

LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Metro Mayor and Members of the Combined Authority

Meeting: 1 November 2019

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

Key Decision

REPORT OF THE PORTFOLIO HOLDER FOR INCLUSIVE ECONOMY AND THIRD SECTOR AND THE DIRECTOR OF COMMERCIAL DEVELOPMENT AND INVESTMENT

REQUESTED CHANGES TO PREVIOUSLY AGREED SIF PROJECT: CITY CENTRE CONNECTIVITY 1

1. PURPOSE OF REPORT

- 1.1 To present changes requested by Liverpool City Council in relation to City Centre Connectivity 1, a previously approved SIF project.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Liverpool City Region Combined Authority:

- (a) Note that the LCRCA agreed to invest £38.4 million to the City Centre Connectivity 1 scheme in October 2017;
- (b) Agree the changes requested, increasing the SIF support from £38.4m to £40.15m and recognising the change to scope;
- (c) Grant delegated 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 that in October 2017 the LCR Combined Authority approved a grant contribution of up to £38,400,784 towards the multiple elements which make up City Centre Connectivity 1 (“CCC1”), including improvement works to:

- The Strand
- Victoria Street
- Tithebarn Street
- Moorfields
- Lime Street/St Georges
- Brownlow Hill
- Canning Dock
- Creation of a new City Centre Bus Hub in Old Haymarket and a City Coach Park on Riverside Drive

Work has commenced on several areas of the scheme already, however, recent unforeseen events relating to the safety related demolition of the Churchill Way flyovers have impacted on scheme delivery.

3.2 The project sponsor has since submitted a project change control to the Liverpool City Region Combined Authority (LCRCA) which seeks to make changes to the scope of the CCC1 project, and a request for the LCRCA to consider an additional contribution of £1.75m towards the total scheme costs. There will also be a need to lengthen delivery timescales.

Scheme Changes

3.3 The change control (as can be seen in Appendix 1) details an approach to removing from the scope of the current project aspects of The Strand improvements, and instead including the works required on the Churchill Flyovers. An independent economic assessment (excerpts shown in Appendix 2) has been undertaken on the value for money case relating to the changes proposed.

3.4 De-scoping of The Strand will have an impact on the overall outputs from the CCC1 scheme. Removing this element will lead to a reduction in the number of kilometers of resurfaced road and cycle way metrics. However, Liverpool City Council are indicating a long term commitment to delivering improvements to The Strand in the future, so the outputs/outcomes associated with this element may still be achieved, albeit likely to fall outside of the original timescales for the project.

3.5 The final change requested at this point is in relation to completion date. LCC has reconsidered the delivery plan for the entire scheme in light of the scope change and some historic delays in delivery. It anticipates a six month delay in overall completion, including the demolition element.

Delivery Element	Original Project Activity Completion Date	Requested Revised Date
The Strand	16/10/2020	Removal from scheme
Victoria Street	01/05/2019	22/11/2019
Tithebarn Street	22/11/2019	01/05/2020
Moorfields	30/04/2019	30/08/2019
Lime Street/St George's	20/01/2021	31/07/2021
City Centre Bus Hub	15/02/2019	06/11/2020
Brownlow Hill	30/08/2019	14/02/2020
Canning Dock Bridges	31/08/2020	01/10/2020
City Coach Park	22/11/2019	31/01/2020
Churchill Way Flyover Demolition	n/a	31/01/2020

As a consequence of the delay referred above, the works completion date is re-profiled to 31/07/2021 with a subsequent financial completion. March 2021 is the current deadline for Local Growth Fund monies which is the source of SIF funding for this project.

4. OPTIONS AVAILABLE FOR CONSIDERATION

4.1 Two options are available for consideration:

- (a) **Maintain original £38.4m and refuse increase:** This would put pressure on Project stakeholders, particularly LCC, to find alternative funding for the demolition of the flyovers given the recommendations in the Economic Assessment (Appendix 2). It could potentially increase the risk associated with the flyovers and increase the likelihood of significant negative impact on main City Centre traffic routes, including several bus routes. LCC would remain unable to deliver the original scheme on time and due to pressure to fund the demolition may be unable to satisfy their stakeholder contribution to CCC1.
- (b) **Increase commitment to £40.15m:** this option requires additional financial resources from the CA but best enables delivery.

5. RESOURCE IMPLICATIONS

5.1 Financial

Requires a 4.4% increase in Strategic Investment Funding totalling £1.75m. There are no other resource implications to the LCRCA.

6. RISKS AND MITIGATION

6.1 Members can choose to not agree to the requested changes. Such a step would mean that project delivery of agreed outputs and outcomes would likely be compromised.

7. EQUALITY AND DIVERSITY IMPLICATIONS

7.1 There are no issues arising from the contents of this report.

8. COMMUNICATION ISSUES

8.1 Appropriate liaison has occurred with relevant officers from Liverpool City Council.

8.2 An update was given to the LEP Board in July 2019 regarding several LGF funded schemes with a focus on City Centre Connectivity 1.

9. CONCLUSION

9.1 Members are requested to consider and agree changes to previously agreed SIF project.

Councillor P Hackett
PORTFOLIO HOLDER FOR INCLUSIVE ECONOMY AND THIRD SECTOR

Mark Bousfield
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Appendices

Appendix One: Project change request form and Deed of Variation

Appendix Two: Excerpts from Economic Assessment produced by Mott MacDonald

Background Documents:

Nil