

LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Metro Mayor and Members of the
Combined Authority

Meeting: 29th April 2022

Authority/Authorities Affected: All

Key Decision Yes (number 264)

EXEMPT/CONFIDENTIAL ITEM: In part
Report - No
Appendix 1 and Appendix 3 are exempt by virtue of
paragraph 3 of Part 1 of Schedule 12A of the Local
Government Act 1972

REPORT OF THE EXECUTIVE DIRECTOR OF INVESTMENT AND DELIVERY AND PORTFOLIO HOLDER: TRANSPORT AND AIR QUALITY

CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT AND LEVELLING UP FOR RECOVERY FUNDING

1. PURPOSE OF REPORT

The purpose of this report is to provide an update on the City Region Sustainable Transport Settlement (CRSTS) list of schemes, development funding and resource requirements. It also seeks approval to accept the CRSTS funding allocation, capacity funding for CRSTS, as well as the Levelling up Fund (LUF) allocation and related capacity funding. It also seeks approval for the submission of the LUF business case to Government.

2. RECOMMENDATIONS

It is recommended that the Liverpool City Region Combined Authority:

- (a) accepts funding from DfT of £710m for City Region Sustainable Transport Settlement (CRSTS) and £6,235,000 capacity funding for 2022/23 for the CRSTS programme;
- (b) accepts funding from DfT of £37.52m which includes £794,310.00 capacity funding to deliver Levelling Up Fund (LUF) schemes;
- (c) approves the development funding and resource requirements for CRSTS to facilitate programme development and delivery;

- (d) approves submission of the Levelling Up for Recovery Business Case to Government; and
- (e) delegate authority to the Executive Director of Investment and Delivery in consultation with the Executive Director - Corporate Services, the Executive Director – Place, the Chief Legal Officer and the Portfolio Holder for Transport and Air Quality, to disburse funds and develop funding agreements to delivery partners, in order to award development funding to progress CRSTS and LUF schemes. Noting that all schemes seeking funding will be presented back to the Combined Authority for consideration before capital funding is released.

3. BACKGROUND

City Region Sustainable Transport Settlement (CRSTS)

- 3.1 Pool 1 of the Transport Pipeline was agreed by the Combined Authority in March 2021. This consisted of 20 projects across the City Region and transport modes, which align with strategic priorities, will deliver significant benefits for the region and are deliverable between 2022/23 and 2026/27. The pipeline of schemes was developed using an evidence led approach and the schemes were commissioned with the intention of supporting their development and delivery, subject to the availability of funding. This agreed pipeline has helped shape both the priorities in this CRSTS bid and earlier Levelling Up Fund (LUF) submission.
- 3.2 From April 2021, the Combined Authority have been in discussions with the DfT and HMT on the next round of transport capital funding, known as CRSTS. As part of this process, £5.6m capacity (i.e. revenue) funding was allocated to the Combined Authority from the DfT to develop the pipeline projects and a further £11.1m was made available by the Combined Authority to meet the total development requirements.
- 3.3 In September 2021, the Combined Authority submitted a prospectus to the DfT as part of the Comprehensive Spending Review. After reviewing this document, the Combined Authority was awarded, subject to business case, an indicative £710m from CRSTS in October 2021 to fund capital transport interventions between 2022/23 and 2026/27.
- 3.4 Further guidance from the DfT and HM Treasury noted that to receive confirmation of this funding, Combined Authorities would need to submit a programme wide business case. The business case should take the form of an HM Treasury Green Book 5-case model that sets out the strategic case for funding, how this meets the DfT's objectives (i.e. driving growth and productivity, levelling-up services and decarbonisation) and how it relates to existing local transport plans. The business case consisted of a programme wide green book appraisal, listing all the projects in the programme, including financial, commercial case, management case and a detailed programme level value for money case.
- 3.5 Through challenge sessions and negotiations with DfT and HMT, the Combined Authority demonstrated that the schemes within the CRSTS programme focused on cohesive bus and active travel networks, with reallocation of road space to support

the government's objectives, prioritising walking, cycling and public transport. The Full Business Case was submitted to government in January 2022. The programme of schemes listed below is subject to further discussions with government over the next three months.

Scheme name	Sponsor	Scheme description	Capital cost (£m)
LCR Wide			
Local Cycling and Walking Infrastructure Plan (LCWIP) Phase 3	Merseytravel	Delivery of the third phase of the LCR's strategic walking and cycling corridors	30
Independently Powered Electrical Multiple Unit (IPEMU – Network Expansion*	Merseytravel	Retrofit programme of batteries on to new Merseyrail rolling stock to enable network expansion	71
Key Route Network (KRN) Levelling Up	Merseytravel	A package of maintenance on the KRN linked to strategic investments and interventions across the LCR	50
Highways Maintenance	Merseytravel	Carriageway resurfacing and pothole repair, surface treatments, some lighting improvements at toll plazas, safety, flood and drainage measures	221.7
Non-Highways Maintenance	Merseytravel		11.3
Transforming Cities Fund (TCF) - Headbolt Lane Station	Merseytravel	New rail station at Headbolt Lane in Knowsley, using IPEMU to power rolling stock	38.2
TCF - Active Travel	Merseytravel	Cycling and walking improvements across the LCR (LCWIP Phase 1)	2.8
TCF - Hydrogen Buses	Merseytravel	20 Hydrogen buses to serve the 10A route between Liverpool and St Helens	12.5
Cross River Corridor			
Liverpool Baltic Rail Station*	Merseytravel	Re-opening of the St James rail station in the Baltic area in Liverpool to support current and future regeneration	55
Birkenhead Central Gateway**	Wirral	Includes preferred highway alignment for the Birkenhead Central area	33
St Georges Gateway	Liverpool	Connecting Liverpool John Moores University, Liverpool City Centre and tunnels entrances with active travel and improved highways alignment	25
Cross River Connectivity	Merseytravel	Reconfiguration of the toll plazas at Kingsway and Queensway to improve bus capacity, improve journey times and relieve congestion	20
Ropewalks Phase 2**	Liverpool	Walking and cycling links in the Ropewalks area of Liverpool, pedestrianisation of roads and reallocation of highways to support local businesses	8
Mersey Gateway			
LCWIP Phase 2 (Runcorn - Daresbury)	Halton	Delivery of the LCWIP active travel route connecting Runcorn and Daresbury	6
Runcorn Station Quarter Phase 2**	Halton	New station build at Runcorn rail station to support development in the area and intra-city access	10
Runcorn Busway Active Travel	Halton	Repurposing the bus-only corridor to include	10

Scheme name	Sponsor	Scheme description	Capital cost (£m)
Corridor		active travel, linking Runcorn to housing developments and employment zones	
East Runcorn Connectivity**	Halton	Programme of works to provide transport links in the East of Runcorn to unlock residential and employment land designated in Halton's local plan	30.9
Green Bus Corridor (86)	Merseytravel	Package of measures to prioritise bus travel on 86 route between Liverpool and Speke (Liverpool Airport)	30
Eastern Gateway			
St Helens Town Centre Multimodal Interchange**	St Helens	Improvements to the bus interchange, linking into investment in the town centre and active travel modes	10
M57 J4 Active Travel Improvements**	Knowsley	Active travel and highways improvements around the motorway junction	10
St Helens Routes to Regeneration	St Helens	Improving connectivity between St Helens town centre and the major housing development site at Cowley Hill on the KRN	10
Huyton Active Travel Corridor	Knowsley	Package of works along Wilson Road in Knowsley, improving links between Huyton business park and major regeneration housing scheme at Halsnead	10
Green Bus Corridor (10a)	Merseytravel	Package of measures to prioritise bus travel on 10A route between Liverpool and St Helens	30
Coastal Corridor			
Southport Eastern Access**	Sefton	Active travel and highways improvements connecting the East of Southport to investments in the town centre	12
Stanley Dock Rail Access (Sandhills)**	Merseytravel	Capacity improvements to Sandhills rail station to support the regeneration of Bramley-Moore Dock, including the new Everton FC stadium	3
Maritime Corridor	Sefton	Active travel and highways realignment between Switch Island and the Port of Liverpool	12
Green Bus Corridor (53)	Merseytravel	Package of measures to prioritise bus travel on 53 route between Liverpool and Crosby	30
Total			792.4

*Schemes will be retained by the Department for Transport as the capital cost exceeds £50m

**Schemes that the Department for Transport require further due diligence on.

3.6 The first step in delivering the Combined Authority's ambitions was approval for £232.96m from the total CRSTS budget for Highways Maintenance and Non-Highways Maintenance at the Combined Authority's meeting in March 2022. Investments such as this will relieve congestion, improve safety for active travel and bus users and improve air quality for local communities. Delivery will begin in April 2022. The resource requirement for Highways and Non-Highways Maintenance (2023-27) is £14.35m, detailed in Appendix 1.

- 3.7 Development funding and resources required for the development of the schemes listed above totals £31.41m for 2022/23, this includes the Highways and Non-Highways Maintenance resource funding for 2022/23 of £5.44m. This will be funded through DfT capacity funding, topped up by Combined Authority revenue and CRSTS.

Levelling Up Fund (LUF)

- 3.8 The Levelling Up Fund sits outside the CRSTS fund and will invest in infrastructure that improves everyday life across the UK. The £4.8 billion fund will support town centre and high street regeneration, local transport projects, and cultural and heritage assets. This funding was open to every local authority area across the United Kingdom, it is especially intended to support investment in places where it can make the biggest difference to everyday life, including ex-industrial areas, deprived towns and coastal communities.
- 3.9 At the Combined Authority meeting in June 2021, the Combined Authority approved the proposed bid for funding from the Levelling Up Fund and proposed approach. The preferred option “Levelling Up for Recovery” will deliver three complementing packages: Package 1 – Birkenhead Central Gateway (including tunnels modernisation); Package 2 – St George’s Gateway (including Ropewalks); and Package 3 – Maritime Corridor. These schemes will be accelerated from the CRSTS schemes list above and thus free-up the funding allocated to these schemes in the CRSTS programme.
- 3.10 In October 2021, the Combined Authority was informed that the bid was successful and £37.52m would be awarded, subject to business case. The Liverpool City Region Combined Authority is the only Combined Authority to have been successful in securing transport funding from the Levelling Up Fund.
- 3.11 The Combined Authority in March 2022 was subsequently awarded a grant of £794,310.00 for development work in support of delivery towards the total commitment from government of £37.52m.

4. PROPOSAL

- 4.1 The Combined Authority submitted a Programme Wide Business Case to the DfT in order to unlock the CRSTS funding. The full allocation of £710m has now been awarded by government for projects to be delivered between 2022/23 and 2026/27.
- 4.2 A Full Business Case for LUF has now been drafted (Appendix 2) in negotiation with DfT.
- 4.3 The CRSTS and LUF allocations will be used to continue the delivery of a London Style Transport System - an integrated, world class active travel and public transport network with improved connectivity of the Merseyrail network, which will be extended to all boroughs of the city region.
- 4.4 It is proposed that CRSTS and LUF will be managed by the Director of Investment and Delivery and the Executive Director – Place in consultation with the Portfolio

Holder: Transport and Air Quality, until individual projects have been developed and assessed against the processes set out in our Assurance Framework.

5. SUMMARY APPRAISAL

- 5.1 The CRSTS programme has a full business case with a programme-wide BCR of 2.32-2.95, which indicates high Value for Money. The business case has been externally appraised to validate the robustness and deliverability of the options appraisal report. As per the Assurance Framework, each project funded by CRSTS will need to produce a full business case and be externally appraised prior to funding confirmation by the Combined Authority.
- 5.2 The LUF will bring forward readily deliverable elements of schemes within the wider CRSTS programme. The LUF projects have a programme-wide BCR of 2.29-3.23 which indicates high Value for Money. Each scheme within the LUF programme will be subject to an economic appraisal compliant with HM Treasury Green Book and DfT Transport Appraisal Guidance methodologies. A Full Business Case has been produced in support of the LUF programme.

6. RESOURCE IMPLICATIONS

6.1 Financial

It has been confirmed that the proposed funding request can be accommodated, as part of the overall City Region Sustainable Transport Settlements.

As a requirement of these funds, a local contribution is required from the Combined Authority. Details of the local contribution have been shared with government and approved as compliant as per the funding guidance. The contribution table is appended in Appendix 3.

Delivery against the local contribution will be monitored by the Department for Transport and failure to provide proposed contribution will see future years' enhancements funding reduced.

6.2 Human Resources

As part of the funding proposals set out in the recommendations above, resources for Local Authority teams, Key Route Network, Bus, Local Transport Plan Development, Rail, The Transport Development Team, Procurement, Legal, Finance, Human Resources and the Corporate Programme Management Office will be required. This will be funded through DfT capacity funding, topped up by Combined Authority revenue and CRSTS.

6.3 Physical Assets

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

6.4 Information Technology

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

7. LEGAL IMPLICATIONS

- 7.1 The Combined Authority will enter into Funding Agreements with Sponsors on a project basis on confirmation of the funding. Sponsors will be required to provide progress updates on the respective elements within the projects.

8. RISKS AND MITIGATION

- 8.1 A risk assessment and management strategy has been produced as part of the CRSTS and LUF programmes.

9 EQUALITY AND DIVERSITY IMPLICATIONS

- 9.1 Equality and Diversity implications are considered as part of the appraisal process in accordance with the Combined Authority's Investment Strategy. Programme level Equalities Impact Assessments for CRSTS and LUF have been undertaken and are provided in Appendix 4 and 5. Individual Equality and Diversity Impact assessments will be completed for each scheme within CRSTS in advance of requests for approval by the Combined Authority.

10. COMMUNICATION ISSUES

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

11. PRIVACY IMPLICATIONS

- 11.1 There are no privacy impact implications associated with this report, but this will be considered as the programme is implemented.

12. CONCLUSION

- 12.1 In summary, the proposal is:

To commit the allocation of £710m of CRSTS for the proposed list of schemes detailed in this report offering High Value for Money and seeking to improve transport and quality of life in the Liverpool City Region; the associated development and resource implications.

To approve submission of the Levelling Up for Recovery Business Case to unlock £37.52m for transport investment in the Liverpool City Region.

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Executive Director of Investment and Delivery

COUNCILLOR LIAM ROBINSON
Portfolio Holder: Transport and Air Quality

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Appendices:

Appendix 1 Development funding and resource requirements (EXEMPT)
Appendix 2 LUF Business Case
Appendix 3 CRSTS Contribution Table (EXEMPT)
Appendix 4 CRSTS Equalities Impact Assessment
Appendix 5 LUF Equalities Impact Assessment

Background Documents:

None