

MERSEY GATEWAY EXECUTIVE BOARD

At a meeting of the Mersey Gateway Executive Board on Monday, 7 April 2008 in the Marketing Suite, Municipal Building

Present: Councillors McDermott (Chairman), Wharton and Polhill

Apologies for Absence: Councillor Redhead

Absence declared on Council business: None

Officers present: B. Dodd, D. Parr, M. Reaney, D. Sutton, D. Tregear, S. Nicholson, M. Noone and M. Simpson

Also in attendance: Councillor Findon

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

Action

MGEB14MINUTES

The minutes of the meeting held on 24th January 2008, having been printed and circulated, were taken as read and signed as a correct record.

PLANNING, TRANSPORTATION, REGENERATION AND RENEWAL PORTFOLIO

MGEB15PROGRESS WITH THE MERSEY GATEWAY
STATUTORY PLANNING PROCESS

The Board received an update report on the progress made towards commencing the statutory planning process for Mersey Gateway. It was noted that on the 31st March 2008 the Merseyside Gateway Project had submitted the first phase of formal applications for Mersey Gateway to Halton Borough Council as Planning Authority for consideration. A second phase of formal applications would be submitted to the Council at the end of May 2008 and it was anticipated that the Planning Authority would have processed all applications, by June/July 2008

It was noted that as part of the first and second phase

Planning Applications there would be a statutory period of public consultation. At the conclusion of the consultation process any objections received could trigger a Public Inquiry.

The Board was advised that in early May 2008 a leaflet would be produced and circulated advising the public on the Statutory Planning processes for the Mersey Gateway.

RESOLVED: That Members note the progress made and the next steps to be taken.

MGEB16STRATEGIC OUTLINE BUSINESS CASE

The Board received a report which provided an update on the Mersey Gateway Strategic Business Case to reflect the considerable developments in the scheme since it was submitted to the DfT in July 2005. The information reported provided a summary of the Mersey Gateway Strategic Outline Business Case that had been prepared by the Mersey Gateway Project Team and previously accepted by the Mersey Gateway Officer Project Board. The report also included a review of the tolling strategy, financial case and value for money case.

It was reported that the Government had recently published a statement of its Transport Policy in the White Paper "Towards a Sustainable Transport System" – the Government's response to Eddington and Stern. The White Paper set out the challenge for transport in a world faced with climate change and associated economic considerations.

Eddington had stressed the importance of reliable transport and network resilience for business but similar requirements applied to ensure that effective civil contingency plans were in place. Mersey Gateway would provide the additional road capacity required to restore network resilience for road river crossings between the Merseyside Tunnels and M6 at Thelwall. To ensure the potential operational benefits were realised the following additional project objective was proposed in the Strategic Outline Business Case:

"To restore effective network resilience for road transport across the River Mersey."

At a local policy level, it was noted that the Programme Entry funding approval by the Department for

Transport in March 2006 enabled the supporting policy for Mersey Gateway to be developed in more detail and brought up to date. These supporting policies would be embraced in the Community Strategy, Corporate Plan and Local Development Framework. In addition, the Council had commenced preparation of a Mersey Gateway Regeneration Strategy. The outcome of the Regeneration Strategy would also inform the Council's priorities for physical investment and urban renewal.

As part of the development of a sustainable and integrated transport system for the Borough, the Council had commissioned a Mersey Gateway Sustainable Transport study. The report had recommended that a bus based transit system utilising new as well as existing infrastructure and facilities would be the most achievable and affordable way forward and enable step changed improvements to be delivered in the short to medium term. The report also recognised that the development of light rail should not however be precluded but this should be seen as an option for the longer term.

The study was ongoing and potential schemes that would deliver the required improvements to bus services and cycling and walking facilities had been identified. A series of focussed public consultations and group interviews had been undertaken to understand the views of Halton's residents on public transport at present and in the future with the Mersey Gateway project. The Sustainable Transport study was aimed at delivering service improvements by 2015.

With regard to tolling the Council had established a policy that was intended to allow successful delivery of Mersey Gateway within funding limits agreed with Ministers. The principal objective of tolling were:

- i) to operate a toll concession scheme within the limits of affordability, so as to mitigate the impact of tolls on local users who were currently able to use the Silver Jubilee Bridge free of charge, many of whom were frequently crossing the river and some fall within social inclusion target groups;
- ii) to manage demand to ensure the delivery transport and environment benefits, by maintaining free flow traffic conditions on the Mersey Gateway and Silver Jubilee Bridge and delivering priority for public transport on the Silver Jubilee Bridge; and

iii) to transfer demand risk to the concessionaire for the duration of the concession, by allowing the operator to manage that demand through the toll charged, within the constraints of the legal powers and the regulations agreed in the Concession Contract, consistent with the objective of protecting local users.

The new traffic model forecasts support the projected benefits from tolls as future traffic levels are suppressed by the tolling charges. The lower traffic levels with tolling prevent any general increase in traffic noise and air pollution (including carbon green house gases) across the Borough that would otherwise occur without the scheme.

It was proposed that bidders for toll operator (probably in their Standard Bid) should be asked to assume that toll levels were set initially at levels matching those at the Mersey Tunnels, increasing thereafter in line with inflation. Although during the bidding process prospective operators would have the opportunity to submit variant proposals that may prove more attractive for the Council. It was further proposed that they be told to assume that a fixed level of Central Government funding was available for the project. It was proposed that bidders should then be asked to bid the level of economic interest in the toll revenue which they were prepared to make available to the Council.

It was noted that the minimum Benefit Cost Ratio for qualifying as medium value for money was lower than the programme entry submission and hence the headroom to withstand any downward adjustment by Department for Transport had been reduced.

The Strategic Outline Business Case established the resource requirements for the next stage plan that would progress the project through the planning process and procurement, culminating with the start of construction in 2011. A resource plan was in preparation and would be reported to the Mersey Gateway Executive Board in May.

Arising from the discussion it was agreed that a Mersey Crossing monthly briefing note be sent to Councillor Round with a copy to Daniel Barrett.

RESOLVED: That Members

(1) note that Mersey Gateway still benefits from policy support at National, Regional and Local levels;

(2) agree to the additional project objective “to restore

effective network resilience for road transport across the River Mersey”, to align the project aims with the Eddington recommendations;

Project Director

(3) agree the principal elements of the tolling proposals which were designed to maximise the opportunity to deliver the project within the funding limits and to provide a best value option for funding toll discounts and a Mersey Gateway sustainable transport programme;

(4) note that the current financial analysis results show that the project remains on course to be delivered within the funding limits agreed with Government, with toll levels based on the current Mersey Tunnel charges; and

(5) note that the value for money parameters required by Government as a funding condition were satisfied but the headroom available to satisfy the condition had been reduced.

MGEB17REPORT ON THE OUTCOMES OF RECENT MEETINGS WITH THE DEPARTMENT FOR TRANSPORT

The Board received a report which outlined the progress made in recent meetings with the Department for Transport officials dealing with the review of the value for money case for Mersey Gateway and their assessment of whether the project remained on course to be delivered within the funding limits agreed with Ministers. Following several meetings with Department officials the following actions had been agreed:

i) the Department would not ask the Council to postpone the commencement of the first phase Planning Application if the Council was ready to make such an application and the endorsement of value for money and project delivery were still outstanding; and

ii) department officials and the Mersey Gateway Project Team would establish a work programme that should enable the Department to confirm its views and advise Ministers accordingly. The work was planned to be concluded before the second phase of the Planning Application process commenced.

The work programme to support the Department's review had now been agreed and information was being submitted in line with the agreed dates. The information and assessment drew on the content of the Strategic Outline Business Case as discussed previously.

It was noted that in response to the Department's invitation to submit a bid for contribution towards development (preparation) costs, a letter had been sent requesting Ministers to give consideration to providing a contribution of £6.2m, to be phased over three broadly equal payments over three years. Department officials had advised that they were prepared to endorse the bid and phasing arrangements but it would be a matter for Ministers to decide whether the bid was accepted and in full. The funding of such a bid was also being discussed with the Government Regional Office.

RESOLVED: That the progress made be noted and the action taken supported.

MINUTES ISSUED: 15th April 2008

CALL IN: 22nd April 2008

Any matter decided by the Mersey Gateway Executive Board may be called in no later than 22nd April 2008

Meeting ended at 11.08 a.m.