is now inviting bids for a new £1 million Coastal Revival Fund round, which is for grant funding to be spent in 2018-19.

This Coastal Revival Fund round will support projects to help revive heritage assets that are important to local communities but have not yet reached their full economic potential or are facing neglect. The grants will seek to support Coastal Community Teams (CCTs) looking to unlock the economic potential of those hard-to-tackle buildings, landscapes, facilities and amusements and sustain them in the longer-term. Non-Coastal Community Team



Northwood House ceiling,  
Cowes, Isle of Wight

communities are eligible to apply.

By paying for the initial or supporting work to get restoration projects underway, this Fund will act as a catalyst to attract additional financing from the private and charitable sectors. It will boost local economies by tapping into the opportunities that the heritage economy offers to new businesses and existing firms keen to grow. It will support projects that demonstrate the creativity, enterprise and passion needed to help seaside towns become year round destinations in which people want to live and work.

We are therefore inviting bids of up to £50,000 per project, by 23:59 hours on Thursday 5 July 2018.

# Purpose

The overall aims of the Coastal Revival Fund are to:

- Support Coastal Community Teams and their partners to develop long term strategies for dealing with coastal heritage assets.
- Support material improvements to historic structures, sites and assets to help secure their long-term future and continued use.
- Encourage the sustainable use of heritage and community assets in coastal areas to provide a focus for community activities and enhanced economic opportunities.
- Encourage greater local partnership working in coastal areas.
- Support the development of local solutions to economic issues facing coastal communities particularly those outlined in Coastal Community Teams economic plans.
- Help develop innovative ideas in response to the particular challenges often faced in dealing with the ongoing maintenance and use of heritage assets in coastal locations.

This pack sets out information on the government's Coastal Revival Fund and explains the requirements to be fulfilled to access the funding.

To apply, applicants should complete the form available at:

<https://www.gov.uk/government/publications/coastal-revival-fund-an-invitation-to-apply-for-funding> and return it to [coastalrevivalfund@communities.gsi.gov.uk](mailto:coastalrevivalfund@communities.gsi.gov.uk) by 23:59 hours on Thursday 5 July 2018.



# The Coastal Revival Fund

## The funding

- There is a total of £1 million in revenue and capital grant.
- Funding is for the 2018-19 financial year and must be spent by 31 March 2019.
- There is no minimum bid, the maximum bid is £50,000.
- Funding may form part of a larger and/or longer term project and we would encourage match funding where appropriate.

The Fund is available for both revenue and capital expenditure. The actual split between these types of grant will depend on the bids approved.

The Fund can be spent on the improvement, repair or regeneration of structures or sites. It may also be used for the initial works that will help revive the structure in the longer-term, such as feasibility studies, conservation management plans, legal advice on development, and architectural surveys. So, for example, an application could be made to the Fund to pay for a survey on a derelict building with a view to renovating that building at a later point when further funding has been secured.



# Eligibility for funding

## Projects

The project should contribute to the improvements of a particular heritage or community building, structure or public area. Examples of eligible sites and assets include seafronts and public squares, as well as piers, parks, promenades, lighthouses, lidos, marinas, military structures and so on.

The outputs of the specific project do not need to constitute tangible improvements, but there should be a clear link between what the project aims to achieve and planned future improvements to the asset. Reference to how this project links to their local Coastal Community Teams' Economic Plan provides assurance of the wider benefits of the scheme, but is not essential.

## Location

Coastal Community Teams and other organisations are able to apply for funding to support projects located in coastal communities in England. For the purpose of the Fund, a coastal community is:



'Any coastal settlement within an English local authority area whose boundaries include English foreshore, including local authorities whose boundaries only include estuarine foreshore. Coastal settlements include seaside towns, ports and other areas which have a clear connection to the coastal economy.'

This is the same definition that was used in relation to the Coastal Communities Fund.

## Applicant organisations

Applications will be accepted from Coastal Community Teams, local authorities, charities, community groups and organisations, including social enterprises.

Funding will be passed to local authorities to hold and disburse on behalf of projects. All projects must ensure that one of their local authorities is willing to act as their accountable body.

Where applications involve other sources of funding, bidders should consider whether their bid will be affected by rules governing other funding sources. All applicants should evaluate whether their project will comply with the rules on State Aid under European Union law.

# Criteria

Applications will be assessed based on how well projects meet the following criteria:

1. The project involves a site or asset which is of particular value locally.

Applicants are asked to explain the local value of the asset or site and why it would justify investment. The value does not need to be financial. It could, for example, set out the history behind the project and identify whether it has a listed or scheduled status and whether it has been identified as 'at risk' by Historic England. For more information, please see the National Heritage List for England (NHLE) [www.historicengland.org.uk/listing/the-list](http://www.historicengland.org.uk/listing/the-list).



The Carnival Club, Headway Art Space  
photos courtesy of Allie Walton-Robson

2. Deliver a sustainable community benefit (though this may be realised at a later stage of larger projects/ schemes).

Applicants are asked to explain how the project would provide a benefit to the local community, and not just to a limited number of individuals. For example, if the long-term aim of the project was to regenerate a particular building then, following the completion of the project, that building should be available for use by/ open to the public rather than sold for private gain.



The Canny Space at Holy Trinity,  
Sunderland

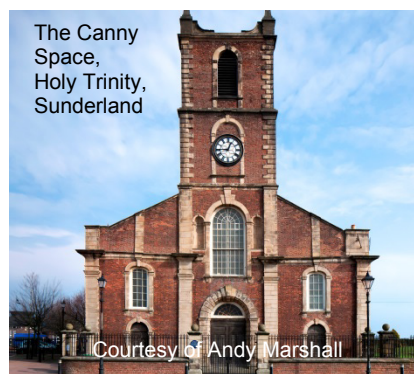
Applicants need to set out the intended community benefit, the scale of the impact and how they will make sure it is achieved. Some inclusion of quantified information would be particularly useful.

3. Deliver a sustainable economic benefit (though this may be realised at a later stage of larger projects/ schemes).

The Coastal Revival Fund is intended to help improve the economic sustainability of coastal assets and coastal communities more broadly. Applicants are asked to set out how the project is intended to bring about economic improvements to the area and the scale of that impact. For example, improvements to a public space may bring in greater numbers of tourists, which could then provide additional custom for local businesses. Some inclusion of quantified information would be particularly useful.

4. Where the application is not from a Coastal Community Team, it should have demonstrable support from any Coastal Community Team for the area, the local community and relevant local authorities.

Projects need to have evidenced support from their local community and applicants are asked to set out what engagement there has been with local people. If there is a Coastal Community Team in the area then the applicant should obtain their support for the project. Contact details for Coastal Community Teams can be obtained from the website: [www.coastalcommunities.co.uk/coastal-community-teams](http://www.coastalcommunities.co.uk/coastal-community-teams) or from the Ministry for Housing Communities and Local Government.



In addition to this, all projects will need the agreement of their local authority that the authority will act as the accountable body for this funding, as set out on page 8.

## Further prioritisation

If the available funding is oversubscribed, then we will prioritise schemes based on the scale of the impact in the main criteria. We may also use the following factors:

- Evidence of the likelihood of unlocking additional funding or investment.
- Proximity to the coast
- Those projects being submitted by a Coastal Community Team
- Whether the building, structure or area in question is on the National Heritage List for England ([www.historicengland.org.uk/listing/the-list](http://www.historicengland.org.uk/listing/the-list)).
- Creating a geographical spread of projects around the English coast.







## Multiple applications

There is no limit on the number of applications in any particular coastal community; however an organisation can apply for only one project. Where an organisation is acting as accountable body on a Coastal Community Team application, this doesn't prevent them submitting an application in their own right.

## Expected outputs

We anticipate a range of different proposals so the outcomes will vary but they will broadly include:

- Improvement or reuse of a local asset.
- The prospect of tangible benefit to the community and economy.
- Access to additional funding from the private and/ or charity sectors.



## Transparency and engagement

Any successful applicants to the Coastal Revival Fund will be expected to spend funds in an open and transparent way. We would expect plans relating to the projects to be publically available and information on progress made available to local residents and groups. In addition, we will expect details of the projects and progress to be made available to the Ministry for Housing Communities and Local Government over the duration of the project including a short form at the end of the project term detailing the outcomes and benefits of the project.

All projects funded by the Coastal Revival Fund will be encouraged to promote the work they are undertaking to local people and to encourage local support for the project.

We expect all projects funded by the Coastal Revival Fund to use the Great British Coast logo.

Details of past projects can be found at  
[www.gov.uk/government/collections/coastal-communities](http://www.gov.uk/government/collections/coastal-communities)

## Funding arrangements

Funding will be passed to the local authority that has agreed to be the accountable body for the successful applicant.

## How to apply

Applications will only be accepted on the official application form, which can be downloaded at <https://www.gov.uk/government/publications/coastal-revival-fund-an-invitation-to-apply-for-funding>

A confirmation letter from your accountable body must be submitted with your completed application. Please do not send any other additional documents.

The closing date for applications is **23:59 on Thursday 5 July 2018**.

Electronic applications are preferred and should be sent to [coastalrevivalfund@communities.gsi.gov.uk](mailto:coastalrevivalfund@communities.gsi.gov.uk). Paper applications will also be accepted and should be sent to the following address:



Coastal Revival Fund  
Coastal Communities Team  
Ministry for Housing Communities & Local  
Government  
1<sup>st</sup> Floor, Fry Building  
2 Marsham Street  
London SW1P 4DF

Hard copies must arrive no later than 23:59 hours on Thursday 5 July 2018.

Any queries should be directed to:  
[coastalrevivalfund@communities.gsi.gov.uk](mailto:coastalrevivalfund@communities.gsi.gov.uk).

# Information required

Please complete all sections of the application form, and ensure we are able to understand:

- Which local authority has agreed to be your accountable body.
- Whether you are a Coastal Community Team or if there are any Coastal Community Teams in the project area and, if so, whether they are involved with or support the project.
- The commitment and support from your local area for the intended aims of the project.
- An outline of the key priorities for the coastal area.
- How the proposed project meets the criteria, demonstrates suitability for funding, and how it will make a difference.
- How much funding is sought, confirmation that the funding will be spent by 31 March 2019, and a breakdown of how the grant will be used.
- Where the project has other sources of funding, details of the rest of the funding.
- How the project will be transparent in its activities and in the use of the grant.
- Confirmation that the project will comply with the rules on State Aid under European Union law.





## Appendix 2 – Co-Op Building Details, Photographs and Plans

The Co-Op Building, also more formally known as Centenary House is located on Regent Road in the West End of Morecambe.



**Location plan for Co-Op Building / Centenary House**

Initially constructed in 1927 the building was extended in 1961 and has a gross internal area of 2,583 square metres over four storeys.



**Photograph of Westminster Road and Regent Road elevations**

The building is of steel framed construction, with load bearing masonry walls, flat and pitched profiled roofs, cast iron gutters and downspouts, predominantly stone and brickwork elevations and timber windows. The original entrance feature consists of mosaic tiling and vertical timber cladding.



Internally, the Co-Op occupies the 1927 half of the ground floor unit, with the remaining areas being in a dilapidated state, having been vacant for approximately 20 years.



**Photograph of Clarendon Road and Regent Road elevations**

The central main entrance is on Regent Road (boarded up) and leads to a central stair to all floors. Either side of the main stairs is a customer lift and a goods lift, both of which are inoperable. The building is laid out with all services to the rear of the building including utilities, offices, kitchen and toilets etc. The majority of internal area is the former retail floor space and is quite open with the only restriction a series of supporting pillars.



**Photograph of first floor former retail space**



# LANCASTER & DISTRICT CO-OPERATIVE SOCIETY LTD.



## CENTENARY HOUSE

REGENT ROAD, MORECAMBE

THE LARGEST AND MOST ATTRACTIVE STORE IN  
MORECAMBE AND DISTRICT

● LOWER FLOOR. Hard-  
ware, China, Fancy Goods,  
All Electrical Appliances,  
Radio, T.V., Records, etc.

● GROUND FLOOR  
Food Hall, Men's and  
Boys' Outfitting, and  
Footwear.

● FIRST FLOOR.  
Drapery, Fashions, Under-  
wear, Separates, Baby  
Linen, Piece Goods, Wool,  
etc.

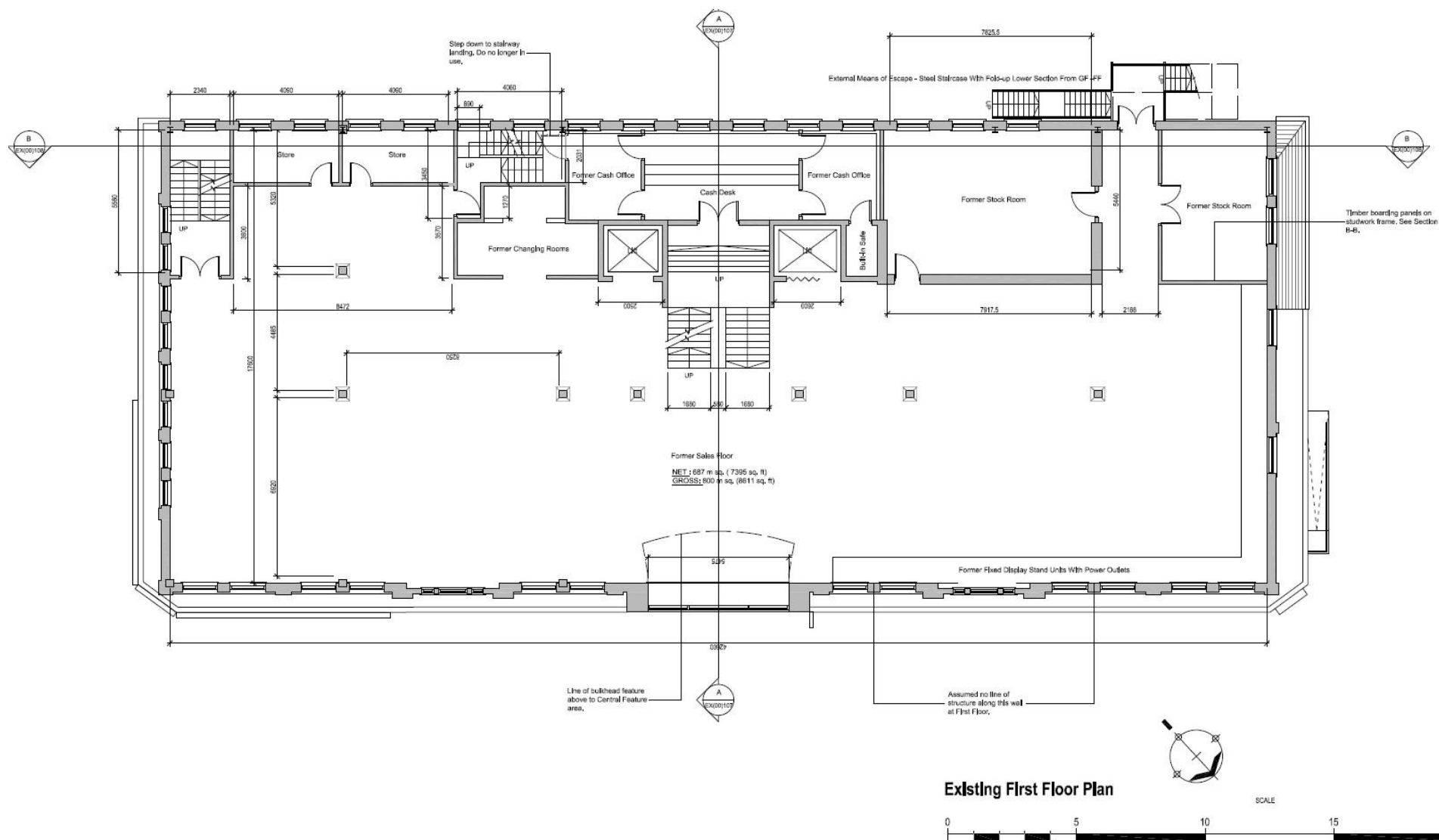
● SECOND FLOOR.  
Furniture, Carpets, Lino,  
etc.

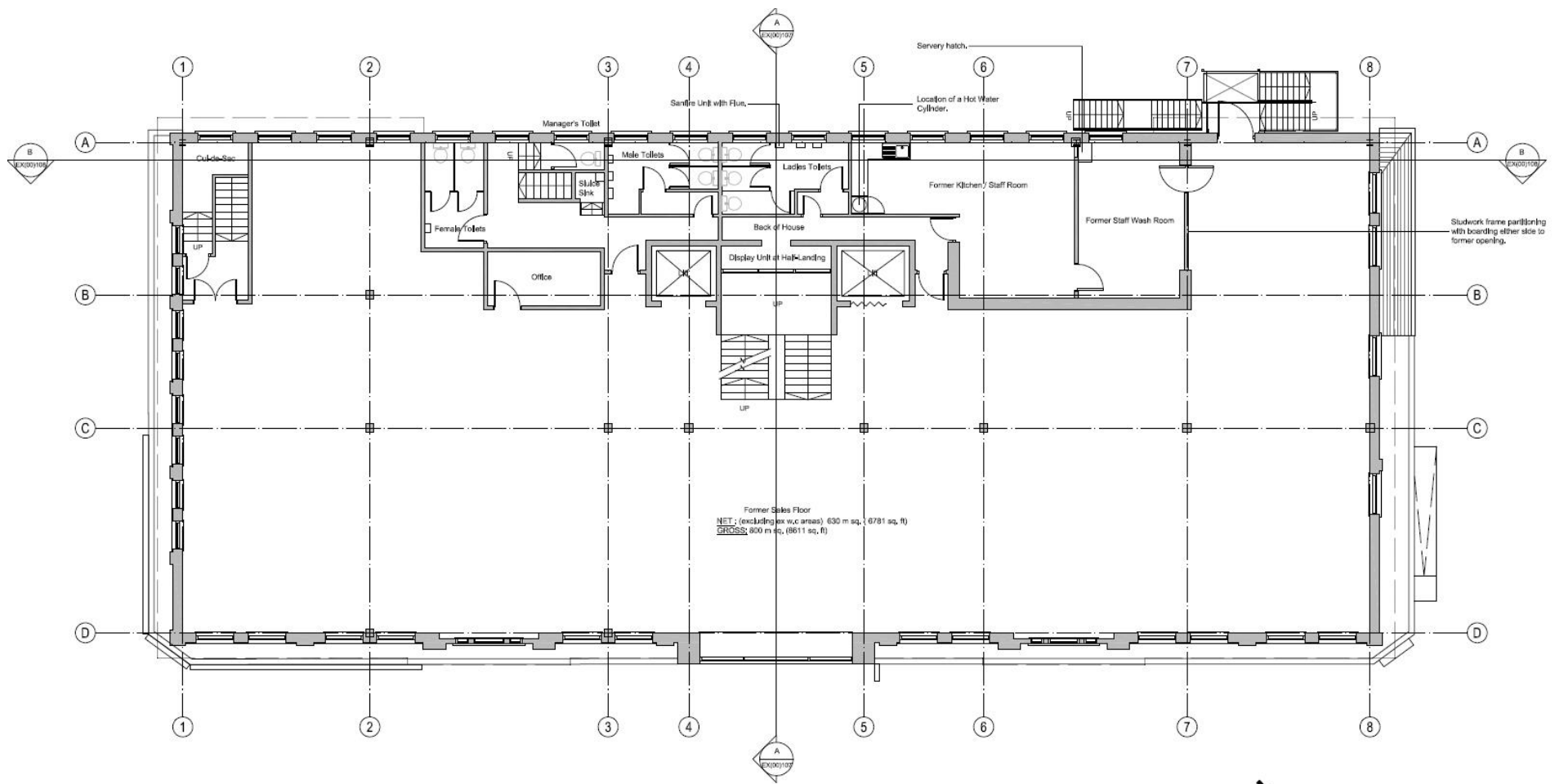
**CAFE**

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ONE STOP SHOPPING  
IN MORECAMBE'S MOST MODERN STORE

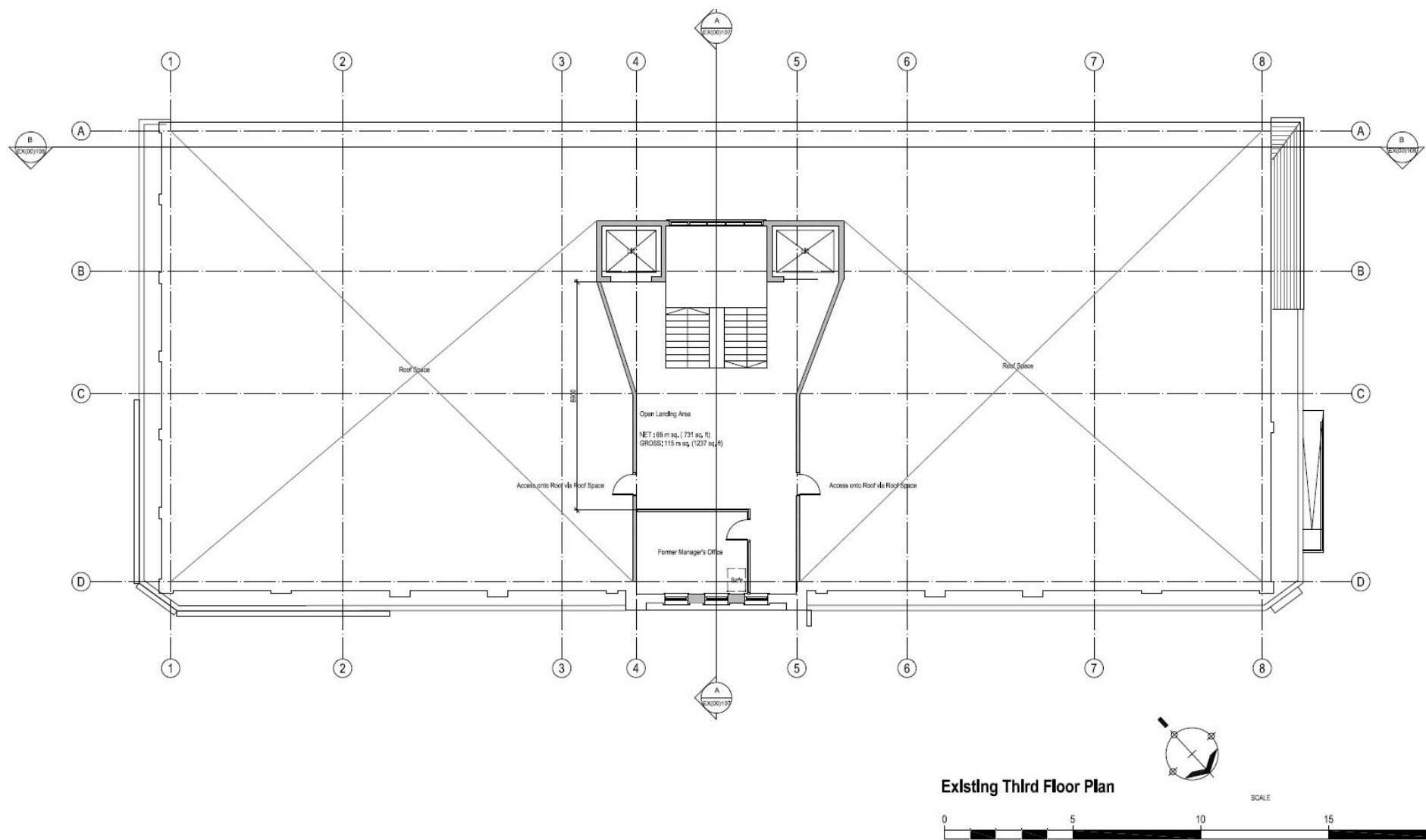




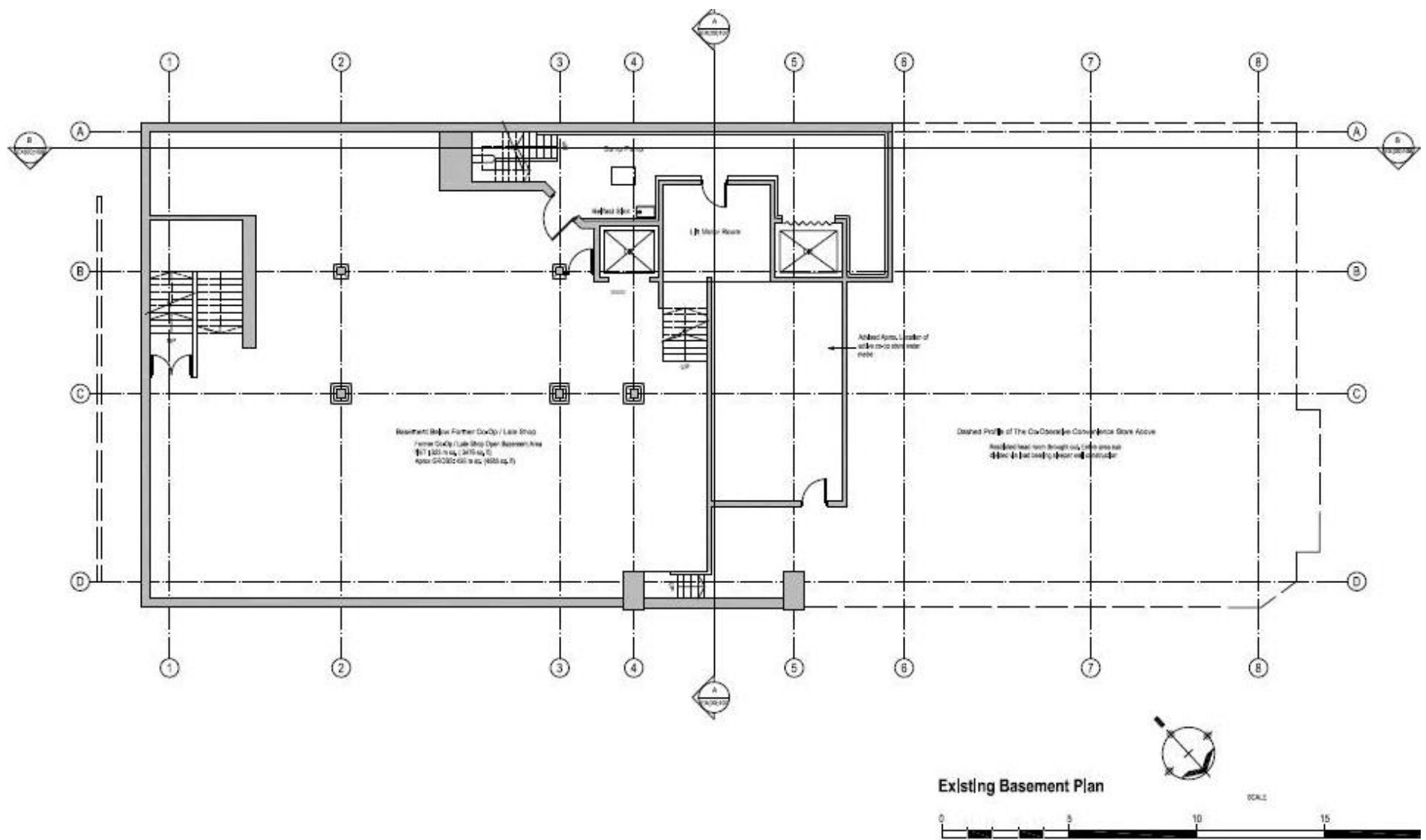


Existing Second Floor Plan



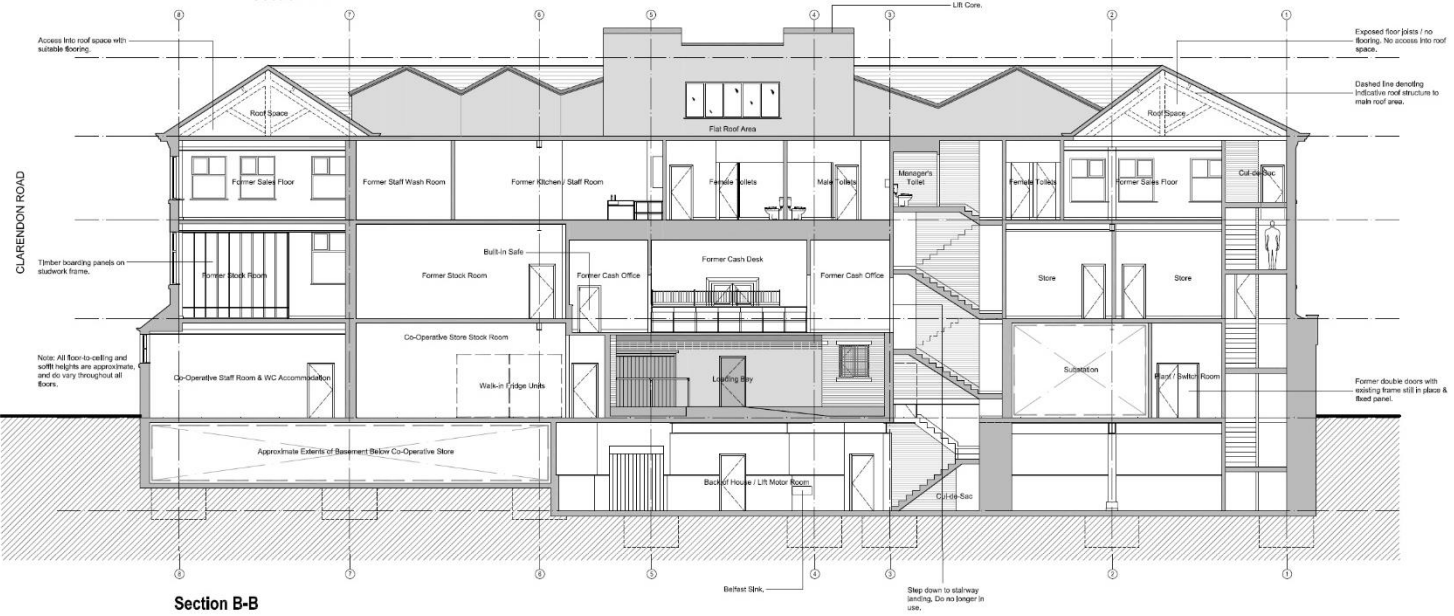
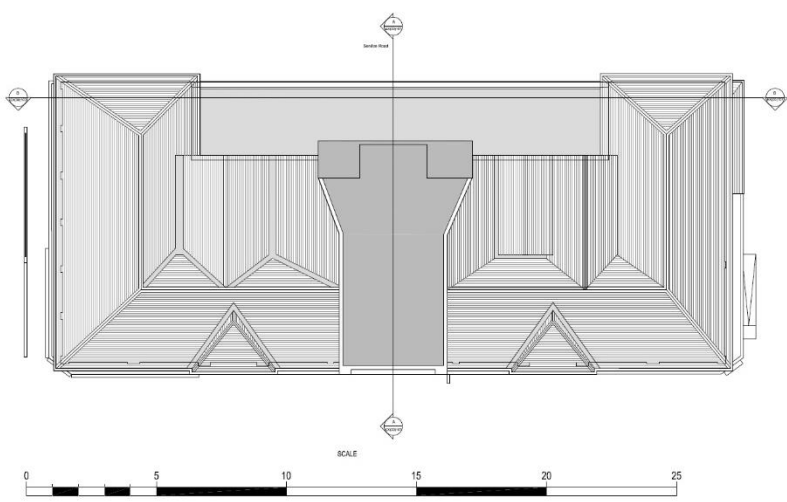
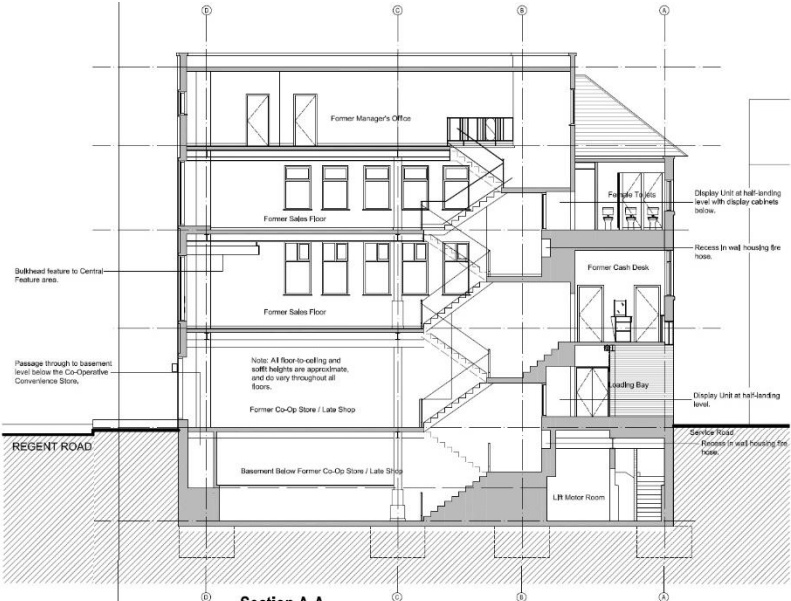








Existing Sections and Roof Plan





# Equality Impact Assessment

This **online** equality impact assessment should:

An equality impact assessment should take place when considering doing something in a new way. Please submit your completed EIA as an appendix to your committee report. Please remember that this will be a public document – do not use jargon or abbreviations.

**Service** Regeneration and Planning

**Title of policy, service, function, project or strategy**

Coastal Revival Fund Co-Op Building Bid and Accountable Body Arrangements

**Type of policy, service, function, project or strategy:** Existing ☒ New/Proposed ☐

**Lead Officer** Paul Rogers, Senior Economic Development Officer

**People involved with completing the EIA**

Paul Rogers / tom Brown

## Step 1.1: Make sure you have clear aims and objectives

Q1. What is the aim of your policy, service, function, project or strategy?

The first element of this work is a feasibility study to bring together everything necessary to apply for a package of funding to bring the building back into use. This includes building design, cost estimates and a detailed business plan for developing community led business space for start-ups and existing small businesses. The second part of this work is a small package of building stabilisation works to arrest the building from deteriorating further and to stop refurbishment costs increasing unduly.

Q2.

Who is intended to benefit? Who will it have a detrimental effect on and how?

Initially the benefits are relatively slight as this is for a feasibility study that will hopefully lead to successful funding bids and refurbishment works to bring the building back into positive use. The building stabilisation works will not make a great difference to the external appearance of the building and so the benefits of this are quite limited too. The building does not make a very positive contribution to the local built environment and how the community feel about their area. The longterm aim of this work hopes to address this.

## Step 1.2: Collecting your information

Q3. Using existing data (if available) and thinking about each group below, does, or could, the policy, service, function, project or strategy have a negative impact on the groups below?

Group	Negative	Positive/No Impact	Unclear
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Faith, religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender including marriage, pregnancy and maternity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual orientation including civic partnerships	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

# Equality Impact Assessment

Other socially excluded groups such as carers, areas of deprivation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rural communities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## Step 1.3 – Is there a need to consult!

Q4. Who have you consulted with? If you haven't consulted yet please list who you are going to consult with? Please give examples of how you have or are going to consult with specific groups of communities

The building's refurbishment is a longstanding aim that has wide community support. As part of the business planning the council will be working with community partners that are already well-engaged with local community, groups, organisations and businesses. However, opportunities for wider engagement will be taken in conjunction with advice from our Consultation Officer.

## Step 1.4 – Assessing the impact

Q5. Using the existing data and the assessment in questions 3 what does it tell you, is there an impact on some groups in the community?

Age: None
Disability: None
Faith, Religion or Belief: None
Gender including Marriage, Pregnancy and Maternity: None
Gender Reassignment: None
Race: None
Sexual Orientation including Civic Partnership: None
Rural Communities: None

## Step 1.5 – What are the differences?

Q6. If you are either directly or indirectly discriminating, how are you going to change this or mitigate the negative impact?

Not Applicable

Q7. Do you need any more information/evidence eg statistic, consultation. If so how do you plan to address this?

The business planning element of the feasibility requires the collation of further evidence and consultation. This will follow the council's guidance to ensure it is inclusive and effective.

## Step 1.6 – Make a recommendation based on steps 1.1 to 1.5

Q8. If you are in a position to make a recommendation to change or introduce the policy, service, function, project or strategy, clearly show how it was decided on.

No changes intended

Q9. If you are not in a position to go ahead, what actions are you going to take?

Not applicable

## Equality Impact Assessment

Q10. Where necessary, how do you plan to monitor the impact and effectiveness of this change or decision?

Not applicable

**CABINET**

**Executive Team: Roles and Structure**  
**3 July 2018**

**Report of the Chief Executive**

<b>PURPOSE OF REPORT</b>			
For Cabinet to consider the proposals for restructure of the Executive Team, along with consultation responses, and agree the way forward			
<b>Key Decision</b>	<b>X</b>	<b>Non-Key Decision</b>	<b>Referral from Cabinet Member</b>
<b>Date of notice of forthcoming key decision</b>	30 May 2018		
<p><b>This report, Appendices A and I are public. All other appendices are exempt from publication by virtue of paragraphs 1 and 2 of Schedule 12a of the Local Government Act 1972</b></p>			

**OFFICER RECOMMENDATION****RECOMMENDATIONS:**

That Cabinet agrees to refer to the Full Council for determination:

- The future operating model for the senior management team.
- The funding of the future operating model for the senior management team,
- To authorise the Deputy s151 Officer to update the General Fund Revenue Budget accordingly, with upfront costs being met from the Restructuring Reserve.

**1.0 Background**

The Council has highly ambitious plans in the Council Plan for enhancing the economy, environment and neighbourhoods and communities' wellbeing. A plan which is underpinned by collaboration, facilitation and place-shaping. The Council has set out its ambitions and its vision for the district to thrive as a vibrant regional centre in the north west of England in its draft plan. This plan is for approval at full Council on the 18th July 2018.

There are a number of initiatives currently underway which will contribute heavily to the future ambitions of the Council, such as the development of a commercial agenda, the delivery of major regeneration initiatives, proposals for local authority trading companies and the pursuit of a much enhanced digital agenda. In addition, the Council needs to consider, at the same time, more radical plans which enable:

- A focus on the district as a place for investment
- The delivery of excellent services in the most efficient way
- High levels of customer satisfaction

To enable the Council to deliver effectively on all aspects of these plans, the Chief

Executive has made a proposal for changes to the structure of the Council's Executive Team.

The key aims of this proposed restructure are to:

- Introduce a new structure with clearly defined senior roles which enable a strengthening of strategic and corporate focus on service provision and delivery, growth and sustainability.
- Ensure the right skills are in place for each permanent role at Executive Team level to help shape and successfully drive forward the challenging agenda for the Council.
- Bring together a cohesive and supportive team to deliver change.

The restructure proposal is based on what is considered to be appropriate for the Council both now, and for the coming years. Where previous restructures have been in response to an identified need to reduce spend on staffing, this proposal is about the structure the Council needs to put in place to progress an ambitious agenda moving forward. Additionally, this proposal will bring savings to the Council in the longer term should it be implemented.

The restructure is intended to ensure the Council organisationally is in a position to meet the council's real ambitions in its Council plan, to meet strategic objectives and the financial challenges that it faces in the future. This is a proactive business change in order to improve the Council's position and continue to improve services to residents.

Moreover, the restructure and the change process have not prevented innovative and creative proposals to financial challenges from moving forward. The restructure is a proactive change intended to step up the momentum on innovation, and enable creativity to achieve the results and embed new ways of working.

#### **1.1. Examples of action to date (in the last 18 months), leading up to the restructure to improve organisational approach and delivery**

Steps have already been made to meet those future financial challenges and improve the efficiency of the organisation. Namely, the most recent budget approved by Council earlier this year included proposals to enable innovation, e.g. the proposals for trading companies and investment in the district's assets such as Williamson Park and solar farms. The Council has also agreed to invest in economic growth.

Further examples of recent organisational change, creativity and efficiency to deliver results for residents include:

- Developing a long term partnering approach with Vodafone, ensuring CCTV monitoring continues to be utilised along with the introduction of mobile CCTV cameras to be used in the public realm.
  - Bringing enforcement officers together and changing approach to tackling ASB and fly-tipping which is resulting in increases in enforcement actions.
  - Licensing becoming part of environmental health to increase resilience in this regulatory function and align ways of working between the teams .
  - Initiating efficiency reviews, starting with a major lean review of the voids process, with the number of empty properties now just under half of the levels of 16/17.
-

- Working with partners e.g. police, introducing an integrated early action hub in the district, working earlier and more effectively with the most vulnerable.
- Establishing further partnerships with Lancaster University to tackle operational issues e.g. plastics in the environment.
- Improving the environment for residents reviewing different ways of weed control; investing in graffiti and gum removal machinery and removal.
- Developing strategic approaches to Heysham Gateway and Canal Quarter.

In addition to the actions above, a new set of values and behaviours for staff has been adopted which puts residents and communities at heart of the Council and its work, with managers from throughout the organisation embedding the values and helping to enable a cultural shift.

Rather than cutting services the ambition is to deliver excellent services for residents, services which residents and communities need. Additionally, by engaging with stakeholders in the district on the new Council plan and the strategic direction of the council it increases the 'buy in' and means more opportunities to identify delivery of the objectives in partnership.

The re-organisational proposals sit alongside the review of the Council's Constitution which is currently being undertaken. Any immediate issues will be addressed over the summer e.g. delegations.

#### **1.2. Current Restructure Proposals**

More change is needed for the Council to meet the ambitions in its draft Council plan, to thrive as a vibrant regional centre and meet future financial challenges. Some of the actions above at 1.1 include examples of structural changes and work on cultural change to date, however, far more is required to help meet the savings targets whilst seeking service preservation, these include: developing a comprehensive commercial strategy e.g. make the most of council assets; ensuring we have a modern and efficient organisation (cutting out unnecessary bureaucracy) and that services are available in the right form to meet community needs.

The proposed restructure introduces clearly defined senior roles to help drive forward the Council's challenging agenda and brings a cohesive and corporate team together. The change brings together services that complement each other, and are interlinked in their service delivery. This will further provide opportunities for improving collaboration and co-operation and help break down barriers that exist between some teams. By bringing the teams together this will also enable a focus on improvements in efficiency and effectiveness.

#### **1.3. Process to date since 24<sup>th</sup> April 2018**

Cabinet considered the proposals for a new structure on 24<sup>th</sup> April 2018, and it was agreed that the Chief Executive could move into the formal consultation stage with staff directly affected (i.e. the Council's 3 current Chief Officers) and also with the trade unions.

Following call-in, formal consultation with directly affected staff and unions commenced, with a formal end date of 12<sup>th</sup> June 2018. At the recommendation of the Overview and Scrutiny Committee, and following agreement by Cabinet, it was also agreed that feedback on the high level proposals would be sought from those senior

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managers who report into Chief Officer posts. Alongside these consultation fora, the Chief Executive has also organised briefing sessions for members.

Since the original proposals were made, decisions have also been made by Personnel Committee in relation to reward for the new roles, and also the selection processes to be put in place, subject to overall agreement to implement the proposed structure. Organisational charts showing the current and proposed structures are included at **Appendix A**.

## **2.0 Consultation Responses**

### **2.1 Summary of Consultation and Engagement**

Engagement has taken place with a wide group of stakeholders, which includes affected staff (Chief Officers), senior managers reporting into Chief Officer level roles, Members, the external auditor, SOLACE and the LGA.

During consultation on an exercise such as this, it is anticipated that feedback will include a number of suggestions to change the proposals, as well as issues raised in terms of the structure and potential outcomes.

There have been 5 main themes coming from the consultation process, and these are:

- Questions about the financial implications of the proposals
- Issues in relation to the proposed level of the S151 role in the proposed new structure
- Issues raised about capacity within the proposed new senior team
- Questions about process, in terms of how these proposals move through the decision making process, and where decisions in relation to implementation should be made.
- The impact of the proposals on those senior managers who currently report into Chief Officer level roles.

Aside from the placement of the S151 Officer, no alternative suggestions have been made to change the high level proposals.

### **2.2 Chief Officer Consultation**

Statutory consultation processes have been carried out, with both the existing Chief Officers, and the Council's Trade Unions. This has been in accordance with the Council's Human Resources policies, and the Chief Officer terms and conditions of employment. Upon request, the end of the formal consultation period was extended to noon on 19<sup>th</sup> June 2018, in view of the planned absence of one Chief Officer.

Individual consultation meetings were arranged on a weekly basis for Chief Officers,

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who could bring their trade union representative, should they wish. These were initially classed as 'informal consultation' meetings until such a time as formal consultation could start, following call-in. At the commencement of formal consultation, Chief Officers were provided with a consultation pack which included:

- The formal 'at risk of redundancy' letter
- The detailed proposals (previously the Appendix to the Cabinet report for 24<sup>th</sup> April)
- A set of FAQs in relation to the proposals, and the individual impact
- Proposed role profiles
- High level financial details relating to implementation
- A proposed timetable for implementation

All Chief Officers have had the opportunity to meet with the Chief Executive and HR during the consultation period, and during those meetings they were each given the opportunity to:

- Respond to the proposals
- Ask questions about the proposals
- Make suggestions in relation to anything they would want to change
- Discuss personal implications for themselves

In addition, all Chief Officers were afforded the opportunity to make representations at Personnel Committee in line with their rights as Chief Officers. Two of the Chief Officers took advantage of this opportunity.

**Appendix B** provides a summary of the consultation meetings with the Chief Officers, with a note of the responses to individual issues raised, as well as any formal written responses to consultation provided by Chief Officers.

**Appendix C** contains the text used by two Chief Officers for the presentations to Personnel Committee on 4<sup>th</sup> June 2018.

It should be noted that if the proposals are accepted and implemented, there could be 2 possible redundancies of Chief Officers, one during the year of implementation, and one during the following year.

## **2.3 Union Consultation**

Meetings with the local unions were arranged for formal consultation. The proposals for restructure were originally presented to the Unions on 18<sup>th</sup> April, and during the formal consultation period, meetings took place on 10<sup>th</sup> May 2018 and 31<sup>st</sup> May 2018. Additionally, union colleagues were given the opportunity to make any representations by email following agreement that further meetings would not be necessary at this stage.

There were no issues raised by union colleagues during consultation with them, aside from the impact of the proposals on the senior managers who report to Chief Officers, which is dealt with in Section 2.5 below. This came from an approach to the union concerned from one officer.

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## **2.4 Consultation with Members**

A number of meetings were offered for Members to attend, where the proposals for restructure were discussed. Meetings were held with Labour Group Members, Green Party members, Independent Members and a cross-party meeting was held on 24<sup>th</sup> May 2018. In addition, discussion about the proposals has taken place at Personnel Committee meetings, Cabinet briefings and Overview and Scrutiny meetings.

A summary of the issues raised by Members, and the responses provided, is at **Appendix D**.

## **2.5 Consultation with senior managers who report into Chief Officer level roles.**

Following the Overview and Scrutiny Committee meeting where the proposals were discussed, it was agreed that senior managers who report into Chief Officers should have the opportunity to provide feedback on the high level proposal for 3 newly formed directorates.

Meetings were arranged with those managers, and the feedback, together with responses, is included in **Appendix E**. This includes some written representations from some of the senior managers concerned.

## **2.6 Consultation with SOLACE**

An approach was made to SOLACE to seek a further independent external view on the proposals for restructure. SOLACE recommended a consultant to provide this service for the Council. The consultant has previously worked in Chief Executive roles, and has substantial experience working at senior levels in Local Authorities.

The report provided is attached at **Appendix F**.

## **2.7 Consultation with the External Auditor.**

The views of the external auditor from Deloitte have been sought directly via conversations between the Chief Executive and the auditor. A summary of those discussions is attached at **Appendix G**.

## **3.0 Overall Responses to Consultation**

Whilst responses to issues raised through consultation have been provided in the relevant appendices, set out below are the summary responses for each of the main issues raised.

## **3.1 Summary of Potential Costs**

The detailed financial implications are included at **Appendix H**

The proposals for restructure were not made on the basis of reducing spend on senior team

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salaries, but were made to ensure the Council is in a position to meet the challenging agenda set for the future.

Since the original decision to consult was made, further more detailed work on the financial implications of implementing the proposals has been carried out, in conjunction with an accountant from the Council's finance team, and with input from the Council's Deputy S151 Officer. The financial implications at Appendix H take account of:

- Initial one-off implementation costs, e.g. the costs of the selection process, the possibility of redundancies.
- Costs which would have been incurred had the restructure not been proposed, or gone ahead.
- The proposed salaries for the new Director roles.
- Ongoing annual costs, year by year.

Overall, the financial implications for this report show an additional cost to the Council, over a 40 month period, of circa £32.4K.

The comparative costs of senior team structures (i.e. posts at Chief Officer level and associated allowances) show a year on year saving of around £22K from 20/21 onwards (i.e. the current year budgeted for 5 Chief Officers compared to the cost of 3 new Directors and one Deputy Director in the longer term).

An additional cost has arisen relating to the restructure, and that is related to the re-introduction of a Legal Services Manager post, which was deleted in February 2015. To reintroduce this post, at Grade 8 level, the existing (vacant) Grade 7 legal post will be deleted. This therefore brings an additional cost by way of the additional salary costs between grade 7 and 8. It is this role which would take on responsibility for Monitoring Officer duties and has been factored into the above.

It should also be noted that should the move to an LATC go ahead during the year 19/20, it is anticipated that there would be no redundancy during that year, which would then reduce costs by a further c£33k (and would reduce the requirement for funding from the Restructuring Reserve).

### **3.2 Issues Relating to the S151 Role**

The original proposals for a new structure outlined that this statutory role would report into the newly proposed Director of Corporate Services. The new Director will have a financial qualification, and clear oversight and strategic understanding of the issues faced by the Council.

The rationale for this element of the proposal, i.e. the S151 role sitting at Head of Service level, has been provided to the political groups where this has been raised as a concern.

The professional independent advice via SOLACE (Appendix F) has confirmed that moving the S151 role to a level below the top tier is becoming more commonplace.

The external auditor indicated others are now doing so, as part of making them more agile at the top level. He reinforced the need for the working protocol, to safeguard the statutory roles and ensure they are effective.

The proposed senior roles will enable a strengthening of corporate and strategic focus on service provision and delivery, growth and sustainability.

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The roles of statutory officers are often thought of as regulatory roles. They have an extremely important function in advising and guiding decision making, assessment of risk, and ultimately, if the minimum standard of lawfulness and financial probity are not met, to halt, publicise and prevent a decision.

These roles are designed to support and enhance internal controls and help create a culture of risk management and compliance. This regulatory function is by necessity focused on a decision or a series of decisions.

In light of the importance of the S151& Monitoring Officer duties, they will be safeguarded in the future by a working protocol, which ensures attendance at relevant meetings, direct access to the Chief Executive, access to all reports and documents, and sufficient opportunity to influence decisions in line with the requirements of the regulatory function. It is expected that the post holders would attend Cabinet, Council and Management Team meetings as the norm.

If such protocols were adopted then the post holders should be free to carry out their statutory functions, and to follow the principles of regulation.

Research has been carried out across 3 other Local Authorities to assess how different models work in different organisations, as follows:

**Preston City Council:** The S151 sits two tiers down from the CEO and reports into the Corporate Services director. The S151 Officer, also known as City Treasurer, attends as a full member of the Management Team, attends Cabinet, sits at the top table at full Council and attends all other decision making meetings, as well as managing the work of the finance and audit teams. The S151 is treated as a peer within the management team.

**Burnley:** The S151 Officer (and Head of Finance / Property) reports into the Chief Operating Officer who reports to the Chief Executive. Only the two latter roles are classed as being in the 'top team' although the S151 is part of the Management Team.

Whilst this is the official reporting line, the S151 has access to the CEO should it be needed. The S151 attends all decision making meetings.

This Council has two tiers of Head of Service, and the S151 role is within the higher tier, meaning a higher salary than other Heads of Service, but below 'top team' level.

**Wyre Council:** The S151 Officer at Wyre reports directly to the Chief Executive at the Council, and oversees the management of the Council's finances, whilst the MO reports directly to a Service Director. The S151 Officer is a member of the Corporate Management Board, and attends all relevant council meetings, including Cabinet and Cabinet briefings (the Executive), full Council and other decision making forums.

Whilst the S151 Officer sits at a level below Director and is salaried at Head of Service level within the Council, the post holder currently receives an allowance of £5,610 for the additional responsibility the S151 role brings.

### **3.3 Capacity at Director Level**

The concern that has been raised with this new structure is that the capacity at senior team level will reduce, which could therefore impact on the ability deliver against the Council's plans. This was mentioned in the context of the future financial challenges the Council faces.

In response, the Assistant Chief Executive role is being retained until March 2020 to help provide strategic capacity in key project areas and to drive commercialisation strategy.

Secondly, the Council's senior staff have recently been working to review the overall current programme of projects and work, with a view to ensuring that the focus is on projects which deliver against our strategic priorities, support the move to delivering services more efficiently, and enable the Council to close the future funding gap. This exercise will give the Council a clear picture of the resource needs for the short term to deliver on key projects, and the necessary resource requirements from the Business Support Reserve.

Current Chief Officer level roles have a significant operational element to the day to day duties being carried out. This will not be the approach with the new strategic Director roles. However, there is a need to review operational capacity below current Chief Officer level once the Directors are in place in the new roles, and this element of work will commence following the appointment of the Directors.

### **3.4 Decision making processes and Timetable**

A number of questions in relation to decision making and timescales were raised and the responses to these are contained at **Appendix I**. This appendix covers all future decision making processes should the proposals be implemented, as well as the more detailed plan moving towards implementation.

### **3.5 The Impact of the Proposals on other Senior Managers**

Concerns have been raised during the consultation process about the impact of the proposals on senior managers who report into Chief Officer level roles, and the potential for further impact at more junior levels.

Responses given during this consultation process have been to reassure staff at this level that in the short term, there will be no impact on their roles. Once new Directors are in place, it is anticipated they will work together as a team with the Chief Executive to consider how their new directorates will operate effectively. In the event of further change, more detailed consultation will take place with their staff to help shape the teams delivering both internal and external services.

Attached at **Appendix E** is the feedback from senior managers, both from the meetings held with them and also some written responses.

## **4. Other Progress Made**

Since the original decision to consult was considered by Cabinet, Personnel Committee have considered and agreed the following:

- That the new Director roles will attract a salary of £80,000.
  - A further reward strategy will be developed which will consider how performance at this level could be managed.
  - Annual objectives for the Directors will be taken to Personnel Committee
  - That the Deputy Director roles will be remunerated at the same level as current Chief Officers
  - That the recruitment processes proposed are agreed, and that Personnel Committee will ensure sufficient Committee Members will be available for the relevant interview dates
-



- That the role profiles are acceptable, subject to the outcome of the more recent consultation

## **5. Conclusions following Consultation**

As is to be expected during any consultation exercise, concerns will be raised. The primary concerns raised in terms of the restructure have been in relation to the finances supporting the proposal, as well as the level of the S151 role.

All views and responses in respect of the positioning of S151 Officer have been carefully considered. The proposed level of the role, i.e. at Head of Service level, is the reason the concerns are being raised. There is a perception that views of the post holder may not be taken sufficiently seriously where the S151 duties sit at a level below the proposed Director roles.

In this regard, views have been sought from the external auditor and SOLACE, who confirm that there are other local authorities who are taking a similar route with the regulatory at Head of Service level.

Given the reassurance that the statutory officers have access to decision making and information at the correct level, the removal of the strategic role from the statutory officers will strengthen the amount of time they can devote to ensuring good governance. This can be seen as a positive benefit as it remove the potential for conflict between trying to balance the forward progress of the organisation with the legal and budgetary framework which gives them an independence and avoidance of conflict that they do not currently enjoy, making the statutory officer a true critical friend role

The development and introduction of the working protocol will ensure the S151 Officer is able to fulfil all regulatory functions, and is seen very much as a part of the Council's decision making team. Whilst the proposal in this regard has not been changed, the need to ensure the working protocol is in place and is successful has highlighted the requirement to develop this, for consultation, as soon as a decision is made in relation to implementation of the proposed new structure.

To ensure that concerns can be raised after implementation of this change, a thorough review of the effectiveness of the proposal relating to the S151 role will take place 6 months after implementation, when changes can then be proposed and made to resolve issues raised by that review.

The finances related to the restructure are outlined at Section 3 of this report.

As outlined in Section 6 below, this restructure is the first step in ensuring the Council is 'match fit' for the future. The finances relating to the restructure at this stage show additional expense, but our new Directors will be tasked with reducing the cost of service provision to bridge the known funding gap in the future.

## **6. Future Savings**

Whilst the finances in terms of implementation of the proposed new structure are outlined in the financial implications section and detailed in Appendix H, there are a number of additional benefits to the Council should implementation go ahead.

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In moving teams together within new larger directorates, a number of opportunities for efficiencies will be created from closer working and bringing teams who provide similar services.

Furthermore, the Council has a challenge to face in terms of funding into the future, and needs to generate savings and additional income by 20/21 to bridge the funding gap.

To enable the Council to meet this aim (and in addition to other proposals to generate income), it is proposed that upon appointment, the Council's new Directors will jointly be given specific targets to reduce the costs of service provision in their directorate so that the Council's expenditure and income is aligned by March 2020, therefore bridging the funding gap.

It is expected that these savings will be met through delivering services more efficiently across the Council, reviewing process and practice to streamline work, and implementing more commercial approaches, whilst also making better use of digital tools. They will also be met through initiatives such as merging teams and sharing of services.

To support this aim, initiatives will be put in place to make best use of ongoing staff turnover. It is proposed that the Council will introduce a process when employees leave which enables either:

- The redeployment of other staff into vacancies, or
- the service to be remodelled

Additionally, bringing related services together in one directorate may generate significant efficiencies by eliminating duplication and sharing of best practice. The increased efficiency will support the commercialisation agenda.

Implementation of this initiative to achieve savings will be the responsibility of the Directors within the new structure. The detail in terms of the next stage will be available once those Directors are in post.

#### **RELATIONSHIP TO POLICY FRAMEWORK**

The strategic rationale is set out in the body of this report.

#### **CONCLUSION OF IMPACT ASSESSMENT**

**(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)**

Proposals for restructure which affect staff are managed in line with Human Resources Policies and Terms and Conditions of employment, to ensure all actions and proposals are compliant with employment related legislation, including equalities legislation.

#### **LEGAL IMPLICATIONS**

A consultation has been carried out. If the proposed structure is adopted the implementation will require careful compliance with primary and secondary legislation, and the local authority policy and procedures to avoid any potential liability. There is no legal impediment to the adopting of a structure as set out.

#### **FINANCIAL IMPLICATIONS**

The overall financial implications for the proposed Executive Team restructure are summarised in the table below and associated detail is set out at Appendix H with all

implications based on an effective implementation date of 1<sup>st</sup> December 2018.

Implementation Costs from 1st December 2018					
	2018/19	2019/20	2020/21	2021/22	Cumulative Total (Over 40 months)
	£	£	£	£	£
<b>Current Structure</b>	142,252	436,485	452,684	461,846	1,493,267
<b>Proposed Structure</b> (excl One-Off / Interim Agency Costs)	190,094	436,615	429,916	439,663	1,496,288
<b>Cost / (-) Saving</b> (excl One-Off / Interim Agency Costs)	<b>47,842</b>	<b>130</b>	<b>-22,768</b>	<b>-22,183</b>	<b>3,021</b>
<b>One-Off Costs</b>					
Redundancy Costs (from Restructure Reserve)	33,500	33,500			67,000
Consultancy Costs (from Turnover)	2,975				2,975
Recruitment Costs (from Turnover)	26,420				26,420
	<b>62,895</b>	<b>33,500</b>	<b>0</b>	<b>0</b>	<b>96,395</b>
<b>Interim Appointments</b>					
Interim HR Manager (Agency)	104,560				104,560
	<b>104,560</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>104,560</b>
<b>Total One-Off and Interim Agency Costs</b>	<b>167,455</b>	<b>33,500</b>	<b>0</b>	<b>0</b>	<b>200,955</b>
<b>Cost / (-) Saving</b> (including One-Off / Interim Agency Costs)	<b>215,297</b>	<b>33,630</b>	<b>-22,768</b>	<b>-22,183</b>	<b>203,976</b>
<b>Funding Sources</b>					
Interim HR Manager - Turnover (26 June Cabinet)	-17,000				-17,000
Interim HR Manager - BSR (26 June Cabinet)	-22,400				-22,400
Interim HR Manager - Turnover (3 July Cabinet)	-33,800				-33,800
Interim HR Manager - BSR (3 July Cabinet)	-31,360				-31,360
Redundancy - Restructuring Reserve (3 July Cabinet)	-33,500	-33,500			-67,000
<b>Total Funding</b> (Reserves / Corporate Turnover)	<b>-138,060</b>	<b>-33,500</b>	<b>0</b>	<b>0</b>	<b>-171,560</b>
<b>Total Net Cost / (-) Saving</b>	<b>77,237</b>	<b>130</b>	<b>-22,768</b>	<b>-22,183</b>	<b>32,416</b>

**Average Annual Savings Requirement: £9,725**

The total projected costs of £32.4K up to the end of 2021/22 have been averaged out over the relevant 40 month period (i.e. from 1 December 2018) to provide an equivalent average annual savings requirement of £9.7K and this equates to less than 1% of the Council's overall staffing budgets at circa £21m (excluding the Housing Revenue Account), after allowing for budgeted turnover.

It is assumed that the above will be achieved through natural turnover (excluding the Housing Revenue Account) / effective positive management once the new Directors are in post with associated one-off costs being managed in year through a combination of corporate turnover and use of the Budget Support and Restructuring Reserves. Any deviation from a 1<sup>st</sup> December implementation date could have an impact on the projected figures provided and so could go up or down. It is not possible to quantify by how much, however, due to the potential variables arising, but is expected to be manageable at this stage.

The figures provided also includes for a new Grade 8 Legal Services Manager post to be established to replace the former Legal Services Manager post, which was deleted in 2015 and who will also undertake the Monitoring Officer role. It is proposed to predominantly fund this through the deletion of a vacant Grade 7 post within Legal

Services, noting that assumptions have been based on current operations, with any future proposals, such as the pending wider Legal and Democratic Services restructure, being considered on their own merits.

It is envisaged that costs relating to recruitment will amount to around £26.4K. This includes adverts with the Municipal Journal and other external online adverts (circa £6.7K), assessment centre costs (up to £12K), travel and subsistence costs for those delivering the service, contributing to the recruitment process and for internal applicants' travel to the assessment centre (Circa £1.7K) and internal applicant' Development Support costs (circa £6K).

This is not too dissimilar to those costs which would be incurred if the proposals for the restructure not been made, i.e. it is anticipated that recruitment for the Chief Officer (Legal and Governance) and the Chief Officer (Regeneration and Planning) would have been taken forward separately at different times, with costs for both adding up to around £20.6K, based on costs incurred for the recruitment of the previous Chief Officer (Legal and Governance).

Cost and funding assumptions for the interim HR Manager assume that the current engagement will continue up to 31<sup>st</sup> March 2019 and work predominantly on proposed implementation of restructure, changes below that level and key projects like performance management, noting that if the contract were to end before this, there would be no impact for the specific savings requirement above, albeit there would be a reduced one-off call on the Budget Support Reserve during 2018/19. There is a specific recommendation needed for the continued engagement of the Interim HR Manager beyond 31<sup>st</sup> July 2018, however, and to continue to fund this through turnover (£33.8K) and the Budget Support Reserve (£31.4K).

For additional information, the following table shows the estimated cost of the current Management Team structure compared with the proposal for 2018/19 to show the overall impact of one-off recruitment and use of interim support costs for both structures. This demonstrates that there is still a projected cost expected by the end of the current year for the current Management Team structure due to the two vacant Chief Officer posts being covered through external provision.

	Current	Proposed
	2018/19	2018/19
	£	£
<b>Current Structure</b>	426,756	426,756
<b>Proposed Structure</b> ( <i>excl One-Off / Interim Agency Costs</i> )	363,780	395,810
<b>Cost / (-) Saving</b> ( <i>excl One-Off / Interim Agency Costs</i> )	<b>-62,976</b>	<b>-30,946</b>
<b>One-Off Costs</b>		
Redundancy Costs ( <i>To be funded from Restructure Reserve</i> )	0	33,500
Consultancy Costs ( <i>To be funded from Turnover</i> )	0	2,975
Recruitment Costs ( <i>To be funded from Turnover</i> )	20,592	26,420
	<b>20,592</b>	<b>62,895</b>
<b>Interim Appointments</b>		
Interim Legal ( <i>Agency</i> )	86,000	75,000
Interim HR Manager ( <i>Agency</i> )	39,400	104,560
	<b>125,400</b>	<b>179,560</b>
<b>Total One-Off and Interim Agency Costs</b>	<b>145,992</b>	<b>242,455</b>
<b>Cost / (-) Saving</b> ( <i>incl One-Off / Interim Agency Costs</i> )	<b>83,016</b>	<b>211,509</b>
<b>Funding Sources</b>		
Interim HR Manager - Turnover ( <i>26 June Cabinet</i> )	-17,000	-17,000
Interim HR Manager - BSR ( <i>26 June Cabinet</i> )	-22,400	-22,400
Interim Legal Manager - BSR ( <i>26 June Cabinet</i> )	-32,000	-32,000
Interim HR Manager - Turnover ( <i>3 July Cabinet</i> )	0	-33,800
Interim HR Manager - BSR ( <i>3 July Cabinet</i> )	0	-31,360
Redundancy - Restructuring Reserve ( <i>3 July Cabinet</i> )	0	-33,500
<b>Total Funding</b> ( <i>Reserves / Corporate Turnover</i> )	<b>-71,400</b>	<b>-170,060</b>
<b>Total Net Cost / (-) Saving</b>	<b>11,616</b>	<b>41,449</b>

As this proposal falls outside of the current Budget and Policy Framework, then referral onto Full Council is required, prior to updating the General Fund Revenue Budget.

If the proposal is implemented, then any in-year variances will need to be reported through the Council's normal corporate monitoring process or directly to Cabinet in the usual way.

Similarly, any future savings from further restructuring / efficiencies arising once the New Directors are in post will need to be fed into the annual budget process for subsequent approval.

## OTHER RESOURCE IMPLICATIONS

**Human Resources:** This report has been prepared with HR advice and includes information about HR implications.

### Information Services:

Not applicable

### Property:

It may be necessary to review accommodation as a result of the proposed staffing changes.

### Open Spaces:

Not applicable

## DEPUTY SECTION 151 OFFICER'S COMMENTS

In considering the proposal, Members are advised to consider whether it is capable of meeting the Council's future needs and provides the capacity required to deliver its ambitious corporate objectives. In this regard, Members should satisfy themselves that the proposal represent value for money, recognising the initial costs, balanced against the need to make financial savings in future years and generate additional income.

In terms of the Section 151 Officer's professional position and statutory responsibilities within the Council, the proposal is contrary to recommended practice as presented by the Chartered Institute of Public Finance and Accountancy (CIPFA). However, the proposal is not uncommon at other Councils, and can work provided the s151 Officer has access to / is invited to Executive Team meetings, where they would expect to contribute, and that they have access to all agendas and reports, and finally direct access to the Chief Executive. Members will also need to be content that the proposed Legal Services restructure retains sufficient capacity within the Service to maintain operational delivery, and support the Monitoring Officer role.

As the proposed restructure would increase the net spend over the amounts approved by Council at 2018/19 Budget and Medium Term Financial Strategy (MTFS) 2018 – 2022 approved by Council 28<sup>th</sup> February 2018, it falls outside of the Council's existing Budget & Policy Framework. On this basis the referral to Council for consideration is in accordance with the Council's Constitution.

## MONITORING OFFICER'S COMMENTS

It is important to note this report provides for a major structural change in this authority. The roles and duties of the statutory officers are unchanged it is only the position within the organisation that changes. Members should satisfy themselves that adequate thought has been given to carrying out the roles in the proposed structure and the process and capacity exists to achieve this.

The leadership style adopted by Lancaster City Council allows cabinet to carry out all the executive functions of the local authority, which are not specifically reserved to another part of the authority (usually non-executive).

The key limitation on the exercise of the execution function is Cabinet must act within the Budget and Policy Framework set by full Council, the rules of procedure and the financial regulations. (Constitution article 7.06a).



The rules of procedure are clearly set out in the constitution part 4 and the financial regulations in Part 5.

It should also be noted Cabinet is responsible for the preparation of Policy Framework proposals (Constitution article 7.06b)

In this case the budget decision for the new operating model falls to Council on the recommendation of Cabinet as it falls outside of the Budgetary Framework. In these circumstances Cabinet may also wish to recommend the decision on the operating model, which sits within the framework is also taken at full council as the two decisions are linked.

Additionally Chief Officers and in particular statutory officers, enjoy enhanced protection due to their obligations to independently advise the executive. The role of the Chief Officers will be changed by this proposal and the agreement of full council to the changes and any potential redundancies will evidence compliance with the Local Authorities (Standing Orders) (England)(Amendment) Regulations 2015.

**BACKGROUND PAPERS**

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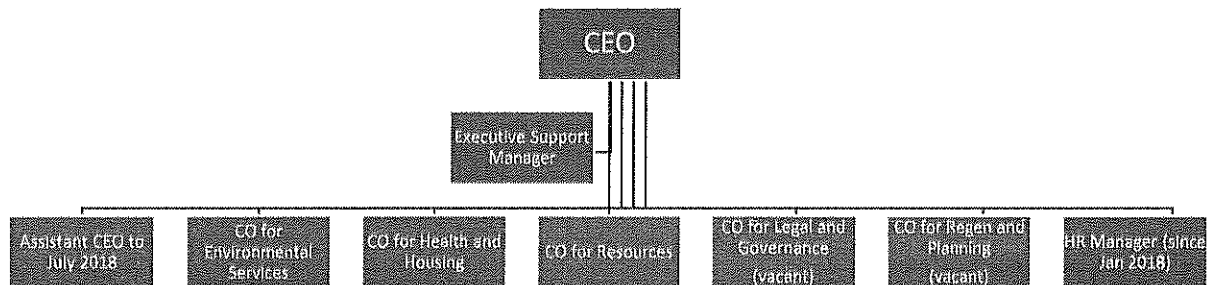
**E-mail: [darigby@lancaster.gov.uk](mailto:darigby@lancaster.gov.uk)**

**List of Appendices**

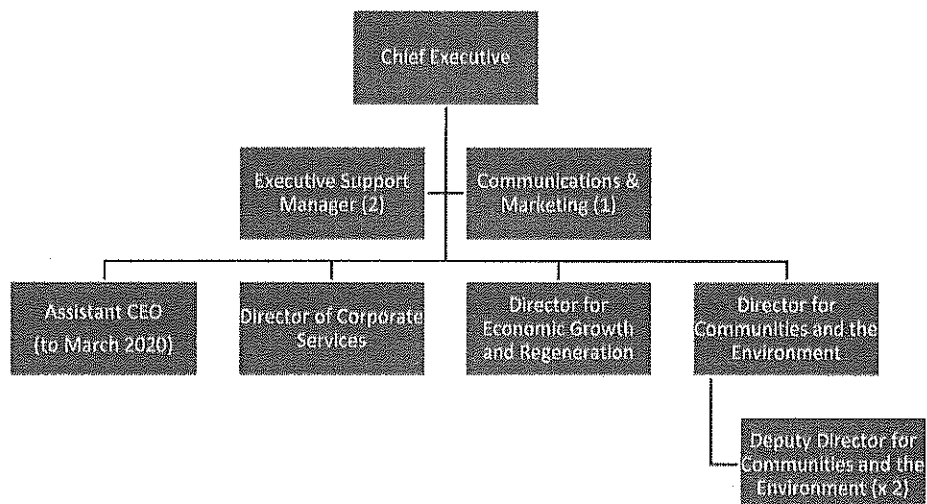
- A. Summary of Proposals for changes to the Executive Team Structure
  - B. Consultation with Chief Officers – Summary of Issues Raised
  - C. Chief Officer Representations at Personnel Committee
  - D. Consultation with Members
  - E. Consultation with Senior Managers
  - F. Comments on the proposed senior management restructuring – SOLACE
  - G. External Auditor Consultation
  - H. Financial Implications
  - I. Proposed Timetable for implementation
  - J. Letter from CIPFA
-

### Summary of Proposals for changes to the Executive Team Structure

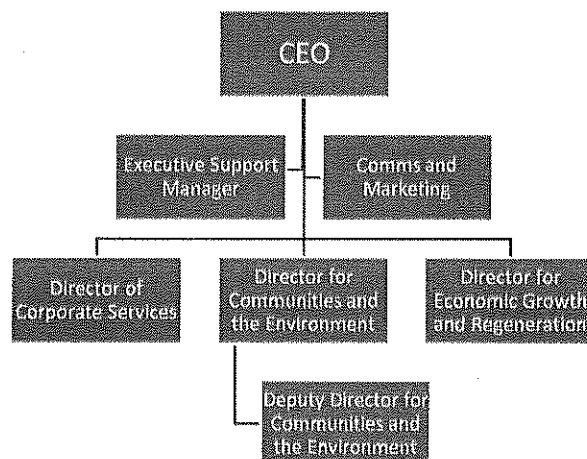
#### (1) Current Structure as at June 2018



#### (2) Proposed Interim Structure to be implemented in Autumn 2018



#### (3) Proposed Structure from April 2020



- (1) Comms and Marketing will be a dotted line into the Chief Executive  
 (2) "This is an existing role, no changes are proposed"

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

## Appendix I

**Proposed Timetable for Implementation**

The anticipated timescales relating to the implementation of the restructure proposal are as follows:

<b>Task / Milestone</b>	<b>Date / Deadline</b>
Decision made by Cabinet	3 July 2018
Decision communicated to staff	4 July 2018
Allow for call-in or full Council decision	18 July 2018
Outcome of call-in or Council decision - communicate to staff	19 July 2018
Advertise 3 New Director Roles	19 July 2018
Additional 121 support for Chief Officers (recruitment)	20 July to 10 August
Adverts Close	10 August 2018
Shortlist Applications (with Personnel Ctte)	14 August 2018
Shortlisting Interviews with external candidates	20 to 31 August 2018
Assessment Centre (Newcastle)	10 September 2018
Full Interviews (one role per day)	12 - 14 September 2018
Communicate Results to Chief Officers	17 September 2018
Commence selection process for Deputy Directors	18 September 2018
Expected appointment dates for new Directors	December 2018

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By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted