

LCR OVERVIEW AND SCRUTINY COMMITTEE

At a meeting of the LCR Overview and Scrutiny Committee held in the Authority Chamber - No.1 Mann Island, Liverpool, L3 1BP on Wednesday, 17th January, 2024 the following Members were

P r e s e n t:

Councillor Pat Moloney
Vice - Chairperson of the Committee
(in the Chair)

Councillor Pat Moloney, LCR Liberal Democrat Group
Councillor Chris Loftus, Halton Borough Council
Councillor Mike Desmond, Sefton Metropolitan Borough Council
Councillor Phil Hart, Sefton Borough Council
Councillor Eddie Dourley, Halton Council
Councillor Edna Finneran, Knowsley Metropolitan Borough Council
Councillor Christine Howard, Sefton Metropolitan Borough Council
Councillor Trisha Long, St Helens Council
Councillor Tricia O'Brien, Liverpool City Council
Councillor Brian Spencer, St Helens MBC
Councillor Derek Long, St Helens Metropolitan Borough Council
Councillor Joanne Burke, Knowsley MBC
Councillor Gary Bennett, Knowsley Council
Councillor Steve Radford, Liverpool City Council (arrived at 2.36pm)

30 APOLOGIES

Apologies for absence were received on behalf of Councillors Paula Basnett, Jane Corbett, Angela Davies, Graham Davies, David Hawley and Angela Teeling.

31 DECLARATIONS OF INTEREST

No declarations of interest were received.

32 MINUTES

RESOLVED – That the minutes of the meetings held on 25 October 2023 and the notes of the inquorate meeting held on 4 December 2023 were agreed as a correct record.

33 MAYORAL COMBINED AUTHORITY BUDGET 2024-25

The Committee considered the report of the Portfolio Holder for Policy, Reform and Resources and the Executive Director of Corporate Services, which provided the Members of the Overview and Scrutiny Committee with an opportunity to consider and make recommendations on the 2024/25 budget for the Liverpool City Region Combined Authority prior to its approval at the meeting of the Combined Authority on 26 January 2024.

The Mayor, Steve Rotheram, introduced the proposed 2024/25 Combined Authority Budget. He advised the Committee that this budget reflected the prevailing economic challenges and were possible residents and constituent Local Authorities had been shielded from passing on any undue economic burden.

The Mayor advised Members that the proposal was to again freeze the Mayoral Precept at the same level as when it was first introduced, which for most households was between £12 and £14 per year.

The Mayor also summarised how the budget proposals would support the following:

- Support the delivery of bus franchising;
- Through the Adult Education Budget, continue to build a skilled workforce which aligns with the creation of jobs to support new technologies;
- Support the Mersey Tidal programme;
- Deliver a Commercialisation Strategy to maximise the opportunity to secure financial resources.

John Fogarty advised the budget had been balanced against a challenging financial situation, in particular inflation rates in the Transport and Bus sector. However, the proposed budget would allow the Combined Authority to invest in the key mayoral priorities of bus franchising and the tidal programme and there had also been a focus on identifying savings through business transformation.

In respect of the budget proposals, Members raised the following questions and comments:

- Clarity was sought on what was meant by 'spending more smartly'?

The Committee was advised that the best example of this would be bus franchising. Currently, commercial bus operators will focus on the profitable bus routes and Merseytravel then has to provide routes and services which aren't as lucrative such as late night and Sunday services. Bus Franchising would enable the profits of the commercial routes to cross subsidise areas.

- Attention was drawn to the Low Carbon Delivery Board and why schemes which were outside of the City Region boundary were listed.

A commitment was that a response to this question would be provided outside of the meeting.

- In relation to the reduction in senior management, clarity was sought on how this was being achieved?

The Committee was advised that if senior managers moved on to other opportunities outside of the organisation, then the post would be reviewed to determine if it was still required and whether the responsibilities could be subsumed within an existing role(s).

- In relation to table six, an explanation was sought on what was being accounted for in respect of infrastructure reserves?

Members were advised that the infrastructure reserve provided the flexibility to use funding for either capital or revenue.

- Observed that the reduction in UK Shared Prosperity Funding (UKSPF) by 37% was scandalous.
- A key component of the budget was net debt service cost and along with increasing interest rates, how confident was the Combined Authority that it could accommodate any further increases within the proposed budget.

John Fogarty, Executive Director of Corporate Services advised the Committee that in terms of borrowing there he was confident in capital finance as there had been no new significant borrowing over the period were there had been high interest rates. In terms of future borrowing, there had been a lot of work undertaken to assess what this may look like and was reflected within the proposed budget.

The Chair thanked the Mayor and Officers for their presentation and contributions.

RESOLVED - That:

- (i) the contents of the report be noted;
- (ii) the budget proposals for 2024/25 be commended to the LCR Combined Authority and the comments raised by the Committee be considered by the LCR Combined Authority as part of the formal approval of the Budget for 2024/25; and
- (iii) the Committee placed on record their thanks to Officers for the work in delivering this budget.

34 TOWARDS A SPATIAL DEVELOPMENT STRATEGY FOR THE LIVERPOOL CITY REGION - ENGAGEMENT

Councillor P Moloney advised the Committee that Councillor S Radford had joined the meeting and would proceed to Chair the meeting.

Councillor Steve Radford
Chair of the Committee
(in the Chair)

The Committee considered a report of the Executive Director – Policy, Strategy and Government Relations which set out the progress of the LCR Spatial Development Strategy (SDS) and the draft approaches and policies that views were being sought on, through a non-statutory engagement process.

Members views on the draft Spatial Development Strategy and further opportunities to engage were sought.

In response, Members raised the following questions and comments:

- The content of the Strategy was praised, noting that it was refreshingly clear, well written and easy to understand.
- Clarity was sought on how engagement with sections of society who would not normally participate in such activities would be undertaken and the anticipated return rates of these groups.

The Committee was advised that the aim was to have 1,000 people respond to the engagement. This would be through a combination of events in a variety of different locations across the City Region, for example Liverpool Central Station.

- Attention was drawn to Map 5.8 – Green Belt and Best and Most versatile agricultural land within the Rural City Region. Assurance was sought that the Strategy would be seeking to protect the green space.

In response, Members were referred to Map 4.1 Spatial Strategy which designated the rural city region areas, along with inner urban areas and towns. In respect of the Liverpool City Council boundary the policy was proposing that development should be focused on the inner urban and wider urban areas. The policy also stipulated that the Liverpool City Region greenbelt would be protected by national and local policy. Furthermore, the policy had a brownfield first approach and was seeking to protect the green belt. The sites identified within the SDS were those which had already been identified in the constituent Local Authority Local Plans or planning applications.

- A good example of developing on green field was Parkside, St Helens. The Brownfield first approach was supported, however, the Government needed to increase the funding available to Local Authorities and the Combined Authority to support the remediation of brownfield sites, as the current estimated cost for remediating brownfield sites in the North was £1 billion.
- The Committee was informed that as part of scrutiny activity at Sefton Council, some Sefton Councillors had visited Gilmoor Recycling Plant. This had alerted the Committee to recommend the encouragement of responsible waste management as part of the planning process and it was welcoming to see if included within the SDS Policy LCR DP12 – Resources.

In summary, the Committee was informed that the Liverpool City Region was currently the only area to be developing a Spatial Development Strategy (SDS), which if adopted, would put the City Region in a strong position. The SDS was also a collective document and so for those Local Authorities with older Local Plans it may assist them.

The Chair thanked Gayle Wootton, Interim Lead Officer – Spatial Planning, for the excellent report and congratulated the team on a well-researched and presented Strategy.

RESOLVED – That:

- (i) the progress on the Strategic Development Strategy (SDS) and the current engagement process be noted; and
- (ii) the outcome of the non-statutory engagement be presented to a future meeting of this Committee.

35 WORK PROGRAMME UPDATE 2023-24

The Committee considered a report of the Statutory Scrutiny Officer which sought views on the work programme and provided an opportunity to identify any items for further consideration from the Key Decision Forward Plan. An Action Tracker was also attached which recorded actions from previous meetings of the Committee.

A verbal update was provided regarding the Peer Review of the Scrutiny Function which was to be undertaken by the Local Government Association (LGA) and the Centre for Governance and Scrutiny (CfGS). Unfortunately, Peer Members with the right experience had not been available to support the Review and as this was a vital aspect of the work, it had been determined, that the Peer Review would not proceed as proposed. However, with the recent publication of the Scrutiny Protocol, a Task and Finish Group would be established to enable a review of the scrutiny function to take place and consider how to embed the Scrutiny Protocol within the Overview and Scrutiny arrangements.

RESOLVED – That:

- (i) The work programme attached at Appendix One be approved;
- (ii) The Forward Plan of Key Decisions at Appendix Two be noted; and
- (iii) The establishment of a Task and Finish Group to review the scrutiny function be approved.

36 BUS SERVICE IMPROVEMENT PLAN UPDATE

The Committee considered a report of the Executive Director – Place and the Portfolio Holder: Transport which presented a revised version of the City Region's Bus Service Improvement Plan (BSIP) and a suite of supporting policies and strategies. These had been developed in the context of the decision to franchise the region's bus network, the changing local policy environment and the emerging Local Transport Plan.

A Member sought clarity on when the fleet of hydrogen buses would be visible on the bus network. The Committee was informed that there were currently two hydrogen

vehicles in service of the 10a route and work was progressing on securing a hydrogen supplier to enable a further roll out of the vehicles.

A Member noted that the success of a bus franchising system would be the delivery of high-quality bus lines and sought on update the re-allocation of road space recognising that the punctuality of the bus service would be critical to bus franchising success.

RESOLVED – That the draft Bus Service Improvement Plan and the supporting policies and strategies be commended to the LCR Combined Authority for their approval on 26 January 2024.

37 TRANSPORT MATTERS

The Chair, Councillor S Radford, informed the Committee that following reports in the local press, regarding a delay in the Baltic Train Station development and issues with the newly opened Headbolt Lane Train station, he felt it would be appropriate for the Committee to examine these issues in further detail.

Tony Killen, Rail Development Advisor (Stations), LCR Combined Authority provided the Committee with a verbal update on the Baltic Station development. He explained that the station was in contract with Network Rail and the outline design should be completed by the end of January 2024, following which the design would be submitted to Liverpool City Council for planning approval. Members were informed that it had been a long process to secure the funding for this station from the Department of Transport (DfT), which was estimated to be in the region of £100 million. Subject to planning approval being granted and DfT being comfortable with the investment, it was hoped that the award and design would take place in September 2024 with the station opening in March 2028.

It was further reported that the costs were a realistic and robust assessment which included station works and work to the adjacent highway at Upper Parliament Street. These works would make the station increasingly accessible to pedestrians and cyclists.

Neil Grabham, Managing Director of Merseyrail explained to the Committee that the performance from Headbolt Lane hadn't been up to the standards expected. He explained that the challenges being experienced at Headbolt Lane were due to with the automatic power transfer between battery and third rail power. However, in recent weeks there had been improvements to the reliability from Headbolt Lane from 78% performance to 95% and the volume of cancelled trains had reduced from 14% to 2%.

Members were informed that the Mayor had written to all rail pass holders who used Headbolt Lane to offer them a 100% refund. To date 650 claims had been received with 550 of them being paid.

Members welcomed the update and were encouraged to hear of the improved performance on Headbolt Lane.

Members raised the following questions and comments:

- Noted that the improved performance at Headbolt Lane would reduce the pressure on Kirkby Train Station and the associated car parking issues.

Members were informed that the footpath to County Road was being checked to ensure the lighting levels were correct and it was hoped that the new car park at Headbolt Lane would be open at the end of January 2024.

- Had consideration been given to including a retail offer at Headbolt Lane?

It was reported that the options for a commercial unit at Headbolt Lane were being considered and would also be determined by the footfall to the Station.

- Clarity was sought on the manufacture of the new trains and what arrangements were in place to ensure the reliability of the fleet when they were handed over.

Members were informed that Stadler was manufacturing the trains and the issues with reliability had been due to the software on the driver control unit. The trains are accepted by Merseytravel and they then go to Stadler UK who are responsible for the maintenance and service of the trains. There was a contract in place to ensure that the trains are maintained to the required level and Stadler UK are held to account through this process.

- What had been the impact of the contractor on the Headbolt Lane development going into administration and what lessons had been learnt.

Members were informed that the due diligence had been completed and the contractor had always performed well. It was understood that they had taken on work outside of the rail industry which hadn't performed well and resulted in the company going into administration. It was explained that a new contractor had been found promptly, however, it had meant that the opening of the Station had been delayed. The administration of the contractor had been a shock to the rail industry and the performance of future contractors would be kept under closer watch.

The Committee thanked Neil Grabham and Tony Killen for their re-assuring commentary and the measures which had been taken to address the poor performance.

RESOLVED – That the presentation and comments raised be noted.

LCR Overview and Scrutiny Committee - Wednesday, 17 January 2024

The meeting closed at 3.05 pm

Minutes 30 to 37 be received as a correct record on the 28 day of February 2024.

Chairperson of the Committee