



Committee: CABINET

Date: TUESDAY, 15 JANUARY 2019

Venue: MORECAMBE 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, 18 December 2018 (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.

Members are further reminded that Section 106 of the Local Government Finance Act 1992 applies to any meeting where consideration is given to matters relating to, or which might affect, the calculation of Council Tax.

Any member of a local authority, who is liable to pay Council Tax, and who has any unpaid Council Tax amount overdue for at least two months, even if there is an arrangement to pay off the arrears, must declare the fact that he/she is in arrears and must not vote on any recommendation or decision which might affect the budget or council tax calculation. It is a criminal offence to fail to comply with this requirement.

5. **Public Speaking**

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

Reports from Overview and Scrutiny

None

Reports

6. **Budget & Policy Framework Update 2019-23**

(Cabinet Member with Special Responsibility Councillor Whitehead)

Report of the Interim Financial Services Manager (Report to follow)

7. **Proposed Governance Arrangements for Investment Strategy**

(Cabinet Members with Special Responsibility Councillors Blamire & Hanson)

Report of Interim Head of Legal & Democratic Services (Report to follow)

8. **Detailed Investment Strategy Proposals**

(Cabinet Members with Special Responsibility Councillors Hanson & Whitehead)

Report of the Interim Financial Services Manager (Report to follow)

9. **Discretionary Rate Relief Policy Update - Retail Discount (Business Rates)** (Pages 1 - 10)

(Cabinet Member with Special Responsibility Councillor Whitehead)

Report of Interim Financial Services Manager

10. **Exclusion of the Press and Public**

Whilst the following report is public, it contains an exempt appendix. This is to give further notice in accordance with Part 2, paragraph 5 (4) and 5 (5) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of the intention to take the following item in private if it is necessary to refer to the exempt appendix.

Cabinet is recommended to pass the following recommendation in relation to the following item:-

“That, in accordance with Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act.”

Members are reminded that, whilst the appendix has been marked as exempt, it is for Cabinet itself to decide whether or not to consider it in private or in public. In making the decision, Members should consider the relevant paragraph of Schedule 12A of the Local

Government Act 1972, and also whether the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In considering their discretion Members should also be mindful of the advice of Council Officers.

11. **Lancaster Caton Road (Phase 3) Flood Risk Management Scheme** (Pages 11 - 31)

(Cabinet Member with Special Responsibility Councillor Hanson)

Report of Assistant Chief Executive

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors Eileen Blamire (Chairman), Janice Hanson (Vice-Chairman), Nathan Burns, Darren Clifford, Brendan Hughes, 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.

(iii) Apologies

Please contact Democratic Support, telephone 582170, or alternatively email democraticsupport@lancaster.gov.uk.

SUSAN PARSONAGE,
CHIEF EXECUTIVE,
TOWN HALL,
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Published on Monday, 7 January, 2019.

CABINET

**Discretionary Rate Relief Policy Update –
Retail Discount (Business Rates)**

15 January 2019

Report of Interim Financial Services Manager

PURPOSE OF REPORT				
This report seeks approval of a draft Discretionary Retail Discount Scheme, designed in line with MHCLG guidance and financed by Government grant, to provide financial support to occupied “retail” businesses for a two year period from April 2019, in recognition of changing consumer behaviour in the high street.				
Key Decision	X	Non-Key Decision		Referral from Cabinet Member
Date Included on Key Decision Notice			3.1.19	
This report is public.				

RECOMMENDATIONS OF COUNCILLOR WHITEHEAD:

- (1) That the Discretionary Retail Discount Scheme as set out at *Appendix A* be approved, effective from April 2019 (*Option 1 as set out in the report*).

1 BACKGROUND

- 1.1 The Government, announced in the Autumn Budget 2018 that it will provide a business rates Retail Discount scheme for occupied retail properties with a rateable value of less than £51,000 in each of the years 2019-20 and 2020-21. The value of discount should be one third of the bill, and must be applied after mandatory reliefs and other discretionary reliefs funded by S31 government grants have been applied.
- 1.2 The Government has provided guidance in terms of the operation and delivery of any policy, anticipating that local authorities will include details of the relief to be provided to local ratepayers in their bills for 2019/20. The Guidance Note is provided on the following link: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/760973/Retail_Discount_Guidance.pdf
- 1.3 The guidance sets out the criteria which central Government considers for this purpose to be retail and as such eligible for discount, encompassing properties used wholly or mainly as shops, restaurants, cafes and drinking establishments. It is intended that qualifying properties are used for the provision of services to visiting members of the public.

- 1.4 At the same time the guidance also sets out the types of uses the Government does not consider to be retail (eg. Financial Services, Medical services and professional services – solicitors etc).
- 1.5 It is for individual local billing authorities to determine its local scheme and whether to grant retail discount on a case by case basis in line with the policy. Although the lists are not exhaustive, the local authority will decide whether particular retail properties not listed, are broadly similar to those on the list of qualifying properties.
- 1.6 It should be noted also that the Council is precluded from awarding discretionary relief to itself or any other precepting authorities.
- 1.7 Any award of revaluation support must also take account of any other relief entitlement.

2 PROPOSAL DETAILS

- 2.1 Drawing on the Government guidance, **Appendix A** sets out a proposed discretionary Retail Discount Scheme to provide rate relief to business rate payers in occupation of retail properties.

3 DETAILS OF CONSULTATION

- 3.1 There is no formal requirement for consultation. However, in the past the County Council has confirmed that they see the Council as very much the expert in this area, with a request to be kept informed as to the Council's eventual scheme.

4 OPTIONS & OPTIONS ANALYSIS (INCLUDING RISK ASSESSMENT)

4.1 Option 1 – Agree to the proposal as recommended

This policy sets out a formal approach to distributing this new discretionary retail relief, providing guidance for officers and a consistent platform in dealing with applications. The approach adopted seeks to maximise use of the grant in an open and equitable way, drawing on Government guidance, and therefore risks associated with any challenge are considered small and manageable.

4.2 Option 2 – Suggest amendments to the proposed policy

Any such amendments would need to have regard to statutory requirements, and therefore should this option be chosen, extra time will be needed to consider the full implications prior to the re-consideration of an amended policy. There is some reputational risk associated with further delay as the Government are keen for billing authorities to have their scheme up and running in time for annual billing.

4.3 Option 3 – Do nothing and refuse all applications.

A blanket policy of refusal leaves the Council vulnerable to an appeal to the Local Government Ombudsman, which could result in a charge of maladministration.

5 OFFICER PREFERRED OPTION AND COMMENTS

5.1 It is recommended that Option 1 be approved. The policy enables a formal approach to decision making, with criteria in line with Government guidance, benefiting small to medium retail businesses on the high street.

6 CONCLUSION

6.1 The proposals as set out are considered to be fair and reasonable as a way to distribute available funds, drawing on Government guidance.

RELATIONSHIP TO POLICY FRAMEWORK

The report is in line with the Council Plan ambition to be a thriving and prosperous economy, creating strong conditions for growth so that businesses thrive and jobs are created.

CONCLUSION OF IMPACT ASSESSMENT

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

The policy demonstrates the commitment to assist smaller retail businesses throughout the area with their bills, in recognition of the changing customer behaviour on the high street. Whilst initial estimates are a little vague as programmes are not yet in place for future year's calculations, the policy is expected to benefit in excess of 750 ratepayers with total grant awarded in the region of £850k.

An Equality Impact Assessment is attached at Appendix B.

LEGAL IMPLICATIONS

The Government confirms that billing authorities should deliver their local scheme through the use of discretionary relief powers, under S47 of the Local Government Finance Act 1988, in a similar way to other central Government initiatives.

Providing retail discount to ratepayers is likely to amount to State Aid. State Aid is the means by which the European Union regulates state funded support for businesses. However, the support for ratepayers will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (Commission Regulation 1407/2013).

Retail discount will appear on bills for 2019/20, and it will be for retailers to make statutory declarations in relation to receiving other de minimis state aid, or to refuse the retail discount.

FINANCIAL IMPLICATIONS

The Council will be reimbursed for expenditure, using a grant under Section 31 of the Local Government Act 2003 and therefore it is not expected that the introduction of this new policy will incur additional expenditure. However, if awards are made outside the framework of the Government guidelines, the Council runs the risk of incurring additional expenditure in these specific cases.

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

No other implications

SECTION 151 OFFICER'S COMMENTS

The Interim s151 Officer has contributed to this report, which is in his name (as Interim Financial Services Manager).

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

N/A

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**LOCAL DISCRETIONARY RETAIL DISCOUNT SCHEME
LANCASTER CITY COUNCIL**

This scheme forms part of the Council's wider Local Discretionary Rate Relief Policy. It sets out the principles upon which the Council will administer retail discount for occupied retail properties with a rateable value of less than £51,000.

This document sets out the broad framework of principles to be used in decision making for this new scheme in line with Government guidance, covering two financial years from 1 April 2019 (i.e. ending on 31 March 2021).

The value of discount awarded will be one third of the bill (33.33%), to be applied after mandatory reliefs and other discretionary reliefs funded by S31 grants have been applied.

Any retail discount granted under this scheme will be reviewed each year but normally expire on 31st March 2021, subject to a change in circumstances that falls outside the principles of the scheme (ie. property becomes empty, change of use) in which case relief will be apportioned to the qualification dates.

Scheme Principles:

To qualify for Retail Relief a property must be:

- Occupied
- Have a Rateable value of less than £51,000 (this is shown on your Business Rate bill)
- Be wholly or mainly used for Retail Purposes as shops, restaurants cafes and drinking establishments.

To qualify for the relief the business premises should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. Properties that are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

Properties considered to be retail for the purposes of this relief:

1) Properties that are being used for the sale of goods to visiting members of the public:

- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/ caravan show rooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

2) Properties that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hair dressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- DVD/ video rentals
- Tool hire
- Car hire

3) Properties that are being used for the sale of food and/ or drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

The list above, whilst not exhaustive, is a guide as to the type of uses that the government considers to be retail for this purpose. Relief will be granted for occupation that is broadly similar in nature to those listed above.

As this relief is discretionary, the Council will not grant support in any case where it is not considered appropriate to do so, for example where granting the relief would go against the authority's wider objectives for the local area (eg. sex shop).

Properties that are not broadly similar in nature to those listed above; or are broadly similar in nature to those listed below will not normally be eligible for relief. However, the Council reserves the right to consider favourably, individual businesses contributing to a healthy high street, where the provision of service in the area to visiting members of the public is beneficial to the community as a whole.

Properties not considered to be retail for the purposes of this relief:

1) Properties that are being used for the provision of the following services to visiting members of the public:

- Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)

- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
- Post office sorting offices

2) Properties that are not reasonably accessible to visiting members of the public

- Government guidance does not consider other assembly or leisure uses beyond those listed in this guidance to be retail uses for the purpose of the discount. For example, cinemas, theatres and museums are outside the scope of the scheme, as are nightclubs and music venues which are not similar in nature to the properties described above. Properties used for sport or physical recreation (e.g. gyms) are also considered outside the scope of this discount.

Decision Making & Appeals:

Where there is doubt in determining discount, the local authority will exercise their discretion with reference to the above list, considering the interests of the ratepayer and that of council tax payers in general, taking into consideration local factors.

In line with the Council's wider rate relief decision-making arrangements all decisions regarding the granting of applications of relief under this Policy are finally determined by the Deputy Director (Customer Services)/Head of Shared Services under delegated powers.

Under the Local Government Finance Act 1988, there is no statutory right of appeal against the Council's use of discretionary powers. However, the Council will accept a customer's request for a review of its decision, with appeals to be presented to the Interim Financial Services Manager for further consideration.

State Aid:

State Aid is any assistance or subsidy given to an organisation by the State (Central Government, devolved administrations, regional and local authorities) or by companies and agencies established by the state to distribute public support; which distorts or threatens to distort competition (i.e. the organisation receiving the State Aid is in a stronger competitive position relative to its competitors).

Under the De Minimis Regulations EC 1407/2013 the ratepayer is required to confirm if they have received any other State Aid that when added together exceeds in total €200,000 (approx. £181,000), including any other rates relief (other than exemptions, transitional or mandatory reliefs) granted for premises other than the one receiving retail discount.

You do not need to complete a declaration unless you have received any other De Minimis State Aid (this includes Retail Discount granted for other properties). However, if you have received any other De Minimis State Aid, you should download a declaration form from the website ([link required](#)) and complete and return the form to confirm that the award of Retail Discount does not exceed the overall limit of €200,000.

For further guidance on State Aid please visit www.gov.uk/state-aid.

Retail discount will appear on bills for 2019/20, and it will be for qualifying retailers to make statutory declarations in relation to receiving other de minimis state aid, or in refusing the retail discount offered.

Equality Impact Assessment

Section 1: Details

Service	Corporate
Title and brief description (if required)	Discretionary Rate Relief Policy Update – Retail Relief Support
New or existing	Existing
Author/officer lead	Adrian Robinson (Head of Shared Service)
Date	28 December 2018

Does this affect staff, customers or other members of the public?

Yes, the business community in the local authority area

Section 2: Summary

What is the purpose, aims and objectives?

The scope of the report relates only to non-domestic rate relief, introducing a new discretionary rate relief scheme covering a 2 year period, to distribute Government funded grant by way of retail discount, to those ratepayers operating a retail business in the area, with a rateable value of less than £51k. This support is provided in recognition of a change in customer behaviour in the high street, given the on-line retail economy.

Who is intended to benefit and how?

The policy affects business ratepayers as a whole, but more specifically small to medium retail businesses in the area with a rateable value of less than £51k to recognise that many may be facing an uncertain future and difficulty on the high street due to changing customer behaviour.

A discretionary fund has been established by the Government to provide support for two years, to be awarded to qualifying retail businesses to mitigate the effects of this change. The rate bills of qualifying businesses will reduce by one third (33.33%) for both 2019/20 and 2020/21.

The Council will target occupied retail businesses, with a rateable value of less than £51,000. However, discount will not be granted to empty properties, or where it is not considered appropriate to do so, given the authority's wider objectives for the local area.

Section 3: Assessing impact

Is there any potential or evidence that this will or could:		
• Affect people from any protected group differently to others?		No
• Discriminate unlawfully against any protected group?		No
• Affect the relations between protected groups and others?		No
• Encourage protected groups to participate in activities if participation is disproportionately low (won't always be applicable)?		No
• Prevent the Council from achieving the aims of its' Equality and Diversity Policy?		No

If yes, please provide more detail of potential impact and evidence including:	
<ul style="list-style-type: none"> - A brief description of what information you have and from where eg getting to know our communities data, service use monitoring, views of those affected ie discussions or consultation results? - What does this tell you ie negative or positive affect? 	
Age (including older and younger people and children)	No other evidence or expectation of any specific impact.
Disability	No evidence or expectation of any specific impact.
Faith, religion or belief	No evidence or expectation of any specific impact.
Gender (including marriage, pregnancy and maternity)	No evidence or expectation of any specific impact.
Gender reassignment	No evidence or expectation of any specific impact.
Race	No evidence or expectation of any specific impact.
Sexual orientation (Including Civic Partnership)	No evidence or expectation of any specific impact.
Rural communities	Businesses in rural communities treated in the same way as all other businesses and will benefit in the same way. Therefore no evidence or expectation of any specific impact.
People on low incomes	Revaluation Support has been designed to assist small to medium sized businesses in the area, providing discount on their rate liability. Some of the ratepayers may be linked to low income households.

Section 4: Next steps

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

No.

How have you taken/will you take the potential impact and evidence into account?

The proposed scheme uses Government guidance to target occupied retail properties with a rateable value of less than £51,000. No application form is involved in order to maximise the impact of this support.

Qualifying properties will be identified and retail relief will be shown on 2019/20 bills, (granting a discount of 1/3 of the value), thus providing an immediate impact to ratepayers through reduced instalments.

How do you plan to monitor the impact and effectiveness of this change or decision?

Through general collection rates, take-up, feedback etc.

CABINET**Lancaster Caton Road (Phase 3) Flood Risk Management Scheme****15 January 2019****Report of Assistant Chief Executive**

PURPOSE OF REPORT			
To update Members on the design phase of the proposed River Lune flood defence scheme and to consider the current scheme costs and status of all secured and potential match funding contributions from external sources. The report considers the council's funding position on the basis that there are currently insufficient external resources available to fund the estimated construction cost. On the information presented on scheme costs and funding, Members are asked whether to fund the projected balance of scheme costs and whether to proceed towards a construction contract and project implementation.			
Key Decision	X	Non-Key Decision	Referral from Cabinet Member
Date of notice of forthcoming key decision	17 December 2019		
This report is partially exempt from publication by virtue of paragraph 3, of Schedule 12a of the Local Government Act 1972.			

RECOMMENDATIONS OF COUNCILLOR JANICE HANSON

- (1) Members note that spend to date on Stage 1 is £550K (comprising £200K FDGiA and £350K North West Regional Flood and Coastal Committee funds) and that a further £133K FDGiA funds will be expended to develop the detail required for the Stage 2 construction contract.
- (2) Cabinet agree a contribution of £847K towards the capital costs of the scheme, and growth of £17K per annum revenue costs of this capital investment should the scheme proceed to contract;
- (3) On receipt of a formal letter the council accepts an offer of up to £3.85M ERDF funds for the scheme, formal acceptance of the offer being delegated to the Section 151 Officer.
- (4) Officers move to formally secure the anticipated business contributions via contract deed;
- (5) Officers complete the design/target cost package and a contract is agreed for Stage 2 capital works with VBA Joint Venture Limited (subject to securing the funding to meet scheme costs as set out in the

table in paragraph 2.17 of this report and acceptance of this by Section 151 Officer)

- (6) That delegated authority be given to the Section 151 Officer to update the General Fund Revenue Budget and Capital Programme to reflect the decisions as set out in the above recommendations.**

1.0 Introduction

1.1 Members considered an update report on the Lancaster Caton Road Flood Defence Scheme at the Cabinet meeting of 7 August 2018. The following key resolutions were agreed in order to progress the project design development (minute ref: 26).

- On approval of the Phase 3 business case / financial appraisal, Members agree to accept an offer of approximately £2.3M Flood Defence Grant in Aid (FDGiA) and use up to £532K to undertake further design development work in support of funding, planning and delivery of the Phase 3 Flood Defence Scheme.
- Officers continue to work with the major Caton Road businesses to negotiate / secure private funding contributions and investigate any further public funding avenues to meet the scheme construction costs.
- Agreement of the above continues to be on the basis that the scheme is wholly externally funded and that there is no commitment to allocate City Council capital or revenue funding;
- Members encourage those major businesses who have not yet committed an “in-principle” financial contribution to consider the major benefits of investing in the scheme, as otherwise there may be insufficient funding to enable the project to proceed.
- A further report is made to Cabinet before contractually committing to implementing the construction phase (Stage 2).

1.2 The preferred build option is a flood defence wall between Skerton Bridge (downstream) and Junction 34 of the M6 motorway (upstream). The defences will consist of 2.7km of wall on the left bank and 0.12km on the right bank (60m of walls and 60m of embankment) on the River Lune adjacent to Caton Road and Aldrens Lane and Halton Road (Appendix 1). It assumes a reinforced concrete defence located predominantly on the boundary between the private business / third party land on the industrial estates and the council’s land.

2.0 Scheme Progress

Design Development and Planning

2.1 The scheme 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.

- 2.2 Designer/contractor VBA Joint Venture Limited was appointed, through the EA's OJEU compliant Water and Environmental Management Framework, to undertake the initial stage 1 design and survey work, which they continue to refine to secure more cost certainty and develop the Stage 2 construction contract details.
- 2.3 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 intervention should lead to the following outcomes:
- Improve flood defences to homes and businesses from a 1 in 5 year to a 1 in 100 year level of protection.
 - Benefit 102 businesses and 34 residential properties with a current 1% or greater chance of flooding each year.
 - Improvement in business insurance cover / flood-risk premiums.
 - Increase property values generating more income for public services.
 - Bring employment land and property back into productive use.
 - Safeguard over 2000 FTE jobs provided across the employment sites with £37.3M benefit per year in Gross Value Added (GVA) over a 100 year appraisal period.
 - Delivers 28.2 ha of river / 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.
- 2.4 A planning application was considered by city council Planning Committee on 12 November and was approved subject to conditions. The full details of the approved scheme are available through the council's planning portal (refer to link in Background Papers). It has taken a major effort on the part of the council's officers and contractor team to progress this major infrastructure project to this stage in a relatively short time.

Scheme Costs

- 2.5 Members need assurance that there is a prudent balance between cost, funding and scheme risk in order to make decisions. On current scheme information and the view of the remaining implementation and delivery risk, a total of £9.278M (inclusive of all design development fees) must be secured for the project to be placed on a sure delivery footing at this stage.
- 2.6 The cost has a provision of £1.623M to cover known risks identified to date. This allowance is required to account for the implementation risk associated with the presence of several underground and high level services and other local physical and environmental considerations which there has been insufficient time to investigate in detail.
- 2.7 Alongside the Caton Road industrial estates Lancaster city centre was also badly flooded in the December 2015 events. Lancashire County Council, as lead flood authority, and Environment Agency have identified a separation

between this - predominantly “pluvial” (run-off) flooding - and the inundation/overtopping from the Lune - or “fluvial” event - which affected the Caton Road industrial estates. Lancashire County Council and the EA are investigating separate mitigation measures for Lancaster city centre and its catchment - known as “Phase 4” - and the Lune defence measures under Phase 3 can proceed as a stand-alone initiative.

- 2.8 Following a further flooding event in November 2016 the Caton Road industrial estates suffered localised flooding via pluvial routes. These specific water courses have been clearly identified through County Council modelling. As part of the Phase 3 scheme the project team has therefore included a “Phase 3a” element to address pluvial issues and provide mitigation of catchment run-off in the area of Caton Road golf course. Additional ERDF resources have been applied for to cover these costs (around £750K), being enabled through an increase in the ERDF grant overall % intervention rate for the project. However, this does not reduce the “gap” on the match-funding package (refer to paragraph 2.9).

Funding

- 2.9 Under the current 2014 - 2020 European funding programme a full application for £3.1M (from Priority 5 Promoting climate change adaptation) was submitted at the end of May 2018. The bid has been accepted by the Government and an offer letter is awaited, which will be conditional on match-funding approval. An additional £750K ERDF has been applied for to implement Phase 3a (as noted in paragraph 2.8) taking the total ERDF request to £3.85M
- 2.10 Members will recall the ERDF money has a critical deadline imposed by the decision to leave the EU. The Government has advised that this ERDF scheme must be contracted (that is, have a signed construction contract in place) by 31 March 2019.
- 2.11 The scheme is not fully fundable with EA FDGiA as it is designed to protect mainly business rather than residential properties. The funding formula gives an FDGiA allocation of £2.587M (inclusive of current approved design fees). A formal funding offer will be made following consideration of the detailed Outline Business Case by the EA’s Large Project Review Group which is currently in progress. There are no anticipated issues with securing an offer for the full FDGiA amount, and accepting it, in time to meet ERDF deadlines.
- 2.12 A further £2M (inclusive of current approved design fees) has been approved by the North West Regional Flood and Coastal Committee (RFCC) finance sub group at its meeting on 4 April 2017. For the purposes of EA budgeting both FDGiA and RFCC funds are both considered to be EA funds. Authority to accept these funds was secured through resolutions in previous reports
- 2.13 As noted in previous reports officers have been in contact with the largest businesses and freehold interests on the Caton Road industrial estates – considered to be those with property asset interests of over £100K Rateable Value - to secure private sector contributions for the scheme. A target of £1M was set based on an apportionment mechanism related to the Rateable Value of the individual business’s property interests. The businesses’ response fell

into 3 main categories: (i) Making an “in-principle” written commitment; (ii) Were “tentative”, but agreeable if design and other matters could be satisfactorily resolved; (iii) Declined a contribution citing a range of reasons.

- 2.14 Officers developed a relatively simple contract deed for the business contributions, with a reimbursement mechanism should the final contract outturn cost be lower than the initial contract sum (Refer to Legal Implications). The contract was presented to those in-principle/tentative contributors for their review and approval. Officers also required a final indication on whether the individual businesses still intended to participate in funding the project in order to inform Members decision. The opportunity was also taken to revisit those businesses that declined to contribute.
- 2.15 The negotiations are current and will continue up until the January Cabinet meeting. At the time of writing the business funding position is summarised in Appendix 2 (**exempt from publication**). Officers have secured in-principle commitments of £465K with another £279K likely to confirm. A total of around £744K is the current sum available from the private sector - this funding is also “at risk” until formal contracts are signed.
- 2.16 The business response has therefore been mixed. Since the original general meeting with businesses in September 2016 the council has been: open about the requirement for private contributions; clear on the funding request basis; and given businesses ample time to consider and plan to accommodate the funding. However, some of the individual business decision makers have proved increasingly hard to contact as the scheme progressed. It is clear, in some instances, that key people are actively avoiding contact – refusing to respond to, or acknowledge, multiple telephone messages, emails and letters.
- 2.17 Given the impact on both physical assets, business continuity and the resulting costs of a potential future flood event it is hard to understand some of the positions taken when set against the sums requested. The overall funding position is summarised in the table below:

Funder	Amount
FDGiA (Environment Agency)	£2.587M*
RFCC Local Levy (Environment Agency)	£2.000M*
ERDF Priority 5	£3.850M**
Business contribution approved “in-principle”	£0.465M
Business contribution expected (to be confirmed)	£0.279M
Total (A)	£9.181M
Total funding Required (B)	£10.028M
Shortfall on current cost estimate (B – A)	£0.847M

* Includes all funding approved, spent and committed to design / target cost development activities.

** Includes £750K for Phase 3a pluvial mitigation for Caton Road

3.0 Meeting the Funding Shortfall

Securing cost reductions / savings

- 3.1 The £1.6M resource allocated to the risk register has been noted in paragraph 2.6. The council could proceed on the basis that certain risks will not materialise to the extent allowed for in the costed risk register, reducing the up-front cost – however, officers cannot recommend this approach.
- 3.2 Innovation and value engineering will continue up to development of the construction contract target costs and could lead to reductions in scheme costs, but this is not guaranteed. For example, the project team is negotiating with United Utilities (UU) on the design of the scheme in an area where they have physical assets. If the design in this area is acceptable to UU it could lead to savings in the order of £200K. However, the design places some operational responsibilities on UU to maintain the integrity of the defences - to which UU have not yet agreed.
- 3.3 During construction itself EA expects its funded capital projects to achieve 10% efficiencies on the overall cost, but these might not emerge as real savings and these are normally reinvested to secure a better scheme. However, if true savings are made, these will be allocated in proportion to match funding contributions. That is, not all the capital contributions made by funders may be required by scheme outturn.
- 3.4 There are options to remove areas of coverage. For example, a section of coverage predominantly protecting a single business interest could be removed. However, given the business interest affected is a significant potential contributor the net saving to the scheme, and impact on the “gap” funding required would not be significant. Omitting sections of the scheme would also be contentious.

Delay delivery to secure and/or wait for alternative public funding routes to emerge.

- 3.5 As noted previously the scheme must be contracted by the end of March 2019 to meet the ERDF commitment deadline. It is unlikely substantive match funding of this amount will be available from other sources in the short to medium term and the project team have exhausted all other clear public funding routes. The future status, priorities and eligibility of any UK government replacement funding stream for ERDF (for example, the government’s proposed UK shared Prosperity Fund) is unclear.
- 3.6 While the ERDF deadline is paramount there is another practical deadline which has been imposed by planning conditions. In order to commence construction works in spring 2019, and for the protection of nesting birds, all the extensive tree felling work agreed for construction needs to be complete by the end of February 2019. The next opportunity to deliver significant construction work will be after the summer nesting season in September 2019.
- 3.7 If a construction contract is not signed by mid-February to allow for timely tree felling, the programmed construction period will need to be extended by 5 months and costs (construction and contractor staff stand-down/re-deployment) will increase in the range of £100K.

Secure more private sector contributions through negotiation

- 3.8 In the absence of a decision on whether the council can provide capital resources and/or at what amount it is difficult to make any further progress on formally securing contributions from the private sector – there is no certainty on either side of the negotiation and no “bottom line” defined by the council.
- 3.9 Although time constraints are critical it would be useful to clarify if the council can afford to contribute towards the scheme in the light of its current budget position and other capital/revenue priorities. This would provide a more certain position on whether the council would proceed on the current private sector funding basis. It would also provide businesses with a more certain funding target and/or an incentive for contributors to complete the required funding contracts at the earliest opportunity.

A city council contribution

- 3.10 The scheme has been considered for addition to the council’s Capital Programme by the Asset Management Group under the agreed internal process. If the council were to increase the capital financing requirement to cover the estimated shortfall of £847K there would be an additional annual charge to the revenue budget of £17K for 50 years.
- 3.11 In terms of a financial “return” against this investment the main benefits are indirect and difficult to assess with certainty. Towards the eastern end of the industrial estates there are significant areas of vacant land. Towards the west of the Caton Road estates are old, low value and redundant property that have received no investment for many years. It is reasonable to assume that, following flood defence implementation, there will be increased confidence to invest in new commercial property and, over time, the Rateable Value (RV) of the area should increase. Available industrial land in the district is constrained and there are few options for new commercial industrial development close to Lancaster.
- 3.12 Officers have estimated that within a decade commercial RV in the area will increase by £1.6M with an additional rate take of around £800K per annum attributable to new development. Under the current business rates retention scheme 40% of the increase would accrue to the council’s budget.
- 3.13 Within the construction cost there is an allowance for 1.5 FTE internal engineering staff time costs for working on the project. This will enable these staff costs to be funded from an external source for the first two years of the project based on the premise that it is delivered within existing capacity.

4.0 Details of Consultation

- 4.1 The idea of a flood defence scheme along the Lune has been raised with the businesses along Caton Road who are in support of a scheme being developed and delivered. Several business events and community/stakeholder consultation events have been undertaken and the scheme has been positively received.
- 4.2 In strategic terms the scheme has been identified by Lancashire Enterprise Partnership as the highest priority Flood Risk Management Scheme. The

scheme has also been identified within the Environment Agency’s 6 year investment programme for funding, by the NW RFCC as a priority for funding for Sustainable Economic Growth as well as identified within the statutory North West Flood Risk Management Plan measures.

5.0 Options and Options Analysis (including risk assessment)

5.1 The following options can be considered:

	Option 1: Members accept there is insufficient funding to enable the project to proceed.	Option 2: Members agree: a) a contribution of £847K towards the capital costs of the scheme; b) to accept an offer of ERDF funding and for officers to formally secure the anticipated business contributions; c) Officers complete the design/target cost package and agree a contract for Stage 2 capital works with VBA Joint Venture Limited (subject to the approval of enough funding to meet scheme costs).	Option 3: Members agree: a) A lower council contribution and ask officers to secure additional private contributions and/or cost savings to meet the balance of scheme costs. b) Officers report to February Cabinet on the cost / funding position.
Advantages	No further direct capital cost / project delivery risk to the council. Gives certainty on the council’s position. Scheme design completed to take advantage of any future funding opportunities.	Provides a comprehensive solution to fluvial / pluvial flood risk on the Caton Road industrial estates. Provides a range of economic, investment and environmental benefits. Sets out a clear council commitment to businesses/asset holders in the area and incentive for private contributions to be secured. Demonstrates delivery to Government and EA boosting chances for future scheme funding. Potential indirect future benefit to Council’s “bottom line” budget in increased rate retention.	Potential to deliver same advantages as Option 2. Sets out a level of financial commitment the council is willing to make to businesses / asset holders in the area. Ensures a focussed negotiation. Lower additional growth to be absorbed by the council’s budget.
Disadvantages	Business, investment, economic and environmental benefits may not be realised for some time, if at all.	Involves the council taking the delivery/funding risks on a major project. Additional cost to the General Fund revenue budget of £17K per annum	Disadvantages are as Option 2 and: Makes securing a funding package to meet ERDF / Government deadlines

	<p>Area continues to be vulnerable to severe flooding impacts with implications for commercial interests and the public.</p> <p>Loss of current funding opportunities.</p>	<p>for 50 years.</p> <p>Completion of construction contract details and funding package must be undertaken to meet ERDF and Government deadlines as well as meeting practical “tree felling” window. (refer to para 3.7)</p> <p>Maintenance of the proposed flood defence will be with the council as Risk Management Authority (Refer to Financial Implications)</p> <p>Disruption in the area during construction – particularly to amenity of Lune cycle path.</p>	<p>more difficult.</p> <p>While at a lower amount a certain level of growth will still need to be absorbed in the budget.</p> <p>The project will not be contracted in time to meet the “tree-felling” window delaying a practical start to construction and increasing costs (refer to para 3.7)</p>
Risks	<p>Reputational risks of being unable to proceed with a scheme.</p> <p>Construction cost increases over time.</p> <p>Leaves an unacceptably high level of flood risk leading to the likelihood of businesses closing or moving away and impacts on the city in terms of accessibility during flood events.</p>	<p>In terms of delivering a construction contract all additional resource requirements have been costed into the scheme and the council is experienced in managing major flood defence scheme with complex funding packages.</p> <p>Construction risks minimised through costed risk register.</p> <p>Private sector funding needs to be formally secured via contract.</p>	<p>Risks are as Option 2 and:</p> <p>On current information the private sector contributions outlined in the report represent the maximum officers believe can be secured.</p>

6.0 Officer Preferred Option (and comments)

- 6.1 In **Option 1 Members accept there is insufficient funding to enable the project to proceed**, it should be noted that major businesses have for some time been encouraged to consider the major benefits of investing in the scheme and Members have previously noted that there may be insufficient funding to enable the project to proceed. However, the private sector response means the funding gap cannot be bridged. Even with additional business contributions there would still be a shortfall, and, if the scheme is to proceed the only realistic option is for the city council to provide funding.
- 6.2 If Members wish to proceed the critical question is the affordability and scale of the council’s contribution. The preferred option is **Option 2: Members agree: a contribution of £847K towards the capital costs of the scheme; to accept an offer of ERDF funding and for officers to formally secure the anticipated business contributions; officers complete the design/target cost package and agree a contract for Stage 2 capital works with VBA Joint Venture Limited (subject to the approval of enough funding to meet scheme costs).**
- 6.3 Option 2 will result in an additional cost of £17K per annum to the council’s challenging budget profile but allows officers to progress the construction contract details, bring more certainty to funders/deliverability and ensures the

challenging contracting deadlines have the best prospect of being achieved. It provides an incentive to secure private sector contributions – which are still “at risk” and challenging to secure - and savings can be driven through the construction period. There is also a “back-stop” of February Cabinet should any issues arise prior to contract that require Member input.

6.4 Should Members consider a contribution of this scale unaffordable **Option 3 Members agree: a lower council contribution and ask officers to secure additional private contributions and/or cost savings to meet the balance of scheme costs** can be considered. However, this imposes additional pressure on timescales and would also mean that the “tree-felling” window was missed increasing costs as no substantive work could be done over summer. Officers would report back to February Cabinet.

6.5 Under Stage 1 officers, with EA approval, have to date spent £550K (comprising £200K FDGiA and £350K North West Regional Flood and Coastal Committee (RFCC)) on design development. A further £133K FDGiA funds will be required to take the scheme to the full details for Stage 2 construction contract. These funds have been approved (refer to Financial Implications).

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 most appropriate route towards achieving a positive outcome, both meeting the council's regeneration objectives and having wider social, economic and environmental impacts.

RELATIONSHIP TO POLICY FRAMEWORK

The impact on the Council's Corporate Priorities are as follows:

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

Clean Green & Safe Neighbourhoods: 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.

Healthy & Happy Communities: A range of leisure and recreational benefits should accrue from the implementation.

A Smart & Forward Thinking Council: 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’. There is potential to use the infrastructure to secure an early benefit under the council's approach to implementing a project under the Government's Local Full Fibre Network funding stream.

The 2015-2021 North West river basin district flood risk management plan is the statutory

plan produced under the Flood Risk Regulations 2009 which transposes Flood Directive in UK law. For the Lune Catchment, the Flood Risk Management Plan concludes that, "Economic growth and development in Lancaster (north and south) could present funding opportunities if complimentary options can be identified to reduce flood risk and allow development. The Environment Agency will continue to work with the Local Enterprise Partnership to identify locations and solutions (Environment Agency, 2016).

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:

The Proposed Construction Contract - EA WEM Procurement Framework/Agreement

If Members proceed with Option 2 it is intended to continue to use the project contractor secured through Environment Agency Water and Environment Management framework to undertake the Stage 2 works. The original staged appointment was undertaken in line with the city council's contract procedures rules.

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 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 MCHLCG officers) is to date unproven through independent audit.

There is therefore a possibility, even if remote, that the WEM framework could fail the most stringent ERDF audit procedure and the council could be at risk of clawback.

The NEC 3 suite of contract management documents will be used throughout project delivery with various tools to monitor and manage contractor delivery, performance and costs, including Change Tracker, Early Warning Notices, Compensation Events, Project Management Instructions and combined with monthly formal progress meetings will ensure robust project management throughout and reduce the chances of client/contractor litigation.

Public Grant Contributions

Grant contributions are expected to be secured via a contract in the form of an offer letter

which will need to be signed and returned. The council has robust procedures in place to manage the stringent legal requirements of public funds, particularly ERDF requirements.

Private Sector Contributions

In the negotiations with the major Caton Road businesses the private sector contributions highlighted have no formal contractual basis, being currently offered in-principle only. The formal contractual mechanism by which the contributions can be formally secured / contracted and paid when required has been developed in association with Legal Services team (using additional specialist input) who continue to be fully engaged in developing this mechanism.

The form of agreement takes the form of a legal deed with clauses drafted to give protection to the council's interests in the event of default by the contributor. Although officers expect the individual deeds to be signed by end of January 2019, businesses are not expected to pay the contribution unless and until the flood risk management works have commenced (that is, a contract for the construction works has been signed). Further, while the deed provides that the contribution will be paid 'on demand', businesses can suggest their own staged payment timing to suit their own financial planning.

Other matters

Planning approval conditions need to be discharged and a range of other statutory approvals will be required for the scheme to be implemented.

In terms of State Aid the council is in receipt of a detailed opinion from the Environment Agency State Aid Unit that the flood defence works should be classed as General Infrastructure and, as there is no aspect of the infrastructure deemed to offer a selective advantage, is outside the scope of State Aid regulations.

Access to Third Party land will be by agreement and any issues will be handled by the project team in association with the council's legal and property services

FINANCIAL IMPLICATIONS

Design Development Funding

To date £550K (comprising £200K FDGiA and £350K North West Regional Flood and Coastal Committee (RFCC)) has been spent on design development. A further £133K FDGiA funds will be required to take the scheme to the full details for Stage 2 construction contract. EA advised that this could be taken from the funds approved following submission of the FDGiA business case / benefits financial appraisal (as agreed at December 2017 Cabinet). EA have confirmed there will be no clawback risk arising from spend against this funding should it not prove possible to secure enough funding for full scheme implementation as the work undertaken will still provide for a fully developed scheme to be available for implementation should funds become available in the future.

External Public / Private Sector Funding

In agreeing the preferred Option 2 it will involve the council entering into formal contractual arrangements with external funding bodies. However, the city council will not be contractually bound to undertake delivery of the full proposed capital scheme until all funding is in place and a construction contract is signed.

Council officers have experience of handling the demands of external public funders, particularly ERDF and EA funding. The scheme development has been undertaken in a far shorter timescale than would ordinarily be considered appropriate for a major infrastructure project and, therefore, there are a greater number of construction risks. However, these have been mitigated through a significant “Risk Register” sum. However, it should be noted that risk of construction overspend does fall to the city council as the accountable body for the scheme.

The route to securing enough funding to meet the target construction costs is still dependent on the response of the private major businesses, to provide and formally commit to substantial contributions. To ensure sound stewardship and value for money in using public funds, should Cabinet support the proposal, it should have reasonable confidence that private sector contributions can be formally secured in due course to enable the scheme to go ahead. Officers have secured in-principle commitments of £465K with another £279K likely to confirm. A total of around £744K is the current sum available from the private sector - this funding must be considered “at risk” until formal contracts are signed.

All funding agreements assume payment in arrears where the council will be required to “front-fund” activity and reclaim funding against expenditure. Depending on where the expenditure falls funding may not be reimbursed for up to 6 months. There will be a “loss of interest” opportunity cost on this funding.

Cost of a Council Contribution

Under the preferred Option 2, an increase in the council’s capital financing requirement in order to fund the estimated shortfall of £847K would result in an annual cost of borrowing charge against the revenue budget of £17K for 50 years. If council agrees Option 3 then a lower annual charge will be incurred over the same period

The General Fund Revenue Budget will need to be updated accordingly in 2018/19 to reflect Members decisions

The potential financial benefits to the council are indirect and difficult to assess with certainty. Regeneration and Planning Officers have indicated that, following flood defence implementation, there will be increased confidence to invest in new commercial property and, over time, the Rateable Value (RV) of the area should increase. Available industrial land in the district is constrained and there are few options for new commercial industrial development close to Lancaster. The following scale has been used in previous funding applications:

	Multiplier
Low (limited income effects)	1.05 – 1.30
Medium (average linkages)	1.10 – 1.50
High (strong income effects)	1.15 – 1.70

As the estimate is “high” a reasonable assumption that within a decade RV will increase by $1.40 \times £4M = £5.6M$ an increase of £1.6M in RV with an eventual additional rate take of around £800K per annum. Under the current business rates retention scheme 40% of the increase would accrue to the council’s budget council’s budget.

Staffing and other council costs

The project allows for £299k going forward for Lancaster City Council’s project management, supervision, cost consultant, discharge of planning condition costs. Within

this cost is support for 1.5 FTE equivalent costs of the internal engineering staff (£52.5K income in the years 2019/20 and 2020/21).

Maintenance of the proposed flood defence will remain the responsibility of the Risk Management Authority, Lancaster City Council with expected cost of approximately £6,000 per annum for monthly inspection visits and inspection, testing and greasing of flood gates, additional inspection visits will be carried out after substantial storm events to inspect for effectiveness and potential damage. The city council already has in place R&M revenue budgets for Sea and River, Land Drainage and Public Realm which will fund the maintenance requirements of the completed scheme.

OTHER RESOURCE IMPLICATIONS

Human Resources: From existing staff resource and consultants funded through the project.

Information Services: None

Property: Property staff have been involved in the project team. The land upon which flood defences could be constructed is predominantly in city council ownership. Some negotiations on access and infrastructure siting will be necessary but these are not anticipated to be onerous or staff time intensive.

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

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.

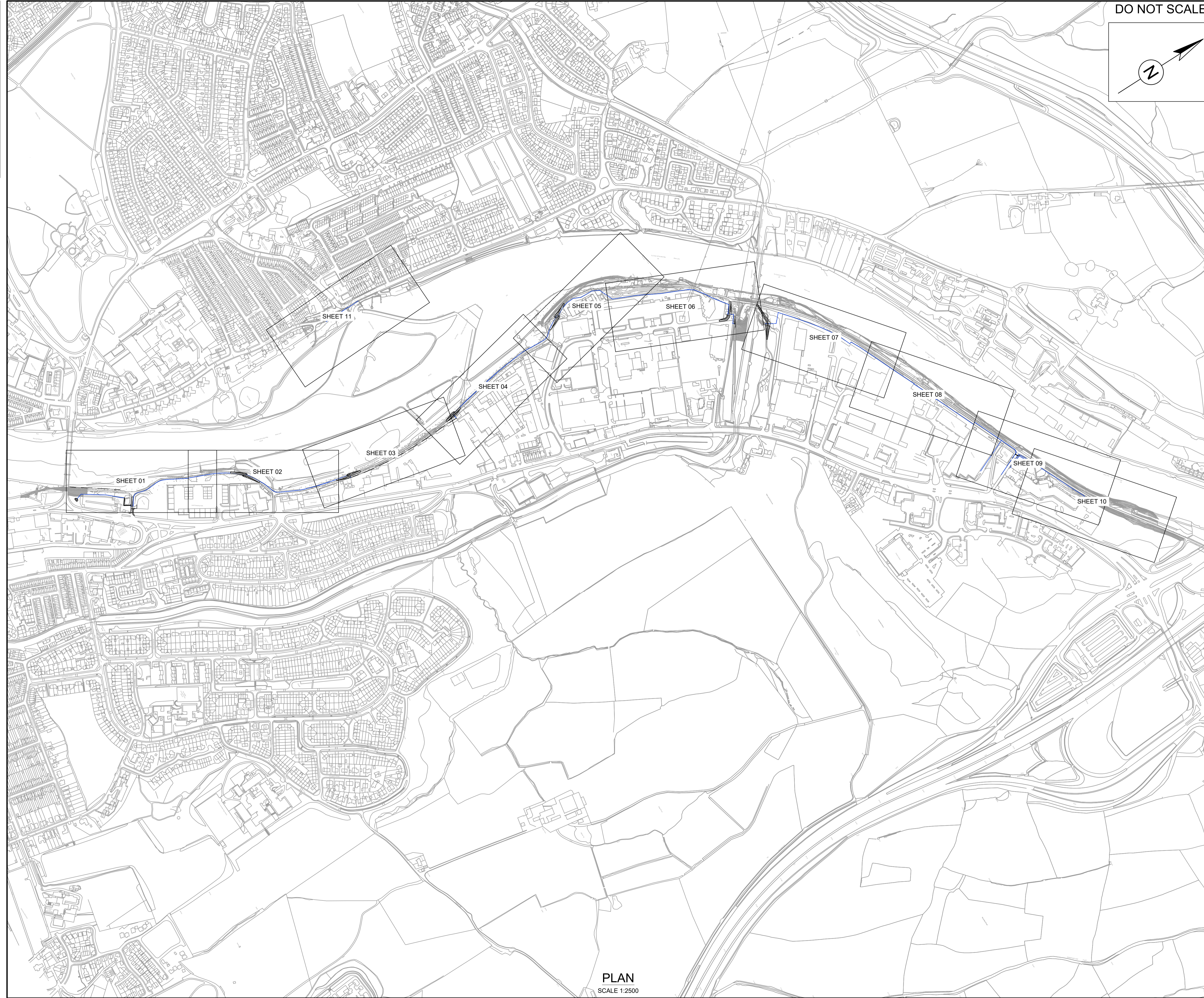
BACKGROUND PAPERS

Lancaster Caton Road Flood Defence Scheme Planning Application and Decision Notice:
<https://planning.lancaster.gov.uk/online-applications/applicationDetails.do?activeTab=summary&keyVal=PA9TF4IZLAV00>

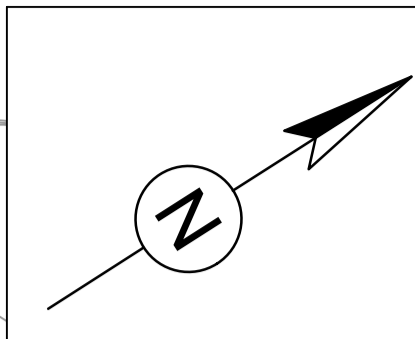
Contact Officer:

Contact Officer: Paul Rogers
Telephone: 01524 582334
E-mail: progers@lancaster.gov.uk
Ref:

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DO NOT SCALE



SAFETY, HEALTH AND ENVIRONMENTAL INFORMATION

In addition to the hazards/risks normally associated with the types of work detailed on this drawing, note the following:

CONSTRUCTION

A. NONE

MAINTENANCE/CLEANING

A. NONE

DECOMMISSIONING/DEMOLITION

A. NONE

It is assumed that all works will be carried out by a competent contractor working, where appropriate, to an approved method statement

NOTES

1. ALL DIMENSION ARE IN MILLIMETRES UNLESS STATED OTHERWISE.
2. ALL LEVELS ARE IN mAOD UNLESS STATED OTHERWISE.

LEGEND:

- PROPOSED FLOOD WALL
- EXISTING FLOOD WALL

P01	FOR INFORMATION					
Rev.	Date	Description	By	Chk'd	App'd	

Drawing Status	FOR INFORMATION	Suitability	SO
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LANCASTER CITY COUNCIL
Promoting City, Coast & Countryside

Project Title
Lancaster Lower Lune (Phase 3) - FRMS

Drawing Title
SCHEME LONG-SECTION SHOWING INDICATIVE FLOOD LEVEL AND WALL HEIGHT OVERVIEW PLAN

Scale	Designed	Drawn	Checked	Authorised
1:2500	-	AG	VS	-
Original Size	Date	Date	Date	Date
A1	-	-	-	-

Drawing Number	Revision
5164408-VBA-XX-XX-DR-C-2001	P01

PLAN
SCALE 1:2500

Document is Restricted

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 scheme 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.

Q2.
Who
is
intended

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

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. Works undertaken to date include design of the scheme, modelling to ensure the scheme did not cause or exacerbate flooding elsewhere, environmental survey work and ground investigation work including boreholes to ensure defences were going to be suitably sited. A planning application has been approved.

Step
1.2:
Coll
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g
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"/>

1

Equality Impact Assessment

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!

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 Extensive consultation established the original project objectives and principles. The planning application has been widely publicised and an information event will be held in August.

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
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nces?

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?

No

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 significant changes intended from previous reports

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

Equality Impact Assessment

Not applicable

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

Not applicable