

**REPORT TO:** Executive Board Sub Committee  
**DATE:** 10 September 2009  
**REPORTING OFFICER:** Strategic Director Health and Community  
**SUBJECT:** Review of Warrington Road Transit Site  
**WARD(S):** Daresbury

## **1.0 PURPOSE OF REPORT**

- 1.1 In approving the pitch charges for the new Traveller transit site on the 16<sup>th</sup> October 2008, the Executive Board Sub Committee resolved that a report be submitted after six months to review income against costs.
- 1.2 In order to consider the effectiveness of the facility and its financial and operational impact in the widest sense, a report (see Appendix) was presented to the Urban Renewal Policy and Performance Board (UR PPB) on the 17<sup>th</sup> June 2009, and that Board was invited to submit recommendations to Executive Board Sub.

## **2.0 RECOMMENDATION**

- i) **That the Board review the current arrangements in respect of the transit Site.**

## **3.0 SUPPORTING INFORMATION**

- 3.1 After debating the contents of the appended report, the resolution of the UR PPB was as follows –

*The Urban Renewal Policy and Performance Board at its meeting held on 17<sup>th</sup> June 2009 having reviewed the performance of the Gypsy and Traveller Transit Site operating in Runcorn are of the view that since opening the site has not been cost efficient in terms of its operating costs (rental revenue vs expenditure) with evidence that operational financial losses have occurred on almost every week the Site has been in operation. The Urban Renewal PPB therefore makes the following recommendations to the Executive Board Sub.*

1. *The site should be operated on a “stand alone” financial basis namely; ensuring that the site annual income covers the site’s annual operating expenditure with all opportunities to maximise income being adopted namely; the rental criteria should be levied (with the exception of the Site Manager) against all caravans/mobile homes that occupy the site and not merely some caravans/mobile homes. All other forms of determining who should or should not be charged for a pitch should cease.*

2. *Caravan pitch charges should be reviewed and increased to ensure that the objective of item 1 (above) can be realised. In determining income levels, charges should be set to reflect the need to keep several pitches vacant at any one time in order not to eliminate the legal opportunities the Transit site offers the Police to move on illegal encampments.*
3. *The site should not be subsidised financially by residents of the Borough either directly or indirectly.*
4. *The practise of using cost savings made by reducing the amount of instances HBC would have dealt with unauthorised encampments had the Transit site not been in operation to offset operational losses the site makes should cease.*
5. *The UR PPB does not accept that raising rental charges on the site would potentially lead to unauthorised encampments. This is based upon legal opinion that Gypsies and Travellers who claim limited financial means may in fact be able to claim benefits to offset the fee paid for the pitch.*
6. *There should be a contingency plan to accommodate increased demand at certain times by Gypsies and Travellers wishing to use this site and thereby minimising the risk that the Police would be unable to use their extended powers to move illegally camped Gypsies and travellers.*

*The Urban Renewal PPB also makes the following observations.*

*The PPB is of the view that supporting information provided to them to review at this meeting was in part inaccurate and that a better management of information and data by Officers in relation to this Site is required in the future to enable Councillors to arrive at a balanced conclusion.*

*It is noted that in the past comment has been expressed by some Councillors at full Council that Officers have been repeatedly asked for information on this Site with the perception being that such requests were in some ways unreasonable. This PPB wishes to point out that the role of Councillors is to scrutinise and the request for information from Officers to enable Councillors to do this is clearly a reasonable one irrespective of the number of times requests need to be made.*

- 3.2 The following comments in relation to the 6 points in the UR PPB recommendations may assist the Board in coming to a view on the future arrangements for the Transit Site
- 3.3 Point 1 – It is suggested that it would not be appropriate to charge for each caravan occupying the site. Traveller households typically have 2 caravans each, one for daily living and one for sleeping in. Any charge should be based on the number of households occupying the pitch,

and current practise already permits for double charging where there are two households occupying one pitch.

- 3.4 Point 2 - Based on the forecast deficit of £9,479 (subject to the caveats contained in the appended report) it is calculated that an increase of £4.96 on the current £11 daily charge would be necessary to balance the scheme account by year end if implemented in August. This is based on an assumption of achieving a 60% occupancy rate throughout the year, and would equate to nearly £118 per week.
- 3.5 Points 3 and 4 – whilst it is the aim for the site to be self financing, occupancy levels are unpredictable and a significant increase in the charge may impact on future levels, further increasing the deficit, although this is uncertain. A balance has to be struck between what is a reasonable charge and minimising the cost to the Council. It is not uncommon for Council charges to be set at what is fair and reasonable level rather than a commercial rate, and it is not unreasonable to look at things in the round and take account of the savings on other cost centres as a result of this scheme, and the reduction in encampments. Indeed this is the basis of ‘invest to save’.
- 3.6 Point 5 – Travellers using the site who are eligible to claim housing benefit may do so. However, many already have permanent pitches elsewhere in the country where they claim benefit, preventing a second claim being made for the transit site. The Council currently requires those using the site to pay cash in advance for their pitch until any benefit claim is processed. And those using the site for short periods may in fact leave before their benefit claim is processed and paid.
- 3.7 Point 6 – The license agreement allows for Travellers to be required to leave the site with 2 days notice. This has not proved necessary so far, but could be invoked to give the flexibility to manage the site in such a way as to create capacity in times of high demand.
- 3.8 The site has clearly been a success in terms of greatly reducing the costly and time consuming problem of unauthorised encampments in Halton. By way of illustration the Police Gypsy Traveller Liaison Officer, who attended the UR PPB, commented that there had been 11 encampments in Warrington so far in 2009, compared to 2 in Halton, one of which had been a family camped up over night waiting to move on to the transit site.
- 3.9 Raising the pitch charge is an option open to the Board, but there can be no certainty as to whether or not this will have a positive or negative impact on occupancy levels and future income. Whatever charge is set, the existence of the site provides powers to the Police and the Council to better manage unauthorised encampments and to achieve consequent reductions in overall expenditure.

#### **4.0 POLICY IMPLICATIONS**

- 4.1 There are no policy implications arising from the report.

## **5.0 OTHER IMPLICATIONS**

5.1 None.

## **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **6.1 Children and Young People in Halton**

N/A

### **6.2 Employment, Learning and Skills in Halton**

N/A

### **6.3 A Healthy Halton**

N/A

### **6.4 A Safer Halton**

N/A

### **6.5 Halton's Urban Renewal**

N/A

## **7.0 RISK ANALYSIS**

7.1 N/A

## **8.0 EQUALITY AND DIVERSITY ISSUES**

8.0 N/A

## **8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

### **Document**

Report to Exec Board  
Sub 16/10/08

### **Place of inspection**

Runcorn Town Hall

### **Contact Officer**

S Williams

## APPENDIX

**REPORT TO:** Urban Renewal Policy and Performance Board  
**DATE:** 17<sup>th</sup> June 2009  
**REPORTING OFFICER:** Strategic Director, Health and Community  
**SUBJECT:** Review of Warrington Road Transit Site  
**WARD(S):** Daresbury

### 1.0 PURPOSE OF REPORT

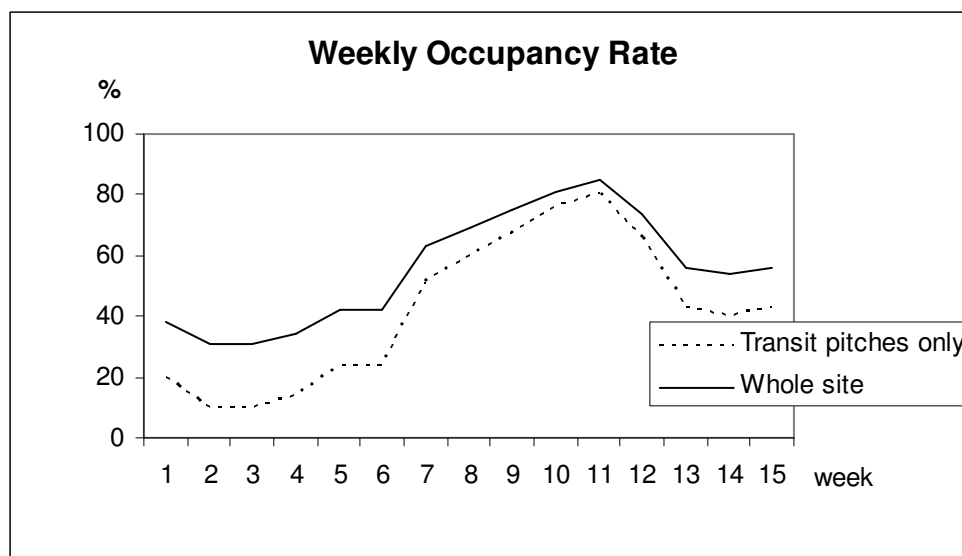
- 1.1 In approving the pitch charges for the new Traveller transit site on the 16<sup>th</sup> October 2008, the Exec Board Sub resolved that a report be submitted after six months to review income against costs.
- 1.2 In order to consider the effectiveness of the facility and its financial impact in the widest sense, it is appropriate that the report be brought for scrutiny to this Board first, with any recommendations or observations being passed on to the Executive Board Sub.

### 3.0 RECOMMENDATIONS

- ii) **That the Board considers the contents of the report and forwards any recommendations to the Executive Board Sub for consideration.**

### 3.0 SUPPORTING INFORMATION

- 3.1 The transit site opened on the 10<sup>th</sup> February 2009. Appendix 1 shows weekly occupancy levels since then (summarised in the chart below), which overall have averaged 56% of capacity, but this figure is rising due to increased occupancy in recent weeks.



- 3.2 Anecdotal evidence suggests that the reasons for the initial low level of occupancy were the fact that the early months of the year in particular are periods of reduced Traveller migration, and word had not spread to Traveller groups of the facility's existence.
- 3.3 Appendix 2 shows the draft budget used for estimating purposes when determining the necessary pitch charge. The second column is an attempt to forecast the full year budget based on known costs, estimates, and income to date, but the figures must still be considered with some caution due to no bills having been received yet for utility costs. True operating costs will not be known until the facility has operated for a year or more.
- 3.4 Estimated pitch fee income has been revised downwards on the basis that 90% occupancy is unlikely to be achieved in the first year due to the low levels achieved so far, with 60% now being the assumption. This revised budget estimate increases the forecast annual deficit from £619 to £9,479, but in establishing the true financial impact of the facility on Council budgets, regard should also be taken of the previous cost to the Council of managing unlawful encampments.
- 3.5 Financial provision for dealing with unlawful encampments has never appeared as an explicit item in Directorate budgets, but in May 2007 an exercise was undertaken to try to quantify the cost for the period 2005/06 and 2006/07. The combined results from the relevant sections in each Directorate were as follows –

Staff time	£94,053
Facilities (bins, toilets etc.)	£13,490
Clear up costs	£42,600
Private Bailiffs	£69,100
Land protection measures	£38,470
TOTAL	£257,713

or £128,856 per year.

This excludes the substantial Police costs involved as well.

- 3.6 Police records show that during 2005, the year before a managed approach was started with Haddocks Wood, there were 83 encampments in Halton. During 2006, 2007 and 2008, the period of the Haddocks Wood managed encampment, there were 66, 21 and 10 encampments respectively.
- 3.7 Although it is early days, since the transit site was established there have been only 2 encampments. This may increase over the summer months as migration increases, but it is interesting to note that most of the Travellers now accessing the transit site pre book by phone, rather than just turning up as an unauthorised encampment.
- 3.8 Of the two encampments referred to in 3.7 above, one group moved to the transit site and the other was moved from the Borough when they

declined to move to the transit site following a Police direction under s62 of the CJPOA Act 1994. They had claimed the charge of £11 per night was too much, a view expressed by most Travellers using the site.

- 3.9 Only 2 complaints have been received about the site, neither of which have been substantiated. This is in part attributable to the Warden who, supported by Council officers, has settled in quickly to his new role and has been instrumental to maintaining an orderly site.
- 3.10 What the last 3 years has clearly demonstrated is that a managed approach and the provision of an authorised stopping place have led to a marked decrease in unlawful encampments and the associated costs. Whilst the transit site is unlikely to achieve a balanced budget this year due to early losses when the site first opened, there is nevertheless a significant saving in costs when compared to expenditure incurred in previous years when an unmanaged approach was followed.
- 3.11 Halton's new approach to managing Traveller issues has been applauded by Traveller organisations, the Police and neighbouring Cheshire Councils, and in practical terms is achieving its objective of reducing unauthorised encampments. The reduction in encampments has also been welcomed by local businesses. It also means that Halton has already met its target for the provision of transit site accommodation proposed in recent draft figures set out under the partial review of the Regional Spatial Strategy.

#### **4.0 POLICY IMPLICATIONS**

- 4.1 There are no implications arising from the report itself since it is just an information report, but some may arise following debate of the report, depending on the recommendations to be passed to Executive Board Sub.

#### **5.0 OTHER IMPLICATIONS**

- 5.1 Should the Board wish to recommend change to reduce the financial deficit there are three options. The first would be to raise the pitch charge to a level that covers the shortfall, but it should be borne in mind that at £77 per week the charge is already higher than the charge set for Riverview which offers increased facilities and permanent residence, and also higher than many Housing Association rents.
- 5.2 The second would be that the proportion of the site given over to permanent occupation could be increased to minimise the risk of income loss due to under occupation, reserving a smaller number of pitches for transit use. The downside to this approach would be the additional capital cost of increasing facilities to accommodate this, the potential increase in unauthorised encampments that could not be moved quickly using s62 of the CJPOA Act 1994, and a potential increase in associated enforcement/clear up costs.

5.3 The third option would be to actively publicise the site amongst the wider Traveller community to ensure the site is as full as possible at all times, but this would be in contrast to the wider community's expectations.

5.4 Alternatively, given the remaining uncertainty about running costs and occupancy levels, the Board may wish to retain current charge levels and further review costs after a full financial year of operation.

## **7.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **6.1 Children and Young People in Halton**

Offering Travellers a safe place to stay for a reasonable period should improve access to education services.

### **6.2 Employment, Learning and Skills in Halton**

N/A

### **6.6 A Healthy Halton**

Travellers have a reduced life expectancy compared to national rates, and this site will afford Travellers the opportunity to access health and social care services more readily, thereby reducing health inequality.

### **6.7 A Safer Halton**

Roadside encampments are inherently unsafe, and reducing their occurrence through the provision of this site will reduce those risks.

### **6.8 Halton's Urban Renewal**

Proactively managing the problem of unlawful Traveller encampments will lessen the concerns of businesses in the area, particularly those on the industrial estates that historically have seen most encampments, and help to persuade them to remain and develop in Halton

## **7.0 RISK ANALYSIS**

7.1 Not applicable

## **8.0 EQUALITY AND DIVERSITY ISSUES**

8.0 Not applicable.

## **8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

### **Document**

Report to Exec Board  
Sub 16/10/08

### **Place of inspection**

Runcorn Town Hall

### **Contact Officer**

S Williams



**APPENDIX 1**

Week ending and number of days occupied

Pitch	<u>15th Feb</u>	<u>22nd Feb</u>	<u>1st Mar</u>	<u>8th Mar</u>	<u>15th Mar</u>	<u>22nd Mar</u>	<u>29-Mar</u>	<u>05-Apr</u>	<u>12-Apr</u>	<u>19-Apr</u>	<u>26-Apr</u>	<u>03-May</u>	<u>10-May</u>	<u>17-May</u>	<u>24-May</u>		
Warden's Pitch	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	2	6	7	7	7	7	7	7	7	7	7	7	7	7	7		
	3	6	7	7	7	7	7	7	7	7	7	7	7	7	7		
	4	6	7	7	7	7	7	7	7	7	7	7	7	7	7		
	5	6	7	7	7	7	7	7	7	7	7	7	7	7	7		
	6	0	0	0	3	4	0	7	7	7	6	7	7	1	0	0	
	7	0	0	0	0	3	3	7	7	7	7	7	7	1	0	0	
	8	0	0	0	0	3	7	7	7	7	7	7	7	7	7	7	
	9	0	0	0	0	0	0	7	7	7	7	7	7	7	7	7	
	10	0	0	0	0	0	0	1	7	7	7	7	7	7	7	7	
	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	12	0	0	0	0	0	0	0	0	5	7	7	7	7	7	7	
	13	6	0	0	0	0	0	0	0	0	5	7	0	0	0	1	
	14	6	7	7	7	7	7	7	7	7	7	7	4	0	0	1	
<b><u>Transit Pitches only</u></b>																<b>TOTALS</b>	
Possible occupancy days	60	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	<b>1110</b>
Actual occupancy days	12	7	7	10	17	17	36	42	47	53	56	46	30	28	30		<b>473</b>
Percentage occupancy	20%	10%	10%	14%	24%	24%	51%	60%	67%	76%	80%	66%	43%	40%	43%		
Cumulative																	<b>43%</b>
<b><u>Site Overall (excl. Warden)</u></b>																	
Possible occupancy days	78	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	<b>1443</b>
Actual occupancy days	30	28	28	31	38	38	57	63	68	74	77	67	51	49	51		<b>806</b>
Percentage occupancy	38%	31%	31%	34%	42%	42%	63%	69%	75%	81%	85%	74%	56%	54%	56%		
Cumulative																	<b>56%</b>
<b>Potential Income</b>	£858	£1,001	£1,001	£1,001	£1,001	£1,001	£1,001	£1,001	£1,001	£1,001	£1,001	£1,001	£1,001	£1,001	£1,001	£1,001	<b>£15,873</b>
<b>Actual Income</b>	£330	£308	£308	£341	£418	£418	£627	£693	£748	£814	£847	£737	£561	£539	£561		<b>£8,866</b>

## APPENDIX 2

<b><u>Expenditure</u></b>	<b><u>Original budget estimate*</u></b>	<b><u>Revised full year forecast**</u></b>
Warden (with free pitch)	13,000	13,000
Telephone	250	250
Water	4,266	2,844
Cleaning materials	450	450
Septic Tank Emptying	9,000	6,000
Electricity (individual meters/elec. cards)	7,362	4,908
Landlord elec. supply (lighting/amenity block)	2,000	2,000
Refuse collection	8,000	8,000
Maintenance	5,000	5,000 ***
Annual fire/elec. safety check	500	500
Insurance	500	71
None domestic rates	2,500	2,595
Sink fund for cyclical maintenance.	2,000	0
	<b><u>54,828</u></b>	<b><u>45,618</u></b>
<b><u>Income</u></b>		
Rent (13 pitches X 52 weeks X £77 (£11 per day) )	46,847	31,231
Sale of elec. prepayment cards	7,362	4,908
	<b><u>54,209</u></b>	<b><u>36,139</u></b>
<b><u>Net Expenditure</u></b>	<b><u>619</u></b>	<b><u>9,479</u></b>

\* based on 90% occupancy rate

\*\* based on 60% occupancy rate

\*\*\* The site is under a 1 year defects liability period under the building contract, therefore actual spend on repairs may be much less than estimated.