

# LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Metro Mayor and Members of the Combined Authority

Meeting: 1 February 2019

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

## REPORT OF THE DIRECTOR OF COMMERCIAL DEVELOPMENT AND INVESTMENT AND PORTFOLIO HOLDER: TRANSPORT AND AIR QUALITY

### **TRANSFORMING CITIES FUND:** **APPROVAL TO RELEASE UP TO £500,000 OF DEVELOPMENT FUNDING**

#### **1. PURPOSE OF REPORT**

- 1.1 This report seeks the approval of the LCR Combined Authority to commit £465,000 of the £500,000 Transforming Cities Fund, which was allocated to project development in July 2018, to enable two schemes to progress to the next stage of design and development. Both projects could meet the aims of the Transforming Cities Fund.
- 1.2 This report should be read alongside the update report on the Transforming Cities Fund on the January agenda.

#### **2. RECOMMENDATIONS**

- 2.1 It is recommended that the Liverpool City Region Combined Authority:
  - (a) Agree to grant up to £465,000 from the Transforming Cities Development Fund to support:
    - (i) Liverpool City Region Green Bus corridors (up to £215,000);
    - (ii) Liverpool City Region Cycle & Walking Network (the "Cycle Path Project", up to £250,000);
  - (b) decline support for Liverpool City Region Mass Transit Options for the reasons noted in paragraph 3.4; and
  - (c) delegate authority to the Combined Authority's Head of Paid Service to conclude satisfactory terms of the ensuing grant funding agreements.
- 2.1 Note that this report does not represent a Key Decision. Both projects currently relate to pre-development feasibility studies and no ground works are required at this stage.

### 3. BACKGROUND

- 3.1 When the Combined Authority approved the first Transforming Cities Fund commissioning round in July 2018, it made £500,000 of development funding available this financial year. As this commission pre-dated the development of the new Strategic Investment Fund Assurance Framework, the original SIF Round 1 Assurance Framework (2016) and application forms applied. This approach requires the Combined Authority to take final funding decisions on both development funding and on full funding proposals, having regard to the agreed commissioning text inviting those schemes to come forward.
- 3.2 The £500,000 in development funding was to allow Merseytravel, on behalf of the LCR CA, to accelerate scheme development work such as options testing and outline design work. This was with the aim of bringing candidate schemes that support the three themes identified, to a better state of readiness and in a stronger position for formal commissioning at a future round.
- 3.3 Merseytravel received four development funding bids:
- (a) A Green Commuter Bus Corridor scheme;
  - (b) A Liverpool City Region Cycle and Walking Network;
  - (c) Liverpool City Region Mass Transit Options; and
  - (d) Hydrogen fuelling options study.
- 3.4 All four applications were internally reviewed against the policy and deliverability criteria set out in the Transforming Cities Fund commissioning text agreed by the Combined Authority in July 2018<sup>1</sup>, in line with the Single Investment Fund assurance framework of November 2016. The review included an assessment of whether the proposed feasibility study could lead to a deliverable future project and whether that future project could meet both the objectives and timescales of the Transforming Cities Fund.
- 3.5 The four submissions were as follows:

#### 3.5.1 Liverpool City Region Green Bus corridors (£215,000)

The proposal is to undertake a feasibility study to identify how to transform and improve the busy commuter bus corridors of the A57, A562, B5178, A59 and A567.

80% of the public transport journeys in LCR are by bus but only 10% are commuter journeys. The project aims to address this and identify ways in which the commuter journey by bus can be improved and increase the interconnectivity between walking, cycling and bus routes.

The project will use feasibility funding to explore highway infrastructure measures to:

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<sup>1</sup> <https://moderngov.merseytravel.gov.uk/documents/s27419/Item%208%20-%20Report%20and%20Appendix.pdf>

- (a) Improve traffic flow and speed-up bus journeys;
- (b) Provide traffic signal upgrades to prioritise bus and improve journey times;
- (c) Improve ticketing options and access improvements to speed up boarding;
- (d) Improved bus stops, information systems, and bus infrastructure in key areas including specific options appraisal work around Prescott Bus Station (enhancing accessibility by linking in with Shakespeare North which will create increased demand), Page Moss Interchange (junction improvement and accessibility) and St Helens Bus Station (capacity improvements);
- (e) Reduce congestion and improve air quality; and
- (f) Options to decarbonize the network.

The total cost of the feasibility study is £325k; £215k from TCF with £110k matched funding. It is proposed that Merseytravel co-ordinate the feasibility study on behalf of the Local Authority partners and commission all of the works.

In the application process, Knowsley and St Helens submitted specific additional proposals (see above), which, when assessed, were deemed to fit well with the green corridor proposition and are included here for consideration.

<b>Activity</b>	<b>Lead Partner</b>	<b>TCF £k</b>	<b>Match £k</b>	<b>Sum £k</b>
Green Bus Routes Corridor interventions	Merseytravel	100	100	200
Page Moss Interchange – (A57) Liverpool Road/Stockbridge Lane/Princess Drive	Knowsley MBC	50	0	50
Prescot Town Centre – (A57) Bus Facilities and Public Realm Improvements	Knowsley MBC	15	0	15
St Helens Town Centre Gateway (A57)	St Helens MBC	50	10	60
<b>TOTAL</b>		<b>215</b>	<b>110</b>	<b>325</b>

### ***Fit with Transforming Cities***

In policy terms, it is considered that the submission accords with the commissioning text in terms of improving reliability and attractiveness of core bus routes. It fits directly with the terms of Theme 2 of the TCF commission:-

*Theme 2: Improving the appeal of public transport, and particularly bus, against private transport)*

*This will principally entail a programme of enhancements to the city region's bus highway infrastructure on core commuting routes to the main growth areas that exist or which are developing. The focus will be on technological enhancements to secure more competitive journey times, operational efficiencies, lower levels of congestion and improved air quality.*

The proposal is capable of delivery within the Transforming Cities Fund timescales, an equally significant criterion.

### 3.5.2 Liverpool City Region Cycle & Walking Network project (the “Cycle Path Project”) (£250,000)

Merseytravel on behalf of the LCWIP Steering Group (LCR Local Cycling and Walking Infrastructure Plan) requested £250,000 from the Transforming Cities Fund, to produce an outline design for six corridors within the wider LCR Cycle Network.

The proposal is linked to the successful ERDF SUD funding bid, which the Combined Authority considered in December 2018, to deliver seven initial corridors of cycling and walking improvements across the region. The ERDF SUD bid also has a TCF bid component as match to the ERDF. This proposal is the second phase in the rollout of a strategic cycling and walking network for the LCR.

The corridors identified for this feasibility study are:

- (a) City Centre - Childwall
- (b) Knowsley Cycle Route (Kirkby – Speke)
- (c) Birkenhead – Ellesmere Port
- (d) Bootle-Vauxhall-City Centre Active Travel Improvements
- (e) Lea Green Sustainable Transport Hub
- (f) Daresbury Cycle Links
- (g) By developing these six corridors to outline design stage, it will provide options for the selection of appropriate routes and the interventions that could be included.

An audit of the existing cycle and walking facilities will be undertaken for each corridor and then costed options for the routes (that adhere to the LCR Design Guide standard) will be provided. The work will inform not only the route of the six new paths but also ensure that the design of the new routes:

- (h) will be built to ambitious standards, aspiring to full or partial segregation for cyclists wherever possible, and incorporating innovative new technologies such as early-release signals for cyclists; and
- (i) will look to introduce a range of other innovative cycle infrastructure measures, including, for example, Dutch style roundabouts and cycle priority junctions, where feasible.

The total LCR network comprises 31 additional corridors of walking and cycling routes which will be delivered over the next decade.

The LCR network investment is inextricably linked to the existing cycle and walking route network and future plans to provide local connections and/or crossing points to the key road network. Delivery of this will involve working closely with the Local Authorities to ensure that the LCR network is as accessible as possible.

The estimated cost of the feasibility study is £250,000 and it will be prepared by an external consultant under the guidance of the Merseytravel LTP team.

The consultant will be procured under either Lot 7 or 11 of the Merseytravel Multi-contractor framework on behalf of the Local Authorities. This will provide a consistent approach to the design work and deliver economies of scale compared with each LA commissioning the work separately.

The cost of delivering the wider LCR Cycle Network route network is estimated to be up to £100m. This is a highly indicative based on an approximate cost of £10m per corridor (£1m per km). However, by commissioning this feasibility work, a more accurate cost for the corridors will become available.

### ***Fit with Transforming Cities***

In policy terms, it is considered that this accords with the commissioning text in allowing emerging cycling and walking schemes to be worked up to the next stage of designs and feasibility development. It fits directly with the terms of Theme 3 of the TCF commission:

#### *Theme 3: Intervening for health and wellbeing*

*This theme is focussed on decarbonising the transport network, reducing emissions and encouraging more healthy forms of travel. It covers the development of a comprehensive network of high quality, cycle and walking ways, which will link key residential and employment areas. The theme also includes measures to reduce emissions and pollution from motorised transport.*

The proposal is capable of delivery within the Transforming Cities Fund timescales, an equally significant criterion.

### **3.5.3 Liverpool City Region Mass Transit Options (£190,000)**

Liverpool and Wirral Councils requested £190,000 from the Transforming Cities Fund, to undertake a feasibility study into mass transit (i.e. innovative pod-style technology) feasibility:

- (a) Liverpool City Centre Transit Scheme – to initially link Paddington, King’s Dock, Bramley Moore and Lime Street with potential subsequent phases; and
- (b) Zero Emission Smarter Transit Feeder Vehicles – feeder system for development areas in East Wirral/Wirral Waters into existing public transport offer and linked to reduced car parking provision for new development.

The technology is not specified for either system.

### ***Fit with Transforming Cities***

From a policy perspective, this is not considered an eligible submission, based on the information contained within the application. Whilst the application could, with further elaboration, have improved its fit with TCF criteria, it did not provide sufficient comfort over the Sponsors’ ability to deliver the final project within the Transforming Cities timescale nor the deliverability of the proposal overall. The focus of the TCF commissioning

text is on enhancing the capacity and effectiveness and quality of the existing rail network.

*Theme 1: Improving and expanding the public transport network to meet new areas of demand*

*Transforming intra-city regional rail connectivity and exploiting the city region's rail network to maximise the attractiveness and uptake of the new, bespoke rolling stock on the Merseyrail network from 2019/20 onwards. This will improve the quality, capacity and resilience of the network, particularly at Liverpool Central Station, which serves the main areas of growth in the city centre.*

It is recommended that this proposal does not proceed in the current format. The proposal could be reviewed and potentially resubmitted for SIF Round II development funding.

#### **3.5.4 Hydrogen fuelling options study**

A proposal was received requesting part funding towards a feasibility study to identify the steps necessary and investment required to bring an operational fleet of approximately 30 hydrogen buses into service in LCR. The study will determine the price point at which the utilisation of hydrogen buses becomes commercially viable for the bus operators.

The bid will proceed with funding from the Mayoral Priorities allocation.

- 3.6 All final funding decisions on Transforming Cities Fund applications rest with the Combined Authority. This means that the approval of the Authority is required to release this funding as per the recommendations set out in this report.

## **4. RESOURCE IMPLICATIONS**

### **4.1 Financial**

The Combined Authority Treasurer has confirmed that the proposed funding request can be allocated from the Transforming Cities Fund.

### **4.2 Human Resources**

The Investment Team and Legal Team will lead the negotiation of the Grant Funding Agreement and the Programme Management Office will have responsibility for managing the delivery of the Combined Authority's commitment.

### **4.3 Physical Assets**

No physical assets will be created as a result of this stage of the projects.

### **4.4 Information Technology**

The approval of funding will not give rise to Information Technology issues.

## **5. RISKS AND MITIGATION**

- 5.1 If members are minded to approve the recommendations contained in this report, it will be acting in accordance with the Single Investment Assurance Framework (November 2016). However, the future management of the proposals will be in accordance with the Strategic Investment Assurance Framework, which was considered by Members at the Combined Authority meeting on 11 January 2019.
- 5.2 The principal risks relate to ensuring that funding is spent in line with the annual funding allocations. Delivery capacity in Merseytravel and within the constituent Local Authorities is key to achieving this.

## **6. EQUALITY AND DIVERSITY IMPLICATIONS**

There are no direct implications at this strategic level, but equality and diversity considerations will be addressed in detail as part of the business cases that are developed for the ensuing measures.

## **7. COMMUNICATION ISSUES**

There are no direct implications issues at this stage, but the marketing and promotion of new sustainable transport infrastructure that is delivered using the funding will be important, in order to maximise its success.

## **8 CONCLUSION**

- 8.1 The report sets out a request for approval of two development funding bids under the Transforming Cities framework, namely:

- (a) A Green Commuter Bus Corridor scheme
- (b) A Liverpool City Region Cycle and Walking Network

- 8.2 Liverpool City Region Mass Transit Options

The report seeks endorsement of the conclusion of the review of the Liverpool City Region Mass Transit Options proposal that this is not considered an eligible submission. The focus of the TCF commissioning text is on enhancing the capacity and effectiveness and quality of the existing rail network, rather than on creating an alternative or standalone system. As such, it does not meet the terms of Theme 1 of the TCF commission.

- 8.3 A key concern was that the proposed project could not be delivered within the Transforming Cities timescales.

- 8.4 The report confirms that the Hydrogen Funding application was not progressed within the remit of Transforming Cities.

- 8.5 Subject to members' endorsement of these recommendations, the report seeks delegated authority to the Combined Authority's Head of Paid Service to conclude satisfactory terms of the ensuing grant funding agreements.

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