

BOROUGH OF BARROW-IN-FURNESS

EXECUTIVE COMMITTEE

Meeting, Wednesday, 27th January, 2010
at 2.00 p.m. (Committee Room No. 4)

NOTE: Group Meetings at 1.15 p.m.

A G E N D A

PART ONE

1. To note any items which the Chairman considers to be of an urgent nature.
2. To receive notice from Members who may wish to move any delegated matter non-delegated and which will be decided by a majority of Members present and voting at the meeting.

3. **Admission of Public and Press**

To consider whether the public and press should be excluded from the meeting during consideration of any of the items on the agenda.

4. Disclosure of Interests.

A Member with a personal interest in a matter to be considered at this meeting must either before the matter is discussed or when the interest becomes apparent disclose

- 1. *The existence of that interest to the meeting.***
- 2. *The nature of the interest.***
- 3. *Decide whether they have a prejudicial interest.***

A note on declaring interests at meetings, which incorporates certain other aspects of the Code of Conduct and a pro-forma for completion where interests are disclosed accompanies the agenda and reports for this meeting.

5. To confirm the Minutes of the meeting held on 9th December, 2009 (copy attached).
6. Apologies for Absence/Attendance of Substitute Members.

FOR DECISION

- (D/R) 7. Recommendations of the Housing Management Forum, 21st January, 2010.

- (D) 8. Working Neighbourhood Fund.
- (R) 9. Budget Proposals 2010-2011.
- (D) 10. RS2010: Regional Strategy for Englands North West.
- (D) 11. North West England and North Wales Shoreline Management Plan (SMP2) Consultation Draft.
- (D) 12. Shared Legal Services.
- (D) 13. Appointment to the Barrow Local Committee – Highways Advisory Group.

PART TWO

- (D) 14. Internal Audit Service Contract.

**NOT FOR PUBLICATION BY VIRTUE OF PARAGRAPH 3 OF PART
ONE OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972
AND ACCESS TO INFORMATION (VARIATION) ORDER 2006**

**NOTE (D) - Delegated
(R) - For Referral to Council**

Membership of Committee

Councillors Guselli (Chairman)
Williams (Vice-Chairman)
Barlow
J. Hamezeian
Marcus
Millar
Pemberton
Pidduck
Richardson
Stephenson
Waiting.

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Published: 19th January, 2009

EXECUTIVE COMMITTEE

Meeting: 9th December, 2009
at 2.00 p.m.

PRESENT:- Councillors Guselli (Chairman), Heath, McEwan, Marcus, Millar, Pemberton, Pidduck, Richardson, Solloway and Waiting.

95 – The Local Government Act, 1972 as amended by the Local Government (Access to Information) Act, 1985 and Access to Information (Variation) Order 2006

Discussion arising hereon it was

RESOLVED:- That under Section 100A(4) of the Local Government Act, 1972 the public and press be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 (Minute Nos. 109 and 110) of Part One of Schedule 12A of the said Act.

96 – Disclosure of Interests

Councillor McEwan declared a personal and prejudicial interest in Agenda Item 9, Recommendations of the Housing Management Forum (Minute No. 101) – Adaptations for Tenants with Disabilities. An adaptation to his property for his wife had been carried out by AB Mitchell. He declared a personal interest in Agenda Item 12 – Prevention of Waste (Minute No. 107). He was a Member of the Regeneration and Community Services Overview and Scrutiny Committee. He also declared a personal interest in Agenda Item 17 – Grounds Maintenance Contract (Minute No. 109). He was a Member of the Waste Sub-Committee.

Councillor Pemberton declared a personal interest in Agenda Item 12 – Prevention of Waste (Minute No. 107). He was a Member of the Regeneration and Community Services Overview and Scrutiny Committee. He also declared a personal interest in Agenda Item 17 – Grounds Maintenance Contract (Minute No. 109). He was a Member of the Waste Sub-Committee.

Councillor Waiting declared a personal interest in Agenda Item 17 – Grounds Maintenance Contract (Minute No. 109). She was a Member of the Waste Sub-Committee.

97 – Minutes

The Minutes of the meeting held on 11th November, 2009 were agreed as a correct record.

98 – Apologies for Absence

Apologies for absence were received from Councillors Barlow, J. Hamezeian, Stephenson and Williams. Councillors McEwan, Solloway and Heath substituted for Councillors J. Hamezeian, Stephenson and Williams respectively.

99 – Grants Sub-Committee

RESOLVED:- To note the Minutes of the Grants Sub-Committee held on 7th October, 2009.

100 – Early Retirement Panel

RESOLVED:- To note the Minutes of the Early Retirement Panel held on 6th November, 2009.

101 – Housing Management Forum: Recommendations

The recommendations of the Housing Management Forum held on 26th November, 2009 were submitted for consideration.

N.B. The Minutes are reproduced as **Appendix 1** to the Minutes of this meeting.

RESOLVED:- That the recommendations of the Housing Management Forum be agreed as follows:-

Planning of Investment and Maintenance Services

- (i) To agree that the Stock Condition Survey be completed during the current financial year; and
- (ii) To agree to appoint Consultants to complete a review of the current Responsive Repair Contract in consultation with the Tenant Compact Working Party.

Miscellaneous Properties

- (i) To note the information regarding the management of miscellaneous properties; and
- (ii) To agree the proposals to include the investment requirements of these properties through a Stock Condition Survey.

Gas Servicing

- (i) To note information contained in the report regarding gas servicing; and

- (ii) To agree that the Housing Service adopt a 'ten month' cycle to further ensure services were completed within twelve months.

Adaptations for Tenants with Disabilities

To agree the extension of the current contract arrangement with AB Mitchell for a further two year period, commencing on 1st April 2010.

102 – Council Tax Base 2010-2011

The Borough Treasurer informed the Committee that the Council Tax Base calculation had been based on the number of dwellings on the valuation list adjusted by estimates for additions to and deletions from the list. Adjustments had also been made for exempt dwellings, disabled reductions, discounts and successful appeals.

The Council Tax Base for the financial year 2010-2011 had been set at:

The whole Borough area	21,545.98
Barrow unparished area	17,661.84
Dalton with Newton Town Council	2,493.53
Askam and Ireleth Parish Council	1,123.35
Lindal and Marton Parish Council	267.27

The base would be used to set the Council Tax for the financial year 2010-2011.

RESOLVED:- To agree the Council Tax Base for setting the Council Tax for 2010-11.

103 – Risk Policy 2009

The Chief Executive informed the Committee that the 2009 Risk Policy had been updated to include the following changes:

The minimum score above which mitigating action was required had been reduced from 16 to 15 to include risks with uncertain likelihood but a major impact;

The responsibilities had changed to reflect that the Corporate Services Overview and Scrutiny Committee would receive quarterly monitoring reports;

The responsibilities had changed to reflect that Management Team would sign the Assessment and Evaluation forms for high level risks as recommended by Internal Audit; and

Removal of risk of not being able to report against National Indicators or LAA targets because robust arrangements were now in place.

Members considered the amended Risk Policy.

The policy also required the identification of a member champion for Risk Management.

RESOLVED:- (i) To approve the changes to the Council's Risk Policy; and

(ii) To agree that the Leader of the Council would be the Member responsible for risk management.

104 – Housing Association New Building Progress

The Chief Executive informed the Committee that working in partnership with Accent Housing Association, a number of developments were currently in progress. The schemes had been financed with the assistance of funding from the Homes and Communities Agency or Recycled Capital Grants. The Committee considered the schemes.

All the schemes had been supported by the Council and reflected the needs identified either through the most recent Housing Needs Survey, or the Supported Housing Needs Assessment.

With regard to future development, there were constraints caused by the shortage of development opportunities and the Council's ability to secure funding.

In discussion with Accent Housing, a development opportunity had now arisen on Bradford Street, which adjoined the Council's Ormsgill estate. The land was in ownership of Lecks.

Initial discussions involved the site being developed with up to 20 units by Lecks with the properties being sold on completion to Accent as social housing.

Based on the most recent Housing Needs Survey he suggested the most appropriate development would be for predominantly three bedroomed houses for rent, with family sized bungalows for families with a disability. That could, however, be subject to financial remodelling by Accent HA.

He asked the Committee to support the opportunity in order that Officers could pursue the scheme's development.

RESOLVED:- (i) To note the information contained in the report; and

(ii) To agree to support the development of a new build scheme at Bradford Street in conjunction with Accent Housing Association and Lecks, subject to funding from the Homes and Communities Agency.

105 – South Lakeland District Council Local Development Framework Core Strategy

The Director of Regeneration and Community Services informed the Committee that the South Lakeland District Council Local Development Framework Core Strategy had identified Kendal and Ulverston as Principal Service Centres which would accommodate 55% of the total housing requirement for the district required by the Regional Spatial Strategy: 20% being located in Ulverston and 35% in Kendal. The total housing allocation for the District to 2025 was 8,800 dwellings. The allocation in Ulverston was 1,760 additional dwellings over the next 15 years. In addition, small scale housing developments would be provided in the outlying local service centres of Penny Bridge, Greenodd, Broughton-in-Furness, Kirkby-in-Furness and Great/Little Urswick, Swarthmoor and in smaller rural settlements and hamlets including Bardsea, Baycliff, Gleaston, Leece, Loppergarth, Newbiggin, Scales and Stainton (number unspecified), 35% of the housing would be affordable, with 60% social rented, based on need.

A copy of Section 4 of the Spatial Strategy for Ulverston was considered by the Committee.

That rate of residential growth planned in Ulverston was the highest in South Lakeland District. The planned population increase being 11,500 to 14,000, an increase of 21%. That compared to 14% planned population growth in Kendal.

12 ha of employment land would also be developed between 2010 and 2025 based upon 20% of the estimated annual requirement of 4 ha per annum across the District.

Leaving aside the issue of additional residential development in nearby local service centres and smaller rural settlements, the scale of development proposed in Ulverston represented a major growth strategy for the town, increasing its population from 11,500 to 14,000 people over 15 years.

Growth based on these housing allocations contrasted starkly with the position in Barrow, where an allocation of 2,700 dwellings (or 150 per annum) was required. Barrow and Ulverston were within the same Travel to Work Area and the Plan had recognised the extensive economic and social links between the two settlements.

Such a significant growth strategy, equivalent to the development of three Marina Villages, was of great concern as developers view Furness as a single housing market and it would, be detrimental to the development of the Marina Village in particular and housing in Barrow generally. Particularly so as, whilst the Core Strategy priorities previously used land, he could not see how development of that scale could be developed without significant greenfield development.

The Council had expressed its concern at scale of Greenfield development in Furness proposed in the Core Strategy being detrimental to development within Barrow in the Core Strategy Preferred Options consultation in June 2008. In particular, it had pointed out that the policy would conflict with the Regional Spatial Strategy.

The allocation was, in conflict with the Strategic Objective of the Core Strategy “to ensure the scale and type of housing in the Furness Peninsula helps to support regeneration of Barrow-in-Furness.”

For the above reason and to meet the timescale for representations, he submitted a formal representation on the Core Strategy confirming that due to the scale of development proposed in Ulverston and the surrounding villages the South Lakeland District Core Strategy was unsound.

RESOLVED:- (i) To agree that Officer’s views be confirmed that due to the scale of residential development proposed in Ulverston and the surrounding villages the South Lakeland District Council Core Strategy was unsound; and

(ii) To instruct the Chief Executive to write to all South Lakeland District Council Councillors explaining the Council’s concerns at the scale of residential development proposed in Ulverston.

106 – Local Authority Special Funding in 2010/11 for the National Bus Concession in England

The Chief Executive reminded the Committee that its last meeting it had been reported that the Minister of Transport was consulting on proposals to redistribute funding within the current three year settlement for the National Bus Concession in the final year 2010/11.

The effect of his proposals would be a reduction of £200,000 for Barrow and a net reduction of £380,000 for Cumbria as a whole.

A consensus was emerging among all the Councils in Cumbria to collectively respond rejecting the proposal and an initial draft response was considered by the Committee.

The Minister had shortened the consultation period to eight weeks and Members were invited to agree to support a joint response and delegate authority to the Leader of the Council and Chief Executive to agree the final draft and submit it to the Minister.

RESOLVED:- (i) To note the draft response and the emerging consensus among the seven Councils in Cumbria to collectively respond rejecting the proposals; and

(ii) To agree that in view of the tight timescale to delegate authority to the Leader of the Council and Chief Executive to agree the final response for submission.

REFERRED ITEMS

THE FOLLOWING MATTERS ARE REFERRED TO COUNCIL FOR DECISION

107 – Presentation of Waste

The Committee considered a detailed report of the Policy Review Officer regarding the output from the review undertaken by the Regeneration and Community Services Overview and Scrutiny Committee regarding the Chief Environmental Health Officer report on the presentation of waste for collection.

It was reported that to ensure that residents continued to recycle waste to the maximal potential it was proposed to implement controls that could be used to limit the amount of waste that was presented as 'side waste' for disposal to landfill, being waste not segregated for recycling and presented as waste for landfill in containers provided by residents themselves.

The legislative control that local authorities could use to ensure compliance with waste collection arrangements had been provided by Sections 46/47 Environmental Protection Act 1990 as amended by the Clean Neighbourhood and Environment Act 2005. Members were reminded that in spring 2007 that power had been used to establish an Enforcement Protocol imposing restrictions on residents in respect of times when waste receptacles should be presented. As would be expected in enforcement matters the Councils approach had been one of education first and enforcement as a last resort and he confirmed that to date no formal action had been taken for waste presented at inappropriate times.

In considering the provision of controls to ensure that residents were encouraged to maximise the recycling of waste materials he proposed to amend the existing Enforcement Protocol to take into consideration matters relating to waste presented in containers not provided by the Council. The minor change to the existing Enforcement Protocol was highlighted in bold in a revised version which was considered by the Committee.

The revised Enforcement Protocol provided for an additional offence of presenting waste in containers not provided by the Council for the purpose of collection of waste. That change was considered necessary to encourage residents to use the containers provided by the Council for disposal of waste and to minimise waste to landfill additional to that disposed of in the 120 litre wheeled bin.

As with the powers delegated by Members in the original Enforcement Protocol it was not the intention of the Council to unreasonably penalise residents. The powers

were considered as a necessary last option where residents refuse to comply with reasonable requests to use containers provided by the Council for waste disposal. He reminded the Committee that since the new recycling services and smaller residual wheelbin scheme commenced in May this year the Council had approved over 700 applications from residents to retain the larger wheelbin where family size and circumstances necessitate. The policy for such retention being based on a family size of five or more; families with two children or more in nappies and residents suffering medical conditions.

It was intended that a programme of publicity and promotional events would be carried out prior to the change to the Enforcement Protocol coming into force from April 2010.

RECOMMENDED:- To recommend the Council that the Enforcement Protocol – Sections 46/47 Environmental Protection Act 1990 – Presentation of Waste (Domestic and Commercial) as amended be adopted as Borough Council Policy effective from April 2010.

108 – Sale of Land – Land adjoining 2 Broadway, Barrow-in-Furness

The Director of Corporate Services informed the Committee that the Sale of Council land adjoining 2 Broadway was being reported as it involved the sale of a Council owned asset to an elected member.

Councillor Williams had applied to purchase a piece of land owned by the Council. The land comprised a triangular shaped shrub measuring 5.13 square metres and adjoined the rear of property known as 2 Broadway, Barrow which was owned by Councillor Williams.

By virtue of its location the land was of no particular benefit to the Council nor does it offer any special amenity to the community. It was unlikely to be of interest to anyone else but the owner of 2 Broadway. The Council currently maintained the land and cuts the grass under its grounds maintenance contract. With its sale the Council would no longer be required to maintain the land.

The District Valuer had given a formal valuation of the land at £150.00 in September 2009.

The land would be sold subject to its use being for domestic purposes and only to be used in conjunction with 2 Broadway, Barrow. A tree currently was situated on the land would be maintained by the purchaser. The Council's legal costs would be borne by the purchaser.

RECOMMENDED:- To recommend the Council to approve the sale of the land adjoining 2 Broadway, Barrow-in-Furness to Councillor Williams.

109 – Grounds Maintenance Contract

The Director of Regeneration and Community Services' report identified the organisations which would be invited to tender for Grounds Maintenance services in the Borough, and identified the timetable required to allow the new contract to be in place from 1st April 2010.

RECOMMENDED:- To recommend the Council that relevant Standing Orders be suspended to allow this Committee on 27th January, 2010 to approve the recommendation from the evaluation process to award the Grounds Maintenance Contract.

110 – Building Cleaning Contracts 2010/12

The Director of Regeneration and Community Services' report detailed information regarding contractor performance in compliance with existing Building Cleaning Contracts and sought approval to offer the current contractor an extension of the contract for two years.

RECOMMENDED:- To recommend the Council to agree that Bulloughs Cleaning Services Limited be offered a two year extension to their current contracts from April 2012.

The meeting closed at 3.05 p.m.

HOUSING MANAGEMENT FORUM

Meeting: 26th November, 2009
at 2.00 p.m.

PRESENT:- Councillors Flitcroft, Hammond, Irwin, James, McEwan, Maltman and Waiting.

Tenant Representatives:- Mrs P. Charnley (Chairman), Mr A. McIntosh, Mr D. McMillan, Mrs J. McMurray and Mr T. Slater.

22 – Minutes

The Minutes of the meeting held on 27th August, 2009 were agreed as a correct record.

23 – Apologies for Absence/Changes in Membership

Apologies for absence were submitted from Councillor J. Hamezeian and Mr N. Hird.

Councillor McEwan attended as a substitute for Councillor J. Hamezeian.

24 – Disclosure of Interest

Councillor Irwin declared a personal and prejudicial interest in Agenda Item 9 – Adaptation for Tenants with Disabilities (Minute No 28). An adaptation to her property was currently being carried out by A. B. Mitchell.

Councillor McEwan declared a personal and prejudicial interest in Agenda Item 9 – Adaptation for Tenants with Disabilities (Minute No 28). An adaptation to his property for his wife had been carried out by A. B. Mitchell.

25 – Planning of Investment and Maintenance Services

The Housing Manager reminded the Forum that in 2005 the Council had appointed a firm of independent surveyors to undertake a detailed survey of the Council's housing stock and associated assets.

The Government's good practice guide entitled "Collecting, Managing and Using Housing Stock Information" had suggested the Council should undertake additional surveys every five years to ensure that the process captured and recorded up to date, reliable and statistically correct details about the stock and associated assets. A further stock condition survey was scheduled for 2010/11.

The purpose of the Stock Condition Survey was twofold, to enable the Council to develop a thirty year business plan; and as a means of directing the order and type of investment work which was completed in annual plans.

With regard to identifying which order properties required upgrading, the survey 'bands' properties and provided clear direction regarding which should be upgraded over the following five years.

The Council was now in the process of completing work to these properties and it would be helpful to complete a new survey earlier than planned to update the running order for the next five years.

In addition, the Government had recently consulted on a review of the Housing Subsidy system which was reported to the last meeting. The proposal would allow Councils to finance their own business plans from their rents and revenues, in exchange for a one-off allocation of housing debt. It would be prudent to ensure that, in consideration of these proposals, the Council ensured its Business Plan reflected the most financially accurate assessment of future investment priorities based on a robust up to date stock condition survey.

The outcome of the recent consultation was yet to be announced, but it did acknowledge and recognise the cost of maintaining communal areas, more than had been recognised previously by the subsidy system.

He also reminded the Forum that at its meeting on 25th June 2009 it had been agreed to extend the current Responsive Repairs Contract for a further two years, which was an option in the current contract.

The two year extension had commenced on 5th November 2009.

In considering the longer term, although the current contract would operate until November 2011, should the Council wish to consider amending the current arrangement when it was due for renewal, such decisions would have to be made in twelve or fifteen months time. That was to allow sufficient time to award a new contract in a timely manner.

The current contract had been based on the NEC3 contract arrangements. At the time of awarding the contract, it had included day to day responsive repairs, gas servicing and maintenance, void maintenance, out of hours emergency response and a proportion of planned investment, kitchen, bathroom and central heating.

To consider whether that approach would remain the most appropriate in the future, it would be appropriate to complete a review of the current practice.

In order to assist the review he suggested that it was appropriate to appoint an independent consultant to support a review of contract arrangements. The exercise would be time limited and involve a written report of their findings and proposals for consideration.

In order to complete a review of current arrangements it was his intention to progress the work in conjunction with the Tenant Compact Working Party (TCWP) in line with the required Housing Service objective to 'invest and maintain homes and estates to the best standard possible with the resources available'. That would involve the

TCWP agreeing a remit for the review, and appointment of a consultant, based on the following principles:-

Complete a review of the current structure and operating arrangements of the current contract with regard to maintain efficiency in delivery and a quality service; and

To consider based on the above analysis the possible options to progress the Maintenance arrangements to ensure a cost effective customer focused service.

RECOMMENDED:- (i) To agree that the Stock Condition Survey be completed during the current financial year; and

(ii) To agree to appoint Consultants to complete a review of the current Responsive Repair Contract in consultation with the Tenant Compact Working Party.

26 – Miscellaneous Properties

At its meeting on 27th August, 2009 the Forum had requested information regarding miscellaneous properties managed by the Housing Service and arrangements for their maintenance.

The Housing Manager reported that the Housing Service now managed eight 'miscellaneous' properties. These were terraced houses that came into ownership of the Council previously but were not traditionally built Council Housing.

In terms of the management of the properties, they had been treated no differently than any other property that was the responsibility of the Housing Service.

Rents were set on the same formulae as purpose built Council Housing and if a vacancy occurred, would be relet to an applicant on the Housing Register.

The exception to the above was Fenton Street which was the subject of a report at the last meeting. That property was let to Project John who in turn used the property to house young homeless people, in doing so assisting the Council meet its statutory obligations for homeless people.

The Forum considered details of each of the properties and what investment works had been completed in the recent past.

Requests for day to day repairs were responded to as in the case of any tenant requiring a repair.

By the location of the properties, they were typically 'older' type property, pre 1919, and as such posed a more difficult problem for maintenance purposes. He would ensure they were included in future investment plans. As there were relatively few properties, he would ensure that each property was surveyed as part of the process of completing a new Stock Condition Survey.

RECOMMENDED:- (i) To note the information regarding the management of miscellaneous properties; and

(ii) To agree the proposals to include the investment requirements of these properties through a Stock Condition Survey.

27 – Gas Servicing

The Housing Manager reported that a landlord was required to complete a gas safety check every twelve months.

In complying with that requirement, the Housing Service exceeded the standard and also completed a service of appliances provided by the Council.

Whilst the Council's aim had always been to achieve a safety check and service on a twelve month basis, it remained the case that a number of tenants did not allow Council contractors access to their home. In the region of 220/230 tenants did not allow access through normal procedures.

The process was therefore monitored on a monthly basis and action taken to resolve the matter on a case-by-case basis.

These procedures were continually under review and changes made to try and improve the success rate. That involved coordination of the Council's and contractors' resources to maximise opportunity to gain access.

More recently a second contractor had been engaged to work outside normal hours if necessary with ongoing publicity through the Newsletter, adopted a proactive approach to tenants who did not respond through the Housing Service's 'IT communication' facilities and practical issues such as putting 'alert labels' over tenants' locks to further ensure they were aware that access was required.

The last resort was action through the Magistrates Courts using powers contained in the Environmental Protection Act 1990 to gain access.

Whilst by far the majority of tenants do cooperate, those that did not cause a disproportionate amount of work to complete the task and subsequently time to resolve. In doing so, as well as putting themselves in potential danger, it puts the Council at risk of not completing that statutory requirement.

Officers had been looking at how other social landlords who report completing such checks on a 100% basis achieved that outcome. It would appear that the most fundamental difference was the adoption of a ten month cycle of completing such work.

At present the Council operated on the basis of issuing work four weeks prior to the due date for the service. A ten month cycle would require such orders to be issued approximately eight weeks before. That would provide a longer period, up to eight weeks, for access to be arranged, or the problem resolved.

RECOMMENDED:- (i) To note information contained in the report regarding gas servicing; and

(ii) To agree that the Housing Service adopt a 'ten month' cycle to further ensure services were completed within twelve months.

28 – Adaptations for Tenants with Disabilities

The Housing Manager reported that following a review of the Housing Service's Policies and Procedures for completing adaptations for tenants with a disability, it had been agreed to adopt a new approach to arranging for such work to be completed. The approach was based on appointing one contractor to complete all major adaptations based on a 'common specification'. The advantage of that approach was the ability to complete adaptations more quickly.

A competitive process had been used to appoint a contractor, based on the NEC3 term service contract. Potential contractors had been considered on a 50% Quality, 50% Price assessment.

The successful contractor would be required to commence work within twenty eight days of instruction; complete works in a maximum of ten working days; and comply with a range of key performance indicators.

Following the above process A B Mitchell had been appointed from 1st April 2008 for a period of two years with an option to extend for a further two years.

The arrangement had been operating for eighteen months and he suggested it was now appropriate to consider whether the arrangement should be continued.

It was clear from the information considered, both in terms of tenants' satisfaction with the service, and work being completed in line with contract requirements that the delivery model was working well and as intended.

RECOMMENDED:- To agree the extension of the current contract arrangement with AB Mitchell for a further two year period, commencing on 1st April 2010.

29 – Performance Information Report – 6th April, 2008 to 4th October, 2009

The Housing Manager submitted information relating to a selection of local and national performance indicators and Best Value performance indicators. The information was as follows:-

PERFORMANCE INDICATORS						
Housemark/ BVPI / Local	Performance Indicator	Actual 2006/7	Actual 2007/8	Actual 2008/9	Target 2009/10	6 Apr - 4 Oct 09
	Rent Arrears and Collection					
BV66a	% Rent Collected	97.88%	96.78%	96.48%	98%	95.79%
BV66b	% Tenants with > 7 weeks arrears	5.89%	6.82%	6.33%	5.5%	5.03%
BV66c	% Tenants served with Notice of Seeking Possession for arrears	35.48%	29%	30.6%	25%	25.84%
BV66d	% Tenants evicted for rent arrears	1.05%	0.66%	0.89%	0.5%	0.82%
Housemark	Current tenants arrears as % of rent roll	2.99%	2.96%	2.60%	2.5%	2.47%

	Void management					
BV212	Average relet time for dwellings (in days)	28	35.9	30	28	32
Housemark	% rent loss through vacant dwellings	0.98%	1.41%	1.16%	1%	1.07%
Local	% rent loss due to voids – garages	2.63%	2.81%	3.25%	2%	3.04%
	Homelessness					
Housemark	Average stay in B & B for families with children or pregnant women (in days)	2	10	3.7	3	19
Housemark	% of homeless applications where decision made and notified within 33 days	98.5%	95.3%	84.8%	99%	92.2%
Local	Average length of stay in B&B (in days)	22	14.4	18	12	21.9
Local	Average length of stay in dispersed (in days)	45	48	56	28	40
Local	Average length of stay in dispersed for families with children (in days)	34	41	49	28	33
Local	Average number of homeless households in dispersed accommodation	5.8	7.3	9.6	5	7.1
BV213	% of households whose situation was resolved by housing advice	N/A	N/A	N/A	75%	N/A
NI 156 (new for 08/09)	Number of households living in temporary accommodation	--	13	8	10	14
	Housing Applications					
Local	% Housing applications answered within 6 days	95%	52%	62%	95%	87%
	Repairs					
Housemark	% urgent repairs completed within Government time limits	89.59%	78%	79.91%	92%	85.11%
Housemark	% emergency repairs completed on time	93.6%	84.36%	89.07%	94%	87.70%
Housemark	% routine repairs completed on time	92.3%	77.26%	79.95%	93%	92.41%
Housemark	% urgent repairs completed on time	78.7%	74.86%	74.45%	90%	77.89%
NI 158 (was BV184a)	Proportion of homes which are non-decent	17.8%	2%	0.22%	1.75%	0.2%
Local	Average time taken to complete non-urgent repairs (in days)	10	13.7	24.85	8	18
	General Management					
NI 160 (new for 08/09)	Local authority's tenants' satisfaction with landlord's services	--	--	87%	N/A	N/A

RENT ARREARS as at week ending 4th October 2009				
Area	Current £	% Gross Debit	Former Tenants £	% Gross Debit
Central	59,261.43	3.18	23,189.22	1.24%
Dalton	13,720.80	1.89	1,892.26	0.26%
Roosegate	65,269.63	2.73	21,990.32	0.92%
Ormsgill	48,149.87	2.26	57,047.50	2.68%
Walney	17,749.02	1.37	5,236.36	0.40%
Miscellaneous	2,082.16	9.50	0.00	0.00%
Dwellings total	206,232.91	2.45	109,355.66	1.30%
Garages	3,453.92	1.93	1,037.09	0.58%
Homeless	2,563.06	3.31	15,835.82	20.48%
Total	212,249.89	2.44	126,228.57	1.45%
Grand Total	£338,478 3.90%			

FORMER TENANT ARREARS

Former tenants arrears written off in period April - September 2009 = £81,729.44

VOIDS from 6 th April 2009 to 4 th October 2009						
	Central	Dalton	Ormsgill	Roosegate	Walney	Total
1 Bedroom						
Ground-floor flat	8	0	10	7	6	31
Upper-floor flat	19	1	5	14	5	44
Bungalow	2	1	1	0	3	7
Sub total	29	2	16	21	14	82
2 Bedrooms						
Ground-floor flat	1	0	10	1	0	12
Upper-floor flat	3	1	9	1	0	14
Bungalow	0	0	0	0	0	0
House	6	0	3	5	1	15
Sub-total	10	1	22	7	1	41
3 Bedrooms						
Ground-floor flat	0	0	0	0	0	0
Upper-floor flat	0	0	0	0	0	0
Bungalow	0	0	0	0	0	0
House	1	1	9	5	5	21
Sub-total	1	1	9	5	5	21
4 Bedrooms						
House	1	0	0	2	0	3
5 Bedrooms						
House	0	0	0	0	0	0
Total	41	4	47	35	20	147

OFFERS OF ACCOMMODATION made and refused between 6th April 2009 to 4th October 2009

Area	Property Details	Area	Condition	Personal circumstances	No reply to offer	Other reasons	Withdrawn	Total
Central	4	4	2	1	0	2	0	13
Dalton	1	0	0	1	0	0	0	2
Ormsgill	1	6	1	0	1	1	0	10
Roosegate	1	3	1	1	0	0	0	6
Walney	2	3	0	1	0	0	0	6
Total	9	16	4	4	1	3	0	37

NEW TENANCIES
6th April 2009 to 4th October 2009

<i>Applicant Type</i>	<i>No.</i>
Housing Register	90
Transfers:	40
General Management	3
Management	10
Medical	12
Under/over Occupancy	15
Homeless (monitored from October 2004)	21
Mutual Exchanges	15
Total Relets	166

HOUSING PROPERTY AS AT 30th September 2009

TYPE OF PROPERTY	NO. OF BEDS.	CENTRAL	DALTON	ORMSGILL	ROOSE	SHOPS	DISPERSED	WALNEY	TOTAL
BUNGALOWS	1	13	35	27	14			54	143
	2		5						5
	3			4	4				8
FLATS	1	314	30	213	243		4	145	949
	2	62	12	161	50		5	16	306
	3	3	1		1		2	1	8
HOUSES	2	80	19	66	143			76	384
	3	133	114	220	252			119	838
	4	9	4	7	51			4	75
	5				5				5
SUB-TOTAL		614	220	698	763		11	415	2,721
SHOPS	0					16			16
	2					4			4
	3					0			0
	4					1			1
HOSTEL FLATLETS	1						0		0
	2						0		0
GRAND TOTAL		614	220	698	763	21	11	415	2,742
GARAGES		207	42	68				167	484

SOLD PROPERTIES
6th April to 4th October 2009

AREA	PROPERTY TYPE	BEDROOMS	TOTAL
North Walney	GFL	1	1
Ormsgill 1	GFL	2	1
TOTAL			2

RESOLVED:- To note the Performance Information.

30 – Planned Maintenance 2009/10

The Housing Manager reported information relating to the progress of the Planned Maintenance Programme for 2009/10. The information was attached at **Appendix A** to these Minutes.

RESOLVED:- To note the progress of the Planned Maintenance Programme 2009/10.

31 – Presentation

The Housing Manager gave a short presentation to the Forum regarding a newly published consultation paper entitled “A New Regulatory Framework for Social Housing in England.”

RESOLVED:- To note the Presentation.

The meeting closed at 3.10 p.m.

PLANNED MAINTENANCE PROGRAMME 2009/10 @ 30.10.2009
APPENDIX A

SCHEME	CONTRACTOR OR SUPPLIER	AVAILABLE BUDGET	NO OF PROPERTIES	INVOICES PAID TO DATE	START DATE	ESTIMATED COMPLETION DATE	CONTRACTOR	TARGET COST	OUT TURN ESTIMATE	ESTIMATED OVER/UNDER SPEND	COMMENTS
REWIRES	CUMBRIA HOUSING PARTNERS	£252,700	Phase I Ewan Close (82 properties) Phase II Broad Close (72 properties)	£87,500 £24,500	Apr-09	Feb-10	AB MITCHELL (via K Wilson)	Phase I - £125,788 Phase II - £113,502	£252,000	£0	Phase I - 95% COMPLETE Phase II - 27% COMPLETE
BATHROOMS I	CUMBRIA HOUSING PARTNERS	£200,000	Walney/Abbotsmead (95 properties)	£84,829	May-09	Feb-10	AB MITCHELL	£196,690	£196,690	-£3,000	47% COMPLETE
BATHROOMS II	INTEGRAL	£100,000	Sowerby Avenue (29 properties)	£0	Sep-09	Feb-10	INTEGRAL	£75,000	75000 + £14,000 Prelims	-£11,000	Due to commence 1st Nov 2009
BATHROOMS III (MRA Funding)	CUMBRIA HOUSING PARTNERS	£100,000	The Griffin (38 Properties)	£0	Oct-09	Feb-10	AB MITCHELL	£72,560	£100,000	£0	Due to commence 1st Nov 2010 Uncertainty about volume of showers due to elderly tenants
KITCHENS I	CUMBRIA HOUSING PARTNERS	£400,000	Ewan Close/Ormsgill (117 properties) Yew Tree estate (36 properties)	£171,345	May-09	Feb-10	AB MITCHELL	£361,360	£321,360	-£40,000	45% COMPLETE
KITCHENS II	INTEGRAL	£225,000	Park Road/Millstone Ave (25 Properties)	£0	Sep-09	Feb-10	INTEGRAL	£65,000 + £30,000 One Off Installations; + £32,000 prelims	£65,000	-£98,000	Due to commence 1st Nov 2010 Allow £30,000 for one kitchen installations by Apr 2010
KITCHENS III (MRA Funding)	CUMBRIA HOUSING PARTNERS	£100,000	Ormsgill (37 Properties)	£0	Oct-09	Feb-10	AB MITCHELL	£85,398	£100,000	£0	Not started
HEATING 1	CUMBRIA HOUSING PARTNERS	£475,000	Phase I Ewan Close + Others (91 properties)	£315,000	May-09	Feb-10	AB MITCHELL	Phase I - £253,776 + £100,000 One off installations	£475,000	-£100,000	83% COMPLETE Includes 25 No One off installations @ £100,000
HEATING II	INTEGRAL	£375,000	Dalton (47 Properties) Ormsgill (22 Properties)	£0	Sep-09	Feb-10	INTEGRAL	£276,000 + £45,000 for One off boiler swaps +£54,000 Prelims	£375,000	£0	Not started Includes 30 No boiler swaps by Apr 2010 and £54k prelims
HEATING III (MRA Funding)	CUMBRIA HOUSING PARTNERS	£100,000	Ormsgill + others (45 Properties)	£0	Oct-09	Feb-10	AB MITCHELL	£143,668	£143,668	£43,668	Not started
PAINTING	CUMBRIA HOUSING PARTNERS	£200,000	Phase I Vulcan/Risedale (206 properties) Phase II Greengate (150 properties)	£0	Jun-09	Feb-10	GH JONES	Phase I - £87,859 Phase II - £46,173	£150,000	-£50,000	Phase 1 - 85% COMPLETE £13,200 EXTRA agreed to repaint render at Raglan court Phase 2 - On site 66% COMPLETE

HOUSING MAINTENANCE COMMITMENTS 2009/10 @ 30.10.2009

	Funding Available 2009/10	Gross COMMITMENT to Date	Weekly Available	Gross Comm. as a % of funds available	Actual Invoices PAID to date
Tenant Demand Repairs	£832,500.00	£461,717.96	£16,009.62	55%	£221,449
Voids	£161,875.00	£131,848.08	£3,112.98	81%	£64,730
Gas Servicing	£394,956.00	£174,215.30	£7,595.31	44%	£78,323
Decoration Vouchers	£35,000.00	£22,885.00	£673.08	65%	£11,373
Disrepair Claims	£25,000.00	£0.00	£480.77	0%	0
Environmental Impmts	£50,000.00	£40,671.20	£961.54	81%	£30,021
Disabled Adaptations	£250,000.00	£220,000.00	£4,807.69	88%	242000
Door Entry	£30,000.00	£18,492.52	£576.92	62%	£20,811

BOROUGH OF BARROW-IN-FURNESS

EXECUTIVE COMMITTEE

27th January, 2010

(D/R) AGENDA ITEM NO. 7

RECOMMENDATIONS

OF THE

HOUSING MANAGEMENT FORUM

21st January, 2010

***Subject to the protocol agreed by Council**

The recommendations of the meeting of the Housing Management Forum held on 21st January, 2010 are attached.

COPIES OF THE DETAILED REPORTS ON THESE ITEMS HAVE BEEN CIRCULATED PREVIOUSLY TO ALL MEMBERS OF THE COUNCIL.

The Council has agreed that the following protocol should operate:-

- The Executive Committee shall automatically agree any such recommendation or refer it back for further consideration.
- If on re-submission the Executive Committee is still unwilling to approve the recommendation, it is automatically referred to full Council for decision.

HOUSING MANAGEMENT FORUM	(R)
Date of Meeting: 21st January, 2010	(i)
Reporting Officer: Housing Manager	
Title: Housing Revenue Account	
Summary and Conclusion:	
The purpose of the Housing Manager's report is to agree a Housing Revenue Account Budget for the financial year 2010/11.	
The report also provides an Expected Outturn Budget for the current year 2009/10 and information regarding balances.	
Recommendations:	
To approve the Housing Manager's recommendations and request the Executive:-	
1. To note the information at (1) of the report;	
2. To note the information on balances at (2) of the report;	
3. To agree to instruct the Housing Manager to produce a balanced budget by reducing the Housing Maintenance Budget accordingly by C.£137K;	
4. To agree an average increase of 1.3% in line with Rent Restructuring guidelines and note the effect on individual rents as shown at Appendix B of the report;	
5. To agree an increase of Garage charges of 3%; and	
6. To agree action contained in point 4.2 and 4.3.	

HOUSING MANAGEMENT FORUM	(D)
Date of Meeting: 21st January, 2010	(ii)
Reporting Officer: Housing Manager	
Title: Housing Maintenance Investment Programme 2010/11	
Summary and Conclusion:	
The purpose of the Housing Manager's report is to consider and agree the expenditure profile for the financial year 2010/11. It provides details of progress during the current year and details of ongoing investment.	
Recommendations:	
<div>1. To note the progress on achieving the Decent Homes Standard shown as point 1;</div> <div>2. To agree the principles highlighted in point 2, and the Annual Investment Profile shown at Appendix C; and</div> <div>3. To agree to increase delivery proposals through Cumbria Housing Partners subject to compliance with the frameworks group accounting requirements; and</div> <div>4. To agree that the Housing Maintenance Budget be reduced by C.£137K to balance the 2010/11 Housing Revenue Account Budget and to note that the Housing Manager would bring proposals on how these savings could be made, with a minimal impact on the service provision, to a future meeting of the Housing Management Forum.</div>	

EXECUTIVE COMMITTEE		Part One (D) Agenda Item 8
Date of Meeting: 27th January, 2010		
Reporting Officer: Director of Regeneration and Community Services		
Title: Working Neighbourhoods Fund		
Summary and Conclusions:		
The report sets out planned expenditure of Working Neighbourhoods Fund (WNF) over the remaining year of the programme. £355,940 of unallocated resources remain in the programme		
Recommendations:		
Members are requested to identify priorities for expenditure of unallocated Working Neighbourhoods Fund resources		

Report

2010/11 is the final year of the three year programme of Working Neighbourhoods Fund (WNF) allocated to the Council.

Attached at **Appendix 1** (TO FOLLOW) is a summary of WNF 2008/9 out turn and allocations for 2009/10 and 2010/11.

The current programme contains an allocation of £3.8M for advance workspace construction adjacent to Waterside House, and the first phase of Waterfront Business Park. Both projects require grant assistance from the European Regional Development Fund (ERDF) if they are to proceed. The ERDF application for Waterside House is due to be considered by NWDA in late January.

Appendix 1 also shows which projects are receiving revenue or capital support. All revenue projects will cease at the end of the WNF programme.

Other than the above there are no significant concerns with projects meeting their planned expenditure for 2009/10.

In November 2009 the Department of Communities and Local Government brought forward £40M of Working Neighbourhood Performance Reward Grant and allocated it to areas receiving WNF. The Council's share of this is an additional £240,278 during the 2009/10 financial year, although there is no requirement to spend in year. To date the Council has received £180,410, the balance to be included in January to March WNF payment.

In addition, the base allocation of WNF to the Borough Council for 2010/11 has increased by £37,737 to £3,129,595.

Adding these additional resources to the unallocated WNF, **Appendix 1** shows an uncommitted allocation of £355,940.

Members are requested to identify priorities for expenditure of these resources in accordance with your current policy of ensuring expenditure from WNF meets one or more of the following criteria.

- Capital resources must be spent in the Wards containing Super Output Areas in the worst 3% nationally (Hindpool, Central, Barrow Island, Ormsgill);
- Proposals must demonstrate that they will directly contribute to the objectives of WNF set out in the national guidance; and
- Proposals must demonstrate how they will assist residents of deprived communities (Wards as above plus Risedale) in particular to find employment or access vocationally related skills and training

(i) Legal Implications

Not Applicable.

(ii) Risk Assessment

Not Applicable.

(iii) Financial Implications

The report identifies £355,940 of unallocated Working Neighbourhoods Fund.

(iv) Health and Safety Implications

Not Applicable.

(v) Key Priorities or Corporate Aims

Funding could contribute towards: Investing in our economic future; creating an enhanced quality of life for local residents; and developing a safe, confident and socially inclusive community.

(vi) Equal Opportunities

Not Applicable.

Background Papers

Not Applicable.

TABLE 1 – WNF OUT-TURN AND ALLOCATIONS

(R) Revenue

(C) Capital

PROJECT	8/9 OUT-TURN £'s	9/10 ALLOCATION £'s	10/11 ALLOCATION £'s	TOTAL WNF £'s	NOTES
Enterprise and Skills Development (R)	476,121	840,266	819,113	2,135,500	Comprises 6 linked enterprise skills and investment projects due to end 31/3/11
Age Works (R)	54,492	43,571	0	98,063	12 month project, extended to 2 years to encourage >55's into self employment
CCTV (R)	85,444	124,556	105,000	315,000	CCTV operator costs. Will end 31/3/11
Park Leisure Centre (R)	300,000			300,000	Financial underwriting to offset potential loss of income from plc
Neighbourhood Management Team (R)	0	150,000	0	150,000	Revenue Support for 2009/10. No allocation 2010/11
Town Centre Retail Support (R)	0	30,000	0	30,000	Retail support project
James Freel Close Business Units (C)	624,000	0	0	624,000	Completed
Advance Workspace(C)	59,122	859,658	2,940,320	3,859,100	Projects adjacent to Waterside House and 1 st Phase of Ramsden Business Park
104 Abbey Road (C)	127,333	172,667	0	300,000	Refurbishment of building
Pye Motors/Haughins Garage (C)	189,497	25,500	0	214,997	Contribution to car park construction costs to support employment in Town Centre
Pre-development Costs (C)	193,944	131,614	0	325,558	Support for design works on 8 Capital Projects
Total	2,109,953	2,377,832	3,864,433	8,352,218	
Funding	2,109,953	3,468,610	3,129,595	8,708,158	
Balance of Funding	0			+355,940	

ADDENDUM TO ITEM 8 – WORKING NEIGHBOURHOODS FUND

NEIGHBOURHOOD MANAGEMENT TEAM

I have been asked by Senior Members to consider options for protecting the Neighbourhood Management Team.

The Team has a current minimum operating budget of £173,000.

However, by taking a number of actions, we can reduce this to £135,000.

These are:-

1. Absorb all overheads except property costs. This has the same budgetary effect as disbanding the team.
2. Utilise a proportion of the Neighbourhood Manager's time and the Admin Officer's time to support Housing Market Renewal and charge this to capital instead of filling a vacant post.
3. Redeploy one Warden to a vacant admin post.

£35,000 of the running costs can be met from the Health Improvement Fund provided by the NHS and other miscellaneous income generated by the team's activity.

The balance of £100,000 could be met from the available WNF detailed in the substantive report.

The Council could then continue to lobby for match funding from LAA reward grant to extend the operation of the team until March 2012 during which time alternative financial arrangements can be considered.

Importantly this will leave £256,000 of WNF uncommitted while Members consider the implications for other funded initiatives like CCTV and the Workshops which will come to an end soon.

Members' instructions are requested.

EXECUTIVE COMMITTEE		(R) Agenda Item 9
Date of Meeting: 27th January, 2010		
Reporting Officer: Borough Treasurer		
<p>Title: Budget Proposals 2010-2011</p> <p>Summary and Conclusions:</p> <p>This report presents the budget proposals for 2010-2011. The attached budget pack contains five sections that need approval by this Committee. (Attachment 1) Section I (pages 1-8) considers the General Fund budget. Section II (page 9) sets the prudential indicators and treasury strategy and limits for the year. Section III (page 10) proposes a three year capital programme and an update on the current year programme. Section IV (pages 11-12) deals with the Housing Revenue Account budget and Section V (page 13) deals with the Corporate Business Plan.</p> <p>Recommendations:</p> <p>For the following sections Members are recommended to:</p> <p><u>Section I</u></p> <ol style="list-style-type: none"> 1. To set the budget at £16,646,318 with no increase in the Council Tax for Barrow. The annual Band A tax will remain at £134.58, and Band D tax at £201.87; 2. To agree the parish precepts of £102,900 (Dalton £78,900, Askam £22,000 and Lindal £2000). The total revenue budget including precepts is £16,749,218; 3. To confirm the previous year decision to use of £156,000 from reserves set aside in 2009-2010 to soften the impact of lower interest rates on the Council Tax; 4. To agree that no increase is provided in the budget for employees cost of living pay awards (costing £67,670) and that the impact of any award is offset by a reduction from the establishment; 5. To agree that no provision is made in the budget for the Neighbourhood Management Team budget (£408,000) as a result of the end of government funding. Members will recall that the collection of bulky household waste for the Central and Hindpool wards has been paid from the funding previously attracted by this service. As this funding stream has now come to an end, bulky household waste collections in all wards will be subject to the current £5 charge. Members are referred to a previous item on today's agenda relating to this service; 		

6. To agree that as from April 2010 the Concessionary Travel Scheme reverts back to the statutory scheme offering off peak travel only. (See page 3 for details);
7. It is also proposed to separate a number of grants from the Grants Sub-Committee budget. These are the Barrow Sports Panel (£2,930), the Barrow Arts Forum (£2,570), the Good Citizenship award (£500) and the Mayoral awards to old people associations (£650). This will leave an amount of £15,360 for the Grants Sub-Committee to allocate;
8. To confirm that continuation of the on street car parking and residents exemptions services will be dependant on a contribution of £90,490 from the County Council. The absence of such funding will result in the termination of the arrangements with the County in February 2011 on the basis of notice already given;
9. To increase the recycling target by 6% to 40% generating £180,000 of income;
10. To create a new budget of £7,500 for the Corporate Equality Group and £15,000 for the introduction of a GOV-TV facility;
11. To agree the proposed increases in fees and charges are listed on page 7 and expected to generate £36,620 of extra income;
12. To increase the opportunity reserve by £132,670;
13. To agree the proposed public consultation process (page 8);
14. To approve the Medium Term Financial Plan (page 8).

Section II

15. To adopt the Prudential Indicators and Limits for 2010-11 to 2012-13;
16. To approve the Minimum Revenue Provision (MRP) Statement which sets out Council's policy on MRP;
17. To approve the Treasury Management Strategy 2010-11 to 2012-13, and the Treasury Prudential Indicators;
18. To approve the Authorised Limit for borrowing;
19. To approve the Investment Strategy 2010-11 contained in the Treasury Management Strategy, and the detailed criteria included in Part 2 of the report.

Section III

20. To approve and agree to submit the three year Capital Programme for consultation.

Section IV

21. To consider the recommendations of the Housing Management Forum regarding the Housing Revenue Account (page 11-12).

Section V

22. To approve the Corporate Business Plan (page 13).

Report

The attached **Budget Proposals 2010-2011** pack deals with the five areas that need setting and approval by the Council.

Section I (pages 1-8) includes proposals for the General Fund budget 2010-2011. It is proposed that the budget is to be set at £16,646,318. This represents no increase Council Tax for Barrow. The annual Band A tax will be £134.58, and Band D tax will be £201.87.

This section also deals with the public consultation process (page 8) to be adopted. Once approved by this Committee, the budget proposals will be made available on the Council's Website and the consultation document will be circulated to households in the borough. The consultation period will be open until 5th February 2010.

A special joint meeting of the Overview and Scrutiny Committees will be held on 10th February 2010 to consider the budget. A Council meeting on 23rd February 2010 is to consider the results of the consultation process and recommend any amendments if necessary. At this meeting, the Council is to approve the budget and set the Council Tax.

Section II (page 9) covers the requirements to set a Treasury Management Strategy and limits on various treasury transactions as well as a number of prudential indicators to monitor the compliance with the strategy.

Section III (page 10) presents a proposed capital programme for 2010-2011 to 2012-2013.

Section IV (pages 11-12) deals with the Housing Revenue Account budget 2010-2011. A report was submitted to the Housing Forum for consultation on 21st January 2010. This Committee is required to consider those recommendations.

Section V (page 13) introduces the Corporate Business Plan for approval and adoption.

(i) Legal Implications

Statutory requirements to set the budget and Council Tax.

(ii) Financial Implications

The budget pack includes details of the financial implications for the years 2009-2010 to 2012-2013.

(iii) Health and Safety Implications

Not Applicable.

(iv) Key Priorities or Corporate Aims

The key priorities are a major consideration in the budget setting process.

(v) Risk Assessment

The assumptions have been assessed using previous trends and current relevant information.

(vi) Equal Opportunities

Not Applicable.

Background Papers

Budget preparation files

Financial settlement

Subsidy determination



BUDGET PROPOSALS 2010-2011

<u>SECTION</u>		<u>PAGES</u>
I	GENERAL FUND REVENUE BUDGET	1- 8
II	PRUDENTIAL INDICATORS	9
III	CAPITAL PROGRAMME	10
IV	HOUSING REVENUE ACCOUNT	11-12
V	CORPORATE BUSINESS PLAN	13
<u>APPENDIX</u>		
1	GENERAL FUND COST CENTRES	14-35
2	CONSULTATION DOCUMENT	36-37
3	MEDIUM TERM FINANCIAL PLAN	38-49
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6	HOUSING REPORT	78-82
7	CORPORATE BUSINESS PLAN	83-121

I. GENERAL FUND REVENUE BUDGET

- **Expected Outturn 2009-2010**

The latest projected forecast for this financial year indicates that there will be not be an additional call on the General Fund accumulated revenue balance at the year ending 31st March 2010.

The following items have been added to/funded from the General Fund balance during the year:

Items Added to the balance:	£
Interest savings on external borrowing	271,640
Successful claim for VAT refund	150,960
Benefits overpayments recovered over the expected budget	36,310
Planning applications income over the expected budget	25,860
Various items of unbudgeted income	97,410
Items Funded from the balance:	
Shortfall on interest earned	167,420
Expected greater demand on the concessionary travel scheme	120,000
Increased provision for external debt repayments	115,040
Early retirement cost of two members of staff	71,670
Reduced car parking income	46,200
Resident permits County contribution withheld	20,000
NNDR Emlyn Hughes House	14,870
Benefits promotion campaign	9,150
Bent Haw appraisal	5,000
Joint scrutiny officer	3,930
Ring and Ride increased contribution	3,500
Awards made by special Council	3,400
Contribution to Cumbria 2012 working group	2,000
No additional call on the General Fund Balance	

The forecast at this stage indicates that there will not be a significant variance from the original budget, however by the end of the financial year there may be a potential for some under spend which will be reported to members when the final outturn for the year is finalised.

- **Balances and Reserves**

1. General Fund revenue balance:
The balance as at 1st April 2009 was £1,971,258. Forecast projections for the current year indicate that the estimated total balance at the 31st March 2010 will be £1,971,258.
2. The Opportunity Reserve:
The available balance on the reserve is £859,567. This amount is available after allowing for the following approved items:

Description	£
Credit union support – Executive Committee 20/4/2005	12,500
Pay review – Executive Committee 13/12/2006	175,625
Barrow Community Trust – Executive Committee 14/11/2007	5,000
Waste minimisation Strategy – Executive Committee 10/12/2008	52,860
Energy efficiency projects	90,000

Other earmarked reserves amount to £1,810,420. These are for use on previously approved specific purposes or projects:

Description	£
VAT/General reserve	508,953
Budget setting support	500,000
Area Based Grant funds	357,098
Leisure centre income	270,321
Festival fund reserve	114,797
Market refurbishment	50,650
Re-lining cremator	8,601
Total earmarked reserves	1,810,420

Under section 25 of the Local Government Act 2003, I am required to give a positive assurance as to the adequacy of the level of balances and reserves held by the Council. I am satisfied that the General Fund Revenue balance of around £2,000,000 (around 10% to 15% of the net revenue budget) is at an appropriate level and the reserves are adequate.

- **The Financial Settlement**

The increase in Central Government support to Barrow is 0.9% or £79,483.

	2009-2010	2010-2011
Central Government Support	9,004,688	9,084,171

- **Setting The Budget 2010-2011**

The following assumptions have been made in setting the budget. Some of them differ from the assumptions reported to the Executive Committee on the 16th September 2009 due to more up to date information becoming available:

Staff cost of living pay award increase	0%
Employer's pension contributions	25%
Employer's national insurance contributions	7.25%
Rates	-14.6%
Water	4%
Revenues and benefits contract	2.5%
Interest rate for new borrowing	5.2%
Interest rate for surplus cash invested	0.5%

The proposed budget is to be set at £16,646,318. This represents no increase in the Council Tax for Barrow. The annual Band A tax will remain at £134.58, and for Band D tax £201.87.

- **The Concessionary Travel Scheme**

The government is proposing to transfer the responsibility and funding of the concessionary travel scheme to the County Council from April 2011. The exact details are not yet known. One possibility would be to reduce the Council's revenue support grant by an amount equivalent to the expenditure incurred on the scheme. In anticipation of this, it is advisable to revert back to the statutory scheme offering off peak travel only. This would help to reduce the expenditure and therefore the potential grant loss.

The budget summary is shown in the table below:

General Fund Budget	Actual 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Subjective Summary				
Staff costs	6,300,943	6,916,280	6,941,670	6,758,500
Transport costs	182,007	200,450	219,760	201,550
Property costs	2,058,190	2,188,710	2,235,890	2,078,840
Supplies and services	5,467,896	3,787,770	5,317,760	4,620,360
Contract services	6,205,758	6,821,410	6,960,620	6,046,740
Concessionary travel	999,735	1,000,000	1,120,000	1,150,000
Housing and Council Tax Benefits	21,530,103	22,371,410	22,335,100	23,585,720
Housing and Council Tax Benefits Grant	(21,869,069)	(22,516,950)	(22,516,950)	(23,462,780)
External income	(9,142,636)	(7,861,360)	(8,379,500)	(7,712,290)
Direct costs	11,732,927	12,907,720	14,238,350	13,266,640
Support services	4,654,754	4,870,320	4,900,640	4,941,420
Depreciation and impairment	11,959,569	1,255,580	1,255,580	2,098,100
Internal income	(8,514,572)	(6,182,050)	(6,316,840)	(6,354,520)
Indirect costs	8,099,751	(56,150)	(160,620)	685,000
Net Expenditure	19,832,678	12,851,570	14,073,730	13,951,640
External interest earned	(461,938)	(150,000)	(17,250)	(35,000)
External interest paid on borrowing	879,905	872,830	601,190	633,000
Provision for repayment of borrowing	813,984	994,620	1,109,660	1,153,530
Items excluded from council tax	(7,595,395)	(954,780)	(954,780)	(1,643,600)
Items included in council tax	1,575,888	352,690	1,485,342	2,514,228
Contribution to / (from) reserves	1,165,628	66,070	674,830	172,420
Contribution to / (from) balances	(53,927)	0	0	0
Net Revenue Budget	16,156,823	14,033,000	16,972,722	16,749,218
Budget Funded By:				
Contributions from GF reserves	132,995	189,000	266,190	156,000
Central government support grant	8,887,317	9,004,688	9,004,688	9,084,171
Area based grant / LABGI	2,823,328	408,000	3,270,532	3,091,848
Council tax	4,273,918	4,448,390	4,448,390	4,452,307
Collection fund balance	39,265	(17,078)	(17,078)	(35,108)
Total Revenue Financing	16,156,823	14,033,000	16,972,722	16,749,218

The net budget includes £102,900 for parish precepts:

Dalton	£78,900
Askam	£22,000
Lindal	£ 2,000

The net revenue budget for the Borough excluding the parish precepts is £16,646,318.

The total increase in the original budget from the current year 2009-2010 will be £2,715,318. This is analysed below:

Description	£
Savings generated from tendering of Refuse, recycling and street cleaning contract.	(996,180)
Expenditure funded by Area Based Grant: Neighbourhood Management Team (see item 4 below).	(408,000)
Savings generated from tendering of Grounds maintenance contract	(240,000)
Additional recycling reward, target for 2010-2011 up by 6% to 40%.	(180,000)
Net of borrowing and investing transactions	(124,830)
Additional shortfall assumed to be paid by County for on-street parking enforcement and residents permits.	(90,490)
Price increases on fees and charges (see table below).	(36,620)
Savings and reductions included in 2010-2011 budget:	(2,076,120)
Payment of staff contractual increments	64,220
Superannuation contribution rate increased by 1 % to 25%	46,400
Inflationary price increases	102,040
Reduced England wide free concessionary travel grant	200,000
Increased concessionary travel and scheme administration costs	175,500
Increased provision to repay external debt	158,910
Provision for potential increase in bad debts due to recession	115,000
Net increase in the cost of benefits	268,480
Expenditure funded by Area Based Grant	2,986,848
Reduced external income and specific grant funding	242,410
Reallocation of officer time to services outside General Fund	52,330
Election allowances and constituency allowances	27,200
Introducing GOVTV facility	15,000
New budget for the corporate equality group	7,500
Contribution to the opportunity reserve	132,670
Net of changes in the cost of other services	196,930
Additional expenditure included in 2010-2011 budget:	4,791,438
Net increase in net revenue budget over 2009-2010	2,715,318
Funded by:	£
Increase in Area Based Grant	(2,683,848)
Change in use of reserves	33,000
Change in Council Tax Base	(3,017)
Change in central government grant support	(79,483)
Change in collection fund balance	18,030
Net increase in total revenue financing over 2009-2010:	(2,715,318)

Members should note that the significant savings generated from the tendering of the Refuse, recycling and street cleaning and the grounds maintenance contracts have contributed to keeping the level of Council Tax at no increase.

The following proposals are required to be approved to achieve a balanced budget:

1. To set the budget at £16,646,318 with no increase in the Council Tax for Barrow. The annual Band A tax will remain at £134.58, and Band D tax at £201.87.
2. To confirm the previous year decision to use of £156,000 from reserves set aside in 2009-2010 to soften the impact of lower interest rates on the council tax.
3. To agree that no increase is provided in the budget for employees cost of living pay awards (costing £67,670) and that the impact of any award is offset by a reduction from the establishment.
4. To agree that no provision is made in the budget for the Neighbourhood Management Team budget (£408,000) as a result of the end of government funding. Members will recall that the collection of bulky household waste for the Central and Hindpool wards has been paid from the funding previously attracted by this service. As this funding stream has now come to an end, bulky household waste collections in all wards will be subject to the current £5 charge.
5. To agree that as from April 2010 the concessionary travel scheme reverts back to the statutory scheme offering off peak travel only. (See page 3 for details).
6. It is also proposed to separate a number of grants from the grants panel budget. These are the Barrow sports panel (£2,930), the Barrow arts forum (£2,570), the Good Citizenship award (£500) and the Mayoral awards to old people associations (£650). This will leave an amount of £15,360 for the Grants Sub-Committee to allocate. (See page 16 for details of the grants awarded by the Council).
7. To confirm that continuation of the on street car parking and residents exemptions services will be dependant on a contribution of £90,490 from the County Council. The absence of such funding will result in the termination of the arrangements with the County in February 2011 on the basis of notice already given.
8. To increase the recycling target by 6% to 40% generating £180,000 of income.
9. To create a new budget of £7,500 for the corporate equality group and £15,000 for the introduction of a GOVTV facility.

10. The proposed increases in fees and charges are listed below and expected to generate £36,620 of extra income:

Proposed Increases in Fees and Charges:	£	Previous Increase
Land Charges (personal search fee) increase from £11 to £22 as per government guidelines	5,500	2003
Cemetery and Crematorium 2% to residents and 5% to non-residents of the Borough (for example cremation fee for residents £352 to £359 and non residents £475 to £499)	21,530	5% from 1/4/2009
Indoor Market Rents 3% from September 2010 (for example single stall £36.52 to £37.62)	9,590	3% from 1/9/2009
Total Proposed Increase	36,620	

11. To increase the opportunity reserve by £132,670.

Section 25 of the Local Government Act 2003 also requires that I provide a positive assurance about the robustness of estimates made. I am satisfied that the 2010-2011 budget, has been based on sound assumptions and estimates.

Appendix 1 (page 14-35) includes the General Fund individual cost centre budgets.

For Members information, the effect on the Band A Council Tax can be illustrated as follows:

Additional expenditure £	Increase in Council Tax	Increase per year £	Increase per week pence
43,600	1%	1.35	3
87,200	2%	2.70	5
130,800	3%	4.05	8
174,400	4%	5.40	10
218,000	5%	6.75	13

- **Budget Public Consultation**

These proposals, once approved by this committee, will be made available on the Council's Website and the consultation document will be circulated to households in the borough. Comments and feedback will be invited by the 5th February 2010. A special joint meeting of the Overview and Scrutiny Committees will be held on the 10th February 2010 to consider the budget for 2010-2011. Finally, on the 23rd February 2010 a Council meeting is arranged to approve the budget and set the Council Tax.

Appendix 2 (page 36-37) contains the consultation document and questions to be used in the process.

- **Budget Forecast (Medium Term Financial Plan)**

This year the Government has not given any indication of its financial plans for local government beyond 2010-2011. The previous decision to announce a two year settlement allowed councils to plan ahead with some degree of certainty and flexibility.

This will make the task of preparing a Medium Term Financial Plan rather difficult. However, in order to give an indication of the future levels of expenditure and taxation, a two year forecast, Appendix 3 (page 38-49), has been prepared for 2011-2013.

The forecast shows the following:

	Net Revenue Budget (£)	Band A (£.p)	Band D (£.p)	Anticipated Savings Requirements (£)
2011-2012	13,089,870	141.31	211.96	433,822
2012-2013	13,209,330	148.37	222.56	475,482

The required savings are expected after allowing for the maximum 5% increase in the Council Tax and assuming current levels of revenue support grant. Members should note that these forecasts are only an indication of the likely future levels of expenditure. They are based on current information and assumptions. The further into the future the budget is forecast, the less accurate and robust it is likely to be.

A major change is expected in 2011-2012 caused by the government proposal to transfer responsibility and funding of the concessionary travel scheme to the County Council. The exact impact is not yet known.

There is great uncertainty relating to central government revenue support grant following the expected general election this year. All parties seem to be indicating there will be severe cuts in government expenditure to counteract the impact of the recession. Members need to be aware that it is advisable to maintain adequate levels of balances and reserves to support any potential shortfall in government funding.

II. PRUDENTIAL INDICATORS

The Council is annually required to set and approve a Treasury Management Strategy (Treasury Report) that includes Annual Borrowing Limits and a number of Prudential Indicators. This also includes the Council's strategy for investment, borrowing and exposure to interest rates.

Appendix 4 (page 50-70) contains a full report setting the Treasury Management Strategy for 2010-2011 to 2012-2013.

A summary of the main limits/ indicators is show below:

Financial Year 2010-2011	£
Borrowing – Authorised limit	31,000,000
Borrowing – Operational boundary	28,000,000
Capital Financing Requirement (CFR)	35,611,310
New borrowing required	2,000,000
Ratio of financing costs to net revenue stream – GF	10%

The committee is recommended to:

1. Adopt the Prudential Indicators and Limits for 2010-11 to 2012-13.
2. Approve the Minimum Revenue Provision (MRP) Statement which sets out Council's policy for providing to repay external debt.
3. Approve the Treasury Management Strategy 2010-11 to 2012-13, and the treasury Prudential Indicators.
4. Approve the Authorised Limit for borrowing.
5. Approve the Investment Strategy 2010-11 contained in the treasury management strategy, and the detailed criteria included in Part 2 of the report.

III. CAPITAL PROGRAMME

A detailed three year capital programme is at Appendix 5 (page 71-77).

A summary of the programme and how it is funded is shown below:

2009-10		2010-11	2011-12	2012-13
	INVESTMENT			
1,911,202	Public housing	1,933,543	2,008,258	2,060,915
1,234,831	Private housing	1,116,887	1,116,887	1,116,887
2,609,848	Housing Market Renewal	2,707,611	1,050,000	573,113
1,038,781	Public buildings	1,693,900	1,009,500	1,009,500
6,010,370	Other public assets	4,947,294	4,452,000	377,000
359,093	Other initiatives	1,021,223	1,145,686	1,008,000
13,164,125	Total Programme	13,420,458	10,782,331	6,145,415
	FUNDING			
2,000,000	Borrowing requirement	2,000,000	2,000,000	2,000,000
8,800,635	Grants	7,746,245	5,699,500	1,699,500
317,929	Capital receipts	1,740,670	1,074,573	385,000
2,045,561	Reserves	1,933,543	2,008,258	2,060,915
13,164,125	Total Funding	13,420,458	10,782,331	6,145,415

The variations to the capital programme compared to the previously reported programme on the 14th October 2009 are listed in Appendix 5.

IV. HOUSING REVENUE ACCOUNT BUDGET

Appendix 6 (page 78-82) contains a report covering the Housing Revenue Account budget. This was submitted to the Housing Management Forum meeting on the 21st January 2010.

The recommendations of that meeting will be considered by this committee as a matter of course. However, the main issues to be approved by this committee are:

- **Expected Outturn 2009-2010**

The latest forecast suggests that the Housing Revenue Account will be in surplus at the 31st March 2010, this is anticipated to be £51,810 (lower than expected dwellings rent income of £192,650 and staff savings of £92,000 are anticipated).

- **Balances and Reserves**

1. The Housing Revenue Account balance at the 1st April 2009 was £845,980. It is anticipated that the balance will be £897,790 at the end of March 2010. This will be reduced by £137,470 to balance the 2010-2011 budget if the above recommendation is approved.
2. The Major Repair Reserve allocation for the year of £1,933,543 is expected to be fully used on a programme of major repairs during the year.

- **The Subsidy Determination**

Annual subsidy determination is issued by central government giving each housing authority a share of the central housing support.

The Council receives allowances for:

Category	£
Maintenance allowance	3,067,749
Management allowance	1,876,346
Major repair allowance	1,933,543
Capital financing allowance	873,440
Other items	(245)
Reduced by notional rent income	(8,243,083)

For 2010-2011 the Council will make a net payment of £492,250 to the government.

- **Setting The Budget 2010-2011**

The Housing Revenue Account Budget has been prepared in accordance with the report referred to above. This committee is to consider the Housing Forum recommendations.

The summary Housing Revenue Account budget for 2010-2011 is shown below:

HOUSING REVENUE ACCOUNT	Actual 2008-2009	Original Budget 2009-2010	Expected Outturn Budget 2009-2010	Budget 2010-2011
INCOME				
Dwelling rents	(8,098,913)	(8,499,850)	(8,307,200)	(8,405,900)
Other Rents	(291,408)	(311,270)	(313,770)	(315,360)
Charges for Services	(344,441)	(359,770)	(360,050)	(318,080)
Other income	(74,998)	(41,070)	(138,940)	(41,070)
Total income	(8,809,760)	(9,211,960)	(9,119,960)	(9,080,410)
EXPENDITURE				
HRA management	2,905,578	3,079,800	2,988,660	2,951,060
Housing maintenance	2,918,874	2,986,290	2,986,290	3,067,750
Bad debt provision	80,271	82,210	82,210	90,600
Housing subsidy payable	0	399,940	399,940	492,250
Depreciation on dwellings	1,959,001	1,934,670	1,934,670	1,561,740
Depreciation - non dwellings	118,091	118,230	118,230	132,500
Impairment loss	8,119,000	0	0	0
Deferred grants	(41,570)	(36,550)	(36,550)	(31,690)
Debt management expenses	16,595	13,350	13,350	12,320
Total expenditure	16,075,840	8,577,940	8,486,800	8,276,530
Net cost of services	7,266,080	(634,020)	(633,160)	(803,880)
Gains on asset disposal	(76,058)	0	(262,700)	0
Interest payable and related items	488,446	433,190	433,190	407,350
Interest on pension liabilities	832,000	667,000	667,000	832,000
Expected return on pension assets	(609,000)	(616,000)	(616,000)	(609,000)
Interest on mortgages	(467)	(460)	(460)	(450)
Net operating expenditure	7,901,001	(150,290)	(412,130)	(173,980)
Reversal of grants deferred	41,570	36,550	36,550	31,690
Reversal of impairment loss	(8,119,000)	0	0	0
Premiums on early debt repayment	249,970	249,970	249,970	251,120
Discounts on early debt repayment	(8,897)	(8,900)	(8,900)	(10,050)
Net charges for retirement benefits	(411,406)	(307,030)	(307,030)	(223,000)
Gains on asset disposal reversal	76,058	0	262,700	0
Transfers to (from) MRR	(125,882)	(150,090)	(150,090)	239,300
Employers contribution to pensions	249,245	277,120	277,120	22,390
Revenue financed capital	26,784	0	0	0
(Surplus)/deficit for the year	(120,557)	(52,670)	(51,810)	137,470

V CORPORATE BUSINESS PLAN

The Executive Committee on the 14th November 2007 approved the key priorities for the Council for 2010-2011 and the following year.

Barrow Borough Councils Corporate Business Plan brings together in one place various important documents. The Plan demonstrates how our priorities are set and how they drive both our services and our Medium Term Financial Plan over the next two years.

The Corporate Business Plan Appendix 7 (page 83-121) sets out the Councils objectives for 2010-2011 in terms of Key Priorities, employees and finances.

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Corporate management				
Staff costs	144,218	151,890	152,790	150,400
Transport costs	709	1,300	1,300	1,300
Supplies and Services	290,039	323,190	316,230	318,650
Support services	646,661	677,440	649,290	794,700
Other items	32,553	21,990	21,990	22,230
Internal income	<71,837>	<94,730>	<94,730>	<78,210>
NET EXPENDITURE	1,042,343	1,081,080	1,046,870	1,209,070
Democratic representation & management				
Staff costs	22,325	23,970	24,440	23,810
Transport costs	12,116	14,580	15,490	14,590
Supplies and Services	179,127	202,250	204,740	210,820
Support services	223,595	244,370	244,430	231,720
NET EXPENDITURE	437,162	485,170	489,100	480,940
Non distributed costs				
Staff costs	17,179	24,860	24,860	24,310
Support services	0	3,930	3,930	8,390
NET EXPENDITURE	17,179	28,790	28,790	32,700
Cost of collection				
Supplies and Services	47,049	38,470	49,620	39,170
Contracted services	854,193	875,480	875,480	897,360
Support services	169,960	108,590	108,590	92,140
External income	<272,722>	<295,560>	<307,810>	<295,560>
NET EXPENDITURE	798,479	726,980	725,880	733,110
Council tax benefits administration				
Supplies and Services	1,360	1,250	5,140	36,270
Contracted services	649,644	665,900	665,900	682,550
Support services	33,613	30,620	30,620	37,320
External income	<334,128>	<319,540>	<319,540>	<351,560>
NET EXPENDITURE	350,490	378,230	382,120	404,580
Council tax benefits				
Transfer payments	5,733,613	5,972,190	5,972,190	6,203,240
External income	<5,851,203>	<6,053,950>	<6,053,950>	<6,184,630>
NET EXPENDITURE	<117,590>	<81,760>	<81,760>	18,610

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Conducting elections				
Transport costs	394	200	200	400
Property costs	3,193	300	300	3,300
Supplies and Services	50,270	5,200	5,200	50,010
Support services	18,559	12,170	12,170	21,480
NET EXPENDITURE	72,416	17,870	17,870	75,190
Registration of electors				
Staff costs	72,485	77,880	77,880	78,320
Transport costs	91	250	250	250
Supplies and Services	30,646	31,200	31,200	32,020
Support services	52,165	65,020	65,020	61,160
External income	<7,058>	0	<1,830>	0
NET EXPENDITURE	148,330	174,350	172,520	171,750
Emergency planning				
Supplies and Services	17,757	20,700	20,700	20,700
Support services	9,484	10,100	10,100	10,400
NET EXPENDITURE	27,241	30,800	30,800	31,100
Local land charges				
Staff costs	17,861	19,780	19,780	20,450
Transport costs	117	200	200	200
Property costs	2,310	2,410	2,430	2,290
Supplies and Services	14,298	18,720	33,700	19,190
Support services	103,694	99,190	99,190	104,740
External income	<75,298>	<88,520>	<103,520>	<94,020>
NET EXPENDITURE	62,983	51,780	51,780	52,850

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
General grants				
Grants to voluntary	35,221	22,010	22,010	15,360
CAB grants	102,030	99,280	99,280	99,280
BDA grant	0	14,660	14,660	14,660
Grass pitches	37,500	37,500	37,500	37,500
Park vale	0	8,960	8,960	8,880
Barrow football club	5,000	5,000	5,000	5,000
Barrow rugby club	5,000	5,000	5,000	5,000
Community centres grants	4,200	3,300	3,300	2,200
Cumbria sports grant	5,850	5,850	5,850	5,850
Animal refuge grant	420	420	420	420
Barrow sports panel	0	0	0	2,930
Barrow arts forum	0	0	0	2,570
Good citizenship awards	0	0	0	500
Mayoral awards to old people associations	0	0	0	650
Other grants	0	0	7,000	0
Charitable NDR relief	77,496	80,000	80,000	80,000
NET EXPENDITURE	272,717	281,980	288,980	280,800
Parish precepts				
Supplies and Services	108,500	102,000	102,000	102,900
NET EXPENDITURE	108,500	102,000	102,000	102,900
External interest on borrowing				
Other items	879,905	872,830	601,190	633,000
NET EXPENDITURE	879,905	872,830	601,190	633,000
Interest and investment income				
Other items	<461,938>	<150,000>	<17,250>	<35,000>
NET EXPENDITURE	<461,938>	<150,000>	<17,250>	<35,000>
Pension fund finance				
Other items	1,053,000	246,000	246,000	1,053,000
NET EXPENDITURE	1,053,000	246,000	246,000	1,053,000
Gains/Losses on assets disposal				
Other items	478,955	0	<440,320>	0
NET EXPENDITURE	478,955	0	<440,320>	0

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Pooled UCR levy				
Other items	235,905	0	39,950	0
NET EXPENDITURE	235,905	0	39,950	0
Miscellaneous items				
Supplies and Services	5,217	42,800	42,800	170,000
Support services	44,492	37,930	37,930	45,820
Other items	<91,850>	<39,450>	<4,780>	<10,000>
External income	<3,932>	0	0	0
NET EXPENDITURE	<46,072>	41,280	75,950	205,820
Exceptional items				
Other items	<146,341>	0	<150,960>	0
NET EXPENDITURE	<146,341>	0	<150,960>	0
Arts development and support				
Staff costs	31,749	34,900	34,900	34,930
Transport costs	629	950	950	950
Supplies and Services	118,882	14,180	15,480	14,260
Support services	22,549	22,560	22,560	18,500
External income	<56,151>	0	<24,080>	0
NET EXPENDITURE	117,658	72,590	49,810	68,640
Dock museum				
Staff costs	145,546	158,720	159,620	165,460
Transport costs	659	1,000	800	1,000
Property costs	108,101	115,910	116,140	121,600
Supplies and Services	58,691	52,820	51,690	52,400
Contracted services	39,775	41,910	41,910	43,360
Support services	56,416	64,170	64,290	60,330
Depreciation and impairment	71,768	71,200	71,200	243,180
Other items	<1,313>	<210>	<210>	<2,320>
External income	<35,049>	<17,000>	<22,760>	<17,000>
Internal income	<15,560>	<1,200>	<1,380>	<2,700>
NET EXPENDITURE	429,035	487,320	481,300	665,310

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Forum 28				
Staff costs	264,318	287,970	287,970	280,210
Transport costs	478	800	800	800
Property costs	207,608	232,850	233,370	223,120
Supplies and Services	358,819	80,220	79,700	79,490
Contracted services	55,279	55,040	55,040	57,240
Support services	84,453	94,530	94,530	101,860
Depreciation and impairment	117,380	109,290	109,290	313,160
Other items	<13,197>	<6,810>	<6,810>	<16,790>
External income	<353,720>	<64,750>	<72,110>	<64,750>
Internal income	<20,989>	<19,200>	<19,260>	<20,700>
NET EXPENDITURE	700,430	769,940	762,520	953,640
Forum events				
Supplies and Services	0	20,000	20,000	20,000
NET EXPENDITURE	0	20,000	20,000	20,000
Art events				
Supplies and Services	0	48,000	50,000	48,000
External income	0	0	<2,000>	0
NET EXPENDITURE	0	48,000	48,000	48,000
Community centres				
Staff costs	13,980	17,240	17,240	15,890
Property costs	42,435	50,380	62,160	44,840
Supplies and Services	1,384	740	4,660	750
Support services	30,490	33,340	33,340	21,280
Depreciation and impairment	86,854	70,220	70,220	139,740
Other items	<43,064>	<37,490>	<37,490>	<45,440>
External income	<29,543>	<27,160>	<36,540>	<25,280>
NET EXPENDITURE	102,535	107,270	113,590	151,780

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Sports development & community recreation				
Staff costs	32,770	34,880	48,730	56,130
Transport costs	512	300	5,260	5,390
Property costs	7,130	10,370	10,320	9,140
Supplies and Services	1,403	350	8,960	6,540
Support services	16,299	16,040	16,040	17,480
Depreciation and impairment	43,720	6,090	6,090	3,200
External income	<3,491>	<1,830>	<39,000>	<34,540>
NET EXPENDITURE	98,344	66,200	56,400	63,340
The park leisure centre				
Staff costs	635,692	672,480	671,110	665,600
Transport costs	2,433	2,630	2,630	2,480
Property costs	314,857	374,840	364,400	329,360
Supplies and Services	207,148	196,310	212,000	205,920
Contracted services	93	80	80	80
Support services	85,376	89,690	89,690	94,630
Depreciation and impairment	94,163	99,670	99,670	203,660
Other items	<2,000>	0	0	<2,350>
External income	<702,493>	<797,420>	<818,400>	<762,900>
Internal income	<1,270>	0	0	0
NET EXPENDITURE	633,998	638,280	621,180	736,480
Barrow park				
Staff costs	45,398	43,480	43,780	46,150
Transport costs	2,451	2,330	2,430	2,490
Property costs	2,418	21,960	24,970	19,710
Supplies and Services	15,130	22,050	22,180	22,240
Contracted services	335,349	353,430	353,280	241,470
Support services	12,960	220	220	6,930
Depreciation and impairment	0	32,360	32,360	38,240
Other items	0	0	0	<4,560>
External income	<1,497>	<6,250>	<6,450>	<6,150>
Internal income	<440>	0	0	0
NET EXPENDITURE	411,769	469,580	472,770	366,520

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Parks and open spaces				
Property costs	37,264	13,040	25,340	15,950
Supplies and Services	14,040	2,950	28,650	2,850
Contracted services	337,916	335,560	335,560	223,620
Support services	43,864	57,710	57,710	65,190
Depreciation and impairment	55,264	15,600	15,600	12,180
Other items	<5,606>	<3,850>	<3,850>	<5,610>
External income	<13,404>	<6,300>	<33,980>	<6,300>
NET EXPENDITURE	469,337	414,710	425,030	307,880
Playground				
Staff costs	109,836	127,320	127,320	128,190
Transport costs	9,365	9,350	9,450	9,420
Property costs	1,405	3,110	3,190	28,270
Supplies and Services	58,894	61,100	61,000	36,280
Contracted services	8,113	7,850	7,850	8,040
Support services	24,218	25,370	25,370	25,360
Depreciation and impairment	72,268	63,430	63,430	43,450
Other items	<11,211>	<8,060>	<8,060>	<8,330>
External income	<31,847>	<32,630>	<32,630>	<27,380>
Internal income	<1,450>	0	0	0
NET EXPENDITURE	239,592	256,840	256,920	243,300
Allotments				
Staff costs	4,706	14,780	14,780	15,430
Transport costs	171	770	900	820
Property costs	27,607	19,100	20,500	20,420
Supplies and Services	555	680	680	680
Contracted services	28,618	25,620	25,620	26,230
Support services	24,822	23,090	23,670	24,980
External income	<29,717>	<32,900>	<32,900>	<33,200>
NET EXPENDITURE	56,762	51,140	53,250	55,360

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Tourism				
Staff costs	132,395	84,550	79,920	82,240
Transport costs	1,075	430	500	430
Supplies and Services	77,049	32,010	6,890	10,140
Support services	44,455	43,440	43,440	44,750
External income	<123,387>	<26,500>	<26,500>	<26,500>
NET EXPENDITURE	131,588	133,930	104,250	111,060
Cemeteries				
Staff costs	45,356	46,710	46,710	45,540
Transport costs	784	910	910	970
Property costs	17,630	12,700	15,270	13,440
Supplies and Services	8,628	3,390	3,670	3,430
Contracted services	190,697	196,700	196,700	201,380
Support services	30,610	24,810	24,820	32,100
Depreciation and impairment	2,866	3,020	3,020	4,460
External income	<89,191>	<94,500>	<94,600>	<99,230>
Internal income	<450>	<2,500>	<2,500>	<2,500>
NET EXPENDITURE	206,928	191,240	194,000	199,590
Crematorium				
Staff costs	68,198	76,050	76,050	75,920
Transport costs	882	990	990	1,050
Property costs	66,207	76,410	80,600	85,730
Supplies and Services	46,535	50,340	50,310	49,750
Contracted services	19,522	19,250	19,250	19,640
Support services	13,610	15,530	15,530	15,520
Depreciation and impairment	22,536	22,080	22,080	95,740
External income	<335,282>	<357,000>	<357,000>	<373,800>
Internal income	0	0	0	<1,500>
NET EXPENDITURE	<97,793>	<96,350>	<92,190>	<31,950>
Coast protection				
Supplies and Services	45,036	44,230	48,320	44,230
Support services	4,746	5,350	5,350	3,380
Depreciation and impairment	51,109	50,250	50,250	51,110
Other items	<3,475>	<2,590>	<2,590>	<3,480>
External income	<8,047>	0	<10,610>	0
NET EXPENDITURE	89,368	97,240	90,720	95,240

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Food safety				
Staff costs	79,218	87,830	84,800	79,330
Transport costs	6,781	7,900	7,670	6,880
Supplies and Services	3,954	7,980	7,980	8,590
Support services	33,407	35,870	39,060	44,340
NET EXPENDITURE	123,359	139,580	139,510	139,140
Pollution				
Staff costs	116,733	135,020	131,990	134,050
Transport costs	9,636	9,620	10,580	9,730
Supplies and Services	5,166	6,260	11,200	6,360
Support services	51,551	27,820	31,010	47,870
External income	<14,058>	<11,330>	<11,330>	<11,330>
Internal income	<1,120>	<1,050>	<1,050>	<1,120>
NET EXPENDITURE	167,908	166,340	172,400	185,560
Occupational health				
Staff costs	44,615	49,000	45,970	44,550
Transport costs	4,381	4,890	4,720	4,690
Supplies and Services	30,781	32,950	32,950	32,950
Support services	46,819	44,630	47,830	43,660
External income	<249>	<360>	<360>	<360>
NET EXPENDITURE	126,347	131,110	131,110	125,490
Port health				
Staff costs	934	910	910	910
Transport costs	67	70	70	70
Supplies and Services	882	890	890	910
Support services	909	4,810	4,810	1,810
External income	<1,050>	<520>	<620>	<520>
NET EXPENDITURE	1,743	6,160	6,060	3,180

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Pest control				
Staff costs	41,564	45,180	42,150	43,440
Transport costs	5,478	5,040	4,910	5,140
Property costs	13	30	30	30
Supplies and Services	9,242	12,860	12,830	12,870
Support services	33,011	73,540	76,730	51,110
External income	<7,906>	<10,230>	<10,230>	<10,230>
Internal income	<4,290>	<3,550>	<4,140>	<4,320>
NET EXPENDITURE	77,111	122,870	122,280	98,040
Public health inspection				
Staff costs	43,903	49,710	46,680	43,610
Transport costs	2,477	2,720	2,550	2,060
Supplies and Services	2,971	4,210	5,010	4,220
Support services	33,451	35,200	38,400	21,060
External income	<1,267>	0	0	0
NET EXPENDITURE	81,535	91,840	92,640	70,950
Dog warden				
Staff costs	68,107	67,780	64,740	64,710
Transport costs	6,828	5,830	5,660	5,690
Property costs	6,413	6,580	8,900	6,570
Supplies and Services	14,138	13,310	13,090	13,320
Support services	44,373	43,080	46,300	38,830
Depreciation and impairment	869	870	870	1,200
External income	<19,116>	<7,610>	<17,780>	<7,610>
NET EXPENDITURE	121,612	129,840	121,780	122,710
Licensing				
Staff costs	71,687	93,290	87,290	77,150
Transport costs	2,944	4,370	4,450	4,390
Supplies and Services	32,851	23,040	25,940	23,130
Support services	97,281	105,190	111,590	103,460
External income	<148,662>	<171,920>	<177,480>	<168,070>
Internal income	<1,395>	<1,830>	<1,830>	<1,830>
NET EXPENDITURE	54,707	52,140	49,960	38,230

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Public conveniences				
Staff costs	3,627	3,810	3,810	3,800
Transport costs	360	370	370	350
Property costs	27,644	28,050	31,770	28,680
Supplies and Services	1,633	1,660	1,690	1,710
Contracted services	51,700	57,040	57,040	57,040
Support services	14,352	15,190	15,190	14,030
Depreciation and impairment	88,839	17,820	17,820	43,230
External income	<3,365>	0	0	0
NET EXPENDITURE	184,788	123,940	127,690	148,840
Community safety				
Staff costs	8,087	23,250	23,250	27,740
Transport costs	17	0	0	0
Property costs	1,392	2,090	2,090	1,740
Supplies and Services	143,631	132,430	151,980	140,810
Support services	0	2,340	2,340	6,620
Depreciation and impairment	7,138	7,140	7,140	0
Other items	<5,473>	<5,480>	<5,480>	0
External income	<36,864>	<143,000>	<38,000>	<22,870>
NET EXPENDITURE	117,928	18,770	143,320	154,040
Crime reduction				
Supplies and Services	0	0	64,310	0
External income	0	0	<64,810>	0
NET EXPENDITURE	0	0	<500>	0
Street cleansing				
Staff costs	23,379	23,870	23,870	23,970
Transport costs	5,743	2,690	7,400	1,100
Property costs	280	2,900	1,980	2,900
Supplies and Services	18,681	9,690	89,860	10,230
Contracted services	1,012,842	1,064,470	1,064,470	877,660
Support services	52,808	54,520	54,780	70,280
External income	<7,303>	<5,750>	<85,750>	<5,750>
Internal income	<6,090>	<6,230>	<6,230>	<6,240>
NET EXPENDITURE	1,100,340	1,146,160	1,150,380	974,150

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Streetscene unit				
Staff costs	100,146	129,570	126,530	127,180
Transport costs	5,946	9,770	10,940	9,880
Supplies and Services	8,737	5,430	4,190	5,490
Support services	32,243	35,020	38,060	47,600
Internal income	<80,950>	<86,300>	<86,300>	<92,880>
NET EXPENDITURE	66,122	93,490	93,420	97,270
Waste collection				
Staff costs	37,384	24,270	18,200	18,250
Transport costs	4,167	2,430	2,250	1,790
Property costs	770	1,000	1,000	1,040
Supplies and Services	24,589	17,970	18,270	18,020
Contracted services	1,172,960	1,226,800	1,226,800	852,440
Support services	14,468	20,310	26,760	66,970
Depreciation and impairment	84,586	84,570	84,570	214,390
Other items	<46,835>	<35,100>	<35,100>	<164,680>
External income	<53,488>	<49,690>	<58,160>	<50,190>
Internal income	0	<24,000>	<24,000>	0
NET EXPENDITURE	1,238,602	1,268,560	1,260,590	958,030
Recycling				
Staff costs	36,753	46,440	40,370	41,300
Transport costs	849	910	1,130	1,140
Supplies and Services	246,273	214,210	208,730	19,750
Contracted services	479,287	894,250	894,250	704,460
Support services	17,012	11,680	18,110	46,370
External income	<529,467>	<914,200>	<914,200>	<1,144,920>
NET EXPENDITURE	250,707	253,290	248,390	<331,900>
Building control				
Staff costs	137,895	136,180	136,180	148,270
Transport costs	9,692	7,800	7,800	7,660
Supplies and Services	4,067	9,910	9,910	10,350
Support services	72,280	47,980	47,980	54,140
Internal income	<32,380>	<33,370>	<33,370>	<33,370>
NET EXPENDITURE	191,554	168,500	168,500	187,050

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Building control fee earning				
Staff costs	103,611	121,420	121,420	113,560
Transport costs	5,328	8,880	8,880	8,160
Supplies and Services	7,753	13,550	13,550	13,160
Support services	46,487	65,500	65,500	57,110
External income	<161,054>	<214,890>	<214,890>	<214,890>
Internal income	<3,061>	0	0	0
NET EXPENDITURE	<935>	<5,540>	<5,540>	<22,900>
Work in default				
Property costs	14,131	6,000	11,450	10,000
Supplies and Services	175	300	10	300
Support services	3,510	4,790	4,790	1,790
External income	<2,655>	0	<1,450>	0
NET EXPENDITURE	15,160	11,090	14,800	12,090
Development control				
Staff costs	309,172	337,430	337,140	305,390
Transport costs	16,690	19,190	16,740	15,030
Supplies and Services	37,910	40,600	40,890	40,440
Support services	146,211	148,310	148,310	141,020
Depreciation and impairment	25,576	8,780	8,780	8,080
Other items	<25,576>	<6,840>	<6,840>	<8,080>
External income	<356,442>	<236,600>	<279,300>	<236,600>
Internal income	<770>	0	0	0
NET EXPENDITURE	152,771	310,870	265,720	265,280
Planning				
Staff costs	101,727	118,930	118,930	121,220
Transport costs	2,899	6,160	6,170	4,870
Supplies and Services	29,617	35,020	34,900	35,070
Support services	43,624	49,340	49,340	47,440
External income	<30>	<250>	<250>	0
NET EXPENDITURE	177,838	209,200	209,090	208,600

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Planning delivery				
Staff costs	82,458	97,340	97,340	59,000
Transport costs	3053	4,000	4,100	2,540
Supplies and Services	24,468	79,300	106,630	74,710
External income	<109,979>	<180,640>	<208,070>	<136,250>
NET EXPENDITURE	0	0	0	0
Economic development				
Staff costs	213,162	230,580	230,620	271,900
Transport costs	5,570	5,530	7,980	8,420
Supplies and Services	109,804	108,440	137,010	115,760
Support services	109,011	94,050	94,050	143,260
Depreciation and impairment	864,190	0	0	0
Other items	<660,212>	0	0	0
External income	<169,675>	0	<6,000>	0
Internal income	<76,720>	<74,410>	<74,410>	<90,990>
NET EXPENDITURE	395,130	364,190	389,250	448,350
Support to business and enterprise				
Supplies and Services	525,612	0	838,840	819,110
NET EXPENDITURE	525,612	0	838,840	819,110
Business Support Programme				
Property costs	0	0	450	0
Supplies and Services	5,000	0	82,190	0
External income	0	0	<52,640>	0
NET EXPENDITURE	5,000	0	30,000	0
Community development				
Staff costs	3,407	36,810	36,880	34,910
Transport costs	0	0	500	0
Supplies and Services	4,000	5,000	142,580	18,590
External income	<3,505>	<41,810>	<273,960>	<40,000>
NET EXPENDITURE	3,902	0	<94,000>	13,500

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Events & festivals management				
Staff costs	29,963	31,860	36,490	39,860
Transport costs	935	600	600	600
Supplies and Services	49,780	25,980	56,230	46,880
Support services	14,636	14,950	14,950	13,770
External income	<894>	0	<7,350>	0
NET EXPENDITURE	94,420	73,390	100,920	101,110
The mall and shops				
Property costs	23,421	8,160	9,690	7,110
Supplies and Services	1,811	320	1,700	320
Support services	12,897	13,970	13,970	15,920
Depreciation and impairment	10,506	9,530	9,530	45,580
Other items	<6,467>	<6,470>	<6,470>	<31,470>
External income	<92,226>	<94,810>	<94,810>	<100,410>
NET EXPENDITURE	<50,058>	<69,300>	<66,390>	<62,950>
The markets				
Staff costs	99,236	96,680	96,680	96,800
Transport costs	5	20	20	20
Property costs	123,775	85,090	86,290	87,210
Supplies and Services	14,067	18,730	17,530	18,160
Support services	33,793	46,090	46,090	58,820
Depreciation and impairment	1,148,677	28,570	28,570	16,360
Other items	<17,119>	<17,120>	<17,120>	<10,050>
External income	<234,295>	<245,620>	<245,720>	<254,110>
NET EXPENDITURE	1,168,139	12,440	12,340	13,210
Estates management				
Staff costs	86,969	93,950	93,950	92,200
Transport costs	1,218	1,440	1,440	1,530
Property costs	112,374	87,780	63,350	114,230
Supplies and Services	29,172	13,430	12,780	6,460
Support services	119,592	92,970	93,030	122,170
Depreciation and impairment	6,027,258	113,700	113,700	163,290
Other items	<1,734,750>	<33,530>	<33,530>	<67,830>
External income	<297,395>	<148,540>	<148,540>	<154,980>
Internal income	<88,307>	<117,810>	<117,810>	<106,440>
NET EXPENDITURE	4,256,131	103,390	78,370	170,630

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Craven house				
Property costs	158,430	188,960	188,360	175,970
Supplies and Services	29,256	29,470	29,470	29,480
Contracted services	10,017	0	0	0
Support services	8,598	25,280	25,280	26,820
Depreciation and impairment	34,317	32,700	32,700	50,760
Other items	<250>	<250>	<250>	<250>
External income	<372,189>	<381,110>	<381,110>	<361,570>
Internal income	<97,846>	0	0	0
NET EXPENDITURE	<229,668>	<104,950>	<105,550>	<78,790>
Cavendish house				
Property costs	89,266	87,130	85,050	0
Supplies and Services	161	160	3,100	0
Contracted services	0	11,020	11,020	0
Support services	340	3,500	3,500	0
Internal income	0	<101,810>	<102,670>	0
NET EXPENDITURE	89,767	0	0	0
The ginnell				
Staff costs	1,111	1,260	1,260	1,240
Property costs	0	0	30	0
Support services	553	4,320	4,320	6,090
Depreciation and impairment	0	0	0	4,800
External income	0	<17,000>	<17,000>	<17,000>
NET EXPENDITURE	1,665	<11,420>	<11,390>	<4,870>
Salthouse depot				
Property costs	32,663	41,560	36,880	38,320
Support services	553	1,350	1,350	930
Depreciation and impairment	15,947	15,330	15,330	17,600
External income	<97,137>	<101,580>	<101,580>	<98,340>
NET EXPENDITURE	<47,973>	<43,340>	<48,020>	<41,490>

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Burlington house				
Property costs	56,563	6,010	5,510	0
Supplies and Services	9,240	0	500	0
Support services	553	18,010	18,010	2,220
Depreciation and impairment	2,262	0	0	3,560
External income	<18,837>	<12,510>	<17,420>	<10,000>
NET EXPENDITURE	49,781	11,510	6,600	<4,220>
Emlyn Hughes house				
Property costs	66,403	54,820	75,030	74,050
Supplies and Services	11,808	3,090	3,090	3,200
Support services	0	12,660	12,660	15,750
Depreciation and impairment	76,161	76,160	76,160	22,140
Other items	<76,160>	<54,200>	<54,200>	<22,140>
External income	<7,082>	<96,630>	<96,630>	<52,180>
NET EXPENDITURE	71,130	<4,100>	16,110	40,820
242-244 Dalton Road				
Property costs	12,851	20,700	17,990	13,120
Supplies and Services	0	570	540	570
Contracted services	0	0	2,740	2,860
Support services	0	5,000	5,000	4,790
Depreciation and impairment	10,082	10,080	10,080	3,550
Other items	<10,082>	<6,830>	<6,830>	<3,550>
Internal income	<18,851>	<32,270>	<32,270>	0
NET EXPENDITURE	<6,000>	<2,750>	<2,750>	21,340
Furness business park				
Property costs	566	1,670	1,670	1,040
Support services	553	680	680	470
Depreciation and impairment	0	0	0	44,620
Other items	0	0	0	<19,910>
External income	<143,604>	<145,490>	<145,490>	<145,490>
NET EXPENDITURE	<142,484>	<143,140>	<143,140>	<119,270>

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Phoenix business centre				
Property costs	202	49,220	49,270	29,130
Supplies and Services	101,108	46,910	46,780	0
Support services	553	1,130	1,130	930
Depreciation and impairment	25,154	25,160	25,160	16,190
Other items	<25,153>	<25,150>	<25,150>	<16,190>
External income	<119,535>	<117,240>	<117,240>	0
NET EXPENDITURE	<17,672>	<19,970>	<20,050>	30,060
Waterside house				
Property costs	73,881	64,660	64,470	67,410
Supplies and Services	11,034	9,120	9,100	9,120
Support services	553	18,440	18,440	20,750
Depreciation and impairment	51,489	51,490	51,490	21,340
Other items	<51,407>	<50,820>	<50,820>	<21,340>
External income	<144,133>	<161,580>	<169,580>	<164,950>
NET EXPENDITURE	<58,583>	<68,690>	<76,900>	<67,670>
Forge Close				
Property costs	174	3,120	4,570	1,620
Supplies and Services	0	0	10	0
Support services	1,710	1,730	1,730	8,700
External income	<3,375>	<13,000>	<13,000>	<26,500>
NET EXPENDITURE	<1,491>	<8,150>	<6,690>	<16,180>
James Freel Court				
Property costs	369	3,120	3,480	1,740
Support services	1,710	1,730	1,730	8,690
External income	0	<7,130>	<8,460>	<24,750>
NET EXPENDITURE	2,079	<2,280>	<3,250>	<14,320>
James Freel Close				
Property costs	515	24,640	43,760	43,280
Supplies and Services	0	4,000	2,580	4,000
Support services	0	5,020	5,020	11,290
External income	<51,319>	<87,850>	<87,850>	<98,350>
NET EXPENDITURE	<50,804>	<54,190>	<36,490>	<39,780>

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Woodbridge Haven Industrial Estate				
Property costs	0	2,340	12,330	19,110
Supplies and Services	0	0	10	0
Support services	0	2,630	2,630	4,800
External income	0	<19,120>	<19,120>	<26,880>
NET EXPENDITURE	0	<14,150>	<4,150>	<2,970>
Street fittings				
Property costs	15,791	14,010	14,010	14,020
Supplies and Services	115,332	18,330	18,330	18,330
Contracted services	15,433	16,980	16,980	16,980
Support services	9,354	7,300	7,300	8,150
Depreciation and impairment	0	0	0	7,000
NET EXPENDITURE	155,910	56,620	56,620	64,480
Street Lighting				
Property costs	70,390	73,700	73,700	74,050
Depreciation and impairment	30,602	28,280	28,280	7,130
External income	<4,117>	0	<500>	0
NET EXPENDITURE	96,875	101,980	101,480	81,180
Off street car parking				
Staff costs	84,741	94,800	94,800	79,720
Transport costs	1,608	1,670	1,680	1,590
Property costs	129,945	168,800	168,900	162,950
Supplies and Services	29,178	37,050	36,680	36,070
Contracted services	15,126	15,790	15,790	16,070
Support services	46,989	47,140	47,140	39,060
Depreciation and impairment	1,118,708	8,690	8,690	27,990
Other items	0	0	0	<130>
External income	<958,866>	<924,000>	<878,550>	<929,000>
NET EXPENDITURE	467,430	<550,060>	<504,870>	<565,680>

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
On street car parking				
Staff costs	127,111	142,190	142,190	147,830
Transport costs	2,421	2,510	2,510	2,950
Supplies and Services	23,127	22,170	22,430	23,940
Support services	44,688	42,040	42,040	42,820
External income	<165,187>	<197,500>	<197,500>	<217,540>
NET EXPENDITURE	32,160	11,410	11,670	0
Resident exemption permits				
Supplies and Services	4,000	4,090	4,090	4,180
Support services	35,338	24,980	24,980	26,270
External income	0	<20,000>	0	<30,450>
NET EXPENDITURE	39,338	9,070	29,070	0
Concessionary fares				
Supplies and Services	60,621	43,000	46,500	68,550
Transfer payments	999,735	1,000,000	1,120,000	1,150,000
Support services	18,883	19,460	19,460	21,010
External income	<364,814>	<373,420>	<373,420>	<173,420>
NET EXPENDITURE	714,425	689,040	812,540	1,066,140
Housing renewal administration				
Staff costs	109,219	115,670	109,600	109,620
Transport costs	4,451	4,760	4,440	4,530
Supplies and Services	15,431	24,740	24,740	24,820
Support services	91,461	85,120	91,510	85,380
Depreciation and impairment	1,340,273	0	0	0
External income	<1,377,762>	<22,000>	<25,000>	<22,000>
Internal income	0	<10,000>	<10,000>	0
NET EXPENDITURE	183,074	198,290	195,290	202,350
Housing market renewal team				
Staff costs	0	94,190	85,100	91,650
Transport costs	0	2,800	2,740	2,730
Supplies and Services	0	3,320	3,320	2,210
Support services	0	14,400	23,500	12,600
External income	0	<114,710>	<114,710>	<109,190>
NET EXPENDITURE	0	0	<50>	0

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Neighbourhood Management Team				
Staff costs	146,098	163,680	163,720	0
Transport costs	3,939	3,330	4,280	0
Property costs	7,275	8,780	9,320	0
Supplies and Services	145,104	141,400	186,710	0
Support services	58,729	90,810	90,810	0
External income	<18,502>	0	<2,350>	0
NET EXPENDITURE	342,643	408,000	452,490	0
Housing Benefits Administration				
Supplies and Services	54,880	3,580	8,840	41,770
Contracted services	692,596	709,890	709,890	727,640
Support services	84,902	123,260	123,260	110,780
External income	<361,969>	<346,170>	<346,170>	<380,860>
NET EXPENDITURE	470,409	490,560	495,820	499,330
Housing Benefits				
Supplies and Services	511,050	0	7,930	0
Transfer payments	16,507,956	16,539,220	16,539,220	17,522,480
External income	<16,766,371>	<16,612,600>	<16,655,350>	<17,418,150>
NET EXPENDITURE	252,635	<73,380>	<108,200>	104,330
Homelessness				
Supplies and Services	117,008	46,940	137,990	46,940
Support services	1,107	1,310	1,310	1,120
External income	<78,642>	<19,400>	<138,950>	<19,400>
NET EXPENDITURE	39,473	28,850	350	28,660
General fund revenue support				
Other items	<16,023,829>	<13,844,000>	<16,706,532>	<16,749,218>
NET EXPENDITURE	<16,023,829>	<13,844,000>	<16,706,532>	<16,749,218>
SMGFB I				
Other items	<10,016,942>	<2,374,880>	<1,934,560>	<2,696,600>
NET EXPENDITURE	<10,016,942>	<2,374,880>	<1,934,560>	<2,696,600>
SMGFB II				
Other items	3,157,349	2,499,420	3,858,122	3,645,528
NET EXPENDITURE	3,157,349	2,499,420	3,858,122	3,645,528

	Actual Expenditure 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
SMGFB III				
Other items	978,707	<122,930>	794,640	19,420
NET EXPENDITURE	978,707	<122,930>	794,640	19,420

Support Services and Service Management:

these services are fully allocated / recharged to front line services

Borough Treasurer's	1,070,110
Information Technology	1,161,540
Legal Services	206,110
Personnel	345,930
Technical Support Unit	175,670
Town Hall	507,990
Democratic Services	195,590
Secretarial Services	66,310
Administration Services	187,470
Customer Services	247,250
Internal Audit	138,700
Directors	276,920
Revenues and Benefits Client	125,330
Community Services Management	101,200
Environmental Health Administration	523,950
	5,330,070

Barrow Borough Council
Budget Consultation 2010-2011

The Council is submitting its Revenue Budget for the year starting 1st April 2010 for public Consultation.

Over the last 3 years Cumbria County Council has increased its share of the Council Tax, which we collect on their behalf by 11.39%. Over the same period Barrow Borough Council has only increased the tax by 6.5%.

Band D Council Tax % increase	2007-2008	2008-2009	2009-2010
Cumbria County Council	4.99%	3.9%	2.5%
Barrow Borough Council	0%	2%	4.5%

This year there are significant pressures on our budget and in particular the continuing recession and reduced central government support. In order to reduce the effect of this, the Council plans to use £156,000 of its reserves which we have set aside in previous years to offset the impact on Council Taxpayers. However, recent procurement of some contracts has enabled the Council to freeze the Council Tax for Barrow at current levels.

We also plan to increase fees and charges for the following services:

Description	£
Cemetery and crematorium fees by 2% for residents of the Borough and 5% for non residents	21,530
Land charges personal search fee increase from £11 to £22 in accordance with government guidelines	5,500
Total price increase for income in the budget	27,030

A three year Capital Programme is proposed and the table below gives details of the areas to be covered:

Description	2010-2011	2011-2012	2012-2013
Total Investment in housing	5,758,041	4,175,145	3,750,915
Total Investment in Public Buildings	1,693,900	1,009,500	1,009,500
Total Investment in other public assets	5,968,517	5,597,686	1,385,000
TOTAL	13,420,458	10,782,331	6,145,415

A summary of the programme funding is shown below:

Description	2010-2011	2011-2012	2012-2013
Borrowing	2,000,000	2,000,000	2,000,000
External grants	7,746,245	5,699,500	1,699,500
Reserves	1,933,543	2,008,258	2,060,915
Sale of assets	1,740,670	1,074,573	385,000
Total	13,420,458	10,782,331	6,145,415

Consultation issues:

- Do you agree the Council should use £156,000 of its reserves to offset the effect of the recession and reduced government support
- Do you agree that the Council Tax should be kept at current levels
- Do you agree to the proposed increase in fees and charges instead of an additional increase in the Council Tax of 0.62%
- Are there any areas or services where the Council should spend more money
- Are there any areas or services where the Council should reduce its expenditure

To make comments, write to:

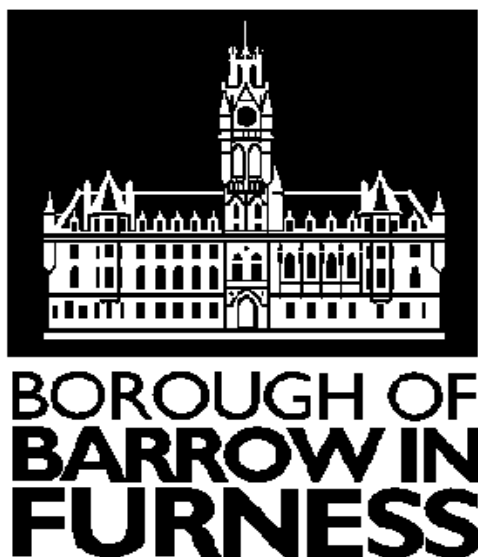
**Borough Treasurer,
Barrow Borough Council,
Town Hall,
Duke Street,
Barrow-in-Furness,
LA14 2LD**

Or e-mail budget@barrowbc.gov.uk.

Or fill out the [On-line Budget Consultation Feedback Form](#).

Or leave at the reception in the Town Hall or any other Council venues

All comments must be received by the 5th February 2010



Medium Term Financial Plan 2010-2013

Contents**1 Introduction**

- The Borough
- The Councils Role
- The Organisation

2 Summary of Council Strategy

- The Councils Vision
- The Community Plan
- The Councils Key Priorities

3 Summary of Council Financial Strategy

- Introduction
- Budget Strategy
- Annual Efficiency Statement
- Capital Strategy

4 Committee Structure**5 Management Structure**

1 Introduction



1.1 The Borough

Barrow Borough Council is situated in South West Cumbria. The Borough has a population of 71,800 (2008) residents and covers approximately 7,796 hectares. The main town is Barrow-in-Furness followed by Dalton-in-Furness and the parishes of Askam and Ireleth, and Lindal and Marton. In total there are around 25,000 private households and 3,000 Council households within the Borough. Over 81% of households are owner-occupied.

1.2 The Councils Role

Barrow Borough Council is one of 6 district councils in Cumbria who provide a wide range of services for residents, businesses and visitors to the Borough.

These include: leisure and recreation, museum and arts, economic development and planning, refuse collection and street cleaning, environmental health, benefits for low income groups and private sector housing.

For 2010-11 the Councils annual net budget is £16,749,218 (including £102,900 parish precepts) of which £4,452,307 is raised in the Council Tax and £9,084,171 from central government support.

1.3 The Organisation

The Council is composed of 36 councillors with one-third elected three years in four. All councillors meet together quarterly and annually as the Council, and more often in smaller groups at committee meetings for most day-to-day decisions; these are set out in the Committee Structure in section 4.

The Councils Management Team consists of the Chief Executive (Head of Paid Service), with primary responsibility for Civic Leadership and overall strategic management. The Chief Executive has overall responsibility for the functional divisions managed by the Director of Regeneration and Community Services, the Director of Corporate Services (Monitoring Officer) and the Borough Treasurer (Section 151 Officer); these functions are set out in the Management Structure in section 5.

2 **Summary of Council Strategy**

2.1 The Councils Vision

Barrow Borough Council has developed a realistic vision for the future and has identified clear aims that compliment the themes of the Community Plan.

The vision of the Council is:

“To enhance the economic and social future of the Borough to meet the needs and aspirations of the community.”

The key aims to support the vision are:

- Effective community leadership.
- Investing in the Boroughs economic future.
- Creating an enhanced quality of life for local residents.
- Developing a safe, confident and socially inclusive community.
- Delivering high quality accessible services.

2.2 The Community Plan

The Community Plan presents a vision of the future of the Borough. It aims to co-ordinate the work of public, private, community and voluntary sectors to improve the social, economic and environmental wellbeing of the Borough and all of its residents. It brings together a range of plans, objectives and strategies from various organisations, so that they can be delivered in a joined-up way.

In simple terms, this means it's a plan that sets out:

- What needs to happen to make the Borough a better place to live.
- What is being done to make those things happen.

2.3 The Councils Key Priorities

The Council has developed a set of Key Priorities that will deliver tangible benefits to the community and are headline issues for the Council. For each of the Key Priorities (KP) there is an action plan that includes annual objectives, actions and measures so that progress can be monitored.

- KP 1 – Create a Safer, Cleaner, Greener environment and reduce the gaps between the priority wards and the average.
- KP 2 – Meet the housing needs of the Borough and make decent housing more accessible.
- KP 3 – Provide easier access to Council services.
- KP 4 – Support economic regeneration.
- KP 5 – Continue to improve the effectiveness and efficiency of your Council.
- KP 6 – Expand facilities and activities for young people.

3 Summary of Council Financial Strategy

3.1 Introduction

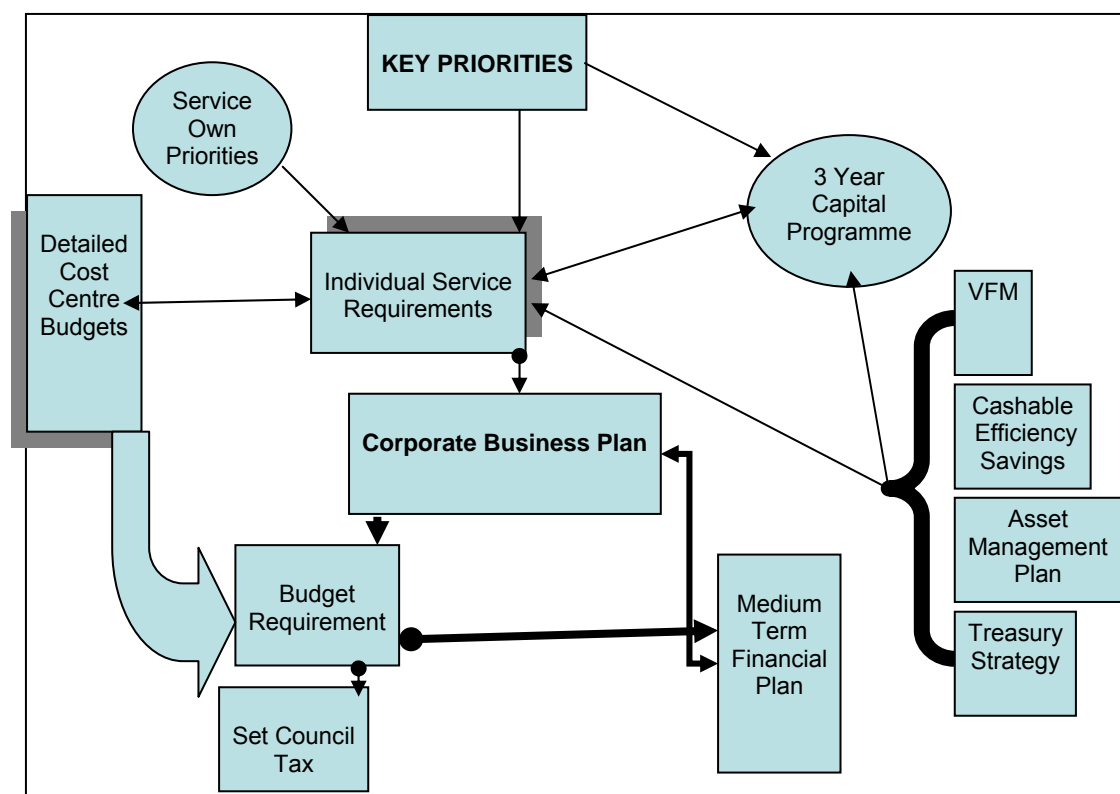
The overall financial planning framework for the Council is depicted in the diagram below. The planning begins with establishing the Key Priorities for future years and ensuring their robust links to the Community Plan, the Councils vision and individual service requirements.

Taking into account value for money information available for services, identifiable cashable efficiency savings and asset management requirements, individual service priorities and requirements are identified and built into the capital programme and revenue budget projections.

The capital programme requirements and revenue budget affordability are then expanded to formulate the Councils Treasury Strategy.

All of the capital and revenue projections in tandem with the Treasury Strategy are incorporated into the Medium Term Financial Plan. This Plan sets out a three year funding strategy and quantifies the assumptions made to arrive at both a net revenue budget and council tax indication for the future.

The Corporate Business Plan at the heart of the financial planning framework contains the complete picture for the Council; all of the priorities, requirements, estimates and assumptions.



3.2 Budget Strategy

The Council's budget strategy will create a robust financial framework that maintains a prudent level of balances. Setting the budget is an annual process and monitoring occurs throughout the year. The result of the annual budget process is an estimate of the next financial year and an indication of the following two years.

The strategy recognises that there are particular inflationary pressures on some Council services these are set out in the service plans within the Corporate Business Plan. The strategy proposes:

- Council Tax is not increased in 2010-2011 and an indicative increase of 5% in 2011-2012 and 2012-2013;
- no provision has been made for pay awards, should staff pay awards be agreed these must be found from staff turnover and savings from the current establishment;
- medium term interest rate estimates in line with the Treasury Management Strategy;
- revenue balances of £156,000 are required to balance the budget for 2010-11 and £155,000 for 2011-12;
- to reflect the worst case scenario for concessionary fares would see £1,150,000 of government funding transferring to the County along with the expenditure; and,
- a prudent level of balances and reserves is maintained.

The Council's budget strategy will deliver medium term financial security subject to the following assumptions for inflation and increases:

Item	2010-2011	2011-2012	2012-2013
Employer's pension contributions	25%	26%	27%
Employer's national insurance contributions	7.25%	8.25%	8.25%
Gas and electricity	-	2%	2%
Water (metered and surface)	4%	2%	2%
Business rates	(14.6%)	-	-
Building cleaning contract	-	2%	2%
Refuse, recycling and street cleaning contract	-	2%	2%
Grounds maintenance contract	-	2%	2%
Revenues benefits and CRM contract	2.5%	2%	2%
Interest rate for new borrowing	5.2%	5.3%	5.3%
Interest rate for surplus cash invested	0.5%	1.5%	4%
Council tax capping limit	5%	5%	5%

The central government grant settlement from the Department for Communities and Local Government (CLG) for 2010-2011 is the final year of a three year settlement period. The CLG have not provided any indication of central government support beyond 2010-2011. This Plan assumes that the level of grant funding for 2011-2012 and 2012-2013 is the same as 2010-2011. As highlighted above, the grant has been adjusted for the potential worst case scenario in relation to concessionary fares. The Area Based Grant has not been continued beyond 2010-2011, again due to the lack of indication from central government.

There is a degree of risk and sensitivity around any budget strategy and the main risks are as follows:

- interest rates may change in response to world markets;
- effects of the pay review;
- utility costs can fluctuate;
- the demand on fee earning services may reduce;
- central government support may differ from that indicated;
- uncertainty of the funding associated with concessionary fares; and,
- unexpected events that may require extraordinary expenditure.

In order to achieve the required outcome these risks will be monitored and proactively managed as appropriate.

3.3 Annual Efficiency Strategy

The government has set a **national** annual 3% target to be achieved through cashable efficiency savings over a three year period 2008-2009 to 2010-2011. There is no percentage or amount specifically for this Council to achieve, however the need for efficiencies still to be achieved is highlighted as the projected funding shortfall in the 3 year budgetary forecast.

The Council's efficiency savings achieved for 2008-2009 was £173,200.

The estimated efficiency savings for 2009-2010 are £610,000.

The 3 year budgetary forecast includes:

	Budget 2010-2011	Indication 2011-2012	Indication 2012-2013
Base revenue budget	£13,713,500	£16,646,318	£13,089,870
Natural staff increments plus on costs	£64,220	£64,710	£65,190
Employers superannuation costs	£46,400	£46,400	£46,880
Employers national insurance costs	£0	£50,920	£0
Inflation	£102,040	£300,290	£338,210
Increase in fees and charges	(£36,620)	£0	£0
Concessionary England wide travel grant	£200,000	£173,420	£0
Concessionary travel	£150,000	(£1,150,000)	£0
Concessionary travel scheme admin	£25,500	(£40,000)	£0
Funding deficit; on-street and resident parking	(£90,490)	£0	£0
Increased recycling target 40% 42% 45%	(£180,000)	(£70,000)	(£105,000)
End of Neighbourhood Management Team	(£408,000)	£0	£0
Area Based Grant in General Fund	£2,683,848	(£2,986,848)	£0
Provision for potential increased bad debts	£115,000	£0	£0
Net change in the cost of existing services	£94,170	£0	£0
Increased provision to repay external debt	£158,910	£45,060	(£101,410)
Change in external interest earned	£115,000	(£90,000)	(£225,000)
Change in external interest payable	(£239,830)	£99,600	£100,590
Change in earmarked reserves	£132,670	£0	£0
Net revenue budget	£16,646,318	£13,089,870	£13,209,330
Budget funded by:			
Use of General Fund balance	(£156,000)	(£155,000)	£0
Central government support	(£9,084,171)	(£9,084,171)	(£7,934,171)
Concessionary travel	£0	£1,150,000	£0
Area Based Grant	(£3,091,848)	£0	£0
Collection Fund balance	£35,108	£0	£0
To be raised from Council Tax	(£4,349,407)	(£4,349,407)	(£4,566,877)
Assumed additional 5% council tax increase		(£217,470)	(£232,800)
Projected funding shortfall		(£433,822)	(£475,482)
Total revenue financing	(£16,646,318)	(£13,089,870)	(£13,209,330)
Barrow Band D Council Tax brought forward	£201.87		
0% increase proposed for 2010-2011	£0.00		
Resulting Council Tax for the year	£201.87		
Barrow Band D Council Tax brought forward		£201.87	
Projected 5% increase for 2011-2012 (at capping limit)		£10.09	
Resulting Council Tax for the year		£211.96	
Barrow Band D Council Tax brought forward			£211.96
Projected 5% increase for 2012-2013 (at capping limit)			£10.60
Resulting Council Tax for the year			£222.56

3.4 Capital Strategy

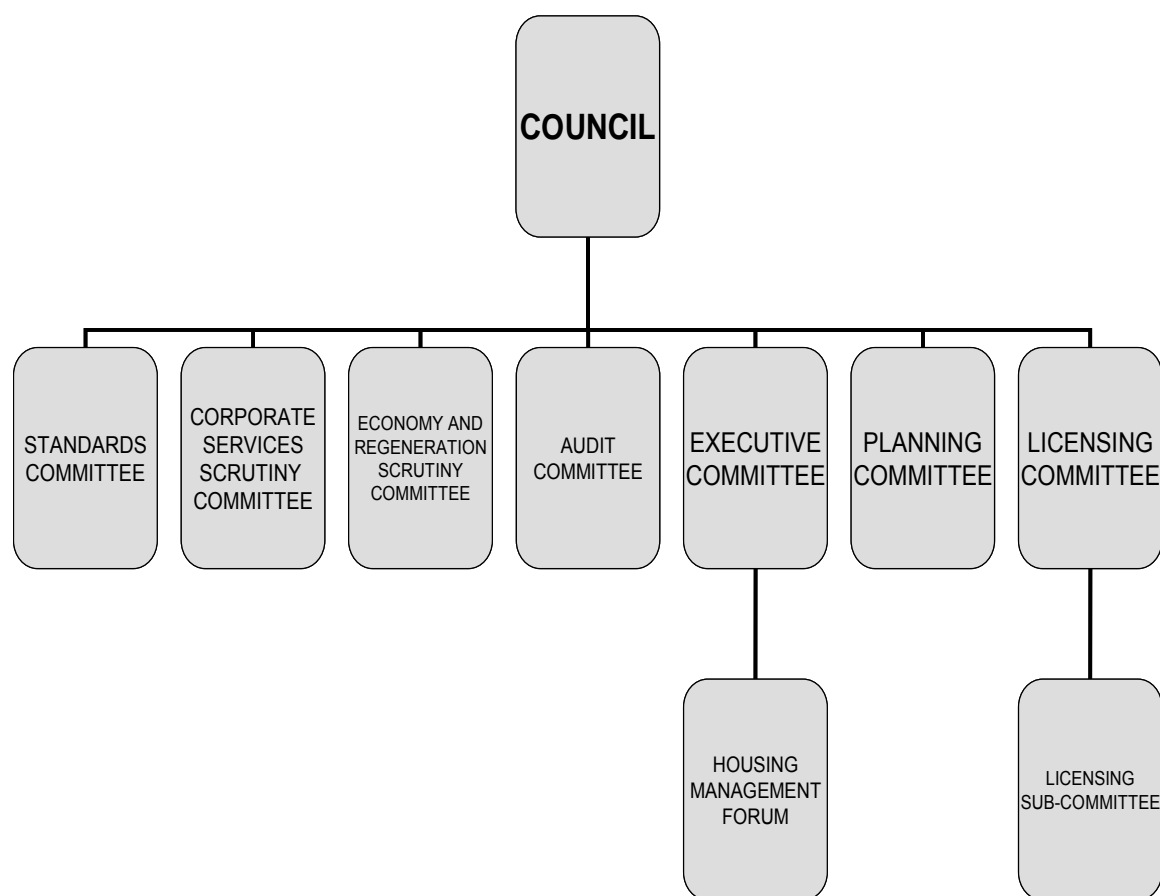
The Council has a 3 year rolling capital programme. The main aim of the programme is to regenerate the Borough for its residents, the local economy and for the future. The programme includes:

	Budget 2010-2011	Indication 2011-2012	Indication 2012-2013
<u>INVESTMENT</u>			
Public housing	£1,933,543	£2,008,258	£2,060,915
Private housing	£1,116,887	£1,116,887	£1,690,000
Housing Market Renewal	£2,707,611	£1,050,000	£0
Public buildings	£1,693,900	£1,009,500	£1,009,500
Other public assets	£4,947,294	£4,452,000	£377,000
Other initiatives	£1,021,223	£1,145,686	£1,008,000
Total	£13,420,458	£10,782,331	£6,145,415
<u>FUNDING</u>			
Borrowing requirement	£2,000,000	£2,000,000	£2,000,000
Government grants	£7,746,245	£5,699,500	£1,699,500
Capital receipts	£1,740,670	£1,074,573	£385,000
Major repairs reserve	£1,933,543	£2,008,258	£2,060,915
Total	£13,420,458	£10,782,331	£6,145,415
Authorised limit for external debt	£31,000,000	£33,000,000	£34,000,000
Total of external loans	£24,389,734	£26,389,734	£28,389,734

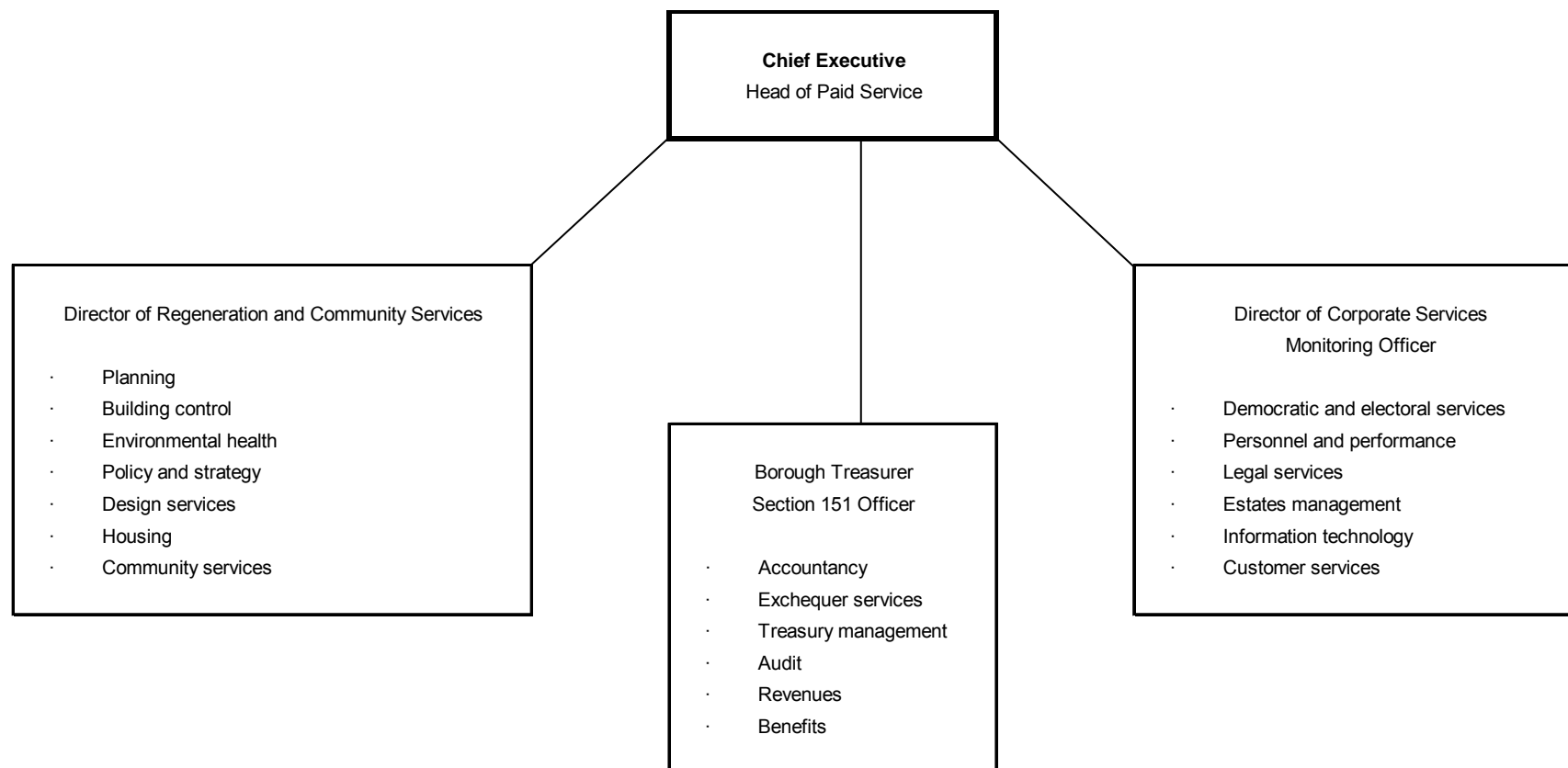
The Council has an obligation to maintain the assets that it uses as determined by its Asset Management Plan. The capital programme is subject to review due to slippage or changes in specification. The Council aims to manage its capital programme to optimise the resources available to the Borough. Any borrowing required to support the capital programme is undertaken in line with the Treasury Management Strategy.

The Council produces an annual Treasury Management Strategy outlining the expected treasury activity for the forthcoming 3 years. The strategy explains both the risks and the management of the risks associated with the treasury service. The strategy covers: the Council's debt and investment projections, the expected movement in interest rates, the Council's borrowing and investment strategies, treasury performance indicators, specific limits on treasury activities and any local treasury issues.

4 Committee Structure



5 Management Structure



Related documents

Revenue Budget 2010-2011

Capital Programme 2010-2013

Treasury Management Strategy

The Council's Constitution

The Community Plan

Corporate Business Plan

Performance Plan

Asset Management Plan

Contact information

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Cumbria

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Financialservices@barrowbc.gov.uk

www.barrowbc.gov.uk

Part 1

Treasury Management Strategy Report 2010/11

Recommendations

This report outlines the Council's prudential indicators for 2010/11 – 2012/13 and sets out the expected treasury operations for this period. It fulfils four key legislative requirements:

- The reporting of the **prudential indicators** setting out the expected capital activities (as required by the CIPFA Prudential Code for Capital Finance in Local Authorities – Part 2). The treasury management prudential indicators are now included as treasury indicators in the CIPFA Treasury Management Code of Practice;
- The Council's **Minimum Revenue Provision (MRP) Policy**, which sets out how the Council will pay for capital assets through revenue each year (as required by Regulation under the Local Government and Public Involvement in Health Act 2007 – Part 2);
- The **treasury management strategy statement** which sets out how the Council's treasury service will support the capital decisions taken above, the day to day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the **Authorised Limit**, the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This is the Affordable Borrowing Limit required by section 3 of the Local Government Act 2003. This is in accordance with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code and shown at Part 3;
- The **investment strategy** which sets out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss. This strategy is in accordance with the CLG Investment Guidance. And also shown in Part 3.

Revised editions of the CIPFA Prudential Code and CIPFA Treasury Management Code of Practice were produced in November 2009. The CLG is currently consulting on changes to the Investment Guidance. The revised guidance arising from these Codes has been incorporated within these reports, with the CLG proposals being incorporated where these do not conflict with current Guidance. If necessary the Investment Strategy contained in Part 3 will be revised if any elements of the final CLG Investment Guidance have not already been covered.

The main changes initiated in the revisions above increase the Members' responsibility in this area. This would require greater Member scrutiny of the treasury policies, increased Member training and awareness and greater frequency of information.

One element of the revised CIPFA Treasury Management Code of Practice is that the clauses to be adopted as part of the Council's financial regulations be amended. This revision is shown at Part 4.3 for approval. The key change is that a responsible body (committee, board or group) be responsible for ensuring effective scrutiny of the treasury management strategy and policies, before making recommendations to Council.

The above policies and parameters provide an approved framework within which the officers undertake the day to day capital and treasury activities.

The Executive Committee is recommended to approve each of the six key elements of these reports, and recommend these to Council:

- 1. The Prudential Indicators and Limits for 2010/11 to 2012/13 contained within Part 2 of the report.**
- 2. The Minimum Revenue Provision (MRP) Statement contained within Part 2 which sets out the Council's policy on MRP.**
- 3. The Treasury Management Strategy 2010/11 to 2012/13 and the treasury Prudential Indicators contained within Part 3.**
- 4. The Authorised Limit Prudential Indicator.**
- 5. The Investment Strategy 2010/11 contained in the treasury management strategy (Part 3), and the detailed criteria included in Part 4.1.**
- 6. The revision to the Council's financial regulations at Part 4.3. This revision nominates the Executive Committee to ensure effective scrutiny of the treasury management strategy and policies.**

Part 2

The Capital Prudential Indicators 2010/11 – 2012/13

Introduction

1. The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and produce prudential indicators. Each indicator either summarises the expected capital activity or introduces limits upon that activity, and reflects the outcome of the Council's underlying capital appraisal systems. This report updates currently approved indicators and introduces new indicators for 2012/13.
2. Within this overall prudential framework there is an impact on the Council's treasury management activity – as it will directly impact on borrowing or investment activity. As a consequence the treasury management strategy for 2010/11 to 2012/13 is included as Part 3 to complement these indicators. Some of the prudential indicators are shown in the treasury management strategy to aid understanding.

The Capital Expenditure Plans

3. The Council's capital expenditure plans are summarised below and this forms the first of the prudential indicators. A certain level of capital expenditure is grant supported by the Government; any decisions by the Council to spend above this level will be considered unsupported capital expenditure. This unsupported capital expenditure needs to have regard to:
 - Service objectives (e.g. strategic planning);
 - Stewardship of assets (e.g. asset management planning);
 - Value for money (e.g. option appraisal);
 - Prudence and sustainability (e.g. implications for external borrowing and whole life costing);
 - Affordability (e.g. implications for the council tax and rents);
 - Practicality (e.g. the achievability of the forward plan).
4. The revenue consequences of capital expenditure, particularly the unsupported capital expenditure, will need to be paid for from the Council's own resources.
5. This capital expenditure can be paid for immediately (by applying capital resources such as capital receipts, capital grants etc., or revenue resources), but if these resources are insufficient any residual capital expenditure will add to the Council's borrowing need.
6. The key risks to the plans are that the level of Government support has been estimated and is therefore maybe subject to change. Similarly some estimates for other sources of funding, such as capital receipts, may also be subject to change over this timescale.

7. The Council is asked to approve the summary capital expenditure projections below. This forms the first prudential indicator:

Capital Expenditure £	2009/10 Original	2009/10 Revised	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate
Non-HRA	10,695,560	11,252,923	11,486,915	8,774,073	4,084,500
HRA	1,902,701	1,911,202	1,933,543	2,008,258	2,060,915
Financed by:					
Capital receipts	452,500	317,929	1,740,670	1,074,573	385,000
Capital grants	8,243,060	8,800,635	7,746,245	5,699,500	1,699,500
Capital reserves	1,902,701	1,902,701	1,933,543	2,008,258	2,060,915
Revenue	0	142,860	0	0	0
Net financing need for the year	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000

The Council's Borrowing Need (the Capital Financing Requirement)

8. The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. The capital expenditure above which has not immediately been paid for will increase the CFR.

9. The Council is asked to approve the CFR projections below:

£	2009/10 Original	2009/10 Revised	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate
Capital Financing Requirement					
CFR – Non Housing	25,870,883	25,754,828	26,601,299	27,402,715	28,305,538
CFR - Housing	9,010,011	9,010,011	9,010,011	9,010,011	9,010,011
Total CFR	34,880,894	34,764,839	35,611,310	36,412,726	37,315,549
Movement in CFR	1,005,380	890,348	846,471	801,416	902,823

Movement in CFR represented by					
Net financing need for the year	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Less MRP and other financing movements	(994,620)	(1,109,652)	(1,153,529)	(1,198,584)	(1,097,177)
Movement in CFR	1,005,380	890,348	846,471	801,416	902,823

10. The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum

Revenue Provision - MRP), although it is also allowed to undertake additional voluntary payments (VRP).

11. CLG Regulations have been issued which require full Council to approve **an MRP Statement** in advance of each year. A variety of options are provided to councils to replace the existing Regulations, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement :
12. For capital expenditure incurred before 1 April 2008 or which in the future is Supported Capital Expenditure, the MRP policy will be:
 - **Option 2: CFR Method** – MRP is equal to 4% of the non-housing CFR at the end of the preceding financial year
13. From 1 April 2008 for all unsupported borrowing (including PFI and Finance Leases) the MRP policy will be:
 - **Option 3: Asset Life Method (equal instalment method)** – Where capital expenditure on an asset is financed wholly or partly by borrowing or credit arrangements, MRP is determined by reference to the life of the asset.

The Use of the Council's Resources and the Investment Position

14. The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.).

Affordability Prudential Indicators

15. The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:
16. **Actual and Estimates of the ratio of financing costs to net revenue stream** – This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2009/10 Original	2009/10 Revised	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate
Non-HRA	12%	10%	10%	14%	12%
HRA	5%	9%	9%	11%	9%

17. The estimates of financing costs include current commitments and the proposals in this budget report.
18. **Estimates of the incremental impact of capital investment decisions on the Council Tax** – This indicator identifies the revenue costs associated with **proposed changes** to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

19. Incremental impact of capital investment decisions on the Band D Council Tax

£	Original 2009/10	Proposed Budget 2009/10	Forward Projection 2010/11	Forward Projection 2011/12	Forward Projection 2012/13
Council Tax - Band D	-	-	-	-	-

20. Estimates of the incremental impact of capital investment decisions on Housing Rent levels – Similar to the Council tax calculation this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in this budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

21. Incremental impact of capital investment decisions Housing Rent levels

£	Original 2009/10	Proposed Budget 2009/10	Forward Projection 2010/11	Forward Projection 2011/12	Forward Projection 2012/13
Weekly Housing Rent levels	-	-	-	-	-

22. This indicator shows the revenue impact on any newly proposed changes, although any discrete impact will be constrained by rent controls.

Part 3

Treasury Management Strategy 2010/11 – 2012/13

1. The treasury management service is an important part of the overall financial management of the Council's affairs. The prudential indicators in Part 1 consider the affordability and impact of capital expenditure decisions, and set out the Council's overall capital framework. The treasury service considers the effective funding of these decisions. Together they form part of the process which ensures the Council meets its balanced budget requirement under the Local Government Finance Act 1992. .
2. The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management – revised November 2009). This Council adopted the Code of Practice on Treasury Management on 14/03/2002, and will adopt the revised Code.
3. As a result of adopting the Code the Council also adopted a Treasury Management Policy Statement. This adoption is the requirements of one of the prudential indicators. However the revised Code of Practice has amended the Treasury Management Policy Statement and this is appended Part 4.3 for approval.
4. The Financial Regulations require an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming 3 years. A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. A further treasury report is produced after the year-end to report on actual activity for the year, and a new requirement of the revision of the Code of Practice is that there is a mid-year monitoring report.
5. This strategy covers:
 - The Council's debt and investment projections;
 - The Council's estimates and limits on future debt levels;
 - The expected movement in interest rates;
 - The Council's borrowing and investment strategies;
 - Treasury performance indicators;
 - Specific limits on treasury activities;

Debt and Investment Projections 2010/11 – 2012/13

6. The borrowing requirement comprises the expected movement in the CFR and any maturing debt which will need to be re-financed. The table below shows this effect on the treasury position over the next three years. The expected maximum debt position during each year represents the Operational Boundary prudential indicator, and so may be different from the year end position. The table also highlights the expected change in investment balances.

£	2009/10 Revised	2010/11 Estimated	2011/12 Estimated	2012/13 Estimated
External Debt				
Debt at 1 April	29,000,000	22,389,734	24,389,734	26,389,734
Expected change in debt	(6,610,266)	2,000,000	2,000,000	2,000,000
Debt at 31 March	22,389,734	24,389,734	26,389,734	28,389,734
Operational Boundary	26,000,000	28,000,000	30,000,000	32,000,000
Investments				
Total Investments at 31 March	0	0	0	0
Investment change	(4,300,000)	0	0	0

7. The related impact of the above movements on the revenue budget are:

£	2009/10 Revised	2010/11 Estimated	2011/12 Estimated	2012/13 Estimated
Revenue Budgets				
Interest on Borrowing	994,930	1,030,350	1,135,350	1,241,350
Related HRA Charge	393,740	397,350	402,750	408,160
Net General Fund Borrowing Cost	601,190	633,000	732,600	833,190
Investment income	20,000	35,000	105,000	280,000

Limits to Borrowing Activity

8. Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well defined limits
9. For the first of these the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2010/11 and the following two financial years (the relevant comparative figures are highlighted). This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

£m	2009/10 Revised	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate
Gross Borrowing	22,389,734	24,389,734	26,389,734	28,389,734
Investments	0	0	0	0
Net Borrowing	22,389,734	24,389,734	26,389,734	28,389,734
CFR*	34,764,839	35,611,310	36,412,726	37,315,549

* - Under the Prudential Code revision any falls in the CFR are ignored.

10. The Borough Treasurer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.
11. The Authorised Limit for External Debt – A further key prudential indicator represents a control on the overall level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council. It reflects the level of external debt which, while not

desired, could be afforded in the short term, but is not sustainable in the longer term.

12. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been exercised.

13. The Council is asked to approve the following Authorised Limit:

Authorised limit £m	2009/10 Revised	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate
Borrowing	29,000,000	31,000,000	33,000,000	34,000,000
Other long term liabilities	0	0	0	0
Total	29,000,000	31,000,000	33,000,000	34,000,000

14. Borrowing in advance of need – The Council has some flexibility to borrow funds this year for use in future years. The Borough Treasurer may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Whilst the Borough Treasurer will adopt a cautious approach to any such borrowing, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities. Borrowing in advance will be made within the constraints that :

- It will be limited to no more than 50% of the expected increase in borrowing need (CFR) over the three year planning period; and
- Would not look to borrow more than 12 months in advance of need.

15. Risks associated with any advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or annual reporting mechanism.

Expected Movement in Interest Rates

Medium-Term Rate Estimates (averages)

Annual Average %	Bank Rate	Money Rates		PWLB Rates*		
		3 month	1 year	5 year	20 year	50 year
2008/09	3.9	5.0	5.3	4.2	4.8	4.5
2009/10	0.5	0.8	1.4	3.2	4.4	4.6
2010/11	1.0	1.5	2.3	4.0	5.0	5.2
2011/12	2.0	2.5	3.3	4.3	5.3	5.3
2012/13	4.5	4.8	5.3	5.3	5.5	5.3

* Borrowing Rates

Borrowing Strategy 2010/11 – 2012/13

16. The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy.
17. Long-term fixed interest rates are at risk of being higher over the medium term, and short term rates are expected to rise, although more modestly. The Borough Treasurer, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time. It is

likely that shorter term fixed rates may provide lower cost opportunities in the short/medium term.

18. With the likelihood of long term rates increasing, debt restructuring is likely to focus on switching from longer term fixed rates to cheaper shorter term debt, although the Borough Treasurer and treasury consultants will monitor prevailing rates for any opportunities during the year.
19. The option of postponing borrowing and running down investment balances will again be considered. This action reduces counterparty risk and hedges against the expected fall in investments returns.

Investment Strategy 2010/11 – 2012/13

20. **Key Objectives** - The Council's investment strategy primary objectives are safeguarding the re-payment of the principal and interest of its investments on time first and ensuring adequate liquidity second – the investment return being a third objective. The current investment climate has one over-riding risk consideration; that of counterparty security risk. As a result of these underlying concerns officers are implementing an operational investment strategy which tightens the controls already in place in the approved investment strategy.
21. **Risk Benchmarking** – A development in the revised Codes and the CLG consultation paper is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Discrete security and liquidity benchmarks are new requirements to the Member reporting, although the application of these is more subjective in nature. Additional background in the approach taken is attached at Part 4.2.
22. These benchmarks are simple targets (not limits) and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy depending on any changes. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report.
23. Security - The Council's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:
 - 0.1% historic risk of default when compared to the whole portfolio.
24. Liquidity – In respect of this area the Council seeks to maintain:
 - Bank overdraft - £2,000,000
 - Liquid short term deposits of at least £1,000,000 available with a week's notice.
 - Weighted Average Life benchmark is expected to be 0.15 years, with a maximum of 0.75 years.
25. Yield - Local measures of yield benchmarks are:
 - Investments – Internal returns above the 7 day LIBID rate
26. And in addition that the security benchmark for each individual year is:

	1 year	2 years	3 years	4 years	5 years
Maximum	0.03%	0.12%	0.10%	0.08%	0.06%

Note: This benchmark is an average risk of default measure, and would not constitute an expectation of loss against a particular investment.

27. Investment Counterparty Selection Criteria - The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below.
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

28. The Borough Treasurer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. This criterion is separate to that which chooses Specified and Non-Specified investments as it provides an overall pool of counterparties considered high quality the Council may use rather than defining what its investments are.

29. The rating criteria use the **lowest common denominator** method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria. This is in compliance with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.

30. Credit rating information is supplied by our treasury consultants on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing.

31. The criteria for providing a pool of high quality investment counterparties (both Specified and Non-specified investments) is:

- **Banks 1 - Good Credit Quality** – the Council will only use banks which:
 - i. Are UK banks; and/or
 - ii. Are non-UK and domiciled in a country which has a minimum Sovereign long term rating of AAA

And have, as a minimum, the following Fitch, Moody's and Standard and Poors credit ratings (where rated):

- i. **Short Term** – F1, P-1, A-1
- ii. **Long Term** – AA-, Aa3, AA-
- iii. **Individual / Financial Strength** – B, B (Fitch / Moody's only)

iv. **Support – 2 (Fitch only)**

- **Banks 2 – Guaranteed Banks with suitable Sovereign Support** – In addition, the Council will use banks whose ratings fall below the criteria specified above if all of the following conditions are met:
 - (a) wholesale deposits in the bank are covered by a government guarantee;
 - (b) the government providing the guarantee is rated “AAA” by all three major rating agencies (Fitch, Moody’s and Standard & Poors); and
 - (c) the Council’s investments with the bank are limited to amounts and maturities within the terms of the stipulated guarantee.
- **Banks 3 – Eligible Institutions** - the organisation is an Eligible Institution for the HM Treasury Credit Guarantee Scheme initially announced on 13 October 2008. These institutions have been subject to suitability checks before inclusion, and have access to HM Treasury liquidity if needed.
- **Banks 4** – The Council’s own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.
- **Bank Subsidiary and Treasury Operations** – the Council will use these where the parent bank has the necessary ratings outlined above.
- **Building Societies** – the Council will use all Societies which:
 - i. meet the ratings for banks outlined above
 - Or are both:
 - ii. Eligible Institutions; and
 - iii. Have assets in excess of £500,000,000
- **Money Market Funds**
- **UK Government** (including gilts and the DMADF)
- **Local Authorities, Parish Councils etc**
- **Supranational institutions**

A limit of 75% will be applied to the use of Non-Specified investments.

32. **Country and sector considerations** - Due care will be taken to consider the country, group and sector exposure of the Council’s investments. In part the country selection will be chosen by the credit rating of the Sovereign state in Banks 1 above. In addition:
- no more than 10% will be placed with any non-UK country at any time;
 - limits in place above will apply to Group companies;
 - Sector limits will be monitored regularly for appropriateness.
33. **Use of additional information other than credit ratings** – Additional requirements under the Code of Practice now require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the

agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties.

34. **Time and Monetary Limits applying to Investments** - The time and monetary limits for institutions on the Council's Counterparty List are as follows (these will cover both Specified and Non-Specified Investments):

	Fitch (or equivalent)	Money Limit	Time Limit
Limit 1 Category: long term	AA-	£2,000,000	5 years
Limit 2 Category: short term Council's own bank	F1	£10,000,000	1 year
Limit 3 Category: short term other banks and building societies	F1 or eligible institution with £500,000,000 of assets	£2,000,000	1 year
Other Institution Limits	-	£5,000,000	1 year
DMADF	-	Unlimited	6 months
Guaranteed Organisations	-	£1,000,000	3 months

35. The proposed criteria for Specified and Non-Specified investments are shown in Part 4.1 for approval.
36. In the normal course of the council's cash flow operations it is expected that both Specified and Non-specified investments will be utilised for the control of liquidity as both categories allow for short term investments.
37. The use of longer term instruments (greater than one year from inception to repayment) will fall in the Non-specified investment category. These instruments will only be used where the Council's liquidity requirements are safeguarded. This will also be limited by the longer term investment limits.
38. **Economic Investment Considerations** - Expectations on shorter-term interest rates, on which investment decisions are based, show likelihood of the current 0.5% Bank Rate remaining flat but with the possibility of a rise in mid-2010. The Council's investment decisions are based on comparisons between the rises priced into market rates against the Council's and advisers own forecasts.
39. There is an operational difficulty arising from the current banking crisis. There is currently little value investing longer term unless credit quality is reduced. Whilst some selective options do provide additional yield uncertainty over counterparty creditworthiness suggests shorter dated investments would provide better security.
40. **The criteria for choosing counterparties set out above provide a sound approach to investment in "normal" market circumstances. Whilst Members are asked to approve this base criteria above, under the exceptional current market conditions the Borough Treasurer may temporarily restrict further investment activity to those counterparties considered of higher credit quality than the minimum criteria set out for approval. These restrictions will remain in place until the banking system returns to "normal" conditions. Similarly the time periods for investments will be restricted.**

41. Examples of these restrictions would be the greater use of the Debt Management Deposit Account Facility (DMADF – a Government body which accepts local authority deposits), Money Market Funds, guaranteed deposit facilities and strongly rated institutions offered support by the UK Government. The credit criteria have been amended to reflect these facilities.

Sensitivity to Interest Rate Movements

42. Future Council accounts will be required to disclose the impact of risks on the Council's treasury management activity. Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. The table below highlights the estimated impact of a 1% increase/decrease in all interest rates to the estimated treasury management costs/income for next year. That element of the debt and investment portfolios which are of a longer term, fixed interest rate nature will not be affected by interest rate changes.

£	2010/11 Estimated + 1%	2010/11 Estimated - 1%
Revenue Budgets		
Interest on Borrowing	10,000	(10,000)
Related HRA Charge	3,600	(4,510)
Net General Fund Borrowing Cost	6,400	(5,490)
Investment income	70,000	(35,000)

Treasury Management Limits on Activity

43. There are four further treasury activity limits, which were previously prudential indicators. The purpose of these are to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. However if these are set to be too restrictive they will impair the opportunities to reduce costs/improve performance. The indicators are:

- Upper limits on variable interest rate exposure – This identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- Upper limits on fixed interest rate exposure – Similar to the previous indicator this covers a maximum limit on fixed interest rates.
- Maturity structures of borrowing – These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.
- Total principal funds invested for greater than 364 days – These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

44. The Council is asked to approve the limits:

£	2010/11	2011/12	2012/13
Interest rate Exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	£25,000,000	£27,000,000	£29,000,000

Limits on variable interest rates based on net debt	£8,000,000	£9,000,000	£9,000,000
Maturity Structure of fixed interest rate borrowing 2010/11			
	Lower	Upper	
Under 12 months	0%	20%	
12 months to 2 years	0%	20%	
2 years to 5 years	0%	50%	
5 years to 10 years	0%	75%	
10 years and above	0%	100%	
Maximum principal sums invested > 364 days			
Principal sums invested > 364 days	£2,000,000	£2,000,000	£2,000,000

Performance Indicators

45. The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. Examples of performance indicators often used for the treasury function are:

- Debt – Borrowing - Average rate of borrowing for the year compared to Public Works Loan Board average for the year
- Investments – Internal returns above the 7 day London Interbank BID rate

The results of these indicators will be reported in the Treasury Annual Report.

Treasury Management Advisers

46. The Council uses Butlers as its treasury management consultants. The company provides a range of services which include:

- Technical support on treasury matters, capital finance issues and the drafting of Member reports;
- Economic and interest rate analysis;
- Debt services which includes advice on the timing of borrowing;
- Debt rescheduling advice surrounding the existing portfolio;
- Generic investment advice on interest rates, timing and investment instruments;
- Credit ratings/market information service comprising the three main credit rating agencies.

47. Whilst the advisers provide support to the internal treasury function, under current market rules and the CIPFA Code of Practice the final decision on treasury matters remains with the Council. This service is subject to regular review.

Member and Officer Training

48. The increased Member consideration of treasury management matters and the need to ensure officers dealing with treasury management are trained and kept up to date requires a suitable training process for Members and officers. This Council has addressed this important issue by:

- a. Finance Seminar for Members is run annually, or on demand, and includes a session on Treasury Management.
- b. The Council's Treasury Management Advisers run an annual workshop for Members and Officers.

Part 4.1

Treasury Management Practice (TMP) 1 – Credit and Counterparty Risk Management

The Office of the Deputy Prime Minister (now CLG) issued Investment Guidance on 12th March 2004, and this forms the structure of the Council's policy below. The CLG is currently consulting over revisions to the Guidance and where applicable the Consultation recommendations have been included within this policy. These guidelines do not apply to either trust funds or pension funds which are under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for Councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code on 14/03/2002 and will apply its principles to all investment activity. In accordance with the Code, the Borough Treasurer has produced its treasury management practices (TMPs). This part, TMP 1(5), covering investment counterparty policy requires approval each year.

Annual Investment Strategy - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

Strategy Guidelines – The main strategy guidelines are contained in the body of the treasury strategy statement.

Specified Investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity).
2. Supranational bonds of less than one year's duration.

3. A local authority, parish council or community council.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. For category 4 this covers pooled investment vehicles, such as money market funds, rated F1, P-1, A-1 by Standard and Poor's, Moody's or Fitch rating agencies.
5. A body that is considered of a high credit quality (such as a bank or building society). For category 5 this covers bodies with a minimum short term rating of F1, P-1, A-1 (or the equivalent) as rated by Standard and Poor's, Moody's or Fitch rating agencies.

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies. This criteria is:

	Fitch (or equivalent)	Money Limit	Time Limit
Limit 1 Category: long term	AA-	£2,000,000	5 years
Limit 2 Category: short term Council's own bank	F1	£10,000,000	1 year
Limit 3 Category: short term other banks and building societies	F1 or eligible institution with £500,000,000 of assets	£2,000,000	1 year
Other Institution Limits	-	£5,000,000	1 year
DMADF	-	Unlimited	6 months
Guaranteed Organisations	-	£1,000,000	3 months

Non-Specified Investments – Non-specified investments are any other type of investment (i.e. not defined as Specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

	Non Specified Investment Category	Limit (£ or %)
a.	Eligible Institutions - the organisation is an Eligible Institution for the HM Treasury Credit Guarantee Scheme initially announced on 13 October 2008, with the necessary short and long term ratings required in the limits above. These institutions have been subject to suitability checks before inclusion, and have access to HM Treasury liquidity if needed.	£10,000,000 1 year
b.	Building societies not meeting the basic security requirements under the specified investments. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use such building societies which are Eligible Institutions and have a minimum asset size of £500,000,000, but will restrict these type of investments to £2,000,000 and a time limit of 1 year.	£2,000,000 5 years

c.	Any bank or building society that has a minimum long term credit rating of AA-, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).	£2,000,000 1 year
d.	Any non rated subsidiary of a credit rated institution included in the specified investment category. These institutions will be included as an investment category subject to the parent bank having the necessary credit rating to qualify in its own right.	£5,000,000 1 year
e.	Local Authorities	£5,000,000 1 year

The Monitoring of Investment Counterparties - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Butlers as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Borough Treasurer, and if required new counterparties which meet the criteria will be added to the list.

Part 4.2

Security, Liquidity and Yield Benchmarking

Benchmarking and Monitoring Security, Liquidity and Yield in the Investment Service - A proposed development for Member reporting is the consideration and approval of security and liquidity benchmarks.

These benchmarks are targets and so may be breached from time to time. Any breach will be reported, with supporting reasons in the Annual Treasury Report.

Yield – These benchmarks are currently widely used to assess investment performance. Local measures of yield benchmarks are:

- Investments – Internal returns above the 7 day LIBID rate

Security and liquidity benchmarks are already intrinsic to the approved treasury strategy through the counterparty selection criteria and some of the prudential indicators. However they have not previously been separately and explicitly set out for Member consideration. Proposed benchmarks for the cash type investments are below and these will form the basis of future reporting in this area. In the other investment categories appropriate benchmarks will be used where available.

Liquidity – This is defined as “having adequate, though not excessive cash resources, borrowing arrangements, overdrafts or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives” (CIPFA Treasury Management Code of Practice). In respect of this area the Council seeks to maintain:

- Bank overdraft - £2,000,000
- Liquid short term deposits of at least £1,000,000 available with a week's notice.

The availability of liquidity and the term risk in the portfolio can be benchmarked by the monitoring of the Weighted Average Life (WAL) of the portfolio – shorter WAL would generally embody less risk. In this respect the proposed benchmark is to be used:

- WAL benchmark is expected to be 0.15 years, with a maximum of 0.75 years.

Security of the investments – In context of benchmarking, assessing security is a much more subjective area to assess. Security is currently evidenced by the application of minimum credit quality criteria to investment counterparties, primarily through the use of credit ratings supplied by the three main credit rating agencies (Fitch, Moody's and Standard and Poors). Whilst this approach embodies security considerations, benchmarking levels of risk is more problematic. One method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Council's investment strategy. The table beneath shows average defaults for differing periods of investment grade products for each Fitch long term rating category over the period 1990 to 2007.

Long term rating	1 year	2 years	3 years	4 years	5 years
AAA	0.00%	0.00%	0.00%	0.00%	0.00%
AA	0.00%	0.00%	0.00%	0.03%	0.06%
A	0.03%	0.15%	0.30%	0.44%	0.65%
BBB	0.24%	0.78%	1.48%	2.24%	3.11%

The Council's minimum long term rating criteria is currently "AA" , meaning the average expectation of default for a one year investment in a counterparty with a "AA" long term rating would be 0.00% of the total investment (e.g. for a £1m investment there would be no average loss). This is only an average - any specific counterparty loss is likely to be higher - but these figures do act as a proxy benchmark for risk across the portfolio.

The Council's maximum security risk benchmark for the whole portfolio, when compared to these historic default tables, is:

- 0.1% historic risk of default when compared to the whole portfolio.

And in addition that the security benchmark for each individual year is:

	1 year	2 years	3 years	4 years	5 years
Maximum	0.03%	0.12%	0.10%	0.08%	0.06%

These benchmarks are embodied in the criteria for selecting cash investment counterparties and these will be monitored and reported to Members in the Investment Annual Report. As this data is collated, trends and analysis will be collected and reported. Where a counterparty is not credit rated a proxy rating will be applied.

Part 4.3**Treasury Management Clauses to form part of Standing Orders/Financial Regulations/Constitution**

1. This Council will create and maintain, as the cornerstones for effective treasury management:
 - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
 - Suitable TMPs, setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
2. The Council will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, a mid year review and an annual report after its close, in the form prescribed in its TMPs.
3. The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Executive Committee, and for the execution and administration of treasury management decisions to the Borough Treasurer, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
4. The organisation nominates the Executive Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

**Barrow Borough Council
Capital Programme 2010/2013**

APPENDIX 5

2009-2010		2010-2011	2011-2012	2012-2013
1,902,701	Capitalised planned maintenance	1,933,543	2,008,258	2,060,915
8,501	Housing IT System	-	-	-
1,911,202	Total Investment in public housing	1,933,543	2,008,258	2,060,915
7,240	Renovation grants	-	-	-
960,000	Disabled facilities grants	960,000	960,000	960,000
93,125	Minor repair grants	28,125	28,125	28,125
75,000	Thermal Improvement Grants	75,000	75,000	75,000
53,762	Stay put agency	53,762	53,762	53,762
45,704	Wordsworth Street	-	-	-
1,234,831	Total Investment in private housing	1,116,887	1,116,887	1,116,887
1,223,526	North Central Renewal - Acquisitions Sub Area D	1,177,000	-	-
94,550	Central - Relocation Grants	20,000	-	-
55,000	Central Misc Acquisitions	-	-	-
109,453	Central Refurbishment Property Swaps	-	-	-
-	Central - 188 Marsh Street	50,311	-	-
-	North Central Renewal	431,690	-	-
140,000	Greengate Street Garages - Site Preparation	-	-	-
200,000	Group Repair - Sutherland Street	675,000	-	-
-	Group Repair - Marsh Street	300,000	-	-
-	Group Repair - Central Area E	-	750,000	-
894	Central Area A Environmental Improvements	-	300,000	-
-	Central Buccleuch Court Environmental Improvements	50,000	-	-
110,800	Hindpool Urban Park Phase 1 & 2	1,200	-	-
17,330	Hindpool Clearance / Renewal	-	-	-
96,070	Hindpool Environmental Improvements - Gateway	-	-	-
161,051	Hindpool Environmental Improvements - Pocket Parks	550	-	-
367,174	Hindpool Environmental Improvements - Key Streets	1,860	-	-
34,000	Hindpool - Alleygates	-	-	-
2,609,848	Investment in Housing Market Renewal	2,707,611	1,050,000	0
-	Housing Capital Grant - to be allocated	-	-	573,113
5,755,881	Total Investment in housing	5,758,041	4,175,145	3,750,915
21,000	Cemetery	325,000	42,000	-
14,775	Crematorium	205,000	-	-
78,000	Dock Museum	95,500	9,500	124,500
181,041	Forum 28	139,500	-	-
149,450	Leisure Centre	357,000	15,000	-
100,025	Market Hall	150,000	-	-
16,111	Public Conveniences	98,900	50,000	-
132,719	Roof Top Car Park	-	-	-
135,983	Town Hall	290,000	200,000	200,000
32,753	Public Buildings Alternative Energy Sources	-	-	-
110,000	Craven House	20,000	-	-
-	Burlington House	-	400,000	-
66,924	Public Buildings Contingency Fund	13,000	293,000	685,000
1,038,781	Total Investment in Public Buildings	1,693,900	1,009,500	1,009,500
250,000	Askam Community Centre	-	-	-
17,162	Emlyn Street Improvements	8,000	-	-
84,993	Play Areas	319,800	100,000	100,000
44,262	Barrow Park	86,550	-	-
-	Play Projects Biggar Bank & Abbotswood	85,581	-	-
14,092	Barrow Park Skate Park	-	-	-
-	Playing Fields	75,000	25,000	25,000
58,011	Forge Close Business Units	-	-	-
37,476	James Freel Close Business Units	-	-	-
225,878	Advance Workspace Units - Site Adjacent Waterside House	1,574,100	-	-
60,000	Ramsden Business Park	200,000	2,000,000	-
225,500	Holker Street Car Park	5,927	-	-
32,473	77/79 Duke Street	-	-	-
8,712	Flass Lane Risedale/Hospice Units	-	-	-
10,412	Emlyn Hughes House - Gateway Offices	-	-	-
20,000	Ambassador House	-	-	-

Barrow Borough Council
Capital Programme 2010/2013

APPENDIX 5

2009-2010		2010-2011	2011-2012	2012-2013
-	Salthouse Road Depot	19,000	-	-
15,000	Town Centre Shop Front Grants	35,000	100,000	50,000
76,000	237-241 Dalton Road Millennium House	-	-	-
637,000	104 Abbey Road (Cokes Building)	390,667	-	-
2,510,221	Link Road	58,669	-	-
31,463	Dalton Road Streetscapes	-	-	-
54,197	Abbey Road Streetscapes	-	-	-
175,000	Town Centre Public Realm Phase II	175,000	-	-
216,789	Furness House landscaping	-	-	-
40,000	Coronation Gardens	-	-	-
285,000	The Mall	165,000	-	-
586,096	Marina Village Land Acquisition	1,500,000	2,000,000	-
20,270	Marine Village Consultancy	-	-	-
10,000	Street Furniture	10,000	10,000	10,000
24,262	Footpath Lighting	30,000	30,000	30,000
20,299	Amenity Tree Planting	22,000	22,000	22,000
100,000	IT Equipment & Development	147,000	125,000	100,000
119,802	Refuse and Recycling Containers	40,000	40,000	40,000
6,010,370	Total Investment in other public assets	4,947,294	4,452,000	377,000
16,388	Rural Regeneration - Walney Island	-	-	-
7,102	Rural Regeneration - Lindal	-	-	-
-	Rural Regeneration	100,000	100,000	100,000
204,440	Rural Regeneration - Piel Island	285,000	-	-
227,930	Total Investment in Community Initiatives	385,000	100,000	100,000
7,247	WNF Pre Development Costs	-	-	-
17,138	Retentions	25,000	25,000	25,000
106,778	Unallocated Resources	611,223	1,020,686	883,000
13,164,125	Total	13,420,458	10,782,331	6,145,415

Funding of Capital Programme

8,501	Housing Capital Grant - Public Sector Housing	-	-	-
877,096	Housing Capital Grant - Private Sector Housing	769,887	769,887	769,887
1,734,239	Housing Capital Grant - Housing Market Renewal	1,882,099	573,113	-
-	Housing Capital Grant - to be Allocated	-	-	573,113
2,000,000	Borrowing Requirement Non Housing	2,000,000	2,000,000	2,000,000
875,609	WLR Housing Market Renewal	242,321	-	-
367,270	DCLG Grant	627,000	347,000	347,000
548,159	Working Neighbourhood Fund	1,574,100	2,000,000	-
2,204,626	NWDA	1,558,669	2,000,000	-
820,812	UDF West Lakes Renaissance	298,000	-	-
100,000	Communities for Health	-	-	-
135,094	Lottery	85,581	-	-
229,333	Community Asset Fund	390,667	-	-
-	Dept of Energy & Climate Change	39,921	-	-
788,661	Cumbria County Council	175,000	-	-
111,235	Private Contributions	103,000	9,500	9,500
1,902,701	Major Repairs Reserve	1,933,543	2,008,258	2,060,915
142,860	Contributions from Opportunities Reserve	-	-	-
317,929	Usable Capital Receipts	1,740,670	1,074,573	385,000
13,164,125	Total	13,420,458	10,782,331	6,145,415

Variations to the Capital Programme since last reported on the 14th October 2009

I. for the current year 2009-2010 the programme has decreased by £2,286,647 as detailed below:

Capital Programme	2009/2010 Budget	2009/2010 Expenditure As at 31/12/2009
As at 30/09/2009	£15,450,772	
As at 31/12/2009	£13,164,125	£7,339,197
Alterations	(£2,286,647)	

Total Programme	£13,164,125
Funded By	
Borrowing	£2,000,000
Grants	£8,943,495
Major Repairs Reserve	£1,902,701
Usable Capital Receipts	£317,929

The main variations to the 2009-2010 programme:

- 1) Re-profiled from 2009/2010 to 2010/2011
 - 188 Marsh Street £50,311
 - Group Repair Sutherland Street £325,000
 - Group Repair Marsh Street £100,000
 - Central Buccleuch Court Environmental Improvements £50,000
 - Cemetery £31,000
 - Dock Museum Play Area £15,000
 - Dock Museum Landscape of the Sea £15,000
 - Leisure Centre Solar panels £75,000
 - Market Hall Asbestos Works £150,000
 - Public Conveniences £48,900
 - Town Hall Rooftop & Sandstone Survey Fees £50,000
 - Town Hall Lift £40,000
 - Emlyn Street Improvements £8,000
 - Play Areas £219,800
 - Barrow Park £74,050
 - Play Projects Biggar Bank & Abbotswood £85,581
 - Playing Fields £50,000
 - Advance Workspace Units Site Adjacent Waterside House £1,091,000
 - Town Centre Public Realm Phase II £175,000
 - The Mall £75,000
 - Rural Regeneration Piel Island £5,000
 - Rural Regeneration £50,000
 - Investment & Contingency Fund £20,000
 - Investment & Contingency Fund £397,500 (re-profiled to 2011/2012)
 - Ramsden Business Park £358,780 (re-profiled to 2011/2012)

- 2) Re-profiled from 2010/2011 to 2009/2010
 - Craven House £45,000 re lifts
 - Dock Museum Photographic Archive & Ramps £31,000
 - Town Centre Shop Front Grants £15,000
 - Public Buildings Contingency Fund £50,000
- 3) Housing Capital Grant
 - Hindpool Alleygates £34,000 allocated
 - transfer from North Central Renewal Acquisition Sub Area D to Relocation Grants £8,000
- 4) Disabled Facilities Grant
 - £67,760 transferred from Renovation Grants
 - £70,000 transferred from Minor Repair Grants
 - £201,264 transferred from Investment & Contingency Fund
- 5) Investment and Contingency Fund
 - Town Hall £150,000 transferred to Investment & Contingency Fund
 - Emlyn Hughes House – Gateway Offices £1,230 allocated
- 6) Public Buildings Contingency Fund allocated
 - Forum 28 Entrance additional works £8,500
- 7) Working Neighbourhood Fund allocated
 - 77-79 Duke Street £8,823
 - Holker Street Car Park £3,000
 - Dalton Road Streetscapes £2,100
- 8) Revised Funding
 - 104 Abbey Road Communities for Health Funding £100,000
 - 104 Abbey Road Community Asset Fund £229,333
 - Leisure Centre Dept Energy & Climate Change Funding Solar Panels £39,921
 - Play Areas CCC funding £81,061
 - Town Centre Public Realm Phase II CCC funding £350,000
 - Marine Village Consultancy Planning & Delivery Grant £11,220
 - 237/241 Dalton Road Millennium House funded from unapplied private grants £76,000
 - Ramsden Business Park Barrow Regeneration Funding £60,000 (subject to approval)
- 9) Revised capital receipts
 - Sale of council Houses (£135,000)
 - Flass Lane receipt from Risedale Estates £320,000
- 10) Bids submitted by managers for capital funding have been considered by management and the following projects included in the programme:
 - Ambassador House Air Conditioning Units £20,000
 - Market Hall CCTV and Fire Detection £20,000
 - Market Planters £10,660

- Craven House Voltage Optimisation £20,000
- Footpath Lighting additional £15,000
- Leisure Centre Motorised Pool Covers £30,000

Funding for the above has been allocated from public buildings contingency fund or investment and contingency fund and does not result in any increase in planned borrowing

Capital Programme 2010/2013

The proposed three year capital programme 2010/2011 to 2012/2013 is summarised below.

Capital Programme	2010/2011 Budget	2011/2012 Budget	2012/2013 Budget
As at 31/09/2009	£13,614,886	£6,751,302	£0
As at 31/12/2009	£13,443,835	£10,782,331	£6,145,415
Difference	(£171,051)	£4,031,029	£6,145,415

	2010/2011 Budget	2011/2012 Budget	2012/2013 Budget
Total Programme	£13,443,835	£10,782,331	£6,145,415
Funded by:			
Borrowing	£2,000,000	£2,000,000	£2,000,000
Grants	£7,746,245	£5,699,500	£1,153,500
Major Repairs Reserve	£1,956,920	£2,008,258	£2,606,915
Usable Capital Receipts	£1,740,670	£1,074,573	£385,000

2012/2013 capital programme has been compiled based upon the following assumptions:

Housing Capital Grant £1,343,000
 Borrowing £2,000,000
 Major Repairs Reserve £2,060,915
 Disabled Facilities Grants £347,000
 Capital Receipts from sale of council houses £135,000
 Miscellaneous Receipts £250,000

The main variations to the 2010/2013 programme:

- 1) Revised funding
 - Housing Capital Grant 2010/2011 (£150,000), 2011/2012 (£150,000)
 - Capitalised Planned Maintenance revised Major Repairs Reserve
 2010/2011 £1,431
 2011/2012 £12,529
 - Rural Regeneration Piel Island DCLG Sea Change funding 2010/2011
 £280,000
 - Dock Museum New Shipbuilders Gallery Furness Maritime Trust 2011/2012
 and 2012/2013 £9,500 per annum

- Public Conveniences BBC funding 2010/2011 (£50,000)
 - Crematorium Phase 1 Catholic Chapel Renewable Energy Carbon Trust Funding 2010/2011 £100,000
 - Ramsden Business Park Barrow Regeneration Funding 2010/2011 £200,000 (subject to approval)
 - 104 Abbey Road Community Asset Fund 2010/2011 £390,667
 - Marine Village Land Acquisition NWDA revised funding 2010/2011 (£2,341,331), 2011/2012 £2,000,000 (subject to approval)
- 2) Re-profiled funding
- Ramsden Business Park £1,641,220 WNF re-profiled from 2010/2011 to 2011/2012
- 3) Disabled Facilities Grant 2010/2011 and 2011/2012
- £75,000 transferred from Renovation Grants
 - £135,000 transferred from Minor Repair Grants
 - £161,000 transferred from Housing Capital Grant
- 4) Housing Capital Grant
- 2010/2011 £300,000 transferred from Group Repair Marsh Street to North Central Renewal Acquisition Sub Area D
 - 2010/2011 £20,000 transferred from North Central Renewal Acquisition Sub Area D to Relocation Grants
- 5) Revised projected receipts
- Sale of council Houses 2010/2011 (£94,500), 2011/2012 (£67,500)
- 6) Investment & Contingency Fund Allocated
- Town Centre Shop Front Grants 2010/2011 £50,000, 2011/2012 £100,000, 2012/2013 £50,000
 - Holker Street Car Park 2010/2011 £5,927
- 7) Bids submitted by managers for capital funding have been considered by management and the following projects included in the programme:
- IT Equipment and Investment 2010/2011 £47,000
 - IT Equipment and Investment Car Parking Computerised Hand Held Terminals 2011/2012 £25,000
 - Footpath Lighting 2010/2011 and 2011/2012 £15,000 per annum
 - Dock Museum Solar Thermal Panels 2010/2011 £29,000
 - Dock Museum Ramps and Walls 2010/2011 £32,500
 - Dock Museum New Shipbuilders Gallery 2012/2013 £115,000
 - Craven House Heating Circulation Pumps 2010/2011 £20,000
 - Crematorium Phase 1 Catholic Chapel Renewable Energy 2010/2011 £105,000
 - Leisure Centre Wet Changing Rooms 2010/2011 £271,500 2011/2012 £15,000
 - Leisure Centre CCTV Security System 2010/2011 £10,500
 - Forum 28 Main Theatre Dimmers 2010/2011 £52,500
 - Forum 28 Toilet Facilities Lower Floor 2010/2011 £34,500

- Forum 28 Air Cooling Rydal. Grasmere and Main Theatre 2010/2011 £52,500
- Salthouse Road Depot Voltage Optimisation 2010/2011 £19,000

Funding for the above bids has been allocated from the public buildings contingency fund or the investment and contingency fund and does not result in any increase in the planned borrowing.

8) Funding for the following projects has been extended to 2012/2013

- Disabled facilities Grant £960,000
- Minor Repair Grants £28,125
- Thermal Improvement Grants £75,000
- Stay Put Agency £53,762
- Town Hall £200,000
- Play Areas £100,000
- Playing Fields £25,000
- Town Centre Shop Front Grants £50,000
- Street Furniture £10,000
- Footpath Lighting £30,000
- Amenity Tree Planting £22,000
- IT Equipment & Development £100,000
- Refuse & Recycling Containers £40,000
- Rural Regeneration £100,000
- Retentions £25,000

Housing Capital Allocation 2010/2011

The figure that has been agreed through the regional structure and recommended to the Secretary of State for approval is £1.343m, compared to £1.493m for 2009-10.

Whilst this is a reduction, it has to be seen in the context of a reduction in the overall allocation in the North West from £104m in 2009/10 to £65m in 2010/11. The Council did very badly out of the allocation methodology in 2009/10, as this favoured the promotion of new housing in growth areas, and the indicator chosen to reflect stock condition did not accurately reflect the position in Barrow. These two issues have both been mitigated significantly in the methodology chosen for 2010/11.

As a result, Barrow will receive 2.04% of the total regional allocation in 2010/11, compared with 1.43% in 2009/10. It is worth noting, however, that Barrow received 2.49% of the regional allocation in 2008/9. This reduction reflects changes in priorities in the Regional Housing Strategy over this period.

HOUSING MANAGEMENT FORUM	(R) Agenda Item 7
Date of Meeting: 21st January 2010	
Reporting Officer: Colin Garnett, Housing Manager	
Title: Housing Revenue Account	
Summary and Conclusion:	
The purpose of this report is to agree a Housing Revenue Account Budget for the financial year 2010/11.	
The report also provides an Expected Outturn Budget for the current year 2009/10 and information regarding balances.	
Recommendations:	
Members are asked to:	
1. Note information at (1).	
2. Note information on balances at (2).	
3. Agree 2010/11 budget as shown in Appendix A.	
4. Agree an average increase of 1.3% in line with Rent Restructuring guidelines and note the effect on individual rents as shown at Appendix B.	
5. Agree an increase of Garage charges of 3%.	
6. Agree action contained in point 4.2 and 4.3.	
7. Agree the use of £137,470 from HRA balance to balance the budget for 2010/11.	

Report

The purpose of this report is to agree a Housing Revenue Account Budget for the financial year 2010/11.

The Report also provides an Expected Outturn Budget for the current year 2009/10 and information regarding balances.

The expected outturn and proposed HRA for 2010/11 is attached at **Appendix A**.

In drafting this report I have followed the subsidy determination provided in this year's guidance on rent setting and Housing Subsidy.

1. Expected Outturn Budget 2009/10

The forecast outturn for the year is:

- (i) Rental Income sales during the year are significantly lower than when the budget was set.
 - Sales assumed in original 2009/10 budget = 25 dwellings
 - Sales current expectations 2009/10 = 6 dwellings (6 completed as at December 2009)
 - Expected decrease in rental income = £192,650 due to government guidance to limit the increase in 2008-2009. It is expected that this will be matched by a reduction in the subsidy payable to the government.

(ii) Salaries

Changes in personnel, working hours and unfilled vacancies have resulted in savings estimated to be £92,000 for the year.

2. Balances on the Expected Outturn for 2009-10

The above is likely to result in the following movement in balances.

2.1 **Balance on the Major Repair Reserve as at 31 March 2009 : £0**

2.2 **Balance on the Housing Revenue Account as at 31 March 2009 : £845,980**

The Housing Revenue Account Balance includes an element for funds committed to ongoing housing maintenance of £72,000.

2.3 Breakdown of Balances on Account:

Balance 1.4.09	:	£ 845,980
Ongoing Housing Maintenance	:	£ (72,000)
Forecast surplus 2009-10		£ 51,810
Proposed use to balance budget 2010-11	:	£ (137,470)

Estimated Balance at year end		£ 688,320

This figure is in line with the recommended minimum balances as suggested by the Borough Treasurer.

3. Draft Proposed HRA 2010/11

Appendix A shows a proposed budget for 2010/11.

3.1 In developing a proposed budget for 2010/11 the following factors have been taken into account:

- Rent increases will be applied in accordance with the rent restructuring plans (further details are shown below) – currently averaging 1.3% on actual rents per annum and 3.1% on guideline rents per annum.
- General inflation of 0% on salary costs, 0% on utilities or in line with contractual increases.
- Rental income is based on sales of 6 dwellings in 2010/11.

3.2 As referred to above, rent levels are dictated by the rent restructuring rules.

This year's rent restructuring guidance has been set to reflect the Department of Communities and Local Government's (CLG's) decision to fix rent increases for this year and next. The Retail Price Index (RPI) has fallen to -1.40% in the 2010/11 calculation, from 5% quoted last year. The number of years to convergence is 3.07 creating a convergence date of 25th April 2012.

The effect of this is as follows:

	48 Weeks	52 Weeks
2009/10	£64.71	£59.73
2010/11	£65.55	£60.51
Increase	1.3%	1.3%

Attached at Appendix B are further details of the resultant rents for different property types.

- 3.3 The housing repairs and maintenance budget has been increased in line with the subsidy guidelines. An amount of £1,126.61 per dwelling has been allowed by the subsidy system.

You will note following the above principles results in an in year deficit of £137,470. You will note that in the current year the predicted repayments of subsidy have yet to be adjusted following the rent reduction last year. I would expect that this would be remedied in the final determination in the current financial year but will monitor the situation and will report further, if necessary, on whether action will be required.

For the purpose of setting the budget, the deficit will be met from the HRA balance.

4. Other Charges

4.1 Garage Charges

The proposed budget does not include any increase on garage charges.

The following extra income would be generated if certain increases were approved:

1%	:	£1,620
2%	:	£3,240
3%	:	£4,850

The effect on individual garage charges would be as follows:

	2009/10	+1%	+2%	+3%
Garage rate 1	£5.29	£5.34	£5.40	£5.45
Garage rate 2	£7.31	£7.38	£7.46	£7.53

Please note that VAT is payable in addition to the above charges for garage holders who are not also Council tenants. VAT increased on 1 January 2010 from 15% to 17.5%.

Demand for garages is buoyant with few vacancies.

You will be aware it is my normal practice to recommend that garage rents should be increased in line with the increase for residential properties. I would, therefore, suggest you give consideration to increasing current rents by 3%.

I would, however, remind Members that whilst we adopted that principal last year in setting the budget, no reduction in the rents for garages was made following the revised guidance on rent increases late in the year.

Members instructions are therefore requested.

4.2 Homelink

I am not proposing any changes to Homelink charging at this time. With regards our own tenants, the charges are somewhat lead by agreed contract rates with Supporting People Commissioning Body. I am currently in discussion with Supporting People regarding the identified reduction in income for this service, and will report shortly on proposals to deal with the matter.

4.3 Other Charges

Previously the principle has been agreed to vary certain charges as required to reflect the full cost of the service. These charges are altered when contracts are reviewed. Areas covered by this are staircase cleaning, supported tenancies, furnished tenancies, and dispersed accommodation.

I would recommend this principle be continued.

5. Housing Revenue Account Review

As I have reported previously, a review of the Housing Revenue Account subsidy system is ongoing and I understand that further details will be published in the Spring. I am unable to comment further on likely implications, but will report further when the information is available.

6. Summary

The proposed HRA budget for 2010/11 has been drafted to reflect the latest guidance.

The proposed rent increase is in line with the rent restructuring plan and provides a convergence date of 25th April 2012.

In agreeing these proposals there will be an in year deficit of £137,470 which will be supported by the HRA balance. Further consideration of this matter will be required after year end and final subsidy determinations are available.

Recommendations:

Members are asked to:

1. Note information at (1).
2. Note information on balances at (2).
3. Agree 2010/11 budget as shown in Appendix A.
4. Agree an average increase of 1.3% in line with Rent Restructuring guidelines and note the effect on individual rents as shown at Appendix B.
5. Agree an increase of Garage charges of 3%.
6. Agree action contained in point 4.2 and 4.3.
7. Agree the use of £137,470 from HRA balance to balance the budget for 2010/11.

Legal Implications

Proposals in report reflect guidance on rent restructuring.

Financial Implications

Management procedures in place to regularly review expenditure within budget.

Health and Safety Implications

N/A

Key Priorities or Corporate Aims

Corporate:

Meet the housing needs of the Borough and make decent housing more accessible

Housing Service:

Prudent financial management to ensure financial resources are used effectively with regards value for money

Risk Assessment

N/A

Equal Opportunities

N/A

Background Papers

2010/11 Subsidy Determination.



Corporate Business Plan 2010-2011

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1 INTRODUCTION

Barrow Borough Councils Corporate Business Plan brings together in one place various important documents. The Plan demonstrates how our priorities are set and how they drive both our services and our Medium Term Financial Plan over the next few years.

Following a brief background of the Borough the Corporate Business Plan sets out the Councils Strategy – the factors that impact upon the Council in setting priorities which then drive our service delivery and how the Strategy interacts with the Sustainable Community Strategy for the Borough.

The Corporate Business Plan sets out the Councils objectives for 2010-2011 in terms of Key Priorities, employees and finances.

2 THE BOROUGH

Barrow-in-Furness is one of six district councils in Cumbria. It consists of the large coastal town of Barrow-in-Furness, the small market town of Dalton-in-Furness and the parishes of Askam & Ireleth and Lindal & Marton. It is geographically isolated and remote from main transports links, being around 35 miles from the M6 and West Coast Main Line. Barrow has an operational port, which does not handle large numbers of vessels and has restricted tidal access. No passenger services operate from the port.

The Borough has a population of 71,800¹. This compares with a population of 73,125 in 1991². This population decline is almost entirely due to outward migration³. Barrow is geographically far smaller than the other districts in Cumbria and smaller than district councils generally. It has an area of 7,796 hectares, compared with a total area for the county of 682,353 hectares⁴, and is about one-ninth the size of the next smallest district. The Borough is hence much more urban in nature than the other districts in Cumbria. Over 90% of residents live in wards classified as urban.

The Furness area is the home of world class manufacturing companies and service businesses. On the edge of the Lake District, it offers opportunities to enjoy a great lifestyle, access to top quality education, health, leisure facilities and provides a gateway to the Lake District National Park. The Borough includes the large coastal town of Barrow-in-Furness, and the parishes of Dalton with Newton, Askam and Ireleth, and Lindal and Marton.

Located at the southern tip of the Furness Peninsula, with Morecambe Bay to the South and Duddon Estuary to the North, the town of Barrow-in-Furness is the main commercial, retail and cultural centre for South West Cumbria.

Although it covers an area only one-ninth the size of the next smallest Cumbrian district, the Borough is home to around 71,800 people - 14% of the County's population. Consequently Barrow is more urban in nature than the other districts in Cumbria and 90% of its residents live in wards classified as urban.

For much of the twentieth century Barrow's shipbuilding yard employed up to 14,000 people, and by 1990 it directly or indirectly supported around a third of all employment in the area. However with the end of the Trident submarine programme, and major closures and reductions in other large manufacturing employers, a total of 13,000 Barrow jobs were lost between 1990 and 1995, representing 30% of all employment.

Economic decline brought with it problems of deprivation. The Government's 2007 Deprivation Indices rank Barrow as the 29th most deprived local

¹ Mid year estimate 2008

² Census 1991

³ Office for National Statistics, 2002

⁴ Cumbria County Council 2002

authority area out of 354 in England⁵ and it is the only district in Cumbria among the 50 most deprived districts in the Country. Cumbria contains eight areas⁶ ranked among the 3% most deprived in England and of these six are in Barrow.

To understand the scale of deprivation in Barrow it is helpful to note that these six areas are home to over 8,000 people, which is more than the entire population of towns like Cockermouth, Egremont and Millom, and similar to the population of Windermere and Bowness. Furthermore the areas are clustered in four adjacent wards with a combined population of nearly 20,000 people - more than the entire populations of Ulverston or Penrith, over two thirds the population of Workington and four fifths that of Kendal.

Like other deprived areas, Barrow has areas with a poor quality physical environment and where housing is in low demand; these are particularly concentrated in the town centre. A partnership with the West Cumbrian authorities and Registered Social Landlords has been established to obtain Housing Market Renewal funding to tackle the structural problems in the local housing markets and work has begun to make transformational change to housing in the North Central area of Barrow town centre.

Educational achievement in the Borough is a concern. In 1999, good achievement was recorded in primary schools, however performance tapers off throughout secondary school, and the proportion of pupils staying on at 16 is lower than the national average⁷. Furness Academy opened in September 2009 and aims to help Barrow's young people reach their potential, raise their aspirations and improve standards.

A government review⁸ identified particularly serious problems in relation to Employment and Health, and helping to tackle these problems are key priorities for Barrow Borough Council.

While unemployment across Cumbria has gradually fallen over recent years, rates remain highest in Barrow. In July 2007 the unemployment rate in Barrow (2.6%) was a full percentage point above the Cumbrian average (1.6%) and over a quarter percentage point above the UK average (2.3%). Long-term unemployment also persists in the town. The numbers of long-term unemployed (claiming benefits for over one year) fell across Cumbria over the two years to July 2007, with the exception of Barrow where almost 13% of the workforce has been out of work for over 12 months.

These unemployment statistics mask a still more significant problem of worklessness and the number of Incapacity Benefit claimants remains a serious issue. Barrow has the third highest percentage of working age population claiming Incapacity Benefit in England (13.4%, 5,650 people).

⁵ Based on the rank of average scores

⁶ The Indices of Multiple Deprivation examine small areas with populations of around 1500 people. These are known as Super Output Areas (SOAs).

⁷ A New Vision for Furness and West Cumbria, Segal Quince Wicksteed, 2001

⁸ Government Office North West Annual Review of the Local Strategic Partnership. 2007

In terms of health, Male and Female life expectancy at birth in Barrow has continued to decline in recent years. This is despite increases in the national average and even the average in other areas of high deprivation.

Mortality rates from circulatory diseases fell between 2001-2002 and 2002-2004, however the baseline rate in Barrow is significantly higher than nationally, and the level of reduction was significantly less than across the rest of the country.

Since 1993 there has been a downward trend in Barrow's mortality rates from cancers, but the rate is falling more slowly than the national average, and in the three years to 2004 the mortality rate from cancer for women in Barrow actually increased.

Situated on the edge of England's most famous national park, the Lake District, the Furness Peninsula is the home to nearly 100,000 people and some of the most sophisticated manufacturing businesses in Europe. It has some superb schools, one of the North West's newest universities and a wide range of leisure and shopping opportunities to choose from.

Barrow remains at the heart of the UK shipbuilding industry and is still known throughout the world as a centre of excellence for marine engineering and the construction of sophisticated military ships and submarines. It is home to some of the world's finest shipbuilding and systems integration capability, and one of the UK's largest shipyards. The shipyard continues to dominate the local economy and directly employs around 4,000 people

However, while Barrow remains a shipbuilding town, the global decline in the shipbuilding industry has seen the Borough's economy diversify. Although manufacturing is still the dominant employment sector, significant numbers now work in public services, retail and hospitality. Barrow is also a commercial port that supports the shipbuilding activity of BAE Systems, provides a terminal for BNFL and facilities for the natural gas terminal and other offshore industries.

There is a growing entrepreneurial culture in the Borough and there are real opportunities for those with entrepreneurial flair. There have been notable successes from local entrepreneurs working in graphics, film, engineering and technology sectors.

Barrow Borough contains areas of high quality environment, including beautiful beaches and inspiring scenery, and is home to a rich variety of life. The Borough's coastline is internationally recognized for its wildlife, from Morecambe Bay, teeming with birds, to the natural sand dune systems of Walney Island and Sandscale Haws. The importance of these areas has been recognized by the designation of three separate Sites of Special Scientific Interest (SSSI), and their classification as Special Areas of Conservation (SAC), Special Protection Areas (SPAs) and Ramsar sites demonstrates their international significance.

In addition to the beautiful countryside within its boundaries, Barrow is located only around 20 minutes from the Lake District, and has been referred to as a 'gateway to the lakes and the sea'. This status will be enhanced by the new Waterfront marina complex and planned cruise ship facilities.

Barrow Borough itself has several tourist attractions, including the South Lakes Wild Animal Park which attracts around 250,000 visitors annually, and the Dock Museum which traces the history of shipbuilding in the Town and offers gallery space to local artists and schoolchildren.

Barrow also has significant heritage attractions, with the historic Cistercian Furness Abbey, Piel Castle and grand Victorian architecture, particularly along Abbey Road. Other close by attractions includes Holker Hall, Levens Hall and Sizergh Castle.

The Borough's proximity to areas of great natural beauty, its unique wildlife habitats, and its rich heritage as a centre for industry and shipbuilding, all offer opportunities to attract visitors. In the longer term, the redevelopment of Barrow Port has potential to open the Borough to visitors arriving by sea, both for activities centred around the Marina itself, and as a gateway to the inland attractions of the Lake District. As well as creating a pleasant environment for people who live and work in the Borough, the Borough Council works with partners to take full advantage of these opportunities to achieve economic benefits by attracting visitors from outside the area.

3 THE COUNCILS STRATEGY

3.1 The Councils Vision

Barrow Borough Council has developed a realistic vision for the future and has identified clear aims that compliment the themes of the Sustainable Community Strategy.

The vision of the Council is:

“To enhance the economic and social future of the Borough to meet the needs and aspirations of the community.”

The key aims to support the vision are:

- Effective community leadership.
- Investing in the Boroughs economic future.
- Creating an enhanced quality of life for local residents.
- Developing a safe, confident and socially inclusive community.
- Delivering high quality accessible services.

3.2 The Sustainable Community Strategy

The Sustainable Community Strategy presents a vision of the future of the Borough. It aims to co-ordinate the work of public, private, community and voluntary sectors to improve the social, economic and environmental wellbeing of the Borough and all of its residents. It brings together a range of plans, objectives and strategies from various organisations, so that they can be delivered in a joined-up way.

In simple terms, this means it's a plan that sets out:

- What needs to happen to make the Borough a better place to live
- What is being done to make those things happen

3.3 The Councils Key Priorities

The Council has developed a set of Key Priorities that will deliver tangible benefits to the community and are headline issues for the Council. For each of the Key Priorities (KP) there is an action plan that includes annual objectives, actions and measures so that progress can be monitored.

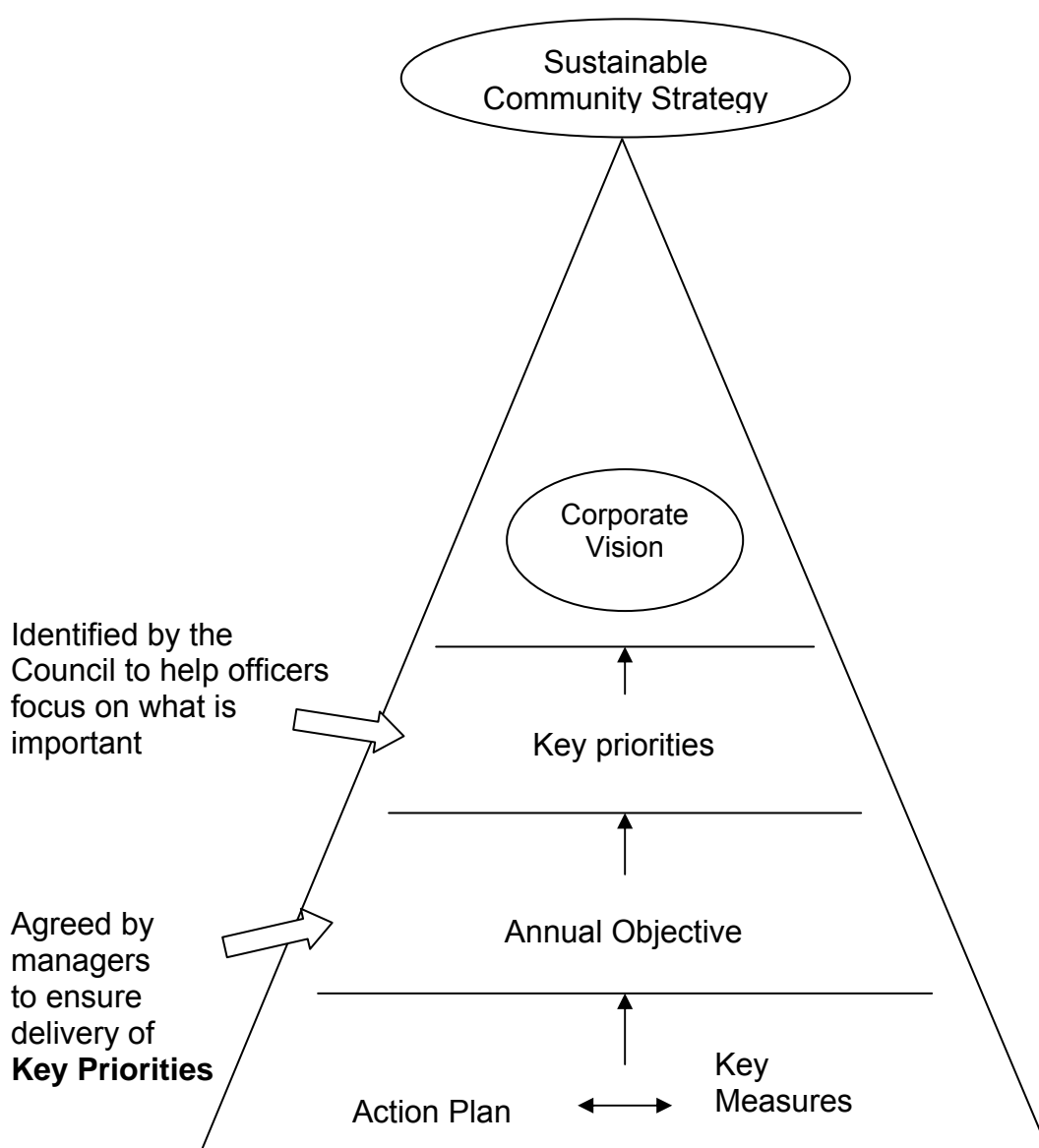
The 2010-2011 Corporate Business Plan seeks to balance the pursuit of efficiency, our statutory duties and our commitment to these Key Priorities. The Council also plans to continue to secure and maximise alternative sources of funding and constructive partnership opportunities to deliver these demanding and often competing objectives.

The Key Priorities applicable for 2010-2011 are:

- KP 1 – Create a Safer, Cleaner, Greener environment and reduce the gaps between the priority wards and the average.
- KP 2 – Meet the housing needs of the Borough and make decent housing more accessible.
- KP 3 – Provide easier access to Council services.
- KP 4 – Support economic regeneration.
- KP 5 – Continue to improve the effectiveness and efficiency of your Council.
- KP 6 – Expand facilities and activities for young people.

3.4 Performance Management

To make sure that the Councils vision becomes a reality, the performance management framework below has been developed to give a stronger focus to the short-term plans and how they relate to the overarching vision.



Fifty two Key Priority actions were due to be completed by the end of 2008/09 of which, thirty nine have been completed. Seven have been subject to delays and are partially complete and six have not started or have been postponed.

The Borough Council has recently opened two new skateboard facilities in Barrow Park and in Ormsgill to provide safe environments for young people to have fun and enjoy a healthy lifestyle. These are very popular with hundreds of children using them every week.

The expansion of the theatre in Forum Twenty Eight arts and entertainment centre has allowed us to provide a more diverse programme of entertainment leading to 20% increase in sales of tickets to young people.

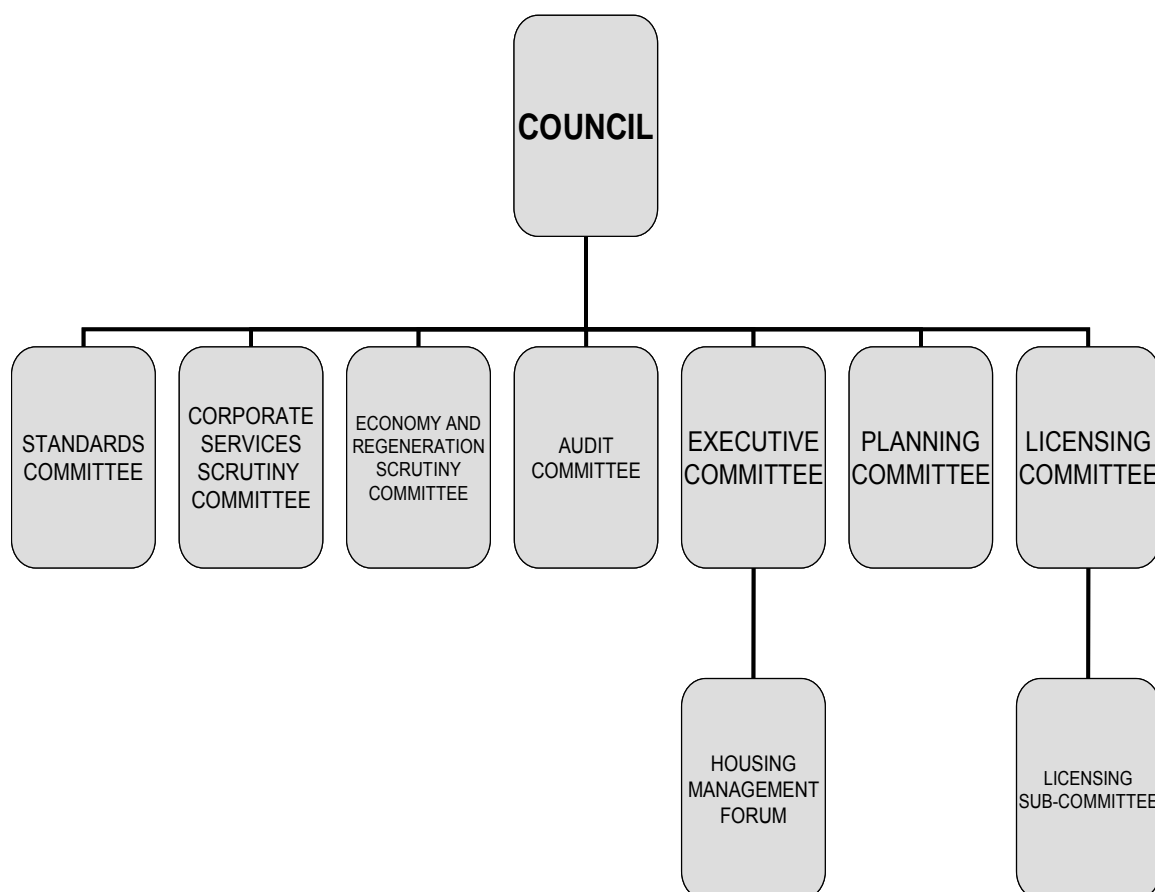
The Borough Council continues to support activities for young people and has provided venues and support for a number of music events targeted at young people.

4 GOVERNANCE

The Council continues to operate a streamlined committee system which has proved effective and inclusive and has allowed members to maintain a resolute focus on the priorities identified. There remains a strong cross party consensus on the Councils Strategy to tackle the social and economic problems faced by our community.

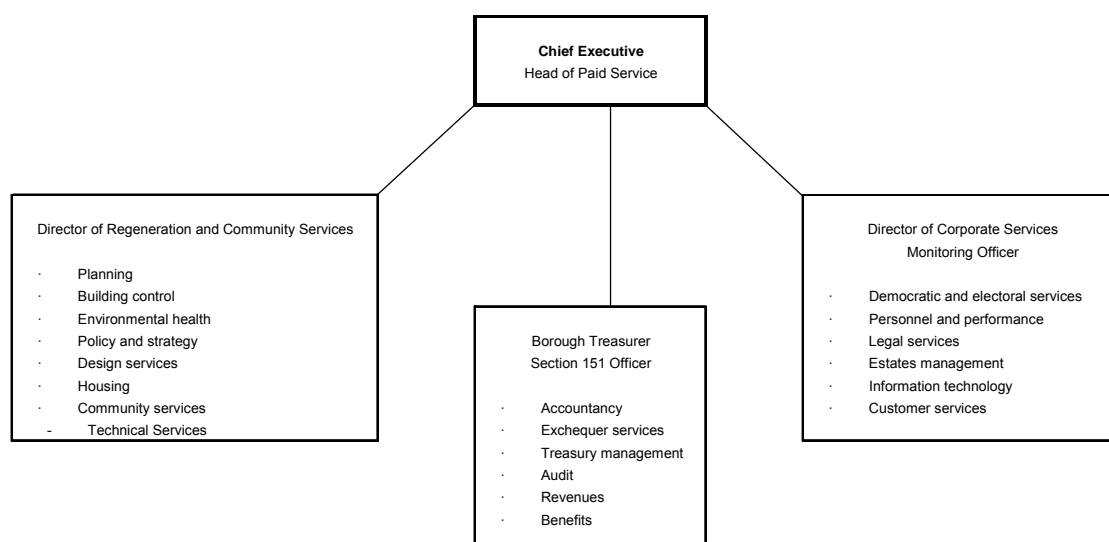
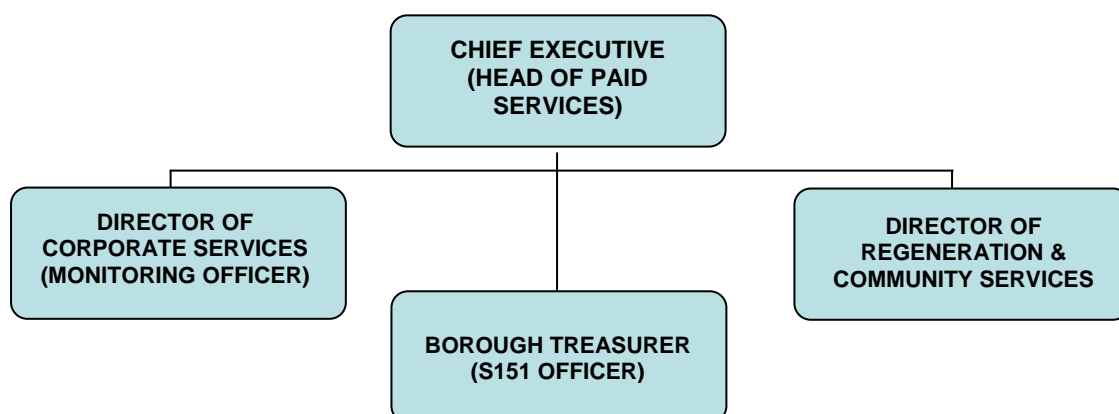
The Council is composed of 36 councillors with one-third elected three years in four. As from 2011 there will be a full election every four years. All councillors meet together quarterly and annually as the Council, and more often in smaller groups at committee meetings for most day-to-day decisions.

The Council has adopted and maintains a formal written constitution to guide the conduct of all its affairs and business.



5 CORPORATE MANAGEMENT

The Councils Management Team consists of the Chief Executive (Head of Paid Service), with primary responsibility for Civic Leadership and overall strategic management. The Chief Executive has overall responsibility for the functional divisions managed by the Director of Regeneration and Community Services, the Director of Corporate Services (Monitoring Officer) and the Borough Treasurer (Section 151 Officer).



6 CONSULTATION

Consultation is an important factor in implementing our plans and developing future priorities.

The Council consults local people and organisations on a wide range of issues to help decide priorities and plan services. The Council is committed to making decisions that take into account the views and experiences of people who are affected by them, and aims to make sure that everyone has an equal chance to have their say.

To help make sure that community consultation is effective, efficient and consistent, the Council has adopted a corporate Consultation Policy. This Policy aims to support well informed and transparent decision making and planning, by improving the quality and effectiveness of consultation undertaken by or on behalf of the Council.

The objectives of the Consultation Policy are to:

- support Sustainable Community Strategy, service delivery and performance management processes;
- share consultation results effectively and use them to inform policy development and service delivery wherever appropriate;
- maintain an open dialogue with stakeholders, while giving due consideration to the risk of consultation fatigue in sections of the community;
- openly and actively feedback to consultees on action resulting from consultation; and,
- ensure that the Council satisfies its statutory duties (including those prescribed in the Race Relations (Amendment) Act 2000 and the Disability Discrimination Act 2005) to consult with all sections of the community and to publish the results of that consultation through appropriate media.

6.1 Community Voice

Community Voice is the name for the Citizens Panel for Cumbria. Citizens Panels are made up of a representative sample of local residents who have agreed to take part in research over a given period of time. Being a structured representative sample, it is a reliable cross-section of local people.

The panel is made up of adult Cumbrian residents who have all agreed that they are willing to respond to surveys and other research conducted by Community Voice Partners, including Barrow Borough Council, Cumbria County Council, Cumbria Constabulary and NHS Cumbria.

7 ANNUAL EFFICIENCY STATEMENT

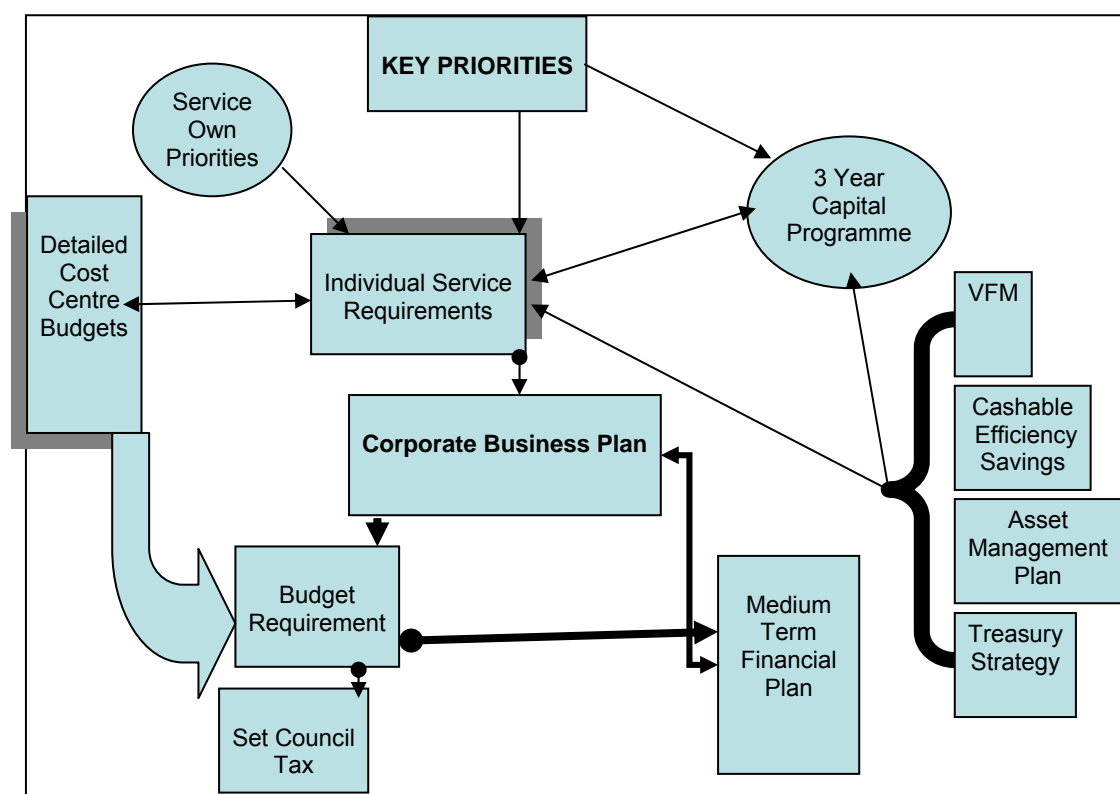
The government has set a new national annual 3% target to be achieved through cashable efficiency savings over a three year period 2008-2009 to 2010-2011.

The Council achieved and exceeded the previous efficiency target set by the government under the Gershon regime.

The budget for 2010-2011 and the Medium Term Financial Plan 2010-2013 indicate that the Council will have to undertake a major review of services during the financial year 2010-2011 to achieve a balanced budget with acceptable levels of council tax increases and prudent balances being maintained. Therefore, cashable efficiencies may result from the review.

8 FINANCIAL PLANNING FRAMEWORK

The overall financial planning framework for the Council is depicted in the diagram below, showing the linkage between the main corporate documents.



9 REVENUE EXPENDITURE

The spending plans for council services in 2010-2011 will have a net revenue expenditure of £16,731,148.

General Fund Budget	Actual 2008-2009	Original Budget 2009-2010	Forecast Outturn Budget 2009-2010	Budget 2010-2011
Subjective Summary				
Staff costs	6,300,943	6,916,280	6,941,670	6,758,500
Transport costs	182,007	200,450	219,760	201,550
Property costs	2,058,190	2,188,710	2,235,890	2,078,840
Supplies and services	5,467,896	3,787,770	5,349,550	4,620,360
Contract services	6,205,758	6,821,410	6,960,620	6,046,740
Concessionary travel	999,735	1,000,000	1,000,000	1,150,000
Housing and Council Tax Benefits	21,530,103	22,371,410	22,335,100	23,585,720
Housing and Council Tax Benefits Grant	(21,869,069)	(22,516,950)	(22,516,950)	(23,462,780)
External income	(9,142,636)	(7,861,360)	(8,677,290)	(7,712,290)
Direct costs	11,732,927	12,907,720	13,848,350	13,266,640
Support services	4,654,754	4,870,320	4,900,640	4,941,420
Depreciation and impairment	11,959,569	1,255,580	1,255,580	2,098,100
Internal income	(8,514,572)	(6,182,050)	(6,316,840)	(6,354,520)
Indirect costs	8,099,751	(56,150)	(160,620)	685,000
Net Expenditure	19,832,678	12,851,570	13,687,730	13,951,640
External interest earned	(461,938)	(150,000)	(17,250)	(35,000)
External interest paid on borrowing	879,905	872,830	601,190	633,000
Provision for repayment of borrowing	813,984	994,620	1,109,660	1,153,530
Items excluded from council tax	(7,595,395)	(954,780)	(954,780)	(1,643,600)
Items included in council tax	1,575,888	352,690	1,485,342	2,514,228
Contribution to / (from) reserves	1,165,628	66,070	674,830	175,420
Contribution to / (from) balances	(53,927)	0	386,000	0
Net Revenue Budget	16,156,823	14,033,000	16,972,722	16,749,218
Budget Funded By:				
Contributions from GF reserves	132,995	189,000	266,190	156,000
Central government support grant	8,887,317	9,004,688	9,004,688	9,084,171
Area based grant / LABGI	2,823,328	408,000	3,270,532	3,091,848
Council tax	4,273,918	4,448,390	4,448,390	4,452,307
Collection fund balance	39,265	(17,078)	(17,078)	(35,108)
Total Revenue Financing	16,156,823	14,033,000	16,972,722	16,749,218

10 SERVICE BUSINESS PLANS

The following section outlines the Service Business Plans which underpin this expenditure and where relevant highlight the Key Issues for that service in the coming year.

10.1 CULTURAL, ENVIRONMENTAL AND PLANNING SERVICES GROUP

10.1.1 Licensing

Service description: this service includes expenditure incurred in the administration and enforcement of the duties of the Borough Council acting as a Licensing Authority. Income is derived from fees charged to applicants. This service supports the Sustainable Community Strategy through working with the Police and other agencies making licensed premises and vehicles safe and secure and reducing crime associated with licensing activities.

Resources for 2010-2011: The net budget is £38,230 including external income generated of £168,070 and staff costs of £77,150; 2.8 full time equivalent staff.

Key issues for 2010-2011: Enforcement of the Licensing Act 2003, in all premises selling alcohol and late night take-away food in the Borough. Enforcement and administration of the Gambling Act 2005, which requires licensing authorities to regulate premises, used for gambling, betting and lottery activities. Work in partnership with Cumbria Constabulary and other Responsible Authorities to reduce crime and disorder arising from the night-time economy, in particular licensed premises and the taxi trade.

10.1.2 Estates Management

Service description: this service provides for the management and maintenance of Council owned properties and shows the rental income received from letting these buildings to businesses and individuals. The service facilitates the physical redevelopment and regeneration activities within the town. It provides project management and also, as the client department for all new property developments, delivers the Sustainable Community Strategy and Heart of Barrow Programmes. The properties range from office buildings to industrial units.

Resources for 2010-2011: The net budget is a surplus of £170,630, including external income generated of £154,980 and staff costs of £92,200; 3 full time equivalent staff.

Key issues for 2010-2011: Completion of Asset Database and Land Registration Scheme. Maximise commercial asset income.

10.1.3 The Mall and Shops

Service description: The Mall and retail shop units on Duke Street form part of Barrow Market Hall within the heart of Barrow. The shop units are let to local businesses. Linked to the Market, the units provide an affordable town centre facility.

Resources for 2010-2011: The net budget is a surplus of £62,950, including external income generated of £100,410.

Key issues for 2010-2011: Agree a design solution to remove vacant shop units and improve the environment.

10.1.4 Sports development and community recreation

Service description: This service covers the maintenance of playing fields, support for the Park Vale and Playing Fields users associations and the work of the sports development officer.

Resources for 2010-2011: The net budget is £63,340, including staff costs of £56,130; 2 full time equivalent staff.

Key issues for 2010-2011: Continued management and development of facilities and liaison with user groups, implementation of the planned capital investment programme. Provide specialist advice and assistance to clubs, groups and individuals to enhance the Borough's sporting infrastructure. Work with the Youth Sports Worker, externally funded for a three year period, to increase participation in sports and physical activity amongst young people.

10.1.5 Playgrounds

Service description: This service covers all aspects of playground maintenance and repair, including the upgrade of playgrounds when necessary and working towards Disability Discrimination Act compliance. Health and safety is an important issue in the management of playgrounds and a significant part of the budget is directed towards preventing accidents and repairing the affects of vandalism.

Resources for 2010-2011: The net budget is £243,300, including external income generated of £27,380 and staff costs of £128,190; 6.04 full time equivalent staff.

Key issues for 2010-2011: Continued implementation of the 2008 playground review recommendations. Work towards improving children's play opportunities, particularly in Dalton. Maximise the £519,800 of capital investment identified over the next three years.

10.1.6 Allotments

Service description: The management and maintenance of 16 allotment sites is accounted for in this service. This involves ground maintenance, fencing, path maintenance and waste removal, including costs associated with safe removal and disposal of asbestos. The expenditure also includes the water supply to all sites and rodent eradication that has become a major issue in recent years. Rental income is generated from letting out the allotments.

Resources for 2010-2011: The net budget is £55,360, including external income generated of £33,200 and staff costs of £15,430; 0.65 full time equivalent staff.

Key issues for 2010-2011: Investigate and, where appropriate, implement self-management opportunities.

10.1.7 Parks and Open Spaces

Service description: The cost of maintaining the parks and open spaces in the Borough is shown in this service. This includes grass cutting, tree, shrubbery and flowerbed maintenance, floral decorations in the town centre and display glasshouse operation, games and facilities at Barrow Park.

Resources for 2010-2011: The net budget is £187,880 including external income generated of £6,300 and staff costs of £46,150; 1.65 full time equivalent staff.

Key issues for 2010-2011: Continue the implementation of the 10 year Barrow Park management plan. Enhancement of tree planting throughout the Borough and floral displays in the Town Centre. Maintain Green Flag status for Barrow Park. New grounds maintenance contract from April 2010.

10.1.8 Community Centres

Service description: Community centres provide a local 'focus' for the people of Barrow, a place for individuals and groups to come together and interact. Residents' user groups manage most centres, but the Council maintains the buildings.

Resources for 2010-2011: The net budget is £151,780, including external income generated of £25,280 and staff costs of £15,890; 0.86 full time equivalent staff.

Key issues 2010-2011: Investigate the transfer of any community centre management responsibilities, should the opportunity arise.

10.1.9 Dock Museum

Service description: The Dock Museum provides considerable public benefit, delivering opportunities for education and lifelong learning and fun for visitors of all ages through its galleries, temporary exhibitions, year-round workshops and conservation projects. The Museum's collection contains objects of regional, national and international significance and this is supported by excellent presentation within a quality venue and by professional staff. The Dock Museum also plays an important role as a tourist attraction to the town. The Dock Museum continues to attract substantial numbers of visitors.

Resources for 2010-2011: The net budget is £665,310, including external income generated of £17,000 and staff costs of £165,460; 6.63 full time equivalent staff.

Key Issues for 2010-2011: Considerably broaden access to the museum's collection by putting the collection on-line, launch a new website for the museum, make improvements to the galleries and increase schools' use of the museum still further via the core subjects of the National Curriculum (namely, numeracy and literacy).

10.1.10 Forum 28 and Tourist Information

Service description: Forum twenty eight promotes and facilitates a varied programme of events including drama, dance music of all genres, comedy, light entertainment and participatory workshops, contributing to the enhancement of cultural services in the Borough. The building also has a variety of multi-purpose spaces and facilities that are hired by local cultural, community and social organisations and by businesses for a variety of purposes. It is hired for private functions including weddings and other celebrations. It supports the Sustainable Community Strategy by improving quality of life within the Borough, contributing to health and well-being and offering opportunities for life long learning. The Tourist Information service relates to the promotion of tourism in the Borough. It supports the Community Plan through Sustainable Community Strategy through tourism development and promotion of Barrow Borough as an attractive and interesting place to stay; and providing information to local residents on the local environment, culture, arts and sports and transport infrastructure.

Resources for 2010-2011: The net budget is £1,064,700, including external income generated of £91,250 and staff costs of £362,450, 12.53 full time equivalent staff.

Key issues for 2010-2011: Continue professional development of key staff. Continue to explore new partnerships on commercial and artistic grounds. Continue the refurbishment programme. Tourist Information Centre to meet the revised Visit Britain Quality standards for Tourist Information Centres. Encourage Visitor Accommodation in the Borough to participate in either a

National Quality Assurance Scheme or the Quality Cumbria Inspection Scheme.

10.1.12 The Arts

Service description: The Arts service works in partnership with the forum, the creative industries, the education and health sectors and other agencies to deliver projects for participants, trainees and audiences. The range of work includes dance, drama, carnival arts, film, music, and the visual arts. The service also works with other local authority departments and agencies to deliver opportunities to raise the quality of design in the built environment. It supports the Sustainable Community Strategy by improving the quality of life in the borough by increasing participation in the arts, combating social exclusion, promoting good physical and mental health and offering opportunities for training and life long learning.

Resources for 2010-2011: The net budget is £68,640, including staff costs of £34,930; 1 full time equivalent staff.

Key issues for 2010-2011: Support the delivery of 'Barrow by Design' a programme of pilot projects that will enable local authority officers to access the skills of artists and designers to influence the quality of design in the built environment. Work with Kendal Art International to deliver Zircus Plus, a second major Cultural Olympiad street arts festival in the Borough in 2010.

10.1.13 Leisure Centre

Service description: The Park Leisure Centre provides a variety of facilities and a range of services designed to encourage the community to adopt a healthier lifestyle through participation in sport and active leisure. The service supports the Sustainable Community Strategy by actively promoting the link between exercise and health.

Resources for 2010-2011: The net budget is £736,480, including external income generated of £762,900 and staff costs of £665,600; 26.47 full time equivalent staff.

Key issues for 2010-2011: Continue to promote the positive link between exercise and health especially amongst children and young people, through further developing our joint working with local schools and the health agencies. Further strengthen the profile of the Leisure Centre through strong, consistent branding and the innovative use of marketing and advertising. Grow income through increased usage and reduce the net deficit. Progress the refurbishment of the wet changing rooms and support our partner, Pulse Fitness, in the redevelopment of the All Weather Pitch.

10.1.14 Planning

Service description: This service is responsible for the preparation and review of the Borough Local Development Framework and policy input to the

development control function. In addition, funding is provided to support conservation grant schemes for listed buildings, conservation areas and management and access to the countryside. Preparation of the £2,500,000 Townscape Heritage Initiative in Central Barrow will be a key element of work in this financial year. Key planning policy documents are the Local Development Scheme, the Statement of Community Involvement and the Statement of Core policies. The service contributes to the Quality of Life priority of the Sustainable Community Strategy. Staff are also engaged in developing physical regeneration programmes supporting the more and better jobs priority.

Resources for 2010-2011: The net budget is £208,600, including staff costs of £121,220; 2.32 full time equivalent staff.

Key issues for 2010-2011: Submit Docks area action plan preferred options to Secretary of State. Adopt statement of community involvement. Submit core strategy preferred options to Secretary of State.

10.1.15 Building Control

Service description: Audit of quality system to be carried out to assess compliance with British Standards Institute ISO 9001. Ensure Building Control applications process is self-financing. Review implications of the Building Control Performance Indicators to assess relevance to service. Research the relationship between Building Control and Development Control to identify efficiencies and improved service provision. Explore the use of electronic systems to improve the efficiency of the applications process.

Resources for 2010-2011: The net budget is £209,950, including external income generated of £214,890 and staff costs of £261,830; 7.3 full time equivalent staff.

Key issues for 2010-2011: Audit of quality system to be carried out to assess compliance with British Standards Institute ISO 9001. Ensure Building Control applications process is self-financing. Review implications of the Building Control Performance Indicators to assess relevance to service. Explore development of "One Stop Shop" facility for Land Charges service. Research the relationship between Building Control and Development Control to identify efficiencies and improved service provision.

10.1.16 Development Control

Service description: The development control section is responsible for administering the Council's functions under the Town and Country Planning legislation. Planning applications relate to either building and engineering works or change of uses of land. Income is generated from fees to be submitted with applications, the levels of which are prescribed by government. Other aspects of the section's functions are listed buildings, tree preservation orders and advertisements. The section also has to carry out enforcement work where there are breaches of planning control. Applications are

determined either by the planning committee, for more controversial matters, or by officers through a delegation agreement. Decisions are based on the development plan and other material considerations.

Resources for 2010-2011: The net budget is £265,280 including external income generated of £236,600 and staff costs of £305,390; 9.22 full time equivalent staff.

Key issues for 2010-2011: To maintain performance levels previously established as formal Performance Indicators for major, minor and other applications. Ensure that as many of the sections' activities as possible, are carried out electronically in order to improve customer service, maximise efficiency and generate increased income from Government Grants.

10.1.17 Events and Festivals

Service description: This service relates to promoting Barrow Town Centre as Cumbria's largest town; a major shopping centre and a destination of entertainment and festivals. It provides a focus for creating a pleasant environment for people who work and live in the Town. It supports the Sustainable Community Strategy by working towards the vision to create a prosperous, pleasant, healthy and safe environment for our children and us.

Resources for 2010-2011: The 2009-2010 net budget is £101,110, including staff costs of £39,860; 1 full time equivalent staff.

Key issues for 2010-2011: Work with Private Sector, Voluntary Sector, Local Authorities and West Lakes Renaissance to facilitate and assist with and promote festivals and events across the Borough. To position Barrow markets within the Cumbrian specialist food offer. To facilitate Council initiatives to support Barrow Town Centre retailers. Ensure retailer support and satisfaction during Dalton Road Phase 2 refurbishment.

10.1.18 Economic Development

Services description: This service contains the annual financial contributions to Furness Enterprise, the Regional Support Team who advise the Council on Objective 2 funds, and West Lakes Renaissance. In addition, funding is included to support regeneration activity in the Borough's most deprived wards and for programme management of the Heart of Barrow Partnership and additionally the Working Neighbourhood Fund, potential NW European Regional Development Fund (2007-2013), Community Asset Funding, Townscape Heritage Initiative (Heritage Lottery Funding) capital programmes. The service supports the Sustainable Community Strategy directly through the priority to provide more and better quality jobs for local people, and indirectly to the priorities for improved health, education and quality of life.

The service develops and monitors corporate policy issues including the strategic plan and the Sustainable Community Strategy. It is also responsible for servicing and managing the Local Strategic Partnership and the Council's input to the Crime and Disorder Reduction Partnership. The unit is also

responsible for developing other areas of corporate policy such as equalities, consultation and housing market renewal. The service supports the Sustainable Community Strategy directly through the development of the plan itself, and also supporting two of the guiding principles of the plan: community involvement, and equality and diversity. The service also supports delivery of two of the key elements of the vision of the Sustainable Community Strategy; firstly to create a pleasant environment through housing market renewal, secondly to create a safe environment through crime reduction.

Resources for 2010-2011: The net budget is £448,350, including staff costs of £271,900; 6.90 full time equivalent staff.

Key issues for 2010-2011: Submission of URF continuation Programme for Town Centre including master planning/development costs. Article 4 and monitoring checks on European Regional Development Fund supported projects. Implement various approved regeneration capital projects, particularly for the Town Centre and Advanced Workspace Units.

10.1.19 Refuse Collection

Service description: This service contains the expenditure incurred in managing and delivering the refuse collection contract. The main item of expenditure is the payment to the contractor for providing the service. The service supports the Sustainable Community Strategy by ensuring that waste is disposed of in a timely and professional manner and that the quality of the local environment is maintained.

Resources for 2010-2011: The net budget is £958,030, including external income generated of £50,190 and staff costs of £18,250; 0.5 full time equivalent staff.

Key issues for 2010-2011: To maintain and/or improve the high level (90%) of service customer satisfaction. Work with Cumbria Strategic Waste Partnership to provide a sustainable waste collection and disposal strategy for Cumbria. Appoint and monitor the performance of the new Refuse Collection contractor effective from April 2010.

10.1.20 Street Cleansing

Service description: This service contains the expenditure incurred in managing and delivering the street-cleansing services. The main item of expenditure is the payment to the contractor for cleaning the streets. The service supports the Sustainable Community Strategy by ensuring that the quality of the street scene environment is maintained.

Resources 2010-2011: The net budget is £974,150, including staff costs of £23,970; 1.3 full time equivalent staff.

Key issues for 2010-2011: Participate in the Encams "Cleaner, Safer, Greener Network" and develop an enforcement strategy with community

partners to reduce fly tipping, littering and dog fouling. Participate in the multi-agency Operation Streetsafe community safety initiative.

10.1 21 Recycling

Service description: Costs relating to providing kerbside collection and recycling site services are shown in this service. Income is generated from the sale of recycled materials and from a recycling credit scheme. This service supports the Sustainable Community Strategy by promoting responsible use of scarce resources and minimising waste disposed to landfill.

Resources for 2010-2011: The net budget is a surplus of £331,900, including external income generated of £1,144,920 and staff costs of £41,300; 1.4 full time equivalent staff.

Key issues for 2010-2011: Implement a waste minimisation strategy through the Cumbria Strategic Waste Partnership (CWSP). Continue to promote recycling and make progress towards achieving a recycling target of 40%. Work with the new Refuse Collection contractor to develop a recycling partnership and improve the bring site facilities in the Borough. Implement a recycling publicity strategy and continue door-stepping campaign to help residents improve their recycling performance.

10.1.22 Public Conveniences

Service description: The operation and maintenance of public conveniences is accounted for in this service. An access review of public conveniences has resulted in some facilities being improved and others closed if access for the disabled is inadequate. The service supports the Sustainable Community Strategy by ensuring that high quality facilities are available in areas of improved environment.

Resources for 2010-2011: The net budget is £148,840, including staff costs of £3,800, 0.1 full time equivalent staff.

Key issues for 2010-2011: Extend current Building Cleaning contracts for 2 years effective from April 2010 and monitor compliance of revised cleansing procedures. Complete a review of the general condition of the unimproved public conveniences currently under the control of the Borough Council.

10.1.23 Cemeteries

Service description: This service relates to the provision of burials and grounds maintenance within the Borough's three cemeteries. This involves the registering and provision of burials and memorials. The provision of the burial service is self-financing with the main expenditure being for grounds maintenance. The cemeteries provide focal points for the bereaved together with being amenity and conservation sites particularly with the choice of woodland burial. This can link to the Sustainable Community Strategy as

providing a quality front line service and enhancing the local environment. The cemeteries are also a part of the Borough's history, providing educational value and an increasing part of the workload is searching family records.

Resources for 2010-2011: The net budget is £199,590, including external income generated of £99,230 and staff costs of £45,540; 1.53 full time equivalent staff.

Key issues for 2010-2011: Layout and provision of additional grave section. Refurbishment of old Catholic Chapel into new memorial chapel subject to capital bid being approved.

10.1.24 Crematorium

Service description: This service relates to the provision of a cremation service including the provision and maintenance of a chapel and crematorium building. The service offers a number of memorials, which allow personal choice to the bereaved. It is linked to the Sustainable Community Strategy as providing a quality front line service and indirectly to health issues as it allows an outlet for grief.

Resources for 2010-2011: The net budget is a surplus of £31,950, including external income generated of £373,800 and staff costs of £75,920; 3.01 full time equivalent staff.

Key issues for 2010-2011: Feasibility study into enlarging crematorium chapel and relocation of cemetery office to crematorium building.

10.1 25 Coastal Protection

Service description: Revenue expenditure relating to coastal defence projects is shown in this service.

Resources for 2010-2011: The net budget is £95,240.

Key issues for 2010-2011: Progress scheme design for coastal protection programme for Walney Island. Maximise opportunities to bid for Government Funding for coastal defence schemes. Carry out becks and water course monitoring programme as agreed with contractor.

10.1.26 Occupational Health

Service description: This service deals with the enforcement of health and safety legislation in the private sector commercial premises. The service supports the Corporate Plan by ensuring that employees can work in safe and healthy conditions and that work places are safe for members of the public who visit them.

Resources for 2010-2011: The net budget is £125,490, including staff costs of £44,550; 1.36 full time equivalent staff.

Key issues for 2010-2011: The inspection targets detailed in the 2009-2010 Occupational Health Service Plan must be met. Deliver local training initiatives to small/medium enterprises to raise awareness and compliance in targeted areas of health and safety legislation. Monitor compliance with the Health Act 2006 in respect of smoke-free places of work duties. Work in partnership with the Health and Safety Executive (HSE) in promoting health and safety in workplace priority areas as agreed with the HSE. Carry out a review of the Borough Council's compliance with Section 18 Health and Safety at Work Act 1974 using the Health and Safety Executive Toolkit for Compliance and develop an improvement plan if required.

10.1.27 Food Hygiene

Service description: The costs of enforcing food safety legislation in food premises are detailed in this service. This service supports the Sustainable Community Strategy by ensuring that residents and visitors can enjoy locally prepared food without risks to health.

Resources for 2010-2011: The net budget is £139,140, including staff costs of £79,330; 2.06 full time equivalent staff.

Key issues for 2010-2011: The inspection targets set in the Food Safety Service Plan must be met. This will necessitate working in accordance with Food Standards Agency Revised Guidance to develop alternative intervention strategies to ensure food safety compliance. We will maintain a 'Scores on the Doors' record of the food safety standards achieved by food businesses available as a public record on the Borough Councils website subject to any changes arising from a national review of the register which is currently on-going. Work in partnership with Cumbria Primary Care Trust to promote healthy eating and other joint health-related initiatives. Collect data to monitor progress in respect of National Indicator 184 (food premises compliant with food hygiene law). Review current inspection procedures and protocols in light of Food Standards Agency Revised Codes of Practice. Carry out coordinated food sampling programmes and monitor shellfish beds to maintain classifications for harvesting.

10.1.28 Public Health Inspection

Service description: This service records the expenditure incurred in carrying out public health inspections and investigating infectious disease notifications. This service supports the Sustainable Community Strategy by minimising the impact of infectious disease on the vulnerable and by ensuring minimum standards of public and environmental health is maintained.

Resources for 2010-2011: The net budget is £70,950, including staff costs of £43,610; 1.45 full time equivalent staff.

Key issues for 2010-2011: To deliver a broad range of reactive public health services in a timely manner and at best value to the community. To balance

the needs of the reactive service with those of other planned community support services including Operation Streetsafe.

10.1.29 Pollution

Service description: The regulation and control of commercial and domestic use of a range of potentially polluting emissions to air, water and land including the investigation/enforcement of nuisance complaints e.g. noise, odour, dust; assessment of air quality, providing information of bathing water quality; identification of/advice regarding contaminated land; regulation of environmental permits for business/commerce. The service supports the Community Plan by acting to reduce environmental crime and by protecting the public from harm to health through a programme of planned inspections and reactive response to community complaints.

Resources for 2010-2011: The net budget is £185,560, including external income generated of £11,330 and staff costs of £134,050; 3.80 full time equivalent staff.

Key issues for 2010-2011: To achieve environmental permitting inspection targets as directed by Department for Environment, Food and Rural Affairs. Maintain existing training programme to improve competence in interpretation of statutory duties in Environmental Protection. Produce a progress report on air quality standards in the Borough as required by Part 4 Environment Act 1995.

10.1.30 Port Health

Service description: This service includes the enforcement costs of regulating the importation of goods and the use of ships for commercial transportation. The service supports Sustainable Community Strategy by minimising risks to health and acting as a deterrent to crime, arising from international trade.

Resources for 2010-2011: The net budget is £3,180, including staff costs of £910; 0.02 full time equivalent staff.

Key issues for 2010-2011: The regeneration of Barrow Docks may result in increased shipping activity, which will consequently increase the port health workload within the Council. Implement the Public Health (Ships) (Amendment) (England) Regulations 2007 which require that Port Health Authorities issue Ship Sanitation Certificates and similar to regulate standards of food safety and sanitation on board vessels.

10.1.31 Pest Control

Service description: The Council provides chargeable pest control treatment services to the public. The service supports the Sustainable Community Strategy by reducing the population of pests of public health significance such as rodents and permanent and temporary human parasites.

Resources for 2010-2011: The net budget is £98,040, including external income generated of £10,230 and staff costs of £43,440; 1.55 full time equivalent staff.

Key issues for 2010-2011: Provide an effective in-house service with the use of local contractors as required. Effectively enforce the provisions of the Prevention of Damage by Pests Act 1949 in respect of infestations by private land.

10.1.32 Dog Warden

Service description: This service includes the provision of stray dog collection and kennelling. From April 2008 this has included statutory provision for receipt of stray dogs outside normal working hours. Income is derived from statutory fees charged for collection and kennelling and from discretionary charges made for housing strays. The service supports multi-agency enforcement activity to reduce dog fouling and nuisance arising from barking dogs in the Borough. The service supports the Sustainable Community Strategy by ensuring that the risk to harm arising from stray dogs or dogs out of control is minimised.

Resources for 2010-2011: The net budget is £122,710, including external income generated of £7,610 and staff costs of £64,710; 2.91 full time equivalent staff.

Key issues for 2010-2011: Continue to provide an effective service for the rounding up and housing of stray dogs. Work in partnership with colleagues and other agencies to reduce incidents of dog fouling on land and nuisance arising from the keeping of dogs in residential/commercial property. Maintain an out of hours service for the acceptance and kennelling of stray dogs.

10.2 TRADING OPERATIONS GROUP

10.2.1 Markets

Service description: Barrow Market Hall is an indoor facility providing local traders with over one hundred stalls. There are over eighty tenants renting the stalls. The outdoor market provides local traders with 24 stalls.

Resources for 2010-2011: The net budget is £13,210, including external income generated of £254,110 and staff costs of £96,800; 4.62 full time equivalent staff.

Key issues for 2010-2011: Internal re-decoration. Complete Rent Review. Minimise arrears. Ensure that Dalton Road/Portland Walk development fits with the stall configuration.

10.3 HIGHWAYS, ROADS AND TRANSPORT SERVICES GROUP

10.3.1 Concessionary Fares

Service description: The cost of administering and paying for Concessionary travel is included in this service. The service currently provides free travel throughout England for pensioners and certain classes of disabled residents and subsidises specialist transport for the severely disabled. It supports the Sustainable Community Strategy by combating social exclusion and poverty and encouraging the use of public transport.

Resources for 2010-2011: The net budget is £1,066,140, including external income generated of £173,420.

Key issues for 2010-2011: Continued monitoring of nationwide travel scheme. Transfer of service to Cumbria County Council from April 2011 and affect on overall Council funding from Central Government.

10.3.2 Off Street Parking

Service description: Off-Street car-parking facilities are provided for the public. The service generates a large source of income for the Council. The service also extends to providing contract parking spaces on both designated car parks and on spaces within pay and display car parks at a reduced annual charge.

Resources for 2010-2011: The net budget is a surplus of £565,680, including external income generated of £929,000 and staff costs of £79,720; 3.02 full time equivalent staff.

Key issues for 2010-2011: Operation of the new Traffic Management Act provisions.

10.3.3 On Street Parking

Service description: This service relates to the enforcement of on-street car-parking legislation. On street enforcement is undertaken on behalf of Cumbria County Council.

Resources for 2010-2011: The net budget is £0, including external income generated of £217,540 and staff costs of £147,830; 5.96 full time equivalent staff.

Key issues for 2010-2011: To reach agreement with Cumbria County Council with respect to the funding of this service through the Decriminalised Parking Enforcement agreement and to take into account new legislation and enforcement requirements introduced via the Traffic Management Act.

10.3.4 Resident exemption permits

Service description: Residential Parking Schemes have been implemented in various parts of the town to assist residents to park near their homes. This scheme is operated by Barrow Borough Council for Cumbria County Council.

Resources for 2010-2011: The net budget is £9,070.

Key issues for 2010-2011: To reach agreement with Cumbria County Council with respect to the funding of this service.

10.3.5 Transport and street fittings

Service description: Included here are street seats, street nameplates, cleaning of becks, bus shelter maintenance, beach cleaning, footpath lighting and Christmas illuminations.

Resources for 2010-2011: The net budget is £64,480.

10.4 CENTRAL SERVICES TO THE PUBLIC GROUP

10.4.1 Cost of Collection

Service description: This service holds the net cost of collecting council tax and business rates. The service provision is contracted to Liberata UK Limited.

Resources for 2010-2011: The net budget is £733,110, including external income generated of £295,560.

Key issues for 2010-2011: Set challenging targets for Council Tax and Business Rates collection, taking into consideration the impact of the recession conditions. Undertake an advertising campaign to promote direct debit payments.

10.4.2 Land Searches

Service description: This service relates to providing Land Charge information to facilitate house purchases.

Resources for 2010-2011: The net budget is £52,850, including external income generated of £94,020 and staff costs of £20,450; 0.65 full time equivalent staff.

Key issues for 2010-2011: Continue to develop electronic system. Promote service to local users. Integration with Highways and Planning systems. Effects of Housing Information Packs (June 2007) including 3 day response.

10.4.3 Council Tax Benefits

Service description: This service holds the net cost of awarding and administering council tax benefit. External income in the form of a government grant is received from the Department of Works and Pensions to support this function. The service provision is contracted to Liberata UK Limited.

Resources for 2010-2011: The net budget is £423,190, including external income generated of £6,536,190.

Key issues for 2010-2011: Implement upgrade to the performance monitoring system. Ensure performance targets are achieved. Implement the actions in the service improvement plan. Feasibility study of undertaking Equality Impact Assessment.

10.5 HOUSING SERVICES GROUP

10.5.1 Housing Benefits

Service description: This service holds the net cost of determining and paying housing benefit to private and social landlords and tenants. External income in the form of a government grant is received from the Department of Works and Pensions to support this function. The service provision is contracted to Liberata UK Limited.

Resources for 2010-2011: The net budget is £499,330, including external income generated of £380,860.

Key issues for 2008-2009: Implement upgrade to the performance monitoring system. Ensure performance targets are achieved. Implement the actions in the service improvement plan. Feasibility study of undertaking Equality Impact Assessment.

10.5.2 Homelessness

Service description: This service accounts for the cost of providing the homeless persons' service and other dispersed accommodation for homeless families. The service often assists some of the most vulnerable members of our community. In doing so, it can complement a number of our Sustainable Community Strategy Objectives including 'improved health for people living in the area', 'higher standards of housing and a more pleasant environment to live in' and 'narrower gap between the quality of life for the poorest people in our community and the average'.

Resources for 2010-2011: The net budget is £28,660, including external income generated of £19,400.

Key issues for 2010-2011: The Council remains challenged by the number of potentially homeless people seeking assistance. Numbers continue to decline overall due to our preventative work. However, we are experiencing more challenging and complex cases including 16/17 year olds. A homeless strategy is currently being developed to ensure resources are targeted and used to meet the Council's statutory homeless responsibility.

10.5.3 Housing Renewal Administration

Service description: This service relates to the enforcement of private sector housing standards, area unfitness, housing complaints and housing advice. It also deals with the administration of a range of housing grants in the private sector to adapt, repair and improve private dwellings. This service supports the Sustainable Community Strategy by providing arrange of private sector services to owner-occupiers, tenants and landlords.

Resources for 2010-2011: The net budget is £202,350, including external income generated of £22,000 and staff costs of £109,620; 2.8 full time equivalent staff.

Key issues for 2010-2011: Mandatory licensing of houses in multiple occupation and regulation of the high risk private rented sector properties in the inner wards as required by the Housing Act 2004. Improve non-decent housing in the private sector including delivering a thermal comfort programme of improvements with local and national partners. Complete mandatory Disabled Facilities Grants and discretionary improvement grants programmes in partnership with the Home Improvement Agency. Respond to private sector housing complaints in a timely and effective manner.

10.6 CORPORATE AND DEMOCRATIC CORE GROUP

10.6.1 Democratic Representation and Management (DRM)

Service description: This service contains the expenditure relating to all activities of Councillors in the performance of their duties as elected members of the Council. It also includes the cost of officer support to the democratic process.

Resources for 2010-2011: The net budget is £480,940, including staff costs of £23,810; 0.76 full time equivalent staff.

Key issues for 2010-2011: Training of newly elected Members and preparation towards achieving North West Employers' Organisation level 2 Exemplar Level Charter Award for Member Development.

10.6.2 Local elections

Service description: The cost of holding elections for the borough Council are shown here. Election allowances are paid to polling clerks and presiding officers.

Resources for 2010-2011: The net budget is £75,190, including staff costs of £2,200; this is for election allowances.

Key issues for 2010-2011: Local and parliamentary elections will be held in 2010.

10.6.3 Registration of electors

Service description: Every autumn the register of electors is updated by means of an Annual Canvass based on who is living in each household on 15 October. The staff for this service also perform the administration of elections.

Resources for 2010-2011: The net budget is £171,750, including staff costs of £78,320; 3 full time equivalent staff.

Key issues for 2010-2011: Local and Parliamentary elections will be held in 2010.

10.6.4 Corporate management

Service description: Corporate management concerns those activities and costs that provide the infrastructure that allows services to be provided and the information that is required for public accountability. Included here are external audit and inspection fees, bank charges, treasury brokerage fees, public consultation and the costs recharged from other service that perform or contribute to corporate functions.

Resources for 2010-2011: The net budget is £1,209,070, including staff costs of £150,400; 1.61 full time equivalent staff.

10.7 COMMUNITY SERVICES AND REGENERATION GROUP

10.7.1 Street care

Service description: This service contains the expenditure incurred in monitoring the Street care services. The department supports the Sustainable Community Strategy by ensuring that the quality of the public realm and the environment is maintained.

Resources for 2010-2011: The net budget is £97,270, including staff costs of £127,180; 4.35 full time equivalent staff.

Key issues for 2010-2011: To vigorously monitor contracted works and to improve the service offered by the contractors. Work closely with other agencies and stakeholders to improve the local environment. Establish improved working relationships between contractors. Improve the image of the public realm. Recycling Promotion Officer to maximise recycling

opportunities in the Borough. To meet LAA targets for cleanliness of the streets.

10.8 OTHER SERVICES

This group relates to various services provided by the Council in support of other front line services or in order to discharge statutory and corporate functions.

10.8.1 Emergency planning

Service description: Emergency planning is necessary to ensure that if a major incident occurs in the county, the people of Cumbria are protected and essential services are restored as quickly as possible. The plans show how local services and organisations will work together to respond to different types of disaster.

Resources for 2010-2011: The net budget is £31,100.

Key issues for 2010-2011: Test the effectiveness of the Borough Council Emergency Response Plan in partnership with Cumbria County Council. Contribute to the workings of the Cumbria Resilience Forum

10.8.2 Central services to the public

Service description: Within this heading are grants to voluntary bodies that are allocated by the Grants Panel, grant to the Citizens Advice Bureau, charitable non domestic rate relief. Also contributions to a provision for insurance or anticipated bad debt and the Freedom of Information costs are recorded here.

Resources for 2010-2011: The net budget is £295,800.

10.8.3 Community safety

Service description: This heading covers the cost to the Council of maintaining the CCTV cameras. Operationally the CCTV system is administered and monitored by Cumbria Constabulary.

Resources for 2010-2011: The net budget is £154,040 including staff cost of £27,740 and external income of £22,870.

10.8.4 Work in default

Service description: Work in default occurs where the Council has to arrange for repair works to be carried out at a private address for reasons of health and safety. The costs are then recovered from the owner-occupier.

Resources for 2010-2011: The net budget is £12,090.

10.8.5 Non-distributed costs

Service description: This heading contains the pension contributions to the Greater Manchester Pensions Fund in relation to pre-1974 former employees.

Resources for 2010-2011: The net budget is £32,700, including staff costs of £24,310; this is for pension contributions for retired former employees.

10.9 SUPPORT SERVICES GROUP

10.9.1 Borough Treasurer's Department

Service description: This department provides accountancy services, treasury management and the exchequer services of payroll, payables, receivables, banking and insurance. Ultimately the work of the department results in the production of the Councils annual Statement of Accounts and the annual budget including the setting of council tax. **This service is fully recharged to front line services.**

Resources for 2010-2011: The budget is £1,070,110, including staff costs of £666,460; 15 full time equivalent staff.

Key issues for 2010-2011: Implementing changes in legislation to comply with the Statement of Recommended Practice for accounting. Transition and convergence with International Financial Reporting Standards. Achieve an unqualified audit opinion for the annual Statement of Accounts 2009-2010. Set a robust revenue and capital budget and Medium Term Financial Plan and provide comprehensive monitoring reports throughout 2010-2011.

10.9.2 IT services including customer services and admin services

Service description: The IT service includes the maintenance and support of the Councils computer systems as well as the development and implementation of new systems where feasible. This includes the development of the Councils web site and e-enabling systems and processes where possible. The IT service also supports the telephone network. The Councils customer service function is provided by Liberata UK Limited and consists of reception facilities and a call centre for all Council services, including the revenues and benefit functions contracted to Liberata UK Limited. **This service is fully recharged to front line services.**

Resources for 2010-2011: The budget is £1,596,260, including staff costs of £511,140; 16.19 full time equivalent staff.

Key issues for 2010-2011: Seek opportunities to reduce costs and/or improve services by sharing or joint procurement. Continued development of the Council's web sites and e-enabled services and enhancement of services provided via Customer Services. Improving management information on customer transactions and contact channels.

10.9.3 Legal services

Service description: The Council retains local Solicitors for property and ad-hoc legal advice with County Council's Legal Services handling diverse prosecutions and enforcement advice. **This service is fully recharged to front line services.**

Resources for 2010-2011: The budget is £206,110, including staff costs of £86,810; 2.46 full time equivalent staff.

10.9.4 Personnel and performance

Service description: Personnel provide the human resources function that includes recruitment, training, sickness monitoring, staff welfare and setting personnel policies. Within the Personnel section, the Policy Officer is responsible for compiling and monitoring the Council's performance towards achieving its Key Priorities. **This service is fully recharged to front line services.**

Resources for 2010-2011: The budget is £345,930, including staff costs of £193,730; 5 full time equivalent staff.

Key issues for 2010-2011: The pay review expected to be completed with a new grading structure in place by the end of the financial year at the latest.

10.9.5 Barrow Town Hall

Service description: The cost of the Town Hall building is recorded separately here. This includes the utility costs, cleaning costs, non domestic rates and security costs. The staff costs relate to the Town Hall stewards. **This service is fully recharged to front line services.**

Resources for 2010-2011: The budget is £507,990, including staff costs of £67,140; 4.25 full time equivalent staff.

Key issues for 2010-2011: Continue focus on invest to save and energy efficiency. Consider further opportunities for shared use by key partners and optimal space management.

10.9.6 Democratic services including secretarial services:

Service description: Democratic services include the organisation of the Council's committee and Council meetings together with the production of committee reports and minutes. Democratic services also provide support to members and hold certain records required from members. The service manager is responsible for the local election and register of elector's services. **This service is fully recharged to front line services.**

Resources for 2010-2011: The budget is £261,900, including staff costs of £165,750; 5.47 full time equivalent staff.

Key issues for 2010-2011: Local and Parliamentary elections will be held in 2010. Continued review of the governance arrangements in response to the Local Government and Public Involvement Act 2007.

10.9.7 Technical Services

Service description: This service includes the delivery of centralised corporate building maintenance, health and safety and procurement. This department delivers efficiencies by consolidating and monitoring the delivery of building projects and maintenance as well as contracts that have a shared need across the Authority. Further efficiencies are delivered through management of energy efficiency. This service also offers the central point of reference for health and safety related matters. **This service is fully recharged to front line services.**

Resources for 2010-2011: The budget is £175,670, including staff costs of £165,670; 4 full time equivalent staff.

Key issues for 2010-2011: To deliver energy efficiency and renewable energy projects to reduce CO2 emissions from buildings by 10% by 31/03/2011 and 25% by 2014. Further review and consolidate the number of contracts required to service buildings and plant. Establish a complete list of condition surveys for the plant maintained by central contracts and continue to monitor the delivery of service contracts in place. Continue to progress the review of health and safety policies and procedures in line with the Health and Safety Management Board 3 year plan. This is to include the central co-ordination of all health and safety related training across the Authority. Establish the procurement policy including the adoption of sustainable procurement values. Support the delivery of the changes to the procurement policy including training for corporate use of the e-portal for tendering. Continue to work with other Cumbrian authorities to establish any potential for a shared procurement service.

10.9.8 Revenue and Benefit Client

Service description: This service acts as the Councils client where Liberata UK Limited are the contractor. The team perform the statutory 10% check on all of the work performed by the contractor. This includes benefit determination, benefit award, changes in circumstances, Council Tax and Business Rate recovery action, benefit fraud and overpayments. **This service is fully recharged to front line services.**

Resources for 2010-2011: The budget is £125,330, including staff costs of £91,880; 2.86 full time equivalent staff.

Key issues for 2010-2011: To continue to monitor the quality and accuracy of the contractors work. Work with the contractor in all areas towards service

improvement. Promote benefit take up and Discretionary Housing payments. Liaise with external bodies to promote benefit take up.

10.9.9 Community Services Management

Service description: This service contains the cost of the management of the Councils leisure facilities, public amenities and concessionary travel. **This service is fully recharged to front line services.**

Resources for 2010-2011: The budget is £101,200, including staff costs of £56,290; 1 full time equivalent staff.

Key issues for 2010-2011: To manage the relevant front line services and their key issues. Facilitate the proposed transfer of concessionary travel to the County in 2011.

10.9.10 Environmental Health Admin

Service description: This service contains the cost of the management of the Councils environmental and private sector housing services. **This service is fully recharged to front line services.**

Resources for 2010-2011: The budget is £523,950, including staff costs of £131,410; 3.77 full time equivalent staff.

10.10 FUNDED PROJECTS

10.10.1 Housing Market Renewal team

Service description: This service aims to implement a programme of Housing Market Renewal. Funding is provided through the Council's housing capital allocation and via specific Housing Market Renewal funding administered by West Lakes Renaissance. **This service is wholly funded from a specific government grant and is not paid from the Councils General Fund resources.**

Resources for 2010-2011: The budget is £0, including staff costs of £91,650; 3 full time equivalent staff.

Key issues for 2010-2011: Implement a strategy for transformational change in the North Central Renewal Area. Work in partnership with Registered Social Landlords to refurbish non-decent properties in North Central Complete the Compulsory Purchase Order process for acquisition of Sub Area D. Agree and implement a design solution for Sub Area D. Implement an agreed programme of capital works in North Central including the completion of 2 Group Repair Schemes. Support the Accent Group development programme.

11 THE CAPITAL PROGRAMME

The capital programme is prepared for a 3 year period and covers the planned investments in the various public services. The main aim of the programme is to regenerate the Borough for its residents, the local economy and for the future. The programme includes:

	Budget 2010-2011	Indication 2011-2012	Indication 2012-2013
<u>INVESTMENT</u>			
Public housing	£1,933,543	£2,008,258	£2,060,915
Private housing	£1,116,887	£1,116,887	£1,116,887
Housing Market Renewal	£2,707,611	£1,050,000	£573,113
Public buildings	£1,693,000	£1,009,500	£1,009,500
Other public assets	£4,947,294	£4,452,000	£377,000
Other initiatives	£1,021,223	£1,145,686	£1,008,000
Total	£13,419,558	£10,782,331	£6,145,415
<u>FUNDING</u>			
Borrowing requirement	£2,000,000	£2,000,000	£2,000,000
Grants	£7,746,245	£5,699,500	£1,699,500
Capital receipts	£1,740,670	£1,074,573	£385,000
Major repairs reserve	£1,933,543	£2,008,258	£2,060,915
Total	£13,420,458	£10,782,331	£6,145,415

The Councils assets are maintained as determined by the Asset Management Plan. The Council aims to manage its capital programme to optimise the resources available to the Borough. Any borrowing required to support the capital programme is undertaken in line with the Treasury Management Strategy.

12 PERFORMANCE PLAN

The Performance Plan demonstrates in detail how the Councils improvement priorities are linked to the long-term vision for the future that is set out in the [Sustainable Community Strategy](#), which was developed by our Local Strategic Partnership. The plan also details the framework that we will use to ensure successful delivery of our key priorities, which includes specific actions, risk assessments and measures.

For each of the Key Priorities, the Performance Plan provides details of:

- Sustainable Community Strategy aims supported by the Key Priority;
- Corporate aims supported by the Key Priority;
- Annual objectives;
- Actions required;
- SMART targets
 - Specific
 - Measurable
 - Achievable
 - Realistic
 - Timely; and,
- Responsible officers.

The Performance Plan is available on the Councils website at www.barrowbc.gov.uk, together with previous years.

Contact information

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 Cumbria
 LA14 2LD

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EXECUTIVE COMMITTEE		Part One (D) Agenda Item 10
Date of Meeting: 27th January, 2010		
Reporting Officer: Director of Regeneration and Community Services		
Title: RS2010: Regional Strategy for Englands North West		
Summary and Conclusions:		
RS2010 is a combined economic and spatial plan for the North West. The Borough Council’s views have been sought on the consultation document.		
Recommendations:		
<div>1. To agree comments 1-7 in the report;</div> <div>2. To request Members views on any other issues to be included in the Consultation response; and</div> <div>3. To agree that the final response on the consultation be delegated to the Director of Regeneration and Community Services after consultation with the Chairman of the Executive Committee.</div>		

Report

Attached at **Appendix 2** is an integrated economic and spatial strategy which is a logical progression from, and will ultimately replace the Regional Economic Strategy (RES) and the Regional Spatial Strategy (RSS). RS2010 will cover the period to 2030. There are three parts to the integrated Regional Strategy. Part 1 – the document currently being commented on – is a high level strategic framework and will be tested through Public Examination, in a similar way to Local Development Frameworks. Part 2 is the detailed supporting policies, also subject to Public Examination and Part 3 is an implementation framework. All three parts comprise the Regional Strategy.

Such documents are difficult to summarise, and I have therefore appended a full copy of the consultation document. To assist members, the structure is as follows:

Page 11 – Assumptions on which the strategy is based (which seem reasonable)

Page 13 – The vision of the document, its outcomes and the indicators by which it will be measured

Page 17 – Sets out the strategy in four areas:

- Capitalise on the opportunities of moving to a low carbon economy and address climate change
- Build on the regions sources of international competitive advantage and regional distinctiveness
- Release the potential of our people and tackle poverty
- Ensure the right housing and infrastructure

Page 38 – Sets out the spatial implications of the strategy, taking each sub-region and setting out key assets/opportunities and key challenges (Cumbria is on pages 33 and 34)

Pages 50 to 64 – Sets out four strategic Options based on the sections above, these are:

- Option 1 Current position ('business as usual');
- Option 2 Focus on Economic Opportunity;
- Option 3 Focus on protecting environmental resources and taking full advantage of environmental opportunities; and
- Option 4 Focus on regeneration and development to tackle social deprivation and inclusion

The consultation takes the form of a series of questions about individual aspects of the strategy. Responses are required by 26th February 2010.

The document is key for the Borough as it is intended to guide a broad range of development and public sector investment for the long term.

The vision, by definition, is couched in broad terms, and both that and the outcomes are difficult to disagree with. The one exception is the need to include specifically those areas (like Barrow) facing “..... significant economic, environmental and social challenges” in the same way as areas of Growth Opportunities are listed.

Similarly the strategy itself appears to be acceptable. However, the following additions would clarify the document. A definition in 3(c) (page 24) of “..... lagging rural areas” and under 3(d) that the section on health improvements should be more specific, setting out those areas where health inequality issues will be targeted in same way as Section 3(c).

Section C, setting out the spatial implications for Cumbria page 33 and 34 is particularly weak on key challenges and should mention the following:

- Distance from centres of alternative employment in West of the County;
- Urban renewal in West Cumbria and Barrow
- Severe deprivation in West Cumbria and Barrow
- Poor health and major health inequalities in West Cumbria and Barrow
- High levels of economic inactivity in West Cumbria and Barrow

The section on Cumbria's key assets and opportunities misses out strengths in maritime industries and energy supply (non nuclear).

The four strategic Options in the consultation document are summarised below.

Option 1 Current Position ('business as usual')

This reflects the current RES and RSS. First priority for development would be Manchester and Liverpool, second the inner city areas of Liverpool and Manchester, thirdly other towns across the region including, in our area, Lancaster and Carlisle. The Option also encourages investment in Barrow-in-Furness and West Cumbria.

The Option focuses 75% of the housing distribution on Manchester and Liverpool and the remainder in regional cities and towns. Brownfield development would be prioritised. Barrow is identified as a location for a strategic employment site and also as a regeneration opportunity.

Option 2 Focus on Economic Development

This concentrates development in the areas in and between Liverpool and Manchester. Growth is also identified in Greater Preston, Carlisle, Lancaster and Crewe. The Option seeks to place development where economic opportunity is greatest. In Cumbria development would concentrate on the Energy Coast proposals seeking particularly to develop nuclear and low carbon technologies, and the development and diversification of the tourism offer around the Lake District National Park.

Brownfield development would still be a priority, but some Greenfield land release would be considered.

Option 3 Focus on Protecting Environmental Resources and taking Full Advantage of Environmental Opportunities

The Option is based upon protecting and enhancing the Regions environmental assets and encouraging more sustainable resource use. There would be a strong emphasis on brownfield development. The main focus of development would be Manchester and Liverpool with urban brownfield extensions of Blackpool, Greater Preston and Pennine Lancashire. No housing distribution is given as this would be determined locally by 'environmental limits'. So far as Barrow is concerned it would be the location of a Strategic Employment Site and, although not mentioned by name, the Option would focus regeneration

resources on those areas of greatest need. Emphasis would be placed upon improving the environmental quality of the most deprived areas.

Option 4 Focus on Regeneration and Development to tackle Social Deprivation and Inclusion

This Option focuses on areas of entrenched deprivation. Significant regeneration, new development and improvement would be targeted to bring about transformational change in these areas. A strong priority would be given to Housing Market Renewal, skills development and training and health and well-being. Barrow and West Cumbria are recognised as a key focus for investment.

Looking at all the Options, Barrow is recognised specifically in Options 1, 3 and 4. Option 2 refers to the Energy Coast, but in respect of specific opportunities for development. As Option 2 focuses strongly on those areas of greatest economic opportunity, it is the least acceptable to the Borough as it fails to recognise the importance of dealing with deprivation except in those communities “..... which suffer the deepest and most entrenched economic, social and environmental deprivation” and it is unlikely, though not clear, that this would include Barrow.

Option 4 is the most favourable to Barrow as it targets resources on those areas experiencing significant deprivation and Barrow and West Cumbria are clearly prioritised, therefore this is the Option which the Council should support.

Option 1 is in effect continuance of the same policies as currently, and represents a balance between more focused economic growth and dealing with deprivation.

In summary my views on the consultation document are as follows:

1. The vision should identify those areas facing significant economic, environmental and social challenges in the same way that areas of growth are specifically identified.
2. A definition of “..... lagging rural areas” should be given in the strategy.
3. Section 3(d) of the strategy should identify those areas where health inequalities issues will be targeted in the same way as regeneration priorities are specified in Section 3(c).
4. The section on spatial implications for Cumbria is weak and should be amended as set out in the report.
5. Option 4 is the preferred Option of the Borough Council.
6. Option 2 is the least acceptable to the Borough Council.

7. Barrow and West Cumbria are specifically noted in Options 1 and 3 and they could also be supported.

Further discussions are taking place with local partners to ensure the response from the area is co-ordinated, and I will update Members at your meeting. In view of these ongoing discussions, I recommend your final consultation submission is delegated to myself in consultation with your Chairman. In the meanwhile I welcome any views members have on the consultation document.

(i) Legal Implications

Not Applicable.

(ii) Risk Assessment

Not Applicable.

(iii) Financial Implications

RS2010 will guide public sector regeneration resources in the longer term, and will therefore be central to longer term regeneration activity in the Borough.

(iv) Health and Safety Implications

Not Applicable.

(v) Key Priorities or Corporate Aims

RS2010 will be directly or indirectly relevant to all key priorities.

(vi) Equal Opportunities

Not Applicable.

RS2010

**REGIONAL STRATEGY FOR
ENGLAND'S NORTHWEST**

Part 1: The High Level Strategic Framework

Consultation Document – January 2010

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Foreword

Quality of life in the Northwest is very good – according to the New Economics Foundation second best of all the English Regions. We are, for example, quite rightly proud of our revitalised cities and natural landscapes and this is the region where we all choose to live. However the quality of life enjoyed by many is not shared by all 6.9 million people of the Northwest and, in addition, the region faces other profound challenges over the next twenty years.

Many of the issues we face, such as inevitable climate change and the need for security of energy and food supply, confront people throughout the UK, and indeed the world. We also need to ensure we are equipped to deal with the challenges and opportunities arising from the recession. This region will meet these challenges and indeed, as this Strategy makes clear, we intend to be at the forefront of progress in moving to a low-carbon economy.

Other challenges are however more specific to the Northwest. Our economy is not as productive as it could or should be. There are too few people in employment. We need more homes and they need to be affordable and better quality, particularly in relation to energy efficiency. We continue to suffer from high levels of poverty, ill health and social exclusion, with entrenched worklessness often next to areas of economic success.

But this region also has internationally recognised assets and opportunities. Liverpool and Manchester are known across the globe. The Lake District is an outstanding landscape that rivals the best in the world. We have internationally important wildlife habitats. Whether we are talking about Cheshire, Cumbria, Manchester city region, Lancashire or Liverpool city region, what marks out the Northwest – which is larger than half the countries in the European Union – is its quality of people and its diversity.

This diversity is a major strength. There is pride in this region, not only in its history and its achievements but in its potential. Home to the industrial revolution, the rise of the co-operative movement and the advancement of modern science (amongst many other things), people in the Northwest know that certain negative trends, such as growing inequality between this region and others as well as increasing inequality within the region, can be addressed.

But all too often poverty, especially child poverty, ill health and inequality undermine our successes. So in addition to reducing carbon emissions, improving economic competitiveness and delivering better housing, which the Government rightly insists the Regional Strategy addresses as priorities, we believe tackling deprivation, by linking opportunity and need, must also be an explicit major focus to our Regional Strategy.

2 Foreword

Therefore we are clear that over the next twenty years this region must:

- capitalise on the opportunities of moving to a low-carbon economy and address climate change
- build on our sources of international competitive advantage and regional distinctiveness
- release the potential of our people and tackle poverty
- ensure the right housing and infrastructure for sustainable growth.

We must tackle all these, however, in a period when less public expenditure will be available. So we will have to decide which to prioritise in the short, medium and long-term. The region therefore faces some difficult questions and choices. These are outlined in the Strategy, together with strategic options which explore the implications of putting differing emphasis on economic, environmental and social outcomes in delivering the Strategy. We will be particularly interested to hear your views on these.

Meanwhile, we know that to make progress towards sustainable economic growth, we must take forward nuclear and renewable energy opportunities, develop the region's international connectivity, create a knowledge economy, develop internationally competitive sectors and companies, and maximise our assets in culture and sport as well as the natural and built environment.

We also recognise that without good education, from early years to higher education, we cannot compete as a dynamic economy nor enjoy life to the full. Good health is similarly inextricably linked to our future fortunes, both in terms of regional wealth creation and specific personal fulfilment. The proposed Strategy has at its heart the belief that our environment and our economy both contribute to quality of life and social cohesion, and that in the twenty first century we must at all times think globally but increasingly act locally. Connecting our remotest communities to opportunities for growth is part of this approach.

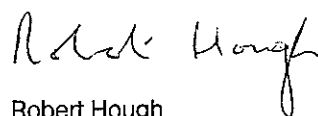
We are determined that the Regional Strategy should be ambitious and make a substantial difference. We believe we can, we should, and indeed we must deliver real change, so that by 2030 the Northwest region is a better place to live, learn, work, visit and invest.

This Regional Strategy Part 1 consultation document is a vital step in realising that ambition. It provides an overarching vision and proposes high-level strategic priorities where working together we can maximise our opportunities and address our challenges. It will be followed later in 2010 by Part 2 (and an accompanying Implementation Framework) which will set out detailed policies and actions, both thematic and spatial, to make things happen. Taken together, both as a guide for investment and a development plan, the Regional Strategy will become the blueprint for the region for the next twenty years, an absolutely key reference point not just for us all in the region but also those in central government departments.

Undoubtedly, one of the major strengths of the Northwest is the mature partnership working we have developed. Not just the excellent relationship between 4NW and NWDA, which is evidenced by this, the first Regional Strategy in the country, but also with, and between, sub-regions (including city regions, counties and multi-area agreements (MAAs)) and a whole host of stakeholders from the private, public and third sector partners.

We would like to take this opportunity to thank all our regional stakeholders and sub-regional partners for their significant contribution in developing this draft. We now need wider input and views so that Part 1 reflects the hopes and plans of all parts, all sectors and all people of the Northwest and becomes not just a Regional Strategy but the Region's Strategy.

We look forward to hearing your views.



Robert Hough
Chair, NWDA



Sir Richard Leese
Chair, 4NW

We pose a series of questions in this consultation document. To submit your views visit:
<http://consult.nwregionalstrategy.com/portal>

The Strategy in Summary

Section A sets out the context in which RS2010 is being prepared. This builds upon the Principles and Issues Paper consultation in early 2009, which led to agreement on outcomes and values, as well as developing a comprehensive evidence base and identifying the key issues, challenges and opportunities we need to address. It set out the following overarching vision for the twenty-year strategy:

The quality of life for the people of the Northwest will be excellent and the region will become more prosperous, more equitable and produce less carbon by 2030. It will be a better place to live, learn, work, visit and invest.

Section B then sets out the proposed Strategy, which is based on the four strands on the following pages. Please note that these strands are not in priority order and all will be important to the successful delivery of the Strategy.

4 The Strategy in summary

Responding to climate change is probably the biggest single challenge facing the world over the next 20 years. The first strand therefore sets the overall context in which we will be operating and highlights the specific opportunities and issues arising from climate change.

Capitalise on the opportunities of moving to a low-carbon economy and address climate change by:

- a. positioning the region to take full advantage of the opportunities from low-carbon energy and technologies;
- b. ensuring that the region understands and adapts to the implications of unavoidable climate change; and
- c. ensuring that all sectors, including housing, transport and industry, are considering the challenges and opportunities presented by climate change and developing low-carbon, resource-efficient solutions and alternatives.

These priorities link directly to the outcome regarding the development of a low-carbon economy which promotes the sustainable use of resources and minimises, and adapts to, the impact of climate change

Within the context of climate change, the next three strands set out the region's Strategy for economic, environmental and social success.

Build on our sources of international competitive advantage and regional distinctiveness by:

- a. developing our strengths in internationally competitive sectors in nuclear, advanced manufacturing, biomedical, digital and creative, chemicals and automotive;
- b. strengthening our concentration of knowledge-based assets driven by our universities and science and innovation base;
- c. improving our international connectivity through the Liverpool Superport, including John Lennon Airport, and Manchester Airport; and
- d. developing our world-class sporting/culture/quality of place offer and the attraction of Manchester, Liverpool, Chester and the Lake District as international destinations.

These priorities link directly to the outcomes which make the region attractive to the private sector and maximise our natural and built environmental assets

Release the potential of our people and tackle poverty by:

- a. increasing the potential of the workforce by improving employment opportunities, enterprise and skills;
- b. building on our strong tradition of social enterprise;
- c. regenerating areas with deep-seated economic and social challenges and building strong communities;
- d. tackling the serious challenges raised by social exclusion, deprivation, ill health and inequality; and
- e. addressing the implications of demographic change for our workforce and services.

These priorities link directly to the outcomes which put people and communities at the heart of the Strategy

Ensure the right housing and infrastructure for sustainable growth by:

- a. securing high-quality housing in locations which support sustainable economic growth;
- b. ensuring high-quality digital connectivity to stimulate enterprise, improve service delivery and reduce the need to travel;
- c. improving internal connectivity through a sustainable transport infrastructure which better connects opportunity and need;
- d. developing the critical infrastructure the region needs to support sustainable economic growth; and
- e. developing the region's green infrastructure to provide economic, environmental and social benefits.

These priorities link directly to the outcomes which provide the right infrastructure for both businesses and people

This cannot be a Strategy about everything that happens in the Northwest. It needs to focus on where it makes sense to address issues at a regional level and not attempt to replicate activity that is more appropriate for international, national, sub-regional or local levels. In practice, this means that regional action must:

- be clearly grounded in the evidence
- focus on the key strategic priorities for the region and the supporting policies and actions required
- add value and be regionally specific (not simply an aggregation of sub-regional/local activity or disaggregation of national activity)
- secure a joined-up approach based on partnership working, alignment of funding and stakeholder involvement
- support the integration of economic, environmental and social priorities.

An integrated Strategy will need to make judgements about the balance between economic, environmental and social elements, which in turn will influence delivery against the agreed outcomes as well as determine the spatial implications. In moving forward, we therefore need to consider the role of places and the relationship between them. Based on the evidence, the key spatial issues for the region to address in RS2010 seem to be:

- the world-class cities of Liverpool and Manchester, as the economic cores of substantial city regions, and the international potential of the Liverpool-Manchester corridor through the Atlantic Gateway concept;
- Preston's role as a driver of regional growth;
- Crewe, Chester, Warrington, Lancaster and Carlisle's role as key sub-regional hubs (and in the case of Chester and Carlisle, the substantial links with Wales and Scotland respectively);
- the role of the Lake District and other outstanding natural and built assets in contributing to the region's image and profile;
- those parts of the Pennine Lancashire, Blackpool, Barrow and West Cumbria as well as areas within the Manchester and Liverpool city regions, which face substantial social and economic regeneration challenges; and
- physical and digital connectivity between
 - (i) Manchester and Liverpool city regions
 - (ii) North Cheshire and the city regions of Liverpool and Manchester,
 - (iii) Pennine Lancashire and Preston and the Manchester city region,
 - (iv) Preston and the city regions of Liverpool and Manchester, and
 - (v) rural areas and regional, sub-regional centres and local centres.

Question 1:

Do you agree that these four strands and key spatial issues should provide the basis for the Regional Strategy?

Question 2:

Are there any priorities we have missed?

We believe we can use this Strategy to drive complementary growth across the region, building on the strengths of each sub-region/functional economic area to contribute to growth across the whole region rather than pursuing growth in one part of the region at the expense of another part. Based on input from sub-regional partners, Section C looks at the spatial implications of the Strategy, both sub-regionally and cross-regionally.

We have developed strategic options to test the thematic and spatial implications of putting the emphasis in differing ways on economic, environmental and social outcomes respectively in order to deliver the strategic priorities identified:

- Option 1: Current position ('business as usual')
- Option 2: Focus on economic opportunity
- Option 3: Focus on protecting environmental resources and taking full advantage of environmental opportunities
- Option 4: Focus on regeneration and development to tackle social deprivation and inclusion

These are described in more detail in Section D. The options are indicative, deliberately designed to be distinctive and realistic in order to act as a stimulus for thinking within the context of the Strategy's priorities. In the light of the sustainability appraisal and consultation feedback on these strategic options, we will develop a preferred option (which may be a combination of different elements of one or more options) to help determine the final selection of policies and actions to deliver this Strategy.

Outstanding questions

We are clear that this Strategy has to deliver long-term sustainable growth. This means thinking holistically about economic, social and environmental issues and how they inter-relate.

In the last ten years or so we have seen growth driven largely by increasing levels of debt and consumerism. This has contributed significantly to the current recession. We are clear that we have to learn the lessons from the recession, and the last ten years, to drive growth in different ways in the coming twenty years. However, we continue to live in a global economy, and need to be competitive in that world, but with an increased emphasis on localism, such as stronger clustering of activities, increased home or local working/production (energy and food, for example) and increased focus on local communities. And in thinking about

6 The Strategy in summary

economic, social and environmental issues, they all come together in places, so this Strategy rightly sets a spatial framework within which places in the region can prosper.

We believe the suggested Strategy, including the priorities and areas for action described in Section B, will set us on a clear course to developing a more sustainable economy based on growth within environmental limits whilst achieving social goals. However, we need to ensure we understand the full implications, including the choices we need to make where there are potential conflicts within the Strategy, as well as the spatial and distribution issues which arise. We have therefore identified a number of outstanding cross-cutting questions which need to be addressed in taking the Strategy forward (some of which are explored further in the Strategic Options in Section D). These are:

Spatial

- a. How can we deliver the scale of new critical infrastructure (particularly electricity, water and waste) that would be needed to drive growth in the regional centres of Liverpool and Manchester?
- b. What is the role of North Cheshire? To what extent should it focus on supporting the Manchester and Liverpool city regions?
- c. What is the role of Preston as a driver of regional growth?
- d. What is the role of Pennine Lancashire? What should be the balance between developing the local economy and linking it better to growth opportunities in Manchester and Preston?
- e. What is the future role of Blackpool and other coastal resorts?
- f. Given its assets in the nuclear and tourism sectors, how can we best ensure sustainable growth in Cumbria?

Thematic

- g. How can we ensure that growth in priority sectors and increased trade via Manchester Airport and Liverpool Superport (which includes Liverpool John Lennon Airport) is consistent with the sustainable use of resources and moving to a low-carbon economy?
- h. What should be the balance between creating jobs for all (employment focus) or creating higher skilled jobs (productivity focus)?
- i. What should be the balance between indigenous skills development and attracting and retaining new talent and skills to the region?
- j. How can we best tackle the underlying causes of worklessness which has blighted the region for the last twenty years? Should we be pursuing a strategy of creating jobs in local communities or allowing jobs to be created anywhere in the region and linking unemployed people to those jobs?
- k. To what extent should we be investing to tackle areas of need/deprivation and supporting struggling companies as opposed to investing in areas of opportunity and supporting growth companies?
- l. Given that over the next twenty years:
 - sea levels and temperatures are likely to rise, with more extreme weather events, flooding and loss of land becoming more common;
 - the working age population as a percentage of the total population will fall;
 - public expenditure will fall substantially in the first part of this period;how do we plan for these, all of which will put pressures on our use of resources?

Question 3:

Are these the key outstanding questions facing the region? (See also Question 38.)

1. What is RS2010?
2. The building blocks
3. Where the region wants to get to
4. How does it all fit together?

Section A

Context for The Strategy

8 Context for the Strategy

1. What Is RS2010?

The Northwest is already, for most, a very good place to live, work, learn, visit and invest. It is a £119 billion economy with 6.9 million people and 250,000 businesses. We may rank relatively poorly against some other regions in terms of conventional economic indicators but when a wider basket of indicators is used it is clear that the Northwest generally has a high-quality of life and that people like living and working here. Whilst major challenges exist, we need to use our strengths to tackle weaknesses and seize opportunities. The focus of RS2010 is therefore on what makes this region distinctive in order to maximise the economic, social and environmental wellbeing of all over the next twenty years.

The Northwest agreed as a region to prepare an Integrated Regional Strategy back in 2008. It is now a statutory requirement (Appendix 1 sets out the statutory background in more detail) and is a logical progression which builds on the existing Regional Economic Strategy (RES) and Regional Spatial Strategy (RSS) and develops and embeds a new Skills Strategy for the region. It has been developed as part of a national framework and reflects national policy on areas such as nuclear, aviation, rail, housing and environmental limits.

RS2010 will provide a framework for action for the next twenty years enabling decision makers to address the tough choices facing the region especially in a situation of tight public expenditure. It is a Strategy for the whole region but will include spatially specific priorities to reflect the strengths, challenges and inter-relationships of different places and how they contribute to a prosperous and thriving region.

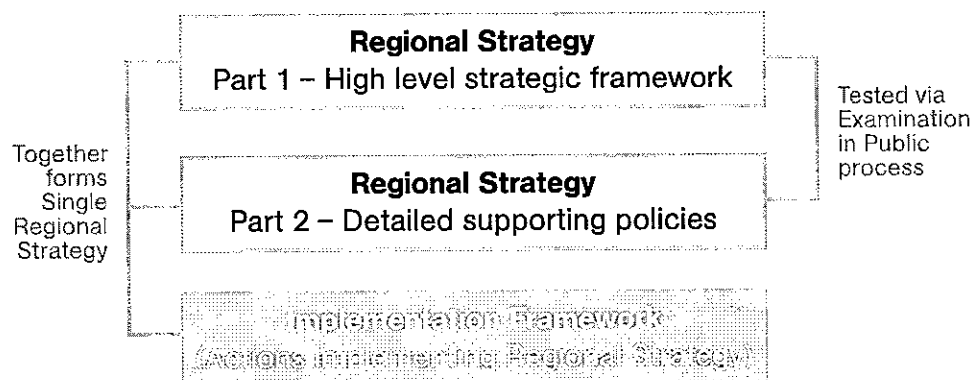
Of course, the global economic recession has impacted on businesses and communities throughout the Northwest. Although output is now returning to previous levels the evidence suggests that employment levels may not return to 2008 levels until 2018. Therefore, while the Strategy looks to the medium and long-term, we will need to ensure that our three – five year implementation plans emphasise employment and other measures to continue growth out of recession. The Strategy has also sought to learn from the recession and, in aiming to create a more resilient economy, raises relevant issues such as the need to diversify from over-dependence on certain industries e.g. defence and ensuring the right balance between local and global production.

Part 1 of RS2010 (this document) provides an overarching vision and proposes strategic priorities where working together we will maximise our opportunities and address our challenges.

Part 2 and the accompanying Implementation Framework will set out the detailed policies and actions to make things happen.

This Part 1 consultation document has been drafted by 4NW and NWDA working with Government departments and agencies, assisted by a Regional Strategy Advisory Group of private, public and third sector partners. There has been wide engagement in the region on its development. It has been informed by the development of a comprehensive evidence base, a summary of which is being published alongside this consultation document, and follows on from consultation in early 2009 on the region's "Principles and Issues"¹. This led to agreement on the key outcomes and values the region wishes to achieve.

NW Regional Strategy



¹ Principles and Issues paper January 2009 and Consultation report August 2009

It represents a new approach. For the first time, the issues of environmental, social and economic development are combined in one Strategy and RS2010 represents an overall regional framework to which all parties and parts of the region will sign up. It reflects the awareness that our environment and our economy both contribute to quality of life and social cohesion and that these are equally critical components; and that in the twenty first century we must at all times think globally but increasingly act locally.

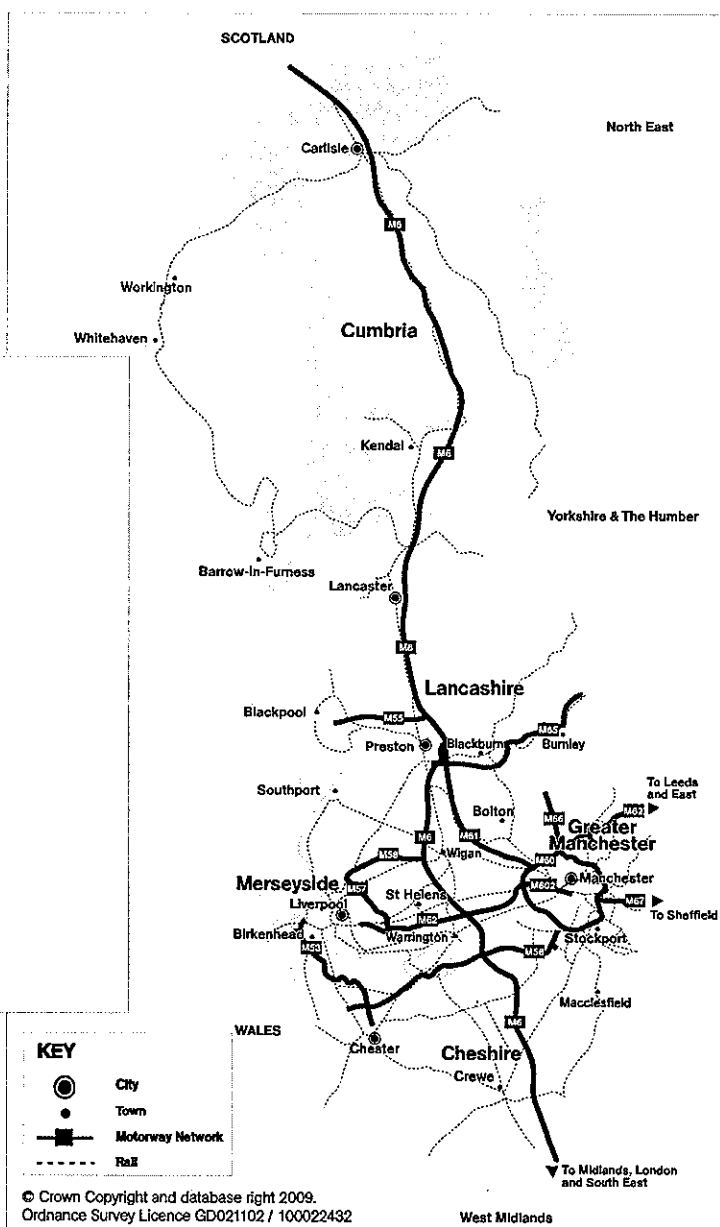
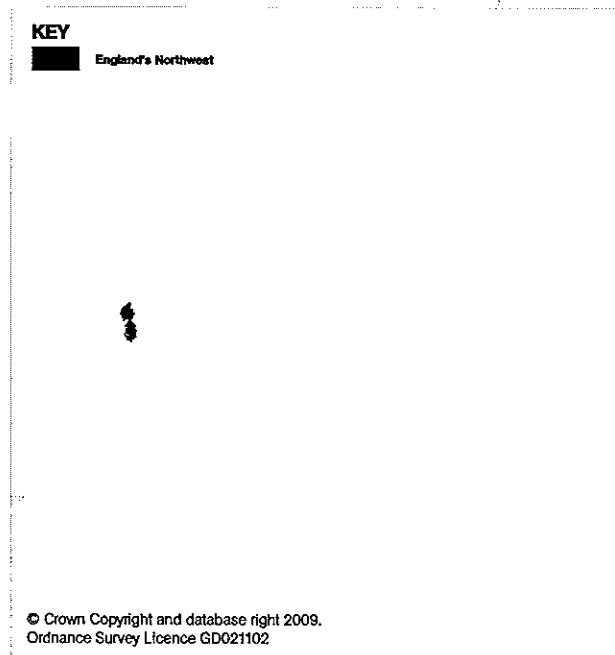
Rather than writing a Strategy for 'any region', we have sought to focus on how we can use the Northwest's major assets and opportunities to drive mutually reinforcing sustainable economic growth across all parts of the region. That is economic

growth that can be sustained and is within environmental limits but also enhances the environment and social welfare.

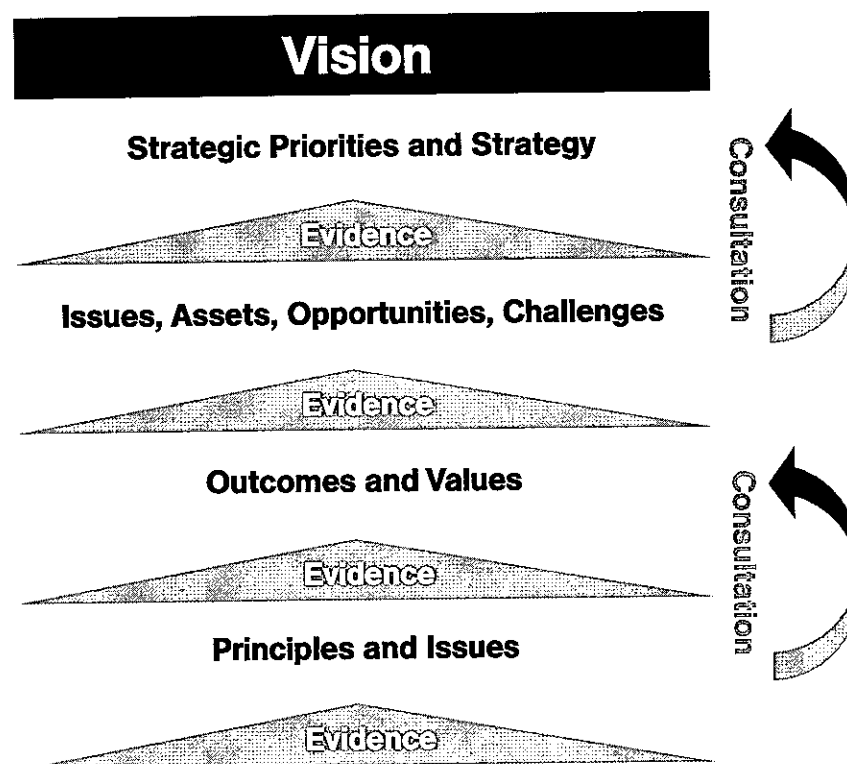
The emerging Strategy has been subject to a Sustainability Appraisal (SA). It includes a Strategic Environmental Assessment (SEA), Habitats Regulation Assessment (HRA), Health Impact Assessment (HIA), Equality Impact Assessment (EqIA) and Rural Proofing. The SA has sought to identify the likely significant effects and any potential mitigation measures required, to ensure the effectiveness of RS2010 in achieving economic, social and environmental objectives. The SA report is being published for comment alongside this draft Strategy.

England's Northwest

England's Northwest in Europe



2. The building blocks



Evidence base

RS2010 will set out an overarching framework of priorities, policies and actions based on an understanding not only of our strengths and unique offer, but also of the key challenges and issues which the region faces over the next twenty years. This understanding is based on a comprehensive evidence base that has been developed over the last couple of years.

This evidence base has been developed with wide engagement from partners and stakeholders across the region. It has been subject to an independent peer review (by a team led by the Centre for Local Economic Strategies) and we will be taking their recommendations into account in further developing both the evidence base and the way it is being used to inform strategy/policy development. We have engaged Forum for the Future in developing

future scenarios against which to test the emerging Strategy for flexibility and resilience.

A headline summary of the key points drawn from the evidence base is at Appendix 2, and a full summary of the evidence base is being published alongside this consultation document. The diagram above shows how we have sought to use evidence at every stage of the Strategy development process.

In addition, as stipulated by Government, both Part 2, and the revised Part 1, of the Regional Strategy will be informed by the emerging work by local authorities to develop statutory Local Economic Assessments undertaken by local authorities in the region, which will include an agreed set of statistical indicators that are aligned to those in the Regional Strategy.

Assumptions

This Strategy is based on a number of key underlying assumptions, originally set out in the earlier Principles and Issues consultation paper, but which have been further developed through a programme of scenario work. Whilst it is impossible to forecast the next twenty years accurately, there are certain trends which are likely to continue:

- Forecasted regional baseline growth of 1.4% per annum for 2008 -15 and 2.1% per annum for 2015 – 2030.
- Increased competition from other economies will need to be addressed with innovative and knowledge-based advances by a highly skilled workforce.
- Innovation and technological change will continue at a fast pace with new ideas spreading rapidly throughout the world.
- The cost of travel and movement of goods will increase and correspondingly, so will the importance of digital connectivity, which will change the way we behave at work and home.
- Energy costs will rise as finite resources of fossil fuels become insufficient to meet demand and the world begins a significant transition to low-carbon energy sources.
- The global climate will be different, with higher average temperatures, more storms, higher sea levels and less predictable seasons. Measures to adapt to these changes will be initiated.
- Without intervention, increased demand for, and pressure on natural resources may compromise the capacity of environmental assets to function effectively in their own right or to provide the services that we rely on and consider valuable.
- The proportion of retired people will increase versus a smaller working-age population, in contrast to the increasing working-age population in developing countries.
- Demand for housing and people's expectations for higher-quality homes will continue to increase.
- Public spending will decrease, at least in the short-term, leading to less public sector employment and procurement, and a reduction in funding for projects.
- Over the long-term, overall spending and employment is likely to grow in the education and health sectors as well as financial and professional services, transport and communications, leisure and tourism.

12 Context for the Strategy

Assets and opportunities

The Northwest has a number of key assets and opportunities on which to build its future success. The region developed as a result of its access to energy and raw materials, its climate and location (particularly in relation to the Americas), its wider trading links internationally, technical innovation and access to capital funds. Looking at the region's current and potential strengths, the Principles and Issues consultation suggested that the Northwest's unique contribution to the future UK, European and World economy is based on:

- the people – diverse culture, in-depth sports offer and trading heritage juxtaposed within huge metropolitan areas and high-quality landscapes;
- our positive external image, with world renowned brands such as Liverpool, Manchester, Chester and the Lake District;
- a welcoming place to live, work, invest and visit with an increasing appreciation, here and elsewhere, of our very good quality of life;
- relatively high skill, low cost business location able to service the world due to improving connectivity and time zones;
- quality, variety and character of places and landscapes with the potential to provide essential environmental services for the economy and communities of the Northwest;
- the potential of brownfield land to enable growth with minimal environmental impact;
- very considerable potential for low-carbon energy generation including from large renewable schemes and new nuclear power;
- advanced manufacturing capacity including knowledge economy sectors such as engineering, electronics, chemicals and construction;
- highly productive and growing bio-medical industry as well as a fast emerging, potentially transforming, media, digital and creative sector;
- commitment to, history in, and critical mass of, innovation, science, research and university assets;
- low business density and the opportunity to boost enterprise and improve business start-up and survival rates;
- Manchester Airport and Liverpool Superport make the region well placed as an access and exit point to serve the north of England in terms of international connectivity and trade;
- natural assets, including National Parks and internationally important habitats, as well as coastal resorts and city centre heritage;
- importance of food, farming and tourism in rural areas of Cheshire, Cumbria and Lancashire; and
- strength of public, private and third sector partnership committed to maximising and sharing the benefits of Northwest future development.

Individually these elements do not make the Northwest unique but each offers significant opportunities and together they offer real potential to make a step change in the future performance and direction of the Northwest.

3. Where the region wants to get to

Vision

We have developed the short headline Vision put forward in the Principles and Issues paper to make it more specific and all embracing. Our suggested Vision is:

The quality of life for the people of the Northwest will be excellent and the region will become more prosperous, more equitable and produce less carbon: by 2030 it will be a better place to live, learn, work, visit and invest, and where:

- we are well on the way to a low-carbon economy and lifestyle, using our nuclear and other assets to contribute to energy security and with low-carbon and resource efficient solutions embedded throughout our activities;
- there are jobs for all in a highly productive, well-skilled, knowledge-based economy, attractive to private investment and internationally competitive;
- deprivation, especially child poverty, has been eradicated and with high levels of health and social well being;
- people have a good choice of high-quality, affordable and low-carbon homes, well connected to sustainable transport and with high-quality digital access for businesses and individuals; and
- we are living within environmental limits and have enhanced our natural and built environments.

Following consultation on the strategic options outlined in Section D, the final version of the Vision will also have spatially specific elements, amending or adding to the four bullet points below.

- The region has built on the combined strengths of Liverpool and Manchester as world-class cities and Preston as a driver of economic growth.
- We have regenerated those areas and communities facing significant economic, environmental and social challenges.
- Growth opportunities around Crewe, Chester, Warrington, Lancaster and Carlisle have been fully exploited.
- We have thriving towns and socially and economically sustainable rural communities.

Values

A set of key values were identified through the Principles and Issues consultation, to underpin and shape the Regional Strategy to achieve the Vision. These highlight the importance of social inclusion, diversity and social mobility and the need to develop an increased sense of community and belonging. They argue the need for the region to work together, learn from the recession and to maximise the contribution of the private, public and third sectors to future sustainable growth. In so doing, the region is asked to be bold in prioritising interventions and taking hard decisions to secure the vision.

Question 4:

**Do you agree with this Vision?
If not, how can it be improved?**

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Outcomes

The following are the twelve outcomes (again, identified through the Principles and Issues process) which the Regional Strategy will aim to achieve:

1. **Developing a low-carbon economy**, promoting the sustainable use of resources and minimising, and adapting to the impact of, climate change.

Making the region attractive to the private sector...

2. Ensuring the Northwest has vibrant and attractive cities, towns and rural areas, capitalising on the region's rich cultural, heritage, sporting and university assets.
3. Increasing the levels of enterprise and trade and creating the right conditions for business growth and sustainability in the region. Capitalising on the region's strengths and assets in international trade, intellectual property, advanced manufacturing, bio-medical and digital/creative.
4. Increasing productivity, capitalising on the region's innovation, science and research assets and exploiting the Northwest's potential in the renewable and nuclear offer and worldwide opportunities from low-carbon technologies.
5. Protecting, enhancing and developing the quality of the Northwest's outstanding environmental, natural and coastal landscape assets.

Putting people at the heart of the Strategy...

6. Developing communities and places which are sustainable and safe, with less deprivation and disadvantage within the region.
7. Creating a world-class skills base, improving education, attracting and retaining talent as well as tackling gaps in basic, intermediate and graduate level skills.
8. Having a healthy population, with a reduction in health inequalities and capitalising on the economic opportunities from changing health issues.
9. Improving the range and depth of quality employment opportunities for all. Linking areas of opportunity and need, significantly reducing low employment rates and improving the supply of labour to businesses.

Providing the right infrastructure for both businesses and people...

10. Creating balanced housing markets across the Northwest that support economic growth, strengthen inclusion and ensure that everyone has access to appropriate, well-designed high-quality, affordable housing in mixed, sustainable communities.
11. Delivering a high-quality, reliable and efficient infrastructure, transport and digital networks which contribute to sustainable development and ensuring that the region is better connected, locally and internationally.
12. Ensuring high-quality, efficient and responsive public services.

Indicators

It will be essential to monitor the implementation of the Regional Strategy through the achievement of outcome indicators. A proposed list of indicators has been developed by looking at current PSA target monitoring, availability of relevant and reliable statistics, and also through consultation, building on current regional monitoring frameworks.

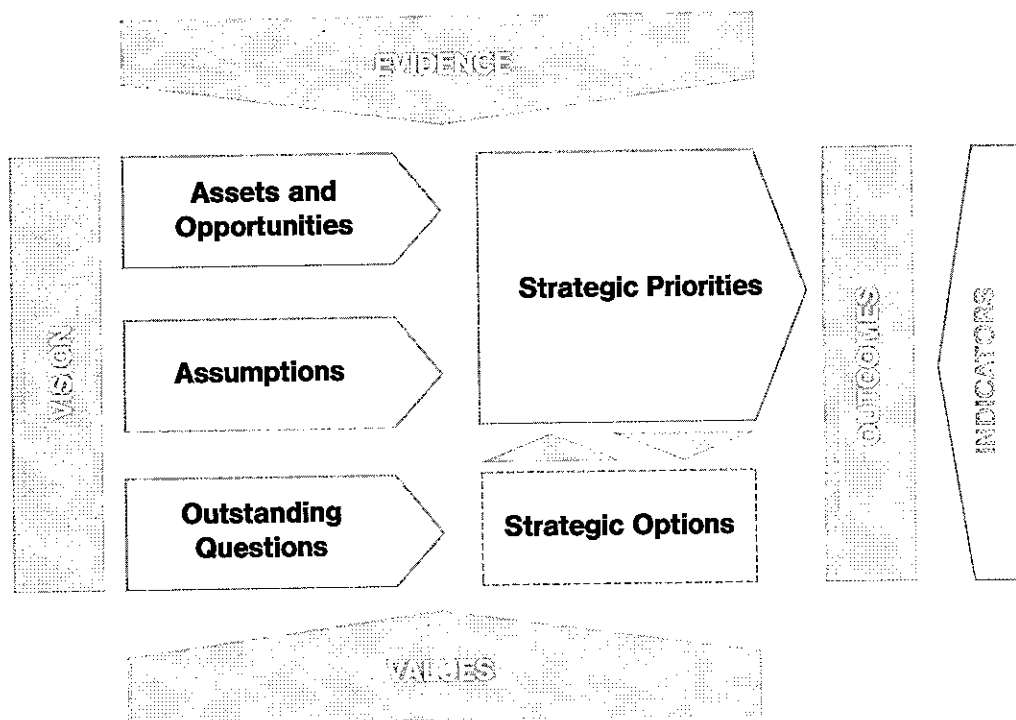
The proposed list of indicators set out in the table below will create the baseline monitoring of the Strategy and will be reported on annually at an outcome level. Over the coming months, a set of composite indicators will be developed, building on and utilising current regional and national approaches, and reporting on the themes of environment, society and economy. The intention is to show the delivery linkages between the outcomes.

Outcome	Indicator	Outcome	Indicator
1	<ul style="list-style-type: none"> CO₂ emissions + CO₂/GVA ratio Landfill capacity Municipal waste Number of planning permissions permitted contrary to the advice of the Environment Agency on flooding and water quality grounds Production of primary land won aggregates (tonnes) Renewable energy production Sales of secondary aggregates 	7	<ul style="list-style-type: none"> NVQ Level 2 and NVQ Level 4 performance Proportion of graduates with a degree
2	<ul style="list-style-type: none"> Adults regularly participating in active sport Domestic overnight stays per region Heritage assets Town centre development: retail, office, leisure 	8	<ul style="list-style-type: none"> Alcohol consumption Cigarette smoking prevalence Mental health Obesity prevalence – childhood and adult
3	<ul style="list-style-type: none"> Business survival rates Patents applied or granted Sector GVA performance 	9	<ul style="list-style-type: none"> Employment land availability Employment rates of disadvantaged groups Number of working age on out of work benefits Overall employment rate Total amount of additional employment floorspace (and % on PDL)
4	<ul style="list-style-type: none"> GVA per head GVA per hour worked or per employee HESA graduate numbers 	10	<ul style="list-style-type: none"> Affordable housing completions Lower quartile house price to lower quartile income Net additional dwellings New and converted dwellings on previously developed land
5	<ul style="list-style-type: none"> Air quality Brownfield land/PDL (amount of) Natural Environment Index River water quality 	11	<ul style="list-style-type: none"> Broadband speed Journey times Progress on delivery of major transport schemes through the Regional Funding Allocation Public transport satisfaction
6	<ul style="list-style-type: none"> Overall recorded crime per 1,000 population Proportion of children at risk of being in low-income households Relative ranking on the Economic Deprivation Index 	12	<ul style="list-style-type: none"> To be monitored by the regional delivery of relevant national PSA targets.

Question 5:
Would these indicators accurately reflect the delivery of the Part 1 outcomes? If not, how would you improve the list?

4. How does it all fit together?

The diagram below shows how the building blocks, vision, values, and outcomes described in this section are being brought together with the strategic priorities and options described in following sections to develop Part 1.



1. Capitalise on the opportunities of moving to a low-carbon economy and address climate change
2. Build on our sources of international competitive advantage and regional distinctiveness
3. Release the potential of our people and tackle poverty
4. Ensure the right housing and infrastructure for sustainable growth

Section B

The Strategy

To achieve the vision and outcomes set out for the Northwest, taking account of the assumptions, values, issues, challenges and opportunities described, we need to pursue the Strategy summarised at the beginning of this document.

This section explains in more detail what needs to be done under each of the four strands. Please note that these strands are not in priority order and all are

important to the successful delivery of the Strategy. However, responding to climate change is probably the biggest single challenge facing the world over the next twenty years. The first strand therefore sets the overall context in which we will be operating and highlights the specific opportunities and issues arising from climate change. Within this context, the other three strands set out the region's Strategy for economic, environmental and social success.

1. Capitalise on the opportunities of moving to a low-carbon economy and address climate change

The Climate Change Act 2008 commits the UK to an 80% reduction in carbon emissions by 2050, with an intermediate target of a 34% reduction by 2020. We know that this means reducing our "carbon footprint" in the Northwest from just under sixty million tonnes a year in 1990 to less than forty million tonnes. 'Do nothing' is not an option and could potentially cost the region £70 billion over the next twelve years. Tackling the challenges and opportunities presented by climate change will require effective action at regional, sub-regional and local levels, as well as international and national. It will also require significant changes in behaviour by organisations, businesses and individuals, particularly in relation to household, industrial and transport emissions, if a low-carbon and resource-efficient economy and society is to be made a reality.

We have already taken the initiative in responding to climate change through our successful NW Climate Change Action Plan. However, we need to step up our game if the region is to position itself to make the most of the huge business opportunities in addressing the potential demand for low-carbon energy, goods and services. A low-carbon economy will require us to produce more using fewer natural resources and minimising carbon emissions and will offer both economic opportunity and a better quality of life. We also need to be clear about the impacts of unavoidable climate change on the region, for example on the visitor economy, and ensure that we are well-placed to respond to the challenges, risks and opportunities.

This Strategy sets the Northwest on a clear course towards the goal of a low-carbon region. It does this by:

- a. positioning the region to take full advantage of the opportunities from low-carbon energy and technologies;
- b. ensuring that the region understands and adapts to the implications of unavoidable climate change; and
- c. ensuring that all sectors, including housing, transport and industry, are considering the challenges and opportunities presented by climate change and developing low-carbon and resource efficient solutions and alternatives.

a. Low-carbon energy and technologies

The Northwest benefits from a number of existing assets which provide a strong driver for establishing a low-carbon region. Despite being the second highest energy-consuming region, we are a net exporter of energy and home to some of the UK's most significant facilities. We have a strong nuclear tradition, with 50% of the UK's civil nuclear workforce and just about all stages of the nuclear cycle, from fuel manufacture through to decommissioning, present throughout the region: West Cumbria (fuel processing and decommissioning); Heysham (generation); Preston (fuel manufacture); and Cheshire (fuel enrichment).

An extensive coastline and other assets provide potential opportunities to develop wind, marine, energy from waste and other renewable energy technologies. These are supplemented by a strong research base at our universities and research/innovation centres. However, the electricity network will require considerable upgrading if it is to support our low-carbon energy aspirations. Moves are already in hand to develop a 'smart grid' and we need to take full advantage of the opportunities presented.

There are also significant opportunities for our energy and environmental technologies sector from the development of low-carbon goods and services, some of which are explored in bullet point c. There are potentially significant economic gains from Northwest businesses leading the design and implementation of new products.

Areas where we could focus action include:

- making this a world-class region for nuclear technologies by seizing the opportunities from the new nuclear build programme, including establishing West Cumbria as a centre of excellence for nuclear and other environmental technologies;
- improving security of energy supply by developing renewable and other low-carbon opportunities such as tidal power opportunities in the Mersey and other estuaries, within recognised environmental limits;
- developing opportunities for small scale distributed energy generation; and
- building capacity in research, science, innovation, supply chains, skills and market development of low-carbon technologies, based on existing assets such as the Dalton and Joule Centres at Manchester University, the Energy Innovation Centre in Cheshire and the Nuclear Skills Academy in West Cumbria.

Question 6:

Do you agree with these potential areas for action? If not, what changes would you suggest and why?

b. Adaptation and resilience to climate change

The UK Climate Projections issued in June 2009 show how our region's climate could change under different global greenhouse gas emissions reduction scenarios. The central estimate projects that, by 2080, average summer temperatures in the Northwest will increase by 3.7°C whilst summer rainfall will decrease by 21%. Meanwhile, average winter rainfall will increase by 16%, sea levels will rise by 30 centimetres and there will be more extreme weather events. Even by 2040 summer temperatures will have increased by 2.2°C and there will be 13% less rain. In winter there will be 10% more rain and sea levels will be up 15 centimetres.

Over the lifetime of this Strategy, the changing climate will start to impact in a number of areas, including industry, health and wellbeing, biodiversity, water resources, agriculture, forestry, energy use and infrastructure. For example, over 200,000 properties in the region are already at risk of flooding, and changes in rainfall patterns and the rise in sea levels will increase this number in future. We have already seen the damage that floods can cause in local areas. There is also potential for increased instances of very high urban temperatures which could impact on business productivity and personal wellbeing.

Areas where we could focus action include:

- identifying and managing risks and increasing resilience for Northwest businesses, communities, infrastructure and natural systems to ensure effective adaptation to deal with unavoidable climate change for example through design and location of developments; and
- identifying and utilising the capacity of natural assets to assist with social and economic adaptation to climate change.

Question 7:

Do you agree with these potential areas for action? If not, what changes would you suggest and why?

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c. Low-carbon and resource-efficient solutions

Reducing energy demand and increasing efficiency is part of the wider sustainable consumption and production agenda aimed at using our increasingly scarce resources in a more sustainable way. Moving to a low-carbon economy not only challenges Northwest companies to develop more efficient production methods with less waste and decreased dependence on limited raw materials, but also provides the potential for significant economic benefit in terms of increasing resilience and competitiveness. This includes the development of new products, such as solid state lighting, adapting existing products to respond to the changing market, designing less resource-intensive alternatives and developing a high-quality digital infrastructure.

We face significant challenges and opportunities in improving energy efficiency, demand management and low-carbon generation, particularly in retrofitting our existing housing stock and when

considering the number of energy-intensive industries in the region. Reducing carbon emissions from transport, and the need to travel, is another major issue that needs to be tackled. Promotion of public transport, cycling and walking will be important as will planning our towns and cities in order to reduce the need to travel.

However private vehicle use will still continue to be essential over the lifetime of this Strategy so we also need to look at how we make best use of our roads and how we can encourage decarbonisation through the development of low-carbon and electric vehicles and supporting infrastructure. We may need to consider linking any growth in high-carbon areas such as air travel essential for international connectivity to explicit support for carbon reduction in other areas such as renewables development so that our overall carbon reduction goal is not compromised.

Areas where we could focus action include:

- building on our strengths in research and innovation to develop new low-carbon products and services such as solid state lighting;
- reducing our demand for energy and other resources, and developing low-carbon solutions, in the domestic, business and transport sectors so that we grow our economy in a sustainable way;
- developing a coordinated programme to retrofit housing stock and other buildings, to reduce energy demand and improve energy efficiency;
- strengthening support to business on eco-innovation and resource efficiency via Business Link;
- developing the skills to support the low-carbon economy;
- encouraging the deployment of ultra-low-carbon/electric vehicles and associated infrastructure, as well as promoting alternatives to private car use and planning new developments in ways which reduce the need to travel; and
- developing Next Generation Access (NGA) digital connectivity to increase access to businesses and services and reduce the need to travel.

Question 8:

Do you agree with these potential areas for action? If not, what changes would you suggest and why?

2. Build on our sources of international competitive advantage and regional distinctiveness

In order to develop the region effectively we must retain and build on its world-class assets, to provide a focus for driving international competitiveness and action by the private, public and third sectors. In an increasingly global market, exports already play a major role in the Northwest economy and there is opportunity to further develop trading links with established markets such as USA and Europe as well as emerging high-growth markets such as India and China. The region has also attracted high levels of investment from overseas and is in an excellent position to build on this strong performance.

There are a number of specific sectors and technologies where the region is well placed to compete internationally, as well as a range of other assets we can develop and exploit. These range from specific concentrations of industrial sectors through to combining the city, town, countryside, and coastal attributes of the Northwest to enhance the quality of place. It is the combination of these assets which provides the distinctiveness and competitive advantage for the region. In this way the Northwest can continue to make a unique contribution to the UK, European and world economy.

This Strategy seeks to build on our internationally competitiveness and regional distinctiveness by:

- a. developing our strengths in internationally competitive sectors;
- b. strengthening our concentration of knowledge-based assets driven by our universities and science and innovation base;
- c. improving our international connectivity through Manchester Airport and the Liverpool Superport (including Liverpool John Lennon Airport); and
- d. developing our world-class sporting/culture/ quality of place offer and the attraction of Manchester, Liverpool, Chester and the Lake District as international destinations.

a. Internationally competitive sectors

We have a number of industrial sectors where we are or have the potential to be world-class including nuclear, which has already been mentioned. In addition, we have advanced manufacturing/ engineering (including aerospace), biomedical and digital, creative and media. We need to build on the benefits of agglomeration to develop opportunities in these areas.

Areas where we could focus action include:

- developing key internationally competitive sectors and their supply chains by supporting cluster growth in competitive sectors and strengthening interaction with universities. This means focussing on advanced manufacturing/engineering in Lancashire and Cumbria; biomedical in Liverpool city region, Cheshire and Manchester city region; digital and creative, building on the opportunities of MediaCityUK; and chemicals and automotive in Cheshire and Liverpool city region;
- identifying emerging sectors where the Northwest can have competitive advantage e.g. unmanned aerial vehicles, solid state lighting;
- diversifying the advanced manufacturing sector in Lancashire to take advantage of future opportunities for technology transfer and innovation;
- ensuring the skills system responds to future regional skills needs particularly those supporting internationally competitive sectors; and
- promoting and supporting exporting to meet global opportunities, as well as attracting global companies and knowledge-based business.

Question 9:

Do you agree with these potential areas for action? If not, what changes would you suggest and why?

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b. Knowledge, science and innovation

Innovation, science and technological development is the key to building an internationally competitive, knowledge-based, low-carbon regional economy. The Northwest has exceptional, globally recognised, science and knowledge assets in its universities and research centres and we must strengthen their links with international companies. We need to ensure the flexibility to respond to new industrial and technological developments (e.g. composite materials, printable electronics) where there is a growing research base and potentially strong end-user market. This requires us to build the region's capacity to innovate and to exploit the

results of that innovation. We also need to build the ability of our businesses to compete in the global market place, as well as enterprising people who can exploit new opportunities. It needs a flexible business support infrastructure which responds to the changing demands of the economy.

We need to attract, develop and retain skilled people, and encourage aspiration among the young with a particular focus on science technology, engineering and mathematics (STEM) subjects as building blocks for the success of these sectors, research and development and innovation.

Areas where we could focus action include:

- supporting knowledge transfer, exploiting the science base and enhancing business/HEI collaboration, including through the region's science parks and our world-class universities.
- supporting technology specialisms in the growing Northwest higher education sector.
- maximising opportunities from globalisation and emerging markets and helping the region's research and development businesses to access global innovation networks.
- ensuring supportive public sector procurement by, for example, encouraging SMEs to bid for contracts.
- a business support service through Business Link which:
 - encourages entrepreneurship and innovation
 - encourages technology transfer between sectors
 - provides access to finance; and
- promoting high-quality employment opportunities and stimulating the supply of skilled labour.

Question 10:

Do you agree with these potential areas for action? If not, what changes would you suggest and why?

c. International connectivity

Maintaining and developing the region's competitiveness requires excellent connectivity with the rest of the country and the world. Within the context of national policy on aviation and ports, the sustainable development of Manchester Airport and Liverpool Superport (including Liverpool John Lennon Airport) to facilitate international trade and inward investment, is an essential component of

this Strategy. As noted earlier, we will need to find ways of balancing the need for international connectivity with reducing carbon emissions. Opportunities for strengthening low-carbon global connections will be seized through development of the high-speed rail network from the Northwest to London (and onward connections to Europe).

Areas where we could focus action include:

- ensuring the Northwest is well-connected nationally and globally by developing Manchester Airport and Liverpool Superport as international gateways; and
- supporting the development of high-speed rail connections from the Northwest to London and Europe.

Question 11:

Do you agree with these potential areas for action? If not, what changes would you suggest and why?

d. Sport, culture and environment

Through the reputation of its cities and towns, its industrial heritage, the excellence of its sporting and cultural offer and the high-quality of its natural and historic environment, this region is known throughout the world. We should not underestimate the strength of our assets, which support a strong visitor economy and tourism industry, as well as being a major attractor of investment, business, workers and improving quality of life of new residents.

Liverpool and Manchester are world-class cities, their football clubs are major international brands and our pop/rock music heritage underpins the strong tradition we have in culture and arts. The extent and quality of our universities, and the numbers of students they attract, also contribute to a strong quality of place.

We have a number of world-class golf courses, first-class cycling facilities, horse-racing, international rugby and cricket venues and an emerging adventure sports sector. We have shown

through the Capital of Culture, the 2002 Commonwealth Games and hosting British golf opens how we are capable of organising highly successful major international events which attract investment and create a legacy of sustainable business opportunities.

We have an outstanding natural and historic environment. One-third of the region is designated for its landscape quality and we have a host of internationally designated wildlife sites, important woodland resources and existing and potential World Heritage Sites. We have an extensive and unique coastline, which provides a range of economic, social and environmental assets. The region's coastal area is complex and constantly changing, both in terms of the physical processes it is subject to and the broad mix of assets, uses and economic activity it encompasses.

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We have a strong agricultural tradition which helps maintain a high-quality rural landscape, as well contributing to our food security. We also have a strong green belt system which helps protect the countryside, prevent urban sprawl and support regeneration: we recognise that local authorities

will wish to work together to ensure there is sufficient land to accommodate anticipated growth, which may require reviews of green belt boundaries where growth cannot be accommodated in a more sustainable way.

Areas where we could focus action include:

- developing the offer of Liverpool, Manchester, Chester and the Lake District as international destinations which support a vibrant visitor economy and promote the Northwest as a great place to live, visit and invest;
- developing our sporting offer, based on our world-class facilities and proven ability to host major international events;
- developing our cultural offer based on an outstanding historic environment, our arts and museums and strong industrial heritage, including developing Carlisle, Chester and Lancaster as 'heritage cities';
- developing Blackpool as a twenty-first century resort;
- safeguarding and improving our natural and physical environments, and developing their multi-functional role, recognising that environmental and coastal assets support our economic and social goals;
- promoting sustainable farming and food production and its role in managing the countryside, increasing food security and promoting health in the region;
- ensuring the region continues to attract high-profile international events, including being a host venue for the 2018 Football World Cup; and
- improving the quality and distinctiveness of our visitor destinations and visitor experience, including 'business tourism'.

Question 12:

Do you agree with these potential areas for action? If not, what changes would you suggest and why?

3. Release the potential of our people and tackle poverty

Although the previous section talked about competitive sectors and places, it is actually its people who are the region's major source of competitive advantage. Strong communities and productive individuals are essential to addressing the challenges of climate change and building successfully on the region's competitive assets and distinctiveness. The 6.9 million people who live in the Northwest provide the key ingredient to ensuring the region continues to be a desirable place in which to live, work, visit and invest. Our people are one of the region's greatest assets, but the potential often remains unfulfilled. The opportunity and challenge is to develop, harness and release the talent of all.

This Strategy seeks to release the potential of our people by:

- a. increasing the potential of the workforce by improving employment opportunities, enterprise and skills
- b. building on our strong tradition of social enterprise
- c. regenerating areas with deep-seated economic and social challenges and building strong communities
- d. tackling the serious challenges raised by social exclusion, deprivation, ill health and inequality
- e. addressing the implications of demographic change for our workforce and services.

a. Employment, enterprise and skills

In the light of the new national Skills Strategy, a more detailed regional Skills Strategy and Investment Plan, articulating and prioritising skills demand for the region is being developed, and will be embedded within RS2010 Part 2.

Having an effective labour market is essential for a healthy economy. Ensuring there is sufficient supply of labour, with the right skills, enterprising attitudes and ambition now and in the future to meet the demand for employers and the Northwest economy is essential to attract inward investment, protect and grow high-growth sectors, increase innovation and drive up enterprise. Our ability to achieve a more inclusive society is also ultimately dependent upon employment and productivity: how many people are in work and how productive they are when they are working. Skills are essential to both.

There is clear evidence to show the link between skills, enterprise, productivity, social mobility and quality of life. The acquisition and development of skills is therefore key to the delivery of this Strategy, whether it is meeting the needs of globally competitive industries or supporting people to participate fully at work and in their community. The skills developed in the Northwest will not only respond to current demand in the labour market to support economic recovery from the recession but also focus on sectors and markets we expect to sustain future economic growth.

With regional employment rates not forecast to recover to 2008 levels until 2018, it is also imperative to provide the conditions for businesses to grow and continue to strengthen the links between employment and skills. The region must ensure that jobs created deliver an improved range and depth of sustainable employment opportunities for all, including entry level and higher skilled jobs. There are also significant opportunities to be gained in encouraging organisations to utilise family-friendly, flexible working policies not only to support increased employment but also to create a culture where innovation and enterprise can thrive.

The challenge in the Northwest over the next twenty years is considerable, as fewer young people join an increasingly ageing workforce. Whilst it is important to continue to raise the skills levels of the workforce to meet labour market requirements, it is equally necessary to ensure companies develop and utilise the skills of their workforce to maximum effect to achieve productivity gains and business growth.

A change in behaviour and attitude is also required as more businesses need to build their future on innovation and creativity, including those in the public and third sectors who will have to do more with less as public expenditure comes under unprecedented pressure.

This needs to cover a number of strands: improving high-level skills including innovation, leadership, entrepreneurship and enterprise; graduate attraction and retention; employability skills; developing the future workforce including raising aspirations among the young and improving the skills of the existing workforce.

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Areas where we could focus action include:

- meeting the skills requirements of the future labour market particularly with regard to internationally competitive sectors, the emerging low-carbon economy and high employment sectors (such as healthcare, education, leisure and tourism, food, retail, construction, logistics and financial and professional services);
- raising individual aspirations and attainment of skills, especially amongst 16-19 year olds through high-quality information, advice and guidance leading to informed choice and sustainable employment;
- stimulating employers to release the potential of their workforce at all levels, by investing in innovation, leadership and management, and entrepreneurial skills;
- providing the support that the workless need to gain sustainable and rewarding employment with skills, especially those from the groups and communities most adversely affected by unemployment, a lack of work or underemployment;
- ensuring high-quality, responsive, labour market led skills provision;
- working with young children and their parents to improve educational attainment outcomes and deliver increased opportunities;
- encouraging greater utilisation and retention of graduates within the Northwest, supporting them into new jobs, internships and entrepreneurial activity; and
- encouraging and supporting, innovation, enterprise and self-employment.

Question 13:

Do you agree with these potential areas for action? If not, what changes would you suggest and why?

b. Social enterprise

The region still has significant social issues to tackle but also has many strengths on which to build. The Northwest was the birthplace of the industrial revolution and this was, in large part, due to the entrepreneurial and innovative nature of its people. This radical and creative tradition has been a thread running through the region since that time but has contributed more than individual achievement. A strong sense of collective action and collaboration has also characterised the Northwest and is reflected in this region being the birthplace of the Co-operative movement and Groundwork Trust, as well as a strong role for social enterprise. Fostering this kind of community and civic spirit plays to an advantage that sets the Northwest apart from many regions.

Local authorities have a leading role in addressing these challenges through local strategic partnerships. The region's strong third sector, social enterprises and associated community networks provide a vital resource in developing wellbeing at grassroots level and have excellent access and up-to-date knowledge of the issues which affect communities and neighbourhoods. (95% of Northwest social enterprises work in urban areas and 45% in the areas of greatest deprivation).

Areas where we could focus action include:

- developing a world-class third sector/social enterprise sector to play a stronger role in the region;
- drawing on cultural assets including sporting facilities, to combat worklessness, promote volunteering, graduate retention and contribute to civic pride;
- ensuring public sector procurement and commissioning in line with the regional compact for public/third sector to ensure appropriate support for all members of the community; and
- adopting a positive policy in favour of mutuals and co-operatives with support through Business Link and other interventions.

Question 14:

Do you agree with these potential areas for action? If not, what changes would you suggest and why?

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c. Regeneration and communities

Despite the majority of job creation taking place around cities and conurbations, local employment rates have not improved significantly. There are also particular challenges for areas remote from the major growth opportunities. The challenge remains to enhance the links between opportunity and need, recognising the importance of tackling social problems as part of promoting sustainable growth. There is an obvious gain for the region when these opportunities are closely aligned to the major long-term assets of comparative advantage such as MediaCityUK.

In the past, through RES/RSS, we have focused on regenerating those places with particular challenges. In the current economic conditions, however it is even more vital that we make sure regeneration investment is targeted in the right places, and make tough choices about where to invest.

Even in a time of reduced public expenditure, the public sector will remain significant, and has a critical role to play not only as a catalyst for action but as a significant employer, and through the delivery and procurement of key goods and services.

The Government's aim is to reprioritise regeneration investment to where there are opportunities for transforming the economic prospects of areas with lower economic performance. This will be achieved by targeting market failures and improving the co-ordination of funding and delivery. In particular the Government has set out four factors that can be analysed to help partners work together to prioritise and target investment. They are the:

- levels of deprivation;
- strength of the wider sub-regional economy;
- economic and social characteristics of the area; and
- dynamics of the area (whether it's getting better or worse).

Areas where we could focus action include:

- continuing to regenerate those areas and communities facing significant economic, environmental and social challenges, including lagging rural areas, parts of Pennine Lancashire, Blackpool, Barrow and West Cumbria as well as areas within the Manchester and Liverpool city regions; and
- ensuring that investment in future is more targeted:
 - at the right spatial level and as close to local communities as is practicable through, for example, accessible public services
 - tightly focused on economic outcomes, worklessness and vulnerable housing markets, as well as recognising the importance of historic built environment in regeneration
 - recognising we cannot transform everywhere but investing in places where it will have most impact by supporting those communities where the most severe poverty and worklessness persists and where there is the opportunity to deliver long-term change.

Question 15:

Do you agree with these potential areas for action? If not, what changes would you suggest and why?

d. Social exclusion, deprivation, ill health and inequality

Strong local communities provide the fundamental building blocks, not only for a competitive economy, but also for tackling the inequalities which exist across the region. The Principles and Issues consultation highlighted the persistent social challenges which must be met if our outcomes are to be delivered. These include poor health, worklessness, poor housing, low skills and poor local environmental quality.

It is easy to view many of the social issues facing the region as detrimental factors when in fact they should be considered opportunities. For example, if the region can raise employment rates among those with a disability to the England average this would add 50,000 to the workforce. Similarly, given the proportion of Incapacity Benefit (IB) claimants with a mental or behavioural disorder in the Northwest is above the England average this represents an untapped potential source of workers. Overcoming negative employer attitudes and promoting positive support in the workplace will be critical to meeting this objective.

Furthermore, a key component to achieving wellbeing, empowerment and strength in communities will be the continued engagement of individuals enabling them to make contributions to civic, community and family life, tackling stigma and discrimination and other barriers to full participation.

A healthy society is more likely to be an economically prosperous society. It has been estimated that approximately 50% of the economic growth in the United Kingdom over the last two hundred years can be attributed to improved health and nutrition. The region was at the forefront of global thinking on public health from the mid-nineteenth century onwards, in implementing schemes of municipal works to improve the wider social determinants of health, in particular in relation to housing, sanitation and alleviating air pollution. The Northwest now needs to be at the forefront of a new public health agenda which addresses "modern" health issues such as alcohol, obesity and mental health and wellbeing, where unfortunately the Northwest is worse than other regions. High-quality health research through the NHS and improved standards of healthcare will drive economic growth as well as provide for a healthier population and decreased levels of worklessness.

Areas where we could focus action include:

- tackling barriers to work to ensure worklessness significantly reduces in those parts of Cumbria, Lancashire, Liverpool and Manchester city regions with high concentrations of workless;
- raising employment rates for individuals with disabilities and from the black and minority ethnic (BME) population;
- realising the potential of women to contribute at all levels to the economy of the Northwest;
- improving the health of all through all regional agencies supporting NHS Northwest public health and health inequalities agenda;
- reducing the proportion of IB/Employment Support Allowance claimants to below the England average;
- delivering intensive support for all those groups with low employment rates; and
- providing accessible public services.

Question 16:

Do you agree with these potential areas for action? If not, what changes would you suggest and why?

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e. Demographic change

The Northwest is becoming increasingly diverse and, there is considerable evidence that those cities and regions that embrace the social, cultural and economic benefits of diversity are more innovative and more successful.

Over the next 20 years the population of the region is forecast to increase from 6.9 million to 7.6 million. By this time, those over 65 will number 1.7 million in comparison to 1.1 million now and those aged over 85 will double from 145,000 to 296,800. The ratio of those over 65 as a percentage of the total population will significantly increase from 16.5% in 2009 to 22.3% in 2030, whilst under 25s will fall from 31.4% in 2009 to 29.1%. This will have

a significant impact on the size and make-up of the future workforce with implications for skills development as well as housing requirements. Meanwhile the non white population (currently 8%) will increase, reflecting increased numbers of mixed marriages, traditions of larger families in some ethnic minorities and inward migration. Ethnic minority-led companies already add an international dimension to many sectors, in others they are at the forefront of innovation. It will therefore be essential that the region embraces diversity and sees it as a social, cultural and economic asset. This includes recognition of the contribution older people make to quality of life.

Areas where we could focus action include:

- maximising employment and skills opportunities created by an increasingly diverse population including retaining older workers and their skills in the workforce;
- celebrating diversity as an economic as well as social and cultural asset;
- maximising the business benefits from the forecast expansion in the health care sector associated with an ageing population;
- realising the potential of as under-employed groups, whether disabled people, the minority ethnic population or women, to increase the prosperity of the region;
- delivering the skills required to meet the growth in sectors resulting from an ageing population such as health and social care, hospitality and leisure industries; and
- addressing the demographic imbalance in rural areas.

Question 17:

Do you agree with these potential areas for action? If not, what changes would you suggest and why?

4. Ensure the right housing and infrastructure

We need to ensure that we have the right infrastructure in place for sustainable economic growth. This Strategy seeks to do that by:

- a. securing high-quality housing in locations which support sustainable economic growth;
- b. ensuring high-quality digital connectivity to stimulate enterprise, improve service delivery and reduce the need to travel;
- c. improving internal connectivity through a sustainable transport infrastructure which better connects opportunity and need;
- d. developing the critical infrastructure the region needs to support sustainable economic growth; and
- e. developing the region's green infrastructure to provide economic, environmental and social benefits.

a. Housing

There are over 3 million households in the region, and this is projected to increase in line with the demographic trend towards more single-person, older households and single-parent families, so a substantial amount of new housing will be needed. Indicatively the range of new housing completions will need to be between 23,000 per annum (current agreed RSS figure) and 29,000 per annum (the high end of the National Housing and Planning Advice Unit advice from Government).

We also need to improve the housing offer to support our aspirations for a growing, knowledge-based, low-carbon economy and more inclusive society. Quality is important to ensure that the homes we deliver meet the aspirations of people across all tenures, income and age groups. Ninety per cent of the anticipated housing stock in 2030 is already built so improvement to existing housing is critical in achieving our carbon reduction, socio-economic and health aspirations. The quality, age and nature of our housing stock will present particular challenges requiring coordinated joined-up responses across a range of sectors and agencies.

We need to link housing to our wider objectives under this Strategy. This means providing high-quality accessible homes in neighbourhoods people choose to live in. Linking housing to economic growth, regeneration and employment opportunities will be important, as well as ensuring that people can access health, transport, education, green infrastructure, natural environment and training services. We need to do more to enable people to keep living in their own homes, particularly the older people, socially excluded and vulnerable. All these priorities must work together to support the place-making agenda, creating vibrant and sustainable communities for people to live, work and play in.

Areas where we could focus action include:

- ensuring new housing is well-located in relation to need, employment opportunities, transport and services, and is well designed, high-quality, affordable housing in sustainable mixed and vibrant communities in urban and rural areas;
- improving our housing offer to maximise its role in regenerating communities and supporting economic growth
 - to attract and retain talent to support growth sectors
 - to meet the needs and aspirations of the local communities, by continuing to support the restructuring of vulnerable housing markets as part of the wider regeneration and place-making agenda, with particular focus on housing market renewal areas in Liverpool and Manchester city regions, Blackpool, Pennine Lancashire, Barrow and West Cumbria;
- making the best use of all available resources in the region to provide high-quality housing support services that deliver positive outcomes and enable people to succeed at living independently;
- improving the quality and energy efficiency of our new and existing housing stock across all tenures so that they contribute effectively to the reduction of carbon emissions while also ensuring that they help reduce fuel poverty and help improve the well being of our communities;

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- supporting work to improve the condition of stock across all tenures including the retrofitting of energy efficiency measures that will improve the SAP rating of homes, make homes more fuel efficient and thus help reduce carbon emissions;
- ensuring that the private rented sector plays a full role in extending housing choice by driving up quality and management standards;
- ensuring a range of housing options to meet the needs of the ageing population and those with care needs with the aim of caring for people closer to home reducing the numbers of people in institutional care; and
- recognising the specific needs of those living in rural areas, such as the wish to continue living there with access to affordable homes, resulting in more sustainable rural communities.

Question 18:

Do you agree with these potential areas for action? If not, what changes would you suggest and why?

b. Digital connectivity

In a global, low-carbon society, where connectivity is often via the internet, there should not need to be companies, communities or people who are 'remote' from markets, work or learning. High-speed New Generation Access (NGA) digital connectivity will increasingly offer opportunities for all businesses, communities and individuals in the region, particularly those in remote rural areas, and will be essential to underpin our aspirations to build an internationally competitive economy.

Improved NGA coverage in the region will deliver increased productivity, higher level skills, science and innovation, employment opportunities for all, and more cohesive, empowered and active communities. Businesses will benefit from improved supply chain linkages, improved research and development collaboration with other firms and institutions and reduced costs through new and flexible ways of working.

Particular benefits of NGA will be felt across the Northwest's competitive information-intensive sectors such as digital and creative industries, advanced engineering and manufacturing, biomedical and business and professional services. Global companies view access to high-speed telecommunications as a critical factor in determining new investment. The opportunity cost of businesses failing to effectively deploy ICT in the Northwest is estimated to be 3% of GVA per annum, between £3 billion and £4 billion per annum for the Northwest.

NGA will also improve the ability of individuals to access employment and connect to online networks for a range of entertainment, social and educational content. It will give consumers the ability to use new 'tools' at work and home, and, in allowing for economies of scale and cost reduction in online delivery of government services such as healthcare and education, will improve quality of life and promote social inclusion.

Areas where we could focus action include:

- enhancing access to super fast broadband NGA as soon as possible, with 90% coverage being exceeded in the medium-term, and 100% coverage achieved in the long-term;
- ensuring the technology used to deliver NGA is capable of delivering the connectivity required to support world-class applications to which businesses and consumers need access, focussing initially on the opportunities offered throughout the region by MediaCityUK;
- leading the rest of the UK in the widespread use of NGA by all sectors of society by stimulating demand to increase usage and promote investment;
- introducing policies and standards to make the most of private sector activity, with NGA considerations a condition of public investment and planning; and
- ensuring the benefits of NGA are spread across all communities and enables better access to services.

Question 19:

Do you agree with these potential areas for action? If not, what changes would you suggest and why?

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c. Transport

Transport underpins our quality of life and economic prospects and we want to give people and business more low-carbon choices about when, where and how to travel, or to transport goods both within the region and also nationally/internationally.

With greenhouse gas emissions from transport representing 21% of total UK domestic emissions, decarbonising transport must be part of the solution. This will be a major change, but moving to a low-carbon economy and transport system also presents huge opportunities; not just to address climate change but for our prosperity, health, and the wider environment.

The Government has recognised that if we get this right, by 2050 we can expect to see a fundamentally different transport system in our country. Road and rail transport will be largely decarbonised. The technical challenges are greater for aviation and shipping, but these modes too will have seen a transformative improvement in efficiency. The Government's 'Delivering a Sustainable Transport System' (DaSTS) approach presents regions with

new opportunities to develop transport systems which best support the sustainable economic and social development of the region, whilst taking account of the need to reduce carbon emissions.

Access to high-quality education and jobs remains a priority for the region and is one of the areas which the Regional Strategy addresses through its commitment to accessible integrated regional transport. Highly skilled people attracted to, and working in, the region do not always want to live near where they work, presenting challenges for public transport as well as requiring developments to promote decarbonised or low-carbon car use. Reducing the need to travel, especially by car, should encourage people as far as possible to meet their needs locally and make best use of existing capacity. A shift to more sustainable modes of transport for both people and freight should be secured and an integrated approach to managing travel demand should be encouraged as well as reduced congestion and road safety and journey time reliability improved.

Areas where we could focus action include:

- developing a transport framework that:
 - improves connectivity to, between and within the city regions, and between rural areas and urban hubs, including between Pennine Lancashire and Preston/Manchester and between north Cheshire and Liverpool/Manchester;
 - maintains existing transport infrastructure in good order;
 - improves connectivity, journey time reliability and tackles congestion and overcrowding in the region's main road and rail corridors particularly within and between the city regions of Liverpool and Manchester (including the Manchester Rail Hub);
 - secures a shift towards the use of more sustainable modes of transport, including reducing the need to travel, especially by car, to encourage people to meet their needs locally and make best use of existing capacity;
 - secures safe and efficient access between residential areas and key destinations, including centres of employment, schools, shops and other services;
 - improves accessibility to employment and services, particularly for people with disabilities and in isolated communities;
 - improves surface access and interchange arrangements at the international and national gateways of Liverpool and Manchester, and other regional gateways; and
 - integrates the management and planning of transport networks;
- securing a shift to more sustainable modes of transport for both people and freight as part of an integrated approach to managing travel demand and improving road safety; and
- encouraging all new development in locations which are genuinely accessible by public transport, walking and cycling, with priority given to locations where such access is already available.

Question 20:

**Do you agree with these potential areas for action?
If not, what changes would you suggest and why?**

d. Critical infrastructure

We will need to target infrastructure provision to provide clean water, safe handling of our waste and sewage and protection from flooding, as well as the supply of electricity and other energy.

The Northwest faces substantial infrastructure challenges to accommodate growth.

Pressures associated with growth will be exacerbated by an old water and sewer infrastructure system, together with the urgent need to reduce

the amount of waste going to landfill and the unavoidable impacts of climate change including increased risks of droughts and flooding.

We also need to ensure the supply of high-quality employment land and buildings to ensure that sustainable economic development is not constrained, including the broad location of regionally significant economic development.

Areas where we could focus action include:

- developing innovative approaches to providing and managing critical infrastructure to support the delivery of future growth and new development without harm to the environment, particularly focussing on the water supply, electricity supply and waste challenges for the city regions of Liverpool and Manchester;
- understanding and planning for increased flooding in coastal and other vulnerable parts of the region; and
- determining the broad location of strategic employment sites.

Question 21:

Do you agree with these potential areas for action? If not, what changes would you suggest and why?

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e. Green infrastructure

Green infrastructure is one of the key environmental infrastructures that are essential for sustainable development. We have a strong green infrastructure network, made up of green spaces that lie within and between the Northwest's cities, towns and villages, which provide opportunities for people to interact and benefit from the natural environment and green space. These assets underpin a strong natural economy which supports

businesses and jobs due to the critical relationship between economic prosperity, sustainable development and multi-functional green infrastructure. Urban greening can for example help reduce temperature rises in our cities. Green infrastructure, however, needs to be planned like other critical infrastructures to ensure that benefits are delivered, in particular, with regard to identified strategic regional needs.

Areas where we could focus action include:

- promoting the benefits of green infrastructure and ensuring the region protects and enhances its green infrastructure networks to support sustainable economic growth, improve health and wellbeing and increase food and fuel security;
- developing the role of green infrastructure in providing solutions for "pinch points" – areas where significant investment and development is expected but there are issues such as flood risk which must be addressed; and
- repairing, protecting and managing our landscape and biodiversity where the natural environment is vital to economic development and tourism.

Question 22:

Do you agree with these potential areas for action? If not, what changes would you suggest and why?

1. Sub-regional assets and opportunities

2. Intra and cross-regional opportunities

Section C

Spatial Implications of the Strategy

As the evidence work makes clear, there is no single clear economic geography but places are where the delivery of outcomes happens and where economic, environmental and social priorities can be brought together in an integrated and balanced way. The importance of regional "hubs" has been reinforced and the need to build on their assets and tackle the

constraints on their ability to become more prosperous and increase quality of life need to be addressed. This section looks at the spatial implications of the strategic priorities set out in section B, focussing first on the five sub-regions and then on intra and cross-regional opportunities.

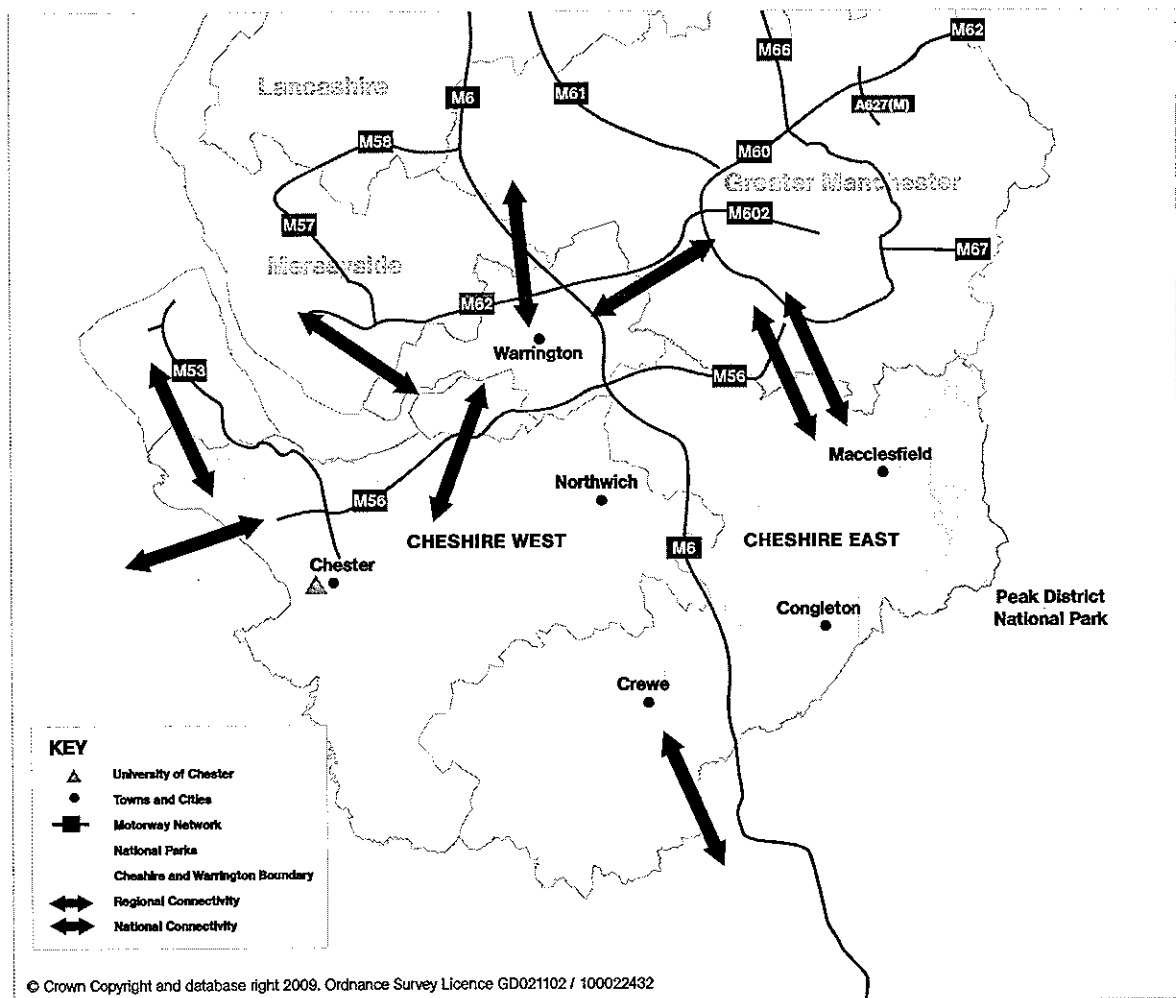
1. Sub-regional assets and opportunities

We must recognise the need for variable geographies in looking at particular issues such as economic development, housing and transport which do not map neatly onto the five recognised sub-regional areas of Cheshire and Warrington, Cumbria, Lancashire, Greater Manchester and Liverpool city regions. We also must recognise that sub-regions are sometimes working on different boundaries in taking forward city regions, multi-area agreements or other initiatives to address specific challenges and opportunities in their areas. However, it is useful to use the existing administrative boundaries to set out the spatial implications of the

strategic priorities set out in this document and to ensure that key sub-regional priorities, as established in sub-regional strategies, are reflected in the Regional Strategy. For example, it has been agreed as part of the Manchester statutory city region process that the Greater Manchester Strategy should be embedded in RS2010.

This section takes account of the evidence work on how places function and shows how the priorities described earlier play to the assets and opportunities of each sub-region to drive mutually reinforcing growth across the region.

Cheshire and Warrington



Key assets/opportunities

- A population which is more highly skilled and more entrepreneurial than the regional average.
- A generally attractive living environment with homes which cater for not only local needs but meet the aspirations of workers across the city regions of Manchester and Liverpool.
- A range of high-productivity and technologically advanced large businesses in key sectors such as biomedical, chemicals, automotive, financial services, energy and nuclear and creative industries.
- A dynamic population of small businesses and start-ups, including many in new technologies and services.
- A geographical location which provides strong links to regional, national and international markets, with particularly good connections to London and the South East.

Key challenges

- An economy in parts of the sub-region which is now growing more slowly than other parts of the region.
- Parts of the sub-region which have high levels of deprivation, poorer educational attainment and low levels of enterprise.
- Poor connectivity between the places where people live and where they work, especially by public transport.
- High levels of carbon emissions.
- A large stock of brownfield land following earlier decline of manufacturing, and the impact of the current recession on key sectors, especially automotive and banking.

What needs to be done which the Strategy could now deliver?

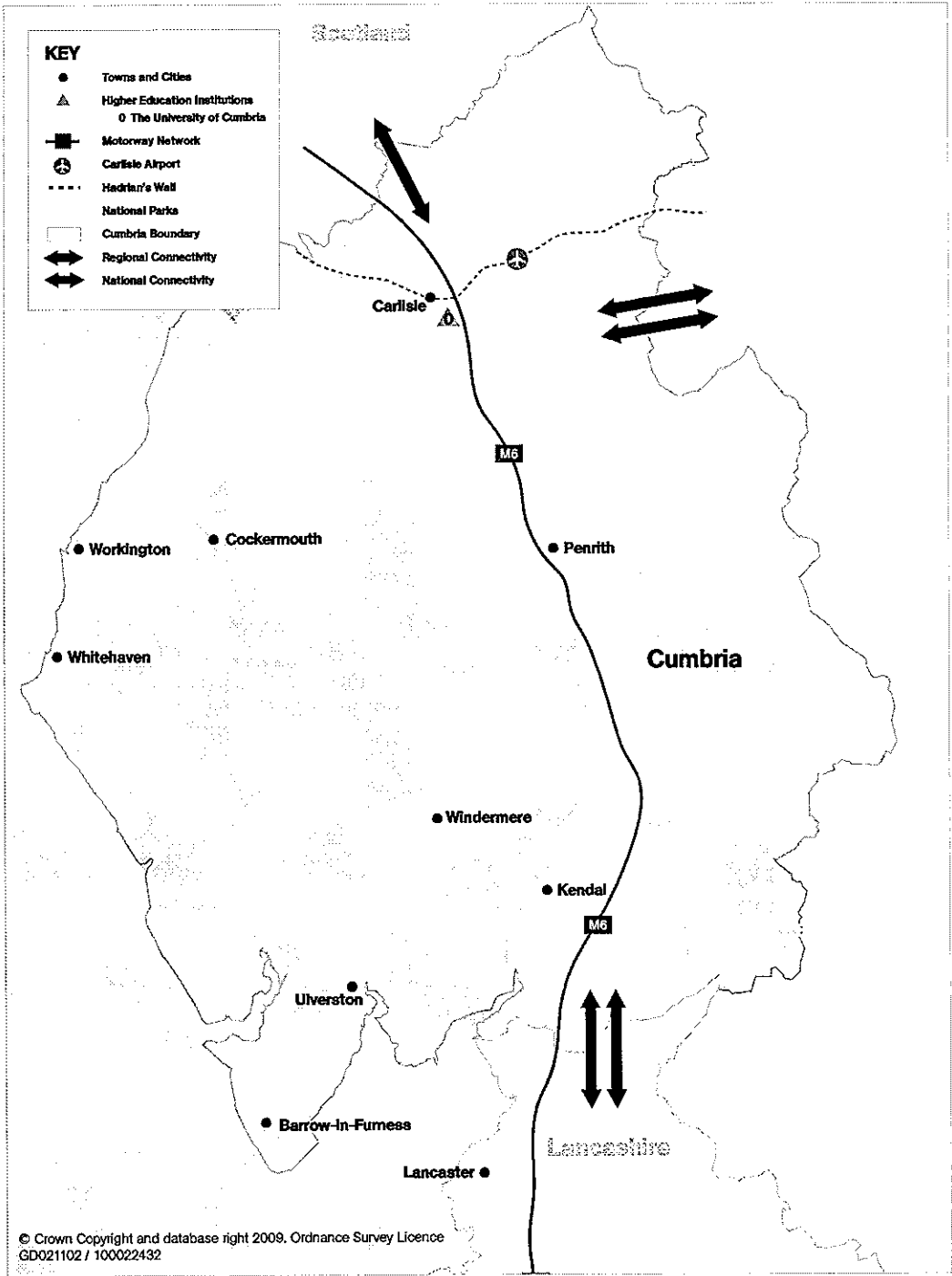
- Concentrate on Cheshire and Warrington's key growth sectors: including biomedical, energy, tourism and the environment.
- Build connectivity, including ICT (enabling maximum broadband capacity, and links to MediaCityUK) and physical transport improvements (to link into the Liverpool and Manchester city regions).
- Develop skills, specifically utilising the skills and experience of the 50+ age group, and re-engaging early retirees and those made redundant into the local economy.
- Develop Chester as a regional commercial and international 'heritage city', attract private sector investment into Warrington town centre, define the role of Crewe and maximise the economic growth potential of the mid-Cheshire towns.
- Use the sub-region's brand and image as an attractor of investment and skilled workers

Question 23:

Have we identified the key assets, opportunities and challenges, and what needs to be done, in this sub-region? If not, what changes would you suggest, and why?

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Cumbria



Key assets/opportunities

- Energy and the opportunities of the low-carbon economy:
 - new nuclear power generation on the west coast is a major aim, not just for Cumbria, but also for the region and, indeed, nationally;
 - world leader in nuclear decommissioning with a cluster of globally significant educational facilities and energy related companies; and
 - potential for creating energy and heat from renewable sources including wood, water, wind and waste.
- The Lake District National Park, which is a world-renowned national asset and the basis of a strong visitor economy.
- Raising the attractiveness of Destination Cumbria as a place to work, live, visit and invest:
 - improved connectivity through high-speed broadband and effective road, rail and air connections;
 - provision of additional and improved higher and further education opportunities including the further development of the University of Cumbria, Nuclear Academy, National Nuclear Laboratory, Dalton Cumbria Facility and Kendal and Furness Colleges and Academies;

- Cumbria being recognised internationally as the UK's principal destination for outdoor sports and adventure activities (with an 'Adventure Capital' brand to encourage healthier living); and
- developing tourism through provision of improved accommodation and key projects.

Key challenges

- A range of underlying economic challenges arising partly from the geography and history of the county and partly from external factors that have had a negative impact over the past two decades:
 - competition from low-cost airlines and global tourism;
 - the decline of traditional manufacturing industries, steelworks and mining; and
 - the decommissioning of the Sellafield nuclear site.
- The challenge to secure a sustainable level and pattern of development that creates balanced communities and meets needs, including the need for jobs throughout Cumbria.

What needs to be done which the Strategy could now deliver?

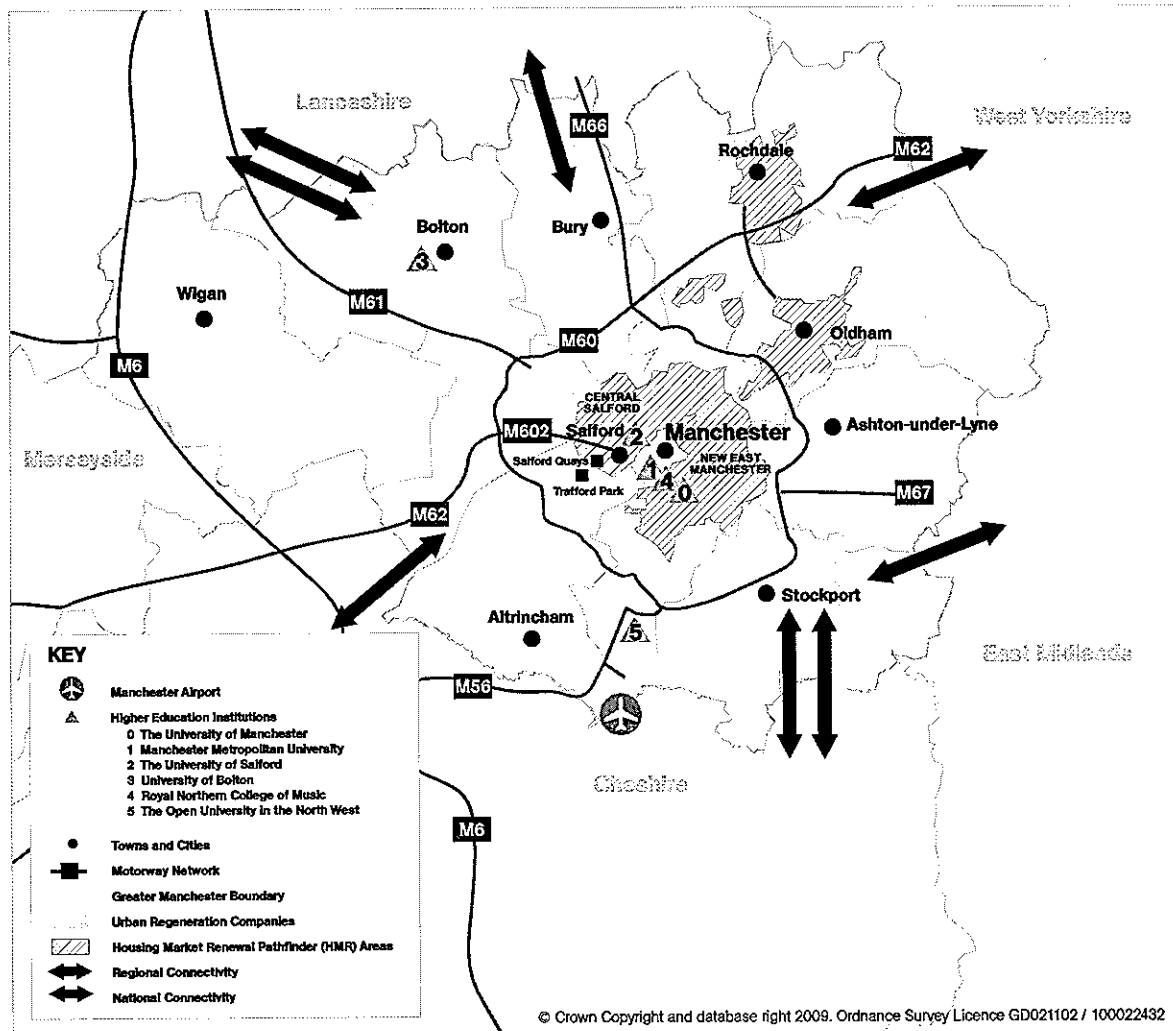
- Exploit the opportunities of energy and the low-carbon economy, including nuclear, environmental technologies and renewables through the Energy Coast initiative.
- Support Carlisle to develop its 'heritage city' offer.
- Exploit advanced engineering opportunities in Barrow.
- Improve FE/HE skills including through developing the University of Cumbria.
- Build on the international profile of the Lake District to raise the attractiveness of 'Destination Cumbria' as a place to live, invest, work and visit.
- Support the protection and enhancement of the Lake District National Park.

Question 24:

Have we identified the key assets, opportunities and challenges, and what needs to be done, in this sub-region? If not, what changes would you suggest, and why?

42 Spatial Implications of the Strategy

Greater Manchester



Key assets/opportunities

- Regional centre: core of conurbation forms strongest regional centre in UK, employing about 160,000 people.
- World-class universities, including the UK's largest university, University of Manchester.
- Major transport assets: airport, rail hubs (Piccadilly, Victoria), Manchester Ship Canal and major roadways.
- Logistics hubs: Salford and Trafford Quays.
- Knowledge economy workforce: approximately 700,000 people employed in key new-economy sectors (e.g. ICT, digital media, health services, financial and professional services, low-carbon industries).
- MediaCityUK: critical infrastructure for creative, digital and new media.
- Strong and diverse economic base: largest concentration of firms and businesses engaged in ICT, digital media and financial and professional services outside London.
- Health sector: important medical research sector with strong links between medical facilities and universities.
- Cultural: major events and venues such as The Lowry, War Museum North, Manchester International Festival, Bridgewater Hall, contributing to cultural richness and diversity.

Key challenges

- Boosting productivity: firms in Greater Manchester do not exploit high agglomeration economies as effectively as firms elsewhere in the UK, resulting in lower productivity than expected given the size of Greater Manchester's economy.
- Importance of skills: Manchester does well in terms of skills compared to other cities in the north, but not compared to the Southeast and Bristol.
- Transport links: improvements in inadequate transport networks within Greater Manchester would provide the largest economic payoff.
- Housing: insufficient houses in the places people want to live. Need for high-quality housing in places where people at all levels of the market, including the highly skilled and talented, will choose, and can afford, to live and invest.
- Deprivation and economic polarisation: all local authority districts in Greater Manchester have seen rates of worklessness reduce until the very recent past, but with increasingly polarised neighbourhood and individual outcomes.

What needs to be done which the Strategy could now deliver?

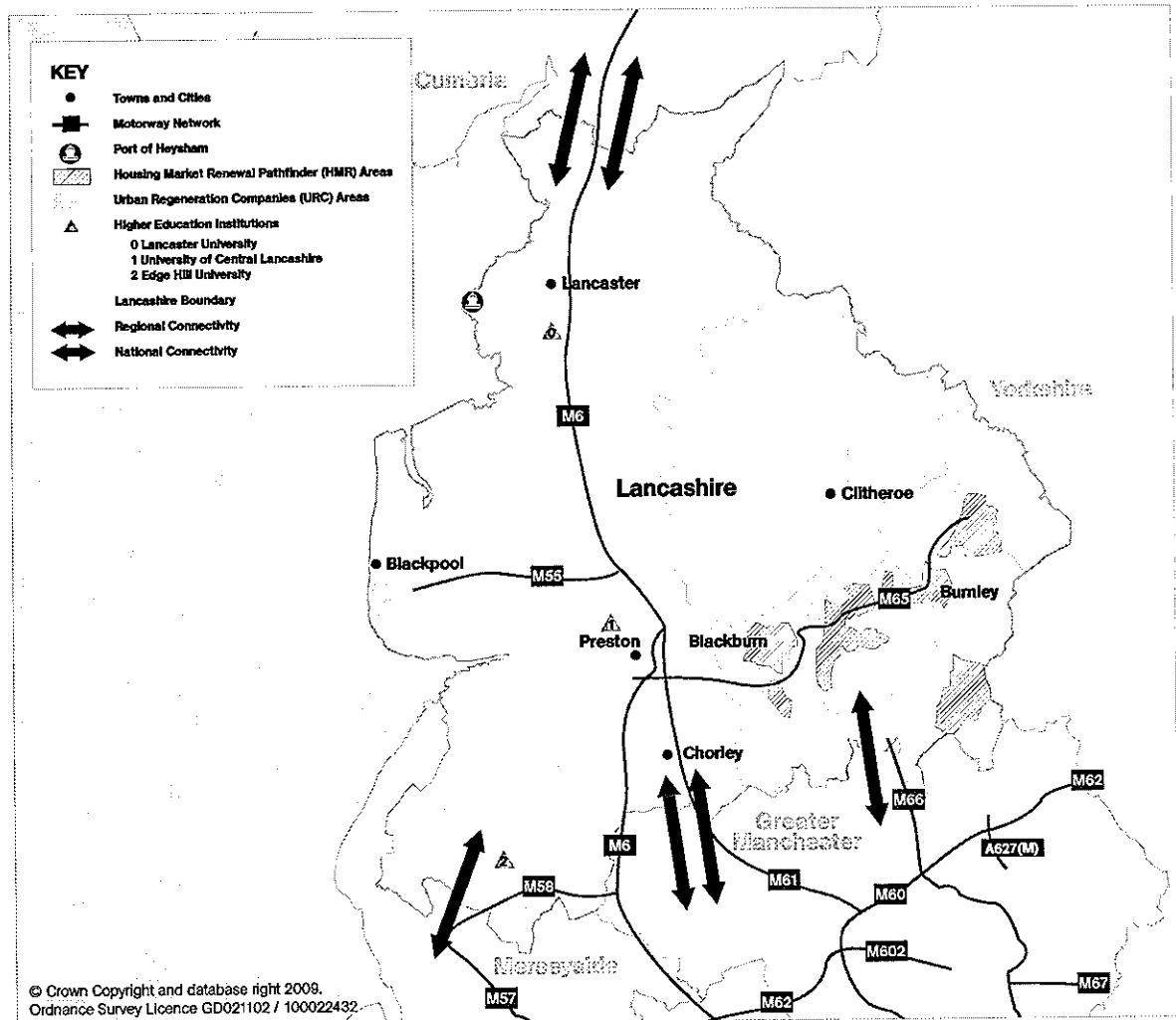
- Improve the early years experience for hard-to-reach groups, particularly in the most deprived areas.
- Improve life chances in the most deprived areas by investing in lifelong skills development and other forms of support so that people can compete in the modern labour market, thereby linking opportunity and need.
- Increase the proportion of highly skilled people in the city region and attract, retain and nurture the best talent.
- Significantly improve transport connectivity into and within the city region.
- Expand and diversify the city region's economic base through digital infrastructure, including the opportunities provided by MediaCityUK, and growing science and innovation capacity.
- Increase the international connectivity of the Manchester city region's firms, especially to the newly-emerging economies.
- Achieve a rapid transformation to a low-carbon economy, focussing on the built environment.

Question 25:

Have we identified the key assets, opportunities and challenges, and what needs to be done, in this sub-region? If not, what changes would you suggest, and why?

44 Spatial Implications of the Strategy

Lancashire



Key assets/opportunities

- Advanced manufacturing: strengths in aerospace, electronics, automotive, advanced flexible materials, chemicals, rubber and plastics and food and drink.
- Nuclear: Westinghouse, fuel processing and supply chain opportunities.
- Blackpool: nationally recognised tourism destination.
- Preston: city status, with links to London and Glasgow, administrative centre of the sub-region.
- Three strong universities with opportunities for knowledge transfer with industry, supporting advanced manufacturing, MediaCityUK links.
- Outstanding environmental landscape: rural, coastal, urban assets, two Areas Of Outstanding Natural Beauty, four regional parks.
- Lancaster 'heritage city', capitalising on private sector investment.

Key challenges:

- Severe levels of deprivation in some parts, primarily Pennine Lancashire and Blackpool.
- Poor health, with life expectancy 10 years less than national average in some parts of Lancashire (Pennine Lancashire and Blackpool).
- Reliance on advanced manufacturing: vulnerability through dependency on specific companies including BAE Systems.
- High levels of economic inactivity in parts of the sub-region, primarily Pennine Lancashire, Blackpool, parts of Preston and West Lancashire.
- Skills: low-level skills attainment, poor GCSE results, low levels of participation in FE/HE in some parts of the sub-region.
- Poor connectivity and housing in some parts, particularly Pennine Lancashire and Blackpool.
- Better linking of areas of acute need with areas showing strong growth prospects, making better use of existing east-west transport links within Lancashire and existing/new links to the Manchester and Liverpool city regions.

What needs to be done which the Strategy could now deliver?

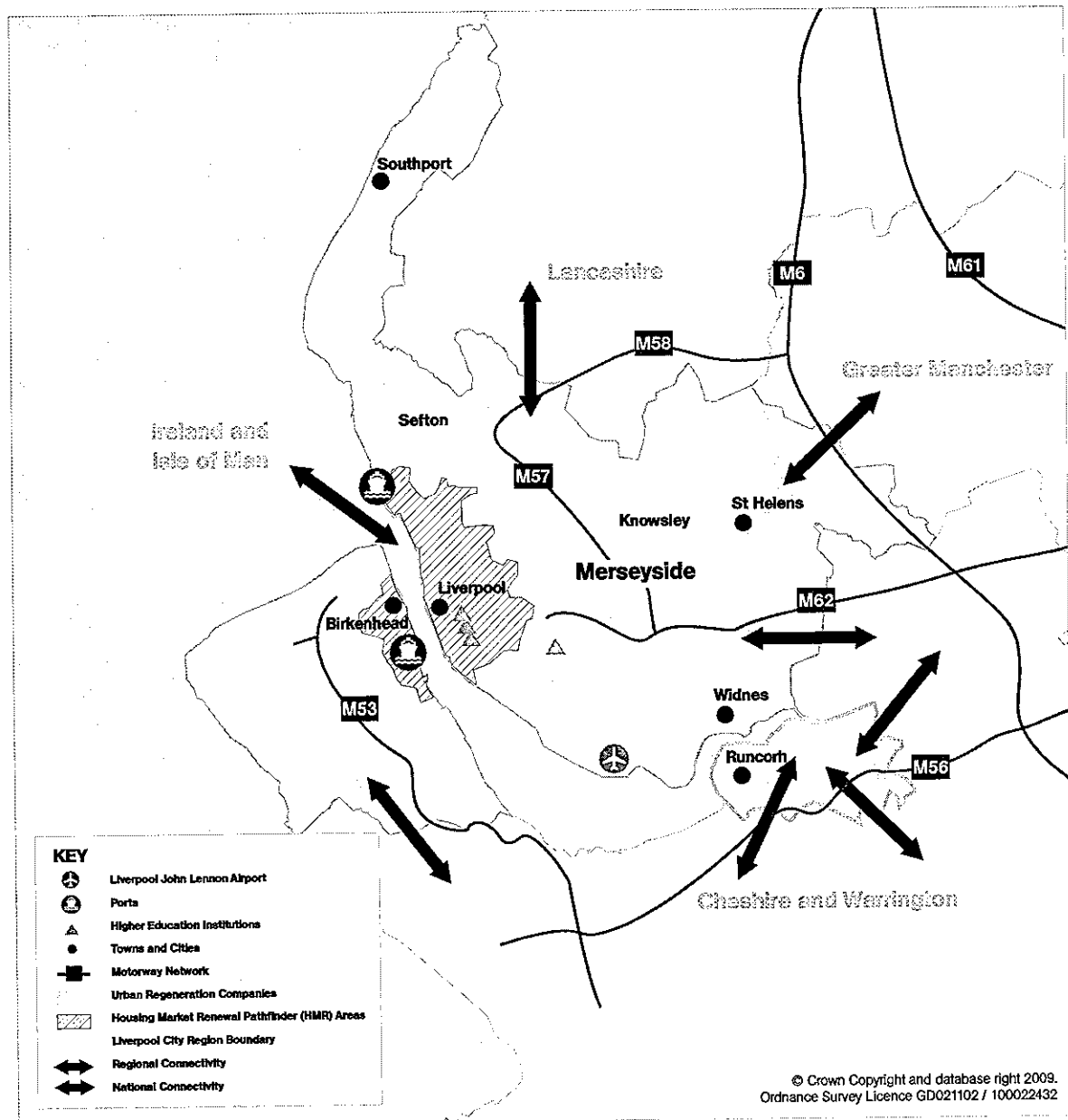
- Grow the number of ICT small and medium size enterprises, building on the success of InfoLab at Lancaster University and the growth at Lancaster Science Park.
- Support the development of advanced manufacturing and energy opportunities.
- Increase skills levels through increased FE/HE participation, particularly in Pennine Lancashire.
- Entrepreneurial activity and re-engagement in the labour market as a result of the LEGI initiative.
- Develop Blackpool as twenty-first century resort, enhance Preston's role as a driver of regional growth and develop Lancaster's 'heritage city' offer.
- Support housing market renewal activity in Pennine Lancashire to secure a better balanced housing market linked to growth and regeneration opportunities.
- Improve rail connectivity between Pennine Lancashire and Preston and Manchester.
- Exploit green infrastructure to improve productivity and the attractiveness of Lancashire as a place to invest.

Question 26:

Have we identified the key assets, opportunities and challenges, and what needs to be done, in this sub-region? If not, what changes would you suggest, and why?

46 Spatial Implications of the Strategy

Liverpool city region



Key assets/opportunities

- The impact of Liverpool European Capital of Culture 2008, along with the area's unique portfolio of cultural, leisure and sporting assets, present a major opportunity for future economic growth in the culture and visitor economy.
- Major progress has been made in revitalising Liverpool city centre with £1bn investment into Liverpool One together with the development of the Arena and Convention Centre.
- The planned expansion of the Mersey Ports and Liverpool John Lennon Airport present an opportunity for an internationally significant Superport. Alongside this, the Mersey Gateway, a second Mersey river crossing, will be delivered by 2014.
- £10 billion worth of private investment in Liverpool and Wirral Waters will transform the Mersey Waterfront and deliver 44,000 jobs.
- Natural resources and existing business base present major opportunities in the low-carbon economy; through harnessing the wind and tidal power potential of the River Mersey, and the Liverpool city region's research and manufacturing strengths in photo-voltaics and marine technology.
- The city region's internationally significant knowledge economy is underpinned by three universities and boosted by recent investments in the Daresbury Science and Innovation Campus, National Bio-manufacturing Centre, Liverpool Science Park and Liverpool School of Tropical Medicine.

- Since 2003, almost 7,000 homes have been refurbished, more than 2,000 new homes have been built and a similar number of older homes have been cleared. The city region has three housing growth points to meet future housing demand.

Key challenges

- Reduce GVA gap between the city region and the UK, which currently stands at around £4,770 per capita. Approximately half of the gap is due to the difference between local and national productivity levels.
- In 2007, the employment rate in Merseyside stood at around 68.1% compared to 74.4% in Great Britain.
- Although the business start-up rate has been consistently higher than the England average, the gap in business density continues to rise.
- The Liverpool city region is lagging across all skills levels, some 4 – 7 percentage points behind the UK average.
- Housing quality, choice and range remain an issue for parts of the city region.
- Deprivation remains largely unchanged in recent years. The 2007 Index of Multiple Deprivation showed that nearly 1 in 3 of the 1% most deprived Super Output Areas within England and Wales, and 9 of the 20 most deprived, are within Liverpool city region.

What needs to be done which the Strategy could now deliver?

- Improve the visitor economy, to build on international interest from European Capital of Culture status in 2008, including investment in infrastructure (e.g. hotels) and new markets (e.g. business tourism).
- Exploit low-carbon opportunities, including tidal, off/onshore wind, waste-to-energy, and the environmental technology sector.
- Develop Superport, including associated linkages with the airport and logistics/distribution sector.
- Reduce levels of worklessness and improve enterprise levels.
- Develop the knowledge economy, building on the strong bioscience base, focusing on providing business incubation and growth facilities, improving graduate retention and high value jobs in tourism and port-related developments.

Question 27:

Have we identified the key assets, opportunities and challenges, and what needs to be done, in this sub-region? If not, what changes would you suggest, and why?

2. Intra and cross-regional opportunities

We cannot deliver all our priorities by action at regional or sub-regional level. For some issues, there will be opportunities and benefits by working across sub-regions or by working with neighbouring regions and countries. These include the following:

- The *Atlantic Gateway* has, in Manchester and Liverpool, two global cities separated by only thirty miles. This unique area has two international airports, a port, strong towns as well as comprehensive road and rail connectivity. The Atlantic Gateway has the potential to deliver greater levels of trade and enhanced international/national significance through collaboration, through and alongside city region plans, to deliver new levels of sustainable economic growth.
- The important linkages between:
 - (i) *West Cheshire and North East Wales.* This cross-border area contains the strategic hub of Wrexham-Deeside-Chester, includes Broughton and extends to Ellesmere Port. The future development and potential of many of these communities is inter-dependent, something which is recognised in the Wales Spatial Plan. Whilst the centres have quite different characteristics, they are considered to bring a combination of strengths to the cross-border sub-region;
 - (ii) *North Cumbria, Scotland and the NE Region of England.* Carlisle acts as a sub-regional centre for business, shopping, leisure, culture and tourism; and as a regional transport gateway with links to Scotland and North East (and on to Northern Ireland and North Europe);
 - (iii) *Manchester city region, Pennine Lancashire and West Yorkshire.* The prosperity of the North as a whole will be increasingly driven by the economic performance of the Manchester and Leeds city regions and the growth belt that connects them to the Sheffield and Liverpool city regions, the smaller, outlying growth centres around York, Chester and Preston, and the Tyne and Wear city region in the North East. Improved transport connectivity will be important in unlocking productivity benefits gains across this area; and
 - (iv) *Manchester city region, East Cheshire and the Peak District.* Dominated by the uplands of the Peak District National Park, their high landscape value means the area is under pressure as a recreational destination for people from all surrounding regions. The popularity of the area attracts commuters who choose to live within the area (e.g. in Macclesfield) and travel to major employment centres, including Sheffield and Manchester, for work.
- The *Northern Way*, which provides a framework for the three northern regions to collaborate on shared priorities to promote the sustainable economic development of the North. Work is focused on areas where we can gain a greater competitive advantage by investing, influencing and researching jointly to maximise value from nationally significant assets and opportunities. Current priorities are innovation (where our achievements have received national recognition as a successful model of cross-regional working), transport, energy and regeneration. We will want to explore with the North East and Yorkshire and Humberside regions where there might be added value in taking forward the priorities in this Strategy on a joint basis.
- The *Irish Sea* can be viewed as a 'common resource' or opportunity for all surrounding regions to work together for mutual benefit. There is a long history of common activity in and around the Irish Sea, such as fishing, transport, energy migration and culture. We now need to build upon this cooperation to enable all regions surrounding the Irish Sea plus the Isle of Man, to work together in all sectors – not only developing new projects, but improving awareness of developments in other sectors which may have a wider impact.

Question 28:

Are these the most significant intra and cross regional opportunities?

Option 1: Current position ('business as usual')

Option 2: Focus on economic opportunity

Option 3: Focus on protecting environmental resources and taking full advantage of environmental opportunities

Option 4: Focus on regeneration and development to tackle social deprivation and inclusion

Section D

Strategic options

Introduction

We believe the suggested priorities and areas for action described in Section B will set us on a clear course to developing a more sustainable economy based on growth within environmental limits whilst achieving social goals. However, we need to ensure we understand their implications, including the choices we need to make where there are potential conflicts as well as the spatial and distribution issues which arise.

There is also a legal requirement – both in the legislation requiring regional strategies and also the sustainability appraisal/strategic environmental assessment legislation – to prepare and engage on alternative options as part of regional strategy development.

Strategic options are designed to set out the range of choices which could be considered. In the context of preparing, for the first time, a single integrated regional strategy, they allow us to look at the spatial and sustainability implications of putting emphasis in different ways on economic, environmental and social factors. We have therefore developed four options designed to be distinctive and realistic, to act as a stimulus for thinking and to help tease out the implications of the key strategic choices facing the region.

Details within options are indicative, and must be read not in isolation but within the context of strategic priorities and other elements of draft Part 1. The strategic options are subject to a specific sustainability appraisal as part of the overall sustainability appraisal of RS2010 Part 1. This will provide a valuable independent assessment of the strengths and weaknesses of each option in terms of meeting a range of sustainability objectives. The final strategic framework of RS2010 may be a combination of different elements of one or more options.

In developing the options, we have sought to capture:

- what is in the current Regional Spatial and Regional Economic Strategies;
- the economic, environmental and social implications of the thematic and spatial priorities set out in this Strategy;
- the outstanding questions set out earlier in this document.

The four strategic options are set out in detail on the following pages and are structured in a common format setting out key distinctive features of the option concerned.

Option 1: Current position (‘business as usual’)

This option reflects the overall approach of the current Regional Spatial Strategy (RSS) and Regional Economic Strategy (RES). It would support sustainable economic growth, enhancing the environment and securing social inclusion. This option would be achieved through a continued focus on the key regional towns and cities. It aims to maximise the re-use of previously developed urban land, make the most effective use of the existing utility infrastructure and provide a basis for reduced travel and improved public transport systems.

The first priority for growth and development would be the regional centres of Manchester and Liverpool. These centres provide the largest economies in the region, have the capacity to drive the continued diversification of the region's economic base and are already competing internationally. This option would seek to continue to strengthen those markets and build on the opportunities which they create. In doing so, it will be important to ensure that a ‘ripple-effect’ is created so that the benefits of growth and development in those areas are spread out across the region.

The second priority would be the inner areas which surround the regional centres of Manchester and Liverpool. Investment in these areas will help reduce inequalities and deprivation and address unsustainable commuting patterns associated with decentralisation and will help support growth and development in Manchester and Liverpool city regions.

The third priority would be other towns and cities: Altrincham; Ashton-under-Lyne; Blackburn; Blackpool; Bolton; Burnley; Bury; Carlisle; Chester; Crewe; Ellesmere Port; Lancaster; Macclesfield; Northwich; Oldham; Preston; Rochdale; Runcorn; St Helens; Skelmersdale; Southport; Stockport; Warrington; Widnes; and Wigan. These towns and cities are important centres in their own right and meet the needs of the population in their respective areas. They act as a focus for residential, economic, retail, leisure and cultural development to serve their own areas. Investment would also be encouraged in Barrow-in-Furness, Workington and Whitehaven to address regeneration and worklessness in the Furness Peninsula and West Cumbria.

Development in rural areas would be concentrated within key service centres and would be of a scale and nature appropriate to fulfil the needs of local communities for housing, employment and services, and to enhance the quality of rural life. Smaller scale development to help sustain local services, meet local needs or support local businesses would be concentrated in identified local service centres.

Development in coastal towns would seek to enhance their economic base and regenerate coastal communities within the context of coastal change.

Limited development outside of the areas identified in this option would be acceptable to meet local needs and support economic growth for a variety of land uses but will not be a priority.

Implications of the option

This option seeks to deliver a sustainable pattern of growth and development which would aim to:

- maximise the re-use of existing resources including previously developed urban land, buildings and infrastructure;
- reduce the need to travel by locating houses and jobs in town and city centres and their inner areas with improvements made to public transport systems;
- create good quality places where people and businesses will choose to live and invest in;
- encourage safe, sustainable communities in vibrant and attractive towns and cities;
- target deprived communities and address skills and quality of life, including reducing the health inequalities; and
- provide opportunities for mitigation and adaptation to climate change through addressing the condition and energy efficiency of existing resources.

However, it raises some fundamental challenges:

- How can we deliver the scale of new critical infrastructure (particularly electricity, water and waste) that would be needed to drive growth in the regional centres of Liverpool and Manchester?
- What is the role of North Cheshire? To what extent should it focus on supporting the Manchester and Liverpool city regions?
- What is the role of Preston as a driver of regional growth?

- What is the role of Pennine Lancashire? What should be the balance between developing the local economy and linking it better to growth opportunities in Manchester and Preston?
- How can we ensure that growth in priority sectors and increased trade via Manchester Airport and Liverpool Superport is consistent with the sustainable use of resources and moving to a low-carbon economy?
- How can we best tackle the underlying causes of worklessness, which has blighted the region for the last twenty years? Should we be pursuing a strategy of creating jobs in local communities or allowing jobs to be created anywhere in the region and linking unemployed people to those jobs?

The option in more detail

- Indicative housing distribution: approximately three-quarters to be located in the Manchester and Liverpool and their inner areas and the remainder in regional cities and towns where urban brownfield capacity exists which can realistically be developed. This is not just about delivering housing numbers, but creating viable sustainable communities that people can live in.
- Greenfield implications: focus will be on previously developed land within cities and towns.
- Brownfield implications; focus for development will be on urban brownfield land, particularly located within Manchester, and Liverpool and their inner areas.
- Location of strategic employment sites: regionally significant economic development will be located close to sustainable transport nodes within the urban areas of Manchester and Liverpool city regions, Greater Preston, Pennine Lancashire, Lancaster, Carlisle, Barrow-in-Furness and Workington and Whitehaven.
- Transport and other infrastructure requirements: investment will be focused on transport corridors serving the conurbations and in particular on improving public transport networks in the Manchester and Liverpool city regions. Emphasis will be placed on improving infrastructure, including digital connectivity.
- Regeneration opportunities: urban regeneration will be focused on areas of need in the Manchester, Liverpool City Regions as well as Pennine Lancashire, Blackpool, Barrow-in-Furness and West Cumbria.

- Environment: the option focuses principally upon the existing urban areas and their immediate environments, thereby minimising any negative impacts upon the region's most sensitive environments. There will be significant scope for addressing the environmental profiles of urban areas and enhancing the quality of urban green infrastructure networks, which may help to relieve additional recreational pressures on European sites. Concentration of development within the urban areas is likely to have implications for local air and water quality which may require significant investment in public transport and utilities infrastructure. The impact of flood risk will also be a key consideration. The Regional Flood Risk Appraisal, which is currently being produced, will inform this.

How will the option deliver against the outcomes?

1. Low-carbon economy

- Focus on promotion of low-carbon and renewable energy.
- Focus on reuse of existing resources including previously developed land, buildings and infrastructure.
- Aim to reduce the need to travel and therefore traffic growth by locating development towards town and city centres.
- The option will capitalise upon opportunities for a shift away from the movement of goods and freight by road.
- Development on brownfield land will need to be energy efficient. This will include opportunities to improve the energy efficiency of the existing housing stock.

2. Vibrant and attractive cities, towns and rural areas

- Focus of sustainable economic development towards the key regional towns and cities, particularly Manchester and Liverpool and their inner areas will ensure that these areas are vibrant and attractive.
- Whilst development will be predominantly directed towards urban areas, the needs of rural areas must also be considered. Focus will be on key service centres and local service centres identified within local development documents.

52 Strategic options

3. Creating conditions for business growth and sustainability

- New employment opportunities will be concentrated within towns and cities and inner areas to allow business growth and reduce traffic growth by creating sustainable travel patterns between these employment opportunities and residential areas.

4. Increasing productivity and capitalising on the region's innovation, science and research assets

- Focus on existing towns and cities will mean a renewed focus on the region's existing strengths with particular emphasis on the region's innovation, science and research assets.

5. Protecting, enhancing and developing the quality of the region's environment

- Focus on re-use of existing resources and infrastructure including previously developed land.
- Focus on improving the environmental profile of the towns and cities. Opportunity to enhance green spaces within towns and cities.
- Impact of flood risk will need to be carefully considered.

6. Sustainable and safe communities and places

- Focus on reducing crime levels in town and city centres will aim to reduce making areas safer and more attractive and improve the quality of life in these areas.

7. World-class skills base

- Lack of basic skills and qualifications are high in towns and cities, particularly Manchester, Liverpool and Preston and their inner areas.
- Whilst the region's strengths will be built on with this option, initiatives will need to focus on how best to engage the participation of hard to reach groups in education and training.

8. Healthy population

- The town and city centres of the region have the most deprived communities, which contributes to less healthy populations. Focus on these areas will aim to address this issue and improve the quality of life.

9. Quality employment opportunities for all

- As above, skills will need to be improved to better link employment opportunities for all.
- Access to employment opportunities located within towns and cities and their inner areas will need to be addressed.

10. Balanced housing markets

- Housing will be largely focused within towns and cities the inner areas of towns and cities in close proximity to employment opportunities.
- Emphasis will be placed on creating viable sustainable communities that people can live in.

11. High-quality and reliable and efficient infrastructure, transport and digital networks

- The focus will be on the most effective and efficient use of existing and proposed infrastructure, including digital connectivity.
- Condition and quality of infrastructure may be a concern.
- Transport resources may also be an issue.

12. High-quality, efficient and responsive public services

- Reduction in public funding and resources could be a significant issue, particularly in areas already over reliant on the public sector.

Question 29:

Will this option deliver the outcomes and priorities of the Strategy?

Question 30:

What are the strengths and weaknesses of this option?

Option 2: Focus on economic opportunity

This option is based on increasing the international competitiveness of the region as well as positioning it as a growth driver for the North and nationally. It would seek to build on the benefits of agglomeration to maximise the region's strengths and assets in a changing global market: higher education; research and development; advanced manufacturing; biomedical; digital and creative industries; nuclear and renewable energy; culture, sport and the visitor economy; and the region's major ports and airports.

It would focus investment and development principally in and between the Liverpool and Manchester city regions (including Warrington and the northern parts of east and west Cheshire). This could be expected to factor in high levels of private investment especially in the two regional centres and other key locations, and would locate substantial development close to areas with extremely high social needs and worklessness. Alongside Liverpool and Manchester, Chester would be developed as an international destination for visitors.

The region's main ports and airports at Liverpool, Manchester, and Manchester Ship Canal would be encouraged to grow.

It would seek to bring the Liverpool and Manchester city regions, and their labour markets, closer together, through the development of enhanced public transport links into and between the two regional centres, building on the commitment to electrify the Liverpool – Manchester railway line and the extensions to Metrolink. The major road system would be managed so that it caters properly for strategic traffic whilst encouraging car-based commuters to switch to public transport.

It would aim to better link areas of need and opportunity and address issues of entrenched social and physical deprivation, especially in Liverpool, Knowsley, Birkenhead, Salford and Manchester, as well as Pennine Lancashire.

Growth in Greater Preston (Preston, Chorley, South Ribble) and other parts of Lancashire would seek to capitalise upon strengths in advanced manufacturing, digital and creative industries, business services, higher education and retail; and Preston's role as the central transport hub for Lancashire by road and rail.

Growth in Carlisle, Lancaster and Crewe would focus on the locational opportunities arising from their transport connections, as well as their local assets.

Build upon the existing Energy Coast in West Cumbria and Furness, to develop the opportunities elsewhere along the Northwest coast to harness the region's assets and expertise in nuclear and low-carbon technologies as a driver for economic growth and regeneration.

Blackpool and Southport have significant assets, the challenge is to define their future role. Investment and development would be focused upon maintaining and enhancing Blackpool's role as a national tourism destination, and Southport's role as a regional tourist destination.

In rural areas there would be a focused effort to take advantage of economic potential in a sustainable way. A number of small towns in rural areas would be identified which have the potential for growth, alongside the ability to support areas of need. Within and adjacent to the Lake District National Park investment would be focused upon enhancing and diversifying the tourism offer to further develop its role as an international destination.

Implications of the option

This option seeks to deliver a sustainable pattern of growth and development which raises some fundamental challenges:

- How can we deliver the scale of new critical infrastructure (particularly electricity, water and waste) that would be needed to drive growth in the regional centres of Liverpool and Manchester?
- What is the role of North Cheshire? To what extent should it focus on supporting the Manchester and Liverpool city regions?
- What is the role of Preston as a driver of regional growth?
- What is the role of Pennine Lancashire? What should be the balance between developing the local economy and linking it better to growth opportunities in Manchester and Preston?
- What is the future role of Blackpool and other coastal resorts?
- Given its assets in the nuclear and tourism sectors, how can we best ensure sustainable growth in Cumbria?
- How can we ensure that growth in priority sectors and increased trade via Manchester Airport and Liverpool Superport is consistent with the sustainable use of resources and moving to a low-carbon economy?

54 Strategic options

- What should be the balance between creating jobs for all (employment focus) or creating higher skilled jobs (productivity focus)?
- What should be the balance between indigenous skills development and attracting and retaining new talent and skills to the region?
- To what extent should we be investing to tackle areas of need/deprivation and supporting struggling companies as opposed to investing in areas of opportunity and supporting growth companies?

The option in more detail

- Indicative housing distribution: the option concentrates a high proportion of housing provision in and between the Liverpool and Manchester city regions (including Warrington and the northern parts of east and west Cheshire) (70%); in Greater Preston (Preston, Chorley, South Ribble) (10%); in Carlisle, Lancaster and Crewe (5%); and the rest of the region (15%). Delivering the appropriate mix and distribution of new housing will be about much more than simply meeting housing targets. Throughout the Northwest, housing growth would be delivered in locations to support economic growth thus widening the quality and diversity of the region's housing offer, with a particular focus upon the provision of high-quality family housing, in order to attract and retain an internationally mobile workforce. Creating viable and attractive sustainable communities will be a priority.
- Greenfield implications: the development of brownfield sites would continue to be a priority. However, some selective greenfield development would be considered in sustainable locations for housing and employment to deliver a genuinely sustainable, diverse and high-quality housing offer. Further work will be required to determine this.
- Brownfield implications: there are substantial reserves of brownfield land suitable for development in the areas between Liverpool and Manchester. Closer to the regional centres, brownfield land should be reclaimed for green infrastructure to mitigate climate change. Whilst the recycling of previously developed land will continue to be a high priority within the region, there will be a diversification of end uses, with a specific focus on the creation of urban green infrastructure networks.
- Location of strategic employment sites: the existing distribution of strategic regional sites, together with other major development opportunities, is consistent with this option. Housing growth would be concentrated near to these main employment opportunities.
- Transport and other infrastructure requirements: the focus would be on public transport and park-and-ride in the core area, including the mid-Mersey area. In line with the principles in the Eddington Report, this would focus transport investment in areas with higher economic potential, severe congestion and high aggregate accessibility. In a time of restricted resources this will inevitably reduce resources for investment elsewhere, including rural road building. Further growth in the capacity of the region's major international gateways – the Port of Liverpool and Liverpool and Manchester Airports – may need to be supported by improved surface access and interchange arrangements. Taken together all this would improve reliability and tackle congestion in the main transport corridors. There will be a requirement for significant investment in improving digital connectivity throughout the entire region. Flood risk is an issue in parts of the area. There is likely to be a shortfall of drainage, water and electricity capacity in certain locations. Significant investment in digital infrastructure will be necessary to deliver the connectivity required to support the world-class applications to which business and consumers need access.
- Regeneration opportunities: there will be a continued focus upon the physical and economic regeneration of those areas which suffer the deepest and most entrenched economic, social and environmental deprivation.
- Economic opportunities/implications: the region's key employment generators and assets are largely concentrated in the Liverpool and Manchester and the area between them, including the main HEIs, the regional centres, private sector research and development, and the region's principal ports and airports.
- Environment: this option would focus development in areas with substantial brownfield resources and low environmental constraints. A reciprocal effort would protect and enhance critical environmental assets, including the Liverpool World Heritage Site and the Mersey Estuary SSSI/SPA/Ramsar sites. There would be a greater focus upon increased urban green infrastructure, for amenity, value for money, sustainable drainage and ecological reasons, as well as to combat climate change by microclimate cooling amelioration. Large scale environmental initiatives, including forestation and wetland creation, to improve the quality of

open land as well as the urban environment, would be developed. Concentration of development within the urban areas is likely to have implications upon local air and water quality which may require significant investment in public transport and utilities infrastructure. The identification of a 'preferred option' will be informed by the outcomes of the Regional Flood Risk Appraisal currently being produced.

How will the option deliver against the outcomes?

1. Low-carbon economy:

- The option will capitalise upon the region's existing and emerging assets in the nuclear and renewable energy sectors.
- The option will capitalise upon opportunities for a shift away from the movement of goods and freight by road.
- Physical regeneration of the region's more deprived areas will present opportunities for improving the energy efficiency of the existing housing stock.
- There will be a need to strengthen support to business on energy and resource efficiency, and their resilience to climate change.

2. Vibrant and attractive cities, towns and rural areas: the continued focus upon the strengths and assets of the region's principal towns and cities, and those areas of greatest regeneration need presents significant opportunities for making the Northwest an attractive place to live, work, invest and visit.

3. Creating conditions for business growth and sustainability: the focus on the opportunities and assets of the region's principal towns and cities will support the growth in the existing and emerging sectors that are likely to create genuine competitive advantage – nuclear and renewable energy, advanced manufacturing, higher education, research and development, digital and creative industries.

4. Increasing productivity and capitalising on the region's innovation, science and research assets: the focus on the opportunities and assets of the region's principal towns and cities will support the growth in the existing and emerging sectors that are likely to create genuine competitive advantage – nuclear and renewable energy, advanced manufacturing, higher education, research and development, digital and creative industries.

5. Protecting, enhancing and developing the quality of the region's environment: the option focuses principally upon the existing urban areas and their immediate environments therefore minimising any negative impacts upon the region's most sensitive environments. There will be significant scope for enhancing the quality of urban green infrastructure. Concentration of development within the urban areas is likely to have implications for local air and water quality which may require significant investment in public transport and utilities infrastructure.

6. Sustainable and safe communities and places: focused investment in those areas of greatest regeneration need will present significant opportunities for interventions to address crime and safety in the areas where these problems are most pronounced. Raising the overall wealth of the region is likely to have a significant impact upon long-term trends of crime and community safety.

7. World-class skills base: this option provides the spatial framework to support the development of a strong and sustainable economy which will provide a diverse range of high-quality employment opportunities. This will require support through an effective regional skills strategy that meets the needs of the region's employers.

8. Healthy population: focused investment in those areas of greatest regeneration need will present significant opportunities for interventions to address health issues in the areas where these problems are most pronounced and entrenched. Raising the overall wealth of the region is likely to have a significant impact upon long-term trends of health. The option also presents significant opportunities for improving housing and open spaces within the region's most deprived areas.

9. Quality employment opportunities for all: this option provides the spatial framework to support the development of a strong and sustainable economy which will provide a diverse range of high-quality employment opportunities, building upon the region's existing and emerging strengths and assets. There will be a need to address barriers to work to reduce overall worklessness and raise employment rates for women, individuals with disabilities, and those from the BME population.

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10. Balanced housing markets: there is a need to significantly raise the quality and diversity of the region's housing offer to attract and retain a skilled and talented workforce. Whilst it is acknowledged that the inner areas of the principal towns and cities will continue to play a significant role in meeting these needs, there may be a need to consider some release of greenfield sites in sustainable locations. There will be a requirement to ensure housing development is well-located in relation to need, employment opportunities, transport and services, and is high-quality, diverse and affordable.

11. High-quality and reliable and efficient infrastructure, transport and digital networks: the focus will be on public transport in and between the three key cities and better linking areas of need with areas of opportunity. In a time of restricted resources this will inevitably reduce resources for investment elsewhere, including rural road building. The development of enhanced digital connectivity will be central to achieving sustainable economic growth.

12. High-quality, efficient and responsive public services: reduction in public funding and resources is likely to be a significant issue, particularly in areas already over reliant on the public sector.

Question 31:
Will this option deliver the outcomes and priorities of the Strategy?

Question 32:
What are the strengths and weaknesses of this option?

Option 3: Focus on protecting environmental resources and taking full advantage of environmental opportunities

This option is based on protecting and enhancing the region's environmental assets, encouraging more sustainable resource use and exploiting environmental opportunities to support the sustainable economic growth of the region.

A strong emphasis would be placed on brownfield land reclamation to minimise the release of greenfield land for development. Strong protection would be given to valuable landscapes and wildlife habitats as well as green infrastructure and urban green space. The option would seek to minimise any adverse impact on air, water and soil resources from investment and development. It would restrict development that exceeds the capacity of water, energy and waste infrastructure to cope. A strong emphasis would also be placed on encouraging household and businesses to improve resource efficiency.

The main focus for new development would be the conurbation cores and regional centres of Manchester and Liverpool with development targeted to brownfield sites in urban areas. The option would also support sustainable urban extensions in and around the city regions of Manchester and Liverpool and the Blackpool/Greater Preston/Pennine Lancashire conurbations especially where this would lead to the reclamation of degraded landscapes.

Opportunities for promoting green infrastructure to deliver economic, social and environmental benefits from the network of green spaces that lie in and between the region's cities, towns and villages would be fully exploited. There would be an emphasis on improving the environmental quality of the most deprived areas, with significant investment in new and green infrastructure. Noise, air and light pollution would be minimised.

Opportunities to reduce carbon emissions by developing renewable and other low-carbon energy sources would be fully exploited, including the development of the Northwest coastline stretching from the Solway Firth to the Dee Estuary. There would also be a strong focus on reducing energy demand and increasing resource efficiency across the domestic, business and transport sectors, as well as fully exploiting the opportunities from energy and other low-carbon and environmental technologies.

A strong emphasis would be placed on using natural assets to minimise carbon emissions (for example, through carbon sequestration in peat bogs and woodland creation) and to adapt to and reduce flood risk (for example, by creating flood plains upstream of vulnerable urban areas). New development in flood plans would not be permitted.

In rural areas, development would be focused on key and local service centres where it can be accommodated without negative impact on local environments and landscapes. Sustainable patterns of providing new living and working accommodation in dispersed locations in rural areas would be encouraged. This would be supported through improved digital/Next Generation Access connectivity, coverage and speed within the context of a low-carbon economy. The diversification of food production would also be encouraged but not at the expense of local landscape quality and biodiversity.

In coastal areas, it would be important to consider the future role of coastal resorts and to minimise threats from, and the impact of, increased coastal erosion.

Implications of the option

This option seeks to deliver a sustainable pattern of growth and development which raises some fundamental challenges:

- How can we deliver the scale of new critical infrastructure (particularly electricity, water and waste) that would be needed to drive growth in the regional centres of Liverpool and Manchester?
- What is the future role of Blackpool and other coastal resorts?
- How can we ensure that growth in priority sectors and increased trade via Manchester Airport and Liverpool Superport is consistent with the sustainable use of resources and moving to a low-carbon economy?
- Given that over the next 20 years:
 - sea levels and temperatures are likely to rise, with more extreme weather events – flooding and loss of land becoming more common;
 - the working age population as a percentage of the total population will fall;

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- public expenditure will fall substantially in the first part of this period;

how do we plan for these, all of which will put pressures on our use of resources?

The option in more detail

- Indicative housing distribution: the level of growth would need to be determined so that environmental limits would not be breached. The majority of growth will be located in areas with large amounts of brownfield land in the city regions of Manchester and Liverpool and the Blackpool/Greater Preston/Pennine Lancashire conurbations. This is not just about delivering housing numbers, but creating viable sustainable communities that people can live in. There would also be a focus on refurbishing domestic properties to reduce the vacancy rate in dwellings to a minimum level. Excellent low-carbon design and sustainable construction standards would be required in new housing development. Well designed high-density housing would be supported.
- Greenfield implications: greenfield land would only be released to allow sustainable urban extensions, especially in areas of degraded landscape and in order to reduce the need to travel or overcome other environmental constraints i.e. flood risk. Development would be predominantly focused on brownfield land.
- Brownfield implications: focus for development would be on previously developed land. Some brownfield land would be protected where this has an important recreational use or provides an important habitat. Some brownfield land could also be reclaimed for green infrastructure to mitigate climatic change.
- Location of strategic employment sites: regionally significant economic development would be located close to sustainable transport nodes within the urban areas of the Manchester and Liverpool city regions, the Blackpool/Greater Preston/Pennine Lancashire conurbations and Lancaster, Carlisle, Barrow-in-Furness and Workington and Whitehaven.
- Transport and other infrastructure requirements: less emphasis would be placed on road building. Instead, transport problems would be addressed through demand management measures, improvements to the public transport network and the promotion of walking and cycling. Emphasis would be placed on improving infrastructure, including digital connectivity. Any improvements in transport and other infrastructure would minimise impact on the environment.

- Regeneration opportunities: regeneration would be focused on areas of need in both urban and rural areas and particularly where communities face significant environmental challenges. Emphasis would be placed on improving the environmental quality of the most deprived areas.
- Economic opportunities/implications: limiting the amount of economic growth to ensure that impact on the environment is minimised may restrict the ability of the region to compete nationally and internationally.
- Environment: this option assumes that the need to protect environmental resources and enhance environmental quality is fundamental in preserving the character of the region and setting the acceptable scale of growth.

How will the option deliver against the outcomes?

1. Low-carbon economy

- Focus on promotion of a low-carbon economy whilst minimising negative impacts on the environment.
- Promotes opportunities to reduce carbon emissions by developing renewable and low-carbon energy sources.
- Strong emphasis on reducing the amounts of waste generated and increasing reuse of existing resources including previously developed land, buildings and infrastructure. There would be an emphasis on refurbishing unfit domestic properties to reduce the vacancy rate in dwellings to a minimum level.
- The quality and energy efficiency of the existing housing stock across all tenures would need to be made to effectively contribute to make homes more fuel efficient and help reduce carbon emissions.
- Aim to reduce the need to travel and therefore traffic growth through a sustainable spatial distribution of employment and housing growth.
- The option would capitalise upon opportunities for a shift away from the movement of goods and freight by road.
- Physical regeneration of the region's more deprived areas would present opportunities for improving the energy efficiency of the existing housing stock.

2. Vibrant and attractive cities, towns and rural areas

- Placing an emphasis on the environment would make cities, towns and rural areas vibrant and attractive and would improve the quality of life for all.
- The implications of demographic change would be addressed to ensure that any negative impact on the environment is minimised.

3. Creating conditions for business growth and sustainability

- Economic opportunities in the knowledge-based 'green economy', low-carbon, renewable energy, environmental technologies and environmental tourism would be maximised.
- Economic development would be restricted to areas of high growth and only where the development could be accommodated without exceeding the capacity of the local environment to accommodate the development.
- Limiting the amount of economic growth to ensure that there is no adverse impact on the environment may restrict the ability of the region to compete nationally and internationally.

4. Increasing productivity and capitalising on the region's innovation, science and research assets

- Environmental technology is a key sector within the economic base of the region and would be built on with this option.
- Focus would also be placed on land remediation and renewable energy.

5. Protecting, enhancing and developing the quality of the region's environment

- Strong emphasis on environmental protection and maximising opportunities of environmental assets, which would ensure that the region provides a good quality of life for all.
- Limits would be set on levels of growth in order to protect the environment and minimise energy consumption in the region.
- A strong emphasis would be placed on using natural assets to minimise carbon emissions and to adapt to and reduce flood risk.
- No development would be completed in locations with insufficient water resources or in flood plains or areas at risk from rises in sea level.
- Valued landscapes protected by restricting access to them and diverting development to less well used areas in the region.

- Waste minimisation and re-use achieved through the development of a range of alternatives for materials recycling and composting.
- Air and water quality and habitat preservation would be key considerations.
- Opportunities for promoting green infrastructure to deliver economic, social and environmental benefits from the network of green spaces that lie in and between the region's cities, towns and villages would be fully exploited.

6. Sustainable and safe communities and places

- Focus on reducing crime levels in those areas that currently suffer from some of the most acute social, economic and environmental deprivation would aim to reduce making areas safer and more attractive and improve the quality of life in these areas. Better links from these areas to areas of opportunity and growth could also be made.

7. World-class skills base

- Whilst there would be focus on the region's strengths with this option, initiatives would need to focus on how best to engage the participation of hard to reach groups in education and training. Access to training in rural areas would need to be considered.
- Skills developed in environmental technologies and land remediation.
- Skills in sustainable and organic food production which helps to address food security issues and maximises and manages the opportunities of landscapes would also be developed.
- Opportunity and need would need to be linked in a sustainable manner.

8. Healthy population

- An emphasis on improving local environmental quality would encourage healthy lifestyles and aim to mitigate the impacts of road traffic on air quality, noise and health.
- Emphasis would be placed on improving the environmental quality of the most deprived areas.
- This option would aim to ensure that the majority of the population has access to good quality open space and recreational opportunities.

9. Quality employment opportunities for all

- As above, skills would need to be improved to better link employment opportunities for all.
- Access to employment opportunities would need to be addressed.

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10. Balanced housing markets

- Emphasis would be placed on creating viable sustainable communities that people can live in.
- Focus would be on refurbishing unfit domestic properties to reduce the vacancy rate in dwellings to a minimum level.

11. High-quality, reliable and efficient infrastructure, transport and digital networks

- Development would be located in order to make the best use of existing infrastructure.
- The focus would be on the most effective and efficient use of existing and proposed infrastructure, including digital connectivity.
- Less emphasis would be placed on road building. Instead, transport problems would be addressed through demand management measures, improvements to the public transport network and the promotion of walking and cycling.

- Emphasis would be placed on improving digital connectivity by strengthening the access and coverage of high speed New Generation Access (NGA).
- A green infrastructure network, made up of green spaces that lie within and between the Northwest's cities, towns and villages will be promoted.
- The condition and quality of existing infrastructure may be a concern, especially if new development is to be located on previously developed land.
- Transport resources may also be an issue.

12. High-quality, efficient and responsive public services

- Reduction in public funding and resources could be a significant issue, particularly in areas already over reliant on the public sector.
- Would need to be primarily funded through the public sector resources, which may limit the extent to which the vision can be achieved.

Question 33:

Will this option deliver the outcomes and priorities of the Strategy?

Question 34:

What are the strengths and weaknesses of this option?

Option 4: Focus on regeneration and development to tackle social deprivation and inclusion

This option is based on exploiting the opportunities and potential for areas which have been identified as priorities in need of regeneration, containing some of the most deprived communities in the Northwest and England.

The emphasis would be on areas of entrenched deprivation. Significant regeneration, new development improvement programmes, including public sector investment would be targeted to bring about transformational change in these areas, support social and economic regeneration and encourage growth which contributes to delivering sustainable and cohesive communities.

A strong priority would be given to housing market renewal and restructuring; skills development and training; and the promotion of health and wellbeing across regeneration priority areas. This would be supported by the provision of infrastructure and services to attract and retain the workforce.

The key focus for investment, renewal and new development would be in areas associated with existing regeneration programmes including:

- parts of the Manchester city region, including Manchester/Salford/Oldham/Rochdale;
- parts of Liverpool city region, including North Liverpool/South Sefton/Inner Wirral/Knowsley;
- Pennine Lancashire;
- Blackpool; and
- Barrow-in-Furness and West Cumbria.

The future role and the implications for regeneration and restructuring of key coastal towns will also be a key feature in Blackpool and Morecambe.

In addition, attention would be given to parts of the outlying urban industrial and suburban housing areas, where high level concentrations of deprivation dominate.

In rural areas resources would be targeted to address socio-economic and equality issues in those areas where pockets of deprivation and poor access to opportunities and services exist.

There would be limited scope for investment outside of those areas identified in this option. However new development would be acceptable to meet local needs and support economic growth.

Implications of the option

This option seeks to present a sustainable pattern of development and growth which should:

- create good quality places where people and businesses will choose to live and invest in, within the context of climate change and a global economy;
- stabilise and encourage sustainable, cohesive communities;
- target support to deprived communities and vulnerable people;
- promote social wellbeing, equality of opportunity and celebrates diversity, including reducing health inequalities;
- maximise the appropriate re-use of existing buildings and previously developed urban land;
- provide significant opportunity for mitigation and adaptation to climate change through addressing the condition and energy efficiency of the existing stock;
- make the most effective use of the existing utility infrastructure, improving and repairing existing tired and worn out infrastructure; and
- provide a basis for reduced travel and improved public transport systems.

However it raises some fundamental challenges:

- What is the role of Pennine Lancashire? What should be the balance between developing the local economy and linking it better to growth opportunities in Manchester and Preston?
- What is the future role of Blackpool and other coastal resorts?
- What should be the balance between creating jobs for all (employment focus) or creating higher skilled jobs (productivity focus)?
- What should be the balance between indigenous skills development and attracting and retaining new talent and skills to the region?
- How can we best tackle the underlying causes of worklessness, which has blighted the region for the last 20 years? Should we be pursuing a strategy of creating jobs in local communities or allowing jobs to be created anywhere in the region and linking unemployed people to those jobs?

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- To what extent should we be investing to tackle areas of need/deprivation and supporting struggling companies as opposed to investing in areas of opportunity and supporting growth companies?

The option in more detail

- Indicative housing distribution: 60% of all new housing provision (based on RSS) will be expected to take place in identified regeneration priority areas. 40% in other regional cities and towns in the first instance where urban brownfield capacity exists and can realistically be developed and then more widely to meet local needs. This is not just about delivering housing numbers, but creating viable sustainable communities that people live in.
- Greenfield implications: this option seeks to minimise the impact and need for additional greenfield land release.
- Brownfield implications: this option would maximise the use of existing stock, leading to a reduction in the vacant properties, and re-development of appropriate brownfield land.
- Location of strategic employment sites: promote employment opportunities concentrated within urban conurbations, close to urban cores.
- Transport and other infrastructure requirements: investment focused on improving access of deprived communities within identified regeneration priority areas to areas of economic opportunity. Emphasis will be placed on improving infrastructure, including digital connectivity.
- Regeneration opportunities promoted across all regeneration priority areas. Emphasis will be on quality and place-making to deliver successful, thriving places for peoples to live and invest in. To deliver this, resources will be targeted on deprived communities in order to encourage sustainable cohesive communities.
- Environment: this option focuses principally on existing urban areas thereby minimising any negative impact upon the region's most sensitive environments. There will be significant scope for enhancing the quality of urban green infrastructure networks, which may contribute to the wider quality of places and provide additional recreational opportunities. Concentration of development within the urban areas is likely to have implications upon local air and water quality which may require significant investment in public transport and utilities infrastructure. The impact of flood risk will also be a key consideration and will be informed by the emerging Regional Flood Risk Appraisal.

How will the option deliver against the outcomes?

- 1. Low-carbon economy:** this option provides the opportunity to deliver balanced and sustainable growth, focussing investment and new development to support the renewal and regeneration of places and communities and on the promotion of low-carbon and renewable energy. Regeneration programmes will need to evolve to include a coordinated regional programme to retrofit housing stock to reduce energy demand and improve energy efficiency which has the potential to deliver significant wider benefits in terms of fuel poverty and poor health.
- 2. Vibrant and attractive cities, towns and rural areas:** emphasis should be on restructuring local economies and housing markets, renewal and place making and should take account of environmental and coastal assets that can support our wider economic and social goals.
- 3. Creating conditions for business growth and sustainability:** investment in skills training and development and health and wellbeing should be aligned to support regeneration, socio-economic growth and quality of place-making across deprived communities which together should provide favourable conditions for business investment. This should be specifically targeted to those groups and communities most adversely affected by unemployment, a lack of work or under-employment. Such programmes will need to recognise the support that the workless need to gain skilled, sustainable and rewarding employment. They should also draw on cultural assets to combat worklessness, promote volunteering, graduate retention and contribute to civic pride.
- 4. Increasing productivity and capitalising on the region's innovation, science and research assets:** these areas will require significant public sector investment to generate the spin out benefits from improving the quality of places, health and skills levels.
- 5. Protecting, enhancing and developing the quality of the region's environment:** the focus on re-use of existing buildings and appropriate re-development of brownfield land use minimises the need for greenfield land take whilst presenting the opportunity to enhance green spaces offer. The promotion of a strong green infrastructure network made up of green spaces that lie within and between the

Northwest's cities, towns and villages will provide opportunities for people to interact and benefit from the natural environment and green space.

6. Sustainable and safe communities and places:

focused investment in the regions most deprived communities and areas of greatest regeneration need will present significant opportunities for interventions to address crime and safety in the areas where these problems are most pronounced. Secure safe and efficient access between residential areas and key destinations, including centres of employment, schools, shops and other services is an essential component of this. Raising the overall wealth of the region is also likely to have a significant impact upon long-term trends of crime and community safety. Increased awareness and resilience of NW communities to climate change will need to be carefully considered. The impact of flood risk will need to be carefully considered.

7. World-class skills base: this will require a concentration of resources on deprived communities to raise the generally low level of basic skills associated with these areas. There is potential to improve from this level and ensure the skills system responds to future regional skills needs particularly those supporting advanced industries and low-carbon technologies.

8. Healthy population: deprived communities, poor quality housing, concentrated levels of unemployment and lower skills base generally equates to less healthy populations, so influencing behavioural change, targeting investment and resources in these areas could lead to improvements in health and wellbeing in these areas.

9. Quality employment opportunities for all: skills levels, potential, ambition and accessibility are key issues which through targeting of resources could result in significant opportunities for unlocking potential. Realising the potential of under-employed groups whether disabled people, older people, the minority ethnic population or women or by tackling the barriers to work to stimulate the supply of skilled labour, ensure worklessness significantly reduces and raises employment rates in order to increase the prosperity of the region.

10. Balanced housing markets:- renewal and regeneration is a dominant theme across this option but given the level of investment focused on these areas there is the opportunity to change perceptions and widen the market appeal of these areas. Housing market restructuring to support growth and quality of place-making, particularly adjacent to urban cores is a key feature and should result in an improved housing offer that seeks to maximise its role in regenerating communities and supporting economic growth, as well as meeting the needs and aspirations of the local communities (including enabling people to succeed at living independently), by continuing to support the restructuring of vulnerable housing markets as part of the wider regeneration and placemaking agenda. Emphasis will be placed on creating viable sustainable communities that people can live in.

11. High-quality and reliable and efficient infrastructure, transport and digital networks: this option makes the most effective and efficient use of infrastructure, including digital connectivity, linking areas of need with areas of opportunity. NGA will improve the ability of individuals to access employment and connect to online networks for a range of entertainment, social and educational content. It will give consumers the ability to use new 'tools' at work and home, and, in allowing for economies of scale and cost reduction in online delivery of government services such as healthcare and education, will improve quality of life and promote social inclusion.

12. High-quality, efficient and responsive public services – public sector services tend to be a dominant feature of local economies in regeneration priority areas. Therefore any reduction in public funding and resources will be a significant issue so it is important that future investment is targeted: not trying to transform everywhere but investing in places where it will have most impact by supporting those communities where the most severe poverty and worklessness persists and where there is the opportunity to deliver long-term change.

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Question 35:

Will this option deliver the outcomes and priorities of the Strategy?

Question 36:

What are the strengths and weaknesses of this option?

Question 37:

Within the context of the Strategy, which option, or combination of options, do you consider best delivers the needs of the region? If that option(s) has weaknesses how could they be improved?



Section E

What happens next?

66 What happens next?

We would like your views and comments on the questions set out in this document, which are listed below:

The Strategy in Summary

Question 1: Do you agree that these four strands and key spatial issues should provide the basis for the Regional Strategy?

Question 2: Are there any priorities we have missed?

Question 3: Are these the key outstanding questions facing the region?

Section A: Context for the Strategy

Question 4: Do you agree with this Vision? If not, how can it be improved?

Question 5: Would these indicators accurately reflect the delivery of the Part 1 outcomes? If not, how would you improve the list?

Section B: The Strategy

Questions

6-22: Do you agree with these potential areas for action? If not, what changes would you suggest and why?

Section C: Spatial Implications of the Strategy

Questions

23-27: Have we identified the key assets, opportunities and challenges, and what needs to be done, in this sub-region? If not, what changes would you suggest, and why?

Question 28: Are these the most significant intra and cross-regional opportunities?

Section D: Strategic options

Questions

29,31,33,35: Will this option deliver the outcomes and priorities of the Strategy?

Questions

30,32,34,36: What are the strengths and weaknesses of this option?

Question 37: Within the context of the Strategy, which option, or combination of options, do you consider best delivers the needs of the region? If that option(s) has weaknesses how could they be improved?

In addition, there are two final supplementary questions on which we would welcome views:

Supplementary questions

Question 38: In light of your responses so far, how do you feel we can best tackle the outstanding questions on page 7?

Question 39: Do you have any other comments?

Your responses will be considered in preparing a revised Part 1, to be signed off by the 4NW and NWDA Boards in Spring 2010. It is intended that the revised Part 1, together with a draft Part 2 and draft Implementation Framework, will be issued for a formal twelve-week statutory consultation in Summer 2010.

Your views and comments should reach us by Friday 26 February 2010 and can be made in two ways:

a. Via our consultation website: <http://consult.nwregionalstrategy.com/portal>.

b. We would encourage responses via the website as far as possible. However, you can also write to us at:

RS2010 Part 1 Consultation
Northwest Regional Development Agency
Renaissance House, Centre Park, Warrington WA1 1XB

If you have any questions or need any further information, please contact:

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Telephone: 01925 400279

1. RS2010 Process

2. Key points from the evidence base

3. Indicative list of topics for which detailed
policies may be set out in Part 2

Appendices

Appendix 1: RS2010 Process

Regional Strategies: the statutory background

The Local Democracy, Economic Development and Construction Act 2009 places a statutory duty on 4NW (the Regional Leaders Board) and NWDA to produce a single Northwest Regional Strategy which sets out a long-term strategic framework for the region to promote sustainable economic growth and contribute to sustainable development.

The Regional Strategy will be part of the statutory development plan for every local authority in the Northwest. Therefore, local development documents (LDDs) must be in general conformity with this Strategy.

The draft Regional Strategy guidance proposes that they should in particular:

- include specific targets in relation to GVA, housing numbers and reducing carbon emissions;
- set out a vision for the region based on a proper analysis of the opportunities and challenges it faces;
- be based on evidence particularly that generated at sub-regional and local authority level;
- be concise and spatially specific;
- conform to national policy whilst reflecting regional priorities;
- detail policies on sustainable economic growth, housing and on climate change mitigation and adaptation;
- identify priority areas for regeneration based upon relative deprivation and inequalities;
- audit future infrastructure demand, including environmental infrastructure, and ensure that the Strategy is responsive to current and future challenges;
- set out policies for widening access to culture, media and sport as well as protecting and enhancing the built and natural environment including biodiversity; and
- focus on the key strategic priorities for the region and the interventions it proposes.

Geographic coverage of RS2010

In line with the above legislation, the regional boundary adopted for RS2010 differs from the standard Government Office Region.

For this purpose, the Northwest comprises: the counties of Cumbria and Lancashire; the metropolitan districts of Greater Manchester and Merseyside; the unitary authorities of Blackburn-with-Darwen, Blackpool, Cheshire East, Cheshire West and Chester, Halton and Warrington. It covers

the whole of the Lake District National Park but not those parts of the Yorkshire Dales and Peak District National Parks that fall within the Northwest region.

The Regional Strategy process explained

This initial (Part 1) Regional Strategy sets out what the region needs to do if it is to improve the economy and our housing stock at the same time as reducing our carbon emissions and deprivation. RS2010 does not, and nor should it, describe the numerous activities that are and will continue within the region. It seeks only to identify where working together at regional level can make a substantial difference.

The Regional Strategy should be read as a whole. Cross referencing has been kept to a minimum and duplication avoided as far as possible.

Taking account of responses to this consultation, the preferred vision, strategic priorities and options will be agreed by 4NW, the Regional Leaders Board, and the NWDA Board in spring 2010.

Meanwhile the ongoing sustainability appraisal process will continue. This ensures that strategy development is being undertaken with full awareness of the potential impact on the environment, on equalities, on health, on habitats and on the region's rural areas.

'Part 2' of the Regional Strategy will contain more detailed thematic and spatial policies on specific issues, such as housing, connectivity/transport, climate change, productivity and poverty, and will be published (along with the revised Part 1 and Implementation Framework) in Summer 2010 for a formal consultation process lasting twelve weeks.

The finalised versions of both Parts 1 and 2 will then be submitted in Autumn 2010 to an Examination in Public process.

For each of the proposed strategic interventions, we will seek Government support, not only in word but through departmental commitments such that we have an agreement between the region and national government setting out what it is that together we will achieve in our mutual interest.

Sustainability Appraisal

The Sustainability Appraisal (SA) forms an integral part of the preparation of RS2010. It is a legal requirement and is a process for establishing and reporting on the social, environmental and economic effects of the Strategy, including its costs, benefits and risks and for testing and improving its sustainability.

Section 77(2) of the Local Democracy, Economic Development and Construction Act 2009 requires responsible regional authorities to carry out an appraisal of the sustainability of the proposals in their draft Regional Strategy. The outcomes of this appraisal must be set out in a report which should be published for consultation alongside the draft Strategy.

The purpose of a sustainability appraisal is broadly: to identify and report upon the likely significant effects of the proposed Strategy and any potential mitigation measures required; to assess the effectiveness of the Strategy in achieving the agreed economic, social and environmental sustainability objectives; and to set out a range of indicators for monitoring the implementation of the Strategy's proposals.

In addition, the European Union's Directive on the environmental assessment of plans and programmes (Directive 2001/42/EC), which came into force in England and Wales in July 2004 through the Environmental Assessment of Plans and Programmes Regulations 2004 (Statutory Instrument 2004 No. 1633), requires that a strategic environmental assessment (SEA) must be carried out for all plans and programmes:

- which are prepared for agriculture, forestry, fisheries, energy, industry, transport, waste management, water management, telecommunications, tourism, town and country planning or land use and which set the framework for future development consent of projects requiring EIA, or
- which in view of the likely effect on international nature conservation sites require an appropriate assessment of the implications for those sites.

Directive 92/43/EEC (the Habitats Directive) on the Conservation of Natural Habitats and of Wild Fauna and Flora requires that any plan or project not directly connected with or necessary to the management of a designated habitats site, but judged as likely to have a significant effect upon any designated site, either individually or in combination with other plans or projects, must be subject to an assessment of any implications upon the site and its conservation objectives.

The Sustainability Appraisal report that accompanies the draft RS2010 Part 1 meets the requirements for Sustainability Appraisal (SA), Strategic Environmental Assessment (SEA) and Habitats Regulation Assessment.

In addition to Sustainability Appraisal, the RS2010 has also been subject to –

- Equalities Impact Assessment (EqIA), the purpose of which is to identify any potential positive equality impacts associated with a policy, strategy or project; any potential risks to equality; and any alternatives or additional measures to reduce or avoid these risks.
- Health Impact Assessment (HIA), the purpose of which is to ensure decision making at all levels considers the potential impacts of decisions on health and health inequalities. It may also identify actions to enhance positive effects and reduce or eliminate negative effects.
- Rural Proofing: a mandatory part of the strategy/policy making process introduced through the Rural White Paper in 2000, rural proofing requires that consideration is given to: whether a strategy/policy is likely to have a different impact upon rural areas because of particular rural circumstances or needs; any impact is assessed to determine whether they are significant; and adjustments are made to the policy/strategy to address specific rural needs and circumstances.

In 2008, the NWDA on behalf of the Regional Strategy Advisory Group appointed a team of consultants led by Bridge Economics/URSUS to undertake the Sustainability Appraisal of the emerging RS2010. The consultants are advised by a Steering Group comprising representatives from NWDA, 4NW, GONW, Natural England, Environment Agency, English Heritage, Sustainable Development Commission, Sub-regional partnerships and NW TUC.

The Sustainability Appraisal has formed an integrated part of the Regional Strategy making process with iterative inputs into the development of strategic options and priorities. As a consequence, changes to the emerging Draft Part 1 content were made to address the comments being raised. Subsequently a full SA has been undertaken on the final version of draft Part 1 and this is being published alongside this document.

Appendix 2: Key points from the evidence base

Outcome 1. The development of a low-carbon economy, which promotes the sustainable use of resources and minimises and adapts to the impact of climate change

The key points emerging from the evidence are:

- we have reduced our carbon footprint by 2,860,000 tonnes since 1990 but this is set to increase over the next decade under "business as usual" forecasts, although recent policy-driven environmental modelling also predicts a drop of 12% in energy demand by 2020;
- 'Mini-Stern' reviews suggest that the 'do nothing' option could cost the region up to £70 billion over the next 12 years;
- we are becoming less energy-intensive as well as a net exporter of energy, consuming 35,000 GWh and producing 43,000 GWh of electricity, with the region home to some of the most significant facilities in the UK for fossil fuels, nuclear and renewable generation;
- we currently produce only a few percent of our energy from renewable sources but there are significant opportunities to build on our existing nuclear strengths and develop new renewable technologies, based on the 'Energy Coast', to improve our energy supply, support economic growth and reduce carbon emissions;
- based on a high emissions scenario, by 2080, average summer and winter temperatures will increase by 4.7% and 3.1%, with average summer rainfall decreasing by 28% and average winter rainfall increasing by 26%, and with more extreme weather events;
- the electricity network requires considerable upgrading, including connections for new low-carbon sources of supply;
- there is a need to improve energy efficiency for both businesses and households, producing cost savings and reducing carbon emissions, with opportunities for retrofitting housing stock to yield environmental and social advantages (for example, 16% of the region's households are fuel poor); and
- road transport currently accounts for 25% of all CO₂ produced so the transport sector must be a priority for reducing emissions.

Outcome 2. Vibrant and attractive cities, towns and rural areas, capitalising on the region's rich cultural, heritage, sporting and university assets

The key points emerging from the evidence are:

- the Northwest has a range of cultural assets unmatched anywhere outside London with numerous national galleries, museums, theatres and high profile events like the European Capital of Culture, Manchester International Festival and Cultural Olympiad programme;
- a strong tourism industry, with for example the Northwest being the third most visited region for domestic overnight stays (37 million), and Manchester and Liverpool now the second and third most frequently visited destinations by overseas visitors in England alongside the Lake District's continuing strength as a major destination;
- the Northwest benefits from an extensive range of historic assets, with 25,000 listed buildings and 2 World Heritage Sites, which contribute £1.6 billion per year to regional GVA;
- the sports industry in the Northwest is comprised of over 8,000 companies, employing 98,000 people and generating an annual turnover of £6.5bn, underpinned by the world-class brands of Manchester United and Liverpool football clubs;
- the number and quality of the region's universities has a significant impact in attracting/retaining students and generating significant economic and regeneration benefits through substantial capital expenditure (£260m in 2007/8);
- despite the strong assets, participation rates in both culture and sports are relatively low, particularly in more deprived communities, but there are opportunities to develop this;
- there are opportunities to make more of the heritage appeal of Chester, Lancaster, Carlisle and Southport; and
- the region's extensive and valuable rural assets are consistently top of mind images within perception surveys highlighting their importance in marketing of the region. The Lake District in particular is one of the most favourable associations with the Northwest.

Outcome 3. Increased levels of enterprise and trade, creating the right conditions for business growth and sustainability in the region. This will capitalise on the region's strengths and assets in international trade, intellectual property, advanced manufacturing, biomedical and digital/creative

The key points emerging from the evidence are:

- sectors of both national (plastic/printable electronics, digital and creative and low-carbon) and international significance (advanced manufacturing, chemicals, composites and biomedical) provide the concentration, size and productivity to give competitive strengths and the ability to further develop capacity in high-value areas of global growth, which could potentially boost the region's economy;
- the region has an advanced manufacturing sector of international significance, with BAE Systems for example as a major player in the international as well as national defence industry with a direct GVA contribution to the UK economy of £2.4 billion and 48% of the company's UK staff based in the Northwest;
- media, digital and creative is seen as a growth sector internationally, and MediaCityUK provides great opportunities for the Northwest to access this market;
- business start-up rates have been consistently poor over the last five years, with an average of 37 less starts per 10,000 (16+ population) compared to England's 43;
- the Northwest does not punch its weight with regard to business turnover: between 2001 and 2007 the region's share of enterprises grew marginally from 10.7% to 10.9% of the UK total but the share of turnover they produced declined from 9.3% to 8.4%;
- the culture of enterprise in the Northwest lags behind leading regions with fewer individuals believing they have the skills to start an enterprise: 41.8% in 2008 compared with 51.7% for London;
- leadership and management skills in the region need to improve. If the region were in the top quartile in terms of management and leadership performance this would add £1bn to the economy; and
- social enterprise is an area of opportunity in the region, particularly in regenerating deprived areas as research has shown that individuals with lower rates of engagement in the formal labour market are more likely to be social entrepreneurs.

Outcome 4. Increased productivity, which capitalises on the region's innovation, science and research assets and exploits the Northwest's potential in the renewable and nuclear offer and worldwide opportunities for low-carbon technologies

The key points emerging from the evidence are:

- although the gap in GVA per capita growth rates has narrowed in recent years, with the Northwest outperforming the England average in 2006 and 2007 (5.0% and 5.8% Northwest compared with 4.7% and 5.4% in England), the region has a significant output gap with England (£19.7 billion). Approximately 70% of the region's output gap is due to lower productivity, with the remaining 30% a result of demographic and labour market factors;
- labour productivity in the Northwest remains 9% below the England average. The region has a relatively unfavourable occupational mix, with a smaller proportion of workers in high-level occupations;
- in 2008, 25.6% of the working age population held NVQ level 4 qualifications compared with 28.7% for England overall. It is estimated that a 1% relative increase in NVQ level 3 and 4 qualified working age population would increase GVA by £0.29 billion;
- the region is rich in science and technology and has a strong base in business research and development: between 2001 and 2006 the Northwest experienced the third largest growth of all English regions (4.1% per annum);
- there are emerging strengths in biomedical: over the last five years the region has experienced a rapid expansion from £201m in 2001 to over £500m, a 10.2% per annum growth rate;
- we have a number of internationally important organisations in high-value sectors, including Astra Zeneca, which is a global centre for biomedical research and development, and Unilever;
- significant opportunities exist in high-productivity sectors, especially nuclear where the region has 50% of the civil nuclear workforce, and biomedical where the region has a high concentration in terms of employment and GVA; and
- the key role played by manufacturing sectors and the dependence on a number of large firms for high-value added activity presents risks for the regional economy.

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Outcome 5. Protected, enhanced and developed the quality of the Northwest's outstanding environmental, natural and coastal landscape assets

The key points emerging from the evidence are:

- ◊ the natural environment generates an estimated GVA of £2.6 billion and supports 109,000 jobs, as well as providing a number of 'ecosystem services' such as food production, water regulation and landscape value;
 - ◊ 29% of the region is designated as National Park or Area of Outstanding Natural Beauty for its outstanding landscape value, including England's largest National Park;
 - ◊ the Northwest coast, estuaries and rivers are internationally important for wildlife, with over 80% of the coastline being internationally designated and supporting important populations of wildfowl and wading birds;
 - ◊ the region contains 35 of the 40 UK Biodiversity Action Plan terrestrial and freshwater habitats with, for example, nearly half of England's blanket bog and lowland raised bog resources;
 - ◊ climate change presents particular challenges to the natural environment, with a potential sea level rise of up to 68cm by 2080 and significant threats from flooding, with some 224,500 properties already at risk and with an increased frequency of flooding likely to destroy coastal habitats;
 - ◊ growth presents challenges for the region's environment, including water resources and pressure to develop in floodplains; and
 - ◊ the region has a strong green infrastructure network, allowing people to use greenspace where they live, as well as over 20,000km of public rights of way.
- ◊ the region has above average crime rates (91 crimes per population compared to 85 for England) with 45% of these crimes taking place in Greater Manchester. However crime has fallen across the region at a greater rate than for England as a whole;
 - ◊ some of the most deprived areas in the country are in the Northwest particularly in Liverpool, Manchester, Knowsley, and Blackpool and Blackburn which are the 1st, 4th, 5th, 12th and 17th most deprived districts respectively. Other areas with notable hotspots of deprivation include Salford, Preston, Pennine Lancashire and Barrow-in-Furness. Certain areas in the region are showing improvement, particularly districts in north and central Lancashire and Cheshire but other areas like Pennine Lancashire, North Greater Manchester and Blackpool are becoming steadily more deprived;
 - ◊ although generally affluent there are very small pockets of deprivation in rural areas in the region which do not show up on traditional measurements;
 - ◊ child poverty has improved in recent years but 330,000 children in the Northwest live in relative poverty and these disadvantaged children are most likely to live in urban areas in Greater Manchester, Merseyside or Pennine Lancashire. Children living in deprived areas are far less likely to achieve 5 GCSE grades A* – C;
 - ◊ income inequality varies across the region from 5 times more in Congleton to 8 times more in Allerdale, with the overall Northwest ratio 6:1;
 - ◊ rural districts such as Congleton, Ribble Valley, and South Lakeland which are proximate to urban centres tend to have the lowest income inequality (but higher incomes overall) and the highest quality of life according to indicators like life expectancy, child poverty and crime rates; and
 - ◊ the region has a large and influential voluntary, community and faith sector which provides a number of opportunities for impact within deprived communities, with evidence that it outperforms the private and public sectors in delivering employment and other services.

Outcome 6. Communities and places which are sustainable and safe, with less deprivation and disadvantage within the region

The key points emerging from the evidence are:

- ◊ the Northwest is a more equal society than most other regions, especially in terms of income distribution for which it displays a fairer distribution of wealth across households than for England. This is recognised as one of the fundamental determinants of socio-economic progress, and plays a large part in the Northwest achieving 2nd place in the New Economics Foundation's Regional Index of Sustainable Economic Wellbeing (RISEW);

Outcome 7. A world-class skills base, with improved education, which helps to attract and retain talent as well as tackling gaps in basic and graduate level skills

The key points emerging from the evidence are:

- the region has a strong HEI base, with the 2nd highest number of students outside London and 40% studying STEM subjects (6% higher than England average);
- FE colleges are amongst the best in the country with the highest proportion of Beacon Colleges, and 2 institutions delivering MBA qualifications are amongst the top 30 internationally;
- the region is faced with fewer young people entering the labour market at 16-19, exacerbated by increased entrants to higher education. But the region is doing better at retaining graduates (with numbers increasing from 65% to 68%): this reflects the position across the region as a whole and local areas may show a different picture, and although we have lower levels of managers, they are becoming more qualified;
- skills levels amongst adults and young people have improved in recent years but there are more people without qualifications than the England average, and there are relatively lower numbers of those with level 4 qualifications (only 25%, ranked 5th in England);
- attainment by young people at Level 3, excluding A Levels, by age 19 is fairly low in the Northwest. In 2007 the region was ranked 6th of the nine English regions in terms of the proportion of young people achieving Level 3 between 16 and 19;
- there is a higher proportion of young people not in training, education or employment in the region (just under 8%) and there are low levels of aspiration; and
- senior managers are becoming more highly qualified and reducing the gap with the England average but businesses find it difficult to attract and retain staff for higher level occupations.

Outcome 8. A healthy population, with reduced health inequalities and which capitalises on the economic opportunities from changing health issues

The key points emerging from the evidence are:

- the Northwest's population suffers from poor health and health inequalities. Just over 9% of the potential workforce is claiming incapacity benefits. The region also has high levels of absenteeism due to ill health;
- the concentrations of ill health and the relationship with economic and social wellbeing present big challenges, such as an inability to access the labour market due to health issues and life expectancy being largely influenced by where an individual is born;
- life expectancy rates continue to improve but, at 78.2 years, remain below the national average of 79.7 years;
- the poorest places for health in the region correlate with high levels of deprivation. Therefore we must see health issues within a wider context and tackle the causes rather than just the symptoms;
- severe mental health symptoms are higher in the Northwest; alcohol consumption is ranked joint worst; there is low physical exercise participation; and smoking prevalence has fallen but remains high relative to the national average; and
- as an employer, the NHS is one of the largest in the region and there is a large concentration of specialist health centres, particularly in Liverpool city region, and significant opportunities within the region in biomedical and health-related research and innovation.

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Outcome 9. An improved range and depth of quality employment opportunities for all. There will be links between areas of opportunity and need, with reduced employment rates and an improved supply of labour to businesses

The key points emerging from the evidence are:

- the current recession led to 30,000 job losses between May 2008 and May 2009 and many analysts forecast that unemployment will continue to increase in the short to medium-term until the recovery takes effect;
- the region has a high unemployment rate (8.7%, against the England rate of 7.9%) and an employment rate of 70.8%;
- approximately 33% of jobs growth over the last 5 years has taken place in cities and major conurbations. Preston has the highest job density. Despite strong jobs growth, employment rates for local residents of Liverpool and Manchester have not significantly risen;
- the region is heavily reliant on public sector employment; for example, Blackpool and Sefton derive more than 40% of their employment from the public sector. Public sector has been the source of recent jobs growth whilst the private sector saw a slight decline in jobs over the last 5 years;
- the Northwest has poor employment rates against the England average amongst the disabled (44.6% against 51.1%), ethnic minorities (55% against 61%) and older workers aged between 50 and 65 (67.3% against 72%) and
- there are significant opportunities in key growth sectors such as energy and environmental technologies, digital and creative, plus a number of world-leading employers including BAe and Astra Zeneca, to create high-quality jobs for the region.

Outcome 10. Balanced housing markets across the Northwest that support economic growth and strengthens inclusion that ensures that everyone has access to appropriate well-designed high-quality, affordable housing in mixed, sustainable communities

The key points emerging from the evidence are:

- the number of households in the region grew 18% between 1976 and 2006 to 3 million;
- the socio-demographic profile of the region is changing with an ageing profile and a forecast increase in one person households from the current level of 32% to 39%;
- the housing stock is the oldest in the country outside of London, with an average age of 64 years in 2007, with disproportionate numbers in the lowest council tax bands;
- the economic recession has impacted seriously on new house building in the Northwest, as well as the volume of house sales;
- there is a high incidence of non-decent housing in the private sector, which impacts not just on the built environment but on carbon emissions, the health of the population and the wider economy;
- the Northwest has the largest number of households living in fuel poverty in England with 472,000 households classified as fuel poor, which accounts for 16% of total households;
- although overall the Northwest is one of the lower priced regions in England based on average house prices, this conceals wide disparities. Access to housing that residents can afford is an issue in both high demand areas and in the many places with low average incomes; and
- there is a need to increase and vary supply and to improve stock quality to meet growing demand and widen housing choice, with particular opportunities in the six designated housing growth points. Housing market renewal pathfinders are rejuvenating housing markets and supporting regeneration of their areas.

Outcome 11. High-quality, reliable and efficient infrastructure, transport and digital networks which contribute to sustainable development ensuring that the region is better connected, locally and internationally

The key points emerging from the evidence are:

- 64% of travel (by passenger per km) is by road, 33% by air, 2% by rail and 1% by water. The region has good rail and road connections through the West Coast Main Line and extensive motorway network;
- since 1996 the volume of traffic on the region's major roads has increased by 16%, leading to severe congestion on main routes, and this is expected to worsen as traffic is projected to increase a further 27% by 2020;
- since 1990 the demand for bus travel has reduced while the number of rail journeys has increased by 20% but capacity issues on the rail network are a significant concern for growth particularly if modal shift continues;
- the region has strong international connections, with Manchester Airport currently handling over 20 million terminal passengers per annum, Liverpool John Lennon Airport 5.5m passengers and Blackpool around 500,000 passengers;
- the region's ports handled 45m tonnes of cargo (8% of total), but 21 million tonnes of this was distributed inland by road, adding to traffic and road transport emissions. The post-Panamax facilities at Liverpool, part of the Superport concept, will create significant new opportunities for the region;
- 82% of Northwest businesses use computers and 76% have internet access, with 87% of sites using broadband for their connectivity. Businesses with highest level of ICT adoption have the highest growth prospects;
- there are significant challenges for water, energy and waste infrastructure, particularly in supporting growth in Manchester and Liverpool city regions; and
- transport contributes 32% of carbon emissions, which is projected to increase to 39% by 2020. Majority is from road transport but continuing airport growth will present considerable challenges for carbon budgets.

Outcome 12. High-quality, efficient and responsive public services

The key points emerging from the evidence are:

- heavy reliance on public sector employment. Public sector jobs account for 21% of all jobs compared to the England average of 18.9%;
- there are opportunities to attract further key public sector organisations to relocate to the Northwest;
- unclear how or where the forthcoming reduction in public funding will impact. Current expectation is that health and education will stay relatively level with main impact on defence, transport and local authorities;
- Mixed standard of service delivery:
 - 12 district – councils receiving performance ratings of good or excellent
 - 30 primary schools among the poorest performing nationally based on KS2 national curriculum test results
 - 112 secondary schools listed as National Challenge schools
 - 6 NHS trusts in the bottom 10% of all England NHS trusts; and
- an ageing population will potentially put more pressure on public services with a particularly big impact such as Cheshire and Cumbria.

Summary of Places and Sub-regional Forecasting Work

Cheshire and Warrington

With a population of 880,000, Cheshire and Warrington is made up of three local authorities: Cheshire East, Cheshire West and Chester and Warrington. There are five key functional economies:

- Chester and the Deeside Hub (including Ellesmere Port)
- Warrington
- Crewe Gateway and the South Cheshire Growth area
- the mid-Cheshire towns of Middlewich, Northwich and Winsford
- North East Cheshire/Cheshire Peaks

Cheshire and Warrington is home to a range of high productivity and technologically advanced large businesses in key sectors such as biomedical, chemicals, automotive, financial services, energy and nuclear and creative industries. Its businesses generate over 16% of the Northwest's economic output and its people make up a significant proportion of the 'knowledge economy' workforce which drives the city regions of Manchester and Liverpool. Chester would seem to be underperforming given both its size and performance profile, while Warrington plays a significant role as a strong employment and business hub.

The increase in knowledge-centric jobs in the future will mean the sub-region as an aspirational place to live will continue to attract high numbers of knowledge workers. It also needs to prepare for an ageing workforce. Housing Growth Points should have an impact on housing supply, and the numbers of workers available to achieve growth aspirations, and enabling high-value, innovative business starts and growth in the sub-region's high productivity sectors are a priority.

Cumbria

At almost 7,000 square kilometres and a population of 500,000, the County of Cumbria includes six District Councils plus the Lake District National Park. Renowned for its world-class landscape Cumbria is geographically isolated from regional, national and international markets with its key relationships being with North Lancashire, North East England and South East Scotland.

Cumbria has internationally competitive strengths in marine engineering and nuclear industries with key natural resources such as water, wind and minerals. With over 15 million visitors per year there is strong interdependency between land based industries and associated supply chain businesses involved in food and drink, retail, hospitality, outdoor and cultural provision. Cumbria has experienced substantial in-migration of older people, and many young people going to university elsewhere do not return. Achieving a better balance in the sub-region's demographic make-up is a priority.

Carlisle performs the only hub function in the north of the region; however its size in terms of linkages and GVA and its distance from other places mean that its benefit to other areas is much smaller. It is none the less important in a sub-region with a lack of dense conurbations from which to create critical business mass.

Greater Manchester

Greater Manchester (GM) with a population of 2.58 million comprises ten local authorities. It is a coherent economic geography, with substantial travel across local authority boundaries for work, education, and recreation. The economic geography of the sub-region has a number of distinct permutations reflecting local housing markets, business linkages, travel to work movements, administrative areas, and travel to learn patterns. The area has extensive public transport, road and motorway networks which provide a high level of connectivity between the ten local authorities and allow significant cross boundary travel.

The urban core of Manchester and Salford, supported by Trafford and to a lesser extent Stockport forms the economic core of the region. GM comprises almost 40% of Northwest GVA and is the central driver of the Northwest economy. In labour markets terms, 38% of the region's jobs are in Greater Manchester. GM's reach and impact is felt much further than anywhere else. Its economic influence extends to parts of the High Peak, Lancashire, Yorkshire, Cheshire and Warrington. Evidence has demonstrated the importance of Manchester to the region, but also the functions of its surrounding places contribute to its strength. There is a heavy reliance on global performance

and labour supply from neighbouring areas, predominantly Cheshire, and its associated transport and connectivity issues. The growth of the conurbation is also at risk due to utilities and broadband infrastructure capacity.

Lancashire

Lancashire has a population of nearly 1.5m people and includes fifteen local authorities. There are five distinct economic sub-areas: Lancaster and Morecambe, Fylde Coast, Greater Preston/Central Lancashire, Pennine Lancashire and West Lancashire. These sub-areas display clear economic linkages with other parts of the region, specifically Manchester and Liverpool city regions and Cumbria.

Lancashire has a number of key economic strengths and assets including a concentration of higher value added manufacturing activity, with a world-class aerospace sector which is the largest outside of the South East. In addition to aerospace, there are concentrations of advanced manufacturing in electronics, automotive, nuclear, advanced flexible materials, chemicals, rubber and plastics and food and drink. The sub-region is also home to an emerging 'office economy' of business and professional services and a significant tourism sector built upon a historic city and coastal resort offer and a high-quality and attractive rural environment.

The sub-region's rural areas are a rich source of enterprise in traditional rural industries and in a range of niche knowledge based sectors, with the combination of highly desirable service centres and semi-rural residential locations providing a choice of lifestyle that cannot be accommodated in the larger conurbations.

Lancashire's demographic profile puts the sub-region at a significant advantage. Whereas the rest of the region is experiencing ageing population, Lancashire is experiencing the reverse, especially in areas such as Pennine Lancashire, which is home to a significant young Asian population.

Merseyside/Liverpool city region

The Liverpool city region covers the core city of Liverpool and Local Authority Districts of Halton, Knowsley, Sefton, St Helens, and Wirral: an area with a combined population of 1.5 million people,

around 667,000 in employment and a combined economic value of around £20 billion. Around this core lies a wider functional economic area covering West Cheshire, West Lancashire, Warrington, and parts of North Wales that has a combined population of 2.4 million people, 1.15m jobs and an economic contribution of an estimated £37 billion.

Over the past ten years the Liverpool city region has experienced an economic renaissance. In the period 1996-2006 economic wealth grew by over 58.5% and business density by 21.3%, alongside significant improvement in education and skill levels. Growth in both of these indicators has been greater than in the Northwest overall. Liverpool has been the engine of this growth, currently contributing £8 billion to the Northwest economy.

The Liverpool city region economy has grown strongly in recent years building on significant levels of public sector investment. Liverpool has a substantial GVA but does not benefit from strong hinterland places, its linkages and benefits come from a fairly narrow group of places. This would suggest that economically developing Liverpool and its hinterland offers great potential. Currently the sub-region has a heavy reliance on public sector investment, which is at threat and private sector employment is linked to a small number of large employers.

Whilst Liverpool city region has achieved some major successes over the last few years, the sub-region still faces significant challenges, and is starting from a low base. There is a need to generate a significant number of job opportunities to address high levels of worklessness, and a need to raise productivity by improving residents' skills and encouraging the growth of high value added businesses.

Liverpool city region's recent success has been largely due to public investment and it is relatively certain that this will not continue at the same scale into the future. There are a number of opportunities, including the potential relocation of civil service functions to the sub-region, potential investment in the Royal Liverpool Teaching Hospital, and the potential to link procurement and skills programmes to Liverpool city region's strong health and biomedical sector and other public sector institutions.

Appendix 3: Indicative list of topics for which detailed policies may be set out in Part 2

Draft Part 1 sets out the high-level strategic policy framework, whilst the Part 2 policies will furnish detail both in terms of spatial and thematic policy dimensions. The potential approach to Part 2 policies is described briefly below. This list is indicative, not exhaustive, and reflects requirements laid down in legislation and central government guidance. It does not at this stage commit RS2010 to developing policies on all the topics identified.

Part 2 could include detailed policies (thematic and spatial) covering the following:

1. Capitalise on the opportunities of moving to a low-carbon economy and address climate change

Proactive and innovative actions on climate change and energy, through a strategy that makes a significant contribution to climate change mitigation and helps meet the Government's greenhouse gas targets and carbon budgets, as well as the Government's objectives on adapting to the impacts of climate change. In doing so we would seek to build upon and refine current regional policy on:

- Incorporate (and review as appropriate) recently refreshed Climate Change Action Plan which deals with both adaption and mitigation.
- Energy policy including energy efficiency, energy infrastructure and renewable energy (including broad locations). [There may need to be consideration of any further energy related policy matters in the light of the current draft consultation on National Policy Statements].
- Sustainable consumption and production – incorporating the Sustainable Consumption and Production Action Plan
 - Minerals including the need to set out a sub-regional apportionment of regional aggregates figures.
 - Incorporate (and adapt as appropriate) recently revised Regional Waste Strategy – including policies on Waste management and the need to account for broad locations for regionally significant waste management facilities.

2. Building on the Northwest's competitive advantage and distinctiveness

How sustainable economic growth can be best delivered, taking into account employment and the key drivers of productivity – innovation and knowledge transfer, skills, enterprise, investment and competition.

- Setting out the key economic sectors for investment and potential spatial implications.
- Portfolio of strategic regional sites.
- District level employment land allocations. [A final version of the new Planning Policy Statement 4 (PPS4) is expected soon – the draft version set out this expectation].
- Tourism and leisure and its contribution to wellbeing of residents and the economy.
- Retail development may need to be covered given current and potential new national planning policy (PPS6 and the expected final version of PPS4).
- Priorities for the protection, enhancement and access to the built and natural environment, including biodiversity.
- Priorities for widening access to culture, media, sport and leisure.

3. Releasing potential and tackling poverty

How sustainable economic growth can be best delivered, taking into account that it is the people that are the region's major source of competitive advantage but their potential often remains unfulfilled.

- A Regional Skills Strategy will be developed and embedded in RS2010.
- Tackling poverty, equality, diversity and social inclusion.
- The new public health agenda for the Northwest.
- Identification of areas or communities within the region that should be a priority for economic growth, regeneration, renewal and investment. Areas should identified, based upon relative deprivation, worklessness, economic and environmental inequalities, health and social inequalities, social exclusion, social cohesion, skills levels, housing stock, isolation from areas of opportunity and the adequacy of infrastructure provision.

4. Securing the right housing and infrastructure

How the region will meet its housing need and demand and achieve a wide choice of high-quality and suitable homes in good repair across both new and existing stock to create sustainable, well-connected and inclusive mixed communities. In doing so we would seek to build upon and refine current regional policy (in RSS and Regional Housing Strategy) on:

- Housing numbers distributed to district (including the Lake District National Park) and housing market area geographies (as required by PPS3).
- Continuing the regional policy approach on ensuring the right mix of type, tenure and size to encourage the development of balanced housing markets.
- Continuing the regional policy approach on the need to address existing housing stock and housing renewal and neighbourhood regeneration.
- Affordable housing including consideration of targets for the region and housing market areas.
- Gypsy & Traveller and Travelling Showpeople pitch provision (as set out in Partial Review of RSS).
- Supported housing/supported people.
- How housing will contribute to wider RS goals especially low-carbon, inclusion and health.

How the Strategy's plans for sustainable economic growth, housing and other development have taken account of available infrastructure, including environmental infrastructure, and its capacity and what strategic requirements, demand reduction, management and provision of infrastructure and services are needed to support the future development of the region, including transport, waste, water and minerals. In doing so we would seek to build upon and refine current regional policy on:

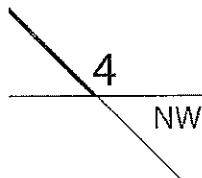
- The region's environmental assets (landscape, coast, natural environment, historic environment, and trees, woodlands and forests).
- Green infrastructure as a potential resource and how to develop it further.
- Sustainable transport policy framework covering integrated transport networks, managing travel demand, public transport frameworks, management of the highway network, airports, ports and waterways, freight transport including intermodal freight terminals, and priorities for transport management and investment.
- Water management issues based on an integrated water management approach (water supply, waste water treatment, and flood risk).
- Relationship between coastal areas and emerging marine spatial planning agenda.



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EXECUTIVE COMMITTEE	(D) Agenda Item 11
Date of Meeting: 27th January, 2010	
Reporting Officer: Director of Regeneration and Community Services	
Title: North West England and North Wales Shoreline Management Plan (SMP2) Consultation Draft	
Summary and Conclusions: SMP2 sets out the overarching policies for coastal protection and flooding across the North West. Policies for the Borough coastline are included and summarised in the report.	
Recommendations: Members views on the draft policies are requested.	

Report

I have received a copy of the SMP2 consultation document which is attached at **Appendix 3**.

SMP's provide a larger-scale assessment of the risks associated with coastal erosion and flooding. The plan covers the coast between Great Ormes Head and the Solway Firth. This length of coastline is divided into five different sub-cells. The Borough is included in sub-cell 11c Rossall Point to Haverigg.

SMP2 considers objectives, policy setting and management requirements for three timescales : short term (0 - 20 years); medium term (20 – 50 years); and long term (50 – 100 years). The policy options considered over three timescales are set out in detail on pages 4 and 5 of SMP2 and are summarised below.

POLICY OPTION	DESCRIPTION
Hold the line	Keep the shoreline in the same place
Advance the line	Create more land by moving defences seaward
Managed re-alignment	Letting the shoreline move forwards or backwards in a controlled way
No active intervention	Letting nature take its course on the shoreline

Detailed policies for individual policy units and associated plans are set out in Annex 1 of the SMP and summarised below.

Location	Short Term Policy 0-20 years	Medium Term Policy 20-50 years	Long Term Policy 50-100 years
Newbiggin to Rampside	Hold the line	Hold the line	Hold the line
Rampside	No active intervention	Hold the line	Hold the line
Roa Island	Hold the line	Hold the line	Hold the line
Piel Island	No active intervention	No active intervention	No active intervention
South End Haws to Biggar (east side)	No active intervention	No active intervention	No active intervention
Biggar to Lenny Hill (east side)	Hold the line	Hold the line	Hold the line
South End Haws to Hare Hill (open coast)	No active intervention	No active intervention	No active intervention
Hare Hill to Hillock Whins	Hold the line	Hold the line	Hold the line
Hillock Whins to Nanny Point Scar	No active intervention	Managed realignment	Managed realignment
Nanny Point Scar to Mill Scar	No active intervention	No active intervention	No active intervention
Mill Scar to West Shore Park	Managed realignment	Managed realignment	Managed realignment
North Walney – West Shore Park to Lenny Hill (both coasts)	No active intervention	No active intervention	No active intervention
Rampside to Westfield Point	No active intervention	No active intervention	No active intervention
Westfield Point to Hindpool	Hold the line	Hold the line	Hold the line
Hindpool to Lowsy Point	No active intervention	No active intervention	No active intervention
Lowsy Point to Askam Pier	No active intervention	No active intervention	No active intervention
Askam	Hold the line	Hold the line	Hold the line
Askam to Dunnerholme	No active intervention	No active intervention	No active intervention

The policy of managed realignment from Mill Scar to West Shore Park is in line with the Council's policy for the area agreed in December 2007.

Your views on these draft policies are requested.

(i) Legal Implications

The report makes clear (Section 4.2) that the terms of the Acts under which coastal defence operating authorities work are permissive only, and there is no general obligation on local authorities or central government to assure protection against flooding or erosion or provide any compensation for losses

(ii) Risk Assessment

SMP2 sets out the short, medium and long term strategy for coastal protection. Parts of the Borough continue to be at risk from coastal erosion and flooding.

(iii) Financial Implications

Finance for structures to prevent erosion and flooding is provided through a medium term plan agreed with Defra. No financial resources are currently committed to coastal defences or to prevention of flooding.

(iv) Health and Safety Implications

SMP2 sets out the short, medium and long term strategy for coastal protection. Parts of the Borough continue to be at risk from coastal erosion and flooding.

(v) Key Priorities or Corporate Aims

SMP2 will contribute towards developing a safer, confident and socially inclusive community.

(vi) Equal Opportunities

Not Applicable.

Background Papers

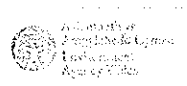
Not Applicable.

North West England and North Wales
Shoreline Management Plan 2

North West & North Wales Coastal Group

North West England and North Wales
Shoreline Management Plan SMP2

Main SMP2 Document – Consultation Draft



Consultation Draft

SMP2 Consultation – Draft Documents

Notes:

1. Hardcopies of this document are available for viewing at Barrow Town Hall Reception and the main Barrow Library.
2. The hardcopies of the document contain only the main SMP2 report and the draft policy statements for the Barrow Borough area.
3. If you wish to view the draft policy statements for other areas within the SMP2 or the Appendices please either go to:

www.mycoastline.org

or contact:

Mark Ellis on 01229 894515, email mark.ellis@capita.co.uk or by post at Capita Symonds, Town Hall, Duke Street, Barrow-in-Furness LA14 2LD, for an appointment.

4. For general information on the SMP, explanatory leaflets are available at Barrow Town Hall Reception, or by post from Mark at the above address.
5. If you wish to comment on the SMP then this can be done via the coastal group website at www.mycoastline.org or in writing (either by letter or using the questionnaire included with the leaflet) to:

The North West England and North Wales Coastal Group
c/o Fiona Crayston
Blackpool Borough Council
Westgate House
Squires Gate Lane
Blackpool
FY4 2TS

6. For other enquiries on the SMP, or coast protection in general, please contact Mark as above.

Contents Amendment Record

This report has been issued and amended as follows:

Issue	Revision	Description	Date	Approved by
1	0	1 st Working Draft – for PMB Review	14 th September 2009	A Parsons
	1	Consultation Draft	1 st October 2009	A Parsons

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B – STAKEHOLDER ENGAGEMENT

C – BASELINE PROCESS UNDERSTANDING

D – SEA ENVIRONMENTAL BASELINE REPORT (THEME REVIEW)

E – ISSUES AND OBJECTIVES EVALUATION

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I Introduction

1.1 The draft North West England and North Wales Shoreline Management Plan 2

What is this document?

A Shoreline Management Plan (SMP) provides a large-scale assessment of the risks associated with coastal erosion and flooding at the coast. It also presents policies to help manage these risks to people and to the developed, historic and natural environment in a sustainable manner. SMPs form an important part of the Department for Environment, Food and Rural Affairs (Defra) and Welsh Assembly Government (WAG) strategy for managing risks due to flooding and coastal erosion (Defra, 2006¹).

The first generation of SMPs were completed for the coastline of England and Wales about ten years ago and are now being reviewed to ensure that they take account of the latest available information and our current understanding of flood and coastal erosion risks.

What area does the SMP2 cover?

This document is the draft second generation Shoreline Management Plan (SMP2) for the shoreline which extends between Great Orme's Head in North Wales and the Scottish Border. This area is also known as Cell 11 and is shown in Figure 1.

The North West England and North Wales shoreline includes a number of large estuaries and is sub-divided using the following boundaries:

- Sub-cell 11a: Great Orme's Head to Southport Pier (including the Clwyd, Dee and Mersey Estuaries);
- Sub-cell 11b: Southport Pier to Rossall Point (including the Douglas and Ribble Estuaries);
- Sub-cell 11c: Rossall Point to Haverigg (including the Wyre, Lune, Kent, Leven and Duddon Estuaries);
- Sub-cell 11d: Haverigg to St Bees Head (including the Ravenglass estuary Complex); and,
- Sub-cell 11e: St Bees Head to the Scottish Border (including Morecambe Bay and the Eden estuary).

These sub-cell boundaries are also shown in Figure 1.

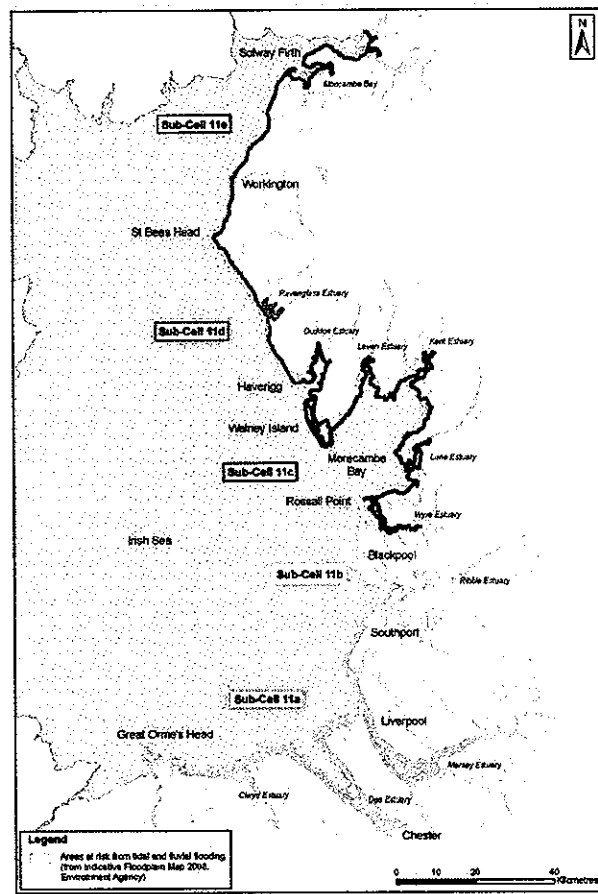


Figure 1: Map showing the shoreline of North West England and North Wales included in this SMP2.

¹ Defra (2006). Shoreline Management Plan Guidance. March 2006.

1.2 The Role of the North West England and North Wales Shoreline Management Plan 2

This Shoreline Management Plan 2 is a non-statutory, high level policy document for coastal flood and erosion risk management planning. It takes account of other existing planning initiatives and legislative requirements, and is intended to inform wider strategic planning.

The SMP2 will sit at the top of a hierarchy of Strategy and Scheme plans that the Environment Agency and Local Authorities use to plan their work to manage coastal risks, as explained in Table 1 below.

Stage	SMP (or CFMP ²)	Strategy	Schemes
Aim	To identify policies to manage risks	To identify appropriate schemes to put the policies into practice	To identify the type of work ³ that is needed to put the preferred scheme into practice
Delivers	A wide-ranging assessment of risks, opportunities, limits and areas of uncertainty	Preferred approach, including economic and environmental decisions	Compares the different options for putting the preferred scheme into practice
Output	Policies	Type of scheme (such as a seawall)	Design of work
Outcome	Improved long-term, strategic management for the coast	Management measures that will provide the best approach to managing floods and the coast for a specified area	Reduced risks from floods and coastal erosion to people and assets

Table 1: Stages in assessing coastal flood and erosion risk management (Defra (2006))

What will the SMP2 do?

The Government guidance for developing SMP2s (Defra, 2006) requires them to:

- identify sustainable and deliverable policies for managing coastal risks while working with natural processes wherever possible;
- promote management policies for the coastline over the next 100 years, to achieve long-term objectives that are technically sustainable, environmentally acceptable and economically viable;
- be realistic and consider known legislation and constraints, both human and natural, and not promise what cannot be delivered.

Further reviews of the SMP2 will be carried out in future years, when deemed necessary. Future reviews may include changes to policies, particularly in light of more detailed studies of the coastline.

1.3 The Objectives of the Shoreline Management Plan 2

What are the objectives that Defra and WAG say the SMP2 should address?

² A CFMP (Catchment flood management plan) is an equivalent policy level plan to SMPs dealing with flood risk from rivers

³ Schemes could include a variety of activities such as building a seawall or developing a flood warning service

- set out the risks from flooding and erosion to people and the developed, historic and natural environment within the SMP2 area;
- identify opportunities to maintain and improve the environment by managing the risks from floods and coastal erosion;
- identify the preferred policies for managing risks from floods and erosion over the next century;
- identify the consequences of putting the preferred policies into practice;
- set out procedures for monitoring how effective these policies are;
- inform others so that future land use, planning and development of the shoreline takes account of the risks and the preferred policies;
- discourage inappropriate development in areas where the flood and erosion risks are high; and
- meet international and national nature conservation legislation and aim to achieve the biodiversity objectives; and
- highlight areas where there are gaps in knowledge about the coast and produce an action plan to address these gaps.

The SMP2 must remain flexible to adapt to changes in legislation, politics and social attitudes. The SMP2 therefore considers objectives, policy setting and management requirements for three main epochs or timescales; the present day or short-term (0 to 20 years), the medium-term (20 to 50 years) and the long-term (50 to 100 years). The SMP2 should show that we aim to achieve a long term sustainable vision when considering decisions about coastal defence now.

What can I influence?

Whilst we are consulting on the SMP2 and this is a draft document, it is important to recognise that major changes to policies in the short term may not be possible. Setting policies over three timescales allows us to meet the objectives and put in place policies that provide opportunities for change in the future. Action Plans have been developed in draft to help put the policies into practice and we would like your comments on these proposals.

What are the policies that are used in SMP2s

The policies for managing the shoreline used in this SMP2 are defined in the Defra and WAG guidance as shown in Table 2.

Policy option	Description	Non-technical description
Hold the line	by maintaining or changing the standard of protection. This policy includes those situations where work is carried out in front of the existing defences (such as beach recharge, rebuilding the toe of a structure, building offshore breakwaters and so on) to improve or maintain the standard of protection provided by the existing defence line. It also includes work behind existing defences (such as building secondary flood defences) where this work would form an essential part of maintaining the current coastal defence system.	Keeping the shoreline in the same place

Policy option	Description	Non-technical description
Advance the line	by building new defences on the seaward side of the original defences. Use of this policy is limited to those policy units where significant land reclamation is considered.	Creating more land by moving coastal defences into the sea
Managed realignment	by allowing the shoreline to move backwards or forwards, in a managed way to control or limit risk (such as reducing erosion or building new defences on the landward side of the original defences).	Letting the shoreline move forward or backwards in a controlled way
No active intervention	where there is no justification to intervene with coastal defences or operations.	Letting nature take its course on the shoreline

Table 2 Descriptions of the four shoreline management policies used in SMP2

1.4 Shoreline Management Plan 2 Report Structure

This SMP2 is the result of numerous studies and assessments performed over a period of time. To cater for a wide audience, the SMP2 is presented in two parts:

- **Main SMP2 Document** (this document); and
- **Supporting Appendices** (a series of supporting documents to the management plan).

Main SMP2 Document

What is included in the Management Plan?

The Main SMP2 Document sets out the policies for managing the risks of coastal erosion and tidal flooding over the next 100 years. It is intended for a general audience and is the main way that we will let people know what the SMP2 policies are. Whilst the justification for decisions is presented, it does not provide all of the information behind the recommendations; this is contained in the supporting Appendices.

The Main SMP2 Document is presented in five parts:

- **Section 1 – Introduction (this part)** gives details on the principles, structure and background to the SMP2s development.
- **Section 2 – Environmental Assessment** presents a summary of the environmental assessments undertaken to confirm that the SMP2 policies comply with the requirements of European and National Directives and Regulations.
- **Section 3 – Overview of Shoreline Management Plan** presents an overview of the preferred policy options for shoreline management, and the reasons for their selection.
- **Section 4 – Action Plan** provides an introduction to the action plan which is a programme for future activities that are needed to progress the plan between now and its next review.
- **Section 5 – Policy Statements** provides a series of policy statements that give details of how the policies might be implemented and the local implications of these policies in terms of: management activities; property, built assets and land use; landscape; nature conservation; historic environment; and amenity and recreational use.

Although it is expected that many readers will focus upon the local details in Section 5, it is important to recognise that the SMP2 is produced for the North West England and North Wales coastline as a whole, considering issues that extend beyond specific locations. Therefore, the policy statements must be read in the context of the wider-scale issues and policy implications, as reported in Sections 2 and 3 and the appendices to the SMP2.

Supporting Appendices

What information is in the supporting appendices?

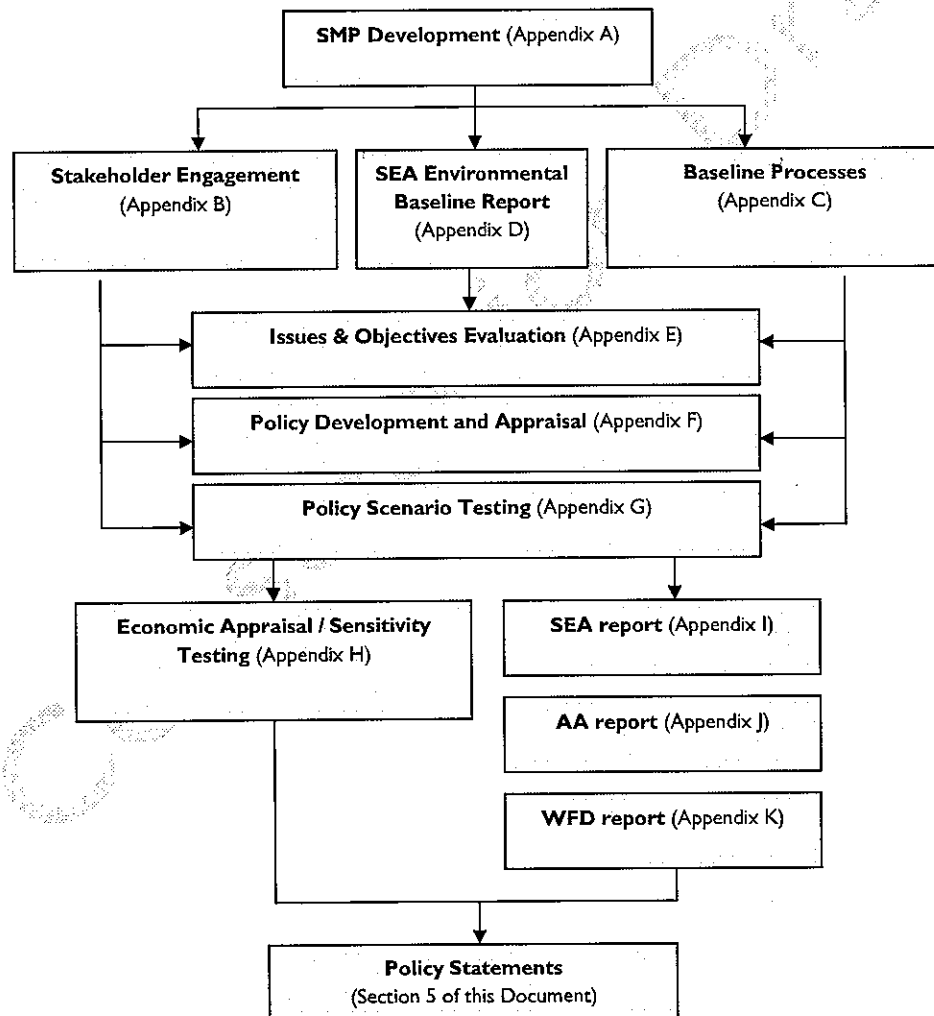
The supporting appendices provide all of the background information to the SMP2. These are provided to ensure that there is clarity in the decision-making process and that the rationale behind the policies being promoted is both transparent and auditable.

This information is largely of a technical nature and is provided in twelve parts:

- **Appendix A: SMP2 Development** reports the history of development of the SMP2, describing in more detail the policy decision-making process.
- **Appendix B: Stakeholder Engagement** stakeholders have had an important role in shaping the plan. All communications from the stakeholder process are provided here, together with information arising from the consultation process.
- **Appendix C: Baseline Process Understanding** includes baseline coastal process reports, defence assessments, No Active Intervention (NAI) and With Present Management (WPM) process assessments and summarises assumptions used in the assessments.
- **Appendix D: SEA Environmental Baseline Report (Theme Review)** identifies and evaluates the environmental features of the coastline (human, natural, historical and landscape) in terms of their significance and how these need to be accommodated by the SMP2.
- **Appendix E: Issues & Objective Evaluation** provides information on the issues and objectives identified as part of the Plan development.
- **Appendix F: Initial Policy Appraisal and Scenario Development** explains the development of a range of policy options for particular sections of coast into policy scenarios in order to help assess interactions between parts of the coast. The assessment of shoreline evolution and changes in coastal risks has formed a key part of determining the combinations of policies to make up the 'scenarios' for testing.
- **Appendix G: Policy Scenario Testing** a summary of the assessment and appraisal of the preferred policies, via (i) assessment of shoreline interactions and response against preferred policy; and (ii) assessment and achievement of the objectives against the baseline scenario (No Active Intervention) and the tested policies.
- **Appendix H: Economic Appraisal and Sensitivity Testing** provides a high-level assessment of the economic justification of each preferred policy and an assessment of sensitivities and uncertainties relating to these policies.
- **Appendix I: Strategic Environmental Assessment Report** draws together the work undertaken in developing the Plan that specifically relate to the requirements of the EU Council Directive 2001/42/EC (the Strategic Environmental Assessment Directive).

- **Appendix J: Appropriate Assessment** presents the assessment of the effects of the policies on European sites as required by the Habitats Regulations (Conservation (Natural Habitats &c.) Regulations 1994).
- **Appendix K: Water Framework Directive Assessment** presents an assessment of the effects of the policies on the water bodies as described in the River Basin Management Plans established under the Water Framework Directive and as required by the Water Environment (Water Framework Directive) (England and Wales) Regulation, 2003.
- **Appendix L: Meta-database and Bibliographic database** includes a database of supporting information used to develop the SMP2, referenced for future examination and retrieval.

The structure of the SMP2 documents, and how they relate to each other, is summarised in the flow chart below.



1.5 The Plan Development Process

How has the SMP2 been developed?

Development of the North West England and North Wales SMP2 has taken account of:

- SMP 1's;
- latest studies since SMP 1 (e.g. Futurecoast (Halcrow, 2002⁴), Cell 11 Transport and Sediment Study (CETaSS), various reports on climate change and national / regional mapping (e.g. Environment Agency flood risk mapping);
- issues identified by recent coastal defence planning (i.e. coastal defence studies and schemes that cover parts of the SMP2 area developed since completion of the original SMP) – see below for more details;
- changes in legislation (e.g. the EU Habitats and Birds Directives, Water Framework Directive);
- changes in national flood and erosion risk planning requirements (e.g. the need to consider 100 year timescales in future planning, modifications to economic evaluation criteria, etc.); and
- the results of coastal monitoring activities.

Throughout the SMP2 process it has also been important to work closely with other studies and projects to make sure that these plans are co-ordinated and coherent. A range of plans are being or have been developed to co-ordinate works for flood and erosion risk management in North West England and North Wales which link with the SMP2 and include:

- Catchment Flood Management Plans: Conwy and Clwyd, River Dee, Mersey, Upper Mersey, Alt and Crossens, Douglas, Ribble, Wyre, Lune, Kent and Leven, South West Lakes, Derwent and Eden;
- Strategy studies developed to determine approaches to delivery of SMP1 policies, including Formby to Crosby Strategy, Blackpool Shoreline Strategy, Walney Island strategy, Morecambe strategy, Denbighshire coastal strategy, Penrhyn and Colwyn Bay Strategy, and estuary studies for the Dee, Ribble, Lune, Wyre and Kent.

How has the work been managed?

Development of this SMP2 has been led by a Project Management Board made up of members of the North West and North Wales Coastal Group, including technical officers and representatives from Coastal Local Authorities, the Environment Agency, Natural England and English Heritage. The Project Management Board has been assisted by Client Steering Groups (covering the Sub-Cell shorelines) and an Environmental Sub-Group set up to oversee and review the environmental aspects of the Plan.

The SMP2 development has been greatly assisted by inputs from a large number of stakeholders, whose views have been sought at key decision-making points. Many of these stakeholders participated in the policy development process via Stakeholder Forums. A number of rounds of Stakeholder Forum meetings have been held at locations across North West England and North Wales. These have helped to identify and understand the issues, review the objectives, set direction for appropriate policy development, and review and comment upon the proposed SMP2 policies.

⁴ Halcrow (2002). *Futurecoast*. CD produced as part of the Futurecoast project for Defra.

In addition, all decisions made have been reviewed by a group of Elected Members (Local Councillors) and the Environment Agency's Regional Flood Defence Committee where appropriate to get input into policy development from those who will ultimately need to adopt or support the SMP2 policies.

What did the work involve?

The main activities involved in producing the SMP2 include:

- reviews reporting on themes of human, historic and natural environmental to identify features near the shoreline and issues relating them to shoreline management;
- developing and analysing issues and objectives for shoreline management to address for various locations along the shore;
- analysing coastal and estuarine processes and coastal change to let us know the impacts of not defending and/or continuing to defend the coastline as it currently is;
- agreeing key objectives and primary policy drivers with Stakeholders, to help determine scenarios of possible policy options;
- developing scenarios of policy options based on the key objectives and primary policy drivers for sections of the shoreline;
- examining coastal change in response to policy scenarios and assessing the implications for people and the historic and natural environment;
- determining the preferred plan and policies through review with Stakeholders, Elected Members, the Client Steering Group and Project Management Board, before compiling the SMP2 draft document; and,
- consulting on the proposed plan and policies (5th October 2009 to 10th January 2010).

What will happen after the SMP2 consultation?

Following the three month consultation period, the remaining activities to finalise the SMP2 will include:

- considering consultation responses and finalising the SMP2 so it can be formally adopted;
- adoption of the SMP2 by the local authorities and dissemination; and,
- Sign off of the SMP2 by the Environment Agency's National Review Group.

The finalised SMP2 will then be put into practice by the members of the North West and North Wales Coastal Group

Following adoption of the SMP2 it will be the responsibility of the North West and North Wales Coastal Group to ensure that the action plan is progressed by the appropriate Partners and where there are problems with delivery to seek to resolve issues through collaborative working.

2 Environmental Assessment

2.1 Introduction to Strategic Environmental Assessment

What is Strategic Environmental Assessment (SEA)?

Strategic Environmental Assessment (SEA) is the systematic appraisal of the potential environmental consequences of *high level* decision-making, such as policies, plans, strategies and programmes, before they are approved. The SEA provides environmental protection by ensuring that the environment is considered when preparing and adopting plans and programmes, with a view to promoting sustainable policy.

As SMP2s are not required by legislation, SEA is also not strictly required. However, SMP2s set a framework for future planning decisions, and have the potential to result in significant environmental effects, so in accordance with Defra guidance (Interim⁵, supplementary⁶, revised and current⁷), SEA has been undertaken for the North West England and North Wales SMP2.

The SEA process has been fully integrated into the work involved in the North West England and North Wales SMP2 development, enabling the impacts of a more strategic proposal on the wider environment to be taken into account. The advantage of this approach is that it enables focus on not only the physical environment, but also on other external factors, such as economic, technical and social factors.

Appendix I documents the SEA process undertaken for the SMP2 and demonstrates how, when developing this SMP2, the natural, built and historic environment has been considered alongside social, technical and economic issues in line with the SEA Directive's requirements.

A summary of the SEA carried out for the North West England and North Wales SMP2 is provided below.

2.2 Baseline Environment

What does the SEA say about the key environmental issues in the SMP2 area?

An SEA Environmental Baseline Report (Theme Review – **Appendix D**) was prepared, which summarises the existing environment within the SMP2 area and identifies key issues, including: -

- Population and human health – safety, security and social/physical well-being for occupants of properties within areas at coastal flood or erosion risk; population and properties are concentrated within the cities of Chester, Liverpool, Preston, Lancaster and Carlisle and other towns and villages. Recreation and tourism in the SMP2 area is centred on coastal holiday resorts (e.g. towns with promenades, pleasure piers and tourist attractions), open areas of natural coast, cycle routes and coastal footpaths, bathing beaches and formal recreational pursuit venues such as golf courses.
- Flora and Fauna – the importance of the plan area for wildlife is reflected in the large number of designations of international, national and local nature conservation sites. The SMP2 area is home to a variety of habitats including limestone pavements, cliffs, saltmarsh, mudflats, estuaries, sand dunes, grazing marsh, vegetated shingle, meadow, woodland, heathland, fen, saline lagoons and grassland. Opportunities exist to create wetland habitat in low-lying parts of the SMP2 area.
- Earth Heritage, Soils and Geology – there are numerous geological sites of national and local importance within the SMP2 area, but there are also potential areas of contamination and known landfill sites that need to be taken into account.

⁵ Defra (2003) Procedural Guidance for the Production of Shoreline Management Plans; Interim Guidance May 2003.

⁶ Defra (2004) Supplementary Procedural Guidance, 2004.

⁷ Defra (2006) SMP Guidance, March 2006

- Air and Climate – the long term effects of rising sea levels expected due to climate change could have significant implications for future flood risks to the natural, historic and built environment across large areas of low-lying land in the SMP2 area.
- Water – there are numerous coastal, freshwater, transitional (areas of water near river mouths, which are partially saltwater but influenced by freshwater) and groundwater bodies in the SMP area that have the potential to be affected by SMP policies. This SEA Report seeks to assess environmental effects of the preferred SMP policy scenarios on these water bodies, along with suggesting appropriate mitigation measures that could be implemented to ameliorate any adverse impacts. A Water Framework Directive (WFD) Assessment, which is contained within **Appendix K**, has also been prepared in order to include the environmental objectives of the WFD into the Shoreline Management Plan, through assessing the potential hydromorphological changes and consequent ecological impact of SMP policies.
- Landscape Character and Visual Amenity – Some areas of the SMP2 lie within nationally important landscapes including the Lake District National Park, Areas of Outstanding Natural Beauty and Heritage Coasts.
- Historic Environment – the SMP2 area contains a complex array of historic buildings (many of which are scheduled or listed), historic settlements and landscapes including Registered Parks and Gardens, and known archaeological sites that are a fundamental component of the regional identity. The SMP2 area also includes two World Heritage Sites (WHS); Hadrian's Wall and Liverpool Maritime Mercantile City.
- Land Use, Infrastructure and Material Assets – much of the land along the coastline is made up of a combination of good/moderate quality agricultural land, sand dunes, urban areas (see population below), MoD land, ports and harbours and major industrial sites. Infrastructure within the SMP2 area varies from rural roads to major transport linkages (e.g. airports, railway lines, motorways and A-roads). The SMP2 area is also important for energy production comprising offshore and onshore wind farms and gas, hydro and nuclear power stations.

2.3 Strategic Environmental Assessment Objectives

What are the Strategic Environmental Assessment (SEA) objectives?

Strategic Environmental Assessment objectives were identified for the SMP2 to appraise the preferred policy options during the assessment process. The following objectives were developed following identification of the key environmental features (or assets) and an understanding of the strategic environmental issues along the coastline.

- To support natural processes and maintain and enhance the integrity of internationally designated nature conservation sites and maintain / achieve favourable condition of their interest features (habitats and species)
- To avoid adverse impacts on, conserve and where practical enhance the designated interest of nationally designated nature conservation sites. Maintain/achieve favourable condition
- To avoid adverse impacts on, conserve and where practical enhance the designated interest of locally designated conservation sites

- To avoid adverse impacts on, conserve and where practical enhance national and local BAP habitats and species
- To support natural processes and maintain geological exposures throughout nationally designated geological sites
- To maintain and enhance features as a natural flood defence
- To manage any risk of change in quality of aquifers as a result of significant saline incursion
- To manage and minimise risk of pollution from contaminated sources
- To conserve and enhance nationally designated landscapes in relation to risks from coastal flooding and erosion and avoid conflict with AONB and National Park Management Plan Objectives
- To minimise coastal flood and erosion risk to scheduled and other internationally, nationally, locally and regionally important cultural heritage assets, sites and their setting
- To minimise the impact of policies on marine operations and activities
- To minimise coastal flood and erosion risk to critical infrastructure and maintain critical services.
- To minimise coastal flood and erosion risk to agricultural land and horticultural activities
- To minimise coastal flood and erosion risk to people and residential property
- To minimise coastal flood and erosion risk to key community, recreational and amenity facilities
- To minimise coastal flood and erosion risk to industrial, commercial, economic and tourism assets and activities
- To minimise coastal flood and erosion risk to Ministry of Defence ranges

2.4 Consultation

How were the public consulted about the Strategic Environmental Assessment?

An awareness raising leaflet was produced and widely distributed at the start of the studies to encourage participation and help gather data and identify interested parties. The draft environmental baseline review was discussed at a series of stakeholder workshops and made available on the project website. The baseline reports were updated following consultation and have been used throughout the SMP2 development. A three month public consultation on the draft SMP2, including the SEA is planned between 5th October 2009 and 10th January 2010. Full details of the consultation process including consultation materials, comments made to date and comments on how they have been taken into account are being documented in **Appendix B**.

2.5 Identification and Review of Alternative Policy Scenarios

In addition to the four standard SMP2 policy options described in Section 1.1, cases of 'with present management' and 'no active intervention' throughout the SMP2 area were also assessed during the development of the SMP2. The 'with present management' case assumes that the present management practices will be continued indefinitely, regardless of economic or technical constraints and is useful for comparative work when undertaking the policy scenario development stage of the SMP2, while the 'no active intervention' case is essentially a walk away and do nothing scenario.

Based on the background understanding of how the coast responds in 'no active intervention' and 'with present management' situations, the potential risks posed to the environmental assets were identified, and an initial set of policy scenarios were developed using these 'strings' of policy options (see **Appendix F**).

In order to ensure that the potential wider impacts of SMP2 policy decisions are considered, the SMP2 guidance suggests developing a 'policy scenario' rather than looking at individual policy units. This brings together individual policy units that interact with those next to them (i.e. a group of policy units). This approach has been followed for this SMP2, using a 'string' of SMP2 policy options over a discrete stretch of coastline (Policy Area). These Policy Areas were defined in terms of their geology, coastal processes and features present.

For each Policy Area, generally up to three initial policy scenarios were developed for appraisal. In each policy area, draft policy unit boundaries were identified, and for each policy unit one of the four SMP2 policy options was assigned in each of the three epochs: 0-20 years (short-term), 20-50 years (medium-term) and 50-100 years (long-term).

The resulting 'policy scenarios' for each policy area were appraised against SMP2 issues and objectives agreed with stakeholders, including the environmental features (ie SEA receptors) identified along the coastline. This involved an assessment of the likely future coastal change that would occur as a result of these scenarios. By comparing achievement of objectives, provisional SMP2 policy unit boundaries and policies were selected. These provisional SMP2 policies were then discussed and agreed at Stakeholder and Elected Member Forums.

Appendix G identifies the environmental impacts of each of the alternative scenarios developed through an assessment of the SEA receptors set out in the SEA Directive. It has helped to identify the preferred SMP2 policy for each policy unit.

2.6 Environmental Impacts of the SMP2

The environmental effects of the preferred SMP2 policies on the standard SEA receptors are described in detail Annex I of **Appendix I 'SEA'** and summarised in the **Policy Statements** in **Section 5** of this document. An overview of the findings across the SMP2 is provided below.

Flora and Fauna: The SMP2 seeks to support natural processes and maintain wildlife (including the condition of designated sites) along the coastline. The SMP2 recommends the preferred policies of no active intervention or managed realignment where it would be possible to enhance and/or create new areas of wetland habitat within or adjacent to designated conservation sites, which would have beneficial impacts.

However, in some locations, holding the line is essential to protect cities or towns. In some of these locations, coastal habitats such as sand dunes, saltmarsh, mudflats and/or sandbanks may be adversely affected or lost in the long term due to expected future sea level rise as they may become squeezed against fixed defences or cliffs. Where impacts on international conservation sites are possible, further assessment (a Habitats Regulations Assessment) has been undertaken. It is not proposed to hold the line in any previously undefended areas. In other areas, where defences will continue to be maintained, some designated freshwater or terrestrial habitats may benefit from holding the line and be protected from coastal flooding.

There are often conflicts between allowing the coastline to evolve naturally (benefiting marine or intertidal habitats) and maintaining designated terrestrial/freshwater sites on the land. In such areas, any SMP2 policy will result in some loss of habitat. Careful management of the shoreline will therefore be necessary to sustain the designated habitats in place wherever possible, while managing and adapting to changes due the impact of future sea level rise.

Earth Heritage, Soils and Geology: The proposed SMP2 seeks to support natural processes and maintain the visibility of and accessibility to geological features wherever possible. There are however, some areas where continued protection of urban settlements is required and in some of these areas the SMP2 policies may damage geology or earth heritage features. In general, the SMP2 is not recommending the construction of new defences to maintain economic assets in areas where none are currently present.

Along many areas of the frontage, beach management is proposed to maintain natural features, particularly in the short-term. However, where HTL is proposed to protect significant urban communities, increasing sea levels may result in the narrowing of natural defence features in future.

Air and Climate: No impacts on air and climate are anticipated as a result of the preferred SMP2.

Water: In most areas along the coast, the proposed SMP2 protects the majority of potentially polluting features such as landfill sites from flooding or erosion. However, there are some areas where changes to flooding or erosion risks at landfill sites may be experienced and in these areas, potential or known contamination sources should be investigated further at a more detailed stage to confirm the approach to policy delivery and manage pollution risks to water resources. It is envisaged that the SMP2 policies could be implemented in a manner that avoids pollution of surface water. However, there is the potential for saline intrusion to affect groundwater in three areas (due to the preferred SMP2 policies of either managed realignment or no active intervention in some or all epochs). Again, in these areas further investigation of the approach to policy delivery and monitoring will be recommended at a more detailed stage.

Landscape Character and Visual Amenity: The proposed SMP2 policies seek to achieve a free functioning natural coastline wherever possible, thus creating a more natural coastal and estuarine landscape and reducing piecemeal man-made structures on the beach. This is more beneficial to the landscape than a policy of defending the whole coastline, which would involve construction of new, more substantial defences, which in some places would also be unlikely to be technically sustainable or economically viable.

Generally, the SMP2 policies therefore conserve nationally designated landscapes and avoid conflicts with AONB Management Plan or National Park objectives, though localised changes in landscape (e.g. landscape changes resulting from the potential loss of coastal features) will need to be considered further at a more detailed level when approaches to delivering policy are determined.

Historic Environment: The majority of the heritage sites will be retained and protected through the preferred SMP2. However, in areas where there are benefits in reverting to natural processes either by no active intervention or through managed realignment, there may be an increase in tidal flooding or erosion risk with associated negative impacts on isolated historic assets (e.g. Scheduled Monuments, a Registered Park and Garden, parts of Hadrian's Wall WHS and non-scheduled archaeological features of medium and high importance). Important historic assets that may be affected lie within the Dee Estuary and Leven Estuary; at Piel Island, Saltom Pit, Maryport and Hadrian's Wall between Cardurnock and the Scottish Border.

Land Use, Infrastructure and Material Assets: For much of the coastline, the SMP2 policies will not affect critical infrastructure or crucial services. However, it will become increasingly difficult to minimise the risk to infrastructure and material assets in some areas in the long-term as sea level rise causes holding the line to become less acceptable due to economics, technical sustainability and environmental acceptability. In these areas, affected infrastructure may include some local roads and sewage works etc, particularly in areas that are realigned or that experience overtopping of defences during storm surges. Consequently, it may be necessary to re-route some of the critical infrastructure in the longer term.

The SMP2 policies will help reduce the coastal flood and erosion risks to large areas of agricultural land, with the long term policies protecting around 25,000ha of currently at risk land from erosion/flooding. However,

where no active intervention or managed realignment is proposed, the loss of some agricultural land will be inevitable.

The proposed SMP2 policies are generally beneficial to industrial and commercial premises and/or activities, by protecting areas of significant development from flooding or erosion. However, some isolated industrial or commercial facilities may be affected, as policies leading to a more 'natural' and sustainable shoreline in the long-term are implemented.

The preferred SMP2 may result in the flooding or erosion of small areas of MoD ranges in the short to long-term as these generally lie within undeveloped stretches of coastline. In the longer term, Eskmeal Ranges may experience an increase in tidal flooding if the dunes breach under a no active intervention policy but as there is no change to the existing management regime, there will not be an increase in the number of MoD sites at risk.

Population and human health: For much of the coastline, the preferred SMP2 will maintain existing defences where economically viable in the long-term, thus having a beneficial impact on people, their health and property by protecting areas of significant urban development and developed parts of the coastline from flooding or erosion. The proposed SMP2 policies provide for long term protection to over 107,000 residential properties that would be at long term risk of loss. However, there are some areas where isolated properties and areas of community, recreational and amenity facilities exist and may be lost to flooding or erosion through allowing the coastline to retreat naturally.

Under the proposed SMP2 long-term policies, the key centres of tourism and recreation will continue to be protected. However, this will be at the expense of natural beaches along many of these frontages, which are unlikely to be retained as the frontages and promenades become more prominent, exposed and less accessible.

2.7 Appropriate Assessment

In many locations along the North West England and North Wales coastline, policies would be implemented within or next to international conservation sites (European sites). A Habitats Regulations Assessment (**Appendix J 'Appropriate Assessment'**) has therefore been undertaken in accordance with the requirements of the EC Habitats Directive (92/43/EEC) and European Union Birds Directive (79/409/EEC) and their implementation in the UK under the Conservation (Natural Habitats &c.) Regulations 1994, under Regulation 48(1) ("Habitats Regulations"). Natural England and the Countryside Council for Wales are currently being consulted on the conclusions of the draft Appropriate Assessment.

Full details of the approach used and the findings of the draft Appropriate Assessment is given in **Appendix J**. The draft conclusions now need to be considered and agreed by Natural England and the Countryside Commission for Wales.

What is the overall finding of the Draft Appropriate Assessment?

The overall conclusion of the draft Appropriate Assessment is that provided that the preventative measures that have been recommended in the SMP2 Action Plan, such as additional studies or assessments to explore the practicality and feasibility of each particular Policy option and the best way to implement it, then it can be concluded that No Adverse Effects are anticipated on the Integrity of the International Sites within the SMP2 area at this stage.

2.8 Water Framework Directive Assessment

A Water Framework Directive (WFD) assessment has been prepared and can be viewed in **Appendix K** of the SMP2.

Ecological and water quality can be influenced by SMP2 Policy as changes in coastal management may result in different hydrological regimes and water body morphology – including such factors such as current velocities, sediment accretion/erosion, water quality (turbidity, salinity) and tidal inundation. This WFD assessment takes into consideration the potential effects of SMP2 policy options on the ecological and water quality elements of the coastal and transitional (estuary) water bodies directly affected by the SMP2. It also incorporates an assessment of adjacent river water bodies, which may also experience some indirect effects due to SMP2 policies (such as shifting in the upper tidal limit in rivers). The potential effects on ecological quality elements are associated with changes in hydrological regimes and water body morphology – including such factors as changes in current velocities, sediment accretion/erosion, water quality (turbidity, salinity) and tidal inundation.

The WFD assessment also considers whether the SMP2 policies may have adverse consequences for water bodies protected under other EU legislation, in particular Special Protection Areas and Special Areas of Conservation (related to the Birds Directive and Habitats Directive, respectively). Additionally, the potential for changes in groundwater bodies are considered insofar as such changes could affect dependent ecology (i.e. groundwater dependent ecosystems).

A further consideration of possible impacts on groundwater bodies relates to their use for public (or other) water supply. Such considerations are primarily related to 'no Active Intervention' and 'managed realignment' policies, which could result in a geographical change in the shoreline in the vicinity of a groundwater Source Protection Zone (SPZ).

What is the overall finding of the WFD Assessment?

Full details of the approach used and the findings of the draft WFD assessment are provided in **Appendix K**.

The majority of the SMP2 Policies comply with the WFD Environmental Objectives and will not lead to deterioration in Ecological Status or Ecological Potential of the water bodies in the SMP2 area.

However, some of the preferred policies within a limited number of Policy Units have the potential to fail in meeting WFD environmental objectives. Where this is the case, summary statements that assess the preferred SMP2 policy against Article 4.7 of the WFD are provided in **Appendix K**. In these Tables, the reasons for policy selection are outlined and mitigation measures are proposed that should avoid the potential failures occurring.

The most significant potential failures of WFD environmental objectives relates to potential saline inundation of a groundwater body and potential for re-activation of contaminated sediments. Mitigation actions have been proposed to minimise the potential impacts in the SMP2 Action Plan.

3 Overview of the Shoreline Management Plan

3.1 Summary of the Plan

This SMP2 aims to achieve balanced sustainability, i.e. optimising the achievement of objectives for people, nature, historic and economic realities. In doing so it recognises that achievement of this goal will not be instantaneous and will be the outcome of the managed plan.

As indicated in Section 1.4, this SMP2 is based on the result of numerous studies and assessments.

The proposed short term (first epoch-up to 20 years) policies for the Cell 11 SMP2 coastline provide a high degree of compliance with objectives to protect existing communities against flooding and erosion. The preferred long-term policies promote greater sustainability for parts of the shoreline where natural process and evolution provide a practical means of managing the shoreline.

In the longer term, ongoing coastal change combined with the expected impacts of climate change and sea level rise means that policies that continue to defend the shoreline in the present-day manner will generally result in the need for increasing lengths of defences that are larger with smaller beaches to seaward. As well as being increasingly difficult to afford, such an option will inevitably produce a change in the nature of the coast, with a prominence of large concrete seawall structures and fewer beaches. In some locations there is socio-economic justification to maintain existing defences in the short to medium term, but when defences need rebuilding in future alternative opportunities to optimise management techniques to sustain or adapt the assets presently protected may need to be undertaken. In such locations it will be important to put steps in place to adapt and respond to coastal change and plan for the future sooner rather than later.

The preferred plan for each SMP2 sub cell area is explained in the following sections of text. Details of the preferred policies for individual locations are provided by the individual Policy Statements in **Section 5**.

Sub-cell 11a – Great Orme's Head to Southport

This section of coast includes the area stretching between Great Orme's Head, North Wales, and Southport and incorporates the two major estuaries of the Dee and Mersey as well as the smaller Clwyd and Alt. As such, there are significant interactions between the open coast and the estuaries in this section. This coastline is important for tourism (North Wales), industry and commercial activities (Dee and Mersey estuaries), heritage (Chester, Liverpool) as well as its environmental significance (Formby Dunes, Dee estuary).

Over the last 200 years, the construction of a mixture of seawalls, revetments, groynes and flood embankments along the majority of the North Wales coast has prevented shoreline erosion and managed flood risk to coastal towns (including Llandudno, Rhos-on-Sea, Colwyn Bay, Towyn, Rhyl and Prestatyn), tourism assets and infrastructure. However, these structures have also led to a lowering of beach levels, erosion of dunes and the need for beach management. There is strong justification to continue to manage erosion and flooding risks for most of this frontage over the next century, however, this is likely to result in increasing beach loss over time and further beach management will be required to sustain beaches which are important for coastal defence, amenity, tourism and environmental conservation. The sand dunes of Point of Ayr spit have important environmental designations and provide a natural defence to the low lying land behind, and as such need to be allowed to behave as naturally as possible without major intervention.

The mouth of the Dee estuary is characterised by several channels and sandbanks, the small rounded spit of the Point of Ayr near Talacre, and Hilbre Island at West Kirby. Much of the Welsh bank of estuary has industrial and commercial activities at the shoreline, including factories and power stations, as well as the railway line and roads. A number of urban areas, including West Kirby, Parkgate, Connah's Quay and the city of Chester are also located around the estuary. There are numerous environmental conservation designations

along the frontage, with the Dee estuary internationally designated as a Special Protection Area, Ramsar site and Marine Protection Area to protect the extensive inter-tidal flats and the numerous waterfowl that use the habitat. There is section of eroding cliffs near Thurston that are also environmentally designated. The long term plan is to continue to protect commercial and industrial assets from flooding and erosion, but to also allow more natural evolution where appropriate. In order to mitigate the impacts of the defences on the evolution of the estuary in combination with expected future sea level rise the plan allows for creation of areas of new habitat by moving defences inland where opportunities exist.

The northern Wirral coastline is significantly influenced by the Dee and Mersey Estuaries at either end of the frontage. Sand dunes and the environmentally designated wide sandy foreshore have formed along the length of the frontage, providing natural protection to the settlements of Hoylake, Moreton and Birkenhead and recreational assets along the frontage. The whole frontage is currently defended, and the long term plan is to also continue to provide flood and erosion protection to the residential areas, infrastructure and low lying land along the frontage. However, the justification and sustainability of continuing to hold the present defence line for the whole frontage requires more detailed investigations and consideration of combinations of front line and secondary defences.

The Mersey estuary is quite different from most other estuaries in the North West, having a deep narrow mouth, with rocky shores that have been extensively modified in the past. Consequently, the shoreline is now almost entirely industrialised with extensive port facilities, power stations and oil refineries and onshore wind farms. There are also substantial urban areas, with associated recreational and amenity facilities. The Liverpool Maritime Mercantile City is a World Heritage Site, with significant commercial, civic and public buildings. The Manchester Ship Canal runs along the southern shoreline of the Inner and Upper estuary. The long term plan in the Narrows and Inner Mersey estuary is to maintain the status quo by continuing to provide the same extent of protection currently afforded to property and infrastructure, while allowing natural evolution of the shoreline where there are currently no defences present. In the Upper Mersey, however, the long term plan is to look at opportunities to potentially reduce flood risks upstream and create additional habitat.

The Sefton frontage, between the Mersey estuary and Southport, is characterised by a wide sandy foreshore, backed by dunes. The shoreline has been heavily influenced by both the Mersey and Ribble Estuaries and is environmentally designated for the extensive dune habitats. The significant dune system, extending up to 4km inland at Formby, is eroding around Formby Point, but is also accreting to the north and south. Allowing the natural evolution of this area is the long term plan with only minimal intervention if local problems occur. The frontage also supports a number of large urban settlements, namely Crosby, Hightown, Formby and Southport. However, much of the frontage remains unprotected by defences, with structures concentrated at Crosby, Blundellsands and Southport. The long term plan here will be to manage the risks to property and infrastructure if and when threatened by erosion, although continued accretion along areas of the frontage could mean that little intervention is actually required to implement this plan.

Sub-cell 11b – Southport to Rossall Point, Fleetwood

This section of coast covers the area between Southport and Rossall Point near Fleetwood, and includes the Ribble estuary as well as the River Douglas. The Ribble estuary and its associated banks and channels exert a significant control on the evolution of both the important tourist areas of Southport frontage and the Fylde Peninsula.

The Ribble estuary contains internationally important environmentally designated areas including a Special Protection Area and Marine Protection Area. It is naturally accreting and this has allowed and encouraged widespread reclamation in the past. The low-lying land around the estuary is mostly agricultural interspersed

with settlements including Southport, Hesketh, Hutton, Penwortham, Bamber Bridge, Freckleton and Warton, while the urban area of Preston lies in the upper estuary. Tourism and recreational facilities exist, including a number of sailing clubs and nature reserves. The long term plan is to maintain protection of Southport and Preston and their associated facilities, as well as large areas of low-lying agricultural land along the southern bank of the estuary, in combination with seeking further opportunities for habitat creation and creating set back areas to help reduce flood risk and manage the impact of defences on the estuary in the longer term. Along the River Douglas the plan is to continue to manage risks to assets on the extensive flood plain throughout much of its length.

The Fylde Peninsula sits between the Ribble estuary, to the south, and Morecambe Bay, to the north, and is backed by the Wyre estuary, and at a large scale it has potential to be affected by changes within these systems. There is a sand dune system to the south at Lytham, which is fronted by a wide sandy beach, although the majority of dunes have been significantly modified and built upon. The long term plan is to continue to provide protection through maintenance of formal defences in combination with encouraging the natural dune system to evolve where possible, as a natural form of defence. Dune management should allow the dunes to supply material to feed Lytham frontage, however, there may be a need to construct localised set back defences behind the current dunes for additional flood protection to low lying areas behind.

From central Blackpool to Anchorsholme, up to 30m high protected cliffs back the sand beach, while north of Anchorsholme the frontage is low lying and potentially at flood risk from both the open coast and the Wyre estuary. The frontage is heavily urbanised, with the town of Blackpool spreading into Thornton and Cleveleys. Consequently, much of the shoreline is now held seaward of its natural position and this has implications for future management of this coastline as sea levels rise. Again, the long term plan is to provide continued protection. The major tourist centre of Blackpool and the residential areas of Thornton and Cleveleys will continue to be defended; however, this is likely to result in diminishing beach levels over time. Therefore there will be increasing future needs for beach management to sustain these beaches which are important for coastal defence, amenity, tourism and environmental conservation.

Sub-cell 11c – Rossall Point, Fleetwood to Haverigg

This section of coast between Rossall Point, Fleetwood and Haverigg, includes Walney Island and the Wyre, Lune, Kent, Leven and Duddon estuaries; as well as the Rivers Cocker and Keer, all forming integral components within the larger Morecambe Bay system. The Bay is characterised by extensive sandflats, which become exposed at low tide. Various channels cut across these sandflats and the dynamic meandering of these is an important influence upon patterns of shoreline erosion and accretion. The shorelines of the Bay are characterised by large areas of saltmarsh in more sheltered areas fronting rocky outcrops, low cliffs and low lying land. The five key estuaries exert a significant control on the behaviour of adjacent shorelines. The inter-tidal zone of Morecambe Bay and the estuaries are internationally important environmentally designated areas.

The Wyre estuary is characterised by marshland, agricultural land, small villages and urban and industrial settlements in the Thornton area, including the Hillhouse Plant commercial power station. The low-lying area to the west provides a continuous potential flood route linking through to the coast and there is reported evidence that there was a historical channel westwards to the shore at Cleveleys. The estuary falls within the boundaries of the Morecambe Bay Special Protection Area, Special Area of Conservation and Marine Protection Area. The vast areas of flood risk at Fleetwood, Cleveleys and Knott End and development lying within those areas justify continuing to provide appropriate flood risk management measures in the long term. Notwithstanding this, there are some areas in the upper reaches of the estuary where realignment opportunities back to higher land, to provide additional intertidal habitat that could offset future impacts of flood defences on the internationally important sites.

The open coast section between Knott End-on-Sea and the headland at Heysham is characterised by low lying agricultural land fronted by large areas of saltmarsh in sheltered areas and a wide sandy intertidal zone. There is some recreation and tourist use, and a number of scattered settlements, including Knott End-on-Sea, Preesall and Pilling. The long term plan is to continue providing protection against flood and erosion to property and infrastructure, although there is some opportunity to recreate saltmarsh along much of this frontage, by retiring to a secondary defence line. At Cockerham there is a need for more detailed studies to consider the justification for continuing to defend as there are a range of significant realignment opportunities which need to be fully evaluated, including any implications on agricultural output, ground water bodies and flows into/out of the Lune estuary.

The mouth of the Lune estuary is constrained by eroding cliffs at Sunderland Point and Plover Hill. The outer areas of the estuary are characterised by large intertidal areas, saltmarsh and a meandering low water channel. At present, the access route to Sunderland village across a marsh is cut off on large tides. This will worsen in the future and longer term viability of sustaining Sunderland village itself needs consideration. Within the middle reaches of the Lune, training walls which once constrained the channel are becoming increasingly ineffective. Consequently, where the channel is now able to meander freely, saltmarsh erosion is occurring. The city of Lancaster is located in the inner part of the estuary where there has been significant development on the flood plain. The long term plan for the Lune is to continue to protect infrastructure and the historic city of Lancaster, but other areas would not be defended, allowing occasional inundation and natural evolution.

The section of coastline between Heysham and Arnside includes the large port and nuclear power stations at Heysham and the tourist town of Morecambe which will all justify continued protection into the long term. Maintenance of this headland will also continue to provide protection to adjacent frontages to the south. Elsewhere; the long term plan is generally to continue to provide appropriate protection to property and infrastructure where it is threatened by erosion or flooding while allowing other coastal sections to evolve naturally. Long term management along significant parts of this section will however, depend on whether the coastal railway continues to operate into the long term. Between Heald Brow and Arnside the resistant headlands will be allowed to continue to function naturally without intervention.

The Kent estuary, characterised by large expanses of low-lying land agricultural land interspersed with low hills, is constrained at the mouth by the railway viaduct at Arnside. The two small towns of Storth and Sandside are also located within the estuary, as well as other smaller villages and farms. The long term plan is to continue to protect the settlements of Arnside and Sandside from flooding and erosion and to maintain the integrity of the railway as long as it remains. In order to mitigate the impacts of these defences on the evolution of the estuary, in combination with expected future sea level rise, the long term plan also allows for creation of areas of new habitat and flood storage areas, by moving defences inland where opportunities exist. Proposed realignments will need to be considered in combination for impacts upon flows into and out of the estuary and to assess potential economic losses resulting from reduction in agricultural land. As the flood risk area within the Kent estuary is so large, a no active intervention policy was not considered appropriate as a future policy option.

The urban settlement of Grange-over-Sands will justify ongoing coastal defence, however, continued accretion and development of saltmarsh along the frontage is likely to mean that only limited intervention will be required in the short term. The long term vision for the Cartmel Peninsular is to set back defences, while maintaining protection, where economically justifiable, to the railway and agricultural land, and to allow additional saltmarsh development/habitat creation.

The Leven estuary, similar to the Kent estuary, is also constrained at the mouth by a railway viaduct, however, the River Leven meanders through hills interspersed with smaller areas of low lying land which extend back to

higher land. The long term plan is to continue to protect property and infrastructure at Greenodd, but to also return much of the remaining estuary back to a more natural system. The plan is to realign flood risk areas back to higher ground where opportunities exist and then allow natural process to return the estuary to a more natural state whilst creating additional habitat.

Between the Leven estuary and Piel Island the general plan is to allow natural functioning of the shoreline without intervention, although local protection could be justified where the road or property is at risk. In addition, industrial facilities in the flood zone between Canal Foot and Ulverston will justify continued protection into the long term. Between Newbiggin and Rampside, maintaining the present defence line will be dependent upon the economic case for maintaining the coast road on its present alignment. In the event it is deemed uneconomical to maintain the road in this location then a policy of no active intervention or realignment of defences in a set back position should be adopted. Limited defences are present on Piel Island and the plan for this location is to allow natural processes to continue, however, localised defences may be permitted to protect the scheduled monument subject to consent.

Walney Island is characterised by large environmentally designated sand and shingle spits to the north and south which extend into the Duddon estuary and Morecambe Bay respectively. Significant areas of Walney are low-lying and at coastal flood risk, including the village of Biggar, while other parts of the island, including the major settlements at Vickerstown and North Walney are on higher land. There are also a number of historical landfill sites on the eroding west coast of the island which constitute a risk of pollution if allowed to erode. East of the Walney Channel, the heavily industrialised town of Barrow-in-Furness and the Port of Barrow on the mainland coast benefits from the protection provided by Walney Island. Appropriate long term protection policies are provided for the major areas of property, industry and associated infrastructure throughout Barrow-in-Furness. The long term plan for Walney Island is to manage flood and erosion risk to residential areas and landfill sites and maintain the overall integrity of the island, even though it is predicted that the integrity of Walney Island as a whole can be maintained naturally over the next century. Locally, at Earnse Point the feasibility of modifying the defences to facilitate the movement of sediment along the frontage and maintain down drift frontages needs investigating.

Most of the Duddon estuary comprises extensive areas of environmentally designated saltmarsh and intertidal sandflats with only a narrow channel of water remaining at low tide. Two naturally evolving dune systems are present at the mouth of the estuary: Haverigg Dunes on the northern bank and Sandscale Dunes on the southern bank. The plan is to continue to allow these dune systems to evolve naturally, providing important natural defence features. Low lying land around the estuary is mainly agricultural, however, a few scattered settlements such as Askam, Kirkby, Broughton and Millom, as well as the railway are also partly located within the coastal flood risk zone. Consequently, a number of substantial realignment opportunities exist throughout the estuary, seaward of the railway line and these could be exploited to mitigate potential impacts of expected sea level rise in the long term. The long term plan therefore is to set back defences where opportunities exist, while continuing to protect necessary infrastructure and residential / commercial property in main villages and towns. Amenity value and designated habitats within the lagoon will be maintained if deemed justifiable and affordable following investigation in the short term. In the future, realignment of defences so the lagoon becomes tidal once again may be feasible, but only if suitable freshwater compensatory habitat has been created.

Sub-cell 11d – Haverigg to St Bees Head

The varied coastline between Haverigg, at the mouth of the Duddon estuary, and St Bees Head incorporates the Ravenglass estuary complex (including the Rivers Mite, Esk and Irt) as well as the Rivers Calder and Ehen. The frontage is characterised by eroding cliffs of varying heights to the south, sand dune systems, and resistant

cliffs to the north, interspersed with small settlements and the Sellafield nuclear waste processing and storage facility and Drigg low-level waste storage site. Much of the frontage is within the Lake District National Park and the St Bees Head Heritage Coast is at the northern boundary of this frontage. The Cumbrian railway line is also a significant feature along a large stretch of this coast between Seascale and St Bees and within the Ravenglass estuary complex. If the railway is to remain operational then the long term plan would be to maintain it in its current position and continue to afford defence to it. If the railway does not remain, then the long term plan would be to not continue to maintain those defences. However, even walking away would not enable a 'naturally' functioning coast as the debris from existing structures would take decades to disperse.

The long term plan between Haverigg and Seascale is to allow natural processes to continue, however maintenance of isolated local defences would be permitted in the short term as long as there is no adverse effect on coastal processes. The local road at Stubb Place is at risk of being lost to erosion, although the road could be relocated further inland. Natural accretion of the dunes will provide protection to much of Haverigg; however, the continued provision of formal defences will also be required to address flood risk issues in this location.

Within the environmentally designated Ravenglass estuary complex, the natural behaviour of Rivers Esk, Mite & Irt will be allowed to continue through into the long term. Ravenglass village will continue to be protected and localised defence of the railway is not expected to have detrimental effects on the natural behaviour of the river channels or environmental designations.

At Drigg, the nuclear storage site is not at risk of erosion within the timescale of the plan, however, there will continue to be strong justification to continue to protect the nuclear facility at Sellafield, due to its national significance, as well as Seascale, from flooding and erosion throughout and beyond the next hundred years.

North of Sellafield to St Bees, consideration needs to be given to the existing and expected future increases in risks to the railway which is critical infrastructure, therefore flood and erosion risk to the railway should be monitored and defence works considered where the railway is at risk. The properties built on the beach seaward of the railway will become increasingly at risk of inundation and are expected to be largely unsustainable in their current position in the long term. The short term plan at St Bees is to continue to maintain the frontage for amenity /recreational /tourism value, but in the long term options will need to be investigated to allow the coast to realign to a more natural and affordable position to enable the beach to remain in the future.

Sub-cell 11e – St Bees Head to the Scottish Border

The Cumbria coastline between St Bees Head and the Scottish border includes Moricambe Bay (including the Rivers Wampool and Waver) and the southern shoreline of the Solway Firth; as well as the Rivers Ellen, Derwent, Eden and Esk (north). The southern boundary of sub-cell 11e forms part of the St Bees Head heritage coast, whilst north of Dubmill Point, including Moricambe Bay and the Solway Firth estuary, the shoreline is internationally important for its environmental designations. To the north of Maryport, the coastline is within the Hadrian's Wall World Heritage Site, with 48 Scheduled Monuments, the majority of which relate to frontier defences forming part of the Heritage Site. Northern sections of frontage also lie within the Solway Coast Area of Outstanding Natural Beauty.

The towns and ports of Workington, Whitehaven, Maryport and Silloth are key centres. Historical reclamation using mine waste has taken place at Workington, Whitehaven and Maryport in the past. Consequently protection of these areas will remain necessary into the long term. The plan for other smaller settlements, including Allonby, Flimby and Parton, is to continue to manage flood and erosion risk to these settlements.

Where the foreshore is currently healthy, such as at Allonby, this is likely to involve limited intervention in the short and medium term.

The Cumbrian Coastal Railway extends along the shore for large sections of the coast between Whitehaven and Maryport. If the railway is to remain operational then the long term plan would be to maintain it in its current position and continue to afford defence to it. If the railway does not remain, then the long term plan would be to not continue to maintain those defences. However, even walking away would not enable a 'naturally' functioning coast as the debris from existing structures would take decades to disperse.

In a number of other areas along the frontage, including between St Bees Head and Whitehaven, Workington and Siddick and between Maryport and Silloth, the long term plan allows for a naturally evolving shoreline, enabling sediment to build beaches and to conserve the environmental status of these areas. Present defences in front of Saltom Pit Scheduled Monument will be maintained, but not replaced once they can no longer be repaired. Between Workington and Siddick protection of current assets such as windfarms will continue in the short term. Sections of the coastal road between Maryport and Silloth, for example at Dubmill Point will need rerouting at a future time.

Moricambe Bay is situated along the southern shoreline of the Solway Firth estuary between The Grune and Cardurnock and forms part of the internationally important environmentally designated areas of the Solway. The sheltering effect of the shingle spit of The Grune and the promontory at Cardurnock has resulted in the development of extensive areas of saltmarsh within the sheltered Bay. The Rivers Waver and Wampool drain into Moricambe Bay. An earth embankment, setback from the foreshore at Skinburness, is the only formal flood defence within the bay. The long term plan for Moricambe Bay is to allow the shoreline to retreat where appropriate, so allowing the sea to return to low lying areas to create saltmarsh as sea levels rise. Localised defences may be permissible to protect land and property, but are unlikely to attract central government funding in many cases. A coastal process and strategy study is recommended for Moricambe Bay and between Silloth and the Grune, to consider the linkages between the Grune and the long term evolution of the adjacent internationally designated sites.

The area north-east of Moricambe Bay includes the dynamic inner section of the Solway Firth estuary and its confluence with the Rivers Eden, Esk and Sark at the Scottish Border. Extensive sandbanks, mudflats and saltmarsh characterise the large intertidal areas of this section and they are designated for their internationally important environmental features. Land use is largely agricultural, however, there are several small settlements and the MOD sites at Longtown and Anthorn are located along this frontage. The long term plan for this area is to allow the shoreline to continue to evolve naturally as much as possible, allowing expected future sea level rise to return low lying areas to saltmarsh. Some localised defences would be permissible to protect agricultural land and property, but are unlikely to attract central government funding in many cases.

3.2 Achievement of Objectives by Preferred Plan Policies

An overview of how the SMP2 objectives (defined in the SEA Environmental Baseline Report – **Appendix D**) have been achieved by the SMP2 policies as well as the predicted implications and benefits of the preferred Plan is presented below. Detailed predicted implications of the preferred policies for each location are included in each individual Policy Statement (Section 5).

Property, Land Use and Recreation Objectives

For much of the SMP2 coastline, the preferred policy is to maintain existing defences where economically viable into the long term. This is to provide continued management of risks to property and assets as well as

to critical infrastructure and crucial services along the developed parts of the coastline. However, for some sections of the coast, a change in management policy has been identified for the longer term where a hold the line policy is no longer acceptable on grounds of economics, technical sustainability or the environment. Along these frontages there may be a small number of properties at increasing risk as well as some need for re-routing of infrastructure in the longer term as a result of a change of policy to managed realignment or no active intervention. In situations where communities may be affected, it will be critical to manage expectations, implement resilience measures and investigate appropriate relocation or mitigation measures should there be mechanisms to do so. The development of adaptation plans for such areas will need to consider the outcome of the recent Defra and Communities and Local Government consultation on coastal change.

The key areas of management change are the Dee estuary (Sub-cell 11a); Ribble estuary (Sub-cell 11b); Lune estuary, River Keer, Cartmel Peninsula and Duddon estuary (Sub-cell 11c); and the Cumbria coast, Morecambe Bay and the Solway coast (Sub-cell 11e); where the long term technical sustainability and economic viability of a hold the line policy is questionable. These management policy changes are based on comprehensive consideration of multiple factors, including scientific fact and best technical knowledge.

Under a 'no active intervention' scenario, there are estimated to be around 107,900 residential and 20,000 commercial properties, as well as a significant number of regionally important industrial and power generation assets at risk of coastal flooding or erosion across the whole of Cell 11. The proposed SMP policies endeavour to provide long term risk reduction to around 107,400 residential and 19,900 commercial properties as well as the important industrial and power generation assets throughout the SMP area.

Tourism and recreation is an important economic sector, with key centres located along the SMP2 frontage including those at North Wales, Blackpool and Morecambe Bay. While the preferred policy for many of these areas is to hold the line in the long term, there may be a detrimental impact on tourism through loss of beaches at places such as along the North Wales coast and at Blackpool, where it will become increasingly technically difficult to retain beaches as sea level rise causes coastal squeeze pressures. The SMP2 has therefore recognised and discussed future options for beach management in order to sustain these beaches for coastal defence, recreation amenity and environmental conservation.

Agriculture and grazing also represents a share of the local economy and along the coast there are various grades of agricultural land. Along much of the shoreline these areas are in the undeveloped stretches between towns and within the estuaries. In a number of these locations there is insufficient economic justification to maintain or construct new defences, which would also be technically inappropriate in some cases. There is estimated to be around 37,000 ha of agricultural land presently at risk of coastal flooding or erosion under a 'no active intervention' scenario. Of this, the SMP2 policies will provide long term risk reduction to around 25,000 hectares.

There are a number of Ministry of Defence (MoD) ranges along the SMP2 frontage, most of which lie within less developed stretches of coastline. Small areas of these may continue to be at flood or erosion risk under this SMP2 where there are no changes to the existing management regime.

Nature Conservation Objectives

Along large sections of the SMP2 coastline, beaches, dunes and intertidal areas are designated under national and international legislation for their conservation interests and have associated biodiversity targets, which include that dynamic processes be allowed to occur. The shoreline management policies therefore seek to support natural processes and maintain wildlife (including the condition of designated sites) along large areas of this coastline. Policies of no active intervention or managed realignment have been proposed wherever

possible to enhance and create areas of wetland habitat within or adjacent to designated conservation sites, which would have beneficial impacts.

However, in some locations, holding the line is essential to protect cities, towns or other assets. In these locations, coastal habitats such as sand dunes, saltmarsh, mudflats and/or sandbanks may be affected or at risk from sea level rise as they become squeezed against fixed defences or cliffs. Where impacts on international conservation sites are possible, further assessment (a Habitats Regulations Appropriate Assessment) has been undertaken. In general, the SMP2 is not recommending the construction of new defences to maintain economic assets in areas where none are currently present. In other areas, where defences will continue to be maintained, some designated freshwater or terrestrial habitats may benefit from holding the line as they are protected from coastal flooding.

There are also a variety of cliff types along the SMP2 frontage, some resistant, some highly erodible, with many being nationally and internationally important for their geology and geomorphology. The most significant threat to these areas is the creation of artificial structures along the coast that would affect the natural processes of erosion or obscure the exposed geology. The proposed plan therefore seeks to balance the protection of these natural features with the maintenance and protection of property and material assets wherever possible. The preferred policies of no active intervention or managed realignment have been recommended in areas where there are limited human assets or along areas of undeveloped coastline to ensure the preservation of the geological interests.

There are inherent conflicts between allowing the coastline to evolve naturally whilst maintaining designated terrestrial/freshwater sites and in such areas, any policy will result in some loss of habitat. Careful management of the shoreline is therefore necessary to sustain the designated habitats already in place wherever possible, while managing the impact of sea level rise. The conflicting objectives of a more dynamically functioning coastline coupled with conserving existing habitat will rely on the adoption of the appropriate management policy. By making step changes based on analysis of monitoring data, changes to management policy can be made slowly, with limited impact on the habitat.

Water Objectives

In most areas along the coast, the preferred plan protects potentially polluting features such as landfill sites from flooding or erosion. However, there are some areas where flooding or erosion risks to landfill sites should be investigated further at strategy or scheme level to determine if potential or known contamination sources need flood or erosion risk management to avoid pollution of water resources.

It is envisaged that the preferred policies could be implemented in a manner that avoids pollution of surface and groundwater from contamination, although there are a number of areas where further investigations are required to confirm the risks and best approach at strategy level.

Landscape Objectives

The preferred long-term policies in this SMP2 are intended to sustain the current dense urban areas through proactive management of the existing beaches and defences, whilst recognising that new linear and possibly shoreline control defences may be needed in the longer term; although in general the Plan is not to construct new defences in currently undefended areas so much of the coastline will remain as today. However, opportunities for forming a free functioning natural coastline in some areas have been taken wherever possible, to create a more natural coastal and estuarine landscape and reducing piecemeal man-made structures on the beach. This is more beneficial to the landscape than a policy of defending the whole coastline, which would involve construction of new, more substantial defences, which in some places would also be unlikely to be technically sustainable or economically viable.

The policies therefore aim to conserve nationally designated landscapes and avoid conflicts with AONB Management Plans or National Park objectives though localised changes in landscape (e.g. landscape changes resulting from the potential loss of salt pans in the SMP2 area etc) will need to be considered further at strategy or scheme level.

Heritage Objectives

There are a wide range of heritage sites along the coast and the risks to many more of these will be managed through the plan's policies than would survive under a no active intervention policy. The majority of known heritage sites will be retained and protected through the preferred plan. As a large number of Scheduled Monuments, Registered Parks and Gardens, Conservation Areas and Listed Buildings within the North West England and North Wales SMP2 area are located within the towns and cities along the coast, the majority of these heritage assets would be protected, under the preferred policies.

However, in areas where there are benefits in reverting to natural processes either by no active intervention or through managed realignment, there may be an increase in tidal flooding or erosion risk with associated impacts on isolated historic assets including the following Scheduled Monuments:

- Cockersands Abbey;
- Piel Castle on Piel Island;
- Saltom Pit;
- Saltpans north of Maryport; and,
- Parts of Hadrians Wall.

4 Action Plan

4.1 Approach

The purpose of the SMP2 Action Plan is to identify the steps that need to be taken in order to put the SMP2 policies into practice. This primarily includes taking steps to ensure that the SMP2 policies are taken forward in the short term but also to provide a strategic basis for more detailed studies and plans for managing and/or improving coastal management.

It is also vitally important that information provided by the SMP2 on the future coastal risks and their management is disseminated to Local and Regional Planning Authorities so that people involved with the development of and implementation of land use plans can make informed decisions.

As well as short term activities, the SMP2 Action Plan needs to ensure that activities to facilitate the implementation of the longer-term policies are initiated as appropriate. This includes actions to:

- facilitate implementation of the Shoreline Management Plan (SMP2) policies through more detailed local studies and consultation on the best approaches to delivery;
- identify studies to improve understanding or reduce uncertainty where this is required to resolve policy and/or implementation;
- facilitate the development of a prioritised programme of strategy plan development and outline plan of possible schemes;
- deal with the consequences of the plan;
- promote use of the SMP2 recommendations in spatial planning of land use;
- establish a process for informing stakeholders of progress with SMP2 implementation;
- establish a framework to monitor and manage progress against the action plan and initiate future SMP2 review.

Within **Section 5**, Action Plans for individual policy areas have been included in each policy statement. These identify the steps to be taken in the period up to the next review of the plan. This is nominally a 5 - 10 year process, however, the plan provides for reassessment of this timescale should an earlier review be considered necessary.

In the most part, the policy recommendations in this plan will be implemented through the process of coastal defence strategy development and the subsequent implementation of coastal defence schemes or other coastal management actions. The process of implementation will be underpinned by monitoring of the shoreline to identify ongoing behaviour (to confirm assumptions made in policy development), together with targeted study and investigation where specific uncertainties need to be addressed to enable policy (short or longer term) implementation.

Where the Action Plan tables refer to undertaking monitoring, this includes the proper storage and analysis of data to inform management practices. In many areas of the SMP2, the environmental appraisal of options has recommended that monitoring to provide data to assess impacts, assist in the specification of any required mitigation and to feed into future SMP2 revisions. There is already a strategic monitoring programme in place for the Cell 11 coast, known as the Cell Eleven Regional Monitoring Strategy (CERMS). Undertaking strategic regional monitoring is an essential part of the shoreline management processes and a general action from the SMP2 is to continue with the CERMS programme, incorporating additional activities from the SMP2 action plan where appropriate.

4.2 Broad Scale SMP2 Actions

It is expected that implementing this and other SMP2s across England and Wales may require changes at local planning, regional and national government levels. At a time when regions are being charged with increasing the national housing stock, there may need to be compensatory provisions made to offset and adapt to the expected losses highlighted in SMP2s. These provisions may, for example, include making other land available for building, thus facilitating adaptation to changing risks. Regional planning needs to consider the messages being delivered by this SMP2, and ensure that future proposals for regional development and investment are made accordingly. Such planning needs to be looking beyond the current 20 year horizon.

Local planning should consider the risks identified in this SMP2 and avoid approving development in areas at risk of flooding and erosion. Local planning also needs to consider that relocation of displaced people and property may require land set back from the coast to be made available within the same settlements to maintain the same level of community and may need to become increasingly flexible to enable this. Locations for new developments may need to be identified. Within a national context, Pathfinder projects to help develop approaches to coastal adaptation are presently being planned by Defra following a consultation process between July and September 2009. Further information is available on the Defra website, <http://www.defra.gov.uk/environment/flooding/manage/coastalchange.htm>

In the short-term the need to ensure that conservation interests within designated sites or in the wider environment are appropriately addressed by coastal management should be done in a way that engages the public and involves local communities in finding long-term solutions to issues. To help deliver this objective Natural England has published a Maritime Strategy entitled 'Our coasts and seas: making space for people, industry and wildlife', available from the Natural England website.

To accommodate retreat and loss of property and assets, whether due to coastal erosion or flooding, local operating authorities will need to develop action plans. These will need to address the removal of buildings and other cliff-top facilities well in advance of their loss. The plans for relocation of people also need to be established and clear for all affected. However, mitigation measures do not fall solely upon national and local government and should not be read as such within this Plan. Business and commercial enterprises will need to establish the measures that they need to take to address the changes that will take place in the future. This includes providers of services and utilities, who will need to make provision for long-term change in coastal risks when upgrading or replacing existing facilities in the shorter term. They should also consider how they will relocate facilities that will become lost to erosion or flooding and the need to provide for relocated communities. Other parties needing to consider mitigation measures will be the local highways authorities and bodies responsible for local amenities (including churches, golf clubs, etc).

Private land and property owners will also need to consider how they will deal with the changing shoreline. The terms of the Acts under which the coastal defence operating authorities work confer only "permissive powers" and, as such, there is currently no general obligation on the part of operating authorities or national government to assure protection against flooding or erosion or to provide any compensation for losses. The Government in England (Defra⁸ and Department of Communities and Local Government⁹) has recently consulted on adaptation to changing coastal risks, but there is no reason at present to assume that this will change the present approach in the future or that individual losses would be recompensed from central funds.

⁸ <http://www.defra.gov.uk/environment/flooding/index.htm>

⁹ <http://www.communities.gov.uk/publications/planningandbuilding/consultationcoastal>

However, the Shoreline Management Plan provides a long lead time for the changes that will take place, which in general will not happen now, but will occur at some point in the future. To manage these changes effectively and appropriately, the approach put forward in this SMP2 needs to be considered now, not in several decades time.

Spatial Planning Actions

As discussed above, the risk management policies set out in the SMP2 cannot be implemented through engineering or coastal defence management alone. There is a need for spatial planning to adopt the policies and understand their consequences, such that risk areas are avoided by development, and future changes in policy are facilitated to allow a more sustainable approach to management of coastal risks and avoid increasing risks by allowing development in flood and erosion prone areas.

Strategic Flood Risk Assessments (SFRAs) are intended to guide development decisions and meet the requirements of the Planning Policy Statement PPS25, Development and Flood Risk. Local and regional planning authorities should monitor the development of SFRAs for their areas and put them into practice. Where appropriate, erosion risks should also be captured and the requirements of the developing new PPS20 should be taken into account.

Table 3 includes actions which aim to ensure that the SMP2 policies are appropriately reflected in the relevant Regional Plan and Local Development Frameworks, such that long term coastal erosion and flooding risks are a material consideration in the planning process.

Action	Responsibility
1) Communicate the completion of the SMP2 to the North West Regional Assembly (NWRA) and WAG Planning Department to ensure appropriate reflection in the next revision to the Regional Plans.	North West and North Wales Coastal Group (Chair/Secretary)
2) Communicate the completion of the SMP2 to the Regional Development Agency to ensure appropriate reflection in the Regional Economic Strategy (RES).	North West and North Wales Coastal Group (Chair/Secretary)
3) Inform Local Authority Planning Officers of final SMP2 recommendations and implications.	Local Authority Engineering Officers
4) Submit SMP2 to Local Authority Planning Committees with recommendation to approve the SMP2 for consideration in preparation of planning documents and for development control purposes.	Local Authority Planning Officers to report to planning committee
5) Inclusion of the SMP2 as reference material for, or an annex to, the Local Development Framework.	Local Authority Planning Officers & Planning Committees
6) Promote the use of Strategic Flood Risk / Consequence Assessment as part of the preparation of development framework documents.	Local Authority and Environment Agency Planning Officers
7) Ensure that SMP2 policies are integrated into Development Control activities to control development	Local Authorities & Environment Agency

Action	Responsibility
and flood risk. Development Control Teams should pay particular attention to managed realignment and no active intervention policies and any associated drainage issues.	
8) Promote the development of planning policies to facilitate adaptation to coastal change and address potential housing and other future losses through implementation of 'realignment' and 'no active intervention' policies.	Local Authority and Environment Agency Planning Officers
9) Promote the consideration of the relocation of land uses that are at risk from erosion or flooding, within the preparation of LDF/LDP documents. Identify elements of the preferred option policies where this may apply.	Local Authority and Environment Agency planning officers

Table 3: Actions for spatial planning

Actions to Facilitate Medium / Long Term Policies

In addition to the specific actions outlined in each Policy Statement in **Section 5**, there is also a need for some activities to be progressed, which require consideration at a broader scale, either across Sub-Cells, the whole of Cell 11 or even beyond the SMP2 boundaries. It is important that the need for these broader scale studies is promoted by the relevant bodies.

These studies/initiatives and the actions for the Coastal Group are outlined in Table 4.

Action	Responsibility
1) Formal adoption of the SMP2 by the Coast Protection Authorities, the Regional Flood Defence Committee, Natural England, CCW and other partner authorities and the Environment Agency's National Review Group.	North West and North Wales Coastal Group, Elected Members and Local Authority Officers.
2) Promote a formal, policy, link between SMP2s and Local Development Frameworks/ Local Development Plans and Regional Plans. This will require Defra/WAG and ODPM to review current arrangements.	North West and North Wales Coastal Group to promote with Defra through Coastal Group Chairs forum.
3) Promote Central Government funding for all consultation/stakeholder activities in the development of SMP2s, and strategies/schemes.	North West and North Wales Coastal Group to promote with Defra through Coastal Group Chairs forum.
4) Take account of overall SMP2, i.e. other immediate-term needs and long-term planning, when considering implications for strategies and schemes within the plan area and related nature conservation commitments.	Natural England, CCW, EA and other regulatory/stakeholder organisations.

Action	Responsibility
5) Promote the investigation, and implementation, of mechanisms to facilitate the removal of 'at risk' assets (properties, infrastructure, etc), to enable the implementation and community adaptation to long term realignment/NAI policies. This will require account to be taken of the current consultation of coastal adaptation in England.	North West and North Wales Coastal Group to promote with Defra and WAG, through ongoing 'Making Space for Water' and New Approaches initiatives.
6) Develop exit strategies/management plans for the relocation of communities and removal of assets when they become at risk from erosion.	Local Authority Technical Officers and Planning officers.
7) Develop medium to long-term plans for relocation of community services and facilities that will be lost to erosion, e.g. outfalls, highways.	Service and utility providers, highways agencies.
8) Develop and promote a communication strategy / awareness raising / education of the public with regards to potential future coastal issues and SMP2 recommendations.	North West and North Wales Coastal Group to promote in conjunction with the Environment Agency.
9) Develop the regional coastal monitoring strategy (CERMS) to include estuaries and encompass all areas of the SMP2	North West and North Wales Coastal Group in conjunction with the Environment Agency, led by Sefton Council.
Activities to add following consultation?	

Table 4: Further Actions to facilitate medium / long term policies

4.3 Managing the SMP2 until the next review

Through the implementation of actions outlined in each Policy Statement and in section 4.2 it is likely that the technical understanding of this coastline, the basis of some SMP2 policies, and the wider shoreline management framework may change. As such, it is important that progress against these actions is monitored by the Coastal Group so that any developments which might affect policy, and hence works, are notified, and also so that the need for revision of the SMP2 can be monitored. Adjacent projects should be monitored for cross project changes.

The Action Plans will be managed by the North West and North Wales Coastal Group. The Action Plan should be a working document which needs to be regularly reviewed at Coastal Group meetings and updated as and when required. The Action Plans will be retained on the agenda for all future Coastal Group meetings. It will be the responsibility of the Coastal Group to promote and monitor progress and to ensure that the action plan is progressed by the appropriate Partners and where there are problems with delivery to seek to resolve issues through collaborative working..

The North West England and North Wales Shoreline Management Plan pages of the Coastal Group website (<http://www.mycoastline.org>) will have updates which will record progress against the actions reported. This will include identification of the implications of any study outputs or wider developments for the relevant SMP2 policies. The updates are important as the means of disseminating progress to stakeholders and, as such,

the existence of this information will be reported during the final SMP2 dissemination process. The responsibility for maintaining the website will remain with the Coastal Group.

It is not possible at this time to set a date for the next review of the SMP2. It is considered likely that a 5 to 10 year period may be appropriate. However, it is vital that changes in understanding or the shoreline management framework are monitored to establish if there comes a point (within the next 5 to 10 years) that the SMP2 policies become sufficiently out of date as to warrant a full review of the plan. This will be a judgment made by the Coastal Group, as it is not possible to prescribe exactly at what point this should be.

Regardless of other developments, it is considered that the review should be undertaken in 10 years (if not before) in order to ensure the policies remain appropriate.

Consultation Draft

5 Policy Statements

5.1 Introduction

This section describes the contents of a series of tables and maps or Policy Statements that present the consultation draft SMP2 policies. The Policy Statements are arranged by Sub-Cell and within each Sub-Cell the shoreline has been sub-divided into smaller interacting areas of open coast or estuaries, known as Policy Areas, which cover a number of Policy Units. The Policy Statements can be found in Annex 1.

How is the information in the Policy Statements set out?

Each Policy Statement contains four sections as described below.

1. Summary of the draft SMP2 recommendations

Location – each policy statement gives the location of the policy area covered by the statement, together with the policy units covered by the statement. The policy units are identified by a number which is sequential along the shoreline from south to north. The policy unit boundaries shown should not be taken as definitive, as the SMP2 is based upon high-level assessment and more detailed studies at implementation may justify the need to 'go across' boundaries shown by a small distance in order to appropriately deliver the intention of the Plan policies.

Overview - summarises the long term vision for the location but also notes any different short-term requirements.

Preferred policies – describes the SMP2 policies and potential approaches that could be used to put the policies into practice in the short, medium, and long-term. In this respect, "Short-term" is broadly representative of the next 20 years, "Medium-term" 20 to 50 years, and "Long-term" 50 to 100 plus years. These timescales should not be taken as definitive, however, but should instead be considered as phases in the management of a location.

Justification – outlines the principal reasons for selecting the SMP2 policy for the policy unit or combination of units.

2. Predicted Implications of the Draft Policies being Adopted in this Location

This table summarises the consequences at this location resulting from the preferred policies. These are categorised in accordance with requirements for the Strategic Environmental Assessment of the SMP2 and are: "Property and Population", "Land Use, Infrastructure & Material Assets", "Amenity and Recreational Use", "Historic Environment", "Landscape Character and Visual Amenity", "Earth Heritage, Soils and Geology", "Water", and "Biodiversity, Flora and Fauna". The implications have been assessed for the "Short-term" (next 20 years), "Medium-term" (20 to 50 years), and the "Long-term" (50 to 100 plus years).

3. Actions

This table identifies the steps that need to be taken in order to put the SMP2 policies into practice for each individual policy areas. These identify the steps to be taken in the period up to the next review of the plan. This is nominally a 5 - 10 year process, however, the plan provides for reassessment of this timescale should an earlier review be considered necessary.

4. Maps

Maps are included for each Policy Area, which include policy unit boundaries and the preferred plan policies for each of these discrete areas for the short, medium and long terms. In addition, where no active

intervention is the policy and coastal erosion is the main risk, cumulative erosion estimates are included, representing the minimum and maximum erosion distance from the shoreline position in 2010.

5.2 The Policy Statements

The following list identifies the subsequent Policy Statements provided for each Sub-cell in Annex 1.

Sub-Cell 11a (Figure 2)

- 11a 1: Great Orme to Little Orme
- 11a 2: Little Orme to the Clwyd estuary
- 11a 3: Clwyd Estuary
- 11a 4: Clwyd Estuary to Point of Ayr
- 11a 5: Dee Estuary
- 11a 6: North Wirral
- 11a 7: Mersey Estuary
- 11a 8: Seaforth to the River Alt
- 11a 9: Formby Dunes

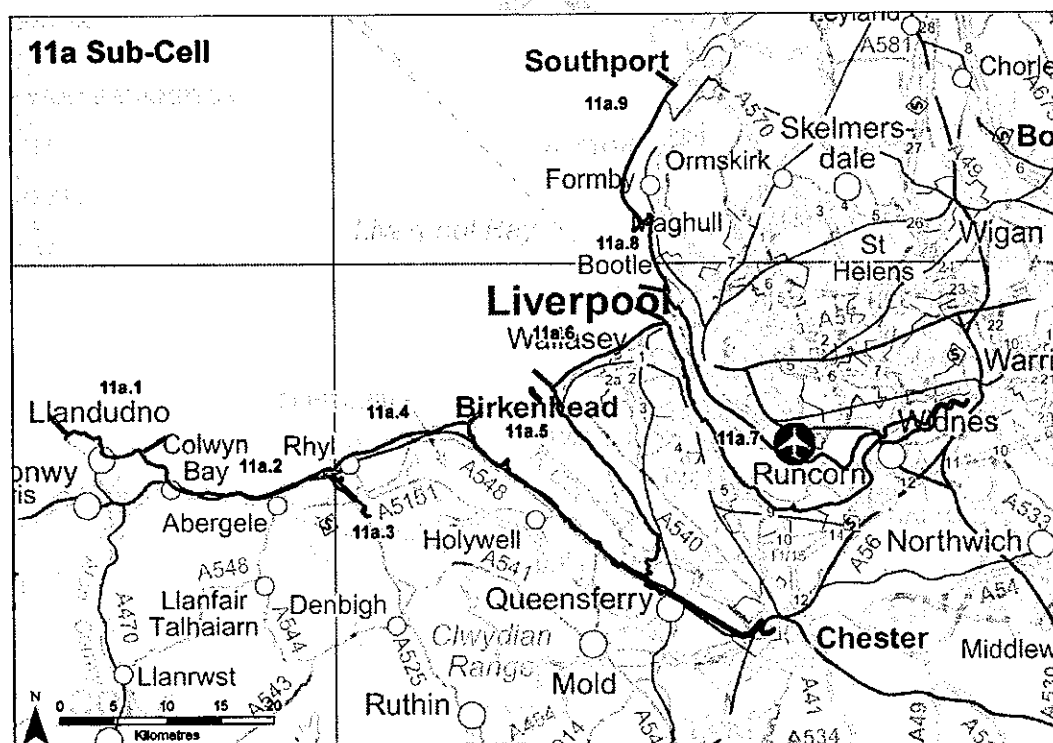


Figure 2: Overview map of Sub-Cell 11a Policy Statement locations

Sub-Cell 11b (Figure 3)

11b 1: Ribble Estuary

11b 2: St Annes to Rossall Point

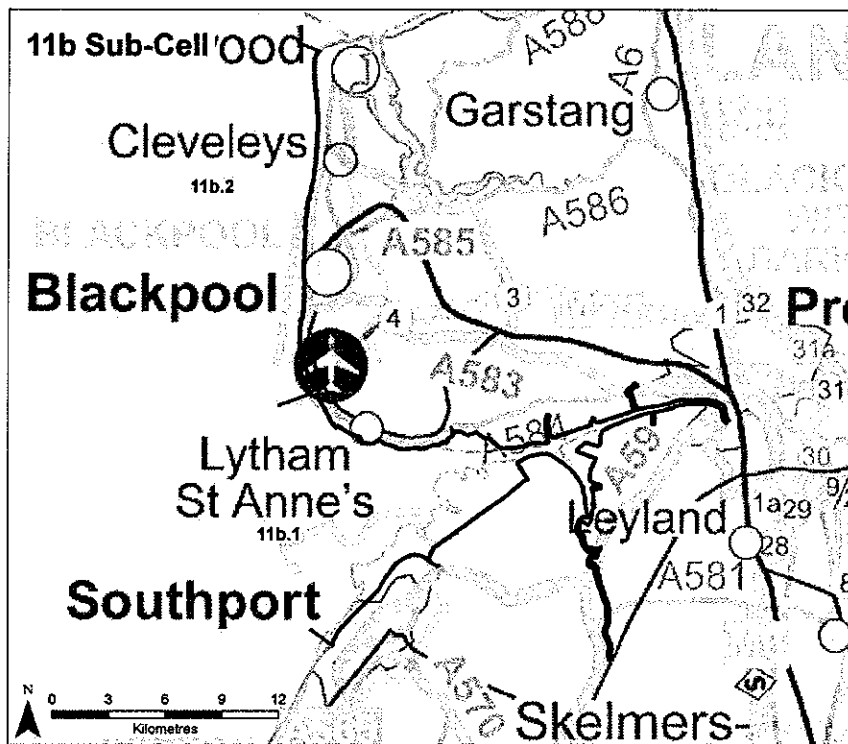


Figure 3: Overview map of Sub-Cell 11b Policy Statement locations

Sub-Cell 11c (Figure 4)

- 11c 1: Fleetwood and the Wyre Estuary
- 11c 2: Knott End to Glasson Dock
- 11c 3: Lune Estuary
- 11c 4: Sunderland Village to Potts Corner
- 11c 5: Potts Corner to Heysham Dock
- 11c 6: Heysham to Hest Bank
- 11c 7: Hest Bank to Heald Brow
- 11c 8: Heald Brow to Humphrey Head
- 11c 9: Kent Estuary
- 11c 10: Humphrey Head to Cark
- 11c 11: Outer Leven Estuary
- 11c 12: Leven estuary
- 11c 13: Bardsea to Piel Island
- 11c 14: Walney Island
- 11c 15: Walney Channel (Mainland)
- 11c 16: Duddon Estuary

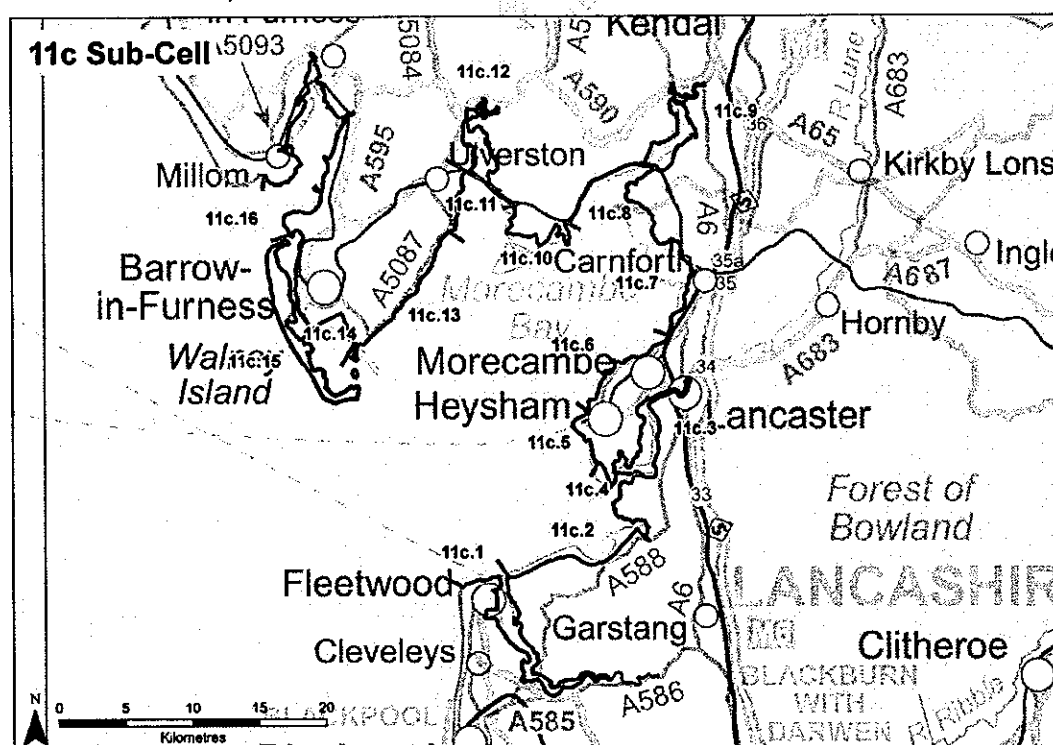


Figure 4: Overview map of Sub-Cell 11c Policy Statement locations

Sub-cell 11d (Figure 5)

11d 1: Haverigg to Selker

11d 2: Selker to Eskmeals

11d 3: Ravenglass Estuary Complex

11d 4: Drigg Point to Seascale

11d 5: Seascale to St Bees

11d 6: St Bees

11d 7: St Bees Head

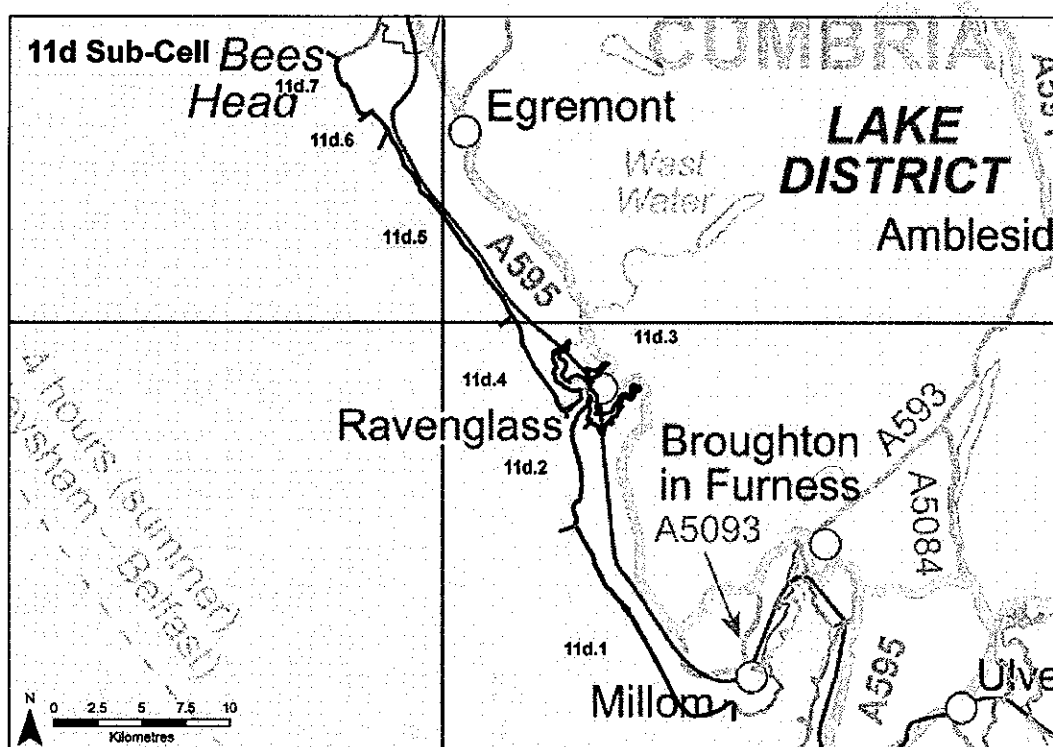


Figure 5: Overview map of Sub-Cell 11d Policy Statement locations

Sub-cell 11e (Figure 6)

- 11e 1: St Bees Head to Whitehaven
- 11e 2: Whitehaven to Workington
- 11e 3: Workington to Maryport
- 11e 4: Maryport to Dubmill Point
- 11e 5: Dubmill Point to Silloth
- 11e 6: Silloth to The Grune
- 11e 7: Moricambe Bay
- 11e 8: Cardurnock to the Scottish Border

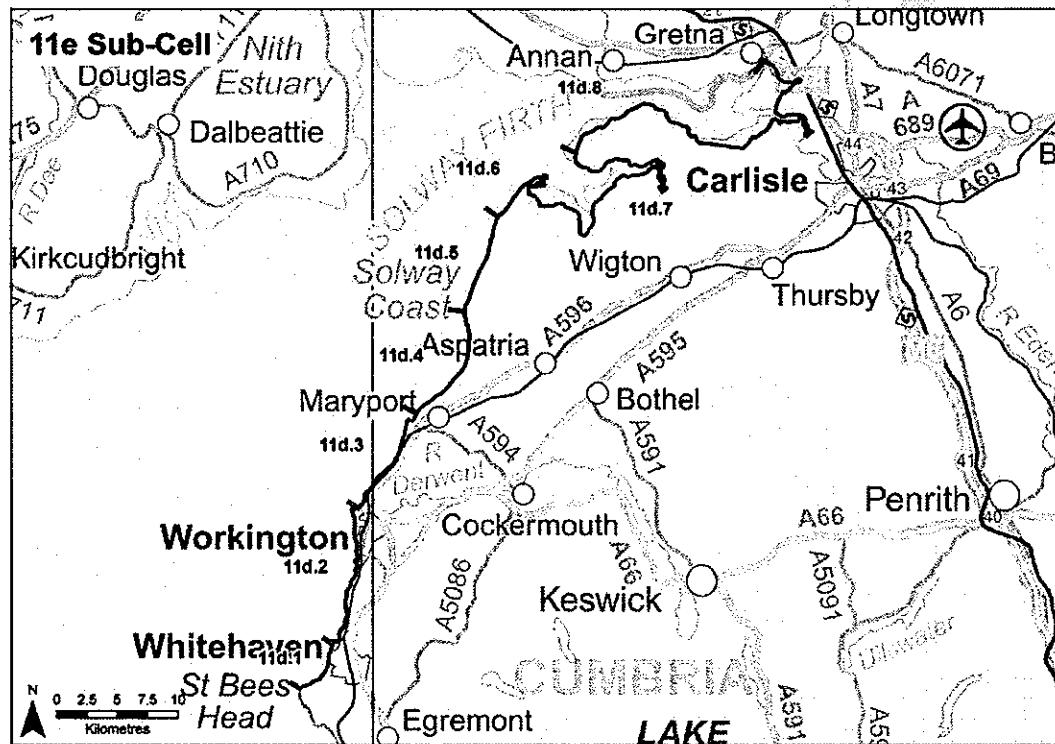


Figure 6: Overview map of Sub-Cell 11e Policy Statement locations

North West & North Wales Coastal Group

North West England and North Wales Shoreline Management Plan SMP2

Main SMP2 Document – Consultation Draft

Annex I – Policy Statements

Bardsea to Piel Island (11c 13)



Draft Recommendations:

Overview:

The long term vision for the northern part of this coast is to allow natural functioning without intervention, although local defences would be permitted where the road or property is at risk, as they could be provided without having any detrimental impacts to coastal processes. Further south maintaining the present line will depend upon economic justification for the coast road remaining on its present alignment. The topography of this Frontage limits any potential for additional habitat creation, however by realigning parts of the road and current defences to a more sustainable position and working more with natural processes many environmental and human objectives would be met.

Location (Policy Unit)	Draft Policy and Approach (from 2010)			Justification		Environmental	Economic
	0-20 years	20-50 years	50-100 years	Social			
13.1 Bardsea to Newbiggin	No Active Intervention – Limited defences present, allow natural processes to continue. However localised defences may be permitted subject to consent.	No Active Intervention – Limited defences present, allow natural processes to continue. However localised defences may be permitted subject to consent.	No Active Intervention – Limited defences present, allow natural processes to continue. However localised defences may be permitted subject to consent.	Limited assets at risk.	No Active Intervention will result in naturally functioning sustainable coastline. Erosion of the low cliffs will provide sediment to the upper foreshore on the down drift frontages.	Policy is economically viable, but depends on risks to the A5087 coast road and cost effectiveness of sustaining the current alignment.	
13.2 Newbiggin to Rampside	Hold the Line – Manage risk to the main road by maintaining existing defences to an adequate standard. Investigate opportunities for set back defences in the medium term. Economic justification for realigning or re-routing the road should be considered.	Managed Realignment – Depending on the outcome of studies, construct set-back defences or realign road where appropriate, elsewhere manage flood risk by maintaining existing defences to an adequate standard.	Hold the Line – Manage flood risk by maintaining set-back / other defences to an adequate standard.	Policy allows for the important road link for local communities to be maintained.	Possible opportunities for intertidal habitat creation under the Managed Realignment policy in the medium term.	Policy is economically viable as only limited defences are required to manage flood risk to assets.	
13.3 Rampside	No Active Intervention – Limited defences present, allow natural processes to continue. However localised defences may be permitted.	Hold the Line – When flood risk justifies intervention.	Hold the Line – When flood risk justifies intervention.	Manages risk to communities and amenities at Rampside.	Allows coastline to remain natural until defences are required. Manages risk to freshwater grazing marsh in medium and long-term.	Policy is potentially economically viable, allowing for benefits of protecting access to amenities and life boat (not valued at this stage).	
13.4 Roa Island	Hold the Line – Manage flood and erosion risk by maintaining existing defences to an appropriate standard.	Hold the Line – Manage flood and erosion risk by maintaining existing defences to an appropriate standard.	Hold the Line – Manage flood and erosion risk by maintaining existing defences to an appropriate standard.	Manages risk to communities and amenities on Roa Island.	Maintenance of Roa Island and associated embankment will continue to manage risk to neighbouring saltmarsh, mud flats, navigation channel and lifeboat station.	Hold the line is unlikely to be economically viable, but limited defences for the Scheduled Monument may be viable (not valued at this stage).	
13.5 Piel Island	No Active Intervention – Limited defences present, allow natural processes to continue. However localised defences may be permitted subject to consent, eg at Piel Castle.	No Active Intervention – Limited defences present, allow natural processes to continue. However localised defences may be permitted subject to consent.	No Active Intervention – Limited defences present, allow natural processes to continue. However localised defences may be permitted subject to consent.	Limited assets at risk, but allows for management of risk to Piel Castle.	Natural sections of coast should remain as such to maintain the character of the island. Defences at Piel Castle would have minimal wider impact.		

Key assumptions made during development

Actual erosion rates are unknown; therefore rates stated in the accompanying map are only estimates

Further understanding of erosion rates in support of detailed economics will help inform the robustness and timing of realignment and re-routing of infrastructure.

Bardsea to Piel Island (11c 13)



Predicted Implications of the Draft Policies being Adopted in this Location:

Time period from 2010	Property and population	Land use, infrastructure and material assets	Amenity and recreational use	Historic environment	Landscape character and visual amenity	Earth heritage, soils and geology	Water	Biodiversity, flora and fauna
0-20 years	<ul style="list-style-type: none"> Managed coastal risks to properties at Rampside and on Roa Island. Increasing coastal risks to properties on Piel Island. 	<ul style="list-style-type: none"> Flood risk to part of the A5087 at Bardsea as sea levels rise. Managed risk to the remaining infrastructure (e.g. coast road elsewhere) along the frontage. Managed risk to some agricultural land (e.g. south of Newbiggin) Positive impacts but increasing risk of erosion to agricultural land north of Newbiggin. 	<ul style="list-style-type: none"> Managed risk to the Cumbrian Coastal Way in some areas (e.g. south of Newbiggin) (Positive impacts) but increased erosion risk to the footpath in some areas (e.g. between Bardsea and Newbiggin). Increasing erosion risk to Bardsea Country Park. 	<ul style="list-style-type: none"> Increasing flood risk to Piel Castle on Piel Island. Increasing risk of erosion to Moat Hill, Motte and Bailey Castle Scheduled Monument (SM) at Moat Scar. Potential damage to remains of historic port due to no active intervention, in PU13.1 (considered of medium importance by the NWRCA 2009.) 	No designated landscapes within the scenario area.	<ul style="list-style-type: none"> A continuation of natural processes is likely to maintain the geological features of South Walney & Piel Channel Flats SSSI. 	<ul style="list-style-type: none"> Potential changes to shellfisheries off Roa and Piel Islands due to changes in sediment patterns and increased areas for spawning - impact uncertain at this stage. 	<ul style="list-style-type: none"> Continued accretion of saltmarshes and mudflats within and adjacent to designated conservation sites. Potential impacts on Morecambe Bay SPA, Ramsar, SAC & SSSI - Awaiting agreement of conclusions of Appropriate Assessment (AA) - Impacts uncertain. Increasing erosion risk to a small area of woodland (e.g. Sea Wood SSSI). Neutral to negative impacts. A continuation of natural processes is likely to be beneficial to the maritime cliffs and slopes. Manages flood risks to freshwater grazing marsh. Potential for saltmarsh accretion to reduce.
20-50 years	<ul style="list-style-type: none"> Managed risk to properties at Rampside and on Roa Island. Increasing flood risk to properties on Piel Island with potential inundation of properties Erosion risk to isolated properties between Bardsea and Newbiggin as sea levels rise and in realigned areas 	<ul style="list-style-type: none"> Flood risk and loss of some key infrastructure (e.g. A5087) due to sea level rise and managed realignment. Localised areas of low lying agricultural land would be lost where managed realignment is undertaken, when the defences fronting the A5087 breach. 	<ul style="list-style-type: none"> As above, plus Also, increased risk to footpath in realigned areas. 	<ul style="list-style-type: none"> As above, also Potential damage to a barrow, in PU 13.2 depending on realignment, (considered of medium importance by the NWRCA 2009). 	As above	As above	As above	<ul style="list-style-type: none"> Potential impacts on Morecambe Bay SPA, Ramsar, SAC & SSSI - Awaiting agreement of conclusions of Appropriate Assessment (AA) - impacts uncertain. Unimpeded coastal processes (e.g. between Bardsea and Newbiggin) will allow inland migration of intertidal habitat. A continuation of natural processes is likely to be beneficial to the maritime cliffs and slopes. Managed flood risk to freshwater grazing marsh at Rampside. Potential loss of freshwater grazing marsh between Rampside and Newbiggin where managed realignment.
50-100 years	As above	As above	As above	<ul style="list-style-type: none"> As above, plus Potential inundation Piel Castle on Piel Island. 	As above	As above	As above	<ul style="list-style-type: none"> Potential loss of intertidal habitat due to coastal squeeze in some areas. Potential impacts on Morecambe Bay SPA, Ramsar, SAC & SSSI - Awaiting agreement of conclusions of Appropriate Assessment (AA) - impacts uncertain. Unimpeded coastal processes in some areas will allow inland migration of intertidal habitat.

Impact colour key

✦ Positive

Neutral

✦ Negative

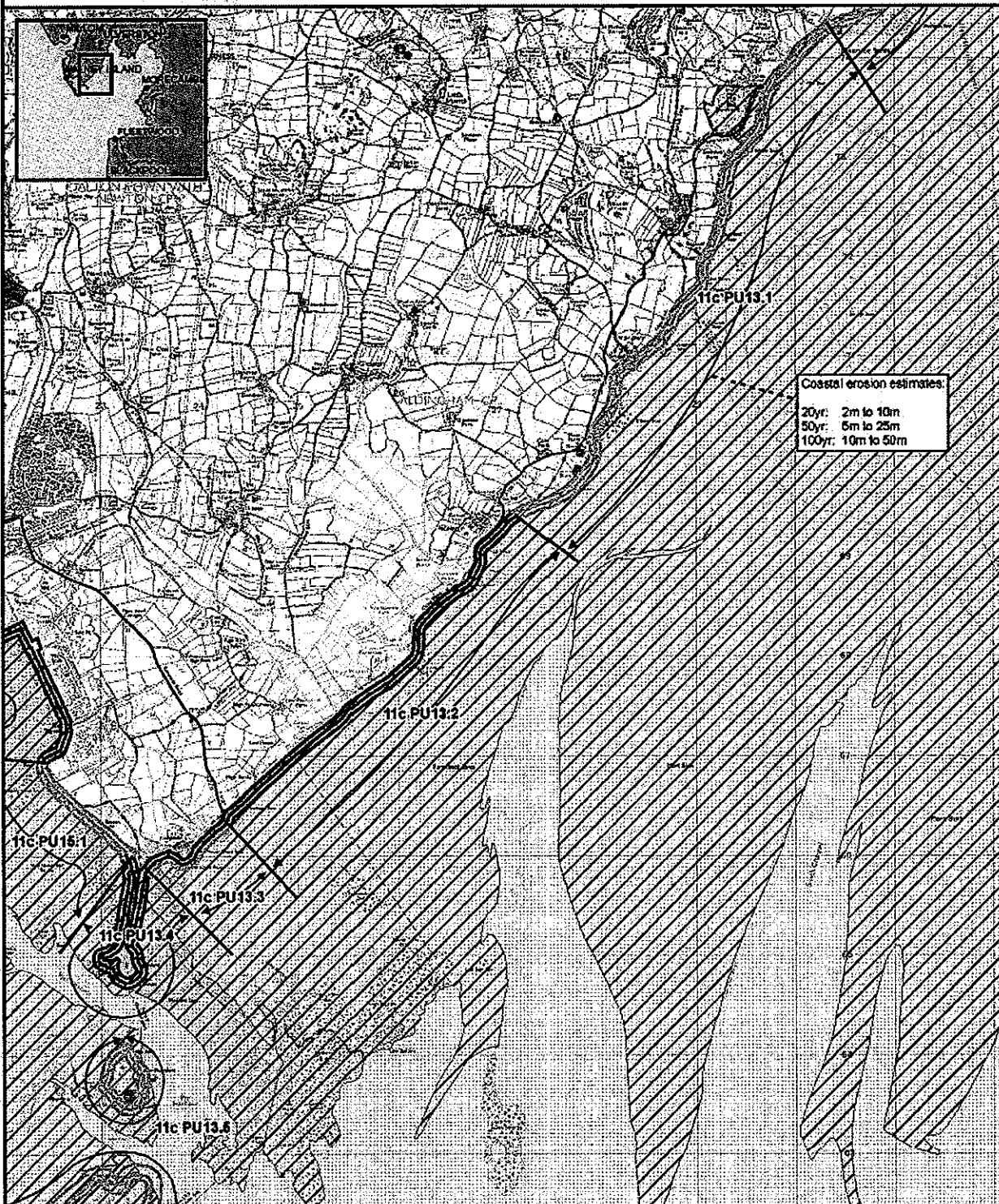
**DRAFT ACTION PLAN**

Action	Action Ref	Action Description, (to be approved)	Potential source of funding (subject to approval)	Responsibility (lead partner)	When by (subject to funding)
1. Studies for policy area	1.1				
2. Studies for Policy Units:					
PUI3.1	2.1	Develop adaptation strategy to facilitate future local flood risk protection or resilience work to isolated properties if justified	n/a	EA	ongoing
PUI3.2		Undertake studies to investigate opportunities for set back defences in the medium term. Economic justification for resigning or re-routing the road should be considered.	Highway Authority	Highway Authority	2015
PUI3.4	2.2	Review strategy for Roa Island and Shorelink Sustainability study in light of new climate change predictions to inform longer term policy..	EA	BBC	2015
3. Strategy	3.1	-			2015
4. Scheme Work	4.1	To be defined by scheme specific studies and monitoring of risk	Defence owners	Defence owners	ongoing
5. Monitoring (Data Collection)	5.1	Undertake beach and coastal defence asset monitoring in conjunction with Cell 11 Regional Monitoring Strategy to inform scheme works and future SMP reviews	EA	EA	ongoing
	5.2	Environmental monitoring of designated conservation sites to provide baseline data for future Habitat Regulations Assessments	NE	NE	ongoing
6. Asset Management	6.1	Maintenance of defences including management of public access	Defence owners	EA	ongoing
7. Communication	7.1	Undertake consultation with key stakeholders during implementation phase	n/a	EA & LAs	ongoing
	7.2	Monitoring and management of Action Plans to ensure SMP policies are put into practice	n/a	EA	ongoing
8. Interface with Planning and Land Management	8.1	Ensure Shoreline Management Plan policies and flood and erosion risks are accounted for in the next revisions of land use plans in order to help manage residual risks from flooding and erosion.	n/a	EA	ongoing
	8.2	Ensure flood and erosion risks are accounted for in planning decisions to aim to reduce the need to manage flood risk in future.	n/a	EA	ongoing
9. Emergency Response	9.1	Development, monitoring and review of emergency response plans to prepare for over design standard events.	n/a	EA	ongoing
10. Adaptation/Resilience	10.1	See item 13.1			
11. Flood Forecasting and Warning	11.1	Continue with improvements to flood risk maps and inundation modelling to provide improved flood warning service.	EA	EA	ongoing
12. Habitat Creation and environmental mitigation	12.1	In conjunction with other Policy Areas in Morecambe Bay, and in consultation with Natural England develop improved estimates of potential coastal squeeze losses and gains of intertidal habitat within and adjacent to the internationally designated sites in long term, taking account of SMP policies. This is needed to inform future Habitats Regulations Assessments for strategies, the next revision of the SMP and link with regional habitat creation strategy. See also items 2.1 & 2.3	EA	EA	2015
	12.2	Undertake Habitat Regulations Assessment at strategy or scheme level (See Action 5.2)	Defence owners	Defence owners	ongoing
	12.2	Consider impacts of SMP policy on Piel Castle and Scheduled Monument to devise appropriate mitigation or recording.	EA	EA	ongoing

NIB Activities from SMP will be carried forward into medium term plans and carried out on a priority basis, subject to funding and approval. n/a = activity is part of authorities general duties, not funded through flood and erosion risk management routes.

North West England and North Wales Shoreline Management Plan 2

Sub-Cell 11c: Area: 13 Map: 1

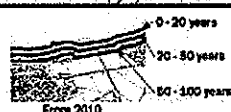


Legend

- National Nature Conservation Designations
- International Nature Conservation Designations
- Scheduled Monuments
- 2008 Indicative Floodplain
- Environment Agency

Shoreline Management Policies

- Hold the Line (HTL)
- Managed Realignment (MR)
- No Active Intervention (NAI)
- Policy Unit Boundary
- Policy Unit Extent



Note that the policy lines on the map show the preferred shoreline management policy for each period and do not represent either the shoreline or defence location

Halcrow



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Lines showing cumulative erosion estimates represent the expected minimum and maximum erosion distance from the shoreline position in 2010. They are only shown where there is a NAI policy and coastal erosion is the main risk

Walney Island (11c 14)



Draft Recommendations:

Overview:

The integrity of Walney Island as a whole will be maintained largely through natural processes over the next century. However, local flooding across the island during tidal surge events will become more frequent. The long term plan accounts for the risk of breaches at narrow areas that might compromise defence at Barrow, and risks to landfill sites which if eroded could cause pollution. By only defending limited sections of the open coast, natural processes will continue to provide sediment to the foreshore to enhance the natural defence and make the remaining defences more sustainable. On the landward side, holding the line where economically and environmentally justified is the preferred plan. The approach meets the majority of social and natural environment objectives.

Location (Policy Unit)	Draft Policy and Approach (from 2010)				Justification	
	0-20 years	20-50 years	50-100 years	Social	Environmental	Economic
14.1 South End Hawes to Biggar (east side)	No Active Intervention – Investigate whether it is feasible to withdraw from maintenance and allow natural processes to continue.	No Active Intervention – Subject to investigations, allow limited local defences to fail and natural processes to continue.	No Active Intervention – Subject to investigations, allow limited local defences to fail and natural processes to continue.	Limited assets at risk.	No Active Intervention will result in naturally functioning sustainable coastline, conducive to conservation designations.	No economic justification for intervention.
14.2 Biggar to Lenny Hill (east side)	Hold the Line – Manage flood and erosion risk by maintaining existing defences.	Hold the Line – Manage flood and erosion risk by maintaining existing defences.	Hold the Line – Manage flood and erosion risk by maintaining existing defences.	Manages coastal risk to communities and amenities at Biggar, Trummer Hill and Vickerstown.	Potential coastal squeeze losses due to intertidal habitat in medium / long term epoch.	Policy is economically viable, with low costs anticipated for sheltered frontage.
14.3 South End Hawes to Hare Hill (open coast)	No Active Intervention – No defences present, allow natural processes to continue.	No Active Intervention – No defences present, allow natural processes to continue.	No Active Intervention – No defences present, allow natural processes to continue.	No assets at risk.	No Active Intervention will result in naturally functioning sustainable coastline beneficial to the geological SSSI designations.	No economic justification for intervention.
14.4 Hare Hill to Hillock Whins	Hold the Line – Manage flood and erosion risk to sea defence at landfill sites and maintain integrity of island.	Hold the Line – Manage flood and erosion risk to sea defence at landfill sites and maintain integrity of island.	Hold the Line – Manage flood and erosion risk to sea defence at landfill sites and maintain integrity of island.	Maintains integrity of Walney Island and therefore continued protection to the mainland.	Hold the Line will prevent potential release of pollution resulting from the erosion of the landfill sites. Further investigation of landfill required.	Potentially economically viable, but depends on wider benefits to Barrow and avoidance of pollution or relocation of landfill costs (not quantified at this stage).
14.5 Hillock Whins to Nanny point Scar	No Active Intervention – Limited defences present, investigate possibility of withdrawing from maintenance and re-instate natural processes. Establish set back flood defences when flood risk justifies.	Managed Realignment – Create set back flood defences to allow open coast line to erode and function naturally.	Managed Realignment – Create set back flood defences to allow open coast line to erode and function naturally.	Manages risk to communities and amenities at Biggar and Trummer Hill.	The naturally functioning coastline will allow sediment to continue feeding beaches down drift to provide additional natural defence.	Not economically viable to defend whole coast. Set back defences will be potentially economically viable as significantly less substantial and shorter structures protecting properties and so much more cost effective (economics not quantified at this stage).

Location (Policy Unit)	Draft Policy and Approach (from 2010)			Justification		Environmental	Economic
	0-20 years	20-50 years	50-100 years	Social			
14.6 Nanny Point Scar to Mill Scar	No Active Intervention – Allow shoreline to continue to evolve under natural processes.	No Active Intervention – Allow shoreline to continue to evolve under natural processes.	No Active Intervention – Allow shoreline to continue to evolve under natural processes.	No properties at risk, only seaward edge of golf course at risk in the long term.	No Active Intervention will result in naturally functioning sustainable coastline with the sediment produced from the erosion helping to maintain the beaches to the north and south.	Insufficient justification for intervention.	
14.7 Mill Scar to north of West Shore Park	Managed Realignment – Investigate feasibility of breaching/removing Earnse Point Groyne to facilitate the movement of sediment along the frontage to maintain the down drift frontages. Investigate adaptation options to move back or relocate the access track, beach access, properties at Westshore Park and golf course assets in the medium to long term.	Managed Realignment – As defences reach the end of their residual lives do not replace them and look to make adaptation / relocation provisions in Westshore Park and the golf course to manage erosion risk.	Managed Realignment – By realigning / adapting / roll-back of assets within Westshore Park to manage erosion risk.	Hold the line is not economically or environmentally justified, but managed realignment will be required to facilitate long term adaptation. The access track is presently an emergency route to the airfield an alternative route would be required in long term. Options for removing the static homes at risk of erosion before they are lost need investigation.	In the long term, Managed Realignment will result in a more sustainable natural coastline with improved beach levels. Short term removal or breach of the Earnse Point groyne could re-establish northerly sediment drift and improve beach levels and reduce erosion along the West shore frontage. In longer term, erosion of the cliffs at the golf course would provide additional sediment to the upper foreshore and the SSSI at the north of the island.	Long term hold the line to the whole of the golf course and Westshore Park frontage is not economically viable.	
14.8 North Walney - from north of West Shore Park to Lenny Hill (both coasts)	No Active Intervention – Allow shoreline to continue to evolve under natural processes, with monitoring to assess long term risk to landfill site.	No Active Intervention – Allow shoreline to continue to evolve under natural processes.	No Active Intervention – Allow shoreline to continue to evolve under natural processes.	Maintains amenity value of site; limited assets at risk.	No Active Intervention will result in naturally functioning sustainable coastline, subject to confirmation of long term risks from erosion of landfill site.	No economic justification for intervention.	
Key assumptions made during development							
Actual erosion rates are unknown; therefore rates stated in the accompanying map are only estimates. The key uncertainty concerns the evolution of the island over the long term in response to sea level rise, and the consequential degree of protection afforded to Barrow-in-Furness. The detailed investigations in the Action Plan will need to take this into consideration.							

Walney Island (11c 14)



Predicted Implications of the Draft Policies being Adopted in this Location:							
Time period from 2010	Property and population	Land use, Infrastructure and material assets	Amenity and recreational use	Historic environment	Landscape character and visual amenity	Earth heritage, soils and geology	Water
0-20 years	<ul style="list-style-type: none"> Manages coastal risks to specific areas of Walney Island. 	<ul style="list-style-type: none"> Limited changes from present in short term 	<ul style="list-style-type: none"> Controlled erosion will help maintain beach levels and provide a more attractive coastline for tourism. Increasing risk of flooding and erosion to the Cistercian Way in some areas. Potential impacts on Furness Golf Course - impacts uncertain at this stage 	<ul style="list-style-type: none"> Manages risk to conservation areas. Potential damage or loss of an anti-aircraft battery and practice trenches, which are considered of medium importance during the NWRCZA 2009. 	<ul style="list-style-type: none"> No designated landscapes within the scenario area. 	<ul style="list-style-type: none"> A continuation of natural processes in some areas is likely to maintain the geological features of South Walney & Piel Channel Flats SSSI and Walney Island GCR. Holding the line in other areas has the potential to affect these geological sites. Allowing controlled erosion of sections of frontage will allow the beaches to be fed naturally with sediment from local cliffs. 	<ul style="list-style-type: none"> Managed flood and erosion risk to landfill sites, therefore no release of contaminants and maintenance of bathing water quality. Potential changes to shellfisheries off the eastern edge of Walney Island due to changes in sediment patterns and increased areas for spawning - impact uncertain at this stage
20-50 years	<ul style="list-style-type: none"> Potential loss of properties due to erosion in areas of realignment 	<ul style="list-style-type: none"> Limited risk to Walney airport as sea levels rise but potential loss of emergency access road due to managed realignment. Potential loss of agricultural land in areas of managed realignment. 	<ul style="list-style-type: none"> As above, plus Increasing risk of flooding and erosion to the Cistercian Way with losses of some sections of path. 	As above	As above	As above	As above
50-100 years	As above	As above	As above	As above	As above	As above	As above

Impact colour key	<ul style="list-style-type: none"> Positive Neutral Negative
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Biodiversity, flora and fauna

- Potential increase in extent of intertidal habitats and sandflats due to unimpeded coastal processes where No Active Intervention/managed realignment
 - Potential loss of intertidal habitat where holding the line due to coastal squeeze.
 - Potential impacts on Duddon Estuary SPA, Ramsar site and SAC, Morecambe Bay SPA, Ramsar, SAC & SSSI - Awaiting agreement of conclusions of Appropriate Assessment (AA) - impacts uncertain.
 - Continued erosion and accretion of sand with likely continued growth of *Zostera* on mobile areas of sand.
 - Natural roll-back of coastal sand dunes in some areas.

Walney Island (11c 14)



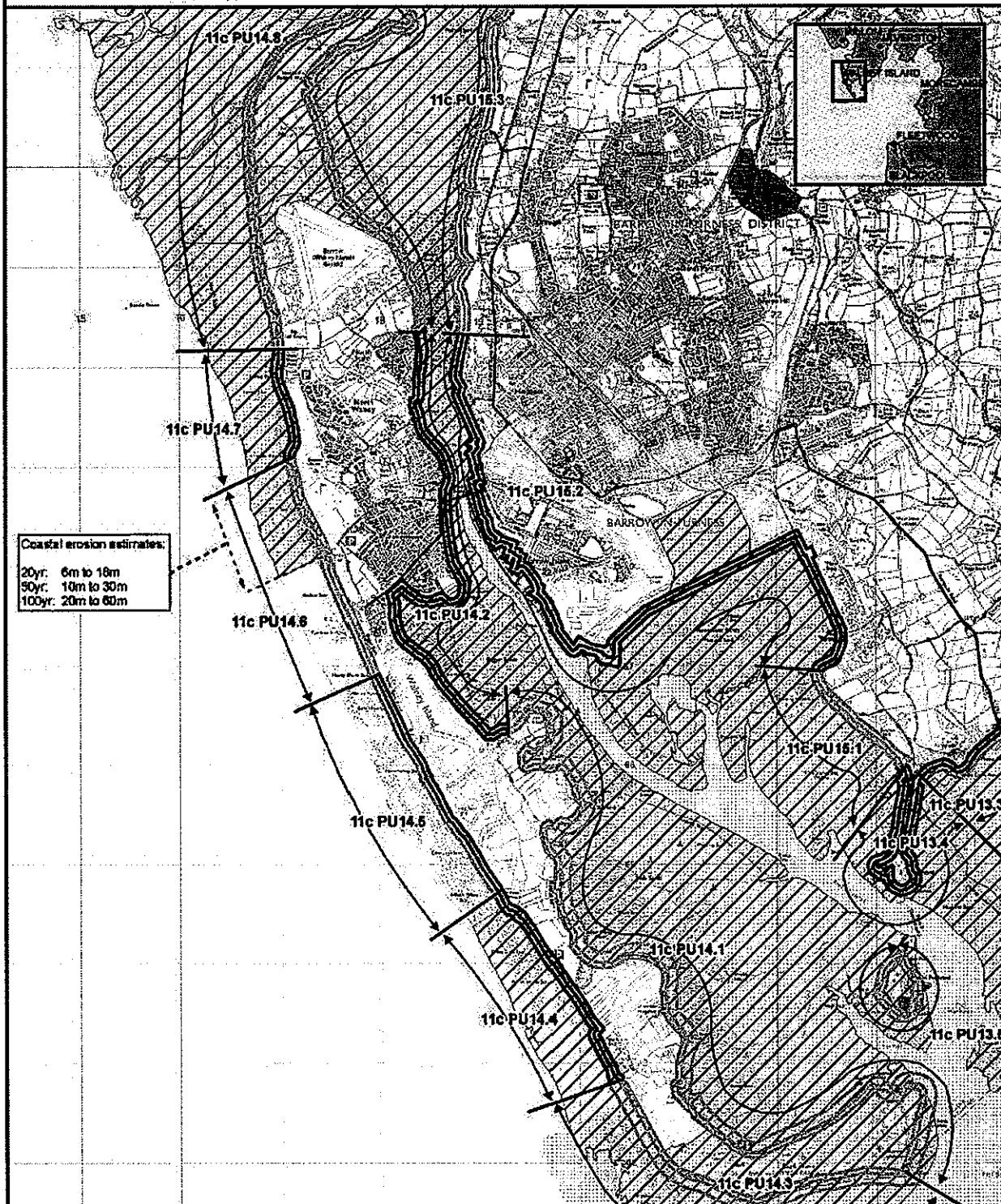
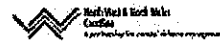
DRAFT ACTION PLAN

Action	Action Ref	Action Description, (to be approved)	Potential source for funding (subject to approval)	Responsibility (lead partner)	When by (subject to funding)
1. Studies for scenario area	1.1	Update and complete the strategy study for Walney Island, taking account of SMP assessments, investigations of landfill sites and monitoring since previous study and confirm approach to delivery of the SMP policies. Include consideration of rights of way. Undertake a Habitats Regulations Assessment for the strategy.	EA	BBC	2015
2. Studies for Policy Units:					
PU 14.1, 14.5	2.1	Subject to update of strategy, develop Project Appraisal Report for South Walney Flood Alleviation scheme to confirm approach to scheme.	EA	BBC	2015
PU 14.4	2.2	Subject to update of strategy, develop Project Appraisal Report for managing coastal risk to landfill sites to confirm approach to schemes.	EA	BBC	2015
PU 14.7	2.3	Urgent requirement to investigate feasibility of a scheme to of breach Earnse Point Groyne to facilitate movement of sediment to down drift frontages and viability of longer term Managed Realignment and coastal adaptation approaches along this frontage.	EA	BBC	2015
3. Strategy	3.1	Update Walney Island Coastal management Strategy, see item 1.1	EA	BBC	2015
4. Scheme Work	4.1	To be defined by strategy	EA	BBC and EA	ongoing
5. Monitoring (Data Collection)	5.1	Undertake beach and coastal defence asset monitoring in conjunction with Cell 11 Regional Monitoring Strategy to inform strategy and future SMP reviews	EA	EA	ongoing
6. Asset Management	5.2	Environmental monitoring of designated conservation sites to provide baseline data for future Habitat Regulations Assessments	NE	NE	ongoing
7. Communication	6.1	Maintenance of defences and beach and dune management including management of public access	BBC	BBC	ongoing
	7.1	Undertake consultation with key stakeholders and general public during strategy development	n/a	BBC	ongoing
	7.2	Monitoring and management of Action Plans to ensure SMP policies are put into practice	n/a	EA	ongoing
8. Interface with Planning and Land Management	8.1	Ensure Shoreline Management Plan policies and flood and erosion risks are accounted for in the next revisions of land use plans in order to help manage residual risks from flooding and erosion.	n/a	EA	ongoing
9. Emergency Response	8.2	Ensure flood and erosion risks are accounted for in planning decisions to aim to reduce the need to manage flood risk in future.	n/a	EA	ongoing
10. Adaptation/Resilience	9.1	Development, monitoring and review of emergency response plans to prepare for over design standard events.	n/a	EA	ongoing
11. Flood Forecasting and Warning	10.1	see items 2.1 to 2.3			
	11.1	Continue with improvements to flood risk maps and inundation modelling to provide improved flood warning service.	EA	EA	ongoing
12. Habitat Creation and environmental mitigation	12.1	In conjunction with other Policy Areas in Morecambe Bay, and in consultation with Natural England develop improved estimates of potential coastal squeeze losses and gains of intertidal habitat within and adjacent to the internationally designated sites in long term, taking account of SMP policies. This is needed to inform future Habitats Regulations Assessments for strategies, the next revision of the SMP and link with regional habitat creation strategy. See also items 2.1 & 2.3	EA	EA	2015
	12.2	Consider need for recording or other mitigation for historical environment features that may be at risk to inform strategy development (links to item 1.1)	n/a	EH	2015

NB Activities from SMP will be carried forward into medium term plans and carried out on a priority basis, subject to funding and approval. n/a = activity is part of authorities general duties, not funded through flood and erosion risk management routes.

North West England and North Wales Shoreline Management Plan 2

Sub-Cell 11c: Area: 14 Map: 1



Coastal erosion estimates:
20yr: 6m to 10m
50yr: 10m to 30m
100yr: 20m to 60m

Legend National Nature Conservation Designations International Nature Conservation Designations Scheduled Monuments 2008 Indicative Floodplain Environment Agency	Shoreline Management Policies Hold the Line (HTL) Managed Realignment (MR) No Active Intervention (NAI) Policy Unit Boundary Policy Unit Extent	 <p>Note that the policy lines on the map show the preferred shoreline management policy for each period and do not represent either the shoreline or date now location</p>	 <p>Scale: 0 0.25 0.5 1 Kilometres North arrow pointing up.</p>
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Dates showing cumulative erosion estimates represent the expected minimum and maximum erosion distances from the shoreline position in 2010. They are only shown where there is a NAI policy and coastal erosion is the main risk

Walney Channel (Mainland) (11c 15)



Draft Recommendations:

Overview:

The plan is for long term management of flood and erosion risks to property, industry and infrastructure in Barrow-in-Furness. In doing so the stability of Walney Channel will be maintained therefore also supporting a number of the natural environment objectives.

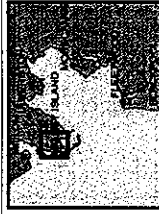
Location (Policy Unit)		Preferred Scenario			Commentary on justification		
		0-20 years	20-50 years	50-100 years	Social	Environmental	Economic
15.1	Rampside to Westfield Point	No Active Intervention – Allow shoreline to continue to evolve under natural processes.	No Active Intervention – Allow shoreline to continue to evolve under natural processes.	No Active Intervention – Allow shoreline to continue to evolve under natural processes.	No assets at risk.	No Active Intervention will result in naturally functioning sustainable coastline.	No justification for intervention.
15.2	Westfield Point to Hindpool (Barrow in Furness)	Hold the Line – Manage flood and erosion risk by maintaining existing defences to an adequate standard.	Hold the Line – Manage flood and erosion risk by maintaining existing defences to an adequate standard.	Hold the Line – Manage flood and erosion risk by maintaining existing defences to an adequate standard.	Maintains the integrity of Barrow as a regional coastal town and regional employment centre.	Manages risk to industrial sites including gas terminal, power station and dockyards.	Hold the Line policy is economically viable due to the value of assets at risk in flood cell.
15.3	Hindpool to Lowsey Point	No Active Intervention – Allow shoreline to continue to evolve under natural processes.	No Active Intervention – Allow shoreline to continue to evolve under natural processes.	No Active Intervention – Allow shoreline to continue to evolve under natural processes.	No assets at risk.	No Active Intervention will result in naturally functioning sustainable coastline.	No justification for intervention.

Key assumptions made during development

Walney Island will continue to afford a sheltering effect to the mainland over the SMP period.

The uncertainty over the standard of protection provided by defences need to consider the strategic importance of Walney Island in providing ongoing protection to the mainland.

Walney Channel (Mainland) (11c 15)



Predicted Implications of the Draft Policies being Adopted in this Location:

Time period from 2010	Property and population	Land use, infrastructure and material assets	Amenity and recreational use	Historic environment	Landscape character and visual amenity	Earth heritage soils, and geology	Water	Biodiversity, flora and fauna
0-20 years	<ul style="list-style-type: none"> Manages flood and erosion risks to Barrow-in-Furness. 	<ul style="list-style-type: none"> Will manage flood and erosion risk to infrastructure and material assets. Increasing risk of erosion to agricultural land as sea levels rise, however losses are expected to be low. 	<ul style="list-style-type: none"> Will manage risk to amenity and recreational assets. Potential erosion of the Cumbrian Coastal Way between Rampside and Westfield Point. (need to move back). Will manage risk to Cistercian Way. 	<ul style="list-style-type: none"> Will manage risk to heritage features (e.g. conservation areas in Barrow-in-Furness and historic sites north of Westfield Point). Potential damage/loss of an anti-aircraft battery, which is considered of medium importance during the NWCZA 2009. 	<ul style="list-style-type: none"> No designated landscapes within scenario area. 	<ul style="list-style-type: none"> A continuation of natural processes between Rampside and Westfield Point will maintain the condition of the geological South Walney & Piel Channel Flats SSSI. Holding the line north of Westfield Point has the potential to affect South Walney & Piel Channel Flats SSSI. 	<ul style="list-style-type: none"> Potential changes to shellfisheries off the eastern edge of Walney Island due to changes in sediment patterns and increased areas for spawning - impact uncertain at this stage. No active intervention between Hindpool and Lowsey Point has the potential to result in saline intrusion into a groundwater body with associated failure of WFD objective 4 "no changes that will cause failure to meet good groundwater status". 	<ul style="list-style-type: none"> Potential loss of intertidal habitat where holding the line due to coastal squeeze. Potential increase in extent of intertidal habitats and sandflats due to unimpeded coastal processes where No Active Intervention. Potential impacts on Duddon Estuary SPA, Ramsar site and SAC, Morecambe Bay SPA, Ramsar, SAC & SSSI - Awaiting agreement of conclusions of Appropriate Assessment (AA) - impacts uncertain. Continued erosion and accretion of sand with likely continued growth of Zostera on mobile areas of sand.
20-50 years	As above	As above	As above	As above	As above	As above	As above	As above
50-100 years	As above	As above	As above	As above	As above	As above	As above	As above

Impact colour key	Positive	Neutral	Negative
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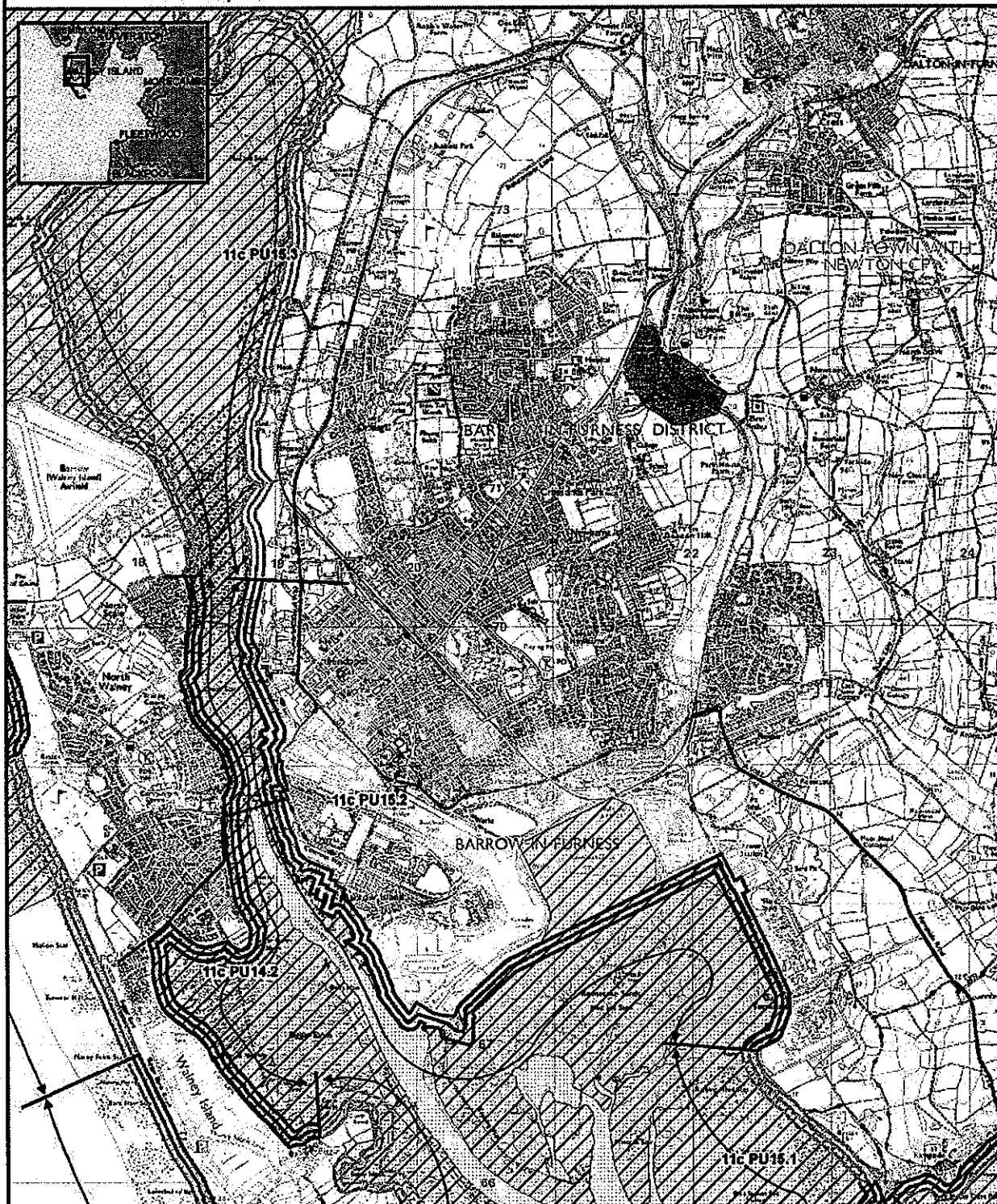
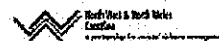
Walney Channel (Mainland) (11c 15)



DRAFT ACTION PLAN					
Action	Action Ref	Action Description, (to be approved)	Potential source for funding (subject to approval)	Responsibility (lead partner)	When by (subject to funding)
1. Studies for scenario area	1.1				
2. Studies for Policy Units: PU 15.3	2.1	Further investigate flood and erosion risk in 11c15.3 and the potential risk to the groundwater source protection zone including consideration of the North West River Basin Management Plan Review	EA	EA	2015
3. Strategy	3.1				
4. Scheme Work	4.1				
5. Monitoring (Data Collection)	5.1	Undertake coastal defence asset monitoring in conjunction with Cell 11 Regional Monitoring Strategy to inform strategy and future SMP reviews	EA	BBC	ongoing
	5.2	Environmental monitoring of designated conservation sites to provide baseline data for future Habitat Regulations Assessments	NE	NE	ongoing
6. Asset Management	6.1	Maintenance of defences including management of public access	Defence owners	Defence owners	ongoing
7. Communication	7.1	Undertake consultation with key stakeholders and general public during implementation phase	n/a	BBC	ongoing
	7.2	Monitoring and management of Action Plans to ensure SMP policies are put into practice	n/a	EA	ongoing
8. Interface with Planning and Land Management	8.1	Ensure Shoreline Management Plan policies and flood and erosion risks are accounted for in the next revisions of land use plans in order to help manage residual risks from flooding and erosion.	n/a	EA	ongoing
	8.2	Ensure flood and erosion risks are accounted for in planning decisions to aim to reduce the need to manage flood risk in future.	n/a	EA	ongoing
9. Emergency Response	9.1	Development, monitoring and review of emergency response plans to prepare for over design standard events.	n/a	EA	ongoing
10. Adaptation/Resilience	10.1				
11. Flood Forecasting and Warning	11.1	Continue with improvements to flood risk maps and inundation modelling to provide improved flood warning service.	EA	EA	ongoing
12. Habitat Creation and environmental mitigation	12.1	Undertake Habitats Regulations Assessment at strategy or scheme level	EA	EA	ongoing
NB Activities from SMP will be carried forward into medium term plans and carried out on a priority basis, subject to funding and approval. n/a = activity is part of authorities general duties, not funded through flood and erosion risk management routes.					

North West England and North Wales Shoreline Management Plan 2

Sub-Cell 11c: Area: 15 Map: 1



<p>Legend</p> <ul style="list-style-type: none"> National Nature Conservation Designations International Nature Conservation Designations Scheduled Monuments 2008 Indicative Floodplain Environment Agency 	<p>Shoreline Management Policies</p> <ul style="list-style-type: none"> Hold the Line (HTL) Managed Realignment (MR) No Active Intervention (NAI) Policy Unit Boundary Policy Unit Extent 	<p>From 2010</p> <ul style="list-style-type: none"> 0 - 20 years 20 - 50 years 50 - 100 years <p>Note that the policy lines on the map show the preferred shoreline management policy for each period and do not represent either the shoreline or defence location</p>	<p>Halcrow</p> <p>Scale: 1:50,000</p> <p>North arrow</p>
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Based on showing cumulative erosion estimates represent the suggested minimum and maximum erosion distances from the shoreline position in 2010. They are only shown where there is a NAI policy and coastal erosion is the main risk.

Duddon Estuary (11c 16)



Draft Recommendations:

Overview:

There are a number of substantial opportunities to allow parts of the estuary seaward of the railway line to return to being a more natural shoreline, allowing future expansion of the intertidal flats and saltmarshes which are internationally important. Even larger areas of habitat creation would be possible if the railway was no longer operational. The long term plan is therefore to seek to realign or withdraw from defending frontages where opportunities exist, but continuing to manage flood and erosion risk to infrastructure and property where it is economically and environmentally viable. This estuary wide approach to managing flood and erosion risks meets the majority of objectives for the natural, built and historic environment and included investigations to ensure that future policies maintain the stability of the estuary as a whole.

Location (Policy Unit)	Draft Policy and Approach (from 2010)				Justification		Economic
	0-20 years	20-50 years	50-100 years		Social	Environmental	
16.1 Lowsey Point to Askam Pier	No Active Intervention – Allow shoreline to continue to evolve under natural processes.	No Active Intervention – Allow shoreline to continue to evolve under natural processes.	No Active Intervention – Allow shoreline to continue to evolve under natural processes.		Limited assets at risk.	No Active Intervention will result in naturally functioning sustainable coastline with potential for wetland habitat creation.	No economic justification for intervention.
16.2 Askam-in-Furness (including Askam Pier)	Hold the Line – Manage erosion risk by maintaining existing defences to an adequate standard.	Hold the Line – Manage erosion risk by maintaining existing defences to an adequate standard.	Hold the Line – Manage erosion risk by maintaining existing defences to an adequate standard.		Maintains the integrity of Askam as a coastal settlement.	Pier may provide control of movement of channels, stabilising intertidal habitats to north and south.	Policy is potentially economically viable, subject to more detailed assessment of wider benefits.
16.3 Askam to Dunnerholme	No Active Intervention – Allow shoreline to continue to evolve under natural processes.	No Active Intervention – Allow shoreline to continue to evolve under natural processes.	No Active Intervention – Allow shoreline to continue to evolve under natural processes.		Limited assets at risk of tidal flooding.	No Active Intervention will result in naturally functioning sustainable coastline. Potential opportunities for Regulated Tidal Exchange & intertidal habitat creation landward of railway, but need to consider impact on Natterjack toads.	No justification for intervention.
16.4 Dunnerholme to Sand Side	Hold the Line – Manage flood and erosion risk to the railway line by maintaining existing defences to an adequate standard.	Hold the Line – Manage flood and erosion risk to the railway line by maintaining existing defences to an adequate standard. Without railway line no active intervention would be preferred option.	Hold the Line – Manage flood and erosion risk to the railway line by maintaining existing defences to an adequate standard. Without railway line no active intervention would be preferred option.		Hold the Line will manage risks to the railway line which is a key factor in the economy of the region.	Potential opportunities for Regulated Tidal Exchange & intertidal habitat creation landward of railway, but need to consider impact on Natterjack toads.	Hold the Line is economically viable but justification is based solely on railway.
16.5 Kirkby-in-Furness	Hold the Line – Manage flood and erosion risk to the railway line by maintaining existing defences to an adequate standard.	Hold the Line – Manage flood and erosion risk to the railway line by maintaining existing defences to an adequate standard.	Hold the Line – Manage flood and erosion risk to the railway line by maintaining existing defences to an adequate standard.		Hold the Line will manage risks to the railway line which is a key factor in the economy of the region. Also manages risk to Sandside and Kirkby-in-Furness.	Realignment not possible due to railway and adjacent high ground. Potential long term intertidal habitat losses due to coastal squeeze can be offset by habitat creation elsewhere in the estuary.	Hold the Line is economically viable but justification is based almost solely on railway.
16.6 Herdhouse Moss	No Active Intervention – Allow shoreline to continue to evolve under natural processes.	No Active Intervention – Allow shoreline to continue to evolve under natural processes. Consider flood risks to isolated properties and case for localised flood protection.	No Active Intervention – Allow shoreline to continue to evolve under natural processes.		No formal defences currently present. Flood risks to isolated properties will increase in future due to sea level rise.	No Active Intervention will result in naturally functioning sustainable coastline. Potential opportunities for Regulated Tidal Exchange & habitat creation landward of railway, but need to consider impact on Natterjack toads and risk to Duddon Mosses SAC.	Insufficient assets at risk to justify shoreline defences.

Location (Policy Unit)		Draft Policy and Approach (from 2010)			Justification		Environmental	Economic
		0-20 years	20-50 years	50-100 years	Social			
1.6.7	Gallopier Pool to Viaduct	Hold the Line – Manage risk to the railway line by maintaining existing defences to an adequate standard.	Hold the Line – Manage risk to the railway line by maintaining existing defences to an adequate standard.	Hold the Line – Manage risk to the railway line by maintaining existing defences to an adequate standard.	Hold the Line will manage risks to the important transport links of the railway line and A595 main road and properties landward of railway.	May be losses of intertidal habitat due to coastal squeeze in long term, but can be offset by gains elsewhere in estuary.	Hold the Line is potentially economically justified depending on details of risk to the railway line and road.	
1.6.8	Duddon Estuary (Both banks upstream of Viaduct and right bank south to Green Rd Station)	Managed Realignment – Investigate opportunities to withdraw from maintenance of existing defences and manage a retreat to higher land to allow natural processes to continue. However localised set-back defences to manage risk to the main A595 road maybe required.	Managed Realignment – Depending on studies, withdraw from maintenance of existing defences and manage a retreat to higher land to allow natural processes to resume. Implement localised set-back defences to manage risk to the main A595 road if required.	Managed Realignment – Depending on approach in earlier epochs, manage realigned defences.	Policy allows for managing flood risk to the important main road. Further investigations on practical aspects of approach required.	The policy will result in naturally functioning sustainable coastline, and landscape and wildlife value of Lake District National Park will be maintained.	There is insufficient economic justification to maintain existing shoreline defences due to a lack of assets at flood risk. Importance of road indicates that managed realignment or raising of road is potentially economically viable (not quantified at this stage).	
1.6.9	Millom Marshes	Hold the Line – Manage flood risk by maintaining existing defences, while studies and consultation are undertaken to assess implications of medium term policies. Undertake early implementation of Managed Realignment where practicable.	Managed Realignment – Do not replace existing embankments at end of residual life. Retreat back to shorter alignment to manage risk to the railway line. Without Railway line No Active Intervention would be preferred.	Managed Realignment – Do not replace existing embankments at end of residual life. Retreat back to shorter alignment to manage risk to the railway line. Without Railway line No Active Intervention would be preferred.	Managed Realignment will manage risks to the railway line which is a key factor in the economy of the region.	Large area of intertidal habitat could be created by setting back the defences. Further studies required to assess impacts on wider estuary.	Managed Realignment policy is potentially economically viable but depends largely on the railway. Positive and negative environmental benefits not assessed at this stage.	
1.6.10	Red Hills (Industrial area)	No Active Intervention – Allow existing redundant defences and quay structures to deteriorate and erosion to continue.	No Active Intervention – Allow existing redundant defences and quay structures to deteriorate and erosion to continue.	No Active Intervention – Allow a return to a more natural shoreline.	Limited assets at risk, no justification for coastal defence. Works to quay or private defences would be subject to consent.	No Active Intervention will result in a more naturally functioning sustainable coastline.	Defences can not be justified economically as there are no longer any assets at risk on the site.	
1.6.11	Hodbarrow Mains	No Active Intervention – Allow shoreline to continue to evolve under natural processes.	Managed Realignment – When flood risk justifies, construct new set back flood embankments to manage flood risk to assets in Millom.	Hold the Line – At new alignment to manage flood risk to assets.	Managed risk to community and assets in Millom. Defences will only be constructed when required.	Coastline will remain natural as defences can be set back towards the vicinity of the assets.	Policy is economically viable assuming intervention takes place in medium term when justified, and cost effective set back alignment rather than shoreline defences.	
1.6.12	Hodbarrow Nature Reserve & Lagoon	Hold the Line – Manage flood risk by maintaining existing defences. During this period future policy should be evaluated to provide justification to repair and upgrade or realign at the end of the structures residual life.	Managed Realignment – If deemed not feasible / affordable to maintain the structure into the future Managed Realignment may be required to make allowance for the lagoon becoming tidal upon failure of the structure. However, suitable compensatory habitat would be required.	Hold the Line – Manage risk to assets and property in Haverigg either at the Outer Barrier or at set back defences.	Amenity value of the lagoon will be maintained if deemed justified & affordable following investigation. In the event of the lagoon breaching the failed structure would remain into the long term providing calm sheltered waters during the high tide period.	Nature reserve habitat of the lagoon will be maintained if deemed justified following investigation. Or the coast will be allowed to return to a more natural state by the lagoon becoming tidal. Impacts on the freshwater Hodbarrow lagoon, (part of the Duddon SPA), need to be considered. Future managed realignment of the lagoon may be feasible, but only if suitable freshwater compensatory habitat has been created.	Policy is economically viable but investigations are required to determine best way of managing the defences and the related environmental risks and opportunities.	

Key assumptions made during development
Contamination risk from previously reclaimed frontages at the Red Hills site is uncertain; therefore future studies will be required to address these uncertainties. Actual erosion rates are unknown; therefore rates stated in the accompanying map are only estimates. The long term flood risk management policy for this estuary, as with others in the North West may change if proposals for tidal power barrages are progressed. The recommended policy is adaptive and the specific nature of realignment depends on further investigations to be taken forward in the Action Plan. These will need to consider future changes in tides and potential flood extents under rising sea levels.

Duddon Estuary (11c 16)



Predicted Implications of the Draft Policies being Adopted in this Location:								
Time period from 2010	Property and population	Land use, infrastructure and material assets	Amenity and recreational use	Historic environment	Landscape character and visual amenity	Earth heritage, soils and geology	Water	Biodiversity, flora and fauna
0-20 years	<p>✦ Will manage risk to Askam-in-Furness, Sand Side and Foxfield and Millom.</p> <p>— Some isolated properties in the flood zone may be at risk of flooding where No active intervention.</p>	<p>✦ Manages risk to Cumbrian Coast railway line.</p> <p>✦ Manages risk to agricultural land in areas of Hold the line.</p> <p>— but potential flood risk in areas of No active intervention.</p>	<p>— Potential loss of footpaths in areas of No active intervention.</p>	<p>No known impacts on historic environment.</p>	<p>Minimal change in landscape character and wildlife value of Lake District National Park.</p>	<p>No known impacts on earth heritage, soils and geology.</p>	<p>No known impacts on water quality.</p>	<p>✦ Increase in extent of intertidal habitats (e.g. between Greety Gate and Duddon Bridge), sandflats and floodplain grazing marsh adjacent to designated conservation sites due to unimpeded coastal processes where No active intervention.</p> <p>Potential impacts on</p> <ul style="list-style-type: none"> o Duddon Estuary SPA, Ramsar site and SAC, o Morecambe Bay SPA, Ramsar, SAC & SSSI o Duddon Mosses SAC & SSSI <p>Awaiting agreement of conclusions of Appropriate Assessment (AA) - impacts uncertain.</p> <p>✦ The condition and saline lagoon at Hodbarrow Point RSPB Reserve would be maintained.</p>
20-50 years	<p>As above</p>	<p>As above, plus</p> <p>— Potential losses of agricultural land where managed realignment.</p>	<p>— Potential loss of or changes to footpaths in areas of No active intervention and managed realignment.</p>	<p>— Potential impacts on Saltworks due to managed realignment at Millom Marshes.</p>	<p>As above</p>	<p>As above</p>	<p>As above</p>	<p>As above, plus</p> <p>— Potential loss of freshwater grazing marsh in areas of realignment/ No active intervention.</p> <p>A policy of managed realignment at Hodbarrow would result in the coastal lagoon becoming tidal (as in past) with a likely change in habitats and species resulting from the increased salinity (Uncertainty regarding impacts).</p>
50-100 years	<p>As above</p>	<p>As above</p>	<p>As above</p>	<p>As above</p>	<p>Potential change in landscape character and wildlife value of Lake District National Park.</p> <p>Potential impacts on character due to changes in hydrodynamics of the estuary. (Impacts uncertain).</p>	<p>As above</p>	<p>As above</p>	<p>— Potential loss of intertidal habitat due to coastal squeeze within and outside of designated conservation sites where holding the line.</p> <p>✦ Gains in intertidal habitat outside of designated conservation sites where managed realignment.</p>

Impact colour key	✦ Positive	Neutral	— Negative
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Duddon Estuary (11c 16)

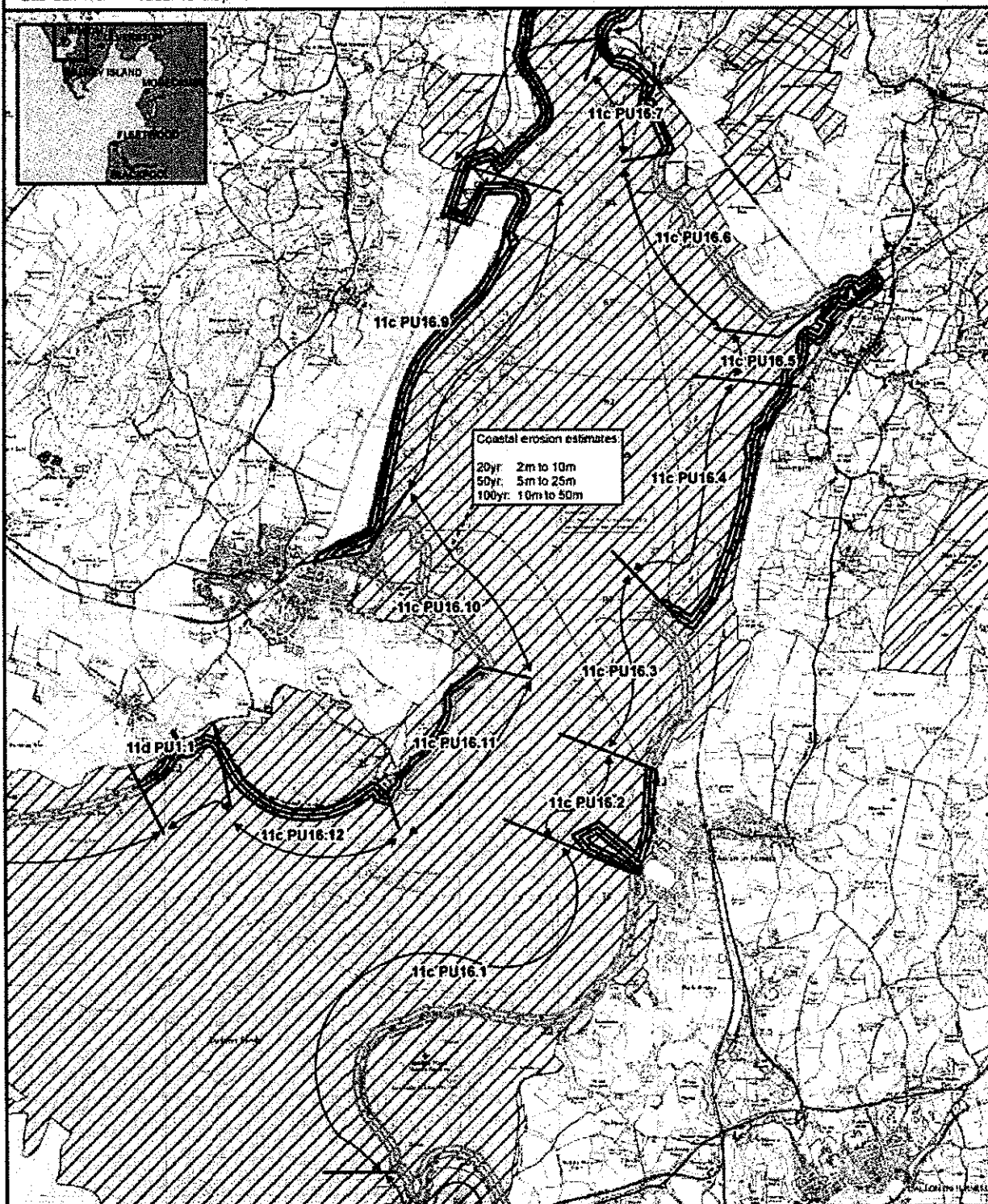
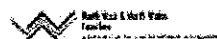


DRAFT ACTION PLAN					
Action	Action Ref	Action Description, (to be approved)	Potential source for funding (subject to approval)	Responsibility (lead partner)	When by (subject to funding)
1. Studies for policy area	1.1	Undertake estuary wide modelling and geomorphology studies to consider implications of changes in policy and managed realignment at estuary wide scale. Estimate losses and gains and provide information to the estuary strategy and the Regional Habitat Creation Programme	EA	EA	2015
2. Studies for Policy Units: PU 16.3, 16.4 & 16.6	2.1	Investigate potential opportunities for Regulated Tidal Exchange and habitat creation landward of railway, but need to consider impact on Natterjack Toads and freshwater / terrestrial habitats. Consider opportunities together with other losses and gains of habitat related to the railway and defences in the wider region.	EA / NR	EA / Network Rail	2015
PU 16.8	2.2	Undertake study to investigate opportunities to withdraw from existing defences and realign to higher land or set back defences to achieve a more affordable approach to defences, including assessment of options for managing risks to AS95. Results to inform estuary strategy.	EA	EA	2015
PU 16.9	2.3	Undertake studies to assess opportunities for managed realignment policy in the medium / long term, including investigations of risks to archaeology, impacts of large scale realignment on the overall estuary and risks to the railway. Results to inform estuary strategy.	EA	EA	2015
PU 16.10	2.4	Investigate risks from pollution due to erosion of possibly contaminated land at Redhills and use results to inform estuary strategy.	n/a	EA	2015
PU 16.12	2.5	Flood risk study for Millom and Havenigg to allow evaluate options to replace or retreat at the end of the existing structures residual life. Also evaluate environmental risks and losses and gains and the potential need for provision of compensatory habitat for option of realignment into the freshwater lagoon.	EA	EA	2015
3. Strategy	3.1	Develop coastal flood risk management strategy taking into the above studies. Develop a programme of work to put the approaches into practice	EA	EA	2015
4. Scheme Work	4.1	To be defined by strategy	EA / NR	EA	ongoing
5. Monitoring (Data Collection)	5.1	Undertake estuary and flood defence asset monitoring in conjunction with Cell 1.1 Regional Monitoring Strategy to inform strategy and future SMP reviews	EA	CBC	ongoing
	5.2	Environmental monitoring of designated conservation sites to provide baseline data for future Habitat Regulations Assessments	n/a	NE	ongoing
	5.3	Monitor flood risk at Hodbarrow Mains to allow timely construction of set back defences when the risk justifies.	EA	EA	ongoing
6. Asset Management	6.1	Maintenance of defences and beach and dune management including management of public access	EA / NR	EA	ongoing
7. Communication	7.1	Undertake consultation with key stakeholders and general public during strategy development	n/a	EA	ongoing
	7.2	Monitoring and management of Action Plans to ensure SMP policies are put into practice	n/a	EA	ongoing
8. Interface with Planning and Land Management	8.1	Ensure Shoreline Management Plan policies and flood and erosion risks are accounted for in the next revisions of land use plans in order to help manage residual risks from flooding and erosion.	n/a	CBC / SLDC	ongoing
9. Emergency Response	8.2	Ensure flood and erosion risks are accounted for in planning decisions to aim to reduce the need to manage flood risk in future.	n/a	CBC / SLDC	ongoing
10. Adaptation/Resilience	9.1	Development, monitoring and review of emergency response plans to prepare for over design standard events.	n/a	CBC / SLDC	ongoing
	10.1	Consider approach for coastal adaptation in future such as local or individual property flood protection or resilience to isolated properties where tidal flood risks are expected to increase in the long term and shoreline defences are not justifiable due to economic or environmental constraints.	EA	CBC / SLDC	ongoing
11. Flood Forecasting and Warning	11.1	Continue with improvements to flood risk maps and inundation modelling to provide improved flood warning service.	EA	EA	ongoing
12. Habitat Creation and environmental mitigation	12.1	Undertake a Habitat Regulations Assessment (see Actions 2.1 and 5.2) to assess impacts of SMP policies on international conservation sites, including estimating losses and gains of designated habitats, in consultation with Natural England.	EA	EA	ongoing
	12.2	Seek opportunities for environmental enhancement as part of flood risk management works at strategy or scheme level in consultation with Natural England e.g. opportunities to improve hydrological regime, ditch management, improve water levels and provide scrub control within Duddon Mosses SAC and SSSI.	EA	EA	ongoing

NB Activities from SMP will be carried forward into medium term plans and carried out on a priority basis, subject to funding and approval. n/a = activity is part of authorities general duties, not funded through flood and erosion risk management routes.

North West England and North Wales Shoreline Management Plan 2

Sub-Cell 11c: Area: 16 Map: 1



Legend

- National Nature Conservation Designations
- International Nature Conservation Designations
- Scheduled Monuments
- 2008 Indicative Floodplain
- Environment Agency

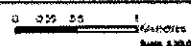
Shoreline Management Policies

- Hold the Line (HtL)
- Managed Realignment (MR)
- No Active Intervention (NAI)
- Policy Unit Boundary
- Policy Unit Extent



Note that the policy lines on the map show the preferred shoreline management policy for each period and do not represent either the shoreline or defence location.

Halcrow

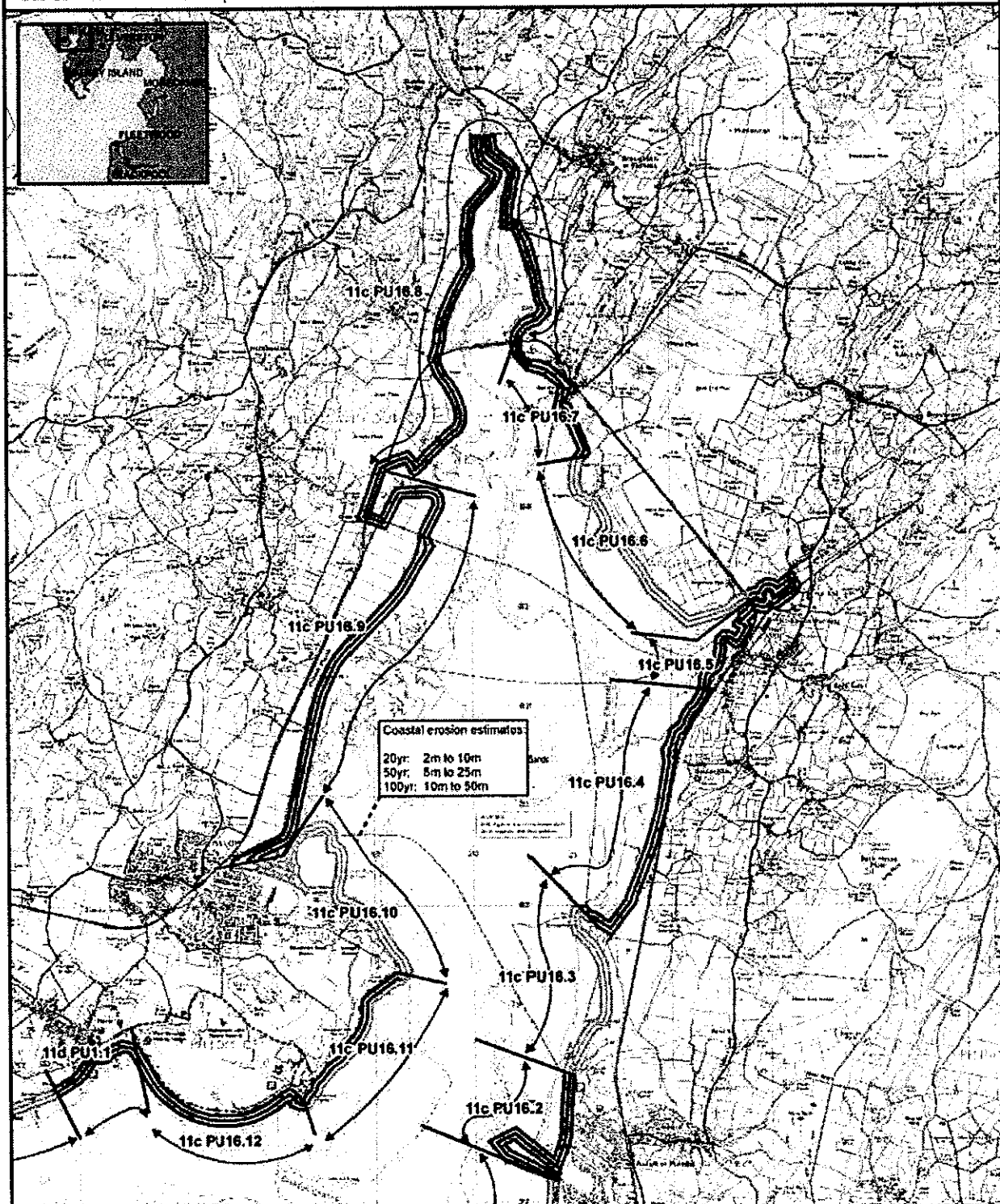
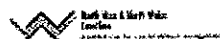


This map is a summary of the Environment Agency's policy for the management of the coastline. It is not a legal document and should not be used as a basis for any legal action. The Environment Agency is not responsible for any loss or damage arising from the use of this map.

Shoreline cumulative erosion estimates represent the expected minimum and maximum erosion distance from the shoreline position in 2010. They are only shown where there is a HtL policy and coastal erosion is the main risk.

North West England and North Wales Shoreline Management Plan 2

Sub-Cell 11c: Area: 16 Map: 2



Legend

- National Nature Conservation Designations
- International Nature Conservation Designations
- Scheduled Monuments
- 2008 Indicative Floodplain
- Environment Agency

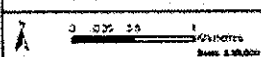
Shoreline Management Policies

- Hold the Line (HtL)
- Managed Realignment (MR)
- No Active Intervention (NAI)
- Policy Unit Boundary
- Policy Unit Extent



Note that the policy lines on the map show the preferred shoreline management policy for each period and do not represent either the shoreline or defence location.

Halcrow



This map is a technical drawing of the coastline and is not intended to be used for navigation. It is the responsibility of the user to ensure that the map is used in accordance with the terms and conditions of the licence. The map is not a substitute for a professional survey and should not be used for any purpose other than the one for which it was prepared.

Boundaries shown on this map are approximate and do not represent the actual boundaries of the land. They are only shown where there is a NAI policy and coastal erosion is the main risk.

North West & North Wales Coastal Group

North West England and North Wales Shoreline Management Plan SMP2

Main SMP2 Document – Consultation Draft

Annex 2 - Glossary

GLOSSARY OF TERMS

This glossary explains some of the technical words and terms used in the Shoreline Management Plan

2.

Term	Definition
Appropriate Assessment (AA)	The Appropriate Assessment considers the possible effects of implementing the Plan on a site's conservation objectives. This is a requirement under the Habitats Directive and only applies to sites that are designated under European law.
Accretion	In geography, accretion means the land increasing due to sediment being added to it.
Advance the Line (ATL)	Creating more land by moving coastal defences into the sea
Area of Outstanding Natural Beauty (AONB)	Nationally important areas that are protected to conserve and enhance natural beauty including flora, fauna, geological and landscape features. These areas are set by Natural England.
Beach Recharge	This is the management practice of adding to the natural amount of sediment (such as sand) on a beach by using material from elsewhere. This is also known as beach replenishment, nourishment or feeding.
Biodiversity Action Plans (BAPS)	Strategies for conserving and enhancing wild species and wildlife habitats in the UK.
Cell 11 Regional Monitoring Strategy (CERMS)	Regional Monitoring Strategy for the area known as Cell 11 from Llandudno to Solway Firth
Catchment Flood Management Plan (CFMP)	Broadly equivalent to an SMP to manage river defences.
Character Area	Nationally significant areas of England due to the make up of the land, plants and human activity. These areas are set by Natural England.
Chart Datum (CD)	Approximately the lowest astronomical tidal level, excluding the influence of the weather.
Climate change	Long term changes in climate, specifically linked to human activity. For example, the release of greenhouse gases to the atmosphere from burning fossil fuels; the results of which may lead to increased rainfall, tide levels, etc.
Coastal squeeze	The process by which coastal habitats and natural features are progressively lost or drowned, caught between coastal defences and rising sea levels
Conservation Area	A conservation area is a tract of land that has been awarded protected status in order to ensure that natural features, cultural heritage or biota are safeguarded. A conservation area may be a nature reserve, a park, a land reclamation project, or other area.
County Character Area	Areas with attractive landscapes of countywide significance.
Client Steering Group (CSG)	A group set up to 'steer' the SMP2 project. Made up of members of the North West England and North Wales Coastal Group, technical officers and representatives from Local Authorities, the Environment Agency, Natural England and English Heritage.
Capital Value (CV)	The actual value of costs or benefits.

Term	Definition
Defra	Department for Food, Environment and Rural Affairs. The Government Department responsible for setting out what the SMP2 should do and look like.
Defra SMP Guidance	Guidance produced by Defra in 2006 to ensure a consistent approach is taken to producing the Shoreline Management Plan 2s.
Designated Sites	These are areas identified or mapped out to enhance the conservation and protection of habitats. A habitat is a place inhabited by animals, insects, plants or other living organisms
Discounting	The conversion of all future costs and benefits into comparable units (present value).
Downdrift	Longshore drift is the movement of beach materials along the shore, if a location is described as downdrift, it is located further down the sediment pathway than an alternative area.
Ebb-tide	The falling tide. Part of the tidal cycle between high water and the next low water.
Economic Analysis	An assessment which takes account of a wide range of costs and benefits, generally those that can be valued in money terms.
Economic justification	Economic justification assesses whether the whole life costs of constructing and maintaining the sea defences can be justified by the financial value of the residential, commercial and Agricultural assets they are protecting.
Elected members	local and district authority councillors
Elected Members Forum (EMF)	Meetings attended by Elected Members to give them opportunities to inform and comment on the development of the SMP2.
Environment Agency	A non-departmental government body responsible for looking after the environment in England and Wales including flood defence, water resources, water quality, pollution control.
Environmental Impact Assessment (EIA)	Detailed studies which predict the effects of a project on the environment, and includes plans for dealing with any adverse impacts.
Epoch	A specific period of time.
Erosion	The loss of land due to the effects of waves and, in the case of coastal cliffs, slope processes (such as high groundwater levels). This may include cliff instability, where coastal processes result in landslides or rock falls..
Environmentally Sensitive Area (ESA)	An area where defra can provide payment to encourage farming practices which are beneficial to the environment.
Estuary	Mouth of a river, where fresh river water mixes with seawater.
European Sites	Any site that has been officially named ("designated") as a site of European nature conservation importance, either as a special protection area (SPA), a special area of conservation (SAC) or a Ramsar (see the glossary) site.
Flood cell	The total area at risk of flooding in any location.
Flood storage	Storing flood water in one area to reduce water levels elsewhere.
Fluvial	Belonging to rivers streams or ponds. e.g. Fluvial flooding, fluvial plants
Foreshore	The area between the high water and low water marks.
Geological Conservation Review Site (GCR)	Sites of national and international importance for their geology.

Term	Definition
Geomorphology/ Morphology	The make up of the earth's surface including the distribution of the land, water, etc.
Geographic Information System (GIS)	A computer system for mapping information about geographical areas.
Groyne	A structure built into the sea from the shore which traps material moved around by the sea.
Habitat creation	The creation of new ecosystems (such as saltmarsh) in areas that did not previously support that system.
Habitats Regulations	The Conservation (Natural Habitats & c.) Regulations 1994. This makes the Habitats Directive UK law
Heritage Coast	Heritage Coast is a national definition to cover the most unspoilt areas of undeveloped coastline around England and Wales
Heritage features	Features of historical importance.
High Water Mark (HWM)	The highest reach of the water at high tide. It can sometimes be recognised by a line of debris, e.g. seaweed, pieces of wood.
Hinterland	The area landward of flood or coastal defences.
Hold the line (HTL)	Keeping the shoreline in the same place
Infrastructure	The basic facilities and equipment for the functioning of the country or area, such as roads, rail lines, pipelines and power lines.
International environmental designations	Any site that has been officially named ('designated') as a site of international nature conservation importance, either as a special protection area (SPA), a special area of conservation (SAC) or a Ramsar (see the glossary) site
Intertidal habitat	Habitat between mean low water mark and mean high water mark.
Intertidal zone	The area of the seabed exposed between the highest and lowest levels of the tide.
Inundation modelling	Using a computer model to predict the flow of flood water submerging an expanse of land.
Land reclamation	Creating new, dry land on areas that have previously been seabed.
Limited intervention	When the desired outcome can be achieved with limited human inputs
Local Landscape Areas (LLA)	An area that is important to the appearance and environment of the local area. These areas are promoted in Local Development Frameworks and set by Local Authorities.
Local Nature Reserves (LNR)	Sites of local significance which provide important opportunities for public enjoyment, recreation and interpretation. These are set by Local Authorities in consultation with Natural England.
Longshore current	A movement of water along the shore, caused by waves and tides.
Longshore transport	Movement of material along the shore. Sometimes called longshore drift or alongshore drift.
Low Water Mark (LWM)	The highest reach of the water at low tide.
Managed realignment	Allowing the existing sea defence line to move further inland (naturally or in a controlled way) to reduce flood risk.
Management scenario	The plan and outcome that future management will aim to achieve.

Term	Definition
Material assets	Properties, equipment or items to which a value can be assigned
Mean sea level	Average height of the sea surface over a 19-year period.
Mean High Water (MHW)	The average of all high waters recorded over a long period.
Mean High Water Springs (MHWS)	The average height of the high waters of spring tides recorded over a long period.
Mean Low Water (MLW)	The average of all low waters recorded over a long period.
Mean Low Water Springs (MLWS)	The average height of the low waters of spring tides recorded over a long period.
No Active Intervention (NAI)	Existing defences will not be maintained and will fail over time or undefended shorelines will be allowed to evolve naturally.
National environmental designations	Areas identified as nationally special sites for the wildlife and habitats.
National Nature Reserves (NNR)	Nationally important natural and semi-natural areas which are managed to protect the habitats on these sites. These areas are set by Natural England.
NWRCZA	North West Rapid Coastal Zone Assessment 2009
Objective	A desired goal to be achieved in the future.
Ordnance Datum (OD)	The universal zero point used in the UK (equal to the mean sea level at Newlyn in Cornwall) from which the height of the land is measured.
Pluvial	'Produced by rain', e.g. surface water flooding
Policy	In this context, "policy" refers to the generic shoreline management options (No Active Intervention, Hold the Existing Line of Defence, Managed Realignment and Advance the Existing Line of Defence).
Policy Scenario	Brings together individual policy units that interact with those next to them (i.e. a group of policy units which share the same SMP2 policy option).
Policy Statement	A statement declaring and describing the proposed management policy to be adopted in a particular time period.
Policy Unit	Sections of coastline for which a certain coastal defence management policy has been defined.
Present Value (PV)	. The value of a stream of benefits or costs when discounted back to the present day. For this SMP the discount factors used are the latest provided by Defra for assessment of schemes, i.e. 3.5% for years 0-30, 3.0% for years 31-75, and 2.5% thereafter.
Preferred Options or Preferred policy	The preferred options for managing the shoreline based on assessment of the issues facing the area and the impacts of any solutions.
Primary defence	The main line of defence, usually the most seaward if several defence structures are present.
Primary policy drivers	The main reason for a certain policy to be chosen
Policy Unit	Small sections of the coastline, each of which will have a specific, individual policy.
Qualitative Methods	Using a written or verbal description instead of numbers to inform assessment and decision making.

Term	Definition
Ramsar	Sites of international importance which aim to protect and maintain wetlands wetlands.
Relic	An area which is not fed and built up by new sediment.
Relict	Something that has survived after a destructive process has happened. This can include structures or geological formations.
Residual Flood Risk	The risk which remains after managing and reducing risks. It may include, for example, risk due to very severe storms or risks from unexpected hazards
Revetment	A coastal defence made with stones laid on a bank sloping upwards from the beach
Regionally Important Geological / Geomorphological Site (RIGS)	Sites which are regionally important for their geological or geomorphological form.
Risk Management Strategy	The plan for managing and monitoring risks.
Roll-back	The process whereby coastal habitats move landward due to rising sea levels.
Royal Society for the Protection of Birds (RSPB)	A UK charity working to promote the conservation of birds and other wildlife by protecting and re-creating habitats.
Special Area of Conservation (SAC)	Areas which aim to protect habitats or species of European importance and can include Marine Areas.
Strategic Environmental Assessment (SEA)	Looks at the impacts of plans and programmes on the environment and involves: <ul style="list-style-type: none"> • preparing an environmental report • carrying out of consultations • Using the environmental report and the results of the consultations to inform decision making • providing information when the plan or programme is adopted showing that the results of the environment assessment have been taken into account
SEA Impact	The impacts of the management policies being adopted in a particular Location as investigated in the SEA (above)
Secondary or Set back defences	Secondary defences are usually smaller defences that provide protection in additional to the primary defences. These may be referred to as set back defences if they are set back land ward of the primary defences.
Scour	Sand and sediment being removed by waves or currents, especially at the base and ends of coastal defence structures.
Sea level rise	The rise of the height of the sea in relation to the land. This can be caused by global climate change and changes in local land levels.
Sensitivity Analysis	Changing the key things that have been assumed about the plan, or different data and information in the plan to see the potential effect of these changes on the suggested option.
Shoreline	The specific point at which the sea meets the land. This can vary depending on when the shoreline is measured, e.g. high water shoreline.

Term	Definition
Scheduled Monument (SM)	Nationally important archaeological sites which protect and preserve the site for the educational and cultural benefit of future generations.
Siltation	The build up of small pieces of sediment.
Special Landscape Area (SLA)	Areas which have a strategic landscape importance.
Shoreline Management Plan (SMP)	A plan which assesses the coast and provides evidence to Local Authorities and other organisations to help them reduce risk of erosion and flooding to people and the developed, historic and natural environment in a sustainable way. The original SMPs were developed in the late 1990s.
Shoreline Management Plan 2 (SMP2)	This document is the draft Shoreline Management Plan 2. It is a review of the original SMP document.
Site of Nature Conservation Importance (SNCI)	Sites of local nature conservation interest, set by the Wildlife Trusts and Local Authorities
Special Protection Area (SPA)	Internationally important sites that establish a network of protected areas for birds.
Spit	A build up of sand or stones deposited where a shoreline changes direction. These are formed by waves moving sand or stones along the shoreline to form a promontory jutting out from the coast.
Source Protection Zone (SPZ)	Zones which the Environment Agency have defined groundwater sources such as wells, boreholes and springs used for public drinking water supply.
Sites of Special Scientific Interest (SSSI)	Sites which represent some of the best examples of Britain's nature including plants, wildlife and landscape. These are set by Natural England.
Stakeholder	A person or organisation with an interest in the preparation of, and outcomes from, the shoreline management plan. Stakeholders can include agencies, authorities, organisations, individuals and private bodies.
Stakeholder Forum (SF)	Meetings for stakeholders to help them get involved in producing the shoreline management plan. Stakeholder Forums were and will be held at key stages of developing the SMP.
Strategy Studies	A long term plan, known as a flood defence management strategy, which sets out ways to manage. These look at a broad range of local interests and issues.
Sustainability (in flood risk management)	Making sure that current flood defences are not too costly or difficult to maintain in the future.
Tidal current	The direction that the sea moves when influenced by the rise and fall of the tide.
Tidal energy impoundment lagoon	The lagoon formed behind a barrage or barrier used to create tidal energy.
Tidal power embayments and barrages	Tidal power barrages and embayments trap the falling tide in Tidal energy impoundment lagoons to release it in a controlled manner through turbines to create electricity.
Tidal prism	The amount of water in the estuary between the level of high and low tide.
Tide	The rise and fall of the sea caused by the gravitational pull of the moon and sun on the earth.
Toe protection	Putting boulders or other large materials at the bottom of coastal defences to stop waves from removing the material that the defence sits on.

Term	Definition
Topography	The shape of the earth's surface including land levels and the position of natural and man-made features.
Transgression	The way that the shoreline moves towards the land due to a rise in sea level.
Updrift	The opposite direction to the movement of beach materials along the shore.
Visual amenity	The pleasant or desirable appearance of an area or feature
Wetlands	Low-lying areas of land that are often flooded and are home to plants that thrive in saturated soils.
With Present Management (WPM)	Assumes that coastal defences are maintained to provide a similar level of protection to that currently provided.
Water Framework Directive (WFD)	A European Directive that aims to improve and protect inland and coastal waters

EXECUTIVE COMMITTEE		Part One (D) Agenda Item 12
Date of Meeting: 27th January, 2010		
Reporting Officer: Director of Corporate Services		
Title: Agreement for External Legal Services to the Council		
Summary and Conclusions:		
An agreement to procure legal services for the Council.		
Recommendation:		
1. To agree that the Council utilises County Legal Services to provide some of its legal functions; and		
2. To agree that the Council formalises this arrangement by signing a legal agreement with the County Council.		

Report

The Council's Agreement with South Lakeland District Council to provide Legal Services to the Council came to and end in April 2009.

The Council has a continuing need to have access to qualitative and reliable legal services to ensure that Officers are supported in executing diverse local authority functions.

The Director of Corporate Services agreed with the County Solicitor to commence a trial period for 6 months from May 2009 with County Solicitors taking instruction on legal work from Barrow.

This trial was successful with Barrow's Officers showing satisfaction with the level and quality of service offered. The Director of Corporate Services has the confidence that this level of service will continue if the Council instructs County Legal Services on a formal basis to carry out legal services for the Council. Officers from both authorities have been able to agree on a charging scale which is favourable to the Council and offers good value.

It is in the Council's interest to complete negotiations with the County Council's Legal Department to provide legal services to the Council.

(i) Legal Implications

The Council has legal and statutory responsibilities which will be covered under this agreement.

(ii) Risk Assessment

The Council reduces the risk of being without cover for operational legal work by entering into this agreement.

(iii) Financial Implications

The financial terms under this agreement offer good value to the Council.

(iv) Health and Safety Implications

Not Applicable.

(v) Key Priorities or Corporate Aims

KP5: Improve effectiveness and efficiency of the Council.

(vi) Equal Opportunities

Not Applicable.

Background Papers

Not Applicable.

EXECUTIVE COMMITTEE		Part One (D) Agenda Item 13
Date of Meeting:	27th January, 2010	
Reporting Officer:	Chief Executive	
Title: Appointment to the Barrow Local Committee - Highways Advisory Group		
Summary and Conclusions:		
The Council has given delegated authority to Committees to make appointments to Outside Bodies, Forums (except Housing Management Forum) Panels, Working Groups etc. in accordance with the number and allocation of seats to political groups agreed at the Annual meeting.		
Recommendation:		
To request the Committee to appoint a representative from the Conservative Group to maintain proportionality to the Barrow Local Committee – Highways Advisory Group.		

Report

In accordance with proportionality two Conservative's and one Labour member are appointed to serve on the Barrow Local Committee - Highways Advisory Group. Councillor Bell (former Conservative Member) had been appointed to serve on the Group. A Conservative representative is requested to be appointed to maintain proportionality.

(i) **Legal Implications**

When Councillors are acting as representatives on another authority they must comply with their Code of Conduct.

(ii) **Financial Implications**

Not Applicable.

(iii) **Health and Safety Implications**

Not Applicable.

(iv) **Key Priorities or Corporate Aims**

Not Applicable.

(v) Risk Assessment

Not Applicable.

(vi) Equal Opportunities

Not Applicable.

Background Papers

Not Applicable.