

REPORT TO: Mersey Gateway Exec Board

DATE: 17th June 2010

REPORTING OFFICER: Strategic Director, Environment & Economy

SUBJECT: Policy and Responsibilities emerging from the Coalition Government that are relevant to Mersey Gateway

WARDS: All Wards

1.0 PURPOSE OF THE REPORT

1.1 To advise Members of the developments with the coalition Government that are relevant to securing the approvals necessary to commence the formal procurement process.

2.0 RECOMMENDATION: That the Mersey Gateway Executive Board:

- (1) note the developments reported and the action taken by the project team to ensure that new Ministers and local Members of Parliament are briefed on the merits of Mersey Gateway.

3.0 SUPPORTING INFORMATION

3.1 Following the General Election, the Department for Transport ministerial team has now been confirmed:

- Philip Hammond – Secretary of State for Transport
- Theresa Villiers – Minister of State for Transport
- Mike Penning – Junior Transport Minister
- Norman Baker (Lib Dem) – Junior Transport Minister

3.2 Ministerial responsibilities will be as follows:

Philip Hammond

- Overall responsibility for transport strategy;
- Spending Review that will be reported in the November Statement;
- Transport Security; and
- High Speed Rail.

Mike Penning

- Strategic Roads and Highways Agency;
- Motoring Agencies;
- Road Safety and Standards;
- Freight and Logistics – including lorry road user charging; and
- Maritime and Dangerous Goods (including Maritime and Coastguard Agency).

Theresa Villiers

- Rail;
- London – including Crossrail;
- Olympics;
- Europe; and
- Aviation – including Air Accidents Investigation Branch.

Norman Baker

- Regional and Local Transport;
- Buses and Taxis – including concessionary fares;
- Walking and Cycling;
- Accessibility and Equalities; and
- Alternatives to Travel.

3.3 Norman Baker will have the key policy role for Mersey Gateway given his responsibility for regional and local transport but the Secretary of State, Philip Hammond, will be overseeing departmental spending, leading to the confirmation of the Department's budget for the next three years expected to be announced in November.

3.4 Members will appreciate that the information emerging from the coalition Government is changing rapidly and the advice in this report will be updated orally at the meeting. The policy emerging from the coalition is an amalgam of Election Manifestos. The policy announcements confirmed thus far have tended to address the topics where an element of consensus already existed in manifesto pledges. For example Philip Hammond has ruled out national road user charging for this Parliament but has advocated the use of private sector funding in order to keep infrastructure projects moving forward, but has stated that tolling should only be used on new roads. The fact that Mersey Gateway is largely funded by the private sector should prove attractive to Ministers who want to keep infrastructure projects going with much reduced public funding.

3.5 The Mersey Gateway Project Director has already provided briefing to the Shadow ministerial team prior to election purdah and although the actual appointments differ from the Shadow team who received this briefing, it is likely that the above Ministers are also aware of the briefing

provided. To consolidate the understanding of why Mersey Gateway is essential for Halton and the region, we plan to write to the Secretary of State and Norman Baker.

- 3.6 In our letter to Philip Hammond, we intend to stress that Mersey Gateway represents high value for money, and in recent months we have worked with his officials to put in place a procurement and funding framework that will drive value for money and establish a commercial incentive for the private sector to deliver the improved services that road users and businesses expect, and where the benefits would be long lasting through the sensitive application of a road charging regime. We propose to confirm that the Council has won the argument that local road tolling is the only practicable solution that empowers the community to solve an acute transport problem, aided by the widespread view that living with the current bottleneck and deteriorating service is not an option.
- 3.7 A key factor we intend to stress to Norman Baker is the strong environmental and sustainable case for Mersey Gateway. Members may be aware that Norman Baker has been very vocal in his criticism of building new roads. It remains to be seen whether he will carry this approach on into Government, but Mersey Gateway is a special case leading to transport benefits across all modes, whilst supporting social and regeneration programmes. The full coalition Government agreement provides a good indication of the direction the new Government is likely to pursue, talking of an imperative to *“reform the way decisions are made on which transport decisions to prioritise, so that the benefits of low carbon proposals (including light rail schemes) are fully recognised”*.
- 3.8 At the Department for Communities and Local Government, Eric Pickles, former Conservative Party Chairman, was appointed as Secretary of State. He has previously shadowed this role whilst in opposition and spoke at the Mersey Gateway/LGA reception at Conservative Party Conference in Birmingham in 2008. The planning decision for Mersey Gateway will be announced jointly by the Secretaries of State for Transport (Philip Hammond) and the Secretary of State for Communities and Local Government (Eric Pickles). In our briefing to both we will point out that Halton and the regional community is looking forward to a decision on planning and investment as early as possible in this new Parliament. Mersey Gateway is well suited for such an early decision as it has already been through a rigorous planning and public inquiry process and initial preparations for the delivery of the project through procurement have already commenced. An early decision will also represent greater value for money for the project.
- 3.9 Some changes to the local Members of Parliament have also taken place with Graham Evans taking Weaver Vale for the Conservatives, whilst Warrington South (David Mowat), City of Chester (Stephen Mosley) and Wirral West (Esther McVey) were also picked up by the Conservatives. There were also a few local changes on the Labour side, given the

number of MP's deciding to stand down from Parliament at this election: Alison McGovern (Wirral South), former Liverpool Lord Mayor Steve Rotheram (Liverpool Walton), Luciana Berger (Liverpool Wavertree) and ex-Education Minister Stephen Twigg (Liverpool West Derby) are amongst the new faces.

3.10 Derek Twigg has obviously been and continues to be a leading spokesperson for the Mersey Gateway project. The campaign to secure Government approval for Mersey Gateway will now also draw on the cross-party support, evident in the views expressed by David Mowat and Graham Evans.

3.11 All Merseyside, Cheshire and Warrington MP's elected at the 2010 election have been provided with a briefing note attached at the annex to this report. Our intention is to hold a briefing event for local MP's later in the year, hopefully within the Parliamentary Estate. The Chief Executive will be exploring the possibility of Derek Twigg and Graham Evans jointly hosting this event for the Mersey Gateway.

Reducing the Deficit

3.12 The Chancellor of the Exchequer has announced details of the spending cuts required for the current financial year that are required as a start to reduce the budget deficit. The focus will be on "non-priority" areas, with Ministers insisting they are clamping down on waste and that services on which the most vulnerable in society rely will be untouched. At the moment, information of exact areas that will be directly affected is limited in terms of detail. Further details are likely to emerge in the Chancellor's Emergency Budget on 22nd June. There will also be a Comprehensive Spending Review in the autumn, prefaced by a fully consultative process involving the public and private sectors.

3.13 The Chief Secretary and spending Ministers are also reviewing all spending approvals issued since 1st January 2010 to ensure they are consistent with the new Government's priorities and offer good value for money. It is likely that the Final Funding Approval for the major maintenance scheme for Silver Jubilee Bridge granted by former Ministers earlier this year will be covered by this policy review. We have yet to receive any confirmation or details of such a review in connection with the approved funding for SJB.

3.14 DfT's initial contribution to the circa £6bn savings planned for the current year amounts to 11% of the total, and will include the following:

- A £309 million reduction in specific grants to local authorities;
- A possible £108 million reduction in the DfT's grant to TfL; and
- A reduction of £100 million in Network Rail spending.

- 3.15 Members will be advised of any new developments with the coalition Government's policy or spending priorities that may impact on Mersey Gateway as they arise.

4.0 POLICY IMPLICATIONS

- 4.1 The project is a key priority for the Council which will deliver benefits locally and across the wider region.

5.0 OTHER IMPLICATIONS

- 5.1 Members will be kept advised of any change in the risk or funding position as draft proposals are agreed with Department officials.
- 5.2 As explained above, the delay in commencing procurement is factored into the current financial model that will be used to establish the PFI Credits required to deliver the project with toll charges similar to those applying at Mersey Tunnels.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

There will be an indirect contribution to contribute to Key Objective E: To ensure that all children and young people in Halton have positive futures after school by embracing life-long learning, employment opportunities and enjoying a positive standard of living.

6.2 Employment, Learning and Skills in Halton

There will be an indirect contribution to Key Objective B: To develop a culture where learning is valued and to raise skill levels throughout the adult population and in the local workforce.

6.3 A Healthy Halton

There will be opportunities for biodiversity activities to contribute to Key Objective C: To promote a healthy living environment and lifestyles to protect the health of the public, sustain individual good health and well-being, and help prevent and efficiently manage illness.

6.4 A Safer Halton

There will be opportunities to contribute to Key Objective C: To create and sustain better neighbourhoods that are well designed, well built, well maintained, safe and valued by the people who live in them, reflecting the priorities of residents.

6.5 Halton's Urban Renewal

There will be opportunities to contribute to Key Objective E: To enhance, promote and celebrate the quality of the built and natural environment in Halton. Tackling the legacy of contamination and dereliction to further improve the Borough's image. In particular, in Area of Focus 12, examples of future planned activity include "Creating local nature reserves and wild spaces that support the Council's efforts to deliver urban renewal and a better quality of life in Halton". The Mersey Gateway nature reserve will be a main delivery mechanism for this Area of Focus.

7.0 RISK ANALYSIS

- 7.1 The communications strategy is now being revised to take account of the new coalition Government and potential changes to regional agencies that could take place in the near future so that the widespread support for Mersey Gateway is not put at risk.

8.0 EQUALITY AND DIVERSITY ISSUES

- 8.1 Mersey Gateway provides an opportunity to improve accessibility to services, education and employment for all.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

- 9.1 Files maintained by the Mersey Gateway Project Team and by the Highways and Transportation Department.