


LIVERPOOL VISION LTD ANNUAL REPORT 2008-2009 for Homes & Communities Agency and Communities and Local Government

Date Established 1 May 2008		
Core Partners Liverpool City Council Homes & Communities Agency Northwest Development Agency		
Board Members Public sector: <ul style="list-style-type: none"> • Cllr Warren Bradley Leader - Liverpool City Council • Cllr Joe Anderson - Liverpool City Council • Cllr Mike Storey - Liverpool City Council • Steven Broomhead, Chief Executive - Northwest Development Agency • Paul Spooner, Homes & Communities Agency (resigned 1st December 2008) • Deborah McLaughlin, Homes & Communities Agency - (appointed 20th January 2009) Private sector: <ul style="list-style-type: none"> • Mike Parker (Chair) • David Bundred • Jeanette Kehoe-Perkinson • John Kelly • Sir Terry Leahy • Tony Wilson • Dougal Paver (resigned 20th March 2009) 		
Chair Mr M Parker (Private sector) Chief Executive Officer Mr J Gill (Liverpool Vision)		
Staff Numbers Payroll 52 Consultants / Agency Staff 3		
Business Plan Period May 2008 to March 2009		
URC Area (ha's) Liverpool Local Authority District 11,160 Hectares		
Population 439,473 (2001 census)		
General Overview		
<ul style="list-style-type: none"> • Chairman's Review <p>Liverpool Vision, Liverpool's Economic Development Company, was incorporated on 1st May 2008. The Members of the Company are; Liverpool City Council, North West Development Agency and the Homes and Communities Agency. We have an excellent Board, which includes six fully committed private sector Directors, all stakeholders in Liverpool as a place to live and do business. The company was established during the period in which Liverpool delivered what the European Commission has called the most successful European Capital of Culture year since the scheme was started.</p> <p>The City's role as European Capital of Culture was supported and enhanced by many of the property and infrastructure projects which are driving the recent renaissance of Liverpool – notably the transformation of the City's Waterfront, the magnificent Arena and Convention Centre opened to launch Capital of Culture in January 2008, the massive retail expansion - Liverpool One, and the expansion of the Commercial District.</p> <p>The Company has been established at an important stage in the City's urban and economic renaissance. Its function is to enable Liverpool to continue the economic recovery and growth of the last decade, to build a sustainable economy which can compete more effectively in international markets, and to contribute more to City-regional and regional prosperity, knowledge and quality of life. It will add value by bringing together and extending the activities of three former delivery vehicles – Liverpool Vision (1999 Ltd), Liverpool Land Development Company (LLDC) and Business Liverpool. This new Economic Development Company will integrate and package economic and physical development and business and enterprise support within a delivery focussed, private sector-led company.</p> <p>Liverpool Vision is taking forward the remaining City Centre and Gateway Programmes, which together will provide further improvements to the business environment across the whole city. Vision has also taken responsibility for the business facing, marketing and inward investment activities formerly undertaken by Business Liverpool. Establishment of the Company has better equipped Liverpool to respond to the recession – in assisting vulnerable businesses through difficult times, maintaining confidence in the city as a place to invest and do business and in laying down the foundations for recovery and future growth.</p>		

The Company's Board has taken an active role in the development of the Company and Business Plan during the first year, with individual members championing specific Business Plan priorities and shaping the strategic agenda for the future. A key priority is to establish and maintain the best possible working relationship with public sector partners and partnerships and with the city's business community.

The City Council has demonstrated its strong commitment to the Company by its high level representation on the Board, and the approval of the company's Business Plan (2009/10-2011/12) by its Executive Board in April 2009.

- **Chief Executive's Review**

The challenge for Liverpool Vision in this first year has been to establish the new Company, including the integration of the three merged organisations and harmonise operations, systems and policies whilst delivering an overall larger and more complex programme. This has been achieved, and the company is beginning to capture added value from the integration of physical development with business support, investment and enterprise activity.

At the same time, the Company has had to respond to the effects on the City of the credit crisis and recession. Economic data up to the end of March 2009 indicated that although Liverpool is experiencing the same contraction as every other city and the rest of the country, nevertheless the scale of decline in jobs and businesses was towards the lower end of the range, with the explanation that the significant growth generated by major developments such as the Commercial District, Liverpool One and visitor infrastructure such as hotels and restaurants had provided a cushion – and indeed that the new quality facilities and the positive Capital of Culture effect, were continuing to make a positive contribution to our economic performance beyond 2008.

The particular challenges and achievements of 2008/09 have been:

- Overseeing incorporation, and the establishment of the Company, Board and Sub-Committees of the Board.
- Overseeing the delivery of the "inherited" projects and programmes of activity.
- Developing a long term Economic Prospectus for the city's economy, to provide a vision for the future and to present the drivers of future economic growth as a framework of priorities for investment to partners, stakeholders and Liverpool Vision itself: to be published in June 2009
- Development of the Business Plan (2009/10 – 2011/12) - still largely transitional in nature with a core of "inherited" programmes but beginning to introduce major new developments and activities focusing on key opportunities for the future notably supporting Peel's proposals for the Northshore; the regeneration of North Liverpool; developing the potential of the city's knowledge economy; enhancing further the quality of Liverpool's cultural facilities and preparing for Liverpool's presence at the Shanghai Expo in 2010.
- Adjusting our Business Support Programme to help meet the challenge of the recession, in particular through the development of a pilot business support programme.

Liverpool Vision recognises that the Company has been established at a time when we are entering a difficult "external" environment with limitations on public funding, the continuing impact of the recession and considerable change for each of our three founding Members. The Company will work closely with Members through 2009 to identify and manage the impact of these challenges.

- **Business review**

Liverpool Vision established and maintained appropriate financial controls during the year to monitor cashflow and the Chief Executive reports regularly to the Board on progress against budget and programme, highlighting any significant variations or changes.

The Company relied on funding from Liverpool City Council, NWDA and HCA for its operation in 2008/09, with these being the Members of the company.

Area of Operation

- **Strategic Framework Overview**

The focus of Liverpool Vision's area of operation is the Local Authority Area of the City of Liverpool and the Company's remit is to accelerate the city's sustainable economic growth and economic competitiveness.

During 2008/09, the Company worked within the parameters of existing strategic frameworks, and in particular:

- The Northwest Regional Economic Strategy (RES)
- Liverpool's Sustainable Communities Strategy and Local Area Agreement
- Liverpool's City Region Development Programme and Merseyside Action Plan
- The City Centre Strategic Regeneration Framework
- The strategic development plans for the Gateway Areas of: Speke Halewood, Eastern Approaches, the 580 area and Atlantic Gateway
- The Liverpool Business Support and Enterprise Programme

Key projects within the strategic priorities		
Waterfront:		
Canal Link	<ul style="list-style-type: none"> All Canal Channel works complete and Link officially opened April 2009 Included in Waterfront evaluation programme 	<ul style="list-style-type: none"> Operational testing Completion of Canal side works at Mann Island
Mann Island (Museum)	<ul style="list-style-type: none"> Building envelope completed 	<ul style="list-style-type: none"> Exhibition fit out commenced and completed Opening Spring 2010
Mann Island (Covered Public Realm)	<ul style="list-style-type: none"> Funding approved Works commenced 	<ul style="list-style-type: none"> Project completed
Mann Island (Office Gap Funding)	<ul style="list-style-type: none"> Project approved Q4 	<ul style="list-style-type: none"> Funding Claims Construction Ongoing through 2009/10
Pier Head Environmental Improvements	<ul style="list-style-type: none"> Variation to funding agreement secured Pier Head South basin complete and open to public Northern basin complete and open to public 	<ul style="list-style-type: none"> Ferry Terminal area complete and open to public Mann Island public realm works commenced and completed
Waterfront Connections (Phase 2)	<ul style="list-style-type: none"> Programme revised and funding secured Public realm work commenced Area adjacent to Ferry Terminal and Mann Island 	<ul style="list-style-type: none"> Ancillary legal agreements in place Commence and complete 10 individual projects Canning Maritime Park, Land Agreements secured, design developed.
Mersey Ferry Terminal	<ul style="list-style-type: none"> Terminal construction completed 	<ul style="list-style-type: none"> Terminal operational Visitor attraction opened
City Centre:		
Lime St Gateway	<ul style="list-style-type: none"> CPO secured Funding approved Demolition complete Public realm works commenced 	<ul style="list-style-type: none"> Complete compensation agreements with relocated tenants Public realm works complete (Q4)
Baltic Creative Industries Trust (Property Acquisition and Fit Out)	<ul style="list-style-type: none"> Trust Established Funding bids submitted 	<ul style="list-style-type: none"> Funding Approval Design & Development Pilot Phase Fit out complete (Q4)
Commercial District:		
St Pauls (Phase 3)	<ul style="list-style-type: none"> Funding approved Planning consent obtained 	<ul style="list-style-type: none"> Developer unconditional commitment Construction commenced (Q3)
City Centre Movement Strategy:		
Castle St/Derby Square	<ul style="list-style-type: none"> Funding secured Traffic issues report compiled and options developed 	<ul style="list-style-type: none"> Detailed designs complete Castle Street (Q3) Derby Square Works complete (Q3)
University Square Knowledge Quarter (Phase I)	<ul style="list-style-type: none"> Permissions granted Commencement of work on site 	<ul style="list-style-type: none"> Completion of works (Q1)
Brownlow Hill Knowledge Quarter (Phase II)	<ul style="list-style-type: none"> Funding approved 	<ul style="list-style-type: none"> Works commence (Q1) Works complete (Q4)
Edge Lane Corridor:		
Edge Lane Acquisitions	<ul style="list-style-type: none"> CPO confirmed Acquisition of properties continued Detailed design costs for highways works completed 	<ul style="list-style-type: none"> Appeal issues resolved Approval of reserve matters Further funding secured Demolition commenced
Edge Lane Highway	<ul style="list-style-type: none"> Detailed design complete CPO confirmed High Court Challenge overruled 	<ul style="list-style-type: none"> Secure DfT funding Commence construction
North Liverpool:		
Site Acquisition & Servicing Programme		<ul style="list-style-type: none"> Funding secured Submission of detailed appraisals and valuations for

		first target sites • Demolition and site servicing commenced
Investment & Enterprise:		
Inward investment Activity	• Developed and launched new Liverpool Brand	• Public /Private fund raising for Shanghai 2010 • Investment case handling ongoing
Enterprise programme		• Approval of Funding Applications • Service Level Agreements in place with Providers • Women's Enterprise Centre Commenced (Q4)
Business Support Programme		• Approval of Funding Applications • Establish 'Financial Assistance to Business' scheme Service Level Agreements in place with Providers

Value For Money

The long term strategy for Liverpool's economy and future performance is set out in the economic prospectus for the city, people, place and prosperity. The Prospectus identifies four main pillars and seven key strategic drivers within which Liverpool Vision and its partners can influence performance to project the city on a course of faster higher value and more inclusive economic growth. Liverpool Vision provides a coherent economic development strategy delivery framework and actions to develop the economy of the City.

The approach to monitoring performance which is being developed will build upon good practice, and the particular circumstances of Liverpool Vision. The monitoring framework combines a bottom-up analysis of projects and top-down analysis of changes in strategic indicators.

We have provided a monitoring framework to the Board which has four elements:

- A review against Business Plan actions.
- Project delivery plans for key projects.
- Quarterly report of cumulative programme spend and outputs.
- Performance against strategic outcome indicators

Good News Opportunities For The Year Ahead

- Launch of Liverpool - Economic Prospectus June 2009
- Liverpool presence at Shanghai Expo 2010 March to September 2010
- Completion of Lime Street Gateway Spring 2010
- Opening of New Museum of Liverpool Spring 2010

Links to Other Programmes

Liverpool Vision's activities in 2008/09 contributed or were linked to the following key programmes;

- Liverpool Sustainable Communities Strategy – LAA Programme
- City regional inward investment programme (The Mersey Partnership)
- New Heartlands Housing Market Renewal Programme
- Business Link North West Programme

Evaluation and Succession Planning

The arrangements for the establishment of the Company provide for an interim evaluation of Liverpool Vision after five years. Individual programmes and major projects will continue to be the subject of evaluation, in line with funding requirements.

Direct Output	Lifetime	Achieved up to 31/3/09	% of lifetime outputs
Public Sector investment (£m)	264	91	34
Private Sector investment (£m)	134	12	9
Commercial Floor Space (sq m)	103,820	27,220	26
Jobs Created	6328	1165	18
Housing Units	0	0	0
Land brought back into use (ha)	31	3	10

Lifetime gearing

Brokered Output	Lifetime	Achieved up to 31/3/09	% of lifetime outputs
Public Sector investment (£m)	-	-	-
Private Sector investment (£m)	680	108	16
Commercial Floor Space (sq m)	138,100	3800	3
Jobs Created	2305	190	8
Housing Units	1254	148	12
Land brought back into use (ha)	18.5	1.68	9

Finance

Income & Expenditure account for 1st April 2008 to 31st March 2009

	Budget Annual £000	Budget YTD £000	Actual YTD £000	Forecast Outturn £000
Income/Funding				
HCA	494	494	494	494
NWDA	600	600	600	600
Liverpool City Council	3060	2722	2339	2339
Other	3	141	381	381

Expenditure

Staff Costs	3084	2633	2641	2641	67
Offices/Premises Costs	458	430	431	431	11
Traveling/Transport	69	80	56	56	1
Consultants PI/Proj	0	135	141	141	4
PR/Marketing	455	455	468	468	12
Other	91	224	76	76	5

Surplus/(Deficit) 0 0 0 0

Average No. of Staff

53

Comments

Liverpool City Council provides the major part of the company funding (£4.095m on a full 12 month basis). The vast majority of LCC funding has been received with only a small balance outstanding at 30 April 2009 (approx £15k). For the purposes of 'Actual' income/expenditure for 2009/10 the level of City Council funding allocated to the income side of the account is adjusted so that income and expenditure are in balance. The balance of City Council funding is utilised to support the delivery