

Performance Review

April 2007

Last saved: 23/05/2007 12:53:00

Market Renewal

NEWHEARTLANDS

- Audit Commission descriptor to be inserted by Publishing-

Document Control

Author Tony Earnshaw

Filename NHPerformance Monitoring reportfina to DCLG.doc

Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

[any director/member or officer in their individual capacity; or](#)
[any third party.](#)

Copies of this report

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0845 056 0566.

© Audit Commission 2006

For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 020 7828 1212 Fax: 020 7976 6187 Textphone (minicom): 020 7630 0421

www.audit-commission.gov.uk

Contents

Market Renewal pathfinders performance reviews	4
Summary	5
Report	7
Influencing trends and meeting aspirations	7
Strategic Context	11
Implementation	12
Governance	17
Value for money	17
Learning and innovation	20
Appendix 1 – Progress against Audit Commission Recommendations	22
Appendix 2- Summary of Monitoring Activity Undertaken	29

Market Renewal pathfinders performance reviews

- 1 The Strategic Review of NewHeartlands published by the Audit Commission in December 2005 considered the pathfinder's record at a strategic level in developing and delivering its programme across the pathfinder area. Since the Strategic Review there have been two performance reviews which considered issues at a more local level. These comprised a review of Anfield- Breckfield in Liverpool in February 2006 and a review of Tranmere, Wirral in September 2006.
- 2 The purpose of this current review is to follow up on these previous reviews in order to assess what progress has been made where the Audit Commission has previously identified there needed to be further action. The report also considers the pathfinder's progress in addressing the recommendations made in the Audit Commission's Strategic Review report and the pathfinder's approach to improving community cohesion through its work.
- 3 Anfield Breckfield is located to the North of Liverpool city centre and as the name suggests it is focused around the Liverpool FC stadium. At the time the Neighbourhood Renewal Assessment (NRA) was completed in 2004 the area contained 4960 dwellings of which 3100 were privately owned, 160 were local authority and 1700 were owned by Registered Social Landlords.
- 4 Both Anfield- Breckfield and Tranmere comprise Super Output Areas which were in the 2% most deprived in the country as defined through the Index of Multiple Deprivation (IMD) 2004. Housing stock condition in Anfield Breckfield was comparatively poor with 14.37% of properties being unfit compared to the national average of 4%, the Liverpool average of 8% and a NewHeartlands average of 8.6%. Eighty nine per cent of the stock was pre-1919 and long-term vacants represented 9.78% of stock compared with 3.6% nationally and 7.6% in Liverpool as a whole.
- 5 Tranmere in Wirral comprises two distinct neighbourhoods split between higher and lower Tranmere. The former occupies a ridge whilst the latter spills downwards easterly towards the River Mersey. Higher Tranmere was traditionally focused around Church Road. As well as significant areas of housing it is a patchwork of land uses including low grade retail and industrial development, Mersey Park and St. Catherine's Hospital. Lower Tranmere, originally a fishing and quarrying village is now dominated by the bulk of Cammell Laird's shipyard the decline of which precipitated and mirrored that of the town.
- 6 In Tranmere nearly 60% of households do not own a car. Average household incomes are 68% of the overall figure for Wirral although it should be noted that Wirral as a whole contains some affluent communities which will distort this comparison. Long term housing vacancies at less than 4% are low.

Summary

- 7 Good progress has been made since the last review with developing the pathfinder's Sustainability Index. The Index will be used to support, in conjunction with existing tools, the monitoring of the programme and to plan future interventions. It will also aid in evaluating the success of the programme by comparing changes and improvements over time.
- 8 In response to the perceived drawbacks of NRA's as a tool on their own Wirral local authority has developed its own Neighbourhood Option Appraisal tool which combines some of the more useful elements of NRA, Masterplanning and options appraisal. In Anfield-Breckfield the original NRA's have been updated and slightly extended although the basic process remains the same as before with the same inherent drawbacks. Since the review Liverpool City Council has, however, undertaken to learn from the Wirral approach in its use of this key strategic tool.
- 9 In both areas work is now in progress to develop Implementation Plans although work in Liverpool is further advanced than in Wirral. In both cases the approaches would still benefit from more fully developed annual plans which break down each of the key interventions into manageable elements and attribute clear project management responsibility, timescales and resources to them.
- 10 Wirral local authority has a more fully developed methodology, through its Design and Access Statements, than Liverpool to producing design-based approaches in taking forward plans and this is likely to bear fruit in terms of all stakeholders being able to make better informed decisions. There is, however, a clear intention from the City Council to pursue a similar approach in the future.
- 11 The interim planning restraint policies adopted by the two local authorities appear to continue to be having a positive impact.
- 12 There has been significant HMR and other public sector investment in both Anfield-Breckfield and Tranmere since the start of the pathfinder programme. The ratio of HMR to matched funding secured in Tranmere significantly exceeds the amount in Anfield-Breckfield. This is also reflected in the amount of measurable activity which has taken place in the respective areas since 2003.
- 13 Lack of visible progress on the ground in Anfield continues to be a cause for concern. This is particularly true in respect of the clearance programme which has slipped further since the previous performance review. The predominance of void properties provides one of the enduring characteristics of the area and the problem has grown. Management of this void stock makes a significant dent in the HMR funding which is available for other activity in the area.

- 14 There is potentially positive activity likely in the near future such as the redevelopment of the football stadium, the next phase of demolition and the Rockfield improvement scheme. These were, however, projected to start after the end of the current review period.
- 15 There are measures in place to assist local communities to develop their capacity.
- 16 Further progress on developing a sound approach to securing value for money has been mainly demonstrated within the pathfinder itself in terms of developing its capital receipts strategy. This has taken a while to agree with the local authorities. Notwithstanding the approach which has now been agreed the pathfinder board will need to ensure it retains adequate control over the use of receipts since it is the board not the local authorities which is ultimately accountable for them as with any other HMR spending. The pathfinder board may therefore wish to consider imposing further restrictions either that receipts should be used first for funding schemes before other HMR resources are called upon or to restrict the total receipts that each local authority can hold at any given time.
- 17 In terms of maximising the positive social and economic benefits of the significant capital investment flowing in to the target areas there has been no discernible progress since the previous performance reviews. One of the two local authorities seems particularly reluctant to consider learning from or adopting good practice from outside the sub-region preferring instead to continue with an approach which is loosely framed. The other local authority has yet to determine how it might progress such an approach at all.
- 18 Wirral local authority urgently needs to conclude its assessment of whether building under licence on local authority land offers the local authority advantages over a building under lease arrangement.
- 19 Wirral's Neighbourhood Option Appraisal process, the pathfinder's fledgling Sustainability Index and Wirral's approach to design in Fiveways, Tranmere are all areas of learning which are worthy of sharing with other pathfinders
- 20 The pathfinder's progress against Audit Commission recommendations arising from the Strategic Review has been good. Of the seven recommendations four have been completed within the agreed timescales with the remaining three completed within acceptable timescales. In particular the investment framework for the Stanley Road corridor is a good example of joint working between Sefton and Liverpool local authorities.

Report

Influencing trends and meeting aspirations

- 21 Previous reports explore in detail the way the pathfinder has developed its understanding of the local housing market, based on comprehensive research, consultation and evaluation. How effectively it had established systems and processes to capture data and used this to inform its strategy and programme of interventions were also considered.
- 22 A number of issues were identified that needed further action. These included the development of alternative approaches to Neighbourhood Renewal Assessments, formulation of Implementation Plans and design frameworks in both Anfield-Breckfield and Tranmere and progress with developing the pathfinder's Sustainability Index.
- 23 Progress is reported below. In addition, the extent to which the mix and design of new homes will meet the requirements of the diverse local population and promote balanced communities is also specifically considered.
- 24 Good progress has been made since the last review with developing the pathfinder's Sustainability Index. The Index will be used to support, in conjunction with existing tools, the monitoring of the programme and to plan future interventions. It will also aid in evaluating the success of the programme by comparing changes and improvements over time.
- 25 In response to the perceived drawbacks of NRA's as a tool on their own Wirral local authority has developed its own Neighbourhood Option Appraisal tool which combines some of the more useful elements of NRA, Masterplanning and options appraisal. In Anfield-Breckfield the original NRA's have been updated and slightly extended although the basic process remains the same as before with the same inherent drawbacks. Since the review Liverpool City Council has, however, undertaken to learn from the Wirral approach in its use of this key strategic tool.
- 26 In both areas work is now in progress to develop Implementation Plans although work in Wirral is not as well advanced as in Liverpool and in both cases the approaches would still benefit from more fully developed annual plans which break down each of the key interventions into manageable elements and attribute clear project management responsibility, timescales and resources to them.
- 27 Wirral local authority has a more fully developed methodology, through its Design and Access Statements, than Liverpool to producing design-based approaches in taking forward plans and this is likely to bear fruit in terms of all stakeholders being able to make better informed decisions.

- 28 Good progress has been made since the last review with developing the pathfinder's Sustainability Index. The index uses the same technique as the Indices of Multiple Deprivation - factor analysis; an advanced method that can exploit the relationships amongst many indicators to produce one measure.
- 29 The NewHeartlands Index has been reality-tested on Asset Managers from 8 Housing Associations to assess how the conclusions drawn from it measure up to the managers' perceptions of reality. It has also been technically endorsed by Liverpool John Moores University. The current model is based on what was initially a Liverpool-only model but which now covers data on seven consistent variables across the three local authority areas.
- 30 The local authority HMRI teams are generally aware of the development of the Sustainability Model. The three local authority GIS teams are all contributing to its development with Liverpool's LAMP team taking the lead pending the individual local authority teams developing the full skills necessary to manage it for themselves.
- 31 LAMP is planning to develop the Liverpool model further starting in April of this year with up to 28 variables included in it and it is intended the results of this exercise will be presented to the partnership Board in September 2007. The next stages for the model after that will be to develop a next generation spatial regression model which would essentially be a scenario-based model to look at possible future outcomes and changes in specific areas.
- 32 The Sustainability Index will be used to support, in conjunction with existing tools, the monitoring of the programme and to plan future interventions. It will also aid in evaluating the success of the programme by comparing changes and improvements over time.
- 33 In terms of the practical applications of the model its effectiveness will only be known once it has been fully rolled out.
- 34 Although the Sustainability Index once fully operational will effectively supersede some of the role of Wirral's WAMP tool the local authority nevertheless sees a continuing role for the latter and intends to use it to measure the early impact of its interventions in Tranmere over the last ten years and compare it with those areas such as Seacombe and Egremont which have not benefited from such interventions. This effectively will highlight the extent of the added value of the HMR and associated investment. Early indications on house prices gleaned through WAMP suggest Tranmere is performing closer to the borough average.

- 35 The drawbacks of Neighbourhood Renewal Assessments as tools for more holistic regeneration have been acknowledged by both local authorities. In Wirral NRA and similar approaches have been central tools for private sector renewal for approximately 20 years but, acknowledging that the approach is quite narrow the local authority has developed its own Neighbourhood Option Appraisal tool which combines some of the more useful elements of NRA, Masterplanning and options appraisal. Typically the approach would include a house condition survey, residents' surveys, an environmental audit, housing market assessment and an economic assessment. The tool has been developed in-house and is currently being used as a tool for assessing North Birkenhead which is the local authority's next priority area as the exit strategies in respect of direct local authority co-ordination for Tranmere and Rock Ferry are implemented. Approaches to catering for the diverse housing needs of particular groups will need to be built in to this process.
- 36 In Anfield-Breckfield the original NRA's have been updated and slightly extended although the basic process remains the same as before with the same inherent drawbacks. Since the review Liverpool City Council has, however, undertaken to learn from the Wirral approach in its use of this key strategic tool.
- 37 The previous round of performance reviews in both Anfield-Breckfield and Tranmere identified the need for more detailed implementation plans to be developed to facilitate more effective programme co-ordination. In both areas work is now in progress to develop such plans, the work being co-ordinated through appropriate steering groups. Work in Wirral is not as well advanced as in Liverpool where it is understood all the major areas of intervention now have some form of Implementation Plan. In both cases the approaches would still benefit from more fully developed annual plans which break down each of the key interventions into manageable elements and attribute clear project management responsibility, timescales and resources to them.
- 38 The City Council's draft implementation plan for Anfield-Breckfield sets out the strategic context to the Council's Housing Strategy, provides background information on the Neighbourhood Renewal Assessments (NRA) undertaken, gives a summary of the intended approach to delivering renewal and outlines an indicative 3-year programme of intervention and investment. It re-emphasises the original vision for a plan for Anfield which was to provide a focus and framework to facilitate an increase in confidence levels in and about the area and secure its long term future and positive identity, recognising the social physical and economic aspirations of those who live, work and visit the area.

- 39 The Anfield approach recognises the need for regeneration to be directed holistically, for investment to be co-ordinated and for stakeholders and agencies to work in partnership. The plan seeks to secure a range of objectives. These include achieving an overall improvement in living conditions within a finite timescale, preserving a viable and sustainable affordable housing market, enhancing the image of the area in order to promote long-term confidence and to assist, promote and support commercial development for the area. The main housing related interventions are the conventional ones of refurbishment and improvement, clearance and redevelopment to provide new build housing.
- 40 The indicative three year programme 2006/7 to 2008/9 for the area totals approximately £107m, a six-fold increase over the first three years of the Anfield Breckfield programme which may seem ambitious but approximately £40m of this would come from private sector new build investment which contrasts with there having been no such investment to date. The plan also lays out a broad-brush timetable for implementing the different strands of activity in various neighbourhoods. This is a step forward since previous performance monitoring.
- 41 Previous performance reviews also highlighted the need for better development of design-based solutions in taking forward the plans for Anfield-Breckfield and Tranmere. It was noted some progress had been made at that point in developing a design-based approach to masterplanning in Tranmere and that it was intended to develop a detailed design code for the Church Road and Fiveways areas jointly between Wirral local authority HMR and Planning teams and Lovell Architects. Since that time it is understood that Wirral Borough Council officers from technical and policy disciplines have worked closely with the architects to deliver outline schemes for both sites that include Design and Access statements that will be followed when all the details are submitted for the relevant full planning applications. Conditions attached to the outline consent will be used to ensure compliance with the design parameters set out in the Design and Access Statement.
- 42 As an example Wirral Council has produced a Design and Access Statement for Fiveways, Tranmere. The redevelopment will include 221 houses, 57 flats, a new liner park, community square and associated infrastructure. The design statement incorporates a design code which is effectively a set of rules for realising the Masterplan. It includes statements of the principles of design including reference to urban form and layout, density, scale and massing and legibility. For example under legibility this includes development of gateway and marker buildings to announce the site, a gathering square at the confluence of main streets and a clear hierarchy of streets defined through different widths, enclosure and landscaping.
- 43 These principles are then translated in to a design code which includes a specification for the design detail of public realm areas, elevational treatments and design of private gardens.

- 44 Although the Anfield-Breckfield approach to design is not as far developed in this respect, having only started in February 2007, there is a clear intention to follow a similar approach through the design working group which has been established. Both local authorities have learned the process of getting such design and access statements to the completed stage has been more time-consuming than originally envisaged but that this is likely to bear fruit in terms of all stakeholders being able to make better informed decisions. This extends to local authority members making decisions on the relevant planning applications as much as it does to aiding continued community engagement, negotiations with fund holders or supporting cases at CPO Inquiries.

Strategic Context

- 45 To secure regeneration and ultimately achieve housing market renewal, there needs to be an alignment between the policies of the pathfinder, councils' and other agencies active in the area. This needs to begin at a sub regional level, and the Audit Commissions Strategic Review published in December 2005, explored the extent of alignment, and the pathfinder's influence on this, at a higher level in more detail. The alignment and coordination of programmes, activities and services at a local level was explored in the previous reports of area based interventions published in February and September 2006.
- 46 Only two issues were identified that needed further review. These related to the spatial planning implications of both the Anfield Area Action Plan and the Wirral Local Development Framework.
- 47 Progress is reported below.
- 48 The interim planning restraint policies adopted by the two local authorities appear to continue to be having an impact.
- 49 In Liverpool, for example, of the last 17 appeals which have been lodged against refusal for new housing outside of the HMR areas where the interim housing policy was used a material consideration in determining the initial application only five have been overturned.
- 50 Development of the Anfield Area Action Plan as a supplementary planning document has continued. The draft plan is likely to be completed by June and will complement the existing Anfield Masterplan. It will translate some of the emerging local authority-wide spatial and land use planning policies down to the local neighbourhood level.

- 51 Broadly the process for developing the Liverpool Local development Scheme will follow a route of evidence gathering, preliminary consultation, sustainability and environmental assessment followed by formal submission to central government. This is likely to be in June 2008.
- 52 In Wirral there have been no more recent appeals since those reported during the last performance review. Work in progress on its Local Development Framework draft core strategy. This was due to be presented to the Council Cabinet in March. As part of that process it will be recommended that there needs to be a better front-loading of the relevant evidence base prior to getting the core strategy approved. In terms of the LDF forward programme preferred options will be identified by autumn 2007 with choice and submission of chosen option by October 2008. Until then the interim housing policy appears to be sufficiently robust to continue to serve the purpose for which it was developed.

Implementation

- 53 The pathfinder's and key partners' overall performance in delivering programmes and meeting output and outcome targets has been considered in previous reports, along with how effectively they have engaged with communities and other stakeholders.
- 54 A number of significant issues were identified that needed further action. These included progress with the Anfield demolition programme, management of the acquired housing stock and the redevelopment and relocation of Liverpool Football Club. In Tranmere these included the transition from grants to loans, capacity training for local communities and progress with private sector development partnering.
- 55 Progress is reported below. In addition, the pathfinders approach to promoting community cohesion, capturing the diverse needs of local communities and catering for the needs of vulnerable people is also specifically considered.
- 56 There has been significant HMR and other public sector investment in both Anfield-Breckfield and Tranmere since the start of the pathfinder programme. The ratio of HMR to matched funding secured in Tranmere significantly exceeds the amount in Anfield-Breckfield. This is also reflected in the amount of measurable activity which has taken place in the respective areas since 2003.

- 57 Lack of progress on the ground in Anfield continues to be a cause for concern. This is particularly true in respect of the clearance programme which has slipped further since the previous performance review. The predominance of void properties provides one of the enduring characteristics of the area and the problem has grown. This makes a significant dent in the HMR funding which is available for other activity in the area.
- 58 Potentially positive activity such as the redevelopment of the football stadium, the next phase of demolition and the Rockfield improvement scheme are projected to start after the end of the current review period.
- 59 There has been significant HMR and other public sector investment in both Anfield-Breckfield and Tranmere since the start of the pathfinder programme. The ratio of HMR to matched funding secured in Tranmere significantly exceeds the amount in Anfield-Breckfield. This is also reflected in the amount of measurable activity which has taken place in the respective areas since 2003.
- 60 Nearly £17m of HMR has been invested in Anfield-Breckfield since April 2003. This has been matched by approximately £8m of other public sector funding during the same period. Nearly three-quarters of this, approximately £5.8m, has been from Liverpool City Council with the bulk of the remainder having come from the Housing Corporation. There has been no private sector investment.
- 61 In simple terms for every £1 of HMR invested in Anfield-Breckfield a further approximately 47 pence has been invested from other public sources with none from the private sector.
- 62 In contrast, in Tranmere during the same period approximately £11.7m HMR has been invested and this has been matched by nearly £12.3m other public sector funding of which 45%, or £5.5m, has come from the local authority and 30% from the Housing Corporation. In addition approximately £10.6m private sector investment has been made. Whilst most of this, £8.9m is represented by RSL private finance there has been nearly £1.7m from developers.
- 63 Again, put simply, for every £1 HMR invested in Tranmere a further £1.05 has come from other public sector sources and 90 pence from the private sector. Whether represented in absolute terms or in relation to the HMR funding considerably more public and private sector housing investment has therefore been made in Tranmere than in Anfield-Breckfield.
- 64 Both Anfield Breckfield and Tranmere have benefited from additional funding from English Partnerships which was not originally built into the programme. In addition as with all regeneration areas there will be hidden investment in the form of community contributions and other forms of sweat equity.

- 65 This pattern of comparison between Tranmere and Anfield-Breckfield is also reflected in progress on the ground but needs to be seen in the context of the Tranmere programme having commenced before the programme for Anfield-Breckfield. Since April 2003 in Tranmere 161 properties have been demolished compared with 51 in Anfield-Breckfield. In Tranmere there have been 156 new dwellings constructed compared with none in Anfield-Breckfield, although it should be noted that there have been 71 units completed at Dobson Street which is just outside the area. In terms of refurbishment to the equivalent of Decent Homes Standard (DHS) only 31 properties have benefited in Anfield Breckfield compared with over 400 in Tranmere. Figures suggest over 2000 properties have been improved to non-DHS standard in Anfield-Breckfield but the physical impact of these is negligible being reflected in measures such as target hardening.
- 66 Progress on the ground in Anfield-Breckfield is therefore continuing only slowly. By far the greatest area of activity to date in the area has been the continued acquisition of property with nearly 500 acquired.
- 67 At the time of the last performance review for Anfield-Breckfield in February 2006 it was noted that the first phase of demolition had been originally proposed for completion in March 2006 and comprised approximately 200 properties including Tinsley Street, Lake Street, Gilman Street, Walton Breck Road, Venmore Street, Herschell Street and Glaisher Street. This had not taken place at that point and it was noted that a revised commencement date of either April or May 2006 would be the new target. Once again this slipped. It was also noted by the Audit Commission at that time that both early demolition and an accelerated rate of demolition in Anfield Breckfield would help in terms of short and long-term confidence. This has not happened indeed the rate of progress on the ground has slipped further behind with demolition on Lake Street, Anfield having commenced in August 2006 and approximately 50 residential properties having been demolished to date.
- 68 The City Council has explained that demolition was delayed by difficulties with disconnection of services by utility companies, and the lack of ownership of certain key properties. Options of part demolition of blocks were considered but dismissed on the grounds of the potential impact upon the structural integrity of remaining parts of blocks which include properties not yet acquired. Alongside this the Compulsory Purchase Order for phases 1 and 2 was made by the Council in January 2006 and proceeded to public inquiry in July 2006. Since the performance review visit took place the CPO's have been confirmed.
- 69 The City Council anticipates that 140 properties in Phase 1 comprising City Council owned properties on Herschell Street, Venmore Street and Lake Street will have been demolished by the end of April 2007, with a further 50 possible properties under further discussion with Arena Housing Association.

- 70 Acquisitions of non-residential property are proceeding in both areas with some concentrated pockets of property still to acquire currently occupied by retail and other businesses mainly along the road frontages of Walton Breck Road in Anfield and Church Road in Tranmere. Wirral local authority has a disadvantage in this respect compared with both Liverpool and Sefton local authorities which have secured joint Local Enterprise Growth Initiative (LEGI) funding which could potentially be used to facilitate business support and relocation activity.
- 71 The problem of both the existence of large numbers of void properties in Anfield-Breckfield and their management has grown since the last performance review.
- 72 A NewHeartlands case study on void management produced in July 2006 identified the increasing problem of void management in that the more properties which were acquired and occupiers re-housed the greater the number of resultant void properties. Traditional void management had been very basic essentially involving tinning-up the vacant properties. This left the properties vulnerable to vandalism, theft of materials and arson. It also left them in a generally unsightly condition with a further negative impact on the neighbourhood's image and community confidence. The City Council has therefore adopted a more intensive treatment in some areas of the city which involves removal of much more external and internal materials and a higher standard of external security which is more visually acceptable.
- 73 A small number of properties have also been brought back into re-use through the Homeswap initiative. Whilst used elsewhere in the city both approaches have had limited application in the Anfield-Breckfield area to date and given the persistent delays in clearance programmes and particularly where properties are not included in early phases of demolition such approaches might be employed more extensively. The drawback is the cost implications. The draft implementation plan for Anfield-Breckfield projects void management costs averaging £270,000 per year from 2006/7 onwards which compares with the cost of approximately £100,000 per year noted during the previous performance review. In simple terms the problem can be expressed thus. The further demolition lags behind acquisition the greater the cost of void management and therefore the less resources available for demolition. This in turn results in a slower clearance programme and so on.
- 74 A further option the City Council is pursuing as regards properties in phases six and seven of clearance which was not due to take place until after 2011 is that a small number, approximately 10, are being brought back into temporary re-use through property-swap agreements with Arena Housing which will see Arena swap stock for its properties in earlier phases.

- 75 One of the interesting dynamics to consider with the Anfield-Breckfield programme going forward will be whether the level of direct intervention originally proposed in later phases of the programme will ultimately be required given some of those phases are immediately adjacent to areas such as Rockfield and the stadium re-development and may therefore benefit from a spill-over effect from that investment. This will of course be balanced by the impact of those properties having been vacant for a longer period by that time.
- 76 At the time of the last performance review progress with the proposed relocation of Liverpool Football Club to its new stadium was slow. Since then full planning permission has been granted, in April 2006, to erect a new 60,000 seater stadium, community resource centre and associated works such as improved sports facilities in Stanley Park. At the same time outline planning permission has been given for redevelopment of the existing stadium site for what is currently titled the Anfield Plaza. This is proposed for mixed use including offices, general and food and drink retail, community uses, a residential scheme, a hotel and public open space. There has been a nominal start made on site which was required to secure the £9m of other public sector funding linked to refurbishment of Stanley Park. The revised main start on site has been put back to May 2007. The City Council is still confident the new stadium will be operational by 2009/10 in spite of the new football club owners having put a temporary stop to the full scheme pending full consideration of how the capacity of the new stadium can be increased.
- 77 One potentially positive aspect of the Anfield-Breckfield programme is the Rockfield scheme. This is due to commence by April 2007 with improvements to 20 properties on Tancred Road as phase one. The properties are owned in the main by Arena Housing but with some City Council and private ownership. Arena's holding largely pre-dates HMR and Arena was left with unlettable stock when anti-social behaviour problems blighted the area and many of the owner-occupiers moved out. Although the NRA for the area identified that in physical terms the stock was amongst the worst in the area community support was for retention and improvement.
- 78 The improvement is being progressed as a joint initiative between the City Council, Arena and the Affordable Housing Development Company (AHDC) which was responsible for the latter stages of a successful improvement for sale scheme in nearby Skerries Road. The main mechanism will involve the City Council initially transferring its holding to Arena and then Arena transferring the cumulative stock to AHDC for a nominal amount in recognition of the liabilities associated with it. The remaining owner occupied properties will be subject to a city council managed enveloping treatment.

- 79 The previous performance review for Tranmere noted the importance of a start on site for the Fiveways redevelopment scheme, Rock Ferry, which was targeted for spring 2007. This generally appears to have progressed as planned with developer Lovell's current programme for the area showing initial demolition having commenced in February 2007 with the main groundworks to follow from October 2007 onwards.
- 80 For the Church Road, Tranmere, scheme the selected developer, Lovells, has continued to develop its proposals in spite of the development agreement not having been signed. It is anticipated the agreement will be in place by May 2007.
- 81 Wirral local authority has now developed its transitional arrangements from grants to loans in Tranmere. The 50:50 part grant-part loan product is being piloted in an area of approximately 70 properties on Seymour Street. Of the households consulted approximately half have expressed an interest in participating with the remainder essentially already being more sustainable properties in the first place. Inspections are currently being carried out with a view to further discussion with each homeowner in April 2007. In a number of instances elsewhere there will continue to be a challenge in managing people's perceptions and expectations during the transition. Wirral local authority is jointly procuring ART Homes Ltd as a loan provider on a five-year contract.
- 82 In terms of understanding the scale and type of needs of vulnerable households within the main targets areas Liverpool City Council has engaged consultants to complete the task. This ought to facilitate the cohesion agenda through ensuring both new and existing housing meets all the requirements of diverse local communities.

Governance

- 83 The Pathfinders were established as strategic alliances and partnerships, working to achieve agreed agendas in a spirit of collective responsibility. It is essential that they operate fairly, transparently and effectively. Previous reports have considered the performance of the pathfinder's governance arrangements, and the capacity, roles and relationships of the Board, core team and key partners.
- 84 Governance has not emerged as a major issue through either previous performance review. Similarly it has not formed one of the central considerations as part of this performance review. This is because most of the emphasis has been on analysis of progress at the local and neighbourhood level whilst the decision-making practices and processes which matter most take place at the local authority or pathfinder-wide level. Capacity was the main exception in this respect.
- 85 Progress is reported below.
- 86 There are plans in place to assist local communities to develop their capacity.

- 87 In terms of improving the capacity of local residents who are already engaged with the local authority through a range of specific mechanisms Wirral Council is currently discussing options with the Compass Regeneration Academy in Liverpool which is already delivering similar capacity training for officers from local agencies. The aim will be to maximise opportunities for local people to gain skills to engage and influence effectively with possibilities for paid employment where appropriate.
- 88 An outline programme is being developed which includes modules on strategic regeneration investment, urban design and partnering. The initial introductory course will run for three days.
- 89 Capacity of partners continues to be a factor in terms of getting the right staff with the right technical skills in the right place at the right time to do a job. Both local authorities have sought to broaden out the roles of existing posts in order to extend them beyond more narrow technical roles and embrace more generic sets of skills. This will nevertheless need to be balanced with having sufficient staff with specific specialist skills to manage the complexities associated with particular statutory processes such as CPO Inquiries.

Value for money

- 90 As with all publicly-funded programmes, it is important for pathfinders to be able to demonstrate that they are achieving value for money both at the strategic and the operational level. Previous reports have considered the clarity and success of the pathfinder's approach to date.
- 91 A number of issues were identified that needed further action, including project appraisal processes, capital receipt recycling policies, development of incentivised contracts to facilitate broader social and economic objectives, supply chain development and progress with development partnership frameworks in Wirral.
- 92 Progress is reported below.
- 93 Further progress on developing a sound approach to securing value for money has been limited to the pathfinder itself developing its capital receipts strategy and this in itself has taken a while to agree with the local authorities. Notwithstanding the approach which has now been agreed the pathfinder board will need to ensure it retains adequate control over the use of receipts since it is the board not the local authorities which is ultimately accountable for them as with any other HMR spending. The pathfinder board may therefore wish to consider imposing further restrictions either that receipts should be used first for funding schemes before other HMR resources are called upon or to restrict the total receipts that each local authority can hold at any given time.

- 94 In terms of maximising the positive social and economic benefits of the significant capital investment flowing in to the target areas there has been no discernible progress since the previous performance reviews. One of the two local authorities seems particularly reluctant to consider learning from or adopting good practice from outside the sub-region preferring instead to continue with an approach which is loosely framed. The other local authority has yet to determine how it might progress such an approach at all.
- 95 Wirral local authority urgently needs to conclude its assessment of whether building under licence on local authority land offers the local authority advantages over a building under lease arrangement.
- 96 The NewHeartlands Strategic Asset Management Plan which incorporates a capital receipts strategy and which was due to be brought to the pathfinder Board in November 2006 for final approval actually went in March 2007. This was due to there needing to be further negotiation between the pathfinder and the individual local authorities on how far individual capital receipts could be recycled within the local authority area from which they originated as opposed to the use of each receipt being determined centrally.
- 97 The draft plan has now been approved by Sefton local authority and is currently before the elected members in the other two authorities. It has now been agreed that receipts will indeed stay within the local authority area from which they originate subject to each local authority preparing an annual statement of use to NewHeartlands.
- 98 In the short term the issue is not likely to be a major one since only £400,000 of receipts has been generated to date and a number of assets which have been disposed of essentially had either negligible or negative value. However as values increase on the back of regeneration activity, as interventions such as equity loans start to produce returns and in the context of likely tight financial pressures for future programmes the importance of capital receipts will increase markedly. The pathfinder board will need to ensure it retains adequate control over the use of receipts since it is the board not the local authorities which is ultimately accountable for them as with any other HMR spending.
- 99 The pathfinder board may therefore wish to consider imposing further restrictions either that receipts should be used first for funding schemes before other HMR resources are called upon or to restrict the total receipts that each local authority can hold at any given time. This would help to reduce the opportunity for local authorities to hoard receipts whilst maximising the amount of mainstream HMR they draw down since this would not be an appropriate use of resources.

- 100** Meaningful joint benchmarking and unit cost analysis between the local authorities has continued to be problematic mirroring the situation in a number of other pathfinder areas and in the joint work between pathfinders nationally. This is due in the main to the different ways organisation classify the breakdown of particular items of expenditure. One example of this would be the way in which clearance costs are accounted for. Some local authorities include a range of fees, others do not. Some include the costs of managing and securing the property between acquisition and final clearance whilst others do not. Similarly in terms of staffing costs some pathfinders have a number of centralised posts within the co-ordination team which are essentially concerned with delivery whilst others resource the same type of activity through project funding for partner agencies.
- 101** The unprecedented levels of capital investment through HMR in the target areas represents a major opportunity to help shape the local economies of those areas. There are a range of means available to achieve this but typically in other pathfinder areas these involve initiatives to develop supply chains so that local suppliers and other employers are able to take advantage of development and refurbishment activity. They also involve the use of incentivised contracts with private sector development partners through partnership frameworks which explicitly reward the pursuit of broader social and economic objectives such as local labour and training. Both of the previous performance reviews noted there was still some way to go in this respect with the exception of the Build Sefton initiative, which was outside the geographical scope of the reviews, and that is still the case.
- 102** One of the two local authorities seems reluctant to consider learning from or adopting good practice from outside the sub-region in respect of securing social and economic benefit through procurement preferring instead to continue with an approach which is loosely framed. The other has yet to determine how it might progress such an approach. The existing methods rely on developers making what are termed 'reasonable endeavours' to have regard to the Merseyside Construction Initiative which is an initiative set up to secure the future of the construction industry across Merseyside. It does not provide any incentive for them to do that or indeed a penalty for not doing so. The view of the local authority is that imposition of such a burden might be illegal. Assuming imposition of a burden was what was being suggested that may well be the case but that is quite different from a developer freely entering into a formal contract with the local authority where, along with other incentives, there is a financial bonus linked to numbers of apprenticeships and provision of training. The penalty in this case would be non-receipt of bonus.
- 103** In terms of approaches to securing social and economic benefit from construction investment there is then generally a lack of awareness between the two local authorities of up to date practice in other pathfinders or indeed the existence or potential role of key agencies such as the Learning and Skills Council.

- 104 Wirral local authority urgently needs to conclude its assessment of whether building under licence on local authority land offers the local authority advantages over a building under lease arrangement. However, it is acknowledged there are some clear advantages to the local authority from the former option in terms of retaining control and sharing both risks and rewards with private sector development partners. Typically under such arrangements the developer might pay an initial deposit of 15% up front but then the returns trickle down to both parties as individual properties are sold. In addition the local authority and developer share in any increased land value attributable to increased sales prices. This practice is already embedded in Liverpool City Council's way of working.
- 105 Wirral local authority is considering the possibilities of taking up any spare future capacity of its Home Improvement Team by offering a range of fee-based services to owner-occupiers and private landlords on housing improvement related activity.

Learning and innovation

- 106 Pathfinders are expected to be learning organisations, and lead the thinking on how to deal with fragile housing markets. There is a consequent obligation on them to be proactive in sharing their learning with others, and to participate in wider and collective pathfinder events and activity.
- 107 Wirral's Neighbourhood Option Appraisal process, the pathfinder's fledgling Sustainability Index and Wirral's approach to design in Fiveways, Rock Ferry are all areas of learning which are worthy of sharing with other pathfinders.
- 108 The Sustainability Index affords opportunities to track changes going forward and to compare intervention and non-intervention areas. Wirral's Neighbourhood Option Appraisal process is potentially a viable alternative to NRA's in understanding an area and generating options for its future. The detailed approach to design represented by Wirral's Design and Access Statement for Fiveways, Rock Ferry is likely to bear fruit in terms of all stakeholders being able to make better informed decisions.

Appendix 1 – Progress against Audit Commission Recommendations

- 109** Progress against Audit Commission recommendations arising from the Strategic Review has generally been good. Of the seven recommendations four have been completed within the agreed timescales with the remaining three completed within acceptable timescales.

Recommendations (with revised target timescales)

R1 *Further information needs to be provided that shows how the proposed programme will be delivered. Building on the existing Financial Model this should be based around a detailed analysis of resource and activity which breaks down expenditure by what it will be spent on, where and when the money will come from. This analysis also needs to include a breakdown of other complementary funding it is planned to attract, classified by where it will come from with appropriate evidence detailing whether it is contractually secured, secured in principle, subject to bids currently being submitted or potential bids yet to be submitted. Both funding and outputs should also be broken down by whether they are direct or indirect (to be completed by September 2006)*

Satisfactory progress has been made on this and whilst a small number of technical issues still remain the recommendation can be regarded on the whole as being completed within acceptable timescales.

This recommendation arose out of concerns about a lack of clarity with financial and measurable programme activity in the Scheme Update. The pathfinder had relied on individual local authority programming data which made it difficult for it to maintain effective overall programme control. NewHeartlands in association with two other pathfinders and with a small input from the Audit Commission commissioned consultants to develop a joint financial model which at the time of the last performance review was promising work in progress. The pathfinder was experiencing some teething problems mainly related to processing of the large amount of data required.

Since then the pathfinder has developed a summary function which sits on top of the programme enabling broader pictures to be drawn more quickly. The model is also now populated with genuine data. The model facilitates better clarity between HMR, matched funding secured and unsecured and flags up potential resource gaps. Individual local authority delivery teams have received some training in the model and are now better geared up to provide the relevant information. This is being used on a quarterly basis to update the pathfinder board.

*R2 A strategy needs to be developed to ensure local communities play a full part in the revitalisation of their areas. This needs to cover three main aspects:-
Firstly, how the pathfinder will work through its key partners who have responsibility for fostering economic prosperity to ensure local people will be able to take advantage from the future employment opportunities and economic prosperity which have been identified.
Secondly, completion of the proposed methods (referred to by the pathfinder as 'protocol, benchmark and toolkit') for community consultation based on firm evidence of what has worked successfully to date.
Thirdly, working with local agencies to develop an approach to building local people's confidence and skills so they can not only make an informed contribution to the revitalisation of their area but which also gives them where appropriate opportunities to be more formally occupied in the consultation process (to be completed by September 2006)*

This recommendation was reported during the previous performance review as being completed.

28 Market Renewal Appendix 1 – Progress against Audit Commission Recommendations

*R3 Further work needs to be carried out to ensure a clearer relationship between the understanding of housing markets and how they operate and the work which is being done to revitalise local communities This should include:-
Firstly, an interim evaluation of the programme which builds upon both the lessons to be drawn from the emerging research base but also interventions delivered to date.
Secondly, more detailed research to better understand some of the particular groups of people whose collective choices make up local housing markets and in particular their needs and aspirations. This should target the key growth sectors already identified through the work completed by consultants Amion.
Thirdly, evidence which demonstrates that sequencing of programme activity is being informed by the work of consultants Llewelyn- Davies on densities and other market intelligence (to be completed by September 2006)*

Satisfactory progress has been made on this and the recommendation can be regarded on the whole as being completed within acceptable timescales.

There were three aspects to this recommendation which were aimed at facilitating a closer relationship between an understanding of housing markets and the programme being delivered. These covered an interim evaluation, additional market research and evidence of making use of intelligence to guide the programme.

The first element, the interim evaluation, was completed by consultants ECOTEC in May 2006 and ratified by the pathfinder Board in September 2006. An ongoing evaluation role has since been agreed which involves periodic reporting taking a thematic approach in areas such as private renting or affordability.

The market research work had two main elements, one which assessed likely housing demand from particular market growth segments and one which assessed the perceptions of the pathfinder area amongst people living outside it. Findings from both pieces of work are informing development of the next scheme update.

The third element of the recommendation has generally been served through a combination of the Sustainability Index work sitting alongside the original Llewelyn-Davis work. One of the key points to have emerged from the Sustainability Index work to date has been the identification of areas of vulnerability outside the pathfinder area not dissimilar to those within it. Once tested against the Llewelyn Davis work on density thresholds will need to be taken account of in the City Council's future programmes. These include areas such as Kirkdale and Norris Green in Liverpool.

R4 Work should be carried out to consider the potential to further develop the capacity and joint working between partners. This could include, for example, actions such as further pooling of skills, funding and expertise where particular skills are not required all the time in all localities or where this could be a viable alternative to buying in expertise from outside the partnership. It should also include further development of the Liverpool Asset Management Plan model to create a system which can be accessed easily from within the central NewHeartlands co-ordination team (to be completed by April 2007)

This recommendation has been completed within the agreed timescales.

The recommendation came from two issues identified at Strategic Review. One was local authorities struggling to recruit and retain the right staff with the right skills in the right place at the right time to fulfil particular functions and the second was the lack of a central intelligence function.

There have been some good examples of the local authorities and the pathfinder sharing knowledge and expertise, if not actual staff, since the last Strategic Review. These include the approach to marketing and public relations, development of the Sustainability Index and market analysis roles within each partner organisation and the training delivered through the LAMP team for Wirral and Sefton staff.

The Service Level Agreements have now been finalised and agreed. These tie partners in to collecting, collating and submitting data in a consistent format and the role of NewHeartland's own Market Analyst has been central to this task.

Further details on the Sustainability Index are contained within the 'Influencing Trends and Meeting Aspirations' section of the main report.

R5 There should be a jointly agreed investment framework for the North Liverpool-South Sefton area (to be completed by April 2007)

This recommendation has been completed within the agreed timescales.

The partners have now developed a joint approach to the future of the Stanley Road corridor. In January 2006 consultants Inner City Solutions were appointed jointly by Liverpool City Council, Sefton Council and English Partnerships to develop an investment framework for the Stanley Road corridor which links North Liverpool and South Sefton.

The process included an inter-agency seminar in September 2006, the aim of which was to review priorities for future investment and test the emerging thinking behind the investment framework. The seminar involved representatives from the two local authorities, housing associations, private developers and other key stakeholders. The resultant strategy identified three key intervention strands. These were new build housing provided by the private sector, improvements to the public realm and creation of a quality transport corridor.

New build would be facilitated by a combination of development of existing brownfield sites and the redevelopment of a small number of key existing housing sites. Initial indications suggested a gross figure of between 700 and 1100 new dwellings could be developed and the framework laid out a broad five year programme to 2011.

The theme which generally exemplifies next steps for developing the Stanley Road approach is closer joint working. This is illustrated by a range of tasks identified. A joint steering group and project manager are proposed as well as recommendations about a joint approach to place marketing, CPO activity and spatial planning frameworks.

The investment framework was presented to the pathfinder board in November 2006.

In addition the Stanley Road corridor will benefit from some public sector investment in the local economy through the 22m joint Sefton-Liverpool Local Enterprise Growth Initiative bid which was recently approved.

R6 A more strategic and rigorous approach to securing value for money needs to be developed including an agreed strategy for recycling capital receipts. This should be based on the general approach outlined in the existing Efficiency Plan proposal and based on the joint approaches being developed within the Pathfinder National Finance Forum (to be completed by September 2006)

Satisfactory progress has been made on this and the recommendation can be regarded on the whole as being completed within acceptable timescales.

As detailed in the VFM section of the main report the NewHeartlands Strategic Asset Management Plan which incorporates a capital receipts strategy and which was due to be brought to the pathfinder Board in November 2006 for final approval actually went in March 2007. This was due to there needing to be further negotiation between the pathfinder and the individual local authorities on how far individual capital receipts could be recycled within the local authority area from which they originated as opposed to the use of each receipt being determined centrally.

The draft plan has now been approved by both Sefton and Wirral local authorities and was due to go to Wirral's Cabinet in March.

The NewHeartlands Efficiency Plan was updated and taken to the Board In January 2007 and although technically complete in terms of format the pathfinder has since determined that it is perhaps not the best vehicle for demonstrating its commitment to securing value for money. It has therefore agreed to develop an alternative approach based on revising the plan to bring it more in to line with the Audit Commission's value for money toolkit.

R7 The Pathfinder needs to complete any work outstanding from the previous Audit Commission Scrutiny Report recommendations (to be completed by September 2006)

This recommendation was reported during the previous performance review as being completed.

Comments by Pathfinder Director

NewHeartlands appreciates this review of activity in Anfield Breckfield and Tranmere Rockferry. The work continues to be complex, time consuming and challenging but we are now beginning to see the fruits of our labour emerge. I would like to acknowledge the role those residents and communities have played giving huge amounts of time and energy because they feel passionate about the regeneration of their neighbourhoods. I would also like to recognise the unstinting hard work of the delivery teams and their commitment to making this programme work on the ground. The sub-regional role of the pathfinder and the partnership approach are essential components for continuing success. I look forward to the next review and the opportunity to demonstrate further implementation of the programme and the transformation of our priority

Appendix 2- Summary of Monitoring Activity Undertaken

Meetings:-

Implementation and Governance

Attended by:-

Chris Bowen- Wirral Council
Fred Burrows- Wirral Council
Charles Green- Liverpool City Council
Siobhan McCoy- Liverpool City Council
Dave Turner- Liverpool City Council
Dave Highton- Liverpool City Council
Dave Farley- NewHeartlands

Influencing Trends and Strategic Context

Attended by:-

Chris Bowen- Wirral Council
Fred Burrows- Wirral Council
Richard Lewis- Wirral Council
Dave Turner- Liverpool City Council
Dave Highton- Liverpool City Council
Craig Bramwell- NewHeartlands

Value for Money

Attended by:-

Chris Bowen- Wirral Council
Llyn Ireland- Wirral Council
Peter Farmer- Liverpool City Council
Steve Culkin- Liverpool City Council
Dave Farley- NewHeartlands

Progress with implementing Audit Commission recommendations

Attended by:-

Craig Bramwell, NewHeartlands
Dave Farley, NewHeartlands
Sarah Hebron, NewHeartlands (Recommendation 1 only)
Chris Villar, Liverpool Asset Management Team (Recommendation 3 only)

Review of a range of relevant documentation including:

Review of measurable activity in Anfield Breckfield and Tranmere based on schedules completed by the pathfinder/ local authorities

28 Market Renewal Appendix 1 – Progress against Audit Commission Recommendations

Proposed timetable for pre-works for Fiveways redevelopment, Rock Ferry.

Anfield-Breckfield briefing note provided by Liverpool City Council March 2007

Tranmere design framework

Sustainability Index briefing note and presentation

Stanley Road Strategic Investment Framework-November 2006, Inner City Solutions

Draft Anfield Breckfield Renewal Area Implementation Plan-undated

HMRI case study on void management- July 2006