

## **EXECUTIVE MEMBER ANNUAL REPORT – 2008/09**

**COUNCILLOR ABBOTT BRYNING, LEADER OF THE COUNCIL (from 4<sup>th</sup> February 2009) AND CABINET MEMBER WITH SPECIAL RESPONSIBILITY FOR**

- **RELATIONSHIPS WITH OTHER COUNCILS**
- **FINANCE**
- **TRANSPORT INCLUDING PARKING POLICY**

**From 19<sup>th</sup> May 2008-4<sup>th</sup> February 2009 Councillor Abbott Bryning's responsibilities were:**

**CABINET MEMBER WITH SPECIAL RESPONSIBILITY FOR**

- **JOINT ECONOMIC ENVIRONMENT PORTFOLIO – EMPLOYMENT OPPORTUNITIES AND REGENERATION IN THE LANCASTER PART OF LANCASTER AND WYRE CONSTITUENCY**



### **1 EXECUTIVE MEMBERSHIP:**

- Cabinet
- Canal Corridor Cabinet Liaison Group
- Lancaster and District Chamber Liaison Group
- Lancaster and Morecambe Markets Committee
- Transport Cabinet Liaison Group

**From 4<sup>th</sup> February 2009**

- Cabinet (Chairman)
- Morecambe Retail, Tourism and Commercial Cabinet Liaison Group (Chairman)
- Lancaster and District Chamber Liaison Group (Chairman)
- Lancaster and Morecambe Markets Committee (Chairman)

### **2 EXECUTIVE APPOINTMENTS TO OUTSIDE BODIES etc:**

- Lancaster District Local Strategic Partnership Management Group
- Historic Towns Forum (formerly English Historic Towns Forum)
- Lancashire Economic Partnership Forum
- Lancaster Regeneration Partnership
- LSP Economy Thematic Group
- LSP Education, Skills and Opportunities Thematic Group
- North and West Lancs Priority 1 Action Plan Partnership Board
- Storey Centre for Creative Industries

### 3 OVERVIEW OF PORTFOLIO RESPONSIBILITIES:

Until 4 <sup>th</sup> February 2009	From 4 <sup>th</sup> February 2009
Joint Economic Environment Portfolio – Employment Opportunities and Regeneration in the Lancaster part of Lancaster and Wyre Constituency	Relationships with other Councils Finance Transport – including Parking Policy

### CORPORATE PLAN PRIORITY OUTCOMES:

19 <sup>th</sup> May 2008 – 4 <sup>th</sup> February 2009	From 4 <sup>th</sup> February 2009
<p>Improve economic prosperity throughout the Lancaster District:</p> <ul style="list-style-type: none"> <li>• <i>Deliver a district wide sustainable regeneration programme based on the economic vision and strategy.</i></li> <li>• <i>Launch revised business development grant scheme for 12 months and work with Storey CIC to provide targeted support to creative industries.</i></li> </ul>	<p>Keep the City Council element of Council Tax increase to acceptable levels:</p> <ul style="list-style-type: none"> <li>• <i>Keep annual Council Tax increases to a minimum in 2009/10 and 2010/11</i></li> </ul>

### 4 PROGRESS MADE DURING 2008/9

#### Lancaster Regeneration

##### **Lancaster & Morecambe Vision**

The City Council has continued to support the work of Lancaster & Morecambe Vision Board throughout the past year, and the Vision has provided the basis for development of a new strategic economic framework. There has also been an important review of the Vision Board's role and clarification of future roles. In essence, the Vision Board have agreed that they wish to continue to operate but to focus on "blue sky" thinking and exploratory work. This can complement the work of the LDLSP, City Council, and other key partners who will focus on delivery of the agreed economic framework and action plan.

##### **Lancaster & Morecambe Economic Development Zone**

December 2008 was an important milestone in the Council's regeneration activity. It marked the completion of the Lancaster & Morecambe Economic Development Zone regeneration programme, which has successfully drawn in almost £8 million of European funding for major regeneration projects. This is the largest single regeneration programme ever handled by the City Council, and it has been a significant achievement in itself that the Council has succeeded in drawing down and

managing almost the full amount of EU funding despite some difficult and challenging circumstances.

Projects supported under the EDZ included:

- City Lab
- Luneside East
- Storey Institute
- Port of Heysham Industrial Park
- Heysham Industrial Estate access improvements
- Important elements of the cycle and walking network which have in turn helped secure Cycle Demonstration Town designation.

It is pleasing to see that City Lab has continued to prove popular as a home for rapidly expanding local ICT businesses, and over the past year has achieved an 80% occupancy level, accommodating 10 businesses who between them have created or safeguarded 76 jobs.

### **Luneside East**

Luneside East regeneration was the lead project initiative as part of the EDZ. This is a massively challenging long term project to transform a swathe of derelict, vacant and underused former industrial land into a vibrant new mixed use neighbourhood. The Council has worked on this over several years, supported by its funding partners, and early in 2008 it completed the first public sector stage involving the complex land assembly (including compulsory purchase) and removal of the gasholder. Since then though the project has been stalled because the credit crunch has removed the ability of the Council's developer (CTP Ltd / Development Securities plc) to proceed as planned.

This developer is ready to proceed, it has prepared for the major site remediation (clearance and clean up works) needed and has secured a planning permission for a large first phase of development. The obstacles now are the facts that banks are not lending for ventures such as this and almost all house builders have cut down their activities meaning the developer can't find a house builder to contract with. To get the project moving again the Council has decided to submit a further funding application to the NorthWest Development Agency (NWDA) for a grant to undertake the remediation works. If these can be undertaken and perhaps completed next year the development opportunity here should be very much more attractive to house builders and the developer should be able to commence construction. The developer is working closely with the Council on all this. In March Cabinet resolved that the Council should undertake the remediation works itself if this proves necessary

### **Storey Institute**

The capital construction project to restore the Storey Institute as a centre for creative industries is also now completed, and the building has been handed over to an independent, not for profit company, Storey CIC, to operate.

The completed building provides a mixture of commercial business floorspace for creative industries, new and improved galleries including a purpose designed auditorium for use by Lancaster Litfest and conferences, a bar and restaurant, and a new home for the Lancaster Tourist Information Centre.

The capital construction project has been complex and very challenging, working to a very tight budget, and I am pleased to be able to say that it has been completed exactly on its target cost. This has been despite a number of unforeseen problems which arose during the building works. This is the first major capital project that the Council has implemented using its new project management approach, LAMP, and this has undoubtedly contributed to the successful completion of the project, together with the benefits of using a modern “partnering” construction contract. The involvement of members of Storey CIC board on the project board has also been very beneficial.

Storey CIC have taken occupation of the Storey Institute under a 30 year full repairing lease. The Council has agreed to provide some revenue support for the initial two years operation of the new centre, and it needs to be noted that the current economic climate will make it more challenging for the project to break even than was originally envisaged.

### **Lancaster Science Park**

Lancaster Science Park remains a high strategic priority for not just the City Council but also the Vision Board, LSP, Lancaster University, and Northwest Development Agency

The City Council's economic development service is leading on this project, and over recent months has been working towards submission of a new outline planning application for the Science Park. This is a critical next step in terms of completing the acquisition of the site and also in preparing the way for recruitment of a private sector development partner.

The most significant problem to overcome has been highways issues associated with peak hour queues between Galgate and the motorway junction. Specialist highways consultants have been appointed to address this issue and agree appropriate solutions with County Highways and Highways Agency.

Public consultation over the science park plans took place in early March, and it is anticipated that the planning application will be submitted on 13<sup>th</sup> April 2009.

### **Support for Local Businesses**

#### **Business Development Grant Scheme**

The Council's Economic Development Service has been providing direct financial assistance to support new jobs in small local businesses over many years, drawing external funding from European and UK sources. Changes in external funding saw the end of the main scheme in December 2008. The final outcome of the scheme was that, since 2000, it has supported 58 businesses, the creation of 244 new jobs and the safeguarding of 60 jobs. Total expenditure on the Scheme, excluding staff time and marketing, was £231,000 of which City Council funding amounted to £49,000 (21% of the total). As noted in the Q2 PRT, the ERDF funded element of the Scheme had already exceeded its output targets on jobs created (123) and safeguarded (34) and on increased sales and safeguarded sales.

#### **New Rent Grant Scheme**

In November 2007, Cabinet approved a new, smaller scale grant scheme to replace the BDS scheme, using the Council's own resources. The new Rent Grant scheme

was launched in July 2008 and has proved very effective. It has offered grants totalling £21,255 to 13 businesses with the potential to safeguard 35 jobs and create 29 new jobs. The scheme has also been able to attract some limited additional funds through the Lancashire Local Area Agreement.

Regrettably, in view of the Council's budgetary situation it has not been possible to continue to fund the scheme in 2009/10 through the Council's own resources. Efforts are however being made to secure funds through the LSP and the outcome of a bid is currently awaited.

### **New Business Start-Up Support**

Cabinet approved proposals in January for a new partnership arrangement between the City Council and Lancashire County Council for delivery of NWDA's Business Start Up Service from April 2009. The Service provides business advice and counselling (i.e. non-financial support) to start up and early stage businesses and will be enhanced by a £50,000 contribution from the County which will be used to increase the number of businesses that can receive advice through this service and also to help target disadvantaged groups.

### **Impact of Credit Crunch – Joint Response with County Council**

The Council's economic development service has been working in partnership with Lancashire County Council to help ensure that individuals and businesses affected by the current economic downturn are able to get access to appropriate sources of advice and information. As part of this initiative, guidance notes have been issued to staff at both the City and County Councils customer contact centres, which will help them identify issues that may be related to the economic downturn and to make referrals to the appropriate advice agencies.

### **Finance**

The last year has proved a very difficult, challenging year for Financial Services, and for the Council's finances generally. The £6M of investments tied up with the collapse of the Icelandic banking sector, represents a very real low point. This, coupled with the ongoing turmoil affecting the global financial markets and the economic recession, as well as more local issues such as concessionary travel take-up, has resulted in the Council experiencing the toughest financial conditions for several years – giving rise to one of the most difficult budget setting rounds that many people remember. That said, the Council has managed these pressures and achieved its target of setting a basic Council Tax increase of no more than 4%. It has also kept this target for future years, and has updated its various financial strategies to respond to the increasing pressures it faces for activities such as treasury management, capital investment and for providing funding for the provision of day to day services generally. It has also retained its overall Use of Resources score at Level 3 – that is “consistently above minimum requirements – performing well”. The next challenge will be to maintain this level of performance, whilst still achieving the future targets for Council Tax and – just as important – managing the public and other stakeholders' expectations for service standards and delivery.

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