

REPORT: Executive Board

DATE: 2 April 2009

REPORTING OFFICER: Strategic Director - Environment

SUBJECT: Liverpool City Region Transport Governance Review and the Draft Liverpool City Region Multi Area Agreement.

WARDS: Boroughwide

1. PURPOSE

1.1 To report on the current status of the Liverpool City Region Transport Governance Review and the development of the Liverpool City Region Multi Area Agreement (MAA), Transport Platform.

2. RECOMMENDATIONS

It is recommended that:

(1) The proposal to engage transport consultants Atkins to carry out the study on Liverpool City Region Transport Governance be endorsed;

(2) Members endorse the intention of the Transport Working Group to explore the potential for producing a joint Local transport Plan for Merseyside and Halton i.e. the Liverpool City Region; and

(3) Work to continue to develop the draft Liverpool City Region MAA; Platform 4 – ‘Transport for a Growing City Region’ and the ‘Asks’ of Government contained therein, be endorsed.

3. SUPPORTING INFORMATION

Liverpool City Region Transport Governance Review

3.1 The Local Transport Act (LTA) was given Royal Assent on the 26th November 2008 and subsequently became the Local Transport Act 2008. The Act is a co-ordinating and enabling Act designed to provide additional powers relating to buses, transport governance and delivery and Road User Charging (RUC).

3.2 On the 9th February 2009, the existing six Passenger Transport Authorities (PTA) in England, were renamed Integrated Transport Authorities (ITA). One such PTA was Merseytravel. At this point, the ITA immediately assumed:

- A duty to take a lead on developing Local Transport Plans (LTP's) rather than doing so jointly with the districts - these now become more flexible documents with no fixed periods for renewal;

- A power to promote well-being equivalent to that given to local authorities by the Local Government Act 2000; and
- A power, jointly with local authorities, to make road charging schemes.

3.3 The ITA can also work with local authorities to put forward proposals to Government to:

- Extend its boundaries;
- Extend its influence over the highway network (subject to Governance review);
- Extend its powers over the local heavy rail network; and
- Change its name.

3.4 The LTA presents new opportunities to English local authorities outside London to improve the governance of transport, and hence to improve the provision of transport and highway services to all who use and depend upon them every day. In reviewing governance arrangements, it is important to consider the broader objectives and priorities for the improvement of the LCR area, in particular, how transport can be planned and managed in a way which best supports sustainable economic growth. The ITA changes will be locally determined to meet local circumstances.

3.5 Halton is now part of the Liverpool City Region (LCR) along with Knowsley, Liverpool City, Sefton, St Helens, Wirral and Merseytravel. City Region Leaders agreed to the establishment of a Transport Working Group (TWG) to begin examining potential new governance arrangements for the ITA. A draft Governance Study Brief (Annex 1) has been developed by the TWG, and it is intended that this will be issued to transport consultants Atkins when all necessary approvals are in place.

3.6 The study will be conducted in three stages:

- Stage One – Problem analysis and identification:
 - Current delivery arrangements;
 - Current governance arrangements;
 - Funding;
 - Potential geographic extent of the LCR; and
 - Stage one conclusions and options for stage 2;
- Stage Two – Identification and assessment of options:
 - What is required to achieve the LCR transport objectives? and
 - What governance arrangements follow from this analysis?
- Stage Three – Conclusions and recommendations.

3.7 Work already completed by the Transport Working Group, has identified 7 possible options (the Discussion Model), these include:

- ITA takes existing Merseytravel powers, with Halton Borough Council retaining transport authority powers. Highway and traffic authority powers remain with districts;

- ITA takes existing Merseytravel powers, plus Halton’s transport authority powers. Highway and traffic authority powers remain with districts;
- ITA takes existing Merseytravel powers, plus Halton’s transport authority powers, plus highway and traffic authority powers for whole City Region, but without designated highway network;
- ITA takes existing Merseytravel powers, plus Halton’s transport authority powers, with ITA and districts having highway and traffic authority powers for separate designated highway networks;
- ITA takes existing Merseytravel powers, plus Halton’s transport authority powers, with ITA and districts having traffic authority powers for separate designated highway networks. District councils retain all highway authority powers for their areas;
- ITA takes existing Merseytravel powers, plus Halton’s transport authority powers, plus all highway and traffic authority powers for the whole City Region; and
- ITA takes existing Merseytravel Powers, plus all traffic authority powers for the whole City Region. District Councils retain all highway authority powers for their areas.

The Governance Review may also identify other possible options that would be explored.

3.8 There is a very strong emphasis on wide stakeholder involvement within this process; this will need particularly strong Member engagement.

3.9 Evidence from others suggests that the study, which will be commissioned through the TWG, via Merseytravel, could take up to 2 years to complete from consideration of final recommendations through to implementation.

3.10 As indicated above, issues concerning governance of the LCR are actively under consideration. To help inform this process and with advice from the Department of Transport (DfT), the Transport Working Group has proposed that the Merseyside authorities and Halton will work together to produce a joint Local Transport Plan (LTP3) to ensure that transport issues across the LCR are effectively and efficiently addressed. Members are recommended to note that the Transport Working Group intend to explore the issues and potential for preparing a Joint Local Transport Plan in the future with any final recommendation being brought back to Members for their consideration.

Liverpool City Region MAA

3.11 A LCR Multi Area Agreement (MAA) is in preparation which will create a framework within which the six city region local authorities, Merseytravel (now an ITA), government and its agencies, and other partners can cooperate to deliver improved economic performance.

3.12 The first stage of the MAA incorporating the ‘Story of Place’ and Employment and Skills Platform has been agreed and is now being developed to include Housing, Economic Development and Transport Platforms. The

Transport Platform of the MAA, Platform 4 – ‘Transport for a Growing City Region’, has the following overall aim:

‘Our aim is an efficient and sustainable network that supports the Liverpool City Region’s aspirations across economic growth, skills and employment and housing. In doing this we will seek to assist business and regeneration, reduce our carbon output and provide all members of the community with equal opportunity to access jobs, training and other opportunities.’

3.13 Some very helpful discussions have been held with GONW in developing the MAA. There have been some key messages, over and above our previous guideline not to seek additional funding or promote particular schemes:

1. The MAA should be seen as a ‘something for something’ approach i.e. what can we offer DfT and Government in helping the national and regional agendas.
2. We should pitch our proposals on an ‘ask and offer’ basis i.e. if DfT agree our ‘Ask’ we need to clearly set out what that will mean in terms what we are able to ‘offer’ through better delivery; and
3. DfT has suggested that a very important part of the process was to identify where additional help could come from areas than just Government.

3.14 The MAA proposals are designed to integrate the key LCR priorities with responsibilities for delivering the shared national transport priorities. In particular, it is intended to work with the DfT, to take forward ‘Delivering a Sustainable Transport System’ (DaSTS) which outlines the Government’s five goals for transport, focusing on the challenge of delivering strong economic growth while at the same time reducing greenhouse gas emissions.

3.15 Finally, the proposals will help to deliver against appropriate Public Service Agreements (PSA) targets, and will link with Local Area Agreements (LAA) to help deliver their transport targets.

3.16 The Transport Platform of the MAA is still in the development stage; however, it is intended for it to be incorporated into the full LCR MAA in early summer. As indicated above key components of the document are the ‘Asks’ of Government, which if agreed, would enable barriers to the implementation of transport strategies to be addressed. In return, the LCR has to indicate what it can offer to enable benefits to be realized. The current proposed Asks are described below:

- **ASK 1- Improving access to employment and opportunities**

Synopsis – Access to employment and education opportunities are essential for the City Region. All evidence supports the view that this is not simply a transport issue and that land use/location choice are critical, as are the policies and funding of key agencies such as DWP through Job Centre Plus.

Summary

Government Departments and its agencies agree to work with the LCR Transport Partnership to facilitate a package of measures to secure a long term planning and funding framework that provides clear equality of opportunity to those without access to private transport.

- 1.1 Government to re-affirm their commitment to accessibility planning and ensure priorities are set out in clear lines of responsibilities for all stakeholders.
- 1.2 To underpin this approach, Government and local partners to map funding streams and timelines and to agree how synergy between different funding streams can be achieved to enable a single accessibility strategy to be offered and delivered
- 1.3 In order to establish long term funding for this approach, the LCR and Government examine the cross sector benefits of transport interventions to create a clear understanding of costs and benefits across the different delivery and funding agents.
- 1.4 Examine clearer guidelines on locational choice at both home and destination.

Offer

- (i) The LCR will build on its position as a Beacon Authority to work with the Accessibility and Equalities Unit to develop proposals for establishing a new national forum on access issues with a view to developing a longer term strategy for improving accessibility.
 - (ii) The LCR will use the new City Region structures, in collaboration with the LSPs, to secure cross sector integration to help deliver stretch targets on accessibility indicators.
- **ASK 2 - Improving capacity and connectivity in the LCR network.**

Synopsis – The geographic location of the LCR means that connectivity to the regional and national networks is critical. Its importance as a major port and centre of an extensive logistics sector reinforces this importance. The LCR have agreed to build on this strength in developing ‘Superport’ as one of its transformational programmes. This is seen as a potential key area in the future economic recovery of the LCR post recession. DaSTS has confirmed this by its recent upgrading of port access to national/international status. Linking with Ask 1 and Ask 3 is

critical and there are concerns about capacity constraints on the local rail network.

Summary

Government Departments and its agencies agree to work with the LCR Transport Partnership to examine and develop improved national, regional and local connectivity, addressing network capacity issues. Government and its agencies agree to the following enabling measures:-

Ask

- 2.1 Extend local rail franchising to cover the LCR and implement Full Local Decision Making for Merseyrail electrics
- 2.2 Full policy and financial commitment to, and delivery of, the Manchester Rail Hub Solution(s) in the Control Period 4 (2009-2014).
- 2.3 Full policy and financial commitment to, and delivery of, the Liverpool City Centre Stations (Central and James Street) Solutions in the Control Period 4 (2009-2014).
- 2.4 Optimising the management and maintenance of the strategic national and local highway network through a package of measures including, enhanced infrastructure and integration of national and LCR highway network Variable Message Signing.
- 2.5 Support the newly designated national port access route by developing short and longer term measures to help strategic access to the Port of Liverpool ,. (This forms part of the transformational Superport project).

Offer

- (i) Improved reliability of the local rail network leading to increased patronage and reduced congestion levels.
- (ii) Improved accessibility to the Port supporting its enhanced role as a Port of national significance.

- ***ASK 3 - Low Carbon Transport City - Reducing emissions and addressing climate change***

Synopsis – Supporting national economic competitiveness and growth whilst reducing transport's carbon dioxide

emissions and tackling climate change is identified in DaSTS as the single greatest challenge facing transport. The LCR Transport Partnership is committed to meeting these twin goals and the requirements of the Climate Change Act and supporting the LCR transformational programme around a low carbon economy. The outcome is clear, but developing the options and most cost-effective solutions is the next stage.

Summary

DfT and its agencies agree to work with and fund the LCR Transport Partnership to examine and develop the options that will deliver the DaSTS challenges of supporting economic growth and tackling climate change.

Ask

- 3.1 Clarify the role of Transport Innovation Fund (TIF) and examine the scope for greater flexibility in using TIF to support wider DaSTS priorities
- 3.2 Designate and fund the City Region as a 'Sustainable City' rolling out the lessons of the 'Sustainable Towns' on a much larger scale. Explore new means of funding smarter choices and put in place an evidence base to support their greater application.
- 3.3 Work with the LCR Freight Quality Partnership to promote further the opportunities for best practice in balancing the needs of freight and communities and examine priority areas for consideration. We will also look to how to incentivise behaviour change and carbon reduction. This is clearly linked as well to Ask 2 and Access to the Port.

Offer

- (i) A modern and innovative approach to a transport network supporting the aims of DaSTS and the LCR carbon economy.
- (ii) Development of a clear evidence base capable of being applied to other large conurbations.

As a package our proposals will deliver:-

A network designed to ensure the efficient movement of people and goods, addressing congestion and accessibility through:-

- (ii) A comprehensive package of measures to ensure that nobody is excluded from the economic and social life of the City region because of lack of transport.

- (iii) A reliable and efficient transport network that supports economic growth and productivity based on an enhanced local rail network responsive to local demands, and able to offer real alternatives to the car.
- (iv) A long term comprehensive package to support the City Region's strengths around the port and logistics.
- (v) A network designed to support the City Regions strengths and priorities based on best practice in addressing transports contribution to climate change, and securing a healthy natural environment for the future

As a package the proposals will deliver:-

A network designed to ensure the efficient movement of people and goods, addressing congestion and accessibility through:-

- (i) A comprehensive package of measures to ensure that nobody is excluded from the economic and social life of the City region because of lack of transport;
- (ii) A reliable and efficient transport network that supports economic growth and productivity based on an enhanced local rail network responsive to local demands, and able to offer real alternatives to the car;
- (iii) A long term comprehensive package to support the City Region's strengths around the port and logistics; and
- (iv) A network designed to support the City Region's strengths and priorities based on best practice in addressing transports contribution to climate change, and securing a healthy natural environment for the future.

3.17 Government Office North West has commented positively on the draft Transport Platform, but has suggested a number of areas that require improvement. These comments are now in the process of being addressed and will inform the next draft of the MAA.

4.0 FINANCIAL IMPLICATIONS

4.1 The cost of the Transport Governance Review Study is expected to be in the region of £120,000, £50,000 of which will be funded through the Regional Efficiency and Improvement Partnership (REIP). The remainder is to be covered by each of the six districts and Merseytravel. Halton Borough Council's contribution will be £3100, which will be funded from existing revenue resources.

5.0 RISK ANALYSIS

5.1 There are no risks directly associated with this report. However, in determining LCR Governance arrangements, consideration will be given to any associated risks, at the appropriate time.

6. POLICY IMPLICATIONS

6.1 A decision to produce a Joint Local Transport Plan for the LCR area will impact on the development of transport policy in Halton. In addition, decisions taken on the LCR Governance Review could also impact on this area of work and on areas of service delivery. These impacts will be assessed in greater detail in the review.

7.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

As this report is concerned with a review of existing Transport Governance arrangements, and 'Asks' of Government, with all outcomes still to be determined, there are, at this stage, no direct implications for any of the Council's priorities.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 As this report is concerned with a review of existing Transport Governance arrangements, and 'Asks' of Government, with all outcomes still to be determined, there are, at this stage, no direct implications for equality and diversity.

9.0 BACKGROUND PAPERS

Information held in the Transport Policy and Performance Section, Environmental Services, Rutland House, Halton Lea, Runcorn. Contact Steve Eccles Ext 3127.

ANNEX 1

Final Version
20 March.2009.

Liverpool City Region

Proposed governance review for transport

Study Brief

Introduction

1. The Liverpool City Region, (LCR), wishes to undertake a comprehensive review of current arrangements for the governance and management of its transport functions. This is within the context of the Local Transport Act (LTA), and wider changes being made within the overall governance of the City Region.

The Liverpool City Region

2. This proposal is being issued on behalf of the Merseyside Transport Partnership, (MTP) and Halton Borough Council. The MTP is currently made up of the five Merseyside local authorities, Liverpool City Council and the District Councils of Knowsley, Sefton, St Helens and Wirral, and Merseytravel, which is the Merseyside Integrated Transport Authority and Passenger Transport Executive for Merseyside.
3. Both Merseyside and Halton LTP's are rated excellent for both the quality of the current LTP, and for delivery of the first LTP. In addition, acting jointly, the MTP and Halton have been awarded Beacon status for work on accessibility.
4. Although there are two separate LTP's, the MTP and Halton coordinate activities at officer and Member level.
5. This arrangement is mirrored at the wider City Region level, where shadow City Region Cabinet arrangements are now in place. It is proposed that the Cabinet should be formally constituted and operational in Autumn 2009.
6. In January 2009 the City Region signed the first stage of the Multi Area Agreement, (MAA). A second stage, embracing transport, economy and housing will be submitted in June 2009.

The Transport Working Group.

7. The City Region has so far decided that there will be six main Platforms under the Cabinet. Transport is one of these. Within the current arrangements, each portfolio is led by a Cabinet Member supported by a Chief Executive. Under the current shadow arrangements, the transport platform is led by Halton.

8. In anticipation of the Local Transport Bill, City Region Leaders agreed the establishment of a Transport Working Group, (TWG) to begin examining potential new governance arrangements. This is co-Chaired by the Chief Executives of Halton and Merseytravel. The Terms of Reference and Membership of TWG are contained in Annexe One.
9. Beside the two LTP's described above, the TWG has a working draft City Region Transport Vision and Strategy, which has been endorsed by Leaders. It is also taking responsibility for the transport elements of the proposed City Region Multi Area Agreement, (MAA) which is due to be agreed in June 2009.
10. The TWG is the commissioner of this brief and will act as the Steering Group for the work. This is described in greater detail later in this brief. The Merseyside Passenger Transport Executive will act as the partnership's accountable body for contractual purposes.

Work already undertaken.

11. The TWG has undertaken an internal review of possible governance arrangements and has examined emerging proposals from other Metropolitan areas.
12. Leaders have agreed the following as an interim position, pending the full review.
 - (i) An Integrated Transport Authority (ITA) should be established building on the existing PTA.
 - (ii) The ITA to consist of 20 LA Members (18 allocated to the 5 LAs currently members of the PTA as per the current PTA allocations plus two from Halton).
 - (iii) Scrutiny of the ITA would be through the City Region Cabinet and the new LCR Scrutiny Board to be established under the City Region Prospectus. (The LCR Scrutiny Board to consist of elected members from all 6 LA's led by the Scrutiny Chairs from across the LCR – details to be confirmed).
 - (iv) From time to time Stakeholders will be co-opted onto the LCR Scrutiny Panel.

The proposed review

13. The LTA presents new opportunities to English local authorities outside London to improve the governance of transport, and hence to improve the provision of transport services to all who use and depend upon them every day. In considering governance arrangements it is important to base the work on a clear view of the broader objectives and priorities for the improvement of the area. In particular, how transport can be planned and managed in a way which best supports sustainable economic growth.
14. We are determined that new governance arrangements are based firmly on the principle of form following function.

General principles for the review

15. It will be clear from the foregoing that the LCR has made considerable progress in examining potential governance arrangements for transport. In addition new wider governance arrangements for the City Region are well advanced. The starting point for this review is therefore:-
 - (i) The powers contained within the LTA are well understood and do not require any further in depth analysis;
 - (ii) Wider City Region governance arrangements are established and transport's place within those broadly understood;
 - (iii) The Local Authorities and the ITA have produced a range of potential options for detailed examination within the context of i) and ii) above; and
 - (iv) In addition to the particular demands made within this brief, the work should be carried out within the context of the DfT's 'Guidance on Governance Reviews and the Publication of Governance Schemes'.(DfT Dec 2008).

NB In relation to 15 iii) above, the TWG have produced a Discussion Model. This is attached as Annexe Two and is referred to more fully in paragraph 29 below.

16. In setting out the key functions of the review, the over riding concern is to ensure that it is acknowledged as independent and transparent, and that its findings will be examined by a broad range of stakeholders. It is therefore critical that a step by step process establishes a knowledge base for final decision making. We will expect a clear framework for consultation to be set out at the earliest stage of the review. This should take account of the DfT guidance and any subsequent discussions with DfT and GONW on likely requirements in this area.
17. The Review should take the draft LCR Transport Vision and Strategy, along with the emerging MAA, and ensure a 'read across' between the two sets of proposals. The Liverpool City Region Development Plan

and Merseyside Action Plan are additional strategic frameworks that need to be taken account of in undertaking the Review.

Proposed phasing of the Review

18. The proposal is broken down into three stages identified in the DfT guidance.
- Stage One: problem analysis and identification of objectives
 - Stage Two: identification and assessment of options
 - Stage Three: conclusions and recommendations

Stage One - problem analysis and identification of objectives

The LCR context.

19. This phase will establish a clear understanding of the context for transport within the LCR. It will affirm the aims and objectives for transport within the context of :-
- (i) The LTP's and Progress Reports
 - (ii) Draft LCR Transport Vision and Strategy
 - (iii) LCR Development Plan and Merseyside Action Plan,
 - (iv) MAA, and LAAs
 - (v) North West Operational Programme
 - (vi) National priorities;
 - (vii) Regional strategies does this include Northern Way?
 - (viii) Future challenges emerging from guidance on LTP3, 'Delivering a Sustainable Transport System,' (DaSTS) Regional Strategy and other relevant guidance or legislation.
 - (ix) The Merseytravel Best Value Performance Plan.

Current delivery arrangements

20. This will examine the current delivery arrangements for implementation of policy and programmes taking account of;-
- (i) The respective responsibilities of the ITA/PTE and LA's.
 - (ii) The existing situation in Halton which is a single transport authority covering all aspects of transport.
 - (iii) How the current provision of two LTP's impacts on serving a single LCR.
 - (iv) The strengths and weaknesses of delivering transport, highway and traffic functions/services via the different authorities.
 - (v) Examine the links between transport and land use planning and the current divisions in responsibilities and potential weaknesses in the Merseyside system, as opposed to the perceived strength of the unitary system in Halton.

21. At this stage there should be an acknowledgement of the issues surrounding the possible extension of ITA/PTE operations into Halton.
22. A particular concern in this element of the work will be to address the issue of the current 'excellent' status of the two LTP's and clearly establish the rationale for any change given that status.

Current governance arrangements

23. This phase will examine the current arrangements for managing policy and implementation it will examine;
 - (i) The current operational structure of Merseytravel, taking account of the responsibilities of the ITA and PTE;
 - (ii) Current operational structures of the Merseyside local authorities in terms of transport responsibilities
 - (iii) The current operational structure of Halton taking account of its responsibilities as a joint highways and transport authority:
 - (iv) Taking account of the above the respective roles of the ITA, PTE and LA's in policy, planning and implementation.
 - (v) Current joint working arrangements including the role of the Local Transport Plan Coordination Group, (LTPCG) and Merseyside Strategic Transport and Engineering Group, (MSTEG).
 - (vi) The relationship of the transport management arrangements to the wider City Region LA structure including Regeneration, Chief Executives, and shadow City Region Cabinet.
 - (vii) The relationship with wider City Region bodies such as the Sub Regional Partnership, (SRP), Local Strategic Partnerships, (LSP) and regional bodies;
 - (viii) The role of the Merseyside Strategic Transportation and Planning Committee, (MSTPC) in relation to the above.
 - (ix) The role of other key stakeholders involved in both the maintenance of the asset and use of the asset including

Improvement of the asset – public realm
 Management of the asset - road safety; NRSWA; Highways Development Control, (DC); Traffic Management events/ co-ordination; parking; co-ordinating utilities work.

Use of the asset – Bus operators; rail- Merseyrail and national; Highways Agency, (HA Airport; Port and; freight.)

- (x) It must also consider connectivity/linkages with other policy areas including, housing; planning; quality of life (neighbourhoods agenda and quality of life); economic growth; and, health.

Funding

- 24. Within the context of wider considerations, current transport funding arrangements, for both capital and revenue in terms of accountability and funding flows should be examined. Account must also be taken of proposals for the Integrated Transport and Maintenance blocks to become part of the Regional Funding Allocation, (RFA), and what these arrangements may have on any proposals arising from this review.

Potential geographic extent of the LCR.

- 25. Account should be taken of possible extensions to the current LCR boundaries into Cheshire, Lancashire and potentially, having influence over LCR's travel to work area, extending into North East Wales. We would anticipate discussion on these issues being evidenced by current travel to work patterns in the LCR. In the first instance possible extensions should be confined to consideration of LA's invited to be associate members of the LCR, Cabinet Details are contained within Annexe Two.

Stage One Conclusions and options for stage two.

- 26. Completion of the four phases identified above will mark the completion of Stage One. Discussion and decisions reached on issues identified in this stage will form the platform for Stage Two.
- 27. Stage One will have:-
 - (i) Gained a full understanding of current governance and delivery mechanisms, including those between the transport sector and wider LCR structures and governance;
 - (ii) Identified the key LCR priorities,
 - (iii) Identified strengths of the current system;
 - (iv) Identified weaknesses where the system can be improved;
 - (v) Against this analysis, recommend a set of prioritised objectives against which proposals for change may be evaluated to ensure transport delivers against LCR requirements.
 - (vi) Make recommendations for Stage Two that set out the critical features that revised governance arrangements will deliver.
- 28. Debate and agreement at this stage, with a wide range of stakeholders will be crucial in determining the next stage.

Stage Two - Identification and assessment of options.

What is required to achieve the LCR transport objectives.

29. Stage one will have established the agreed transport objectives and the context within the wider LCR priorities. As well as the strengths and weaknesses of the current methods of transport delivery this phase examines the best ways to plan, manage and implement transport strategy, policy and plans. This will require analysis of both governance and support structures. It will examine the options already identified in the Discussion Model and set these alongside the objectives identified from Stage One.
30. A clear analysis of how each option performs in terms of meeting the objectives agreed in Stage One will be required. This will include a detailed assessment of costs associated with each, taking account of the most effective support systems required for each option.
31. Examination of the possible role of the ITA becoming Highway Authority and an assessment of the implications that this could have in relation to the land use planning system. Conversely, this should also assess the land use planning implications of the ITA's transport powers passing to the district councils or to (an) alternative body(ies). This element should also assess the value of the ITA's "power of direction" provision outlined within the LTA, from both an infrastructure planning potential and a planning development control perspective.
32. Depending on examination of issues such as the potential geographic reach of the LCR, recommendations on a phased or incremental approach may be required. This will also apply to the form of the ITA set out below.
33. Stakeholder debate will be required throughout this stage.

What governance arrangements follow from this analysis.

34. Based on analysis set out above, this phase examines the preferred options for the form, membership and constitution of the ITA. This should take account of any need for an incremental approach based around possible future changes in area covered.
35. This phase will need to take account of the developing wider City Region governance and requirements emerging from the City Region Cabinet. The relationship between the ITA and City Region Cabinet, and other City Region Boards must be clearly examined and clear lines of authority and communication established.
36. The review must take account of the proposals to facilitate more formal sub -regional collaboration through the Local Democracy, Economic Development and Construction Bill, (LDEDC); this provides the means to establish a formal Economic Prosperity Board, (EPB), The shadow City Region Cabinet have indicated that they wish pursue a model of statutory sub-regional governance. The potential implications for this in terms of the ITA should be examined.
37. The role of scrutiny within this framework will be important. Particular reference to the current role of MSTPC will be needed at this stage.

38. There will be a particular need to examine any implications arising from the Merseyside MAA. This will not relate solely to the final set of proposals that may be set out in the MAA, but also the lessons learned from the overall MAA process, in terms of how transport at the City Region level can best be stitched into the wider policy agenda, at a working level, and at City Region Board level. This will need to take account of the responsibilities of the other Boards in terms of ensuring transport implications of their proposals are accurately reflected.
39. In examining the above, account must be taken of the prospects set out in the SNR and reiterated in the letter from Government sent on 22 December, 2008, ' *Pre Budget Report: City Regions*', setting out the criteria, for the establishment of Economic Prosperity Boards, for the City Region. This proposition holds out the possibility of such a body absorbing the ITA's role and responsibilities. Full details of this and the City Region response are attached as Annexe Three.
40. The Review must take full account of the implications of these proposals and offer recommendations in terms of future transport governance. This is a critical stage of the Review, and close adherence to the DfT guidance is required. In particular we would expect the following:-
 - (i) The implications of the ITA taking responsibility for developing policies and planning leading to LTP3 –The DfT Guidance paragraph 5.33 notes the 'statutory duty' to implement the policies of the ITA. We will require a full understanding as to the best means to make this happen in practice. There are two particular implications that will need examination:-
 - (a) There are currently two LTP's covering the City Region. Although there is an acceptance in principle of the advantages of a single LTP, the possible continuation of a separate LTP for Halton will need to be considered, including the working relationships with the ITA; and
 - (b) There will need to be an in depth examination of the working arrangements between the ITA and the Highways Authority in areas such as the duties and responsibilities under the Traffic Management Act, (TMA), and how strategic networks may be defined and managed.
 - (ii) Within this context, the possible advantages of implementing proposals contained within paragraph 5.43 and 5.44 must be examined.
 - (iii) It follows that a critical examination of delivery of the ITA's proposals must also take account of the respective roles of the ITA and its PTE, as set out in paragraph 5.22 and 5.23 of the guidance. Issues arising from the District Audit report relating to the Merseyside report on the Merseytram governance arrangements will need to be taken account of here

41. This detailed analysis will lead to clear recommendations on the proposed constitutional arrangements for the ITA. The review must also identify those recommendations for which it looks likely there will be a requirement for changes in legislation, and for which early engagement with the DfT is advised.
42. There will also be a need for recommendations for support and staffing arrangements, taking account of the analysis carried out above. The overall costs of options must be clearly spelt out.

Stage Two – conclusions and options for Stage Three

43. The end of this stage will:-
 - (i) Provide a detailed assessment of best forms of delivery;
 - (ii) Based on the above a clear assessment of the best form for the ITA; and
 - (iii) Provide clear costs and benefits for the options chosen.
44. Further stakeholder engagement will be required at this stage.

Stage Three – Conclusions and recommendations

45. This stage provides a final set of recommendations with full costs and benefits.

Stakeholder engagement

46. Extensive stakeholder engagement will be required. The DfT will produce guidance on this and this will be used to better inform this element of the work.

Timescales

47. There is a working assumption of 3 months per Stage. Within Stage One we anticipate agreement on the overall scope and structure of the review to be completed within the first two weeks.
48. There is a very strong emphasis on wide stakeholder involvement within this process; this will need particularly strong Member engagement. It is recognised that this requirement may well influence overall timescales and the timing of particular stages of the review. We would expect the Consultants experience from elsewhere to guide assumptions on likely timescales, and for early warning of potential delays during the Review itself.
49. However, TWG are anxious that the Review is completed as quickly as possible, and ideally by the end of 2009.