

**REPORT TO:** CABINET MEMBER - REGENERATION

**DATE:** 19<sup>TH</sup> JANUARY 2011

**SUBJECT:** NORTH LIVERPOOL/SOUTH SEFTON STRATEGIC REGENERATION FRAMEWORK

**WARDS AFFECTED:** LINACRE, DERBY

**REPORT OF:** PLANNING & ECONOMIC DEVELOPMENT DIRECTOR

**CONTACT OFFICER:** MARK LONG  
x3471

**EXEMPT/ CONFIDENTIAL:** NO

**PURPOSE/SUMMARY:**

To offer members an appraisal of the North Liverpool/South Sefton Strategic Regeneration Framework, and seek endorsement of it.

**REASON WHY DECISION REQUIRED:**

To allow the SRF to proceed to the next stage of delivery planning and resource procurement.

**RECOMMENDATION(S):**

That members:

- (i) Note this report
- (ii) Member's views are requested on the Strategic Regeneration Framework
- (iii) Approve the North Liverpool/South Sefton Strategic Regeneration Framework, as amended
- (iv) Authorise officers to begin discussions with Liverpool City Council and other partners on possible governance, decision-making and public engagement arrangements for the SRF partnership, and to present them to this committee for discussion and/or approval
- (v) Authorise officers to begin policy development and action planning for the SRF, and recommend the most appropriate options for implementing SRF action plans, programmes and projects
- (vi) No liabilities are to be entered into because of SRF without the express approval of Cabinet

**KEY DECISION:** NO

**FORWARD PLAN:** N/A

**IMPLEMENTATION DATE:** Immediately following the call-in period for the minutes of this meeting.

**ALTERNATIVE OPTIONS:** The preparation of a Strategic Regeneration Framework is seen as the best way, if not the only way, to access scarce public resources held by the HCA and other regeneration agencies.

**IMPLICATIONS:**

**Budget/Policy Framework:** There are no financial consequences as a direct result of this report and therefore the Finance Director has not been consulted.

**Financial:**

<b><u>CAPITAL EXPENDITURE</u></b>	<b>2009 2010 £</b>	<b>2010/ 2011 £</b>	<b>2011/ 2012 £</b>	<b>2012/ 2013 £</b>
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<b><u>REVENUE IMPLICATIONS</u></b>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

**Legal:** N/a

**Risk Assessment:** N/a

**Asset Management:** N/a

## CONSULTATION UNDERTAKEN/VIEWS

SRF Key Stakeholder Event – 1<sup>st</sup> March 2010  
Linacre/Derby Area Committee – 22<sup>nd</sup> March 2010  
SRF Key Stakeholder Event – 3<sup>rd</sup> November 2010

## CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Creating Safe Communities		✓	
3	Jobs and Prosperity	✓		
4	Improving Health and Well-Being		✓	
5	Environmental Sustainability	✓		
6	Creating Inclusive Communities		✓	
7	Improving the Quality of Council Services and Strengthening local Democracy		✓	
8	Children and Young People		✓	

## LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

Shape DPP (2010), North Liverpool: A Strategic Regeneration Framework 2010.  
Sefton and Liverpool Working Together

## **Background**

1. Members received a report at 27<sup>th</sup> October 2010 meeting of this committee on the North Liverpool/South Sefton Strategic Regeneration Framework.
2. They resolved to:
  - “(i) Note this report
  - (ii) Agree to support and attend the Key Stakeholder Event planned for November, with a specific invitation to members of this Committee and Linacre/Derby Area Committee, as well as other key partners
  - (iii) Refer the Final SRF document to Overview & Scrutiny (Regeneration and Environmental Services)
  - (iv) Request an appraisal of the SRF by officers, along with feedback from Overview & Scrutiny, to be presented to a future meeting of this Committee
  - (v) Concurrently with the consultation and approval process, authorise officers to begin work with Liverpool City Council, Liverpool Vision and Homes & Communities Agency on a comprehensive 3 year delivery and action plan.”
3. This report includes an officer appraisal of the SRF and requests member endorsement, subject to any final comments. It also updates members on the latest developments associated with the SRF.

## **Stakeholder Event**

4. On 3rd November 2010 a consultation event was held at Firwood Bootle Cricket Club, Bootle, Sefton. A range of local stakeholders from public, private and third sector organisations were invited to attend the event, with 74 representatives in attendance on the day.
5. Sefton’s invitation list included the Council Leader, Cabinet Members for Regeneration, Childrens Services and Technical Services, and members of Linacre/Derby Area Committee.
6. The wider invitation list included Liverpool Vision, NWDA, HCA, local businesses, The Mersey Partnership, Hugh Baird College, Merseyside Police, Skills Funding Agency, Merseytravel, Merseyside Police, Stepclever, New Heartlands, Queens Road Community Centre, Brunswick Youth Club and the Universities of Liverpool.
7. The purpose of this consultation event was to provide the opportunity for local stakeholders from the private, public and third sector in North Liverpool / South Sefton to hear progress on the Framework and to feed in additional information and suggestions to influence the final report and action plans.

8. Max Steinberg (Liverpool Vision) commenced the session with a welcome and introduction outlining the purpose of the event. This was followed by a presentation from Shelagh McNerny (DPP Shape) which provided an overview of the SRF document. For the remainder of the session the delegates were divided into 6 smaller workshop groups. Each group comprised a range of representatives from different organisations to ensure that all aspects of the SRF were covered to reflect the holistic approach adopted in the SRF.
9. A full write-up of the workshops is available on request. The event was well-received, and although not required to formally endorse the document, clearly confirmed the consensus that has built up during the SRF process.

### **The Strategic Regeneration Framework document**

10. The final version of the SRF document is available on the Council's intranet, as it is too big to attach to this agenda.
11. A Forward and Vision has been prepared to start the document, to be signed by the two Council leaders: Cllr Joe Anderson (Liverpool CC) and Cllr Tony Robertson (Sefton MBC).

### **Overall assessment**

12. As requested, officers have prepared an appraisal of the Strategic Regeneration Framework.
13. The SRF is a forward look at the future of a part of Merseyside which has failed to benefit from the wider renaissance of the city centre and Liverpool City Region. The gap between the 6 SRF wards (County, Anfield, Kirkdale, Everton, Linacre & Derby) and the rest of Merseyside has not significantly narrowed in the last decade. Without further action this gap will remain or increase as more prosperous parts of the city region forge ahead.
14. The SRF points out the costs to the local population, the business community and to public authorities of continued decline:
  - the cost to the public purse of welfare payments to a large workless population
  - risks to family life, and to the integration of young people into work and society
  - expenses associated with obsolescent infrastructure
  - housing market failure on an ever wider scale
  - physical dereliction and decay, deterring inward investment and new construction
  - the flight of capital, and economic abandonment.
15. In short, we run the risk of this part of Merseyside reaching a tipping point where people "vote with their feet" and leave. The reason for a 20 year forward look is to allow partners to consider radical alternatives, that are of sufficient scale to check and then reverse this pattern of decline.

16. The SRF makes a strong and compelling case for the positive regeneration of the area. This confidence is associated with a number of major assets and opportunities that are unique in the UK:
  - The working port at Seaforth, NW Europe's Atlantic Gateway, the UK's northern port-centric distribution hub, and a potential onshore base for offshore wind industries in the Irish Sea
  - Prime development opportunities on a massive scale next the World Heritage waterfront and the regenerated City Centre, with a major developer (Peel Properties) recruiting investors for a 40 year masterplan to develop Liverpool Waters
  - New Anfield, the stadium redevelopment for Liverpool FC, securing the future in north Liverpool of one of the world's most famous football clubs.
  
17. The SRF also explores how a framework capable of holding these high-level developments can bring forward opportunities that benefit the local population:
  - The renewal of the local retail and service offer through Project Jennifer
  - The reshaping of the housing offer through careful deletion of obsolescent housing, and introduction of private housing and a range of social rented and affordable housing in desirable modern communities – continuation of the work begun by New Heartlands
  - The development of an entrepreneurial culture leading to higher business start-up and survival rates, taking to the next level the solid achievements of the Stepclever programme
  - The development of an "energy zone" alongside the working port to capture private sector investment in sustainable energy generation and recycling
  - A locally integrated approach to family support, education and skills
  - Neighbourhood management and a framework for places.
  
18. A powerful commitment is building up in Liverpool City Council, that having first tackled Speke/Garston, then the City Centre, it is now the turn of north Liverpool. This commitment is in turn engaging with Sefton Council's desire to focus on its priority regeneration zones in south Sefton, as exemplified most recently by New Heartlands and Stepclever, and before that by South Sefton Partnership, Atlantic Gateway and the Pathway Partnerships.
  
19. Together, the two Councils are now in a strong position to forge a powerful alliance to ensure sustained investment and development in their shared priority zones. This organisational and political alignment has been demonstrated at recent SRF stakeholder workshops in March and November 2010, and builds upon earlier partnership working in the context of the Merseyside Multi-Area Agreement and Liverpool City Region.
  
20. At a time of austerity and retrenchment, members may feel cautious about taking on new and ambitious objectives. However, the bigger risk is to miss the long-term opportunity that the SRF represents, while incurring all the costs of decline.
  
21. This scale of opportunity occurs only once in a generation. The challenge is to employ new ways of working that lever in private sector investment, and maximise

the value of scarce public resources. Signing up to support the SRF does not necessarily require any Council funding commitments. This is a long term approach, and does not depend on possession of any individual funding stream, but on a strategic approach to assembling and employing all funding opportunities.

### **Governance issues for Sefton**

22. Governance - Sefton needs to be represented within the decision-making and implementation arrangements for the SRF. This will need to include representation at both member and officer levels. There is little appetite for creating a new tier of organisation to run the SRF programme, but there are alternatives – such as a joint committee between the two Council – that offer both flexibility, accountability and affordability. Appropriate governance structures will be discussed between Liverpool and Sefton Councils and brought back to this committee or Cabinet for discussion and approval.
23. Accountability - When partnership processes have been agreed, they will be ratified by Sefton Council and registered in line with the Council's policy on external partnerships (and if appropriate, for accountable bodies).
24. Implementation - A further round of policy development and action planning will be needed to translate the high-level objectives of the SRF into tangible proposals. All action plans and project proposals will require the approval of the appropriate Cabinet member, and all capital projects will be appraised and approved through the normal procedure (via Cabinet). No liabilities will be entered into without the express approval of Cabinet.
25. Community involvement - The SRF was not designed for mass participation, but to identify an overall economic trajectory. Officers for Sefton have insisted throughout on the need to involve communities at both the planning and implementation stages if the final outcomes are to be acceptable. Sefton's approach will be consistent with the Public Engagement & Consultation Standards it has signed up to through the Sefton Borough Partnership.

## **Policy issues for Sefton**

26. **Housing.** A key challenge is how do we ensure that there is a continued supply of new homes developed in Bootle? In this regard, the HMRI process has led with the delivery of new homes and especially new private sector housing which for many years previously was almost totally absent in Bootle. After the 'wind down' of the HMRI process, we need to ensure that the flow of new homes - and especially private sector homes - continues, in a situation where many sites may be contaminated and have infrastructural problems etc and will therefore require external funding support to deliver them. In the Core Strategy we will be identifying the need for a greater choice of housing as a key challenge for Bootle, in order to try to stem the flow of people away from this area - the SRF offers potential funding opportunities to be able to achieve this. We should be able to include appropriate references to the SRF in our emerging strategic housing policies in terms of land availability, affordability etc. Clearly we cannot assume that new houses will become available through this process, but we can refer to the potential for this, and take account of what does happen in our monitoring. This will then have an effect on our 5 year housing land supply and the timescale for releasing land in the Green Belt.
27. **Economic Development.** The Council is completing a Local Economic Assessment by spring 2011, and a Sustainable Economic Development Strategy will follow. The Strategy will take full account of the opportunities and assets identified in the SRF, and show how they can be utilised to strengthen the economic base, promote investment, grow jobs, and improve access and affordability to investors and developers. In particular, we will want to continue to close the business start-up and survival gap, invest in the low carbon economy, maximise the value of the Port and maritime cluster to the city region, and ensure local people get local jobs, while mitigating the impact of recession and public sector job loss.
28. **Area Management.** The SRF is consistent with Sefton's emerging approach to Area Partnerships and Area Management of services. The Localism Bill, and government's promotion of neighbourhood plans and the Community Infrastructure Levy, provide additional reinforcement for effective local action through the SRF.
29. **Transport.** The Third Local Transport Plan for Merseyside is in the final stages of development for submission to Government in March 2011. With a horizon of 2024, the overarching vision is to create a good transport system to help improve people's lives through improved access to essential services and everyday facilities and to support the growth of Merseyside's economy and to make it a better place to visit. Underpinning this will be a desire to also improve the safety and health of residents and provide value for money in all services. Development of the SRF strategy has had a key role in providing a strong evidence base for the new LTP. Recognising that transport has a significant role in facilitating the delivery of the plan, the key issues identified in the SRF area, where transport improvements would provide major benefits, will be priorities for delivery through the LTP Implementation Plans. These include increased rail capacity for people and freight, improved public transport especially for east-west movements, better management of traffic particularly on the main transport corridors including the A565, improved pedestrian facilities in shopping areas and linking to core services



and access by cycle. Liverpool City Council and Sefton Council are developing LTP Implementation plans on a 3 year rolling programme basis to deliver these aspirations within the context of available funding.

30. Port & Maritime Zone. The SRF rightly foregrounds the value of a major port to the city region and to the north of England. Some 40% of the Merseyside Maritime Cluster is located within the SRF area. We have clearly not exhausted the potential of the port and maritime zone in terms of translating throughput into value-added processing, smart logistics, or port-related uses such as energy generation and re-use of natural resources and waste. Officers are in close contact with TMP (offshore wind) and Mersey Maritime (trade development and training), as well as leading on the Port Access study. All of these will be reported to members in due course. We are aware that the port operators already face a constrained land supply to meet their operational requirements. We need to ensure that, subject to the agreement of appropriate compensation (details of a specific site currently being discussed by Peel Ports and Natural England), the Seaforth Nature Reserve site can be brought forward for development but the Port may also need to extend their operational area in other locations (e.g. to the east of Derby Road for example).
31. Bootle Town Centre. We recognise that things don't stand still in retail terms and competition from other centres (including Liverpool 1, Kirkby Town Centre) and out of centre retail development (Liverpool Waters, Project Jennifer) will intensify in the years ahead. The challenge will be how to maintain and enhance Bootle's role and function as the most important retail centre in South Sefton. This will be identified in the Core Strategy policy approach setting out the retail hierarchy. The SRF provides up-to-date evidence and a rationale for defending the retail hierarchy and for attracting investment and/or higher-order services into Bootle Town Centre.
32. Bootle Office Quarter. This has and continues to perform a key local employment role and complements Bootle Town Centre. We need to ensure that its revitalisation continues and its role is enhanced, and this will include continued refurbishment of the existing office stock and some complementary new build e.g. adjacent St John's House.
33. Local Shopping Provision/ Shopping Parades in Bootle - linked to the above, we need to recognise that the role and function of some local shopping parades will change and some may need consolidation or change to other uses. Again, the challenge will be how to ensure that they continue to perform a key local retail function. Equally importantly we need to ensure that local shopping centres, such as Seaforth, continue to perform a key local convenience retail function, albeit that this will almost inevitably mean downsizing and consolidation in the case of Seaforth.

#### **Implementation issues for Sefton**

34. As a long-term policy framework, the SRF does not need to contain specific recommendations for implementing the strategy. However, officers have begun to consider the means of delivery as part of planning for the next stage. Essentially, the two Councils can choose from any of these options:

- To implement the SRF incrementally through individual decisions on private sector projects, using planning and other regulatory powers
  - To develop and implement projects, or programmes of projects, consistent with the SRF, using a variety of public and private resources
  - To adopt or create a special purpose vehicle, under suitable democratic control, which is better equipped to deliver long-term development and investment objectives.
35. If the SRF is embedded in Liverpool and Sefton's Local Development Framework, and in other statutory plans, then development can be steered towards the long-term aims of the SRF. This will work well for incremental upgrading of designated areas, and when seeking to make development proposals from the private sector more acceptable. However, where the market is flat-lining, or investment is weak, then regulatory control will be correspondingly less effective.
36. Where external resources are available, and/or the Councils can draw on their own resources, then pro-active initiatives can be pursued that will re-shape the functions of key areas where the market cannot. This was the normal route used when public resources were flowing in volume through the Objective 1 programme, Working Neighbourhoods Fund, Housing Market Renewal Fund etc. These sources are starting to dry up, though some pockets of resource are available that need to be maximised for use by SRF. In particular, the two Councils are collaborating to submit a joint application for the SRF area under Regional Growth Fund. Further details on progress will be brought back to this committee. This approach tends to be most useful when the need is for time-limited, site-specific or bespoke support.
37. Finally, the government is looking to increase the range of policy instruments available to local authorities. The most important land and property-related instruments include:
- Tax Increment Finance
  - Community Infrastructure Levy
  - Business Improvement Districts
  - Business Bonus (for business rates growth)
  - JESSICA (EU funded property development fund).

There may in addition be cases where the local authorities are not best placed to act, and they seek to form a partnership with the private sector.

In terms of special purpose vehicles. Liverpool has several years experience of operating an Economic Development Company (Liverpool Vision) which is jointly owned by the City Council, LCCI and NWDA. Though to be absorbed by the Council in April 2010, the lessons learnt in the regeneration of Speke/Garston and the City Centre are particularly relevant to north Liverpool.

Sefton Council approved a Strategic Investment Framework in 2009 and commissioned legal and financial advice on the creation of a Local Asset Backed Vehicle. This is a public/private partnership endowed with Council assets, fuelled with external grant and providing the security for commercial borrowing to finance development. By retaining developer's profits within the company, and recycling proceeds in a rolling programme of investment, the partnership can provide a more efficient route for maximising the value of the Council's assets which would otherwise be sold off piecemeal without long-term benefit. The Council could not proceed at the time with this proposal because of adverse market conditions, but the slump in land and property prices, and the possibility of taking potential liabilities off the Council's books, may make this proposal attractive once again.

As part of delivery planning, the most appropriate mode of implementation will be determined for each activity. Members will be fully involved in these decisions.