



**Committee: CABINET**

**Date: TUESDAY, 5 DECEMBER 2017**

**Venue: LANCASTER TOWN HALL**

**Time: 6.00 P.M.**

## **A G E N D A**

**1. Apologies**

**2. Minutes**

To receive as a correct record the minutes of Cabinet held on Tuesday, 7<sup>th</sup> November 2017 (previously circulated).

**3. Items of Urgent Business Authorised by the Leader**

To consider any such items authorised by the Leader and to consider where in the agenda the item(s) are to be considered.

**4. Declarations of Interest**

To receive declarations by Members of interests in respect of items on this Agenda.

Members are reminded that, in accordance with the Localism Act 2011, they are required to declare any disclosable pecuniary interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Whilst not a legal requirement, in accordance with Council Procedure Rule 9 and in the interests of clarity and transparency, Members should declare any disclosable pecuniary interests which they have already declared in the Register, at this point in the meeting.

In accordance with Part B Section 2 of the Code Of Conduct, Members are required to declare the existence and nature of any other interests as defined in paragraphs 8(1) or 9(2) of the Code of Conduct.

**5. Public Speaking**

To consider any such requests received in accordance with the approved procedure.

Reports from Overview and Scrutiny

None

Reports

6. **Growth Lancashire (Pages 1 - 2)**  
**(Cabinet Member with Special Responsibility Councillor Hanson)**  
Report of Chief Executive
7. **Heysham Swimming Pool (Pages 3 - 6)**  
**(Cabinet Member with Special Responsibility Darren Clifford)**  
Report of Chief Officer (Health & Housing)
8. **Update on Information Governance (Pages 7 - 12)**  
**(Cabinet Member with Special Responsibility Councillor Blamire)**  
Report of Chief Officer (Legal & Governance)
9. **Lancaster Caton Road (Phase 3) Flood Risk Management Scheme (Pages 13 - 28)**  
**(Cabinet Member with Special Responsibility Councillor Hanson)**  
Report of Chief Officer (Regeneration & Planning)
10. **Red Rose Fairerpower (Pages 29 - 46)**  
**(Cabinet Member with Special Responsibility Councillor Blamire)**  
Report of Assistant Chief Executive
11. **Advancing the Local Plan for Lancaster District (Pages 47 - 54)**  
**(Cabinet Member with Special Responsibility Councillor Hanson)**  
Report of Chief Officer (Regeneration & Planning)
12. **Budget & Policy Framework Update**  
**(Cabinet Member with Special Responsibility Councillor Whitehead)**  
Report of Chief Officer (Resources) – Report to follow

## **ADMINISTRATIVE ARRANGEMENTS**

### **(i) Membership**

Councillors Eileen Blamire (Chairman), Janice Hanson (Vice-Chairman), Darren Clifford, Brendan Hughes, James Leyshon, Margaret Pattison, Andrew Warriner and Anne Whitehead

### **(ii) Queries regarding this Agenda**

Please contact Liz Bateson, Democratic Services - telephone (01524) 582047 or email [ebateson@lancaster.gov.uk](mailto:ebateson@lancaster.gov.uk).

**(iii) Apologies**

Please contact Democratic Support, telephone 582170, or alternatively email [democraticsupport@lancaster.gov.uk](mailto:democraticsupport@lancaster.gov.uk).

SUSAN PARSONAGE,  
CHIEF EXECUTIVE,  
TOWN HALL,  
DALTON SQUARE,  
LANCASTER, LA1 1PJ

Published on Friday 23 November, 2017.

<b>CABINET</b>
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## Appointment to Growth Lancashire Limited 5 December 2017

### Report of the Chief Executive

PURPOSE OF REPORT				
To consider Council's recommendations to Cabinet on appointments to Growth Lancashire Limited.				
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input checked="" type="checkbox"/>	Referral from Council
Date of notice of forthcoming key decision			Not applicable.	
This report is public				

#### RECOMMENDATION OF COUNCIL

- 1) **That Cabinet appoints the Cabinet Member for Planning and Economic Regeneration to the Growth Lancashire Limited directorship, and appoints the Leader of the Council as alternate director.**

#### 1.0 Introduction

- 1.1 Council considered a report regarding appointments to outside bodies at its meeting on 15 November 2017, and made the resolution:-

*That Cabinet is recommended to appoint the Cabinet Member for Planning and Economic Regeneration to the Growth Lancashire Limited directorship, with the Leader of the Council as alternate director.*

#### 2.0 About Growth Lancashire

- 2.1 Growth Lancashire Limited is a business support and economic development company owned by several Lancashire authorities. It operates throughout the county and provides a range of accredited business support services across Lancashire, including Lancaster district. Blackburn-with-Darwen Borough Council is the accountable body. Growth Lancashire advised that it is usual for appointments to be either the Leader of the Council and/or the Cabinet Member with the Regeneration/Economic Development portfolio.

#### 3.0 Conclusion

- 3.1 Cabinet is asked to make the appointments recommended by Council.

**RELATIONSHIP TO POLICY FRAMEWORK**

Membership of Growth Lancashire Limited is relevant to the Corporate Plan Priority of Sustainable Economic Growth.

**CONCLUSION OF IMPACT ASSESSMENT**

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

None directly arising from this report.

**LEGAL IMPLICATIONS**

None directly arising from this report.

**FINANCIAL IMPLICATIONS**

Members of outside bodies are entitled to travel expenses. Costs resulting from this appointment should be minimal and would be met from existing democratic representation budgets.

**OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces:**

None identified.

**SECTION 151 OFFICER'S COMMENTS**

The Section 151 Officer has been consulted and has no further comments.

**MONITORING OFFICER'S COMMENTS**

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

**BACKGROUND PAPERS**

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**Ref:**

**CABINET**

## Heysham Swimming Pool 5 December 2017

### Report of Chief Officer (Health and Housing)

PURPOSE OF REPORT				
To consider a proposal from the Leader of Lancashire County Council to share the shortfall in funding required for Heysham School to take ownership of and operate Heysham swimming pool.				
<b>Key Decision</b>	<input type="checkbox"/>	<b>Non-Key Decision</b>	<b>X</b>	<b>Referral from Cabinet Member</b>
<b>Date of notice of forthcoming key decision</b>	N/A			
<b>This report is public.</b>				

#### RECOMMENDATIONS OF COUNCILLOR DARREN CLIFFORD

- (1) That Cabinet supports the proposal to share the shortfall in capital funding to enable Heysham School to take on and operate Heysham Pool.
- (2) That Cabinet approves to grant capital funding of £36k (to be funded from the Budget Support Reserve) to Heysham School, subject to the city council being satisfied that, as far as is reasonable, the school has a robust business plan in place to support the ongoing operation of the pool to the benefit of the community.

#### 1.0 Introduction

- 1.1 Since April 2016, Officers have been supporting community interest groups and Heysham and Carnforth schools to explore the viability of them taking over the pools at Heysham, Carnforth and Hornby.
- 1.2 During this time, further support was agreed by the city council in extending the operation of Heysham and Carnforth pools to allow more time for Heysham school and Carnforth community groups to prepare their business plans and set up arrangements to take on the pools.
- 1.3 With substantial commitment and hard work by community groups in Carnforth and Hornby, Lancashire County Council recently agreed in principle to go ahead with the community asset transfers for these 2 pools. It is anticipated that these pools will progress to new ownership and continued operation in the New Year.

## 2.0 Proposal Details

- 2.1 Heysham school's business case has always been predicated on being able to physically link the pool with the school by way of a new building and reconfigured entrance. The new building and new entrance enables the school to make efficiencies in the revenue costs of operating the pool by joining it with the existing fitness facilities and new reception area, resulting in being able to make the pool operation a viable business proposition.
- 2.2 The capital cost of the new building is understood to be substantial (£289K) and the school have secured an in principle commitment of £150k funding from Sport England. This funding is required to be match funded.
- 2.3 The school have committed £31k and Lancashire County Council have committed £36k. This leaves a funding shortfall of £72k.
- 2.4 Lancashire County Council have proposed that this shortfall be met by sharing this equally between the county and city, i.e., £36k each. This would mean that the total funding would all be secured in principle and enable the next stage of the community asset transfer to the school to progress.
- 2.5 Whilst there have been discussions with Heysham school about the operation, officers have not seen the school's business plan for the continued operation of the pool and therefore at this stage cannot comment on the robustness of the financial projections. We do know however, that Sport England would not commit to a substantial amount of capital funding without undertaking their own financial appraisal to justify their grant.
- 2.6 Officers have requested to see the business plan to undertake our own due diligence and be satisfied of the robustness of the business case.

## 3.0 Details of Consultation

- 3.1 Officers have been in contact with Heysham school for a number of months and we are aware that even though the request for funding hasn't come directly from the school, they have confirmed the funding is required for them to be able to take on the pool.

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

	<b>Option 1:</b> Grant capital funding of £36k to Heysham school to enable the pool to continue to operate.	<b>Option 2:</b> Do not grant the funding.
Advantages	<p>Gives the best chance of allowing the pool to remain open for the community.</p> <p>Sends a strong message to the community that the council values the importance of such a community facility for its health, wellbeing and social importance.</p>	Costs remain as originally budgeted.

	Primary school swimming lessons and club use would continue at Heysham pool reducing the burden on limited space at SALC for these.	
Disadvantages	Additional unbudgeted council resources are required to fund the request.	Would potentially mean the pool closes as the school have stated they cannot take on the pool without all the funding being in place.
Risks	As with any new venture, there is no cast iron guarantee that the pool will remain a viable business in the future. Mitigating factors are the financial and time commitment shown by the school, the county council and Sport England.	Reputational risk as the council could be seen not to support communities trying to secure local facilities or the council could be seen as not to value health and wellbeing.

## 5.0 Conclusion

- 5.1 Cabinet is asked whether it wants to grant capital funding of £36k to Heysham School to support the continued operation of the pool for the benefit of the community.

### RELATIONSHIP TO POLICY FRAMEWORK

Meets the council's Health & Wellbeing priority.

### CONCLUSION OF IMPACT ASSESSMENT

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

Enabling the continued operation of the pool for community benefit would mean greater access to leisure facilities for as many residents as possible.

### LEGAL IMPLICATIONS

If necessary, Legal will advise on the terms of any grant agreement entered into with Heysham School.

### FINANCIAL IMPLICATIONS

Subject to the city council being satisfied that as far as is reasonable, Heysham school has a need for the funding requested and a robust business plan is in place for the continued operation of the pool, then the additional £36K capital cost to the city council could be met from the Budget Support Reserve. As at the end of Quarter 2 monitoring, the available balance on that reserve was expected to be in the region of £700K. Cabinet has discretion to make allocations from that reserve, in line with its views on priorities and spending needs.

Should Cabinet wish to provide support to the school and subject to a satisfactory outcome from the due diligence work, then terms and conditions for the grant, including actual payment, would be agreed by the Chief Officer (Health and Housing) and Legal/Financial Services, to protect the council's interests.



**OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces:**

None.

**SECTION 151 OFFICER'S COMMENTS**

The S151 Officer has been consulted and has no further comments.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no comments.

**BACKGROUND PAPERS**

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<b>CABINET</b>
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## Update on Information Governance Cabinet 5 December 2017

### Report of the Chief Officer, Legal and Governance

<b>PURPOSE OF REPORT</b>
A report to update Cabinet on progress towards embedding principles of Information Governance into the Council and meeting the deadline (25 May 2018) for compliance with the General Data Protection Regulations 2018 (GDPR).
<b>This report is public</b>

#### RECOMMENDATIONS OF COUNCILLOR EILEEN BLAMIRE

- |     |   |
|-----|---|
| (1) | (1) To note progress to date.   |
| (2) | (2) To approve the governance structure appended at appendix 1.   |
| (3) | (3) To approve the budget for the work to date and the budget for the anticipated work, as summarised in the report, with the additional funding requirement of £83.1k being met from the Budget Support Reserve, to make the Council fully compliant with the regulations. |

#### 1.0 Introduction

- |      |  |
|------|--|
| 1.1. | Earlier in the year, Baker Lomax Shackley Ltd (BLS) was appointed to assist the Council to put in place a set of actions that would embed principles of Information Governance into the Council and make it compliant with the General Data Protection Regulations (GDPR). This is new legislation, which will come into force on 25 May 2018 and will replace the Data Protection Act 1998.   |
| 1.2. | The Council also appointed BLS to take on the role of Information Governance Manager (IGM), on a two day a week basis, to undertake the day-to-day activity and the actions in the project that were assigned to the IGM. The contract with BLS runs until 31 December 2017. BLS have been working closely with the Information Governance Officer. The post of permanent Information Governance Manager was advertised and first interviews were held recently. Second interviews were held on 22 November and a verbal offer has been made, subject to references, and accepted. |
| 1.3. | BLS have produced a comprehensive project plan that identifies a significant number of actions. However, they have focussed attention on some immediate tasks as a priority. These tasks include: developing a management  |

structure for Information Governance (see appendix 1), writing various policies for the Council, developing a training plan and developing privacy impact assessments.

- 1.4. As a major element of activity required is concerned with training, BLS have worked with Human Resources to produce a training plan. This plan has been approved by the Information Governance Steering Group (IGSG) but may be amended following further discussion about the Council's precise requirements for training.
- 1.5. The recent work to begin the development of capability and competency in preparation of GDPR has had a positive impact within the Council and has raised awareness.
- 1.6. A next step will be to appoint Information Asset Owners from within the Leadership Team and give them guidance on the importance of their role in promoting awareness of, and managing, Information Governance. Each Information Asset Owner will be responsible for managing the particular data within his/her department. A priority for the Information Governance Manager will also be to carry out an inventory of our information assets, so that the Council understands exactly how information is stored, accessed and controlled.

## 2. Finance

- 2.1. Total expenditure to date for the Information Governance Project is £85.6k, with an additional £41.9k anticipated within 2017/18, providing a total projected cost for the project of £127.5k. Savings of £44.4k have been identified to assist in funding the project; however, approval is sought to fund the remaining £83.1k from Budget Support Reserve.
- 2.2. Summary expenditure and funding requirements are noted in table 1 below,

Table 1

<b>Information Governance Project</b>	<b>£</b>
Total Expenditure (to date)	£85.6k
Estimated Additional "One Off" Costs	
BLS Additional Training	£30.4k
Various Required Professional Certifications	£11.4k
<b>Total Estimated Additional Costs</b>	<b>£41.9k</b>
<b>Total Projected Cost</b>	<b>£127.5k</b>
Savings Identified	(£44.4k)
<b>Total Funding Required from Budget Support Reserve</b>	<b>£83.1k</b>
<b>On-going Revenue Costs:</b>	<b>Nil</b>

- 2.3. Expenditure to date (£85.6k)  
Spend to date has addressed immediate priorities, the provision of the role of Interim Information Governance Manager by BLS, and associated recruitment costs for a permanent position.
- 2.4. Estimated Additional “One Off” Costs (£41.9k)  
Officers are currently in discussion with BLS regarding the level and cost of the additional training. Costs are for an initial Council-wide training programme. The training can be re-used in future years at no additional cost. Various professional certifications (£11.4k) are essential to provide the Information Governance staff with appropriate professional training.
- 2.5. Funding Request £83.1k  
Although efficiency savings of £44.4k have been identified to date, in order to fully implement the project and address the weaknesses in Information Governance, there remains a potential shortfall of £83.1k. The Council's Provision and Reserves Policy Funding delegates application of funding from the Budget Support Reserve to the Chief Officer (Resources) subject to consultation with Cabinet. Although clearly Cabinet can take such actions itself.
- 2.6. On-going Revenue Costs (Nil)  
Adjustments have been made to the ICT salaries base budget to reflect any agreed changes. Any on-going training requirements are expected to be met from existing budgets.

### **3.0 Proposal Details**

- 3.1 A lot of work has been done in recent months to put in place an action plan, develop policies and a training plan, in order to address outstanding Information Governance issues within the Council. It is relevant that the Council has never had a dedicated Information Governance team, therefore there is a great deal of work to do (NB there have been various Information Governance officers, but the last postholder only stayed for 6 months and left earlier this year). It is particularly important to have the proper resources in place to ensure compliance with the GDPR, which come into force in May 2018.
- 3.2 It is proposed that Cabinet recognises the continued importance of the work to support Information Governance, notes the progress so far and approves the budget set aside for this work.

### **4.0 Details of Consultation**

- 4.1 Management Team and the Portfolio Holder have been consulted and approve the approach.

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

	<b>Option 1:</b> Note the actions so far, approve the plan for the future and approve the budget for the work	<b>Option 2:</b> Not to approve the plan and for future work and/or not to approve the budget
Advantages	Will ensure that the Council is prepared for GDPR in May 2018. Also ensures a framework for good information governance for the future.	None
Disadvantages	If the budget is not approved, it will be difficult to complete the actions under the plan and/or carry out the necessary training.	As under option 1
Risks	Risks include: Future breaches of information security leading to the possibility of investigation by the ICO and sanctions including large fines. The Council is not compliant with the requirements of GDPR. Staff are not appropriately trained in the new requirements.	As under option 1

## 5.0 Conclusion

- 5.1 For the reasons set out in this report, the recommendations are as set out in Section 1 (1 – 3) above.

### CONCLUSION OF IMPACT ASSESSMENT

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

None

### LEGAL IMPLICATIONS

The General Data Protection Regulations come into force in May 2018. This new legislation replaces the Data Protection Act 1998 and places various additional obligations on public sector organisations in respect of data management.

## **FINANCIAL IMPLICATIONS**

The Council has put in place a comprehensive action plan to address identified weaknesses in Information Governance. Completion of the action plan should ensure that the Council meets the requirements of GDPR and has in place a robust system to guard against any breaches of personal data.

Adjustments have been made to ICT's base budgets to ensure that these arrangements are properly reflected in the 2018/19 budget. Any additional or on-going requirements are expected to be met from existing budgets.

## **OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces:**

The Council is currently undertaking recruitment for a permanent Information Governance Manager to create a team, with the Information Governance Officer, who will take the work forward.

## **SECTION 151 OFFICER'S COMMENTS**

The Section 151 Officer has been consulted and has no further comments to add

## **MONITORING OFFICER'S COMMENTS**

The steps set out in this report are important to ensure compliance with new legislation, the GDPR 2018.

## **BACKGROUND PAPERS**

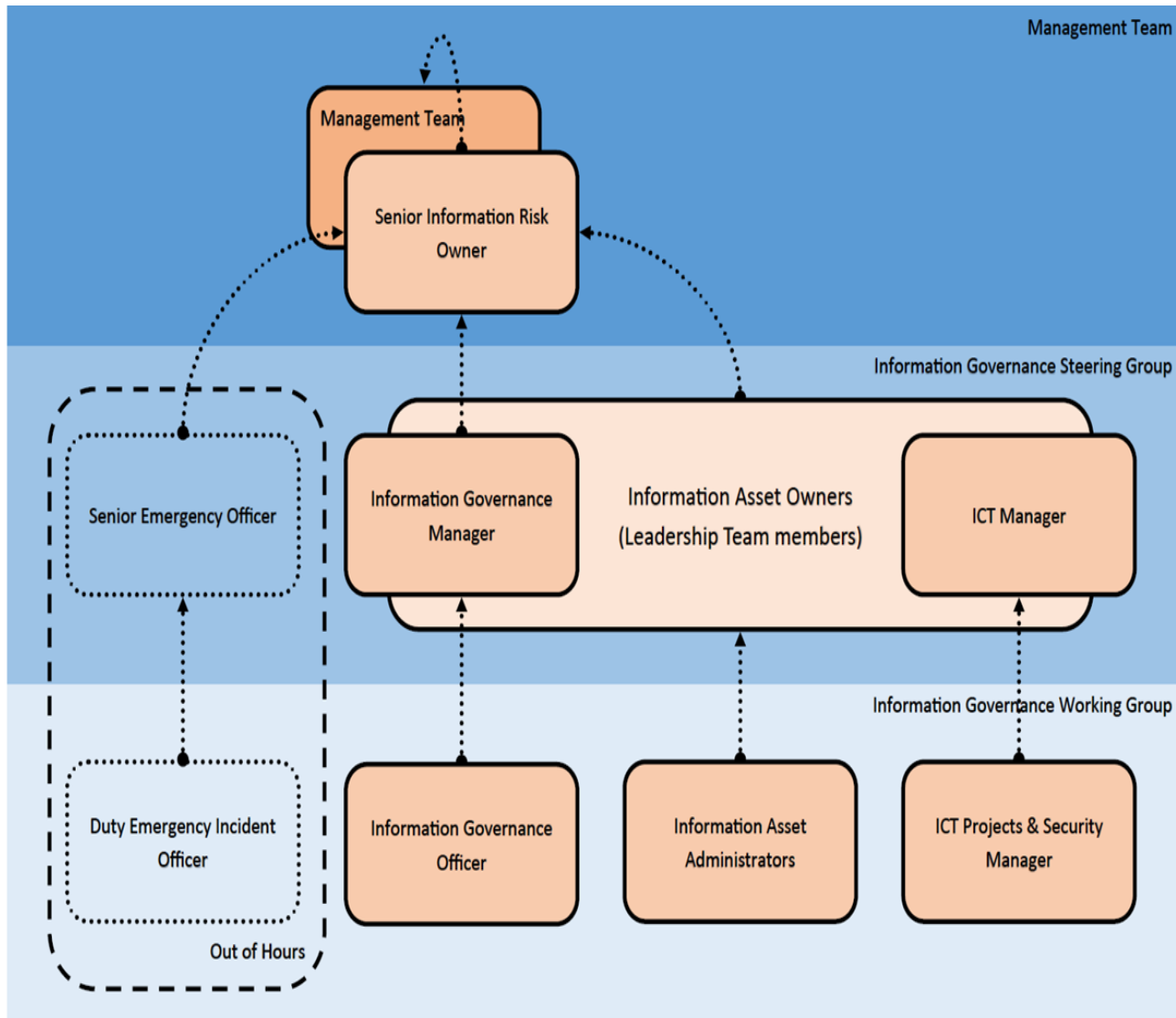
None

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## Appendix 1 – Proposed Governance Structure



<b>CABINET</b>
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## Lancaster Caton Road (Phase 3) Flood Risk Management Scheme

**5<sup>th</sup> December 2017**

### Report of Chief Officer (Regeneration and Planning)

<b>PURPOSE OF REPORT</b>			
To update Members on the proposed project to improve the River Lune flood defences and to authorise further actions to assemble the funding package and progress the project.			
<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>	6 <sup>th</sup> December 2017		
This report is public			

#### RECOMMENDATIONS OF COUNCILLOR JANICE HANSON

- (1) Members note the allocation and accept the offer of £2M funding from North West Regional Flood and Coastal Committee (RFCC) when formally awarded and delegate to the Chief Officer (Regeneration and Planning), in consultation with the Cabinet Portfolio Holder, authority to use approximately £200K to undertake design development work (Stage 1) and submit a planning application.
- (2) That delegated authority be given to the Chief Officer (Resources) to update the General Fund Revenue Budget to reflect the design development expenditure and associated RFCC funding as appropriate.
- (3) Subject to approval of the ERDF outline application a full European Funding application is submitted.
- (4) Members note the indicative allocation of £2.6M from the Environment Agency's Flood Defence Grant in Aid (FDGiA) and authorise officers to progress and submit the Full Business Case to formally secure the funding.



- (5) Officers work with the major Caton Road business to negotiate / secure private funding contributions and also investigate any further public funding avenues to meet the full scheme construction costs.
- (6) That agreement of the above is on the basis that:
- the scheme is wholly externally funded and that there is no commitment to allocate city council capital or revenue funding;
  - the council would withdraw from scheme development at any early stage without the risk of RFCC grant clawback if it transpires that reasonably, there is no prospect of securing sufficient stakeholder buy-in and/or financing for the scheme.
- (7) A further report is made to Cabinet to ensure financial, procurement, legal and operational implications are resolved prior to acceptance of any ERDF funding, FDGiA funding and private sector contributions; and before contractually committing to implementing the construction phase (Stage 2).

## 1.0 Introduction

- 1.1 Members will recall that the serious flooding in December 2015 as a result of Storm Desmond badly affected the business parks along Caton Road. The Environment Agency (EA) proposed an extension of the previous two phases of flood defence works along the south bank of the River Lune. Cabinet considered a report on the Lancaster Caton Road (Phase 3) Flood Risk Management Scheme (FRMS) in February 2017 where it was resolved (Minute ref: 59).

*(1) That Officers be authorised to submit an outline bid for ERDF Funding by the target date of 17<sup>th</sup> February 2017, on the basis that:*

- a. there is no commitment to allocate capital or revenue funding to the scheme;*
- b. that any move into further project development would require costs/any other financial risk exposure to be underwritten by the Environment Agency and/or other stakeholders; and that*
- c. the council would withdraw from project development at any early stage if it transpires that reasonably, there is no prospect of securing sufficient stakeholder buy-in and/or financing for the project.*

*(2) That a progress report be presented back to Cabinet on the above, at the appropriate time.*

*(3) That the Chairman of Overview and Scrutiny Committee be asked to waive Call-In on this occasion because a call in period would pass the deadline for submission of an outline bid for ERDF funding.*

This report provides an update on the proposed project to improve the River Lune flood defences and to authorise further actions to assemble the funding package and progress the project.

- 1.2 Members will also recall that while Lancaster city centre was also flooded the emerging view from EA have identified a separation between this flooding event and the inundation/overtopping from the Lune which affected the Caton Road industrial estates. EA are investigating separate mitigation measures for Lancaster city centre and its catchment – known as “Phase 4” - and that the Lune defence measures under Phase 3 can proceed as a stand-alone initiative. Members will be provided with an update on city centre Phase 4 progress as information is received from the EA.

## **2.0 Background**

- 2.1 Following the production of Lancaster Flood Risk Management Strategy (2005), Phase 1 and 2 were progressed to construction and completion, however Phase 3 was fully dependent on funding from other sources due to the limited number of residential properties at flood risk. Phase 4 (Lancaster City Centre) is currently within the early scoping stages but is likely to address flooding to a significant amount of residential properties and therefore qualify for full public funding. Although these are separate schemes, both project teams are working together to share understanding of each scheme to help with communications with affected communities.
- 2.2 The Phase 3 FRMS aims to address the unacceptably high level of flood risk immediately upstream of Lancaster city centre between Halton Weir and Skerton Bridge. The most vulnerable parts of this area have a 1 in 5 (20%) chance of flooding from the River Lune in any given year. Construction of a flood risk management scheme in this location would protect the Riverside Industrial Estate, the Lansil Industrial Estate and the Caton Road Industrial Park from flooding. On the right bank of the river, improved protection for 20 residential properties is also proposed, a further 69 residential properties within Halton will also be considered with further modelling to ensure that any proposed defences will not increase the flood risk in this location. Halton is being considered by the Environment Agency under a separate project.
- 2.3 The banks of the River Lune provide a long established employment area which has been located on Caton Road for at least 100 years since the construction of the old Standfast Works (the paper mills and feed mill required proximity to a water source). The industrial estates sit on a strategic gateway into Lancaster City Centre and have excellent accessibility to the M6 motorway and the Port of Heysham which has increased further since early 2017 upon the completion of the new link road.
- 2.4 These employment areas have been subject to flooding in the past, most notably flooding in December 2015 which inundated around 20 residential and 90 industrial/commercial buildings and caused a power outage in a critical electricity substation affecting 55,000 properties in Lancaster. The individual businesses, which employ over 2000 full time equivalent workers, suffered extensive damage (one individual business insurance claim amounted to £11M) and difficulties with ongoing insurance cover are reported

into late 2017. Many businesses are continuing without full or any insurance, are self-insuring or are looking to relocate.

- 2.5 During August 2017 Lancaster city centre again suffered localised flooding to businesses. There are also records of flooding in 1995 which caused in excess of £4M of damage and in 2005 flooding occurred to a lesser extent. The main mechanism of flooding in this area is when high tides coincide with high flows on the River Lune and causes overtopping and inundation. The Lansil and Riverside industrial estates are currently protected by informal defences which are estimated to provide a 1 in 10 to 1 in 25 year standard of protection respectively.
- 2.6 Without intervention the Standard of Protection will decline further due to climate change. The Environment Agency and Lancaster City Council agree that doing nothing in this location is not considered viable as it leaves an unacceptably high level of flood risk leading to the likelihood of businesses closing or moving away. The Lune Catchment Flood Management Plan (CFMP) predicts that flood water levels within Riverside and Lansil Industrial Estates may increase in the order of 0.4m by 2100 as a result of climate change. Consequently, doing nothing is not consistent with Environment Agency's or Lancaster City's Council objectives for regenerating this area or adaptation to climate change.
- 2.7 Subsequent to the December 2015 flooding, the Government committed £350 million of funding to improve flood defences. This funding has been allocated to schemes predominately protecting residential properties and transport networks. No funding has been allocated to Lancashire and Lancaster Phase 3 is very unlikely to secure any similar funding in the future due to the high number of businesses and low number of residential properties benefiting.

## Proposed Project and Costs

- 2.8 The initial scheme design and feasibility work has been undertaken by consultants working on behalf of the EA who have undertaken a high level Strategic Outline Case and design / cost. The preferred option is to construct a dwarf flood defence wall with seepage cut off along left bank of the Lune between motorway slip road and A6 Eastbound (Skerton Bridge). This option assumes a predominantly reinforced concrete defence which would be located between the footpath and existing buildings (Appendix 1). The project cost, including design development and contingencies, is currently estimated at £9.4M.
- 2.9 The project will:
- Improve flood defences to homes and businesses from a 1 in 5 to a 1 in 100 level of protection.
  - Benefit 102 businesses and 20 residential properties with a current 1% or greater chance of flooding each year. These include multi-million pound manufacturing businesses.
  - Allow businesses to improve their insurance cover.
  - Increase property values generating more income for public services.

- Benefit associated local, regional and national business interdependencies with other sites in the business supply chain
- Reduce the risk of flooding to 20 residential properties.
- Bring employment land and property back into use. Good transport links are a key factor in firms' decisions to locate across the three business parks and, for the mills (two paper mills and a feed mill), proximity to a water source (River Lune) is a requirement for their location.
- Safeguard over two thousand full time equivalent jobs are currently provided across the employment sites providing £37.3m in benefits per year in Gross Value Added (GVA) to the economy over the a 100 year appraisal period.
- Potential to deliver 28.2 hectares of river and bank habitat improvement and deliver for Special Areas of Conservation, Water Quality and Bathing Water directives as well as for fish, bats, birds and otters according to an initial habitats survey.
- Produce other environmental benefits including the resurfacing of the foot and cycleway which serves Lancaster city centre

2.10 The EA will not provide further direct project management beyond the current Strategic Outline Case stage. In order to deliver this proposal the city council will need to take on project management, design/development and contract delivery (i.e. as it already does for coast protection sea wall defence type schemes). Assistance and information will be provided from the EA's local Lancashire team and design/development funding has been secured (see below).

### Funding

2.11 The scheme is not fully fundable with EA Flood Defence Grant in Aid funds (FDGiA) as it protects mainly business properties rather than residential properties. EA's own funding formula for those schemes which predominantly benefit businesses can potentially allocate £2.6M, and an indicative allocation has been made in their budget based on information contained in the completed Strategic Outline Business Case undertaken by their consultants. A formal funding offer will only be made following consideration of a detailed Outline Business Case by the EA's Large Project Review Group which has to be submitted by the city council. A further £2M has been formally approved by the North West Regional Flood and Coastal Committee (RFCC) finance sub group at its meeting on 4 April 2017. RFCC funding can be used for design/development costs.

2.12 Under the current 2014 to 2020 European funding programme an Outline Application for approximately £3.1M (under Priority 5 Promoting climate change adaptation) is being considered. This was the maximum that EA advised should be applied for given other regional priorities. Approval to proceed to Full Application is likely to be granted prior to this December Cabinet meeting. More detailed work, currently estimated to cost £200K, will be required to inform the ERDF Full Application and progress the scheme in a timely way. These design/development costs will be eligible ERDF spend should the Full Application be approved and will initially be funded through the RFCC allocation. An ERDF Full Application will be expected to be delivered

in summer 2018.

- 2.13 The ERDF funding has a number of time critical drivers imposed by the decision to leave the EU. The Government has advised that ERDF Funding must be contracted by March 2019 and all match funding and planning permissions must be in place before this time. All match funding is likely to be required to be in place in order for the Full Application to be approved.
- 2.14 Given current likely funding approval routes there is a project funding gap of approximately £1.7M. Officers held a general update meeting on scheme progress with Caton Road businesses at the Holiday Inn in July. The idea of business contributions was discussed. Businesses were unwilling to openly discuss the level of individual contributions they could potentially make but were interested in exploring the idea of a fair apportionment mechanism of contributions based around property rateable values. The Government has also legislated to ensure business contributions to Flood and Coastal Erosion Risk Management (FCERM) projects are tax deductible.
- 2.15 Officers have been in individual discussion with the largest businesses and Members will be briefed on the outcome of the approaches made to date prior to the Cabinet meeting. Members should note that dealing with multiple private sector contributions would require individual legal agreements.
- 2.16 Electricity North West's (ENW) substation was badly impacted by the floods. EA have discussed with ENW if there was any possibility of working on a joint solution to both organisations' ambitions. ENW were under considerable pressure from their regulator OFGEM to future proof their sub-station by 2019 and have completed a multi-million pound scheme to protect their substation. There is however a further ENW reinforcement scheme in progress which is currently planned to take an electricity cable down the length of Caton Road. Officers are working with ENW to explore synergies and cost advantages with the Phase 3 scheme.

## **3.0 Implications for the City Council**

- 3.1 Further work is needed on designing and developing the project and there is not a firm funding package for the full costs of the project defined at the current time. As the EA cannot take on further core project development duties, the only body equipped to progress the project in all its aspects and with some priority is the city council. In our role as lead for the recovery process following Storm Desmond, and as the local Economic Development Authority it is entirely appropriate that this council consider doing this.
- 3.2 From a purely technical point of view this is acceptable – the council has a track record in designing and delivering major flood defence schemes and the proposal has a relatively simple engineering concept at its heart. This is the preferred option to protect the Caton Road employment sites from the risk of future inundation from the Lune. Due to the lack of availability of comprehensive insurance a future event has the potential to end much of the business activity and sterilise a large area of land with resulting impact on the local economy and extensive dereliction.

## 3.3 To move the scheme forward the following is required:

- Authority is given to accept the offer of £2M funding from RFCC when formally awarded and use approximately £200K to undertake design development work and submit a planning application in support of an ERDF application, subject to there being no clawback for this element, should the scheme not progress to full implementation.
- Subject to approval of the ERDF outline application a full European Funding application is submitted.
- Officers progress the Full Business Case to secure £2.6M EA FDGiA grant
- A tender is issued and contract awarded for the whole scheme with an initial design/development phase with full contract award to follow agreement of full scheme funding and statutory approvals.
- Officers work with business to secure private funding contributions and secure any other public funding contributions required to meet the funding gap.

## 3.4 The EA through their Next Generation Supplier Arrangements project has established a Water and Environment Management (WEM) Framework. Formalised in 2013, the Water and Environment Management Framework provides access to the best suppliers in Flood and Coastal Risk Management. It is intended to use this framework (using a phased approach) to procure project services and a main contractor as the WEM is currently considered by EA and DCLG to be OJEU and EU funding procurement compliant. However, some doubts remain as to whether the framework is able to offer complete certainty in regard to ERDF compatibility as to date is unproven through the ERDF Article 14 audit process and therefore scope for changes in the main construction contract procurement route have been allowed for in the tender documents to safeguard the council's position (refer to Legal Implications).

## 4.0 Details of Consultation

### 4.1 The overall idea of a flood defence scheme along the Lune has been raised with the businesses along Caton Road who are in full support of a scheme being developed and delivered.

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

### 5.1 The following options can be considered:

	<b>Option 1: Do nothing</b>	<b>Option 2: Agree to accept £2M RFCC funds; progress a full ERDF application; progress an FDGiA Full Business Case; secure other private and public funding contributions; and issue and accept a tender for the design / development phase only (Stage 1).</b>
Advantages	The city council does not have to take on a major capital scheme.	<p>Gives the best chance of a scheme to be delivered and develop / securing a full funding package.</p> <p>Begins the process of applying more certainty to scheme costs and deliverability.</p> <p>More detailed work on costs and deliverability is required to support planning application, ERDF full funding application and FDGiA Outline Bsuiness Case.</p>
Disadvantages	<p>Divestment from industrial estates; leakage of employment and business from the sites potentially to outside Lancaster district.</p> <p>Reputational risks of being seen to not support the scheme</p>	<p>Engages the council and human resources in the development of a major capital project.</p> <p>While a full ERDF application does not commit the council to accepting funding there is an expected timetable for a full application approval and acceptance.</p> <p>Additional matching funding must be secured prior to ERDF and scheme approval.</p>
Risks	<p>Divestment from industrial estates; leakage of employment and business from the sites potentially to outside Lancaster district.</p> <p>Reputational risks of being seen to not support the scheme.</p>	<p>No current certainty on delivery costs or complete funding package.</p> <p>Reputational risks of delaying delivery and raising expectations if there is no certainty on funding.</p> <p>Engaging in development phase without certainty of the funding package may raise expectations (although the council is not committed to any contractual obligations).</p>

## 6.0 Officer Preferred Option (and comments)

- 6.1 The preferred option is Option 2. This decision allows the council to accept RFCC resources to progress the detailed design and bring more certainty to deliverability and costs in order to inform other funding applications.

Progressing a phased tender under the WEM framework will give the council the detail it requires to secure funding and statutory approvals and also mean that a preferred contractor is available to deliver the scheme immediately on full funding being secured for the whole scheme, confirmation of WEM compatibility and statutory approvals being granted.

- 6.2 While progressing a full ERDF funding application does not commit the council to accepting ERDF funds, or progressing a full scheme, more detailed work has to be undertaken if the application is to be successful and for there to be the a chance of meeting ERDF contracting and delivery deadlines and the EA's Outline Business Case requirements for FDGiA. Option 2 also allows officer to explore in more depth the appetite of the major businesses to assist with significant financial contributions and continue to investigate other potential public funding sources.
- 6.3 Currently the EA and the County Council (LLFA) are concentrating on developing the Phase 4 project for the City Centre. Left to the LLFA and the EA's own priority scoring mechanisms a scheme to improve protection for this significant and important industrial area may not come forward in the medium or even long term.

## 7.0 Conclusion

- 7.1 There remains an acute need to promote this scheme to help secure its delivery and the proposed course of action represents the next most appropriate route towards achieving a positive outcome, both meeting the council's regeneration objectives and having wider social, economic and environmental impacts. In summary the current estimated cost of the project is £9.4M (including a substantial contingency "optimism bias").
- 7.2 Contributions to this cost which are likely to come from external sources are :-

RFCC	£2M
FDGiA	£2.6M
ERDF	£3.1M
<hr/>	
<b>Total</b>	<b>£7.7M</b>

The current shortfall to be met from business or other contributions is currently £1.7M although this will be clarified and amended as the detailed design phase is progressed.

## RELATIONSHIP TO POLICY FRAMEWORK

Economic Growth is a high level Corporate Priority for the City Council. The flooding risk for this important industrial areas undermines business and investment confidence. The emerging Local Plan cannot identify extensive new areas for employment development to replace such an area therefore the priority approach should be to increase the level of protection to restore business confidence.



In terms of climate change, the scheme works will be climate change resilient, applying the agreed national climate change allowances to the raised defences to ensure that the scheme is 'future proofed'. Walking and cycle paths, will be improved, and the river banks will be planted and managed to encourage greater habitat and biodiversity, increasing its amenity value for locals and visitors. The scheme will also deliver water quality including bathing water improvements as there will be reduced likelihood of potentially polluted flood waters from the location running off the industrial areas and into the River Lune and Morecambe Bay.

## **CONCLUSION OF IMPACT ASSESSMENT**

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

Severe impact from flooding on health and safety of employees and customers to commercial premises. Wider community impact where electricity supply threatened due to flooding. Evidenced as severe from Storm Desmond events.

## **LEGAL IMPLICATIONS**

Legal Services have been consulted and comments inserted within the body of the report where appropriate. However, specifically in relation to the Options would make the following further observations:

### Design/Construction Contract - EA WEM Procurement Framework/Agreement

It is intended to use the Environment Agency Water and Environment Management framework to procure a partner contractor (using a phased approach) which will comply with the Lancaster City Council contract procedures rules subject to the following issues being resolved.

The EA through their Next Generation Supplier Arrangements project established a Water and Environment Management (WEM) Framework. Formalised in 2013, the Water and Environment Management Framework provides access to the best suppliers in Flood and Coastal Risk Management. The WEM Framework is a commercial agreement between the EA, consultants and contractors ('suppliers') with an agreed suite of terms for the award of individual contracts to deliver projects for Flood and Coastal Risk Management (FCRM). The framework is available for use by Local Authorities and, in particular, Lead Local Flood Authorities (LLFAs), as well as other Risk Management Authorities in the Defra family. This framework was extended in June 2017 for two years, under Contract Regulations 2015 frameworks can only be for a period of four years except in exceptional circumstances, therefore the validity of the extension; although stated as OJEU and European funding compliant by EA and DCLG officers; is to date unproven through independent audit.

There is therefore a doubt as to whether the WEM framework would pass the most stringent ERDF audit procedure and the council could be at risk of clawback. To mitigate this risk, officers will include the provision to terminate the contract after Stage 1. This is not a concern for the initial design development phase costs (as this could be removed as an "eligible" cost for ERDF purposes), however, for full construction costs there needs to be certainty that the procurement route is ERDF compliant. If there are any doubts around WEM compatibility the contract will be terminated after Stage 1 and the main construction phase (stage 2) will be subject to a separate compliant OJEU process. If there are any changes to the preferred design/build procurement route this will be highlighted in a future report.

#### Financial contributions

In negotiation with the major Caton Road businesses should private sector contributions be offered there will be a need to consider a mechanism by which the contributions can be formally secured / contracted and paid when required.

#### Other matters

Planning approval will be required for the implementation of the scheme.

### **FINANCIAL IMPLICATIONS**

There are no additional financial implications arising for the council at this stage in submitting a full bid for ERDF funding for this scheme, i.e. the city council will not be contractually bound to undertake delivery of the proposed capital scheme.

The council will need to use a proportion of the £2M approved for use by the North West RFCC finance sub group for some further detailed design development costs which is necessary to take the scheme forward and give more certainty on key aspects of cost and deliverability. It is not expected that there will be any grant clawback risk arising for this element should it not prove possible to secure sufficient stakeholder buy-in and/or financing for full scheme implementation, however.

The city council is being asked to take the lead on this occasion by the EA, rather than the Lead Local Flooding Authority, (i.e. Lancashire County Council) as the LLFA are working up another flood defence scheme also benefitting the Lancaster District as outlined in this report and who have advised that they cannot manage both. Similarly, EA have advised that due to their role in assessing ERDF flooding funds nationally, this then precludes them for bidding for ERDF funds on a project by project basis and directly delivering themselves.

At this stage, as no detailed scheme design/development work has been undertaken, it is not possible for city council officers to undertake a full financial appraisal. The route to securing the remaining funding (at current cost estimates of £9.4M which may go up or down) is dependent on the response of the private sector and the major businesses, to provide substantial contributions, i.e. contributions towards the circa £1.7M funding gap. Therefore, due to the uncertainty and risk associated with the total funding package required, a report would need to be brought back to members outlining the full financial, procurement, legal and operational implications, prior to accepting ERDF funding if successful, FDGiA funding and private sector contributions and progressing to scheme implementation (Stage 2) and on the basis that the scheme is wholly externally funded.

### **OTHER RESOURCE IMPLICATIONS**

**Human Resources:** From existing staff resource and consultants funded through RFCC.

**Information Services:** None

**Property:** The land upon which flood defences could be constructed is in city council ownership.

**Open Spaces:** The Millennium Cycleway would be impacted during construction.

**SECTION 151 OFFICER'S COMMENTS**

The s151 Officer has been consulted and has no further comments.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments

**BACKGROUND PAPERS**

none

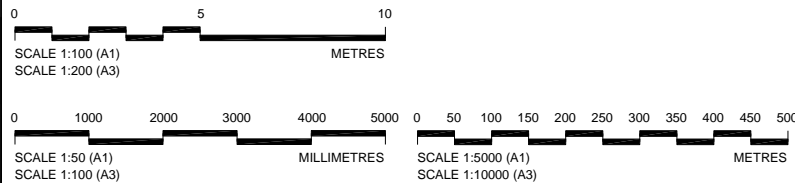
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E-mail: progers@lancaster.gov.uk

dlawson@lancaster.gov.uk

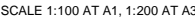
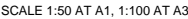


SCALE	AS SHOWN
DATE	10/11/2016
PROJ	664659-SHM-002
SHEET	1 OF 1

LOWER LANCASTER FRMS  
SHEET 1 OF 1

[illegible]

1. All levels are shown in metres to Ordnance Survey GPS datum.
2. All dimensions are in millimetres unless stated otherwise.
3. All concrete edges to incorporate 25mm chamfers unless stated otherwise.
4. Where defence height is less than 1.8m fencing works required.





# 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**

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

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

**Lead Officer**

**People involved with completing the EIA**

## 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 aims to address the unacceptably high level of flood risk immediately upstream of Lancaster city centre between Halton Weir and Skerton Bridge. The most vulnerable parts of this area have a 1 in 5 (20%) chance of flooding from the River Lune in any given year.

Q2.

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

Construction of a flood risk management scheme in this location would protect the Riverside Industrial Estate, the Lansil Industrial Estate and the Caton Road Industrial Park from flooding. On the right bank of the river, improved protection for 20 residential properties is also proposed. There are no detrimental effects, although there will be disruption to the riverside path during construction.

## 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"/>
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!

## Equality Impact Assessment

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 overall idea of a flood defence scheme along the Lune has been raised with the businesses along Caton Road who are in full support of a scheme being developed and delivered. River user and amenity groups will be consulted during the design and planning stage.

### 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:	Potentially positive impacts in terms of riverside access improvements
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?

No discrimination effects.

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

Consultation on design and access aspects will be undertaken through the design phase.

### 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 further recommendation required

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

N/A

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

N/A

# Equality Impact Assessment

<b>CABINET</b>
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**Red Rose Fairerpower  
5<sup>th</sup> December 2017**

**Report of Assistant Chief Executive**

PURPOSE OF REPORT			
The purpose of this report is to seek Cabinet's approval to it supporting participation in an affordable energy initiative available across Lancashire.			
<b>Key Decision</b>	<input type="checkbox"/>	<b>Non-Key Decision</b>	<input checked="" type="checkbox"/> <b>Referral from Cabinet Member</b>
<b>Date of notice of forthcoming key decision</b>	N/A		
<b>This report is public</b>			

**RECOMMENDATIONS OF Councillor Eileen Blamire**

- (1) Cabinet agree to support this initiative and that the necessary steps are taken to seek approval through the appropriate decision making processes for the Council to support this scheme.

**1.0 Introduction**

- 1.1 The purpose of this report is to seek Cabinet's approval to it supporting participation in an affordable energy initiative available across Lancashire. The Leader recently received correspondence regarding the imminent launch of an affordable energy initiative which is known as Fairerpower Red Rose, the development of which was briefed out to districts earlier in the year. This has been led by Preston City Council building on an earlier arrangement between Ovo a north-west based energy provider and the Skills and Growth Company which is the trading arm of East Cheshire District Council.

**2.0 The Current Position**

- 2.1 Fairerpower Red Rose was launched on 25th September. However there is no deadline or cut-off date to meet in terms of Lancaster CC's membership. From that date onwards, residents will be able to switch to the tariff, supplied by Ovo, and be guaranteed a fairer and simpler energy tariff, supported by high levels of customer service.



### **3.0 Should We Participate?**

- Lancashire has over 600,000 households. The whole area should be able to attract 3% of households in the first year to Fairerpower Red Rose which would result in there being over 18,000 customers. With an average saving say of £250 p.a. this would equate to a social value of £4.5million into the local economy.
- Levels of fuel poverty in Lancashire are still above both England and North West averages, with the latest statistics showing that over 77,000 households in the county are classed as fuel poor.
- With our trusted position within our communities we can introduce our residents to the benefits of switching to help them save money.

### **4.0 How Would We Participate?**

- 4.1 All we are being asked, in essence is to demonstrate our commitment to raising awareness of the opportunity to access energy supplies that are less costly and so benefit any member of the community who subscribe. Whether we invest in promotion is our choice but we are talking here about low cost flyers, stickers on vehicles, banners etc. In addition a copy of the standard presentation from Preston CC is attached.
- 4.1 Initially it was proposed by Preston CC that we would sign up via a side letter linking in to the wider legal agreement Preston CC has. We are proposing a more straightforward arrangement we allow Preston CC as the lead to promote this locally. In return and we would licence our brand to them to allow it to be included on promotional material there by achieving the same end described above by a less complicated route
- 4.2 For the avoidance of doubt, we will not be involved in any supply or purchase deals in relation to energy. We are simply signing up literally and in spirit to the initiative by agreeing to actively promote the offer. Fairerpower will arrange an individual launch in the district, working with our officers.
- 4.5 All we are being asked, in essence is to demonstrate our commitment to raising awareness of the opportunity to access energy supplies that are less costly and so benefit any member of the community who subscribes.

### **5.0 Details of Consultation**

- 5.1 Consultation is not required in these circumstances.

**6.0 Options and Options Analysis (including risk assessment)**

	<b>Option 1: Promoting the Fairer Power Red Rose Scheme</b>
Advantages	Opportunity for citizens to access affordable warmth
Disadvantages	Very few as described above little cost attaches to this initiative.
Risks	Very few

**7.0 Officer Preferred Option (and comments)**

7.1 The options are limited to participating or not

**8.0 Conclusion**

This represents a low risk opportunity to support access to affordable energy.

**RELATIONSHIP TO POLICY FRAMEWORK**

Supporting wellbeing.

**CONCLUSION OF IMPACT ASSESSMENT**

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

Not undertaken however social value element is significant

**LEGAL IMPLICATIONS**

It is anticipated that support for this scheme would be by way of a licence authorising use of the council's logo

**FINANCIAL IMPLICATIONS**

Any minor costs would be met from exiting budgets.

**OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces:**

N/A

**SECTION 151 OFFICER'S COMMENTS**

No further comment.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments

**BACKGROUND PAPERS**

Fairerpower presentation

**Contact Officer:** Kieran Keane

**Telephone:** 01524 582011

**E-mail:** kkeane@lancaster.gov.uk

**Ref:** N/A



## Offering Lancashire residents a Fairer energy deal





- Introduction by Eirian Molloy, Preston City Council
- Information about Fairerpower
- Next steps



Introduction by EIRIAN MOLLOY

Fairerpower Red Rose Project Lead,  
Preston City Council



# What is Fairerpower?



A partnership between **Cheshire East Council**, the **Skills & Growth Company** (A wholly owned company of CEC) and **OVO energy**

A local alternative to the '**Big Six**', to tackle fuel poverty and help residents struggling to pay fuel bills

With competitive rates Fairerpower offers **affordable energy** and **drives prices down locally**

Offers **pay monthly** (fixed or variable) or **pre-pay (PAYG)** deals

Money saved by residents benefits the **local community**

Partnering with OVO lets us create a customer base with **industry expertise**, sharing the risk and reward

**Tariffs are pegged to OVO**, with annual open book assessment by Council-retained advisors



# A Fairer deal for Lancashire

**All sections of the community and businesses benefit from Fairerpower**

Fixed 12-month term – with no increases over that period

Simple, straightforward billing and award-winning customer service

Average savings pa of £200-£300 per customer

3% interest reward on credit balances, and a standing charge of just £102

Low rates for both electricity & gas

# Why provide your own energy?

Take a look at the relevant facts both for the UK and for Lancashire

**97%**

of domestic energy customers are still with one of the Big Six

**60%**

of all customers have NEVER switched

**12.2%**

of Lancashire households are in fuel poverty, higher than England average (1)

**12.7%**

of households in social housing (2)

“Fuel poverty is a cause of health inequalities, which the Council is committed to reducing”

**That's where Fairerpower can help you...  
and your residents**

1 [www.lancashire.gov.uk/media/901971/fuel-poverty-2015-winter-fuel-payments-2015-16-article.pdf](http://www.lancashire.gov.uk/media/901971/fuel-poverty-2015-winter-fuel-payments-2015-16-article.pdf)  
2 Office for National Statistics; Census 2011



# Benefits for Lancashire

## Lancashire has over 600,000 households

- The area should be able to attract 3% of households in the first year to Fairerpower Red Rose which would result in over 18,000 customers. With an average saving say of £250 p.a. this would equate to a social value of £4.5million into the local economy

This would also create a modest revenue stream for the participating local authorities.

- No cost in OJEU procurement
- Customer base developed in readiness for the district heating aspirations
- Assisting local residents, particularly the fuel poor
- Excellent offer for the most vulnerable in Lancashire suffering health issues
- One of the best rates for prepayment meters
- Own tenants will benefit significantly
- Quick to market once contract signed



# Case study on the success of Cheshire East

In Fairerpower's first two years it has been very successful

8,000

customers signed up

5%

of residents joined

£2m

savings for residents

60%

of customers are 'sticky'

**SMART meters installed as standard for PAYG**

**Strong resident engagement**

**2 strategic partners acquired**

**Consistently cheaper than big 6 tariffs**

**One of the cheapest PAYG tariff nationally**



# How Local Authorities benefit from being a Fairerpower partner?



A **low-cost, OJEU-compliant** energy solution

No procurement costs – saving up to **£120,000**

**Guaranteed income** stream

**Quick to market** – approx. 1 month timeframe

**Exclusivity** for Partner organisation, their residents

You help **alleviate fuel poverty**

A **share of ECO funds** from energy supplier

Access to Fairerpower brand and **full suite of marketing materials**

**Established and efficient** back office and billing systems

Providing your residents **excellent customer service**



# How Cheshire East Benefits from partners joining?

Growing the  
Fairerpower  
partnership

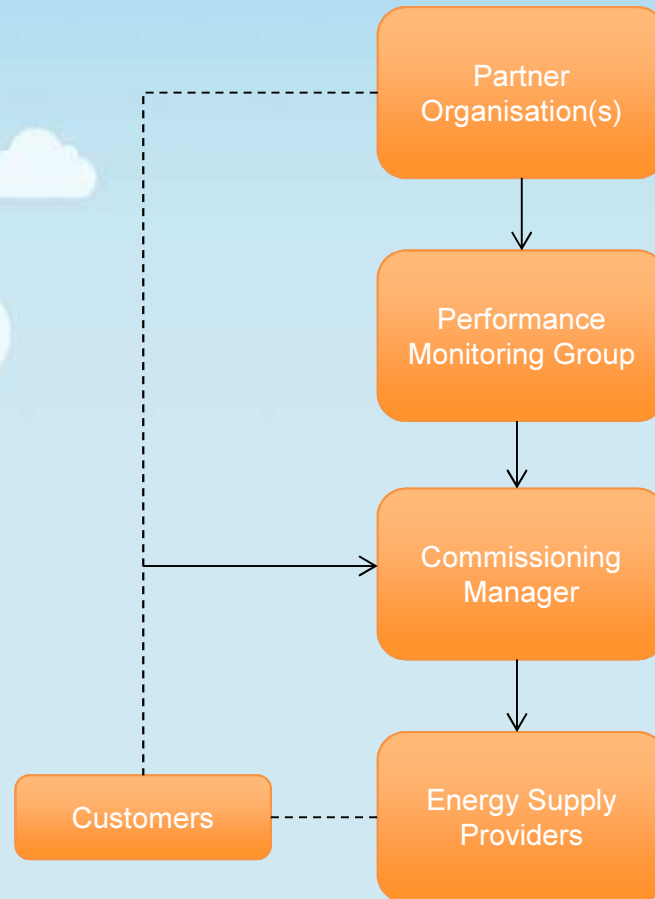
Helps to  
promote switch  
and the ease of  
it.

Recover  
costs from  
establishing  
the scheme

Continues to  
shake up the  
energy market

Expanding the  
brand

## Governance



## Next steps

**Support Lancashire authorities to launch and market the brand locally**

- Direct mail campaigns
- Email campaign
- Competitions for your residents
- Local marketing
- Working with partner organisations such as CAB, Age UK and parishes

**Procurement to add to the Fairerpower brand, improving service offering to your residents.**

- LPG, Oil, biomass, other fuel sources
- Void housing offer
- New developments
- Business

# Ready-prepared marketing materials





# Ready-prepared marketing materials





# Contact Details

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**CABINET****5 December 2017****Advancing the Local Plan for Lancaster District****Report of the Chief Officer (Regeneration and Planning)****PURPOSE OF REPORT**

To secure endorsement of Cabinet's support for the intention to take the Local Plan for Lancaster District to Council with a recommendation seeking a Council resolution to publish the plan, obtain formal representations and then submit the document to the government for the process of Independent Examination. This will ensure that the relevant regulations are followed and will enable stakeholders, including residents, to have their view on the soundness of the plan and its preparation processes considered by an Inspector.

**Key Decision****Non-Key Decision****Referral from Cabinet Member****X****RECOMMENDATIONS OF COUNCILLOR JANICE HANSON:**

- (1) That Cabinet support the intention to take the Local Plan for Lancaster District to Council, anticipated on 20<sup>th</sup> December 2017, with a recommendation seeking a resolution to publish the Local Plan for Lancaster District, obtain formal representations and then submit the document to the government for Independent Examination. This will ensure that the relevant regulations are followed and will enable stakeholders, including residents, to have their view on the soundness of the plan and its preparation processes. The submitted documents will then be considered by a government appointed Inspector.
- (2) That Cabinet acknowledges the challenges and inherent risks in advancing a complex local plan which aims to establish a long-term development strategy designed to support and facilitate growth, realise significant economic opportunity and boost the supply of housing within a district that is characterised by its heritage assets, its protected landscapes and its international and local environmental designations, whilst presently constrained by the ability of its infrastructure to accommodate further growth.
- (3) That Cabinet acknowledges that the task of advancing the Local Plan through to adoption has resource implications that will evolve as challenges to the submitted plan emerge and evolve; the Chief Officer (Regeneration and Planning) will need both capacity and flexibility to ensure that resources are available and deployed, particularly in financial year 2018/19 to address this challenge.

## **1.0 Introduction**

- 1.1 In its responsibility as a local planning authority the Council is required to prepare and maintain a Local Plan to ensure that sufficient opportunity is available to deliver the homes, employment, retailing, recreational, transport and education needs of the community whilst protecting and enhancing the district's environment and heritage.
- 1.2 The local development plan for Lancaster District currently comprises:
  - Any residual saved policies of the Lancaster District Local Plan of 2004
  - Still relevant policies of the Core Strategy of 2008
  - The Development Management (Planning Policies) Document of December 2104
  - The Morecambe Area Action Plan of December 2014, and,
  - The Minerals and Waste Local Plan (prepared by Lancashire County Council).
- 1.3 Thus, the last time the Council adopted a Strategic Document to establish the quantity of development required in the district and the broad intentions for its distribution was nine years ago, in the Core Strategy of 2008. The last time that this council adopted a plan that allocated land for development was 13 years ago in the Lancaster District Local Plan of 2004.
- 1.4 The Council did publish and consult on a draft Land Allocations Development Plan Document (DPD) in October 2012, along with drafts of the Development Management (Planning Policies) DPD and Morecambe Area Action Plan DPD. However, preparation of these draft documents coincided with the major changes to national planning system made by the government through the publication of the National Planning Policy Framework (NPPF), the revocation of the Regional Plan and the abolition of both regional planning and county strategic planning functions. Progress on the draft Land Allocations document was delayed whilst account was taken of the new national guidance. The Development Management (Planning Policies) DPD and Morecambe Area Action Plan DPD were advanced to formal publication, submission, Examination and adoption in December 2014.
- 1.5 Additionally a separate DPD for the Arnside & Silverdale AONB has been jointly prepared by Lancaster City Council and South Lakeland District Council. This was formally published on 2 November 2017. Comments are invited by 5pm on 14 December 2017.
- 1.6 In order to provide stakeholders and the community with surety on the council's intentions on plan preparation the council is obliged to publish and maintain a local plan preparation project timetable, or Local Development Scheme (LDS). The most recent project timetable, as endorsed by Councillor Hanson, was published in September 2017 and is available on the [Local Plan](#) area of the website. The LDS commits the Council to progressing the Local Plan. The DCLG and Planning Inspectorate actively monitor progress on local authority plan preparation against the commitments made in the LDS. Failure or delay in progressing in accordance with the published timetable is the mechanism that the DCLG uses to determine whether to intervene in plan preparation.
- 1.7 On 21 July 2015 the Government published a Written Ministerial Statement on the prospect of Local Plan intervention for authorities who were failing to progress their local plans. On 16 November 2017 The Rt Hon Sajid Javid MP, Secretary for Communities and Local Government, wrote to 15 local planning authorities; Basildon, Brentwood, Bolsover, Calderdale, Castle Point,

Eastleigh, Liverpool, Mansfield, North East Derbyshire, Northumberland, Runnymede, St Albans, Thanet, Wirral, and York, stating;

“Local planning authorities are required to publish a Local Development Scheme (LDS) which sets out when an authority expects to reach key milestones in the plan-making process, and the timetable for producing documents to maintain an up to date plan. In the 13 years that have passed since the 2004 Act was introduced your Council has failed to meet the deadlines set out in that timetable”.

- 1.8 The Minister advised that he is presently considering intervention measures in the plan making processes of these authorities but has provided the authorities with an opportunity to outline any **exceptional circumstances**, by 31st January 2018, which, in the view of these councils justifies their failure to produce a Local Plan. Inclusion on this list of authorities who have not made progress on local plans, or subsequent lists, is unlikely to enhance the reputation of these authorities with stakeholders, communities, developers and funding bodies.

## **2.0 Establishing Key Objectives of the Local Plan**

- 2.1 Members will recall that the NPPF directed local planning authorities to determine and then plan to deliver, in full, on the local economic opportunity and the housing needs of their communities. The council commissioned the independent external consultancy Turley Economics to advise on; firstly, the potential for economic growth in the district, and, secondly, the closely associated, the need for housing in the district. Turley's recommended that in the context of evidence of economic growth which could be realised, if the opportunity is made available through the local plan, the council should plan for the delivery of between 13,000 and 14,000 homes [the Objectively Assessed Need [OAN]], a figure equivalent to an average of 675 new homes per year (at the mid-point of the range), in the period 2011-2031.
- 2.2 Following prolonged discussion and debate about the robustness of Turley's recommendation it was resolved, on 3<sup>rd</sup> February 2016, "That Council accepts the Turley work as establishing the objectively assessed need for the evidence base, withdraws the most recent instructions [to re-visit the recommendation] and moves to complete a draft Local Plan for examination."

## **3.0 Progressing the Local Plan**

- 3.1 The Chief Officer (Regeneration and Planning) moved swiftly on the Council's February 2016 resolution and, within that calendar year, on 14<sup>th</sup> December 2016, the council resolved to consult on a Draft Local Plan for Lancaster District that aimed to provide, through both policies and the identification of development sites, opportunities to best achieve Turley's recommendation on the OAN within the context of the constraint of adhering to the principles of sustainable development.
- 3.2 A major consultation was undertaken on the draft Local Plan between January and March 2017. The responses to the plan were reported to the Cabinet Member and Portfolio Holder for Regeneration & Planning and published on the council's website. In the period since the close of the consultation much further work has been undertaken on the draft plan, and significantly, on the wider evidence base that supports the plan. The need to comply with national guidance and evolving planning practice means that a significant quantity of evidence must be compiled, assessed and considered in order to satisfy expectations on plan soundness. All of this evidence including ecology, heritage assets, housing needs, retailing patterns, economic opportunity, open space provision and development viability is very

time sensitive, thus, if the plan is not advanced to publication and submission to the proposed timetable the expensively obtained and considered evidence base would be at risk of becoming dated and less likely to support a local plan that will be considered soundly prepared at a point further in the future. It is likely that additional costs would arise from refreshing the evidence base.

### The Challenge of Addressing the Turley OAN Recommendation

- 3.3 Paragraph 46 of the NPPF states that:
- To boost significantly the supply of housing, local planning authorities should:
- use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period.
- 3.4 Thus, Cabinet is advised that the OAN is a recommendation and the local plan should establish a housing requirement that is informed by that recommendation with the expectation that it should be delivered in full, unless it is the case that achieving the recommendation would be inconsistent with other parts of the guidance. In short, the requirement should equate to the OAN and, if it can be delivered in full whilst maintaining conforming to the broader principles of sustainable development, then the local plan should indeed aim to meet it in full.
- 3.5 Members are reminded that the Turley's recommendation has been subject to much challenge and validation and officers have previously advised that it has been properly prepared. Thus, it properly sets the target which the local plan should aim to deliver. The forthcoming local plan will acknowledge the validity of the OAN which has been prepared to reflect an economically ambitious, but none the less realistic assessment of economic opportunity in the district. Turley's have recently reviewed their Economic Prospects Report, this is published on the [Local Plan](#) pages of the Council's website. Thus, whilst the Local Plan should aim to identify a requirement that is sufficient to deliver the OAN in full, the intensive work that has been undertaken in the last four years to prepare the plan does not demonstrate that there is sufficient realistically achievable opportunity to deliver the OAN in full. These constraints are:
- The limitations imposed by the extent of designated landscapes (AONBs) in the district.
  - The limitations imposed by the extent of current policy designations, particularly the North Lancashire Green Belt.
  - The limitations imposed by the extent of constraints such as mineral protection areas and ecological designations.
  - The limitations of highways and transport capacity.
  - The availability of genuinely sustainable development sites in appropriate locations.
  - The capacity of those sites which do represent sustainable development to deliver dwelling completions within the local plan period.
- 3.6 The process of preparing the local plan is finding solutions to address many of these constraints. In addition to many brownfield and smaller greenfield development allocations the local plan will propose four strategic locations,

which comprise land that is presently largely undeveloped (greenfield) that can make a significant contribution towards meeting housing and employment needs. These are:

- **South Carnforth:** Land south of Windermere Road and Lundsfield Quarry
  - Land south of Windermere Road is presently in the Green Belt.
- **North Lancaster:** Beaumont Hall
  - Land is presently in the Green Belt.
- **North East Lancaster:** Ridge Farm/Cuckoo Farm
  - Land is presently allocated as Key Urban Landscape
- **Bailrigg Garden Village**
  - Extensive area of land including land that is presently allocated as Key Urban Landscape.

- 3.7 However, even when the supply of housing from these challenging significant allocations are added to the supply from the other proposed sites, there is still not sufficient supply to meet the whole OAN figure. The plan will therefore propose to supply just over 12,000 dwellings over a period which commences at the plan base date of 2011/12 and applies to a period that will run for 15 years following the anticipated plan adoption date of 2018/19. This means that the housing requirement and supply component of the local plan will cover a period of 23 years, from 2011/12 to 2033/34. Should this approach be successfully advanced it would set an annualised requirement figure of 522 dwellings per annum. The requirement for these additional three years is set by rolling forward the annual expectation on delivery from the formal plan period; thus, the requirement for the period 2031/32 to 2033/34 is also 522 homes per annum. It is anticipated that the Local Plan will be subject to review to take account of changing circumstances, progress on securing infrastructure, and in any event, in accordance with DCLG guidance on plan review.
- 3.8 Discussions will continue with the promoters of the strategic sites, most particularly the Bailrigg Garden Village, in the months between publication and examination to better understand developer delivery expectations. It is likely that the Local Plan will seek to establish the principle of the Bailrigg Garden Village with the detail advanced through an Area Action Plan. This will require a revision to the Council's Local Development Scheme.
- 3.9 It will be proposed that this approach is justified by the need to advance a local plan that best addresses the OAN and can support the realisation of the infrastructure needed to permit the future development of the district. Council officers are working closely with Lancashire County Council to prepare and national Housing Infrastructure Fund (HIF) application to the Department of Communities and Local Government (DCLG) that will support the re-configuration of Junction 33, and other highways and transport infrastructure in the south Lancaster area. The realisation of this infrastructure will also facilitate the achievement of the wider benefits for movement that are proposed by the adopted Highways and Transport Master Plan.
- 3.10 The documents which will be brought to council are: the Strategic Policies & Land Allocations DPD, which establishes the quantity of development and how it will be distributed, and a review of the Development Management Policies DPD which contains the policies that are used to determine planning proposals.

#### 4.0 Details of Consultation

- 4.1 The emerging Local Plan itself has been the subject of extensive consultation; in the summer of 2014, the autumn of 2015 and in early 2017. Once council resolves to publish and submit the Local Plan, officers will prepare the publication editions of the documents and make these available for a six-week period in which stakeholders and the wider community can comment on the soundness of the plan. The Local Plan documents, the comments received and the evidence which supports the documents would then be submitted to the government, potentially in May 2018. The government would then appoint an Inspector to consider the soundness of the Local Plan. The Inspector is likely to hold local hearing sessions in which other parties are invited to assist him or her in considering the soundness of the Local Plan.

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

	<b>Option 1:</b> Endorse the recommendation of the intention to take the Local Plan for Lancaster District to Council to seek a resolution to publish, obtain formal representations and submit to the government for Independent Examination whilst acknowledging the challenge, risks and costs of advancing the emerging plan	<b>Option 2:</b> Do not endorse the recommendation of the intention to take the Local Plan for Lancaster District to Council seeking a resolution to publish, obtain formal representations and submit to the government for Independent Examination whilst acknowledging the challenge, risks and costs of advancing the emerging plan
Advantages	Officers can continue the process of preparing the plan for presentation with council in the knowledge that this process has been endorsed by Cabinet	None apparent
Disadvantages	None apparent	Officers would continue the process of preparing the plan for presentation with council but in the knowledge that this process had not presently been endorsed by Cabinet
Risks	None apparent	When making a decision on the publication and submission of the plan the Council would not have the benefit of the Cabinet endorsement of the process, however, that would <b>not</b> have implications for the council's consideration of the plan that will be presented

#### 6.0 Officer Preferred Option (and comments)

- 6.1 Option 1. Officers recommend that the emerging proposed local plan is finalised for presentation to council, potentially on 20<sup>th</sup> December 2017.

#### 7.0 Conclusion

- 7.1 The intended publication edition of the Local Plan, specifically the Strategic Policies & Land Allocations DPD, and a review of the Development

Management Policies DPD, are at an advanced stage of preparation. It is anticipated that these will be reported to council on 20<sup>th</sup> December 2017. Whilst many issues are still to be resolved a delay in advancing the local plan will mean that the current development plan policies will become further out of date, exposing the council to an increasing risk of losing appeals on sites that do not represent sustainable development. Failure to advance the plan will also greatly undermine the opportunity to secure very significant financial contributions that can address the district's deficits in highway and transport infrastructure, through time-sensitive fund-bidding processes.

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

Preparation of the Local Plan is a Corporate Priority. Planning Policy is decided by council.

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

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

There are no direct adverse health and safety, human rights or community safety implications arising from this report.

The Local Plan documents have been subject to public consultation, allowing for feedback on these matters to be incorporated into the emerging publication version.

#### **LEGAL IMPLICATIONS**

There are no legal implications arising directly from this report.

#### **FINANCIAL IMPLICATIONS**

There are no direct implications arising from this report but members are reminded that Local Plan processes will continue to require resourcing, particularly in the coming financial year and the costs for, for example, additional evidence, Examination and specialist witnesses, and specialist inputs are not predictable, but provision has already been made within existing approved budgets as far as possible.

Ultimately, the adoption of any Local Plan will have bearing on any Council's future financial position, through changes to the demand for council services and its ability to generate local taxation and other income. One of the key aims of any local authority finance system (or future reforms) should be to address these in a fair and consistent manner, to ensure the financial sustainability of any local authority going forward.

#### **OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces:**

##### **Human Resources:**

None directly arising from this report.

##### **Information Services:**

None directly arising from this report.

##### **Property:**

Whilst the council does own land is affected there are no direct implications arising from this report.

##### **Open Spaces:**

There are no direct implications arising from this report.



**SECTION 151 OFFICER'S COMMENTS**

The Section 151 Officer has been consulted and has no further comments.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments

**BACKGROUND PAPERS**

**Lancaster City Council Local Development Scheme (LDS)**

<http://www.lancaster.gov.uk/planning/planning-policy/about-the-local-plan>

Lancaster District Economic Prospects: Update Report

<http://www.lancaster.gov.uk/planning/planning-policy/employment-studies>

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