

LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Metro Mayor and Members of the
Combined Authority

Meeting: 26 July 2019

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

Key Decision

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

TRANSFORMING CITIES FUND – LCR WALKING AND CYCLING NETWORK PHASE 1

1. PURPOSE OF REPORT

- 1.1 This report seeks Combined Authority approval to commit up to £4.8m of Transforming Cities Funding (TCF) for the first phase of the commissioned LCR cycle network.
- 1.2 Please note that this report is progressing under the investment process provided in the CA's new investment strategy and assurance framework. The assurance framework states that the basis for CA approval shall be "a summary project submission, summary appraisal submission and the Investment Panel's commentary." This report follows that requirement.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Liverpool City Region Combined Authority:
 - (a) Approve the full business case with provision of grant support of £4,800,000 for the LCR cycle network.
 - (b) Grant authority to the Director of Commercial Development and Investment to finalise negotiations of detailed terms of the funding and associated agreements in consultation with the Combined Authority Monitoring Officer and Combined Authority Treasurer.

3. BACKGROUND

- 3.1 Members will recall from previous reports that the Liverpool City Region Combined Authority will receive £172.5 million in capital grant to cover local transport

investment over a 5 year period between 2018 and 2023, to be known as the Transforming Cities Fund (TCF). The aim of the fund is to support programmes of interlinking interventions which will transform sustainable transport connectivity in key commuter routes in major city regions. This funding forms part of the Strategic Investment Fund and is managed in accordance with its underlying principles and Assurance Framework.

- 3.2 At its meeting of July 2018, the Combined Authority agreed a commissioning framework to guide the priorities that would be eligible for funding, and which comprise three priority actions:-
- Theme 1: Improving and expanding the public transport network to meet new areas of demand
 - Theme 2: Improving the appeal of public transport, and particularly bus, against private transport
 - Theme 3: Intervening for health and wellbeing

- 3.3 Theme 3 specifically is focused on decarbonising the transport network, reducing emissions and encouraging more healthy forms of travel. It will entail the development of a comprehensive programme of a network of high quality cycle-ways linking key residential areas and employment areas and also measures that reduce emissions and pollution from motorised transport.

- 3.4 At the same meeting, members also agreed to commission three specific schemes, using the first tranche of funding available, the notable priority being:-

“...c) The first stages of a comprehensive programme of very high quality segregated or on-road cycle-ways linking key residential areas and employment areas. This will have the aim of providing a cohesive and attractive core network of cycle routes serving the city region’s growth areas, including improved access to schools and colleges....”

and which was qualified further to support the case for:-

“Match funding in respect of the priority European Regional Development Fund Sustainable Urban Development (SUD) programme of green travel routes for cyclists”

At its meeting of December 2018, the Combined Authority agreed to accept £8,348,493 of funding from the Ministry of Housing, Communities and Local Government (MHCLG) from the Sustainable Urban Development Fund.

- 3.5 This report deals with the associated business case that was invited to come forward to secure match funding towards a programme of green travel routes for cyclists.

4. PROPOSAL

- 4.1 A consortium of partners has been assembled including Merseytravel (lead partner for the bid), Halton Council, Knowsley Council, Liverpool City Council, Sefton Council, St Helens Council, Wirral Council and Liverpool John Moores University.

- 4.2 Each partner will be responsible for delivering their element of the project with Merseytravel acting as programme co-ordinator. Partners will submit quarterly claims to the LCR European Structural and Investment Fund (ESIF) Compliance Team to draw down on the European Regional Development Fund (ERDF) funding secured and submit a claim to draw down the SIF TCF Funding in match.
- 4.3 The programme will deliver over 55km of cycling and walking upgrades on key corridors linking key housing sites in the region with employment and training opportunities. These aspirations match those of the Metro Mayor’s manifesto pledges to improve air quality, encourage sustainable transport and promote a walking and cycling campaign.
- 4.4 These key corridors will make up the first phase of the emerging Liverpool City Region Strategic Cycling and Walking Network. The Network will link to the public transport network and seeks to compliment future investment in both bus and rail provision by providing safe routes to bus and rail stations, supporting the Liverpool City Region Long Term Rail Strategy and Long Term Bus Strategy.
- 4.5 The programme will also deliver 49 hectares of new and upgraded habitats through the creation and management of new wood and grassland and the planting of street trees alongside the cycling and walking routes. Liverpool John Moores are delivering proposals which include a pilot project trialling innovative methods of collecting cycle count data and the development of a cycling app and journey planner. The TCF funding is not being used to support this element of the overall project.
- 4.6 The work will be delivered through a series of work packages. The total cost of the programme is £16,696,985.
- 4.7 A breakdown of the programme costs, the kilometres to be delivered in each work package and the hectares of habitat improvements is shown below:

Use of funding			Source of Funding		
Scheme Detail	Scheme Promoter	Total Scheme Cost £'000	TCF Ask £'000	ERDF £'000	LA match £'000
WP 1 – Liverpool City Centre – Speke (SUD Priority Areas 1 & 4)					
<ul style="list-style-type: none"> 6.8km upgraded cycleway 6 ha grassland upgrades 	Liverpool CC	2,147	972	1,073	102
WP 2 – Seaforth – Southport (SUD Priority Areas 3 & 7)					
<ul style="list-style-type: none"> 15km new and upgraded cycleway 10ha habitat improvements and tree planting 	Sefton	3,820	0	1,910	1,910
WP3 – Prescot – Runcorn (SUD Priority Areas 4 & 6)					

<ul style="list-style-type: none"> 7.4km new and upgraded off-road cycleway 7ha woodland management ,117 trees planted 2ha nature reserve improved 	Halton & Knowsley	2,917	798	1,458	661
WP4 – Liverpool Loop Line (SUD Priority Area 1)					
<ul style="list-style-type: none"> 6km upgraded cycleway Access improvements at 21 locations 5ha grassland and woodland management 	Merseytravel	500	250	250	0
WP 5 – St Helens (SUD Priority Area 6)					
<ul style="list-style-type: none"> 6.3km new and upgraded cycleway 8ha woodland/habitat management undertaken 	St Helens MBC	1,515	750	750	15
WP6 – Leasowe – Seacombe Ferry Terminal (SUD Priority Area 2)					
<ul style="list-style-type: none"> 3.7km new cycleway 1 ha overflow wetlands and ponds upgraded 	Wirral MBC	1,235	611	611	12
WP 7 – Runcorn – Daresbury Links (SUD Priority Area 6)					
<ul style="list-style-type: none"> 7.6km new and upgraded off road cycling and walking infrastructure introduced 	Halton BC	2,894	1,447	1,447	0
WP8 Smart Technologies* & WP9 Project Management**		1,670	0	835	835
TOTAL		16,697	4,827	8,335	3,535
Total percentage		100%	28.9%	49.9%	21.2%

4.8 The spend profile for the TCF and ERDF funding is shown below:

Year	Total cost p.a	TCF drawdown	Other incl. ERDF
2018/19	257	82	175
2019/20	8,508	2,422	6,086
2020/21	7,790	2,324	5,466
2021/22	142	0	142
Total	16,697	4,828	11,869

Each partner will procure and manage their own spend and draw down from the TCF and ERDF funds as match capital.

5. SUMMARY APPRAISAL

- 5.1 The CA engaged Steers to conduct external, economic appraisal of the Project. This report concluded that the Project represents *high* value for money. The overall BCR for the project is 3.1.
- 5.2 Appendix 1 provides a technical note setting out the value for money case.

6. INVESTMENT PANEL CONSIDERATIONS

- 6.1 At its meeting of 11 July 2019, the SIF investment panel endorsed the Project to proceed to Combined Authority consideration. It welcomed the proposal and strong value for money case. The panel provided no further conditions but noted the need for good design to enable bikes and cars to co-exist symbiotically.
- 6.2 A copy of the Investment Panel paper is attached as Appendix 2.

7. RESOURCE IMPLICATIONS

7.1. Financial

It has been confirmed that the proposed funding request can be accommodated as part of the overall Strategic Investment Fund allocation.

7.2. Human Resources

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

For Strands 1&2 the SUD Project Officer costs will be funded 50% through ERDF, with the remainder matched through existing staff resource within the LTP Development Team. Two officers will spend 25% of their time on SUD, therefore making their time eligible to be matched to the SUD Project Officer post.

7.3. Physical Assets

The physical assets to be created by the project are fully detailed in this report.

7.4. Information Technology

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

8. RISKS AND MITIGATION

- 8.1 A risk assessment and management strategy has been produced as part of the full business case.

9. EQUALITY AND DIVERSITY IMPLICATIONS

- 9.1. Equality and Diversity implications are considered as part of the appraisal process in accordance with the LCRCA's Investment Strategy.

10. COMMUNICATION ISSUES

- 10.1. All projects approved will be subject to the Combined Authority's branding guidelines and publicity requirements placed upon them as part of the Grant Agreement. In addition the Combined Authority will, through its adopted communication protocols, publicise the award of funding to the projects and the associated envisaged outcomes.

11. CONCLUSION

- 11.1 The proposal is to commit up to £4.8m of Transforming Cities Funding for the first phase of the commissioned LCR cycle network, alongside ERDF and local contributions for a project offering high value for money and seeking to improve transport and quality of life in the Liverpool City Region.

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Appendices:

Appendix 1 Economic Appraisal and Technical Note

Appendix 2 SIF Panel Paper

Background Documents: