

CABINET

Lancaster Square Routes 4 October 2011

Report of Head of Regeneration and Policy

PURPOSE OF REPORT			
To update on this initiative and to propose how the Council might continue to support implementation including making available additional resources via a capital growth proposal in the forthcoming budget.			
Key Decision	<input checked="" type="checkbox"/>	Non-Key Decision	Referral from Cabinet Member
Date Included in Forward Plan	29 August 2011		
This report is public			

RECOMMENDATIONS OF COUNCILLOR HANSON

That Cabinet

- (1) Notes progress in delivering first phases of improvements as part of Lancaster Square Routes including in Market Square.
- (2) Note that officers will in due course report to the appropriate portfolio holders on the future layout of the outdoor market, potentials for a street café(s) in Market Square and how the existing Traffic Regulation Order for the city centre pedestrian zone might best be revised and subsequently enforced.
- (3) Notes that officers will report to the portfolio holder on any need or potential to support the county council in works to remedy the surface condition of Penny Street and Horseshoe Corner in a way that is consistent with the Lancaster square routes design visions and that the anticipated balance of funds in the city centre investment after the first phase of works in Market Square fund for Lancaster Square Routes be reserved for this purpose pending further reporting.
- (4) That in preparing its proposals for the 2012/13 General Fund Capital Programme as part of the budget process, Cabinet considers including an additional £300K contribution to the city centre investment fund for Lancaster Square Routes in order to provide for a second phase of works in Market Square.

1.0 Introduction

- 1.1 The report to Cabinet of 5 October 2010 (Minute 51) on Lancaster Square Routes and preceding reports on the subject as referred to therein provide full context and briefing on this initiative.
- 1.2 Lancaster Square Routes is identified under the Economic Regeneration priority in the 2011-14 Corporate Plan and is an ongoing programme of project activity managed in accordance with the council's project management procedures.
- 1.3 Cabinet at its meeting on 5 October 2010 decided to contribute £220k towards a new city centre investment fund with a view to considering the possibility of further contributions in subsequent years, depending on the success of the initial tranche to attract external investment. This contribution was confirmed by Council on 2 March 2011.
- 1.4 This report updates on progress and suggests that the council make an additional contribution to the investment fund to facilitate onward delivery in priority locations from April 2012.
- 1.5 The report is brought forward at the request of the portfolio holder.

2.0 Proposal Details

Improvements presently being brought forward

- 2.1 Over the year since last October officers led from the Regeneration and Policy Service have undertaken a considerable amount of work to bring forward and latterly start to deliver the improvements needed with a main focus on the top priority location - Market Square.
- 2.2 For the Square the broad aim is to make it fitting as the civic centre of the city, a place more pleasant and enjoyable for people to spend time in and one capable of being used much better for a range of activities. Key to the thinking is that the better use of the Square should extend well into the evening and will help bear down on anti-social activities.
- 2.3 As reported to Cabinet last month a first phase of works to the Square is planned for this autumn. As reported this includes for removal of the fountain, surfacing to set the template for the new layout, new improved street lighting extending also to the length of Market Street and illumination of the front façade of the Old Town Hall.
- 2.4 The first phase works to Market Square are to be financed from the 220 k investment fund for Lancaster Square Routes.
- 2.5 Officers are also working:

- to devise a better layout for the outdoor market from delivery of the Market Square first phase.
- to bring forward a proposal to make available a part of the Square for use as a street café - initially for a trial period. Officers are liaising closely on this with the Lancashire Constabulary.
- with officers at the county council to consider how the City Centre Traffic Regulation Order might best be revised and subsequently enforced to facilitate improved future management of vehicular access to the pedestrian zone to the benefit of the general amenity and public safety.

- 2.6 Officers will report on the above to the portfolio holders in due course.
- 2.7 The other project now being prepared for implementation in the early new year is new lighting and surfacing for Ffrances Passage, presently an unsatisfactory yet key pedestrian connection between the pedestrianised centre and the main car parking areas to the east.
- 2.8 The works in Ffrances Passage are to be financed from a £73,400 private contribution to Lancaster Square Routes that is specific to Ffrances Passage, - secured via agreement under S106 of the Town and Country Planning Act. This contribution is additional financing to the £220 k contribution.
- 2.9 The private contribution evidences how the council is able to secure private financing to Lancaster Square Routes and officers had hoped to accrue more contributions to date by this means. That this has not happened to date is really a function of the development market continuing to be weak with little new private investment and development coming forward via which contributions might be secured. Officers continue to work on securing such contributions and anticipate success in this as development proposals come through over time.
- 2.10 Further, integral to the council's present work to improve the centre and support its performance is working with the owners of properties to encourage improvements to the condition and appearance of buildings where required and to promote good standards of maintenance and repair. The council has recourse if necessary to use its powers under Section 215 of the Planning Act (1990) to ensure that such improvements are undertaken.
- 2.11 The verified capital costs to the council of the first phase of works in Market Square and Ffrances Passage, excluding for contingency allowances, are broadly as follows:

<u>Works</u>	<u>Market Square (Phase 1)</u>	<u>Ffrances Passage</u>
<u>Streetworks (surfacing etc)</u>	<u>90 k</u>	<u>40 k</u>
<u>Street lighting</u>	<u>23 k</u>	<u>9 k</u>

<u>Amenity illumination</u>	<u>30 k</u>	<u>10 k</u>
<u>Sub Total</u>	<u>£143 k</u>	<u>£59 k</u>

- 2.12 The costs summary excludes for significant costs the county will meet in providing the new street lighting. The county is meeting the costs of the lanterns meaning the city is required to finance only the installation and fixing. The county will meet all subsequent maintenance and running costs. The city council will maintain the lighting to the Old Town Hall and meet the subsequent running costs from its established operational budgets.

Possible next project phases

- 2.13 A second phase of works in Market Square in 2012/13 could provide the multi-purpose feature / art “platform” in place of the fountain, new surfacing for the periphery of the Square and new street furniture, signage and interpretation.
- 2.14 This would effectively complete what should be a transformation notwithstanding any works to the immediate curtilage of the Old Town Hall that are otherwise subject to proposals for the future use of this building that the council might bring forward.
- 2.15 With such a second phase the Square will a fitting civic focus and as fit for purpose as possible for its use for the outdoor market and as a place for performance and possibly to accommodate a street café (s).
- 2.16 A rejuvenated Market Square is important to maintain the attraction of the established commercial centre and to position it well to benefit from possible change such as to the use of the Castle and proposals such as any Canal Corridor redevelopment.
- 2.17 In considering the next steps officers also want to inform members of a further matter. The County Council as highway authority may undertake works to highway standards later this year or very early next to Penny Street / Horseshoe Corner to rectify surfacing material failures resulting from past poor specifications. The material failures are now very obvious and mean that these streets now appear increasingly in a very bad way.
- 2.18 As part of its partnership working with the county council members may wish to consider whether they want to reserve the ability for the city council to top up what is likely to be an otherwise standard highway specification as far as possible to give a finish on these streets that is complementary with the design approaches being sought through Lancaster Square Routes. This would enable elements of the Square Routes design vision to be achieved in an efficient and relatively low cost way.

Financing possible next project phases

- 2.19 The first phases of Lancaster Square Routes reported on above will likely leave a balance of just under £80K in the investment fund (including for the assumption that the whole of the £73,400 private contribution will be committed).
- 2.20 The significant work required of officers to prepare a second phase of work for Market Square can only be justified if there is certainty that funding to deliver is available. Unfortunately no certainty is available on timescales coming through planning contributions towards Lancaster Square Routes. Further, it is too early to anticipate the outcome of the process to possibly establish a Business Improvement District (BID) and in any event it might be anticipated that there will be other demands on what may prove to be relatively small sums of monies.
- 2.21 The only way of delivering a second phase of work in Market Square soon after the first is therefore if the council allocates additional funding to effectively underwrite the costs. Subsequently, should private contributions come forward to the level hoped for the council contribution might then be lowered and / or more projects delivered..
- 2.22 At this stage officers consider that £300k is a reasonable outline estimate of costs for a second phase of works in Market Square, reflecting for the considerable cost efficiencies that officers are confident they can secure as compared to the original estimates provided by Gillespies. This should cover for the new “platform”, extensive surfacing works, new street furniture and potentially, some costs in the layout of the upgraded outdoor market.
- 2.23 If the likely balance in the investment fund after Market Square phase 1 is applied in line with the established delivery priorities for Lancaster Square Routes then the additional sum required to meet the estimate for a second phase is £220 k.
- 2.24 Should members also want to have the facility to enhance any works by the county council to Penny St / Horseshoe Corner, notwithstanding that Market Square is otherwise the priority, officers advise that the costs could be met from within what is likely to be the balance in the investment fund after the Market Street first phase. Accordingly, this balance might be reserved for the purpose, meaning it is an additional £300 k of funding that would be required from the council if it is to be able to fund the second phase of work to Market Square soon after the first.

3.0 Details of Consultation

- 3.1 Consultation relating specifically to the Square Routes initiative was reported to Cabinet in June 2009 (minute 23) and December 2009 (minute 95). It involved extensive public and stakeholder engagement. Further to this, the detailed designs were presented to the Overview and Scrutiny Committee at

its meeting on 8 September 2010.

- 3.2 Continuing engagement and consultations includes with the Highway Authority, the Chamber of Commerce, the Charter Market, the Lancashire Constabulary and with businesses close to the project locations.

4.0 Options and Options Analysis (including risk assessment)

- 4.1 **Option 1 - As per the established project priority for Lancaster Square Routes to reserve the balance of funding likely remaining in the investment fund after Market Square phase 1 towards a second phase of work in Market Square and in addition, in preparing its General Capital Fund budget proposals for 2012/13, Cabinet to consider recommending an additional £220k contribution to the Fund.**

- 4.2 This option has the **advantages** of positioning the council to undertake a second phase of works to Market Square if it wishes to achieve the Square Routes design vision and also does not preclude the council securing further private contributions to Lancaster Square Routes and actually might assist this by adding further credibility as to delivery.

- 4.3 The main **disadvantages** are that the balance of funding likely to be remaining in the investment fund after completing a first phase of works to Market Square is of itself insufficient to fund a worthwhile second phase and insufficient to complete works to the Square. Also that this option does not position the council to be able to enhance the specification of highway works to Penny Street and Horsehoe Corner in a way consistent with the Square Routes design visions.

- 4.4 The option presents no real **risks**.

- 4.5 **Option 2- After completing the first phase of works to Market Square, reserving the balance of council funding likely remaining in the Investment Fund for Lancaster Square Routes fund to enhance the specification of any highway works to Penny Street and Horsehoe Corner and, in preparing its General Capital Fund budget proposals for 2012/13, Cabinet considers including an additional contribution estimated at £300k to the fund in order to facilitate a second phase of works to Market Square.**

- 4.6 This option has the **advantages** of both positioning the council to undertake a second phase of works to Market Square to achieve the Square Routes and permitting the council to take an opportunity to secure improvements to Penny Street and Horseshoe Corner consistent with the design visions for Lancaster Square Routes. Further, it both does not preclude the council securing further private contributions to Lancaster Square Routes and actually might assist this by adding further credibility as to delivery.

- 4.7 The only **disadvantage** is that reserving the balance of approved funding for Penny Street / Horseshoe Corner means that should Cabinet wish to recommend to council as part of the budget process that it should allocate additional funding to undertake a second phase of works to Market Square the call on additional council resources will be higher than it would were this funding not so reserved.
- 4.8 The option presents no real **risks**.
- 4.9 **Option 3 – As per the established project priority for Lancaster Square Routes to reserve the balance of funding likely remaining in the investment fund after Market Square phase 1 towards a second phase of work in Market Square and await sufficient private contributions before proceeding with a second phase of works to the Square**
- 4.10 This option has the **advantages** of retaining the ability for the council to draw in further private contributions and of making no additional demand on the council's capital funding resources.
- 4.11 However it has the **disadvantages** of meaning the council will not have any ability to influence the timing by which it can bring forward a second phase of works to complete improvements to Market Square.
- 4.12 Consequently it **risks** that the council cannot bring forward a second phase in a timely manner if at all, albeit that officers are hopeful that over time contributions will be secured and these may in time aggregate to the level of sum required.

Officer Preferred Option

- 4.13 Options 1 and 2 both provide that as part of the budget process Cabinet can consider recommending that the council make an additional contribution to the investment fund for Lancaster Square Routes towards a second phase of works to Market Square. Option 3 does not provide for this and places reliance on the council securing private contributions to a level sufficient to fund the works. This means there can be no certainty to delivery with this option.
- 4.14 By a second phase of works to Market Square the council can look to complete a transformation for the public benefit, providing:
- An environment fitting to the Square's role as the civic centre of the city
 - A place more active, pleasant and safe to spend time in
 - An improved layout for the outdoor market
 - An environment fitting and complementary to the Old Town Hall and the council's ambitions for use of this building
 - An improved setting and staging for events and performance
- 4.15 This should add to the attraction of the city to the benefit of business trading,

much needed in difficult economic conditions

4.16 Option 2 in addition gives the council the flexibility to enhance any highways works to Penny St / Horseshoe Corner consistent with the Lancaster Square Routes design visions. This should optimise the efficiency and benefits of public investment whether via the city or county councils. Neither options 1 or 3 provide for this. On balance therefore taking the relative merits of each option into account option 2 is preferred if this can be afforded.

4.17 **Officer preferred option – option 2**

5.0 Conclusion

5.1 In the context of previous decisions by Cabinet authorising the Lancaster Square Routes initiative the report sets out options for continuing delivery of the programme of work required.

RELATIONSHIP TO POLICY FRAMEWORK

The 2010-2014 Corporate Plan identifies Square Routes under the Economic Regeneration Priority and Lancaster Square Routes is identified as one of the actions under “Visitor Economy”. The Indicators for success in implementing the plan include if: the number of visitors to the district is increased and improved; the profile of the district as a visitor destination is improved; the retail offer and built environment in the city centre is improved; the economic impact of festivals and events is improved and an improved future for the district’s museums is improved. The project contributes to all these. In addition, its importance is clearly identified in the new Lancaster District Cultural Heritage Strategy.

The September 2011 Cabinet meeting considered a report on a Priorities Review that detailed on a number of areas of activity that cabinet members had requested be considered in more detail. This is to be fed into the corporate plan and budget process (Minute 34). As an existing priority Lancaster Square Routes should be considered as part of the corporate plan and budget considerations.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

Implementation of Lancaster Square Routes contributes to diversity objectives by enhancing streets and spaces for multiple uses. It contributes indirectly to positive Human Rights objectives and there are no adverse Human Rights implications. It contributes directly to meeting community safety objectives by providing an improved quality of environment that is more attractive and safer to be in by virtue of streets and spaces such as Market Square being more active and in more beneficial use into the evenings. By adding to the vitality of the city centre it supports sustainable patterns of travel and consumption. There are no rural implications.

LEGAL IMPLICATIONS

There are no direct legal implications arising from this report.

FINANCIAL IMPLICATIONS

£220 k of funding is identified in the council's General Fund Capital Programme for 2011/12 and the costs of the first phase of works in Market Square can be met from this leaving a balance of likely just under £80 k for future expenditures. £73,400 is available via a private contribution through a planning agreement specifically towards the costs of works in Frances Passage. Additional financing for any next phases of Lancaster Square Routes delivery is subject to consideration in the budget round for 2012/13 and future years. Cabinet's decision on this report should inform its budget recommendations to council in the upcoming budget round.

Improvement works will have management and maintenance implications and these must be factored for in design and specification and the cost implications considered.

OTHER RESOURCE IMPLICATIONS

Human Resources:

These will be met from within existing officer resources committed to the Square Routes programme of work.

Information Services:

None

Property:

None direct

Open Spaces:

None (Lancaster Square Routes adds to the public value and amenity of streets and spaces).

SECTION 151 OFFICER'S COMMENTS

The budget needed to complete Phase 1 of Market Square is now lower than that reported verbally to the September Cabinet meeting; at that time it was expected that the full £220K would be required. This presents Cabinet with options around the remaining funds available (approaching £80K).

More generally, the s151 Officer would highlight that consideration of potential growth as part of the budget process is in line with the Council's Medium Term Financial Strategy. It ensures that all such growth bids can be considered alongside each other in context of the Council's proposed priorities and other spending needs or requests, and what is affordable. At present the Council's financial outlook shows that it needs to make financial savings, however, and this need would increase in order to provide any scope for growth. There is always the risk that even if growth proposals are to be considered further, they will ultimately prove unaffordable given other spending pressures. Expectations of stakeholders therefore require careful management.

MONITORING OFFICER'S COMMENTS

The Deputy Monitoring officer has been consulted and has no further comments.

BACKGROUND PAPERS

Regeneration and Policy Service files
Cabinet decision of 5 October 2010 (minute 51)

Contact Officer: Julian Inman , Senior Planner (Regeneration)
Telephone: 01524 582336
E-mail: jinman@lancaster.gov.uk
Ref: LSR-03