

# **POULTON AREA RENEWAL TASK GROUP**

## **Final Report**

A Report of the Overview & Scrutiny Committee

<b><u>Contents</u></b>	<b><u>Page</u></b>
Foreword	3
1 Introduction	4
2 Summary of Recommendations	5
3 Role of the Poulton Area Renewal Task Group	6
4 Status of this Report	8
5 Background and Context	9
6 Findings	10
7 Conclusion	16
<b>Appendices</b>	
Appendix 1: Summary of written submissions from members of the public to the Chairman of the Poulton Area Renewal Task Group in response to a publicised request: June/July 2005	17
Appendix 2: Interim Report of the Poulton Area Renewal Task Group	20

## **Foreword**

I am pleased to have the opportunity to write the foreword for this the final report of the Poulton Area Renewal Task Group. The Task Group has unfortunately faced delays in completing this complex piece of work and I would like to record my thanks for the perseverance of Members of the group for seeing the task through to its completion. I am hopeful that the suggestions made by the group will assist the Council in improving its renewal and regeneration activities and that the lessons learned can be put to good use in the future redevelopment of the West End of Morecambe.

Cllr Emily Heath  
Chairman  
Overview & Scrutiny Committee

# **1 Introduction**

“This report follows the Interim Report that was published and approved by the Overview and Scrutiny Committee in March 2005, and presented at Cabinet in June 2005. The first report was an interim report, rather than final one, because at the initial meeting of the Task Group, held on 14 October 2004 the Internal Audit Manager had advised that, considering the nature of an ongoing investigation, two proposed terms of reference for the Group should be deferred for the time being. These were:

- 6 To assess the effectiveness of public consultation and communication; and**
- 7 To ascertain that the Council has procedures in place to ensure that dealings in properties offer a fair deal to all, and are in accordance with best practice.**

We have used the views and comments expressed to us about the effectiveness of the council’s consultation and about recent Council regeneration, to produce the recommendations which appear in this, the Task Group’s Final Report.

This report deals primarily with the last two of our terms of reference, and in this context, we particularly acknowledge our debt to the report by the Internal Audit Manager into “Poulton Property Dealings and Communications Issues” which was presented to us on 23 June.

We have also used this final report to add precision to aspects of our Interim Report concerning the use of measurable indicators to identify progress towards the objective of creating sustainable communities.

Our aim throughout has been to make recommendations that will enhance the positive impact of regeneration, and help ensure that change is effective in improving the environmental, economic, and social sustainability of the area, for the benefit of local people.”

**Cllr J. Roger Mace**  
**Chairman**  
**Poulton Area Renewal Task Group**

## **2 Summary and Recommendations**

On the basis of evidence received by the Task Group from March 2005 to date regarding renewal, regeneration, consultation and sustainability in Poulton, this report focuses on improving the effectiveness of such aspects and has made a number of recommendations. These recommendations should be noted along with those outlined in the Interim Report (Recommendations 1 to 9).

### **Recommendation 10**

That the Council considers establishing a single set of sustainability indicators which set out the characteristics of sustainable communities in as objective a way as possible, along with baseline measures, and that this procedure be applied to every regeneration scheme or major renewal project in the future, so as to provide for monitoring the success of regeneration and renewal expenditure in achieving locally determined targets. E.g. it would be expected that deprivation falls as a result of regeneration and deprivation is measured by an index (~index of multiple deprivation) that can be applied across schemes.

### **Recommendation 11**

That Cabinet be asked to note the report and recommendations of the Acting Head of Engineering Services concerning sustainability in the construction phase of the Poulton Area Renewal Scheme.

### **Recommendation 12**

- a) That Cabinet be asked to note the conclusions of the Internal Auditor concerning the effectiveness of the Council's public consultation and communication, and
- b) That the issues raised are being addressed in consultation with the relevant managers and Directors, and will be the subject of a full report to the Council's Audit Committee in due course.

### **Recommendation 13**

That Cabinet be asked to note the conclusions of the Internal Auditor, relating to whether the Council has procedures in place for dealings in properties that offer a fair deal to all, and are in accordance with best practice, and that the issues raised are being addressed in consultation with the relevant managers and Directors, and will be the subject of a full report to the Council's Audit Committee in due course.

### **Recommendation 14**

<p>That the Cabinet responds to the suggestions submitted to the Task Group by members of the public, as set out in Appendix 1 to this report.</p>
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### **3 The Role of the Poulton Area Renewal Task Group**

#### **3.1 Terms of Reference**

The Task Group worked to the following Terms of Reference:

- 3.1.1. To review progress in implementing area renewal in Poulton, including the activities associated with the innovative Poulton Homezone Project.
- 3.1.2. To ascertain the objectives of Council policy relating to Poulton area Renewal and Homezone, the assessment of criteria and the performance indicators for measuring the success of this area of activity.
- 3.1.3. To assess the objectives of Poulton Area Renewal and Homezone by performing an impact assessment involving selected themes and criteria based on the district's strategy for sustainable development.
- 3.1.4. To receive financial analysis of the project and a breakdown of the component parts.
- 3.1.5. To discuss with the Cabinet portfolio holder what progress has been made and what performance has been achieved with regard to the Poulton Area Renewal and Homezone since May 2003, and what are the plans for the future development and implementation of this area of activity.
- 3.1.6. To assess the effectiveness of public consultation and communication.
- 3.1.7. To ascertain that the Council has procedures in place to ensure that dealings in properties by the Council offer a fair deal to all, and are in accordance with best practise.

#### **3.2 Membership of the Group**

The Group comprised Councillors Roger Mace, Susan Bray, John Day (from 19<sup>th</sup> May 2005), John Gilbert (until 18<sup>th</sup> May 2005), and Peter Robinson, with administrative support from the Principal Democratic Support Officer, James Doble, and the Democratic Support Officer, Georgina Atkinson. Ward Councillors for the Poulton Ward were originally members of the Group, but subsequently withdrew and were later excluded from membership because of the potential for conflict of interest.

The Group reports to the Overview and Scrutiny Committee and is constituted with nine members based on a proportional representation. However, the Green Group declined to appoint a member, the Independents chose not to take up the two places to which they were entitled, and the Labour Group only has one appointee instead of three.

The Group gratefully acknowledges the contributions and evidence, since March 2005, given by:

- Steve Matthews, Strategic Housing Manager
- Ron Eckersley, Acting Head of Engineering Services

- Richard Tulej, Head of Corporate Strategy
- John Deacon, Neighbourhood Manager, Poulton Neighbourhood Management Board
- Derek Whiteway, Internal Audit Manager
- David Lawson, Forward Planning Manager
- Julian Inman, Senior Planner
- Darren Clifford, member of the Federation of Small Businesses.

Those who contributed and provided evidence prior to March 2005 were acknowledged in the Task Group's Interim Report.

### 3.3 Timetable of Meetings

Date of Meeting	Who gave evidence?	Issues Scrutinised
19/05/05	Ron Eckersley Richard Tulej David Lawson Julian Inman	The Council's Sustainability Appraisal
16/06/05	Ron Eckersley Darren Clifford	Sustainability Parking restrictions and consultation
23/06/05	Steve Matthews Derek Whiteway	Poulton Consultation Strategy Property Purchasing

### 3.4 Documentary Evidence Considered

- Sustainability Appraisal Scoping Report – June 2005
- Poulton Neighbourhood Renewal Assessment Report - June 2000
- Street Warden's Evaluation Report
- Poulton Neighbourhood Management Board Homezone Survey – May 2005
- Poulton Neighbourhood Management Board Delivery Plan 2005/06
- Poulton Property Dealings and communications – Internal Audit Investigation – Report of Internal Audit Manager.

Please note that all documentary evidence considered by the Task Group prior to March 2005 has been referenced in the Interim Report.

## **4 Status of this Report**

This report is the work of the Poulton Area Renewal Task Group, on behalf of the Overview and Scrutiny Committee, and where opinions are expressed they are not necessarily those of Lancaster City Council.

Whilst we have sought to draw on this review to make recommendations and suggestions that are helpful to the Council, our work has been designed solely for the purpose of discharging our work in accordance with the Terms of Reference agreed by the Overview and Scrutiny Committee. Accordingly, our work cannot be relied upon to identify every area of strength, weakness or opportunity for improvement.

This report is addressed to the Overview and Scrutiny Committee of Lancaster City Council for whom it has been prepared. The Task Group take no responsibility for any Member or Officer acting in their individual capacities or to other third parties acting on it.



## **5 Background and Context**

The Task Group was established by the Overview and Scrutiny Committee at its meeting on 14 July 2004. At this meeting a number of residents of the Poulton Area expressed concerns that there had been changes to the Area Renewal which had affected the boundary of the scheme. Additionally Councillors present expressed concern over their own lack of information regarding the scheme and concerns over the property purchasing elements of the scheme.

The Committee resolved to establish the Poulton Area Renewal Task Group and Terms of Reference for the Group were negotiated by Councillors Roger Mace and Peter Robinson, with the Principal Democratic Support Officer and later with the Director (Corporate Services). The Group met for the first time following the summer recess in October 2004. At the first meeting it was agreed that the Task Group required a briefing on Poulton Area Renewal and Homezone in order to place the issue in context.

A briefing of Poulton Area Renewal and Homezone was provided for the Task Group by Steve Matthews (Strategic Housing Manager) and Jim Robson (Head of Engineering Services) at the meeting on 25<sup>th</sup> November 2004. It was reported that the renewal work looked at the profile of the Poulton area, and whilst renewal was primarily based on improving housing stock and conditions, environmental, economic and social regeneration. In broad terms the regeneration scheme aimed to improve people's lives through improving the environment in which they lived. Poor quality housing was removed from the housing stock or renovated, and 25 flats were created into seven large family houses with gardens. Grants were also awarded in order to help residents enhance their homes.

In terms of success factors it was noted that 39 per cent of people now felt that area was improving which constituted a huge shift compared to the base line data. Property value in the area had increased from 58 per cent of the district value to 78 per cent. Unfit property was now down to 5 per cent.

At the first meeting of the Task Group, on the advice of the Head of Internal Audit, it was noted that an internal audit investigation was taking place into aspects of the Poulton Area Renewal which would necessitate the deferral of work on terms of reference 3.1.6 and 3.1.7 until after the outcome of the audit investigation was known. On the advice of the Head of Internal Audit, the Task Group agreed that they would not explore Terms of Reference 3.1.6 and 3.1.7 until the investigation was over. Additionally the Task Group agreed they would not formally visit the Poulton Area or take evidence from the public in relation to communication (Term of Reference 3.1.6) until the investigation was completed.

At that point (March 2005), the Interim Report of the Task Group was published, which includes Recommendation 1 to 9. This was approved by the Overview and Scrutiny Committee and later presented to Cabinet where a number of the recommendations were agreed on.

With the internal Property Purchasing investigation now complete, the Task Group has been able to draw up a number of recommendations with regard to this and to prepare its Final Report. The Task Group has also attempted to extend and complete its Sustainability Research, including asking the relevant Services to establish baseline figures in order to ascertain when an indicator or target was successful, and therefore sustainable.

## 6 Findings

### 6.1 To ascertain the objectives of Council policy relating to Poulton area Renewal and Homezone, the assessment of criteria and the performance indicators for measuring the success of this area of activity.

In addition to the recommendations made in the Interim Report with regard to Sustainability, a further recommendation has been made following research that was not completed prior to publication of the previous report. Members selected 11 Sustainability Indicators from the Housing Corporations Sustainability Toolkit that would be relevant to the Poulton Renewal and help ascertain a view of the achievements of the project.

The 11 indicators were forwarded to the relevant Services for information, and were requested to provide baseline figures that would measure the stage of an indicator, and therefore measure sustainability. It was agreed by the Members that such baselines figures were essential when trying to ascertain when a project had been successful or not, as they provided a means to identify when an area would become classed as a 'sustainable' community.

From contact with the relevant Services, it became apparent that there are currently no baseline figures in place to measure sustainability, and resources were not available for sample baseline data to be prepared for the Task Group to assess. Accordingly, the Task Group has formed the view that the City Council needs a single set of indicators setting out the characteristics of sustainable communities in as objective a way as possible, along with baseline measures, that can be applied to every regeneration scheme or major renewal project in the future. Having such indicators and measures in place will allow for monitoring the success of regeneration and renewal expenditure in achieving locally determined targets.

#### **Recommendation 10**

That the Council considers establishing a single set of sustainability indicators which set out the characteristics of sustainable communities in as objective a way as possible, along with baseline measures, and that this procedure be applied to every regeneration scheme or major renewal project in the future, so as to provide for monitoring the success of regeneration and renewal expenditure in achieving locally determined targets. E.g. it would be expected that deprivation falls as a result of regeneration and deprivation is measured by an index (~index of multiple deprivation) that can be applied across schemes.

### 6.2 To assess the objectives of Poulton Area Renewal and Homezone by performing and impact assessment involving selected themes and criteria based on the district's strategy for sustainable development.

The Acting Head of Engineering Services provided a short report that seeks to identify areas in the construction phase of the Poulton Area Renewal Scheme that

could be regarded as ‘quick wins’\* for the developing sustainability agenda, that could help provide a focus and direction for the City Council.

(\* ‘quick wins’ – options for using higher levels of recycled content that are also cost-effective or at least cost neutral, that offer comparable performance and quality and are readily available in the marketplace.)

In the report, the Acting Head of Engineering Services outlined that, due to little or no construction and demolition waste being recycled or reclaimed for further use, constructors are under increasing pressure to recycle more, as landfill cost increases. There is a need for the market to respond with increased demand for their recovered materials which is a change that will be fuelled through the Office of the Deputy Prime Minister’s Planning Policy Statement 1 (2005), which advocates that local authorities take the lead and ask developers to use waste resources wherever possible.

Curbing the use of virgin materials can be argued to be a key element of overall sustainability and through procurement this objective could be achieved more quickly and effectively. The Government’s new framework for Sustainable Development sets new goals for the UK to be a leader in sustainable procurement by 2009. Recycled content can be increased at no extra cost, but there is also the potential for cost savings. In addition, setting a requirement for this is a simple measurable way of showing that the City Council is acting on the sustainability agenda.

The landfill benefits are substantial, and moreover in the longer term, specifying recycled materials in procurement will create a virtuous circle. Stimulating the demand for recovered materials will increase their economic value, and therefore offset or reduce the cost of waste management in construction, demolition and other commercial operations. This can be achieved at no extra cost.

Extract from the joint case studies of Costain and Taylor Woodrow into the potential use of recycled content in construction: -

<b>Case Study</b>	<b>Actual practice</b>	<b>Higher recycled content readily achieved at no extra project cost</b>	<b>Potential recycled content at no extra project cost</b>
Terraced house	16%	19.5%	27.5%
Detached house	16.5%	20%	30%
Flat	16.5%	20%	30%
Primary care centre	17.5%	21.5%	27%
Commercial office building	22%	26%	30%

The Acting Head of Engineering Services set out a number of conclusions to justify the reasons why the City Council should consider adopting the Sustainability Agenda, as follows:

- The construction sector needs to use material resources more efficiently and to encourage this Lancaster City Council should require evidence in its selection process for Contractor Partners that this aspect has been factored into their proposals.
- Taking action to ensure that projects use a proportion of recovered material provides the opportunity for Lancaster City Council to make quick wins in the sustainability agenda

- Evidence shows that this can be achieved at no extra cost using mainstream materials.
- By setting a simple measurable outcome in the Poulton Area Renewal project of say 10% of recycled materials by value, the Council will be seizing the initiative by taking a lead.

Subsequently, he was able to establish a number of recommendations as to how the City Council could adopt this practice, as follows:

- That the procurement process for future Contractor Partners in the Poulton Area Renewal Scheme fully addresses sustainability in the selection process.
- A target of 10% for recycled and recovered materials by value is set by the Council for this project with a view to increasing this figure as confidence and knowledge is developed.

#### **Recommendation 11**

That Cabinet be asked to note the report and recommendations of the Acting Head of Engineering Services concerning sustainability in the construction phase of the Poulton Area Renewal Scheme.

### **6.3 To assess the effectiveness of public consultation and communication.**

The Internal Audit Manager has reported to the Task Group on matters of a procedural nature concerning the Council's handling of property acquisition and other associated matters related primarily with the Poulton Homezone scheme.

In his consideration of consultation and communication issues, the Internal Audit Manager has reported to the Task Group as follows:-

"In embarking on the investigation, I was conscious that a number of the concerns raised related to the effectiveness of consultation and communication, particularly regarding the Homezone scheme. Whilst the scheme was essentially concerned with highways and public space, the main areas of concern have related to the acquisition of property. In terms of public consultation and communication, these concerns appear to have been grounded in the following:

- a) A low level of "buy-in" to the project on the part of residents. This was commented upon by the consultants Groundworks Rossendale, who reported a view that the scheme was regarded as being imposed on the area by the Council rather than being canvassed for by the community. In their experience, the latter scenario gave rise to greater engagement and a more effective scheme.
- b) The production of Homezone plans which incorporated a number of options. These options related mainly to the potential clearance of alternative properties within the Homezone area to provide open space and residents' car parking. The existence of these options, and the Council's subsequent actions to pursue the purchase of alternative properties, have been a source of confusion and concern for the relevant individuals.

- c) Changes to the Homezone boundaries and plans for particular properties. In reaching the finally delivered scheme, a number of changes were made. These were influenced by budget constraints, environmental considerations relating to other schemes (notably the Townscape Heritage Initiative), and by the emergence of alternative approaches, notably the opportunity to engage a partner Housing Association in developing existing property in the area.

It has been clear that these factors have contributed to suspicion amongst individuals and amongst the community as to the Council's motives in some of its property dealings. In establishing effective consultation and communications in handling projects of this nature, I have concluded that the Council should seek to ensure that:

- i) Appropriate consultation is undertaken prior to the selection of schemes to inform a robust project appraisal linked to clear objectives and outcomes;
- ii) Effective and proactive use is made of the range of available communication channels (direct personal, public notice/press release, residents' groups, etc) in order to communicate clear and consistent messages about the Council's position and intentions.
- iii) In particular, active and timely communication is used to provide openness and accountability in respect of any changes in the Council's objectives or intentions that may have an impact on affected property owners."

The Task Group accepts these conclusions and has noted that issues that gave them concern are currently being addressed in consultation with the relevant Managers and Directors.

#### **Recommendation 12**

- a) That Cabinet be asked to note the conclusions of the Internal Auditor concerning the effectiveness of the Council's public consultation and communication, and
- b) That the issues raised are being addressed in consultation with the relevant managers and Directors, and will be the subject of a full report to the Council's Audit Committee in due course.

#### **6.4 To ascertain that the Council has procedures in place to ensure that dealings in properties by the Council offer a fair deal to all, and are in accordance with best practice.**

The Internal Audit Manager in his consideration of the effectiveness of existing procedures in relation to concerns expressed over the Council's property dealings, reported he had concluded the following:

- a) "The progression of proposals to purchase private properties, from the Poulton Neighbourhood Management Board, through to approval by the Cabinet were constitutionally sound.
- b) All owners were approached on the basis of a voluntary sale and those purchases that were made were concluded on this basis.

Notwithstanding this, I have concluded that there is a need to strengthen procedures in the following ways:

- i) Clarifying the respective roles and responsibilities of Strategic Housing officers and appointed Valuation professionals (whether employed by the Council or contracted private practitioners);
  - ii) Providing clear, consistent advice to owners about their rights, particularly in relation to the nature of the proposed purchase (i.e. voluntary versus compulsory) and to their seeking independent professional advice on property valuation;
  - iii) Maintaining regular and formal documentation and correspondence with potential vendors regarding the Council's position, the status of negotiations and confirming the detail of discussions held;
  - iv) Covering these and all other relevant points in a formal procedure for property purchasing which recognises and reflects the essentially verbal nature of negotiations and the professional roles of those involved.
- c) In an area such as Poulton, the existence of a number of distinct schemes and projects emphasises the need for effective programme management. In considering the management of Homezone project, it is my view that the groups established to steer the project included appropriate representation of relevant professional disciplines. It should also be noted again that the Council has been commended by the ODPM for the level of support and partnership working established with Poulton Neighbourhood Management. Notwithstanding these factors, there is evidence that conflict has arisen between the objectives of the Homezone and other objectives in the area, which have in turn contributed to public confusion and concern over the Council's intentions regarding the acquisition of property."

The Task Group accepts these conclusions and has noted that issues that gave them concern are currently being addressed in consultation with the relevant Managers and Directors.

#### **Recommendation 13**

That Cabinet be asked to note the conclusions of the Internal Auditor, relating to whether the Council has procedures in place for dealings in properties that offer a fair deal to all, and are in accordance with best practice, and that the issues raised are being addressed in consultation with the relevant Managers and Directors, and will be the subject of a full report to the Council's Audit Committee in due course.

#### **6.5 To review progress in implementing area renewal in Poulton, including the activities associated with the innovative Poulton Homezone Project.**

The Task Group was unable to make direct contact with members of the public in the course of preparing its interim report because of the then ongoing investigation by the Internal Audit Manager, but in the past few months it has accessed the columns of *The Visitor* and has also been assisted by the local branch of The Federation of Small Businesses to draw attention to a request for evidence from the public to

inform its deliberations. The administrative timetable for producing the final report has not allowed time for detailed consideration of this evidence, which is set out in Appendix A to this report. Accordingly, the Task Group recommends that Cabinet responds to the views and comments from the public expressed therein about the effectiveness of the council's consultation and about recent Council regeneration, parking restrictions and traffic management schemes in Poulton, as summarised in the appendix to this, the Task Group's Final Report.

**Recommendation 14**

That the Cabinet responds to the suggestions submitted to the Task Group by members of the public, as set out in Appendix 1 to this report.

## **7 Conclusion**

The work of the Investigation by The Internal Audit Manager as reported to the Task Group has highlighted a number of issues where improvements to Council procedures concerning the Council's handling of property acquisition and other associated matters are recommended. The Task Group has endorsed these recommendations and commends their acceptance.